



## Administrative Report

### Office of the Director of Financial Services/Treasurer

**To:** Warden McNamara and Members of Essex County Council

**From:** Sandra Zwiers, MAcc, CPA, CA  
Director of Financial Services/Treasurer

**Date:** Wednesday, December 01, 2021

**Subject:** 2022 Budget Overview – Treasurer’s Report

**Report #:** 2021-1201-FIN-R016-SZ

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#### **Purpose**

The purpose of the report is to provide Council with a corporate overview of the issues affecting the operations for 2022 and their corresponding impact on the County Levy and municipal tax rates.

#### **Background**

The preparation of annual estimates for the upper tier is prescribed by Section 289 of the *Municipal Act 2001, S.O. 2001, c.25*.

**An upper-tier municipality shall in each year prepare and adopt a budget including estimates of all sums required during the year for the purposes of the upper-tier municipality...**

**In preparing the budget, the upper-tier municipality shall treat any operating surplus of any previous year as revenue that will be available during the current year; shall provide for any operating deficit of any previous year... and may provide for such reserves as the upper-tier municipality considers necessary.**

## **Budget Process**

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The annual budget process commences each year in July with Administration meeting periodically to discuss a variety of budget planning issues, including:

- Development of critical budgeting assumptions
- Review of departmental work plans
- Establishment of a timetable for budget presentation
- Improvements in the form and content

The timetable established for the 2022 Budget is summarized as follows:

- July 2021 – review budget assumptions, prior year budget document and projected year end balances. Financial Services prepares detailed wage and benefit schedules and begins working with operational staff to prepare supporting calculations and current year projections (which are updated monthly) for each department;
- September 2021 – Director of Financial Services and CAO meet to review overall tax rate goals and identify areas of strategic focus for 2022;
- Early October 2021 – Preliminary departmental estimates undergo detailed administrative review with department heads, financial analysts, Director of Financial Services and Manager of Budget and Administration;
- November 2021 – review and consultation with the CAO, final revisions to draft Budget and filing of Budget document with County Council;
- December 2021 – County Council review of departmental submissions and Final Budget Adoption

A significant change in presentation was introduced for 2022 to add clarity to the delineation between operating and capital costs. Each departmental budget is now segmented into Net Operating Expenditures, Net Capital Expenditures and Total Departmental Requirement. A similar reporting structure was followed for the Budget Summary. Prior year budget and projections were restated to achieve comparability.

As in prior years, the Budget Report is segregated into the following departments:

- Community Services
- Sun Parlor Home
- Emergency Services
- Infrastructure Services
- Library Services
- General Government Services
- External Commitments

Each departmental section of the Budget Report is comprised of two specific components: a strategic level qualitative analysis followed by a line item presentation of the departmental requirement.

The departmental estimates identify expenditure and recovery classifications. With few exceptions, expenditure and recovery classifications are consistent throughout the Budget Report. In limited cases, exceptions to the uniformity principle are necessary to facilitate the unique operating circumstances or reporting requirements of the program, division or department.

The presentation of the estimates for each departmental program begins with a delineation of operating expenditures by classification, followed by a quantification of recoveries and/or contributions to (from) reserves, concluding with the identification of the amount that the County will contribute toward the operation or program – referred to as the Net Operating Expenditures. This is then repeated to determine Net Capital Expenditures. The sum of these two sections is the total amount that the County will contribute, noted as the Total Departmental Requirement.

Totals are determined for each classification of expenditure and recovery for all classes in combination. All totals and the measurement of the County Responsibility are shaded for ease of identification. Totals are established for each program, summarized by function or department at the beginning of each of the department sections and then summarized corporately on the 2022 Budget Summary (Appendix B).

The operating estimates for the Corporation address the following two principal functions:

- Services provided / delivered directly by the County

- Funding provided to agencies external to the County

External commitments funded by the County can be classified as mandatory (i.e. required by legislation or regulation) or discretionary (i.e. nature and extent determined by County Council).

Budget estimates were prepared under the premise that existing service levels are acceptable, and proposed enhancements have only been advanced in circumstances where current service levels expose the Corporation to undue risk or are judged to fall short of mandated or endorsed standards. One-time expenditures are proposed to be funded by the Corporation’s Rate Stabilization Reserve, and provincial funding will be used to offset one-time expenditures that specifically relate to COVID-19 prevention or containment initiatives.

