

Memorandum

November 28, 2023

MEMO TO: Mayor David West
Budget Chair, Regional & Local Councillor Joe DiPaola
Members of Budget Committee of the Whole

COPY TO: Darlene Joslin, City Manager
Stephen Huycke, Director, Legislative Services/City Clerk

FROM: Gigi Li
Director, Financial Services & Treasurer

SUBJECT: 2024 Draft Operating Budget – Budget Mitigating Options

At its meeting November 21st, 2023 the Budget Committee of the Whole considered the 2024 Draft Capital Budget and Forecast. At the meeting, the Budget Chair directed Staff to provide a list of possible decisions that BCW Committee Members could make beyond the proposed 2024 Draft Operating Budget to reduce the tax rate increase.

The purpose of this memo is to provide a list of the potential budget mitigating options, although not recommended by Staff, represent choices that can be made that will have budget implications and potential reduction in costs and tax rate in 2024. It is important to note that these choices will effect service delivery or a reduction in service level or have future-year tax rate consequences.

The 2024 Draft Operating Budget presented is a financial expression of the City's priorities and responsibilities. It's a fiscally responsible budget, a balancing act of operating in an unprecedented environment to maintain service levels with many factors impacting the budget including post pandemic recovery, high inflation and cost escalations, as well as provincial legislative changes.

The initial internal budget submission came in at a 6.63% tax rate increase. The draft budget and proposed tax rate increase of 4.76%, currently before the Budget Committee of the Whole with no service cuts proposed in the 2024 Draft Operating Budget, were the outcome of a thorough review of the budget through a continuous improvement lens and the diligent efforts of the Staff in exploring all budget mitigating measures and opportunities. This proposed tax rate increase is more than 1% lower than what was projected in the 2024 Financial Outlook at 5.78%



2024 Summary of Budget Mitigating Options

As requested at the BCW meeting, the attached list of budget mitigating options have been compiled by Staff and submitted to Budget Committee of the Whole as part of the 2024 Operating Budget review.

The following table highlights the annual tax impact for a 1% tax rate equivalent.

1% Tax Rate Equivalent	Annual Tax Impact on Average Residential Property
\$1.278 million	\$20.28

Submitted by:

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Gigi Li
Director, Financial Services & Treasurer

City of Richmond Hill
 2024 Summary of Budget Mitigating Options

The following list of budget mitigating options have been compiled by Staff and submitted to Budget Committee of the Whole as part of the 2024 Operating Budget Review.

1% Tax Rate Equivalent
\$1,278,000

Annual Tax Impact on Average Residential Property
\$20.28

Item #	Department/Division	Service	Budget Item	2024 Operating Budget		
				Tax Levy \$ Impact	Tax Levy % Impact	Impact on Average Residential Property
Service Impact						
1	Community Services - Public Works	Snow Windrow	Transition Snow Windrow Program to in-house seniors only program starting Nov 2024	\$ (500,000)	-0.39%	\$ (7.93)
2	Community Services - Recreation	Aquatics	Delay Reopening of Wave Pool beyond 2024 (Savings from July to Dec 2024)	\$ (322,000)	-0.25%	\$ (5.11)
Future Year Tax Impact						
3	Community Services - Public Works	Corporate	Defer Phase-in impact of Public Works Enhancement Program	\$ (181,000)	-0.14%	\$ (2.87)
4	Community Services - Fire and Emergency Services		Defer Phase-in impact of 16 Firefighters	\$ (96,400)	-0.08%	\$ (1.53)
5	Corporate Accounts - Revenue		Investment Income Strategy - reduce transfer to Tax Rate Stabilization Reserve	\$ (644,000)	-0.50%	\$ (10.22)
6	Corporate Accounts - Grants		Use of remaining SRA Grant Funding	\$ (348,000)	-0.27%	\$ (5.52)