

Township of King

“Draft”

2019-2022

Operating and Capital Budgets

Presentation to Committee of the Whole
February 25, 2019



Agenda

2019-2022 Budgets

- Overview
- **STRATEGY**
- Council Priorities
- **CONTEXT**
- 2019-2022 Capital Budgets

Budget Overview

Multi-Year (2019-2022)

Operating & Capital Budgets

Framework, Process & Timelines

Township of King Budget Framework

Base Operating Budget -

- includes costs that are required to maintain existing service levels (core services)
- salaries & benefits, contracted services, utilities, general operating costs

New Initiatives/Enhancements (Program Changes)

- includes new services/resources or enhanced service levels

Capital Infrastructure Requirements/Needs (10 Year Capital)

- includes funds that are required to build/maintain/replace the Township's major infrastructure
- Roads, bridges, sewers, water mains, fleet, facilities, etc.

Proposed Consolidated Budget

- includes Base Operating Budget, New Initiatives, and Capital Infrastructure Requirements



Township of King Budget Process

Multi-year Operating and Capital Budgets (2019-2022)

➤ Operating Budget

Assumptions based on:

- Assessment Growth (2019 @ 4.0% new development)
- Phase-in Assessment Values to 2020 Destination Value
 - ✓ 2019 estimated reduction in residential tax rate (-6.8%)
- Expiration of Collective Bargaining Agreement (March 31, 2019)
- Non-salary expenditure requirements based on justified departmental needs
 - ✓ 0.0% arbitrary increase in base budget

Township of King Budget Process

Multi-year Operating and Capital Budgets (2019-2022)

- New Initiatives / Enhancements (Program Changes):
 - Total proposed program changes = 64
 - Proposed increase in staffing = 17.8 full-time equivalent positions
 - Total value of program changes = \$4.7 million
 - Non-Tax Levy sources of funding = \$2.1 million
 - ✓ \$0.66 million from Township Initiatives Reserve
 - ✓ \$1.20 million from Infrastructure Reserve
 - Tax Levy sources of funding = \$2.6 million
 - ✓ or 6.66% (2019-2022) in 2019 \$\$\$

Township of King Budget Process

Multi-year Operating and Capital Budgets (2019-2022)

➤ Capital Budgets – Major Projects

- Township Multi-Purpose Recreation Complex (2019-2023)
- King City Library & Seniors Centre (2018-2020)
- Nobleton Sanitary Sewer – Phases 2 and 3
 - ✓ Phase 2 - Southwest quadrant, north of King Road (2018-2019)
 - ✓ Phase 3 - Northwest quadrant, west of Highway #27 (2020-2023)
- Nobleton Loop – road improvements
 - ✓ 10th Concession (King Road to 15th Sideroad)
 - ✓ 15th Sideroad (10th Concession to 8th Concession)
- King Road – Urbanization (2585 King Road to Dufferin Street)

Township of King 2019-2022 Budgets

Budget Timelines

- User Fees & Charges, Water and Wastewater rate recommendations to Council (December 2018)
- Council priorities - Operating & Capital (January 2019)
- Develop detailed business plans @ Departmental level
- Identify Human, Capital and Financial requirements
- Departmental Reviews with CAO and Finance staff
- Draft Budget Report to Council (February 25, 2019)
- Budget Report to Council for Approval (March 18, 2019)

Township of King 2019-2022 Budgets

STRATEGY



Township of King

Strategy = Plan + Build + Operate



Township of King 2019-2022 Budgets

Financial Sustainability

Achieved through completion of:

➤ **Studies**, including:

- Integrated Community Sustainability Plan (ISCP)
- Transportation Master Plan
- Water & Wastewater Master Plan
- Parks, Recreation & Culture Master Plan
- Development Charges Background Study

➤ **Plan**, creation of comprehensive Business Plans

➤ **Build**, construct / rehabilitate municipal Infrastructure

➤ **Operate**, municipal infrastructure (including: facilities)

➤ **Predictability of Tax Rates** – Area municipal level

- Balance operating costs / capital investments by/through a combination of:
 - ✓ reserves – Infrastructure, Tax Supported Capital, Tax Rate Stabilization, etc