The estimates are determined using a combination of incremental budgeting and modified zero-based budgeting. Estimates for routine, ongoing operational expenditures are prepared by analyzing current expenditures and projecting costs for the upcoming year. Discretionary expenditures are reviewed and must be fully rationalized annually.

Inherent in the development of the Budget is the recognition of risk. Estimates are prepared based on an evaluation of the best information available, in light of current operating conditions and circumstances. As budget estimates are developed, care is exercised in assessing the risk of the likelihood of different outcomes materializing and the effect such outcomes may have on service delivery levels and financial results.

The work plans and associated expenditures contained in the Budget are intended to position Essex County as a vibrant, sustainable and healthy community that fosters opportunity and promotes an enriched quality of life by:

- Delivering regional and/or broad-based services that meet the evolving needs of the community;
- Operating efficiently and effectively in a fiscally responsible manner;
- Being a leader in community building initiatives;
- Managing the impacts of growth to provide a livable, energetic and thriving community, making Essex County a preeminent location to live, learn, work, play, invest and visit.

**The Budget reflects the vision of Council, focusing upon its core values as they relate to service delivery while simultaneously looking forward, preparing to meet the challenges of the future.**

## **Discussion**

The development of the 2022 County of Essex Budget builds upon Council’s commitment to accountability, transparency and excellence in financial management. Provided below are high level discussions on various matters having corporate significance in terms of risks, financial impacts, challenges, opportunities and external influences on County of Essex operations for 2022 and beyond.

### **Transfer of Leadership**

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Change management and communication strategies were necessities as the Corporation navigated a series of significant leadership changes in 2021. Recruitment efforts began in late 2020 for the new Chief Administrative Officer, and continued throughout the year and across all departments of the Corporation. Retirement of long-service employees at all levels has necessitated significant knowledge transfer, but has also presented opportunities for change and growth.

### **COVID-19**

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Pandemic response permeated every action of the Corporation in 2021. Safety of the workforce was top priority, resulting in changes to work routines and protocols and advancing technology to support remote visits, meetings and work locations. The introduction of the mandatory vaccination policy for staff and Council was also a significant operational change for the Corporation during the year. EMS and senior leadership were instrumental in the successful launch and decommissioning of mass vaccination sites in Amherstburg and Leamington, and EMS leaders continue to provide regional support for COVID response. Sun Parlor Home protected residents and staff by maintaining strict screening of visitors and staff and by carefully cohorting work groups to minimize exposure risk. Libraries identified innovative ways to engage with patrons and provide safe access to virtual and tangible materials.

COVID-19 remains an operating risk for 2022 and all departmental budgets were prepared assuming the pandemic will continue to impact operations at varying degrees throughout 2022. When preparing estimates, Administration

used the operating and financial impacts experienced in 2020 and 2021 as the basis for forecasting operations in 2022. Provincial funding for 2021 and 2022 remains uncertain and has often been provided without much certainty or advance warning. The 2022 budget includes only those funding sources of which Administration had a high degree of certainty.

## **Fiscally Responsible Government**

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Essex County continues to be faced with financial pressures from inflation, service demand growth, major operational cost increases, own capital requirements (growth and asset replacement related), facility and roadway infrastructure (replacement and expansion), reduction and/or stagnant provincial funding, competing demands for new County-wide initiatives and regional capital requests. In addition, property value reassessment has been deferred until at least 2023, resulting in modest in-year growth only. These pressures will continue to impact Council decisions related to program delivery, priorities and service levels in 2022 and beyond.

The County has established standards of service delivery that effectively manage the demands and the needs of residents while minimizing the effect of increased costs upon the property tax base of its community.

**During the 2022 Budget development, Administration has been guided by fundamental principles previously endorsed by Council, namely:**

- **The current levels of service being delivered to the community are appropriate. Enhancements are proposed only to maintain service levels and achieve Provincial service level targets.**
- **The Corporation is prepared to maintain its commitment to the community as represented by current discretionary funding levels (i.e. external commitments).**
- **In making decisions with respect to the 2022 Budget, consideration has been given to the consequences of such decisions upon the Corporation’s future financial stability.**

Standard and Poor’s, a leading provider of financial market intelligence and the Corporation’s financial rating agency, recognized the County of Essex’s sound financial practices in the Corporation’s most recent credit rating (November 2021). Standard and Poor’s highlighted the following performance strengths in affirming the County’s credit rating at **AA+** with a **stable** outlook:

- Efficient cost management generating superior budgetary performance
- Asset management plan ensuring cost effectiveness and validation of the pay-as-you-go strategy and use of existing reserves to support continued robust operating and moderate after-capital surpluses
- Increased efforts to diversify the County’s economy into service-based sectors including tourism, agri-business, health care and social assistance and education
- Strong financial management practices guided by a council that demonstrates generally broad political consensus on fiscal policies
- Prudent debt and liquidity management

It is these principles of sound financial stewardship that have positioned the County ahead of its peers and provided Council with the ability to effectively manage changes to tax rates year over year.

