

Town of Georgina Long Range Financial Plan Council Information Session




Wednesday, November 4th, 2015

HEMSON
Consulting Ltd.



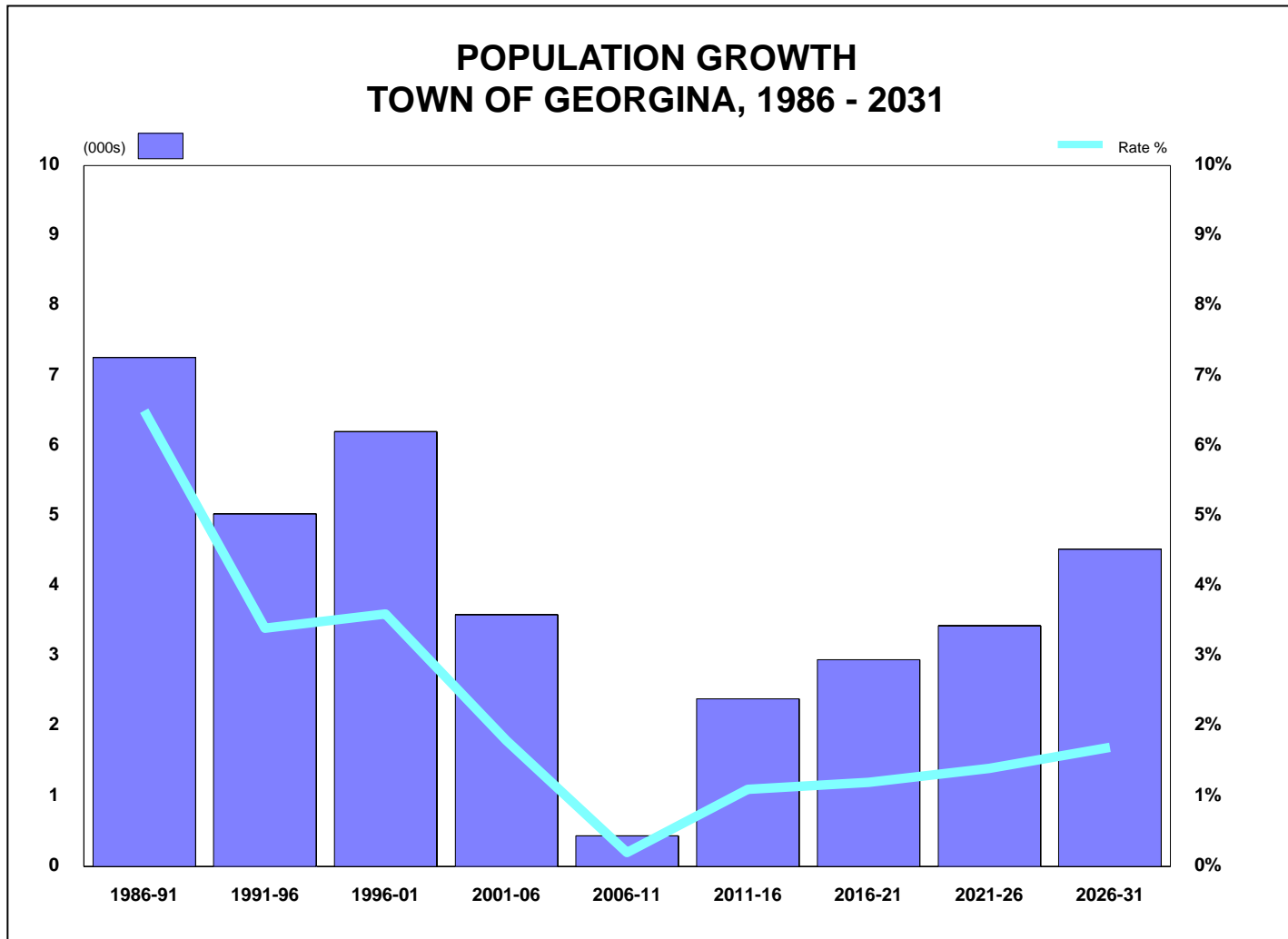
Topics

1. Demographic & Socio-Economic Conditions
2. Current Financial Position
3. Policies for Consideration
4. Next Steps



Demographic & Socio-Economic Conditions

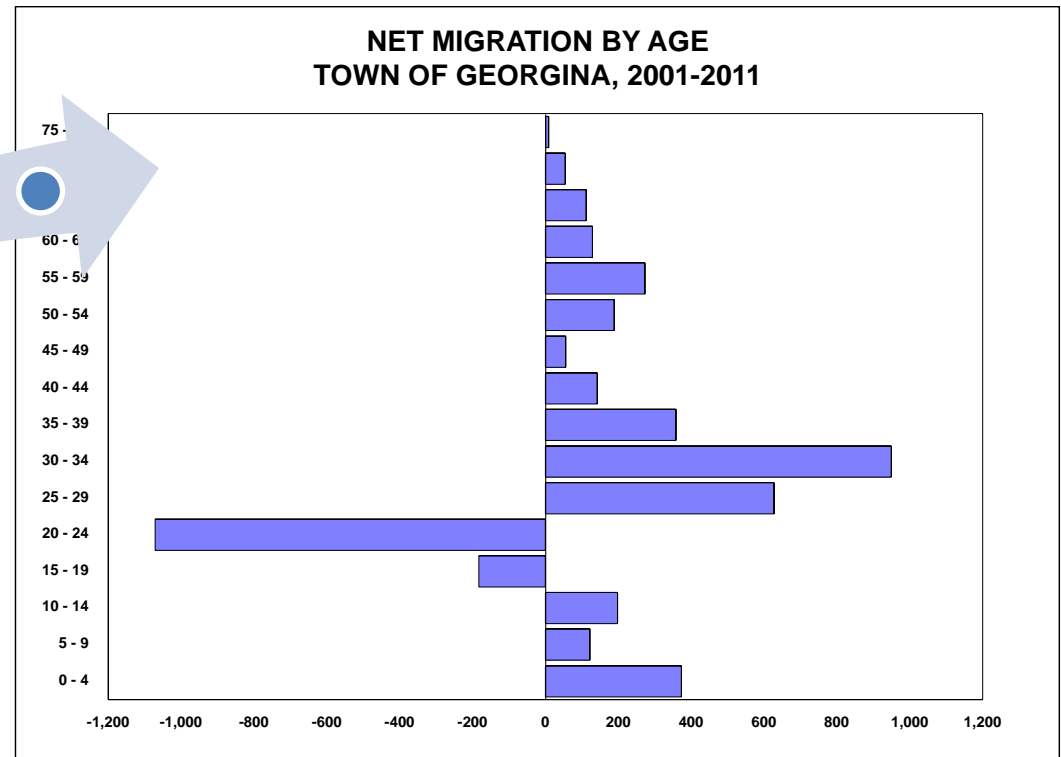
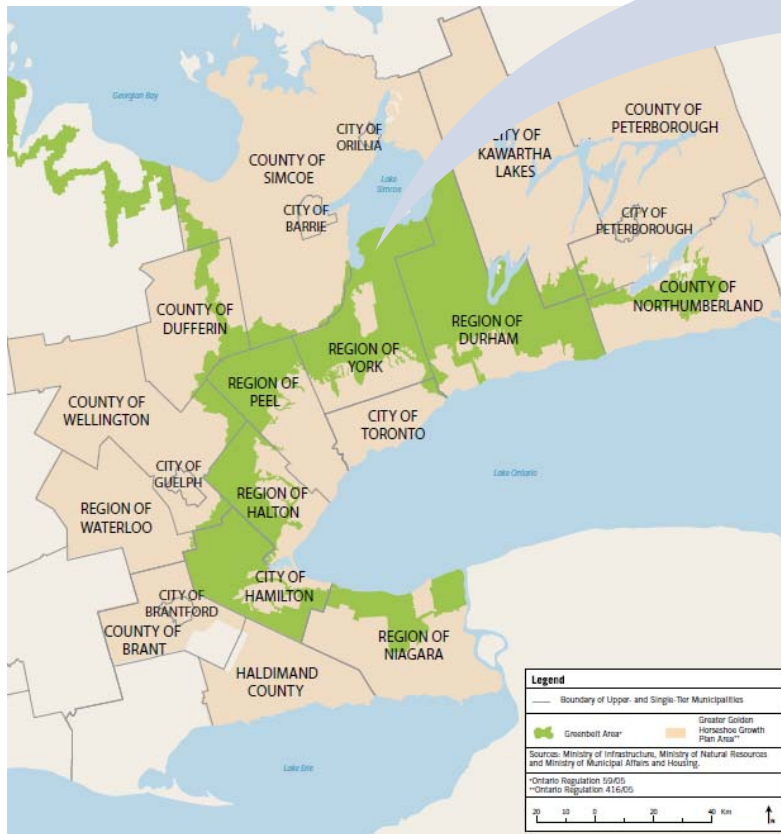
Population a Key Driver of Municipal Expenditures



