

**Council Meeting
December 23, 2019**

Report #FIN-2019-39 Additional Information Memorandum

Additional Information Memorandum to Item CW-4(5), Committee of the Whole Meeting of December 9, 2019 Report #FIN-2019-39: Proposed 2020 Budget

Recommendation

That Report #FIN-2019-39 be received;

And further that the Additional Information Memorandum from the Director of Financial Services / Treasurer dated December 23, 2019 be received;

And further that the deputation of Mike Jerry of the Alliston Business Improvement Area with regard to Pop-Up Patios be received;

And further that the proposed 2020 Town Budget with a net tax levy amount of \$36,951,855, inclusive of transfers to/from reserves and amendments from previous Committee of the Whole Working Sessions, requiring a 3.18% average levy increase be approved which is in addition to the Committee's recommended separate capital levy dedicated to asset replacement to achieve an additional annual 0.5% net levy increase, amounting to approximately \$180,000 for 2020 to be transferred to the appropriate Asset Replacement Reserve;

And further that the Town's proposed 2020 Water and Wastewater Budget, including a 3% rate increase effective April 1st be approved and the necessary amendments to the Fees and Charges By-Law Schedule "C" regarding the 2020 Water and Wastewater Rates, as illustrated in Attachment #2 of Report #FIN-2019-39 be enacted;

And further that the CAO, GM of Corporate Services/CFO and Director of Financial Services/Treasurer be authorized to make in-year budget adjustments, as required during the fiscal year, with no impact on the approved 2020 taxation levy;

And further that in accordance with Ontario Regulation 284/09, the exclusion of specific expenses from the proposed 2020 Town Budget, as outlined within the body of the Report #FIN-2019-39 be recognized and adopted;

And further that the 2020 Tax Levying By-law for the Town of New Tecumseth be brought forward to Council once the County of Simcoe has established their 2020 property tax rates, ratios and related policies, and the Province of Ontario has established the Education Board Property Tax Rates, which are required to calculate the 2020 Municipal Property Tax Rates;

And further that all capital projects placed on hold as a result of the Regional Government Review, as outlined within Report #ENG-2019-19 provided on July 8th, 2019, be released and proceed as determined by staff through the budget and planning process;

And further that a capital project for 10 Wellington Street be added to the 2020 Capital budget, and each subsequent year of operations, in the amount of \$100,000 in order to accommodate any necessary repairs needed to maintain operations for the 3 year time period;

And further that Staff's recommendation to adjust the Public Works 2020 Salary Budget by \$20,000 to fund Council's December 9th Motion to add a \$20,000 line item for Matthews House Hospice be approved;

And further that the deputation of Jennifer Fortin of the Gibson Centre to request funding in the amount of \$40,000 be received;

And further that the Committee of the Whole's December 9th recommendation to increase the 2020 Arts and Culture Grant Program Budget by \$15,000 be approved;

And further that the monies be allocated by adjusting the Public Works 2020 Salary Budget by \$15,000.

Objective

To provide additional information to Council regarding the funding allocation for 2020 budget requests related to the Matthews Hospice House and the Gibson Cultural Center.

Background

At the December 9th, 2019 Council Meeting the following motion was approved:

- **And Further That** Matthews House Hospice be included as a line item in the Town's budget in the amount of \$20,000 commencing in 2020 with an annual increase of the COLA used by the Town and the funds to be utilized by Matthews House Hospice how they wish;
- **And Further That** the Director of Finance/Treasurer be directed to advise Council as to where the funds will be allocated from during the annual budget deliberations other than from an increase in taxation.

At the December 9th, 2019 Committee of the Whole Meeting the following recommendation was provided:

- And further that the Arts and Culture Grant Program be increased for 2020 to \$115,000 and \$15,000 of that grant program be dedicated to the Gibson Centre;
- And further that staff be directed to bring back an Additional Information Memorandum with regard to alternatives as to how the additional \$15,000 for the Arts and Culture Grant Program will be funded.

The combined impact of these two motions on the budget is \$35,000.

Comments and Considerations

To address the above motion and recommendations finance staff initiated internal discussions to develop a funding solution. As a result, staff are recommending the above motions to be accommodated by adjusting the Public Work's salary budget by \$35,000 in anticipation of continued future salary vacancies. As the adjustment is of equal value to the motion and recommendations there is no further pressure on the net property taxation levy.

Financial Considerations

Should staff's recommendation be adopted, there will be no overall impact on the Proposed 2020 Budget Report presented to Committee of the Whole on December 9th, 2019.

However, the proposed 2020 budget will require the offsetting adjustments as noted within this report to accommodate the budget requests. Once the Proposed 2020 Budget is approved and finalized, staff will update the 2020 Budget accordingly and place a final version on the Town's website.

The Proposed 2020 Town Budget reflects a net operating and capital levy of \$36,951,855. For the average home in New Tecumseth with a property assessment value of \$428,273, this translates to a 3.18% average property levy increase or approximately \$70 per year or \$5.83 per month.

In addition to the above, Council initiated a new separate annual Capital Levy dedicated to asset replacement. This funding equates to an additional annual 0.5% net levy increase, amounting to approximately \$180,000 for 2020. This adjustment translates to approximately \$11 per year or \$0.91 per month for the average home.

The impact on the average New Tecumseth residential property, including County and Education components, would be a total payment of \$4,202.

2020 Estimated Property Tax Bill Impact

Average Residential Property Value Assessment

\$ 428,273 *

Property Tax Bill	2019		2020			Portion of Property Levy
	Tax Rate	Property Levy	Levy Change	Property Levy	\$ Change	
Town General Levy	0.5136%	\$ 2,199	3.18%	\$ 2,269	\$ 70	54%
Town Capital Levy	0.0000%	\$ -	0.50%	\$ 11	\$ 11	0%
County Levy **	0.2790%	\$ 1,195	2.00%	\$ 1,219	\$ 24	29%
Education Levy **	0.1610%	\$ 690	2.00%	\$ 703	\$ 14	17%
Total Property Levy	0.9536%	\$ 4,084	2.90%	\$ 4,202	\$ 119	100%

* Figure provided by Municipal Tax Equity Consultants, base on the most recent 2016 assessment data.

** Budgets for the County and Provincial Education Boards are unknown and estimated at 2%.

Respectfully submitted:



John Henry, CPA, CMA
 Director, Financial Services / Treasurer

Approved By:

Lori Bedford, GM of Corporate Services/CFO

Blaine Parkin, P. Eng., CAO

Department:

Corporate Services Division

CAO

Status:

Approved - 19 Dec 2019

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