


Town of Espanola

2019 – 2021 Municipal Budget

1st Draft



- 
- The 2019 Budget and the Strategic Plan provide direction
 - The Strategic Plan requires updating as it was last updated in 2013
 - A good practice would be to review/update with each new term of council



The Strategic Plan

Vision

- A safe, healthy community in which to live, work and thrive

Mission Statement

The Corporation of the Town of Espanola is committed to serving the needs of our community by supporting the positive, well-balanced, economic and physical growth of the Town. We will continue to pursue excellence by providing accountable and affordable services while promoting the highest quality of life.



Strategic Plan

Values

Working together:

- We make ethical decisions
- We stand accountable
- We are open and accessible
- We are innovative
- We value inclusion

The Strategic Plan

Strategic Goals

1. Improve and Maintain our Infrastructure
2. Sustainable Economic Growth and Prosperity
3. Excellence in Government
4. Safe and Healthy Community





AMO's 2019 Pre-Budget Submission: For the People, Every Dollar Counts

- Ontarians pay the highest property taxes in the country. The transfer of social housing, a role in healthcare, emergency service cost growth, and other service costs drive tax rates.
- Exactly 280 pieces of provincial legislation directly govern municipalities and help to shape local municipal budgets.
- For municipal governments, this interdependence is complicated even more by the fact that municipalities have relationships with multiple ministries across the provincial government. Municipalities are unique in this respect. Universities deal with one ministry, hospitals deal with one ministry, and schools deal with one ministry. Municipalities work with a ministry but they also have reporting or financial relationships with ten others. This reality sets local government apart from the broader public service.



The Budget Process

- Department Managers to input their budgets by November 30th
- Capital figures are often difficult to estimate until year end activity is known for projects that cover more than one year
- CAO/Treasurer reviews submissions follows up with Department Managers
- CAO/Treasurer estimates progress on grants, determines which projects didn't occur in the year and ensures balances transferred to reserve to offset cost in the new year
- CAO/Treasurer reviews/estimates reserves to determine what should be funded from reserves
- Each program from the g/l is represented on public document
- Presentations to council by CAO and Department Managers January 22nd – February 5th
- Further deliberations scheduled as required
- Final budget approval - March



Budget Challenges

- Decreases in Provincial Funding
 - OMPF anticipated decrease of \$90,000 (2018 actual decrease \$ 64,500 2017 – decrease \$98,700, 2016 – decrease \$70,900)
- Inflationary cost of goods increased approx. 2.4%
- Review of all provincial government grants – Ontario Community Infrastructure Fund
- Declining Reserves



Assessment at Risk

- 10 outstanding appeals on 6 properties with an assessed value of approx. \$25 million (50% of prior year amounts)
- Municipal taxes at risk - \$1,104,797 – 14% of current year total levy (2018 -22%)
- Unlikely we would lose all of this

