

2017 1st Draft Budget

October 17, 2016



Orangeville Police Services Board Budget

- Orangeville Police Services Board Budget not yet approved
 - October 18th board meeting
- The amounts currently shown in the Police Service's budget are preliminary and are subject to change.

2017 Budget Process - Highlights

- Began budget process/deliberations earlier
- Moved to 5 year Budget Plan
- Sought early direction from Council on key items
- Departments prepared own individual budgets with support of Treasury
- Treasury staff reviewed and compiled into a corporate budget

2017 Budget Process – Highlights (continued)

- Operational Managers Group (OMG) reviewed the “first cut” over two full days
 - Prioritized corporate projects and initiatives
 - Considered budget constraints
 - Pushed projects to the future and/or eliminated
 - Planned projects together for better pricing
- Corporate Leadership Team met to review and make further revisions
- Senior management continued to review/meet/revise/fine-tune

2017 Budget Process – Highlights (continued)

- Many difficult decisions made
- Countless Staff members, Management personnel and Senior Management involved
- Thanks to all for their hard work and dedication

Benefits of 5 Year Budget Plan

- Longer term goals can be identified with a plan to achieve them
- Increases understanding of the longer term impact of decisions made today
- Ensures the Town's Budget is consistent with Council's vision and values
- Ensures connection between capital projects and their operating impacts
- Provides citizens with more certainty about the direction of the Town's services, finances and future taxation levels
- Makes more strategic use of Council's time in reviewing budgets

Budget Focus

- Think long term
- Maintain or increase level of service
- Continue to review how we deliver services effectively and efficiently
- Continued support of events, arts and culture
- Continued support of local organizations
- Continue to invest in technology
- Increased investment in infrastructure
- Increased investment in reserves
- Taxation impacts must be responsible

5 Year Budget Plan

- Plan should support Council's vision and values
- Council directs staff for entire 5 Year Plan
 - Approves the 1st year of the plan
 - adopts years 2 through 5 in principal

Previous directions from Council

- Cost of living (COLA) increase of 1.9% applied to all non-union staff
- Increase the annual contribution to the Capital Budget by 1% of the tax levy
- Increase the annual contribution to the General Capital Reserve by 1% of the tax levy
- Add additional tax levy as a result of Phase-In Assessment
- Show taxation impact of anticipated Growth
- Add a one-time contribution of \$139K to the General Capital Reserve for funding of the First Avenue project
- Add a one-time contribution of \$191K to the General Capital Reserve for funding of the 2016 Transit bus purchase
- Provide one-time contribution to Development Charge Reserves as a grant towards the Hospital's expansion

Previous directions from Council (continued)

- Provide additional monies for Transit service:
 - 2 new 30 ft. low floor buses \$800K (capital)
 - Extend evening weekday hours by 2.5 hours \$75K
- Perform Sidewalk Winter Control duties in-house (Savings \$107K)

Net Levy by Department

Net	2016 Approved		2017 Proposed		2018 Proposed		2019 Proposed		2020 Proposed		2021 Proposed	
	Net	%	Net	%	Net	%	Net	%	Net	%	Net	%
Council	\$ 329,191		\$ 336,039	2%	\$ 352,770	5%	\$ 353,784	0%	\$ 361,037	2%	\$ 369,332	2%
Committees	84,450		107,800	28%	97,800	-9%	97,800	0%	97,800	0%	97,800	0%
Administration	331,077		337,622	2%	346,647	3%	356,046	3%	365,731	3%	375,811	3%
Clerk's Office	510,032		520,753	2%	534,458	3%	640,111	20%	656,580	3%	673,579	3%
Communications	327,896		335,131	2%	347,281	4%	358,456	3%	366,371	2%	375,537	3%
Human Resources	479,566		468,741	-2%	490,844	5%	499,960	2%	544,918	9%	524,230	-4%
Corporate Allocations	(26,989,007)		(28,368,490)	5%	(29,573,075)	4%	(29,822,523)	1%	(30,483,918)	2%	(31,363,748)	3%
Treasury Department	838,288		872,245	4%	896,171	3%	906,395	1%	929,526	3%	963,664	4%
Information Tech.	541,986		576,475	6%	592,680	3%	613,055	3%	631,788	3%	648,463	3%
Planning & Innovation	422,748		516,392	22%	500,545	-3%	515,373	3%	545,847	6%	546,752	0%
Economic Developmnt	393,526		432,583	10%	472,004	9%	488,051	3%	499,598	2%	511,511	2%
Parks & Recreation	3,493,185		3,539,741	1%	3,662,131	3%	3,756,881	3%	3,884,295	3%	4,003,363	3%
Facilities Division	349,329		415,864	19%	425,545	2%	429,165	1%	439,359	2%	449,505	2%
By-Law Enforcement	692,228		715,142	3%	727,807	2%	745,293	2%	762,847	2%	780,339	2%
Fire Services	2,897,032		3,221,355	11%	3,284,083	2%	3,342,404	2%	3,385,667	1%	3,447,054	2%
Public Works Trans.	5,346,601		5,739,406	7%	5,605,521	-2%	5,702,724	2%	5,859,219	3%	5,941,660	1%
Public Wrks Cemetery	35,190		31,791	-10%	32,600	3%	34,263	5%	35,476	4%	37,242	5%
Library Services	1,641,419		1,682,383	2%	1,721,656	2%	1,762,471	2%	1,803,485	2%	1,847,255	2%
Police Services	8,275,262		8,516,956	3%	8,775,447	3%	8,993,294	2%	9,126,274	1%	9,358,143	3%
Budget Gap	-		\$ (2,072)	0.0%	\$ (707,084)	-2.1%	\$ (226,998)	-0.7%	\$ (188,101)	-0.5%	\$ (412,507)	-1.1%

