

The Corporation of the City of Kawartha Lakes
Council Report

Report Number CORP2019-004

Date: February 19, 2019

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: All Wards

Title: Proposed 2019 Tax-Supported Operating Budget

Description: Proposed 2019 Tax-Supported Operating Budget

Author and Title: Jennifer Stover, Director of Corporate Services

Recommendation:

That Report CORP2019-004, Proposed 2019 Tax-Supported Operating Budget, be received; and

That the 2019 Tax-Supported Operating Budget be approved, as amended.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The 2019 Proposed Tax-Supported Operating budget was provided to Council on November 29, 2018. Staff also provided Council with an overview of the proposed budget at the December 13, 2018 Council meeting. The proposed budget, as presented, recommended a 4% increase to the tax levy.

On January 23, 2019 Council adopted the 2019 Tax-Supported Capital Budget and the Water and Wastewater Operating and Capital budget.

A Special Council meeting was held on February 13, 2019 to review the 2019 Proposed Tax-Supported Operating budget. Staff provided an update on changes that had been made to the budget, resulting in a 3.5% tax levy increase. In addition, Council passed the following resolution:

That \$1,200,000 be transferred from the Fire Fleet Reserve to the Capital Reserve, and;

That the contribution to the Capital Reserve in the 2019 Operating Budget be reduced by \$510,000.

The above resolution results in a tax levy increase of 3.0%.

Rationale:

The City's Long Range Financial Plan forecasted a 4.5% increase for 2019. Through the collaborative efforts of Council and Staff, the operating budget has been reduced to 3.0% while maintaining service levels, and supporting the City's largest capital program to date.

The following are noteworthy highlights of the challenges and opportunities for 2019:

- Growth of 1.5% occurred resulting in approximately \$1,625,000 of revenue
- Winter maintenance and waste management are increasing by approximately \$1.2 million to account for program changes and contractual obligations
- A reduction of \$200,000 is projected for the OMPF grant. Funding allocation for 2019 is not known at this time, however past trending suggests that a reduction should be anticipated
- A reduction in the contribution to the Capital reserve of \$1.3 million is also proposed to support a reduced tax levy

Other Alternatives Considered:

Council may choose to amend the budget further based on decision units and/or extractions.

Financial/Operation Impacts:

The City's budget was based on the approved Long Range Financial Plan which sets out the expected financial impacts of aligning future operating and capital budgets with the municipal service levels established by Council and/or legislation. The Operating Budget proposed for 2019 aligns with this plan.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

The recommendations of this report align with the following goals of the Corporate Strategic Plan:

- Goal 1 – A Vibrant and Growing Economy: An effective operating budget helps support municipal services that are essential for a prosperous and growing economy.
- Goal 2 – An Exceptional Quality of Life: An effective operating budget helps support municipal services that are essential for the quality of life of residents.
- Goal 3 – A Healthy Environment: An effective operating budget helps support municipal services that are essential for a healthy environment.

Consultations:

Senior Management Team

Department Head E-Mail: jstover@kawarthalakes.ca

Department Head: Jennifer Stover