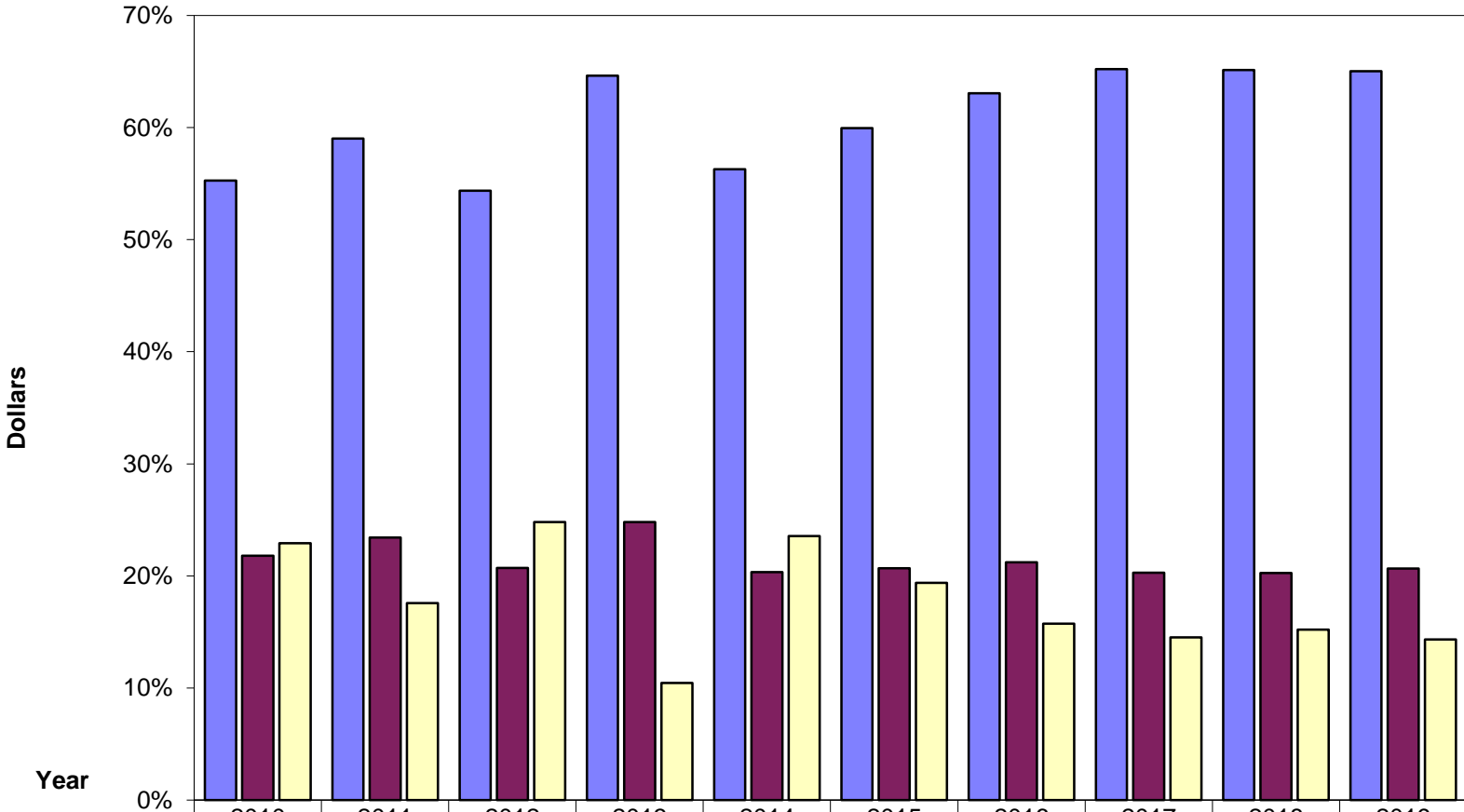


Tax Burden Distribution

Relatively the distribution is the same as in 2018, however in the last 15 years, there has been a continual tax shift away from the industrial and commercial tax classes to the residential class.

- Over the past 10 years
 - The residential share has increased 10%
 - Commercial has decreased 1%
 - Industrial has decreased 9%
- With the trend of online shopping further erosions of commercial assessment remains a concern

**Town of Espanola
Tax Burden Distribution
2010-2019**



■ Residential	55%	59%	54%	65%	56%	60%	63%	65%	65%	65%
■ Commercial	22%	23%	21%	25%	20%	21%	21%	20%	20%	21%
□ Industrial	23%	18%	25%	10%	24%	19%	16%	15%	15%	14%



2019-2021 Budget Overview

- Departmental budgets have decreased by 0.3%
- However in 2018 Tax Rate Stabilization Reserves were utilized to have a zero increase in the overall levy
- Although departmental budgets decreased \$23,496 this is less than the \$354,948 drawn from reserves in 2018
- The current increase is \$331,452 or 4.37%
- No provision for sale of Hydro as actual date is uncertain

