



Special Committee of the Whole (Budget) Presentation



Presenters: Ian McDougall, Mike Mayes & Andrea Tang | January 30, 2023

What makes Newmarket Extraordinary?



One of the best places to live in
Canada



95 per cent of people living in
Newmarket are very happy living here



Newmarket: Well beyond the ordinary

Looking historically at Council's values for service delivery, staff aligned the draft budget based on the following goals:

1. Maintaining service levels
2. Ensuring we are not pushing the cost of today onto the taxpayers of tomorrow
3. Ensuring Newmarket is one of Canada's best places to live, work and thrive
4. Delivering capital programs rooted with financial support from other levels of government, partnerships, and development related revenues
5. Funding growth with growth dollars so we can maintain service levels as our population increases
6. Building budgets on the foundation of the Fiscal Strategy



Maintaining service levels



Ensuring we are not pushing the cost of today onto the taxpayers of tomorrow



Queen Street Bridge Replacement Project

Ensuring Newmarket is one of Canada's best places to live, work and thrive



Delivering a capital program rooted with financial support from other levels of government, partnerships, and development related revenues



Ontario 

Canada 

Funding growth with growth dollars so we can maintain service levels as our population increases



Building budgets on the foundation of the Fiscal Strategy



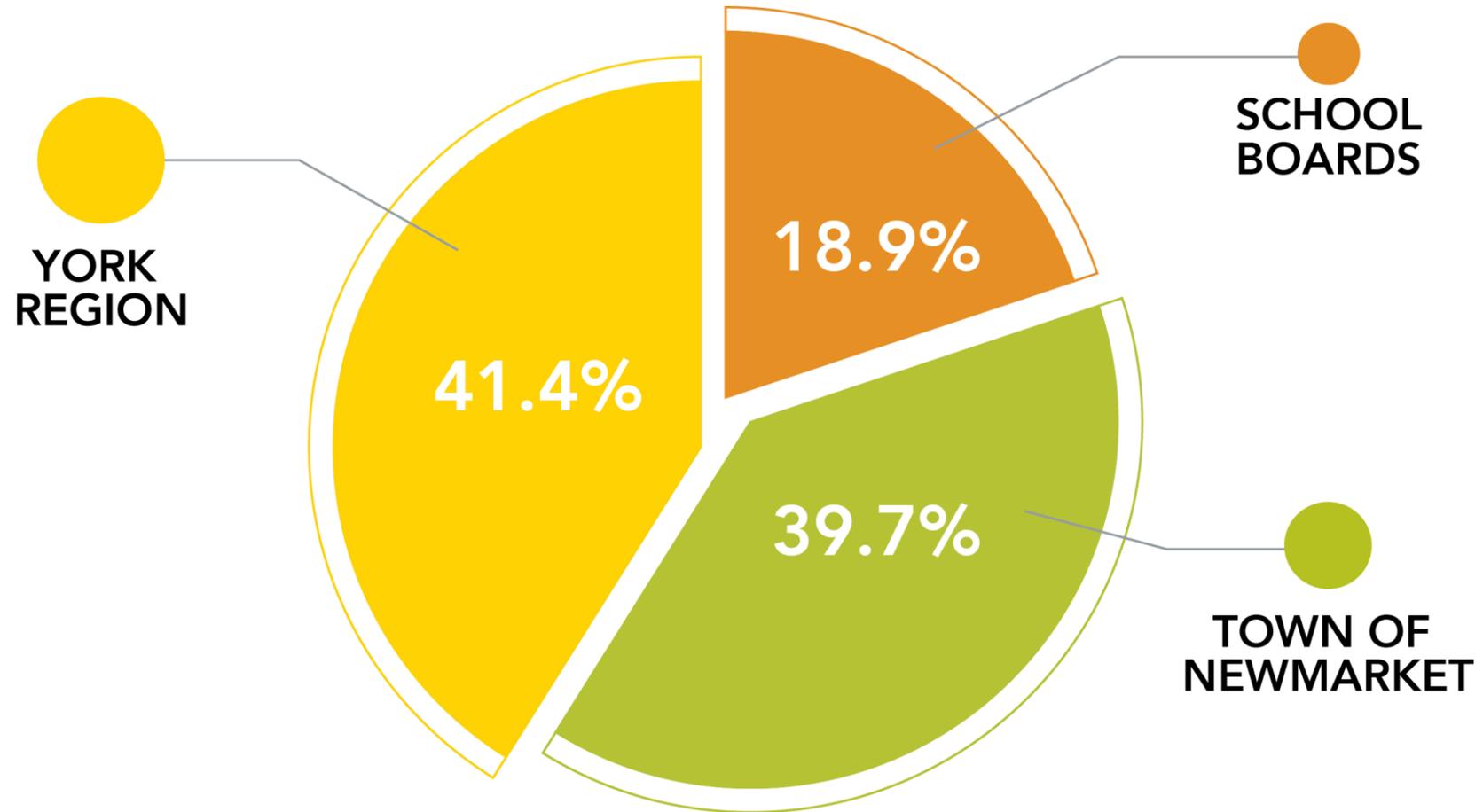
Starting Point: 2022 Approved Budget - \$174.4 million

2022 Approved Budget	\$ in millions
Tax-Supported Operating Budget (Town, Fire, Library, Mulock Park, BIA)	92.2
Rate-Supported Operating Budget (Water, Wastewater, Stormwater, Building Permits)	49.4
Total Operating Budget	141.6
Capital Budget	32.8
Total 2022 Budget	174.4

Asset replacement value of over \$3 billion (includes roads, bridges, water, wastewater and stormwater infrastructure, facilities, parks and fleet)



Where do your tax dollars go? (2022)



What do your taxes pay for?