A sound reserve strategy and robust reserve balances are other key components of fiscally responsible government and long-term sustainability. Establishing reserves to manage uncertainties, known asset management lifecycle costs and future capacity opportunities allows the Corporation flexibility and financial strength during periods of fiscal challenge. Attached in Appendix A is a summary of the Corporation’s Reserves highlighting the projected 2021 year-end balance as well as the impact of changes resulting from the Proposed 2022 Budget.

## **2022 Budget**

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Provided in Chart 1, on the next page, is a condensed summary of the proposed 2022 Budget, compared to 2021 Budget and Projected Actuals (see Appendix B for full Budget Summary Comparison). Operations are budgeted to require \$78.2 million while the Corporation’s Capital program is budgeted to require \$38.5 million. The Total County Requirement proposed in the 2022 Budget is \$116.7 million representing a **tax rate increase of 1.73%**.

## Chart 1: Budget Summary (excerpt from Appendix B)

Budget Summary	2021 Budget	2021 Projection	2022 Budget
<b>Operating Budget:</b>			
Operating Expenditures	129,203,230	133,086,460	138,031,270
Operating Recoveries	(62,239,180)	(69,340,480)	(65,375,000)
Contrib to (from) Reserves	6,975,800	10,193,870	5,538,400
<b>Net Operating Budget:</b>	<b>73,939,850</b>	<b>73,939,850</b>	<b>78,194,670</b>
<b>Capital Budget:</b>			
Capital Expenditures	67,235,730	35,620,730	60,824,700
Capital Recoveries	(9,510,540)	(9,805,210)	(5,913,800)
Contrib to (from) Reserves	(19,169,550)	12,740,120	(16,429,400)
<b>Net Capital Budget:</b>	<b>38,555,640</b>	<b>38,555,640</b>	<b>38,481,500</b>
<b>Total County Responsibility</b>	<b>112,495,490</b>	<b>112,495,490</b>	<b>116,676,170</b>

For 2022, the County of Essex is challenged by a number of key operating conditions and capital expenditures imposing a year-over-year increase in net levy requirements, on a stand-alone basis. Offsetting these expenditures, in part, are savings achieved through: a net positive change in Current Value Assessment / assessment growth and various departmental cost reductions / containment initiatives proposed throughout the departmental Budgets.

## Significant Factors Influencing the 2022 Budget

The County of Essex continues to see development growth. Maintaining service levels for an increasing resident base combined with added legislative requirements is putting a strain on the Corporation’s human resources. While technology advancements and process improvements have helped to build some capacity, a number of departments require additional staffing to address service delivery demands. The majority of increases across departments relate to the addition of staff to meet the needs of our residents.

Inflation is also a significant factor facing the Corporation in 2022. The 2022 Budget, where appropriate, includes inflationary adjustments of approximately 2%. This is optimistic. Recent financial reports suggest current inflation is more than double this amount and has the potential to be even higher as we make our way through 2022.

Insurance costs continue to be a risk factor for the Corporation. The 2022 Budget includes both general liability insurance increases but also 15% increases in the Corporation’s health benefit insurance program costs. While contingency reserves are proposed to buffer the short-term impact, building levy funding to support what is considered to be “the new normal” also puts pressure on the Corporations’ tax rate.

Highlighted in Chart 2 and discussed in the following pages are various external influences or County of Essex specific conditions giving rise to a projected **net tax increase of approximately 1.73%**.

The proposed 2022 Budget was structured to strategically utilize the in-year assessment growth to fund growth related operational and capital cost increases. As Chart 2 illustrates, in-year 2021 growth created a 1.92% tax rate savings to support growth related cost increases in 2022. The proposed changes to the Corporation’s External Commitments budget is driving the proposed 1.73% tax rate increase for 2022.

