



# Preliminary Draft 2019 Operating and Capital Budgets

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Date: January 14, 2019



# Today's Purpose

1. The report is for information purposes only - no decisions are required at this time
2. Presentation of requested options
3. Addresses questions from December 10 Special Committee of the Whole meeting



# 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.



# Budget Challenges

## Initial Tax Increases



|                     | Provisions          | Challenges        | Starting point      |
|---------------------|---------------------|-------------------|---------------------|
| CYFS                | \$ 425,000          |                   | \$ 425,000          |
| Library grant       | 77,000              |                   | 77,000              |
| Town portion, net   | 1,224,000           | 232,000           | \$ 1,456,000        |
|                     | <b>\$ 1,726,000</b> | <b>\$ 232,000</b> | <b>\$ 1,958,000</b> |
| Infrastructure levy | 585,000             |                   | 585,000             |
| Mulock Farm levy    | 0                   |                   | 0                   |
| Extraordinary items |                     | 630,000           | 630,000             |
| Growth, net         | 0                   |                   | 0                   |
|                     | <b>\$ 2,311,000</b> | <b>\$ 862,000</b> | <b>\$ 3,173,000</b> |
| <b>Tax increase</b> | <b>3.95%</b>        | <b>1.47%</b>      | <b>5.42%</b>        |



# Solution to the Challenges Budget Reductions



|                     | Starting point      | Reductions          | Preliminary draft   |
|---------------------|---------------------|---------------------|---------------------|
| CYFS                | \$ 425,000          | \$ - 69,000         | \$ 356,000          |
| Library grant       | 77,000              | - 2,000             | 75,000              |
| Town portion, net   | \$ 1,456,000        | - 561,000           | \$ 895,000          |
|                     | <b>\$ 1,958,000</b> | <b>\$ - 632,000</b> | <b>\$ 1,326,000</b> |
| Infrastructure levy | 585,000             |                     | 585,000             |
| Mulock Farm levy    | 0                   |                     | 0                   |
| Extraordinary items | 630,000             | - 230,000           | 400,000             |
|                     | <b>\$ 3,173,000</b> | <b>\$ - 862,000</b> | <b>\$ 2,311,000</b> |
| <b>Tax increase</b> | <b>5.42%</b>        | <b>1.47%</b>        | <b>3.95%</b>        |



# Budget Reductions

## Town portion details



|                                  | Provisions          | Challenges        | Reductions          | Preliminary draft |
|----------------------------------|---------------------|-------------------|---------------------|-------------------|
| Wages and benefits               | \$ 920,000          |                   | \$ - 250,000        | \$ 670,000        |
| Other expenses and revenues, net | 211,000             |                   | - 219,000           | - 8,000           |
| Mandatory items                  | 93,000              | 325,000           | - 92,000            | 233,000           |
| Enhancements                     | 0                   |                   |                     | 0                 |
| <b>Town portion, net</b>         | <b>\$ 1,224,000</b> | <b>\$ 325,000</b> | <b>\$ - 561,000</b> | <b>\$ 895,000</b> |



# Tax Increase Options

|   | Proposed     | Option 1     | Option 2     |
|---|--------------|--------------|--------------|
| CYFS  | 0.61%        | 0.61%        | 0.61%        |
| Library grant                                 | 0.13%        | 0.13%        | 0.13%        |
| Town portion, net                             | 1.53%        | 1.53%        | 1.53%        |
| Mulock Farm levy                              | 0.00%        | 0.00%        | 0.00%        |
| Extraordinary items                           | 0.68%        | 0.68%        | 0.68%        |
|   | <b>2.95%</b> | <b>2.95%</b> | <b>2.95%</b> |
| Infrastructure levy                           | 1.00%        | 0.25%        | 0.04%        |
| <b>Tax increase</b>                           | <b>3.95%</b> | <b>3.20%</b> | <b>2.99%</b> |
| <b>Impact on average residential property</b> | <b>\$ 77</b> | <b>\$ 62</b> | <b>\$ 58</b> |



# Rate-supported Budgets



|            | Revenue increase included in 6-year plan |        | Rate Increase for the average residential property |          |
|------------|--|--------|--|----------|
| Water      | \$ 1,570,000                             | 9.28%  | 5.10%  | \$ 59.00 |
| Wastewater | \$ 740,000                               | 3.59%  |  |          |
| Stormwater | \$ 218,000                               | 11.80% | 11.80%   | \$ 4.00  |





# New Capital Budget Requests



| Sources of Funding | ARF            | DC`s          | General       | Other         | Total          |
|--------------------|----------------|---------------|---------------|---------------|----------------|
|                    | In \$ millions |               |               |               |                |
| <b>Replacement</b> | \$ 13.6        | \$ 0.2        | \$ 0.2        | \$ 3.3        | <b>\$ 17.3</b> |
| <b>Growth</b>      | 2.1            | 5.6           | 0.4           | 1.2           | <b>9.3</b>     |
| <b>Other</b>       | 0.1            |               | 0.2           | 0.1           | <b>0.4</b>     |
| <b>Total</b>       | <b>\$ 15.8</b> | <b>\$ 5.8</b> | <b>\$ 0.8</b> | <b>\$ 4.6</b> | <b>\$ 27.0</b> |



# Summary of Budget Impact on Average Residential Property



| Increase           | Proposed      | Option 1      | Option 2      |
|--------------------|---------------|---------------|---------------|
| Property tax       | \$ 77         | \$ 62         | \$ 58         |
| Water / wastewater | 59            | 59            | 59            |
| Stormwater         | 4             | 4             | 4             |
| <b>Total</b>       | <b>\$ 140</b> | <b>\$ 125</b> | <b>\$ 121</b> |



# 2019 Budget Schedule



| Activity  | Date        |
|---|-------------|
| Budget information available to public and on website   | January 21  |
| Special Committee of the Whole – Capital Budget and Asset Replacement Fund                        | January 28  |
| Special Committee of the Whole – Operating Budgets  | February 4  |
| Committee of the Whole regular meeting with draft budgets and Community Engagement Phase 2 Update | February 25 |
| Target for Council approval of the Budget   | March 4     |

