



Staff Report

Finance and IT Services

Report To: Committee of the Whole
Meeting Date: December 10, 2018
Report Number: FAF.18.143
Subject: 2019 – 2021 Budget
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.18.143, entitled “2019 – 2021 Budget” for information purposes;

AND That Council approve the attached Budget timeline and format for the 2019 Proposed Budget.

B. Overview

This report outlines the 2019 Budget timeline (Attachment #1) and the Division format (Attachment #2) of the 2019 Proposed Budget.

C. Background

The Town’s Budget is an important document to Council, staff and its residents. Staff continue to develop the budget process to ensure the budget reflects a balance between service delivery requirements and affordability. The corporate strategic plan and Council will help guide deliverables.

D. Analysis

With a new term of Council, staff is proposing to release the 2019 Proposed Budget document to both Council and the public on January 14th with Committee of the Whole Budget meetings scheduled for February 7th, 8th, 11th and 12th.

Staff have continued to refine and enhance the budget document for both Council and the public. Attached to this report is the proposed templates for the 2019 Proposed Budget.

Division Format – Attachment #2 is a mockup of what the Division sheets will look like in the upcoming 2019 to 2021 budget. For this example staff have used the 2018 information for the Infrastructure and Public Works division, please note these are 2018 numbers and projects and

have been approved. The changes come in the operating budget and operating and capital project sections.

In the Operating Budget chart the Legal budget and costs of the Division will be separated out from the Purchased Services total. Transfers from Reserves (referred to as Internal Revenue) have been moved up to the Transfers section, this gives the reader the actual Revenue budget at a quick glance. In the Revenue section Subsidies have been shown separately, in previous years these costs were netted against External Revenue.

The Operating and Capital project section has one major change; in previous years only projects over \$100,000 had detailed descriptions. Starting in 2019, all projects will have a description of what staff are going to accomplish with this funding. By making this change, more information is being included for all capital and operating projects.

In addition, a new field has been included called Strategic Action; this field is not just tied to the Strategic Plan but also looks at other corporate documents such as the Development Charges Background Study, and the Leisure Activity Plan to name a few.

The other sections of the document such as the Change in Taxation, Financial Position and Additions will all look very similar to the 2018 document with some small adjustments to enhance readability and give better, more useful information to the reader.

E. 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

None.

G. Financial Impact

None.

H. In consultation with

Ruth Prince, Director of Finance and IT Services

Katherine Dabrowa, Budget Analyst

Vicky Bouwman, Financial Analyst

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. Budget Timeline
2. Division format

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
finance@thebluemountains.ca
519-599-3131 extension 274

2019 Budget Timeline

Task	Due Date
Distribution of Electronic Budget to Council, Public, SMT & SAM	January 14, 2019
Budget Meetings – Committee of the Whole Review	February 7 th , 8 th , 11 th , 12 th , 2019
Council Approved Recommendations from COW Budget Meetings	February 20, 2019
Public Meeting Notice on website and local newspapers	February 21, 2019
Draft Budget Released	February 21, 2019
Council Meeting - Public Information Centre to answer questions regarding the draft 2019 Budget	March 11, 2019
Public Information Centre and Public Meeting	March 18, 2019
Staff Report – Follow-up to comments from Public Information Centre and Public Meeting	April 8, 2019
Budget By-law Approved by Council	April 24, 2019

Infrastructure and Public Works

Mission

To provide engineering and administrative support to the operating divisions within the Infrastructure and Public Works Department and to provide engineering support to other Departments as requested.

Services Provided

- Project development and management.
- Contract preparation and administration of construction projects.
- Technical review of documentation submitted in support of a development with respect to existing infrastructure and operational needs.
- Supporting advice, assistance, and services to non-IPW lead projects.
- Asset management data gathering, organizing, and analyzing to aid in the preparation of IPW multi-year capital plan.

Level of Service

Service Provided	Level of Service – 2015-2017 Average	Annual Target
Capital Planning – % Final Costs/ Original Budget	86.1%	90 – 110 %
Change Orders as % of Bid Value	6.3%	Less than 8%
Project Delivery - % on time	55.6%	Over 90%
Annual Capital Budget - % of Original Budget	61.2%	Over 85%

2019 Strategic Action Items and Work Plan

- The work of the Infrastructure and Public Works (IPW) Department supports Strategic Goal #2: Engage Our Communities and Partners by hosting Public Information Centres whenever appropriate and Goal #5: Ensure that our Infrastructure is Sustainable through fiscal responsible infrastructure service extensions, upgrades, rehabilitation, and reconstructions.
- Emphasis to be placed on populating the Asset Management System and maturing the data. This reduces the Division’s capacity to manage capital projects internally.
- This Division manages the larger multi-divisionally funded projects. Price’s Subdivision Drainage Improvements and Servicing Extension and the Elma Street South and Alice Street West Reconstruction projects will be advanced to the Final Design Stage.

