

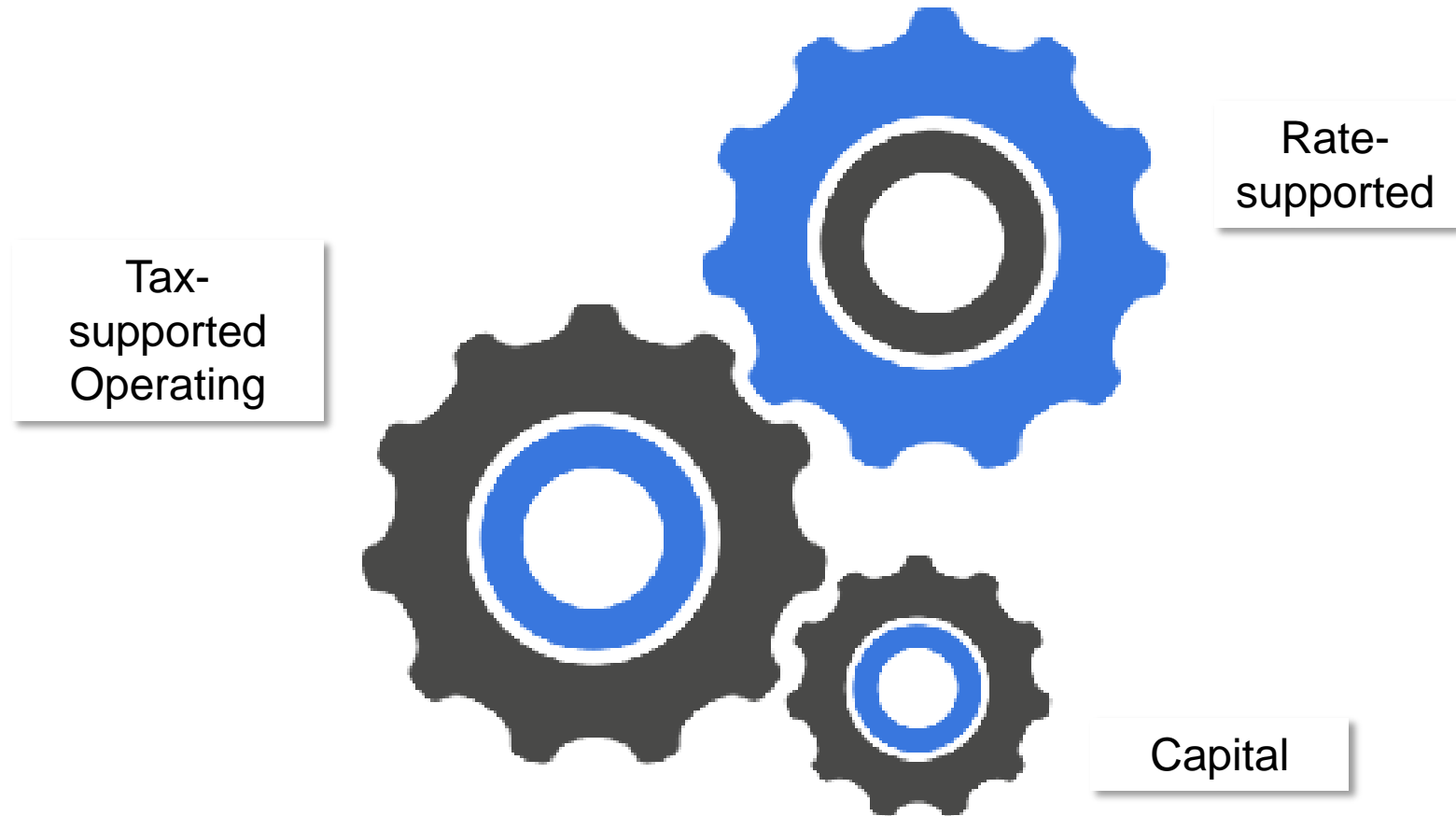
# 2020 Budget for Tax-supported Operations

