Town of Newmarket  
Agenda  
Special Committee of the Whole

Date: Monday, February 4, 2019  
Time: 9:00 AM  
Location: Council Chambers  
Municipal Offices  
395 Mulock Drive  
Newmarket, ON L3Y 4X7

1. Additions & Corrections to the Agenda

2. Declarations of Pecuniary Interest

3. Presentations & Recognitions

   3.1 Operating Budget and 2019 Preliminary Budget

       Note: Mike Mayes, Director of Financial Services will be present to  
       provide a presentation.

       1. That the presentation be received.

4. Deputations

5. Adjournment
Agenda

1. What does Council need to know for the 2019 budget?
2. Update budget recommendations
3. Further reduction options
This Year’s Theme is . . .

*Setting the stage for an extraordinary future*

- New Council, New CAO
- Community Survey
- Mulock Farm Visioning
- Development of the Corridors
- Changing environment

This is an opportunity to pause as we collectively determine our future direction through the Strategic Priority exercise.
What is the operating budget?

The annual plan for the purchase and financing of the Town's operations. It includes salaries, materials and supplies. It does not include capital expenditures. After all revenues are applied (e.g. user fees), the tax levy is used to balance the budget.
Summary of Budget Impact on Average Residential Property

<table>
<thead>
<tr>
<th>Increase</th>
<th>Proposed</th>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax increase</td>
<td>3.95 %</td>
<td>3.25 %</td>
<td>2.99 %</td>
</tr>
<tr>
<td>Property tax</td>
<td>$ 77</td>
<td>$ 62</td>
<td>$ 58</td>
</tr>
<tr>
<td>Water / wastewater</td>
<td>59</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>Stormwater</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 140</strong></td>
<td><strong>$ 125</strong></td>
<td><strong>$ 121</strong></td>
</tr>
</tbody>
</table>
Rate-supported Operating Budgets
# Rate-supported Budgets

<table>
<thead>
<tr>
<th>Service</th>
<th>Revenue increase included in 6-year plan</th>
<th>Rate Increase for the average residential property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>$1,570,000</td>
<td>9.28%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$59.00</td>
</tr>
<tr>
<td>Wastewater</td>
<td>$740,000</td>
<td>3.59%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater</td>
<td>$218,000</td>
<td>11.80%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.80%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$4.00</td>
</tr>
</tbody>
</table>
# Operating Budget - Water & Wastewater

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate revenue</td>
<td>$36,813,939</td>
<td>$38,163,615</td>
<td>$1,349,676</td>
</tr>
<tr>
<td>Region</td>
<td>$21,962,805</td>
<td>$22,980,679</td>
<td>$1,017,874</td>
</tr>
<tr>
<td>Operations</td>
<td>$5,052,397</td>
<td>$5,480,176</td>
<td>427,779</td>
</tr>
<tr>
<td>ARF</td>
<td>$7,067,859</td>
<td>$6,555,609</td>
<td>-512,250</td>
</tr>
<tr>
<td>Overhead</td>
<td>$2,148,000</td>
<td>$2,214,000</td>
<td>66,000</td>
</tr>
<tr>
<td>Rate stabilization</td>
<td>$582,878</td>
<td>$933,151</td>
<td>350,273</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$36,813,939</strong></td>
<td><strong>$38,163,615</strong></td>
<td><strong>$1,349,676</strong></td>
</tr>
</tbody>
</table>
Water/wastewater are at full cost recovery

Note: 2008 to 2011 represent average household water cost per 250 m³, while 2012 to 2018 represents cost per 200 m³.
Tiered rates will shift burden to major business users

![Graph showing Commercial Water/Wastewater Cost (per 10,000 m³) from 2009 to 2018. The graph compares York Region Average, Newmarket, BMA (Ontario) Average, and GTA Average. The costs are shown in dollars, increasing over time.]
# Water Rate Comparison - Average Residential Property

