



2017 Preliminary Draft Budget

Presenters:

Mike Mayes

Wanda Bennett

December 5, 2016



Agenda



1. Business Planning and Budget Process
2. Community Engagement
3. Delivering on Council Priorities
4. Proposed 2017 Capital Budget
5. Proposed 2017 Operating Budgets

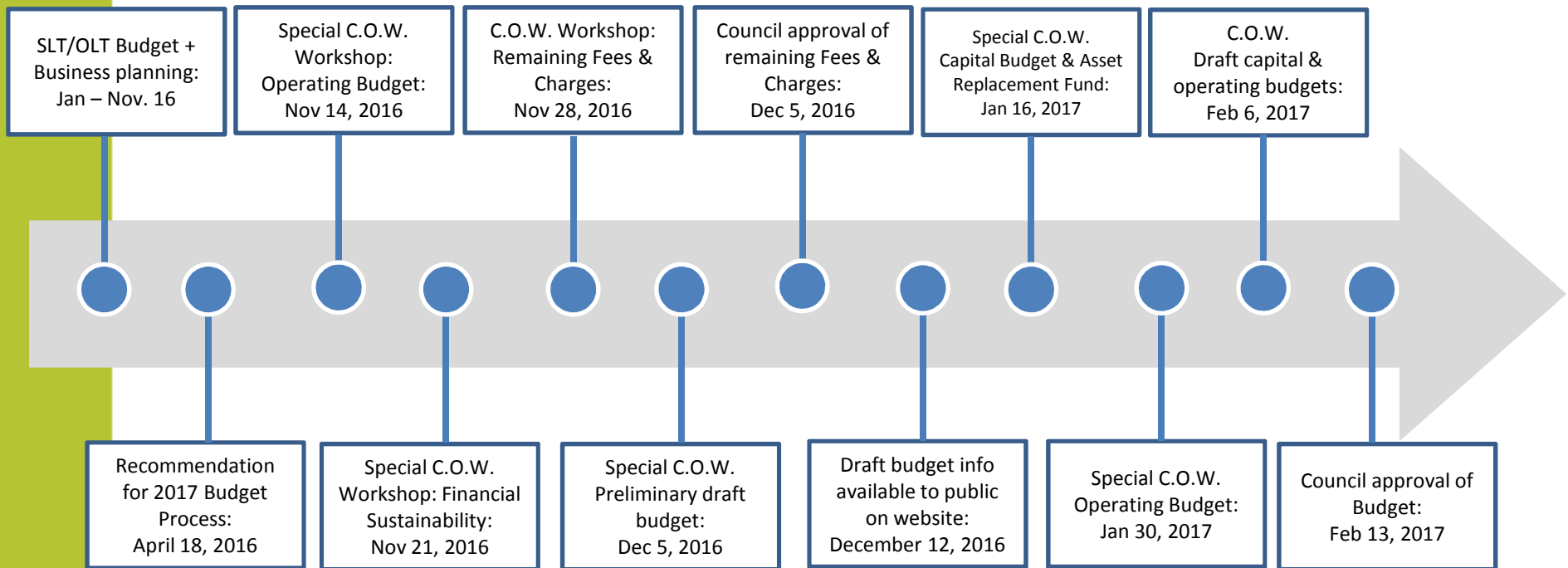
Rate supported

Tax supported

5. 2018 to 2020 Outlook



Business Planning / Budget Process



2017 Budget Engagement: A Different Approach



GET INVOLVED

2017 Budget Game
Phase 1 and Phase 2



Budget Game: Phase 1



1. Events
2. Website and social media

PLAY THE 2017 BUDGET GAME
newmarket.ca/2017budget

**PUT YOUR | WHERE IT
MONEY | MATTERS**



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Budgets and Finances

[2015 Budget](#)[2016 Budget](#)[2017 Budget](#)

- [Play Our 2017 Budget Game and Put Your Money Where It Matters](#)

[Asset Management](#)[Council Expenses](#)[Development Charges](#)[Fees and Charges](#)[Financial Policies](#)[Financial Statements](#)[Municipal Budget 101](#)

2017 Budget

Participate in the budget planning process and play our 2017 Budget Game, put your money where it matters!