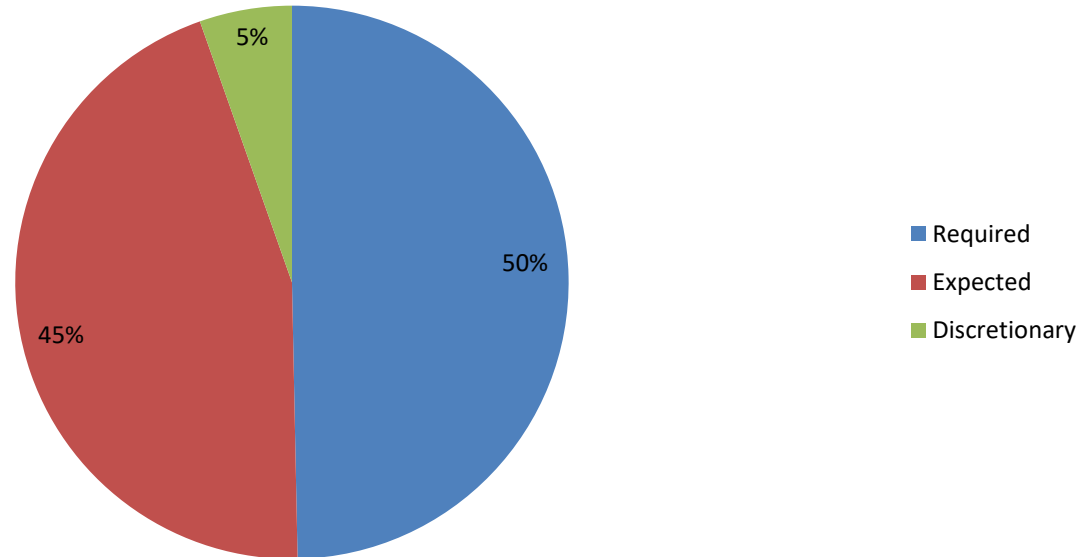
2019 -2021 BUDGET OVERVIEW BY DEPARTMENT

DEPARTMENT	2018 NET LEVY	2019 BUDGETED EXPENDITURES	2019 BUDGETED REVENUES	2019 NET LEVY	BUDGET CHANGE	BUDGET %	BUDGETED EXPENDITURES	BUDGETED REVENUES	2020 NET LEVY	BUDGET CHANGE	BUDGET %	2021 NET LEVY	BUDGET CHANGE	BUDGET %
TREASURY	(2,934,960)	127,100	(3,067,260)	(2,940,160)	(5,200)	0.18%	127,100	(2,957,360)	(2,830,260)	109,900	-3.74%	(2,740,860)	89,400	-3.16%
ADMINISTRATION	1,313,070	1,551,860	(201,300)	1,350,560	37,490	2.86%	1,426,970	(72,100)	1,354,870	4,310	0.32%	1,369,340	14,470	1.07%
FIRE	493,490	2,438,090	(1,820,600)	617,490	124,000	25.13%	417,040	-	517,040	(100,450)	-16.27%	522,730	5,690	1.10%
POLICE	2,675,804	2,394,450	(44,270)	2,350,180	(325,624)	-12.17%	2,602,820	(44,980)	2,557,840	207,660	8.84%	2,525,400	(32,440)	-1.27%
INSPECTIONS	77,580	424,540	(307,300)	117,240	39,660	51.12%	424,100	(313,100)	113,700	(3,540)	-3.02%	120,800	7,100	6.24%
POA	(53,163)	785,527	(829,500)	(43,973)	9,190	-17.29%	779,900	(833,900)	(54,000)	(10,027)	22.80%	(55,200)	(1,200)	2.22%
TRANSPORTATION	2,539,285	3,023,610	(566,550)	2,457,060	(82,225)	-3.24%	2,535,190	(9,300)	2,525,890	23,830	0.97%	2,605,650	55,760	2.21%
COLLECTION & DISPOSAL	537,525	612,075	(64,500)	547,575	10,050	1.87%	637,025	(64,650)	572,375	24,800	4.53%	591,180	18,805	3.29%
HEALTH SERVICES	932,552	960,100	(22,000)	938,100	5,548	0.59%	980,660	(22,000)	958,660	20,560	2.19%	984,350	25,690	2.68%
SOCIAL SERVICES	503,868	564,055	(43,000)	521,055	17,187	3.41%	572,555	(43,300)	529,255	8,200	1.57%	542,750	13,495	2.55%
RECREATION	1,380,350	1,906,930	(424,675)	1,482,255	101,905	7.38%	1,879,419	(436,450)	1,442,969	(34,536)	-2.33%	1,489,050	91,331	6.33%
LIBRARY	278,440	370,463	(59,015)	311,448	33,008	11.85%	363,600	(55,900)	307,700	(3,748)	-1.20%	314,800	21,100	6.86%
CULTURAL ACTIVITIES	55,300	96,305	(66,665)	29,640	(25,660)	-46.40%	29,950	(2,400)	27,550	(2,090)	-7.05%	30,850	3,300	11.98%
BEAUTIFICATION	47,520	43,060	-	43,060	(4,460)	-9.39%	43,880	-	43,880	820	1.90%	44,990	1,110	2.53%
PLANNING & DEVELOPMENT	8,630	31,760	(17,760)	14,000	5,370	62.22%	21,890	(7,890)	14,000	-	0.00%	11,000	(3,000)	-21.43%
ECONOMIC DEVELOPMENT	78,395	145,110	(30,450)	114,660	36,265	46.26%	100,850	(650)	100,200	(44,260)	-38.60%	76,700	(23,500)	-23.45%
NET DEPARTMENTAL TOTALS	7,933,686	15,475,035	(7,564,845)	7,910,190	(23,496)	-0.30%	12,942,949	(4,904,900)	8,181,669	201,429	2.55%	8,433,530	287,111	3.51%