<table>
<thead>
<tr>
<th>Year</th>
<th>Newmarket</th>
<th>York Region average</th>
<th>% above</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$ 501</td>
<td>$ 424</td>
<td>18.2 %</td>
</tr>
<tr>
<td>2009</td>
<td>$ 539</td>
<td>$ 456</td>
<td>18.2 %</td>
</tr>
<tr>
<td>2010</td>
<td>$ 581</td>
<td>$ 498</td>
<td>16.7 %</td>
</tr>
<tr>
<td>2011</td>
<td>$ 641</td>
<td>$ 542</td>
<td>18.3 %</td>
</tr>
<tr>
<td>2012</td>
<td>$ 765</td>
<td>$ 640</td>
<td>19.5 %</td>
</tr>
<tr>
<td>2013</td>
<td>$ 839</td>
<td>$ 687</td>
<td>22.1 %</td>
</tr>
<tr>
<td>2014</td>
<td>$ 914</td>
<td>$ 741</td>
<td>23.3 %</td>
</tr>
<tr>
<td>2015</td>
<td>$ 967</td>
<td>$ 804</td>
<td>26.7 %</td>
</tr>
<tr>
<td>2016</td>
<td>$ 1030</td>
<td>$ 879</td>
<td>17.2 %</td>
</tr>
<tr>
<td>2017</td>
<td>$ 1090</td>
<td>$ 949</td>
<td>14.9 %</td>
</tr>
<tr>
<td>2018</td>
<td>$ 1157</td>
<td>$ 1019</td>
<td>13.5 %</td>
</tr>
</tbody>
</table>

Based on average residential consumption of 200 cubic meters per year.
# Operating Budget

## Stormwater

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$ 1,852,084</td>
<td>$ 2,069,804</td>
<td>$ 217,720</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td>$ 1,160,623</td>
<td>$ 1,284,759</td>
<td>$ 124,136</td>
</tr>
<tr>
<td><strong>ARF</strong></td>
<td>340,512</td>
<td>435,096</td>
<td>94,584</td>
</tr>
<tr>
<td><strong>Overhead</strong></td>
<td>340,000</td>
<td>340,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Rate stabilization</strong></td>
<td>10,949</td>
<td>9,949</td>
<td>- 1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,852,084</td>
<td>$ 2,069,804</td>
<td>$ 217,720</td>
</tr>
</tbody>
</table>
# Operating Budget - Building

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,680,191</td>
<td>$1,680,191</td>
<td>$0</td>
</tr>
<tr>
<td>Operations</td>
<td>$2,070,238</td>
<td>$2,156,069</td>
<td>$85,831</td>
</tr>
<tr>
<td>Overhead</td>
<td>$466,463</td>
<td>$492,084</td>
<td>$25,621</td>
</tr>
<tr>
<td></td>
<td>$2,536,701</td>
<td>$2,648,153</td>
<td>$111,452</td>
</tr>
<tr>
<td>Draw on reserve fund</td>
<td>$856,510</td>
<td>$967,962</td>
<td>$111,452</td>
</tr>
</tbody>
</table>
Tax-supported Operating Budget
## Draft 2019 Tax-supported operating Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Increase $</th>
<th>Tax Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>CYFS</td>
<td>$356,000</td>
<td>0.61%</td>
</tr>
<tr>
<td>Library grant</td>
<td>75,000</td>
<td>0.13%</td>
</tr>
<tr>
<td>Town, base budget</td>
<td>672,000</td>
<td>1.15%</td>
</tr>
<tr>
<td>Mandatory items</td>
<td>223,000</td>
<td>0.38%</td>
</tr>
<tr>
<td>Growth, net</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mulock Farm levy</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>400,000</td>
<td>0.68%</td>
</tr>
</tbody>
</table>

| Extraordinary items                  | $1,726,000 | 2.95%      |
| Infrastructure levy                  | 585,000    | 1.00%      |
| **Total**                            | **$2,311,000** | **3.95%** |
## Town Tax Dollars at a Glance
### Monthly Breakdown for an Average Resident

