



Town of Newmarket

Agenda

Special Committee of the Whole

Date: Monday, October 28, 2019
Time: 10:00 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

3.1 Rate Supported Operating Budget & Capital Budget

Note: Mike Mayes, Director of Financial Services/Treasurer, will be in attendance to provide a presentation on this matter.

4. Deputations

4.1 Old Main Street North Tertiary Plan

Note: Sonya Reiter will be in attendance to provide a deputation on this matter.

4.2 Old Main Street North Tertiary Plan

Note: Trudy Baker will be in attendance to provide a deputation on this matter.

4.3 Neighbourhood Network

Note: Erin Cerenzia, Neighbourhood Network and Kim Clark, gazelle and company, will be in attendance to provide a deputation on this matter.

5. Items

5.1 2020 Preliminary Draft Rate-Supported Operating Budgets

1. That the report entitled 2020 Preliminary Draft Rate-Supported Operating Budgets dated October 28, 2019 be received; and,

2. That subject to any additional direction from Committee, that the proposed budgets be incorporated into the Draft Budgets to be presented to Committee of the Whole on November 25, 2019.

5.2 2020 Preliminary Draft Capital Budget

1. That the report entitled 2020 Preliminary Draft Capital Budget dated October 28, 2019 be received; and
2. That subject to any additional direction from Committee, that the proposed budgets be incorporated into the Draft Budgets to be presented to Committee of the Whole on November 25, 2019.

5.2.1 Correspondence

- Everett Baker regarding the Old Main Street North Tertiary Plan
- Teresa Rogers and Lloyd McKee regarding the Old Main Street North Tertiary Plan

6. Adjournment

2020 Capital and Rate-supported Budgets

Presenter: Mike Mayes

Date: October 28, 2019



Today's Objectives

Further to October 15 budget process update:

- Provide details of the Preliminary Draft Budget for:
 - Rate-supported Operations
 - Capital
- Addresses the identified challenges
- Initiates Council deliberations

Results will be consolidated with tax-supported budget into the draft budget for November 25



Rate-supported Budget targets are based on their 6-year plans



- Water / wastewater - 4.9% or \$60 for an average residential property
- Stormwater - 10.9% or \$4 for an average residential property
- Building is an exception, has no 6-year plan, but does have a healthy reserve fund



Water and wastewater rates are on target



	2019 budget	2020 budget	6-year plan	Variance
Rate increase	5.1 %	4.9 %	4.9 %	-
Revenue	\$ 40,597,000	\$ 42,265,000	\$ 42,869,000	- \$ 604,000
Expenses	33,429,000	35,276,000	35,369,000	93,000
ARF	6,331,000	6,660,000	6,660,000	0
	\$ 837,000	\$ 329,000	\$ 840,000	- \$ 511,000



Water and wastewater reserve funds are healthy



	2019 budget	2020 budget
Asset Replacement Fund balance	\$ 56 million	\$ 60 million
Asset Replacement Fund as a % of accumulated amortization Target is 100%	49 %	52 %
Rate Stabilization Reserve	\$ 2.9 million	\$ 3.2 million
Rate Stabilization Reserve as a % of annual revenue Target is 5 to 10%	7.1 %	7.6%



Water rates are moving to the Regional average



Year	Newmarket	York Region average	% above
Based on average annual residential use – 200 cubic metres			
2014	\$ 914	\$ 741	23.3 %
2015	\$ 967	\$ 804	20.3 %
2016	\$ 1030	\$ 879	17.2 %
2017	\$ 1090	\$ 949	14.9 %
2018	\$ 1157	\$ 1019	13.5 %
2019	\$ 1216	<i>\$ 1089</i>	<i>11.7 %</i>
2020	\$ 1276	<i>\$ 1159</i>	<i>10.1 %</i>

Italicized Figures are Projections



Building division maintains a healthy reserve fund balance



	2019 budget	2020 budget	Change
Rate increase	0.0 %	0.0 %	
Revenue	\$ 1,680,000	\$ 1,680,000	\$ 0
Expenses	2,694,000	2,747,000	53,000
	- \$ 1,014,000	- \$ 1,067,000	- \$ 53,000
Projected reserve fund	\$ 4,464,000	\$ 3,397,000	
Reserve fund as a % of annual expenses Target is 100 to 150%	166%	124%	



Stormwater rates can be on target . . .



	2019 budget	2020 budget	6-year plan	Variance
Rate increase	11.8 %	10.9 %	10.9 %	-
Revenue	\$ 2,070,000	\$ 2,141,000	\$ 2,295,000	- \$ 154,000
Expenses	1,625,000	1,624,000	957,000	- 667,000
ARF	435,000	491,000	1,312,000	821,000
	\$ 10,000	\$ 26,000	\$ 26,000	\$ 0



Stormwater reserve funds will be maintained . . .



	2019 budget	2020 budget
Asset Replacement Fund balance	\$ 199,000	\$ 190,000
Asset Replacement Fund as a % of accumulated amortization Target is 100%	0.3 %	0.3 %
Rate Stabilization Reserve	\$ 200,000	\$ 226,000
Rate Stabilization Reserve as a % of annual revenue Target is 5 to 10%	9.7 %	9.8 %



. . . But some Stormwater projects will need to be deferred

Rates are challenged to meet capital requests.
Options considered were:

1. Defer projects
2. Borrow funds on an interim basis
3. Increase stormwater rates
4. A combination of these options

Option 1 is recommended for the 2020 budget.
Next year's update of the 6-year plan will
integrate rate, capital and new fiscal strategies.

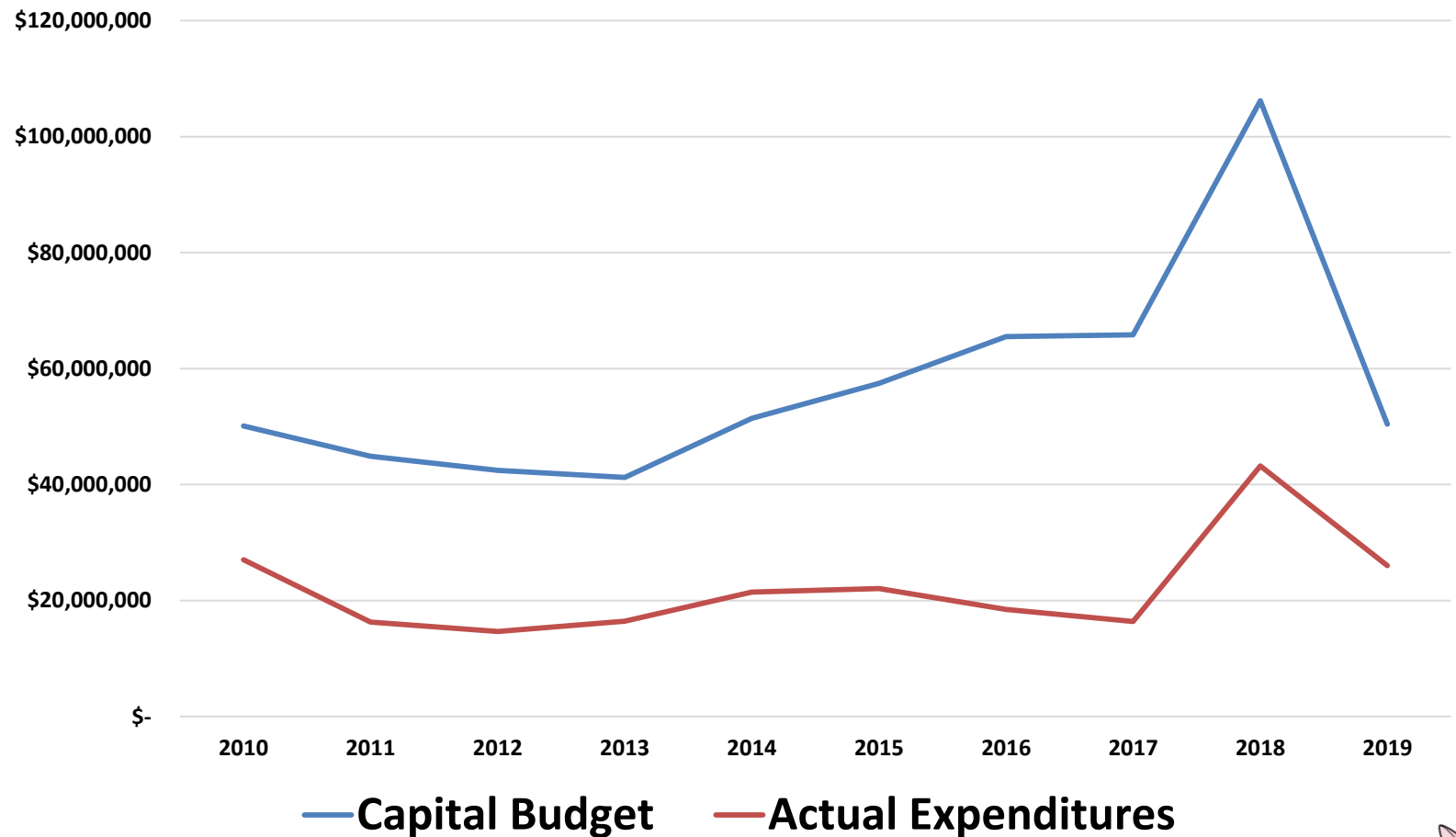


The Capital Budget has significant challenges

1. Carryovers, funded projects approved by Council but not completed, are projected to total \$60 million at the end of 2019
2. Although the overall Asset Replacement Fund is projected to be \$33 million at the end of 2019, the tax-supported ARF will have a \$23 million deficit

