

2021 Staff Proposed Budget

Plus 2022-2025 Forecasted Budget

2020-09-01



Initial Senior Management Team Budget Submission

Department	2020	2021	2022	2023	2024	2025
CAO	1,343,939	1,699,867	1,617,652	1,550,588	1,571,626	1,589,642
Corporate Serv.	0	0	0	0	0	0
Non Dept.	2,978,983	3,438,794	3,581,825	2,753,247	3,272,981	3,332,693
ITS	0	0	0	0	0	0
Workplace Engagement Services	0	0	0	0	0	0
Paramedic Serv.	6,695,275	6,909,835	7,694,657	7,647,969	8,551,858	8,990,300
Transportation	13,922,100	16,574,559	16,090,284	16,616,493	17,072,423	17,608,197
Human Services	7,178,244	7,957,792	8,312,318	8,400,990	8,629,889	8,819,053
Brucelea	4,172,792	4,905,643	4,376,050	4,505,014	4,641,082	4,750,141
Gateway	3,695,510	4,063,505	4,069,644	4,188,240	4,302,527	4,393,834
Museum	2,008,714	2,091,848	2,174,436	2,249,743	2,222,558	2,830,546
Library	3,999,054	4,089,753	4,147,365	4,156,825	4,238,896	4,297,117
Planning & Dev.	3,858,371	3,970,351	3,769,779	3,843,279	3,911,177	3,974,547
Total	49,852,982	55,701,947	55,834,010	55,912,388	58,415,017	60,586,070

Levy Increase (excl. growth)

11.73%

0.24%

0.14%

4.48%

3.72%

Revised Budget Submission - October 8, 2020

Department	2020	2021	Change	2022	2023	2024	2025
CAO	1,343,939	1,696,672	352,733	1,617,796	1,550,723	1,571,749	1,589,764
Corporate Serv.	0	0	0	0	0	0	0
Non Dept.	2,978,983	3,009,717	30,734	3,581,825	2,753,247	3,272,981	3,332,693
ITS	0	0	0	0	0	0	0
Workplace Engagement Serv.	0	0	0	0	0	0	0
Paramedic Serv.	6,695,275	6,615,521	-79,754	7,223,067	7,071,399	7,335,491	7,644,421
Transportation	13,922,100	15,755,841	1,833,741	16,208,039	16,987,703	18,191,044	18,006,652
Human Services	7,178,244	7,818,787	640,543	8,215,047	8,368,596	8,602,702	8,782,824
Brucelea	4,172,792	4,363,292	190,500	4,618,147	4,659,363	4,798,560	4,910,728
Gateway	3,695,510	3,997,442	301,932	4,148,744	4,178,571	4,294,956	4,388,331
Museum	2,008,714	2,051,051	42,337	2,174,864	2,250,177	2,222,998	2,830,980
Library	3,999,054	4,057,077	58,023	4,152,550	4,167,525	4,250,106	4,308,816
Planning & Dev.	3,858,371	3,954,837	96,466	3,936,564	4,013,397	4,084,691	4,151,512
Total	49,852,982	53,320,237	3,467,255	55,876,643	56,000,701	58,625,278	59,946,721

Levy Increase (excl. growth)

6.95%

4.79%

0.22%

4.69%

2.25%

Department	2020	2021	Change	2022	2023	2024	2025
Corporate Serv.	1,942,658	1,872,454	-70,204	1,933,732	2,031,053	2,088,456	2,078,833
ITS	2,587,609	2,774,216	186,607	2,726,135	2,752,183	2,778,690	2,805,663
Workplace Engagement Serv.	1,382,237	1,428,931	46,694	1,431,346	1,457,053	1,482,002	1,507,478
Non Dept.	3,591,086	3,675,494	84,408	4,249,485	3,455,268	4,004,583	4,072,342
Total	9,503,590	9,751,095	247,505	10,340,698	9,695,557	10,353,731	10,464,316

