



**SAULT
STE. MARIE**

Preliminary Budget

2024

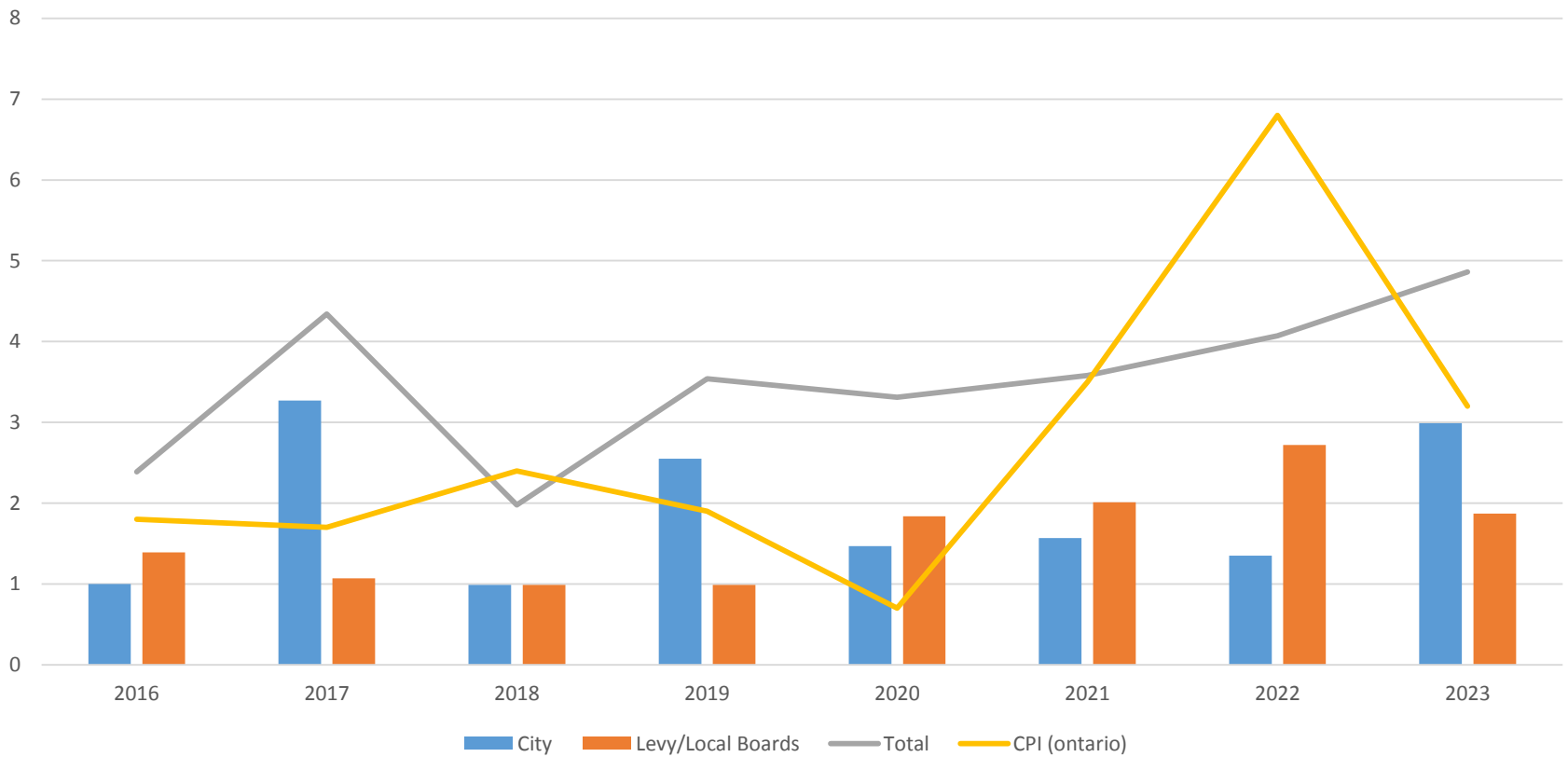
Agenda

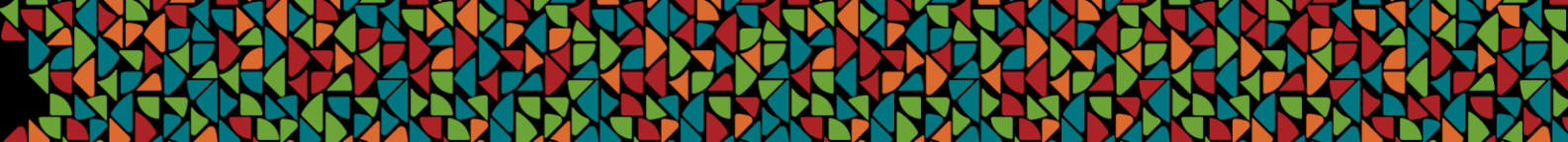
- Budget Landscape: financial indicators, challenges and recommendations
- Operating Budget Summary
- Capital Budget Summary
- Sanitary Rate Supported Budget Summary



