

Draft 2021 Budget Recommendation

February 3, 2021

Presented by:

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Supported by:

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Laura Yourkin, Director Human Resources, Health and Safety



Agenda

- Introduction
- Message from the CAO
- Council Budget Review Process
- 2021 Budget Survey
- Key Budget Directions
- Tax Funded Operating Budget
- User Rate Funded Operating Budget
- Capital Plan
- Financial Overview
- Next Steps



Introduction

Tonight

- Draft 2021 Budget Presentation
- Budget Binders

What's in the 2021 Budget Binder?

- Executive Summary
- Financial Overview
- Department/Division plans and change reports
- Submissions from Agencies, Boards, and Commissions
- Change Request Forms
- Proposed Fees & Charges
- 10yr Capital Plan
- Capital Summary Forms
- 2021 Budget Survey Results



Message from the CAO

- A recommendation that aligns with council's direction
- Listening to our residents
- Listening to our staff and supporting their ownership
- Context
 - Pandemic complexity and unknowns
 - As per CAO 100 Day report "A reset year"
 - A new process embedded throughout the organization
 - An evolving process that continues past approval



Message from the CAO cont'd

- Themes
 - Midland is a town with city pressures
 - The facts and implications of government funding
 - GROW but in the right way
 - Being responsible to support our people and our residents
 - Align fees to use and *Growth* supports *Growth*
 - Transparency and data embraced
 - Positive and proud of the work done and the path ahead



Council Budget Review Process

FEBRUARY

| Su | Mo | Tu | We | Th | Fr | Sa |
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| 31 | 1 | 2 | 3 | 4 | 5 | 6 |
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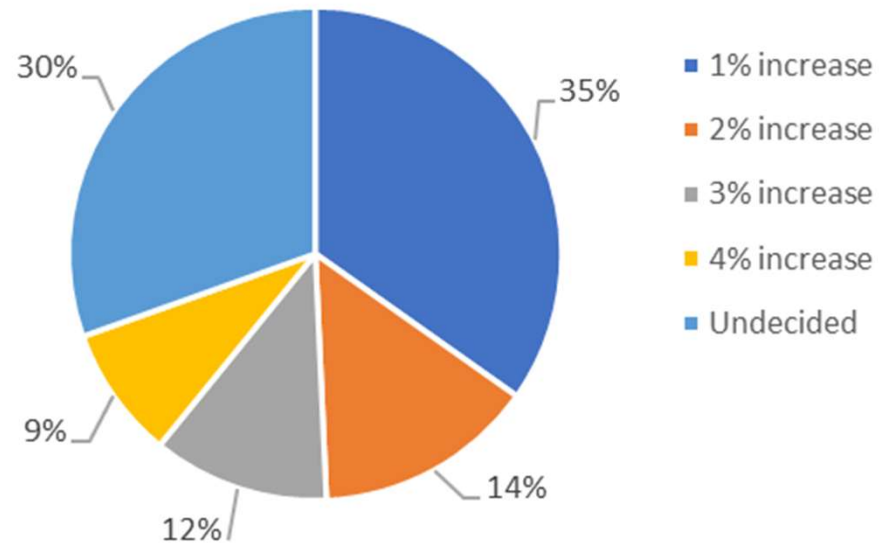
| Date | Item |
|--------------|---|
| Feb. 3 | Budget Binder + Presentation |
| Feb. 11 | Agencies, Boards, and Commissions presentations |
| Feb. 17 | Public Meeting |
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2021 Budget Survey

- Sep. 30, 2020 to Jan. 4, 2021
- 16 questions and opportunity to provide further comments
- 57 responses
- Detailed results in the budget binder

How much more would you be willing to pay to increase service levels?



Key Budget Directions

Blended Tax Rate increase between 1.5% and 2%

Freeze tax funded reserve contributions at 2020 levels

Water budget with 5% rate increase

Wastewater budget with 4% rate increase

10-year Capital Plan (2yr budget + 8yr forecast)

Budget delivered in December



Tax Funded Operating Budget

Breakdown of 2021 Tax Levy Increase and Impact on Tax Rate

| | Tax Levy Impact | Tax Rate Impact | |
|-----------------------------------|---------------------|-----------------|--------------|
| | | Town | Blended |
| Base Operating Budget | \$ 698,492 | 3.17% | 2.23% |
| One Time | \$ (129,081) | -0.60% | -0.42% |
| Change Request Forms | \$ 278,745 | 1.19% | 0.83% |
| Council Additions | \$ 100,000 | 0.49% | 0.35% |
| Agencies, Boards, and Commissions | \$ 84,295 | 0.40% | 0.28% |
| Total Tax Levy Impact | \$ 1,032,451 | 4.65% | 3.27% |

