



# DRAFT 2021 BUDGET



Town of Georgina

October 21, 2020

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# 2021 DRAFT BUDGET AT A GLANCE

## 2021 Draft Budget for the Town of Georgina:

- |  |                     |
|--|---------------------|
| • Operating Expenditures               | \$68,661,970        |
| • Reserve Contributions                | <u>\$ 9,387,700</u> |
| • Total Operating Budget               | \$78,049,670        |
| • New Capital Projects                 | \$ 8,320,600        |
| • Carry Forward MURC Cash Flow         | \$19,025,140        |
| • Carry Forward Civic Centre Cash Flow | \$14,304,670        |
| • Carry Forward Capital Projects       | <u>\$26,377,270</u> |
| • Total Capital Budget                 | \$68,027,680        |
- The 2021 Draft Budget includes:
    - Requests for two new operating initiatives
    - Requests for thirty three new capital projects
    - Requests for three temporary staffing

# 2021 DRAFT BUDGET AT A GLANCE

Revenues	
Tax Levy	(45,758,130)
Wastewater	(7,164,130)
Water	(6,748,820)
User Fees, Lease and Rental	(3,835,700)
Misc Revenues	(2,970,670)
Development Fees	(2,622,830)
Library Grant	(2,530,040)
Provision from Reserve	(2,393,650)
Local Improvements	(1,557,940)
Capital Recovery	(1,094,650)
Region or other Munic	(717,040)
Donations & Grants	(221,370)
<b>Total Revenues</b>	<b>(77,614,970)</b>

Expenses	
Salaries and Benefits	35,446,490
Staffing Other Direct Expenses	940,390
Water Payments to York region	10,486,510
Contributions to Reserve	9,387,700
Contracted Services	6,808,400
Other Direct Costs	3,667,620
Supplies and Maintenance	3,290,840
Debenture Repayment	2,823,510
Library Grant	2,530,030
Hydro/Sewer/Gas	1,992,980
Donations & Grants	614,200
Consulting Services	61,000
<b>Total Expenses</b>	<b>78,049,670</b>

# 2021 DRAFT OPERATING BUDGET

## PROPOSED TEMPORARY STAFFING AND OPERATING INITIATIVES

### Temporary Staffing Requests:

- SR-OI-1: Clerk Assistant (1 year contract) - \$52,800
  - Funded under the Water and Wastewater rates
- COVID-1: Marketing and Social Media Specialist (1 year contract – part time) - \$50,000
  - Funded by the Tax Rate Stabilization Reserve – Under the COVID-19 Contingency.
- COVID-2: Health and Safety Pandemic Specialist (1 year contract) - \$80,000
  - Funded by the Tax Rate Stabilization Reserve – Under the COVID-19 Contingency.

### New Operating Initiatives:

- NI-CAO-1 – Grant Writing Services - \$25,000
- NI-LIB-1 – Library Initiatives - \$10,000

# 2021 TAX LEVY DRAFT OPERATING BUDGET

## PROPOSED TAX LEVY IMPACTS

### *Proposed 2021 Tax Increase*

0.95%, with the option of adding 0.50% additional contribution to capital reserves, which would bring the total increase to 1.45%.

### *COVID-19 Impact*

It is expected that the increase in expenditures and anticipated revenue losses will amount to \$1 million.

- If this impact was added to the proposed 1.45% tax levy increase, the Town would be looking at an increase of 3.65%.
- Staff are recommending to fund the entire \$1 million from the Tax Rate Stabilization Reserve in order to minimize the impact on residents and businesses.

# 2021 TAX LEVY DRAFT OPERATING BUDGET

## COVID-19 IMPACT BREAKDOWN

	COVID -19 Impact
<b>Economic Recovery</b>	
Economic Development	100,000
<b>Health and Safety</b>	
Human Resources	80,000
<b>Recreation Facilities</b>	
Georgina Ice Palace	279,000
Georgina Leisure Pool	103,000
Sutton Arena	(176,000)
The ROC	164,000
Other Facilities	12,000
<b>Waterfront Parks</b>	
De La Salle Park	254,000
Holmes Point	63,000
Willow Beach	134,000
Other Parks	(13,000)
<b>Grand Total</b>	<b>\$1,000,000</b>

# 2021 TAX LEVY DRAFT OPERATING BUDGET

## PROPOSED TAX LEVY IMPACTS

### *Translation of Proposed Tax Increase*

Average single-family detached dwelling assessment for 2021 based on an assessed value of \$402,995. (Non waterfront properties)