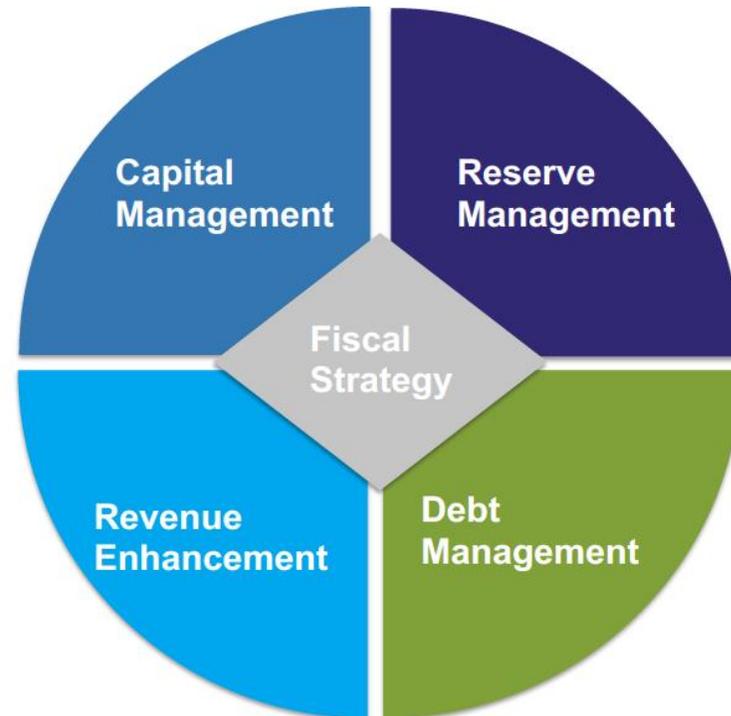
Fiscal Strategy

Council introduction to the Fiscal Strategy on
September 28, 2020

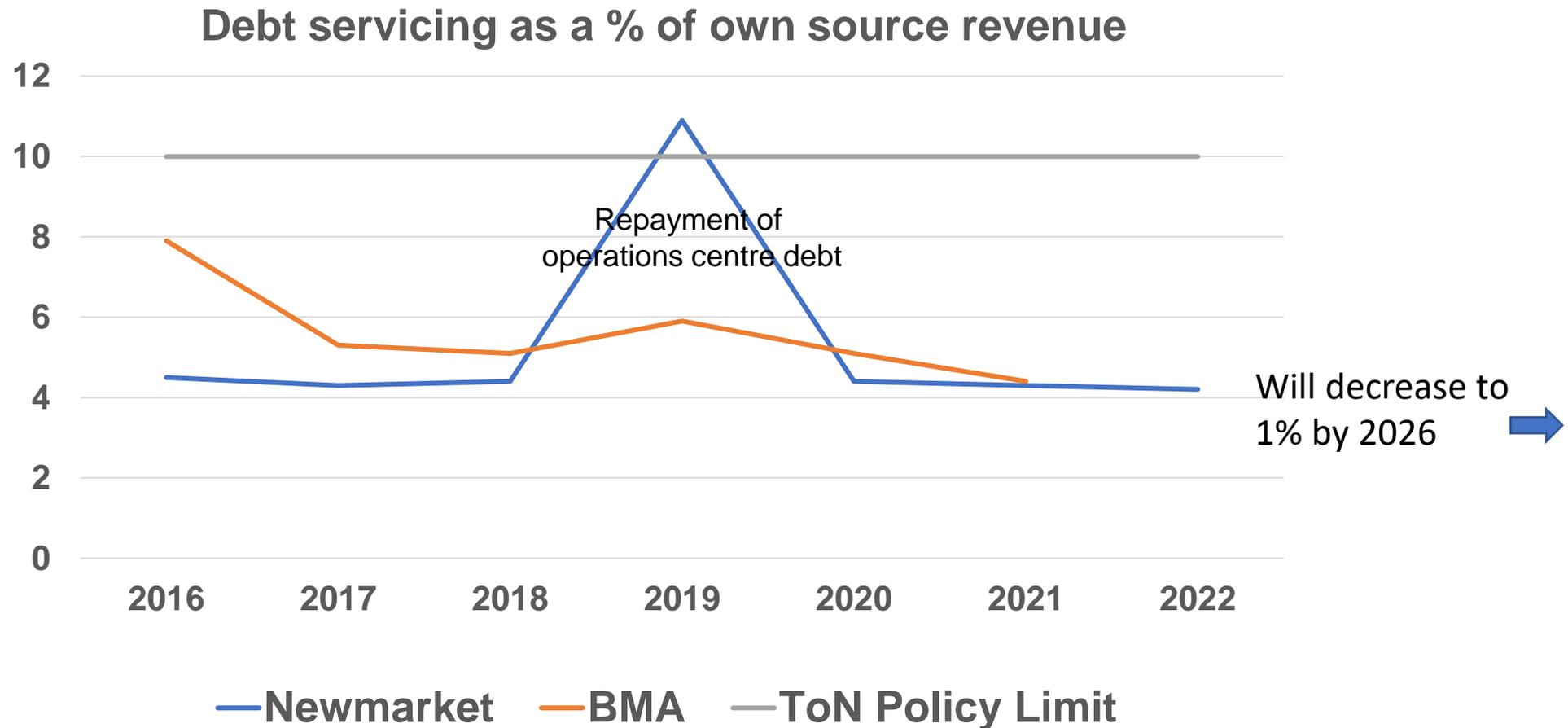
Sources:

MMAH: Ministry of Municipal Affairs and Housing

BMA is a Municipal Comparative Study done by a third party consulting firm on behalf of Ontario Municipalities.



Debt is under control



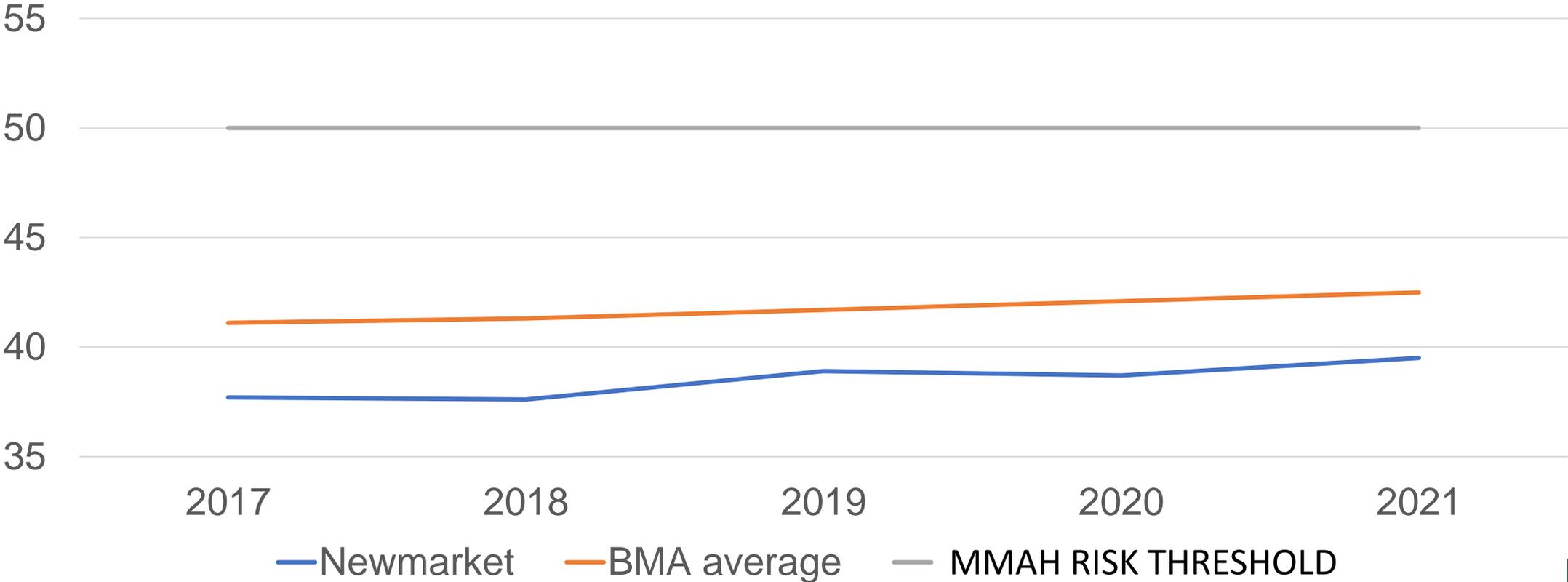
Core asset condition assessments slowly moving from good to fair

