



# FINANCE COMMITTEE REPORT

**Meeting date:** January 23, 2019

**Department:** Finance Department

**Prepared by:** Bill Dakin, Director of Finance, Lindsay Laskey, Accounting Manager, Kim Arruda, Financial Analyst and Kerry Maloney, Financial Analyst

**Reviewed by:** Greg McClinchey, Chief Administrative Officer

**SUBJECT:** 2019 Preliminary Consolidated Operating Budget Round Two

**RECOMMENDATION:**

**That the Finance Committee Report dated January 23, 2019 be received and the 2019 Preliminary Consolidated Operating Budget be recommended as presented or as revised at this meeting for inclusion in the 2019 Consolidated Budget.**

**Budget Overview**

After the initial review of the 2019 Proposed Preliminary Operating Budget at the Finance Committee meeting on January 14<sup>th</sup> 2019 which showed an initial operating tax levy increase of 8.78%. The Committee requested staff review the 2019 Proposed Preliminary Operating Budget again and return with a 4% or less increase so the committee could so they could have a more fulsome discussion. As a result of that review staff have return with a 2019 Proposed Preliminary Operating Budget that shows now a 3.00% increase in taxation required down 5.78% from the 8.78%.

**2019 Preliminary Operating Budget Summary**

The chart below reflects the changes made in the original the 2019 Proposed Preliminary Operating Budget to arrive at the 2019 Proposed Preliminary Operating Budget that's before you tonight:

Budget	Changes effect on Taxation
Animal Control	Unchanged
Council	Unchanged
Crossing Guards	Unchanged
Legal and Legislative	Decrease of 40K, achieved by increasing admin overhead fee from water/wastewater
Human Resources	Decrease of 24K, achieved by net increase in admin overhead fee from water/wastewater
Treasury	Decrease of 40K, achieved by increasing admin overhead fee from water/wastewater
Information Technology	Increase of 2.5K from reallocation of IT expenses

Property Management	Increase of 2.6k, achieved by increased reallocation of Recreation Admin salary/benefits of 2.6K
Municipal Debt	Decreased by 2.6K, correction of prior year streetlight loan payment
Taxation and Grants	Decrease of 150k, achieved by increasing supplemental tax income by 150k
Building Inspection	Although no taxation impact on Building Department the changes decrease Planning taxation. Achieved by increasing building fees by 7K, increased managers salary/benefit reallocation by 16.5k, and decrease xfer to reserve funds
Drainage	Unchanged
Fire Service	Unchanged
Police Service	Unchanged
By law Enforcement	Non Taxation
Solid Waste	Non Taxation
Cemetery	Increase of 21K, achieved by increased reallocation of Recreation Admin salary/benefits by 21K
Public Works (Roads)	Decrease of 67K, achieved by decrease in fleet transfer of 35k, increase in salary/benefit reallocation of 115k to better reflect workflow, decrease in OT wages by 7k, decrease of general expenses by 30K, decrease in misc. maintenance expense of 6k, 30K tree maintenance and 10K loose top maintenance, decrease in safety devices (railway crossing) 14K, decrease in SWM by 30K, decrease in truck rental and small equipment purchase by 5k, decrease in contracted services 5k, and decrease in maintenance by 10K
Wastewater	Non Taxation
Water	Non Taxation
Caradoc Housing	Non Taxation
Aquatics	Increase of 3k, achieved by increasing allocation of Recreation admin salary/benefits by 3K
Arena	Decrease of 28K, achieved by increasing ice revenue by 23K, and 5K decrease in expenses
Caradoc Community Centre	Decrease of 1.5k, achieved by increased fees of 1k and decrease of .5k in expenses
Recreation	Decrease of 104K, achieved by increased program revenue of 37k, increase of 51k of Recreation Admin salary/benefits to various other depts., decrease of 10K in camp wages, and decrease in net expense of 6K

Library	Although no taxation impact on Library Department the changes decrease Recreation Admin taxation, achieved by increasing Recreation Admin salary/benefit reallocation by 2.4K, and decrease of the same amount transfer to reserve funds
Museum	Increase of 1.3K, achieved by increased reallocation of Recreation Admin salary/benefits by 1.3K
Parks	Decrease of 6K, achieved increased rental revenue by 5K, and 1k net decrease in expenses
Scout Hall	Unchanged
Economic Development	Unchanged
Community Development	Decrease of 90K achieved by increase carry forwards, added donations and decrease expenses.
Planning	Decrease of 16.5k, achieved by increasing managers salary/benefit allocation to Building Dept.
Hospital	Unchanged at 100K
Streetlight	Included Special Area Rating taxation of 263,351 in 2018 taxation to provide comparison number

Pending review of the 2018 department budgets it is proposed that any unused funds will be placed in department reserves for future use, or used to decrease tax increase. Reserve transfer will be presented to Council for consideration and approval on completion of the 2018 audit.