Non-Financial Statistics

Description	2017 Actual	2018 Actual	2019 Budget
Municipal Lands Use Permits	237	270	270
Significant Capital Projects/Studies Managed (all IPW >\$100k)	23	22	29

2019 Budget Commentary

This Division will continue to provide engineering support to the operating divisions within Infrastructure and Public Works.

Asset Management and enhanced capital planning of infrastructure renewal is being given higher priority.

Infrastructure and Public Works

2019 Operating Budget

	2017 Actual	2018 Actual (forecast)	Proposed 2019 Budget	Projected 2020 Budget	Projected 2021 Budget
Expenses					
Salaries and Benefits	523,091	498,481	526,245	534,580	542,205
Administrative Expenses	6,090	3,453	6,200	4,725	6,250
Operating Expenses	0	86	0	0	0
Communications	2,918	3,318	2,350	2,385	2,420
Personnel and Training	8,531	6,586	9,350	9,400	9,425
Utilities	0	0	0	0	0
Equipment Related	1,264	1,372	100	100	100
Vehicle and Fleet Related	1,405	1,946	3,120	3,120	3,120
Legal Expenses	0	0	0	0	0
Purchased Services	74,832	3,250	5,500	5,500	5,500
Debt Payments	0	0	0	0	0
Financial Expenses	4,097	4,977	8,290	8,335	8,380
Premise and Site	29	0	0	0	0
Total Expenses	622,257	523,469	561,155	568,145	577,400
Transfers					
Transfers to Capital	78,456	30,000	0	0	0
Transfers to Reserves	0	0	705,300	794,410	810,300
Transfers from Reserves	74,669	3,000	3,000	3,000	3,000
Interfunctional Transfers	-274,420	-264,284	-255,470	-246,656	-237,842
Total Transfers	-195,963	-234,284	449,830	547,754	572,458
Total Transfers and Expenses	426,294	289,185	1,010,985	1,115,899	1,149,858
Revenue					
Grants and Donations	522	0	0	0	0
External Revenue	-184	0	0	0	0
Subsidies	0	0	0	0	0
Total Revenue	75,006	3,000	3,000	3,000	3,000
Net Cost of Service (Taxation)	351,287	286,185	1,007,985	1,112,899	1,146,858