- For general Operating Budget 0.95% = \$20/Year
- When adding 0.50% to Capital Res 1.45% = \$30/Year

Average single-family detached dwelling assessment for 2021 based on an assessed value of \$ 721,850. (Waterfront Properties)

- For general Operating Budget 0.95% = \$36/Year
- When adding 0.50% to Capital Res 1.45% = \$54/Year



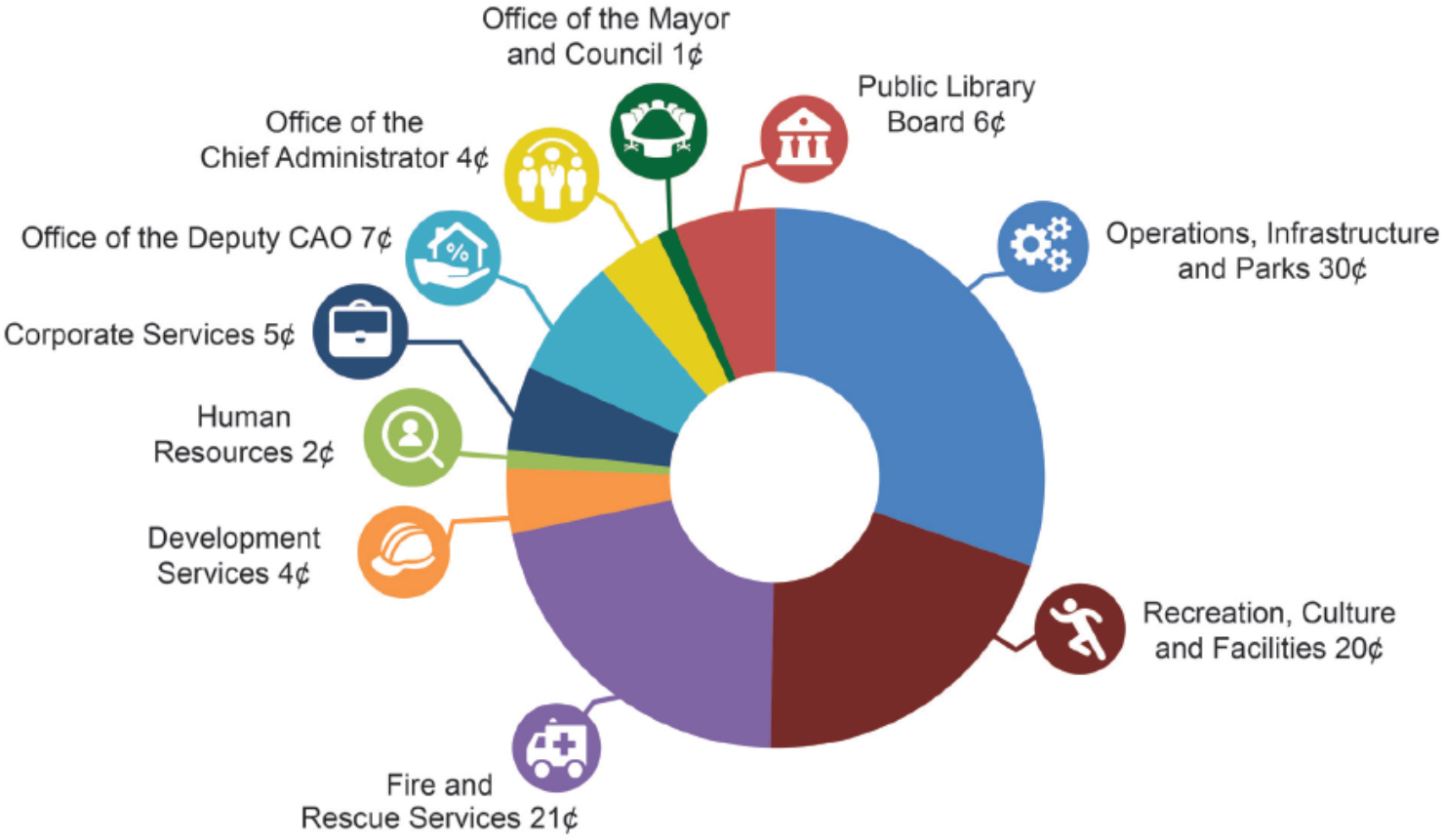
# 2021 TAX LEVY DRAFT OPERATING BUDGET

## HISTORY OF BUDGETED TAX INCREASES (OPERATING + CAPITAL RESERVE CONTRIBUTION)

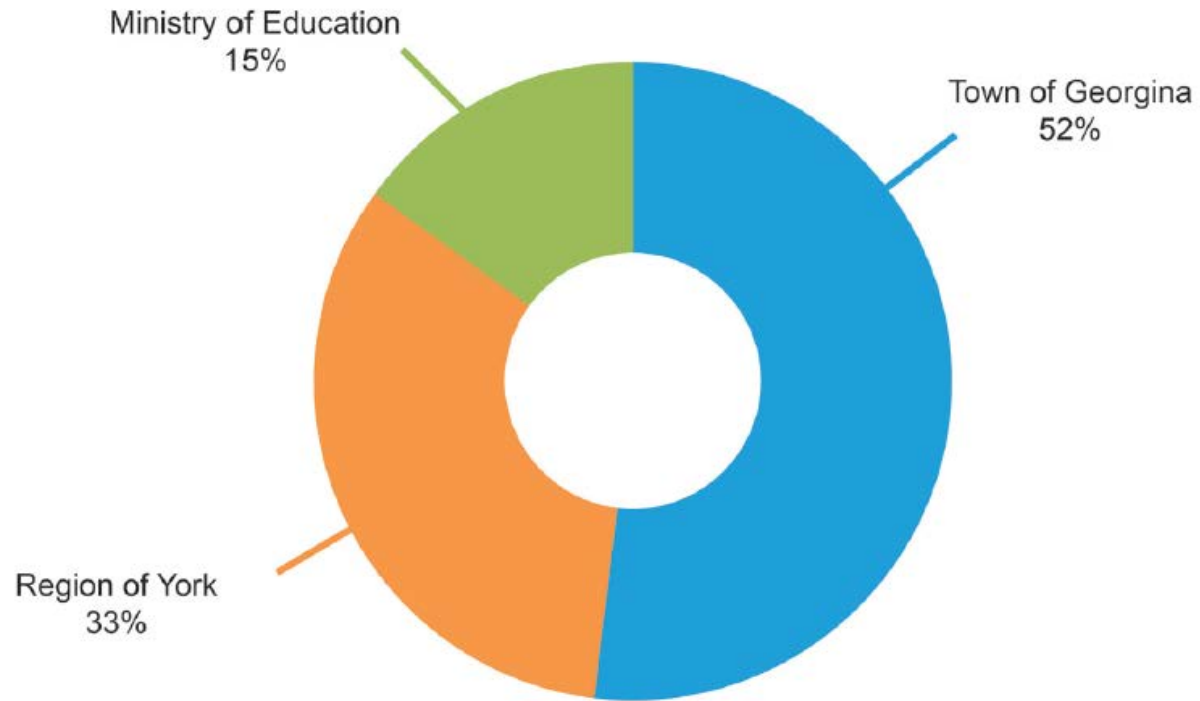
- 2017 Operating Budget  $(3.7\% + 0.8\%) = 4.5\%$
- 2018 Operating Budget  $(1.7\% + 1.2\%) = 2.9\%$
- 2019 Operating Budget  $(2.6\% + 1.0\%) = 3.6\%$
- 2020 Operating Budget  $(2.9\% + 1.0\%) = 3.9\%$
- 2021 Operating Budget  $(0.95\% + 0.50\%)^{**} = 1.45\%$

\*\* Proposed - Subject to Council's approval

# HOW YOUR GEORGINA TAX DOLLARS ARE SPENT: BREAKDOWN OF \$1



# HOW YOUR TOTAL TAX DOLLARS ARE SPENT



# 2021 TAX LEVY DRAFT OPERATING BUDGET

## COST DRIVERS

Driver	Percentage Inc./ (Dec.)	Comments
Growth	0.20%	Assessment growth is 1.0%. Assessment growth for 2020 has been allocated to the future operating expenditures for the MURC and the South Keswick Fire Station
Service Level / New Initiatives	0.05%	An increase of 0.05% relates to the two new initiatives (NI-CAO-1, NI-LIB-1)
Contractual / Inflationary	0.25%	An increase of 0.4% relates to an increase in payroll costs related to union and non-union bargaining contingencies. This is slightly offset with a savings in the cost of benefits
Debt Financing	0.45%	Includes debt financing for Phase 2 and 3 of the Link and the Pefferlaw Fire Station.
Capital Contribution (Optional)	0.50%	As outlined in this report, Council have been provided the option to increase the contribution to Capital Reserve by 0.5% of the tax levy to assist in closing the infrastructure funding gap.
<b>Total</b>	<b>1.45%</b>	

