

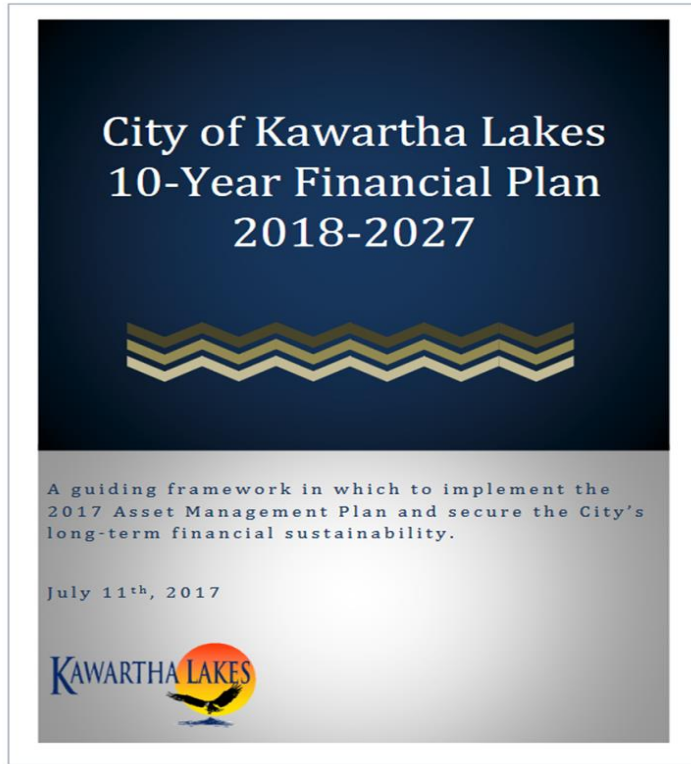


Kawartha Lakes **2019 Budget and Business Plan**

December 13, 2018



Long Term Financial Plan



Designed to implement the 2017 Asset Management Plan, this 10 year Financial Plan provides a framework in which to secure the long term financial sustainability of the City

Asset Management



2013: Asset Management Plan (AMP) required for core infrastructure

2017: AMP required for all infrastructure for Gas Tax funding

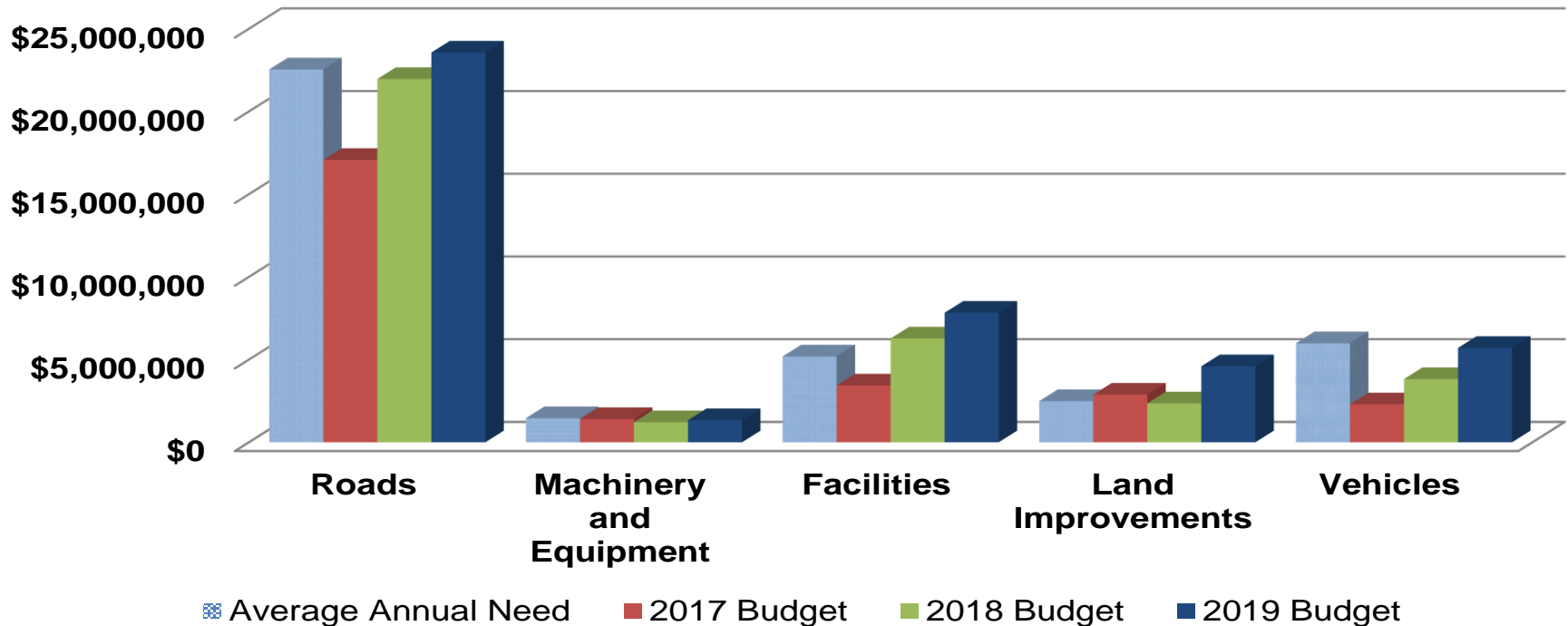
2009: PSAB require reporting of Tangible Capital Assets

2017: City adopts Asset Management Plan & 10 Year Financial Plan

2019: Strategic Asset Management Policy required

Long Term Financial Plan

Lifecycle Capital Replacement Expenditure Annual Budget vs Average Requirement



Tax Levy vs Tax Rate Increase

Tax Levy Increase:

- The increase in the total amount of taxes that the City needs to collect from one budget year to the next

Detail Budget	Actual 2017	Budget 2018	Budget 2019	Change from 2018 Budget
Revenue				
Tax Revenues				
Taxation	\$(105,034,875)	\$(108,338,929)	\$(114,228,463)	\$(5,889,534)

Tax Levy vs Tax Rate Increase

Tax Levy Increase includes:

- the assessment growth that occurred throughout 2018: \$1,625,084 or 1.5%
- the amount required to balance the proposed 2019 budget: \$4,264,450 or 4%

Detail Budget	Actual 2017	Budget 2018	Budget 2019	Change from 2018 Budget
Revenue				
Tax Revenues				
Taxation	\$(105,034,875)	\$(108,338,929)	\$(114,228,463)	\$(5,889,534)

Tax Levy vs Tax Rate Increase

Tax Rate Increase:

- The increase in the amount an individual property owner pays year over year
- This is calculated as:

assessed value of your property

X

tax rate(s) applicable to your property

Tax Levy vs Tax Rate Increase

Tax Rate Increase:

- The tax rate increase an individual property owner will receive will be dependent on:
 - the assessed value of their property relative to the average
 - the tax class that the property is in (residential, farm, industrial, commercial etc)
 - where the property is located
 - whether improvements have been made
- The tax rate increase will vary by property due to the above variables