Source: Hemson Consulting Ltd. based on Statistics Canada data.

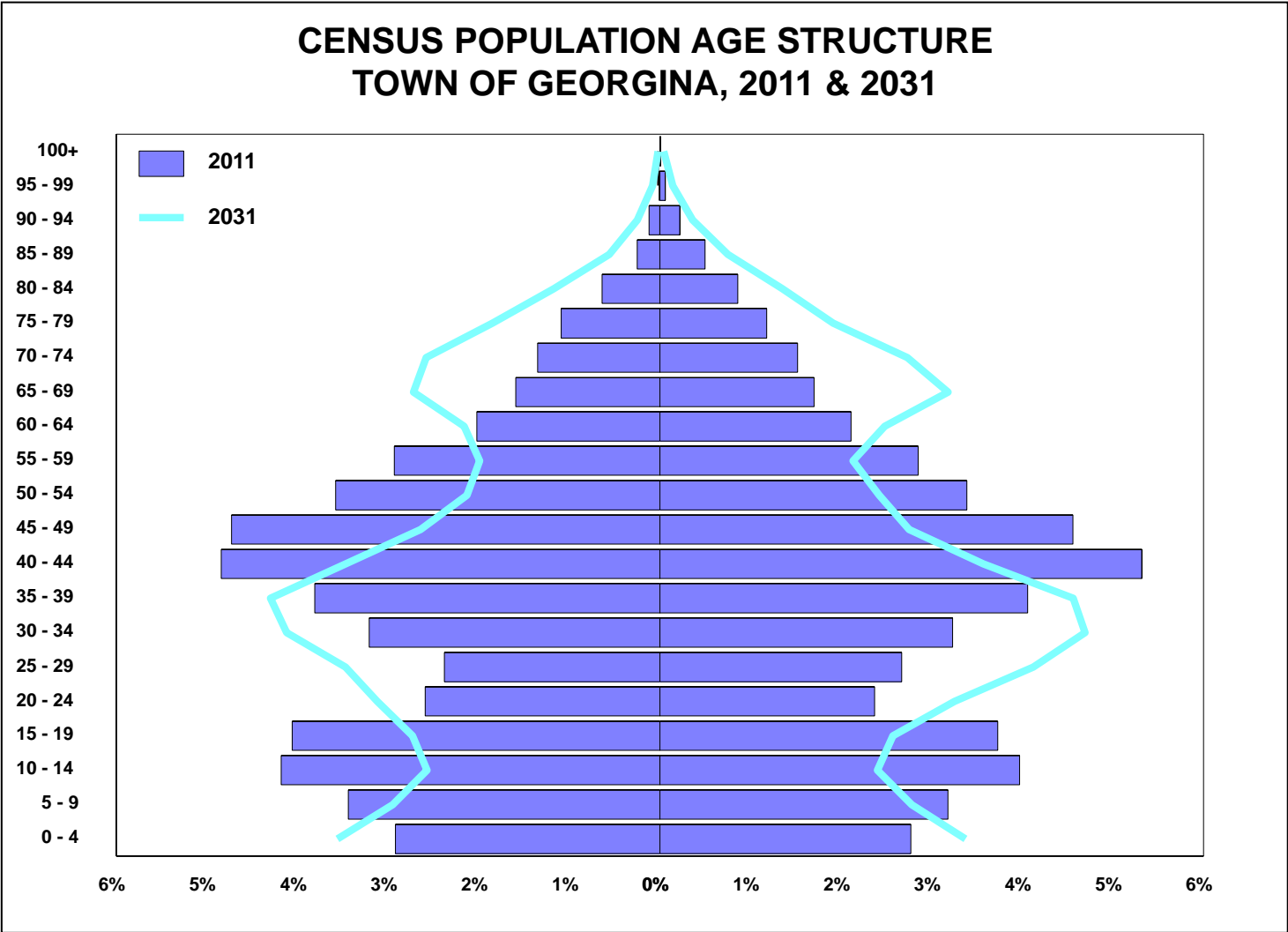
Population Growth Driven Mainly By Migration From Southern GTA

Outflow among late teens & young adults



Source: Hemson Consulting Ltd. based on Statistics Canada data.