# WATER AND WASTEWATER RATE SUPPORTED BUDGET

## PROPOSED IMPACTS

- The Town has retained Hemson Consulting to update the Water Financial Plan and Rate Study.
  - This rate study will forecast the water and wastewater rates necessary for the period 2021 to 2025.
  - The study will present three possible scenarios, including two COVID-19 scenarios which will show what the impact on future rates will be due to providing some financial relief in 2021.
- Staff will be making recommendations for Council's consideration on October 28th by addendum (CS-2020-0022)

# 2021 DRAFT CAPITAL BUDGET

- Capital program totaling \$8.3 million
- Ten-Year Capital Forecast is set at \$222 million (2020 - \$286 million\*)
  - \* 2020 included Carry forward capital
- Major Capital Projects
  - Investment in roads selective resurfacing, maintenance, and rehabilitation - \$2,000,000
  - Water and wastewater infrastructure - \$1,700,000
  - Building Condition Assessment program which is for repairs and rehabilitations of facilities - \$1,000,000
  - Replace a tanker apparatus - \$850,000
  - Information technology projects - \$760,000
  - Rehabilitation of West Park - \$500,000

# LONG RANGE FINANCIAL PLAN DEFINED

## ***What is it?***

The model is used as a financing tool to bring together all previous studies and to provide a sustainable solution to funding the future needs of the municipality.

## ***The LRFP does not include the following items:***

Inflation, Service level changes, Collective agreement settlements, Provincial labour law legislation.

## ***The LRFP is subject to the following risk factors:***

Growth estimates, Interest rate risk, Capital cost estimates are preliminary, Useful life of assets is estimated, Economic downturn.

# LONG RANGE FINANCIAL PLAN

## UPDATES MADE TO THE LRFM DURING THE 2021 DRAFT BUDGET

Below is a list of significant updates made to the LRFM since the previous year's budget:

- The financial impact of COVID-19 in 2020 and the projected impact in 2021
- The replacement Civic Centre construction budget has been temporarily put on hold
- The rebuild for West Park has been moved to 2029 in the 10 year capital plan
- Interest rates on 30-year loans in December 2019 were 2.7%. Currently they are 2.3%
- Assessment growth estimates have been reduced from 2% to 1% for 2021 and 2022



# DEBT FINANCING

## ESTIMATED TERMS AND ANNUAL PAYMENTS

Project	Budget Year	Estimated Year of Debenture	Total Debenture	Term of Debenture (Years)	Interest Rate	Annual Payment	Funding Source
Pefferlaw Fire Station	2017, 2018, 2019, 2020	2021	\$6.1M	30	2.3%	\$281,000	Tax Levy
Replacement Civic Centre	2018, 2019,	TBD	\$27.0M	30	2.3%	\$1,250,000	Tax Levy
Link Phase 2 and 3, Parking Lot	2017, 2018, 2019	2021	\$3.7M	30	2.3%	\$171,000	Tax Levy
Connell Booster Station	2018, 2019, 2020	2021	\$2.3M	20	2.0%	\$141,000	Water Rates
Cockburn Subdivision Watermain Replacement	2020	2022	\$2.0M	30	2.3%	\$93,000	Water Rates
Julia Munro Park	2018, 2019, 2020	2022	\$2.4M	10	2.3%	\$256,000	Development Charges
MURC	2017, 2019	2023	\$42.0M	20	2.0%	\$2,558,000	Development Charges
GTTI Project*	2020	2021	\$2.6M	15	1.7%	\$197,000	Lease
OWC Servicing**	2020	2021	\$0.65M	20	2.0%	\$40,000	Loan

\* Funds to be repaid by GTTI through a lease of the property over 15 years.

\*\* Funds to be repaid by OWC through a loan agreement over 20 years.

