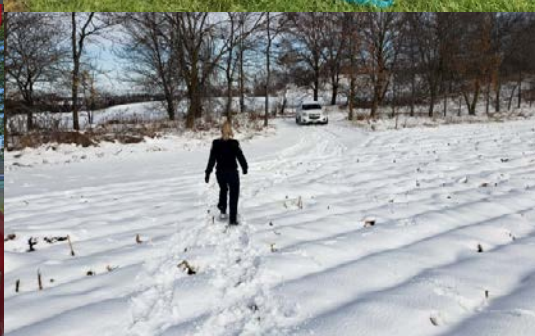


DKI

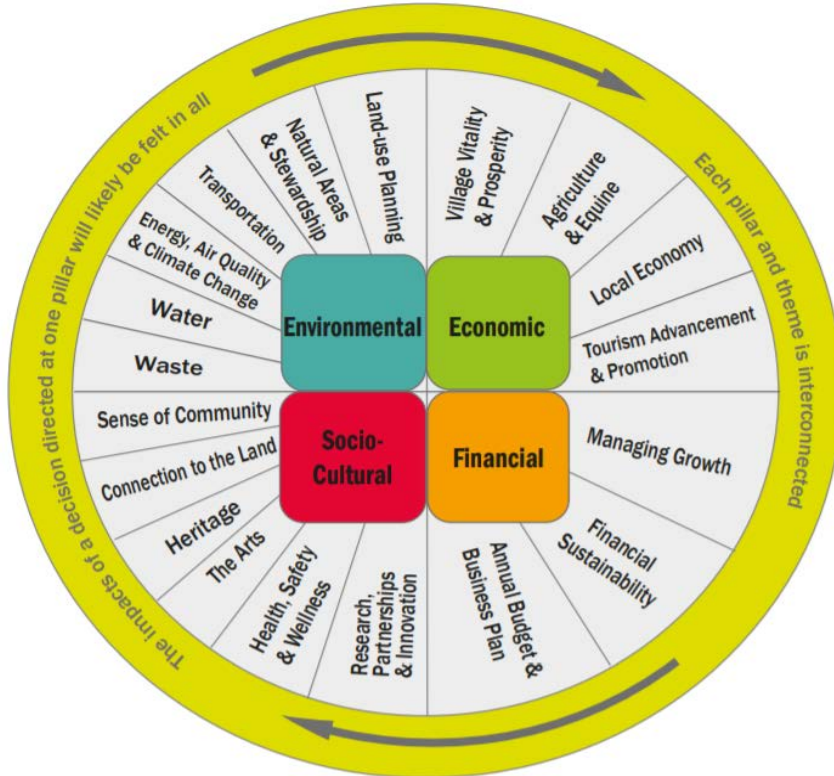
2020 Budget Presentation



January 13, 2020



- I. Context**
- II. 2020 Op-Ex and Cap-Ex Budget Review**
- III. Strategic Reserve Planning & Debt Management**
- IV. The Path Forward for 2020**



Integrated Community Sustainability Plan (ICSP)

Environmental

Economic



Socio-Cultural

Financial



Context:

The significant shift in funding to support investment in public infrastructure has and continues to change ...

1961

Share of Infrastructure by Region, Level of Government

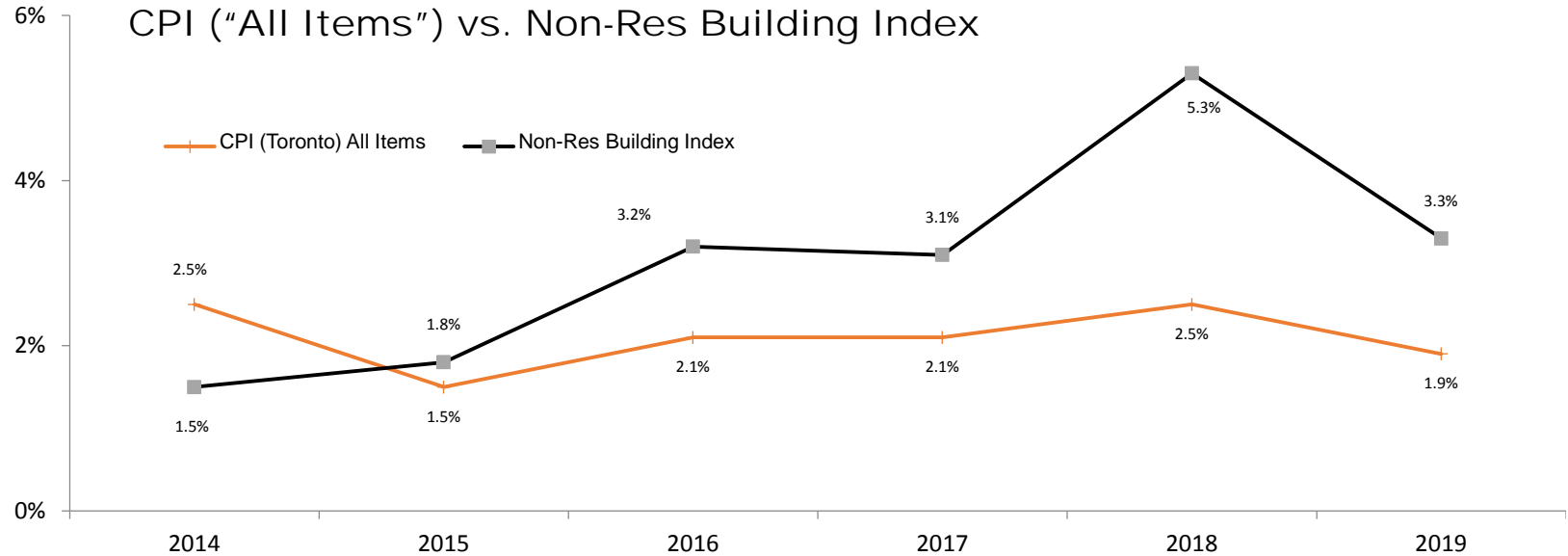


2005

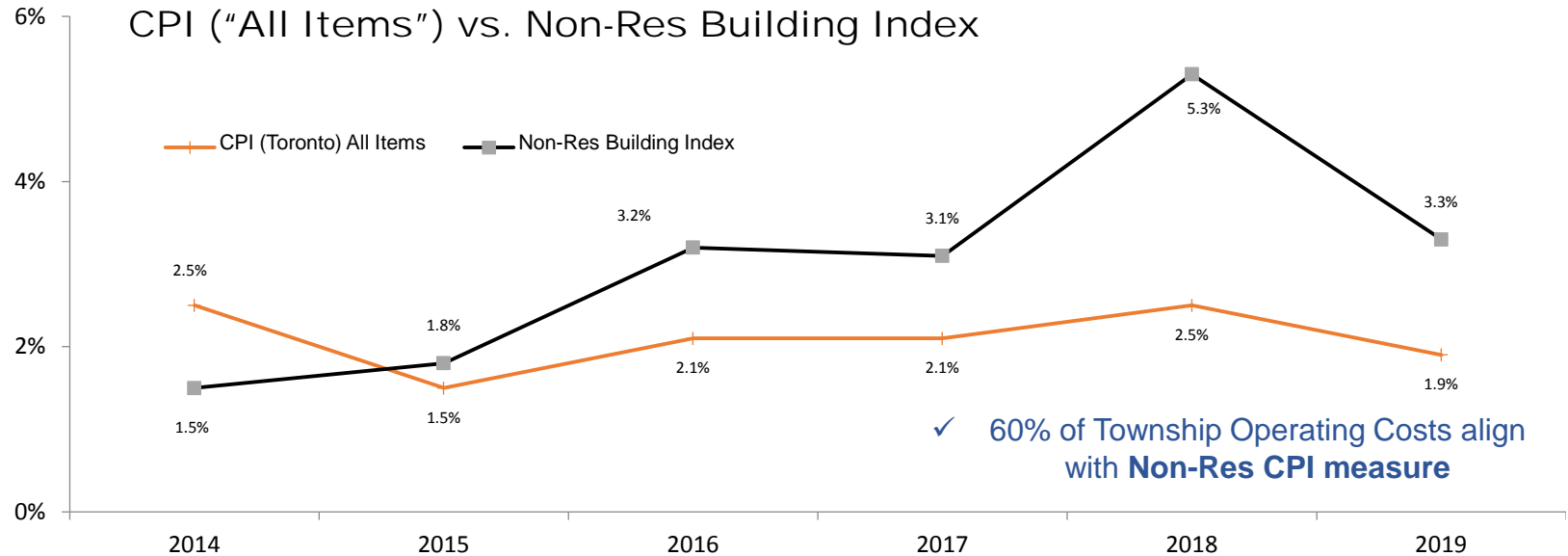
Share of Infrastructure by Region, Level of Government