Age An Important Factor For Municipal Service Demand



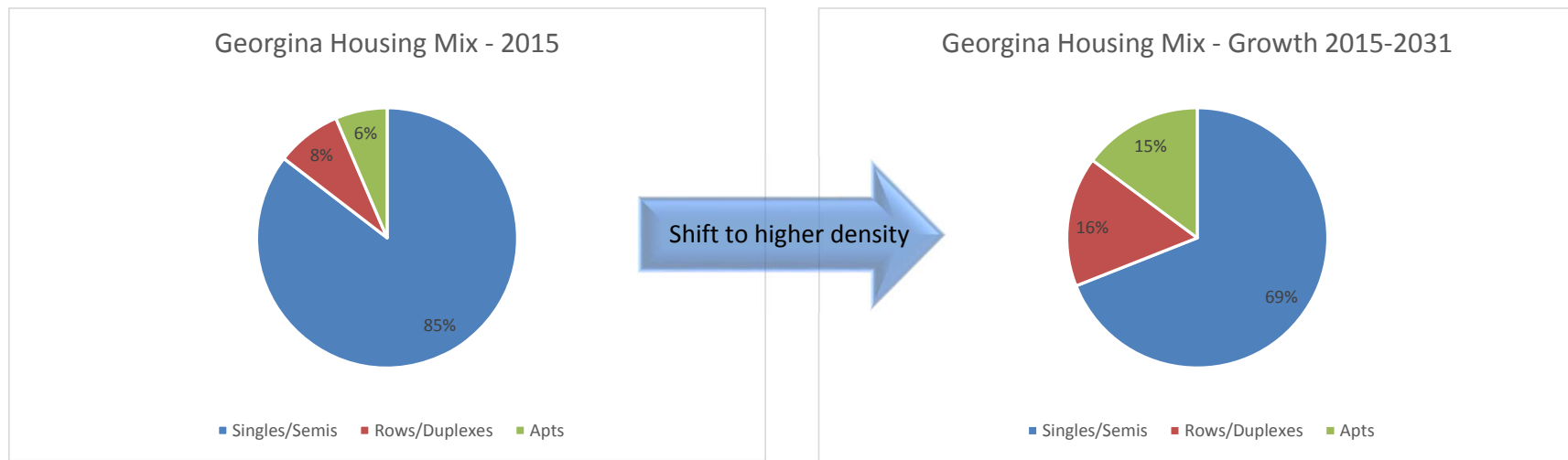
Source: Hemson Consulting Ltd. based on Statistics Canada data.



Most New Housing To Be In Keswick

Service Area	New Dwellings 2015-2031	
Keswick	3,280	68%
Sutton (High Street)	1,000	21%
Sutton (Remainder)	157	3%
Remainder of Town	422	9%
Total	4,859	100%

