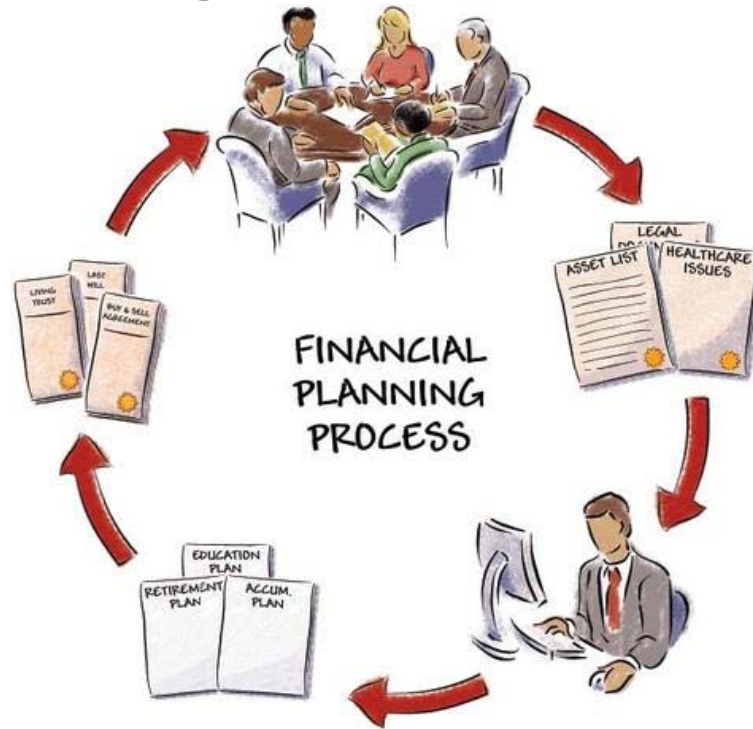


Town of Georgina Long Range Financial Plan



Wednesday, May 31, 2017

Long Range Financial Plan

Adopted by Council in principal in December 2016

- High level overview of Town's future financial position
- Tool to identify future financial challenges before they arise
- Includes within next ten years:
 - ✓ **MURC \$30.7M**
 - ✓ **CIVIC CENTRE \$25.0M**
 - ✓ **FIRE HALLS \$17.7M**
- Not included:
 - ✓ West Park redevelopment \$7.0M?
 - ✓ Major roads reconstruction - Duclos Road and Smith Blvd.
 - ✓ Harbour front redevelopment
 - ✓ Updated cost estimate for The Link Phases 2 and 3

