

2021 Draft Capital & Rate-supported Budgets

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Date: October 19, 2020



Agenda

1. Updates
2. COVID-19
3. Overview
4. Capital Budgets
5. Rate-supported Operating Budgets
6. Options for Stormwater
7. Next Steps



Updates

What has changed since October 5



Some minor changes

Capital

- Omission on the project listing
 - CYFS 2, \$750,000 replacement fire truck

Rate-supported

- Financial Plan updates deferred
 - To address Fiscal Strategy recommendations
 - 3 Stormwater options



Budgeting in a COVID-19 world

Influence on the 2021 budget



Pandemic's indirect impact

- Restricted delivery of the 2020 capital program requiring provision in 2021
 - \$6.7 million deferred from 2020
 - Adjustments to unallocated budget
- Financial Relief Program
 - Reversal of Town and Region rates not reflected in the 2020 budget
 - New revenue source in 2021 – interest on overdue water accounts



Overview

2021 budgets at a glance



There are many budgets:

Operating Budgets:	
Tax-supported – Town, Fire, Library, Mulock Farm, BIA	\$ 91.0 million
Rate-supported – water, wastewater, stormwater, building permits	46.4 million
	\$ 137.4 million
Capital budget (revised)	\$ 37.9 million
Total	\$ 175.3 million



Budget Impact on Average Residential Property



	% increase	\$ increase
Property tax	2.99 %	\$ 64.79
Water / wastewater	4.00 %	\$ 49.44
Stormwater (status quo)	10.00 %	\$ 4.21
Total		\$ 118.44

Based on an average single detached home with an assessment value of \$700,000



Capital Budget

2021 Preliminary Draft Capital Budget Staff Report to Council



2021 Capital Budget and Capital Program



	Standard	Major	Total
	In \$ millions		
Additions in 2021	\$ 13.7	\$ 1.7	\$ 15.4
Approved in 2020	3.3	16.2	19.5
Program	\$ 17.0	\$ 17.9	\$ 34.9
Unallocated	3.0		3.0
Budget	\$ 20.0	\$ 17.9	\$ 37.9



Capital program by department



Newmarket

Area	Standard	Major	Total
(In \$ millions)			
CYFS	\$ 0.6	\$ 9.6	\$ 10.2
Engineering - capital projects	8.8		8.8
Engineering - transportation	0.4		0.4
IT	0.8		0.8
Library	0.2		0.2
Public Works – Facilities	0.8		0.8
Public Works – Parks	1.0		1.0
Public Works – Roads	3.7		3.7
Stormwater	0.1		0.1
Water / wastewater	0.3	8.3	8.6
Other	0.3		0.3
	\$ 17.0	\$ 17.9	\$ 34.9



Capital Program Funding by Category



	ARF	DC	General	Other	Total
	(in \$ millions)				
Mandatory	\$ 2.3	\$ 0.1	\$ 0.0	\$ 0.3	\$ 2.7
Replacement	9.2	1.2	0.1	10.8	21.3
Growth	1.1	6.0	0.1	3.2	10.4
Service Level Change				0.5	0.5
	\$ 12.6	\$ 7.3	\$ 0.2	\$ 14.8	\$ 34.9



Rate-supported Operating

2021 Preliminary Draft Rate-Supported
Operating Budgets
Staff Report to Council



Water and Wastewater consolidated budget

	2020	2021	change
Fee increase	4.92% > 0%	4.00%	
Revenue	\$ 41,702,000	\$ 41,750,000	\$ 48,000
Regional costs	\$ 25,663,000	\$ 25,550,000	\$ - 113,000
Expenses	6,970,000	7,091,000	121,000
Support costs	2,268,000	2,291,000	23,000
ARF	6,618,000	6,618,000	0
Reserves	183,000	200,000	17,000
	\$ 41,702,000	\$ 41,750,000	\$ 48,000



Decision Packages included in the Rate Budgets



Ref	Description	Staffing	Net Impact
W&WW 1	AMI Project - Sensus Analytics		\$ 44,460
SW1	Stormwater Master Plan Detailed Review/Update		\$ 0
SW3	Stormwater CCTV Inspection Program		120,000
			\$ 120,000



Options for Stormwater

Stormwater 10-Year Financial Plan
Options
Staff Report to Council



Assets Included In This Financial Plan



- 284 kilometers of stormwater sewers
- 10,851 catch basins & maintenance holes
- 37 oil grit separators
- 65 wet ponds, dry ponds, and LID sites

Estimated Total Replacement Cost (Today's Dollars):

\$ 598 Million



Background: Current SW Practices & Level of Service



- Inspections, cleaning, repairs, maintenance and storm response by Public Works
- Sewers may be replaced by Engineering during road projects.
- Ponds & LID features implemented, monitored, major maintenance by Engineering



Cost Drivers



- **Environmental Protection:**
 - Existing assets & proposed projects are tied to regulatory compliance
- **Improving Asset Management:**
 - New practices identified that would improve asset lifecycles and reduce risk.
- **Leadership & Community Building:**
 - Implementation of Council Priority for LID
 - Assumption of 14 existing ponds from developers that must now be maintained.



Financial Considerations

	Option 1 Status Quo	Option 2 Incremental	Option 3 Extraordinary
2021 increase	10%	10%	55%
2022 increase	10%	10%	10%
10 year increase	89%	118%	162%
2030 rate for medium medium	\$ 79.58	\$ 91.60	\$ 110.04
Maximum reserve deficit	2027 – \$ 4.9 million	2027 – \$ 5.8 million	2027 – \$ 7.3 million

By 2030, all 3 options level out with annual increases of 5% and positive reserve fund balances..



What Do We Get?	Option 1: Status Quo	Option 2: Incremental	Option 3: Extraordinary
Prepare for Climate Change			✓
Implement LID Council Priorities			✓
On Track for Regulatory Compliance			✓
Inspect Sewers to Quantify Risk		✓	✓
Pay for Operating Impact of Assumed Assets		✓	✓

Improve
Service
Levels



Current
Service
Levels

New Projects Partially Funded by DCs	✓	✓	✓
Maintain Existing Assets (except major pond rehabilitation backlog)	✓	✓	✓
Capital Plan for Existing Assets Only	✓	✓	✓

Next Steps

Schedule of upcoming meetings



Important future dates

ACTIVITY	DATE	MEETING	STATUS
Presentation of the Preliminary Draft budgets	October 5	Committee of the Whole	Done
Review of the CYFS budget	October 13	Joint Council Committee	Done
Capital and Rate-Supported Operating Budgets, Rate Financial Plans	October 19	Special Committee of the Whole	In process
Tax-Supported Operating Budget ARF and Fiscal Strategy	November 9	Special Committee of the Whole	
Presentation of the Draft Budgets and remaining Fees & Charges for approval	December 7	Committee of the Whole	
Approval of the Budgets and remaining Fees & Charges	December 14	Council	

