

**REPORT TO:** Finance and Corporate Services Committee

**DATE OF MEETING:** January 16, 2023

**SUBMITTED BY:** Ryan Hagey, Director of Financial Planning & Reporting, 519-741-2200 ext. 7353

**PREPARED BY:** Ryan Hagey, Director of Financial Planning & Reporting, 519-741-2200 ext. 7353

**WARD(S) INVOLVED:** All Wards

**DATE OF REPORT:** January 4, 2023

**REPORT NO.:** FIN-2023-035

**SUBJECT:** 2023 Operating Budget

---

## **RECOMMENDATION:**

### **For discussion.**

*Note: Final approval of the 2023 Operating Budget will take place as part of Final Budget Day, scheduled for February 2, 2023.*

## **REPORT HIGHLIGHTS:**

- The proposed tax rate increase of 4.8% is an impact of \$56 to the average household and is well below the current rate of inflation (7.0%).
- The water utilities (water, sanitary, stormwater) rate increase of 4.5% approved by Council on December 12, 2022 is an impact of \$42 to the average household.
- Community engagement included Public Budget Night (January 9) and an online survey (closes January 17).
- This report supports the delivery of core services.

## **BACKGROUND:**

The City's operating budget funds the ongoing day-to-day costs of providing the valued public programs and services citizens use every day. Examples include recreational programming at the City's parks and community centres, having drinkable water available at the turn of a tap, and maintaining roads in a condition they are safe to drive on all seasons of the year.

## **REPORT:**

The City's 2023 budget materials have been posted on the website ([kitchener.ca/budget](https://www.kitchener.ca/budget)) since early December and includes the following components:

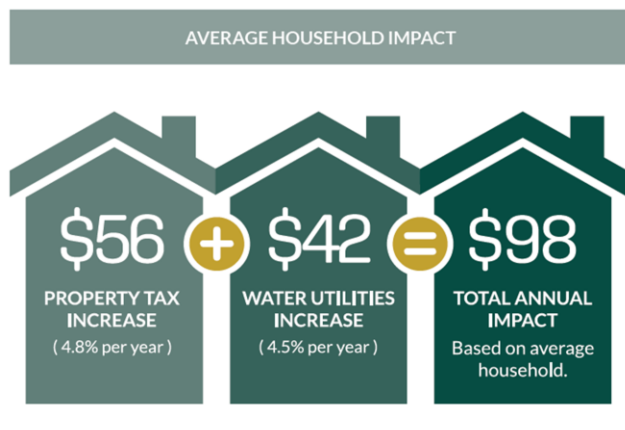
- Proposed Budget Summary
- Appendix A - Operating Budget
- Appendix B - Capital Budget
- Appendix C - Issue Papers
- Appendix D - Reserve and Reserve Funds
- Appendix E - User Fee Schedule

## STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

## FINANCIAL IMPLICATIONS:

The proposed tax rate increase of 4.8% is an impact of \$56. The water utilities (water, sanitary, stormwater) rate increase of 4.5% approved by Council on December 12 is an impact of \$42.



## COMMUNITY ENGAGEMENT:

**INFORM** – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

**CONSULT** – Citizens have an opportunity to provide input about priority areas of the budget through a number of processes. Their input comes through public consultation efforts for the Strategic Plan, comprehensive master plans (e.g. Leisure Facilities Master Plan), strategies (e.g. Urban Forestry Strategy, Customer Service Strategy), or specific issues (e.g. City Hall Outdoor Spaces). As part of those processes, staff consider the feedback received from the public as they make their recommendations and share it with Council when those recommendations are presented for approval. The budget is the process whereby Council affirms approved priorities and allocates funds to bring these concepts into reality.

In addition to the opportunities for input on specific topics, staff continue to use multiple methods to effectively inform and consult citizens about the budget at large. Staff have proactively provided information about the budget via media outreach and the City’s website, and have prepared videos explaining several budget/finance topics to better inform residents. Citizens have been encouraged to provide their input into the budget process by:

- Attending a public input sessions on January 9
- Completing the online budget survey on Engage Kitchener (closes January 17)
- Contacting their ward councillor

## PREVIOUS REPORTS/AUTHORITIES:

- [FIN-2022-482](#) 2023 User Fees
- [FIN-2022-188](#) 2023 Water Utilities Rates
- [INS-2022-486](#) 2023 Natural Gas Rates

**APPROVED BY:** Jonathan Lautenbach, Chief Financial Officer, Financial Services