**PLAY OUR 2017 BUDGET GAME
PUT YOUR MONEY WHERE IT MATTERS**

Through the Town of Newmarket's [2014 Community Survey](#), the Mayor and Members of Newmarket Council received community feedback on what the Town's priorities should be. As a result of that information, Council's 2014 to 2018 [strategic priorities](#) are:

- Economic Development and Jobs
- Enhanced Recreational Opportunities
- Community Engagement
- Traffic Safety and Mitigation
- Efficiency and Financial Management

Each of those key theme areas has a number of priorities tied to it - 14 in total. From those priorities, the Town of Newmarket has selected five to focus on in the 2017 Budget. They are:

Overall Public Engagement

- Website
 - 101 page views
- Newmarket Town Page
 - Reach: 68,620 Circulation
- Community Events
 - 2,000+ Community Open House
 - 1,000+ Farmers' Market
- Internal Events
- Social Media
 - Twitter: 10.3K reach – Tweeted 30+ times
 - Facebook: 9,000+ reach
- Insert in property tax bills
 - 28,000 households
- Media Releases
- E-newsletters (Newmarket Now)
 - 2,949 subscribers, 43 per cent open rate

THU, DEC 01, 2016 | 4 °C
Light rain showers
Full Text Archive

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CONTESTS
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Home > Community > Money Matters > Newmarket budget game asks you to put the town's...

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Sep 27, 2016 | Vote 0

Newmarket budget game asks you to put the town's 'money where it matters'

Newmarket Era
By Chris Simon

It's time to play Newmarket's budget game.

Town staff are inviting residents to participate in the second phase of the 2017 budget game, Put Your Money Where it Matters, at Old Town Hall Oct. 5. The event runs from 6 to 8 p.m.

Participants will be given a certain amount of town 'budget bucks'. Through an interactive session that includes a working group with other members of the community, participants will identify how that money should be allocated.

Game facilitator and organizer...

PAYING YOUR TAXES
2016 final property tax due dates:
The 2016 final due date on July 26, August 25, and September 27, 2016.
Residents are asked to please avoid falling payments and instead use one of the below listed options.

What you need to know about YOUR 2016 TAX BILL
The Town of Newmarket would like to provide you with this user-friendly brochure that outlines the important information about your 2016 tax bill.

HOW TO CALCULATE YOUR TAXES

EXAMPLE	CURRENT VALUE ASSESSMENT (CVA)	2016 TAX RATE	TOTAL TAX BILL
3446719	0.00025		\$4,254.46

PROPERTY TAX FACTORIES
The 2016 property tax bill is due on July 26, August 25, and September 27.

REMARKS
The Town of Newmarket offers a number of tax relief and abatement programs:

- Property tax relief for eligible seniors and disabled residents
- Home and business improvement grants
- Heritage property tax relief
- Agricultural and forestry property tax relief

DATE PAYMENT CHANGED
All unpaid taxes will be charged a penalty of 1.5% interest and will be added to the first day of each month, starting with the first day of the month following the date of the original due date. Please to make a payment by the end of the month to avoid the payment of penalty for late payment charges.

TOWN OF NEWMARKET
355 Main Drive, Newmarket, ON
N9B 6Y3 • newmarket.ca

Put your money where it matters.

View Results

11 Shares



2017 Budget Game: Phase 1



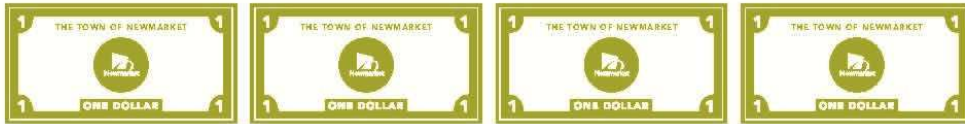
Results as of November 2016



Event	Corridors	Streets	Community Projects	OR 2020	Parking	Other	Totals
Community Open House	16	43	59.5	15	24.5	7	165
Newmarket Minute	8	7	18	24	--	3	60
Garlic is Great	21	16	24	9	34	11	115
Website	30	40	39	12	36	19	176
Totals	75	106	140.5	60	94.5	40	516



YOU'RE INVITED TO HELP US WITH OUR 2017 BUDGET



The Town of Newmarket thinks you've got what it takes to help us with our 2017 Budget. Please join us for Phase II of our 2017 Budget Game and Put Your Money Where it Matters.