} **1.81%**

Estimated Residential Property Taxes per \$100,000 of Assessment

| | 2020 Taxes | 2021 Taxes | Change (\$) | Change (%) |
|---------------------------------------|----------------|----------------|-------------|--------------|
| Town Purposes | \$1,011 | \$1,058 | \$47 | 4.65% |
| County Purposes | \$274 | \$274 | - | 0.00% |
| Education (set by Province) | \$153 | \$153 | - | 0.00% |
| Total for \$100K of Assessment | \$1,438 | \$1,485 | \$47 | 3.27% |



Tax Funded Operating Budget cont'd

Change Request Forms

| Description | FTE Permanent | Cost | Recovery from Capital | Cost Reductions | Net Tax Impact |
|---|---------------|-------------------|-----------------------|--------------------|-------------------|
| Apprentice Mechanic | 1 | \$ 67,576 | | \$ (30,000) | \$ 37,576 |
| Human Resources Training & Leadership Development | | \$ 50,000 | | | \$ 50,000 |
| Manager of Engineering | 1 | \$ 136,691 | \$ (109,546) | | \$ 27,145 |
| New Firefighter | 1 | \$ 73,612 | | \$ (50,000) | \$ 23,612 |
| Manager of Legal & Risk Services | 1 | \$ 140,412 | | | \$ 140,412 |
| TOTAL | 4 | \$ 468,291 | \$ (109,546) | \$ (80,000) | \$ 278,745 |

Change Request Forms - Deferred by SLT

| Description | FTE Permanent | Cost | Recovery from Capital | Cost Reductions | Net Tax Impact |
|--|---------------|-------------------|-----------------------|--------------------|-------------------|
| Arborist | 1 | \$ 90,531 | | \$ (48,441) | \$ 42,090 |
| Customer Service Representative - Administration | 1 | \$ 74,962 | | | \$ 74,962 |
| Customer Service Representative - Operations | 1 | \$ 78,510 | | | \$ 78,510 |
| New Firefighter | 1 | \$ 73,612 | | \$ (50,000) | \$ 23,612 |
| Human Resources Advisor | 1 | \$ 113,216 | | | \$ 113,216 |
| TOTAL | 5 | \$ 430,831 | \$ - | \$ (98,441) | \$ 332,390 |



