



# 2020 PROPOSED BUDGET

# Agenda



**A Message from the Treasurer**



**2020 Service Highlights**



**Understanding Municipal Taxes**



**2020 Capital Budget Overview**



**2020 Operating Budget Overview**

## A Message from the Treasurer

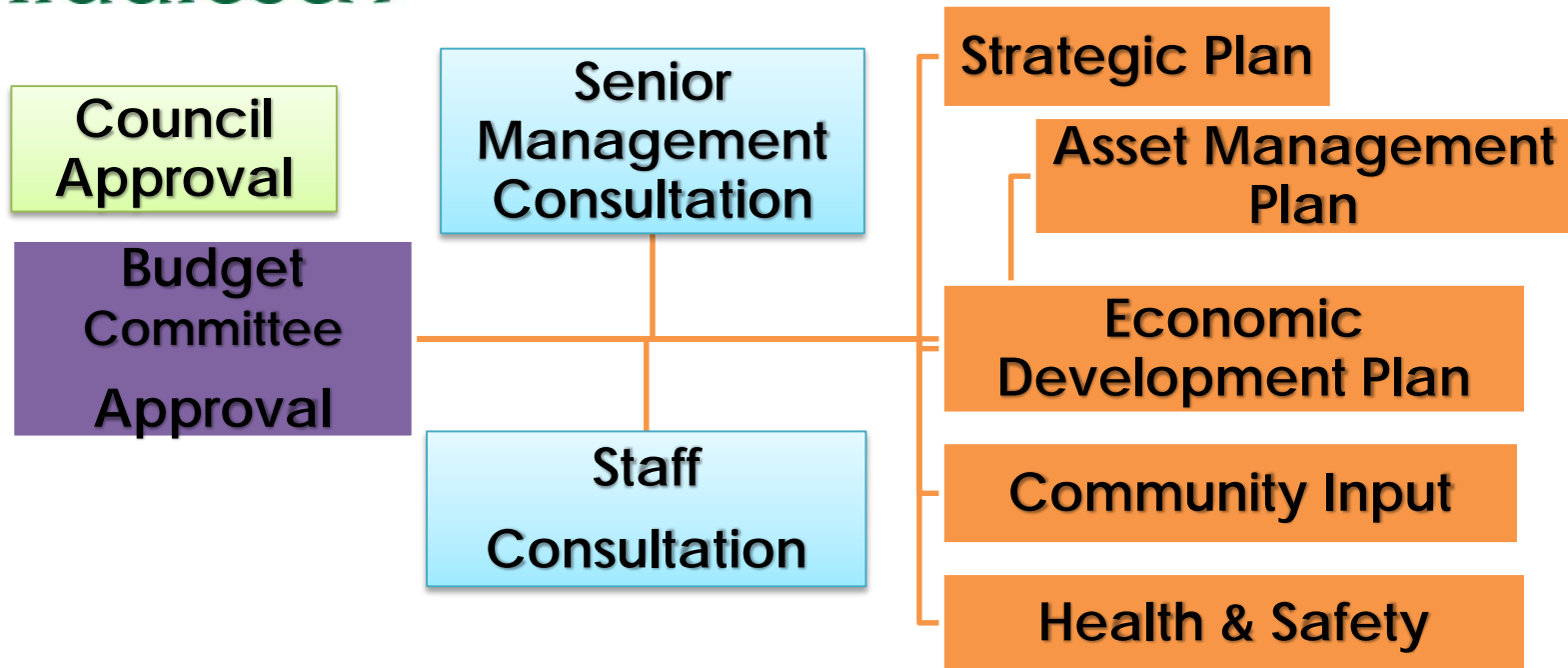
On behalf of staff and the budget committee, I am pleased to present the 2020 draft capital and operating budgets for Council approval. While the priority of these budgets was control on spending; staff were aware of our need to conserve the programs, services and infrastructure of North Middlesex for our residents. Staff understands the financial pressures many tax payers are facing and have tried to find an appropriate balance. The 0.00% tax rate increase maintains the current level of services, as well as, allows for transfers to reserves for future capital investments.



A big thanks to all  
staff and the 2020  
budget  
committee



## 2020 Capital and Operating Budget Process

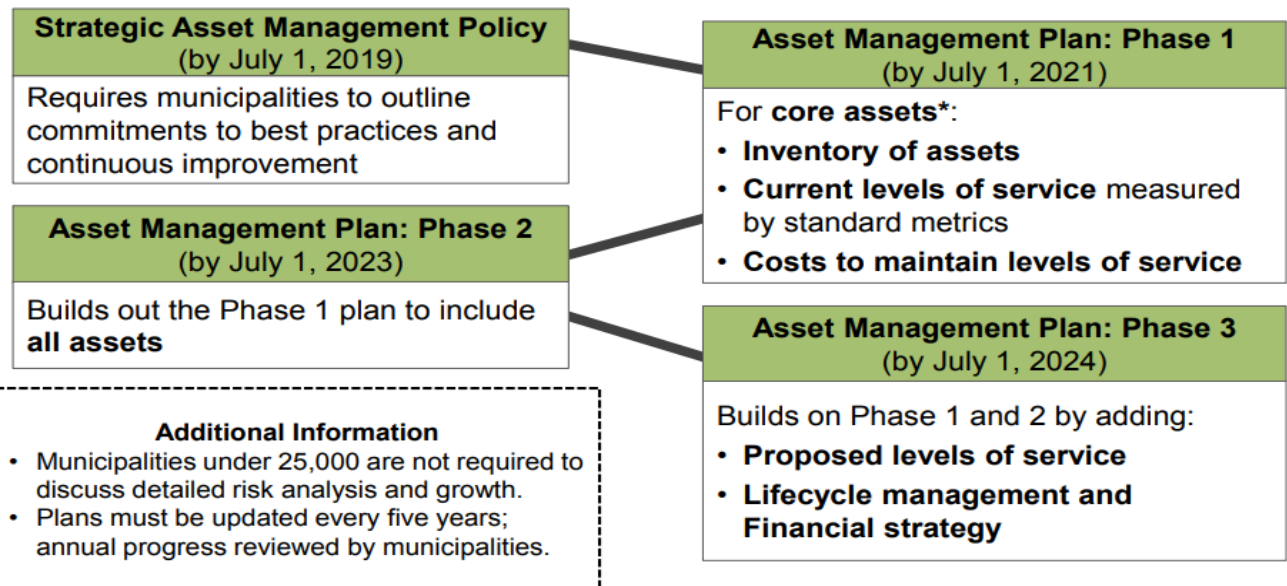


## O. Reg. 588/17: ASSET MANAGEMENT PLANNING FOR MUNICIPAL INFRASTRUCTURE

filed December 27, 2017 under *Infrastructure for Jobs and Prosperity Act, 2015, S.O. 2015, c. 15*

### 2020 Budgets O.Reg 588/17

#### Regulation Overview



\*Core assets are municipal roads, bridges water, wastewater and stormwater assets

# 2020 Service Highlights

## ➤ **Transportation Services**

- Patrol, maintenance and repair of 726 km of unpaved and 204 km of paved roads including winter maintenance
- Expansion of the Gravel Road Hard Surface Program
- Optimizing Windrow Eliminators on grader fleet (2 of 3)