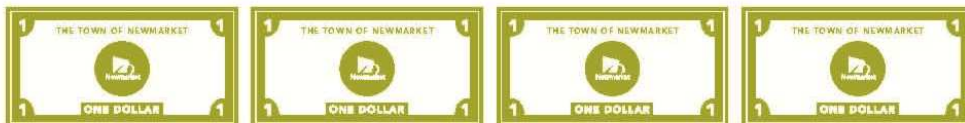
Through an interactive session where you'll be working in a group with other members of our community, you'll be given a certain amount of Town of Newmarket Budget Bucks and will be asked to work with your group to identify where and how those dollars should be invested.

Game facilitators from Panoptika Inc. – an organization that specializes in civic engagement and is offering its services free-of-charge – will be available to help the session run smoothly and Town experts will be on-hand to answer any questions you may have.

WHAT: Phase II – 2017 Budget Game: Put Your Money Where it Matters

WHEN: Wednesday, October 5 from 6 to 8 p.m.

WHERE: Old Town Hall (460 Botsford Street)



For more information and/or to RSVP to reserve your spot, please contact Kate Porretta at kporretta@newmarket.ca. Reservations will be accepted until Friday, September 30.



2017 Budget Game: Phase 2



2017 Budget Game: Phase 2



	Name	Description	Price	Amount Funded
	Other	Additional program or non-allocated	\$ -	\$94,000
	Enhanced HR support	Integrity of job description/evaluation system	\$60,000	\$70,000
	Planning for future development	Consulting related to urban design review	\$30,000	\$30,000
	Update community group entrance signs	New signs-community groups & way-finding	\$30,000	\$30,000
	Marketing plan for corridor development	Implementation of a sustained marketing plan for corridor development	\$50,000	\$50,000
	Additional playground equipment	Purchase and installation of additional playground equipment in neighbourhood parks	\$75,000	\$75,000
	Touch-a-Truck event	Public Works special events	\$6,000	\$6,000
	Traffic calming	Continue phasing-in traffic-calming and safety initiatives	\$50,000	\$50,000
	Infrastructure levy	Increase the contributions to the Asset Replacement Fund	\$550,000	\$245,000
	Enhanced snow clearing at facility entrances	Enhanced snow clearing at facility entrances	\$50,000	\$ -
	Enhanced washroom cleaning	Additional washroom cleaning by contract	\$20,000	\$ -
	Enhanced sidewalk snow clearing	Continue phasing-in Town wide sidewalk snow clearing	\$100,000	\$ -
	Additional snow clearing	Snowploughing of courts and elbows	\$70,000	\$ -
	Walkway reconstruction	Reconstruction of facility walkways	\$30,000	\$ -
	Fulltime horticultural person	Convert part-time horticultural position into fulltime	\$10,000	\$ -
	Additional natural heritage support	Hire a Natural Heritage Coordinator	\$105,000	\$ -



Council Priorities for 2017



1. Revitalizing our Community Centre Lands & addressing downtown parking needs.
2. Creating a strategy for vibrant and livable corridors along Davis Drive & Yonge Street.
3. Supporting community and neighbourhood projects.
4. Ensuring safe streets.
5. Organization Ready 2020.