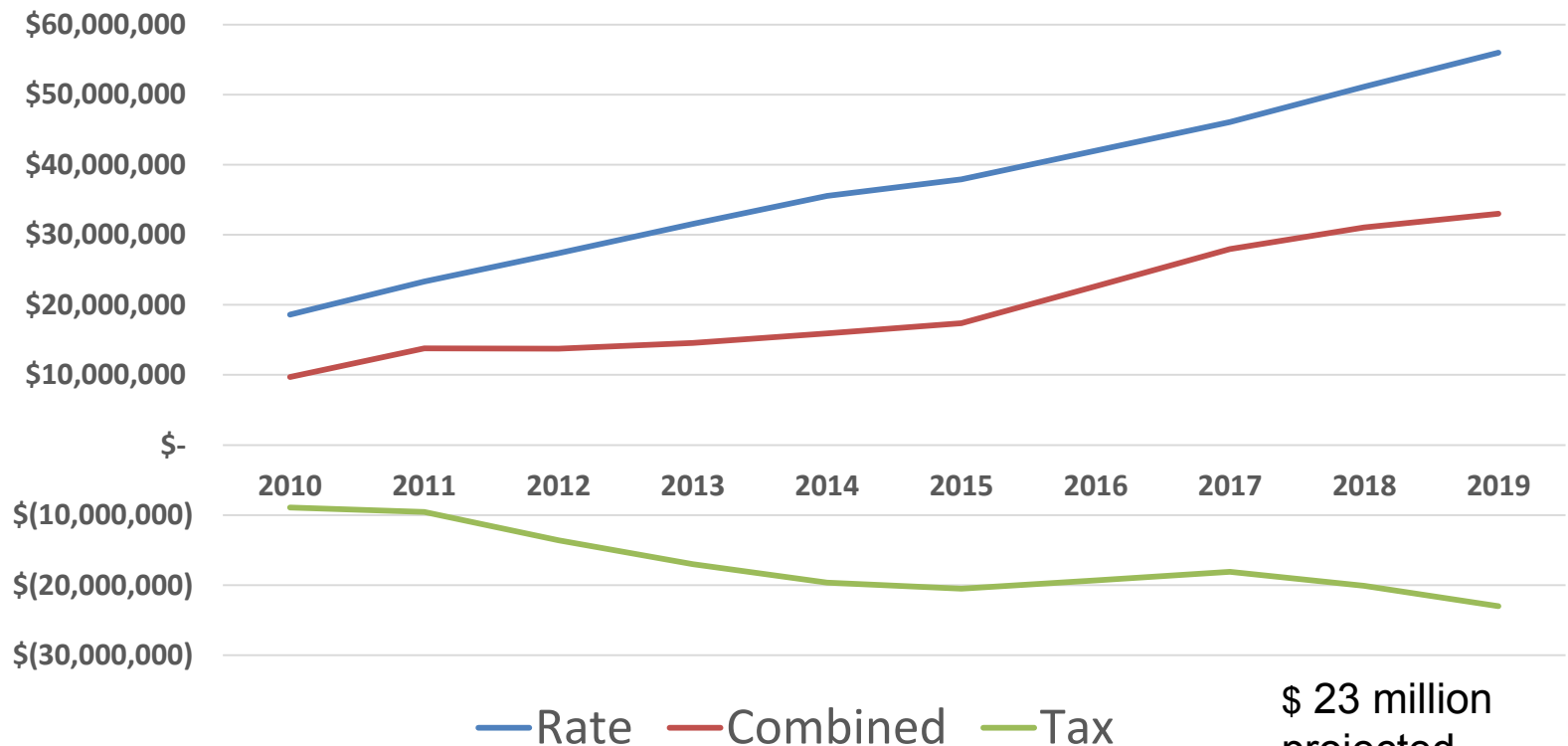


Capital carryovers result when expenditures are below budget



The tax-supported ARF is in a deficit

Asset Replacement Fund
(ARF) balances



\$ 23 million
projected



Restrictions were applied to the 2020 capital budget

1. Capital program is to be achievable – elimination of capital carryovers
2. No increase in the tax-supported ARF deficit
3. Any increases in ARF contributions to be applied to the fund, not to capital projects
4. Conserve additional Gas Tax payments received in 2019 for strategic purposes
5. No new debt



A new financial strategy will be presented to Council in 2020



It will include and impact:

- New and existing Financial Policies
- ARF (Asset Replacement Fund) Strategy
- Multi-year capital plans

REV It Up results may inform this process

Timeline: May/June 2020



Projection shows \$60 million in capital carryovers from 2019

Capital carryovers from 2018	\$ 58 million
2019 new requests approved	\$ 28 million
	\$ 86 million
Projected 2019 capital expenditures	\$ 26 million
Capital carryovers from 2019	\$ 60 million

Capital carryovers are projects that have Council approved budgets and have not been completed by the end of the year, i.e. expenditures less than budget.



New approach: New terminology

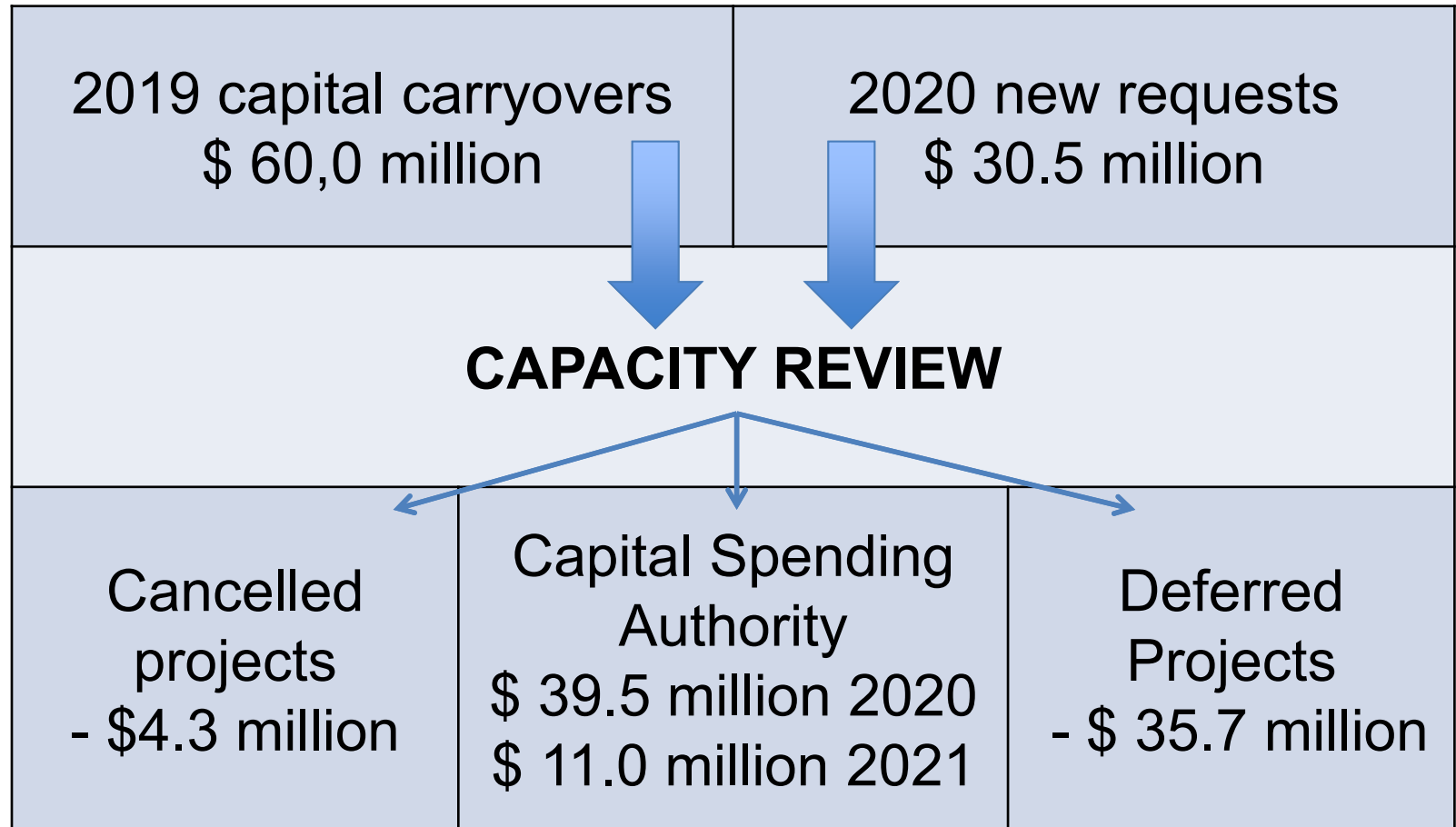
Capital Budget – Council’s overall approval of capital expenditures with required funding for an individual year, the focus is on total \$

Capital Spending Authority (CSA) – total of all capital budgets approved by Council – may span more than one year

Capital Program – the list of projects that constitute the Capital Budget and CSA – the focus is on service delivery



A capacity review re-sorted and re-prioritized capital requests



Overview of capital budget re-sorted and re-prioritized



	New Requests	Carry-overs	Total
In \$ millions			
Category total	30.5	60.0	90.5
Cancelled	- 0.3	- 4.0	- 4.3
Deferred	- 21.2	- 14.5	- 35.7
Capital Spending Authority	9.0	41.5	50.5
2020	8.2	31.3	39.5
2021	0.8	10.2	11.0



There are major projects in the Capital Spending Authority



	2020	2021	Total
	In \$ millions		
Fire station 4-5	6.2	6.2	12.4
Other fire capital	4.4		4.4
Water meters	4.8	4.8	9.6
Parks development	1.3		1.3
	16.7	11.0	27.7
Other projects	22.8		22.8
Total	39.5	11.0	50.5



\$22.8 million for other projects should be achievable

Year	Actual expenditures in millions
2010	\$ 27.0
2011	\$ 16.3
2012	\$ 14.7
2013	\$ 16.4
2014	\$ 21.4
2015	\$ 22.1
2016	\$ 18.5
2017	\$ 16.4
2018 (w/o Mulock Farm)	\$ 17.2
2019 forecast	\$ 26.0
average	\$ 19.6



There is adequate funding for the 2020 capital budget



	New requests	Carryovers	Total
	In \$ millions		
Asset Replacement Funds:			
Tax-supported	2.22	5.60	7.82
Water/wastewater	2.10	1.10	3.20
Stormwater	0.50	0.40	0.90
DC's	1.70	12.99	14.69
General	0.29	0.16	0.45
Reserves	0.00	1.12	1.12
Gas Tax	1.30	5.16	6.46
Other	0.04	4.82	4.86
Total	8.15	31.35	39.50



Procedural changes are being introduced for 2020



- Capacity reviews of the capital program
Operational and financial capacity
- Projects to be “tender ready”
- Regular reporting
Tracking progress and modifying the program as required while remaining within the approved annual budget



2020 Budget Schedule

ACTIVITY	DATE	MEETING	STATUS
Recommendations for 2019 budget process - schedule, targets, community engagement	April 29	Committee of the Whole	Done
Community Engagement Phase 1	July to October	-	Done
Fees & Charges for early approval – licensing, recreation	June 17	Committee of the Whole	Date changed
Approval of early Fees & Charges	June 24	Council	
Presentation of the Preliminary Draft budgets	October 15	Committee of the Whole	Done



2020 Budget Schedule

ACTIVITY	DATE	MEETING	STATUS
Community Engagement Phase 2	October to November	-	In process
Consideration of the Capital and Rate-supported Budgets	October 28	Special Committee of the Whole	In process
Consideration of the Tax-supported Operating Budget	November 11	Special Committee of the Whole	
Presentation of the Draft Budgets and remaining Fees & Charges for approval	November 25	Committee of the Whole	
Approval of the Budgets and remaining Fees & Charges	December 2	Council	



Deputation and Further Notice Request Form

Please complete this form to speak at a meeting of Town Council or Committee of the Whole or to receive further notification regarding an item on the agenda. If filling out by hand please print clearly.