## ➤ **Protective Services**

- Fire and police protection for 6,352 residents
- Issue an average of 222 building permits annually
- Inspections to ensure compliances with the Ontario Building Code Act
- Conservation Authority Levy
- Bylaw enforcement including animals, parking and tidy lot infractions

# 2020 Service Highlights

## ➤ **Environmental Services**

- Waste and recycling collection for 2,164 households and 172 business properties
- Operation of 1 transfer station
- Annual Spring Clean-up

## ➤ **Recreation & Culture**

- Care & Maintenance of 5 facilities & 7 pavilions
- Care & Maintenance of 10 sports fields
- Grass is cut at 12 cemeteries, 12 facilities and 3 parks (98 acres)



# How do we determine the tax rate?

Total Assessments  Tax Ratio set by Province/County  Total Weighted Assessments

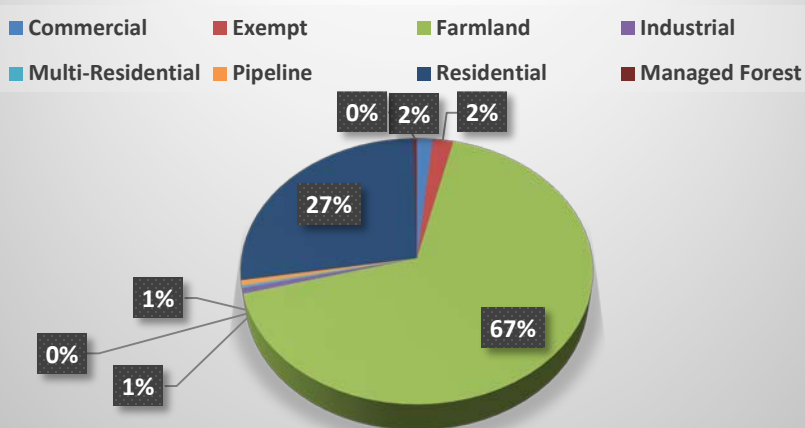
Total Tax Supported Budget  
Total Weighted Assessment  Residential Tax Rate

# 2020 Assessment

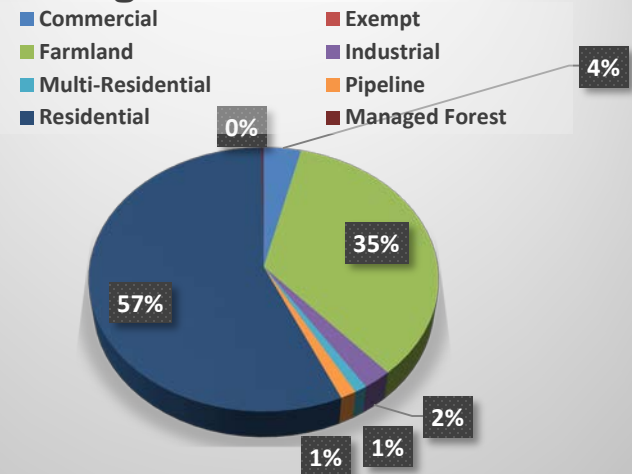
A strong assessment base is critical to a municipality's ability to generate revenues. Property assessment is the basis upon which municipalities raise taxes.

	2019 ASSESSMENT	2020 ASSESSMENT	CHANGE IN ASSESSMENT	Change By Line
<b>TOTAL ASSESSMENT</b>	1,936,040,171	2,121,601,300	<b>185,561,129</b>	9.58%
<b>WEIGHTED ASSESSMENT</b>	945,084,502	1,024,811,836	<b>79,727,334</b>	8.44%