Township of King 2019-2022 Budgets

Financial Sustainability

Execution of Council approved Operating and Capital initiatives:

- ✓ **Completion of new King Township Municipal Centre**
- **Under construction - new King City Library & Seniors Centre**
- **Under construction - streetscaping / urbanization improvements in King City & Nobleton**
- **Final stages of design – Nobleton Loop (10th Concession – 15th Sideroad)**
- **Design Phase – new Township-wide Recreation Complex**
- **Final stages of Official Plan Update**

Township of King
2019-2022 Budgets

Council Priorities

Township of King 2019-2022 Budgets

Council Priorities

- Investment in municipal infrastructure
 - Deliver capital projects on time and on budget
 - Road (Rural) Improvements
 - ✓ Conversion of Gravel to Hard Surface
 - Establish and execute long-term maintenance plan
 - ✓ Prioritized re-surfacing of roads
 - Strategic acquisition of property (e.g. Nobleton Jr. Public School)
 - Strategic disposition of surplus municipal property
 - Traffic calming measures
 - ✓ Speed boards / humps

Township of King 2019-2022 Budgets

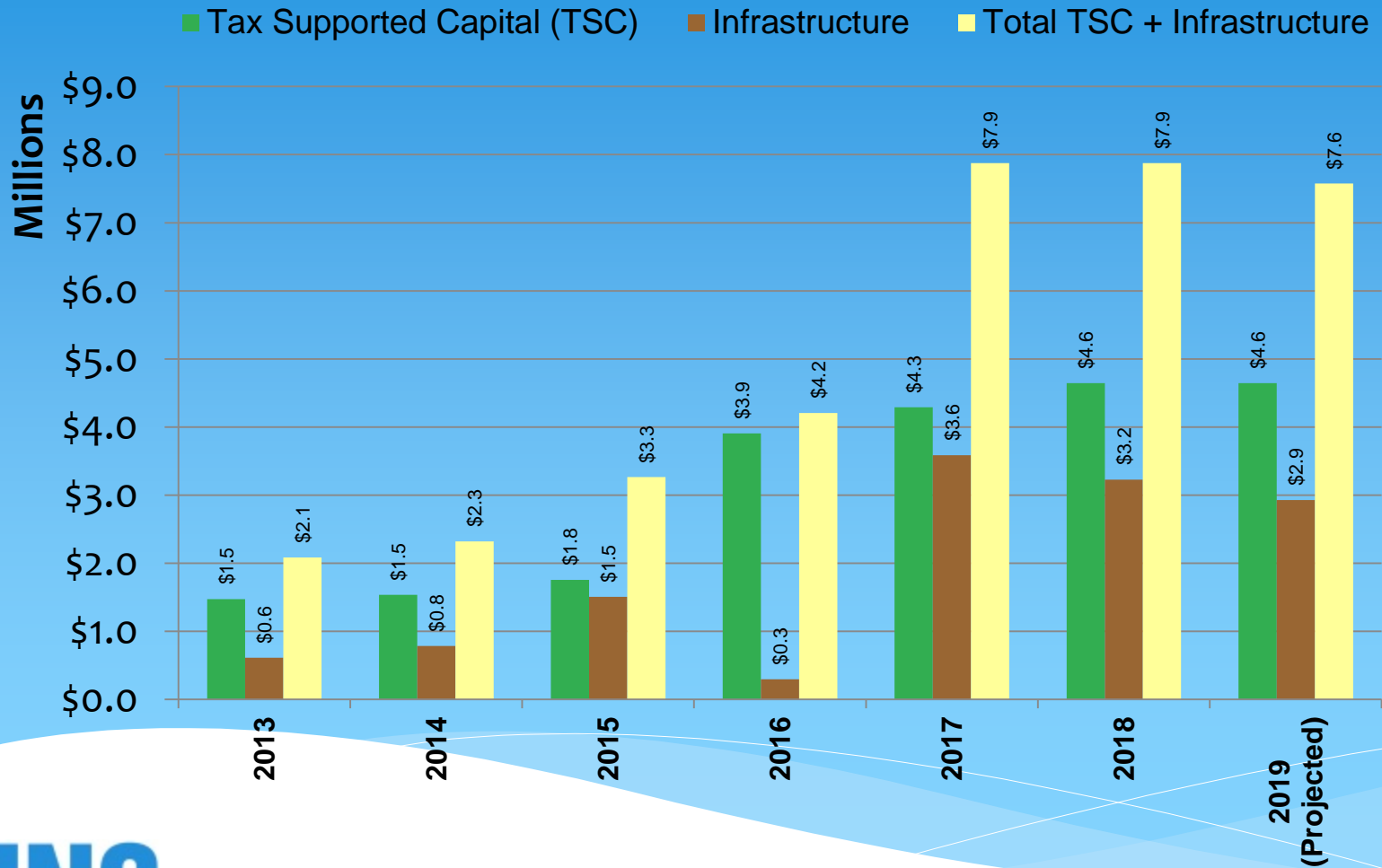
Council Priorities (Con't)