Tax Levy vs Tax Rate Increase

2018 Tax Levy Increase 3.25%

2018 Tax Rate Increase



2.39%



0.99%



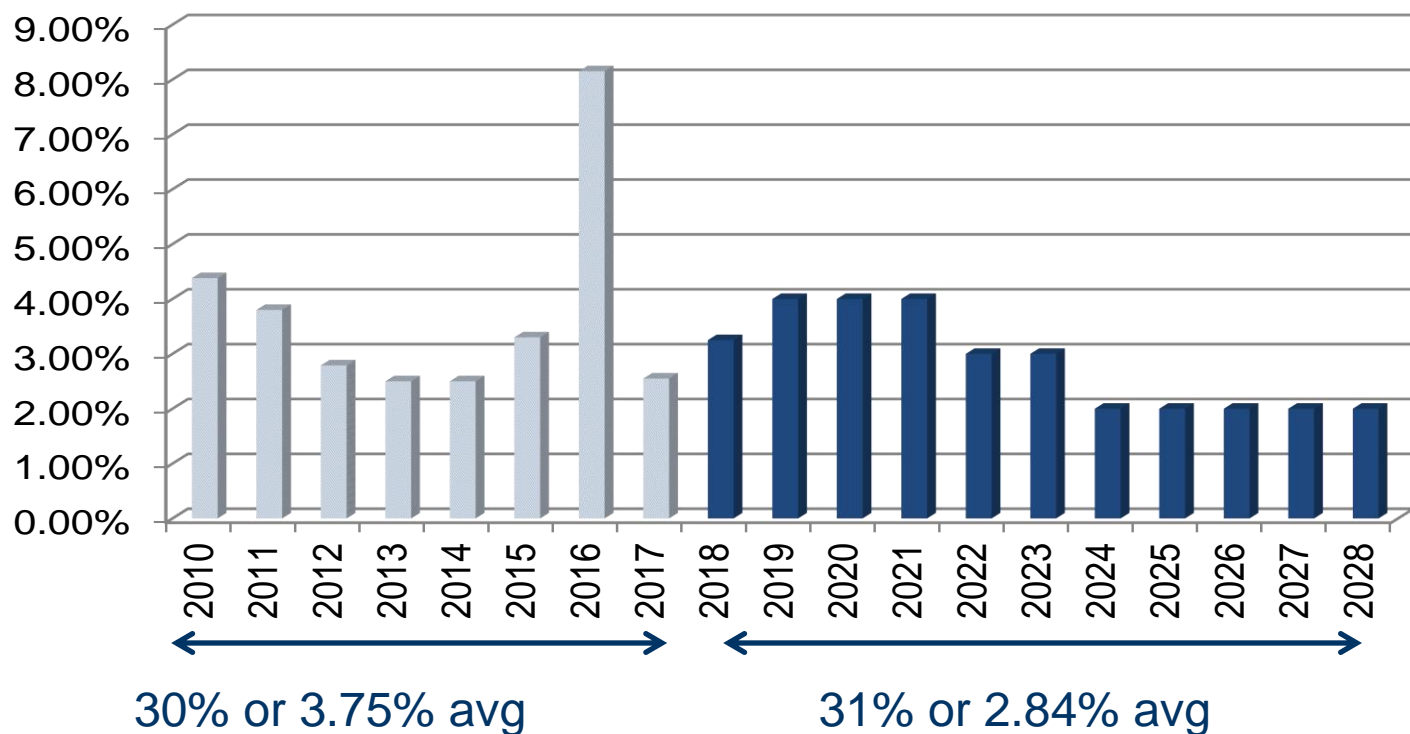
2.92%



8.55%

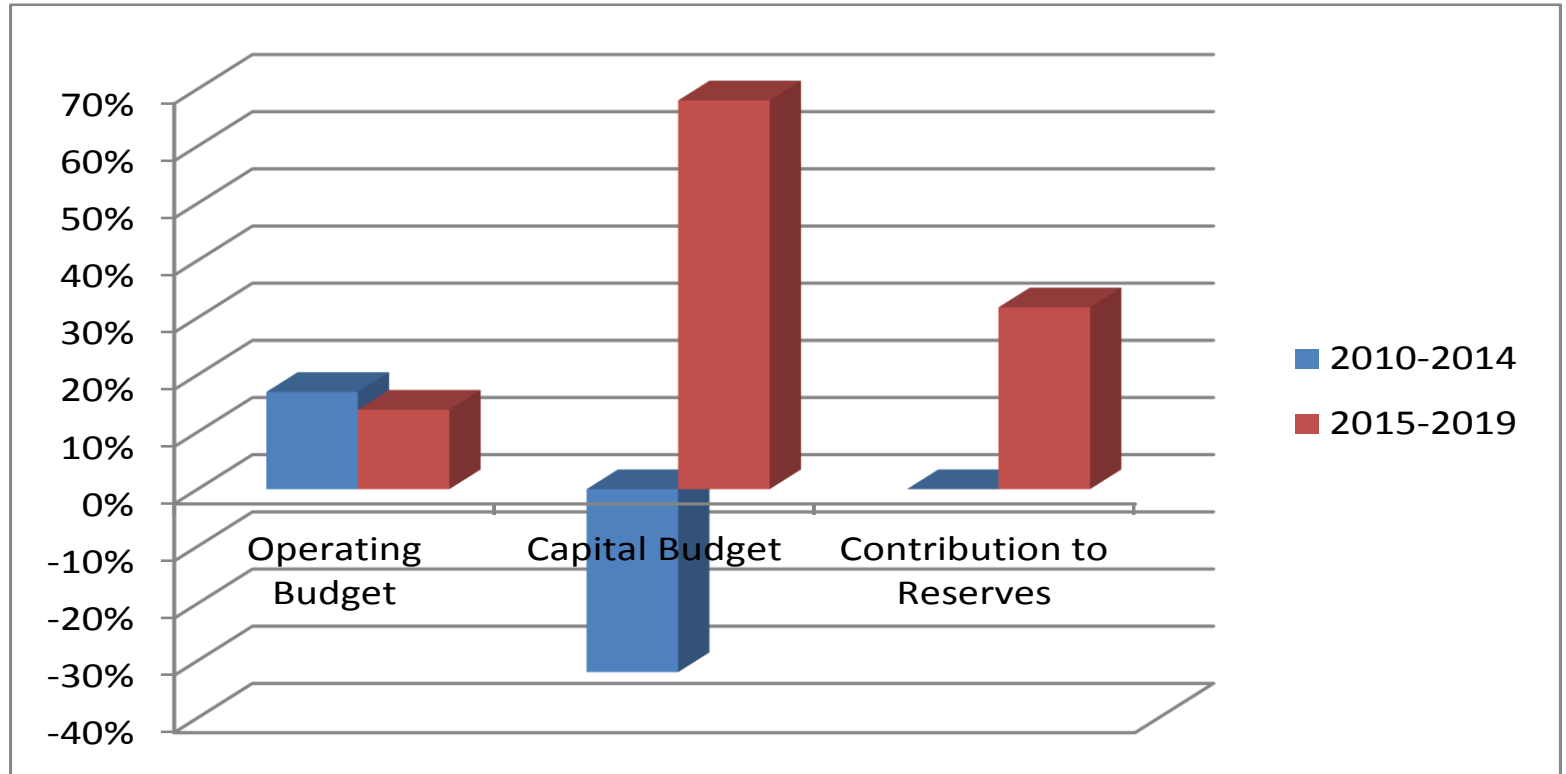
Long Range Financial Plan

Tax Levy Increases



Long Range Financial Plan

Investment Focus



Projected 2019 Reserve Balances

	Projected 2018 Balance	2019 BUDGET			Projected 2019 Balance
		2019 Contributions	2019 Usage - Op	2019 Usage - Cap	
Infrastructure	23,189,428.53	15,383,026.00	(160,000.00)	(28,661,963.46)	9,750,491.07
Rate	6,905,336.77	762,170.00	(348,698.00)	(500,000.00)	6,818,808.77
Contingency	2,283,852.42	640,750.00	(7,000.00)	-	2,917,602.42
Economic Development	730,237.00	0.00	(50,000.00)	0.00	680,237.00
City Working Capital	2,705,630.41	169,655.00	0.00	0.00	2,875,285.41
Parkland, Gas Tax	1,323,054.36	5,654,899.00	(826,855.00)	(5,140,000.00)	1,011,098.36
Former Municipal	196,494.59	-	(8,000.00)	-	188,494.59
Other	26,069,185.41	40,000.00	-	-	26,109,185.41
	63,403,219.49	22,650,500.00	(1,400,553.00)	(34,301,963.46)	50,351,203.03
Development Charges	(13,691,438.43)	1,000,000.00	(1,445,985.00)	(6,000,636.06)	(20,138,059.49)
	49,711,781.06	23,650,500.00	(2,846,538.00)	(40,302,599.53)	30,213,143.53

2019 Budget and Business Plan

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2019 Proposed Operating Budget

