



2021 Draft Tax-supported Budget

Presenter: Mike Mayes
Date: November 9, 2020



Agenda

1. Updates
2. COVID-19
3. Overview
4. Tax-supported Operating
5. Options
6. Next Steps



Updates

What has changed since October 5



Budget considerations

Fiscal Strategy Workshop, September 28

- Report and presentation to Council

CYFS budget reviewed by JCC, October 13

- No additional staffing
- ARF contributions maintained at 2020 level
- Inclusion of new revenues

Financial Update – 3rd Quarter, November 16

- Adjustments to Capital Spending Authority require changes to Capital Program



Budgeting in a COVID-19 world

Influence on the 2021 budget



Pandemic will have no direct impact on the 2021 budget



- **Based on what we currently know** and the \$1.8 million Safe Restart grant, it appears that the 2020 budget will be manageable
- In that case, the pandemic may not directly factor into the 2021 budget
 - no deficit carryover
 - no additional tax increase



However, the pandemic does have an indirect impact

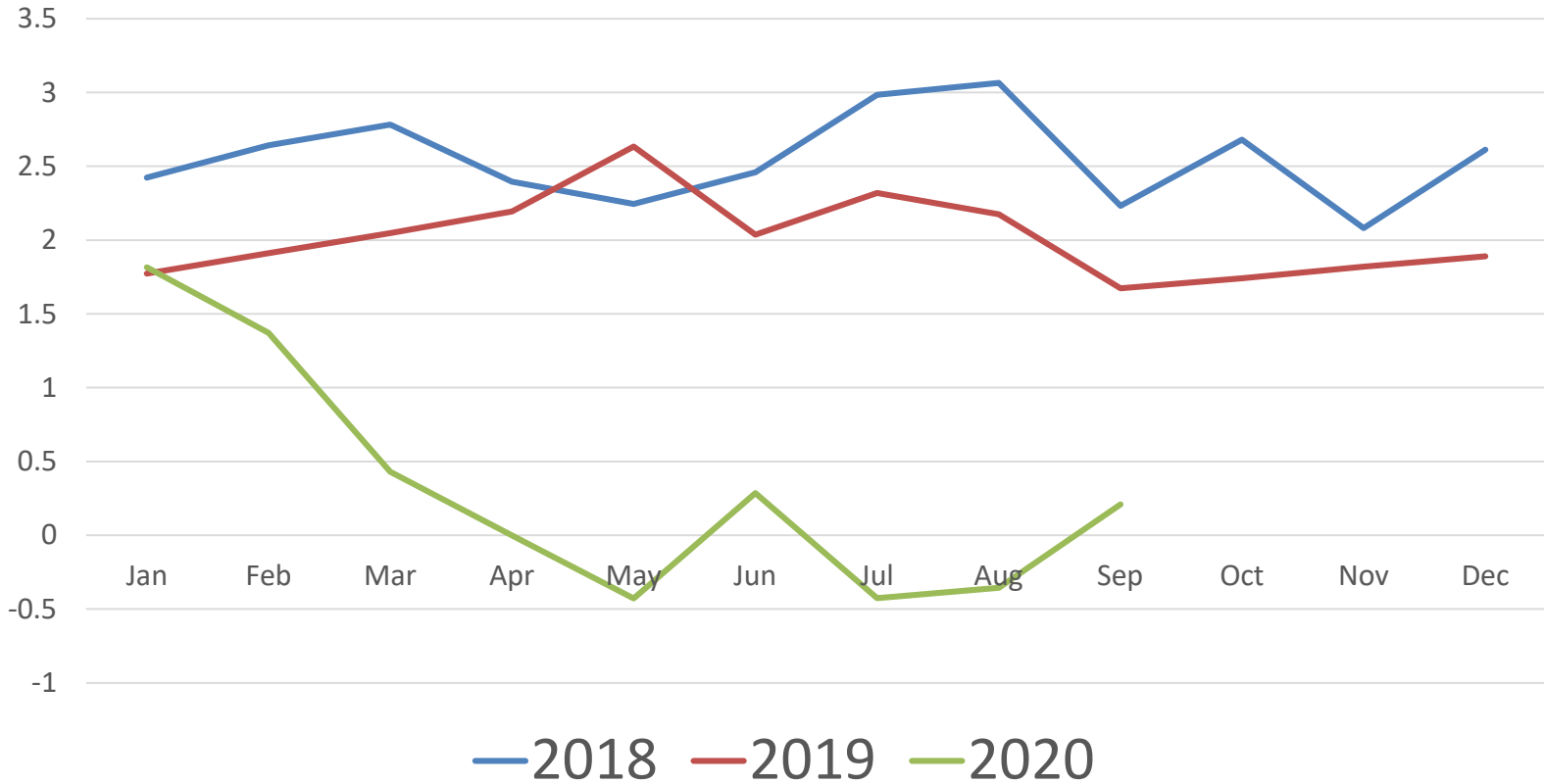


- Uncertainty about how long the pandemic will last and what the “new normal” will look like
 - 1% Tax Levy for a contingency
- Slower economy:
 - Inflation is assumed to be 0% to 1%
 - Growth reduced to 0.65% - half of normal