Core Asset Category	Current Condition (Based on remaining useful life)	
	2021	2022
Roads	71 %	66 %
Water	61 %	58 %
Wastewater	61 %	58 %
Stormwater	65 %	65 %
Bridges	30 %	60 %

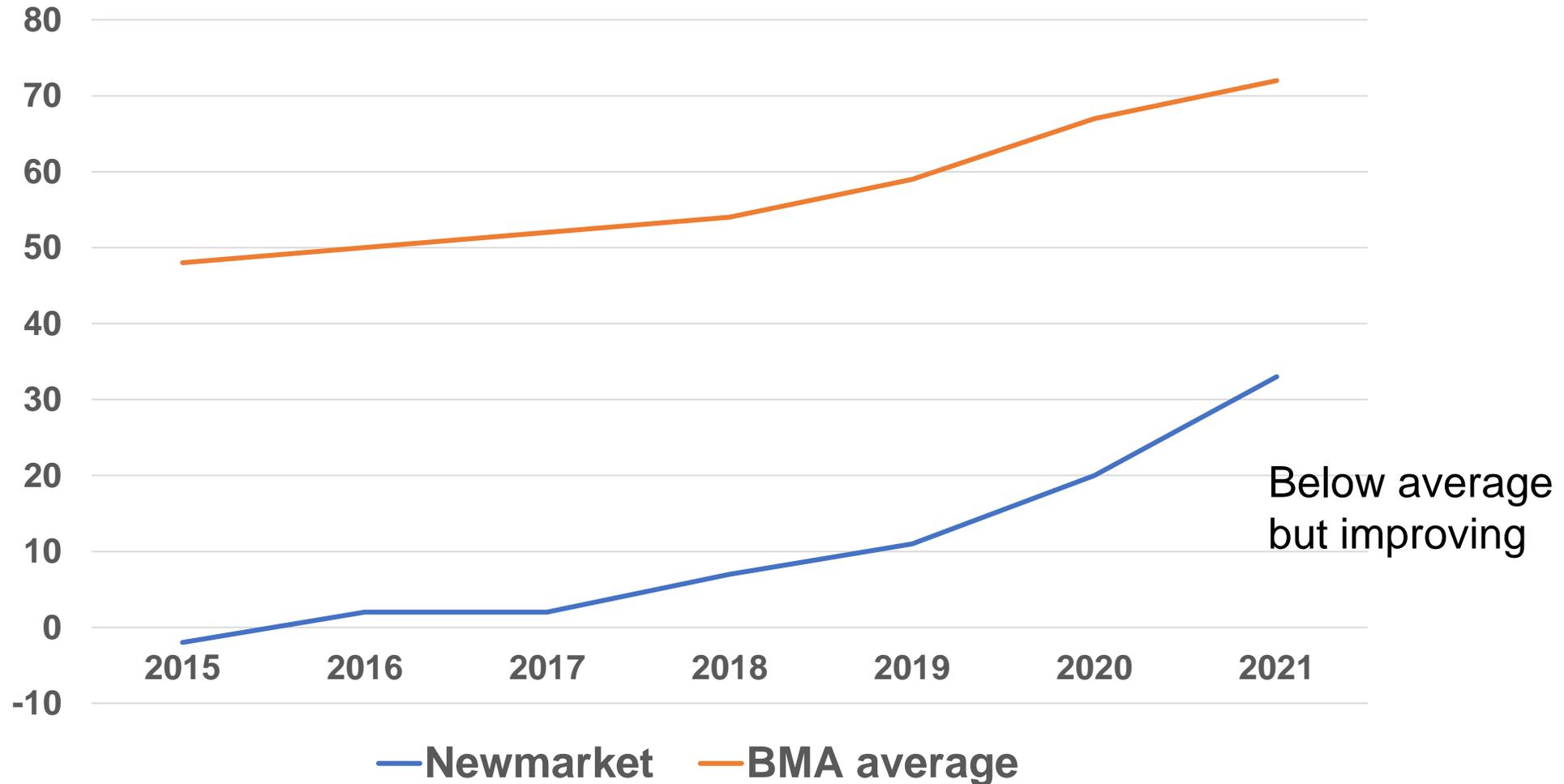


