

2020 Budget Overview

Special Council

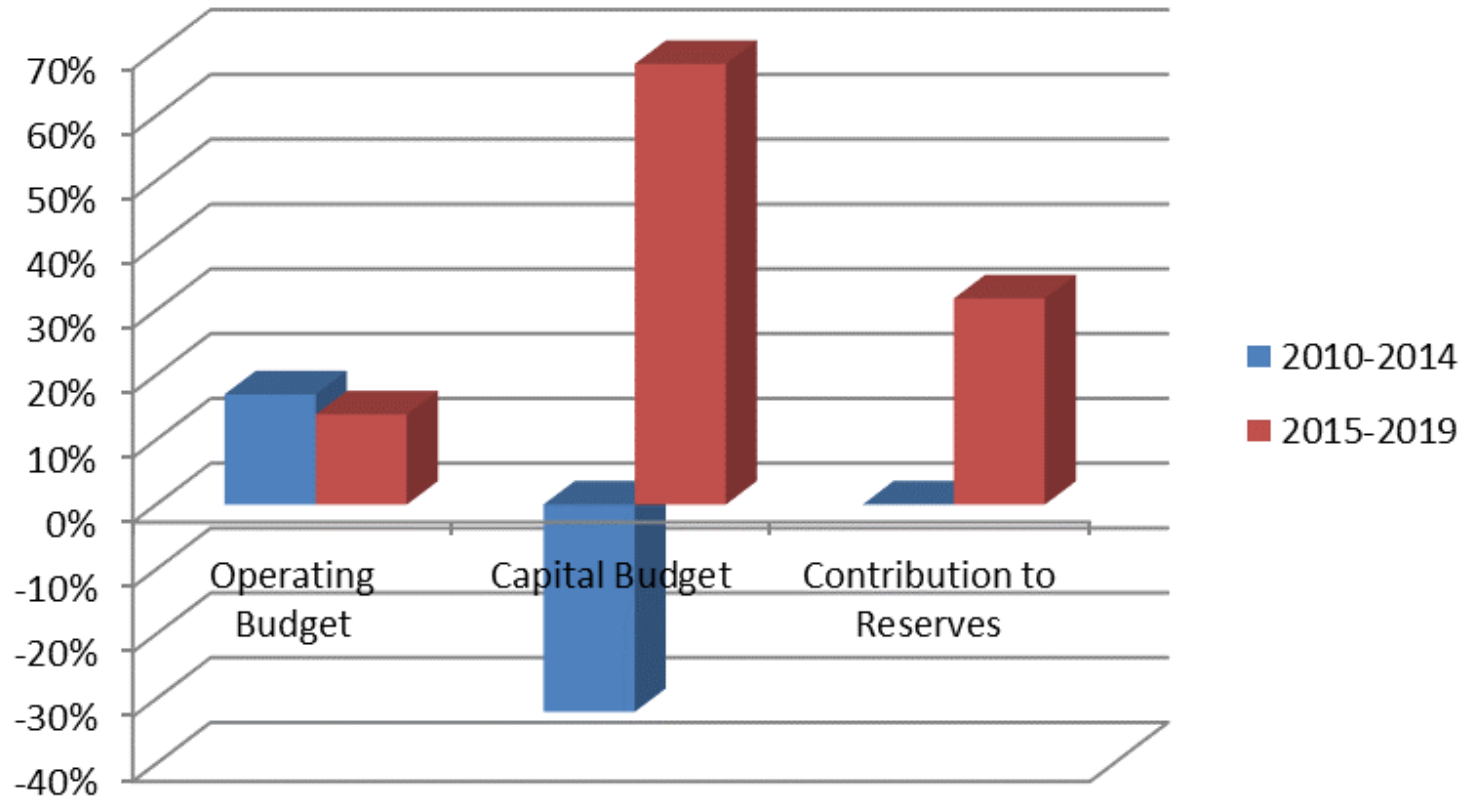
September 17, 2019



Agenda