Please email to clerks@newmarket.ca, fax to 905-953-5100 or mail or drop off at Legislative Services Department, Town of Newmarket Municipal Offices, 395 Mulock Drive, PO Box 328, STN Main, L3Y 4X7

Name: Sonya Reiter	
Organization / Group/ Business represented:	
Address: [REDACTED]	Postal Code: [REDACTED]
Daytime Phone No:	Home Phone:
Email: [REDACTED]	Date of Meeting: October 15
Is this an item on the Agenda? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Agenda Item No:
<input checked="" type="checkbox"/> I request future notification of meetings	<input checked="" type="checkbox"/> I wish to address Council / Committee
Describe in detail the reason for the deputation and what action you will be asking Council/Committee to take (if applicable): Budget 2020 - Including Engineering Plan Study for Old Main St. N.	
Do you wish to provide a written or electronic communication or background information <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please submit all materials at least 5 days before the meeting.	

Deputation Guidelines:

- Deputations related to items on the agenda can be accommodated up to and including the meeting day;
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Personal information on this form will be used for the purposes of sending correspondence relating to matters before Council. Your name, address, comments, and any other personal information, is collected and maintained for the purpose of creating a record that is available to the general public in a hard copy format and on the internet in an electronic format pursuant to Section 27 of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.M.56, as amended. Questions about this collection should be directed to the Director of Legislative Services/Town Clerk, Town of Newmarket, 395 Mulock Drive, P.O. Box 328, STN Main, Newmarket, ON L3Y 4X7; Telephone 905 895-5193 Ext. 2211 Fax 905-953-5100

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Name: Trudy Baker	
Organization / Group/ Business represented:	
Address: [REDACTED]	Postal Code: [REDACTED]
Daytime Phone No: [REDACTED]	Home Phone: same
Email: [REDACTED]	Date of Meeting: October 28, 2019
Is this an item on the Agenda? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Agenda Item No:
<input checked="" type="checkbox"/> I request future notification of meetings	<input checked="" type="checkbox"/> I wish to address Council / Committee
Describe in detail the reason for the deputation and what action you will be asking Council/Committee to take (if applicable): I request the Old Main Street North Tertiary Plan to be included in the 2020 Capital Budget for the required Engineering Master Plan work.	
Do you wish to provide a written or electronic communication or background information <input type="checkbox"/> Yes <input type="checkbox"/> No Please submit all materials at least 5 days before the meeting.	

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Name: Erin Cerenzia and Kim Clark	
Organization / Group/ Business represented: Magna's Neighbourhood Network & Gazelle and Co.	
Address: [REDACTED]	Postal Code: [REDACTED]
Daytime Phone No: [REDACTED]	Home Phone:
Email: [REDACTED]	Date of Meeting: November 4, 2019
Is this an item on the Agenda? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Agenda Item No:
<input type="checkbox"/> I request future notification of meetings	<input checked="" type="checkbox"/> I wish to address Council / Committee
Describe in detail the reason for the deputation and what action you will be asking Council/Committee to take (if applicable): Presenting an exciting collaborative project led by Neighbourhood Network, regarding Diversity and Inclusion in our communities and seeking Council's support and commitment to the project.	
Do you wish to provide a written or electronic communication or background information <input type="checkbox"/> Yes <input type="checkbox"/> No Please submit all materials at least 5 days before the meeting.	

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NeighbourhoodNetwork
Building Better Communities Together

Dear Mayor Taylor,

We hope that this message finds you well.

Neighbourhood Network is built on the **vision** of *building better communities* together. For over ten years we have partnered with five of the Northern Six York Region municipalities to provide community engagement through volunteerism and spearhead programs to address important community needs as they arise.

As our communities continue to evolve, so too must these methods of engagement and support. We are writing you today with a request to come present a unique opportunity for the Town of Newmarket to learn and shape ways of creating communities.

Neighbourhood Network has signed on to be a Lead Community Partner for an important initiative proposed to us by a community member and leader in engagement and inclusion. By collaborating with the municipalities of Aurora, East Gwillimbury, and Newmarket we will be able to gather a deeper understanding of the diversity in our communities, taking a critical first step in building belonging, engaging meaningfully, and deepening connection and impact.

Attached is a proposal the overviews this initiative. This is an opportunity for the Town of Newmarket to get ahead of the changes, to be proactive in developing deeper understanding, and to take concrete action based on the knowledge that will be gained from this project.

As we quickly move towards 2020, we'd look forward to the chance in the near future to present this to the Town of Newmarket for consideration so we can capitalize on this opportunity.

We look forward to sharing more with you, to building this together with you.

Erin Cerenzia
Manager, Neighbourhood Network



p. (905) 726-3737 tf. 1 (855) 870-4586 f. (905) 726-9779
14988 Yonge Street, Aurora, ON L4G 1M6
www.neighbourhoodnetwork.org

Engaged, inclusive communities

Building towards increased inclusion
in our communities

Deputation to Council – Town of Newmarket

Presented by:

Erin Cerenzia, Neighbourhood Network

Kim Clark, gazelle and company

OCTOBER 28
2019



Diverse and inclusive cities and communities have more social, economic and physical resilience in the face of unforeseen challenges because community members are equipped with the values of equity, diversity and inclusion to adapt to changes and create positive opportunities for community-(re)building.

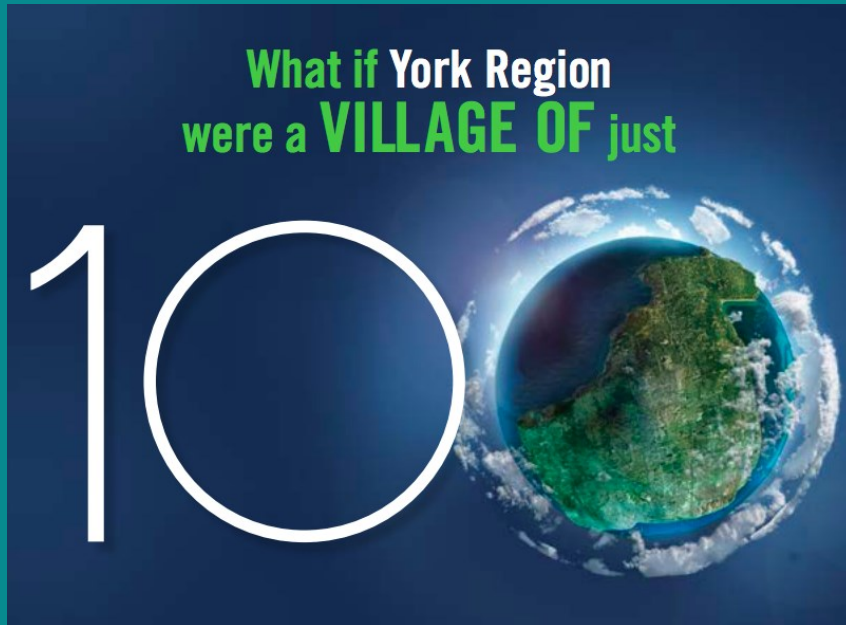
Building Inclusive Cities Case Study – Cities of Migration

... today

- Why this? Why now?
- What being proposed
- Deliverables
- Impact
- Closing

... why

York Region



Our communities

- Lack of specific data
- Our communities are changing
- We want to engage meaningfully with our communities
- Gain better understanding of the diversity in our communities
- Growth and opportunity

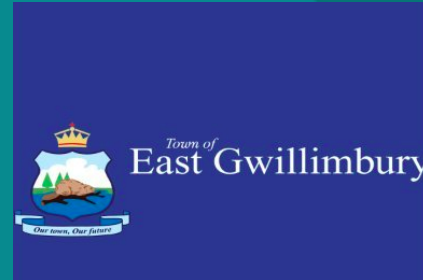
... why

- Engage more effectively
- Inform program and policy development
- Ensure reflective and inclusive communications
- Provide deeper connection and engagement
- Encourage growth, economic opportunity and sense of community belonging



... what

A collaborative approach
looking at diversity,
inclusion & belonging.



... what

- Looking at shared challenges and opportunities
- Taking an integrated approach to avoid duplication and find efficiencies
- Researching the specific needs of each individual community where growth, increased development and change is rapid

...what

... deliverables

- A summary report that overviews inclusion work and opportunity including:
 - Summary of work at municipalities
 - Snapshot demographic information within 3 communities based on 2016 census data
 - A summary of organizations and initiatives within 3 communities doing this work
 - Recommendations and opportunities identified—a framework for action and engagement
 - A break out report for each individual municipality
 - Promising practices in other areas
- Inclusive engagement workshops
- Listing of organizations and stakeholders around inclusion in each municipality
- A framework for potential future integrated-collective work including:
 - Securing and sourcing potential broader funders and partners
 - Potential activities and a plan that includes items such as:
 - An inclusive communities forum
 - Speaker series
 - Deeper collective community engagement
 - Capacity building/training
 - Media engagement

The evidence is mounting that geographical openness and cultural diversity and tolerance are not by-products but key drivers of economic progress. Proximity, openness and diversity operate alongside technological innovation and human capital as the key engines of economic prosperity. Indeed, one might even go so far as to suggest that they provide the motive force of intellectual, technological, and artistic evolution.

Richard Florida "How Diversity Leads to Economic Growth," CityLab

... impact

- Increased understanding of your community leads to:
 - Better connection, engagement and relevance with constituents
 - Increased effectiveness of policy and decision making
 - Better informed programming
- Building together in this way is fiscally responsible
 - Leveraging and sharing knowledge and resources



... in closing

- Where from here?
- What required?
- Questions?



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

2020 Preliminary Draft Rate-Supported Operating Budgets Staff Report to Council

Report Number: 2019-108

Department(s): Financial Services

Author(s): Mike Mayes, Director of Financial Services

Meeting Date: October 28, 2019

Recommendations

1. That the report entitled 2020 Preliminary Draft Rate-Supported Operating Budgets dated October 28, 2019 be received; and
2. That subject to any additional direction from Committee, that the proposed budgets be incorporated into the Draft Budgets to be presented to Committee of the Whole on November 25, 2019.

Executive Summary

The proposed 2020 rate-supported budgets for Water, Wastewater, Stormwater and Building Permits Fees are within their target limits.

Purpose

This report provides details for the previous report, *2020 Budget Process Update*, dated October 15, 2019. It elaborates on the identified challenge. The preliminary draft budgets are the starting point for Council deliberation and will form the basis for the consolidated draft budgets to be presented to Committee of the Whole on November 25, 2019.

The specific challenge to be addressed is funding the Stormwater capital budget.