Sources: StatsCan, The Policy Shop



❖ Consumer Price Index (CPI)





Evolution of Budget Processes 2017-2022

● 2017-18 Budgets

- Q4-2016 Public Consultation
- **Approved** 2017 Op-Ex
+2.98% Change in Levy
- 2018 Op-Ex Forecast
+3.99%
- Approved 2-Year
Capital Plan (2017-2018)
@ \$71.4M



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- Q4-2017 Public Consultation
- **Approved** 2018 Op-Ex **+0.00% Change in Levy**
- Approved 2018 amended Capital Plan @ \$26.9M



Evolution of Budget Processes 2017-2022

2017-18 Budgets

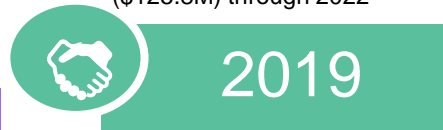
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2019-2022 Budgets

- Q4-2018 Public Consultation
- **1st Multi-Year** (2019-2022) **Term of Council Op-Ex Budget**
- **Approved** 2019 Op-Ex **+2.30% Change in Levy**
- Forecast Op-Ex Levy Increase
 - 2020 @ 2.60%
 - 2021 @ 2.65%
 - 2022 @ 2.75%
- Approved 4-Year Capital Plan (\$125.8M) through 2022



Evolution of Budget Processes 2017-2022

2017-18 Budgets

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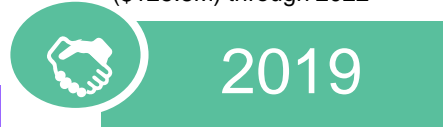
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2019-2022 Budgets

- Q4-2018 Public Consultation
- **1st Multi-Year (2019-2022) Term of Council Op-Ex Budget**
- **Approved 2019 Op-Ex +2.30% Change in Levy**
- Forecast Op-Ex Levy Increase
 - 2020 @ 2.60%
 - 2021 @ 2.65%
 - 2022 @ 2.75%
- Approved 4-Year Capital Plan (\$125.8M) through 2022

2020-2022 Budgets

- Q3-2019 Directions Report (+2.9%)
- Q4-2019 Public Consultation
- **2nd Year of Multi-Year (2019-2022) Term of Council Op-Ex Budget**
- **Proposed 2020 Op-Ex +2.89% Change in Levy**
- Forecast Op-Ex Levy Increase
 - 2021 @ 2.88%
 - 2022 @ 2.85%
- Amended 4-Year Capital Plan (\$120.4M) through 2022



2019-2022 Council Priorities



- ✓ Adoption of Township's new Official Plan
- ✓ Road & related improvements
- ✓ Traffic calming
- Rural Area Broadband
- Train Whistle Cessation
- Tree By-law

- Capital Projects – “On time and On budget”
 - ✓ Strategic Land Acquisition
 - Rural Dumping
 - ✓ Customer Service
 - ✓ Communication Strategy
- Township-wide Recreation Centre



2020-2022 Budget Directions Report
September 9, 2019

- ❖ **Tax Levy Increase \leq 2.9%**
- ❖ **Maintain service level standards**
- ❖ **Identify incremental sources and uses of funds**
- ❖ **Program Change requests**
 - ✓ **Robust Business Case Justification**
- ❖ **Amended 2020-2022 Capital Plan**
 - ✓ **deferred \$5.5M beyond 2022 re: construction timing**



2020 Budget Overview

Township's 2020 Operating Budget includes:

- \$44.8 million in tax supported operating costs
 - ✓ Including a Tax levy increase of \$899,748 or 2.89%

Township's planned Capital Investments over the four-year Term of Council (2019-2022) include:

- \$29.3 million in 2019
- \$34.8 million in 2020 (revised from \$40.3 million)
- \$28.8 million in 2021 (revised from \$29.1 million)
- \$27.4 million in 2022 (revised from \$27.0 million)

Integrated Community Sustainability Plan (ICSP)

