

# 2017 Budget Update

Presented by:

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Dec. 13, 2016

# Agenda

- Capital Budget Recap
- Operating Budget Recap
- Updated tax levy scenarios for final budget considerations
- Asks of Council and next steps

# Capital Budget Recap

- Capital budget presentation on Nov. 9, 2016, to Council
- Reviewed 2017 capital budget revenue & expenditures, capital budget by departments & projects, reserves, and long-term debt
- Council direction occurred on the following projects:
  - Project #48, Library Technology Upgrade – remove & staff to consider for operating budget implications with service integration with Town
  - Project #31, Beamsville Fire Station Temporary Accommodations – defer any works for this project, staff to bring report forward to Council following ARC Process
  - Project #34, Jordan Arena/Pool Communication – removed \$15,000 from capital and moved \$2,500 instead to operating budget
  - Project #37, Town Hall Generator – removed and consider as part of ARC process

# Capital Budget Recap

- Total 2017 Capital Budget \$11,750,250
- 2017 Capital Budget Levy portion \$1,255,295
- Increase to Levy from 2016 is **\$37,745**

# Operating Budget Recap

## Recap:

- Operating budget planning sessions have occurred on Nov. 23, Nov. 30 and also at Council on Dec. 5, 2016
- Nov. 23, 2016, started with **8.92%** for the Town's Portion of the budget
  - Council direction to continue to look at budget and find savings to lower impact to residential taxes
  - Affordability and long term outlook focuses for Council

# Recap

- Nov. 30, 2016, new revised scenarios presented that saw ranges from **8%** to **7.64%** with questions around special considerations and staffing needs
  - Council direction leaving the Nov. 30 meeting
    - Adjust the library board capital budget to reflect potential cost savings of the Lincoln Public Library and the Town of Lincoln sharing I.T. resources
    - Include the application of development charges reserve contributions as per discussion around the Public Library Board and those funds
    - Proceed with the preparation of a final draft 2017 Budget based on Budget Scenario #3 – i.e. 7.64% which was recommended by the CAO for Council consideration on December 5, 2016
    - Bring back more information on business cases for FTE asks

# Recap:

- Dec. 5, 2016
  - Staff updated Council on budget
  - Tax levy scenario decreased again - **7.38%** Town increase and a blended rate of **2.89%** was presented
  - Council direction for Dec. 13, 2016 CoW:
    - Further review FTE business cases and provide Council with more information on potential job descriptions and any information already not contained within the presented business cases
- Niagara Region approved 2017 Budget on December 8, 2016, resulting in an overall 2% increase for the Regional portion (this includes a special capital levy of 1%, resulting in amendments to Scenario #3)



# Recap: Budget overview

Operating Budget – approx. **4.16%** without additional considerations for FTE's, Council referred items and Special Infrastructure Levy

## Uncontrollable

- 1.5% negotiated collective agreement salary adjustment
- Wage progression through grid
- Inflationary increases
  - 2016 Inflation was 1.6%,
  - 2017 anticipated 2.0 – 2.3% (Bank of Canada)
  - Cost of construction is going up (bids/tenders)
  - Carrying costs for previously acquired debt
- Utility increases ~ \$64,000
- This would have been considerably higher but we are seeing offset with Council approved LED Program

## Within Control

- Increase for materials in operations (parks, cemeteries, beautification)
- Professional services (consulting for master plans, other plans, Transit Pilot Project, wayfinding signage)

# Tax Levy Scenarios

## Updated Dec. 13, 2016

# Scenario Presented on Dec. 5 w/updates

	2017	2016	Difference	% impact
Levy Requirement subtotal	13,635,820	13,091,600	544,220	4.16%
Human Capital (4FTE's)	256,094		256,094	1.96%
Special INFR. Levy	130,916		130,916	1.00%
Canada 150			-	0.00%
BIA Support	35,000		35,000	0.27%
TVTA Support	-		-	0.00%
	<b>14,057,830</b>	<b>13,091,600</b>	<b>966,230</b>	<b>7.38%</b>

# Amendments to December 5 Scenario following Committee direction

- Regard for taxpayer affordability
- While these two positions are both required staff are recommending the following:
  - Remove from budget and defer one FTE (emergency management coordinator)
    - Further analysis and scope exercise on emergency management and masterplan recommendations
    - Staff are seeking approval in principal to return to Council later in 2017 or as part of 2018 Budget to address this position and look at our needs – partner with other municipalities, look at the revenue piece of some administrative functions currently being done by Senior Fire staff
  - Legislative coordinator position will move forward but is reliant on the following:
    - Core service review of Corporate Services department

# New Recommended Scenario - deferral of 1 FTE (Emergency & Regulatory Coordinator)

	2017	2016	Difference	% impact
Levy Requirement subtotal	13,635,820	13,091,600	544,220	4.16%
Human Capital (3FTE's)	199,803		199,803	1.53%
Special INFR. Levy	130,916		130,916	1.00%
BIA Support	35,000		35,000	0.27%
	<b>14,001,539</b>	<b>13,091,600</b>	<b>909,939</b>	<b>6.95%</b>

# Recommended Scenario Blended Rate

(total Impact to Taxpayer)

