

2019

1st Draft Budget

December 10, 2018



Orangeville Police Services Board Budget



- ▶ Orangeville Police Services Board Budget has not yet been approved
 - ▶ January 15th is first Board meeting
- ▶ The amounts currently shown in the Police Service's budget are preliminary and are subject to change.

2019 Budget Process - Highlights

- ▶ Redistribution of Accounts to better reflect reorganization
- ▶ Continued development of new technology (Budget and Financial Reporting)
- ▶ Continued with 5 year Budget Plan
 - ▶ Expanded to 10 years for capital projects for increased internal planning
- ▶ Continued budget direction from previous Council
- ▶ Each Division prepared their own budgets (Operating and Capital) with support of Finance staff as needed

2019 Budget Process – Highlights (continued)

- ▶ General Managers and the CAO met over several meetings to review budget submissions
 - ▶ Prioritize corporate projects and initiatives
 - ▶ Consider budget constraints
 - ▶ Consider if/when to perform projects
- ▶ Many difficult decisions made
- ▶ Countless Staff members, Management personnel and Senior Management involved in the Budget process
- ▶ **Thank you** to all, for their hard work and dedication

Benefits of 5 Year Budget Planning

- ▶ 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 plan 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

5 Year Budget Plan

- Plan should support Council's vision, values and the Town's strategic initiatives

- Council directs staff for entire 5 Year Plan
 - Approves the 1st year of the plan
 - adopts years 2 through 5 in principle

Budget Focus

- ▶ Strategic Plan Implementation
- ▶ Maintain or increase level of service
- ▶ Continue to review how we deliver services effectively and efficiently
- ▶ Continue support of events, arts and culture
- ▶ Continue support of local organizations
- ▶ Continue to invest in technology
- ▶ Continue to increase investment in infrastructure
- ▶ Continue to increase investment in reserves
- ▶ Taxation impacts must be responsible

Previous Directions from Council

- ▶ Cost of living (COLA) increase of 2.2% (Canada CPI May, 2018) applied to all non-union staff (versus Ontario CPI - 2.9%)
- ▶ Increase the annual contribution to the Capital Budget by 1% of the tax levy (\$350K)
- ▶ Increase the annual contribution to the General Capital Reserve by 1% of the tax levy (\$350K)
- ▶ \$137K to General Capital Reserve Fund to repay Council Chamber Renovations

Net Levy Requirement - Summary

| | 2018 Approved Budget | 2019 Proposed Budget | 2019 \$ Change | 2019 % Change | 2020 Proposed Budget | 2020 % Change | 2021 Proposed Budget | 2021 % Change | 2022 Proposed Budget | 2022 % Change | 2023 Proposed Budget | 2023 % Change |
|--------------------------------------|----------------------------|----------------------------|-------------------|------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| Revenues | -9,337,119 | -10,118,203 | -781,084 | 8.37% | -10,155,597 | 0.37% | -10,182,452 | 0.26% | -10,235,577 | 0.52% | -10,300,704 | 0.64% |
| Expenses | 39,559,014 | 40,636,233 | 1,077,219 | 2.72% | 42,135,644 | 3.69% | 42,984,918 | 2.02% | 44,014,147 | 2.39% | 44,533,995 | 1.18% |
| Net Operating | 30,221,895 | 30,518,030 | 296,135 | 0.98% | 31,980,047 | 4.79% | 32,802,466 | 2.57% | 33,778,570 | 2.98% | 34,233,291 | 1.35% |
| Net Transfers to/from Reserves | 2,055,086 | 3,038,424 | 983,338 | 47.85% | 3,041,769 | 0.11% | 3,285,861 | 8.02% | 3,419,639 | 4.07% | 3,771,398 | 10.29% |
| Transfers to Capital Budget | 2,607,904 | 2,770,767 | 162,863 | 6.24% | 3,235,942 | 16.79% | 3,541,267 | 9.44% | 3,794,767 | 7.16% | 4,148,427 | 9.32% |
| Net Transfers from Operating | 4,662,990 | 5,809,191 | 1,146,201 | 24.58% | 6,277,711 | 8.07% | 6,827,128 | 8.75% | 7,214,406 | 5.67% | 7,919,825 | 9.78% |
| Net Levy Requirement | 34,884,885 | 36,327,221 | 1,442,336 | 4.13% | 38,257,758 | 5.31% | 39,629,594 | 3.59% | 40,992,976 | 3.44% | 42,153,116 | 2.83% |
| Estimated Growth* | - | 433,055 | 433,055 | -1.24% | 508,581 | 1.40% | 535,609 | 1.40% | 554,814 | 1.40% | 573,902 | 1.40% |
| Impact after Estimated Growth | 34,884,885 | 35,894,166 | 1,009,281 | 2.89% | 37,749,177 | 3.91% | 39,093,985 | 2.19% | 40,438,162 | 2.04% | 41,579,214 | 1.43% |