Asset consumption ratio aging trend is slow, not a concern yet

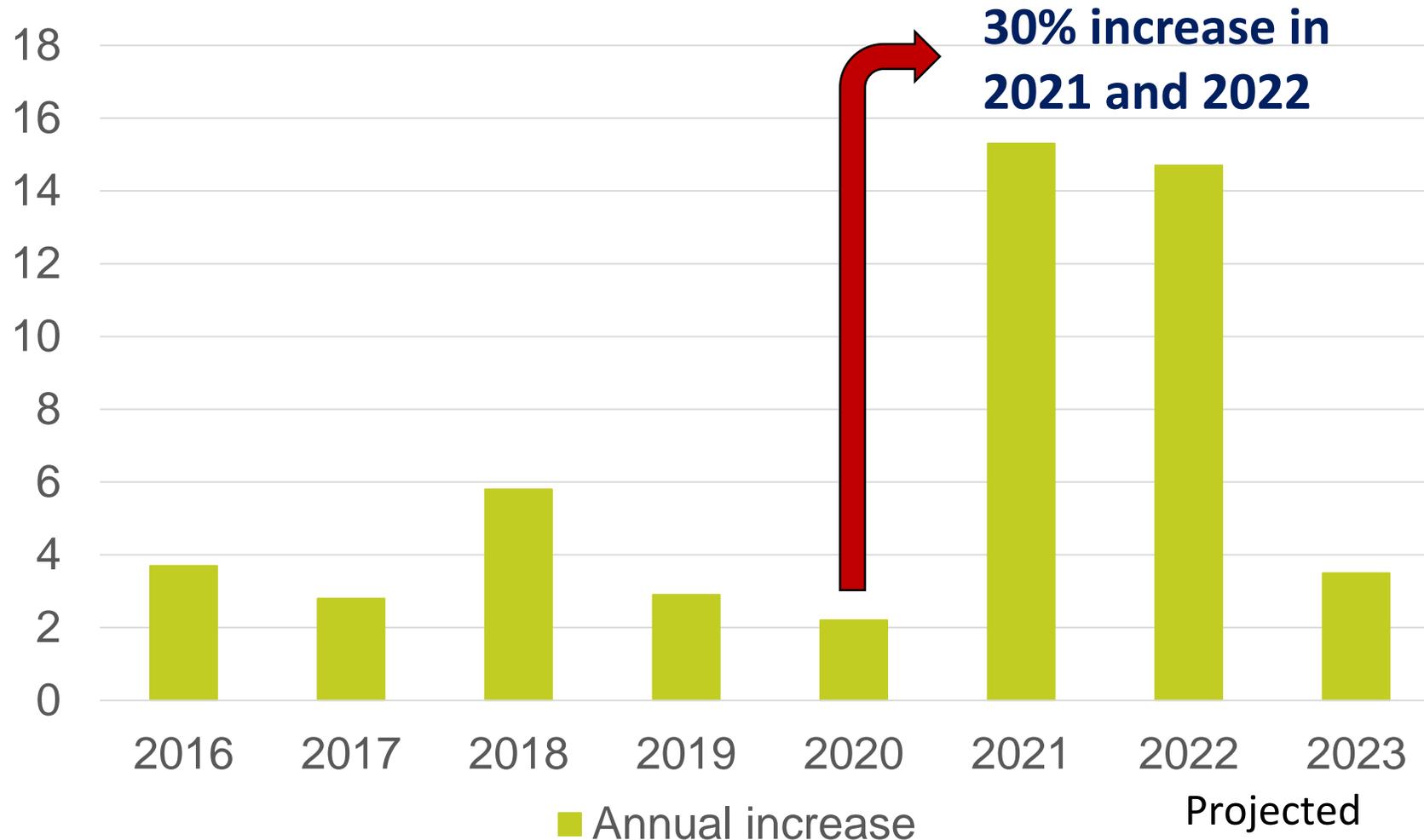
Average % of useful life consumed



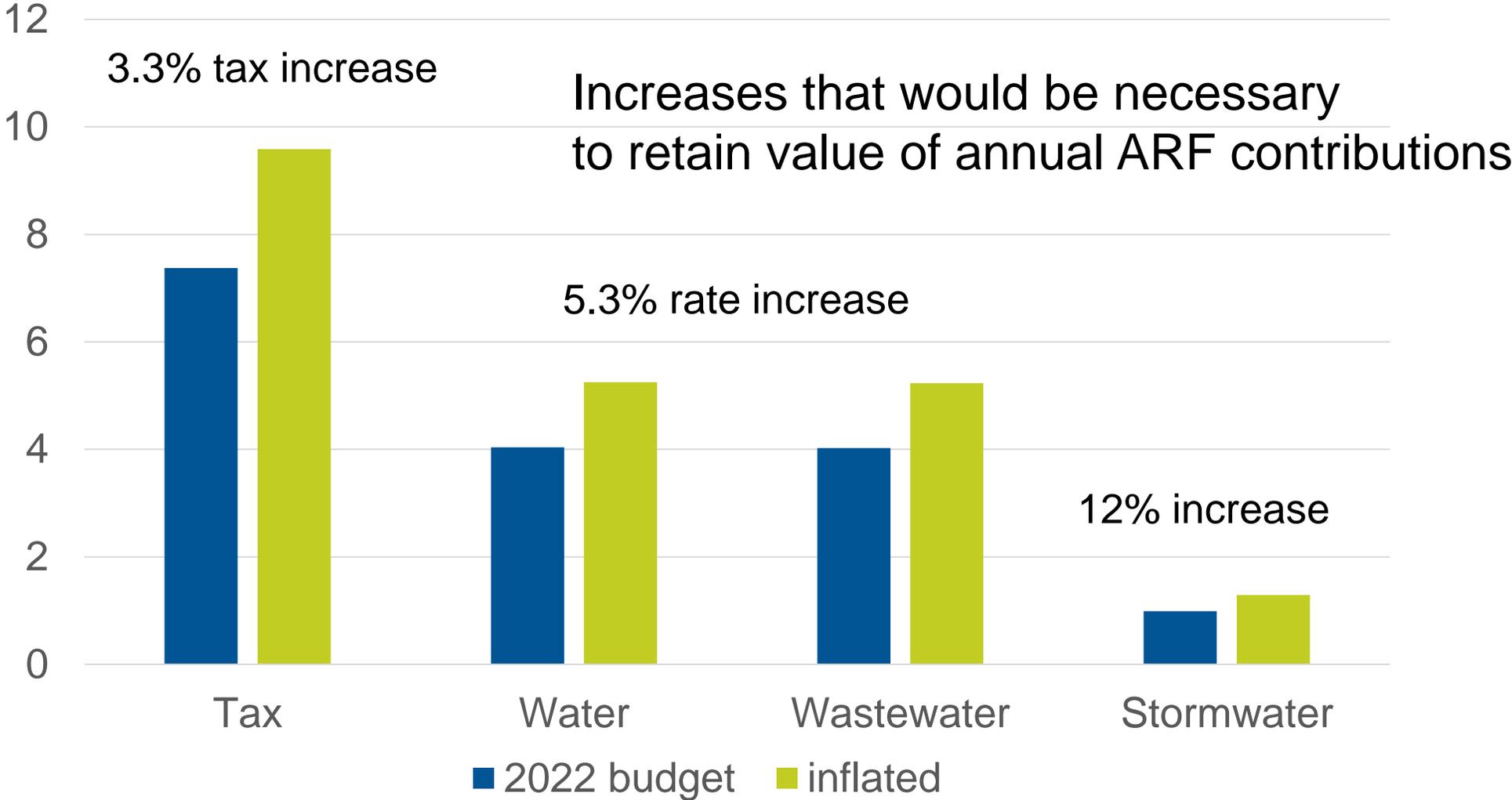
Tax Discretionary Reserves as a percentage (%) of Own Source Revenues



