



2021 – 2025 Budget Direction

June 9, 2020



2020 – 2024 5 Five Year Tax Increases

Feb 11, 2020

	2020	2021	2022	2023	2024
Gross tax increase	5.44%	4.96%	4.84%	5.28%	3.96%
Less: Growth	(1.40%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)
Net Tax Increase	4.04%	3.96%	3.84%	4.28%	2.96%

2020 – 2024 5 Five Year Tax Increases Adopted - April 15, 2020

	2020	2021	2022	2023	2024
Gross tax increase	3.12%	8.20%	4.47%	5.13%	3.96%
Less: Growth	(1.40%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)
Net Tax Increase	1.40%	7.20%	3.47%	4.13%	2.96%

Tax Increase Comparisons

Feb 11, 2020

Apr 15, 2020

	2020	2021	2022	2023	2024
Gross tax increase	5.44%	4.96%	4.84%	5.28%	3.96%
Less: Growth	(1.40%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)
Net Tax Increase	4.04%	3.96%	3.84%	4.28%	2.96%

	2020	2021	2022	2023	2024
Gross tax increase	3.12%	8.20%	4.47%	5.13%	3.96%
Less: Growth	(1.72%)	(1.00%)	(1.00%)	(1.00%)	(1.00%)
Net Tax Increase	1.40%	7.20%	3.47%	4.13%	2.96%

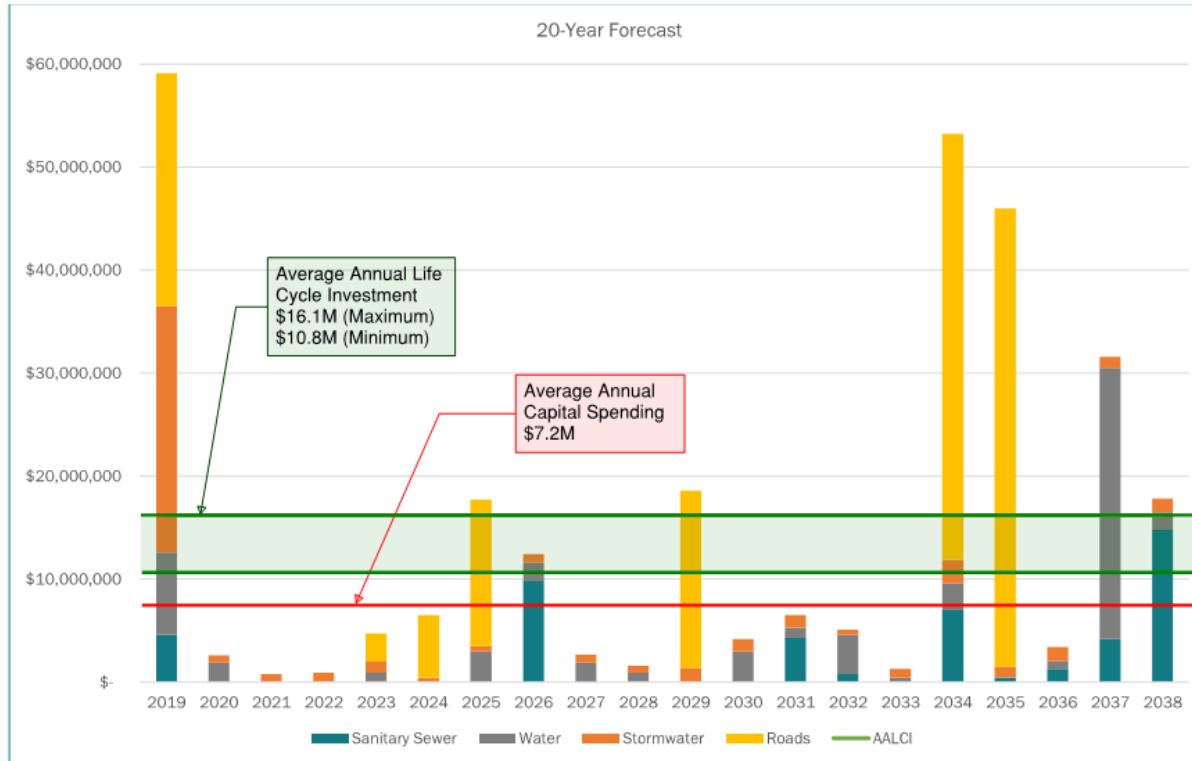
2020 Reductions in service

- Tax supported capital reduced from \$3.7m in 2019 to \$2.8m in 2020
 - *12.4% of property taxes to 9%*
- 2021 tax supported capital increase to \$4.2m under status quo budget
 - *\$1.4m increase (4.6% tax increase)*

Tax Supported capital - 5 years

	2019	2020	2021	2022	2023	2024
April 15	3,716,600	2,787,200	4,223,600	4,439,400	4,687,046	5,229,831
% taxes	12.4%	9.0%	12.5%	12.6%	12.9%	14.0%
Required reduction (9%)			1,436,400	1,610,200	1,899,846	2442,631
Total CEP reduction						7,389,077

Asset Management & Capital Projects



Asset Management shortfall

- In total \$3.6m to \$8.9m
 - *Water, sewer, storm sewer and roads*
 - *Doesn't include building and facilities*
- Roads and storm sewer (funded by taxation)
 - *Roads \$1.8m to \$4.7m*
 - *Storm \$1.3m to \$2.2m*

Strategies to reduce impact of reduction of tax funded capital

- Rework 2020 Capital Expenditure Program to focus on projects that are eligible for grants
 - *Roads program - focus 2020 design on 2021 projects that can be constructed in 2021*
 - *Parks and Trail Master Plan Implementation - focus on trail building (grant program in place)*
 - *Facilities – Focus on engineering for large projects that could be covered by refurbishment grants*
 - Arena roof, domestic hot water, CAC roof

Operating Risks/Opportunities

- How much will COVID-19 effect 2020 operations?
- Will 2021 be a return to normal, or will economy still impacted?
- How will business be transformed in response to COVID-19?
 - *Electronic service delivery*
 - *Working remotely*
 - *More online consultation*

2020/21 Revenue Risks

- CAC revenues lost Mar 15 – July 31, 2020
 - *\$550,000*
- CAC projected revenues Aug 4 – Dec 31, 2020
 - *\$626,0000*
 - *30% reduction ~\$188,000*
- 20% - 30% reduction in 2021 Recreation Revenue due to social distancing rules?
 - *~\$260,000 - \$390,000*

Revenue Risk cont.

	05/31/19	05/31/20	2020 Budget
Building Permits	398,774	232,251	405,000
Planning Fees	39,000	14,550	81,447
3% subdivision inspection fee	135,621	55,776	100,000
Subdivision Fees	<u>22,850</u>	<u>35,850</u>	<u>50,500</u>
Total	596,245	338,427	636,947

2019 was a good year, less planning fees and subdivision fees in 2020 will result in less building permits in 2021. What will development look like in 2020 and 2021?

Options

- Return to Status Quo Budget
 - *Larger increase in 2021*
 - *Sustainable capital program*
- Recovery Budget
 - *Focus on taxpayer affordability*
 - *Gradually phase capital back in over 2021 – 2022*
- Restraint Budget
 - *Primary focus taxpayer affordability*
 - *Pursue operating cost containment*
 - *Delay returning capital to sustainable levels*

Recommendation

- Recovery Budget
 - *Focus on taxpayer affordability*
 - *Gradually phase capital back in over 2021 – 2022*