



# 2021 Budget Public Session

November 10th, 2020



# Agenda

Nov. 9  
9am

Corp. Budget  
Overview

Department  
summaries

Service Partner  
Presentations

Discussion  
Items

Nov. 10  
7pm

Public Input  
Meeting

Nov. 17  
9am

Working  
Session  
Discussions  
Continued

Nov. 30  
7pm

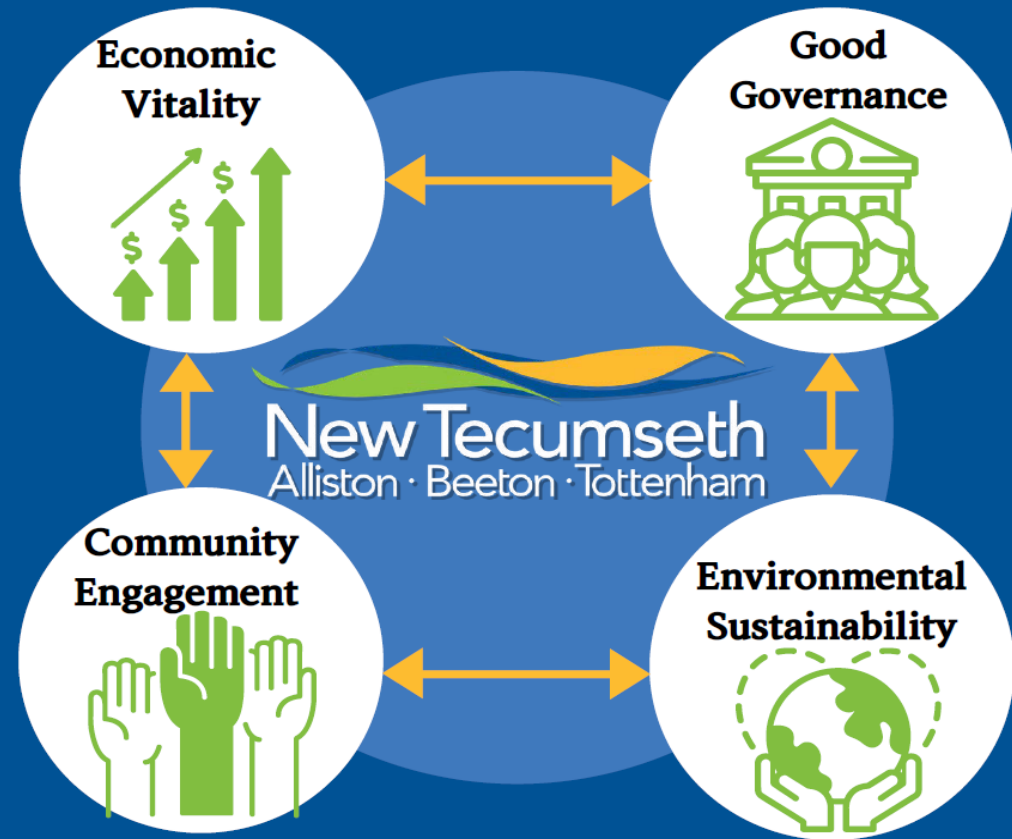
Proposed  
Budget  
Regular COW  
Meeting