Background

Rate-supported Budget targets are based on their 6-year plans

Rate-supported operating budgets – water, wastewater and stormwater are funded 100% from non-tax revenues. They have 6-year financial plans that were approved by Council in 2017. The Water and Wastewater plans project a combined increase of 4.9% for 2020. The projection for Stormwater is 10.9%.

The Building Division is also considered to be a rate-supported budget but is the exception as it does not yet have a multi-year financial plan. It does have a target for its reserve fund – to be 100% to 150% of annual expenses.

Discussion

Water and wastewater rates are on target

	2019 budget	2020 budget	6-year plan	Variance
Rate increase	5.1 %	4.9 %	4.9 %	-
Revenue	\$ 40,597,000	\$ 42,265,000	\$ 42,869,000	- \$ 604,000
Expenses	33,429,000	35,276,000	35,369,000	93,000
ARF	6,331,000	6,660,000	6,660,000	0
	\$ 837,000	\$ 329,000	\$ 840,000	- \$ 511,000

The main target is to stay within the projected rate increase. The budget includes a 1.15% increase in consumption growth. The rate increases are 6.49% for water and 3.45% for wastewater, which combined represents a 4.9% increase.

Revenue estimates vary 1.5% from the projection. This is reflected in a lower surplus. No adjustment has been made due to the sufficiency of the rate stabilization reserves (see next section).

Water and wastewater reserve funds are healthy

	2019 budget	2020 budget
Asset Replacement Fund balance	\$ 56 million	\$ 60 million
Asset Replacement Fund as a % of accumulated amortization Target is 100%	49 %	52 %
Rate Stabilization Reserve	\$ 2.9 million	\$ 3.2 million
Rate Stabilization Reserve as a % of annual revenue Target is 5 to 10%	7.1 %	7.6%

The Water and Wastewater reserves are healthy. Although the ARF balance still has a long way to go, studies show that we are comparably better off than most municipalities and there are no large requirements in the next few years.

Because the Rate Stabilization Reserve is within the target range, no budget adjustments were made for the deviation from the revenue forecast.

Water rates are moving to the Regional average

Year	Newmarket	York Region average	% above
2014	\$ 914	\$ 741	23.3 %
2015	\$ 967	\$ 804	20.3 %
2016	\$ 1030	\$ 879	17.2 %
2017	\$ 1090	\$ 949	14.9 %
2018	\$ 1157	\$ 1019	13.5 %
2019	\$ 1216	\$ 1089	11.7 %
2020	\$ 1276	\$ 1159	10.1 %

The Town's combined water and wastewater uses the York Regional average as a target. This represents the cost to an average resident using 200 cubic meters of water annually. As cost sharing structures vary by jurisdiction, the comparison is limited to York Region. (The Region averages for 2019 and 2020 are estimated based on the trend of historic increases.)

Newmarket's rates are moving towards the target. This will continue in the future as other municipalities move towards full cost recovery, something Newmarket already does.

Building Dept. maintains a healthy reserve fund balance

	2019 budget	2020 budget	Change
Rate increase	0.0 %	0.0 %	
Revenue	\$ 1,680,000	\$ 1,680,000	\$ 0
Expenses	2,694,000	2,747,000	53,000
	- \$ 1,014,000	- \$ 1,067,000	- \$ 53,000
Projected reserve fund	\$ 4,464,000	\$ 3,397,000	
Reserve fund as a % of annual expenses Target is 100 to 150%	166%	124%	

Although the Building Division does not have a multi-year financial plan, it does have a reserve fund target. By not increasing revenue in 2020, the budget shows the fund being reduced to fit within this target.

Stormwater rates can be on target . . .

When Stormwater was segregated from the tax-supported budget and set up as a separate rate group, it was done on a revenue neutral basis. Since then, new regulations have significantly increased operating costs and there has been expansion of the capital program.

As a result, contributions to the Asset Replacement Fund (ARF) have been below the projected amounts – a shortfall of \$821,000 for 2020.

	2019 budget	2020 budget	6-year plan	Variance
Rate increase	11.8 %	10.9 %	10.9 %	-
Revenue	\$ 2,070,000	\$ 2,141,000	\$ 2,295,000	- \$ 154,000
Expenses	1,625,000	1,624,000	957,000	- 667,000
ARF	435,000	491,000	1,312,000	821,000
	\$ 10,000	\$ 26,000	\$ 26,000	\$ 0

Over the last two years some properties have been re-classified. This has resulted in the \$154,000 variance from the original forecast.

Revised revenue targets and capital contributions will be included in the update to the financial plan in 2020.

Stormwater reserve fund will be maintained . . .

	2019 budget	2020 budget
Asset Replacement Fund balance	\$ 199,000	\$ 190,000
Asset Replacement Fund as a % of accumulated amortization Target is 100%	0.3 %	0.3 %
Rate Stabilization Reserve	\$ 200,000	\$ 226,000
Rate Stabilization Reserve as a % of annual revenue Target is 5 to 10%	9.7 %	9.8 %

The Rate Stabilization Reserve is being maintained at its upper limit level during its development stage. The Asset Replacement Fund is negligible relative to the value of the infrastructure.

There are some other reserve funds available, such as the Stormwater Pond Maintenance, but otherwise there are not sufficient funds to support the projects requested for 2020.

. . . But some Stormwater projects will need to be deferred

Within the constraints of the current budget and 6-year plan, Stormwater Rates are challenged to meet capital requests. The options considered were:

1. Defer the capital projects to stay within the available funding
2. Borrow funds on an interim basis while the funds are built up
3. Increase stormwater rates to meet the funding requirements
4. A combination of these options

Option 1 is recommended for the 2020 Stormwater budget. Next year's update of the 6-year plan will integrate rate increases, capital plans and new fiscal strategies to determine future direction.

Conclusion

The 2020 rate-supported budgets include some variance from 2017's 6-year financial plans. In addition, we are commencing a comprehensive overhaul of our financial policies and strategies. An overarching fiscal framework, comparable to that of York Region, is targeted to be presented to Council in May/June of 2020.

As such, and in consideration of the Stormwater challenge, it would be appropriate to update the multi-year plans.

Upcoming dates:

- November 11 – Special Committee of the Whole – Tax-supported Operating Budget
- November 25 – Committee of the Whole regular meeting with draft budgets and fees and charges for approval
- December 2 – Target for Council approval of the Budget

There will also be opportunities for Councilors to meet with or to obtain additional information from the Treasurer or other members of staff.

Business Plan and Strategic Plan Linkages

This report links to Council's strategic priority of long-term financial sustainability by developing a multi-year operating and capital budget that aligns with the Budget Policies.

Consultation

The Water, Wastewater and Stormwater budgets have been based on their current 6-year financial plans with minor revisions requested by the relevant departments.

Human Resource Considerations

There are requests for additional staffing which would be funded in whole or in part by the rate-supported budgets. They will be brought forward at a future Committee of the Whole meeting so that they can be considered in the overall budget context.

Budget Impact

The preliminary draft rate-supported budgets would have the following annual impact to the average residential property:

- Water and wastewater – a 4.9% increase of about \$60
- Stormwater – a 10.9% of about \$4

Attachments

N/A

Approval

Mike Mayes, CPA, CGA, DPA
Director, Financial Services/Treasurer

Esther Armchuk, LL.B
Commissioner, Corporate Services

Contact

For more information on this report, contact: Mike Mayes at 905-953-5300 ext. 2102 or via e-mail at mmayes@newmarket.ca



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

2020 Preliminary Draft Capital Budget Staff Report to Council

Report Number: Assign Report Number in eSCRIBE.

Department(s): Financial Services

Author(s): Mike Mayes, Director, Financial Services/Treasurer

Meeting Date: October 28, 2019

Recommendations

1. That the report entitled 2020 Preliminary Draft Capital Budget dated October 28, 2019 be received; and
2. That subject to any additional direction from Committee, that the proposed budgets be incorporated into the Draft Budgets to be presented to Committee of the Whole on November 25, 2019.

Executive Summary

The proposed 2020 Capital Budget achieves the following:

1. Provides an achievable capital program
2. Does not increase the tax-supported Asset Replacement Fund (ARF) deficit
3. Applies 2020 increases in ARF contributions to the fund balance and not to capital projects
4. Conserves the additional Gas Tax payments received in 2019 for strategic purposes
5. Creates no new debt

Purpose

This report provides details for the previous report, *2020 Budget Process Update*, dated October 15, 2019. It elaborates on the identified challenge. The preliminary draft budgets are the starting point for Council deliberation and will form the basis for the consolidated draft budgets to be presented to Committee of the Whole on November 25, 2019.

The specific challenges to be addressed are:

1. Developing an achievable capital program – the elimination of capital carryovers
2. Building capital reserve funds

Background

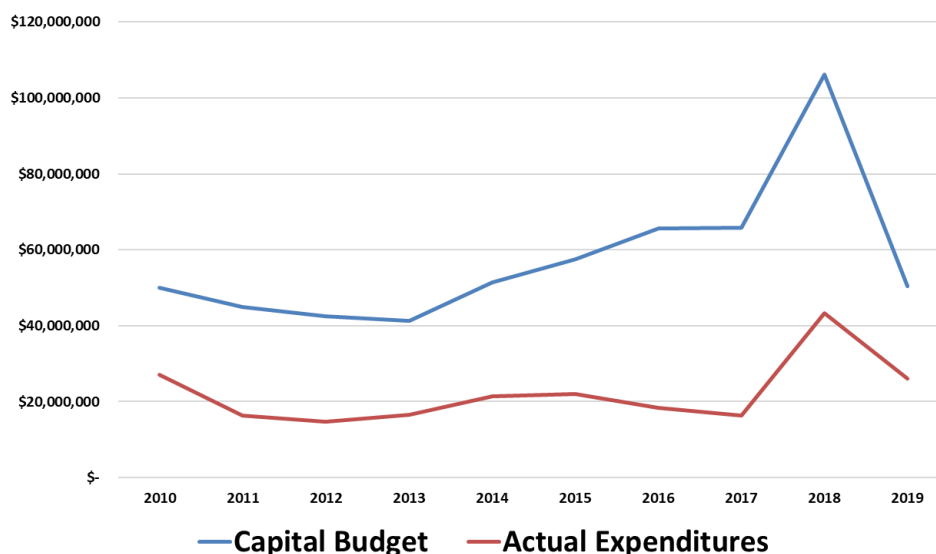
The Capital Budget has significant challenges

1. Capital carryovers
2. Tax-supported ARF deficit

Capital carryovers result when expenditures are below budget

Capital projects that are approved by Council and have funding applied to them, but are not completed by the end of the year, are Capital Carryovers.

Capital carryovers result when capital expenditures are below budget. Sometimes projects are completed for less than the approved budget, but the majority of the variances are from expenditures that have not occurred yet – capital carryovers.