Environmental

Economic



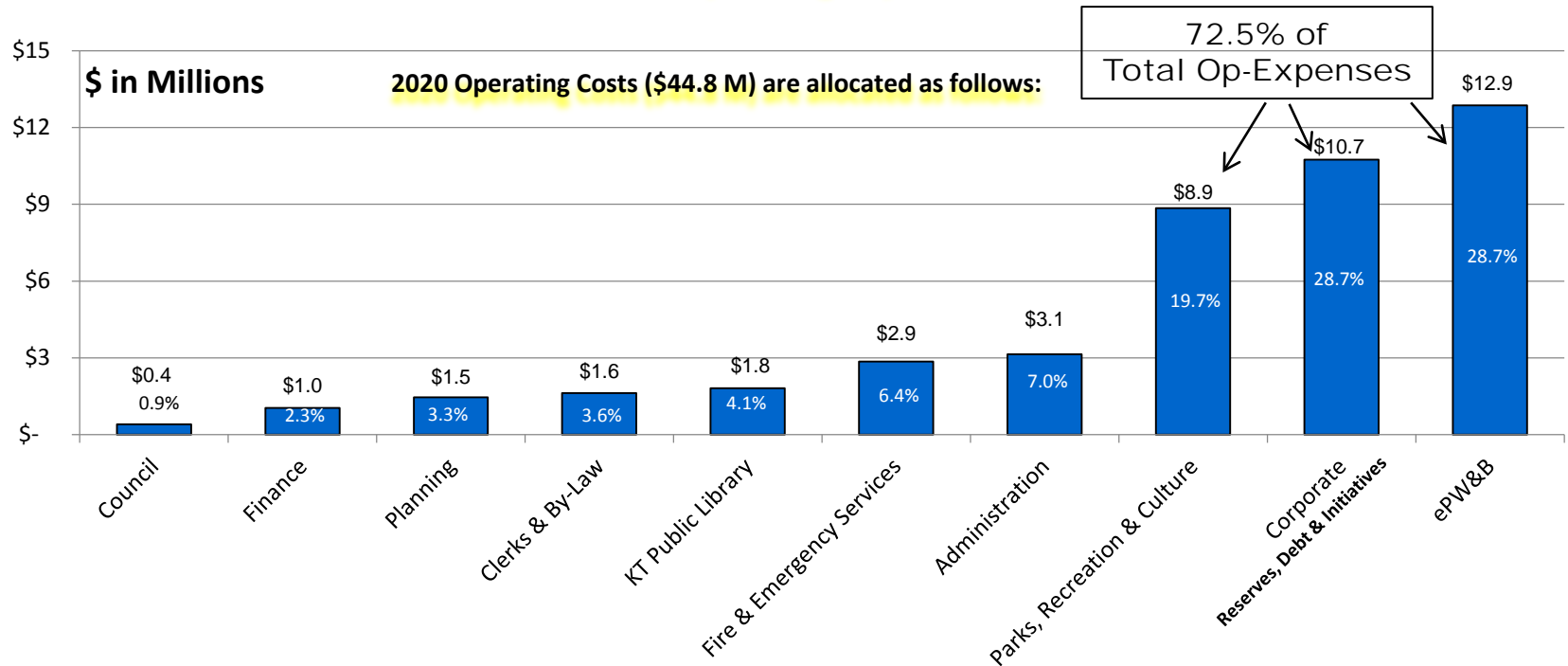
Socio-Cultural

Financial

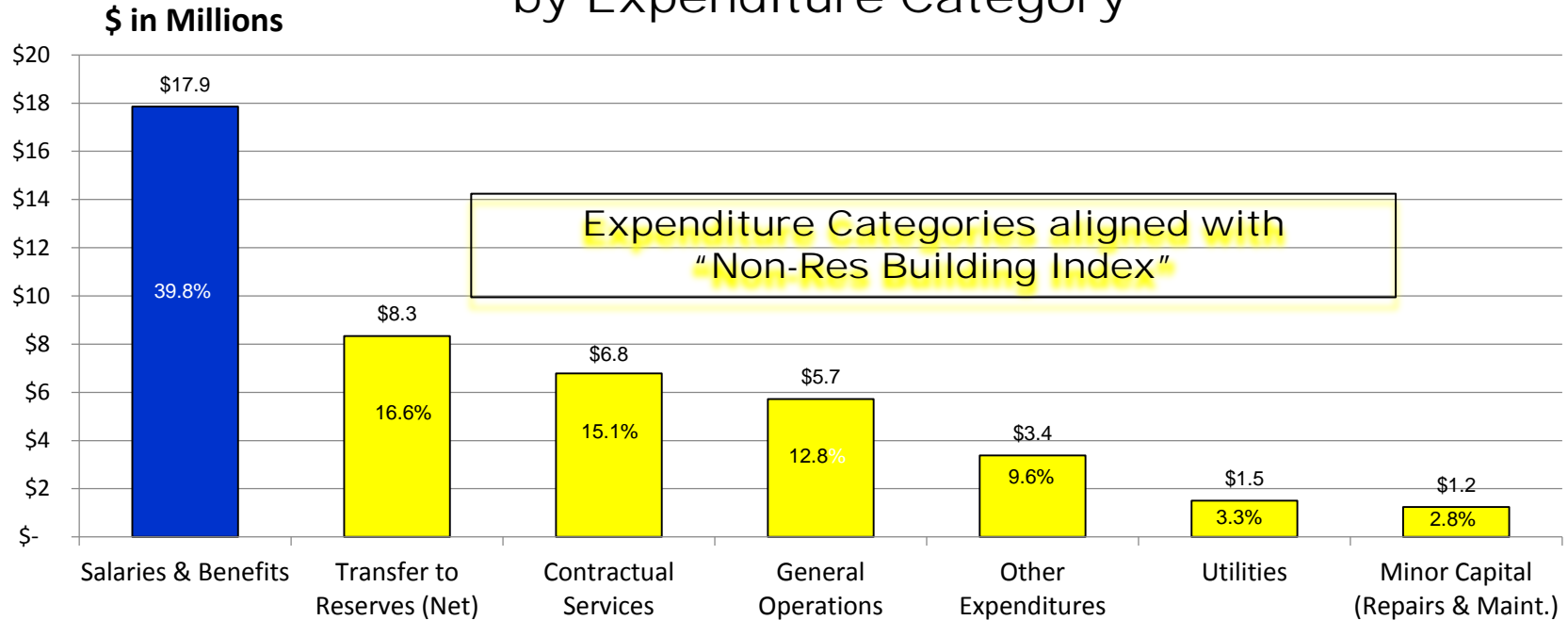


2020 Budgets (Operating & Capital)

$$\text{\$79.6 million} = \text{\$44.8 million Operating expenses} + \text{\$34.8 million Capital expenses}$$



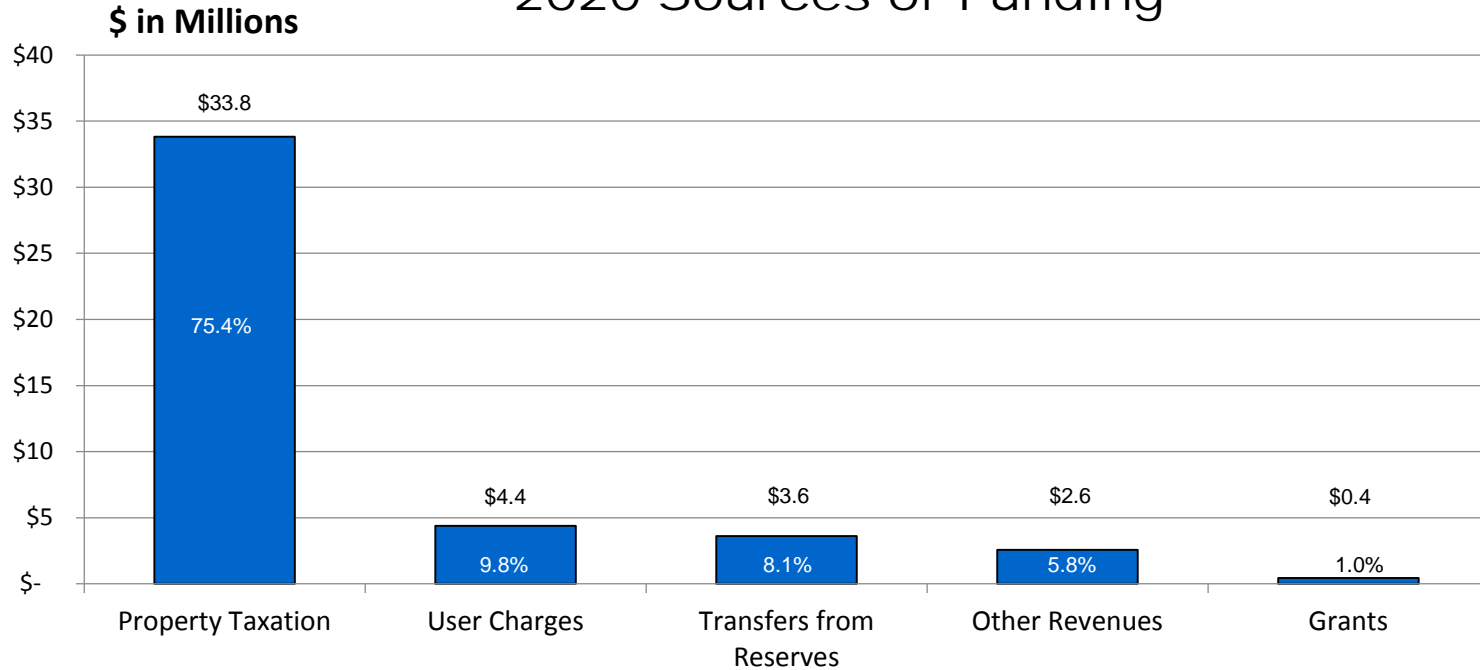
2020 Gross Operating Costs by Expenditure Category