* Estimated Growth (2019 as per MPAC November 2, 2018; 2020-2023 based on historical average)

Net Levy Requirement by Department

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| | 2018 Approved Budget | 2019 Budget Reorganization | 2018 Reorganized Budget | 2019 Proposed Budget | 2019 \$ Change | 2019 % Change | 2020 Proposed Budget | 2020 % Change | 2021 Proposed Budget | 2021 % Change | 2022 Proposed Budget | 2022 % Change | 2023 Proposed Budget | 2023 % Change |
|---|----------------------------|----------------------------------|-------------------------------|----------------------------|-------------------|------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| Council | 351,814 | | 351,814 | 341,425 | -10,389 | (2.95%) | 350,564 | 2.68% | 360,199 | 2.75% | 372,532 | 3.42% | 380,676 | 2.19% |
| Committees | 101,958 | | 101,958 | 102,542 | 584 | 0.57% | 103,245 | 0.69% | 103,886 | 0.62% | 104,386 | 0.48% | 104,386 | |
| Administration | 356,561 | 281,367 | 637,928 | 677,443 | 39,515 | 6.19% | 372,794 | (44.97%) | 381,355 | 2.30% | 390,289 | 2.34% | 399,500 | 2.36% |
| Clerks | 529,689 | | 529,689 | 642,315 | 112,626 | 21.26% | 649,456 | 1.11% | 664,435 | 2.31% | 700,755 | 5.47% | 694,726 | (0.86%) |
| Communications | 341,365 | | 341,365 | 345,474 | 4,109 | 1.20% | 352,136 | 1.93% | 357,575 | 1.54% | 365,161 | 2.12% | 373,404 | 2.26% |
| Human Resources | 508,600 | | 508,600 | 540,055 | 31,455 | 6.18% | 577,371 | 6.91% | 557,984 | (3.36%) | 567,187 | 1.65% | 578,234 | 1.95% |
| Corporate Allocations | 6,001,602 | 526,076 | 6,527,678 | 7,156,391 | 628,713 | 9.63% | 8,241,904 | 15.17% | 9,193,429 | 11.54% | 9,900,658 | 7.69% | 10,335,482 | 4.39% |
| Finance | 930,889 | 5,750 | 936,639 | 979,813 | 43,174 | 4.61% | 1,000,345 | 2.10% | 1,024,480 | 2.41% | 1,049,484 | 2.44% | 1,076,657 | 2.59% |
| Information Technology | 778,471 | -57,904 | 720,567 | 798,221 | 77,654 | 10.78% | 834,234 | 4.51% | 860,876 | 3.19% | 893,912 | 3.84% | 923,262 | 3.28% |
| Planning | 411,314 | -50,761 | 360,553 | 330,930 | -29,623 | (8.22%) | 407,393 | 23.11% | 384,393 | (5.65%) | 394,834 | 2.72% | 405,540 | 2.71% |
| Economic Development & Cultural Affairs | 416,380 | | 416,380 | 441,038 | 24,658 | 5.92% | 501,015 | 13.60% | 461,916 | (7.80%) | 474,170 | 2.65% | 484,533 | 2.19% |
| Parks | 916,351 | 16,334 | 932,685 | 912,298 | -20,387 | (2.19%) | 925,107 | 1.40% | 942,178 | 1.85% | 965,123 | 2.44% | 984,950 | 2.05% |
| Recreation & Events | 2,792,137 | -408,905 | 2,383,232 | 2,496,628 | 113,396 | 4.76% | 3,238,219 | 29.70% | 3,270,644 | 1.00% | 3,392,596 | 3.73% | 3,513,670 | 3.57% |
| Facilities | 440,770 | 282,412 | 723,182 | 739,498 | 16,316 | 2.26% | 385,352 | (47.89%) | 394,540 | 2.38% | 425,570 | 7.86% | 452,725 | 6.38% |
| Building | | -42,833 | -42,833 | | 42,833 | (100.00%) | | | | | | | | |
| By-Law Enforcement | 749,006 | -32,498 | 716,508 | 742,486 | 25,978 | 3.63% | 762,220 | 2.66% | 781,241 | 2.50% | 797,216 | 2.04% | 814,107 | 2.12% |
| Fire | 3,722,932 | -55,872 | 3,667,060 | 3,849,444 | 182,384 | 4.97% | 4,041,553 | 4.99% | 4,117,364 | 1.88% | 4,199,500 | 1.99% | 4,281,264 | 1.95% |
| Public Works | 5,090,513 | -295,726 | 4,794,787 | 4,938,065 | 143,278 | 2.99% | 4,936,113 | (0.04%) | 5,003,633 | 1.37% | 5,098,405 | 1.89% | 5,187,043 | 1.74% |
| Transit | 344,767 | -8,599 | 336,168 | 333,652 | -2,516 | (0.75%) | 324,315 | (2.80%) | 332,073 | 2.39% | 340,227 | 2.46% | 346,582 | 1.87% |
| Cemetery | 32,361 | -17 | 32,344 | 14,749 | -17,595 | (54.40%) | 16,129 | 9.36% | 16,431 | 1.87% | 16,714 | 1.72% | 17,002 | 1.72% |
| Water | | -110,625 | -110,625 | | 110,625 | (100.00%) | | | | | | | | |
| Wastewater | | 46,670 | 46,670 | | -46,670 | (100.00%) | | | | | | | | |
| Library Services | 1,862,001 | 5,409 | 1,867,410 | 1,839,628 | -27,782 | (1.49%) | 1,880,360 | 2.21% | 1,940,251 | 3.19% | 1,904,636 | (1.84%) | 1,979,902 | 3.95% |
| Police | 8,205,404 | -100,278 | 8,105,126 | 8,105,126 | | | 8,357,933 | 3.12% | 8,480,711 | 1.47% | 8,639,621 | 1.87% | 8,819,471 | 2.08% |
| Total Town of Orangeville | 34,884,885 | | 34,884,885 | 36,327,221 | 1,442,336 | 4.13% | 38,257,758 | 5.31% | 39,629,594 | 3.59% | 40,992,976 | 3.44% | 42,153,116 | 2.83% |

