

2023 Budget Highlights

Budget Summary

The City of Orillia's approved 2023 budget consists of \$70.3 million in net operating and \$33.6 million in capital expenditures to provide a wide variety of quality services for our growing community.

Despite the economic pressures as a result of historically high inflation rates, escalating service contract values, and the severe impacts of the Provincial Bill 23, *More Homes Built Faster Act*, the overall increase to the tax levy is 2.79%, which is substantially below Ontario's rate of inflation.

The budget focuses on fiscal responsibility and a commitment to providing the best value to Orillia taxpayers through maintaining services and prioritizing and investing in the needs of the community. The budget includes investments into infrastructure, affordable housing resources, climate change action, service contracts for policing and social services (1.2%), and planning for the impacts of Bill 23, which accounts for 0.88% of the 2.79% tax levy increase. External pressures from the service contract with the County of Simcoe and Bill 23 impacts account for approximately 2% of the 2.79% levy increase.



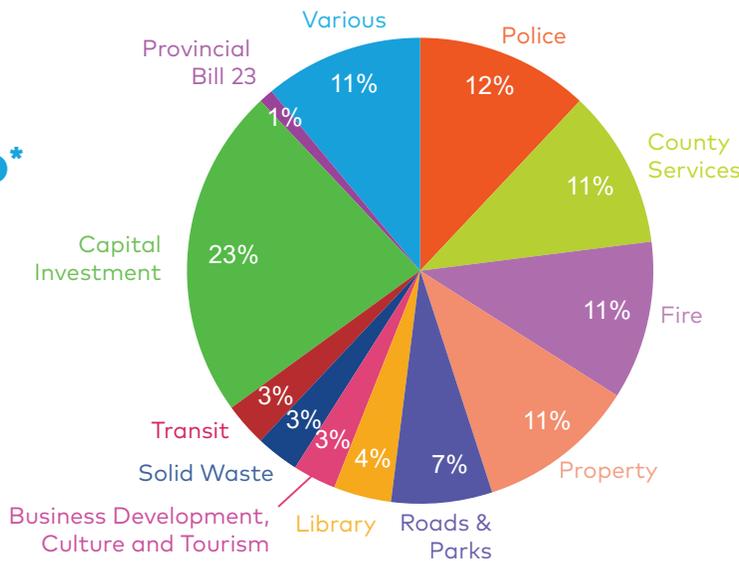
Impacts of Bill 23

Provincial Bill 23, the *More Homes Built Faster Act*, received Royal Assent in late 2022 and features significant changes to the current Development Charges and planning legislation.

The changes will make it more challenging for the City to fund growth-related infrastructure improvements. The City has conducted a preliminary assessment of increased costs to Orillia residents in the range of \$12 million over the next five years.

The City of Orillia, like other municipalities throughout the province, awaits further details on this new legislation from the Province. Proactively recognizing this burden on Orillia taxpayers, the City set aside \$1 million funded through the tax levy and rate-based budgets through the 2023 budget process.

Where Orillia's Taxes Go*



*Values are approximate at the time of publication.

“While housing affordability is top of mind for all municipalities, the *More Homes Built Faster Act* will make it more challenging to fund growth-related infrastructure and will place a significant burden on Orillia taxpayers. No home will be affordable to residents if they can't pay the property taxes to live in our city.” - Mayor Don McIsaac

What does this mean for property owners? A 2.79% increase equates to approximately \$35 for every \$100,000 in assessed property value.

Net Operating Budget Highlights

The City of Orillia's approved 2023 budget consists of \$70.3 million in net operating expenditures in order to support quality services for our community.

Municipal taxes provide significant value to residents as the budget supports various services that impact residents' daily lives including 24/7 emergency services (police, fire, paramedics), long-term care and social housing, transit, waste collection, safe water, snow plowing, recreation and culture opportunities, parks, trails and beaches, library services and a host of others.

A significant portion of the budget is allocated to contracted services including policing (\$8.7 million) and social and health services (\$8.8 million) for 2023. Additionally, other contracted services such as transit, waste collection, and property maintenance amount to approximately \$10 million.

Balancing User Fees with the Overall Tax Levy

Through the budget process, Council focused on user fees and rate-supported services to ensure rates were appropriately aligned and to reduce the pressures on the overall tax levy. As a result, recreation, culture, parks and facility rental fees will increase between three-to-15 per cent, which equates to about \$3 to \$10. Fees for Fun Passes at the Orillia Recreation Centre for Orillia taxpayers will remain frozen for 2023 and will be brought forward for review as part of the 2024 budget process. Rates for Fun Passes for non-residents will increase effective May 1, 2023.

In addition, parking revenues were increased. The City will be working with the Parking Advisory Committee and the Downtown Orillia Management Board on the approach and will report back to Council this spring.

Council approved changes to rate-based programs such as water/wastewater and stormwater rates over the next four years to address the City's ongoing administrative, capital and operating costs to provide water, wastewater and stormwater services. These changes have an average impact of approximately an additional \$100 per year for the average residential household.

Council also approved a phase-in to a full user pay program for garbage tags whereby residents will receive 10 tags per household in July 2023 and then as of 2024 no tags will be issued. The cost to purchase additional garbage tags will increase to \$2.50 per tag.



Council Priorities

As part of the 2022 to 2026 Council term, Orillia Council identified the following priorities:

- Helping the community with things that matter such as physician recruitment, housing, and implementing the Climate Change Action Plan.
- Looking at ways to help our most vulnerable, such as those facing homelessness, mental health and the opioid crisis.
- Strengthening community participation/engagement through equity, diversity, inclusion and truth and reconciliation.
- Business retention and expansion and arts and culture.