Construction price index has not been normal

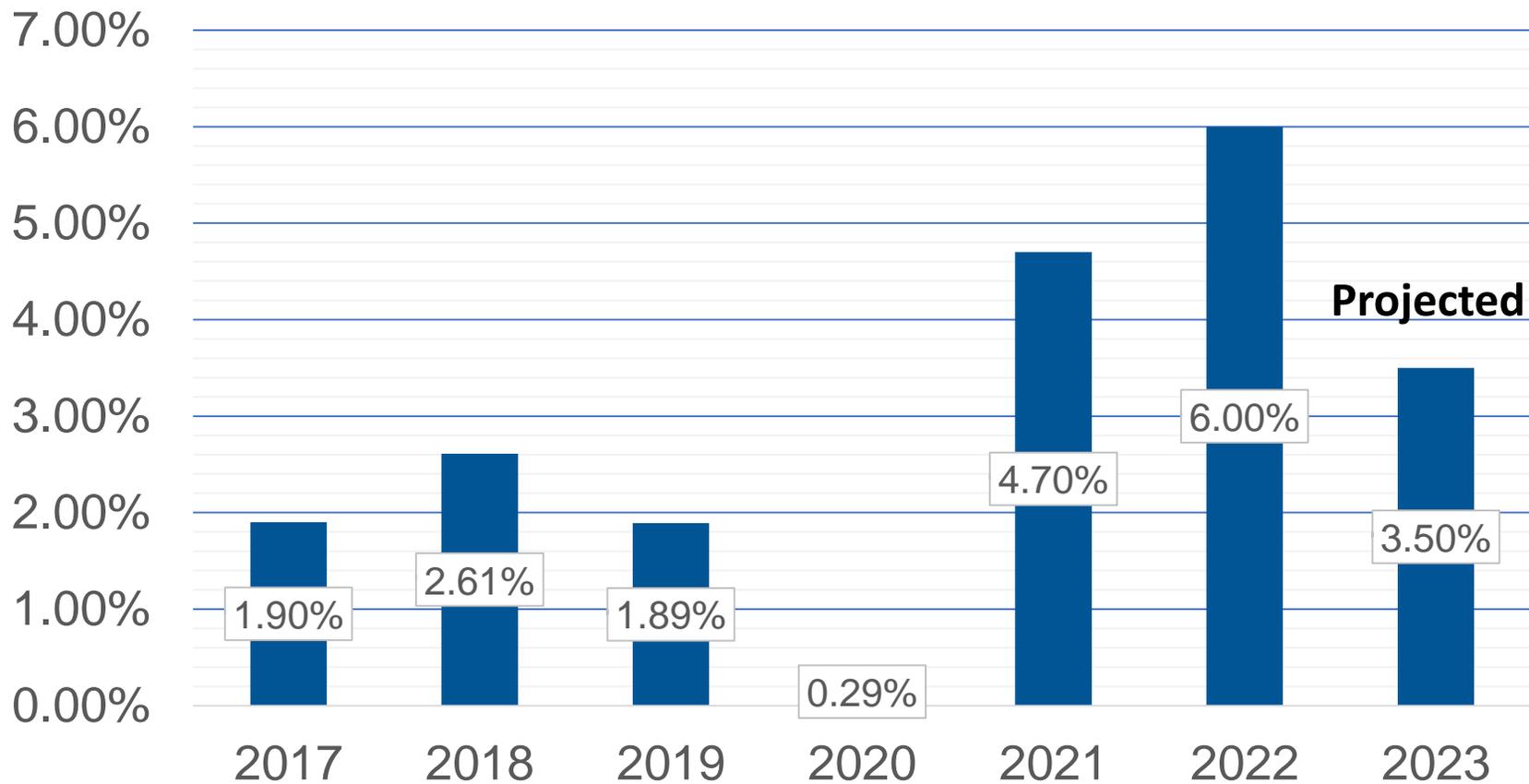


Supply chain inflation has decreased the value of our annual ARF contributions

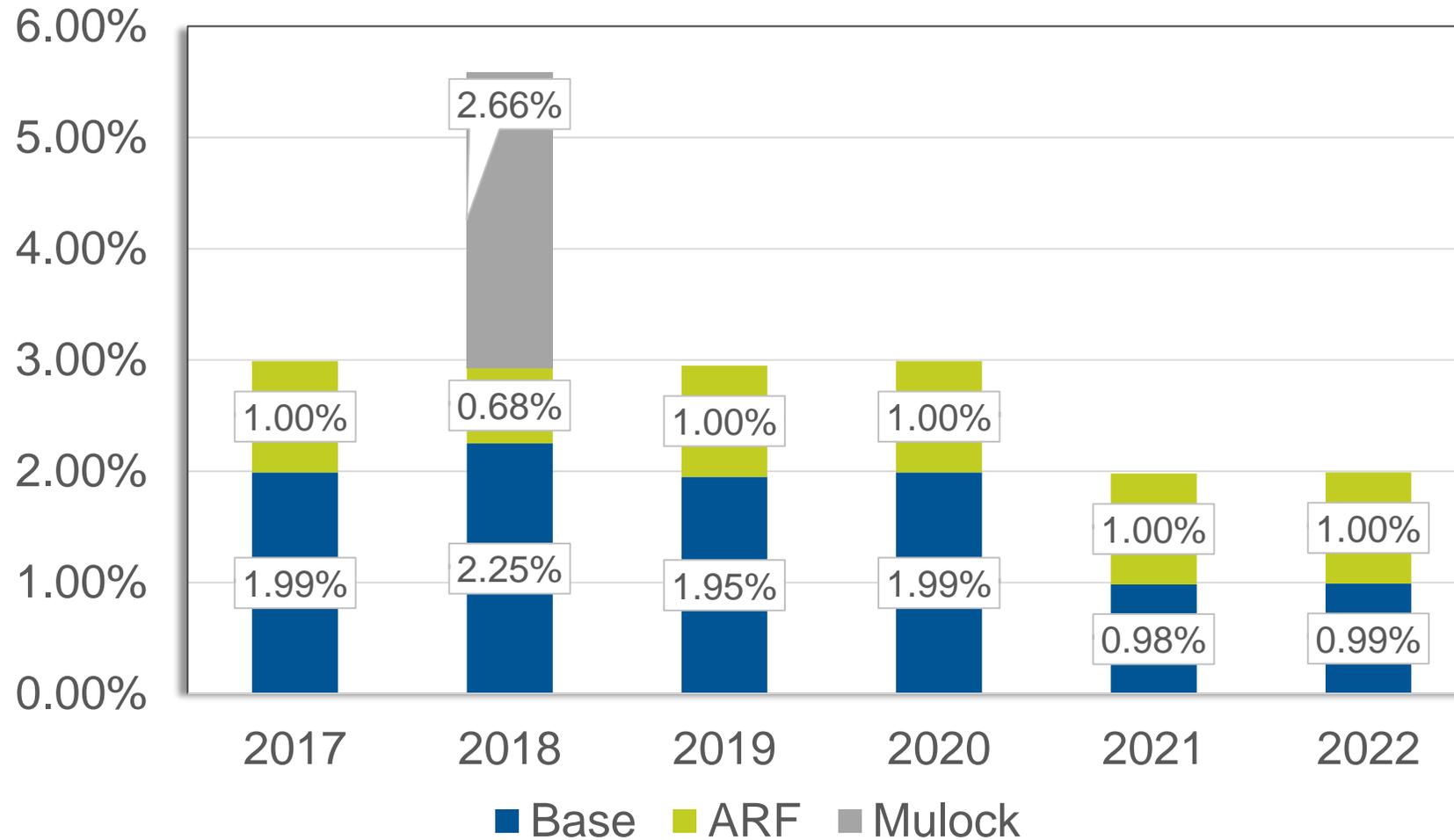


And then there is the main inflation, the Consumer Price Index (CPI)

