



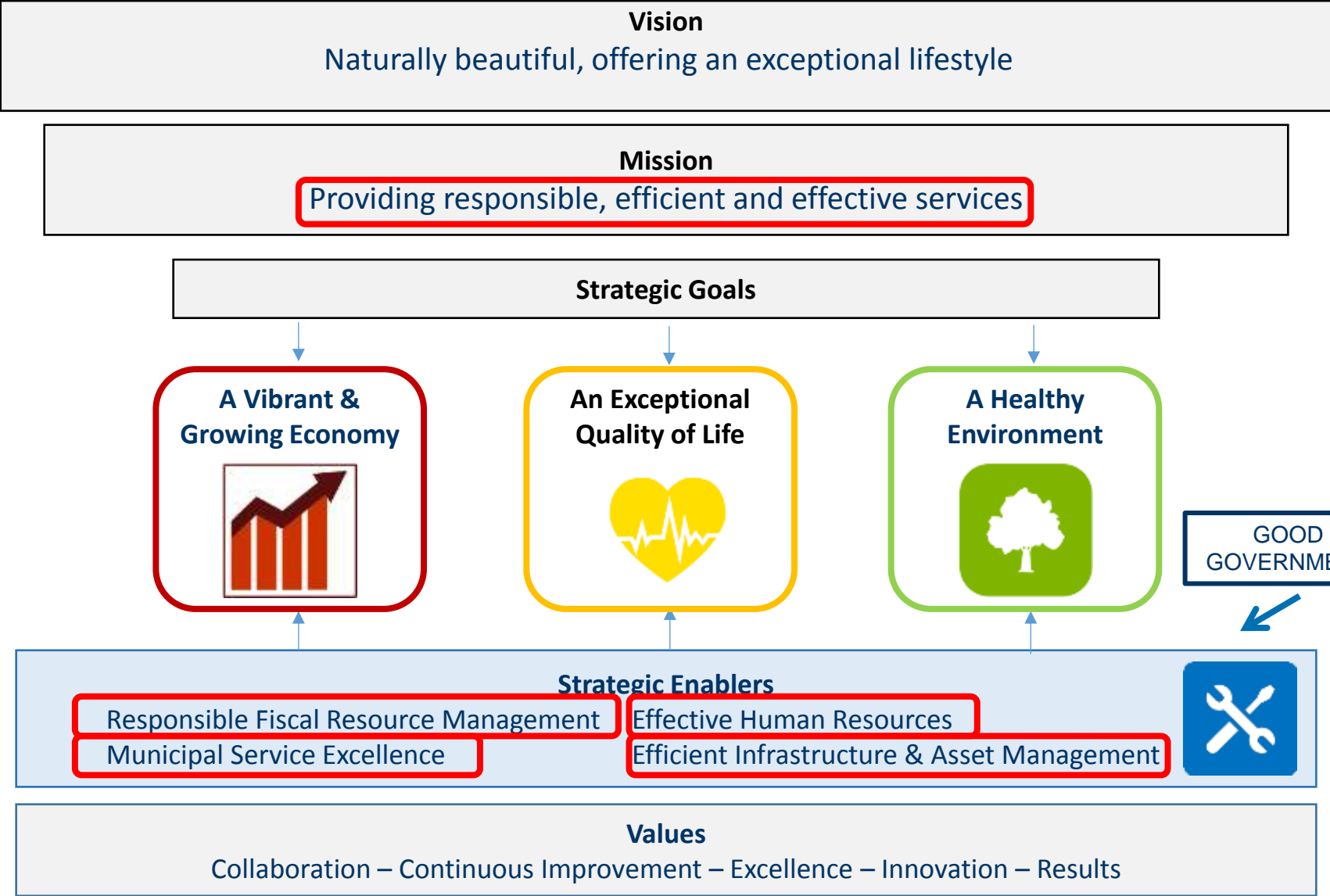
City of Kawartha Lakes

2019 Budget and Business Plan

February 13, 2019



City of Kawartha Lakes Corporate Strategic Plan Framework



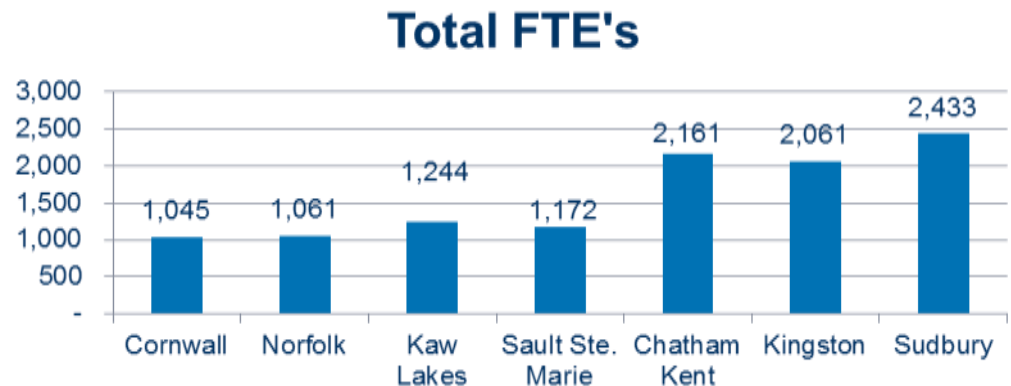
Long Range Financial Plan Update

- The future update to the Long Range Financial Plan will provide a detailed analysis of:
 1. Capital Asset Planning & Maintenance requirements
 2. Operating budget requirements:
 - People planning
 - Operating Programs & Expenses
 - Non tax-supported revenues
 3. Reserves and Debt Management Strategies
- Includes the reinstatement of \$500,000 for gravel rehabilitation for Council consideration

People Planning

- Staff related costs are the largest component of the operating budget
- We are a service provider/industry currently delivering diverse service portfolios (over 200 programs & services locally)