Fiscal Base

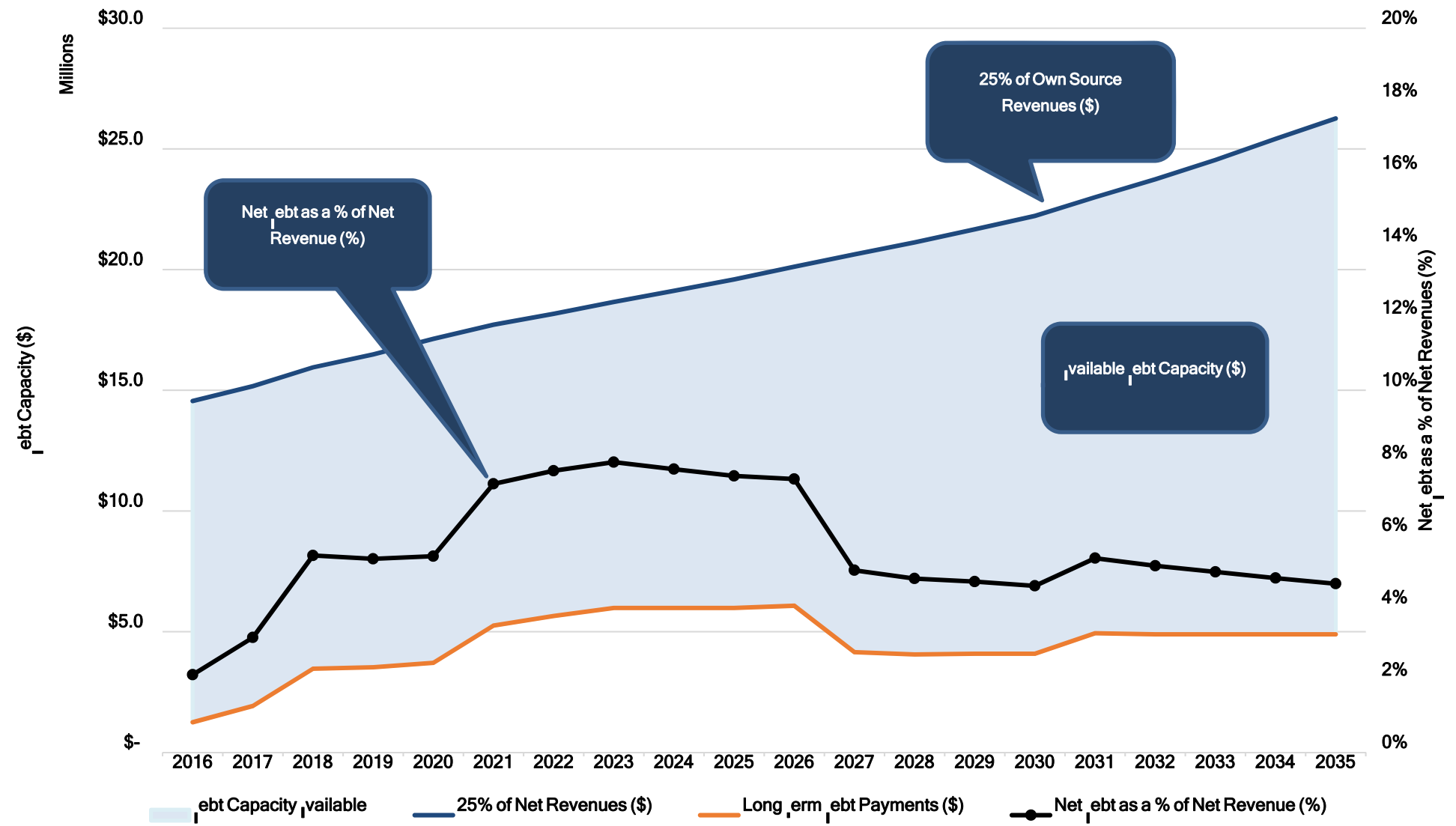
Georgina has a strong fiscal base

- **Current financial state is very good**
- **No tax levy supported debt at this time**
- **Strong development activity**
- **Healthy assessment ratio**
- **Comparatively low property taxes**
- **Substantive debt capacity**



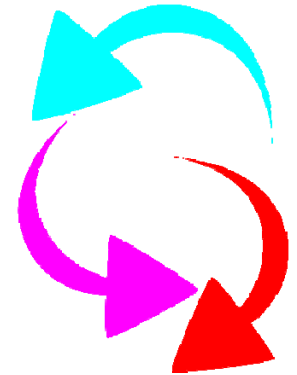
Debt Capacity: All Town Services

Long term debt Payments and Remaining debt Capacity 2016-2035 (All departments)



Risk Variables

- **Model does not include:**
 - **inflation**
 - **service level changes / emergency mitigation**
 - **collective agreement settlements**
 - **Provincial labour law legislation**
- **Growth estimates may not occur at the same rate as forecast (timing of DC receipts)**
- **Interest rates**
- **Capital cost estimates are preliminary**
- **Useful life term of the capital asset is estimated**
- **Economic downturn or slow down**
- **Demographic of young families with very high mortgages**



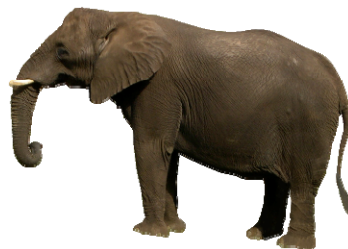
Funding Gap

“Funding gap” —difference between:

- Required to be funded from the property tax levy
- The property tax revenue that would be raised under current tax rates

Closing the funding gap:

- **Contribute +1% of previous year’s total tax levy to Capital (through current year expenses and/or to Reserves)**
- **Modify the capital program**
- **Increase debt**
- **Delay capital works**
- **Property tax increases**
- **Realign service levels**



Capital Projection



Capital projection includes

- growth-related capital
- non-growth related and non-DC fundable capital
- includes identified asset repair and replacement needs (facility condition assessments)