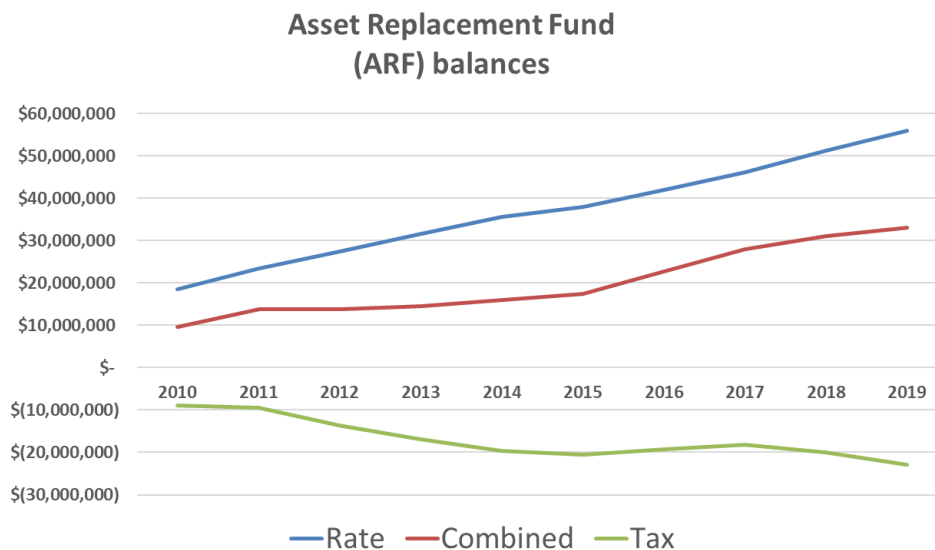
Capital carryovers create a number of issues:

1. Cash flow planning for investments in the middle to long-term is difficult because it is not clear when the cash will be required for projects. As a result, investments tend to be of a shorter term and more liquid to allow for flexibility.
2. Project delivery expectations are not being fully met. Completing less than half of the annual program has been the Town's experience.
3. The cost estimates, on which the budget is approved, can be out of date for a project that has been carried over for a couple of years.

In addition, capital carryovers look bad and give the impression that there may be inefficiencies.

The tax-supported ARF is in a deficit

Although the overall Asset Replacement Fund (ARF) is projected to be \$33 million at the end of 2019. This is based on the strength of the rate-supported ARF (\$56 million); the tax-supported ARF will have a \$23 million deficit.



Restrictions were applied to the 2020 capital budget

To deal with these challenges on an interim basis, new rules were applied to the creation of the capital budget:

1. The capital program is to be achievable. To eliminate capital carryovers, the “tender-ready” concept was introduced.

2. There is to be no increase in the tax-supported ARF deficit. As the \$23 million deficit is the net of all tax-supported ARF funds (roads, parks, facilities, library and fire, etc.), no draws on tax-supported ARF funds were allowed.
3. Any increases in ARF contributions are to be applied to the fund and not used to fund capital projects. The fund will never grow if it is just used as a flow through.
4. Conserve the additional Gas Tax payments received in 2019 for strategic purposes. In 2019 the Town will have received an additional \$2,594,820 (\$2,547,376 as a top up and \$47,444 as our share of the surplus). As these are one-time payments, they were not included in the initial funding for 2020.
5. There is to be no new debt. Although interest rates are extremely low, there are no unique projects that would make this a viable option.

In this year of policy transition, using options 4 (extra Gas Tax) and 5 (debt) are tempting. However, consideration must be given to the capacity to deliver and the priority of projects – application to the Mulock Farm in a future budget may be more appropriate.

Discussion

A new financial strategy will be presented to Council in 2020

The restrictions applied to the 2020 capital budget are just an interim step; the longer term solution is the creation of a comprehensive overhaul of our financial policies and strategies. An overarching fiscal framework, comparable to that of York Region, is targeted to be presented to Council in May/June of 2020.

It will include:

- New Financial Policies
 - ARF (Asset Replacement Fund) Strategy
- Revision of existing Financial Policies
 - A Budget Policy to formalize our current practices
 - A change in the Economic Increase Policy to an earlier target date to facilitate the preparation of budgets
 - Updates to the Investment Policy with regards to capitalizing on the long term opportunities that should materialize and the allocation of incremental Reserve Fund investment income
- Multi-year budgets
 - Capital plan linked to Asset management Plans and DC Background Study
 - Operating budget outlooks
 - Update of the rate-supported financial plans

The results of the REV It Up service review may inform this process.

Projection shows \$60 million in capital carryovers from 2019

2019 started with \$58 million in capital carryovers from 2018 and added another \$28 million in new budget approvals. Of the \$86 million in Council-approved budgets, it is estimated that \$26 million will be completed.

This will result in an estimated \$60 million in capital carryovers.

A capacity review re-sorted and re-prioritized capital requests

In addition to the \$60 million in capital carryovers, there have been another \$30.5 million of new requests for 2020. These projects were diligently reviewed to determine if we had the capacity for them – the operational capacity to deliver them, and the financial capacity to fund them.

Each project was then sorted into one of the following categories.

Cancelled - \$4.3 million of projects were eliminated. These are projects that are no longer supported by the sponsoring department. They might be redundant or no longer required.

Deferred - \$35.7 million of projects have been deferred. These are projects that are supported by the sponsoring department but we do not currently have the capacity to deliver them. This could be because of priority (operational capacity) or funding (financial capacity). In this category are projects that are not tender ready. Projects in this category that had been previously granted funding by Council (carryovers) are to have their funding removed. These projects must be re-submitted for approval to go forward. This may occur in future years or on the budget year if capacity becomes available.

Capital Spending Authority (CSA) - \$50.5 million of projects are requesting capital spending authority. There is both the operational and financial capacity to deliver these projects. They are in process, tender ready, or are the cost to get tender ready.

The Capital Spending Authority is the total of all capital expenditures approved by Council and may span more than one year. This differs from the Capital Budget which is the annual component and includes approval of the required funding. The Capital Program is the list of projects to be delivered by the Capital Budget.

The requested CSA of \$50.5 million includes a \$39.5 million budget for 2020 and an \$11 million budget for 2021. The 2021 commitment is for the 2nd phase of projects that span two years - \$6.2 million for the new fire station and \$4.8 million for the smart meter project.

The following table provides an overview of how the capital budget has been re-sorted and re-prioritized

	New Requests	Carry-overs	Total
In \$ millions			
Category total	30.5	60.0	90.5
Cancelled	- 0.3	- 3.6	- 3.9
Deferred	- 21.2	- 14.9	- 36.1
Capital Spending Authority	9.0	41.5	50.5
2020	8.2	31.3	39.5
2021	0.8	10.2	11.0

There are major projects in the Capital Spending Authority

To test the reasonability of operational capacity, major projects – those that have a high cost to effort ratio – should be identified. There are \$16.7 million in the 2020 budget. These items do not significantly distract staff in Engineering, Public Works and Procurement from delivering on the rest of the capital program.

	2020	2021	Total
In \$ millions			
Fire station 4-5	6.2	6.2	12.4
Other fire capital	4.4		4.4
Water meters	4.8	4.8	9.6
Parks development	1.3		1.3
	16.7	11.0	27.7
Other projects	22.8		22.8
Total	39.5	11.0	50.5

Fire Station 4-5 has a previously approved budget of \$11 million. The Joint Council Committee has conditionally requested a 15% increase. The opening is scheduled for 2021 and the costs have been spread over the two years. This project is managed by Town of Aurora staff.

Other fire capital includes 3 fire vehicles (\$2.7 million) and other items which are mostly managed by CYFS staff.

Water meters is the introduction of advanced metering infrastructure, a.k.a - smart meters. \$10 million has been previously approved for this project. Installations are to start in 2020 and the majority should be completed by the end of 2021. Staff have been seconded and contracted for this project.

Park development covers payments to developers for two parks – Glenway and Sundial.

That leaves all of the other projects, a total of \$22.8 million.

\$22.8 million for other projects should be achievable

Excluding the purchase of the Mulock Farm in 2018, the Town spends approximately \$20 million in capital expenditures annually. 2019 is expected to reach \$26 million. On that basis, we should have the operational capacity to deliver the capital program.

There is adequate funding for the 2020 capital budget

The following tables summarized the required sources of funding for the 2020 capital budget. This includes both new requests and previously approved budgets (carryovers).

	New requests	Carryovers	Total
	In \$ millions		
Asset Replacement Funds:			
Tax-supported	2.22	5.60	7.82
Water/wastewater	2.10	1.10	3.20
Stormwater	0.50	0.40	0.90
DC's	1.70	12.99	14.69
General	0.29	0.16	0.45
Reserves	0.00	1.12	1.12
Gas Tax	1.30	5.16	6.46
Other	0.04	4.82	4.86
Total	8.15	31.35	39.50

The capital budget restrictions were adhered to with one minor exception. CYFS will be drawing on its Asset Replacement Fund. This has been provided for in its Asset Management Plan and its 10-year operating budget forecast. In addition, it will be making transfers of its operating surpluses to its ARF. This has been approved by JCC (the Joint Council Committee).

To supplement its ARF, Stormwater will be drawing on the Stormwater Management Pond Maintenance reserve to fund appropriate projects.

Not all Growth capital is covered by DC's (Development Charges). Some service categories are subject to a mandatory 10% discount and need an additional source of funding. The 2020 request includes a project that is not eligible for DC funding. The total requirement of \$190,000 will be covered by growth reserve fund.

Procedural changes are being introduced for 2020

A new approach to capital budgeting is being introduced.

Capacity reviews will be performed to ensure that we have both the operational and financial ability to deliver on our capital program. This will ensure the credibility of the program.

The "tender ready" approach means that projects will only be included in the budget if they are:

- Tender ready – all set to go, just waiting for budget approval
- Getting tender ready – the costs, if any, such as design that are required to get a project tender ready. The resulting project will still need to be submitted for separate approval when it is tender ready
- Active projects that have been previously approved

Regular reporting will be expanded. This will track the progress of the projects in the annual program. It will adjust the program for projects if it is determined that they will not be active or completed in the current year. In that scenario a request will be made to modify/cancel the project or defer it to the next year. If this opens up capacity, or if capacity already exists, there could be requests to add deferred projects to the program. However, these adjustments must remain within the approved annual budget. This process will be tested over the year.

Conclusion

The 2020 capital budget includes some significant procedural changes. In conjunction with that, we are commencing a comprehensive overhaul of our financial policies and strategies. An overarching fiscal framework, comparable to that of York Region, is targeted to be presented to Council in May/June of 2020.

Upcoming dates:

- November 11 – Special Committee of the Whole – Tax-supported Operating Budget
- November 25 – Committee of the Whole regular meeting with draft budgets and fees and charges for approval

- December 2 – Target for Council approval of the Budget

There will also be opportunities for Councilors to meet with or to obtain additional information from the Treasurer or other members of staff.