## Unweighted Assessments



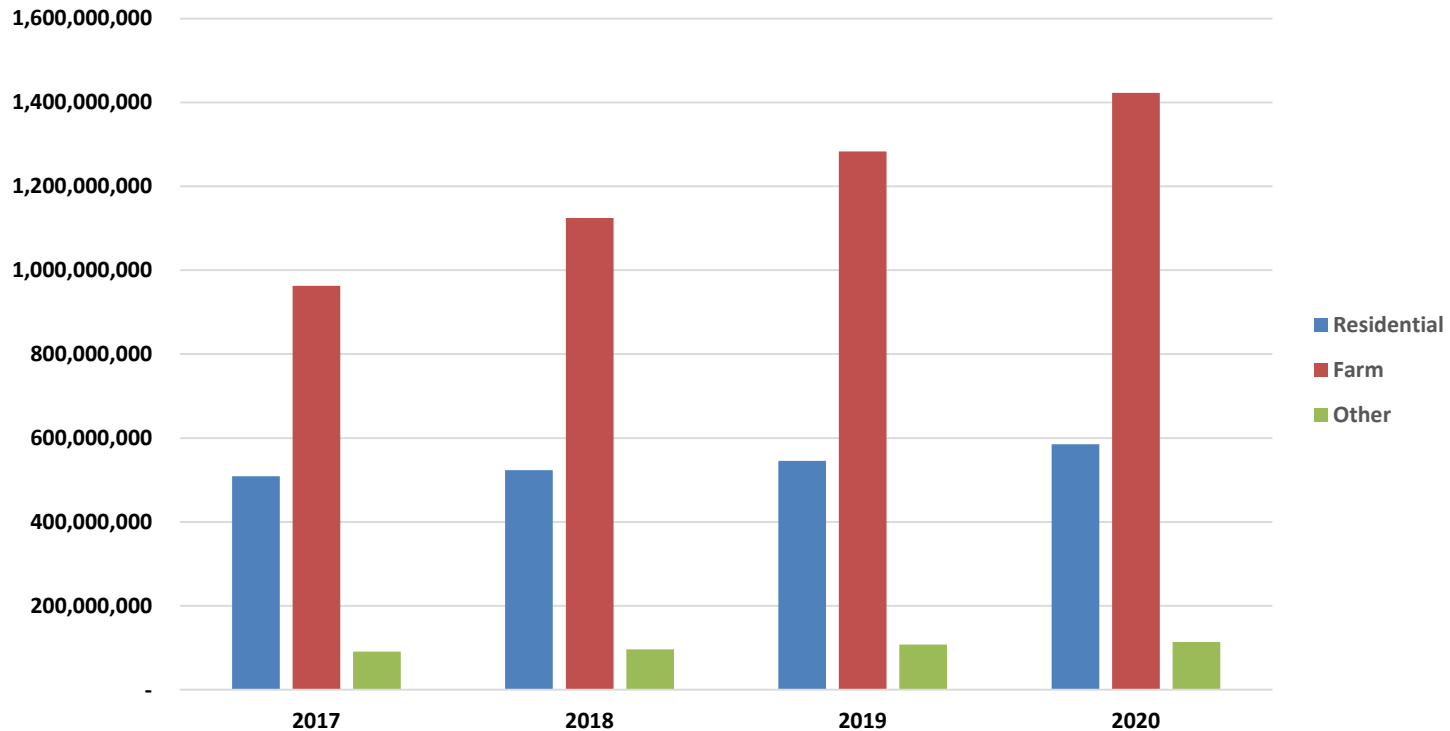
## Weighted Assessments



# 2020 Assessment Breakdown

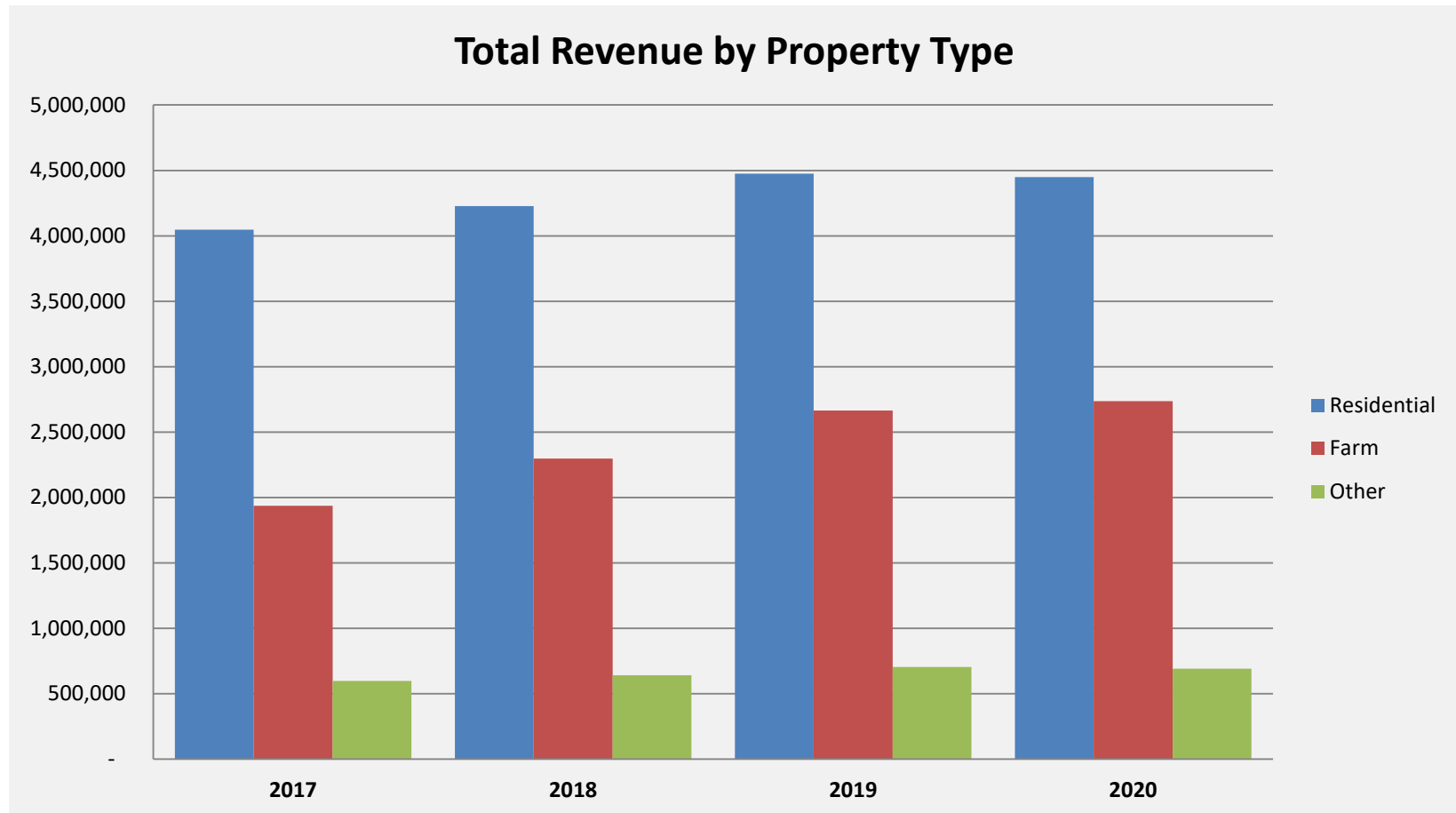
This graph represents the total unweighted assessment by property type from 2017 to 2020, with a focus on residential and farm.

Total Unweighted Assessment by Property Type



# 2020 Revenue Breakdown

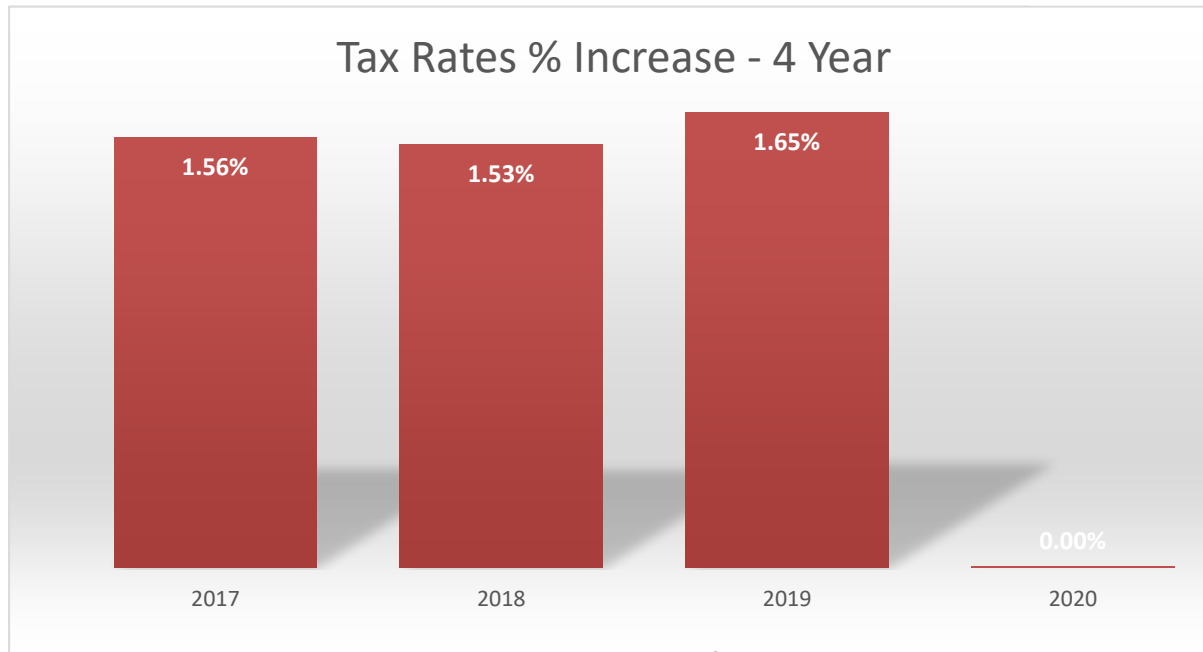
This graph represents the total revenue collected by property type from 2017 to 2020, with a focus on residential and farm.



# 2020 Tax Rate Increase

We were able to decrease the tax rate a small amount and keep the budget balanced.

The 2020 tax rate increase is 0.00%, excluding county and school board rates.



**Note:** County tax rates are set by the County of Middlesex and School Board tax rates are set by the Provincial Government.