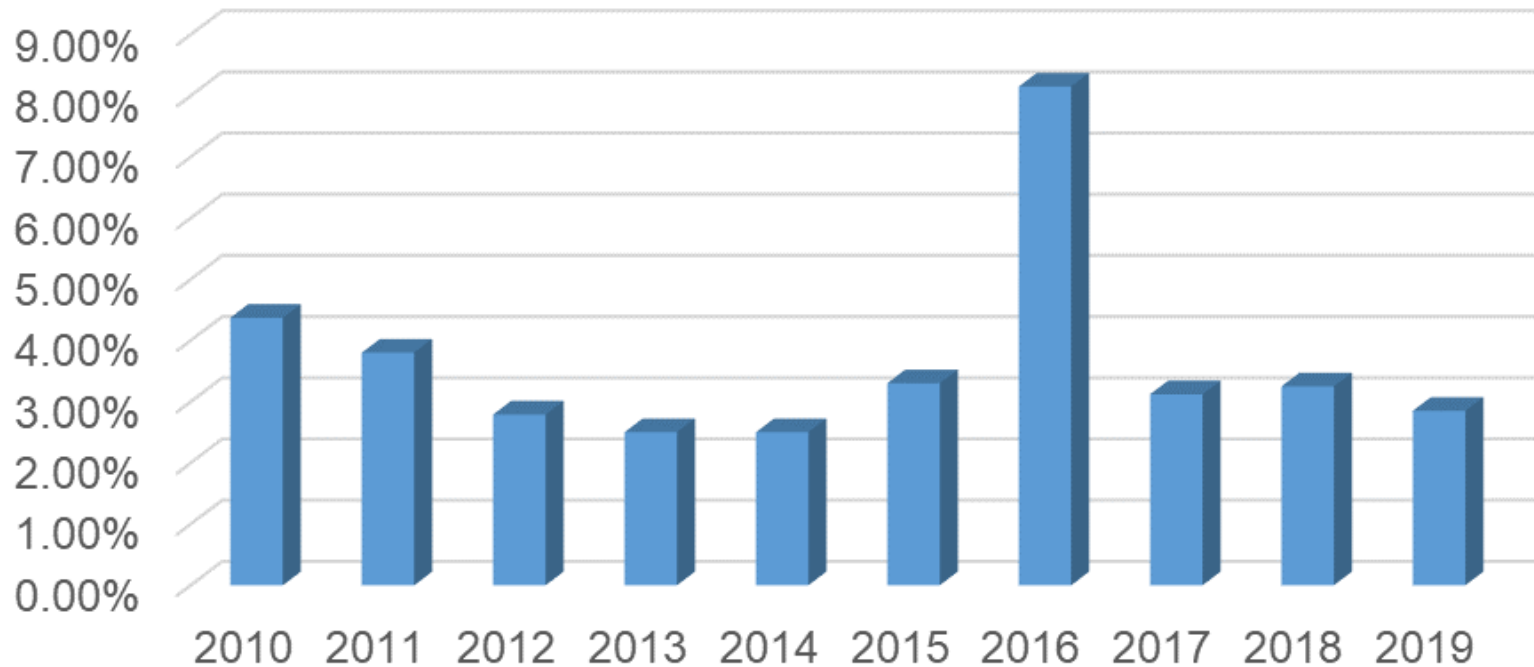
- ❖ Financial Performance
- ❖ 10 Year Financial Plan
- ❖ 2020 Proposed Budget
- ❖ Next Steps