Considerations for Tax Levy Reduction

Reductions to
specific services or
programs

Increase user fees

Examine requests
from Agencies,
Boards, and
Commissions

Alterations to
specific services or
programs

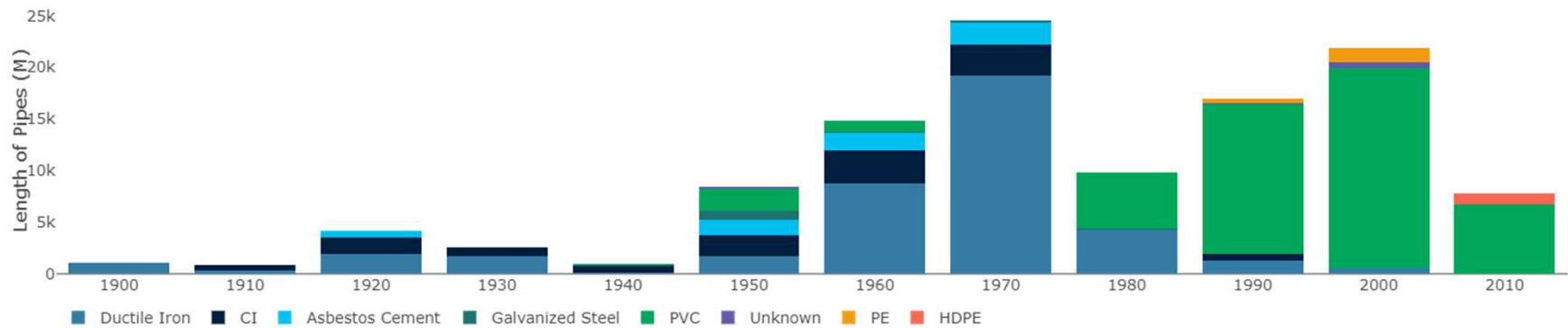


User Rate Funded Operating Budget Water & Wastewater

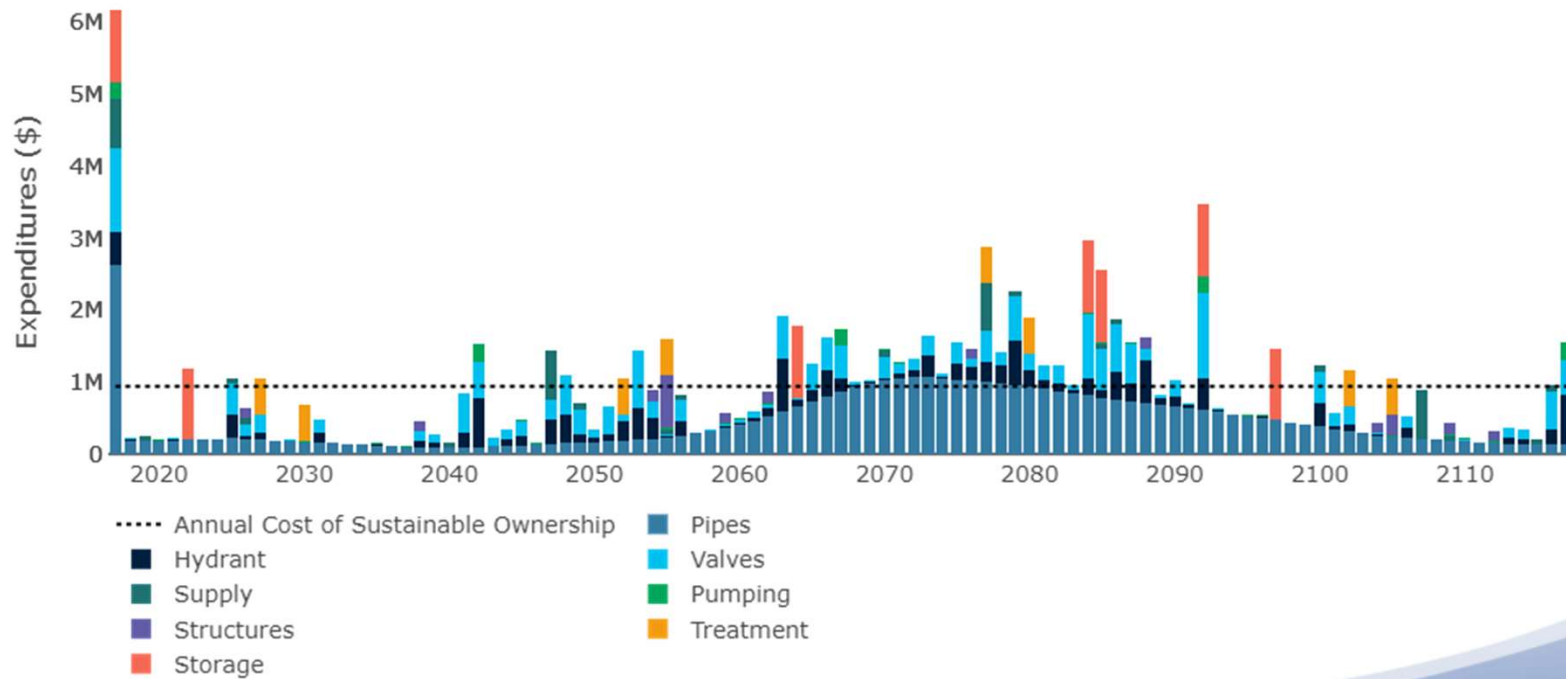
- MECP compliance
- MECP water license renewals in 2021
- Water Master Plan completed 2020
- Wastewater Master Plan draft 2020
- Departmental pressures
 - Asset maintenance and replacement
 - Building ahead of growth and Development Charge recovery timing