Inflation 2018 to 2020

Toronto CPI



Overview

2021 budget 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	\$ 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	10.00 %	\$ 4.21
Total		\$ 118.44

Based on an average single detached home with an assessment value of \$700,000, on a 465 square metre lot, using 200 cubic metres of water per year



Overview of tax-supported operating budget increase



	Tax %	\$
Base	0.99%	\$ 618,750
COVID contingency	1.00%	625,000
ARF	1.00%	625,000
Tax levy	2.99%	\$ 1,868,750



Tax-supported Operating

Roads, recreation, fire, library, by-laws
and more



Tax-supported operating budget by governance

	Town	CYFS	Library	Total
	In \$ millions			
Expenses	\$ 62.1	\$ 17.2	\$ 3.4	\$ 82.7
Reserve transfers	6.6	1.4	0.3	8.3
	\$ 68.7	\$ 18.6	\$ 3.7	\$ 91.0
Non-tax revenues	- 22.2	- 0.4	- 0.4	- 23.0
Tax levy	\$ 46.5	\$ 18.2	\$ 3.3	\$ 68.0



Tax-supported operating budget increase allocation



	Base	Growth	ARF	Total
Town	\$ 338,750	\$ 384,000	\$ 625,000	\$ 1,347,750
CYFS	280,000			280,000
Library		22,000		22,000
BIA (net)	0			0
COVID	625,000			625,000
Total	\$1,243,750	\$ 406,000	\$ 625,000	\$ 2,274,750



Decision Packages included in the Base Budget



Ref	Description	Staffing	Net Impact
HR1	Health & Safety Risk Management	1 FTE	\$ 42,312
CFYS7	CYFS Accounts Administrator for Cost-Recovery Program	0.2 FTE	0
IT3	Redundant Internet Connection		1,800
COMM2	Digital Engagement - Hey Newmarket		25,000
PLN1	Cultural Heritage Planning		5,000
ISI1	Electric Vehicle Charging Stations		9,000
IT5	Video Conferencing Licensing		10,000
		1.2 FTE's	\$ 93,112



Growth revenues applied to growth expenses



Allocations	
CYFS	\$ 0
Library	22,000
Incremental growth	50,000
2021 capital – operating expenses	67,500
Fiscal Strategy - Growth Reserve	151,000
Available for Decision Packages	115,500
Assessment growth	\$ 406,000



Decision Packages included in the Growth Budget



Ref	Description	Staffing	Net Impact
ROAD1	Records Management And Asset Tracking For Fleet Area	1 FTE	\$ 27,736
CS2	Increase Customer Service staff complement by .5 FTE (1.5 to 2)	0.5 FTE	49,906
FIN1	Meet the needs of increased volumes due to P-card best practices and Prompt Payment requirements	0.4 FTE	35,760
		1.9 FTE's	\$ 113,402
CYFS6	2 Additional Firefighters	2 FTE's	151,000
LIB4	Electronic Materials		22,000
		3.9 FTE's	\$ 286,402



Staffing Requests



The budget contains requests for 5.1 full-time equivalents – 1.2 in the base budget and 3.9 in growth

- 0.2 FTE's for CYFS Accounts Administrator for Cost-Recovery Program (CYFS7) was approved by Council on September 21
- The remaining are provisions in the budget with hiring on hold until approved by Council
 - A similar approach was taken in 2020



Options

For Council's consideration



Council budget direction

*That endorsement be given to staff to proceed with preparation of the 2021 budgets employing the structure and targets as amended, **with options for reductions around Asset Replacement Fund contributions and Consumer Price Index as decision points for Council** and a tax levy increase target of 2.99% consisting of:*

- a. 0.99% base rate;*
- b. 1.00% COVID-19 related contingencies;*
- c. 1.00% Asset Replacement Fund contributions*