- Staffing 2018:
 - 695 FT
 - 347 PT
 - 135 Other
 - Over 350 VFF



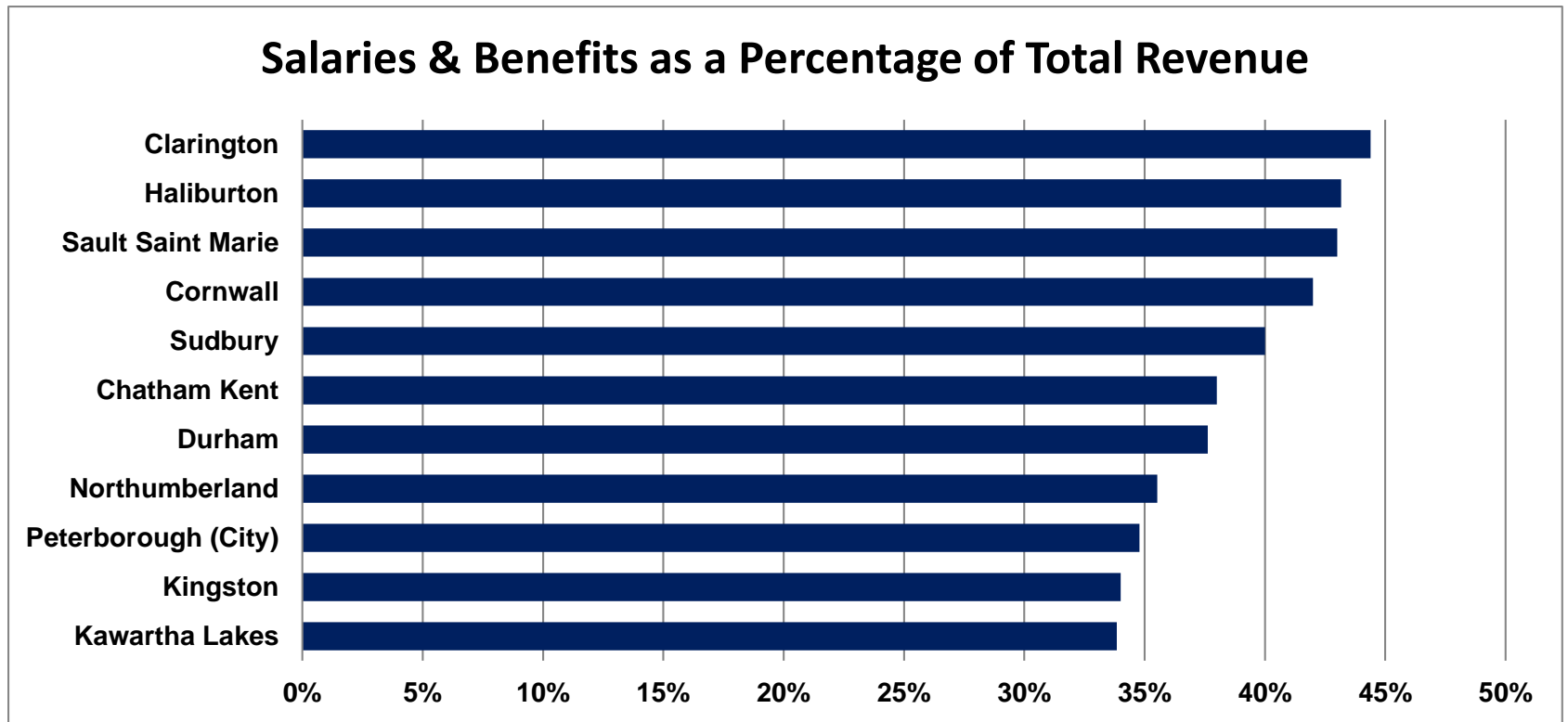
- People planning is a tool to guide the long term requirements and costs for new staff

People Planning

- Assumes the continuous review of processes, practices & human resources
- Identifies triggers for new staff
 - Pre-Growth (E&A, Dev Services, Legal Services)
 - Growth (Building Services, By-Laws, Ec. Dev)
 - Post-Growth (Rev & Tax, Community Services, Human Services, Public Works, Emergency Services)
 - Service Expansion & Enhancement (Arts/Culture/Heritage, Tourism, existing population-serving programs & services)
- Identifies dependencies & enablers
 - Human Resources, Information Technology, Clerks, Building & Property, GIS, Administration

People Plan

- Considers municipal benchmark for staff related costs



Source: 2017 Financial Information Return

People Planning

- Considers investment in and commitments to our 12 Bargaining Units/Employee Groups

	2015	2016	2017	2018	Total
Non-Union	1.00%	1.00%	1.00%	1.00%	4.00%
CUPE 855	1.00%	1.50%	1.50%	1.50%	5.50%
CUPE 1167	1.50%	1.30%	1.75%	1.75%	6.30%
ONA	1.40%	1.40%	1.40%	1.40%	5.60%
OPSEU	1.75%	1.75%	1.75%	1.75%	7.00%
KLPFA	2.75%	2.00%	2.00%	2.00%	8.75%
Police	2.75%	2.00%	2.00%	2.00%	8.75%

Attract and Retain Talent

- Based on research by ONWARD
 - More than 118,000 current OMERS members can retire by 2021
 - About 78,000 are municipal employees
 - That represents about 44% of all local government employees



BUILDING TOMORROW'S ONTARIO MUNICIPAL LEADERS

Attract & Retain Talent

- 51% of senior staff eligible to retire within 3 years
- Average age of OMERS member is 46.6 years
- Age of “new” members 37
- 20% of all police & fire can/will retire by 2020-21
- <8% of all staff are btw age of 20-29