Net Levy Requirement Operating Summary 5-Year

	2016	2017	2018	2019	2020	2021
Revenues	\$ (9,617,736)	(9,848,735) 2.4%	(10,020,021) 1.7%	(10,222,491) 2.0%	(10,379,711) 1.5%	(10,650,007) 2.6%
Expenses	38,320,848	39,213,504 2.3%	39,747,830 1.4%	40,506,185 1.9%	41,492,498 2.4%	42,203,683 1.7%
Net Operating	28,703,112	29,364,769 2.3%	29,727,809 1.2%	30,283,694 1.9%	31,112,787 2.7%	31,553,676 1.4%
Net Transfers to/from Reserves	1,544,790	2,004,371 29.8%	2,164,654 8.0%	2,641,630 22.0%	2,831,581 7.2%	3,287,376 16.1%
Transfer to Capital	1,659,733	1,972,267 18.8%	2,242,222 13.7%	2,518,424 12.3%	2,906,248 15.4%	3,255,335 12.0%
Net Transfers from Operating	3,204,523	3,976,638 24.1%	4,406,876 10.8%	5,160,054 17.1%	5,737,829 11.2%	6,542,711 14.0%
Net Levy Requirement	\$ 31,907,635	\$ 33,341,407 4.5%	\$ 34,134,685 2.4%	\$ 35,443,748 3.8%	\$ 36,850,616 4.0%	\$ 38,096,387 3.4%
Impacts of:						
* Estimated Phase-In Assessment 3.5%	\$ (1,116,767)	-3.5%	\$ (1,166,949) -3.5%	\$ (1,194,714) -3.5%	\$ (1,240,531) -3.5%	\$ (1,289,772) -3.5%
* Estimated Growth 1%	\$ (319,076)	-1.0%	\$ (333,414) -1.0%	\$ (341,347) -1.0%	\$ (354,437) -1.0%	\$ (368,506) -1.0%
Levy Net of Phase-In Assessment and Growth	\$ 31,905,564	0.0%	\$ 32,634,322 -2.1%	\$ 33,907,687 -0.7%	\$ 35,255,648 -0.5%	\$ 36,438,109 -1.1%

Operating Summary Water and Wastewater 5-Year

	2016	2017	2018	2019	2020	2021
Revenues	(12,178,839)	(12,756,745)	(13,345,968)	(14,555,818)	(14,995,192)	(15,319,590)
Expenses	8,267,959	8,755,210	8,977,890	9,986,573	10,197,568	10,190,272
Net Expenses	(3,910,880)	(4,001,535)	(4,368,078)	(4,569,246)	(4,797,624)	(5,129,318)
Transfers to Reserves	3,910,880	4,001,535	4,368,078	4,569,246	4,797,624	5,129,318
Net Water/Wastewater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Summary