**Future Meetings**

February 28<sup>th</sup>, 2019 @ 5:30 pm:

- To review and recommend the 2019 Preliminary Consolidated Capital Budget including Fleet.
- Directors will be present to review and answer any questions regarding capital and fleet.
- To review and recommend any adjustments to the 2019 Preliminary Consolidated Operating Budget since the January 23<sup>rd</sup> meeting if necessary and if time permits.
- Decide next steps

**Attachments:**

- 2019 Adjusted Preliminary Operating Budget Summary

**MOSC 2019 Preliminary Operating Budget Summary**

	2018 APPROVED BUDGET	2019 PROPOSED BUDGET	\$ Difference	2018 TAXATION REQUIRED	2019 PROPOSED TAXATION REQUIRED	\$ Difference		2018 NON-TAX REVENUES	2019 PROPOSED NON-TAX REVENUES	Difference	Notes
<b>Corporate Services</b>											
Animal Control	\$ 61,544	62,156	\$ 612	\$60,944	\$61,506	\$562	1%	\$ 600	650	\$ 50	
Council	339,397	326,594	\$ (12,803)	269,397	\$326,594	\$57,197	21%	70,000	0	\$ (70,000)	
Crossing Guards	84,000	84,350	\$ 350	84,000	\$84,350	\$350	0%	-	-	\$ -	
General Government	1,783,954	\$0	\$ (1,783,954)	1,552,731	\$0	(\$1,552,731)	-100%	231,223	-	\$ (231,223)	
Legal and Legislative Services	0	\$673,000	\$ 673,000	0	\$546,925	\$546,925	#DIV/0!	-	86,075	\$ 86,075	
Human Resources	0	\$369,553	\$ 369,553	0	\$240,900	\$240,900	#DIV/0!	-	88,653	\$ 88,653	
Treasury	0	\$886,819	\$ 886,819	0	\$603,434	\$603,434	#DIV/0!	-	243,385	\$ 243,385	
Information Technology	525,650	595,800	\$ 70,150	454,850	\$577,050	\$122,200	27%	70,800	18,750	\$ (52,050)	
Property Management	309,777	319,348	\$ 9,571	124,308	\$107,281	(\$17,027)	-14%	185,469	212,067	\$ 26,598	
Municipal Debt	1,684,506	1,483,535	\$ (200,971)	362,306	\$356,082	(\$6,224)	-2%	1,322,200	1,127,453	\$ (194,747)	
(includes transfer to Future Needs Reserve \$309,380) Taxations & Grants	1,818,203	1,876,926	\$ 58,723	165,334	\$61,119	(\$104,215)	-63%	1,652,869	1,815,807	\$ 162,938	
<b>Sub-total Corporate Services</b>	<b>6,607,031</b>	<b>6,678,081</b>	<b>\$ 71,050</b>	<b>3,073,870</b>	<b>\$2,965,241</b>	<b>(\$108,629)</b>	<b>-4%</b>	<b>3,533,161</b>	<b>3,712,840</b>	<b>\$ 179,679</b>	
<b>Protection of Persons &amp; Property</b>											
Building Inspection	467,167	462,353	\$ (4,814)	-	\$0	\$0	#DIV/0!	467,167	462,353	\$ (4,814)	
Drainage	114,144	113,134	\$ (1,010)	82,144	\$79,134	(\$3,010)	-4%	32,000	34,000	\$ 2,000	
Fire Service	1,438,970	1,510,135	\$ 71,165	1,265,970	\$1,387,235	\$121,265	10%	173,000	122,900	\$ (50,100)	
Police Service	6,184,859	6,387,363	\$ 202,504	5,387,446	\$5,473,321	\$85,875	2%	797,413	914,042	\$ 116,629	
Bylaw Enforcement (Property Standards)	100,300	77,700	\$ (22,600)	-	\$0	\$0	#DIV/0!	100,300	77,700	\$ (22,600)	
Solid Waste	1,250,600	1,334,300	\$ 83,700	-	\$0	\$0	#DIV/0!	1,250,600	1,334,300	\$ 83,700	
<b>Sub-total Protection of Persons &amp; Property</b>	<b>9,556,040</b>	<b>9,884,986</b>	<b>\$ 328,946</b>	<b>6,735,560</b>	<b>\$6,939,690</b>	<b>\$204,130</b>	<b>3%</b>	<b>2,820,480</b>	<b>2,945,296</b>	<b>\$ 124,816</b>	