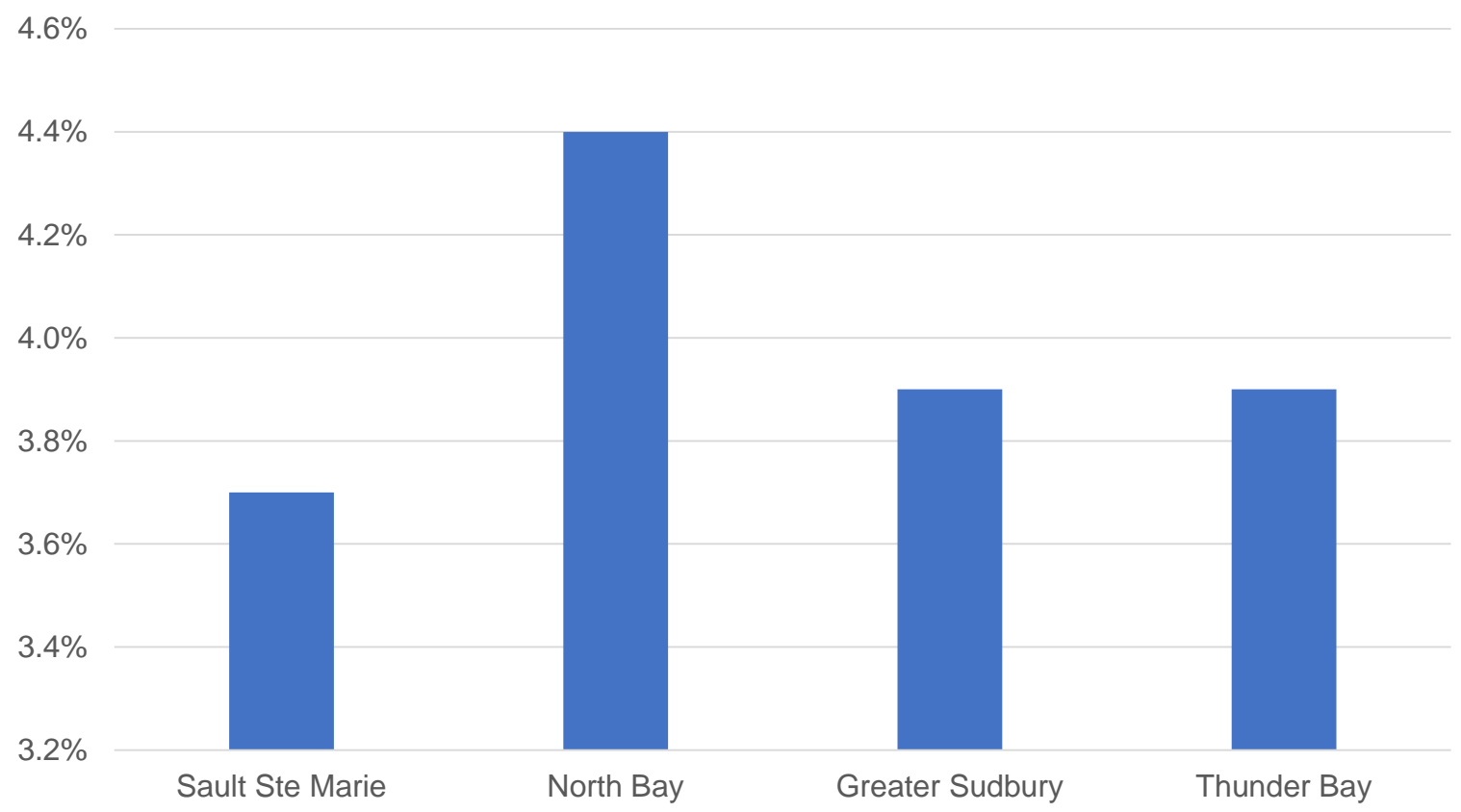
Inflation

Tax Levy / CPI Inflation





Municipal Tax Burden



Challenges

- Municipal funding framework
- Asset Condition and Infrastructure Deficit
- Assessment Growth
- Inflation and the Cost of Borrowing
- Grants
- Climate change

Financial Options for Council Consideration

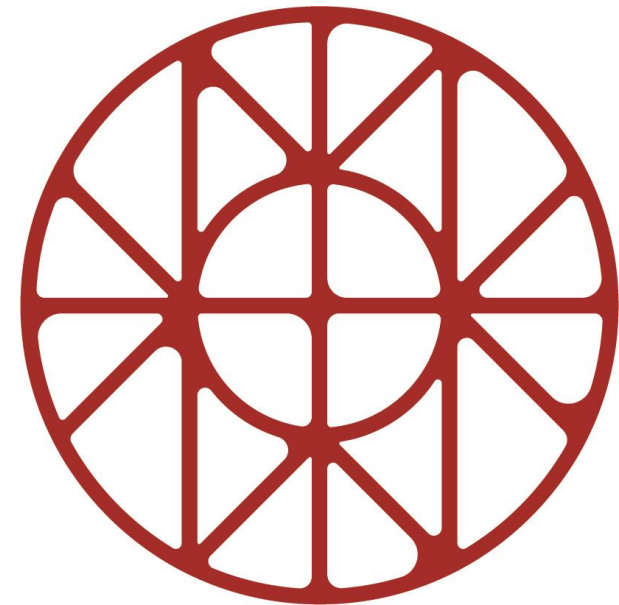
- Increase City share of the tax levy to 2023 level of 2.99%
- Phase out 2023 tax stabilization reserve
- John Rhodes Community Centre capital request funded from retired debt servicing

2024 Proposed Budget

- \$215.6 million Operating Budget
 - Includes costs for delivering municipal services and outside boards
- \$41.1 million Capital Budget
- Tabled draft budget is a 7.17% property levy increase

Budgetary Pressures

- Contractual increases / inflationary pressures
- Capital investment requirements
- New or enhanced services approved by Council
- Insurance
- Service partners



Municipal Levy (millions)



Total Expenses - \$215.6 million

Expense Increase 2023 to 2024



Other Revenue

Revenue Source	Percentage of Total
Miscellaneous taxation not included in levy	10%
User fees	47%
Government grants	29%
Investment income	9%
Other income and own fund transfers	5%

