

# 2021 Budget Overview

Committee of the Whole

October 6, 2020



# Agenda

- 2020 Cash Flow update
- 2020 Budget update
- 2021 Proposed Budget
- Next Steps

# 2020 Cash Flow Update

- 2020 Cash flow projection was completed due to lost / delayed revenue
- A \$10 million draw from investments was made in April
- An additional \$5 million draw was anticipated to be required in late October

# 2020 Cash Flow Update

- Cashflow projection assumed an increased tax delinquency for 2020; actual delinquency is aligned with previous years
- Current projections indicate that no further draws from investments will be required

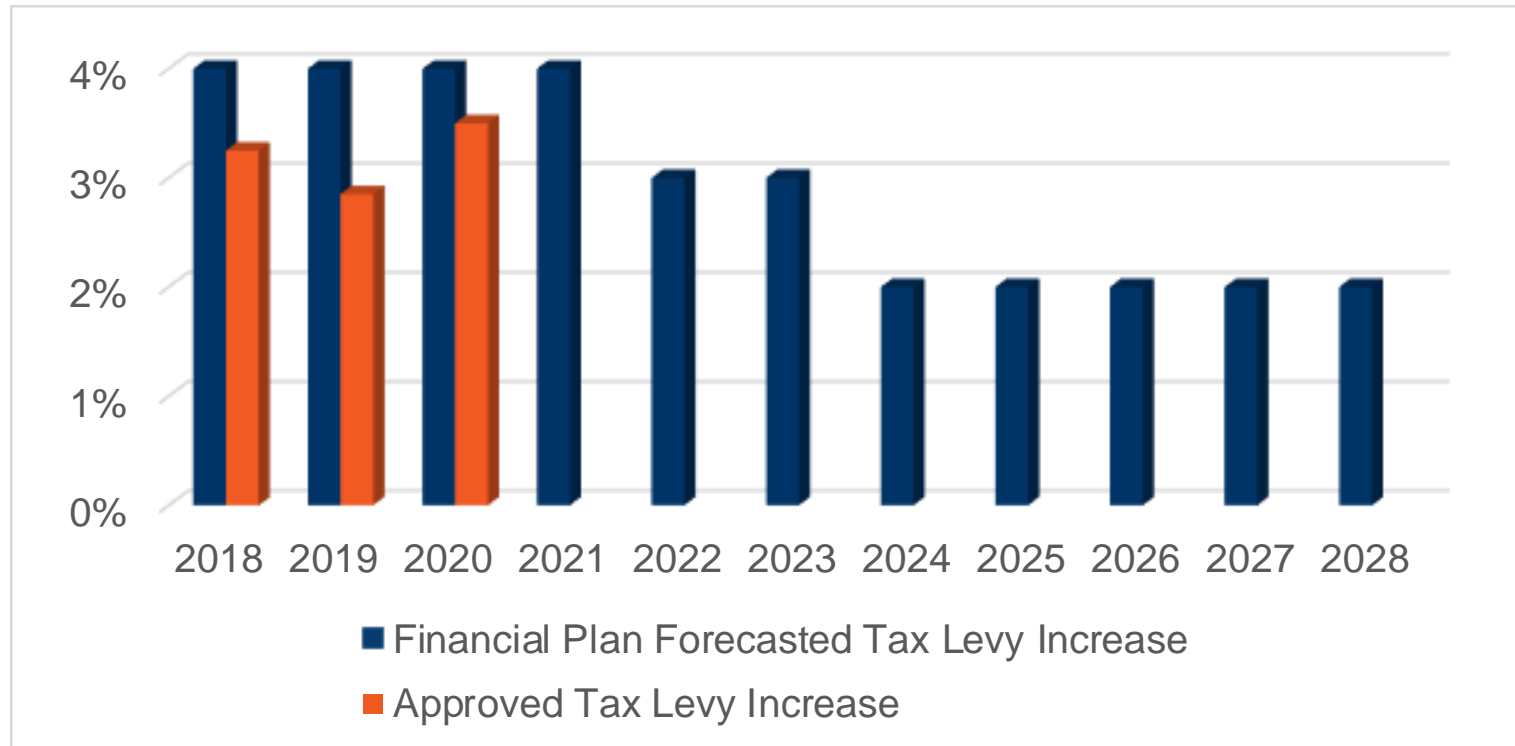
# 2020 Budget

- 2020 Budget projected a deficit in excess of \$5 million due to lost revenue and increased expenses relating to the pandemic
- Council direction was for a zero deficit budget at year end