- Service King – new customer service initiative
- Township Website Redesign (joint development potential with Library)
- Community engagement in core municipal issues / opportunities
 - Digital / In-person / Survey
- Completion of Official Plan Review (“OPR”)
- Improved access to Broadband connectivity
- Train Whistle Cessation
- Rural road garbage dumping

Township of King 2019-2022 Budgets

CONTEXT

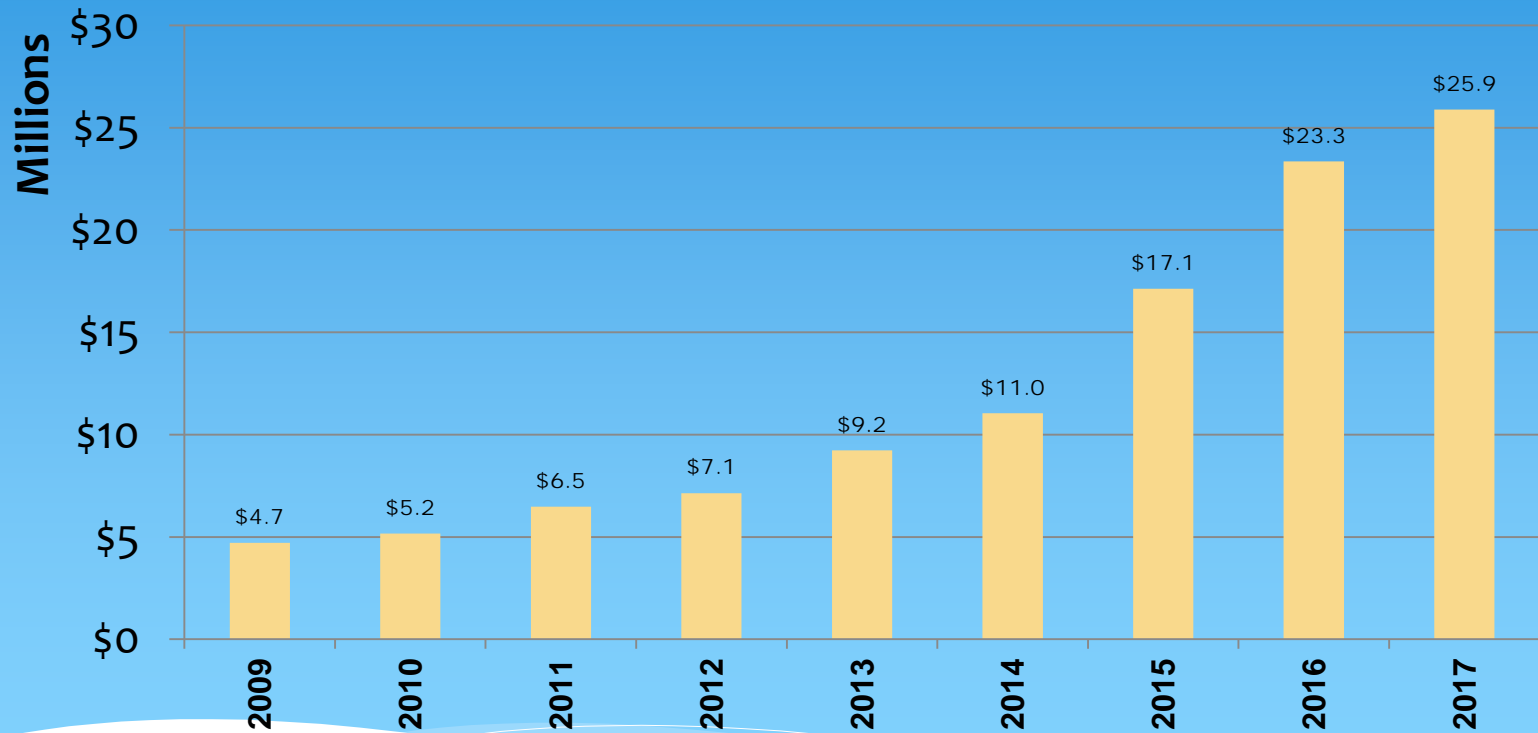
Contributions to Tax Supported Capital & Infrastructure Reserves 2012 – 2018 Actual and 2019 Projected



