

Communication 132012

Received from: Trisa McConkey, CPA, CGA, Treasurer
Addressed to: Council
Date: January 26, 2021
Topic: 2021 Budget

SUMMARY:

Staff has prepared the enclosed draft Budget for 2021 which currently requires a 1.97% increase to the taxes.

COMMENT:

The 2021 budget working papers were circulated to staff in September so that Staff could prepare their departmental budgets based on the 10-year Capital Plan, Strategic Plan, and Asset Management Plans. Direction was provided by Treasury staff with respect to payroll expenditures.

Since the original submissions were received, staff met to refine the amounts requested, and Council spent a full day reviewing departmental budget requests and making changes. At the December 8, 2020 Committee of the Whole meeting, staff presented the final version of the budget to the public for comment. The public presentation was posted on the Town's website and advertised through social media with an invitation to provide comments to the Treasurer up to December 15, 2020. No comments were received from the public however, a request from the Youth Centre was received.

Youth Centre Request

The Town has provided bookkeeping services to the Youth Centre for many years and the arrangement worked well for both parties. As part of this service, Town staff pay Youth Centre employees through our regular payroll processes. As a result, the paystubs and T4s produced show the Town as the employer and tax remittances run through the Town's accounts.

During the Town's 2019 audit completed by Allan and Partners LLP, it was recommended that the Town separate the Youth Centre's payroll from the Town's to ensure that the Town could not be held liable for any Employment Standards violations.

Staff reached out to our software provider for assistance in setting up a new payroll company in time for the first pay in 2021. We were informed that it would not be a simple process as an entirely new company would need to be created. At that time, an estimate of \$6,500 was provided to complete the work. Staff communicated this information to the Youth Centre. Subsequently we received a formal quote for the work that is now over \$18,000. The system we use is built for large organizations and is therefore very complicated even though most of the functionality would not be required to complete Youth Centre transactions.

At the end of November, an email from the Youth Centre's Board Chair was received indicating that the Centre is in no position to pay for this set up and requesting that the

Town contribute \$1,000 per year to assist with the cost of hiring an independent bookkeeper. This amount currently shows in both Town and Youth Centre financial statements representing the Town's in-kind contribution to the Centre for bookkeeping services. For 2021, funding would come from the Administration Reserve.

The final budget request is for a levy of \$11,975,623 from taxation for 2020; a 4.77% increase over the 2020 tax levy of \$11,430,783. Of the \$544,840 increase, \$320,062 will be covered by growth and tax policy changes leaving a real tax increase of 1.97%.

FINANCIAL IMPLICATIONS

The 2021 budget requires a 1.97% tax levy increase after growth and tax policy changes have been taken into consideration. Depending on County and School Board rate changes, this increase in the municipal tax levy may result in either higher or lower tax rate for taxpayers.

STAFF RECOMMENDATIONS

1. THAT the 2021 budget be approved based on a 1.97% tax rate increase for municipal purposes;
2. THAT Council approves a grant in the amount of \$1,000 to the Carleton Place Youth Centre for 2021 to help offset the cost of independent bookkeeping services; and

THAT the grant be included in future draft budgets for Council to consider annually.