Township's 2020 Operating Budget @ \$44,823,806

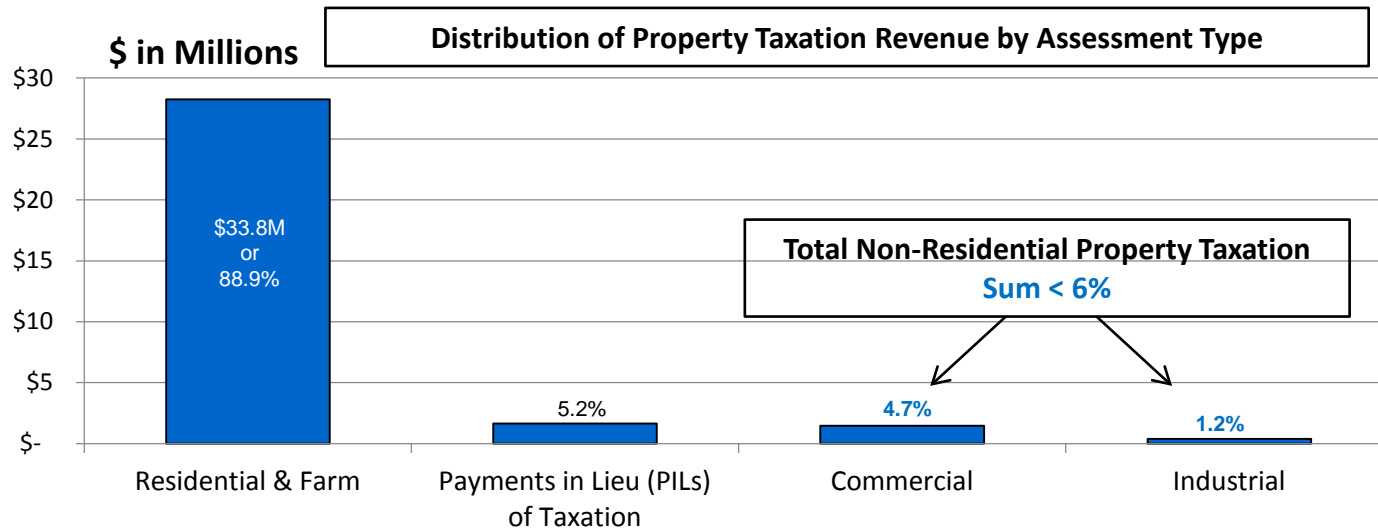
2020 Sources of Funding



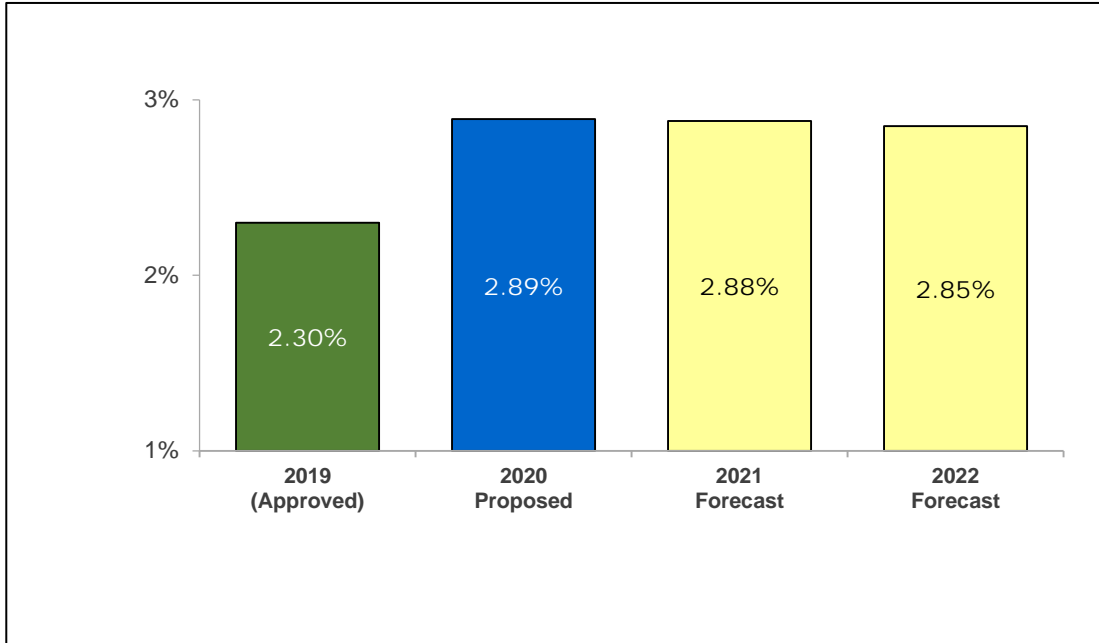


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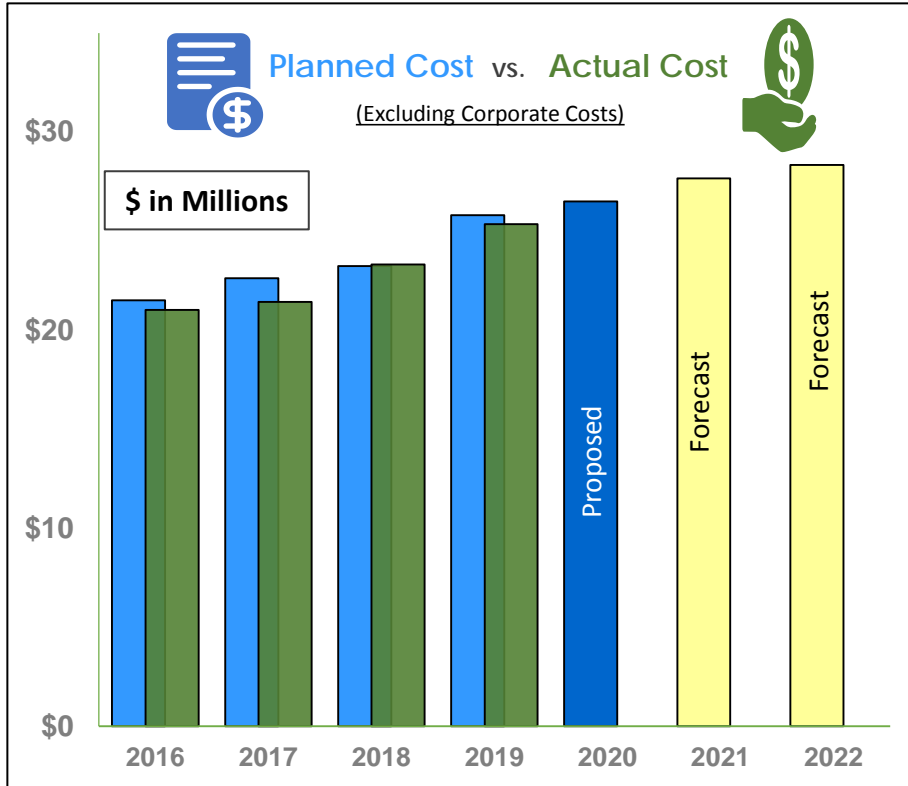


Multi-Year Term of Council Budgets (2019-2022)



Focus on Operational Efficiency

Excellence in Customer Service



Examples of operational drivers that may influence variances between Planned and Actual Costs include:

- Seasonal weather conditions
 - **Severe winter events**
 - ✓ Increased winter maintenance costs
 - **Rainy spring**
 - ✓ Increased gravel road maintenance
 - **Summer Heat Wave**
 - ✓ Increased energy costs relating to facility cooling
- **Participation rates for recreation programs** (e.g. Day Camps)
- Fluctuating commodity rates
 - **Fuel, Hydro-Electricity, Natural Gas**