Reserves

December 31, 2009 to December 31, 2017

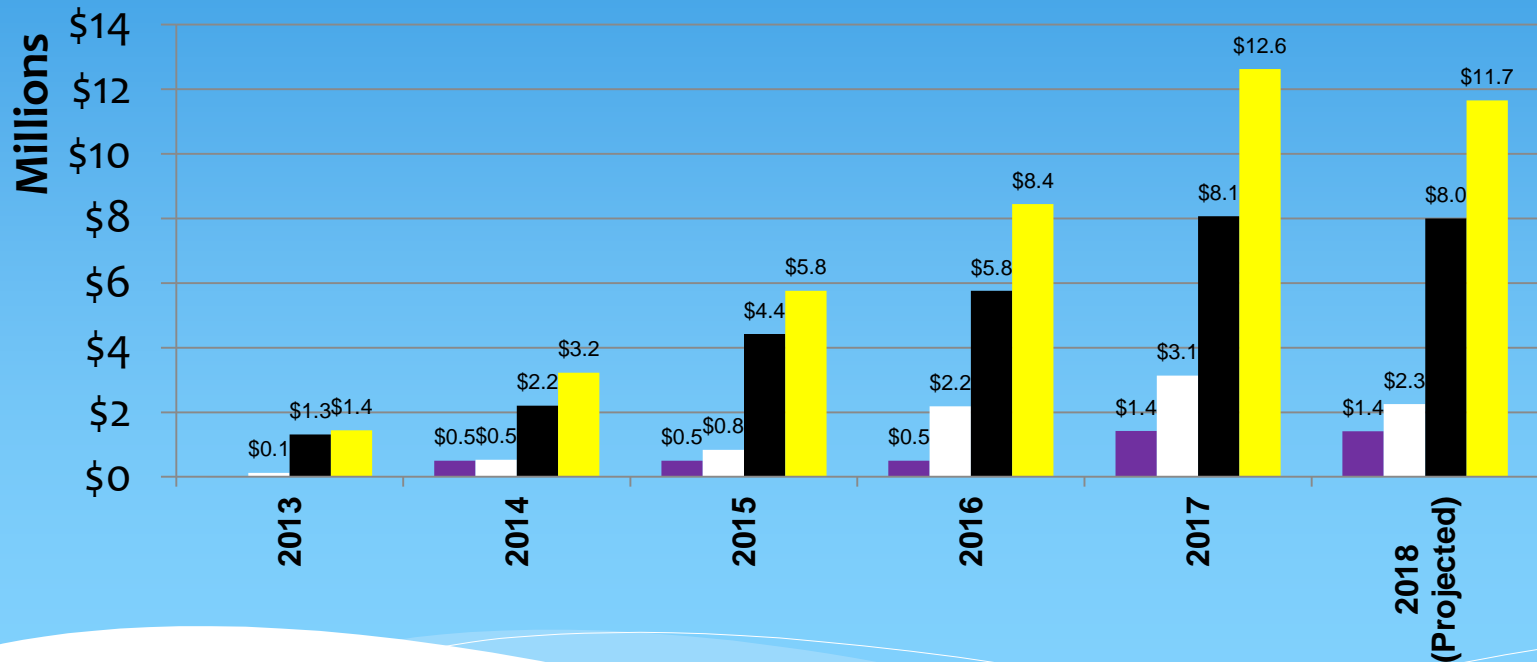
All categories



Reserves (Infrastructure related)