Dec. 14  
7pm

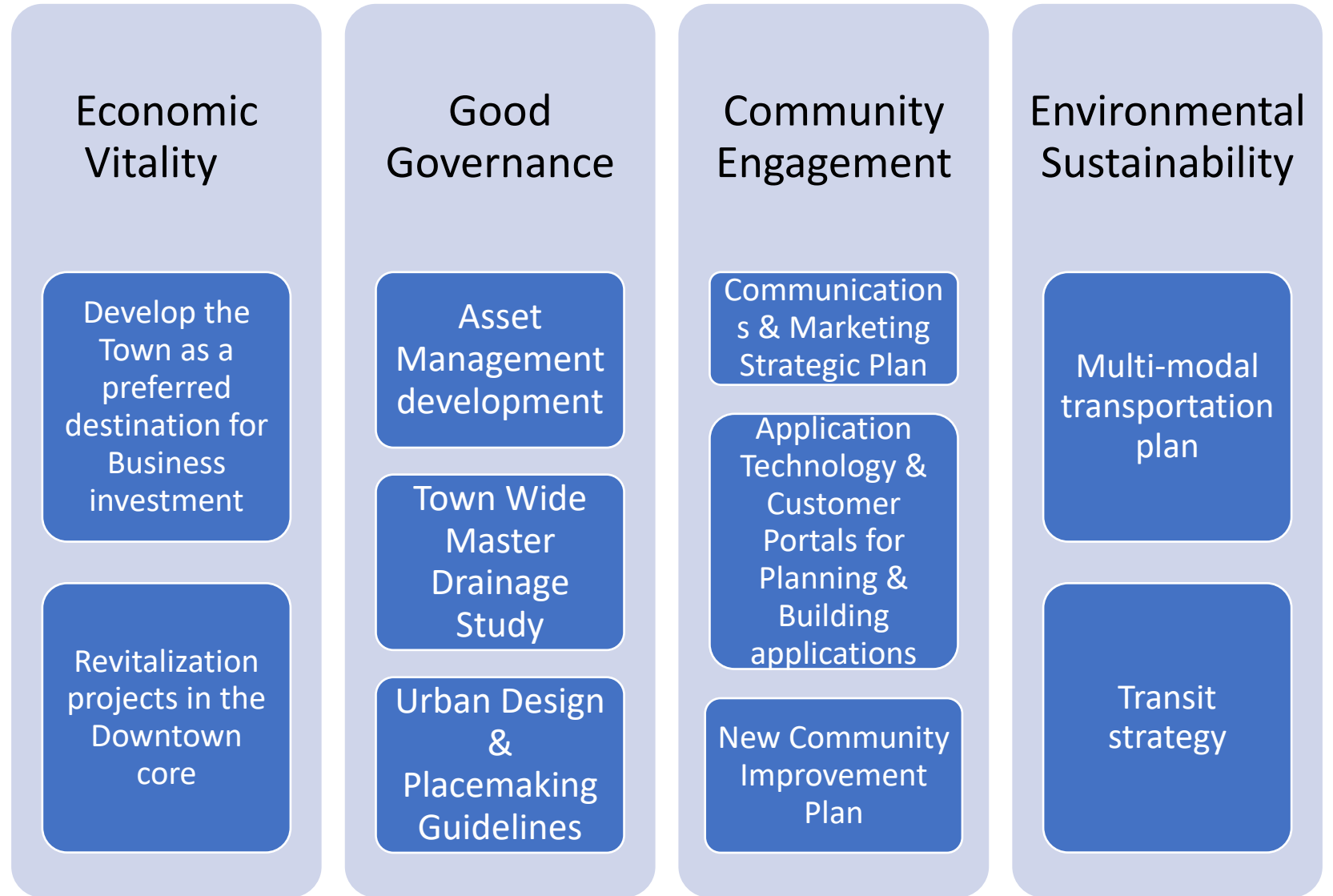
Budget  
Approval  
Council  
Meeting

# New Tecumseth Strategic Plan

The 2019 - 2022 Council Strategic Plan is a road map that guides the Town of New Tecumseth toward Council's vision of the future. It serves as a plan to get us from where we are today to where we want to be. This mandate includes the following four areas of focus.



# Alignment to the New Strategic Plan (2019-2022)



# Budget Themes 2021

- **Moderation & Sensitivity**
  - COVID 19 impacts to the community
  - COVID 19 impacts to staff & council
  - Opportunity to learn from 2020 experience
  - 9 additional Service Requests not considered in 2021
  
- **Accountability & Performance**
  - Completion of Carry Forward Capital Projects
  - Completion of Studies and Consulting Projects
  - Streamlined work plan consistent with financial and resource capacity