Department	2017	2018	2019	2020	2021
Parks & Recreation	1,054,500	859,700	899,500	1,729,000	766,000
Transportation Services	6,337,300	5,289,200	4,284,346	4,941,800	5,135,100
Environmental Services	508,000	694,000	502,500	1,053,418	4,268,000
Facilities	61,000	210,000	330,000	90,000	75,000
Information Technology	110,000	115,000	125,000	155,000	135,000
Library	217,500	251,000	234,000	210,000	210,000
Fire	-	-	-	700,000	-
Council	-	7,000	-	-	-
Treasury	50,000	-	15,000	70,000	-
Communications	-	13,000	-	-	-
Corporate	65,000	-	-	-	-
Planning & Economic Dev.	-	36,000	-	-	-
Total Capital Investment	8,403,300	7,474,900	6,390,346	8,949,218	10,589,100
Less: Funding Sources					
Gas Tax	1,255,632	891,030	891,030	891,030	891,030
Development Charges	718,061	2,268,891	113,740	838,520	1,195,635
Reserve/ Reserve Funds	520,000	190,000	230,000	1,360,000	190,000
Water Rates	1,471,000	1,089,500	934,500	1,277,309	3,514,448
Wastewater Rates	696,000	267,000	490,000	853,459	720,000
Grants	1,680,340	526,257	1,182,652	822,652	822,652
Financing	-	-	-	-	-
Other	90,000	-	30,000	-	-
Total Other Funding Source	6,431,033	5,232,678	3,871,922	6,042,970	7,333,765
Net Tax Levy Impact	1,972,267	2,242,222	2,518,424	2,906,248	3,255,335
Council Direction, TF-2016-22	1,979,733	2,299,733	2,619,733	2,939,733	3,259,733
Under (Over) Direction	7,466	57,511	101,309	33,485	4,398

Reserves - Forecast

Reserve Summary	2016	2017	2018	2019	2020	2021
Obligatory Reserves	8,236,759	9,507,254	9,430,800	10,778,205	11,441,717	11,845,568
Development Charges	6,870,949	8,256,184	7,912,249	8,977,163	9,345,658	9,431,373
Other Obligatory Reserves	1,365,811	1,251,070	1,518,552	1,801,042	2,096,059	2,414,195
Discretionary Reserves	9,493,060	11,852,975	14,432,614	17,466,834	19,604,000	23,324,361
General Capital	5,360,306	7,273,443	9,176,698	11,422,648	14,024,339	16,997,006
General Insurance	560,406	833,800	1,073,601	1,278,128	1,445,617	1,574,409
Parks & Recreation Res.	1,036,842	824,342	894,342	924,342	494,342	564,342
Other Discretionary Res	2,535,506	2,921,390	3,287,974	3,841,717	3,639,702	4,188,604
Water/ Wastewater Reserves	7,794,247	9,628,782	12,640,360	15,785,106	18,451,962	19,346,832
Water	2,380,590	2,546,000	3,355,496	4,524,353	5,535,505	4,410,316
Wastewater	5,413,658	7,082,781	9,284,864	11,260,753	12,916,456	14,936,516
Total	25,524,067	30,989,011	36,503,774	44,030,146	49,497,679	54,516,761

Long Term Debt

Long Term Liabilities	2017	2018	2019	2020	2021
Opening Balance	28,892,502	32,381,195	34,550,682	34,450,442	31,728,498
Add: WPCP New Debt (Note 2)	5,318,333	3,914,817	2,498,945	-	-
Less: Principal Repayment	1,829,640	1,745,331	2,599,185	2,721,943	2,768,320
Closing Balance	32,381,195	34,550,682	34,450,442	31,728,498	28,960,178

Annual Repayment Limit	2017	2018	2019	2020	2021
Principal Repayments	1,829,640	1,745,331	2,599,185	2,721,943	2,768,320
Interest Payments	766,834	812,744	981,608	961,187	881,883
Total Debt Service Charges	2,596,474	2,558,075	3,580,792	3,683,130	3,650,203
2016 ARL (Note 1)	9,679,314	9,679,314	9,679,314	9,679,314	9,679,314
Debt Service Capacity	7,082,840	7,121,239	6,098,522	5,996,184	6,029,111

Note 1: ARL will increase with own source revenues

Note 2: Approved in 2015 Capital Budget as a multi-year project (represents anticipated cash flow)

Budget Documents and Budget Schedule

- 1st Draft Budget Documents have been posted to the Town's website and can be found here:
 - <http://www.orangeville.ca/treasury>
- Email budgetquestions@orangeville.ca with any budget questions
- Budget Deliberations Schedule (7:00pm start):
 - Monday, October 24, 2016 – 1st Draft Operating
 - Tuesday, October 25, 2016 – 1st Draft Capital
 - Monday, November 7, 2016 – 2nd Draft Budget
 - Tuesday, November 22, 2016 – 3rd Draft Budget (if needed)
 - Monday, December 12, 2016 – Budget Adoption (regular Council)

Questions?