<b>Health Services</b>											
Cemetery	199,825	233,717	\$ 33,892	97,875	\$93,587	(\$4,288)	-4%	101,950	140,130	\$ 38,180	
<b>Public Works</b>											
Roads	2,876,599	3,064,026	\$ 187,427	2,866,599	\$3,024,026	\$157,427	5%	10,000	40,000	\$ 30,000	
Wastewater Systems	3,019,189	2,963,400	\$ (55,789)	-	\$0	\$0	#DIV/0!	3,019,189	2,963,400	\$ (55,789)	
Water Systems	4,090,960	4,258,700	\$ 167,740	-	\$0	\$0	#DIV/0!	4,090,960	4,258,700	\$ 167,740	
Streetlights	-	-	\$ -	-	\$0	\$0	#DIV/0!	-	-	\$ -	
<b>Sub-total Public Works</b>	<b>9,986,748</b>	<b>10,286,126</b>	<b>\$ 299,378</b>	<b>2,866,599</b>	<b>3,024,026</b>	<b>\$157,427</b>	<b>5%</b>	<b>7,120,149</b>	<b>7,262,100</b>	<b>\$ 141,951</b>	
<b>Social Housing</b>											
Caradoc Housing	122,353	122,353	\$ -	-	\$0	\$0	#DIV/0!	122,353	122,353	\$ -	
<b>Recreation &amp; Leisure</b>											
Aquatics	311,485	300,383	\$ (11,102)	212,485	\$204,383	(\$8,102)	-4%	99,000	96,000	\$ (3,000)	
Arena	1,246,358	1,329,578	\$ 83,220	494,498	\$547,218	\$52,720	11%	751,860	782,360	\$ 30,500	
Caradoc Community Centre	69,100	62,479	\$ (6,621)	42,100	\$41,479	(\$621)	-1%	27,000	21,000	\$ (6,000)	
Recreation	261,300	373,155	\$ 111,855	123,185	\$179,155	\$55,970	45%	138,115	194,000	\$ 55,885	
Library Operations	175,123	183,346	\$ 8,223	-	\$0	\$0	#DIV/0!	175,123	183,346	\$ 8,223	
Museum Operations	141,129	149,240	\$ 8,111	124,241	\$133,152	\$8,911	7%	16,888	16,088	\$ (800)	
Parks Operations	521,912	603,893	\$ 81,981	475,412	\$547,393	\$71,981	15%	46,500	56,500	\$ 10,000	
Scout Hall	6,000	6,000	\$ -	2,150	\$2,000	(\$150)	-7%	3,850	4,000	\$ 150	
<b>Sub-total Recreation &amp; Leisure</b>	<b>2,732,407</b>	<b>3,008,074</b>	<b>\$ 275,667</b>	<b>1,474,071</b>	<b>\$1,654,780</b>	<b>\$180,709</b>	<b>12%</b>	<b>1,258,336</b>	<b>1,353,294</b>	<b>\$ 94,958</b>	
<b>Planning &amp; Development</b>											
Economic Development	102,000	111,000	\$ 9,000	102,000	111,000	\$9,000	9%	-	-	\$ -	
Community Development	131,500	136,500	\$ 5,000	99,000	51,500	(\$47,500)	-48%	32,500	85,000	\$ 52,500	
Planning Operations	89,952	135,129	\$ 45,177	9,852	\$55,629	\$45,777	465%	80,100	79,500	\$ (600)	
Hospital	100,000	100,000	\$ -	100,000	\$100,000	\$0	0%	-	-	\$ -	
<b>Sub-total Planning &amp; Development</b>	<b>423,452</b>	<b>482,629</b>	<b>\$ 59,177</b>	<b>310,852</b>	<b>\$318,129</b>	<b>\$7,277</b>	<b>2%</b>	<b>112,600</b>	<b>164,500</b>	<b>\$ 51,900</b>	
<b>Total</b>	<b>\$ 29,627,856</b>	<b>\$ 30,695,966</b>	<b>\$ 1,068,110</b>	<b>\$ 14,558,827</b>	<b>\$ 14,995,453</b>	<b>\$ 436,626</b>	<b>3.00%</b>	<b>\$ 15,069,029</b>	<b>\$ 15,700,513</b>	<b>\$ 631,484</b>	

2018 Oper Budget	14,295,476
2018 Streetlight Levy	263,351
	<u>14,558,827</u>

Total Tax Levy	
Increase =	2.91%
Operating Tax Levy	
Increase =	3.00%
1% Total Tax Levy	
increase =	\$150,000
1% Operating Tax Levy	
increase =	\$140,000

**Detailed Operating Budgets Available on Request**