Maintaining Services

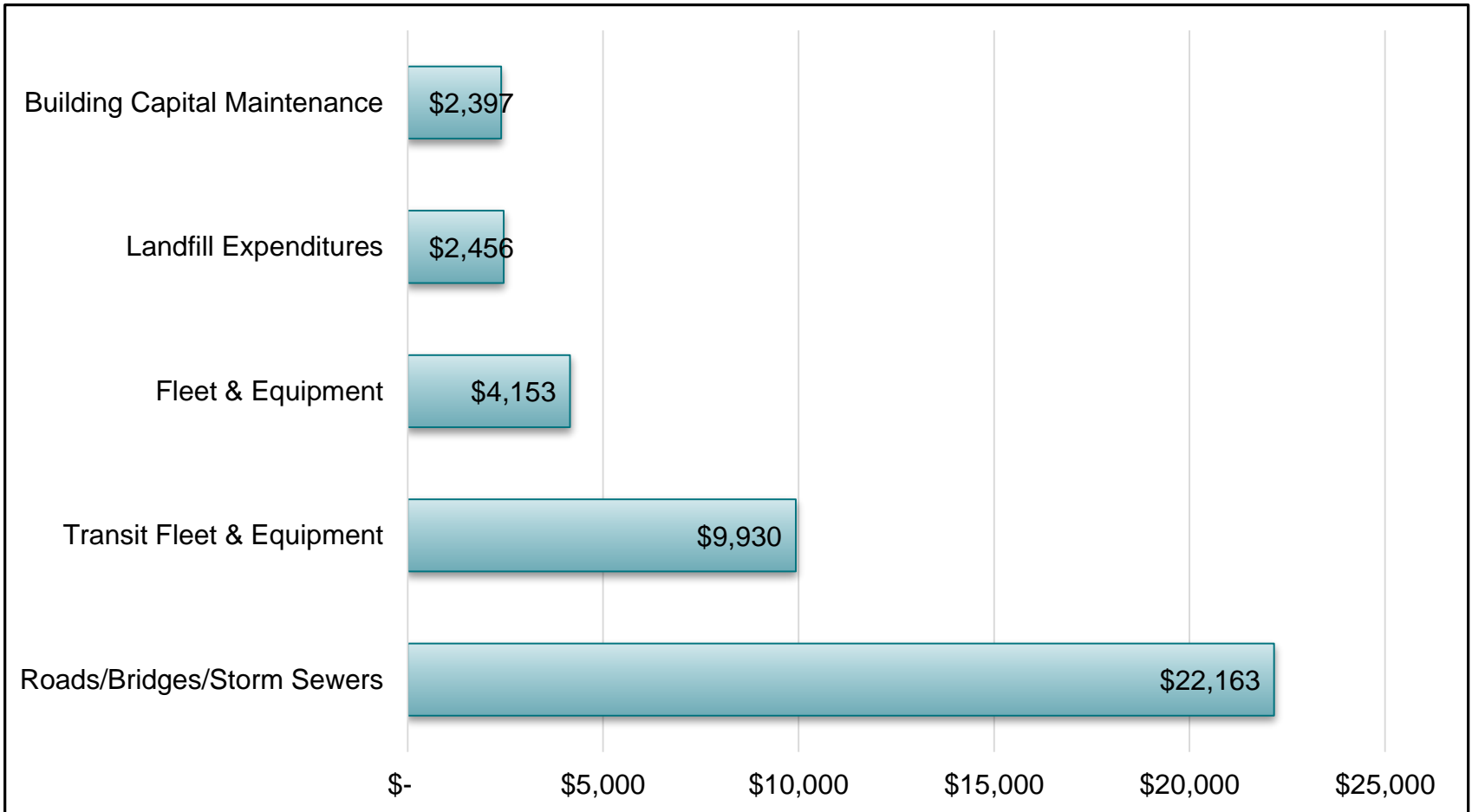
Significant Changes from 2023	(\$000)
Contractual increases	\$2,454
Council resolutions	1,145
Inflationary pressures	1,017
Revenue changes	<u>(1,687)</u>
Total	\$2,929

2024 Capital Highlights

- Capital Program totaling \$41.1 million
- Significant amount of road work – over one-half of the capital budget
- Substantial asset renewal work in other asset categories (Transit, Fleet, Landfill, etc.)
- Utilizing \$16 million in funding from senior levels of government (CCBF, OCIF, Connecting Link, NORDS, etc.)