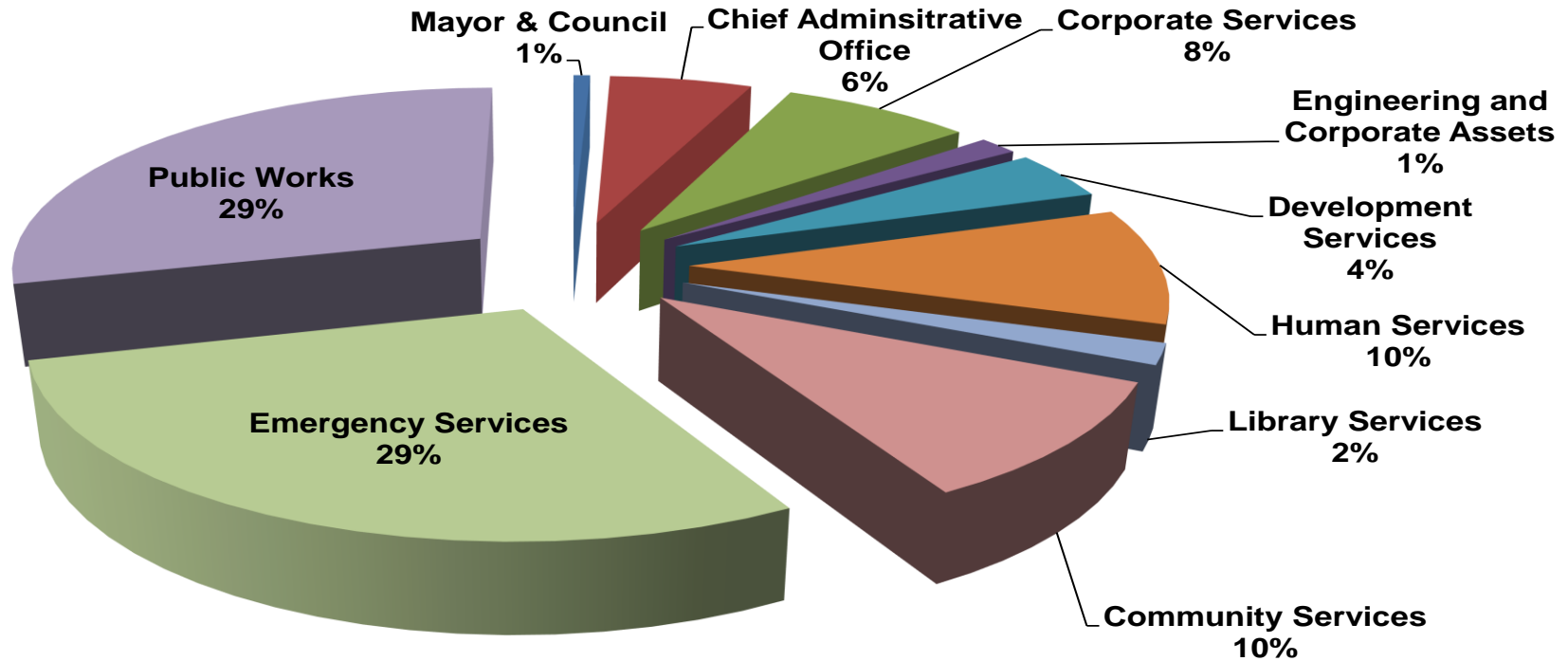
Operating Budget (Tab 1-13)

- This budget represents the on-going expenditures required to support the service provided and is primarily funded through property taxes



2019 Proposed Operating Budget

Total Proposed Operating Budget \$200.8M



2019 Proposed Operating Budget

Each department tab will start with an overview of the department and the divisions within

Corporate Services

Overview

The Corporate Services Department is responsible to lead, monitor and manage all corporate functions within the City placing emphasis on responsible financial and human resource management, effective corporate communications and strategic information technology practices and initiatives. The Department is comprised of the following divisions:

- **Treasury** - Responsible for investment and debt management, financial accounting, inventory, cost accounting, accounts payable, purchasing, audit and financial statement compilation, and presentation
- **Human Resources** - Responsible for recruitment, training, employee benefits, labour relations, compensation management, payroll, and health and safety
- **Information Technology** - Responsible to maintain electronic systems and infrastructure, applications maintenance and support and client support services
- **Revenue and Taxation** - Responsible for assessment base management, property taxation, utility billing, and accounts receivable
- **Communications, Advertising and Marketing** – Responsible for corporate communications and media relations, advertising and marketing

2019 Proposed Operating Budget

Followed by the department priorities, and a summary of the major budget changes

Budget Priorities

- Execution of the comprehensive Human Resources Strategy
- Execution of the Communications, Marketing and Advertising Strategy
- Ongoing refinement and execution of the 5/10 Year Budget Strategy
- Fiscal Resource Management through effective and strategic debt and cash management practices
- Continued implementation of new enterprise resource and financial planning software

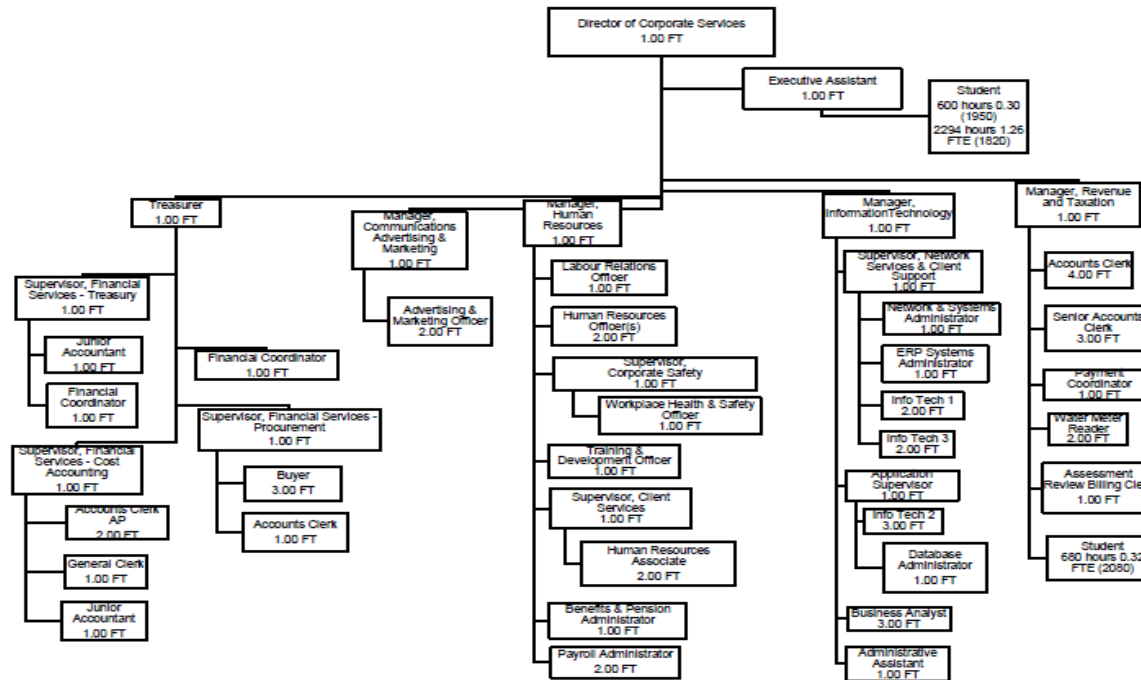
Budget Summary

The proposed budget for Corporate Services is increasing \$402,240 over the 2018 budget. The key drivers for the increase are as follows:

- Employer Paid Benefits are increasing \$89,957, this is primarily due to an increase in Corporate WSIB premiums (\$50,000)
- The increase of \$64,050 in Postage, Printing and Office Supplies is a provision for new computer equipment for new staff proposed in the budget corporately
- The Advertising budget is increasing \$107,000. The majority of this increase (\$80,000) is for a branding strategy, and an increased use in mobile sign advertising (\$27,000)
- The increase in the Professional Fees budget of \$114,650 is for additional consulting services in Human Resources and Cyber Security Services
- Technology Contracted Services is increasing \$76,440 due to the Electronic Document Records Management System that is legislated to be implemented

2019 Proposed Operating Budget

The organization chart of the department, including any new positions proposed in the budget



2019 Proposed Operating Budget

To supplement the organization chart a summary of the personnel breakdown by division and type is provided

Corporate Services - Personnel Breakdown

Division	2019	2018	Difference
Administration	2.56	2.56	-
Human Resources	13.00	13.00	-
Treasury	15.00	15.00	-
Revenue and Procurement	13.32	13.32	-
Information Technology	17.00	17.00	-
Communications	3.00	3.00	-
Financial Services	-	-	-
Total	63.88	63.88	-

Type	2019	2018
Full-time	62.00	62.00
Part-time	-	-
Seasonal	-	-
Students	1.88	1.88
Total	63.88	63.88
Non Union Positions	22.00	22.00
Unionized Positions	41.88	41.88
Total	63.88	63.88

2019 Proposed Operating Budget

At the department level, there is a detailed budget

Corporate Services Detail Summary				
Detail Budget	Actual 2017	Budget 2018	Budget 2019	Change from 2018 Budget
Revenues				
Grants				
Federal Grants	\$ (76,197)	\$ -	\$ -	\$ -
Other Revenues				
Interest Income	(7,146)	-	-	-
Transfer To (From) Reserves	(557,840)	-	-	-
Donations & Other Revenue	(14,411)	-	-	-
User Charges, Licenses & Fines				
Finance Services	(663,426)	(661,000)	(636,000)	25,000
Fines	(26,182)	(16,000)	(21,000)	(5,000)
Advertising Sales	(1,671)	-	-	-
Other Recoveries	6,713	-	(600)	(600)
Total Revenue	(1,340,160)	(677,000)	(657,600)	19,400
Expenses				
Salaries, Wages and Benefits				
Salaries and Wages	4,178,833	4,326,528	4,385,643	59,115
Employer Paid Benefits	2,738,029	2,652,610	2,742,567	89,957
Materials, Supplies & Services				
Staff/Board Training & Expense	213,527	174,550	174,900	350
Corporate Training	138,741	137,000	137,000	-
Telephone & Office Services	45,162	46,665	43,300	(3,365)
Postage, Printing, Office Supplies	306,775	316,335	380,385	64,050
Operating Materials & Supplies	53,107	91,300	115,700	24,400
Advertising	78,491	83,000	190,000	107,000
Material & Equipment Charges	144,821	218,150	218,150	-
Capital Out of Operations	4,152	-	1,000	1,000

2019 Proposed Operating Budget

Followed by the division budget in summary

Revenue and Taxation				
Summary Budget	Actual 2017	Budget 2018	Budget 2019	Change from 2018 Budget
Revenue				
User Charges, Licenses & Fines	\$ (679,640)	\$ (677,000)	\$ (657,000)	\$ 20,000
Total Revenue	(679,640)	(677,000)	(657,000)	20,000
Expenses				
Salaries, Wages and Benefits	1,289,234	1,324,663	988,153	(336,510)
Materials, Supplies & Services	478,630	518,450	518,450	-
Contracted Services	35,856	90,000	90,000	-
Rents & Insurance Expenses	(2,451)	2,500	2,500	-
Debt, Lease & Financial	21,150	33,600	33,600	-
Interfunctional Adjustments	(468,120)	(577,739)	(575,395)	2,344
Total Expenses	1,354,299	1,391,474	1,057,308	(334,166)
Tax Support Required	674,659	714,474	400,308	(314,166)

2019 Proposed Operating Budget

Interfunctional Adjustments

- Allocation of tax supported administrative and corporate costs to departments that are not tax supported



2019 Proposed Operating Budget

Operating Decision Units

Decision Unit	Amount	Potential Funding Source
Community Improvement Plan grant program expansion	\$100,000	Economic Development Reserve / Tax Levy (0.088%)
Medical Services grant to develop and deliver a Family Physician Professional Development program	\$36,000	Tax Levy (0.032%)
Free Waste Days: continuation of spring and fall program	\$60,000	Tax Levy (0.053%)

2019 Proposed Water and Wastewater Budget

Water and Wastewater Budget (Tab 14)

- This budget represents the on-going expenditures that are required to provide safe drinking water, and sewage treatment. This budget is funded by the property owners who use these services

