



Staff Report

Finance and IT Services

Report To: Committee of the Whole
Meeting Date: June 10, 2019
Report Number: FAF.19.071
Subject: 2020 Budget
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.19.071, entitled "2020 Budget" for information purposes;

AND THAT Council direct staff to present a 2020 budget that funds the current levels of service as provided in 2019;

AND THAT Council appoint _____ as the Council representative to work with staff on the 2020 Budget public consultation.

B. Overview

This report looks forward to the 2020 to 2022 budget and highlights some of the pressures on expenses and revenue potentials. This report is looking at the tax levy and user-fees as most issues impact all departments.

C. Background

Staff are bringing forward this report to seek Council direction on the 2020 to 2022 budget. Attachment #1 shows the timeline which has the budget in front of the Committee of the Whole in mid-December with an approved by-law by the end of February 2020.

D. Analysis

Staff continue to refine and improve the budgeting process which requires managers, supervisors and directors to have detailed analysis on each line item in the budget. The previous year's budget numbers are not carried forward, rather each budget is created using criteria based on legislative requirements, current policies, current service level and Council's direction. Staff are always looking for efficiencies, collaboration and new sources of revenue.

It takes considerable time for staff to develop the budget, review with Finance and Senior Management before starting the public process.

Operating

Provincial Budget

During the provincial budget release in April 2019, the Minister of Finance stated that all provincial ministries were reducing their budgets by 4% due to administrative efficiencies. The Minister of Finance went on to say that there is an expectation that municipalities do the same. During the 2020 budget process, staff will work with all departments (taxation and user-fee) in an effort to find a 4% cost savings. A 4% decrease on the 2019 tax levy equals \$628,000.

Salaries and Benefits

In 2019, the Town added four taxation funded positions for 6 months. The 2020 budget will have a significant increase as the remaining 6 months is included. In addition, as per past practice, staff are starting with a 2% cost of living allowance. The Town will also see an increase in the CPP costs as both the percentage and the annual maximum are increasing for 2020.

Health Care Funding

Staff will be presenting financial options for Council to consider during the budget process for Health Care Funding. At the May 13, 2019 Council meeting, Council established the Joint Municipal Physician Recruitment and Retention Committee with \$25,000 funding for 2019. Staff will work with this committee to ensure funding requests are included for current and future budget impacts.

Attainable Housing

Staff will continue to include the \$20,000 in annual funding for the Attainable Housing Reserve and continue to work with the Attainable Housing Corporation on future initiatives.

Conservation Authorities

During the provincial budget release, the Province announced that the annual transfer to the Conservation Authorities was going to be reduced by 50%. Staff are expecting to see the levies for Grey Sauble and Nottawasaga to increase starting in 2020 to offset the loss of transfer funding. Staff are estimating this impact to be \$22,000 for both authorities.

Carbon Tax

Starting in April of 2019, the Federal government added a carbon tax to all fuels purchased in Ontario. Staff are estimating the impact at \$30,000 in 2020 and up to \$47,000 by 2022. This cost only includes the increase on fuels; however, staff are expecting to see this new tax impact other areas such as hydro and construction.

Ash Trees

The Town has 13,267 ash trees and most of these trees are now infected by the Emerald Ash Boer. These trees are in developed/undeveloped park lands, along trails and roadways.

Currently the Town is dealing with the dying trees on a case by case basis which is increasing the cost to remove these hazardous trees. Through 2019, staff will compile some options (internal and external) for dealing with these increasing costs as more trees are dying at a higher rate, which will be included in the 2020 budget.

Maintenance Gravel

In 2016, Council approved report CSPW.16.096 which outlined required increases to the annual purchase of maintenance gravel. In 2016 the Town was purchasing 30,000 tonnes of gravel each year, best practice has that amount at 40,000 tonnes. Council approved a 5 year annual increase of 2,000 tonnes to get to the 40,000 mark. For 2020, the Roads and Drainage division requires a \$99,000 increase to the gravel budget to keep up with the increasing demand.

Committees of Council

In 2019 a number of new committees were created, some funding was given to these committees but only for specific strategies/policies. Staff will work with these committees and if funding is required for other initiatives then staff, in conjunction with the committee, will make the request to Council during the budget deliberations.

Ontario Municipal Partnership Fund

The Town received a letter in early 2019 that indicated that the 2020 grant would remain relatively flat as compared to 2019. Staff are going to start the budgeting process with that in mind but will be showing a four-year phase out of the grant starting in 2021.

Supplementary/Omitted Taxation

The Town is anticipating to see an increase in supplemental tax revenue during 2019 as the Municipal Property Assessment Corporation “catches” up on the back log assessment on new construction. This revenue will help offset the required taxation for 2020.