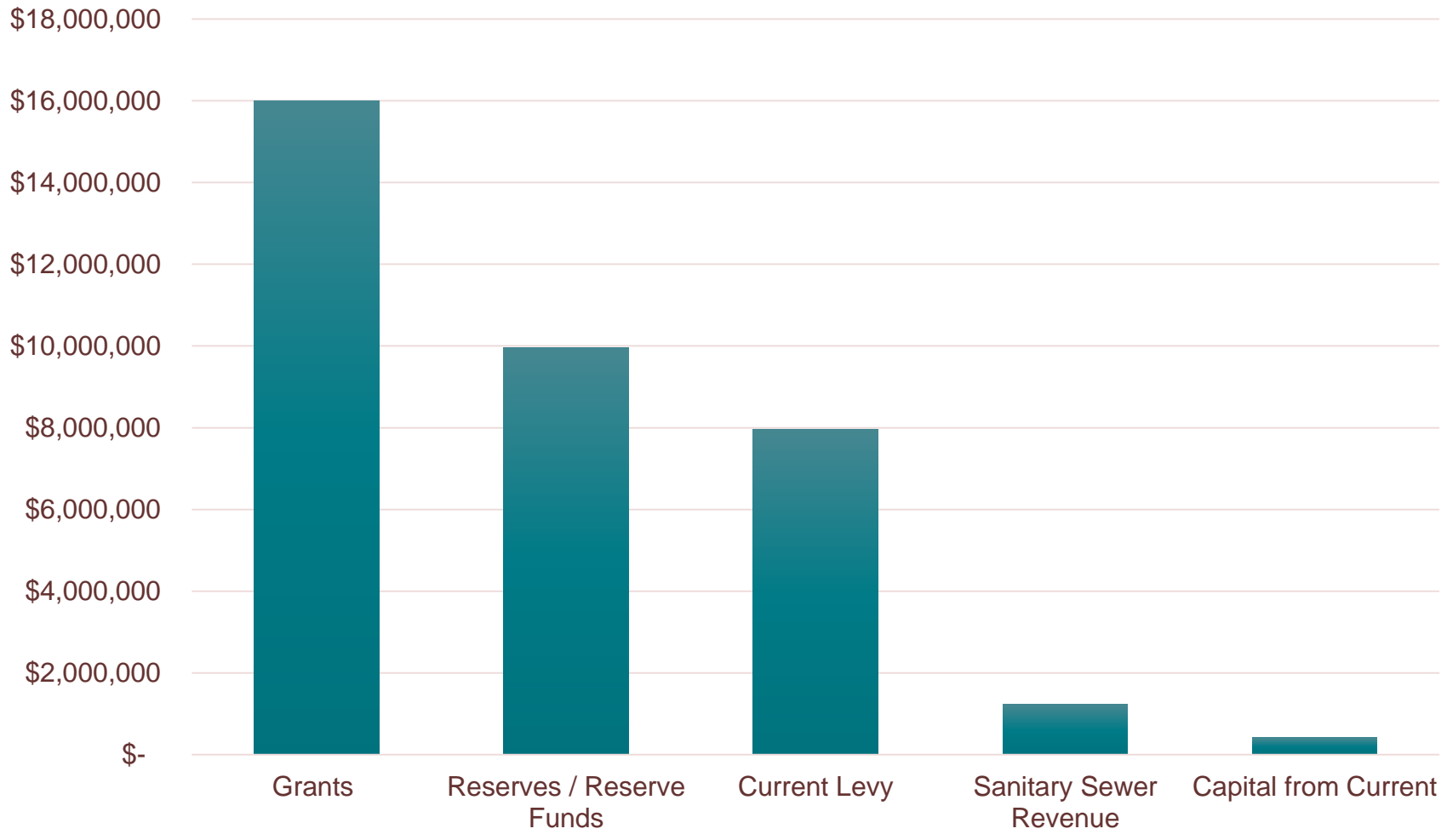


2024 Capital Budget (\$000)





Capital Funding Sources

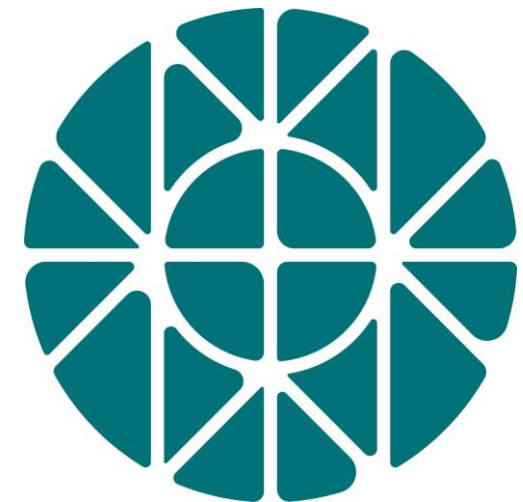


2025 Capital Forecast

- Anticipated annual capital spend of \$156 million projected for the next four years
- Assumed consistent capital revenues with attempts to maximize external funding
- Large projects potentially requiring debt – Biosolids, West End Plant (Phase 2), and GFL roof replacement
- Will continue to evolve as Asset Management plans and other guiding documents improve

Supplementary Requests

- Total of 30 requests to enhance services
- \$2.8 million (2024 Impact)
- Funding strategies identified for three requests (JRCC roof replacement, Fire pumper, and NG-911 CAD system)