2020 Operating and 2019-2022 Capital Budgets

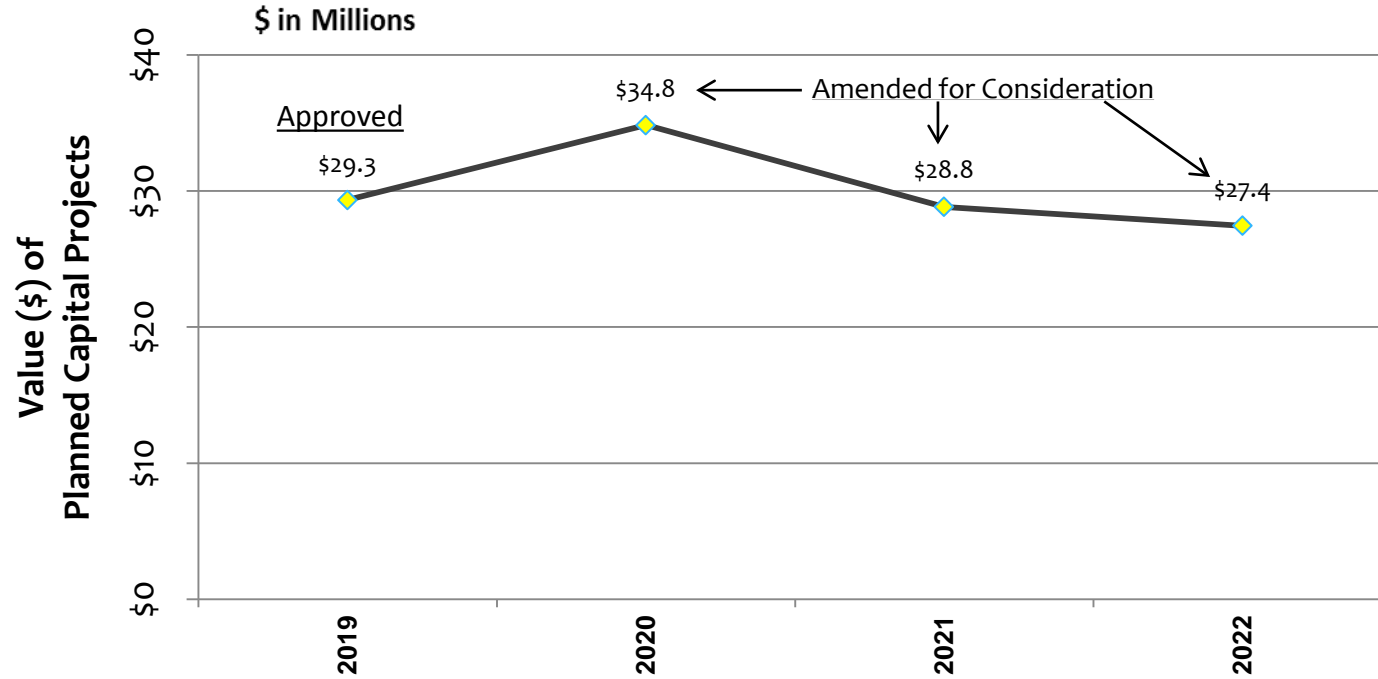
2020 Operating Budget	\$ in Millions
Gross Expenditures	\$ 44.8
Gross Revenues	\$ 43.9
Proposed 2020 Increase in Tax Levy	+ \$ 0.9
Proposed Net Tax Levy Increase (Township portion only)	2.89%
Estimated Impact – Residential “Blended Tax Levy Increase” Assessment @ \$850,000 Assumptions: Region @ 2.96% and Education @ 2.00%	+ \$179.77 or 2.6%

Capital Budgets (2019-2022)	\$ in Millions
2019 Capital Budget Approved funding from Taxation >	\$ 29.3 M \$ 4.6 M or 15.8%
2020 Capital Budget Proposed funding from Taxation >	\$ 34.8 M \$ 4.4 M or 12.6%
2021 Capital Budget Proposed funding from Taxation >	\$ 28.8 M \$ 4.1 M or 14.4%
2022 Capital Budget Proposed funding from Taxation >	\$ 27.4 M \$ 4.1 M or 15.1%
Summary of sources of Funding Reserve & Reserve Funds Taxation Debenture Financing	(2019-2022) \$ 92.1 M or 76.6% \$ 17.4 M or 14.4% \$ 10.8 M or 9.0%

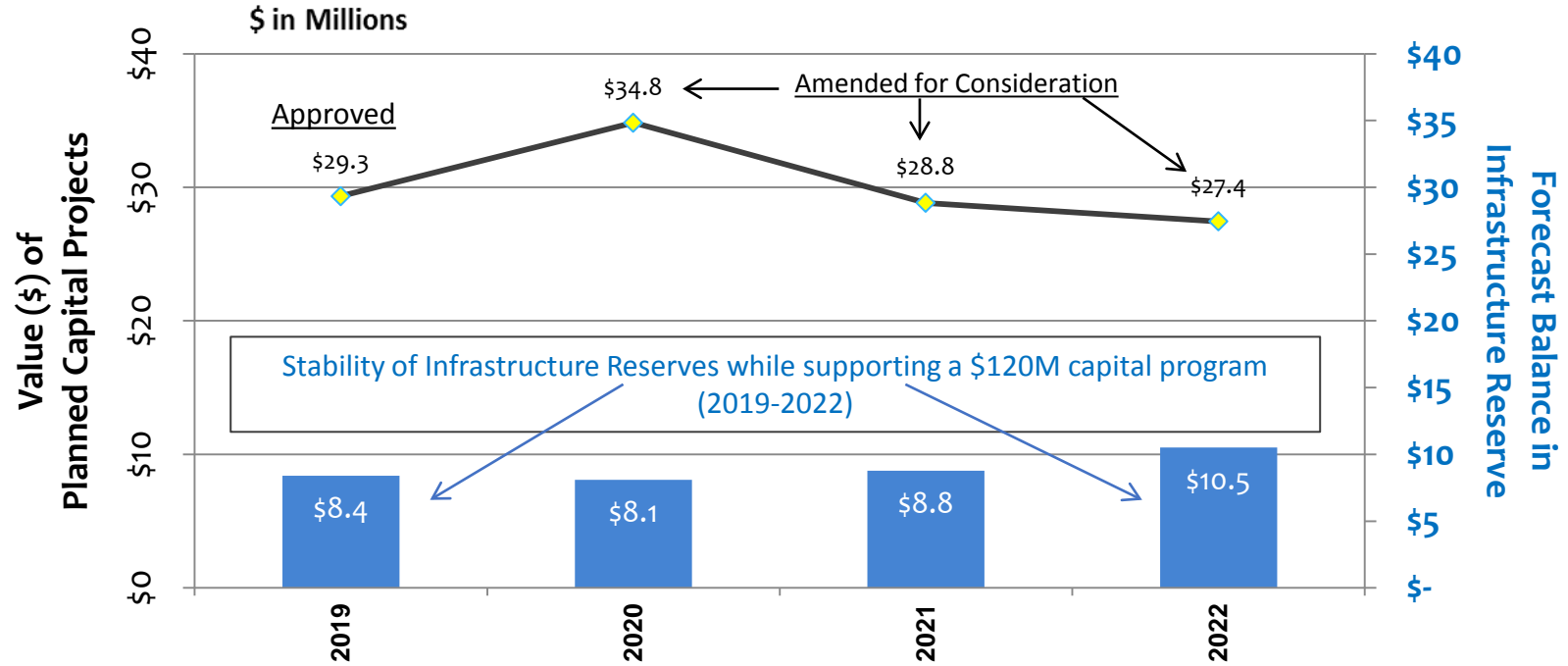


Updates to the Multi-Year Capital Budgets (2019-2022)

Capital Budgets (2019-2022)