BUDGET SUMMARY

	2018 BUDGET	2019 BUDGET	2020 BUDGET	2021 BUDGET	2018 - 2019 CHANGE	BUDGET %
Revenues:						
ONTARIO UNCONDITIONAL GRANTS	(3,377,200)	(2,714,400)	(2,618,500)	(2,527,500)	(662,800)	-20%
WATER & SEWER FEES	(2,762,200)	(2,817,400)	(2,873,700)	(2,938,500)	55,200	2%
REVENUES SPECIFIC FUNCTIONS	(2,563,905)	(2,150,020)	(2,187,590)	(2,247,640)	(413,885)	-16%
GRANTS	(5,388,290)	(767,462)	(1,666,667)	(1,666,667)	(4,620,828)	-86%
	(14,091,595)	(8,449,282)	(9,346,457)	(9,380,307)	(5,642,313)	-40.0%
Expenditures:						
OPERATING	14,072,191	12,126,275	12,113,389	12,270,330	1,945,916	13.8%
WATER & SEWER	2,194,350	2,359,875	2,122,820	2,159,920	(165,525)	-7.5%
AMORTIZATION	900,945	1,117,420	1,117,825	1,123,525	(216,475)	-24.0%
CAPITAL	9,441,690	3,838,465	2,863,580	2,893,960	5,603,225	59%
	26,609,176	19,442,035	18,217,614	18,447,735	7,167,141	26.93%
TRANSFERS TO/FROM RESERVES	(4,583,895)	(3,082,563)	(789,488)	(789,898)	(1,501,332)	
NET MUNICIPAL LEVY	7,933,686	7,910,190	8,081,669	8,277,530	23,496	0.30%
NET LEVY REQUIRMENTS	7,933,686	7,910,190	8,081,669	8,277,530	(23,496)	-0.30%
TAX RATE STABILIZATION TRANSFERS	(354,948)	-	-	-	354,948	
TOTAL LEVY	7,578,738	7,910,190	8,081,669	8,277,530	331,452	4.37%
			2.17%	2.42%		

Operating expenditure by category



The following definitions have been used in classifying the expenditures:

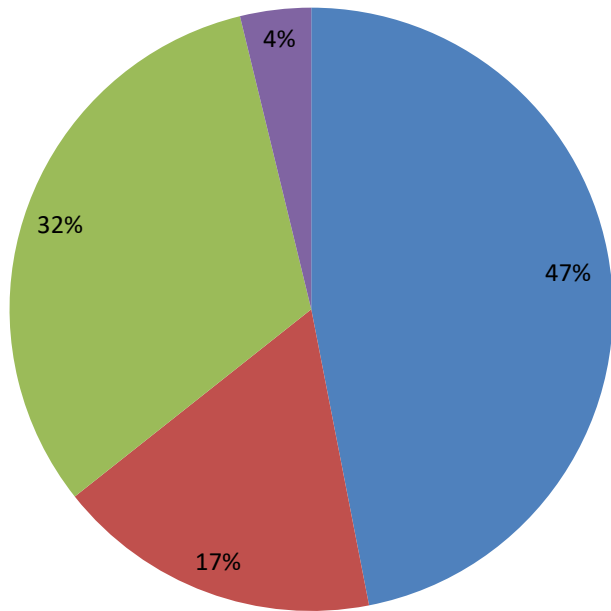
Required – service is mandated by regulation or necessary for public safety