<table>
<thead>
<tr>
<th>Service bundle</th>
<th>2018</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Programs &amp; Events</td>
<td>$10.60</td>
<td>$12.00</td>
<td>$1.40</td>
</tr>
<tr>
<td>Public Library Services</td>
<td>9.83</td>
<td>10.04</td>
<td>0.21</td>
</tr>
<tr>
<td>Fire &amp; Emergency Services</td>
<td>43.51</td>
<td>45.01</td>
<td>1.50</td>
</tr>
<tr>
<td>Roads, Bridges &amp; Sidewalks</td>
<td>28.15</td>
<td>30.37</td>
<td>2.22</td>
</tr>
<tr>
<td>Planning &amp; Development Services</td>
<td>10.56</td>
<td>11.36</td>
<td>0.80</td>
</tr>
<tr>
<td>Facilities, Parks &amp; Trails</td>
<td>42.45</td>
<td>42.42</td>
<td>-0.03</td>
</tr>
<tr>
<td>By-law &amp; Licensing Services</td>
<td>4.18</td>
<td>4.16</td>
<td>-0.02</td>
</tr>
<tr>
<td>Waste Management</td>
<td>9.70</td>
<td>10.05</td>
<td>0.35</td>
</tr>
<tr>
<td>Mulock Estate</td>
<td>3.87</td>
<td>3.87</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$162.85</strong></td>
<td><strong>$169.28</strong></td>
<td><strong>$6.43</strong></td>
</tr>
</tbody>
</table>
Growth revenues will continue to be used for growth expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Growth 1.23%</td>
<td>$ 720,000</td>
</tr>
<tr>
<td>Operating costs of previously approved growth-related capital</td>
<td>$ 140,000</td>
</tr>
<tr>
<td>Incremental growth in the base budget,</td>
<td>76,000</td>
</tr>
<tr>
<td>Fire Master Plan:</td>
<td></td>
</tr>
<tr>
<td>original request</td>
<td>$ 286,000</td>
</tr>
<tr>
<td>revised allocation</td>
<td>- 32,000</td>
</tr>
<tr>
<td>Mulock Farm operating costs</td>
<td></td>
</tr>
<tr>
<td>total requirement</td>
<td>$ 350,000</td>
</tr>
<tr>
<td>less amount approved in 2018</td>
<td>- 100,000</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$ 720,000</strong></td>
</tr>
</tbody>
</table>
# Operating costs of previously approved growth-related capital

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davis &amp; Bathurst Intersection Improvements (Sidewalk &amp; Streetlighting)</td>
<td>$50,000</td>
</tr>
<tr>
<td>Sundial Park Development</td>
<td>10,000</td>
</tr>
<tr>
<td>Recreation Playbook Implementation for splash pads</td>
<td>50,000</td>
</tr>
<tr>
<td>Artificial Turf additional costs</td>
<td>30,000</td>
</tr>
<tr>
<td></td>
<td><strong>$140,000</strong></td>
</tr>
</tbody>
</table>
## Mulock Farm Operating Costs