# LEVY CHANGE SUMMARY



<b>Budget Components</b>	<b>2020 Budget</b>	<b>2021 Draft Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Non-Levy Revenues:	11,860,236	11,550,609	(309,627)	-2.61%
Expenditures:				
Operating Expenses:	47,992,092	49,245,367	1,253,275	2.61%
Capital Funding from Taxation	1,000,000	1,060,287	60,287	6.03%
Expenses	48,992,092	50,305,654	1,313,562	2.68%
Net Levy (Operating + Capital Funding)	37,131,856	38,755,045	1,623,189	4.37%
Less: Capital Levy	(180,000)	(369,159)	(189,159)	105.09%
General Net Levy	36,951,856	38,385,886	1,434,030	3.88%
Less: Assessment Growth ( <i>Estimate Oct. 15th</i> )			700,000	
Additional General Levy Requirement			734,030	
1% Levy Increase \$ Equivalent			376,519	
General Tax Levy % Change			1.95%	
Plus: Capital Levy % Change			0.50%	
Combined Levy % Change			2.45%	

# Property Tax Change on the Average Home

## 2021 Estimated Property Tax Bill Impact

Average Assessed Value (2020) \* \$452,695

Property Tax Bill	Rate	2020	Est. Increase		Est 2021
		Property tax	%	\$	Property tax
Town General Levy	0.50386%	2,281	1.95%	44	2,325
Town Capital Levy	0.00247%	11	0.50%	11	23
Simcoe County Levy *	0.27357%	1,238	0.00%	0	1,238
Education Levy **	0.15300%	693	0.00%	0	693
<b>Total Property Levy</b>	<b>0.93289%</b>	<b>4,223</b>	<b>1.32%</b>	<b>56</b>	<b>4,279</b>

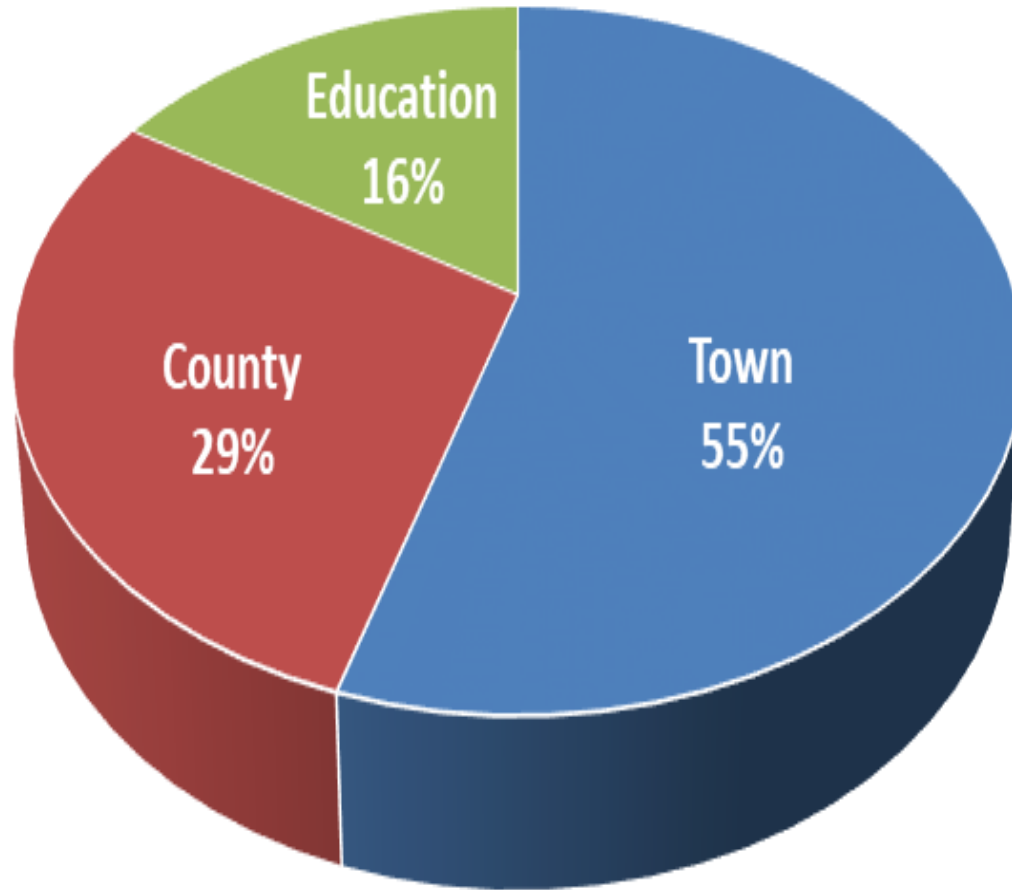
\* Figure provided by Municipal Tax Equity Consultants (MTE)