Operating Summary Water and Wastewater 5-Year

| | 2018 Approved Budget | 2019 Proposed Budget | 2019 % Change | 2020 Proposed Budget | 2020 % Change | 2021 Proposed Budget | 2021 % Change | 2022 Proposed Budget | 2022 % Change | 2023 Proposed Budget | 2023 % Change |
|-------------------------------|----------------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| Revenues | -13,076,289 | -13,506,553 | 3.29% | -13,887,943 | 2.82% | -14,232,501 | 2.48% | -14,532,580 | 2.11% | -14,858,437 | 2.24% |
| Expenses | 10,023,926 | 9,392,129 | (6.34%) | 9,599,434 | 2.21% | 9,505,030 | (0.98%) | 9,658,850 | 1.62% | 9,738,121 | 0.82% |
| Net Expenses | -3,052,363 | -4,114,424 | 34.08% | -4,288,509 | 4.23% | -4,727,471 | 10.24% | -4,873,730 | 3.09% | -5,120,316 | 5.06% |
| Transfers to Capital/Reserves | 3,052,363 | 4,114,424 | 34.79% | 4,288,509 | 4.23% | 4,727,471 | 10.24% | 4,873,730 | 3.09% | 5,120,316 | 5.06% |
| Net Water/Wastewater | | | | | | | | | | | |

12 Capital Summary

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Department | | | | | |
| 160 Clerks | 120,000 | | | | |
| 200 Communications | | 13,000 | | | |
| 240 Corporate Allocations | | | | | |
| 260 Finance | 15,000 | 20,000 | | | |
| 280 Information Technology | 147,000 | 193,800 | 273,500 | 180,000 | 131,500 |
| 320 Economic Development & Cultu | | | | | |
| 340 Parks | 1,525,500 | 605,000 | 1,090,000 | 350,000 | 320,000 |
| 360 Recreation & Events | 75,000 | | 15,000 | 25,000 | |
| 380 Facilities | 876,100 | 1,305,000 | 2,772,000 | 394,000 | 2,825,000 |
| 440 Fire | | 8,700,000 | | 58,000 | |
| 460 Public Works | 4,277,800 | 5,768,800 | 6,763,800 | 4,846,800 | 4,593,800 |
| 620 Water | 2,156,500 | 2,070,700 | 8,223,000 | 1,524,360 | 2,273,000 |
| 630 Wastewater | 573,500 | 423,700 | 654,200 | 143,360 | 66,000 |
| 780 Library Services | 254,000 | 255,675 | 286,500 | 222,500 | 265,660 |
| 790 Police | 57,500 | 195,000 | 122,000 | 89,500 | |
| Total Investment in Capital | 10,077,900 | 19,550,675 | 20,200,000 | 7,833,520 | 10,474,960 |
| Less: Funding Sources | | | | | |
| Gas Tax - Federal | 876,717 | 876,717 | 916,568 | 916,568 | 956,419 |
| Gas Tax - Provincial | | | | | |
| Development Charges | 820,533 | 2,239,400 | 6,446,148 | 73,000 | 659,000 |
| Reserves/ Reserve Funds | 710,750 | 1,349,064 | 357,000 | 469,500 | 369,500 |
| Water Rates | 1,783,967 | 2,045,700 | 4,490,000 | 1,947,360 | 2,372,000 |
| Wastewater Rates | 895,318 | 987,700 | 943,265 | 463,360 | 698,000 |
| Grant | 1,183,848 | 816,152 | 980,752 | 168,965 | 1,271,614 |
| Financing | 1,000,000 | 8,000,000 | 2,500,000 | | |
| Other | 60,000 | | 25,000 | | |
| Total Other Funding Sources | 7,331,133 | 16,314,733 | 16,658,733 | 4,038,753 | 6,326,533 |
| Net Tax Levy Impact | 2,746,767 | 3,235,942 | 3,541,267 | 3,794,767 | 4,148,427 |