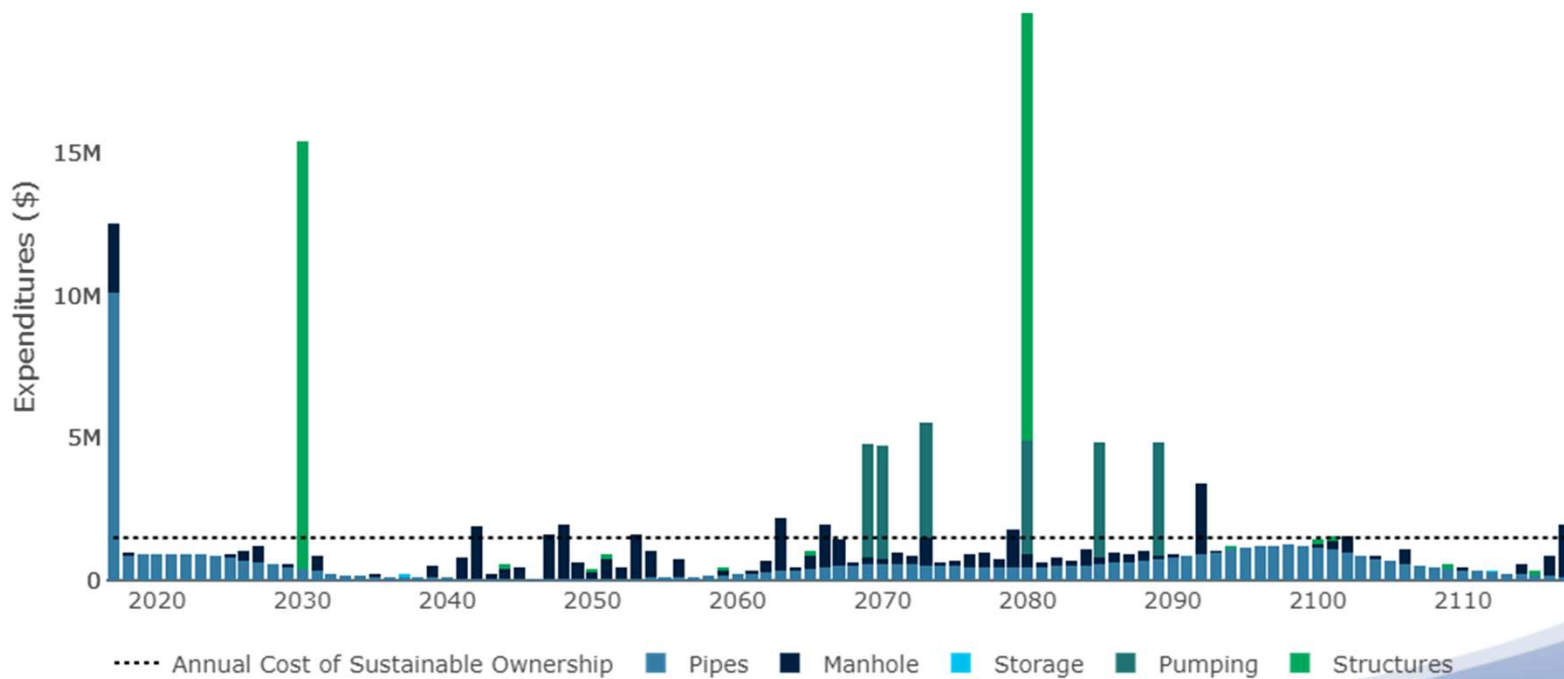
Water Infrastructure Age



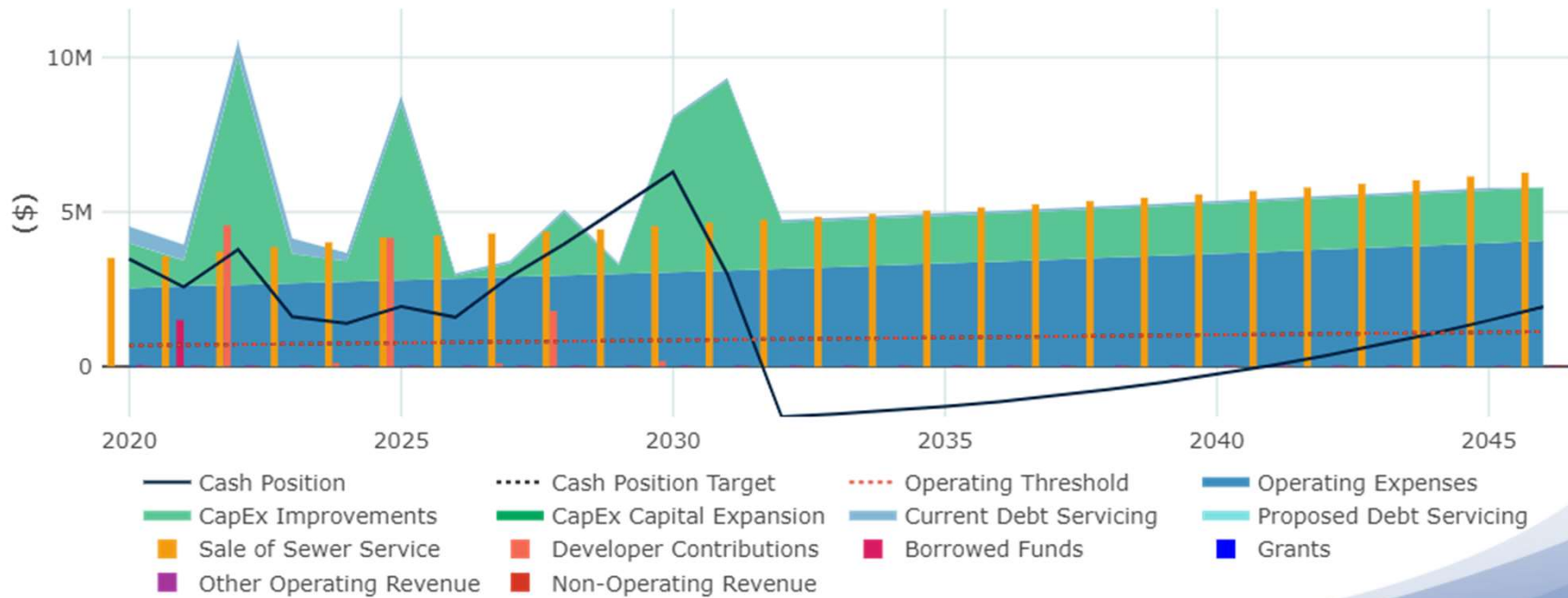
Water Infrastructure Future Needs



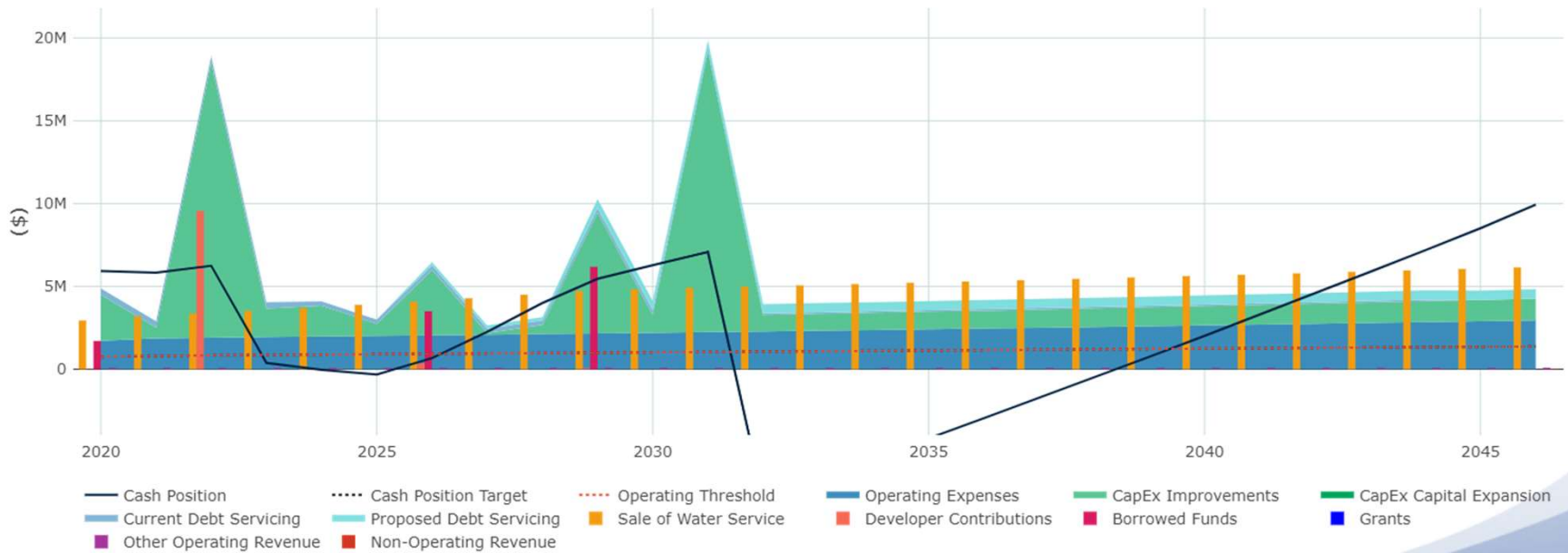
Wastewater Infrastructure Future Needs



Water Financial Plan