\*\* County increase is based on the latest Nov. 5th Council report /

Education increase is unknown and est. at 0%.



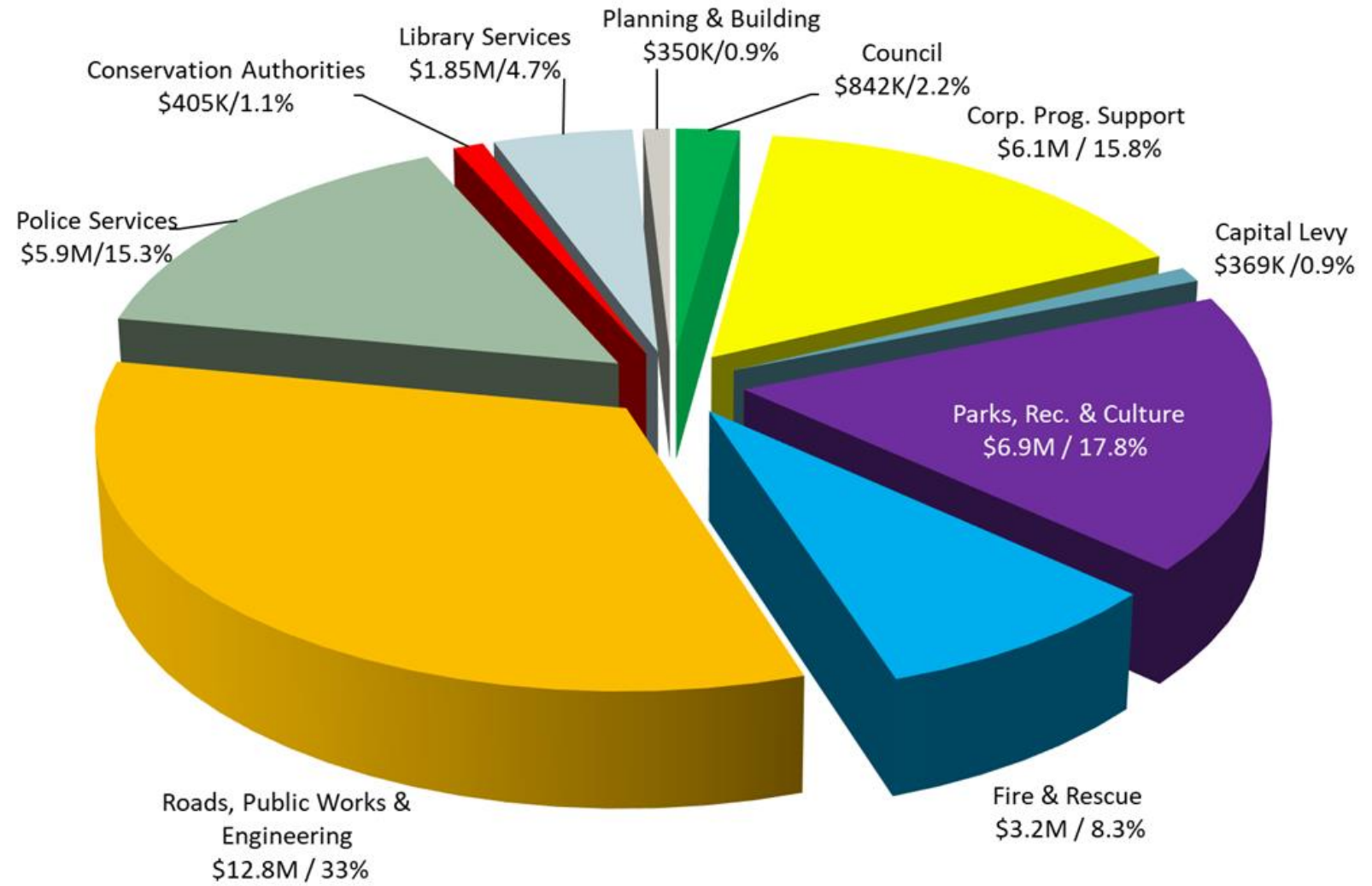
## Where your 2021 Property Levy Goes





## 2021 Total Town Net Levy of \$38.4M Allocation

Key Highlights:  
Where your Taxes Go



# Levy Trending (000's)

	2017	2018	2019	2020	2021
Net Levy	\$29,515	\$32,244	\$34,946	\$37,132	\$38,755
\$ Change	\$2,258	\$2,729	\$2,702	\$2,186	\$1,623
% Change	8.3%	9.2%	8.4%	6.3%	4.4%
% Change After Growth	3.7%	2.6%	2.6%	3.7%	2.5%
Assessment Growth	\$1,345	\$1,952	\$1,797	\$867	\$700



# Budget Summary Report

## Town-Wide, Excluding Utility Departments

Budget Year: 2021



	2020 Budget	2021 Budget	\$ Change	% Change
<b>Revenue:</b>				