Revised Budget Submission - October 8, 2020

Department	2020	2021	Change	2022	2023	2024	2025
CAO	1,343,939	1,696,672	352,733	1,617,796	1,550,723	1,571,749	1,589,764
Corporate Serv.	0	0	0	0	0	0	0
Non Dept.	2,978,983	3,009,717	30,734	3,581,825	2,753,247	3,272,981	3,332,693
ITS	0	0	0	0	0	0	0
Workplace Engagement Serv.	0	0	0	0	0	0	0
Paramedic Serv.	6,695,275	6,615,521	-79,754	7,223,067	7,071,399	7,335,491	7,644,421
Transportation	13,922,100	15,755,841	1,833,741	16,208,039	16,987,703	18,191,044	18,006,652
Human Services	7,178,244	7,818,787	640,543	8,215,047	8,368,596	8,602,702	8,782,824
Brucelea	4,172,792	4,363,292	190,500	4,618,147	4,659,363	4,798,560	4,910,728
Gateway	3,695,510	3,997,442	301,932	4,148,744	4,178,571	4,294,956	4,388,331
Museum	2,008,714	2,051,051	42,337	2,174,864	2,250,177	2,222,998	2,830,980
Library	3,999,054	4,057,077	58,023	4,152,550	4,167,525	4,250,106	4,308,816
Planning & Dev.	3,858,371	3,954,837	96,466	3,936,564	4,013,397	4,084,691	4,151,512
Total	49,852,982	53,320,237	3,467,255	55,876,643	56,000,701	58,625,278	59,946,721

Levy Increase (excl. growth)

6.95%

4.79%

0.22%

4.69%

2.25%

- How best to shift some of the increase from 2021 to 2023?
- 2023 has a much smaller increase due to the ending of a large loan payment - Long Term Care and Inland Hub renovation.

Temporarily Borrow Internally from Reserve Funds

- Allows the shifting of the increase from 2021 to 2023.
- Internally borrow \$750,000 (2021) and \$750,000 (2022)
 - \$910,000 from Non-Departmental Facilities Reserve
 - \$590,000 from Working Fund
- Repay internal borrowing \$750,000 (2023) and \$750,000 (2024)
- More flexibility
 - Borrow when we use the funds
 - Only pay for days when we actually use them versus a fixed period of time set by the lender

Cost of Borrowing Internally

- Cost of internal borrowing
 - Reduce bank balance from \$750,000 to \$1,500,000
 - Shift from earning 0.65% on bank balance to pay 1.7% on overdraft
 - Interest rates subject to change but not likely for a few years
 - Works out to approximately 1.16%
 - \$8,000 (2021), \$16,000 (2022), \$8,000 (2023)
 - This assumes overdraft interest applied January 1 to December 31
 - Actual number of days will likely be less and so will interest
 - Overdraft interest can vary on a daily basis without prior notice

Implications of Borrow Internally from Reserve Funds

- Implications
 - Reduced availability of emergency funds
 - Working fund is not supposed to be emergency funds but due to lack of other reserves, it as been treated as such
 - Tighter budgeting in non-departmental capital projects
 - Higher overdraft limit required to be maintained
 - Increased overdraft interest

Other Updates - Repayment of Support the Bruce Loan to be added to budget

- Repayment of Working Fund
 - 2020 payment from Working Fund, 2021 partially from Working Fund
 - \$148,428 (2022)
 - \$385,204 (2023)
- Loan repayment from Planning and Development (levy increase)
 - \$373,000 (2022)
 - \$373,000 (2023)
 - \$373,000 (2024)
 - \$186,500 (2025)
- Human Services - Increase Funding from Safe Restart Grant \$6,797 (2021)

Rebuilding the Reserves and Funding Future Infrastructure Repair and Replacement

- Need to focus on increasing transfers to reserves to strengthen corporate resiliency
 - Capital infrastructure replacement
 - Fund unanticipated budget amendments
 - Fund emergency expenditures
- Increase transfers to reserves in years 2023-2024
 - Provide more predictable levy increases
 - Forecast funding of asset management replacement
- Transfers to reserves included in 2023, 2024 and 2025
 - Currently a placeholder in Non-Departmental
 - To be reviewed and distributed to various departments during 2022-2026 budget and forecast

Revised Budget Submission - October 22, 2020

Department	2020	2021	Change	2022	2023	2024	2025
CAO	1,343,939	1,696,672	352,733	1,617,796	1,550,723	1,571,749	1,589,764
Corporate Serv.	0	0	0	0	0	0	0
Non Dept.	2,978,983	3,009,717	30,734	3,581,825	3,403,247	4,307,981	6,712,693
ITS	0	0	0	0	0	0	0
Workplace Engagement Services	0	0	0	0	0	0	0
Paramedic Serv.	6,695,275	6,615,521	-79,754	7,223,067	7,071,399	7,335,491	7,644,421
Transportation	13,922,100	15,013,841	1,091,741	15,474,039	17,745,703	18,941,044	18,006,652
Human Services	7,178,244	7,811,990	633,746	8,215,047	8,368,596	8,602,702	8,782,824
Brucelea	4,172,792	4,363,292	190,500	4,618,147	4,659,363	4,798,560	4,910,728
Gateway	3,695,510	3,997,442	301,932	4,148,744	4,178,571	4,294,956	4,388,331
Museum	2,008,714	2,051,051	42,337	2,174,864	2,250,177	2,222,998	2,830,980
Library	3,999,054	4,057,077	58,023	4,152,550	4,167,525	4,250,106	4,308,816
Planning & Dev.	3,858,371	3,954,837	96,466	4,457,992	4,767,919	4,457,691	4,338,012
Total	49,852,982	52,571,440	2,718,458	55,664,071	58,163,223	60,783,278	63,513,221