# 2020 Tax Rate Impact

<u>2019</u>	<u>2020</u>	General Tax	
Tax Rate	Tax Rate	Rate Increase	% Change
<b>0.00829909</b>	<b>0.00829942</b>	0.00000033	<b>0.00</b>

## Municipal Portion of Taxes

2019 Taxes \$1,909



2019 Phased-in  
Assessment \$230,000

2020 Taxes \$1,950



2020 Phased-in  
Assessment \$235,000

**Difference**  
Annual \$41.57  
Monthly \$3.46  
Daily \$.01

# 2020 Tax Levy Increase

- Total levy increase of \$661,999
  - ✓ \$205,700 loss in OMPF
  - ✓ \$510,000 increase in reserve





## 2020 Capital Budget Working Toward Sustainable Growth







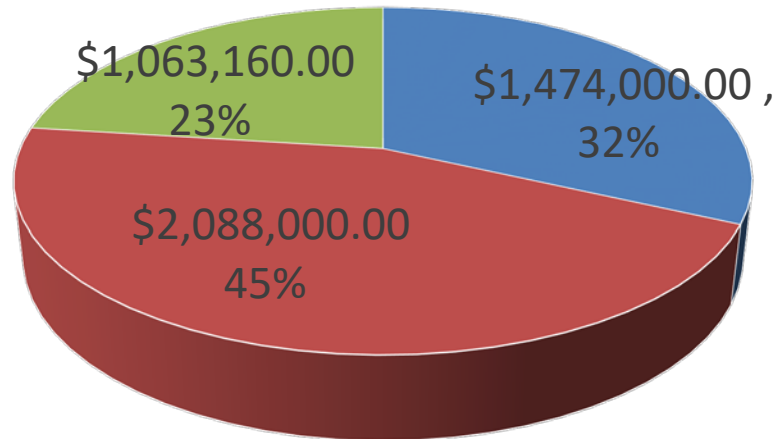
## 2020 Capital Budget Finance Sources

1. **Debt** : Long term borrowing
2. **Grants** : Federal, Provincial, Other Municipal- one time
3. **Gas Tax** : to support local infrastructure priorities
4. **Vibrancy Funds** : Per policy \$125,000 allocated/budget year
5. **Development Charges**: pay for the cost of infrastructure required to provide municipal services to new **development**
6. **Capital Reserve** : ear-marked for capital projects/expenditures
7. **Contingency Reserve**: Tax Mitigation/Surpluses from PY
8. **Investment**: Interest earned from diverse and robust investments

**Taxation is the last source of financing once all the above-mentioned sources are explored and exhausted**

# Total Gross Expenditures – \$4,625,160

2020 Funding Sources



■ Reserves ■ Grants ■ Tax

# 2020 Tax Levy and Tax Rate- **Impact**



2019 Capital Levy	2020 Capital Levy	Levy Increase	Levy Increase %	Rate Increase
\$ 1,023,500.00	\$ 1,063,160.00	\$ 39,660.00	3.87%	0.47

Levy Increase	Rate Increase
\$42,000.00	0.50%
\$84,000.00	1%
\$126,000.00	1.50%
\$168,000.00	2%
\$210,000.00	2.50%
\$252,000.00	3%
\$294,000.00	3.50%
\$336,000.00	4%

# Administration

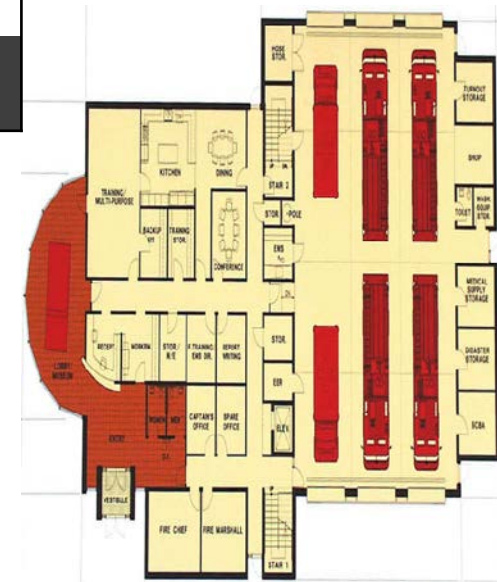
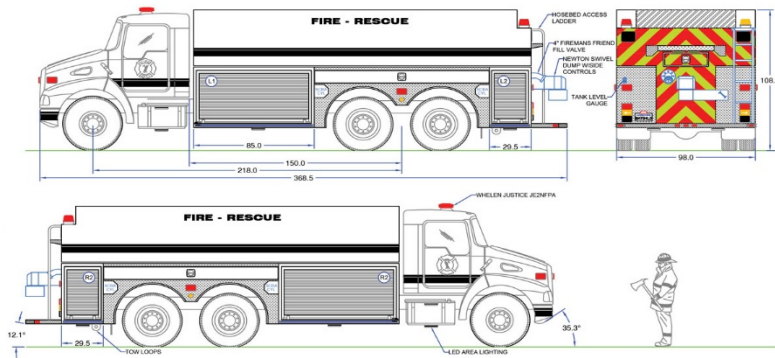
Projects	Impacts
Hardware Upgrades	Lifecycle Replacement

Funding Source:  
\$13,160 Tax Levy



# Emergency & Fire Services

Projects	Impacts
Ailsa Craig Rescue New PH station plan	WIP/ Lifecycle Replacement/Service Level Maintenance Site Prep & Engineering



Funding Source:  
\$650,000 Fire Reserve

# Public Works

Projects	Impacts
Paving Program	Required to maintain road network to current operating level/reduce costly repairs
Culvert Program	Required to maintain road network to current operating level/reduce costly repairs
Gravel Program	Required to maintain road network to current operating level/reduce costly repairs
Guardrail Program	Required to maintain road network to current operating level/reduce costly repairs
2010 Cat Replacement	Replacement of asset
New Windrow Eliminator	This add-on will allow Operators to eliminate one (1) "grading" pass under normal grading activities.
Beechwood Bridge Rehabilitation	Prolong the life of the bridge and replace current failing East span.
2013 Roadside Mower Replacement	Required to maintain road network to current operating level/reduce costly repairs

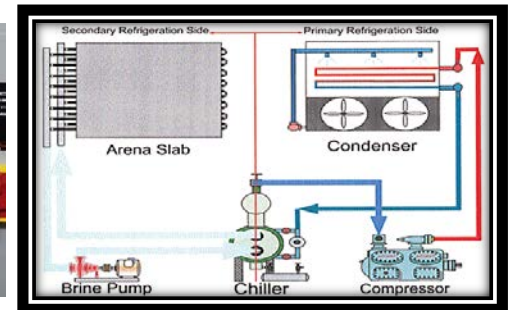


## Funding Sources:

\$1,916,000 Grants, \$824,000 Equipment Reserve,  
\$980,000 Tax Levy

# Recreation & Facilities

Projects	Impacts
Tennis Court Resurfacing Conditional Assessment Reserve Transfer Baseball Groomer Ice-Box Control System Glycol Cooling Loop	Repair numerous cracks. Capital Asset Planning and Life Cycle Planning To assist with municipal portion of grant application. Greater equipment lifecycle, reduced repair & maintenance costs Reduce current energy consumption Compressor room upgrade and lower environmental footprint



