



2020 Budget Process Update

Presenter: Mike Mayes
Date: October 15, 2019



2020 Budget Process Update



- Purpose
- Background:
 - Council priorities
 - Targets and direction
- Progress to date
- Next Steps



Purpose

To provide an update on the 2020 Draft Budget:

- Draft Budget Details to be provided:
 - October 28 - Capital
 - October 28 - Rate-supported Operating
 - November 11 -Tax-supported Operating
- Inform Council about budget process successes and challenges to date
- Indicate areas where Council direction will be required



Background: Council Strategic Priorities



Budget includes funding for:

1. Extraordinary places and spaces
2. Safe transportation
3. Vibrancy on Yonge, Davis and Mulock
4. Economic leadership and job creation
5. Environmental stewardship
6. Long-term financial sustainability



The budget process will address Long-term Financial Sustainability:



- Continuation of past practices to educate and provide feedback opportunities
- New approach to capital budgeting will move towards a capital plan
- Multi-year operating budget outlook
- \$546,00 in budget reductions for 2020
- A primary focus of the budget is building the Asset Replacement Fund (ARF)



Background: Targets and Direction



- On May 6, 2019 Council approved Finance Report 2019-42, 2020 Budget Process and Target, and added the following recommendation:

That endorsement be given to staff to proceed with preparation of the 2020 budgets employing the structure and targets as set out in this report with a tax levy increase of less than 3%.

- This direction challenged staff to find cost reductions in the budget



Tax-supported Operating Budget Detailed Target Limits



	Net increase in \$	% Tax increase
Town base	\$ 996,000	1.66%
CYFS base	439,000	0.73%
Library base	65,000	0.11%
Mulock Farm	-	-
Enhancements	-	-
Growth, net	-	-
ARF	600,000	1.00%
Carried forward (Bill 148)	240,000	0.40%
Original request	\$ 2,340,000	3.90%
Reductions	- 546,000	(0.91%)
Meeting Council's direction	\$ 1,794,000	2.99%



Other Budget Targets

- Water and wastewater combined increase of 4.9% per 6-year financial plan
 - \$60 for an average residential property
- Stormwater increase of 10.9% per 6-year financial plan
 - \$4 for an average residential property
- Capital budget to remain within the available funding envelopes



Progress to date: Tax-supported Operating Budget

- Base budget will come in at 1.99%
 - Net efficiencies of \$546,000 found
 - Does not include results or recommendations from the Audit and Accountability Fund program - “REV It Up”
- Assessment Growth projected to be 1.3% will only be applied against growth-related expenditures
- Asset Replacement Fund
 - 1% levy increase (\$600,000)



Progress to date: Rate-supported Operating Budget



- Water and wastewater
 - On target
- Stormwater
 - The capital program will require options and considerations to meet the current funding envelope
- Building Permits
 - Exceeds target



Stormwater capital funding



Options:

1. Defer projects
2. Borrow funds on an interim basis
3. Increase stormwater rates
4. A combination of these options

To be discussed further on October 28



Capital Budget



Challenges

- Carryovers, funded projects approved by Council but not completed, are projected to total \$60 million at the end of 2019
- Although the overall Asset Replacement Fund to be \$33 million, the tax-supported ARF will be in a \$23 million deficit



Next Steps

– beyond the 2020 budget

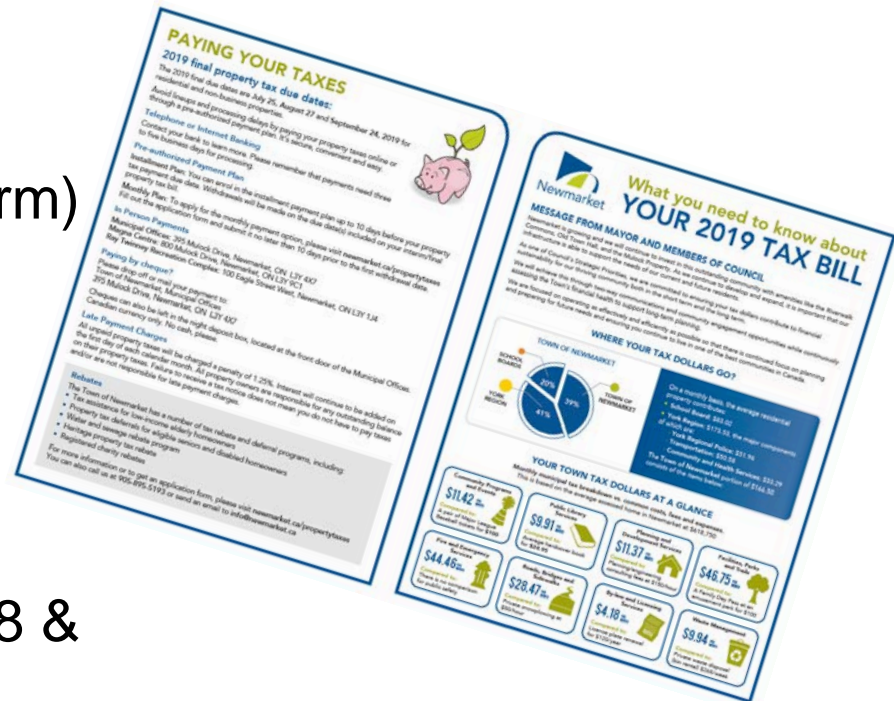
- REV It Up Service Delivery Review – anticipated to be completed in December, 2019
- A new financial strategic framework will be presented to Council in May/June 2020. It will include and impact:
 - New and existing Finance Policies
 - ARF strategy
 - Multi-year operating and capital plans



Budget Engagement, Input Opportunities



- Tax Insert to all households
- Budget Game
- Hey Newmarket!
(online engagement platform)
- Designated Webpage
- Town page Ads
- Social Media Campaign
- Special CoWs - October 28 & November 11
- Draft budget – November 25



2020 Budget Schedule



ACTIVITY	DATE	MEETING	STATUS
Recommendations for 2019 budget process - schedule, targets, community engagement	April 29	Committee of the Whole	Done
Community Engagement Phase 1	July to October	-	Done
Fees & Charges for early approval – licensing, recreation	June 17	Committee of the Whole	Date changed
Approval of early Fees & Charges	June 24	Council	
Presentation of the Preliminary Draft budgets	October 15	Committee of the Whole	In process



2020 Budget Schedule

ACTIVITY	DATE	MEETING	STATUS
Community Engagement Phase 2	October to November	-	
Consideration of the Capital and Rate-supported Budgets	October 28	Special Committee of the Whole	
Consideration of the Tax-supported Operating Budget	November 11	Special Committee of the Whole	
Presentation of the Draft Budgets and remaining Fees & Charges for approval	November 25	Committee of the Whole	
Approval of the Budgets and remaining Fees & Charges	December 2	Council	

