

RE: 1984 ANNUAL OPERATING BUDGET

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

\* \* \* \* \*

TO: MUNICIPAL MANAGER 1984 April 13  
 FROM: DIRECTOR FINANCE  
 RE: 1984 ANNUAL OPERATING BUDGET

RECOMMENDATIONS:

1. THAT the 1984 Annual Operating Budget, with a Municipal tax levy of \$46,989,312 be received and approved, and that an authorization by-law be brought forward for three readings on 1983 April 30; and
2. THAT a property tax rating by-law based on the variable tax rates shown in the 1984 Annual Operating Budget be brought forward for three readings on 1984 April 30.

REPORT

The 1984 Annual Operating Budget is presented for the consideration of Council.

On 1983 December 12, Council adopted the 1984 Provisional Operating Budget which called for a tax levy of \$46,769,598. At that time there were a number of unknowns that could affect the levy. Since that time many of the unknowns have been resolved and are reflected in this budget. The 1984 Annual Operating Budget calls for a Municipal tax levy of \$46,989,312 and a median home Municipal purpose tax increase of 2.77%.

There are still two major unknowns:

- Collective bargaining has not been resolved for 1984, nor for 1983. No specific provision is made in this budget for 1984 salary increases, nor is there any provision for retroactive increases, if any, for 1983. A 1% salary increase requires approximately \$400,000.
- Currently the authenticated assessment roll excludes incomplete new construction, the value of which is about \$45 million. The estimated additional tax revenue from this source is about \$433,000. The Provincial government has proposed a series of amendments in Bill 7, one of which is to make incomplete new construction taxable in 1984. The Bill was given third reading on 1984 April 04 but not enacted by the time this report was prepared. The Municipal Manager and the Management Committee have gone on the premise that Bill 7 will be enacted in time to levy 1984 taxes on the incomplete new construction. If, however, the Bill is not enacted by late Spring 1984, the expenditures for 1984 will need to be reduced by \$433,000 to balance the shortfall in anticipated tax revenue and the budget will be modified at Recast time.

It is recommended that for 1984, the Annual Operating Budget with a Municipal tax levy of \$46,989,312 be received and approved, and that an authorization by-law be brought forward for three readings on 1984 April 30; and

That a property tax rating by-law based on the variable tax rates shown in the 1984 Annual Operating Budget be brought forward for three readings on 1984 April 30.

Further discussion on the variable tax options and on the assessment base and new construction, is presented in an accompanying report elsewhere on this agenda.

All of the other rate setting bodies will implement variable tax rates for each class of property, starting in 1984. Because of the current uncertainty on the status of the incomplete new construction, other rate setting bodies have to decide whether or not to include incomplete new construction in their assessment base.



Howard Karras  
DIRECTOR FINANCE