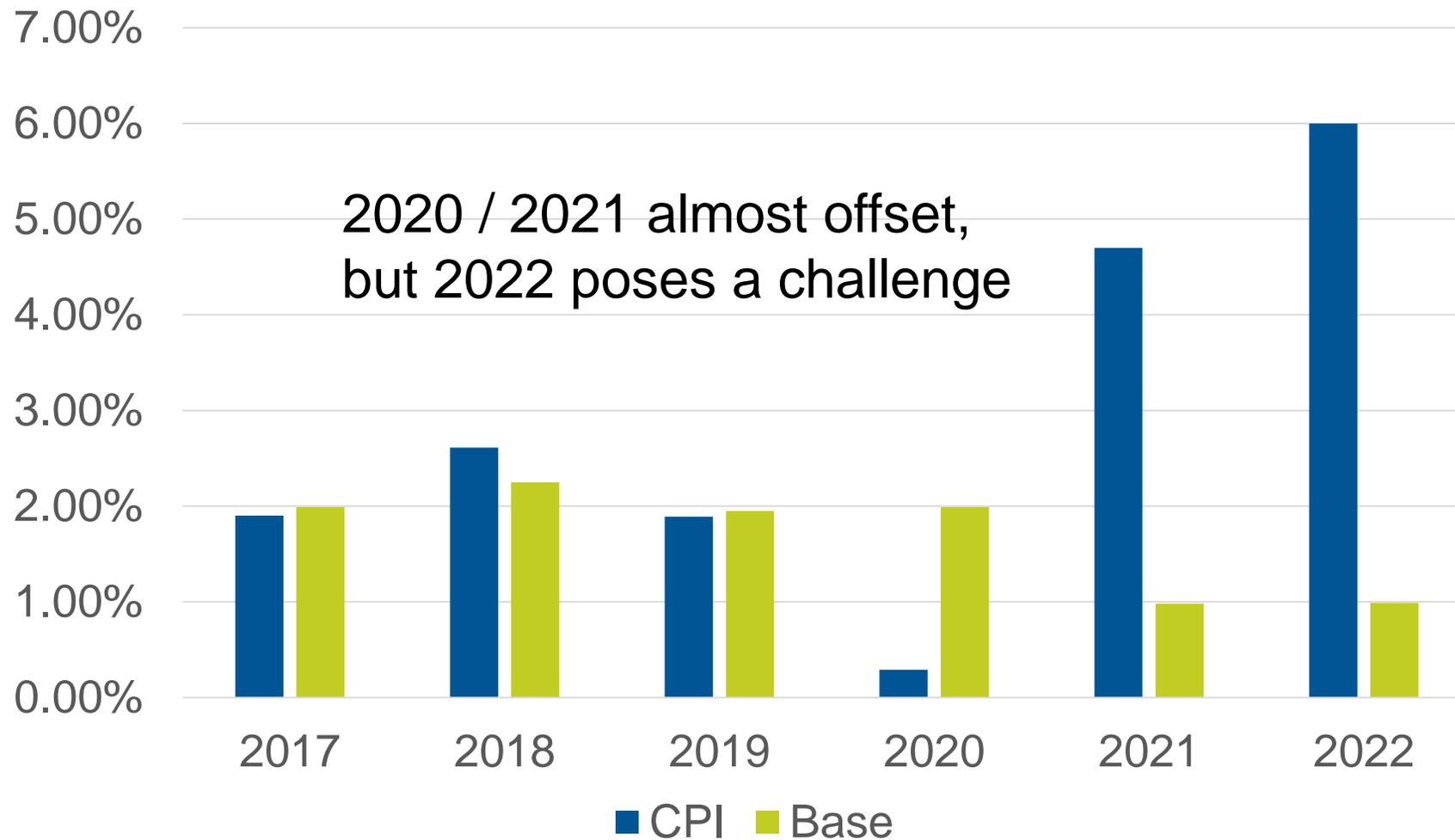
Toronto CPI 2017 to 2023



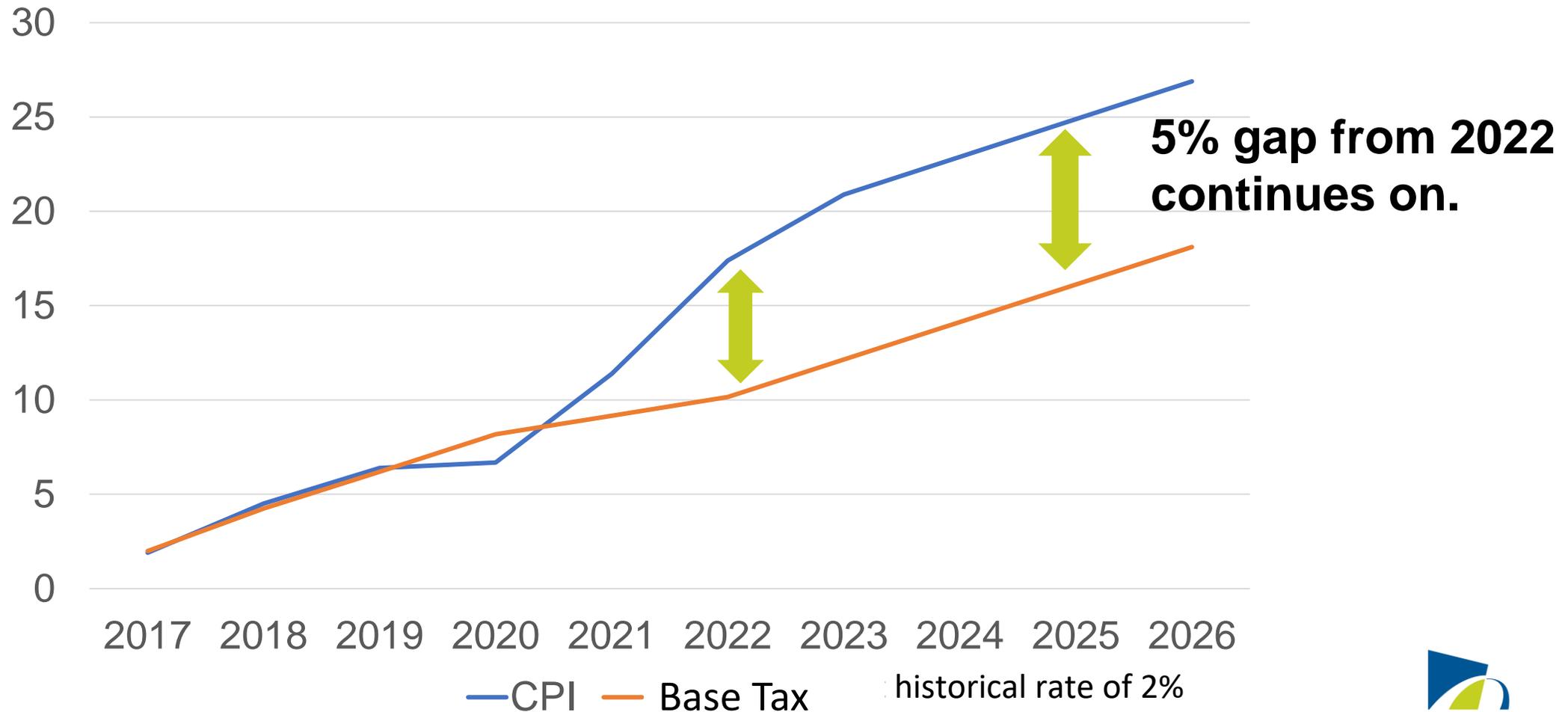
Town of Newmarket tax Increases 2017 to 2022