Revitalizing our Community Centre Lands & addressing downtown parking needs



What's in the proposed 2017 budget:

- Funding for wayfinding downtown

- Existing level of parking enforcement

- CCL Taskforce continual reviews

Deferred for future consideration:

- Addressing long-term parking issues



Creating a strategy for vibrant and livable corridors along Davis Drive & Yonge Street



What's in the proposed 2017 budget:

- § Urban Design Guidelines
- § Mobility Hub Study
- § Urban Centre Zoning Bylaw
- § Bylaw reviews – Noise, Property Standards
- § Structural Inspector (Building Dept.)
- § Business & Applications Analyst (Building)
- § Yonge St. Rapidway Inspector (Water)



Creating a strategy for vibrant and livable corridors along Davis Drive & Yonge Street (cont'd)



Deferred for future consideration:

Marketing plan implementation -
\$50,000

Entrance signs (Service Clubs) -
\$30,000

Corporate Communications Specialist -
\$87,000



Supporting community and neighbourhood projects



What's in the proposed 2017 budget:

§ Recreation Playbook implementation

Spray pads (2)

Basketball court - Ken Sturgeon

Basketball court and skate parks

§ Artificial Turf Maintenance

§ Magna Centre Fitness Facility

§ Facility Walkway repairs

§ Facility Entrance - winter maintenance



Supporting community and neighbourhood projects (cont'd)



Deferred for future consideration:

Playground equipment enhancements -
\$75,000

Additional cleaning of public washroom -
\$20,563

Public Works special events - \$6,000



Ensuring safe streets



What's in the proposed 2017 budget:

- Existing level of parking enforcement

- Sidewalk snow clearing phase-in (2016/17)

- Manhole adjustment increase

- Sidewalk repair increase



Ensuring safe streets (cont'd)



Deferred for future consideration:

Snow clearing of courts and elbows -
\$70,000

Traffic mitigation Plan implementation -
\$50,000

Sidewalk snow clearing growth –
\$55,000



Organization Ready 2020



What's in the proposed 2017 budget:

Infrastructure Levy increase – Asset Replacement Fund (ARF)

Effective policy application that balances the need for fiscal responsibility with competitive compensation that meets legislative requirements.

Capital Projects Coordinator (Engineering)

Senior Environmental Coordinator (Engineering)

Water Quality Analyst (Water)

Health & Safety Coordinator (HR)

Financial Business Analyst (Utilities/Capital)



Organization Ready 2020



Deferred for future consideration:

- Converting part-time horticultural staff into a full-time position - \$9,568

- Further investment in employee development geared to workforce sustainability

- Building Maintenance Worker - \$28,000

- Natural Heritage Coordinator - \$105,000

- Convert Contract staff to Full-time (PWS) - \$40,000

- Additional Facility Worker – (PWS) - \$71,000

- Job Description Analyst (HR) - \$58,000

- GIS Analyst (IT) - \$99,000



Proposed 2017 Capital Program (\$ millions)



	ARF	DC	Other	Infrastructure Grants	General	Total
Replacement	9.8		6.3			16.1
Growth		6.4	2.2		0.3	8.9
Grants	1.4		0.6	2.6		4.6
Other			0.1		0.6	0.7
Total	11.2	6.4	9.2	2.6	0.9	30.3



Funding Envelope



	Asset Replacement Fund	General
Contributions per 2016 budget	\$15,959,408	\$ 500,000
2017 increase (using 0.6%)	331,077	
Honeywell, phase 1		- 149,400
Unallocated reserves	5,048,940	1,982,165
Unbudgeted allocations	- 1,100,163	- 526,871
Funds available	20,239,262	1,805,894
2017 Capital requests	11,196,888	887,500
2017 Operating requests	4,411,606	
Funds required	15,608,494	887,500
Surplus / (deficiency)	4,630,768	918,394



Rate-supported budgets



Water

Wastewater

Stormwater

Building



Proposed 2017 Water Rate Group Budget



Description	2016 Budget	2017 Proposed Budget
Rate based expenditures	\$ 7,709,135	\$ 8,439,000
Annual programs	402,100	454,100
Enhancements	19,865	427,905
Debenture payment	569,455	565,104
Overhead cost allocation	1,044,638	1,029,486
Contribution to ARF	2,713,083	2,713,083
Other	2,979,091	3,048,352
Total Expenditures	15,437,367	16,677,030
Rate based revenues	14,569,000	15,435,000
Transfer from DC	281,850	289,899
Transfer from ARF	442,542	494,558
Other	242,522	249,859
Total Revenues	15,535,914	16,469,316
Increase to rate stabilization reserve	98,547	-207,714
Projected balance of rate stabilization reserve	1,231,220	1,023,406