Funding for capital to be provided from

- development charges
- reserves and reserve funds
- capital contributions from taxation
- grants and subsidies (includes Gas Tax)

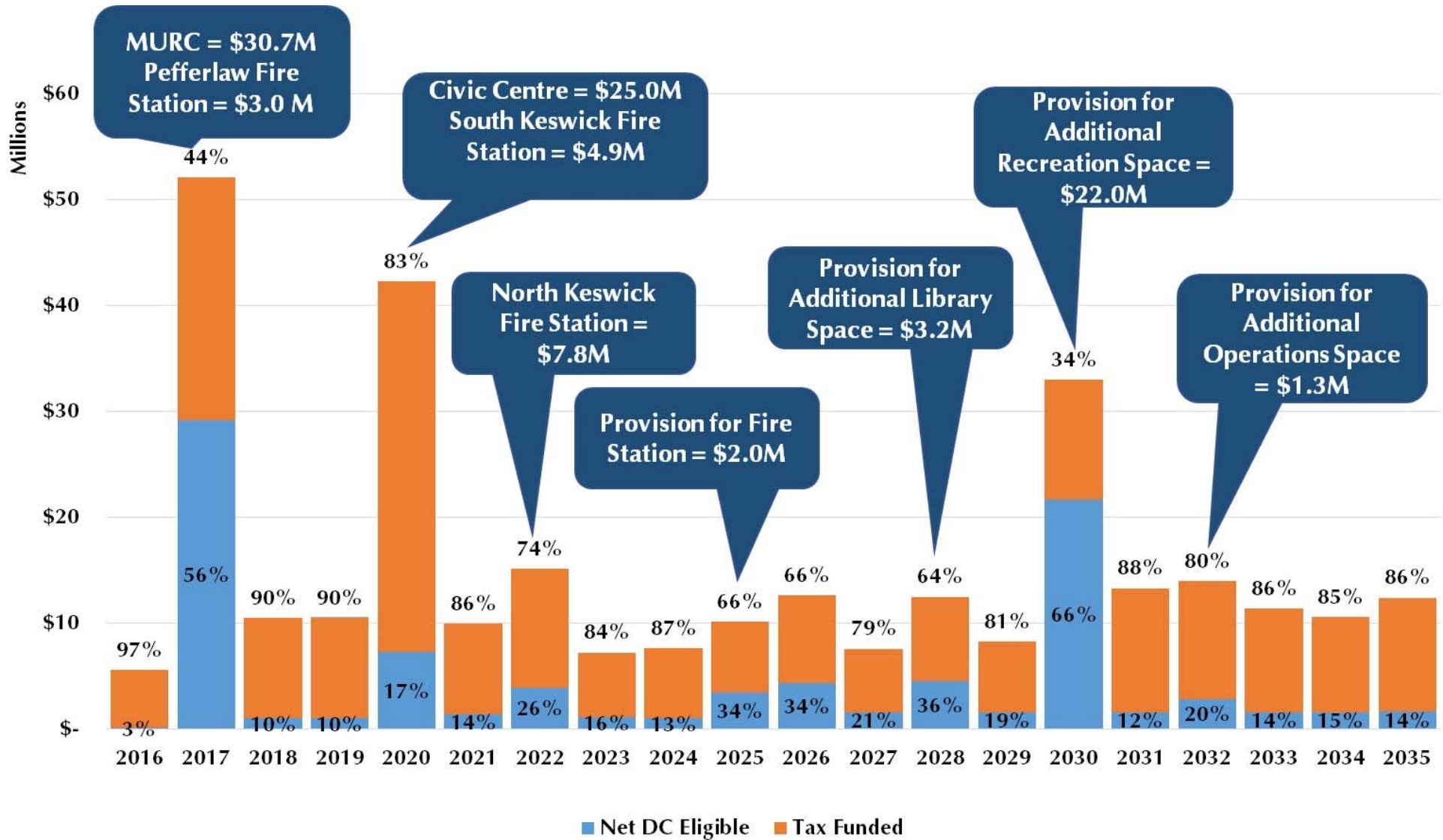
Financing

- long-term debt

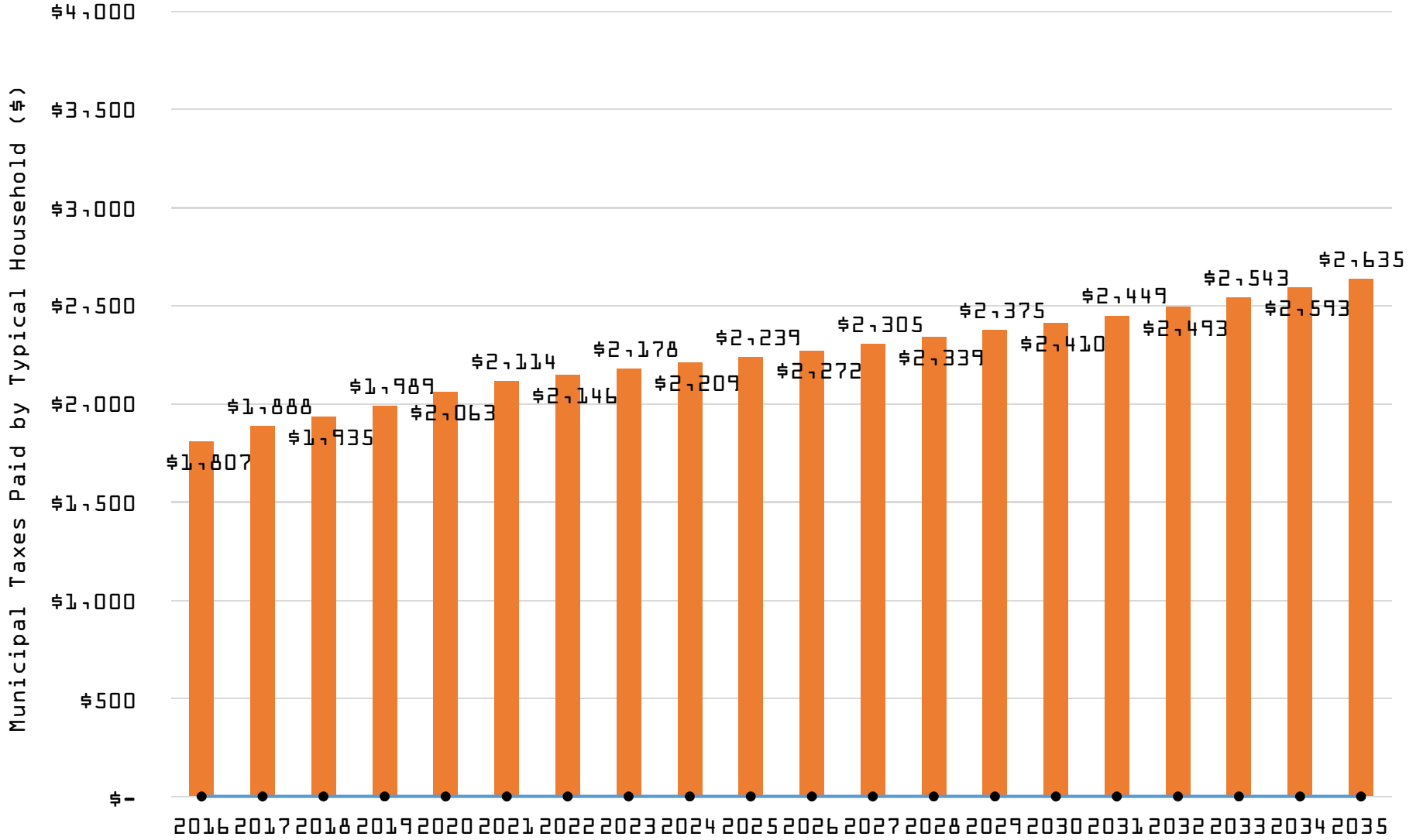


Forecast Net Capital Spending 2016-2035

= \$307.1 M



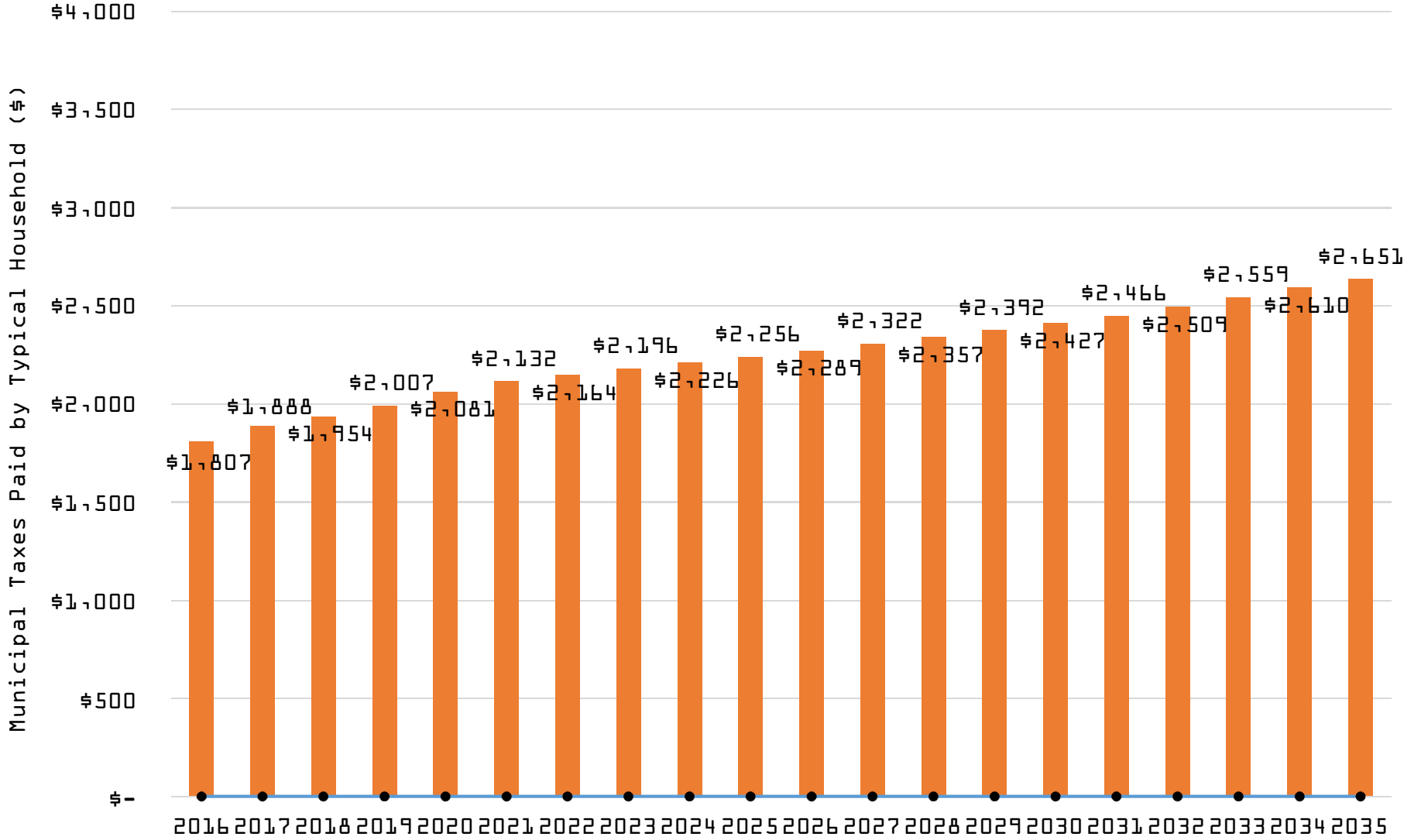
Municipal Taxes Paid by Typical Household



Real Property Tax Forecast

- **Real property tax increase average:**
 - **10-year average = 2.41%**
 - **20-year average = 2.01%**
- **Short-term tax pressure largely due to new facilities**
 - **MURC, Civic Centre, Fire stations**
- **2018 Budget pressure = 2.50%**

West Park Scenario: Municipal Taxes Paid by Typical Household



Real Property Tax Forecast (Including West Park Redevelopment)

- Real property tax increase average:
 - 10-year average = 2.50%
 - 20-year average = 2.04%
- Short-term tax pressure largely due to new facilities
 - MURC, Civic Centre, Fire stations
- West Park Redevelopment estimated at \$7.0M
 - \$1.3M cash-in-lieu of parkland dedication is available in the reserve fund
- 2018 Budget pressure 3.47%

Questions ?