Funding Source:  
\$172,000 Grants, \$70,000 Tax Levy

# Administration & Finance Budget

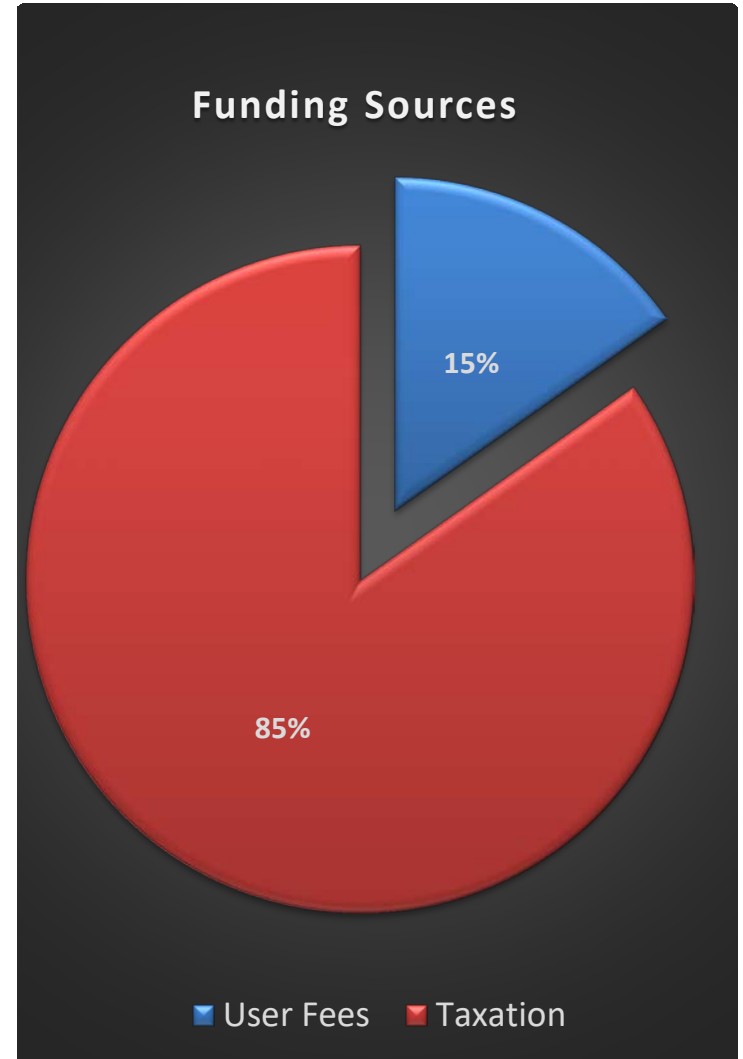




# Administration

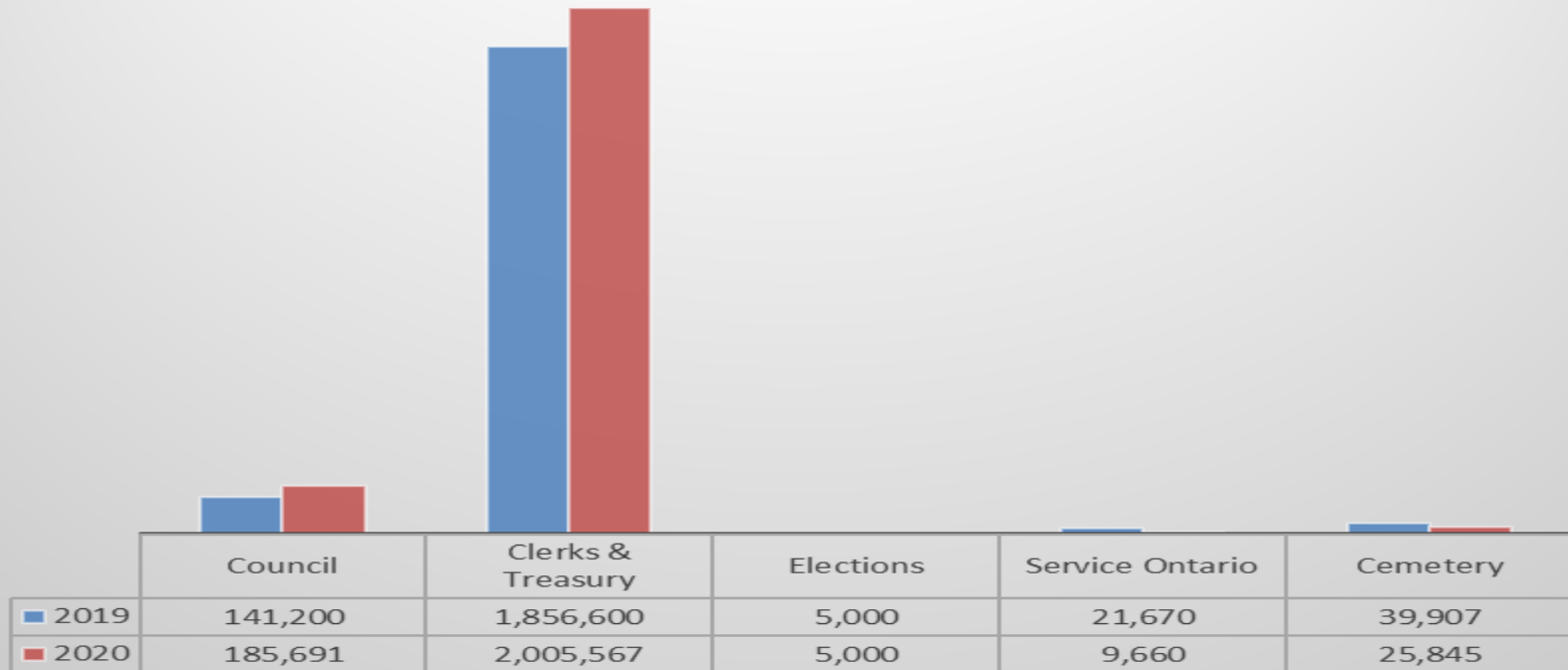
Expense		
Department	2019	2020
Council	141,200	185,691
Clerks & Treasury	2,120,190	2,005,567
Elections	5,000	5,000
Service Ontario	59,670	59,160
Cemetery	75,457	55,895
	<b>\$ 2,401,517</b>	<b>\$ 2,311,312</b>

Revenue		
Department	2019	2020
Clerks & Treasury	- 263,590	- 320,635
Service Ontario	- 38,000	- 49,500
Cemetery	- 35,550	- 30,050
	<b>-\$ 337,140</b>	<b>-\$ 400,185</b>