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Descriptions</th>
<th>Budget</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Facilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Janitorial</td>
<td></td>
<td>$300.00</td>
<td>Monthly Cleaning</td>
</tr>
<tr>
<td>Building Repairs &amp; Maint (General)</td>
<td></td>
<td>$10,000.00</td>
<td>Roof, Brickwork, Windows, Etc.</td>
</tr>
<tr>
<td>Electrical Repairs &amp; Maint</td>
<td></td>
<td>$5,000.00</td>
<td>Regular maintenance, inspections and unforeseen issues</td>
</tr>
<tr>
<td>HVAC Repairs &amp; Maint</td>
<td></td>
<td>$5,000.00</td>
<td>Regular maintenance, inspections and unforeseen issues</td>
</tr>
<tr>
<td>Plumbing Repairs &amp; Maint</td>
<td></td>
<td>$5,000.00</td>
<td>Regular maintenance, inspections and unforeseen issues</td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
<td>$1,500.00</td>
<td>Internet and phone for security services and safety</td>
</tr>
<tr>
<td>Hydro</td>
<td></td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>Heat</td>
<td></td>
<td>$25,000.00</td>
<td>Approx. $3,000 per month (Oct - April), less during other seasons</td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td>$2,000.00</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>$15,000.00</td>
<td>To be confirmed by Risk Analyst</td>
</tr>
<tr>
<td>Security (On Site Guards)</td>
<td></td>
<td>$40,000.00</td>
<td>Jan/Feb on site ($30,000) and ongoing as necessary (unforeseen concerns)</td>
</tr>
<tr>
<td>Security Systems</td>
<td></td>
<td>$6,000.00</td>
<td>Monitoring costs for Internal and External security Systems</td>
</tr>
<tr>
<td>Pest Control</td>
<td></td>
<td>$2,000.00</td>
<td></td>
</tr>
<tr>
<td>One time site coordination matters</td>
<td></td>
<td>$10,000.00</td>
<td>Eg. Fill in pool, surface water remediation, fencing, removing fuel tank etc.</td>
</tr>
<tr>
<td><strong>Departmental Labour Costs</strong></td>
<td></td>
<td>$30,500.00</td>
<td>Daily Site Checks (250), Attending to Contractors when on site (100), Minor Cleaning (80), Building Maintenance (80), Inspection and responding to issues (50), After hours response - OT (20), Tours (20), Supervisor/Management Labour Costs (50) (610 hrs x $50)</td>
</tr>
<tr>
<td><strong>Building Material</strong></td>
<td></td>
<td>$5,000.00</td>
<td>General materials required for building</td>
</tr>
<tr>
<td><strong>Building Fleet &amp; Fuel</strong></td>
<td></td>
<td>$24,000.00</td>
<td>Work, parts, insurance and licensing to maintain vehicles used and fuel</td>
</tr>
<tr>
<td><strong>Property</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 month Park Contract</td>
<td></td>
<td>$21,500.00</td>
<td>Garbage pick up, horticultural help (annual flowers) and Forestry help</td>
</tr>
<tr>
<td>Parks Operator</td>
<td></td>
<td>$70,000.00</td>
<td>Helping with Tree trimming, forestry works, snow removal, property inspection</td>
</tr>
<tr>
<td>Property Fleet &amp; fuel</td>
<td></td>
<td>$15,000.00</td>
<td>Work, parts, insurance and licensing to maintain vehicles used and fuel</td>
</tr>
<tr>
<td>Property Materials</td>
<td></td>
<td>$20,000.00</td>
<td>Garbage bags, sod work, top dressing, seeding, soil, gravel, flowers, fencing, General material for property</td>
</tr>
<tr>
<td>Contractor</td>
<td></td>
<td>$53,000.00</td>
<td>Landscaping, grass cutting, work around the building</td>
</tr>
<tr>
<td><strong>Contingency</strong></td>
<td></td>
<td>$31,280.00</td>
<td>10% total budget for unforeseen issues</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$344,080.00</td>
<td></td>
</tr>
</tbody>
</table>
Budget Revisions

• HR Generalist (DP# HR2) to hire support for Fire, Library and Public Works
  – Was net cost of $14,560 and deferred
  – Revised to a net cost of $0 and Recommended

• Built Heritage Resources (Capital DP PLN2)
  – Was a recommended capital project funded from a reserve
  – Revised to deferred operating decision package with no funding
Revenues
Taxes below GTA average
### Property Tax Rate Comparison - Average Residential Property

<table>
<thead>
<tr>
<th>Year</th>
<th>Newmarket</th>
<th>GTA average</th>
<th>% below</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$ 1053</td>
<td>$ 1202</td>
<td>- 12.4 %</td>
</tr>
<tr>
<td>2009</td>
<td>$ 1030</td>
<td>$ 1185</td>
<td>- 13.7 %</td>
</tr>
<tr>
<td>2010</td>
<td>$ 1036</td>
<td>$ 1208</td>
<td>- 14.2 %</td>
</tr>
<tr>
<td>2011</td>
<td>$ 1082</td>
<td>$ 1248</td>
<td>- 13.3 %</td>
</tr>
<tr>
<td>2012</td>
<td>$ 1217</td>
<td>$ 1338</td>
<td>- 19.5 %</td>
</tr>
<tr>
<td>2013</td>
<td>$ 1182</td>
<td>$ 1322</td>
<td>- 9.0 %</td>
</tr>
<tr>
<td>2014</td>
<td>$ 1215</td>
<td>$ 1360</td>
<td>- 10.6 %</td>
</tr>
<tr>
<td>2015</td>
<td>$ 1247</td>
<td>$ 1377</td>
<td>- 10.7 %</td>
</tr>
<tr>
<td>2016</td>
<td>$ 1277</td>
<td>$ 1442</td>
<td>- 9.4 %</td>
</tr>
<tr>
<td>2017</td>
<td>$ 1302</td>
<td>$ 1464</td>
<td>- 11.1 %</td>
</tr>
<tr>
<td>2018</td>
<td>$ 1359</td>
<td>$ 1509</td>
<td>- 9.9 %</td>
</tr>
</tbody>
</table>