**Chart 2: Summary of Levy Impacts**

<b>Budget 2022 - Summary of Levy Impacts</b>	<b>Levy Impact \$</b>	<b>Tax Impact %</b>
<b>County Levy 2021</b>	112,495,490	-1.92%
<b>Sun Parlor Home</b> Wages and Benefits (net of reserves and changes in subsidies)	301,620	0.27%
<b>Emergency Medical Services</b> Wages and Benefits (net of changes in funding)	658,860	0.57%
<b>Infrastructure Services</b> County-Wide Active Transportation Infrastructure Inflationary Increases for Rehab Program	347,110	0.31%
<b>Library Services</b> Wages and Benefits	156,350	0.14%
<b>General Government Services</b> Wages and Benefits (additional staffing net of reserve funding)	730,710	0.63%
<b>External Commitments</b> Social Services Social Housing – Operating and Capital New Windsor Essex Hospitals System	1,986,030	1.73%
<b>County Levy 2022</b>	116,676,170	1.73%

## **Sun Parlor Home**

COVID-19 remains a daily operating challenge for our Long-Term Care Home. The 2022 Budget incorporates the ongoing cost of maintaining staffing cohorts to provide the highest level of safety and infection prevention and control for both residents and staff. The Budget proposes to reduce the reliance on stabilization reserves to support this new level of staffing compliment in a post pandemic era. Provincial legislation requiring homes to increase their daily direct care hours for residents to four hours per day by 2025 was also a factor in the Administration recommendation to build more staffing hours into the Corporation’s base budget. All health care sectors are experiencing high levels of turnover and constraints in the pool of qualified candidates. The 2022 Budget aims to support a proactive approach to staffing that is intended to position SPH advantageously to secure qualified health care professionals in a highly competitive staffing market.

Offsetting a significant portion of the cost of increased staffing hours is the introduction of new provincial funding to support the cost of additional RNs, RPNs, PSWs and other health professionals.

## **Emergency Medical Services**

The 2019 EWEMS Master Plan included recommendations to increase the staffing levels of the service in response to anticipated growth and changes in service delivery demands. As reported by our EMS Chief, the nature and volume of calls paramedics now respond to often include instances of mental health and addiction related health emergencies. Supporting the service’s strategy to provide the right care at the right time and in the right place, the 2022 Budget proposes the addition of 12 full time paramedics in the latter half of the year to address existing operating pressures.

Offsetting the added cost of staffing are increases in certain provincial funding programs and a net reduction of levy funded capital costs.

## **Infrastructure Services**

Managing the Corporation’s road network and facilities requires a combination of engineering expertise, quality asset management data and collaboration with our local municipalities and agencies. A number of factors impact annual workplans including: service level expectations, increased operating costs, climate change and growth-related changing traffic

patterns. Managing projects in a safe manner during a pandemic also adds challenge to an already complex service delivery model.

Council adopted a financial forecasting model to address the roadway expansion requirements as identified in the Essex Windsor Regional Transportation Study, updated for inflationary considerations, along with estimates, based on recent reports, for the expansion cost of County Roads 17, 19, 22, 42 and 46. The model was premised on 1.5% Levy increases through 2018 to accommodate the approximate \$400 million of infrastructure. In 2012, the financial model was amended to identify and prioritize expansion requirements exclusive of senior government funding and grade separations. In order to accommodate 100% municipal funding, the schedule was elongated through to 2020. A number of uncertainties exist surrounding the expansion plan:

- future replacement costs given climate change impacts to asset useful lives;
- significant increases in material, construction and construction labour costs;
- changes that may be part of a finalized road rationalization plan; and
- the timing of projects to maximize coordination with the infrastructure programs of each of the seven local municipalities.

Similar to 2021, the 2022 Budget does not include a 1.5% increase in expansion reserve funding. Instead, the Budget recognizes the 2021 workplan to update a number of key foundational studies still remains in progress. The information gathered as part of these studies will help support improved long-term planning and decision making, most notably the Essex Windsor Regional Transportation Master Plan. Working together, engineering and finance staff will update the long-term financial forecasting model that will underscore the importance of adhering to a structured plan of self-funding in order to minimize long-term costs on the local tax base; affirming the Corporation’s pay-as-you-go philosophy of funding infrastructure expansion.

The Corporation continues to make investments in funding County Wide Active Transportation facilities. The 2022 Budget increases the annual investment by an additional \$100,000 in accordance with the funding model, as approved by County Council in Report [#R017-R001-TSD-0118-TRB](#).