December 31, 2013 to December 31, 2018

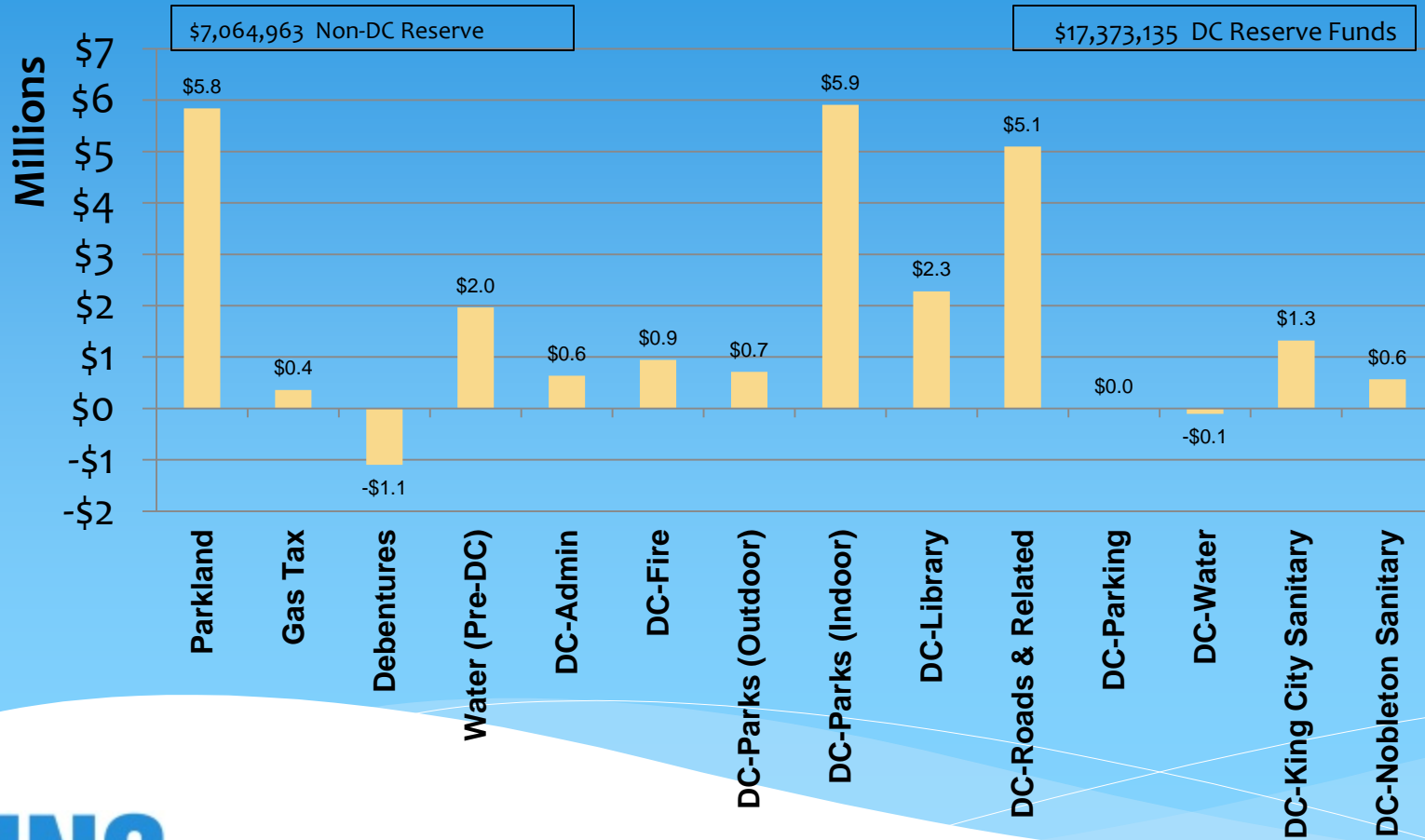
- Unfinanced Capital
- Tax Capital
- Infrastructure
- Total Infrastructure Reserves



Reserve Funds

as at December 31, 2017

All categories @ \$24,438,099



2019 Budgets at a Glance

Operating Budget	\$ Millions
Gross Expenditures	\$42.323
Gross Revenues	\$41.500
Net Levy Requirement	\$0.823
Proposed Tax Levy Increase (Township)	2.80%
Estimated Impact -> assessed @ \$836,800 (Township portion)	\$63.73