Per capita municipal levy – upper and lower tier combined
Budget Reduction Options
## Original Tax Increase Options

<table>
<thead>
<tr>
<th></th>
<th>Proposed</th>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>CYFS</td>
<td>0.61%</td>
<td>0.61%</td>
<td>0.61%</td>
</tr>
<tr>
<td>Library grant</td>
<td>0.13%</td>
<td>0.13%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Town portion, net</td>
<td>1.53%</td>
<td>1.53%</td>
<td>1.53%</td>
</tr>
<tr>
<td>Mulock Farm levy</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>0.68%</td>
<td>0.68%</td>
<td>0.68%</td>
</tr>
<tr>
<td></td>
<td>2.95%</td>
<td>2.95%</td>
<td>2.95%</td>
</tr>
<tr>
<td>Infrastructure levy</td>
<td>1.00%</td>
<td>0.25%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Tax increase</td>
<td>3.95%</td>
<td>3.20%</td>
<td>2.99%</td>
</tr>
<tr>
<td>Impact on average residential property</td>
<td>$ 77</td>
<td>$ 62</td>
<td>$ 58</td>
</tr>
</tbody>
</table>
Council Direction

That staff be directed to provide further budget reduction options in advance of the Special Committee of the Whole meeting on February 4, 2019 regarding the 2019 operating budgets. These options to provide for at least an additional $300,000 in reductions to the 2019 tax levy requirement without directly affecting service levels or the infrastructure levy. Any potential risk is to be identified and assessed.
Further Tax Reduction Options

• Revenue, potential increases:
  – Supplementary taxes, up to $150,000
  – Investment income, up to $400,000

• Wages, potential savings:
  – Provision for vacancies – “gapping”, up to $300,000
  – Provision for future casual wage increases, up to $120,000
Supplementary taxes are volatile
Supplementary taxes - 10 year average
Increase the budget for Supplementary Taxes

Risk – short term
For individual years, the revenue is difficult to predict.

Risk – medium to long term
As MPAC becomes more efficient the backlog and its related revenue will be reduced resulting in a negative budget impact. Similarly, when growth slows, there will be a negative budget impact.
Investment income - bank (passive investments)
## Investment income – active investments

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on investment</td>
<td>$ 88,170</td>
<td>$ 575,918</td>
<td>$ 524,636</td>
<td>$ 946,519</td>
<td>$ 890,938</td>
<td>$ 1,370,000</td>
</tr>
<tr>
<td>Benchmark</td>
<td>28,403</td>
<td>353,967</td>
<td>280,137</td>
<td>528,997</td>
<td>611,715</td>
<td>1,295,000</td>
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<tr>
<td>Incremental income</td>
<td>$ 59,767</td>
<td>$ 221,951</td>
<td>$ 244,299</td>
<td>$ 417,522</td>
<td>$ 279,223</td>
<td>$ 75,000</td>
</tr>
<tr>
<td>Operating Allocation</td>
<td>$ 50,000</td>
<td>$ 125,000</td>
<td>$ 175,000</td>
<td>$ 175,000</td>
<td>$ 175,000</td>
<td>$ 75,000</td>
</tr>
<tr>
<td>Budget</td>
<td>$ 50,000</td>
<td>$ 125,000</td>
<td>$ 175,000</td>
<td>$ 175,000</td>
<td>$ 175,000</td>
<td>$ 175,000</td>
</tr>
<tr>
<td>Variance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>- $ 100,000</td>
</tr>
</tbody>
</table>
Increase the budget for Investment Income

Risk – short term
Interest rate hikes are expected so that should not be an issue.