Expected – service is typically delivered by comparable municipalities

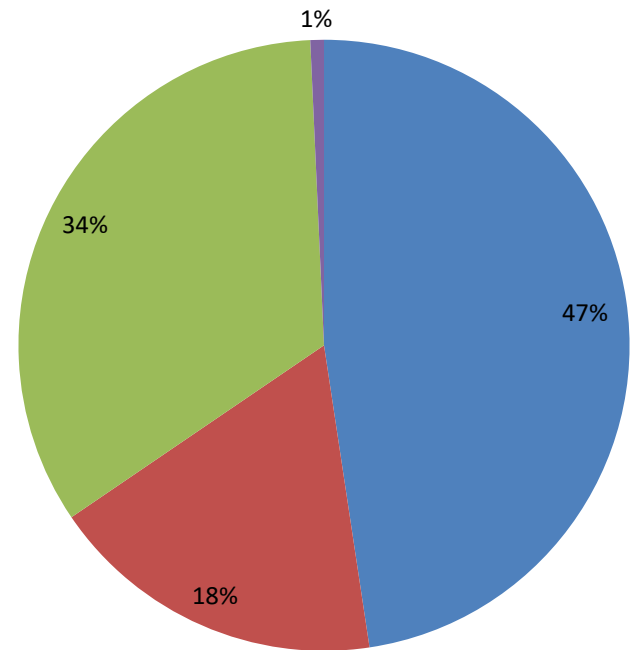
Discretionary – service is provided based on community choice

2019 - 2018 Revenues

2019



2018

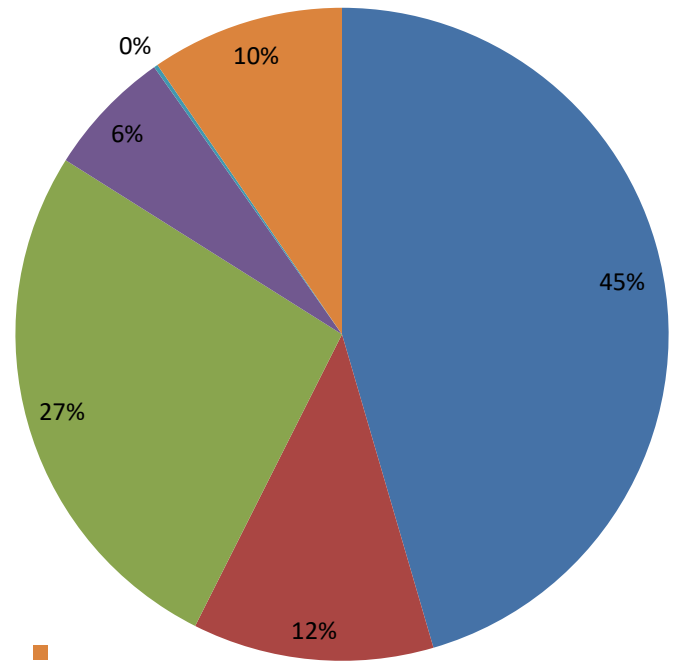
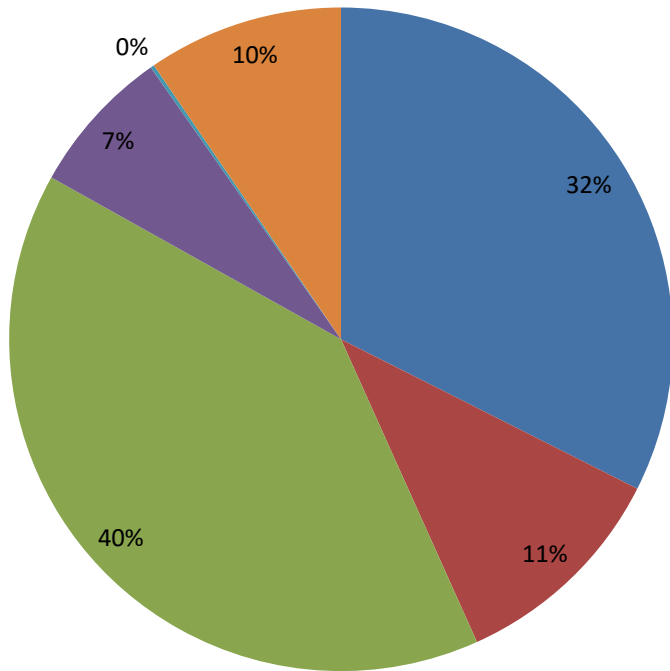


- Taxation
- Grants-unconditional & conditional
- User Fees, Rents
- Reserve Transfers