Capital Budget (Amended 2018)	\$ Millions
2019 Capital Budget	\$29.3
Proposed Funding from Taxation – 2019	\$4.6 or 15.8%

Blended Tax Levy Increase

x.xx% or \$ xxx.xx

Assumptions:

Region @3.37% and Education @ x.xx%

Township of King 2019 Budgets

* Taxable Assessment for the 2019 Taxation Year

Taxable Assessment	2018	2019	% Change
Residential	7,625,021,165	8,449,448,104	10.81%
Farm	545,881,768	589,123,197	7.92%
Commercial	293,455,984	327,730,454	11.68%
Other	127,607,836	139,065,338	8.98%
TOTAL (All classes)	8,591,966,753	9,505,367,093	10.63%
Assessment Growth relating to new construction			4.07%
Estimated incremental assessment related to Phase-In (2017-2019)			6.56%

2019 Estimated Tax Rate Impacts

Purpose	2019		2018		Increase (Decrease) in \$	Increase (Decrease) in %
	Rate	Taxes (\$)	Rate	Taxes (\$)		
Township	0.00333238	\$ 2,782.16	0.00347552	\$ 2,724.81	\$ 63.73	2.34%
Region of York	0.00347925	2,878.46	0.00350606	2,748.75	162.68	5.92%
Education	0.00168000	1,333.65	0.00170000	1,332.80	73.02	5.48%
Total	0.00849163	\$ 6,994.28	0.00868158	\$ 6,806.36	\$ 299.44	4.40%

Assessment Assumptions:

2018 @ \$784,000 versus 2019 @ \$836,800
+ 6.73%

2019 Estimated Tax Rate Impacts

Purpose	2019		2018		Increase (Decrease) in \$	Increase (Decrease) in %
	Rate	Taxes (\$)	Rate	Taxes (\$)		
Township	0.00333238	\$ 2,743.22	0.00347552	\$ 2,724.81	\$ 18.41	0.68%
Region of York	0.00347925	2,864.12	0.00350606	2,748.75	115.36	4.20%
Education	0.00168000	1,382.98	0.00170000	1,332.80	50.18	3.76%
Total	0.00849163	\$ 6,990.31	0.00868158	\$ 6,806.36	\$ 183.95	2.70%

Assessment Assumptions:
 2018 @ \$784,000 versus 2019 @ \$823,200
 + 5.0%



2019 Estimated Tax Rate Impacts

Purpose	2019		2018		Increase (Decrease) in \$	Increase (Decrease) in %
	Rate	Taxes (\$)	Rate	Taxes (\$)		
Township	0.00333238	\$ 2,926.17	0.00347552	\$ 2,724.81	\$ 201.36	7.39%
Region of York	0.00347925	3,055.13	0.00350606	2,748.75	306.37	11.15%
Education	0.00168000	1,475.21	0.00170000	1,332.80	142.41	10.68%
Total	0.00849163	\$ 7,456.50	0.00868158	\$ 6,806.36	\$ 650.14	9.55%

Assessment Assumptions:
 2018 @ \$784,000 versus 2019 @ \$878,100
 + 12.0%



Township of King 2019 Budgets

Proposed (2019) and Projected Net Levy Requirements (2020-2022)

Year	Expenditures	Revenues	Change in Net Levy (\$)	% Change
2019	\$ 42,322,528	\$ 41,499,927	\$ 822,601	2.80%
2020	\$ 43,872,101	\$ 42,985,577	\$ 886,524	2.94%
2021	\$ 44,775,655	\$ 43,855,667	\$ 919,988	2.97%
2022	\$ 45,820,628	\$ 44,836,207	\$ 984,421	3.09%

Township of King 2019-2022 Budgets

2019-2022 Capital Budgets



Township of King 2019-2022 Budgets

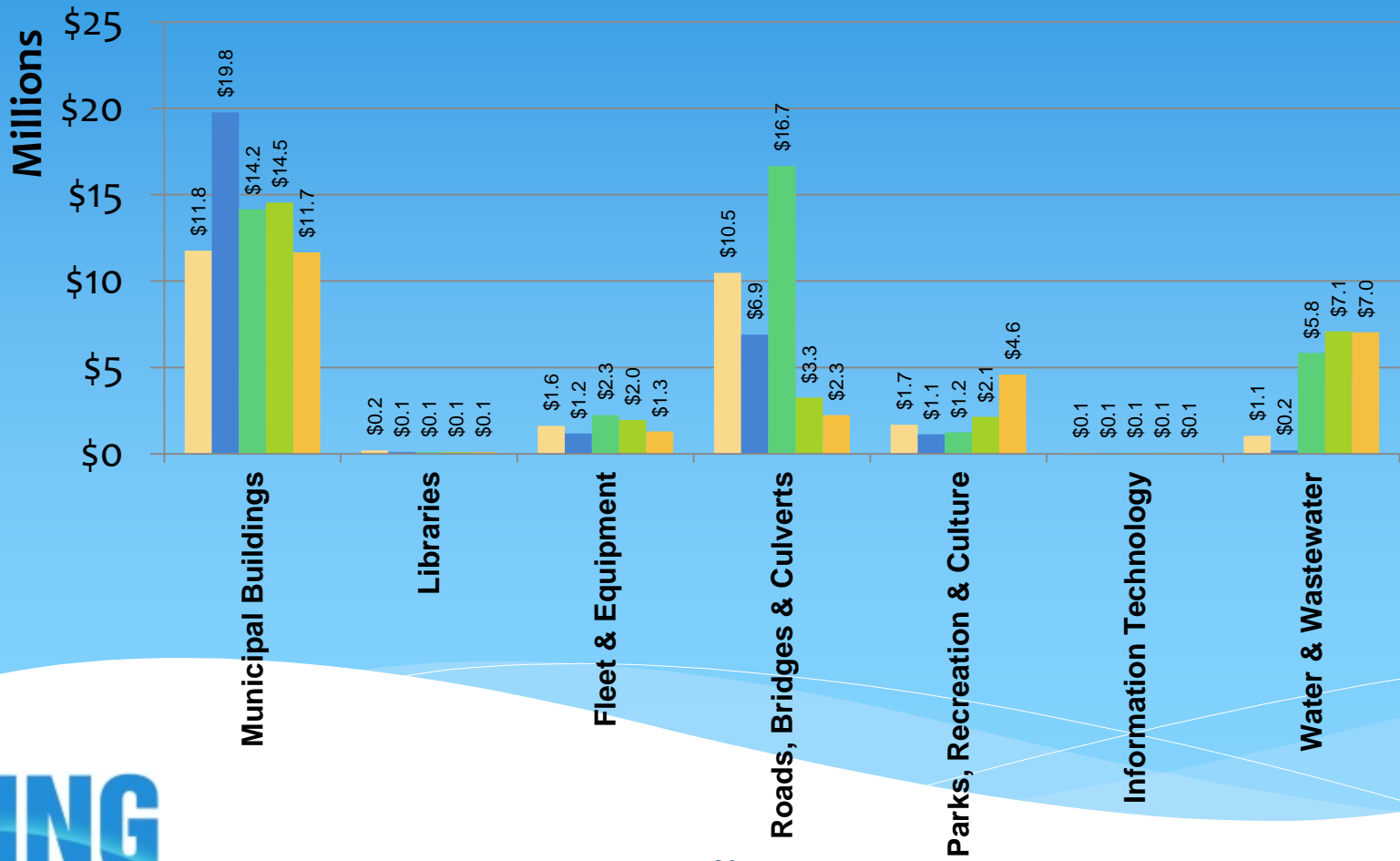
Proposed 4-Year Capital Budget Program

- 2019 & 2022 Fiscal Years
 - ✓ to the end of the current term of Council
 - ✓ Combined Gross Capital Cost > \$125.7 million
 - ✓ Total Number of Capital Projects = 138

Approved 2018 and Proposed 2019-2022 Capital Programs

2018 (\$40.9M) 2019 (\$29.4M) 2020 (\$40.3M) 2021 (\$29.1M) 2022 (\$27.0M)