Residential Assessment \$333,000		2016 Actual	2017 Proposed	\$ Change	% Change
Town	33.4%	1,366.22	1,461.18	94.96	6.95%
Region	47.3%	1,936.61	1,975.34	38.73	2.00%
Region Waste	4.1%	166.12	164.13	(1.99)	-1.20%
Schools	15.3%	626.04	626.04	-	0.00%
	100%	4,094.99	4,226.69	131.70	<b>3.22%</b>

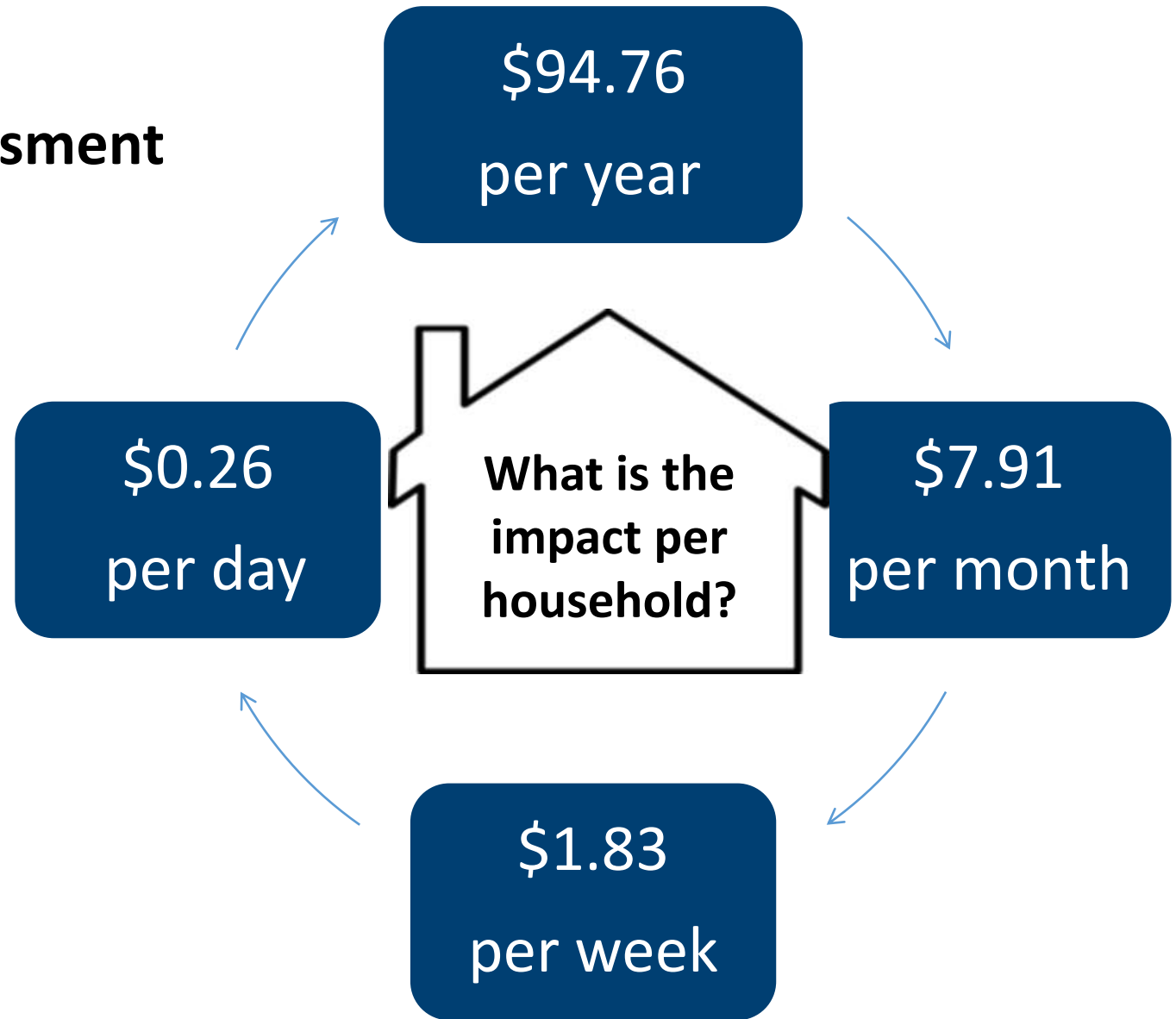
# Current Tax Levy Scenario Recap

- Regard for tax-payer affordability
- Deferral of FTEs
- Investing today for tomorrow – Infrastructure Levy (1%)
- Investment in basic soft and hard infrastructure
- Deal with rising costs for basic services and utilities
- **Canada 150 Funding** – Commitment to Grants and Rate Stabilization Reserves

- Overall Budget:
  - Base Budget **4.16%**
  - **Special Levy** **1 %**
  - FTE's (3 FTEs) **1.53%**
  - BIA Support **0.27%**
- Total Town Portion** **6.95%**
- Blended rate** **3.22%**

## Impact per Household Based on \$330,000 assessment

- Original proposed budget impact per household was \$121.87 per year
- Due to Council and staff work, current draft budget is \$94.76 increase per year
- Resulting in \$26.21/household decrease from original proposed budget





# Final Approval

- Capital Budget
- Operating Budget
- Water/Wastewater Rates
- December 19, 2016 Council meeting

Thank You & Questions