Source: Hemson Consulting Ltd., based on 2011 Georgina DC Study

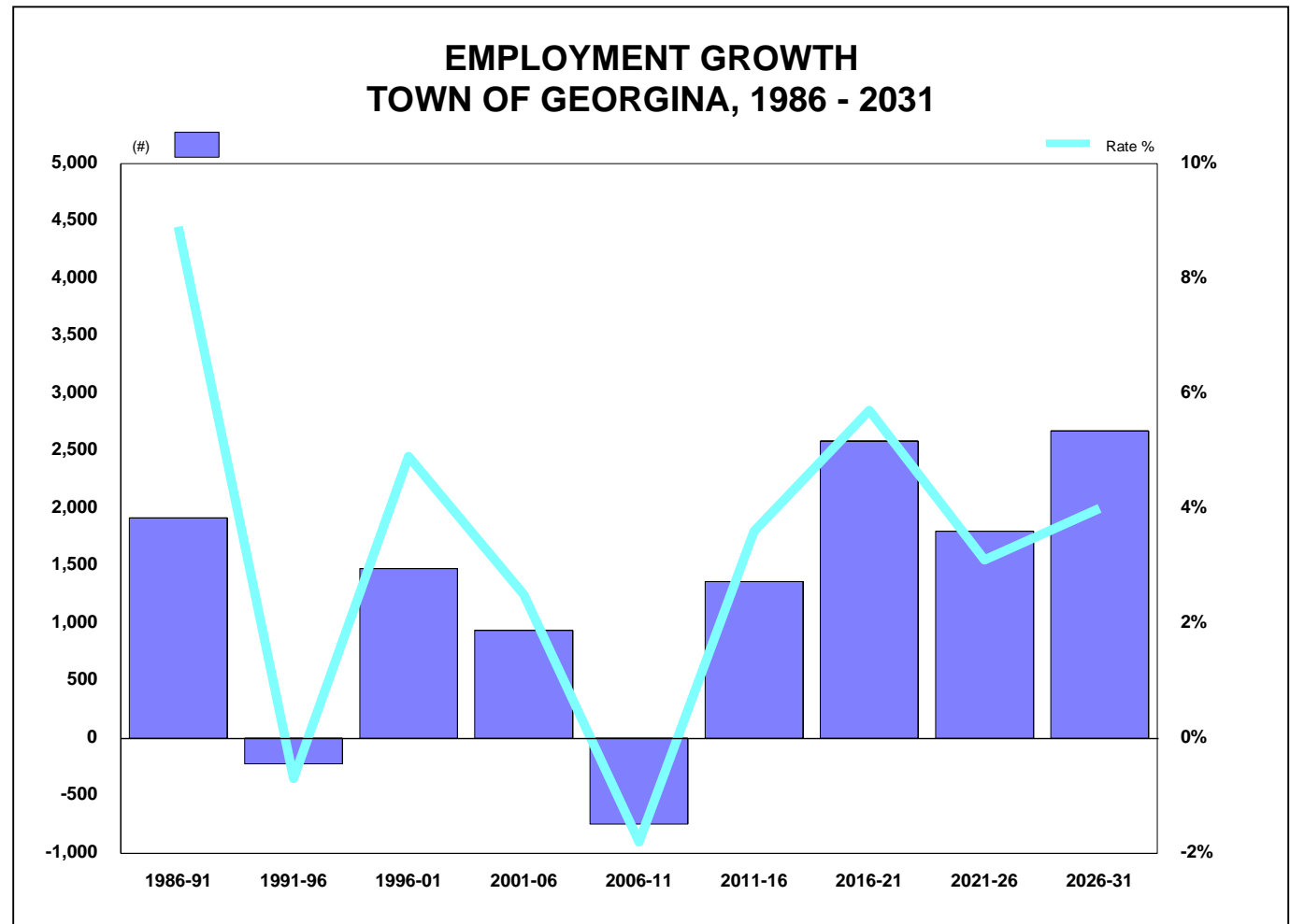


Region Planning for Greater Employment Growth in Georgina

Forecast Job Growth 2015-2031

7,440 jobs

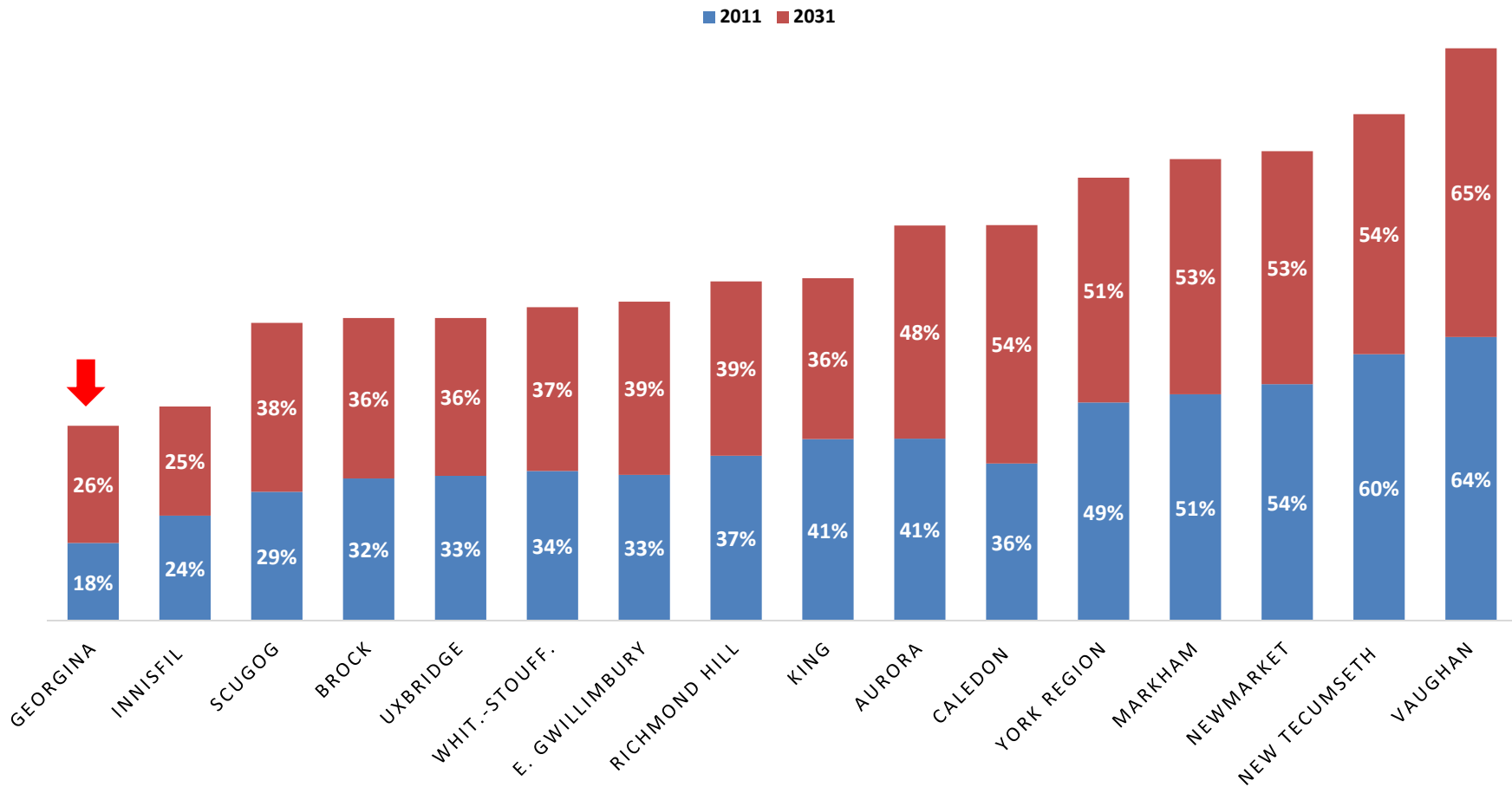
- 27% population-related
- 74% on employment lands (vast majority in Keswick)



Source: Hemson Consulting Ltd. based on Statistics Canada data.

Georgina Plans are for a More "Complete Community"

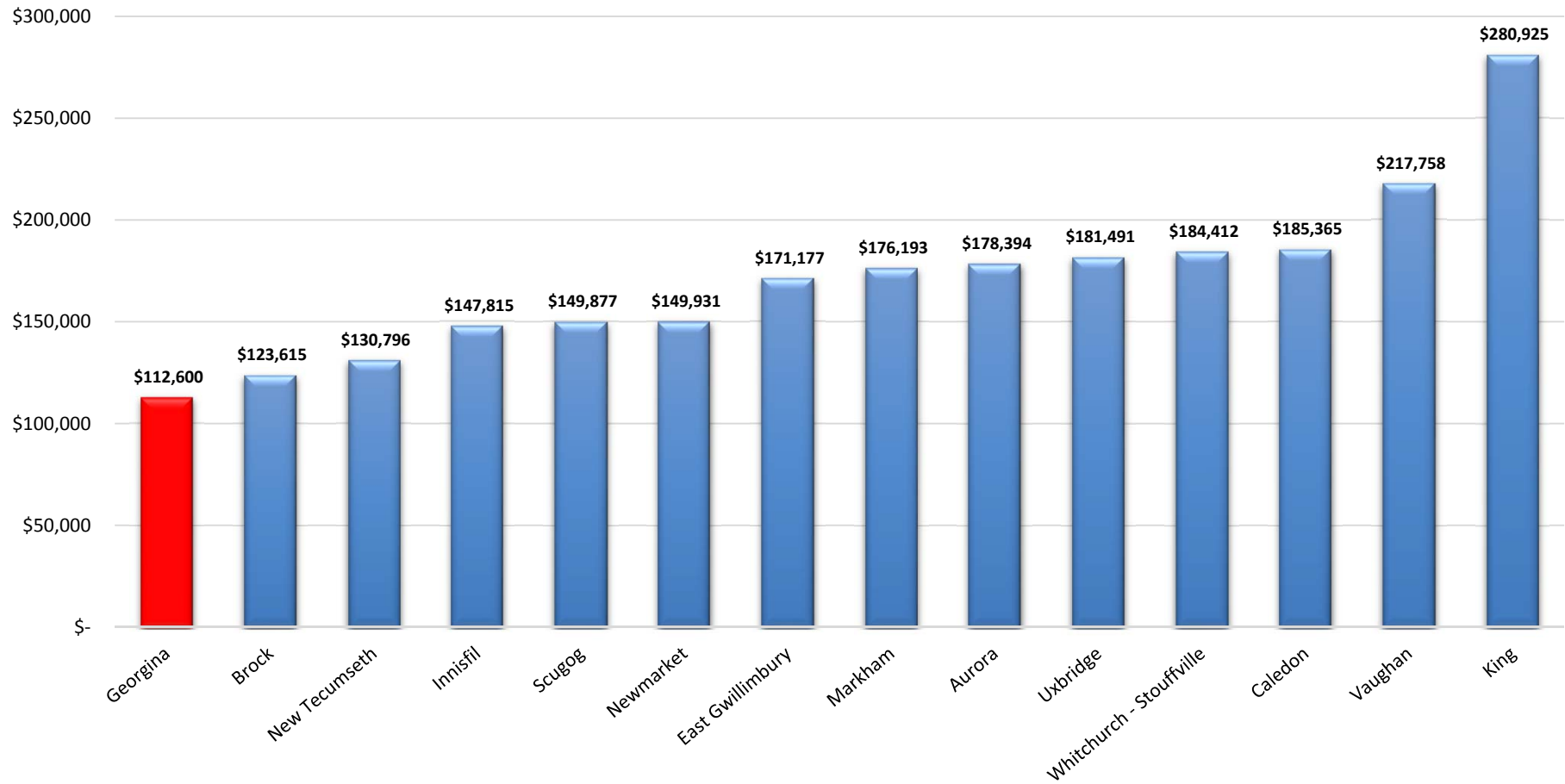
Activity Rates (Ratio of Jobs to People)



Source: Hemson Consulting based on Statistics Canada data.