2019 Proposed Water and Wastewater Budget

Total Proposed Water and Wastewater Budget \$22.6M

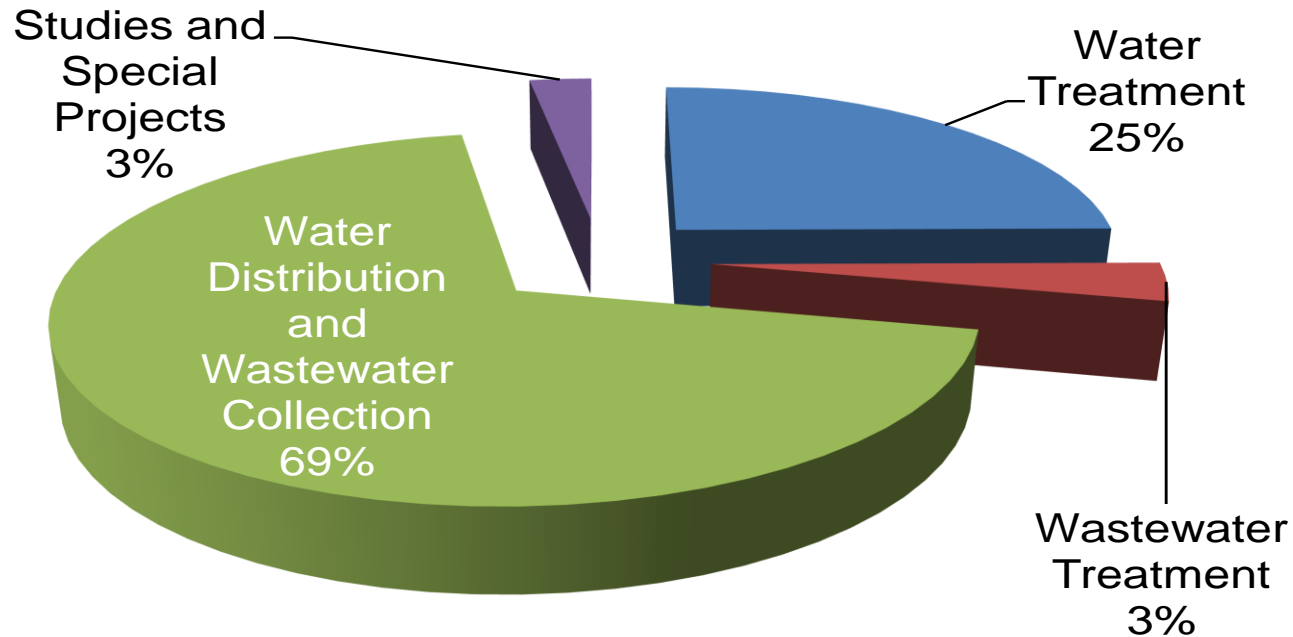


2019 Proposed Water and Wastewater Budget

2019 Water and Wastewater Proposed Operating Budget				
Detail Budget	Actual 2017	Budget 2018	Budget 2019	Change from 2018 Budget
Revenue				
Grants	\$ (1,197)	\$ -	\$ -	\$ -
Other Revenues	(564,421)	(584,068)	(577,005)	7,063
User Charges, Licenses & Fines	(19,544,624)	(20,650,294)	(21,192,235)	(541,941)
Total Revenue	(20,110,242)	(21,234,362)	(21,769,240)	(534,878)
Expenses				
Salaries, Wages and Benefits	1,530,602	1,739,615	1,770,659	31,044
Materials, Supplies & Services	1,154,247	1,400,700	1,207,700	(193,000)
Contracted Services	8,456,830	8,763,971	9,188,699	424,728
Rents & Insurance Expenses	13,866	-	-	-
Interest on Long Term Debt	1,818,058	1,899,702	1,865,459	(34,243)
Debt, Lease & Financial	3,600,408	3,838,687	4,099,488	260,801
Interfunctional Adjustments	3,643,300	3,591,687	3,637,235	45,548
Prior Year (Surplus) Deficit	(107,071)	-	-	-
Total Expenses	20,110,242	21,234,362	21,769,240	534,878
Tax Support Required	-	-	-	-

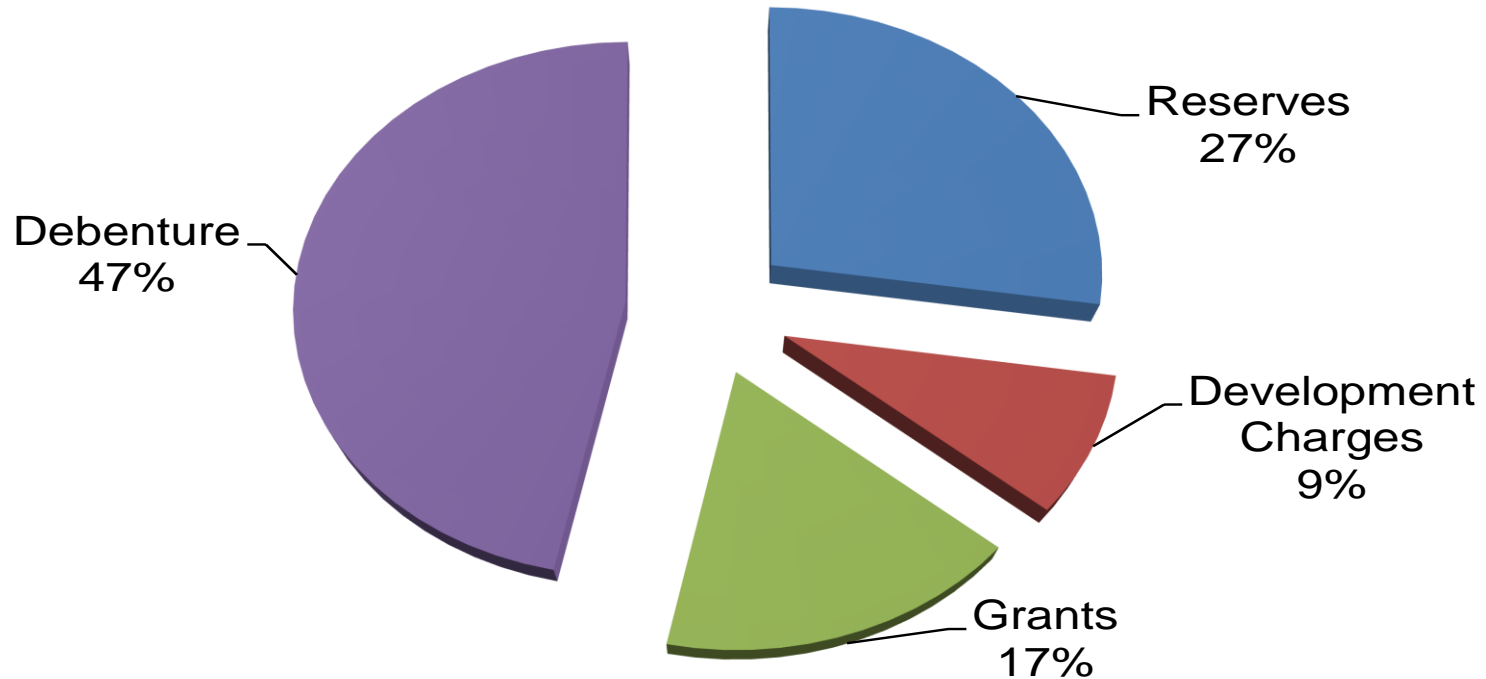
2019 Proposed Water and Wastewater Budget