Other Revenues

During the 2019 budget deliberations, Council requested that through the year staff investigate other possible revenue streams. This includes paid parking at Town owned parking lots, a fee for the use of outdoor athletic courts (tennis/pickleball) and other potential permit fees.

Capital

Built in to the annual operating budget are transfers to reserve funds. These reserve funds are used to fund the various capital programs. By moving to this type of funding model it allows the Town to avoid large fluctuations, as capital spending changes from year to year. In addition, if a project comes in under-budget, the funding stays in the reserve fund and is then available for future projects.

Council approved FAF.17.94 which established the reserve funds and created the accompanying by-laws. In addition, this report gave some background as to how the reserve funds were to be

used, for the non-growth portion of growth projects, capital replacements/rehabilitation, and required operating studies.

Water and wastewater departments have healthy reserve fund balances and establish annual transfers. Taxation for the Town is starting to see funding issues which is resulting in higher levels of long-term external debt requirements. In 2019, the Town transferred \$1.85M into reserve funds for capital purchases for the taxation departments. Without a significant increase to this amount the Town will fall further behind on capital spending.

During the 2020 budget process, staff will make recommendations around different options for Council's consideration about long-term capital funding and annual reserve fund transfers.

In 2018, Cion Coulter presented the findings from the Facility Condition Assessment done on the 41 facilities owned and operated by the Town. In their presentation they identified \$3.2M worth of deficiencies over the next five year period (2018 to 2022). Staff did not include any funding for these projects in either 2018 or 2019 due to insufficient funding and more importantly insufficient staff time.

During the 2020 budget process, staff will be presenting options for Council's consideration about how the Town should handle the capital and maintenance requirements for these 41 facilities. By centralizing the responsibility for facilities, staff are looking to achieve efficiencies.

E. The Blue Mountains Strategic Plan

The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence

Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

N/A

G. Financial Impact

New this year, staff are recommending that a public consultation be done during the 2019 summer months to gain public feedback on the Town's budgeting process and priorities. Attachment #2 looks at the communication plan that staff are going to use to promote a survey (attachment #3) and Public Information Centres that will be held in September of 2019.

Staff are hoping to get 150 survey responses which will give staff and Council some good feedback when reviewing the 2020 budget in early December.

H. In consultation with

Ruth Prince, Director of Finance and IT Services

Tim Hendry, Communications and Economic Development Coordinator

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets at finance@thebluemountains.ca.

J. Attached

1. 2020 Budget Timeline
2. Budget Communication Plan
3. Budget Survey

Respectfully Submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services

For more information, please contact:
Sam Dinsmore
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2020 Budget Timeline

Task	Due Date
Budget pre-consultation report	June 10, 2019
Operating and Capital data distributed to SMT & SAM	June 15, 2019
All information due back to Finance including, Operating, Capital, 2020 Work Plan, Budget Commentary, and Non-Financial Stats	September 6, 2019
Budget Review meetings with Service Area Manager and Director	October 7 to 11, 2019
Proposed Budget distributed to SMT	October 18, 2019
CAO & Director of FIT to review departmental budgets with Department Heads	October 28 to 31, 2019
Proposed Budget distributed to SAM to review any changes	November 8, 2019
SMT Review of Draft Budget and Additions	November 12, 2019
Distribution of Proposed Budget to Council, Committee, SMT & SAM	November 15, 2019
Budget Meetings – Committee of the Whole Review	Week of December 5 th to the 12 th , 2019
Council Approved Recommendations from COW Budget Meetings	December 16, 2019
Public Meeting Notice on website and local newspapers	December 17, 2019
Draft Budget Released	December 17, 2019
Public Information Centre and Public Meeting	End of January 2020
Staff Report – Follow-up to comments from Public Information Centre and Public Meeting	Mid-February 2020
Budget By-law Approved by Council	End of February 2020

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2020 Budget Survey Project- Communications Plan

Prepared by: Tim Hendry, Communications & Economic Development Coordinator

To foster public engagement and participation, the following communications plan has been formulated to support the 2020 Budget Survey project.

Project Name: 2020 Budget Survey

Project Dates: July 2nd – August 30th, 2019

Advertising Budget: \$1550 + HST funded by the Finance Department communications budget

Goal

The project goal is to engage residents, businesses owners and stakeholders through the format of a public survey to gain feedback and insight regarding the Town's 2020 budgeting process and priorities.

Objective

The project objective is to receive 150 completed surveys.