Reserves - Forecast

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Obligatory Reserves | 14,146,266 | 14,835,473 | 11,502,631 | 15,179,529 | 17,491,704 |
| Development charges | 12,599,174 | 13,226,838 | 9,666,313 | 12,591,600 | 14,943,147 |
| Other Obligatory Reserves | 1,547,092 | 1,608,635 | 1,836,318 | 2,587,929 | 2,548,557 |
| Discretionary Reserves | 15,269,345 | 18,176,688 | 22,371,514 | 26,676,647 | 31,607,401 |
| General Capital | 8,805,566 | 11,019,898 | 14,028,216 | 17,453,700 | 21,304,694 |
| Fleet and Equipment | 973,222 | 712,256 | 1,107,478 | 1,517,103 | 1,877,322 |
| Parks & Recreation | 1,061,981 | 1,152,378 | 1,244,582 | 1,338,631 | 1,434,561 |
| Winter Control | 728,413 | 728,413 | 690,913 | 540,913 | 540,913 |
| Information Systems | 220,198 | 340,198 | 460,198 | 580,198 | 700,198 |
| Rate Stabilization | 989,051 | 1,339,051 | 1,689,051 | 2,039,051 | 2,389,051 |
| General Insurance | 1,199,853 | 1,406,611 | 1,535,522 | 1,578,801 | 1,578,801 |
| Other Discretionary Reserves | 1,291,061 | 1,477,883 | 1,615,554 | 1,628,250 | 1,781,861 |
| Water/ Wastewater Reserves | 9,593,939 | 11,500,448 | 11,460,172 | 14,667,006 | 17,533,317 |
| Water | 5,811,025 | 6,753,292 | 5,445,060 | 6,800,035 | 7,856,338 |
| Wastewater | 3,782,914 | 4,747,156 | 6,015,112 | 7,866,971 | 9,676,979 |
| Total | 39,009,550 | 44,512,609 | 45,334,317 | 56,523,182 | 66,632,422 |

Long Term Debt

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Budgeted Opening Balance | -32,832,403 | -31,455,590 | -36,809,117 | -36,360,318 | -33,298,652 |
| New Financing | -1,000,000 | -8,000,000 | -2,500,000 | | |
| Budgeted Debt Principal Payments | 2,376,813 | 2,646,473 | 2,948,799 | 3,061,666 | 2,871,116 |
| Budgeted Debt Interest Payments | 1,203,125 | 1,430,001 | 1,416,063 | 1,306,543 | 1,196,923 |
| Total Debt Service Charges | 3,579,938 | 4,076,474 | 4,364,862 | 4,368,209 | 4,068,039 |
| Receipts from BIA | -88,625 | -88,625 | -88,625 | -88,624 | -88,625 |
| Net Town's Debt Service Charge | 3,491,313 | 3,987,849 | 4,276,237 | 4,279,585 | 3,979,414 |
| Budgeted Ending Balance | -31,455,590 | -36,809,117 | -36,360,318 | -33,298,652 | -30,427,536 |

Budget Packages and Budget Meeting Schedule

- ▶ 1st Draft Budget Documents will be posted to the Town's website on **Monday, December 17th** and will be located here:
 - ▶ <http://www.orangeville.ca/treasury>
- ▶ Link to documents will be emailed to Council
- ▶ Email budgetquestions@orangeville.ca with any budget questions
- ▶ Budget Deliberations Schedule (7:00pm start):
 - ▶ Monday, January 21, 2019 – 1st Draft Operating
 - ▶ Tuesday, January 22, 2019– 1st Draft Capital
 - ▶ Tuesday, January 29, 2019 – 2nd Draft Budget (if needed)
 - ▶ Monday, February 4, 2019 – 3rd Draft Budget (if needed)
 - ▶ Tuesday, February 12, 2019 – 4th Draft Budget (if needed)
 - ▶ Monday, March 4, 2019 – if needed

Questions?