

To: Council in Committee of the Whole

From: Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department

Report Number: CNCL-23-125

Date of Report: November 24, 2023

Date of Meeting: December 1, 2023

Subject: 2024 Mayor's Budget - Tax Levy and Other Revenue Sources

Ward: All Wards

File: 03-05

1.0 Purpose

Each year the City is legislated, through the Municipal Act, 2001 (Section 290), to adopt a balanced budget. The operating and capital budgets of the municipality detail the financial obligations and required revenue needed to deliver goods and services to the community as well as investing in capital infrastructure priorities.

In June of 2023, the Province introduced legislation to grant Strong Mayor Powers to the Mayors of a number of growing municipalities which has been in effect as of July 1, 2023. Strong Mayor Powers includes responsibility for the budget. While legislation that guides municipal budgeting processes has been changed by the Province, the adoption of revenue sources, including the tax levy and user fees remains within Council authority.

The purpose of this report is to obtain City Council approval regarding the City's Tax Levy requirements and other revenue sources as required to balance the 2024 Mayor's Proposed Budget, as may be amended.

This is the first of three reports outlining the revenue requirements for the Mayor's proposed 2024 budget. The second report relates to the use of Reserve and Reserve Funds (Report CNCL-23-126) and the third report relates to the use of debt via the issuance of an Interfund note (IFN) (Report CNCL-23-127).

2.0 Recommendation

It is recommended to City Council:

That pursuant to Report CNCL-23-125 dated November 24, 2023, Council approve the Tax Levy and other revenue sources as detailed in this report and are required to fund the 2024 Mayor's Proposed Budget, as may be amended.

3.0 Executive Summary

Not applicable

4.0 Input From Other Sources

Director, Legislative Services/City Clerk

5.0 Analysis

On June 16, 2023, the Minister of Municipal Affairs and Housing announced the expansion of the Strong Mayors powers under Bill 3, Strong Mayors, Building Homes Act, 2022 and Bill 39, Better Municipal Governance Act, 2022 to the mayors of 26 large and fast-growing municipalities beyond the City of Toronto and City of Ottawa.

The Mayor of the City of Oshawa, along with the mayors of the other 25 municipalities were legislated these new powers effective July 1, 2023.

Pursuant to Bill 3:

Section 226.14 (1) In accordance with this section and subject regulations, the powers and duties of the City with respect to proposing and adopting a budget are assigned to the head of council; and

Section 226.14(2) The head of council, in accordance with the regulations, prepare a proposed budget for the City and provide the proposed budget to city council's consideration; and

Section 226.14(3) After receiving the proposed budget, city council may, in accordance with the regulations, pass a resolution making amendments to the proposed budget.

As per Report CNCL-23-82, dated September 25, 2023, section 5.8.1 states that "on August 4, 2023, per Mayoral Direction MDIR-2023-01, Mayor Carter directed the Commissioner, Corporate and Finance Services/Treasurer and the C.A.O. to prepare a proposed 2024 Operating Budget, Capital Budget and Nine-year forecast; and that the proposed Budget be presented to Council on November 10, 2023. Once the Budget has been presented, all amendments must be made by motion passed at a meeting of Council."

5.1 2024 Mayor's Budget – Revenue

The Mayor's Proposed 2024 Budget was presented to City Council at a special meeting on November 10, 2023. Included in the 2024 budget was proposed revenues totaling \$182.893 million, comprised of taxation revenues of \$167.102 million, Corporate Revenues of \$9.264 million and a 3.952% tax levy increase of \$6.53 million. The aforementioned revenues do not include user-fee revenues which are embedded in the various branch budgets of the Mayor's proposed budget. The General Fees and Charges By-law adjustments for 2024 were approved by Council on October 30, 2023 through Report CF 23-69.

Council will be considering the Mayor's Proposed 2024 Budget and the corresponding revenue requirements at a Special Meeting of Council on December 1, 2023. At the end of the budget process, as outlined in Bill 3, City Council is required to approve all revenues including the tax levy in order to raise the amount of tax revenue approved in the budget.

This report recommends, - the City's 2024 tax levy required for municipal purposes to balance the Mayor's 2024 Proposed Budget. If the Mayor's Proposed Budget is amended by Council so as to affect the other revenues or tax revenue to be raised from property taxes, the tax levy recommended in the 2024 Proposed Budget will have to be adjusted accordingly.

6.0 Financial Implications

The revenue requirements for the Mayor's Proposed 2024 Budget may be amended based on Council decisions.

7.0 Relationship to the Oshawa Strategic Plan

This report supports the Oshawa Strategic Plan goals of Accountable Leadership, Economic Prosperity and Financial Stewardship to the extent that it is consistent with sound financial management.



Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department