

Councillors adamant about zero increase in future budget

By Mark PavilonsEditor

King Township councillors sent a clear message to staff that the next budget will have a zero net increase for local taxpayers. In developing the budget cycle for the 2022 operating budget, council directed Treasurer Peggy Tollett to not only aim for, but achieve, a 0% tax levy. Staff had originally estimated an increase of no more than 3.28% as a starting point. But councillors wanted it clear in the report and direction that zero is zero. Staff is aware of council's desire and they will work to develop a plan to work towards the zero goal. The aim is to have the preliminary 2022 budget ready by November for presentation to council. Hopes are it will be approved by Dec. 13. King has adopted a multi-year approach to budgeting, which began in 2019. That year marked the first iteration of the current format, taking us through 2022. Council approved the 2021 operating budget that included a zero net tax levy. The forecast for 2022, however, is a 3.28% hike with the expectation that we will strive to bring the budget down similar to the 2021 budget. Next year marks the final year of the multi-year approach and it is directly aligned with the current term of council. Base budgets and department business plans are all geared to working in this framework. Staff is being asked to provide information on mandatory provincial spending requirements; inflation; utilities; growth; employee compensation and finding efficiencies. Tollett, in her report to council, noted departments are required to find base operating budget efficiencies without a reduction to current service levels. Discussions won't be confined to internal staff. The Township will engage the public through various methods, seeking input on budget matters, through October 2022. A working session of council for the preliminary budget presentation is scheduled for Nov. 15. All budget materials will be posted on the Township website for public consultation and review. The financial burdens of the pandemic will continue to filter through 2022 and the Township is anticipating a reduction of investment income. Also expected are reduced participation levels in community programs. Slower economic growth is likely through this year and even into 2022. Staff suggested using reserve funds, from the Tax Stabilization Reserve, to help offset costs and to reach their goal of a zero increase. The 2022 budget cycle will require staff to re-evaluate resource deployment (financial, human and capital plans, consider how to structure delivery of municipal services in anticipation of an economic slowdown and the need to ensure citizens of King Township experiencing the impacts of COVID-19 are factored into the recovery strategy, Tollett's report noted. Councillors noted that council has done an excellent job in keeping up the reserves and it may be time to tap into those funds. Council is asking staff just how to use those reserves efficiently and maintain existing service levels. Mayor Steve Pellegrini said it's vital to use those reserve now, to put the Township through the challenging times.