Gross Capital Cost 2018 2019 2020 2021 2022

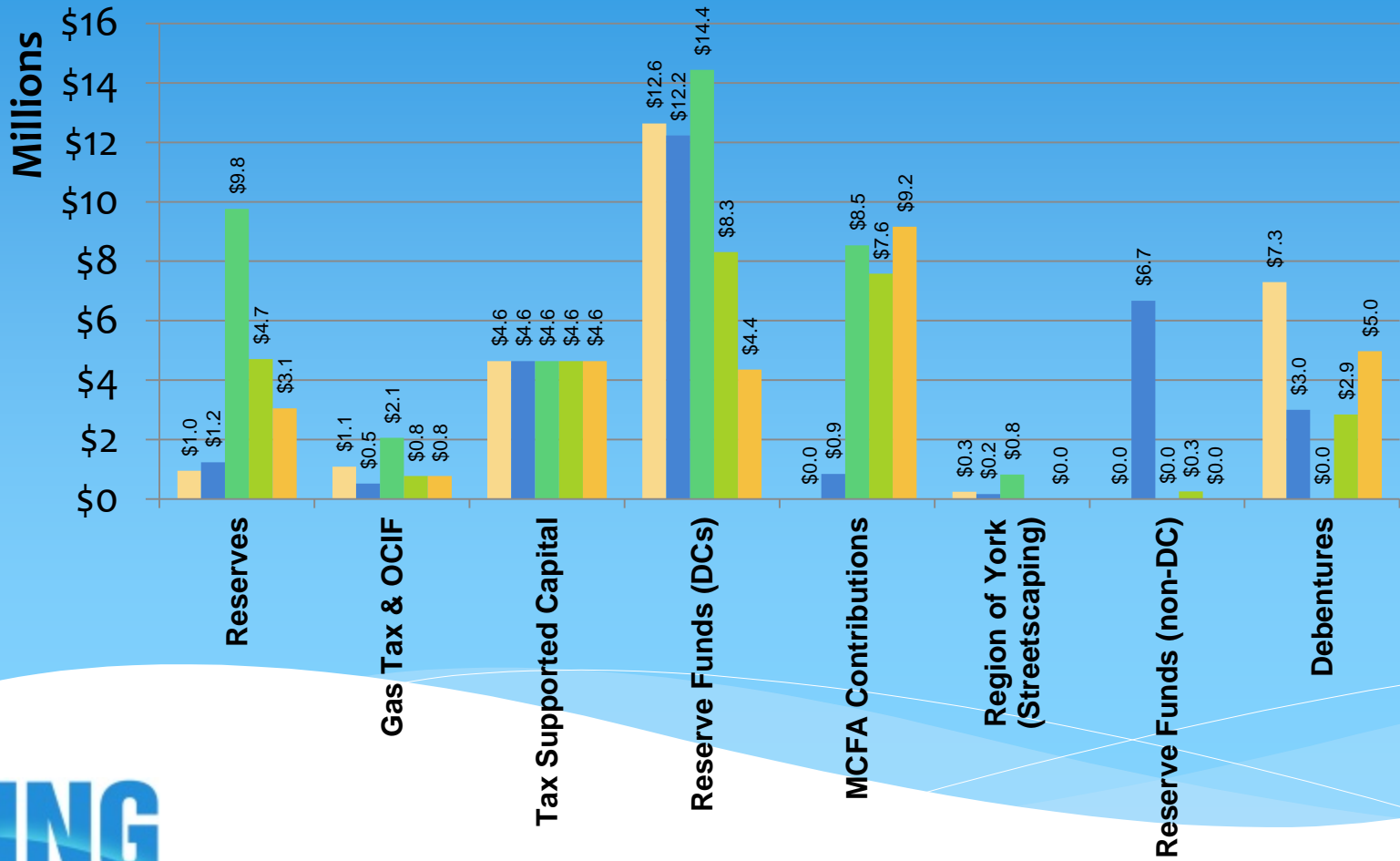


Approved 2018 and Proposed 2019-2022 Capital Programs

2018 (\$40.9M) 2019 (\$29.3M) 2020 (\$40.3M) 2021 (\$29.1M) 2022 (\$27.0M)

Sources of Funding

2018 2019 2020 2021 2022



Township of King 2019-2022 Budgets

Discussion !