Presenter: Mike Mayes

Date: November 11, 2019



# The budgets are separate but inter-connected parts



# Today's Objectives

Further to October 15 budget process update:

- Provide details of the Preliminary Draft Tax-Supported Operating Budget
- Initiate Council deliberations
- Provide listing of recommended, pending and deferred Decision Packages

Results will be consolidated with the capital and rate-supported operating budgets into the draft budget for November 25 CoW



# The original Tax Target request was an increase of 3.90%



Projected inflation based on March Toronto CPI	2.00%
Adjusted for municipal purposes	0.50%
	<b>2.50%</b>
Infrastructure levy (ARF)	1.00%
Items carried forward from 2019	0.40%
	<b>3.90%</b>



# Council's target

- On May 6, 2019 Council approved Finance Report 2019-42, 2020 Budget Process and Target, and added the following recommendation:

***That endorsement be given to staff to proceed with preparation of the 2020 budgets employing the structure and targets as set out in this report with a tax levy increase of less than 3%.***

- This direction challenged staff to find cost reductions in the budget



# Target increase was allocated to budget components

Component	Net increase in \$	% Tax increase
Town base	\$ 996,000	1.66%
CYFS base	439,000	0.73%
Library base	65,000	0.11%
Mulock Farm	-	-
Enhancements	-	-
Growth, net	-	-
ARF	600,000	1.00%
Carried forward (Bill 148)	240,000	0.40%
<b>Original recommendation</b>	<b>\$ 2,340,000</b>	<b>3.90%</b>
Reductions	- 546,000	(0.91%)
<b>Proposed tax increase</b>	<b>\$ 1,794,000</b>	<b>2.99%</b>



# All goals were achieved

- Base budget tax increase is 1.99%
  - Net efficiencies of \$546,000 were found
  - It does not include results or recommendations from the Service Delivery review - “REV It Up”
- Assessment Growth of 1.3% is only applied to growth-related expenditures
- Asset Replacement Fund
  - 1% levy increase (\$600,000)



# \$546,000 in budget reductions required for Council's target



Tax increase	%	\$
Original request	3.90%	\$ 2,340,000
Council target	2.99%	1,794,000
<b>Reductions</b>	<b>0.91%</b>	<b>\$ 546,000</b>





# Also \$575,000 of extraordinary items had to fit into the budget



Library books (replace DC funding)	\$ 125,000
Additional benefit plan costs	350,000
Reduction of Recreation stretch revenue target	100,000
<b>Extraordinary items</b>	<b>\$ 575,000</b>
Reductions required for Council's target	546,000
<b>Consolidated reduction target</b>	<b>\$ 1,121,000</b>



# \$1,121,000 in reductions were found



2019 items carried forward and absorbed in the base budget	\$ 240,000
Reduction in Public Works Services budget	730,000
Shift in CYFS cost allocation	80,000
Partial funding of Library books from Growth	31,000
Various minor items	40,000
	<b>\$ 1,121,000</b>



# Additions to the base budget have been limited

	Net tax impact	Net rate impact	Total
Mandatory	\$ 73,500		\$ 73,500
Maintenance	48,500	160,000	208,500
<b>Necessary</b>	<b>\$ 122,000</b>	<b>\$ 160,000</b>	<b>\$ 282,000</b>
Pending further review	99,000	22,000	121,000
<b>Budget provision</b>	<b>\$ 221,000</b>	<b>\$ 182,000</b>	<b>\$ 403,000</b>



# Growth revenue is applied to Growth expenditures



	Original	Revised
Fire Master Plan, 2020 allocation	\$ 293,000	\$ 207,000
Incremental growth in the base budget	80,000	68,000
Newmarket Public Library allocation	49,000	49,000
Operating costs for donated park	30,000	30,000
Operating costs for new capital	328,000	12,000
Capital and DC discounts		23,000
To be allocated to Decision Packages		391,000
<b>Assessment Growth of 1.30%</b>	<b>\$ 780,000</b>	<b>\$ 780,000</b>