Fees and Charges	6,841,462	6,050,594	(790,868)	-11.56%
Grants, Subsidies, Donations	153,039	159,057	6,018	3.93%
Miscellaneous Revenues	77,625	96,271	18,646	24.02%
Recoveries and Chargebacks	280,325	282,800	2,475	0.88%
Reserve Funding	3,127,941	3,782,043	654,102	20.91%
Taxation	76,409,596	76,209,596	(200,000)	-0.26%
<b>Total Revenue</b>	<b>86,889,988</b>	<b>86,580,361</b>	<b>(309,627)</b>	<b>-0.36%</b>

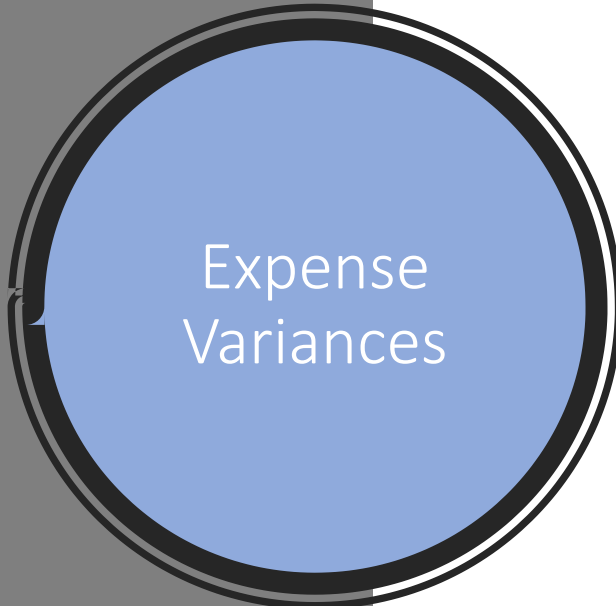
### Revenue Variances

- Fees & Charges
  - Reduced Recreation programming – COVID-19
  - Reduced investment income – COVID-19
  - Reduced development activity
- Reserve Funding
  - Utilized COVID grant to offset lost revenue
- Taxation
  - Reduced growth assessment
  - Capital Tax Levy applied