Wastewater Financial Plan



2021 Fees

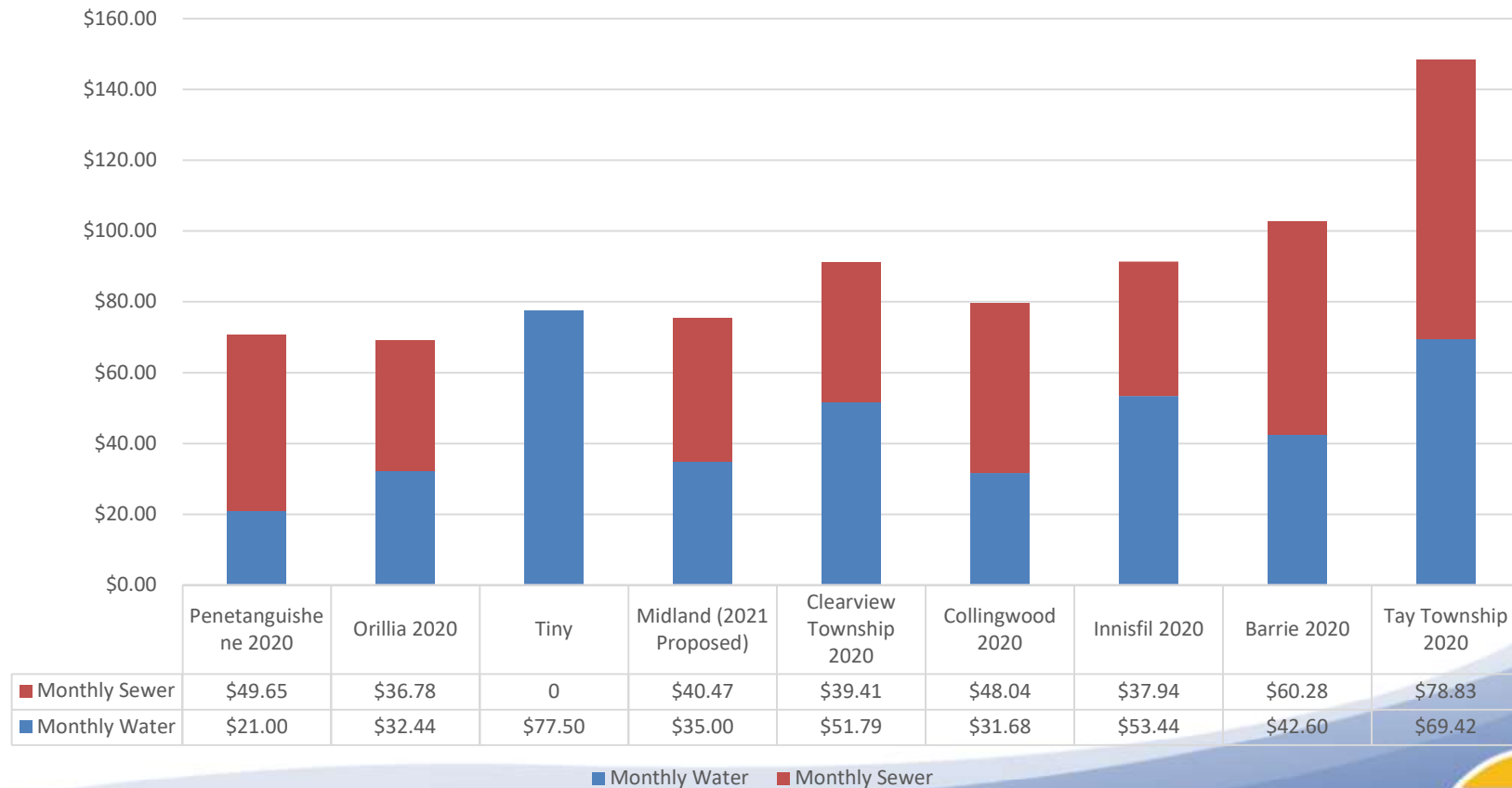
| | Water | | | Wastewater | | |
|--------------------------|----------|----------|----------|------------|----------|----------|
| | 2020 | 2021 | Increase | 2020 | 2021 | Increase |
| Monthly Fixed Fee | \$11.60 | \$12.18 | 5% | \$13.47 | \$14.01 | 4% |
| Variable Rate per m3 | \$1.55 | \$1.63 | 5% | \$1.82 | \$1.89 | 4% |
| Typical User 170 m3/year | \$402.70 | \$422.84 | 5% | \$471.04 | \$489.88 | 4% |

Weekly increase \$0.39 for water and \$0.36 for wastewater



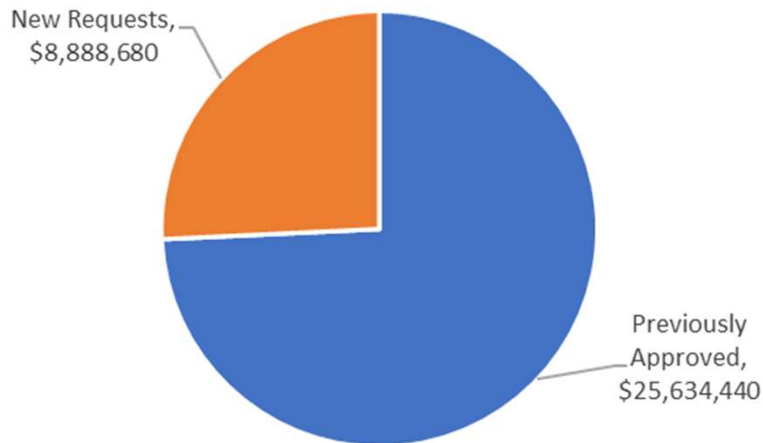
Municipal Comparators

Municipal Comparison of 2021 Water & Wastewater Rates

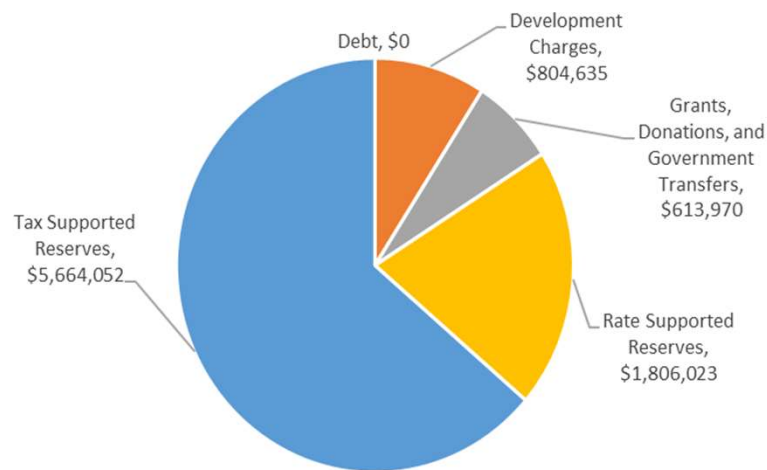


Capital Plan

2021 Capital Budget



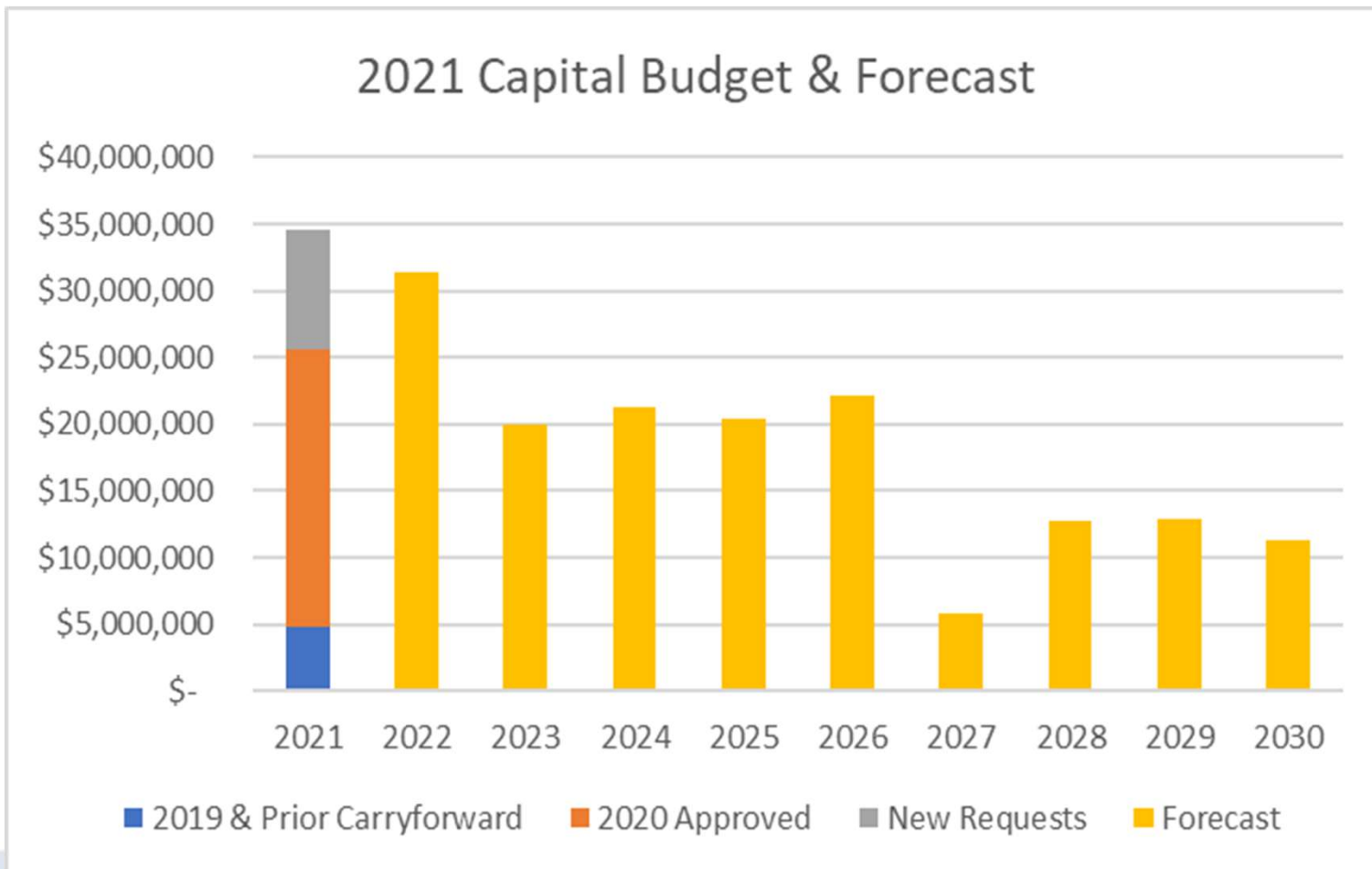
2021 Capital Budget by Funding Source (\$8.9M)