Georgina Has a More Rural Assessment Base...

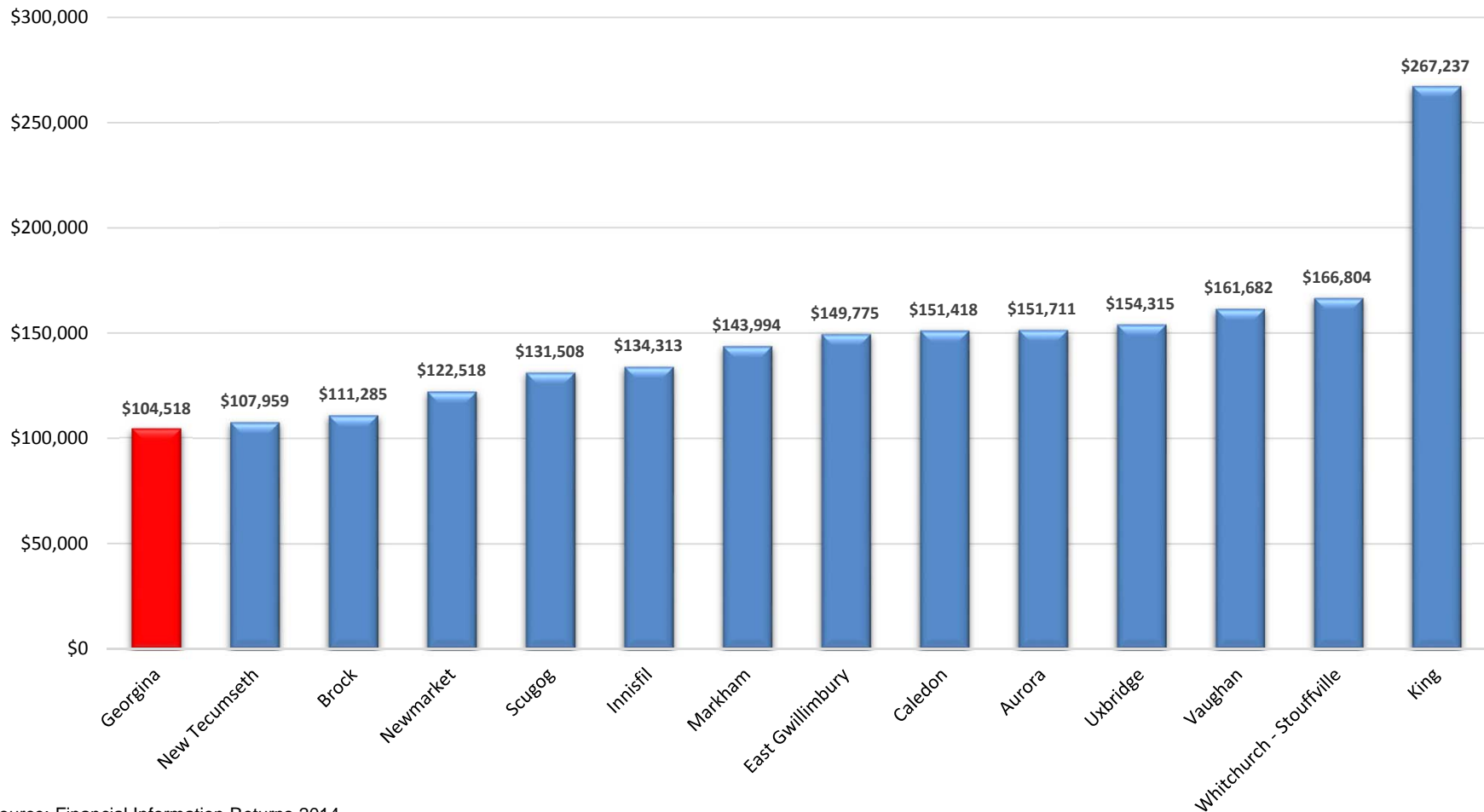
Weighted Total Assessment Per Capita (2014)



Source: Financial Information Returns 2014.

... Driven By Relatively Lower Value Homes

Weighted Residential Assessment Per Capita (2014)