# Budget Summary Report

*Town-Wide, Excluding Utility Departments*


Budget Year: 2021



	2020 Budget	2021 Budget	\$ Change	% Change
<b>Expense:</b>				
Administration Expenses	1,710,992	1,645,988	(65,004)	-3.80%
Agency & Board Payments	2,397,811	2,388,466	(9,345)	-0.39%
Contracted Municipal Services	5,976,396	6,090,470	114,074	1.91%
Costs of Service Delivery	7,049,616	7,254,821	205,205	2.91%
Facility Expenses	1,572,670	1,453,318	(119,353)	-7.59%
Financing Expenses	3,686,738	3,368,503	(318,235)	-8.63%
Professional Services	988,736	840,388	(148,348)	-15.00%
Reserve Contributions	4,165,030	4,459,396	294,366	7.07%
Salaries and Benefits	20,933,663	22,304,861	1,371,198	6.55%
Taxation and Write Offs	38,408,336	38,397,340	(10,996)	-0.03%
<b>Total Expense</b>	<b>86,889,988</b>	<b>88,203,550</b>	<b>1,313,561</b>	<b>1.51%</b>
<b>Net Operating</b>	<b>0</b>	<b>(1,623,189)</b>	<b>(1,623,189)</b>	<b>-100.00%</b>



## Expense Variances

- Administration & Professional Services
    - Online and virtual customer interaction reduced some costs
    - Volume of consulting & training projects are reduced from previous years
  - Cost of Service Delivery
    - LED retrofit savings are now incorporated into the utilities
    - Increased insurance costs
    - Increased COVID supplies –offset in revenues section by the COVID grant
  - Salaries & Benefits
    - COLA adjustment 1.2% and grid adjustments 3.0%
    - Staffing enhancements 2.4% (attached)
- 

# High Value Capital Projects

\$21.4 of \$27.7M <sup>77%</sup>  
 10 of 71 projects <sup>14%</sup>

Title	2021 Expense	Reserves	Grants	Gas Tax	OCIF	DC Reserves	Capital Tax Reserve	Debt
Dayfoot St Reconstruction -Multi Year Project	9,366,000					8,949,656	416,344	
Beattie Bridge Creek Crossing - Utility Relocation	2,620,400					2,620,400		
Fire Stat #4 Construction - Addn Funding	2,500,000							2,500,000
Fire Stat #3 Expansion	2,500,000							2,500,000
Administration Building Replacements	1,220,000	1,220,000						
NTRC Arena Roof Replacement	830,000	830,000						
New Park development - NTRC Faulkner Park	700,000	70,000				630,000		
7th Line Road Improvements - SR10 to SR15 - Utility Relocation	598,000			598,000				
Mill St CPR Crossing Warning System	543,327		393,551			149,776		
Annual Gravel Road Program	500,000			500,000				



# Reserve Summary




<i>Description</i>	<i>Est. Opening Balance</i>	<i>Transfers</i>			<i>Est. Close Balance</i>	<i>% Change</i>	
	<i>12/31/2020</i>	<i>Contributions</i>	<i>Operating</i>	<i>Capital CFD</i>	<i>Capital New</i>		<i>Dec. 31, 2021</i>
General Reserves	37,424,302	8,743,690	( 1,325,703)	( 10,844,277)	( 6,785,794)	27,212,218	-27%
Reserve Funds	12,894,304	2,327,657	( 138,231)	( 6,585,928)	( 3,344,713)	5,153,090	-60%
Development Charges	21,972,351	★ 23,347,751	( 5,992,079)	( 11,731,279)	( 13,597,832)	13,998,913	-36%
	<b>72,290,958</b>	<b>34,419,098</b>	<b>(7,456,012)</b>	<b>(29,161,483)</b>	<b>(23,728,339)</b>	<b>46,364,221</b>	<b>-36%</b>

★ Planned collection  
Forecast 2020 collection = \$4M

# Growth Challenge

DC Collection	2015	2016	2017	2018	2019	2020
Total	\$ 17.6M	\$ 23.1M	\$ 15.8M	\$ 7.9M	\$ 3.6M	\$ 4.0M
Planned	\$ 22.5M	\$ 22.5M	\$ 22.5M	\$ 22.5M	\$ 22.5M	\$ 22.5M
Cumulative Shortfall	\$ 4.9M	\$ 4.3M	\$ 11.0M	\$25.6M	\$ 44.4M	\$ 63.0M