Infrastructure and Public Works

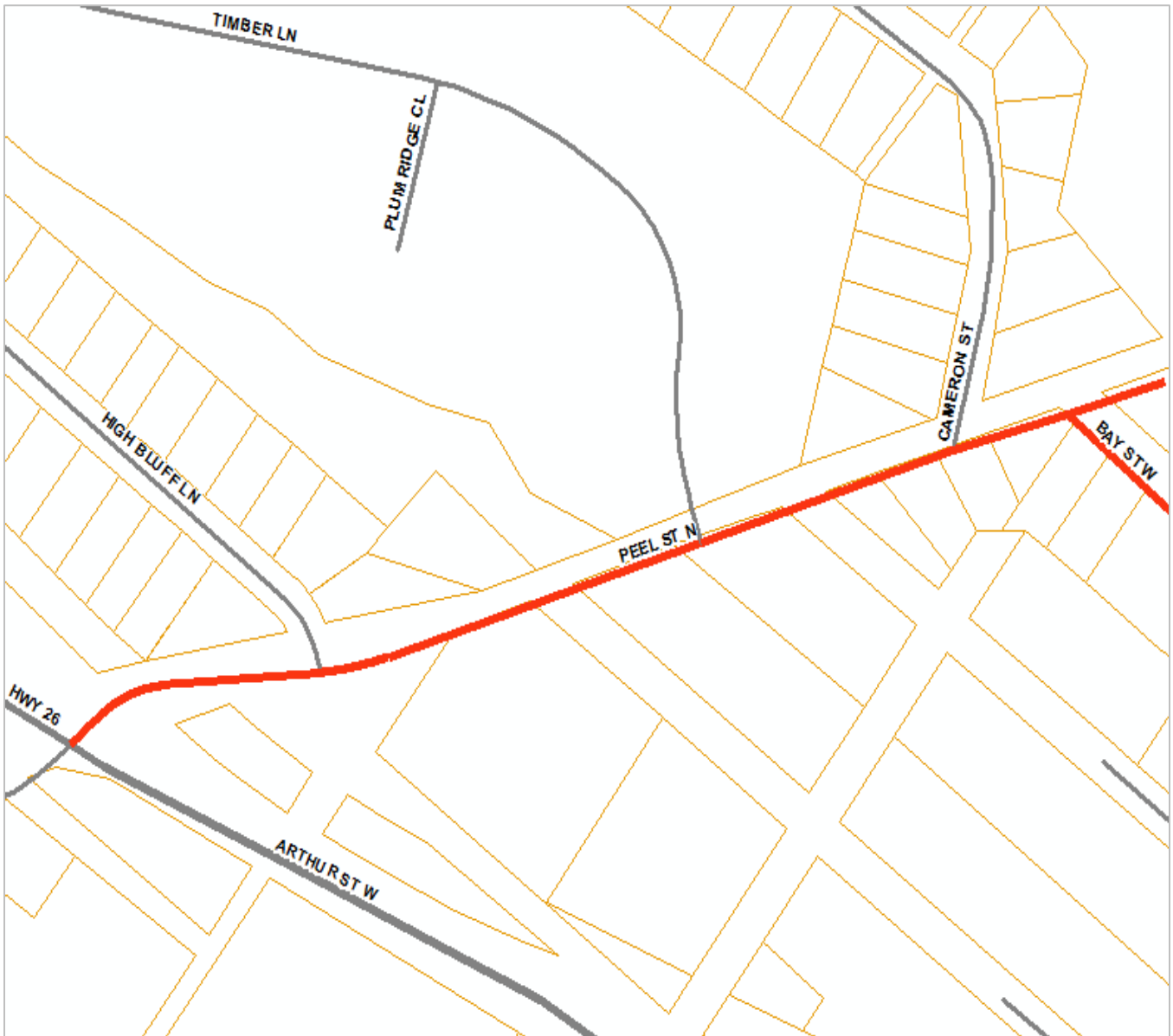
2019 Operating and Capital Projects

Project	Corporate Energy Plan
Description	The Town's Energy Plan requires an update in 2018 and a focus will be placed on water and wastewater infrastructure. The plan will however also review the entire Corporation with a goal of identifying energy and money saving initiatives.
Strategic Action	Goal #3: Support Healthy Lifestyles – Utilizing energy-efficient water and wastewater plants, more energy efficient infrastructure facilities and service vehicles.
Budget	\$ 50,000
Funding	\$ 50,000 Gas Tax

Project	Sanitary and Storm Sewer Condition Assessment
Description	A program will be initiated to conduct CCTV inspections and provide condition assessments for all sanitary and storm sewers over a seven year period starting in 2018.
Strategic Action	Strategic Plan Goal #5: Ensure that our Infrastructure is Sustainable Objective #1: Develop a long-term Asset Management Plan for the maintenance, renewal, and replacement of existing infrastructure. Objective #2: Avoid unexpected infrastructure failure and associated costs and liability.
Budget	\$ 153,100
Funding	\$ 42,000 Infrastructure and Public Works Asset Replacement Reserve Fund \$ 111,100 Wastewater Asset Replacement Reserve Fund