Historic Financial Overview



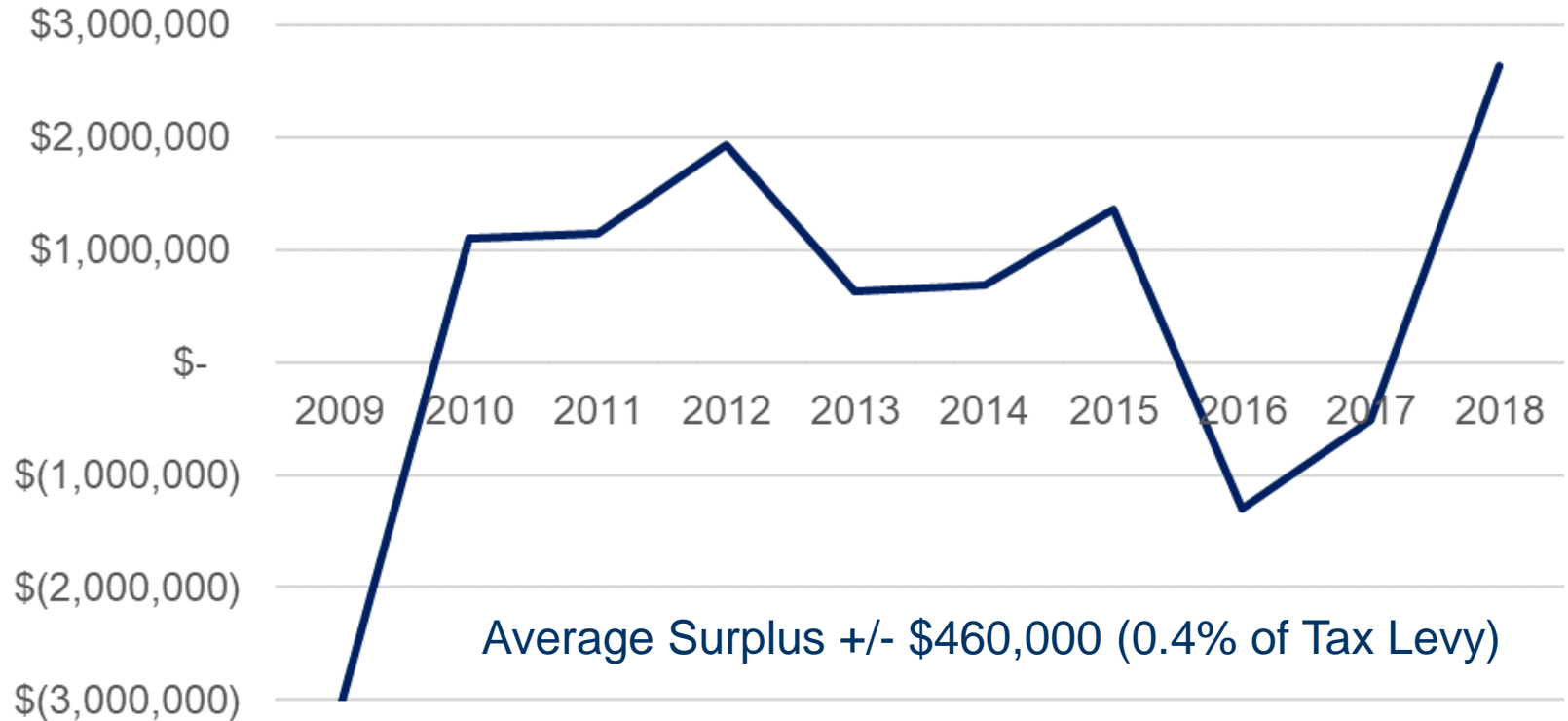
Historic Financial Overview

10 Year Trend of Tax Levy Increases

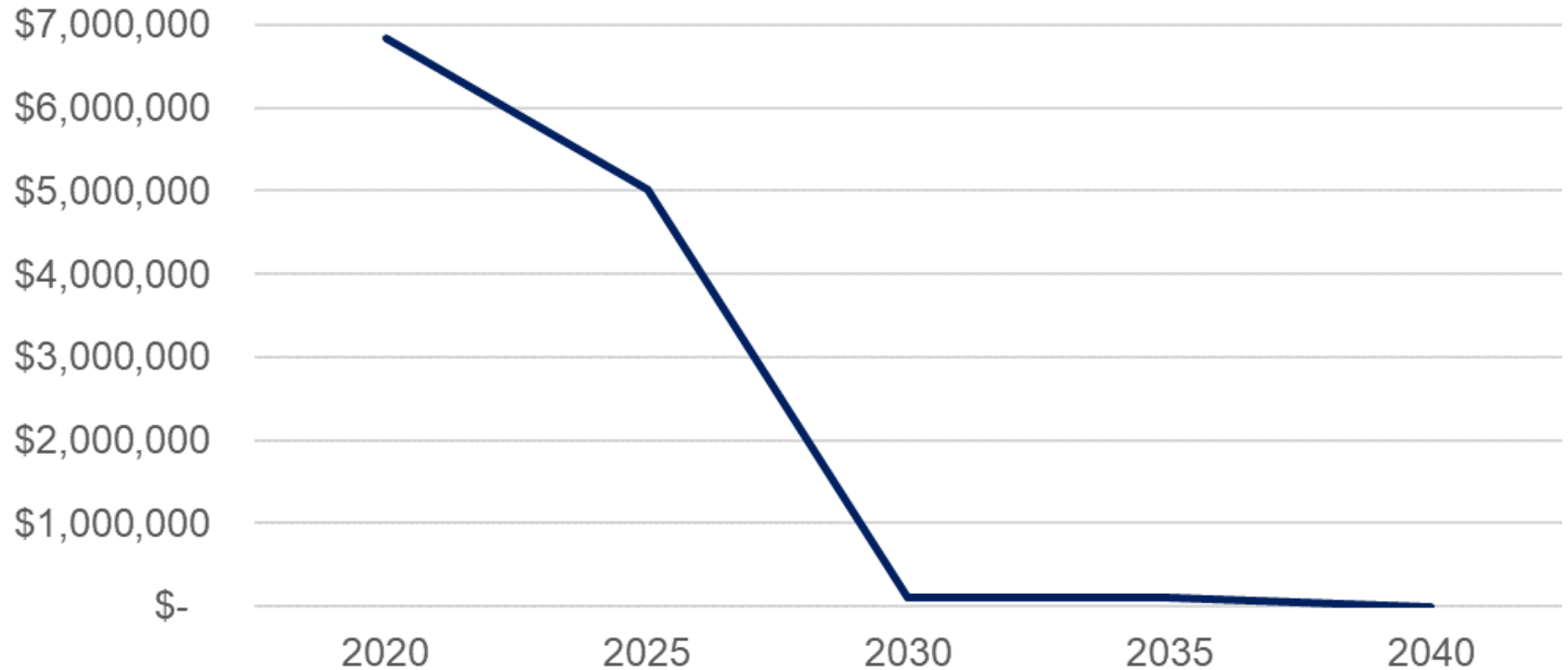


Historic Financial Overview

10 Year Annual Operating Surplus / (Deficit)

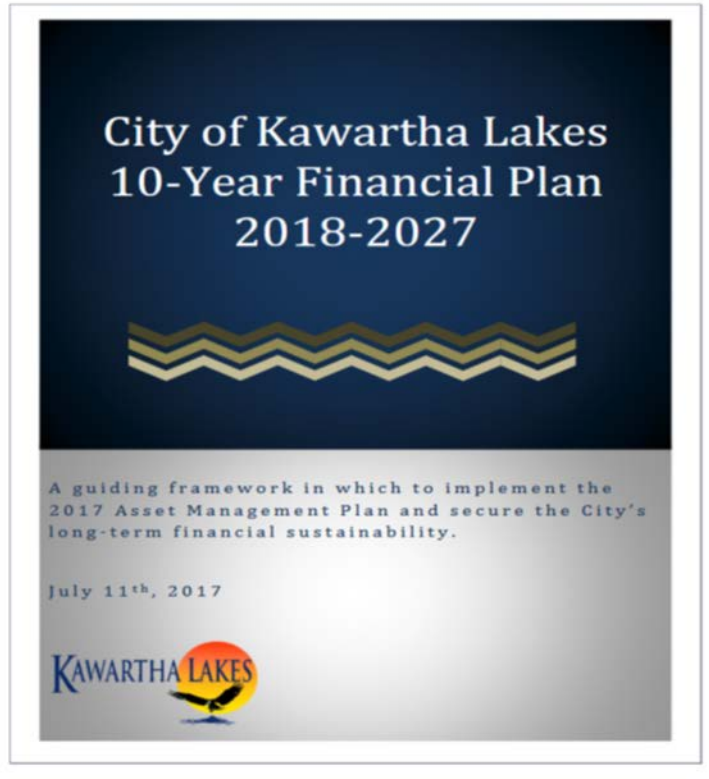


Tax Levy Supported Debt Payments



Questions?

10 Year Financial Plan



Designed to implement the 2017 Asset Management Plan, this 10 year Financial Plan provides a framework in which to secure the long term financial sustainability of the City

10 Year Financial Plan in Simple Terms

Second Car
Swimming Pool

Capital
Wants

Capital
Needs



Windows
Cost: \$15,000
Life: 20 years

Roof
Cost: \$25,000
Life: 40 years

Furnace
Cost: \$10,000
Life: 15 years

Property Taxes
Hydro
Heat
Water
Television

Operating
Needs

10 Year Financial Plan in Simple Terms

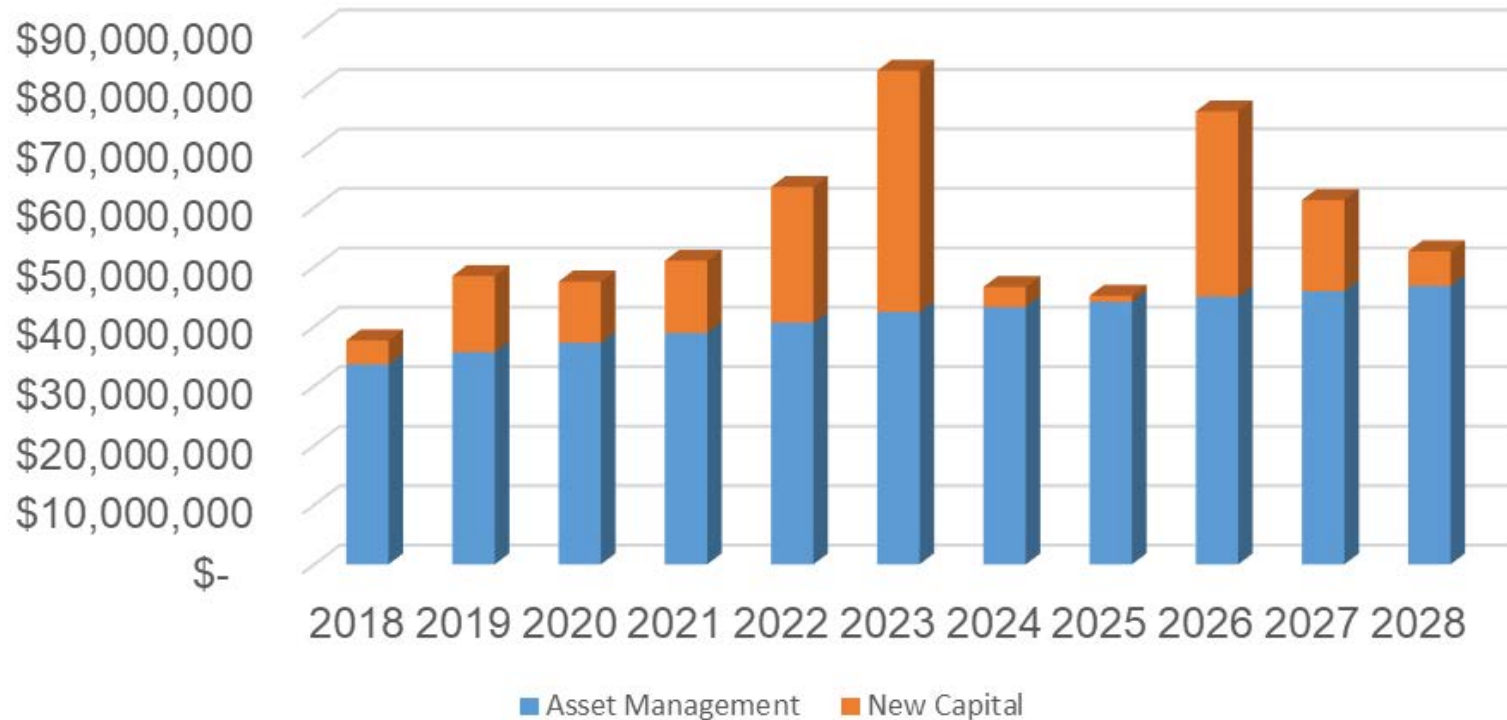
City's "House"

Assets to maintain/replace
+/- \$3.2 Billion

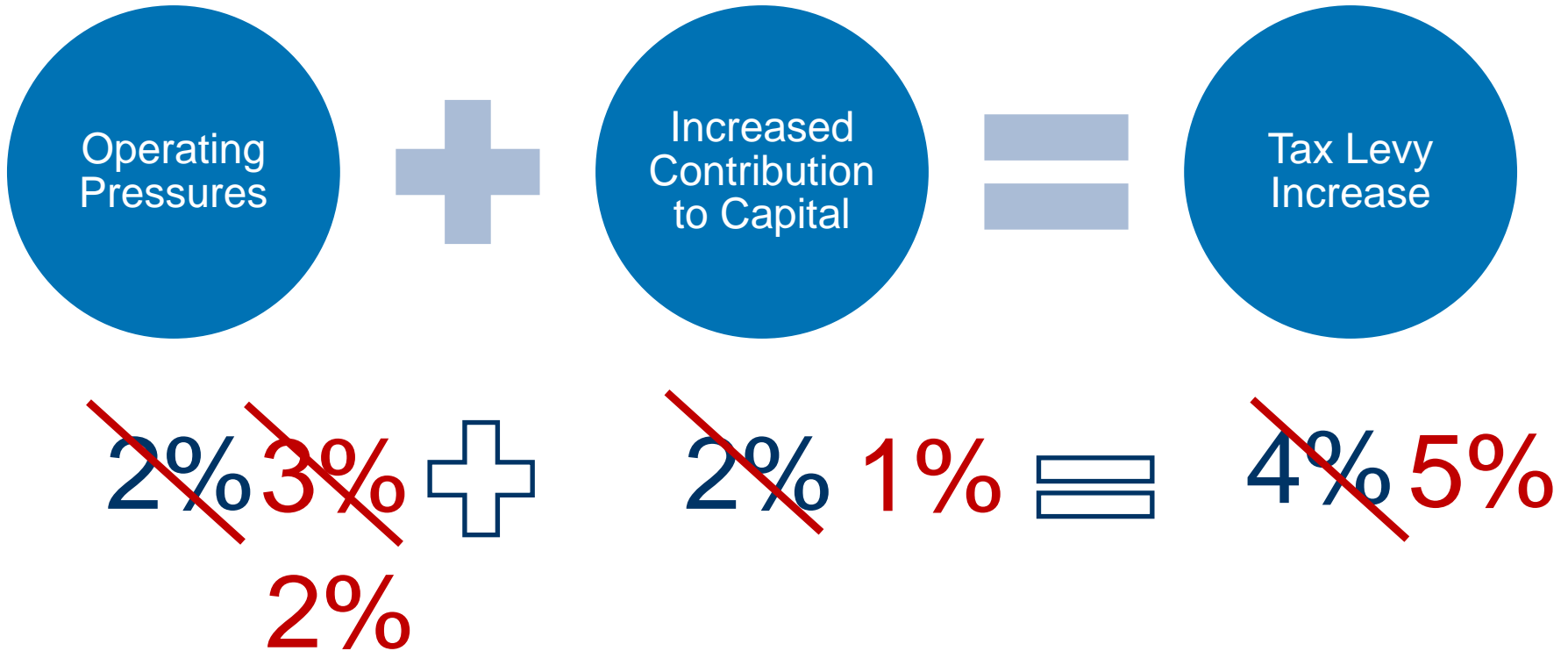
Annual Cost to Operate
+/- \$200 Million



10 Year Financial Plan: Capital Program



10 Year Financial Plan: Tax Levy Increase



10 Year Financial Plan: Tax Levy Contribution to Capital



10 Year Financial Plan: Tax Levy Support



10 Year Financial Plan Summarized

What it is:

- ❖ Plan to support financial sustainability
- ❖ Guide for decision making
- ❖ Tool to assist in stabilizing the tax levy

10 Year Financial Plan Summarized

What it isn't:

- ❖ Perfect ! Based on what we know today
- ❖ All encompassing
- ❖ Only for a 10 year period

Questions?

2020 Proposed Budget

Operating

- delivery of 200+ day-to-day services
- +/- 50% tax levy supported

Water and Wastewater

- delivery of safe drinking water and treatment of wastewater
- user fee supported

2020 Budget

Special Projects

- one-time in nature
- do not result in the creation of or improvement to an asset
- primarily tax levy supported

Capital

- one-time in nature
- result in the creation of or improvement to an asset
- primarily funded from tax supported reserves

2020 Proposed Budget

Provincial Funding Updates:

- ❖ Ontario Municipal Partnership Fund (OMPF) support will continue for 2020

- ❖ Paramedic Funding will continue for 2020 although not anticipated to fully fund 50% of operating requirements

2020 Proposed Budget

Provincial Funding Updates:

- ❖ Child Care funding has been reduced from 100% to 80% for 2020, with further reductions expected for 2021 and 2022
- ❖ Ontario Works funding reductions anticipated to be announced in Q4 2019

2020 Proposed Budget

Provincial Funding Updates:

- ❖ Long Term Care capital funding reductions
- ❖ Small Business Enterprise Centre grant and program delivery funding reductions

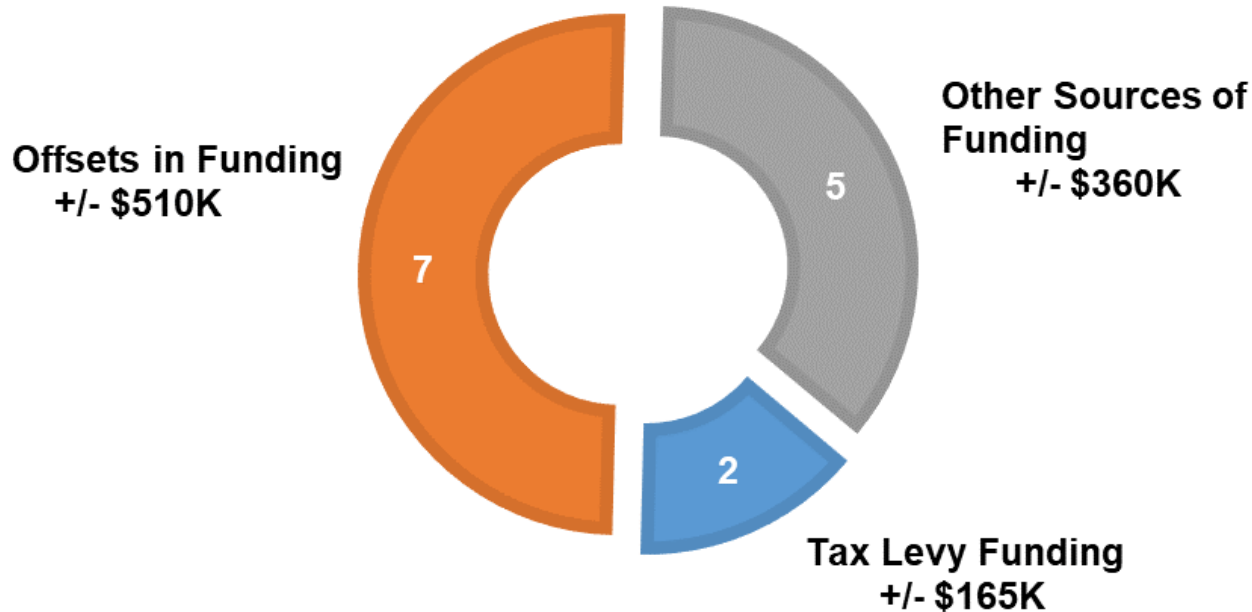
2020 Proposed Operating Budget

Budget Pressures:

Winter Control	\$1,000,000
Waste Management	\$440,000
Funding Reductions	\$930,000
Insurance	\$250,000
Development Charge Exemptions	\$300,000
New Staff Requests	\$165,000

2020 Proposed Operating Budget

14 New Staff Requests



2020 Proposed Capital Budget

- Proposed capital budget currently exceeds available funding
- Staff are working to align capital budget with funding
- Prioritization of projects will be required

2020 Proposed Special Projects Budget

- Projects previously included in the Operating Budget
- During 2019 budget deliberations, Council requested these projects be captured under a separate budget for 2020
- The Special Projects budget will be included in the proposed 4% tax levy increase