Through the 2023 budget process funding was approved to take action on these priorities including:

- Increase to the Affordable Housing Reserve contribution annually from \$100,000 to \$200,000.
- A Housing Coordinator position.
- Housing Attainable Supply Action Plan with the County of Simcoe.
- Funding for the Orillia Overnight Warming Centre.
- Supporting an economic development strategy.
- A Climate Change Action Plan Coordinator position.
- Doubling funding to annual road and sidewalk capital programs.
- Implementing senior transit fare discounts.
- Funding to community agencies such as Information Orillia, the Mariposa Folk Foundation, Orillia and Area Physician Recruitment, Sustainable Orillia, etc.

Investing in Orillia's Future

The City of Orillia is focusing on creating a resilient, sustainable organization through the investment in human resources for areas of growth and focus such as asset management and infrastructure including:

- Risk Management Specialist
- GIS Specialist (land use planning, infrastructure planning, asset management, and emergency services)
- Project Manager – Engineering (Water/Wastewater/Storm)
- Asset Management - Superintendent, Building Maintenance
- Additional Summer By-law Officer
- Fire Administrative Assistant - Part Time





Capital Budget Highlights

Addressing Climate Change



\$1 MILLION IN 2023 FUNDING

Orillia Council approved a capital budget of \$33.6 million, focused on Council priorities including residents' experiences through increased investment in road and sidewalk infrastructure, enhanced customer services, maintaining parks, culture and recreation facilities and planning for a sustainable future.

Improving Roads and Sidewalks

As part of the 2023 budget process, Orillia Council put a high priority on improving roads and sidewalks throughout the city, doubling funding for annual programming to \$3 million. Total 2023 capital funding supporting roads and sidewalks is approximately \$15 million, including:

- Centennial Drive Area Improvements Phase 3 (\$2.65 million)
- Tecumseth Street Reconstruction (\$990,000)
- Wyandotte Street Reconstruction Design (\$150,000)
- Reconstruction of Matchedash Street South (\$1.15 million)
- Lightfoot Trail Resurfacing and Repair (\$150,000)

To support the implementation of the City's recently adopted Climate Change Action Plan, through the 2023 budget process Orillia Council approved the following:

- Climate Change Action Plan Coordinator
- Sustainable Environmental Procurement Policy
- Orillia City Centre Building Automation System
- Water Bottle Filling Stations
- Greenhouse Gas Facility Audits and Condition Assessments
- Flood Plain Mapping
- Supporting Sustainable Orillia
- Transit Electrification and Zero Emissions Study

The City anticipates a savings of approximately \$150,000 from energy efficiency initiatives in 2023.

For more information about the City's Climate Change Action Plan, visit orillia.ca/climatefuture.

FOCUSED INVESTMENTS

Lacie Street Reconstruction Project Phase 1 (\$6.8 million)

This project is the first phase of the reconstruction of Lacie Street between Neywash Street and Murray Street. It involves the reconstruction of Lacie Street from Neywash Street to approximately 50m north of Borland Street East. It includes replacement of the existing watermains, storm and sanitary sewers and replacement of the existing sidewalks on both sides of the street.

Annual Road and Sidewalk Program (\$3 million)

This is an annual allocation for resurfacing of roads and sidewalks to maintain an economical and safe level of service for vehicles and pedestrian traffic.

Serving Residents Better

The City of Orillia strives to provide excellent service to our residents and visitors. In alignment with findings as part of the Service Delivery Modernization Review, the 2023 capital budget provides funding to enhance City customer service levels and opportunities.

- City-wide customer service enhancements (i.e. extended hours pilot, website enhancements, online access to services, etc.).
- Council Chamber accessibility/technology updates to make Council meetings more accessible to all.
- Printable drop-in recreation program calendar.
- Public Wi-Fi for visitors to Rotary Place.



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Preparing for the Future

10-Year Capital Plan

The City of Orillia owns and maintains more than \$665 million worth of assets including land, buildings, roads, water and sewer systems, and equipment. Planning for infrastructure maintenance is critical for the future and should include a focus on maintaining and improving the infrastructure that supports the community.

The 10-Year Capital Plan is an important guiding document that assists in determining future requirements and cash flows. An equally important part of the capital program is a focus on strengthening reserves, which aid in funding capital investments while playing a dual role in long-term financial stability and flexibility to manage unexpected events or opportunities.

The 10-Year Capital Plan is valued at over \$400 million, consisting of more than 300 capital projects. Of the total value, approximately 25% relates to growth and replacement projects for water, wastewater and storm services.

Over \$150 million is planned to be invested in roads and sidewalks over the next 10 years, which is just over a third of the total program.

FUNDING RESERVES

Reserves are one of the most important tools available to municipalities for achieving financial sustainability and flexibility.

Reserves not only assist municipalities in managing risks, but they also play an important role in the financing of capital costs.

The City's overall reserve position has consistently improved since 2018 through increased investment by Council. Since 2021, Orillia has implemented a reserve and debt policy, realigned reserve balances, instituted debt financing and further refined the 10-Year Capital Plan.

As a result, the City's overall reserve balance has improved and is forecasted to grow from \$82 million to \$170 million over a 10-year period.



Contact Us

Get full details on the 2023 City of Orillia budget online at orillia.ca/budget.

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