Levy Increase (excl. growth)	5.45%	5.88%	4.49%	4.50%	4.49%
Less Estimated growth	-1.50%	-1.00%	-1.00%	-1.00%	-1.00%
Net Increase after growth (est.)	3.95%	4.88%	3.49%	3.50%	3.49%

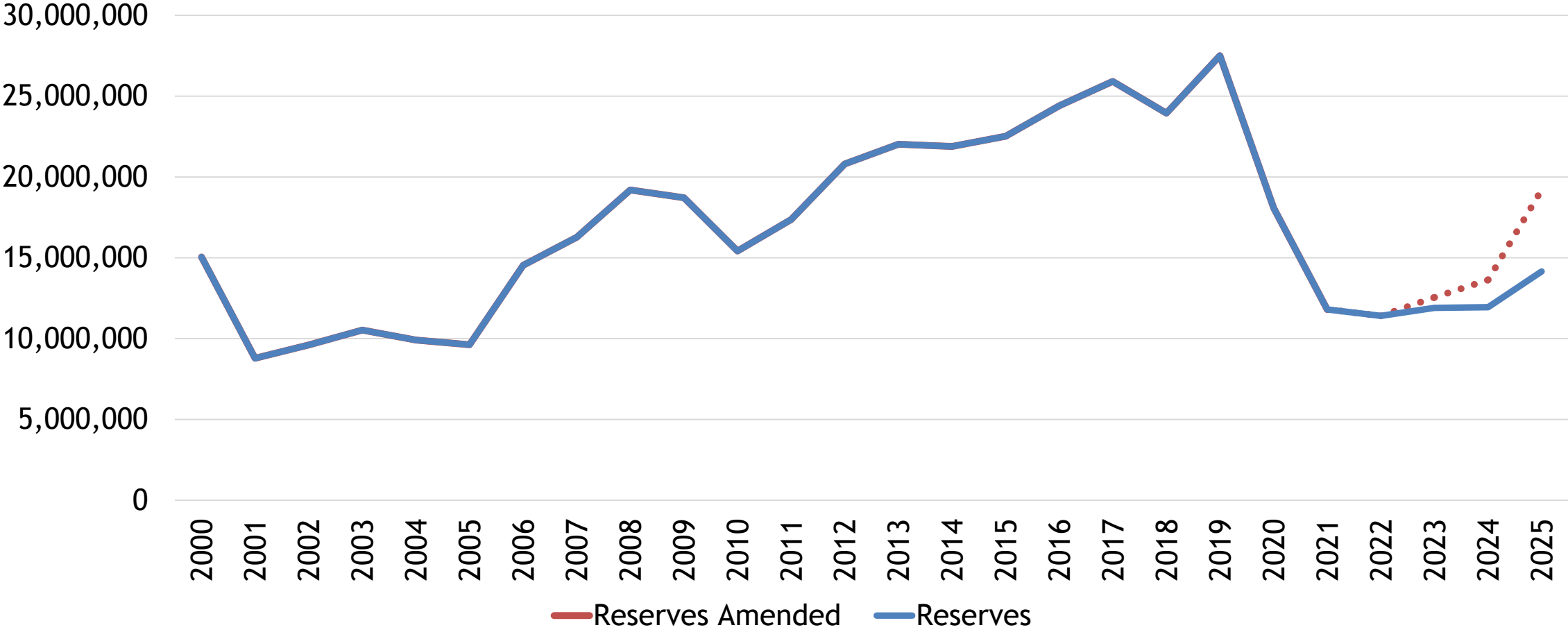
- Portion of 2021 increase shifted to 2023. Stable increases forecasted 2023-2025.

Funding the Reserves and more Predictable Forecasted Increases

- Increase in Transfer to Reserves
 - 2023 = \$ 650,000
 - 2024 = \$1,035,000
 - 2025 = \$3,380,000
- These increases will start the County on the path the rebuilding its reserves
- Future budgets will begin to include recommended transfer to reserve amounts for funding full asset replacement based on the asset management plan to be completed in 2021