2019 – 2018 Expenses

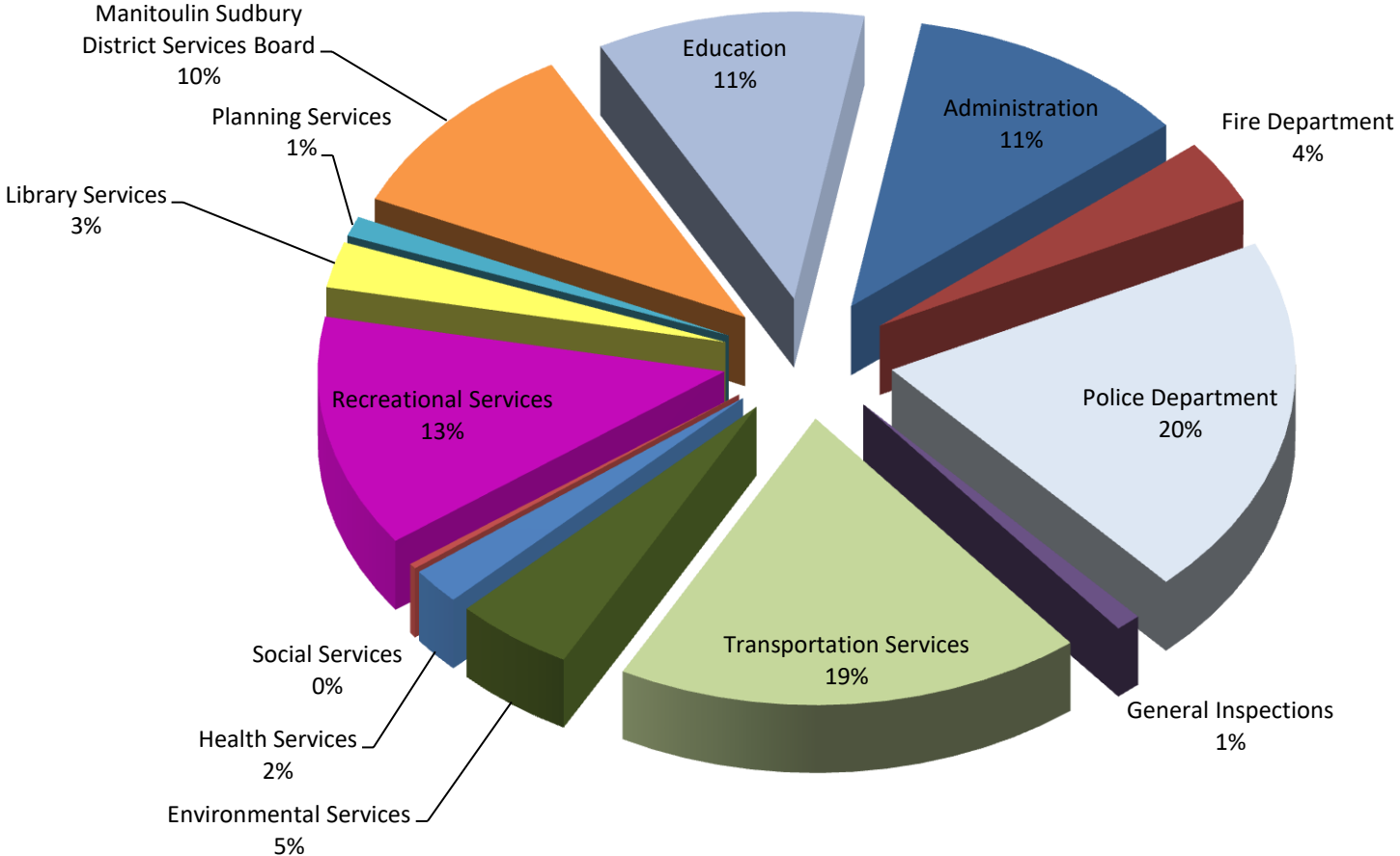
2019

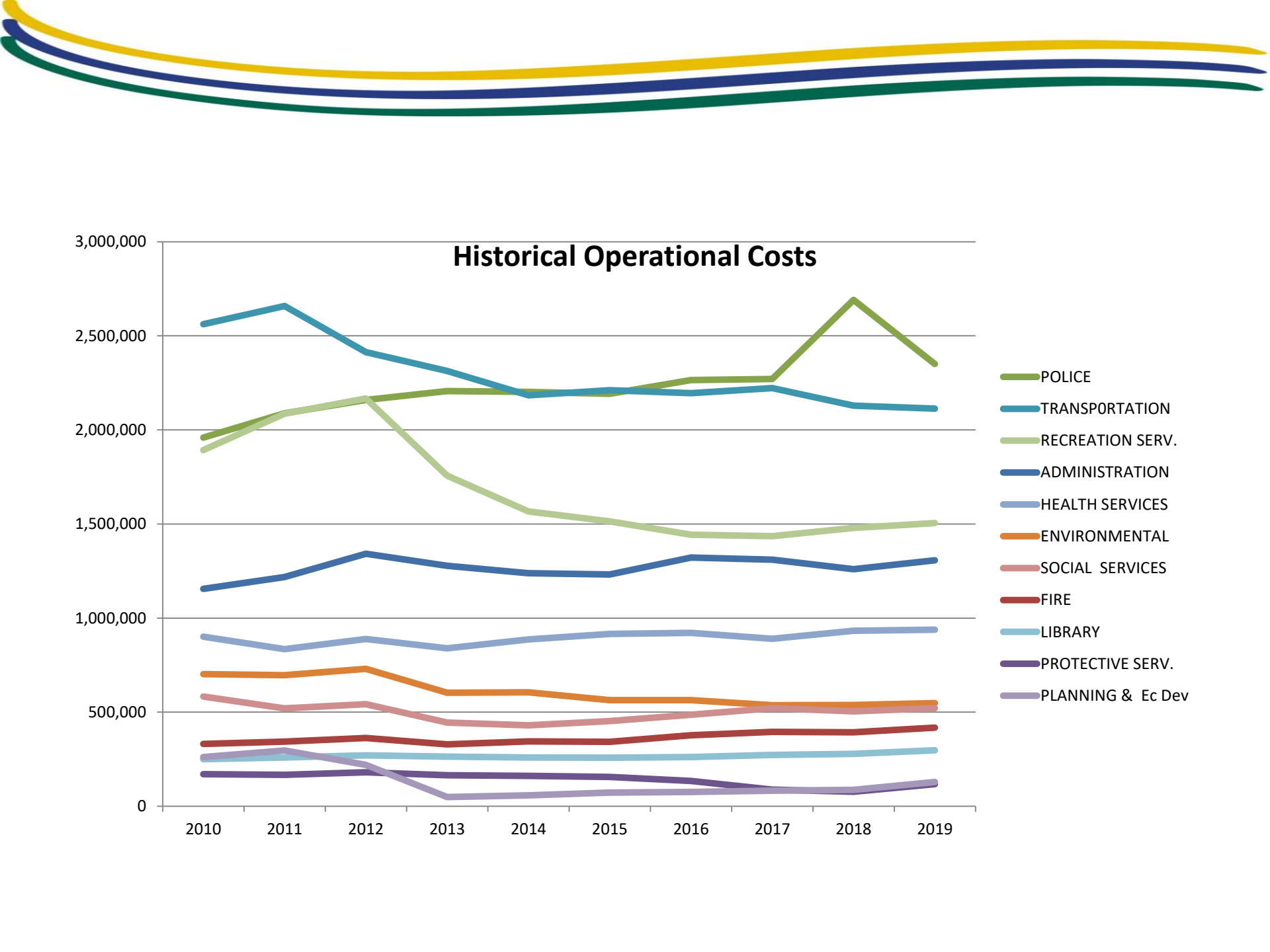
2018



Departmental Operating Cost Estimate

How are your tax dollars are spent?







Capital Projects

<u>Project</u>	<u>Expenditure</u>	<u>Grants</u>	<u>Reserves</u>	<u>Levy</u>
Fire Dept Bldg & Equip	2,020,000	-	1,820,600	199,400
Arena Insulation	50,000	-	-	50,000
Connecting Link - Station Rd to Second	372,950	335,655	37,295	-
Hard Surfacing	199,500	-	-	199,500
PWD Equipment	300,000	-	185,000	115,000
Historical Park	64,315	39,315	25,000	-
Infrastructure Renewal - Phase 2 Eng	632,700	392,492	240,208	-
SCADA Upgrades (STP)	185,000		185,000	-
Library	14,000	-	-	14,000
	3,838,465	767,462	2,493,103	577,900