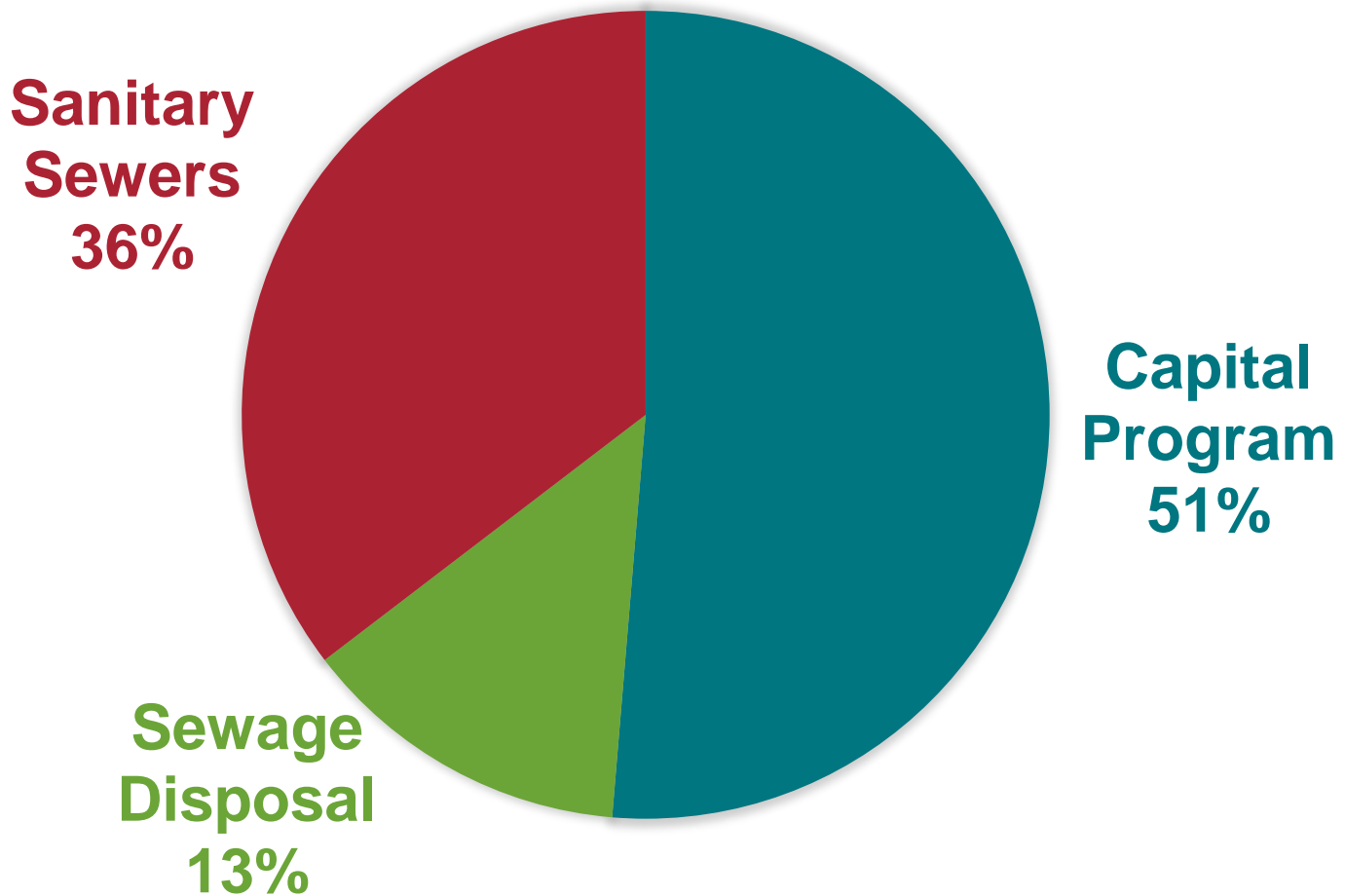


Sanitary Budget

- 100% user-pay
- Operating portion maintains current services and service levels
- Capital budget funds treatment plants, biosolids, pump stations, linear infrastructure, etc.



Sanitary Budget (cont'd)



Next Steps

- Budget deliberation meetings
 - December 11 and 12
- Preliminary 2024 Budget to be adjusted based upon Council resolutions approved during budget deliberations
- Tax Rates to be set March/April 2024