Inflation has been exceeding the base tax increase



The accumulated gap between base tax increases and inflation



Preliminary Draft Budgets



Operating Budgets - Guiding Principles

- Keep up with inflation and growth
- Growth revenues to support growth expenditures
- Continue to increase contributions to ARF
- Maintain service levels
- Rate-supported operating budgets – based on the Council-approved financial plans



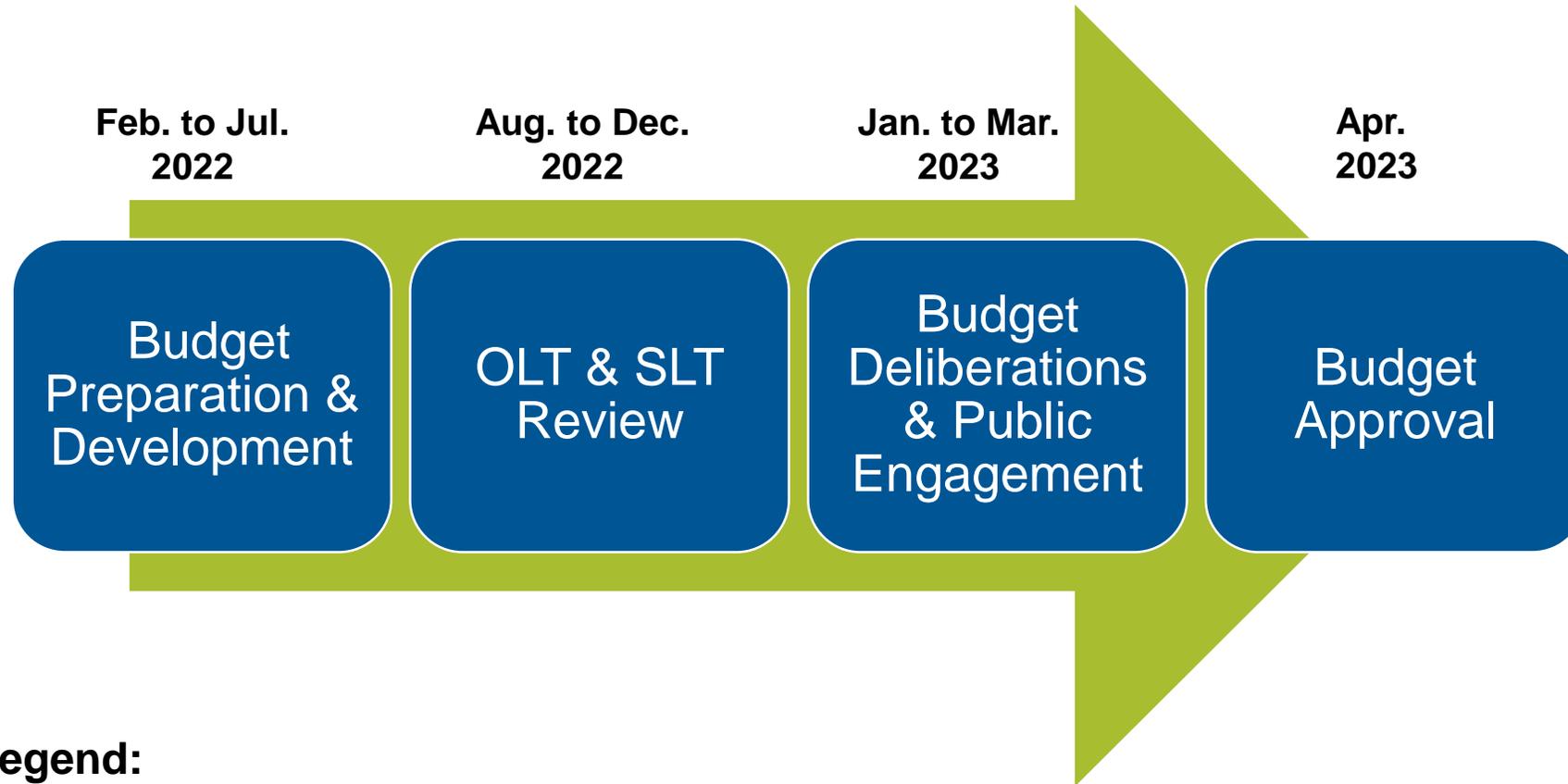
Tax-Supported Operating Budget

Assumptions

- Property tax revenues: 1% tax rate increase = \$687,000
- Assessment growth: 0.76%
- Expenditures – Toronto CPI
 - 2023: 3.5%
 - 2022: 7.0%
- Revenues – CPI up to maximum of 2.5%



2023 Budget Process



Legend:

- OLT – Operational Leadership Team
- SLT – Senior Leadership Team



Tax-Supported Operating Budget

	Tax Increase	Revisions	Proposed
Base - Town	7.00%	(1.00%)	6.00%
CYFS	0.84%	-	0.84%
Library	0.18%	-	0.18%
ARF	1.25%	(0.25%)	1.00%
Capital inflation supplement	3.33%	(2.22%)	1.11%
Enhancements	0.40%	(0.40%)	-
Growth	-	-	-
Mitigations	-	(1.46%)	(1.46%)
Total	13.00%	(5.33%)	7.67%



Tax-Supported Operating Budget highlights

- No enhancements - maintaining service levels for current residents and new (growth)
- Safety initiative – Automated Speed Enforcement
- Informed Service Delivery project