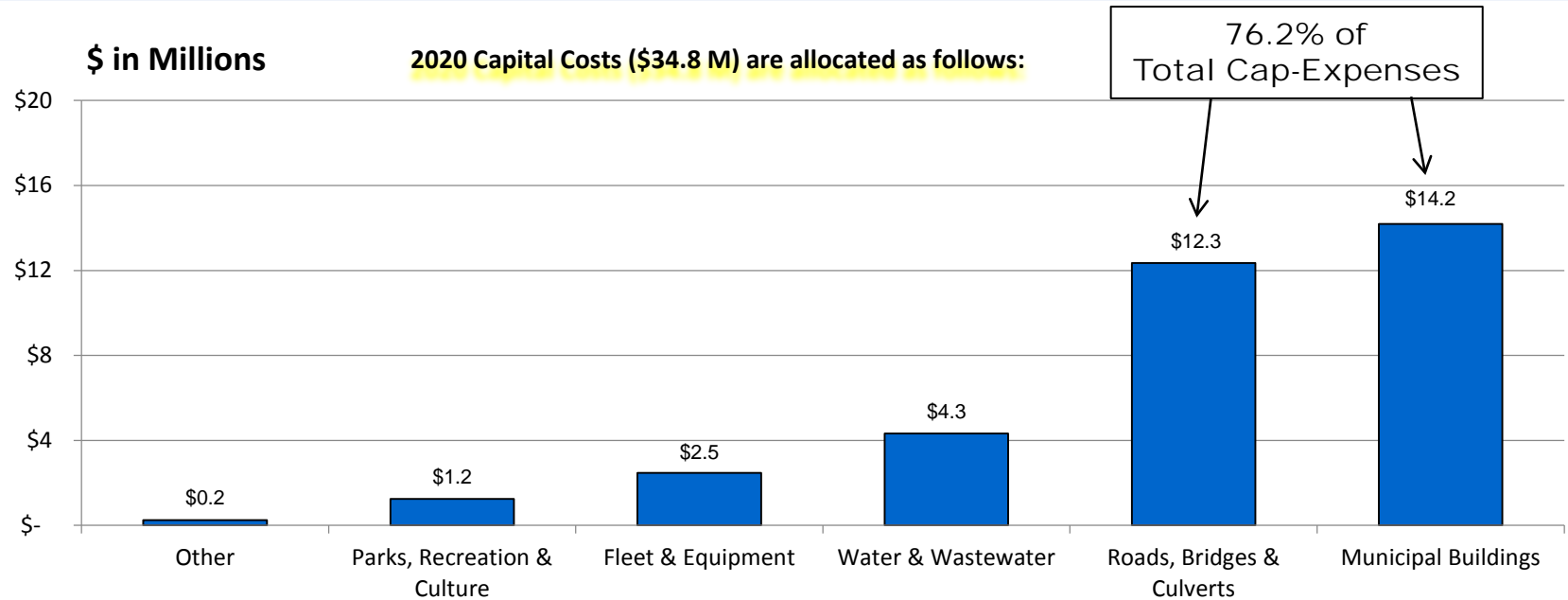
Capital Budgets (2019-2022)





2020 Budgets (Operating & Capital)

\$79.6 million = **\$44.8 million** Operating expenses + **\$34.8 million** Capital expenses





Managing Growth Strategic Allocation of Resources



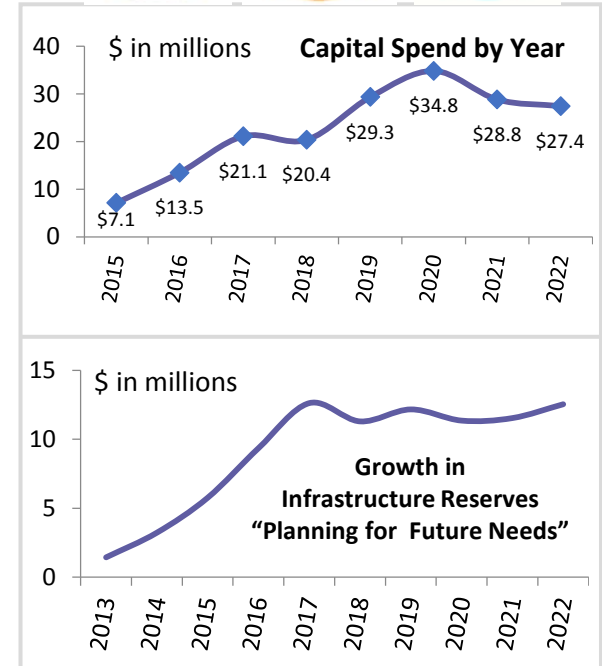
Multi-Year Budgets and Business Plans



Strategic Reserve Planning & Debt Management



- Expanded Investment in Capital Infrastructure to serve the needs of this growing municipality
- Growth & Stability of Infrastructure Reserves
- Property Tax Rates will continue to decline as incremental assessment comes online



Responsible Financial Planning

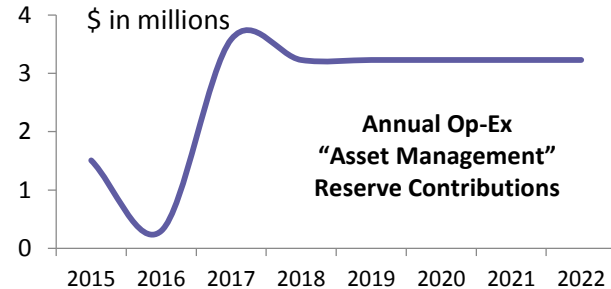
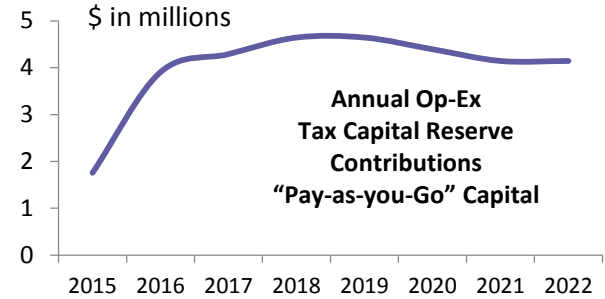
Infrastructure Reserve Planning

Predictability in Tax Rates

- Annual Op-Ex Infrastructure Reserve Contributions
 - \$7.6M (2020) and \$7.4M (2021 and 2022)
- Asset Management Plan *(Approved in 2016)*
 - Policy *(Approved in 2019)*
 - Implementation *(Ongoing)*