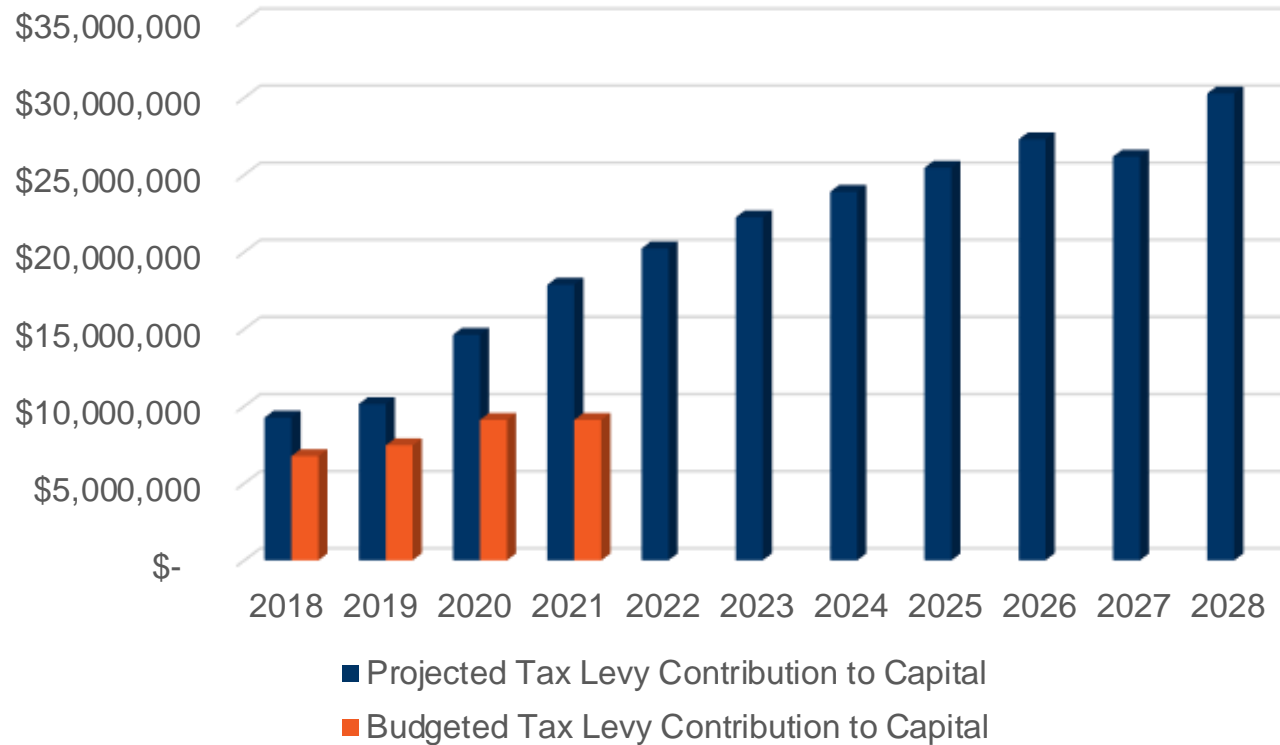
# 2020 Budget

- Current projections anticipate no deficit for 2020
- This could be impacted by:
  - Unanticipated pandemic related pressures
  - Winter maintenance

# 10 Year Financial Plan: Tax Levy Support



# 10 Year Financial Plan: Tax Levy Contribution to Capital





# 2021 Proposed Budget

## Operating

- delivery of 200+ day-to-day services
- +/- 50% tax levy supported

## Water and Wastewater

- delivery of safe drinking water and treatment of wastewater
- user fee supported

## 2021 Budget

## Special Projects

- one-time in nature
- do not result in the creation of or improvement to an asset
- primarily tax levy supported

## Capital

- one-time in nature
- result in the creation of or improvement to an asset
- primarily funded from tax supported reserves

# 2021 Operating Budget

## Provincial Funding Update:

- Ontario Municipal Partnership Fund (OMPF) support will continue for 2021
- Paramedic Funding is anticipated to be stable for 2021

# 2021 Operating Budget

## Provincial Funding Update:

- Children Services funding is changing to require a administration funding to be shared 50/50
- Ontario Works funding is being reduced by \$800K; expense reduction to offset

# 2021 Operating Budget

Other known budget pressures:

- Winter Control \$1.7M
- Waste Management \$1.0M
- Fleet \$0.5M
- Low assessment growth