Focus remains on **Long-term Financial Sustainability**

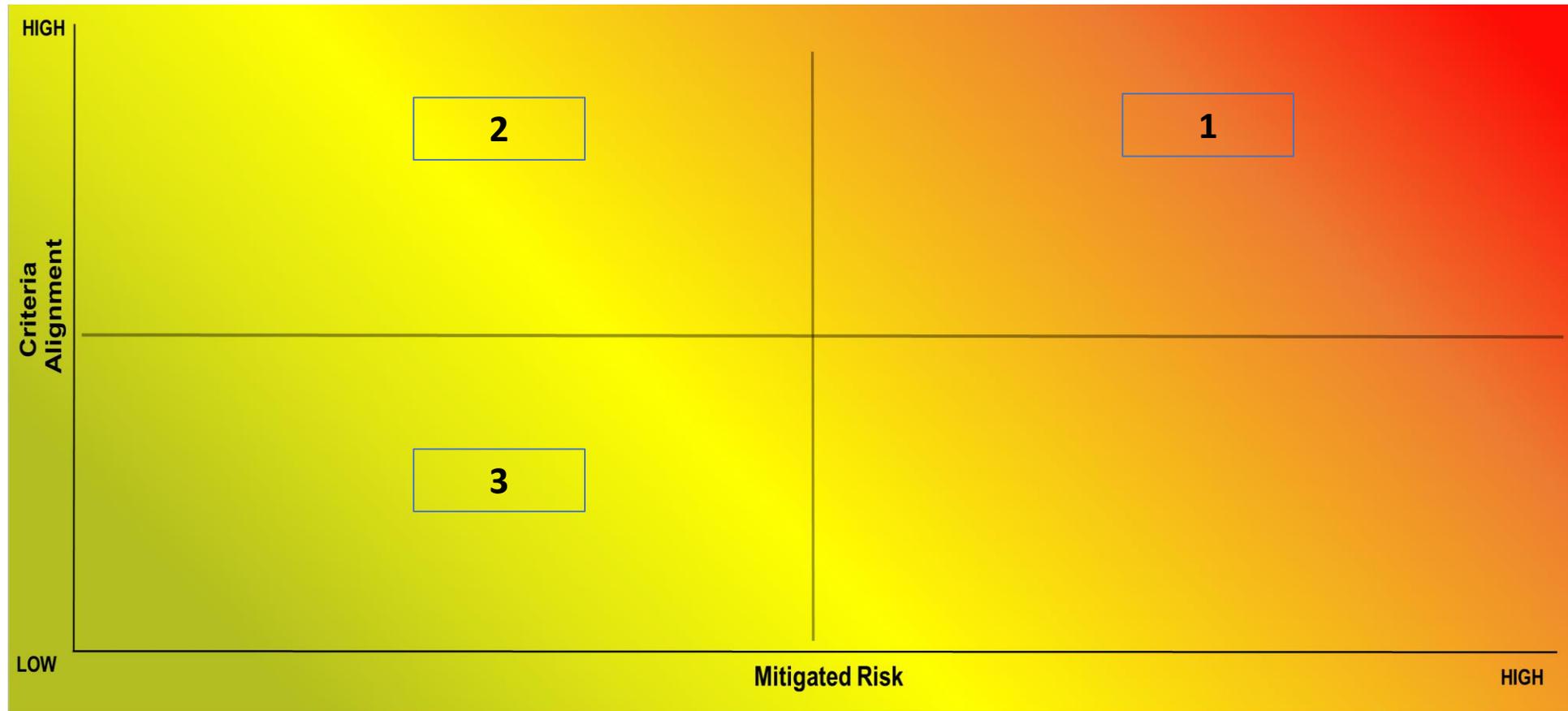


Capital Budget - Guiding Principles

- Keep up with inflation and growth
- Maintain existing assets in state of good repair
- Submit capital requests based on updated plans
- Manage and meet expectations – evaluate capital delivery and capacity to deliver
- Increase standard component for inflation
- Include major projects
- Include unallocated provision – flexibility and contingency



Capital Project Prioritization Process



Capital Budget

Category	Asset Replacement Fund (ARF)	Development Charges	Other Reserve & Reserve Funds	Grants	Unallocated Provision	Total
Replacement	10,635,350	-	-	4,330,000	-	14,965,350
Growth	-	20,840,350	200,000	300,000	-	21,340,350
Other	-	-	2,255,000	-	-	2,255,000
Unallocated Provision	-	-	-	-	3,000,000	3,000,000
Total	10,635,350	20,840,350	2,455,000	4,630,000	3,000,000	41,560,700



Capital Budget Funding

Reserve/Reserve Fund	Capital Type	Source of Funding
Asset Replacement Fund Reserve (ARF)	Asset replacements	From tax/rate-supported operating budget contributions
Development Charges Reserve (DC)	Growth infrastructure	Developers
Other Reserves & Reserve Funds	Non replacement & growth projects	From tax/rate-supported operating budget contributions
Grants	Asset replacements and other initiatives	Federal/Provincial/Regional Government



Rate-Supported Operating Budget+ Water / Wastewater / Stormwater

Budgets derived from Council-approved financial plans:

- 2023 Water and Wastewater rates
 - 3.8% increase
 - combined annual increase of \$50 based on consumption of 200m³
- ❖ 2023 Stormwater rate
 - 9% increase
 - **Average annual increase of \$4.58 for a residence**
- 2023 fees have been approved.
 - Financial Plans to be updated to include inflationary pressures.



Average residential property

	2022	2023 Proposed	2023 Increase %	2023 Increase \$
Property Taxes (1) (local portion only)	\$ 2,259	\$ 2,432	7.67 %	\$ 174
Water & Wastewater (2)	\$ 1,313	\$ 1,363	3.80 %	\$ 50
Stormwater (3)	\$ 51	\$ 56	9.00 %	\$ 5
Total	\$ 3,623	\$ 3,851	6.29 %	\$ 228* or \$19/month

1. *Based on average current value assessment (CVA) of \$706,000
2. Based on 200m³ water consumption
3. Based on 465 square metres



Monthly cost of services



For example: Waste Management Services



Highlights:

Weekly recycling and organics collection and bi-weekly garbage pickup

Yard waste collection (April to November)

Maintaining waste diversion rates at 65%

What You Pay:

\$11.90 per month

\$11.90 per month /
30 days =
\$0.40 per day



Municipal Levy Per Capita: *Projected*

Year	Newmarket	GTA	Variance \$	Variance %
2017	1,302	1,464	-162	-11.1
2018	1,359	1,509	-150	-9.9
2019	1,409	1,575	-166	-10.5
2020	1,453	1,599	-146	-9.1
2021	1,484	1,666	-182	-10.9
2022	1,520	1,686	-166	-9.8
2023	1,601	1,743	-142	-8.1



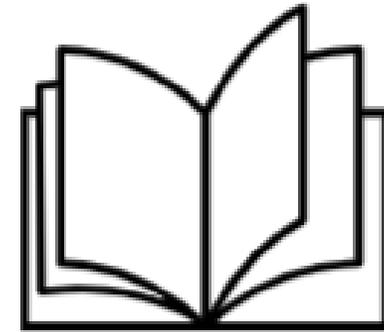
Future Risks



Inflation



Staff attraction and retention



Legislative changes



Potential tax impact of legislative changes to planning

Development Charges	
• Exemptions, discounts	3 to 5%
• Phasing-in	1 to 2%
• Level of service	0 to 1%
Parkland Contributions	
• Alternative rate, exemptions, discounts	1 to 2%
Community Benefit Charge	negligible
Requirement to spend	0%
Other	0 to 5%
Total	5 to 15%



Communications and Public Engagement

- Education-focused approach
- Leveraging local media to help spread the message
- Social Media and Digital Ads
- Signage at Newmarket facilities
- Town Page Ads
- Newmarket Now (E-newsletter)
- Website
- Upcoming Engagement Opportunities and more!



How can residents get involved?



- Attend/watch an upcoming Budget Meeting
- Apply to speak at an upcoming Budget Meeting through a deputation
- Share your comments and feedback to finance@newmarket.ca



Next Steps: Upcoming Meeting Dates

Meeting	Date
Special Committee of the Whole – Capital and Rate-supported Operating budgets	February 13
Special Committee of the Whole – Tax-supported Operating budget	March 20
Committee of the Whole – Draft budget	March 27
Council – Budget approval	April 3
Reserve and Reserve Fund Review workshop	Q2/Q3
Asset Management Workshop	Q2/Q3