# Administration

## Tax Support - Administration



# Protective Services



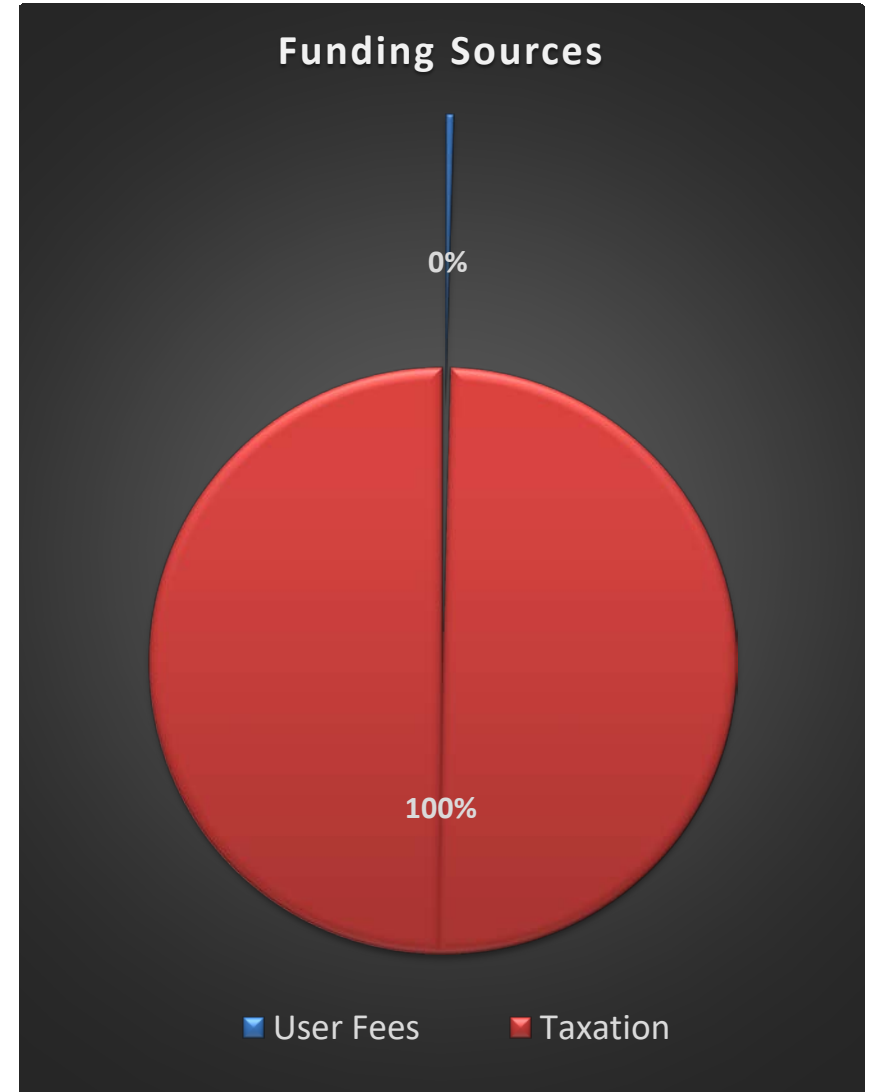
**HEALTH+**  
**SAFETY**  
**AT WORK**



# Protective Services

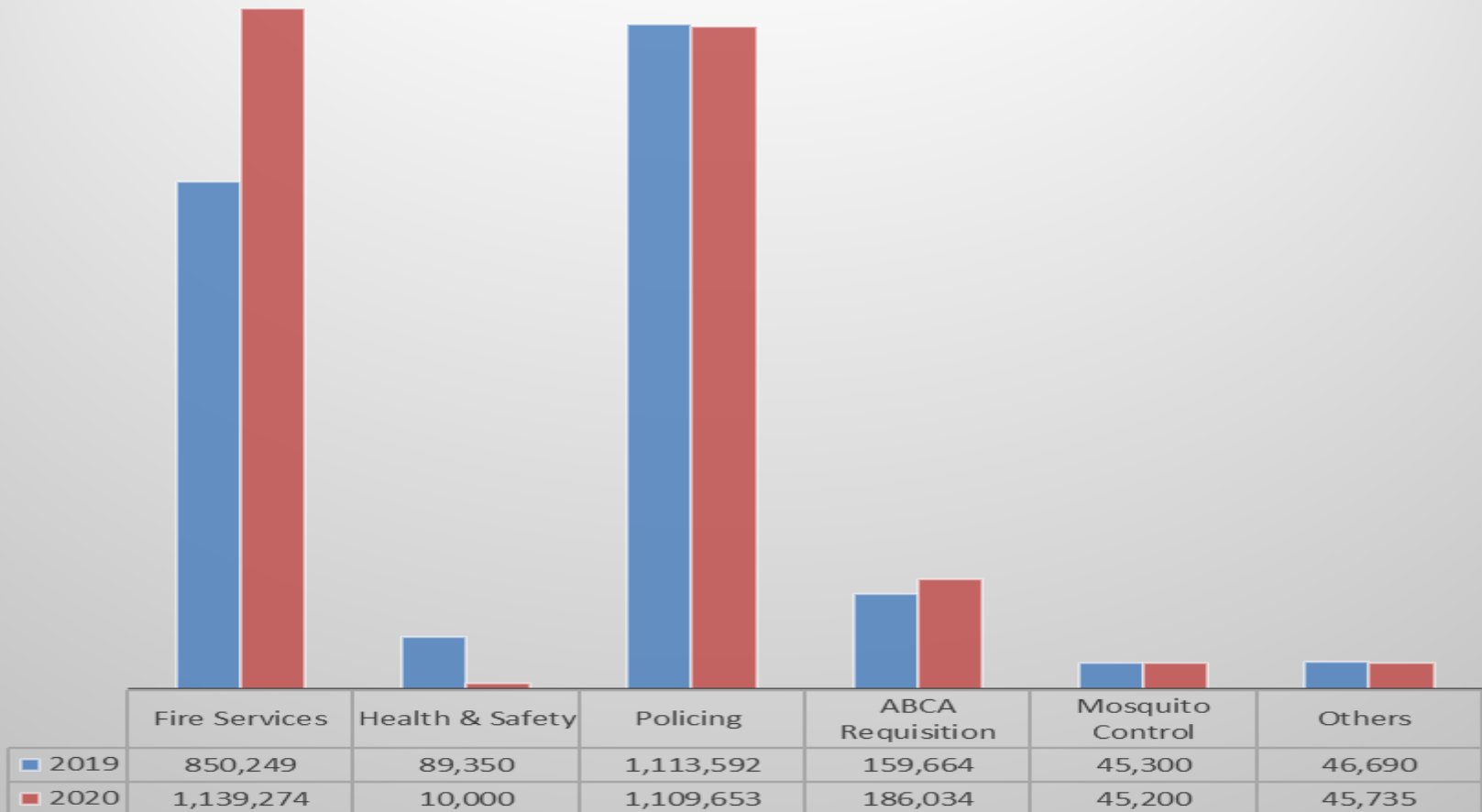
Expense		
Department	2019	2020
Fire Services	855,249	1,144,274
Health & Safety	89,350	10,000
Policing	1,113,592	1,109,653
ABCA Requisition	159,664	186,034
Mosquito Control	45,300	45,200
Crossing Guard	8,440	9,335
Fenceviewing	-	-
Animal Control	3,300	1,250
By-Law Enforcement	38,650	40,450
	<b>\$ 2,313,545</b>	<b>\$ 2,546,196</b>