Risk – medium to long term
Interest rates will fluctuate over time. When they do drop there will be a negative budget impact.
Budgetary wage savings exceed the provision for gapping
Gapping - 10-year average
Increase the provision for vacancies – “gapping”

Risk
The target may be difficult to achieve if the budget does not create new positions and/or there is insufficient turnover.
To meet the target may require managing the budget through intentional hiring delays.
Increase the provision for vacancies – “gapping”

Risk

Recognizing we have forecasted higher levels of retirement in 2019 and 2020, and the level at which these will occur, there is an additional need for transitional overlap to provide for an effective knowledge transfer process.

This is a paradox because leaving positions vacant to achieve the target is counter to good operational management by the Town.
Reduce the provision for future casual wage increases

No increase is expected in 2019 but a provision of $120,000 is included in the 2019 budget.

Risk
When the casual wage scale is adjusted in the future we will have to account for an increase beyond the annual inflation rate.
Although an increase is not expected in 2019, it is always a possibility for later in the year.
Other Considerations
Further Tax Reduction and Risk Analysis

• Revenue:
  – Investment income, Business Enterprises
  – Penalty charges & interest on taxes

• Wages and benefits
  – Bill 148

• Other
  – Tax adjustments, Legal consulting, Utilities, Waste Management, Town grants and contributions
# Investment income – Business enterprises

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Promissory note interest</td>
<td>$1.30</td>
<td>$1.20</td>
<td>$1.20</td>
<td>$1.20</td>
<td>$1.20</td>
<td>$1.20</td>
<td>$1.20</td>
<td>$1.20</td>
</tr>
<tr>
<td>Rent</td>
<td>0.22</td>
<td>0.27</td>
<td>0.27</td>
<td>0.27</td>
<td>0.27</td>
<td>0.27</td>
<td>0.27</td>
<td>0.27</td>
</tr>
<tr>
<td>Dividends</td>
<td>$1.66</td>
<td>$1.34</td>
<td>$1.84</td>
<td>$1.34</td>
<td>$1.34</td>
<td>$1.34</td>
<td>$1.34</td>
<td>$1.34</td>
</tr>
<tr>
<td>Budget</td>
<td>$3.18</td>
<td>$2.81</td>
<td>$3.31</td>
<td>$2.81</td>
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<td>$2.81</td>
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</tr>
<tr>
<td>Variance</td>
<td>$0.22</td>
<td>-</td>
<td>$0.50</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## Income has remained steady
Penalty charges & interest on overdue tax accounts

Budget appears to be appropriate
## Bill 148, A Plan for Fair Workplaces and Better Jobs

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projected cost</strong></td>
<td>$ 880,000</td>
<td>$ 680,000</td>
</tr>
<tr>
<td><strong>Budget:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018 provision</td>
<td>$ 280,000</td>
<td>$ 280,000</td>
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<tr>
<td>2019 increase</td>
<td></td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Shortfall</strong></td>
<td>$ 600,000</td>
<td>$ 200,000</td>
</tr>
</tbody>
</table>
Tax adjustments
Legal consulting – budget is not sufficient for costs
Legal consulting is funded by reserves from annual surpluses.
Utilities – budget seems appropriate
Waste Management – budget seems appropriate
Town grants and contributions

• Newmarket Public Library (NPL) is 90% funded by a grant from the Town.
• Central York Fire Services (CYFS) is funded 59% by the Town
• Any surplus is transferred to their reserves
• These reserves have set limits and any excess returned to the Town – such as in 2015 with $172,810 from NPL and $234,805 from CYFS
What’s Next?
Next Steps

• Additional information to be provided
  – Flushing, Snowclearing legislation, Fire ants, Efficiency initiatives
  – On capital, from January 29 CoW
• February 25 – Draft Budget to CoW
• March 4 - Target date for Budget Approval
• September - Updates to 6-year plans for Water, Wastewater and Stormwater