Business Plan and Strategic Plan Linkages

This report links to Council's strategic priority of long-term financial sustainability by developing a multi-year operating and capital budget that aligns with the Budget Policies.

Consultation

Members of the Senior and Operational Leadership Teams participated in the preparation of the budget.

The Library Board approved the Newmarket Public Library budget request on September 18, 2019.

The Joint Council Committee (JCC) approved the Central York Fire Services (CYFS) request on October 24, 2019.

Human Resource Considerations

The capital budget requests do not directly impact staffing levels.

Budget Impact

The Capital Spending Authority includes \$50.5 million in expenditures - \$39.5 million for the 2020 budget and \$11 million for 2021.

The new budget has projects that will generate ongoing operational costs or savings.

In the Tax-supported operating budget

- \$1,012 of additional base costs for the Implementation of Administrative Monetary Penalty System for Parking Offences
- \$12,150 of additional growth costs for Active Transportation Implementation

In the Rate-supported Operating budget

- \$15,000 of savings in water expenses from the Fire Hydrant Barrel Cutter

Attachments

Appendix A – 2020 Capital Budget Summary

Appendix B - 2020 Capital Budget Details

Appendix C – Capital Deferred Projects Summary

Appendix D – Capital Deferred Projects – Details

Appendix E – Cancelled Projects

Approval

Mike Mayes, CPA, CGA, DPA
Director of Financial Services

Esther Armchuk, LL.B
Commissioner, Corporate Services

Contact

For more information on this report, contact: Mike Mayes at 905-953-5300 ext. 2102 or via e-mail at mmayes@newmarket.ca

Appendix A - 2020 CAPITAL BUDGET SUMMARY

DEPARTMENT / AREA	ARF - TAX-SUPPORTED	GAS TAX	W&WW, ARF & RESERVE	STORMWATER ARF & RESERVE	DEVELOPMENT CHARGES	RESERVES & OPERATING	OTHER	TOTAL
PUBLIC WORKS	2,310,000	1,050,000	686,853	-	856,000	529,944	-	5,432,797
ENGINEERING	500,000	5,408,000	2,514,892	904,000	5,914,931	-	-	15,241,823
PLANNING & BUILDING	20,000	-	-	-	342,000	288,000	40,000	690,000
ASSET MANAGEMENT	340,448	-	-	-	-	-	-	340,448
WATER METER PROJECT	-	-	-	-	-	-	4,822,903	4,822,903
CYFS	3,075,002	-	-	-	7,532,601	-	-	10,607,603
RECREATION	-	-	-	-	-	622,906	-	622,906
INFORMATION TECHNOLOGY	1,357,094	-	-	-	-	37,143	-	1,394,237
LIBRARY	218,800	-	-	-	50,000	-	-	268,800
LEGISLATIVE SERVICES	-	-	-	-	-	89,058	-	89,058
TOTAL	7,821,344	6,458,000	3,201,745	904,000	14,695,532	1,567,051	4,862,903	39,510,575

APPENDIX B - 2020 CAPITAL BUDGET DETAILS

Form #	Department / Area	Project Name	Category	Points	2020 Request	ARF - Tax Supported	Water&WW ARF & Reserve	Storm Water ARF & Reserve	DC	General / Operating	Reserves	Gas Tax	Other Funding	Future Operating Impact	2021 Request
BLD 5	395 Mulock Building	LED Lighting at 395 Mulock Dr	Replacement	16	60,000	20,000							40,000		
CYFS 10	CYFS	Equipment for Station 4-5 Pumper	Growth	33	125,000				125,000						
CYFS 11	CYFS	Replacement of Mobile Data Terminals (MDTs)	Replacement	27	40,000	40,000									
CYFS 12	CYFS	Personal Protective Equipment & Uniforms for Replacement Recruits	Replacement	15	120,000	120,000									
CYFS 13	CYFS	Additional Station 4-5	Growth		825,000				825,000						825,000
CYFS 4	CYFS	4 Light Prevention Vehicles	Replacement	13	150,000	150,000									
CYFS 5	CYFS	Lifecycle Replacement of Personal Protective Equipment	Replacement	29	80,000	80,000									
CYFS 6	CYFS	Personal Protective Equipment & Uniforms for New Recruits	Growth	24	35,000				35,000						
CYFS 7	CYFS	Replacement of Equipment	Replacement	15	100,000	100,000									
CYFS 8	CYFS	Resurfacing and Reconstructing of Station 4-2 Parking Lot	Replacement	9	35,000	35,000									
CYFS 9	CYFS	Replacement of Pumper 06-14 - E421	Replacement	27	750,000	750,000									
ENG 1	Engineering -Transportation	Active Transportation Implementation Plan 2020	Growth	21	131,000				131,000					12,150	
ENG 10	Engineering - Capital Project Engineering	Replace South Stairs with Seating Area at Old Town Hall	Replacement		200,000	200,000									
ENG 3	Engineering -Transportation	Harry Walker Parkway East Side Sidewalk	Growth	20	250,000				250,000						
ENG 5	Engineering - Capital Project Engineering	Municipal Infrastructure Projects	Replacement	26	3,800,000		2,000,000	500,000				1,300,000			
FAC 15	PWS - Facilities	Mezzanine Level Blinds at Operations Centre	Growth	19	23,000				23,000						
FAC 18	PWS - Facilities	Roof Safety Guardrail for Ray Twinney Complex and 623 Timothy Street	Mandatory	27	30,000					30,000					
FAC 28	PWS - Facilities	Facilities Asset Replacement	Replacement	28	102,000	102,000									
FAC 5	PWS - Facilities	Vehicle for the Asset Maintenance Through Plumbing	Growth	20	65,000					65,000					
IT 1	Information Technology	Remote Participant Capability to Council Chambers	Service Level Change	10	20,000					20,000					
IT 2	Information Technology	Upgrade / Replace ERP systems	Replacement	27	200,000	200,000									
IT 4	Information Technology	Upgrade/Replace Desktop and Peripheral Equipment	Replacement	21	175,911	175,911									
IT 7	Information Technology	Upgrade/Replace Server Room Equipment	Replacement	26	216,183	216,183									
LEG 1	Legislative Services	Implementation of Administrative Monetary Penalty System for Parking Offences	Service Level Change	29	6,000					6,000					
LEG 2	Legislative Services	Space Planning and construction of new space for Legislative Services	Service Level Change	7	20,000					20,000					
LIB 2	Library	Equipment	Replacement	15	28,800	28,800									
PLN 3	Planning	Mulock Estate Concept Master Plan	Growth	36	300,000				270,000	30,000					
ROAD 5	PWS - Road	Road Patrol Pick-up Truck	Mandatory	28	50,000				50,000						
ROAD 6	PWS - Road	Traffic Safety/Vehicle Mitigation Devices	Service Level Change	20	115,000					115,000					
W&WW 1	PWS - Water & WW	Installation of Automated Anti-stagnant Valves to Manage Drinking Water System	Mandatory	29	40,000						40,000				

APPENDIX B - 2020 CAPITAL BUDGET DETAILS

Form #	Department / Area	Project Name	Category	Points	2020 Request	ARF - Tax Supported	Water&WW ARF & Reserve	Storm Water ARF & Reserve	DC	General / Operating	Reserves	Gas Tax	Other Funding	Future Operating Impact	2021 Request
W&WW 4	PWS - Water & WW	Fire Hydrant Barrel Cutter	Replacement	18	30,000						30,000				
W&WW 5	PWS - Water & WW	Specialized Equipment Purchases	Mandatory	24	30,000		30,000								
	Information Technology	1315016 Wireless Network Access			17,143						17,143				
	Information Technology	1317006 Open Data Project			25,000	25,000									
	Information Technology	1317008 Replace Tax Billing System			50,000	50,000									
	Information Technology	1318006 Replace/Upgrade ERP Systems			590,000	590,000									
	Information Technology	1319037 Upgrade/Replace Server Room Equip.			100,000	100,000									
	Legislative Services	1518010 Vehicle Equipment for Enforce			63,058					63,058					
	Planning & Building	1617012 Land Use&Building Tracking Sys			150,000						150,000				
	CYFS	2113063 Station 4-1 Renovation			785,002	785,002									
	CYFS	2116074 Station 4-5 Design&Constructio			5,401,601				5,401,601						5,401,601
	CYFS	2118072 New Fire Engine -Station 4-5			985,000				985,000						
	CYFS	2119005 Replacement of Auto Extrication Equipment			65,000	65,000									
	CYFS	2119006 Replacement of HazMat Truck			950,000	950,000									
	CYFS	2119008 CYFS Master Fire Plan			125,000				125,000						
	CYFS	2119009 Personal Protective Equipment & Uniforms for New Recruits			36,000				36,000						
	Engineering	3219019 Bridges and Culverts Program			300,000	300,000									
	Engineering	3219020 Municipal Infra. Projects			4,108,000							4,108,000			
	PWS	3219065 Fleet Replacements			1,586,853	1,000,000	586,853								
	PWS	3219067 Road Resurfacing Program			1,050,000							1,050,000			
	Engineering	4013011 SWMP Management Master Plan			30,000			30,000							
	Engineering	4019016 SWM Pond Clean Outs/Retrofits			374,000			374,000							
	PWS	4417024 Advanced Metering			4,822,903								4,822,903		4,822,903
	Engineering	4418032 Water/WW Study Implementation			514,892		514,892								
	Asset Management	4718063 Asset Mgmt. Strategy Implement			340,448	340,448									
	Engineering	5217034 Glenway Park Development			1,100,000				1,100,000						
	Engineering	5217044 Trail Implementation			299,600				299,600						
	Engineering	5218039 Sundial Park Development			230,020				230,020						
	PWS	5218040 Replace Sports Field Lighting			1,000,000	1,000,000									
	Engineering	5218047 Hasket Park TL&Breathing Space			1,650,000				1,650,000						