Source: Financial Information Returns 2014

Assessment Base Profile

Georgina has a comparatively high proportion of residential assessment

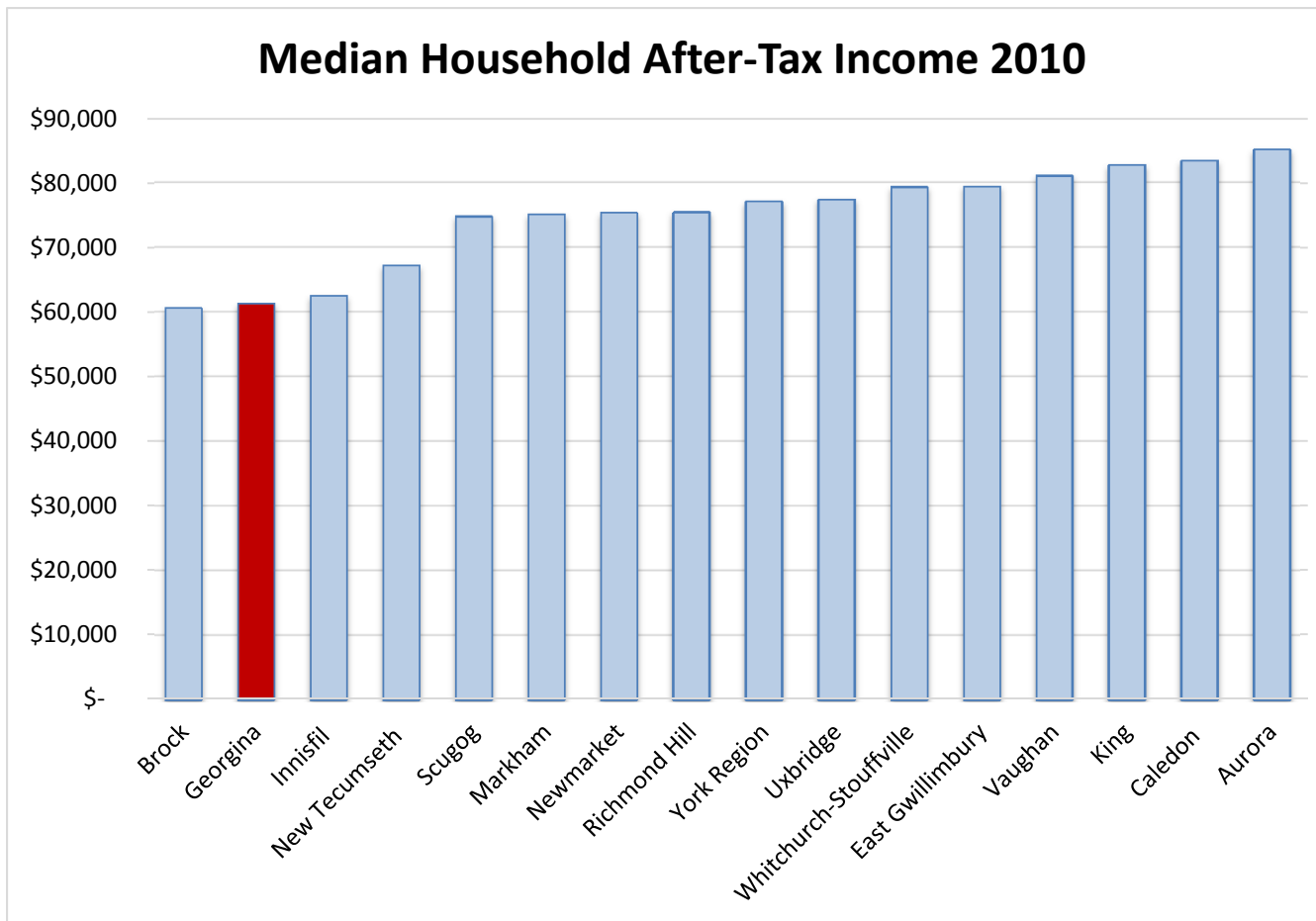


Property Class	Georgina % Unweighted Assessment	York Region % Average Unweighted Assessment ¹
Residential (inc. Farm)	93.4%	86.1%
Commercial	6.1%	11.8%
Industrial	0.4%	1.9%
Other	0.2%	0.1%
Total	100.0%	100.0%

Source: Financial Information Returns 2014.

¹ Excludes the Town of Richmond Hill (2014 FIR Information is not available)

After-Tax Household Income Reflects Town's Smaller Rural Nature



After-Tax Income an indicator of:

- Municipal revenue security
 - Ability to pay residential property taxes
 - Credit rating
- Demand for Town services

Source: Statistics Canada, National Household Survey 2011

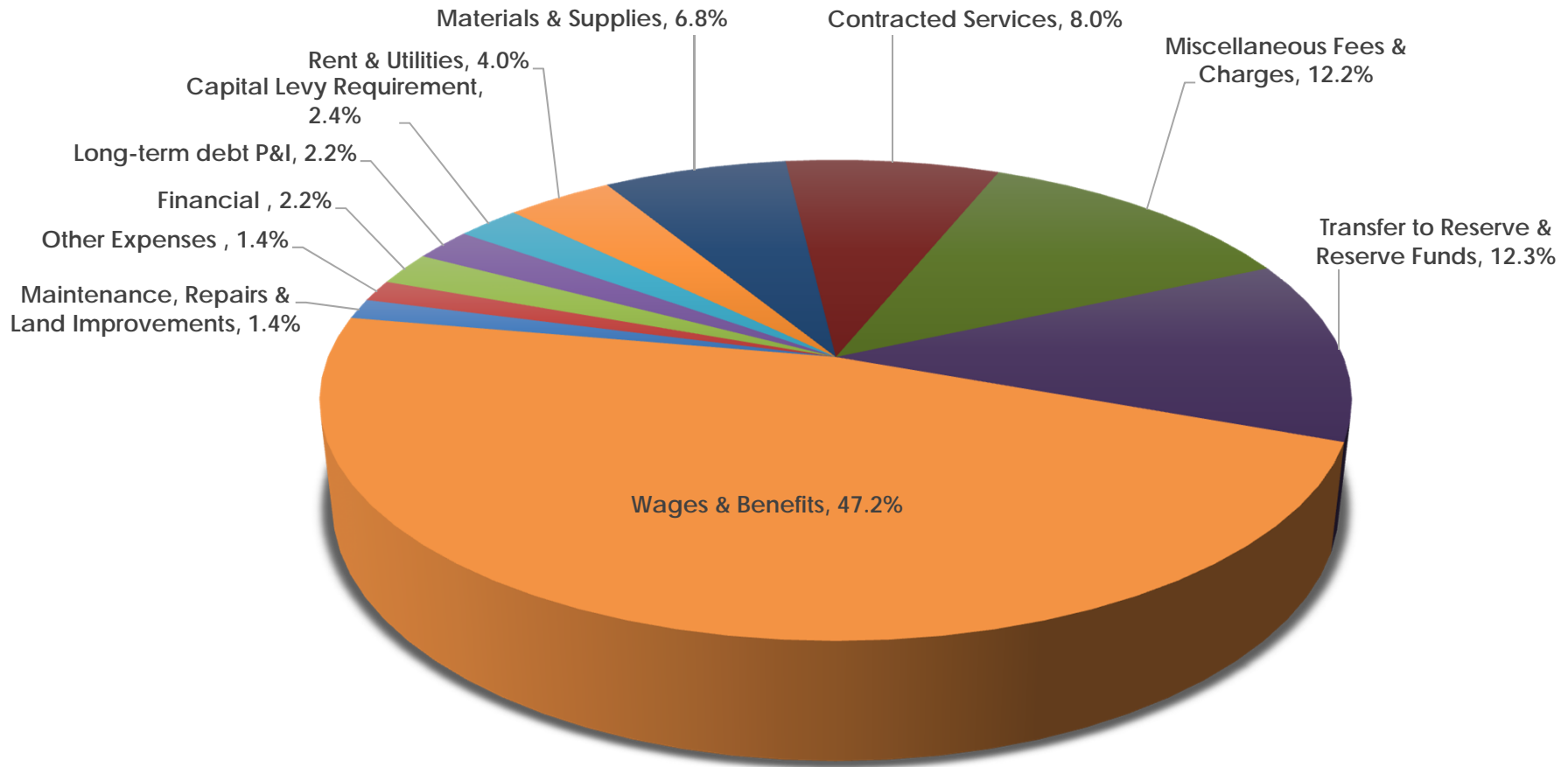
Growth Can Bring Positive Change to Georgina

- High demand for housing = richer assessment moving forward
 - \$450,000 for new singles/semis
 - \$350,000 for new rows
- Regional and Local policies to encourage “complete communities” means
 - more jobs
 - better assessment mix (non-residential development generally = less demand for municipal services)
- Forecast heavily dependent on development of Keswick employment lands