# Additions to the growth budget have been limited



	Net tax impact	Net rate impact	Total
<b>CYFS - per FMP</b>	<b>\$ 207,000</b>		<b>\$ 207,000</b>
Library - mandatory	\$18,000		\$18,000
Library – replacing DC's	31,000		31,000
<b>Library - total</b>	<b>\$ 49,000</b>		<b>\$ 49,000</b>
<b>Town - pending further review</b>	<b>\$ 391,000</b>	<b>\$ 268,000</b>	<b>\$ 659,000</b>



# ARF levy is at the 1% goal

Asset Replacement Fund (ARF) Target is an annual tax increase of 1% = \$600,000

ARF increase allocation	Town levy	Aurora's share	Total ARF increase
Parks and facilities	\$ 541,380		\$ 541,380
CYFS	58,620	41,380	100,000
	<b>\$ 600,000</b>	<b>\$ 41,380</b>	<b>\$ 641,380</b>



# REV It Up results will not be available for the 2020 budget



- REV It Up is a Service Delivery Review funded by the provincial government
- Recommendations will not be made public until December 31, 2019 – after the budget is scheduled to be approved, therefore:
  - Anticipated results have not been factored into the budget
  - Some new initiatives are being deferred pending a review of the results



# Average residential property tax increase of \$59.74



2019	2020	Increase \$	Increase %
\$ 1,998.04	\$ 2,057.78	\$ 59.74	2.99%





# Property taxes will trend at 10% below GTA average



Year	Newmarket	GTA average	% below
2014	\$ 1215	\$ 1360	- 10.6 %
2015	\$ 1247	\$ 1377	- 9.4 %
2016	\$ 1277	\$ 1442	- 11.4 %
2017	\$ 1302	\$ 1464	- 11.1 %
2018	\$ 1359	\$ 1509	- 9.9 %
2019	<i>\$ 1406</i>	<i>\$ 1557</i>	<i>- 9.7 %</i>
2020	<i>\$ 1448</i>	<i>\$ 1605</i>	<i>- 9.8 %</i>

*Italicized Figures are Projections*



# Monthly cost of services shows value to the taxpayer



Service bundle monthly cost	2019	2020	Increase
Fire & Emergency Services	\$ 44.71	\$ 46.56	\$ 1.85
Waste Management	9.98	9.66	- 0.32
By-law & Licensing Services	4.13	4.48	0.35
Roads, Bridges & Sidewalks	28.43	28.76	0.33
Planning & Development	11.24	11.63	0.39
Community Programs & Events	11.91	11.69	- 0.22
Facilities, Parks & Trails	46.13	48.00	1.87
Public Library Services	9.97	10.70	0.73
	<b>\$ 166.50</b>	<b>\$ 171.48</b>	<b>\$ 4.98</b>

Monthly cost to the average residential taxpayer



# Budget Outlook shows need for further cost reductions

	2019	2020	2021	2022	2023
Inflation (CPI)	2.70%	2.00%	2.50%	2.50%	2.50%
Tax increase:					
- Base	2.95%	2.50%	2.75%	2.75%	2.75%
- Extraordinary	1.28%	0.40%	-	-	-
- ARF	0.75%	1.00%	1.00%	1.00%	1.00%
	<b>4.98%</b>	<b>3.90%</b>	<b>3.75%</b>	<b>3.75%</b>	<b>3.75%</b>
Reductions					
Tax %	2.03%	0.91%	0.77%	0.78%	0.76%
\$	\$1,727,000	\$550,000	\$475,000	\$500,000	\$500,000
<b>Revised increase</b>	<b>2.95%</b>	<b>2.99%</b>	<b>2.98%</b>	<b>2.97%</b>	<b>2.99%</b>



# 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	Done
Consideration of the Tax-supported Operating Budget	November 11	Special Committee of the Whole	In process
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	