Proposed 2017 Wastewater Rate Group Budget



Description	2016 Budget	2017 Proposed Budget
Rate based expenditures	\$10,571,135	\$11,098,000
Annual programs	1,022,600	1,022,600
Enhancements	19,865	347,987
Debenture payment	569,455	565,104
Overhead cost allocation	924,561	926,769
Contribution to ARF	3,386,377	3,674,219
Other	795,619	731,219
Total Expenditures	17,289,612	18,365,898
Rate based revenues	16,045,000	17,084,000
Transfer from DC	281,850	289,899
Transfer from ARF	1,056,042	1,056,058
Other	43,762	51,099
Total Revenues	17,426,654	18,481,056
Increase to rate stabilization reserve	137,042	115,158
Projected Balance of rate stabilization reserve	1,385,169	1,500,327



Proposed 2017 Storm Water Rate Group Budget



Description	2016 Budget (tax-supported)	2017 Proposed Rate (supported Budget)
Repairs and maintenance	\$ 350,476	\$ 350,476
Overhead cost allocation	339,379	339,379
Contribution to ARF	983,000	983,000
Other		
Total Expenditures	1,672,855	1,672,855
Rate based revenues	1,672,855	1,672,855
Other		
Total Revenues	1,672,855	1,672,855



Proposed Building Permit Fees Rate Group 2017 Budget



BUILDING	2016 Budget	2017 Proposed Budget
Revenues	\$1,680,191	\$1,680,191
Expenditures		
Direct Costs	1,360,808	1,376,331
Enhancements (additional staff)	0	201,941
Inter-Departmental Charges	974,080	957,380
Sub-Total Expenditures	2,334,888	2,535,652
Transfer from Building Permit Fees Reserve	654,698	855,461
Balance of Building Permit Fees Reserve	4,515,200	3,659,739



2017 Budget Target



THAT for the 2017 budget process Council set a tax levy increase target of no more than 2.2% (Town portion), plus not greater than a 0.6% for the infrastructure levy or an overall town increase of not greater than 2.8%.



Extraordinary Items for 2017



Hydro-electric costs	\$ 471,592
Emerald Ash Borer (EAB)	\$ 262,000
Artificial turf field maintenance	\$ 20,000
Hydro SWM pond lease	\$ 15,000
Waste management	-
Revenue right-sizing phase in from 2016	\$ 130,000
Animal shelter contract	\$ 60,000
Cell phone costs	\$ 24,000
\$ 982,592	



To meet the target

1. Additional efficiencies
2. Increased revenues
3. Cut costs
4. Adjusted service levels



Additional Efficiencies



Efficiency	Savings	Impact / risk
Hydro-electric savings	\$137,000	Some user groups maybe placed at a different facility
Reduce copier lease	40,000	May not be able to sustain the full amount of savings
Reduce insurance premiums (N6)	20,000	Does not provide for cyber-insurance
Other	2,500	
	\$199,500	

During budget preparation, efficiencies are found and revenues are increased. This is a routine part of the process and these reductions are included in the base budget.



Increased Revenues



Revenue	Increase	Impact / risk
Add admin. fee to Engineering charges	\$ 60,000	Developers may see this as a disincentive to development
Additional Planning revenue	32,000	Minor risk that the additional revenue may not be recognized
Increase garbage tag fees	20,000	Risk of increase in illegal dumping
Increase By-law, Licensing and marriage ceremony revenue	5,000	May not be able to meet revenue target
	\$117,000	

During budget preparation, efficiencies are found and revenues are increased. This is a routine part of the process and these reductions are included in the base budget.