APPENDIX B - 2020 CAPITAL BUDGET DETAILS

Form #	Department / Area	Project Name	Category	Points	2020 Request	ARF - Tax Supported	Water&WW ARF & Reserve	Storm Water ARF & Reserve	DC	General / Operating	Reserves	Gas Tax	Other Funding	Future Operating Impact	2021 Request
	Engineering	5219014 Tails&Off-Road Act. Trans.			300,000				300,000						
	Engineering	5219021 Recreation Playbook Impl.			1,954,311				1,954,311						
	PWS	5219043 Trail Lighting at Parks			500,000				450,000	50,000					
	PWS	5219052 Pickup Trucks for Parks			90,000				81,000	9,000					
	PWS	5219053 Trucks&Equip. for Pks New Crew			150,000				135,000	15,000					
	PWS	5219056 Forestry-Stump Grinder and Trailer			130,000				117,000	13,000					
	PWS	5219057 Sport Field Lighting Phase II			170,000	170,000									
	PWS	5318055 Fernbank Farmhouse Maintenance			232,944						232,944				
	PWS	5319032 Museum Carpet			38,000	38,000									
	Recreation	5718014 Theatre Renovation			622,906						622,906				
	Planning & Building	6818020 Community Energy Plan Implemn.			100,000						100,000				
	Planning & Building	6819060 Urban Design Guidelines			80,000				72,000	8,000					
	Library	9109104 Alternative Delivery Options			50,000				50,000						
	Library	9117069 Furniture & Equipment			20,000	20,000									
	Library	9118065 Computer Hardware &Software			170,000	170,000									
Total 2020 Capital Budget Detail					39,510,575	7,821,344	3,131,745	904,000	14,695,532	444,058	1,192,993	6,458,000	4,862,903	12,150	11,049,504

APPENDIX C - CAPITAL DEFERRED PROJECT SUMMARY

DEPARTMENT / AREA	ARF - TAX-SUPPORTED	GAS TAX	W&WW, ARF & RESERVE	STORMWATER ARF & RESERVE	DEVELOPMENT CHARGES	RESERVES & OPERATING	OTHER	TOTAL
PUBLIC WORKS	7,625,564	1,995,000	475,000	-	1,265,194	851,500	85,000	12,297,258
ENGINEERING	6,839,424	- 720,000	1,741,500	3,810,000	4,999,825	777,000	-	17,447,749
PLANNING & BUILDING	495,000	-	-	-	450,000	495,000	30,000	1,470,000
LEGISLATIVE SERVICES	-	-	-	-	-	48,000	-	48,000
CYFS	-	-	-	-	6,226,601	-	-	6,226,601
FINANCE	-	-	-	-	-	43,290	-	43,290
INFORMATION TECHNOLOGY	260,000	-	-	-	-	105,000	-	365,000
RECREATION	412,000	-	-	-	95,000	107,500	-	614,500
WATER METER PROJECT	-	-	-	-	-	-	4,822,903	4,822,903
COMMUNICATIONS	-	-	-	-	-	25,000	-	25,000
GENERAL GOVERNMENT	-	-	-	-	190,000	4,377,417	-	4,567,417
LEGISLATIVE SERVICE	-	-	-	-	-	8,237	-	8,237
LIBRARY	-	-	-	-	390,851	-	-	390,851
STRATEGIC INITIATIVES	-	-	-	-	-	-	81,000	81,000
TOTAL	15,631,988	1,275,000	2,216,500	3,810,000	13,617,471	6,837,944	5,018,903	48,407,806
LESS: PROJECTED 2019 EXPENDITURES								12,700,000
NET DEFERRED PROJECTS								35,700,000

Appendix D - Capital Budget Deferred - Details												
Form #	Department / Area	Project Name	Capital Request	ARF - Tax Supported	Water&WW ARF & Reserve	Storm Water ARF & Reserve	DC	General / Operating	Reserves	Gas Tax	Other Funding	Future Operating Impact
PLN 1	Planning	Strategic Climate Change Sustainability Plan	60,000	-			-	-	30,000	-	30,000	-
BLD 3	395 Mulock Building	Security Camera Replacement - 395 Mulock Office	50,000	25,000			-	25,000	-	-	-	-
BLD 4	395 Mulock Building	Crime Prevention Through Environmental Design Review Implementation	45,000	-			-	45,000	-	-	-	-
2 Planning	Planning	South of Davis Drive Area (SODA) Study	100,000	-			90,000	10,000	-	-	-	-
1 Building	395 Mulock Building	395 Mulock Building Asset Replacement	130,000	130,000			-	-	-	-	-	-
2 Building	395 Mulock Building	Boiler Replacement - 395 Mulock Drive	40,000	40,000			-	-	-	-	-	500
5 Engineering	Engineering - Capital Project Engineering	Municipal Infrastructure Projects	3,200,000	3,200,000				-	-	-		-
6 Engineering	Engineering - Capital Project Engineering	Bridges and Culverts Program	1,427,900	1,427,900			-	-	-	-	-	-
7 Engineering	Engineering - Capital Project Engineering	Trails & Multi-Use Path	1,331,000	-			1,331,000	-	-	-	-	68,000
Engineering - C	Engineering - Capital Project Engineering	Mulock Estate Property	170,000				153,000		17,000			
2 Engineering	Engineering -Transportation	Mulock Drive Multi Use Path Feasibility and Design Study	200,000				200,000	-	-	-	-	-
4 Engineering	Engineering -Development	Old Main Street Tertiary Plan - Engineering Master Plan	150,000				150,000	-	-	-	-	-
8 Engineering	Engineering - Capital Project Engineering	Streetscaping	73,000				73,000	-	-	-	-	-
9 Engineering	Engineering - Capital Project Engineering	Mulock Estate Property	150,000				135,000	-	15,000	-	-	42,000
30 Facilities	Engineering	Hollingsworth Arena Demolition	700,000				-	-	700,000	-	-	10,000
1 Storm Water	Engineering - Storm Water	Low Impact Development and New Stormwater Management Facilities	1,500,000			1,500,000						36,000
2 Storm Water	Engineering - Storm Water	Stormwater Pond Clean Outs/ Retrofits	1,100,000			1,100,000						
2 Water &WW	PWS - Water & WW	Water Main Structural Relining	200,000	200,000								
3 Water &WW	PWS - Water & WW	Purchase of Water Main Swabbing Trailer and Equipment	50,000					50,000				(50,000)
6 Water &WW	PWS - Water & WW	Pressure Regulating Valves (PRVs) / Pressure Zone Bypass	200,000					200,000				
7 Water &WW	PWS - Water & WW	Confined Space Assessment Program	25,000					25,000				
1 Road	PWS - Road	Operations Centre Yard Improvements	100,000	-			100,000	-	-	-	-	-
2 Road	PWS - Road	Kingdale Road Shoulder Rehabilitation	293,000	293,000			-	-	-	-	-	-
3 Road	PWS - Road	2020 Road Resurfacing Program	1,995,000	-			-	-	-	1,995,000	-	-
4 Road	PWS - Road	Fleet Replacements	1,700,000	1,700,000			-	-	-	-	-	-
1 Parks	PWS - Parks	Tree Canopy Increasing Planting	90,000	-			-	-	90,000	-	-	-
2 Parks	PWS - Parks	Rubber Surfacing for Playgrounds	445,000	222,500			-	222,500	-	-	-	-
3 Parks	PWS - Parks	Paving of Limestone Walkways at Ken Sturgeon Park	140,000	70,000			70,000	-	-	-	-	-
4 Parks	PWS - Parks	Truck and Equipment for Parks Response Crew	85,000	-			76,500	8,500	-	-	-	4,000
5 Parks	PWS - Parks	Truck and Equipment for Marianneville Glenway Property Maintenance	115,000	-			103,500	11,500	-	-	-	9,000
6 Parks	PWS - Parks	Fairy Lake Boardwalk	550,000	550,000			-	-	-	-	-	-
7 Parks	PWS - Parks	Tree Management Software	27,000	-			-	-	27,000	-	-	10,000

Appendix D - Capital Budget Deferred - Details												
Form #	Department / Area	Project Name	Capital Request	ARF - Tax Supported	Water&WW ARF & Reserve	Storm Water ARF & Reserve	DC	General / Operating	Reserves	Gas Tax	Other Funding	Future Operating Impact
8 Parks	PWS - Parks	Ice Breaker Equipment For Sidewalk Winter Maintenance	25,000	-			-	25,000	-	-	-	-
9 Parks	PWS - Parks	Fairy Lake Parking Lot Asphalt Top Coat	50,000	50,000			-	-	-	-	-	-
10 Parks	PWS - Parks	Ball Diamond Backstops Replacement	200,000	200,000			-	-	-	-	-	-
11 Parks	PWS - Parks	Foamstream	80,000	-			-	80,000	-	-	-	(4,000)
12 Parks	PWS - Parks	Art Ferguson Parking Lot	225,000	225,000			-	-	-	-	-	-
13 Parks	PWS - Parks	Blower Turbine Tractor Attachment	35,000	-			31,500	3,500	-	-	-	-
14 Parks	PWS - Parks	Field and Diamond Drainage	170,000	170,000			-	-	-	-	-	-
15 Parks	PWS - Parks	Art Ferguson Interlocking	50,000	50,000			-	-	-	-	-	-
16 Parks	PWS - Parks	Fairy Lake Pavilions	350,000	350,000			-	-	-	-	-	-
17 Parks	PWS - Parks	Mobile Vacuum	85,000	-			76,500	8,500	-	-	-	-
1 Facilities	PWS - Facilities	Arena 2 Foundation Waterproofing at Ray Twinney Complex	20,000	20,000			-	-	-	-	-	-
2 Facilities	PWS - Facilities	Youth Centre Multi-Purpose Room Upgrade and Commercial Grade Game Replacements	20,000	20,000			-	-	-	-	-	-
3 Facilities	PWS - Facilities	Exterior Block Wall and Stone Rehabilitation at Magna Centre	25,000	25,000								
4 Facilities	PWS - Facilities	Ray Twinney Fenestration Replacement and LED Upgrade (Grant Opportunity)	210,000	125,000							85,000	
6 Facilities	PWS - Facilities	Arena 2 Roof Replacement at Ray Twinney Complex	1,500,000	1,500,000			-	-	-	-	-	-
7 Facilities	PWS - Facilities	Operations Centre Security System	55,000	-			-	55,000	-	-	-	3,900
8 Facilities	PWS - Facilities	Ray Twinney Pool Change Rooms - Construction Phase	250,000	250,000			-	-	-	-	-	-
9 Facilities	PWS - Facilities	Ray Twinney Complex Lobby and Common Area Renovation	80,000	80,000			-	-	-	-	-	-
10 Facilities	PWS - Facilities	Replacement of Ray Twinney Dry Sprinkler System	25,000	25,000			-	-	-	-	-	-
11 Facilities	PWS - Facilities	Door Hardware and Security System Audit/Implementation	50,000	-			-	50,000	-	-	-	-
12 Facilities	PWS - Facilities	Garage CO System Installation in Bay Area at Operations Centre with Connection to Exhaust System	20,000	-			-	20,000	-	-	-	-
13 Facilities	PWS - Facilities	Senior's Centre Washroom Accessibility Upgrade	75,000	75,000			-	-	-	-	-	-
14 Facilities	PWS - Facilities	Designated Substance Surveys Various Buildings	50,000	-			-	50,000	-	-	-	-
16 Facilities	PWS - Facilities	Gorman Pool Security System & Monitoring	10,000	-			-	10,000	-	-	-	-
17 Facilities	PWS - Facilities	Park Washrooms Accessibility Upgrades - Rene Bray Park	22,000	22,000			-	-	-	-	-	-
20 Facilities	PWS - Facilities	Green Roof Reconditioning at Operations Centre	70,000	70,000			-	-	-	-	-	-
21 Facilities	PWS - Facilities	Glycol Heating System Repairs at Operations Centre	50,000	50,000			-	-	-	-	-	-
22 Facilities	PWS - Facilities	Fairgrounds Park Building Rehabilitation	20,000	20,000			-	-	-	-	-	-
23 Facilities	PWS - Facilities	Magna Centre Fire Door Replacement	35,000	35,000			-	-	-	-	-	-
24 Facilities	PWS - Facilities	Greenhouse Operating System at Operations Centre	50,000	-			-	50,000	-	-	-	-
25 Facilities	PWS - Facilities	Shower Stalls Replacement in the Pool and Track Change Rooms at the Magna Centre	30,000	30,000			-	-	-	-	-	-
26 Facilities	PWS - Facilities	Fluid Cooler for Plant at Magna Centre	220,000	220,000			-	-	-	-	-	-
29 Facilities	PWS - Facilities	Gorman Pool Site Improvements - Design and Construction	40,000	40,000			-	-	-	-	-	-
CYFS 13	CYFS	Additional Station 4-5	825,000				825,000					