People Planning Directions

- 2019 – proposed staffing highlighted in budget and department overviews
- Developing a 5-Year People Plan and Forecast to inform our long-term financial plan
- Constantly reviewing structure, vacancies and staffing levels to meet Council's established program and service levels

Status of Reserves

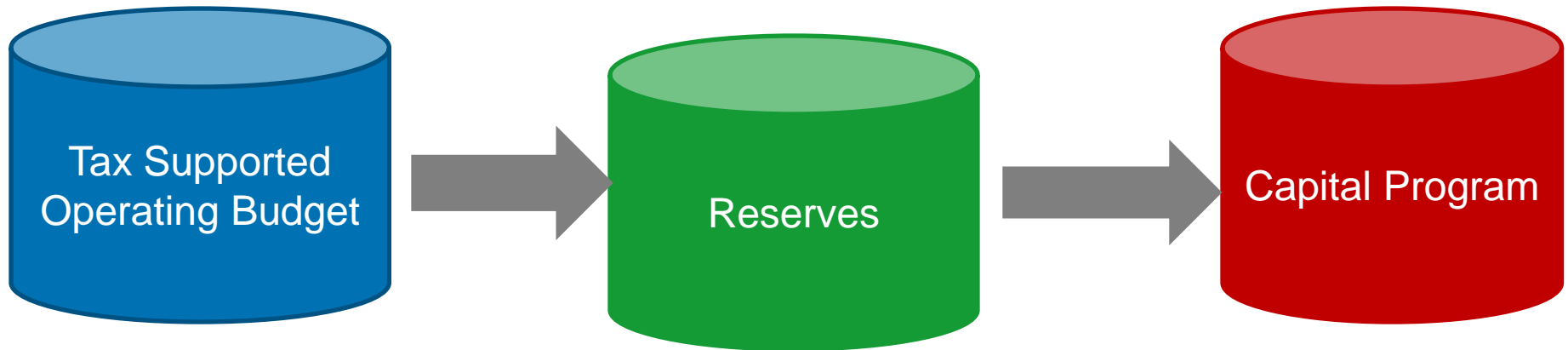
Tax Levy Support of Capital Program



- Capital Program can be funded directly from the Tax Supported Operating Budget
- Difficult to stabilize tax levy increases when capital program requirements change year over year

Status of Reserves

Tax Levy Support of Capital Program



- Contributions to Reserves to fund the Capital program provide tax levy stability
- Reserves can manage the changing annual requirements of the capital program

Status of Reserves

- The update to the Long Range Financial Plan will include a reserve strategy
- Current LRFP is focused primarily on repair and replacement of existing assets
- Reserve strategy will consider contingency reserves for tax stabilization and/or unknowns

Status of Reserves

- Reserve Strategy will provide Council with an opportunity to establish:
 - what reserves are used for
 - how they are replenished
 - annual level of funding and/or limit

Non-Tax Supported Revenue

- Ontario Municipal Partnership Fund (OMPF) is a grant that is used to support general operations
- Currently under review by the Provincial Government
- 2019 budget assumes \$7.0 million in funding
- Equivalent to 6.5% tax levy increase

2019 Proposed Tax Levy Increase

	Tax Levy Change	
	\$	%
Change in Tax Levy 2019-2018	\$5,889,534	5.5%
Assessment Growth	<u>(1,625,084)</u>	<u>(1.50%)</u>
2019 Proposed Tax Levy Increase	4,264,450	4.0%
Transfer to OPP	(\$182,512)	
OPP telecommunication	(\$6,204)	
MPAC fees	<u>(\$27,373)</u>	
	\$4,048,361	3.8%
Decrease Contribution to Capital Reserve	<u>(288,000)</u>	
Amended 2019 Proposed Tax Levy Increase	3,760,361	3.5%

2019 Proposed Operating Budget

- Current proposed tax levy increase is 3.5%
- Original Long Term Financial Plan proposed 4.5% tax levy increase
- Capital program and reserve stability aligned with Long Term Financial Plan