Cut costs



Costs cut	Reduction	Impact / risk
Reduce overtime budgets	\$ 149,800	May indirectly impact service delivery
Increase provision for hiring gaps	110,000	The hiring process may be delayed, impacting service delivery
Training and general expenses	102,485	Low to medium risk
Reduce budget for fuel	40,000	Risk if fuel prices increase
Accountability officers	33,000	Eliminates access to local officers, may require reserve funding
Reduce facility maintenance	25,000	No contingency for extraordinary maintenance needs
Reduce janitorial contract	24,500	Large special events may require staff overtime
Other	11,649	
De-annualization of new CYFS hires	66,167	Costs are deferred to 2018
Reduce CYFS overtime	11,880	May not be sustainable
Total	\$ 574,481	



Adjusted service levels



Services	Adjustment	Impact / risk
Defer expansion of Emerald Ash Borer program	\$ 262,000	Program would be limited to removal of trees, no injections, stumping or tree replacement
Defer 3rd phase of 2015 traffic management enhancement	50,000	This will impact the solar speed board program and other pilot projects
Reduce advertising budgets	28,000	May result in less community awareness and some lost revenue
Reduce Customer Service contract staff	25,368	Decrease in coverage at the Old Town Hall Customer Service Kiosk.
Horticulture	25,000	No large potted flowers outside of the Main Street / BIA area
Eliminate funding for some Community events	23,280	Would impact Holiday Nativity, Doors Open and Around the World
Economic Development office	9,300	Reduced support for initiatives - community annual report, Chamber of Commerce and Main Street events
	\$ 422,948	



Many compromises have been made to achieve the target



As directed, the budget target has been met, but staff do not recommend it:

1. Does not provide sufficient funding for Council's five priorities.
2. Defers costs to 2018, which is already expected to have significant challenges
3. It does not support Council's goal for a desirable community – *Well beyond the ordinary*
4. Reduces service levels to a growing community



Budget Policy: Moving Toward Sustainability



1. Continue to base the budget target on the Consumer Price Index (CPI).
2. Match growth revenues and expenses.
3. The base budget needs to be maintained and as a consequence, service level enhancements and extraordinary adjustments should be additional to the allocation for the base budget.



Meeting the Target or a Sustainable Option



	A - Meeting the Target	B - Sustainable Solution
Base budget	3.13%	3.13%
Extraordinary items	1.78%	1.78%
Manageable reductions - Efficiencies and new revenue	(0.57%)	(0.57%)
Further reductions – service level and cost cuts	(1.81%)	
Net growth	(0.51%)	(0.51%)
Net before enhancements	2.02%	3.83%
Enhancements	0.18%	0.45%
ARF	0.60%	0.60%
	2.80%	4.88%



Option A – 2018 to 2020 Outlook of Projected Tax Increases



	2017	2018	2019	2020
Base – Town	1.98	1.95	1.95	1.95
Base – CYFS	1.00	1.00	1.00	1.00
Base – Library	0.15	0.15	0.15	0.15
Manageable reductions	(0.57)	(1.10)	(1.10)	(1.10)
Growth, net	(0.51)			
Net base	2.05	2.00	2.00	2.00
Extraordinary items	1.78	1.58	0.92	0.98
Further reductions	(1.81)			
Net before enhancements	2.02	3.58	2.92	2.98
Carryovers from 2017		0.65		
Enhancements	0.18		0.25	0.25
Infrastructure levy	0.60	0.60	0.80	1.00
	2.80	4.83	3.97	4.23



Option B – 2018 to 2020 Outlook of Projected Tax Increases



	2017	2018	2019	2020
Base – Town	1.98	1.95	1.95	1.95
Base – CYFS	1.00	1.00	1.00	1.00
Base – Library	0.15	0.15	0.15	0.15
Manageable reductions	(0.57)	(1.10)	(1.10)	(1.10)
Growth, net	(0.51)			
Net base	2.05	2.00	2.00	2.00
Extraordinary items	1.78	1.58	0.92	0.98
Further reductions				
Net before enhancements	3.83	3.58	2.92	2.98
Carryovers from 2017				
Enhancements	0.45		0.25	0.25
Infrastructure levy	0.60	0.60	0.80	1.00
	4.88	4.18	3.97	4.23