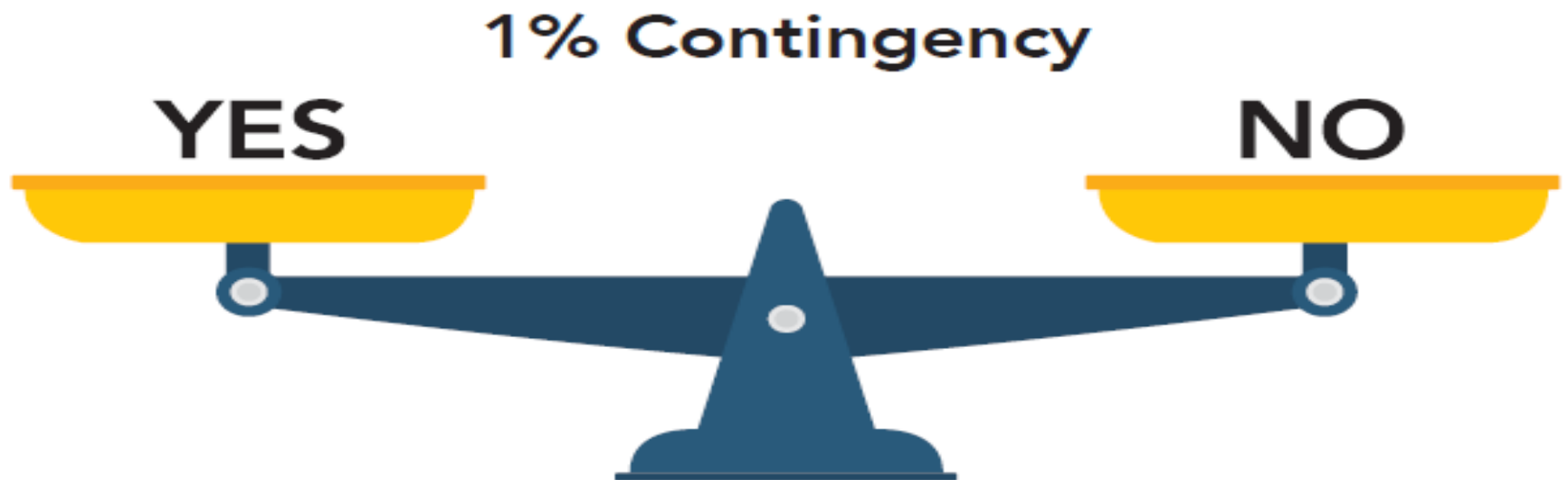
2021 – A Little Different

Balancing the economic impact of COVID-19 with fiscal responsibility and planning for the future



How do we manage the effects of COVID?

THE BALANCING ACT: Proposed Ideas & Solutions



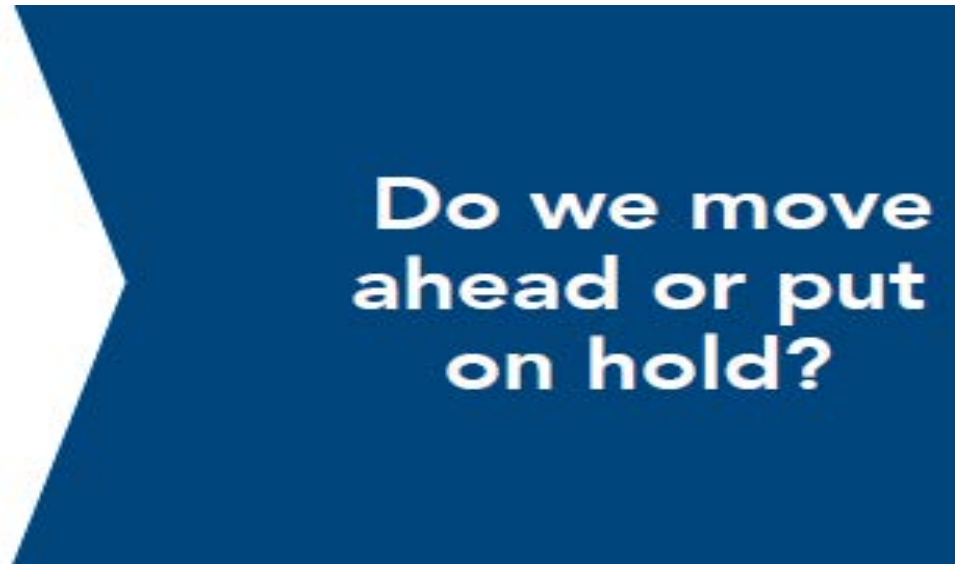
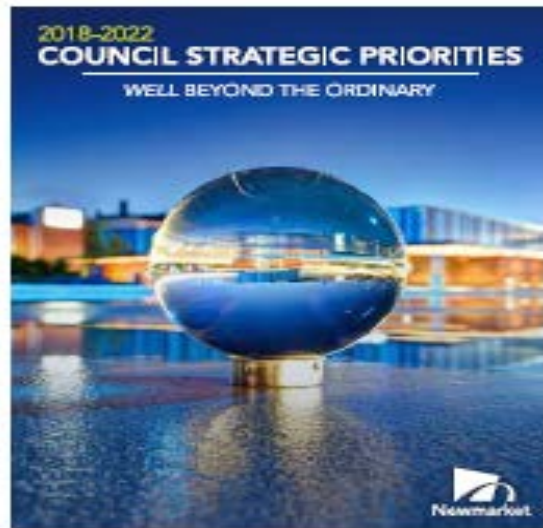
Fiscal Strategy and Asset Replacement



Do we pay
now or do we
pay later?



Council Strategic Priorities



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	Done
Tax-Supported Operating Budget ARF and Fiscal Strategy	November 9	Special Committee of the Whole	In process
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	



Community Engagement



Fill out the budget survey (beginning week of November 9):
newmarket.ca/2021budget