During 2021, departmental staff worked to maintain County roadways in a state of good repair and safety. The 2022 Budget anticipates the increased costs for mowing, brushing, ditching, catch basin, drain, fencing and debris clean-up will be offset by increased equipment utilization recoveries.

While design work was completed during 2021, renovation construction at the Civic Centre was paused during 2021 due to pandemic related supply chain issues and significant construction material price increases. The 2022 Budget anticipates both the supply chain and commodity price circumstance to improve enough to support the construction of the General Administration offices. The goal of the renovations is to modernize spaces for both staff and the public. Funding for these capital improvements will come from the Corporation’s capital reserves.

Inflationary pressures will impact most if not all Corporate departments however, the risk of negative inflation is the highest within the Infrastructure Services department. The 2022 Budget includes a modest buffer for inflationary pressures. Administration cautions Council that the inflationary estimates incorporated into the 2022 Budget may not sufficiently cover inflationary risk. As 2022 progresses, Administration will monitor this risk closely and work to mitigate deficits as appropriate.

## **Library**

COVID-19 required the temporary closure of all Essex County Library (ECL) branches. Championed by the Chief Librarian and the strategic leadership of the ECL Board, library team members re-invented traditional service delivery models and were able to continue to serve the public on a modified basis again during 2021. The 2022 Budget anticipates a general return to pre-pandemic service levels and a nominal increase in wage and benefit costs.

Inflationary pressures are also expected to impact library services in the area of the cost of library materials. Offsetting inflationary increases are cost savings coming from changes in the service delivery of cataloguing supplies.

## **General Government**

General Government includes the services of: council, administration, communications, finance, information technology, human resources and planning.

The 2022 Budget includes certain one-time costs associated with a Council Election year and end of term events. The budget also recognizes the

increased cost of closed caption services and technology improvements to support the production and communication of County Council meetings.

The Administration and Financial department budget includes the annualized cost of a Procurement Officer and Organizational Development Coordinator as well as a County Solicitor and two Records Management Specialists to support in house legal services and corporate wide records management. Also proposed in the Budget is a Financial Services and Information Technology department operational and service delivery review during 2022.

The Human Resources department budget includes the addition of an HRIS Specialist to support the implementation and ongoing management of the Corporation’s human resource information system. The Ability and Wellness Specialist onboarded during 2021 is also annualized from a cost perspective in the 2022 Budget.

The Planning department budget is presented as part of General Government services for the final year in 2022. Operationally, Planning and Infrastructure Services will be joined in 2022 under the leadership of the new Director of Infrastructure and Planning. Future budgets will present Planning as part of the expanded Infrastructure Services department. Included in the 2022 Budget is a Climate Change Coordinator position, funded by the Rate Stabilization Reserve. It is anticipated that this two-year position will support the advancement of the Corporation’s commitment to climate change initiatives set out in the Regional Community Energy Plan.

## **External Commitments**

The Corporation partners with the City of Windsor to financially support the public health programs and services provided by the Windsor Essex Health Unit (WECHU). Provincial funding uncertainties continue to impact the ability to financially plan for WECHU services. The 2022 Budget represents an overall net increase in levy support over the 2021 Budget however Administration acknowledges that as WECHU finalizes its budget and clarity is provided by the province on funding allocations, this external commitment represents a potential negative budgetary risk for the Corporation.

Information provided by the Windsor Essex County Housing Corporation identified the loss of federal block funding and anticipated operational cost increases requiring an increase to the Corporation’s contribution in 2022 for these shared services. During 2021, County Council also approved a 20-year commitment to support the operational costs of additional housing units in Leamington at The Bridge. The 2022 Budget now reflects this ongoing

commitment. The base levy currently includes \$1,650,000 contribution to Capital Reserve to fund future social housing capital renewal. The amount of contribution is budgeted to remain constant at this level until a long-term social housing capital plan is officially approved. It is anticipated that this plan will be clarified in conjunction with plans to work with the City of Windsor on a Regional Affordable Housing Strategy during 2022. Funds to support the retention of a third-party consultant to assist with this plan as well as a review of the Social Housing Funding Arbitrated Agreement are included in the 2022 Budget.

In 2021, the Province announced \$9.8 million to support the initial design and consultation work associated with the future construction of the New Windsor Essex Hospital System. In keeping with the approved funding model, the 2022 Budget includes an increase to the annual contribution to reserve to meet the Corporation’s \$100 million commitment towards the \$2 billion project.

