



Date Wednesday, March 20, 2019

From Cassandra Rocca, Treasurer / Director of Financial Services

Subject **2019 Draft Budget Update**

Report No. FIN2019- 06

Recommendation

1. That the report from Kassie Rocca, Director of Finance, regarding the 2019 Draft Budget Update be received, and
2. That Council of the Township of Georgian Bluffs approve the changes to the 2019 draft budget as outlined in the report, and
3. That Council directs staff to present the 2019 Sums Required By-Law, operating and capital budgets, for approval at the council meeting on April 3, 2019.

Background

The 2019 Draft Budget was presented to Council at a special meeting held on January 22, 2019. Deliberations took place, but no changes were made to the \$9,503,596 municipal levy presented. The Sums Required bylaw officially approving the budget was not presented at this time, as there was still uncertainty related to the provincial government's OMPF funding.

Summary of Draft Budget Presented:

	<u>2019</u>	<u>2018</u>	Change
Operating Funded by Taxation	\$7,377,077	\$7,271,377	\$105,700
Capital & Enhancements Funded by Taxation	\$2,126,519	\$1,866,500	\$260,019
Total	\$9,503,596	\$9,137,877	\$365,719
Increase in Municipal Rate over prior year: 1.36%			
Increase in Municipal Rate over revenue neutral: 3.4%			

Analysis

A few changes to the draft 2019 budget have been made and are being proposed since it was presented to council on January 22.

1. At Committee of the Whole on March 13, 2019, council approved the inclusion of \$20,000 for streetlight operations in the 2019 operating budget
2. The Province has released the OMPF allocations for 2019. The Township will receive \$843,900. The original amount included in the draft budget was \$834,500.
3. Staff propose an additional \$250,000 be transferred to reserves in 2019 for strategic plan initiatives. The Township's strategic plan is currently in the process of being revised with input from staff and council. Although it is not yet finalized, an updated strategic plan could result in additional staffing, studies, capital projects, etc. Placing an additional \$250,000 in reserves will allow staff and council to begin to implement initiatives identified in the strategic plan in 2019, instead of having to wait for the 2020 budget process. Any unspent funds will be placed in the working capital reserve for future projects.

Financial Impact

The approved and proposed changes detailed in this report will result in a municipal levy of \$9,764,196. The revised municipal residential tax rate for 2019 is 0.00567214 which is a 4.1% increase over prior year and a 6.3% increase over revenue neutral.

The combined residential tax rate for 2019 is estimated to be 0.0109455. This is still just an estimate as the 2019 education tax rates have not yet been released, and the County of Grey has not yet officially passed their tax rate bylaw. The 2018 education tax rate was included in the tax rate above for estimation purposes. Overall, the result is a 1.93% increase in the combined residential tax rate over prior year.

Implications

		2019 Proposed	2018 TAX RATES					
		Georgian Bluffs	GB	OS	Meaford	SBP	Saugeen	Chatsworth
Total Residential Rate		0.0109455	0.01073791	0.01671657	0.01322251	0.01097594	0.01103139	0.01195315
Taxes for assessment of:								
	\$100,000	\$1,094.55	\$1,073.79	\$1,671.66	\$1,322.25	\$1,097.59	\$1,103.14	\$1,195.32
	\$200,000	\$2,189.10	\$2,147.58	\$3,343.31	\$2,644.50	\$2,195.19	\$2,206.28	\$2,390.63
	\$300,000	\$3,283.65	\$3,221.37	\$5,014.97	\$3,966.75	\$3,292.78	\$3,309.42	\$3,585.95
	\$400,000	\$4,378.20	\$4,295.16	\$6,686.63	\$5,289.00	\$4,390.38	\$4,412.56	\$4,781.26
	\$500,000	\$5,472.75	\$5,368.96	\$8,358.29	\$6,611.26	\$5,487.97	\$5,515.70	\$5,976.58

The result is an increase in taxes of \$62.28 for a home assessed at \$300,000.

Strategic Priorities

2.0 STRATEGIC CORE BUSINESS INTERESTS

Accountability

Communicate actively and transparently while providing a high level of customer service to ratepayers, associations, business interests, visitors and others involved in Township initiatives.

Consultation and Communications

N/A

Conclusion

Revisions have been made to the draft budget presented to council in January 2019. \$20,000 has been added for the operation of streetlights, the OMPF grant amount has increased by \$9400, and an additional \$250,000

has been added to reserve contributions for Strategic Plan Initiates. The effect is a proposed municipal levy of \$9,764,196. Overall, once County and Education rates are factored in, the final result is a proposed combined tax rate increase of 1.93% over prior year.

Respectfully Submitted:

Kassandra Rocca
Treasurer / Director of Financial Services

Reviewed by:
Rick Winters, Acting CAO