Communication Tools

Communication Tools	Financial Implications
<p>Town Website, Social Media & E-Blast</p> <ul style="list-style-type: none"> - Press release / notice posted to Town website, distributed to website e-blast subscribers and posted to Town social media accounts <p>*Messaging will occur multiple times throughout the project dates listed above.</p>	N/A
<p>Media List & Community Partnerships</p> <ul style="list-style-type: none"> - Press release and details regarding the public engagement opportunity will be distributed to the Town media list - Staff will promote the community engagement opportunity to local organizations and service clubs with the goal of fostering word-of-mouth communication 	N/A
<p>Public Information Session</p> <ul style="list-style-type: none"> - Two public information sessions will be scheduled. One session will be during the week and one session will be on a weekend. The goal is to engage both full-time and part-time residents. 	N/A
<p>Town Hall TV Screen</p> <ul style="list-style-type: none"> - Notice of survey posted to digital screen in Town Hall 	N/A

Communication Tools	Financial Implications
<p>Survey Distribution</p> <ul style="list-style-type: none"> - Both online and hardcopy surveys will be made available to the public. - Hardcopies will be available at: L.E. Shore Memorial Library, Craigleith Heritage Depot and the Beaver Valley Community Centre. 	<p>Printing costs absorbed by department operating budget</p>
<p>Radio Advertising</p> <ul style="list-style-type: none"> - Local radio campaign featuring advertisements targeted to key commuting and listening times 	<p>Approximately \$800</p>
<p>Newspaper Advertising</p> <ul style="list-style-type: none"> - Four newspaper advertisements placed in local newspapers (two per month) 	<p>Approximately \$500</p>
<p>Tax Bill Insert</p> <ul style="list-style-type: none"> - Details regarding the public engagement opportunity will be included within the tax bill insert. 	<p>Covered under communications budget</p>
<p>Signage</p> <ul style="list-style-type: none"> - A sign will be placed in the lobby of Town Hall and other municipal facilities. - A sign will be installed on the municipal sign at Smith Memorial Park. - Chamber of Commerce sign rental 	<p>Approximately \$250</p>

2020 Budget Survey

Thank you for your interest in completing the 2020 Budget Survey. The Town of The Blue Mountains is seeking input from residents, businesses and stakeholders with respect to key priorities for the 2020 Corporate Budget.

Background Information

Each year the Town of The Blue Mountains collects property taxes from property owners, farms, and business within the municipality. These taxes pay for a variety of services used and enjoyed by residents, business owners, stakeholders and visitors to the Town.

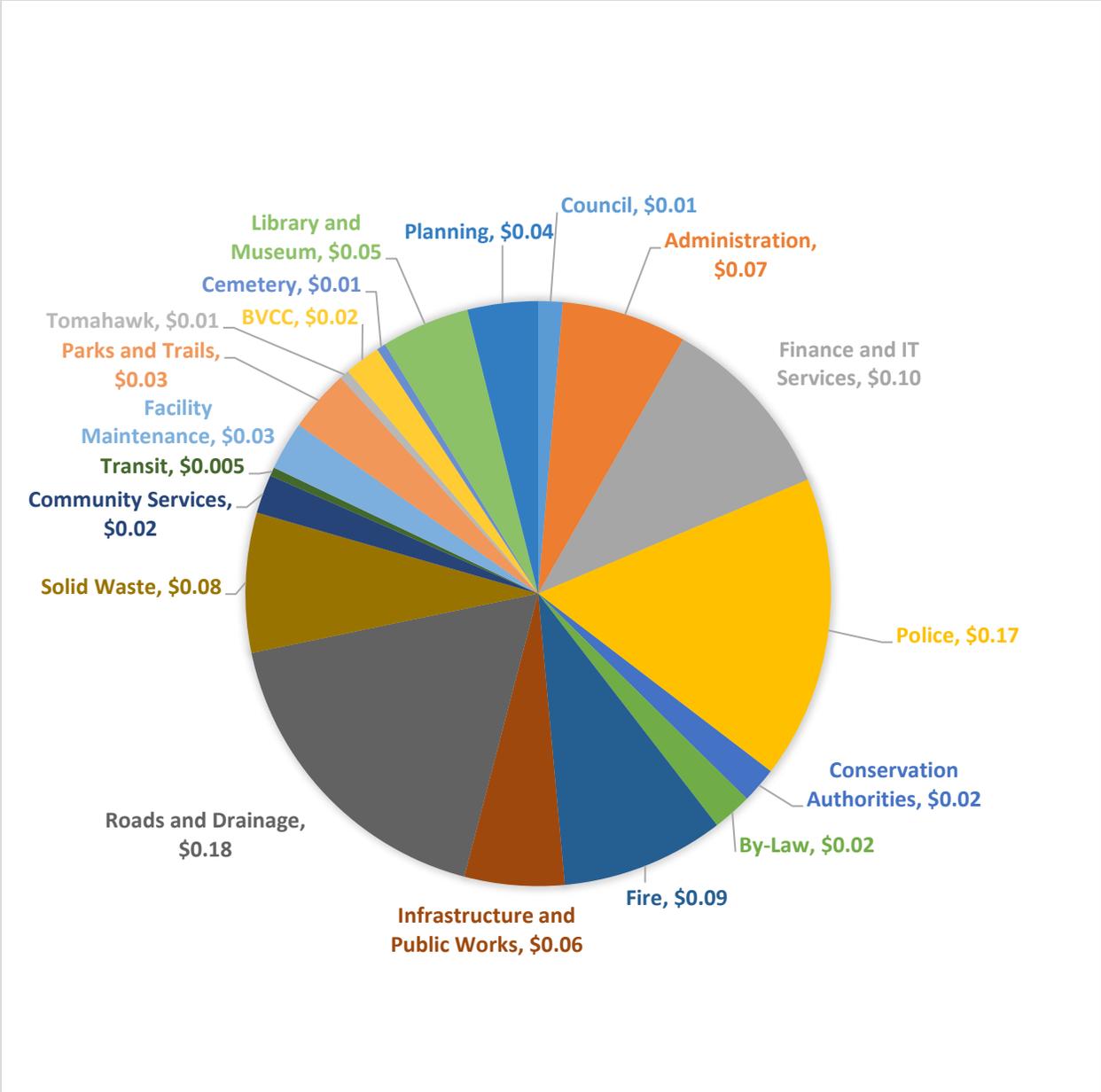
Services provided by the Town include:

- administrative services such as planning, building, finance, community services and finance
- garbage and recycling/compost pick-up / Town landfill
- road, bridge and drainage infrastructure maintenance
- snow removal from roads and sidewalks
- municipal water and wastewater services
- library and museum services
- public parks, greenspaces, trails and recreational facilities such as the Thornbury Harbour, Beaver Valley Community Centre, Craigeith Community Centre, Ravenna Hall, 27 public parks, Tomahawk Golf Course, and three regulation soccer fields
- police services, by-law enforcement and fire / emergency services

As you can see, the Town is responsible for providing a wide variety of services. The chart on the next page has been included to show how each dollar of your property taxes are spent.

More Information

To learn more or to contact staff, please visit: www.thebluemountains.ca/budget.cfm



Survey Questions

1. This year, the average property, valued at \$600,000 will pay \$2,330 in Town property taxes. Overall, do you feel that you receive good value for your tax dollars?
 - a. Strongly Agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly Disagree

2. Should the Town spend tax dollars and invest resources to encourage and increase the availability of attainable housing within the community?
 - a. Strongly Agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly Disagree

3. Municipal water and wastewater services are fully paid for by user fees. Only properties that are connected to the Town system pay for water and wastewater services. Do you feel that you receive good value for your water and wastewater payments?
 - a. Strongly Agree
 - b. Agree
 - c. Neutral
 - d. Disagree
 - e. Strongly Disagree
 - f. My property is not connected to municipal water and wastewater services

4. This year, the average household will pay \$434 in municipal property taxes to support the maintenance of roads, bridges and drainage infrastructure. This includes services such as general maintenance, snow plowing, signage and street sweeping. Should this investment be:
 - a. Enhanced
 - b. Maintained
 - c. Reduced

5. This year, the average household will pay \$199 in municipal property taxes to support the maintenance of parks, trails, and recreational facilities. The Town currently operates and maintains the Thornbury Harbour, Beaver Valley Community Centre, Craigeith Community Centre, Ravenna Hall, 27 public parks / greenspaces, Tomahawk Golf Course, and three regulation soccer fields. Should this investment be:
 - a. Enhanced
 - b. Maintained
 - c. Reduced

6. This year, the average household will pay \$11 in municipal property taxes to support public transit. The Blue Mountain Link Public Transit bus operates between the Town of Collingwood and Blue Mountain Village. Should this investment be:
 - a. Enhanced
 - b. Maintained
 - c. Reduced

7. Please rank your top three priorities where you believe that the Town should spend more tax dollars on?
 - a. Road Maintenance (including winter road maintenance)
 - b. Recreation Facilities (swimming pool, community fitness centre, etc.)
 - c. Policing
 - d. Full-Time Fire Department
 - e. Infrastructure Replacement and Investment
 - f. Attainable Housing
 - g. Health Care
 - h. Additional Waterfront Parks
 - i. Other:

8. Please rank your top three priorities that you believe that Town could spend less tax dollars on?
 - a. Recycling/Compost Pick-up
 - b. Small Halls (Craigleith and Ravenna)
 - c. Maintenance at Parks
 - d. Winter Road Maintenance
 - e. Special Community Events such as Canada Day
 - f. Infrastructure Spending
 - g. Grants and Donations
 - h. Garbage Pick-up (bi-weekly)

9. How would you like to be involved in the 2020 budget process?
 - a. Attend special budget public meetings
 - b. Attend Public Information Sessions
 - c. Fill out online surveys, questionnaires or budget tools
 - d. Other: