

Mr. Mayor, in accordance with the *Municipalities Act, 1999* and the Finance Standing Committee's Terms of Reference, I am pleased to present the 2019 Municipal Operating Budget. As required by law, the budget is balanced and totals \$3,343,047.

### **2018 Summary**

Holding to tradition, Mr. Mayor, before I begin presenting the 2019 budget, I will take time to reflect on the past fiscal year.

In 2018, the Town issued the following permits:

- 5 new dwellings (compared to 15 in 2017).
- 5 extensions to existing dwellings (compared to 4 in 2017).
- 16 accessory buildings (compared to 20 in 2017).
- 12 fences (compared to 6 in 2017).
- 82 general repairs (compared to 61 in 2017).

2018 was very successful, Mr. Mayor, and Council invested heavily in the Town's infrastructure and equipment. For example;

- the Town purchased a new loader and a utility vehicle for the Public Works Department at the cost of \$245,844.

- We acquired a used dump truck and a used pick-up truck at the cost of approximately \$51,000.
- The Town completed the;
  - o Riverside Drive boardwalk project.
  - o Beaumont Heights Brook upgrade.
  - o 114-118 Main Street drainage project.
  - o McDonald Crescent gabion retaining wall.
  - o Mayor Avenue lift station fence.
  - o Main Street culvert replacement project.
  - o Dominic Street lift station upgrade.
  - o Stadium warming/volunteer room.
  - o Fire Hall renovations project.
  - o Country Road/Marshall's Drive ditch drainage project.
- Mr. Mayor, we are also actively involved in the following ongoing capital works projects:
  - o Riverfront development (Main Street and Station Road).
  - o Hampton's Hill water tower replacement.
  - o Newtown Road booster pumps replacement.
  - o Riverside Drive road upgrade.
  - o Main Street road upgrade.

- Additionally, over \$60,000 was invested in asphalt repairs and ditching.
- Regarding the Departments' operational plans, I can report the following highlights/accomplishments:
  - Administration Department
    - New website and social media presence.
    - Collective agreement with CUPE for 2018-2022.
    - Property taxes for 2017 and prior years reduced by 51%.
    - Water/Sewer taxes for 2017 and prior years reduced by 83%.
    - Business taxes for 2017 and prior years reduced by 74%.
    - Poll taxes for 2017 and prior years reduced by 34%.
  - Public Works Department
    - Four summer students were hired, with assistance under Canada Summer Jobs, to clean areas throughout town.
    - Successful implementation of the three-week spring clean-up program.
    - Movement on the Town's intentions to acquire Abitibi/Resolute land remaining in and around the Town's boundaries.
    - Property inspections occurred with approximately 45 letters being issued, resulting in a 60% compliance rate (approximately).

- Infrastructure maintenance including waterline flushing, ditching, culvert replacement, road repairs, etc.
- Recreation Department
  - Online stadium schedule.
  - Community garden in the Fallsview Park.
  - Sound system for the stadium.
  - New signs for facilities.
  - Stadium canteen lease agreement with Minor Hockey.
  - Stadium advertising agreement with Figure Skating.

Mr. Mayor that concludes my reflection on 2018. I'll now turn Council's attention to the matter at hand – the 2019 municipal operating budget.

### **General Statement**

2019 was a challenging fiscal year to balance. As reported last year, the Town is facing high debt-servicing costs from 2019-2022 with the addition of the wastewater treatment facility, equipment, and Riverside Drive/Newtown Road booster pumps loans; however, over the period between 2020-2023, the Town will retire debt with the CIBC and the BMO. The combination of the new and retired debt will see a significant decrease in debt-servicing costs between 2019 and 2023, but the coming two to three years present challenges.

As a general statement, we feel relying on the accumulated surplus to balance the budget is not wise fiscal policy. We feel accumulated surplus is best suited for capital works projects or special expenditures; therefore, we worked to balance operating revenues and expenditures in the absence of surplus. I am pleased to report, Mr. Mayor, that we were able to meet this objective.

Having said this, the Committee is recommending the disbursement of surplus to retire a loan through the CIBC. By removing this loan from the books as of December 31, 2018, debt-servicing costs will be lower by \$65,415 and \$42,311 in fiscal years 2019 and 2020. This measure made it much easier to balance the budget, and it also positions the Town favourably in future fiscal years. While Council adopts annual budgets, we are always thinking about the future.

Mr. Mayor, while we dislike tax increases and we do what we can to mitigate them, including expenditure reductions, which this budget includes, property owners will see an increase of \$25 to the water/sewer tax. Operational expenses are increasing, Mr. Mayor, and the Committee feels it is important to maintain the momentum we gained in recent years. We feel it is important to continue our investments in infrastructure (i.e., asphalt); therefore, a moderate increase is necessary. I will say, Mr. Mayor, that we do not foresee any additional tax increases in the coming years.

As a final point, Your Worship, before I begin discussing revenue and expenditures in more detail, the Committee determined the Town cannot apply for any new capital works projects in 2019. We must focus on those currently in the system. For the next few years, the Town must refrain from adding new debt. It must find other ways to fund capital works projects (i.e., gas tax), and our spending, generally, must slow down.

Mr. Mayor, I'll now highlight the estimates by beginning with expenditures.

**Expenditures**

The expenditure estimates for 2019 are as follows:

|                                  | <u>2019 Budget</u> | <u>2018 Budget</u> | <u>% Change</u> |
|----------------------------------|--------------------|--------------------|-----------------|
| General Government               | 611,544            | 595,858            | 3%              |
| Protective Services              | 93,900             | 94,498             | -1%             |
| Transportation Services          | 947,896            | 998,411            | -5%             |
| Environmental Health             | 484,409            | 439,601            | 10%             |
| Recreation and Cultural Services | 253,412            | 253,734            | 0%              |
| Fiscal Services                  | <u>951,887</u>     | <u>1,054,971</u>   | -10%            |
|                                  | 3,343,048          | 3,437,073          | -3%             |

Our spending plan for the coming fiscal year includes;

- a \$5,000 grant to the RiverFest Committee to help defray expenses associated with the concert.
- \$50,000 for asphalt maintenance.
- \$9,000 for ditching, which equates to 1,233 meters.

- increases of \$2,700 and \$7,100 for curbside garbage collection and water treatment, respectively.
- one temporary operator/labourer for 17 weeks (May – September) for the Public Works Department. This is a reduction from 2018.
- the continuation of the curbside spring clean-up program.
- an adjustment to Councillor remuneration to address the implications of the Federal Government's decision regarding the tax credit.
- \$5,000 to complete repairs at the west-end playground.
- an allocation to hire a Coordinator for the summer recreation program in 2019.
- \$20,000 to overhaul the plant chiller in the Stadium.

Regarding capital works, the Town will conclude ongoing projects including;

- Phase one of the riverfront development (Main Street and Station Road).
- Main Street paving.
- Riverside Drive paving.
- Hampton's Hill water tower replacement.
- Newtown Road booster pumps upgrade.

It is also important to note, Mr. Mayor, that we worked to find efficiencies in the budget to reduce our expenditures. For example, the Town will eliminate a telephone line in the stadium. Other reductions were implemented throughout the budget as well.

Compared to previous years, Mr. Mayor, the budget is, perhaps, less impressive when it comes to special projects and expenditures; however, the spending plan is fiscally responsible while maintaining investments in our programs, services, infrastructure and equipment.

Let us now look to revenues.

**Revenues**

The revenue estimates for 2019 are as follows:

|                                    | <u>2019 Budget</u> | <u>2018 Budget</u> | <u>% Change</u> |
|------------------------------------|--------------------|--------------------|-----------------|
| Taxes                              | 2,750,434          | 2,655,452          | 4%              |
| Sale of Goods and Services         | 195,800            | 175,561            | 12%             |
| Other Revenue From own Source      | 23,000             | 55,596             | -59%            |
| Provincial Grants/Subsidies        | 216,134            | 223,894            | -3%             |
| Federal Grants/Subsidies           | 157,679            | 157,679            | 0%              |
| Transfers from Authorized Reserves | <u>-</u>           | <u>168,892</u>     | -100%           |
|                                    | 3,343,047          | 3,437,074          | -3%             |

As noted previously, property owners will see a \$25 increase to the water/sewer tax this year. Some people may also see an increase in their property taxes; however, this is a result of changes in assessed values and not the mill rate – the Committee has maintained the 7.75 mills in the coming budget. There is only one increase in fees and taxes in 2019, Mr. Mayor, and that is the water/sewer tax.

## **Operational Plans**

To conclude my presentation, Mr. Mayor, I will outline objectives from the Departments' operational plans for the coming year. These plans are components of the overall strategic planning process, but they do not represent the totality of the municipality's activities during a year. They set a path to achieve key objectives, but other things develop throughout the year that replace or add to the plans. To summarize;

- The Administration Department's operational plan has 12 objectives that include, among other things, facilitating a Council strategic planning process in January, implementing phase one of the riverfront development project, advancing phase two of the riverfront development project, organizing civic events, and obtaining government funding/projects/grants.
- The Public Works Department's operational plan has 19 objectives that include, among other things, addressing issues with Sunset Drive (i.e. drainage), renovating the office and washroom at the Depot (obtain government funding), implementing the 2019 ditching program, disbursing the millings throughout strategic locations to mitigate dust issues, repairing asphalt, assessing the Town's capacity to assume maintenance responsibilities for the wastewater treatment facility, and implementing the spring clean-up program.
- The Recreation Department's operational plan has 16 objectives that include, among other things, overhauling the plant chiller, improving the community

garden, advancing the dressing room project at the Stadium, and enhancing the Riverside Drive boardwalk.

That concludes my presentation, Mr. Mayor. I would like to thank the Committee for its work and commitment to prepare the budget. We had great debates during the process, and we are pleased with the outcomes.

### **Resolutions**

- (1) Be it resolved that Council shall adopt the 2019 Municipal Operating Budget and the *2019 Municipal Operating Budget Tax Schedule and Policy* as presented and circulated.
- (2) Be it resolved that Council shall adopt the *2019 Administration Department Operational Plan, 2019 Public Works Department Operational Plan, and the 2019 Recreation Department Operational Plan* as circulated.
- (3) Be it resolved that Council shall approve the disbursement of \$103,474.82, plus applicable interest, from accumulated surplus to retire CIBC loan 0664154 as of December 31, 2018.
- (4) Be it resolved that Council shall approve a 2% increase to salaries for the Assistant Town Manager and the Public Works Supervisor effective April 1, 2019.