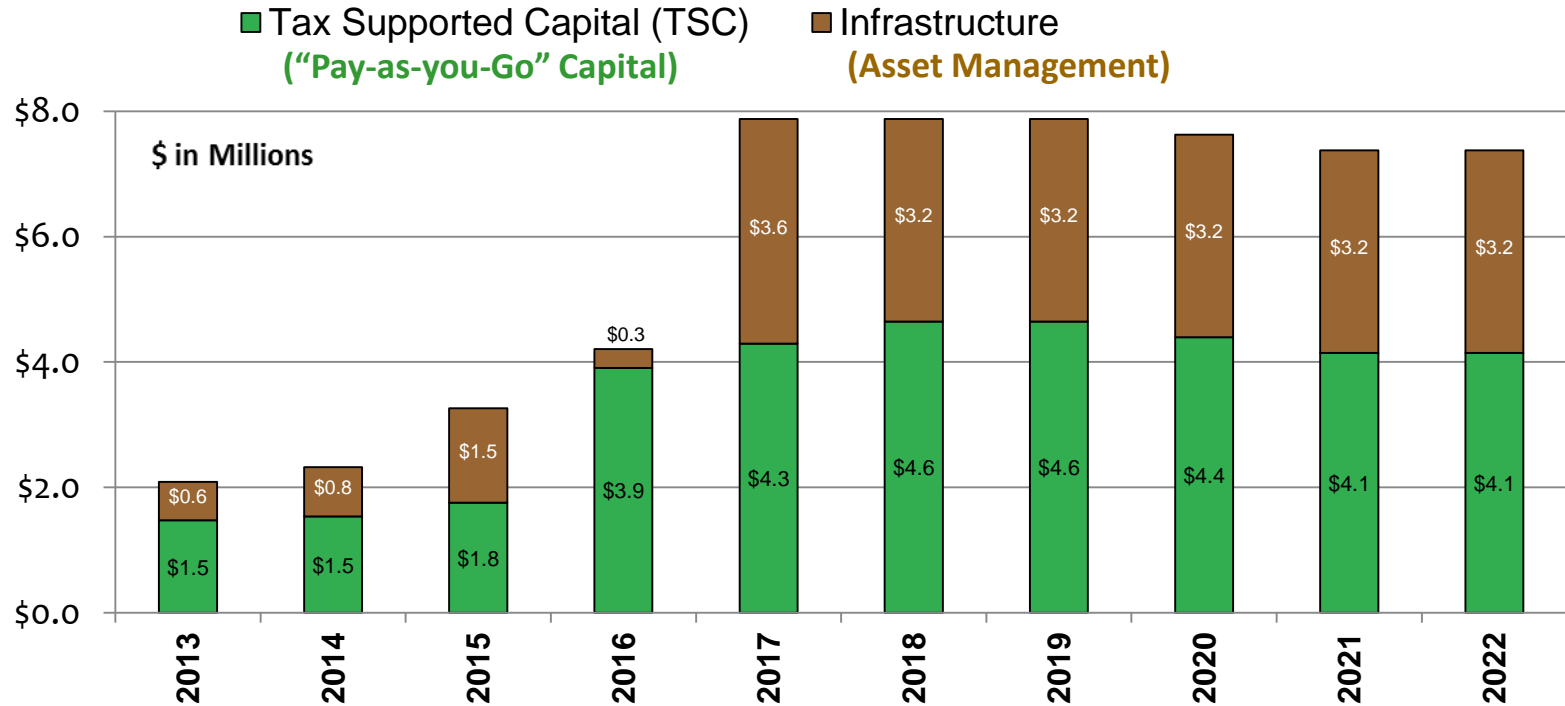
Strategic Allocation of Resources

Effective Financial Planning





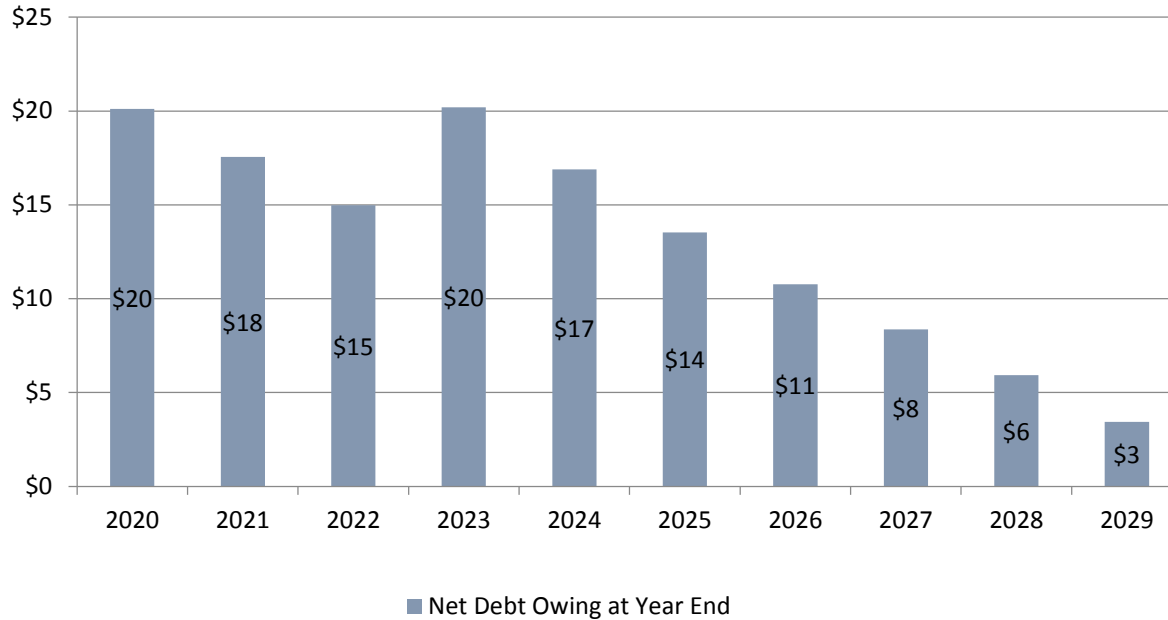
Annual Op-Ex Contributions to Infrastructure Reserves (2013-2022)



Forecast: Total Debt (2020-2029)

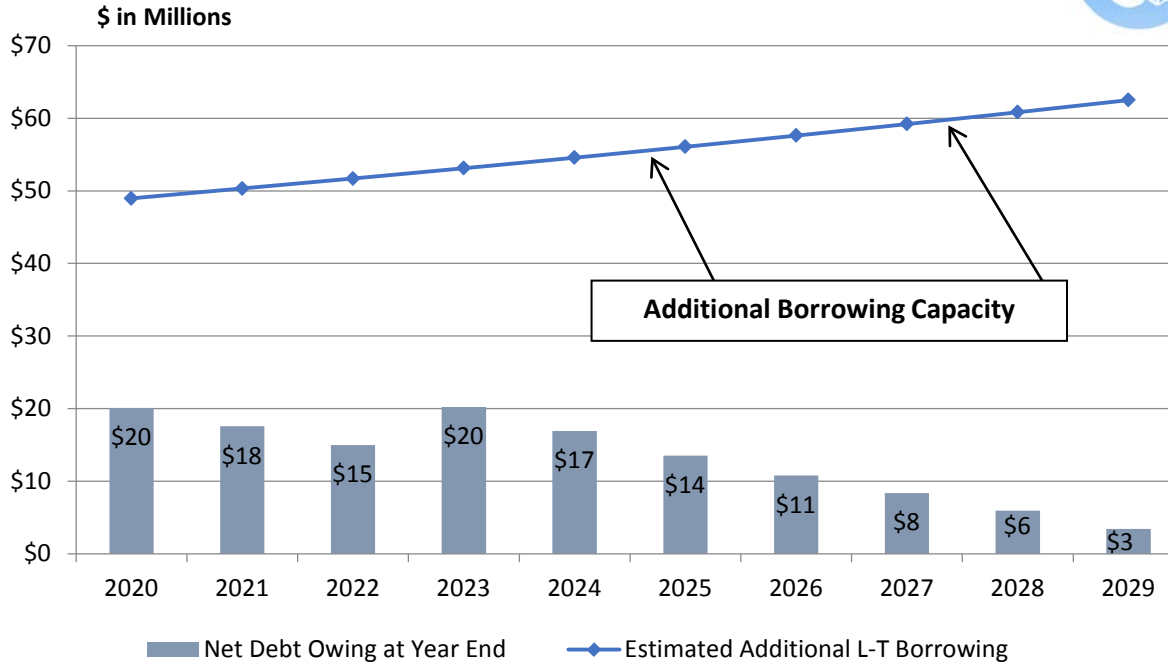


\$ in Millions



**Responsible
Financial
Planning**

Forecast: Total Debt (2020-2029)