- King Street (substantial completion in 2020)
- Hannah St. Reconstruction
- Wastewater Collection System
- 30ft Transit Bus
- Parking Pay & Display Machines
- Midland Bay Landing Site Improvements
- Playground Equipment

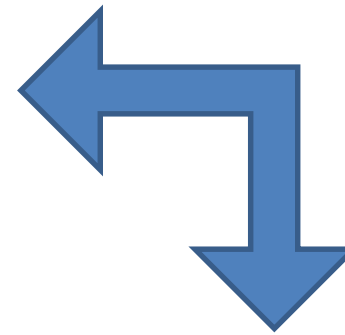
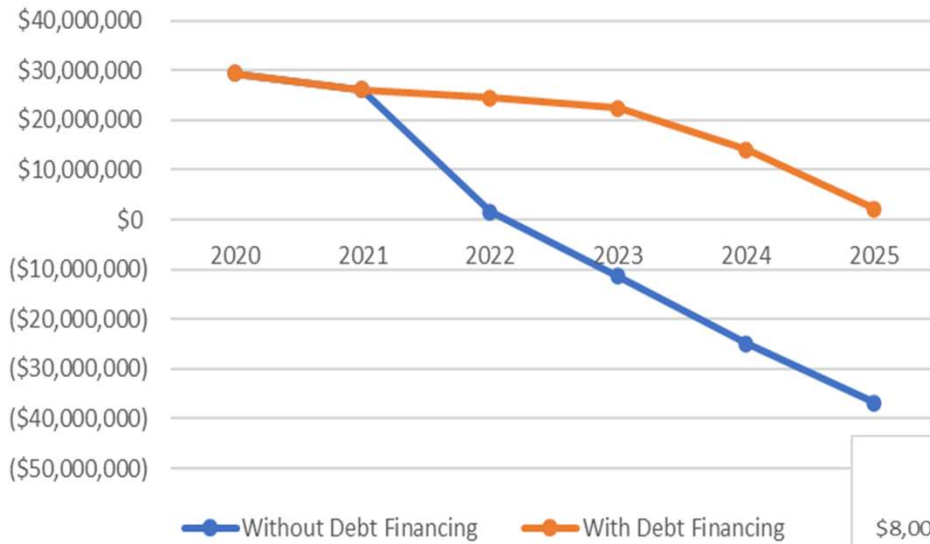


Capital Plan cont'd

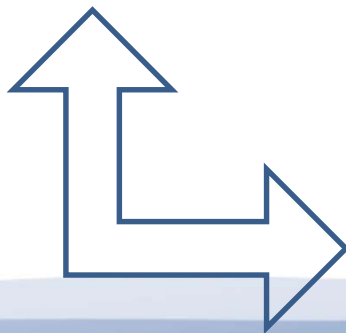
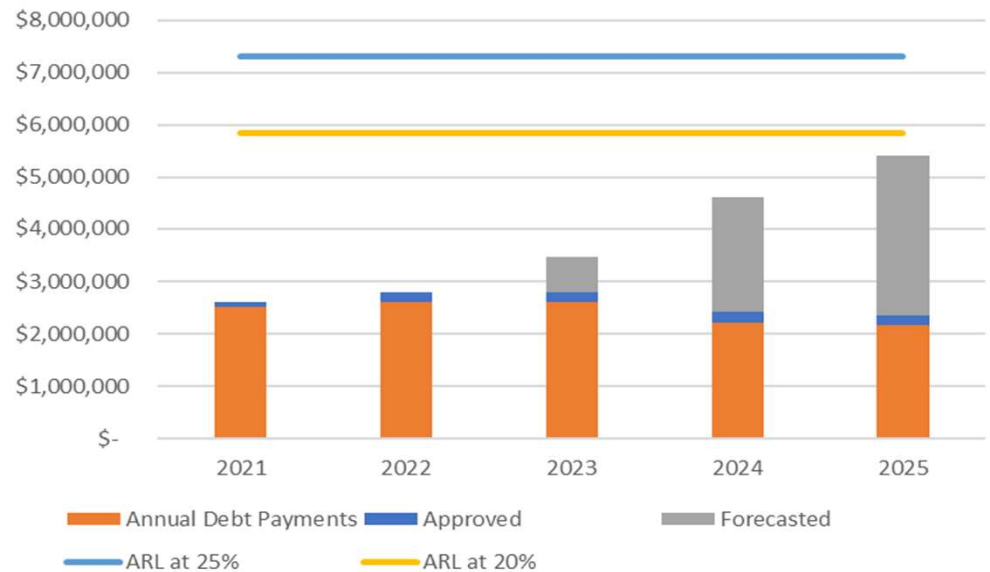


Financial Overview

Consolidated Reserve & Reserve Fund Forecast



Annual Repayment Limit



Next Steps

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budget@midland.ca

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