REVISED Option A – 2018 to 2020 Outlook of Projected Tax Increases



	2017	2018	2019	2020
Base – Town	1.98	1.95	1.95	1.95
Base – CYFS	1.00	1.00	1.00	1.00
Base – Library	0.15	0.15	0.15	0.15
Manageable reductions	(0.57)	(1.10)	(1.10)	(1.10)
Growth, net	(0.51)			
Net base	2.05	2.00	2.00	2.00
Extraordinary items	1.78	1.58	0.92	0.98
Further reductions	(1.81)			
Net before enhancements	2.02	3.58	2.92	2.98
SWM adjustment	(2.60)			
Carryovers from 2017		0.65		
Enhancements	0.18		0.25	0.25
Infrastructure levy	0.60	0.60	0.80	1.00
	0.20	4.83	3.97	4.23



REVISED Option B – 2018 to 2020 Outlook of Projected Tax Increases



	2017	2018	2019	2020
Base – Town	1.98	1.95	1.95	1.95
Base – CYFS	1.00	1.00	1.00	1.00
Base – Library	0.15	0.15	0.15	0.15
Manageable reductions	(0.57)	(1.10)	(1.10)	(1.10)
Growth, net	(0.51)			
Net base	2.05	2.00	2.00	2.00
Extraordinary items	1.78	1.58	0.92	0.98
Further reductions				
Net before enhancements	3.83	3.58	2.92	2.98
SWM adjustment	(2.60)			
Carryovers from 2017				
Enhancements	0.45		0.25	0.25
Infrastructure levy	0.60	0.60	0.80	1.00
	2.28	4.18	3.97	4.23



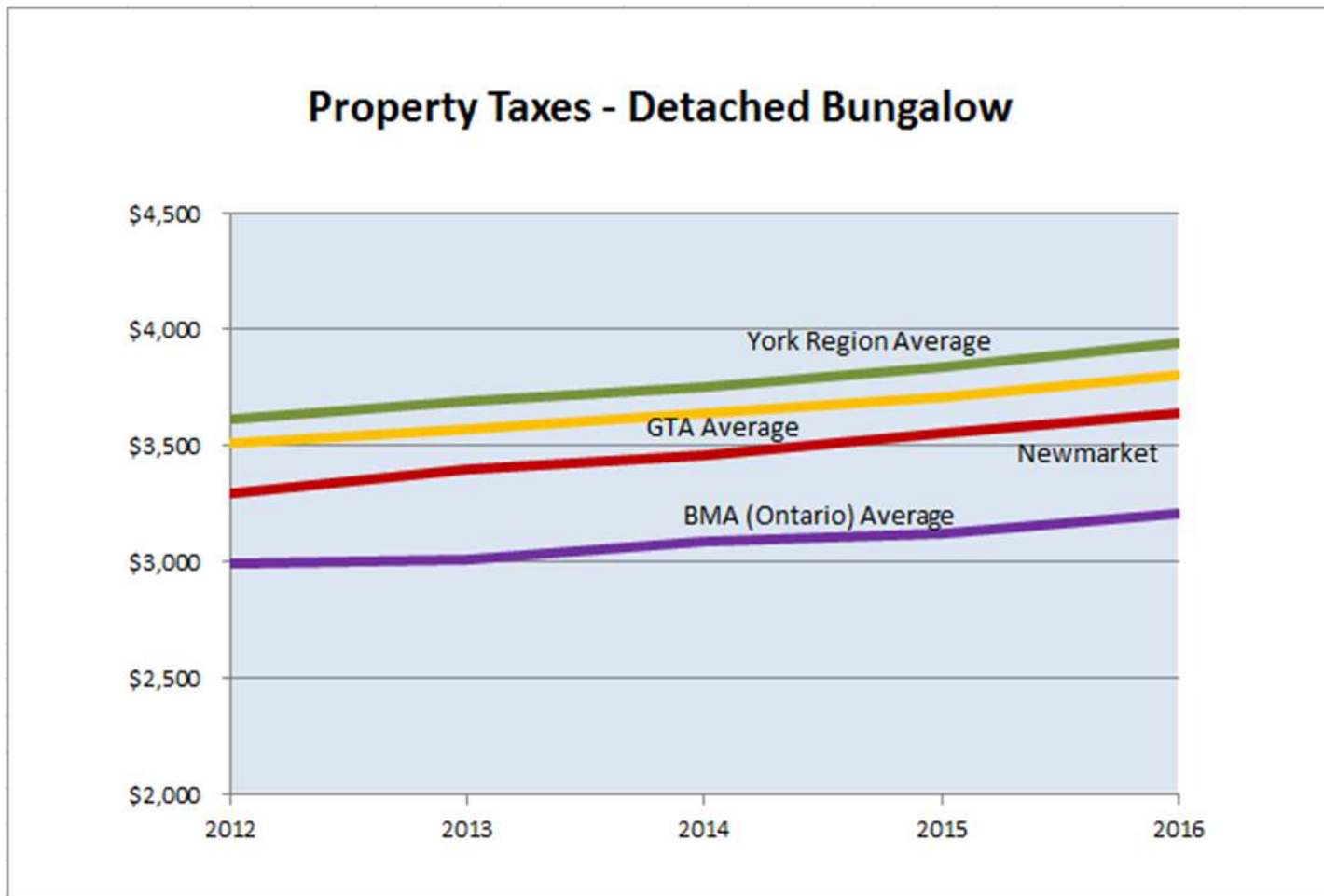
Average Household's Funding for Municipal Services