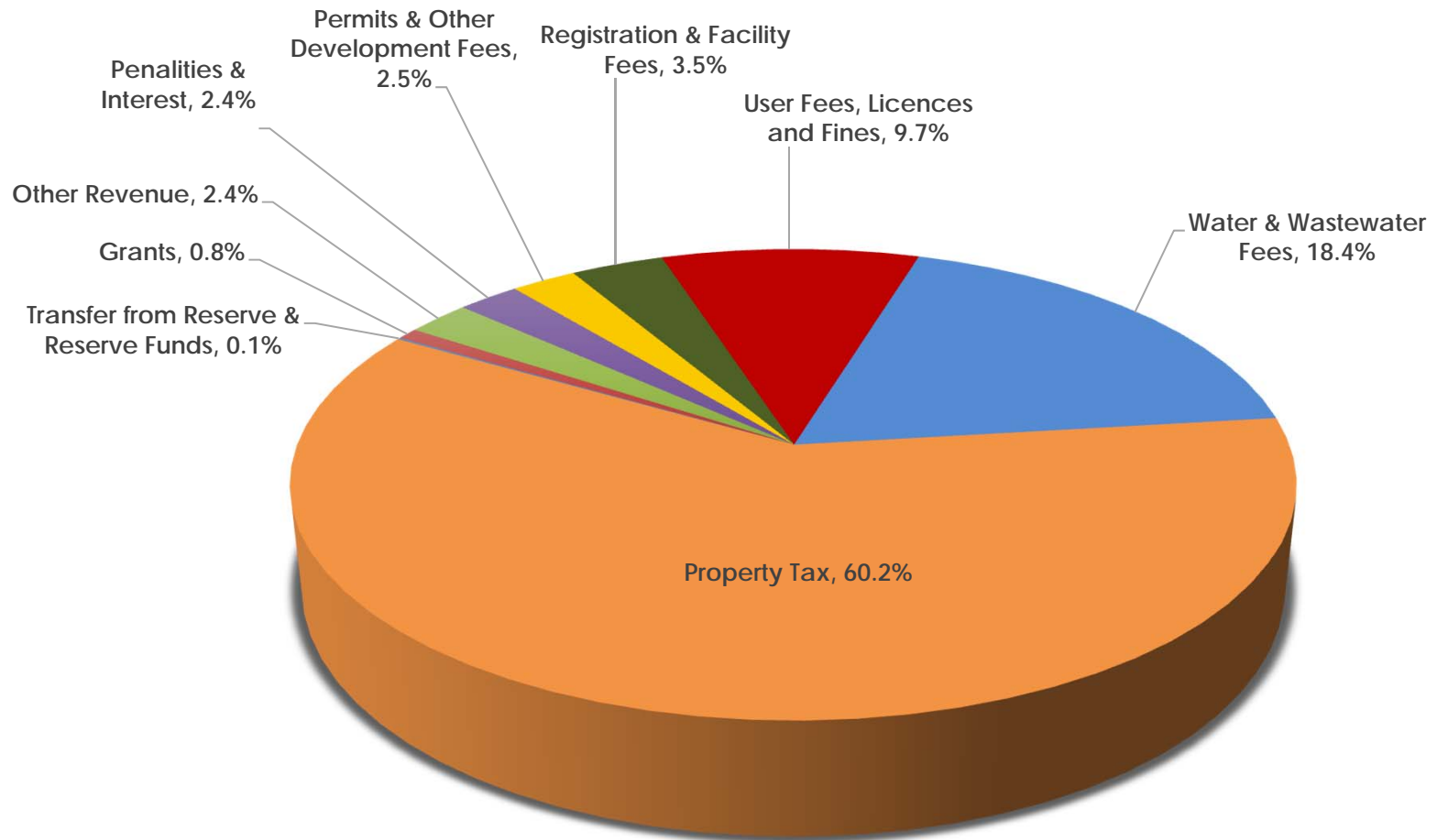
Current Financial Position

2015 Operating Budget Expenditures by Account Category



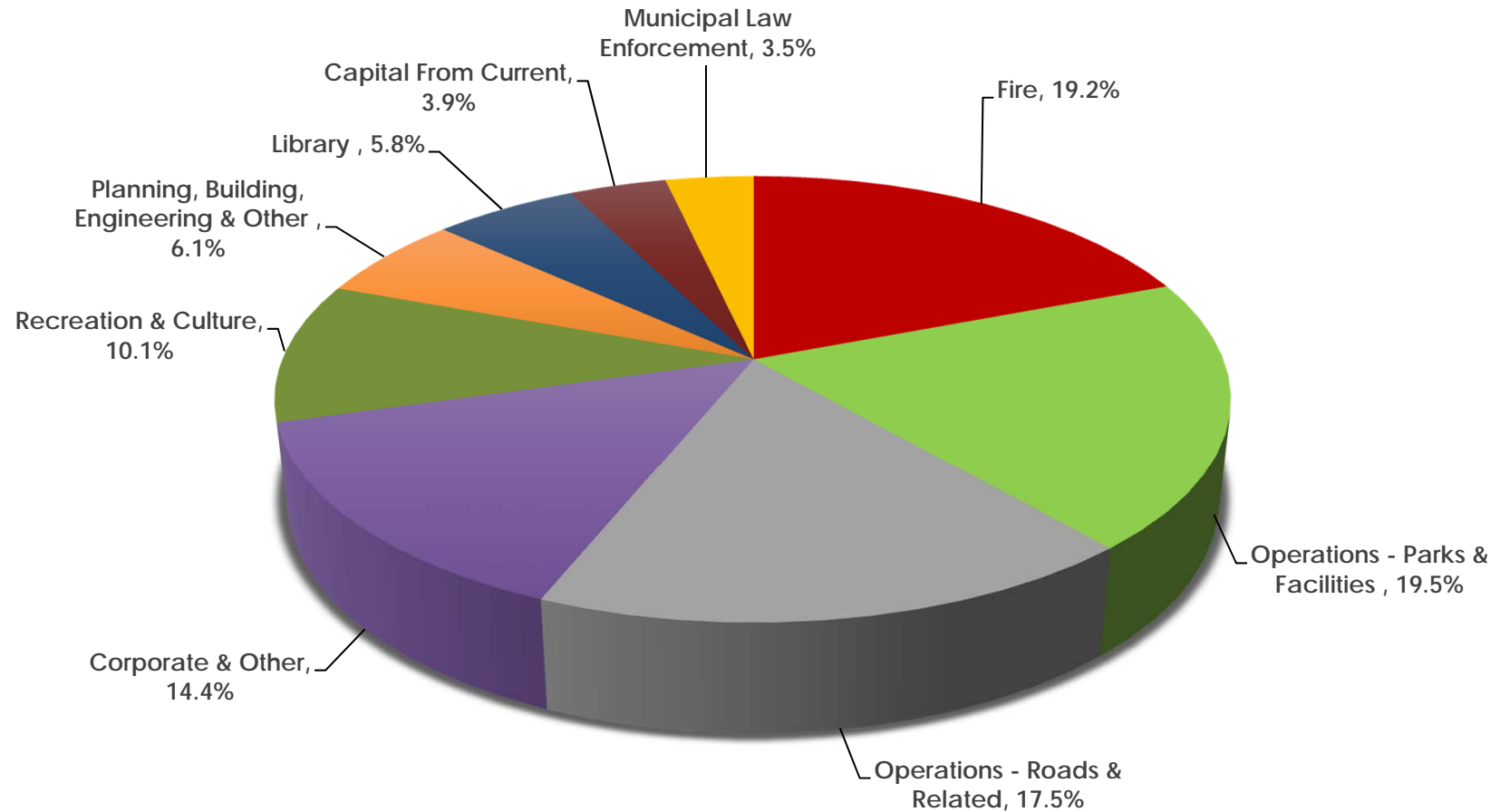
Total Expenditures = \$57.7M

2015 Operating Budget Revenues by Account Category



Total Revenues = \$57.7M

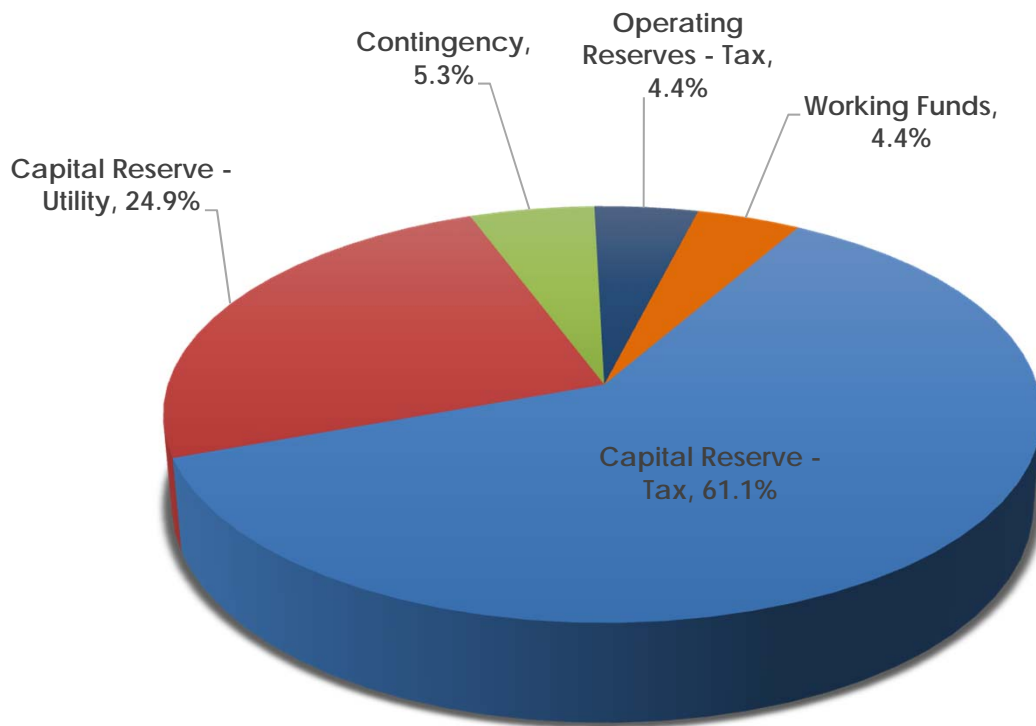
2015 Tax Levy Requirement by Department Grouping



Total Tax Levy Requirement: \$34.6M

Current State of Reserves

2015 Cumulative Reserves Opening Balance: \$26.7M



Reserve Highlights

Capital Reserve – Tax

- Equipment Replacement Roads = \$1.9M

Capital Reserve – Utility

- Sanitary Sewers – Lifecycle = \$2.7M

Contingency

- Revenue/ General Fund = \$1.3M

Operating Reserves – Tax

- Accessibility = \$0.5M

Working Fund

- Working Fund = \$1.2M

Note:

- 1) 2015 "working funds" include provision for tax rate stabilization
- 2) Does not include Obligatory Reserves such as DC reserve funds.

Georgina has Comparatively Moderate Reserves

Municipality	Total Reserves per Capita ¹	Total Reserves per Household ¹	Total Reserves to Expenditure Ratio ^{1,2}
King	\$1,179	\$3,362	0.64
Innisfil	\$1,046	\$2,510	0.66
Aurora	\$982	\$3,072	0.77
Vaughan	\$767	\$2,614	0.59
Brock	\$916	\$2,076	0.95
Whitchurch - Stouffville	\$633	\$1,832	0.56
Georgina	\$613	\$1,650	0.61
East Gwillimbury	\$608	\$1,657	0.49
Markham	\$594	\$2,001	0.59
Newmarket	\$546	\$1,643	0.45
Caledon	\$531	\$1,668	0.51
Scugog	\$513	\$1,271	0.58
New Tecumseth	\$442	\$1,185	0.30