Revenue				
Department	2019	2020		
Fire	-	5,000	-	5,000
Fenceviewing	-	-	-	-
Animal Control	-	495	-	1,000
By-law Enforcement	-	2,700	-	4,300
	<b>-\$ 8,195</b>	<b>-\$ 10,300</b>		



# Protective Services

**Tax Support - Protective Services**



# Infrastructure and Operations

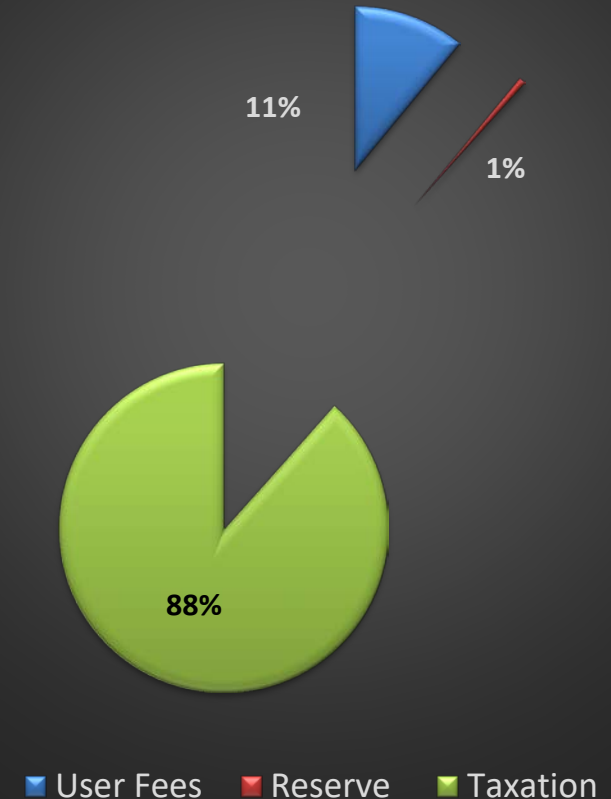


# Infrastructure and Operations

Expense			
Department	2019	2020	
Administration	1,004,355	987,130	
Gravel Road Mtnce	1,108,361	1,150,900	
Other Works	616,340	544,044	
Equipment Mtnce	345,930	374,470	
Winter Maintenance	231,615	308,790	
Streetlights	38,400	38,900	
Building & Planning	141,570	198,000	
Drainage	133,550	157,794	
Waste & Recycling	474,145	515,827	
	<b>\$ 4,094,266</b>	<b>\$ 4,275,855</b>	

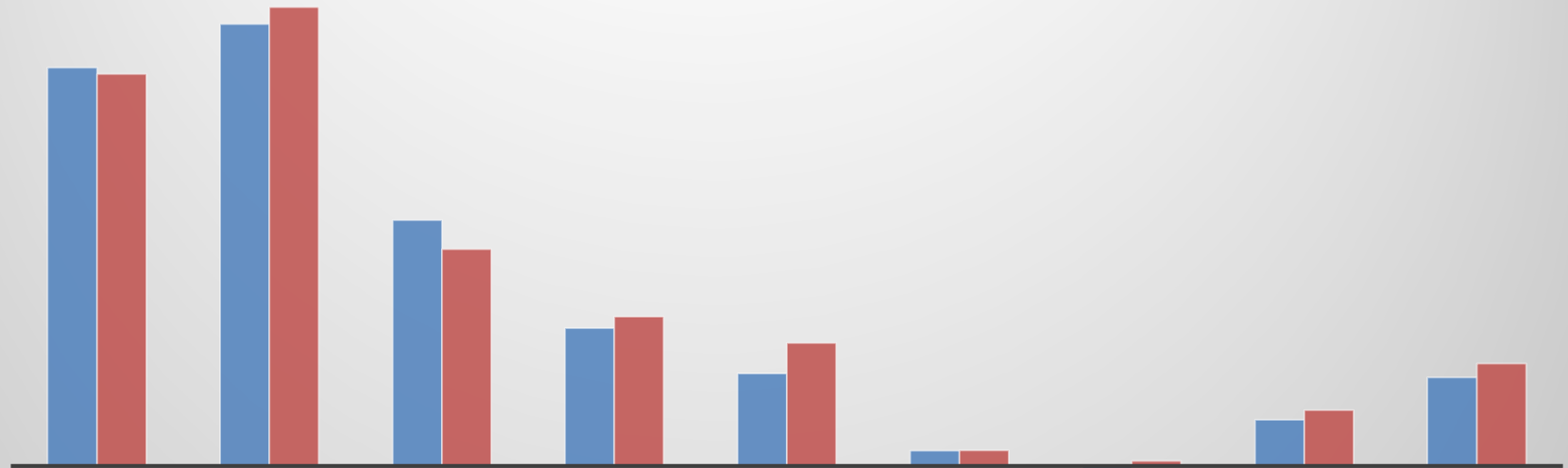
Revenue			
Department	2019	2020	
Administration	- 5,000	- 4,000	
Building & Planning	- 151,100	- 185,833	
Drainage	- 18,000	- 18,000	
Waste & Recycling	-\$ 252,200	-\$ 259,200	
	<b>-\$ 426,300</b>	<b>-\$ 467,033</b>	

## Funding Sources



# Infrastructure and Operations

## Tax Support - Infrastructure & Operations



	Admin	Gravel Rd Mtncce	Other Works	Equip. Mtncce	Winter Mtncce	Streetlight	Building & Planning	Drainage	Waste & Recycling
■ 2019	999,355	1,108,361	616,340	345,930	231,615	38,400	-9,530	115,550	221,945
■ 2020	983,130	1,150,900	544,044	374,470	308,790	38,900	12,167	139,794	256,627



# Infrastructure & Operations Highlights

- Increase reserve transfer to for future extreme weather incidents.
- Gravel Road Hard Surface Program
- Optimization within the Operations fleet