	Property Tax	Water bill	SWM charge	Total
2016	\$ 1,719	\$ 1,030	\$ 0	\$ 2,749
2017 – A	1,766	1,097	0	2,863
Adjusted for SWM	-43	-7	30	-20
2017 – A revised	\$ 1,723	\$ 1,090	\$ 30	\$ 2,843
2017 – B	\$ 1,803	\$ 1,097	\$ 0	\$ 2,900
Adjusted for SWM	-43	-7	30	-20
2017 – B revised	\$ 1,760	\$ 1,090	\$ 30	\$ 2,880



Newmarket's tax rates are competitive



What we will be doing in 2017



1. Return to an earlier budget process – targeting approval in December
2. Continuing to seek sustainable budget reductions:
 - Efficiency initiatives and innovation
 - e.g. N6, other partnerships, energy reductions
 - Business reviews
 - re: under-utilized assets, facilities
 - Special service charges
 - Main St., parking, etc.
3. Financial policies and implementation plans:
 - Budget
 - Debt, reserves and reserve funds
 - Asset Replacement Fund



Next Steps

- Information report to follow with more budget details and answers to any further questions
- Opportunity for Members of Council to meet with the Treasurer and other staff
- Further refinement of the budget and outlook
- Answer workshop questions – January CoW



Budget Schedule



ACTIVITY	DATE	STATUS
Special Committee of the Whole Workshop – Operating Budget	November 14 1:30 p.m.	Completed
Special Committee of the Whole Workshop – Financial	November 21 1:30 p.m.	Completed
Committee of the Whole – remaining Fees & Charges	November 28 1:30 p.m.	Completed
Special Committee of the Whole – Preliminary draft budget	December 5 10 a.m.	In progress
Council approval of remaining Fees & Charges	December 5 7 p.m.	



Budget Schedule (cont'd)



ACTIVITY	DATE	STATUS
Draft budget information available to public and on website	December 12	
2017		
Special Committee of the Whole – Capital Budget and Asset Replacement Fund	January 16 10 a.m.	
Special Committee of the Whole – Operating Budget	January 30 1:30 p.m.	
Committee of the Whole - Draft capital and operating budgets	February 6 1:30 p.m.	
Council approval of the Budget	February 13 7 p.m.	