Uxbridge	\$399	\$1,044	0.50

Source: Financial Information Return 2014: Schedule 60

¹ Total Reserves = Gas Tax + Discretionary Reserves + Reserves

² Includes water and sewer

Georgina has Comparatively Moderate Debt

Municipality	Outstanding Debt per Capita	Outstanding Debt per Household	Debt as Share of Gross Expenditure	% of Debt Limit Used ¹
New Tecumseth	\$1,582	\$4,245	11%	7%
King	\$894	\$2,550	10%	9%
Innisfil	\$812	\$1,949	6%	4%
Whitchurch - Stouffville	\$758	\$2,195	6%	5%
Newmarket	\$497	\$1,495	5%	4%
Georgina	\$248	\$667	4%	3%
Caledon	\$237	\$743	4%	8%
Vaughan	\$224	\$762	3%	2%
Brock	\$121	\$274	1%	2%
Aurora	\$76	\$239	3%	2%
Markham	\$42	\$140	0%	0%
Scugog	\$18	\$44	0%	0%
East Gwillimbury	\$2	\$5	0%	0%
Uxbridge	\$0	\$0	0%	0%

Source: Financial Information Returns 2014

¹ Provincial Debt Limit is 25% of own source revenue

Debt payments for 2015 = **\$1.3 million** related to the Willow Beach Water & Wastewater project



Policy Considerations

Decision to do a Financial Plan is Timely

- **Opportunities:**
 - Rapid growth
 - Increase assessment
 - Achieve “Complete Community”
 - Address funding gaps
- **Challenges:**
 - Reliance on Keswick employment
 - Few funding options
 - Asset management

Policies for Consideration

1. Reserves & Reserve Funds
2. Debt Management Fiscal Policy
3. Capital Budget Process (Multi-Year Budget Approval And Tax Rate Strategy)
4. User Fees & Charges Policy
5. Better Balance of Assessment