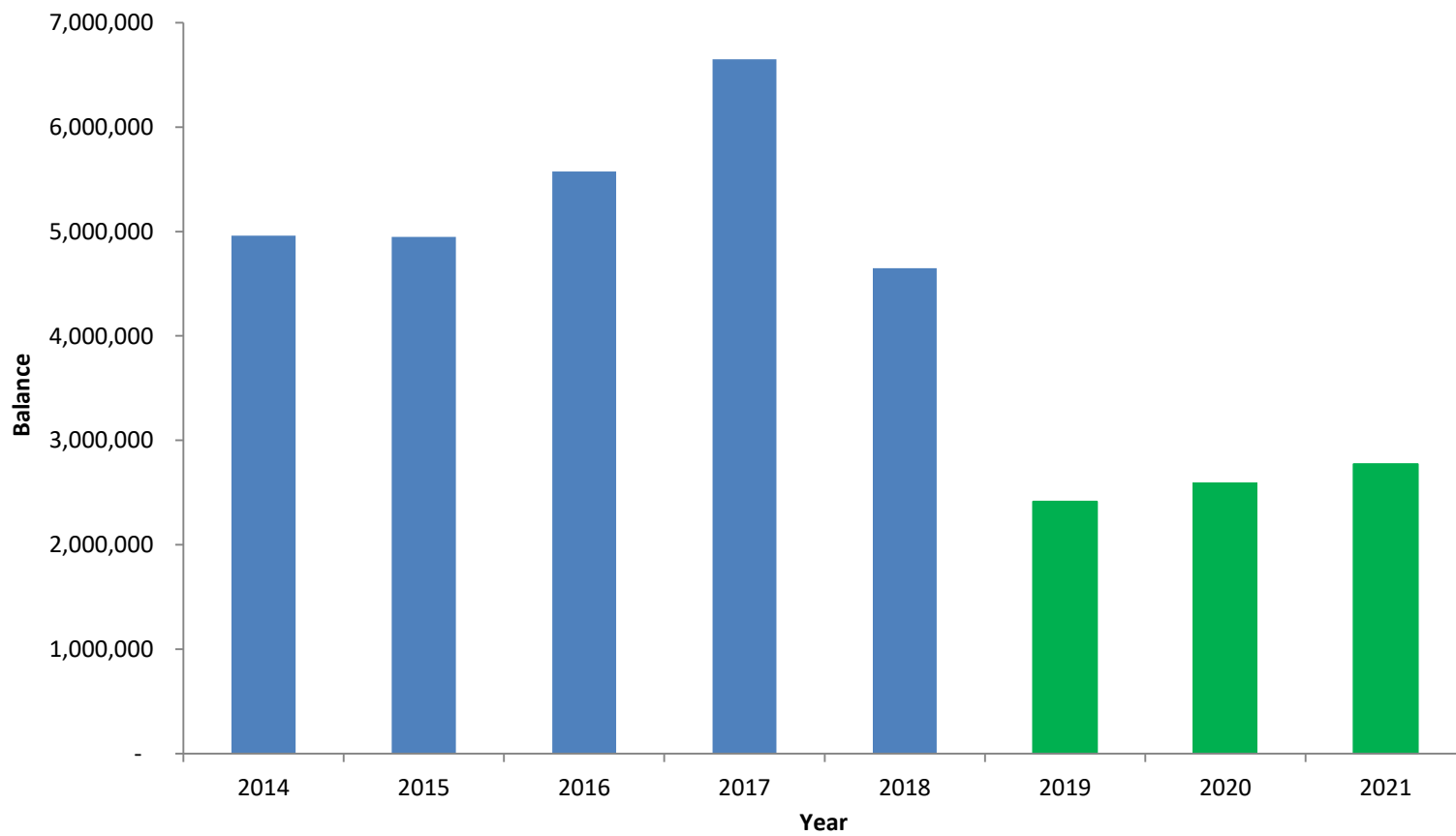



Asset Management Plan

- Plan was last updated in 2015 for 2014 year end figures
- Replacement cost in 2015 was \$139,031,264
- Include assets with a historical cost of \$78,803,492 (2017 year end)
- Update to be completed when 2018 year end is finalized
- Plan includes updated replacement values
- Levels of Service policies are being developed to support the plan
- Previous annual requirements were \$3,240,496



Reserves & Reserve Funds





Residential tax increases – prior years

- 2018 – Decrease of .032% or (\$7.86)
- 2017 – Increase of 1.45% or \$34.62
- 2016 – Decrease of .20% or (\$4.78)
- 2015 – Increase of .42% or \$10.10
- 2014 – increase of .29% or \$6.82
- 2013 – increase of .17% or \$4.03