Total Proposed Capital Budget \$9.5M



2019 Proposed Water and Wastewater Budget

Total Proposed Capital Budget \$9.5M



2019 Proposed Water and Wastewater Budget

Proposed 2019 Water and Wastewater Rates

	2018	2019	Change
Water			
Consumption rate			
cubic metre	\$2.71720	\$2.71720	\$ -
cubic foot	\$0.07694	\$0.07694	\$ -
Monthly charge (5/8 – 3/4")	\$29.10	\$30.56	\$1.46
Wastewater			
Consumption rate			
cubic metre	\$1.4606	\$1.4606	\$ -
cubic foot	\$0.0414	\$0.0414	\$ -
Monthly charge (5/8 – 3/4")	\$27.63	\$29.56	\$1.93

2019 Proposed Capital Budget

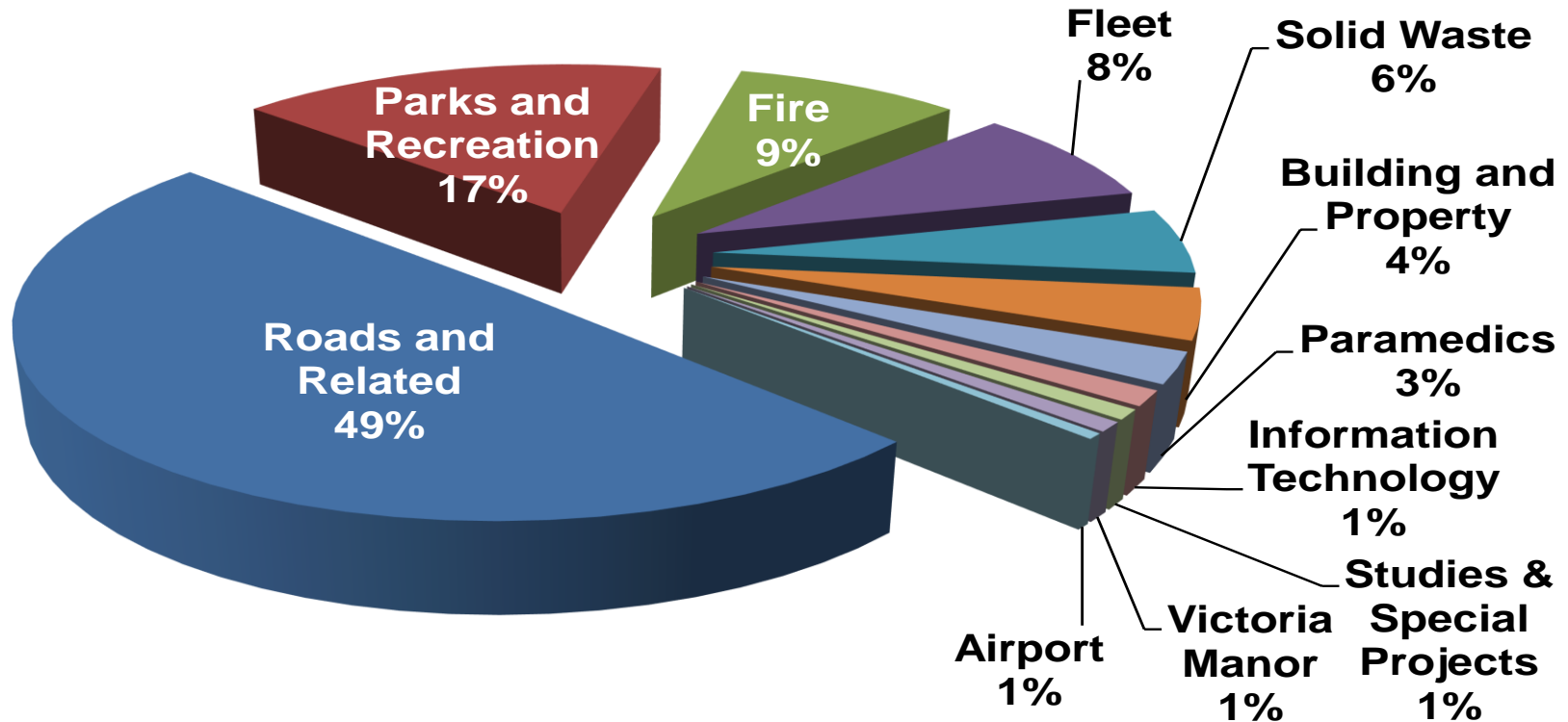
Capital Budget (Tab 15-16)