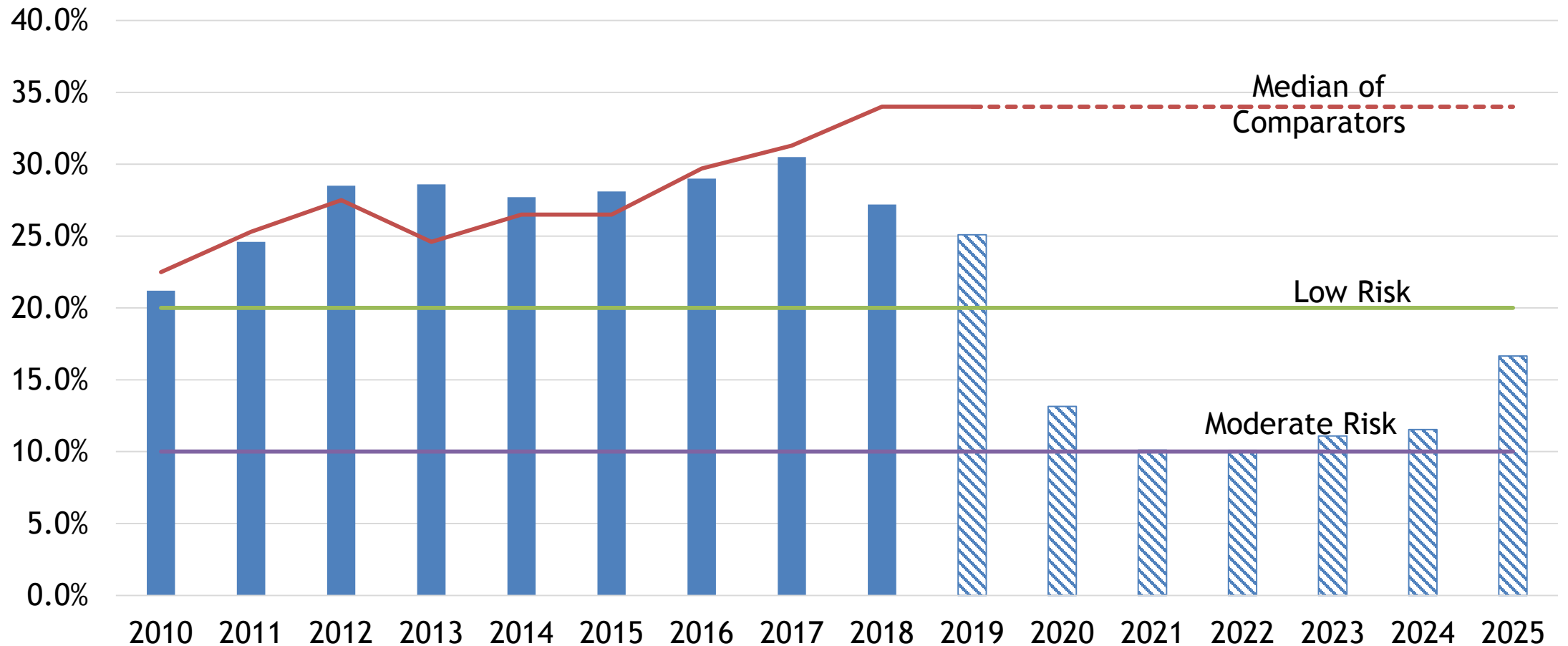
Effects of 2023-2025 Amendments on Reserves

By 2025 will be at 2012 levels instead of 2006 levels



Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses

(some reserves may have some year-end contributions not shown here)



Ontario Community Infrastructure Fund (OCIF)

- 2020 funding was \$566,000
- Allocation-based funding expired in 2020
- As of October 14, 2020 there have been no announcements regarding continuation of this infrastructure grant or any alternate grants to replace it
- The following chart shows the impact of the grant should it be approved

Revised Budget Submission - October 22, 2020

Levy increase	2021	2022	2023	2024	2025
Initial Budget	11.73%	0.24%	0.14%	4.48%	3.72%
Revised Budget	6.95%	4.78%	0.22%	4.69%	2.25%
2nd Revision incl. growth (est.)	3.95%	4.88%	3.49%	3.50%	3.49%
<ul style="list-style-type: none"> • Recommending approval of 2nd Revision budget which includes estimated growth of 1.50% (2021) and 1.00% (2022-2025) 					
OCIF Revision incl. growth (est.)	2.82%	4.95%	3.54%	3.55%	3.53%

Can two separate County levies appear on the property tax bills?

- 6 of the 8 lower-tiers replied by the time of this report writing
 - All 6 used a similar tax bill printing program.
 - Unknown what the other 2 use.
- It may be possible however the existing field is for special area charges.
- More research and review would be needed to ensure it can be used for a tax rate instead, what messaging can appear, and to ensure that the two tax rates will properly calculate
- Recommend that the possibility be reviewed for potential implementation in a year beyond 2021
 - Possibly 2023 when the first of the larger increases for reserves is forecasted