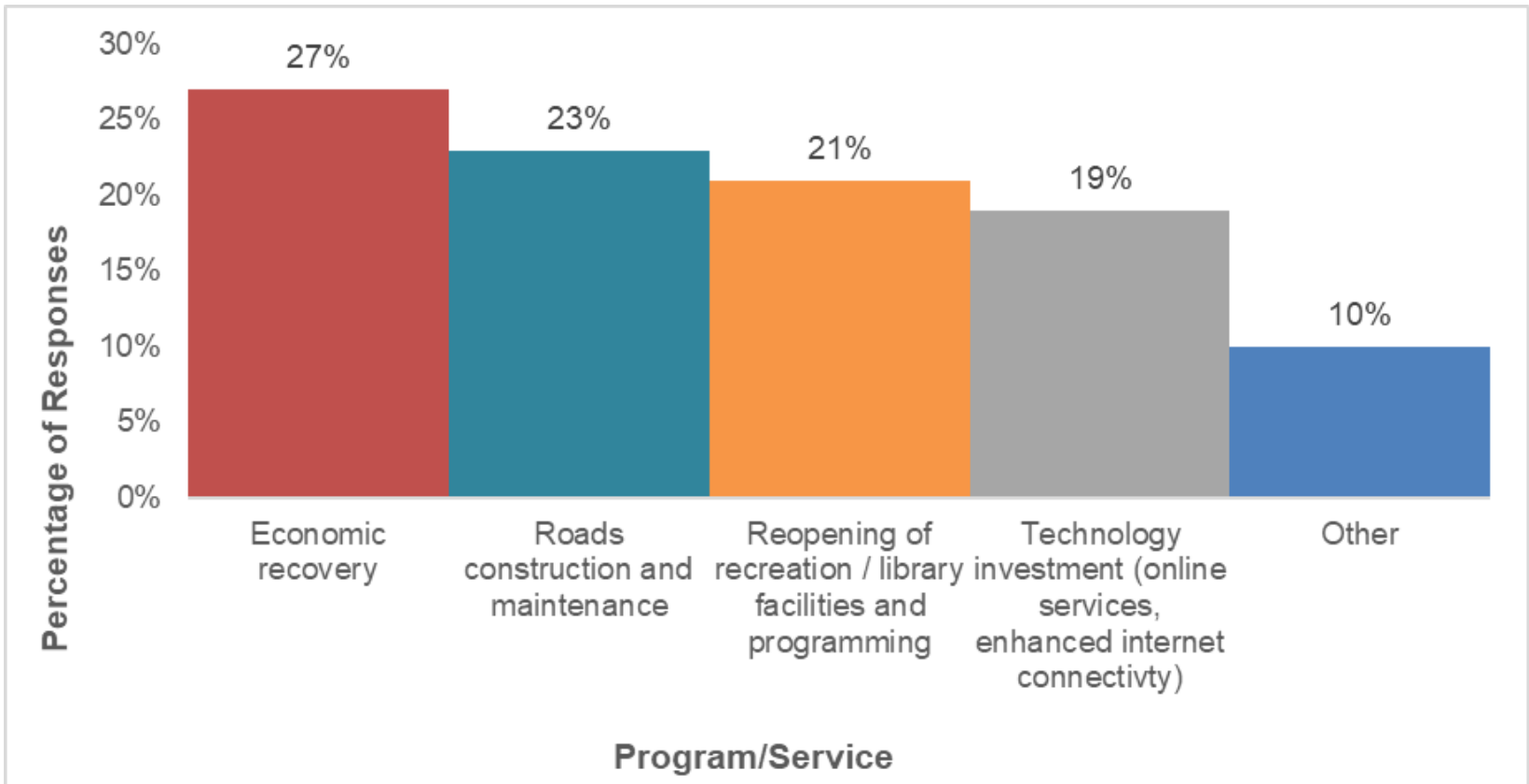
# PUBLIC CONSULTATIONS OVERVIEW

A number of opportunities were provided to promote public engagement and input into the 2021 budget process. The opportunities were promoted via social media and in the newspaper. These opportunities included:

1. Budget survey – 406 responses received (216 received in 2020)
  - Due to COVID-19, the survey was only available online.
2. An email address to email comments: [Budget@Georgina.ca](mailto:Budget@Georgina.ca) – 14 emails received