2020 Proposed Water and Wastewater Budget

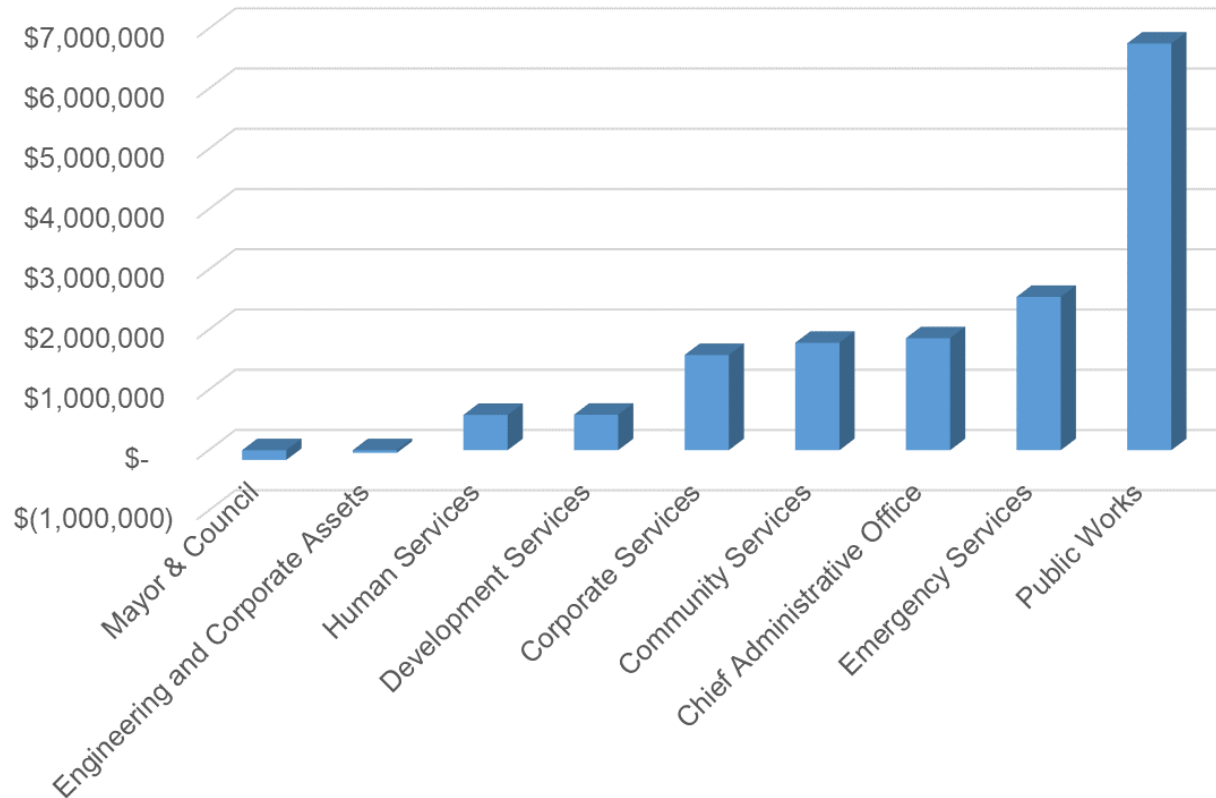
- Water and wastewater budget is fully supported by user rates
- 10 year financial plan projected a 3% increase in user rates for 2020
- Proposed budget will align with the plan

Council Resolution for 2020 Budget

On June 11, 2019, Council approved:

- **That** all external City Agencies and Boards, funded in whole or in part by the tax levy, be advised and notified that the City's funding level for 2020 will not exceed the 2019 contribution level; and
- **That** staff be directed to bring forward 2 proposed budgets for 2020.
 - As per the long term financial plan approved by council.
 - 0% tax support operating budget increase over 2019 from each department.

2017 to 2019 Budget Increase



2020 Proposed Budget

- ❖ Proposed budget will align with the financial plan at 4%
- ❖ Reduction to 0% will require service level cuts and/or capital program reduction of approximately \$4 million

2020 Proposed Budget

- ❖ Resolutions of Council included in the 4%
 - ❖ Integrity Commissioner
 - ❖ Victoria Manor debt repayment forgiven
 - ❖ Construction and Demolition Recycling Program
 - ❖ Mattress Recycling Program
 - ❖ Federal Gas Tax funding for Roads (\$2M)

- ❖ Decision Units are not included in the 4% proposed budget

Next Steps:

- ❖ Update the Financial Plan with an annual 3% tax levy increase
- ❖ Update the Financial Plan to include Provincial funding changes

Next Steps

Budget Schedule

September 17 / 18	Department Presentations
October 29	Agency and Board Presentations
November 1	Business Plan and Budget released
November 12	Evening Public Meeting – Fenelon Falls
November 26 / 27	Capital Budget Deliberations and Approval
December 3 / 4 / 5	Operating Budget Deliberations and Approval

Questions?