- This budget represents the expenditures that are one time in nature including the construction of new infrastructure and the repair and replacement of existing assets



2019 Proposed Capital Budget

Total Proposed Capital Budget \$48.5M



2019 Proposed Capital Budget

Project Highlights:

- Gravel rehabilitation program (year 2)
- Bobcaygeon Beach Park
- Logie Park
- Mariposa Fire Station
- Reconstruction of Russell & Peel St's
- Lindsay-Ops Landfill Cell 4/5
- South Fleet Paramedic Centre design

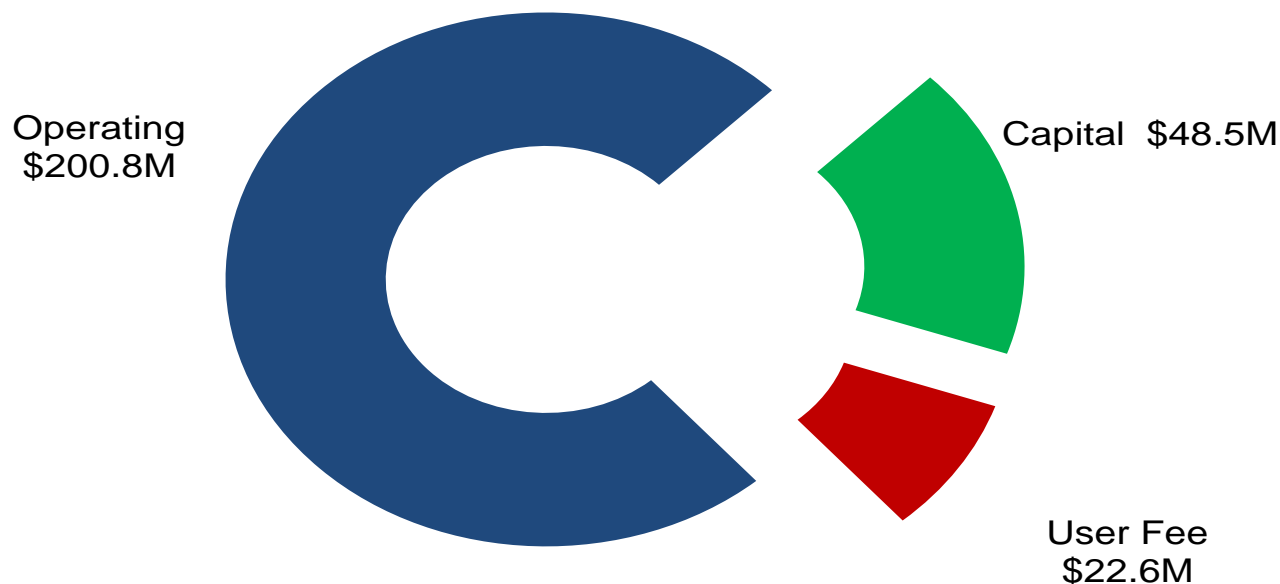
2019 Proposed Capital Budget

Decision Units

Asset(s) / Project	Primary Activity / Treatment	Expenditure	Reserves and Reserve Funds	
			Capital	DCs
Otter Rd. / Omega Rd. Culvert	Study; Installation	143,750	143,750	
Verulam Dr. (CKL Rd. 8 to South End)	Resurfacing	201,250	201,250	
McGregor Drive (Walmac Shores Rd. to North End)	Resurfacing	149,160	149,160	
Bayview Estate Rd. (Crimson Lane to North End)	Resurfacing	115,500	115,500	
Gray Rd. (CKL Rd. 25 to South End)	Resurfacing	159,500	159,500	
CKL Rd. 36 / Weldon Rd. Half-Set Traffic Signal	Installation	135,000	135,000	
Coboconk Medical Centre	Feasibility / Capital Plan	75,000	75,000	
Wilson Fields East Fence	Installation; Expansion	20,000	2,000	18,000
Garnet Graham Park Pavilion	Replacement; Upgrade	300,000	300,000	
Forbet Pool Parking Lot	Upgrade	200,000	200,000	
		1,499,160	1,481,160	18,000

Budget Structure

Total Proposed 2019 Budget: \$271.9M



2019 Budget and Business Plan

2019 Budget Schedule

Nov 29/18	Proposed budget binders available to Council and SMT
Nov 30/18	Proposed budget available on website
Dec 13/18	Special Council 1pm – Budget primer presentation
Jan 11/19	Council to submit questions and extractions for Capital & Water/Wastewater
Jan 16/19	Corporate Services to provide responses to Capital & Water/Wastewater questions
Jan 23/19 *	Special Council 9am – Capital & Water/Wastewater deliberations
Jan 24/19	Special Council 9am (if required) – Capital & Water/Wastewater deliberations
Feb 1/19	Council to submit questions for Operating
Feb 6/19	Corporate Services to provide responses to Operating questions
Feb 13/19 *	Special Council 9am – Department overviews
Feb 20/19	Special Council 1pm – Operating Budget approval

* Public input will be heard at these meetings

2019 Budget and Business Plan

Process for Question Submission:

- All questions should be sent to Krystina Cunningham (kcunnington@kawarthalakes.ca) and copied to all Council members
- Corporate Services will provide all members of Council with a response to all questions
- All questions and answers will be posted on the City's website

Questions?



Kawartha Lakes **2019 Budget and Business Plan**