Appendix D - Capital Budget Deferred - Details												
Form #	Department / Area	Project Name	Capital Request	ARF - Tax Supported	Water&WW ARF & Reserve	Storm Water ARF & Reserve	DC	General / Operating	Reserves	Gas Tax	Other Funding	Future Operating Impact
FIN 1	Financial Services	E-Billing Interface for the TXM Software	43,290					50,000			(6,710)	
IT 5	Information Technology	Town Marquee Signs (Magna)	90,000	60,000				30,000				
IT 6	Information Technology	IT Strategies & Plans	75,000					75,000				
LEG 3	Legislative Services	New Vehicle and Equipment	48,000					48,000				2,300
REC 1	Recreation & Culture	1/2 Ice Rink Divider for Magna Centre	12,000	12,000								
REC 2	Recreation & Culture	Audio System Replacement/Updates - Magna	200,000	200,000								(2,500)
REC 3	Recreation & Culture	Audio System Replacement/Updates - RTRC	200,000	200,000								(2,500)
REC 5	RC & PWS Facilities	Meeting Room Expansion- MP Room #3	44,500				40,000	4,500				(31,300)
REC 6	RC & PWS Facilities	Magna Centre- Board Room/MP #5 Meeting Room Expansion	59,000				55,000	4,000				(30,500)
	PWS	5218049 Greenhouse Operating System	20,000						20,000			
	PWS	5319025 RJT Maint. & Improvements	40,000						40,000			
	PWS	5214037 Fairgrounds Improvement	59,284	59,284								
	PWS	5218045 Netting for Ball Diamonds	68,780	68,780								
	PWS	5219051 Story Pod	30,000	30,000								
	PWS	5219054 Equipment for Trail Impl.	150,000				135,000	15,000				
	PWS	5219058 Sport Field Prot. Net Phase II	250,000	250,000								
	PWS	3918022 Street Lights on Bathurst St.	90,000				90,000					
	PWS	3219062 NMK Community Centr.Surge Tank	150,000	150,000								
	PWS	3219063 Cedar Street Lighting	40,000	40,000								
	PWS	3219064 Street Lighting for Mulock Dr.	70,000	-			70,000					
	PWS	3219066 Portable Info. Signs (solar)	65,000						65,000			
	PWS	4717065 Upgrade Fuel Management System	90,000	90,000								
	PWS	5318053 Satellite Building-Glenway	512,194				512,194					
	PWS	3219065 Fleet Replacements	650,000	650,000								
	PWS	4417024 Advanced Metering	4,822,903								4,822,903	
	Engineering	3218023 Davis/Bathurst Sidewalk& Light	50,000				50,000					
	Engineering	4017028 Wayne/Waratah SWM Facility	405,825				405,825					
	Engineering	3218028 Streetscaping-VIVA Project	390,000				390,000					
	Engineering	3219019 Bridges and Culverts Program	2,030,524	2,030,524								
	Engineering	3218023 Davis/Bathurst Sidewalk& Light	1,457,000				1,457,000					
	Engineering	4013011 SWMP Management Master Plan	30,000			30,000						
	Engineering	4416032 Water/WW Servicing Study Impl	1,081,500		1,081,500							

Appendix D - Capital Budget Deferred - Details												
Form #	Department / Area	Project Name	Capital Request	ARF - Tax Supported	Water&WW ARF & Reserve	Storm Water ARF & Reserve	DC	General / Operating	Reserves	Gas Tax	Other Funding	Future Operating Impact
	Engineering	5218047 Hasket Park TL&Breathing Space	250,000				250,000					
	Engineering	5219059 RJT Complex Parking Lot Rehab	1,101,000	1,101,000								
	Engineering	5219014 Tails&Off-Road Act. Trans.	450,000				405,000	45,000				
	Planning & Building	6818016 Official Plan Review	250,000				225,000	25,000				
	Planning & Building	6818017 Heritage Conserv. Dist. Update	50,000				45,000	5,000				
	Planning & Building	6818019 Residential Parking Review	100,000				90,000	10,000				
	Planning & Building	4708289 Community Centre Lands	345,000						345,000			
	Planning & Building	5319002 Cooling Tower Replacement	300,000	300,000								
	Communications	1018002 Web Project &AODA Compliance	25,000					25,000				
	Recreation & Facilities	5217042 SK8 Park Ramps Design	7,500					7,500				
	Recreation & Facilities	5315090 AV Equipment -Community Centre	6,500						6,500			
	Recreation & Facilities	5315094 Omnivex System-CommunityCentre	10,000						10,000			
	General Government	1015100 UrbanCorridorLand-future trail	245,000						245,000			
	General Government	1015101 UrbanCorridorLand-road allownc	190,000				190,000					
	General Government	1015113 UrbanCorridorBrthg-Design&Cons	25,065						25,065			
	General Government	1016085 Strategic Land Purchase	1,257,352						1,257,352			
	General Government	1017100 MF-Due Diligence & Restoration	2,700,000						2,700,000			
	General Government	1018003 Maintenance Equipment-Mulock Farm	150,000						150,000			
	Information Technology	1318008 GIS Upgrade & Replacement	75,000	75,000								
	Information Technology	1319036 Upgrade/Replace GIS Systems	50,000	50,000								
	Information Technology	1319040 Town Website Upgrade	75,000	75,000								
	Legislative Services	1506830 Records Management Project	8,237					8,237				
	Library	9109104 Alternative Delivery Options	140,851				140,851					
	Library	9110116 New Library Design	250,000				250,000					
	Recreation	5718013 Culture Master Plan	75,000						75,000			
	Strategic & Innovation	5218048 Vehicle Charging Stn-RWC	81,000								81,000	
	CYFS	2116074 Station 4-5 Design&Constructio	5,401,601				5,401,601					
			48,407,806	16,951,988	1,081,500	2,630,000	13,617,471	1,301,737	5,817,917	1,995,000	5,012,193	64,900
LESS: PROJECTED 2019 EXPENDITURES			12,700,000									
NET DEFERRED PROJECTS			35,700,000									

Appendix E - Cancelled Projects											
Department / Area	Project Name	Capital Request	ARF - Tax Supported	Water&WW ARF & Reserve	Storm Water ARF & Reserve	DC	General / Operating	Reserves	Gas Tax	Other Funding	Future Operating Impact
	3215041 Viva Next Yonge St-Infras.Impr	167,133				167,133					
	3216019 Davis Dr./Yonge St Consulting	100,000				100,000					
	3218025 Yonge St.N to Green Ln Consult	500,000				500,000					
	3217016 Access to Bogartown Curve	55,000						55,000			
	3217021 Road Infrastructure Need Study	217,897	217,897								
	4018034 Low Impact Development(LID)	200,000		200,000							
	4717060 Downtown Parking Solution	236,936				236,936					
	4717061 CCLParking Sub Committee Study	300,000				300,000					
	5219014 Tails&Off-Road Act. Trans.	1,337,000				1,337,000					
	5319024 Haskett Park Washroom Replacement	150,000	150,000								
	5314023 Magna Block Repair	66,165	66,165								
	5316057 Heating System for Hose Reel	9,506						9,506			
	5316063 Repeater Cell Phone Sv Upgrade	50,000						50,000			
	5318059 REALice Wate Treatment	42,500						42,500			
	5316067 Signage-Seniors &OTH	50,000						50,000			
	5319023 Power Generators for Magna Centre	75,000						75,000			
	5319033 Youth Ctr. Epoxy Floor Repair	20,000						20,000			
	5317056 Operation Ctr Storage	47,795						47,795			
	3918022 Street Lights on Bathurst St.	40,000				40,000					
	5316058 Lift for Stage	10,000						10,000			
	5218044 Outdoor Train	100,000	100,000								
	6818021 Urban Ct. Road Center Line Study	200,000				200,000					
LIB 1	Computer Hardware/Software	124,500	124,500								
REC 4	Newmarket Theatre Technical Component Asset Replacement	116,710	116,710								
IT 3	Upgrade/Replace GIS	50,000	50,000								
		4,266,142	825,272	200,000	0	2,881,069	0	359,801	0	0	0



Mayor & Members of Council
Town of Newmarket
P.O. Box 328 Station Main,
Newmarket, Ontario L3Y 4X7

Dear Mr. Mayor & Members of Council

Re – 2020 Preliminary Draft Budget

I request the Old Main Street North Tertiary Plan to be included in the 2020 Capital Budget for the required Engineering Master Plan work.

The Spring run-off and heavy rains pool deep water, especially on the north end and causes flooding of the road more and more frequently.

Respectfully submitted,
Everett Baker,
218 Main street North
Newmarket



Mayor & Members of Council
Town of Newmarket
395 Mulock Drive
P.O. Box 328 Station Main,
Newmarket, Ontario L3Y 4X7

Dear Mr. Mayor & Members of Council

Re – 2020 Preliminary Draft Budget

I request the Old Main Street North Tertiary Plan to be included in the 2020 Capital Budget for the required Engineering Master Plan work.

It should be a priority because of the hazards it presents to both drivers and pedestrians especially during the Spring run-off. The rain water and any residual water from the melting snow tends to pool quite significantly especially at the north end of the road causing flooding. This flooding is occurring more frequently especially during the heavy periods of rain which are becoming more prevalent with our changing climate.

Respectfully submitted,
Teresa Rogers and Lloyd McKee
238 Main St N, Newmarket, ON
L3Y 9B2
905 716 0052