# Economic Development & Community Services

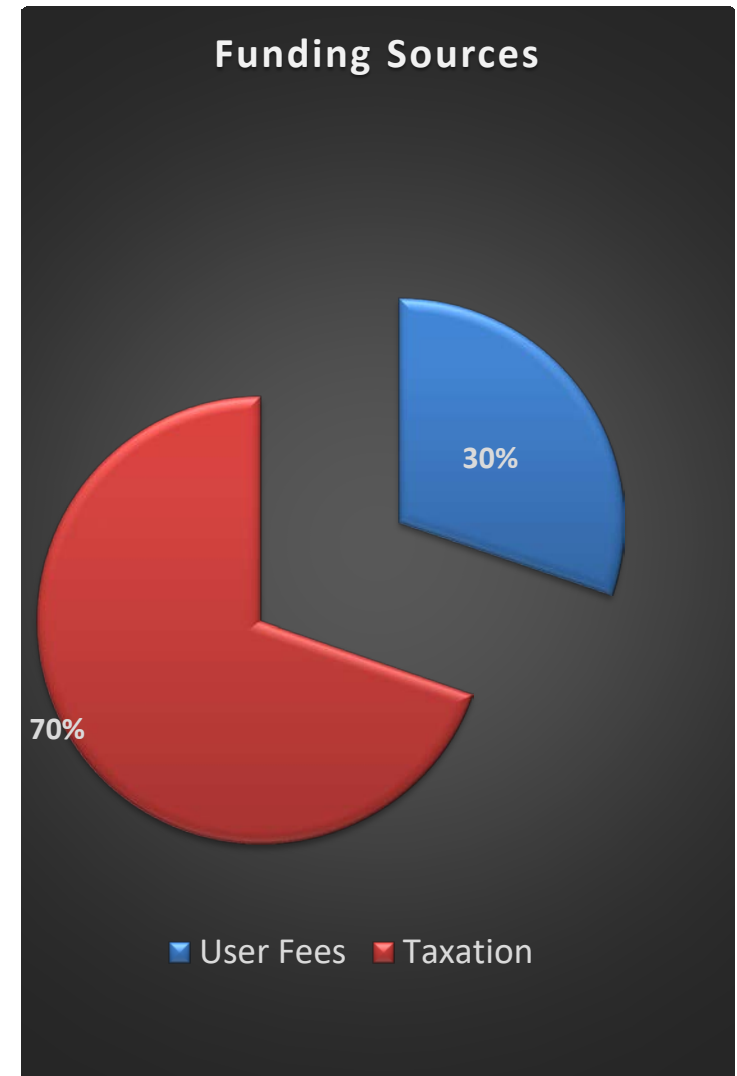


# Economic Dev. & Community Services



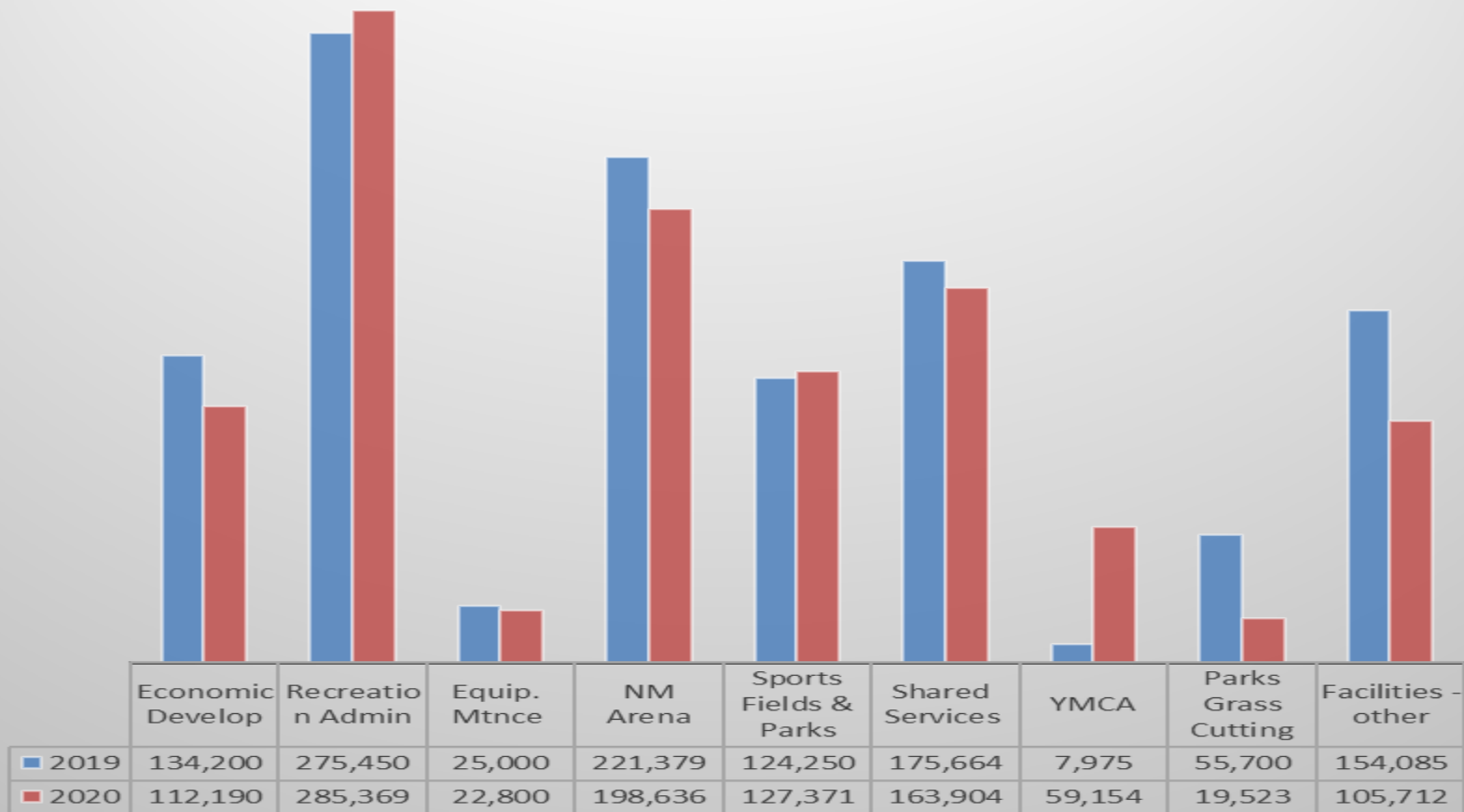
Expense		
Department	2019	2020
Economic Develop	134,200	112,190
Recreation Admin	276,650	285,369
Equip. Mtnce	25,000	22,800
NM Arena	479,529	480,486
Sports Fields & Parks	138,750	145,371
Shared Services	257,664	250,404
YMCA	52,148	52,379
Parks Grass Cutting	55,700	19,523
Facilities -other	253,085	196,692
	<b>\$ 1,672,727</b>	<b>\$ 1,565,215</b>

Revenue		
Department	2019	2020
Facility Rentals	- 454,850	- 482,220
YMCA	- 44,173	6,775
	<b>-\$ 499,023</b>	<b>-\$ 475,445</b>



# Economic Dev. & Community Services

**Tax Support - Economic Dev. & Community Services**



# Economic Dev. And Community Services Highlights

- Reduction in Economic Development memberships & conferences
- Increase in arena revenues
- Annual increase in facility rentals

# Debt Level

## North Middlesex Multi-Service Building - Library Portion

Years Remaining	County Payment
Monday, June 1, 2020	\$187,500.00
Tuesday, June 1, 2021	\$187,500.00
Wednesday, June 1, 2022	\$187,500.00
	<hr/> \$562,500.00

**2020 Debt Repayment \$187,500**

Total Debt remaining at Dec 31, 2020 **\$375,000**

# Notable 2020 Concerns

- The County has not finalized their tax ratios and rates for 2020. The reduction of the farmland class ratio is still a consideration.
- Lowering the farmland ratio to .23 % will cause a 2020 municipal residential tax rate increase of 2.86% (\$56 annual increase to average home assessed at \$235,000)
- Lowering the farmland ratio to .22% will cause a 2020 municipal residential tax rate increase of 4.35% (\$85 annual increase to average home assessed at \$235,000)
- Addressing the notable shortfall of the current Water & Wastewater Rates

# Recommendation

That council approves the 2020 consolidated tax levy of \$8,505,340 and set the general residential tax rate for 2020 at 0.00829942, which is an increase of 0.00% from 2019.