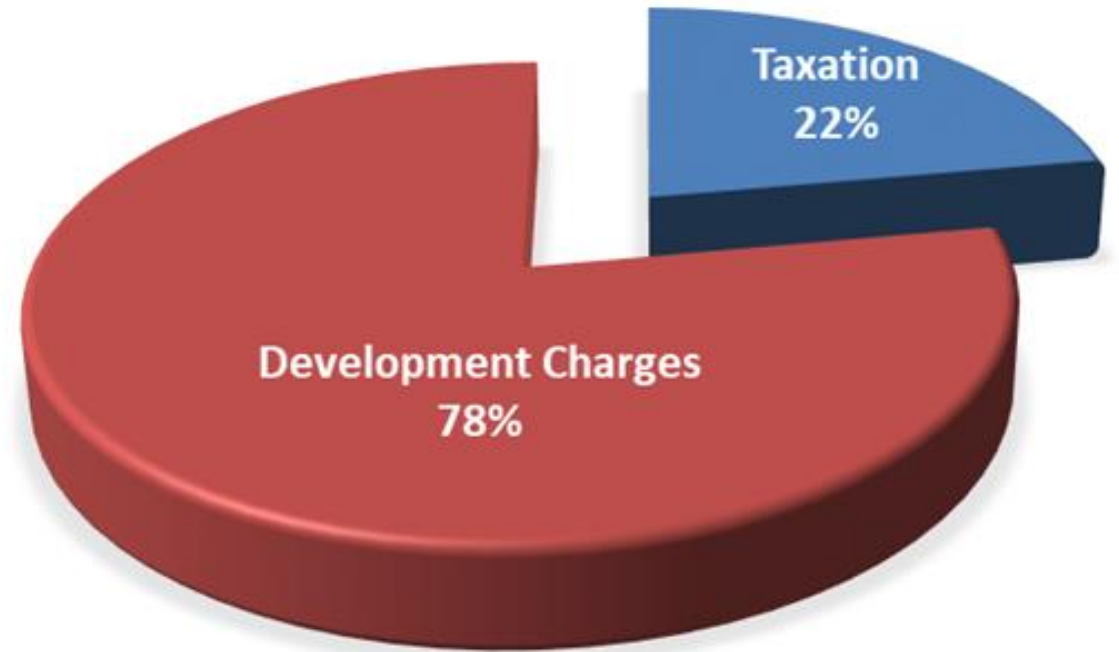
To consider:

- Planned 570 homes per year, achieving less than half
  - Limited commercial and industrial growth
  - \$80M water program
  - Pressure on debt repayments
  - Need to understand the challenges and partner with stakeholders
- 




# Debenture Debt Funding Sources 2021

Term	Rate	Capacity
10-year	2.35%	\$ 50,618,065
20-year	2.60%	\$ 88,624,073
30-year	2.68%	\$ 117,282,300



# Utility Rate Adjustments

Rate Change	Water	Waste	Total
1 Cent Adj	31,884	24,396	56,280
1% Rate Adj	62,093	52,015	114,108
4% Rate Adj	248,372	208,062	456,434
Res Rate	2.22	2.22	
Comm Rates	1.63	2.22	
Special Rates	1.22	2.22	

- Increase of \$0.18 cm = \$36/year (200cm usage)
  - Movement away from special rates
- 

# Water Rates Comparison 2020

2020 Year Cost per 200 CM	Total Annual Bill for Water/Wastewater	Combined Rate/CM
King	\$1,433	\$7.17
Collingwood	\$1,426	\$7.13
Innisfil (2019)	\$1,351	\$6.76
Newmarket	\$1,276	\$6.38
Orangeville	\$1,035	\$5.18
Bradford	\$ 998	\$4.99
Barrie	\$ 972	\$4.86
<b>New Tecumseth 2021</b>	<b>\$ 888</b>	<b>\$4.44</b>
New Tecumseth 2020	\$ 852	\$4.26
Essa	\$ 681	\$3.40