**Responsible
Financial
Planning**



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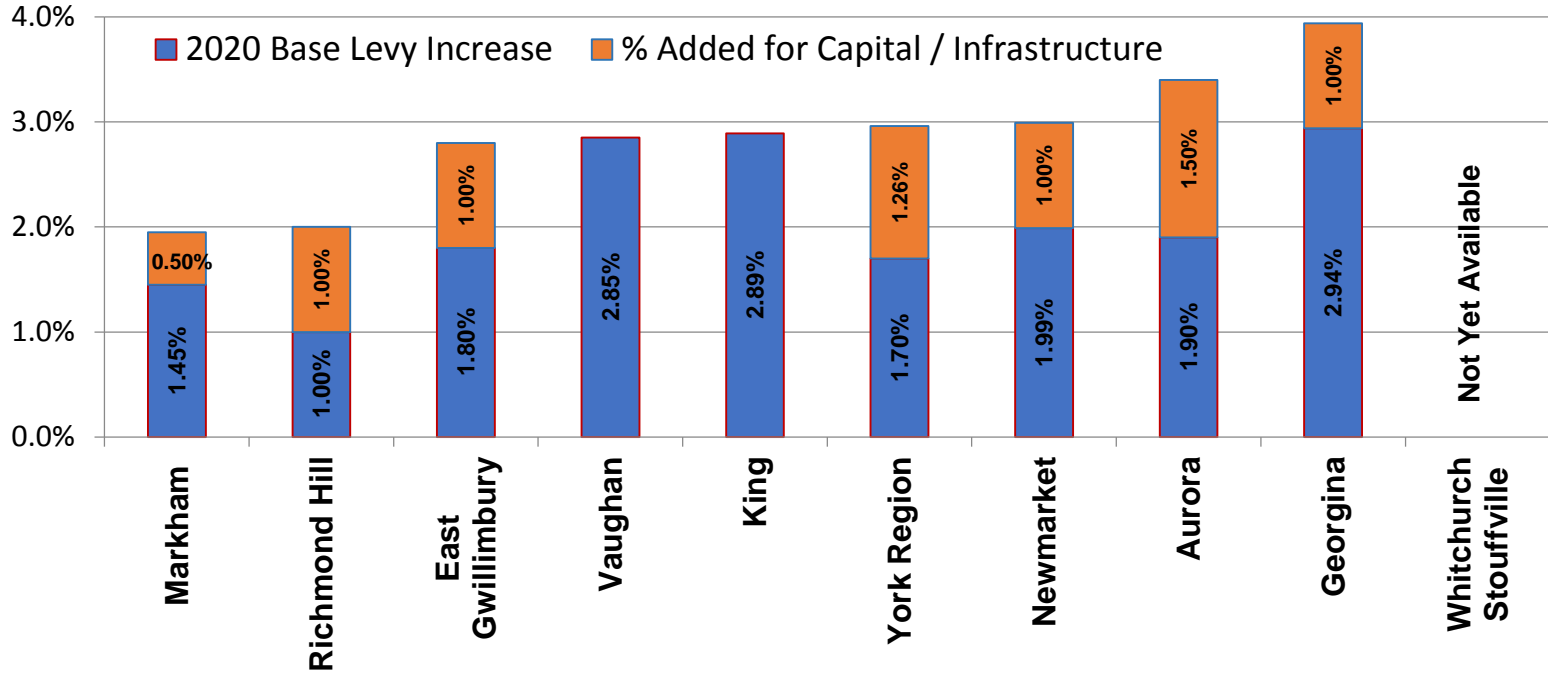
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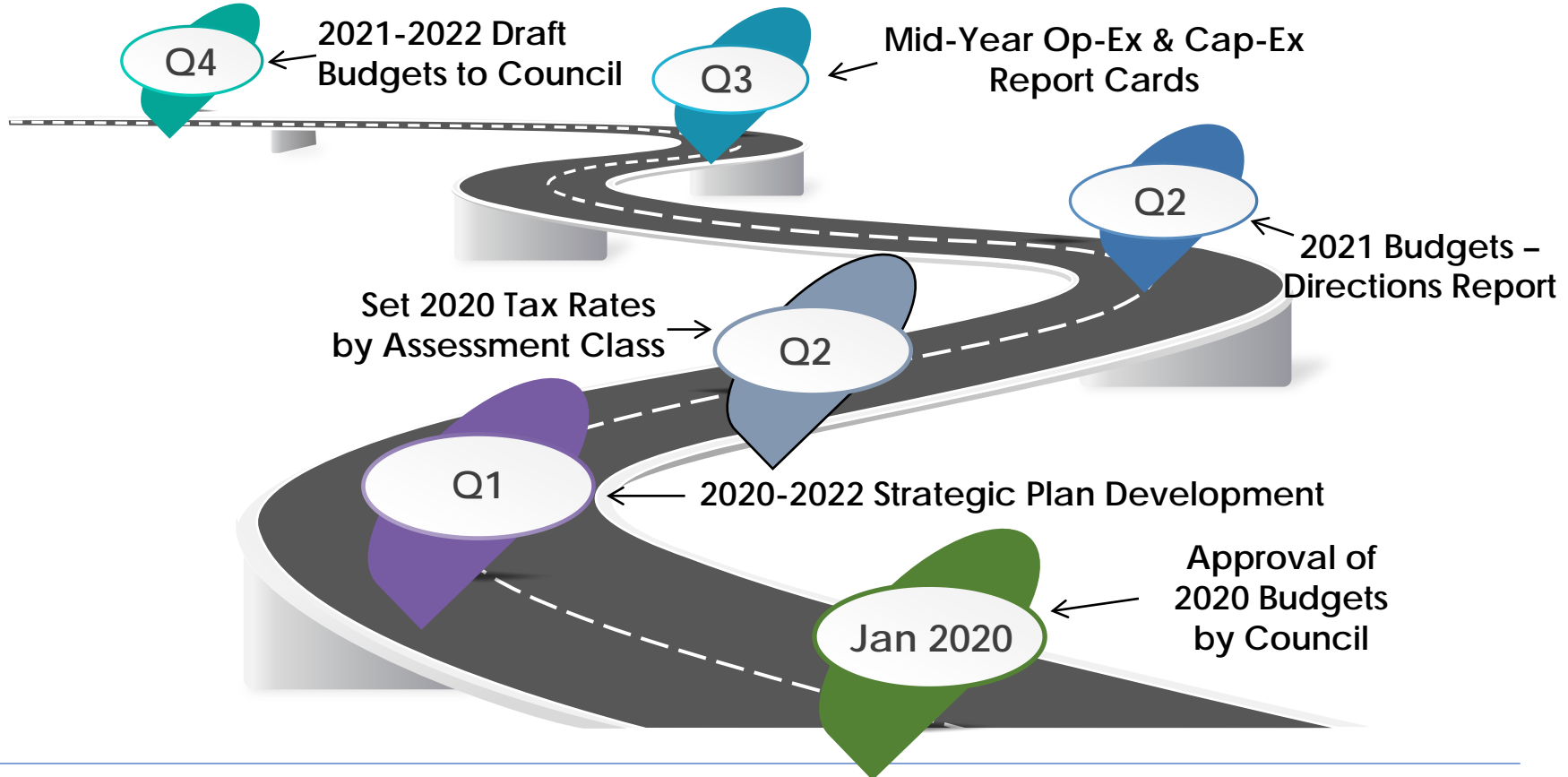


Sources: StatsCan, The Policy Shop



2020 Preliminary Estimate of Levy Increases





1

Financial Support to All
Organizational Priorities

2

Delivering Beyond Numbers

3

Strategic Financial Planning
Leadership