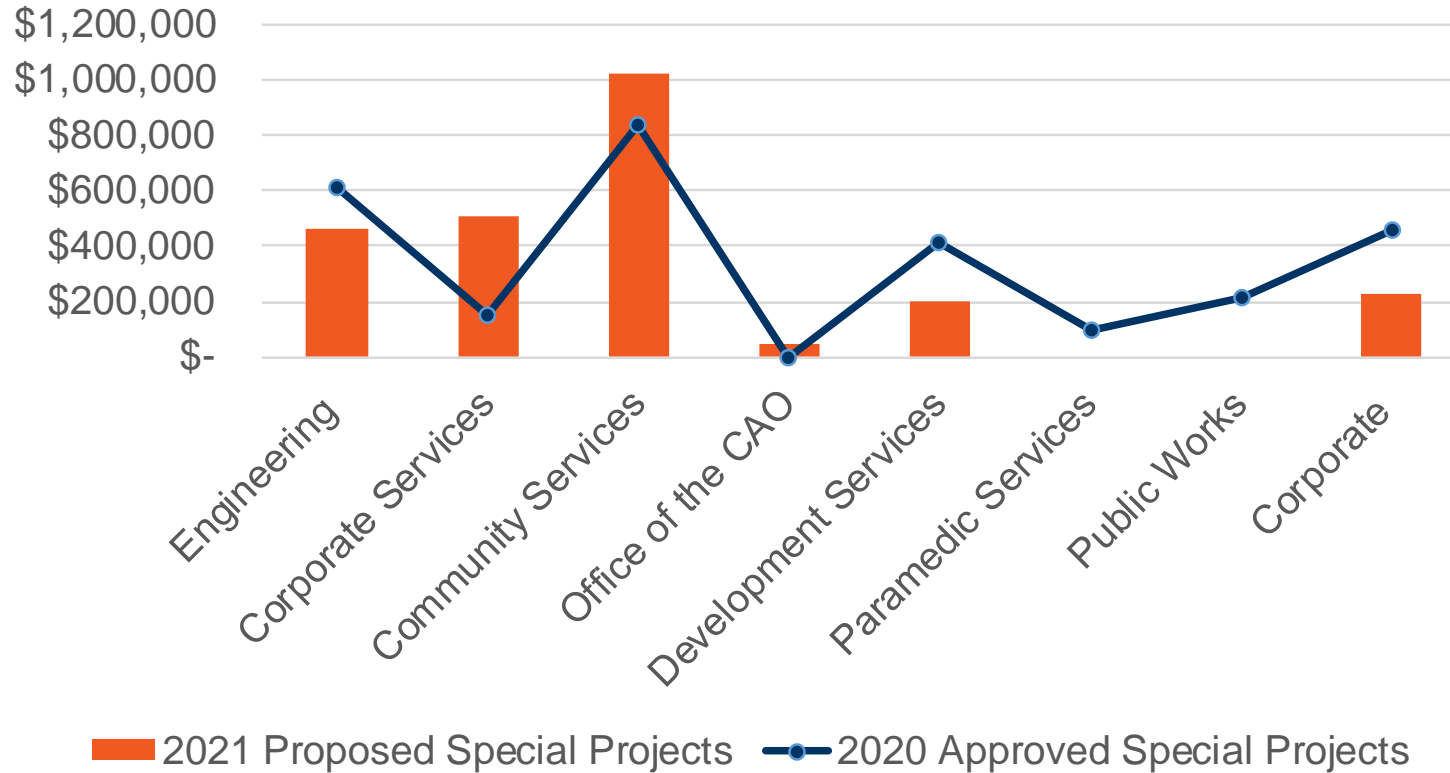
# 2021 Water and Wastewater Budget

- Third party consultant retained to prepare a Water Financial Plan as required for our Drinking Water License
- Concurrently undertaking a review of the City's water and wastewater rates
- Study will inform 2021 budget and rates

# 2021 Special Projects Budget

- The special projects budget was new for 2020 and provided greater transparency of one-time non-capital budget items
- Special Projects anticipated to require +/- \$2M in tax levy support for 2021

# 2021 Special Projects Budget



# 2021 Capital Budget

## Constraints on the capital budget:

- 2020 Capital projects delayed/deferred
  - 115 projects (\$32M) were delayed to fall 2020
  - 33 projects (\$10M) were deferred to 2021
- Uncertainty of duration/extent of pandemic
  - resource constraints (internal/external)
  - availability of materials
  - cost escalations
- Limited funds in the capital reserve (+/- \$10M)



# 2021 Capital Budget

- First draft of capital budget exceeds available funding in Capital Reserve by \$20M
- Shortfall in funding does not include:
  - Council requests
  - Coboconk Wellness Centre
  - Economic / Community recovery

# 2021 Capital Budget

- Staff working on a limited/priority capital budget for approval in late November
- Further capital budget support could be considered in Q1 2021 based on funding and resource availability

# Questions?