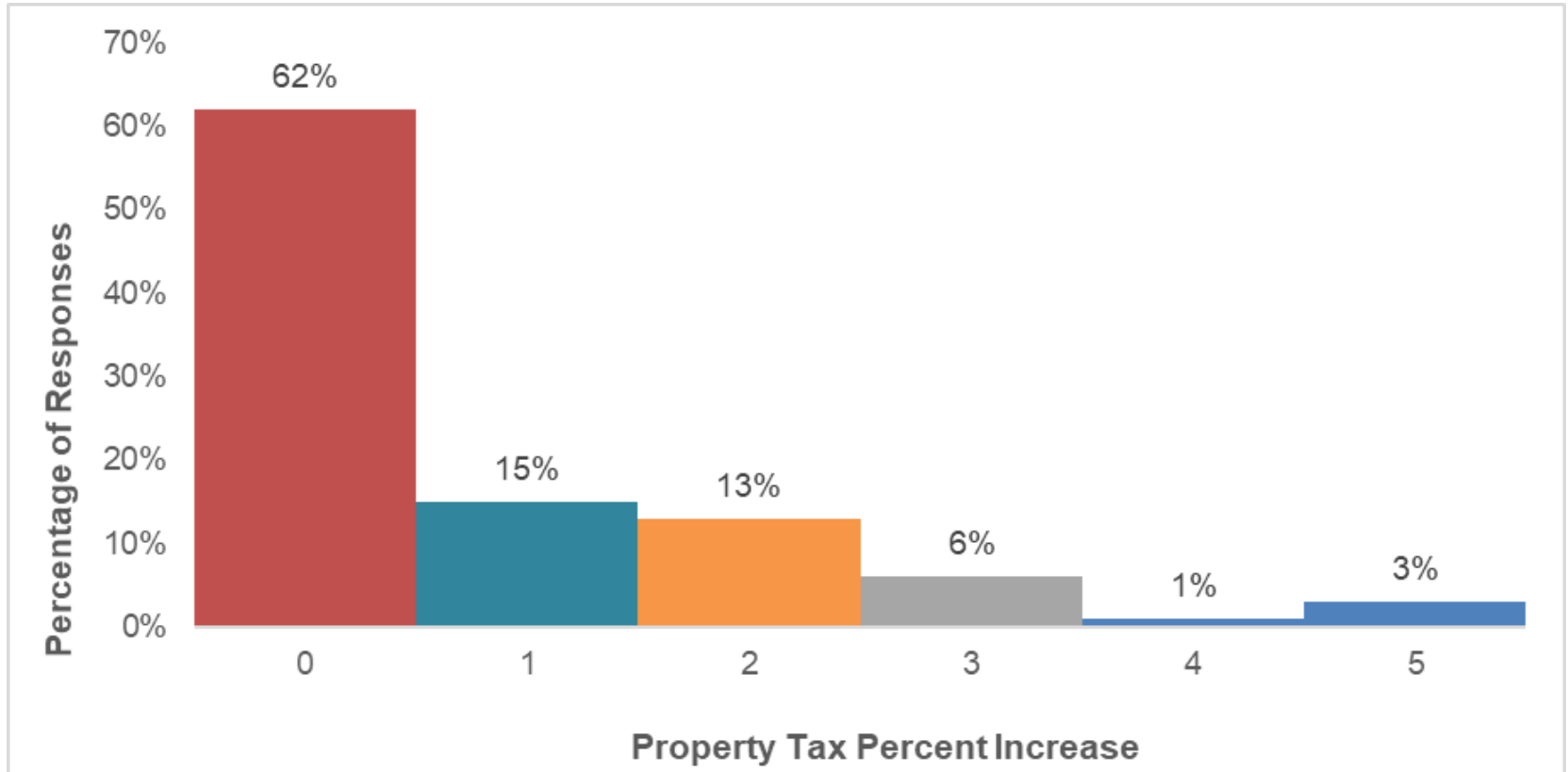
# PUBLIC CONSULTATIONS

## BUDGET SURVEY RESULTS: WHERE TO SPEND TAX DOLLARS



# PUBLIC CONSULTATIONS

## BUDGET SURVEY RESULTS: ACCEPTABLE PROPERTY TAX INCREASE



## NEXT STEPS

- Draft water and wastewater financial plan and rate study will be presented to council on October 28, 2020. Final water and wastewater financial plan and rate study to be presented to council on November 25, 2020.
- Budget deliberation by Council on December 1, 2020 and December 2, 2020, with final approval on December 2, 2020

# CONTACTS FOR THE 2020 DRAFT BUDGET

## Operations and Infrastructure Department

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**QUESTIONS?**



2021  
Town of Georgina  
**DRAFT BUDGET**

*Working together towards a  
strong economic recovery*