## **Budget Risk Factors**

It is important to highlight for Council that there are risk factors inherent with any budget, in most cases beyond the control or discretion of Administration or Council. Economic realities potentially impacting operations include, but are not limited to:

- Unforeseen operational and economic impacts of a prolonged pandemic
- Provincial funding constraints in service areas related to Public Health, EMS, Social Services, Social Housing, Community Services and Long-Term Care
- EMS delivery issues related to hospital emergency off-load delays
- EMS call volume – demographics & response time framework
- Service requirements to care for an increasingly frail and higher level of acuity resident complement at Sun Parlor Home
- Increase in social service caseloads
- Winter control maintenance costs
- Province-wide municipal insurance issues

- Cost of fuel, medical and other supplies necessary across a diverse set of operating programs, specifically in EMS, Sun Parlor Home and Infrastructure Services
- Escalation in the cost to construct and maintain linear assets
- Global and domestic inflation
- Operational impact of US Exchange rate
- Decline in Sun Parlor Home Nursing subsidy if the CMI continues to decline in relation to other service providers in the Province
- Interest earned on investments
- Job evaluation for library unionized staff – potential wage rate impacts (pay equity / job equity)
- Premium increases for WSIB and other statutory deductions
- Health & welfare premiums (usage & escalation in service costs)
- Outstanding collective bargaining / arbitration results
- Social Housing – advanced timelines for capital renewal requirements and/or addressing of need to increase housing inventory

## **County Levy & Tax Rates**

Over the past decade the County Levy has increased, due in large part, to address expansion requirements of the County roadway and active transportation infrastructure and more recently, service enhancements to address growth, demographics and systemic health related issues/services. Also impacting annual levy increases is the commitment towards the New Windsor Essex Hospital System. Further, as the County assessment increases relative to the City, a greater shift of costs is transferred from the City to the County for shared programs including: Social Services, Social Housing, Child Care and Emergency Medical Services.

Although the County Levy has steadily grown over the years, tax rates remain fairly constant, due in large part, to prudent financial management decisions and moderate but stable growth in assessment in the County of Essex over this same period.

The consolidation of the departmental budget estimates produces a residential tax rate for County purposes for 2022, assuming no significant change in tax policy, of **.0049789608**, representing a **1.73%** increase from prior year.

Chart 3 illustrates the change in County tax rates on a per \$100,000 basis.

**Chart 3: Residential Tax Rate Comparison, 2021-2022**

Year	Assessed Value	Res. Tax Rate	Taxes	Tax Change	%
2021	\$100,000	.0048942989	\$489.42		
2022	\$100,000	.0049789608	\$497.89	\$8.47	1.73%

**Financial Implications**

Administration respectfully submits that it has, in consultation with all departments, provided Council with a sound business plan for 2022 in the form of a Budget that:

- Reasonably prepares the County to maintain operations during pandemic conditions;
- Addresses the competing demands for service for the coming year;
- Positions the County to manage future capital expansion/remediation;
- Continues to address the County’s future commitment related to the New Windsor Essex Hospitals System;
- Is cognizant of the economic realities of our region and the impact these service demands have on the tax rates and ratepayers of Essex County;
- Does not compromise the Corporation’s strong financial foundation for future operations and continued maintenance of stable tax rates for the future.

A significant portion of the County-level expenditures are either mandated services or legislated obligations. Experience has demonstrated that excessive utilization of reserves, reductions in level of service and/or substantial deferral of capital initiatives will expose the Corporation to undue risk and liability while creating significant financial burdens in the future when service reduction impacts and operating/infrastructure gaps will eventually need to be addressed.

Despite the uncontrollable external factors, inflationary pressures and operational considerations discussed above, Administration remains confident that a tax rate increase of 1.73% (inclusive of a minimum 0.5% increase towards hospital funding) is manageable. This business plan focuses on current operating realities and provides the necessary capital allocation for the County’s current requirements. The plan also positions the Corporation favourably to address future capital needs, all without adversely impacting or compromising future operations and/or creating significant future tax rate adjustments.

## **Recommendation**

That Essex County Council receive the 2022 Budget package as information and for public deliberation.

Respectfully Submitted

*Sandra Zwiery*

Sandra Zwiery, MAcc, CPA, CA, Director of Financial Services/Treasurer

Concurred With,

*Mike Galloway*

Mike Galloway, Chief Administrative Officer

<b>Appendix Number</b>	<b>Title</b>
<b>A</b>	Reserve Schedule
<b>B</b>	2022 Budget Summary Comparison