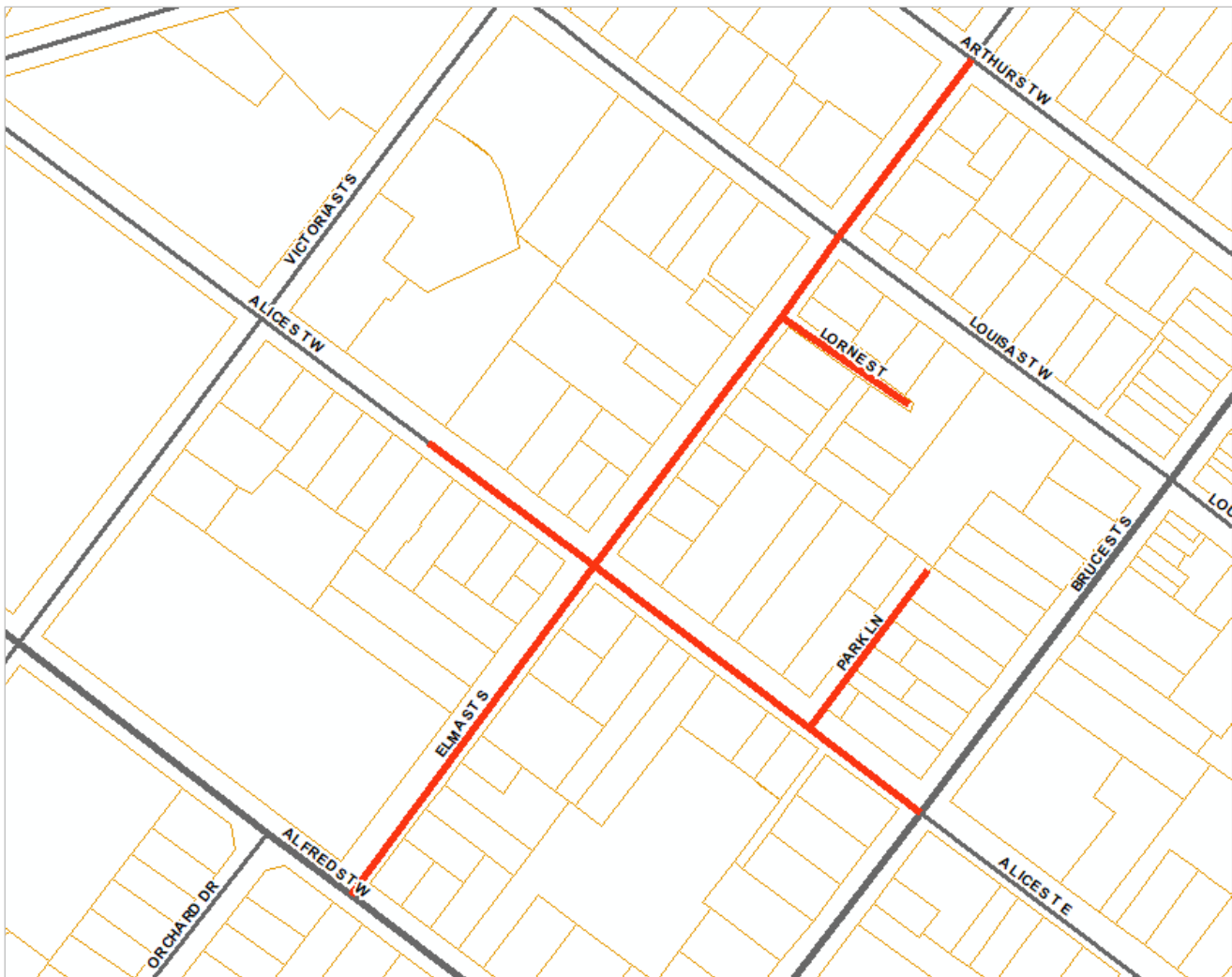
Project	Peel Street Reconstruction
Description	Reconstruction of Peel Street from Highway 26 North to Georgian Bay and Bay Street from Peel Street to the Little Beaver River following completion of development projects in the area.
Strategic Action	Asset Management – to replace assets as they reach the end of their useful lives. These works are included in the Development Charges Background Study.
Budget	\$4,032,400
Funding	\$ 29,600 Water Asset Replacement Reserve Fund \$ 344,400 Infrastructure and Public Works Asset Replacement Reserve Fund \$1,232,100 Water Development Charges \$2,426,300 Roads & Related Development Charges

Infrastructure and Public Works



Infrastructure and Public Works

Project	Elma and Alice Street Reconstruction
Description	Reconstruction of Elma Street and Alice Street, including Park Lane and Lorne Street, as well as drainage in conjunction with watermain and sanitary sewer replacement. Street lighting upgrades will also be made as required.
Strategic Action	Strategic Plan Goal #5: Ensure that our Infrastructure is Sustainable - Prepare and implement preventative maintenance and capital replacement plans based on best available information and that includes a description of scope of work and costing.
Budget	\$5,629,700
Funding	<ul style="list-style-type: none"> \$ 110,400 Infrastructure and Public Works Asset Replacement Reserve Fund \$ 318,000 Year over Year Reserve (previous year taxation) \$ 794,100 Wastewater Asset Replacement Reserve Fund \$ 805,400 Water Asset Replacement Reserve Fund \$1,258,750 OCIF Formula Grant \$2,343,050 Long-Term Debt (this debt will require \$142,000 in annual taxation over a 25 year period)



Infrastructure and Public Works

Total Number of Projects:	4
Total Budget:	\$9,865,200
Total Funding by Source:	\$ 50,000 Gas Tax
	\$ 318,000 Year over Year Reserve (previous year taxation)
	\$ 496,800 Infrastructure and Public Works Asset Replacement Reserve Fund
	\$ 835,000 Water Asset Replacement Reserve Fund
	\$ 905,200 Wastewater Asset Replacement Reserve Fund
	\$1,232,100 Water Development Charges
	\$1,258,750 OCIF Formula Grant
	\$2,343,050 Long-Term Debt
\$2,426,300 Roads & Related Development Charges	