

MUNICIPALITY OF HASTINGS HIGHLANDS

2017 PROPOSED DRAFT MUNICIPAL
OPERATING BUDGET PRESENTATION

SPECIAL MEETING OF COUNCIL – PUBLIC CONSULTATION
MARCH 8, 2017



THE PRESENTATION

- 2016 Year End Review
- Budget Process to Date
 - The Current Municipal Picture
- Draft Operating Budget Proposal
From Staff to Council
- Council Discussion

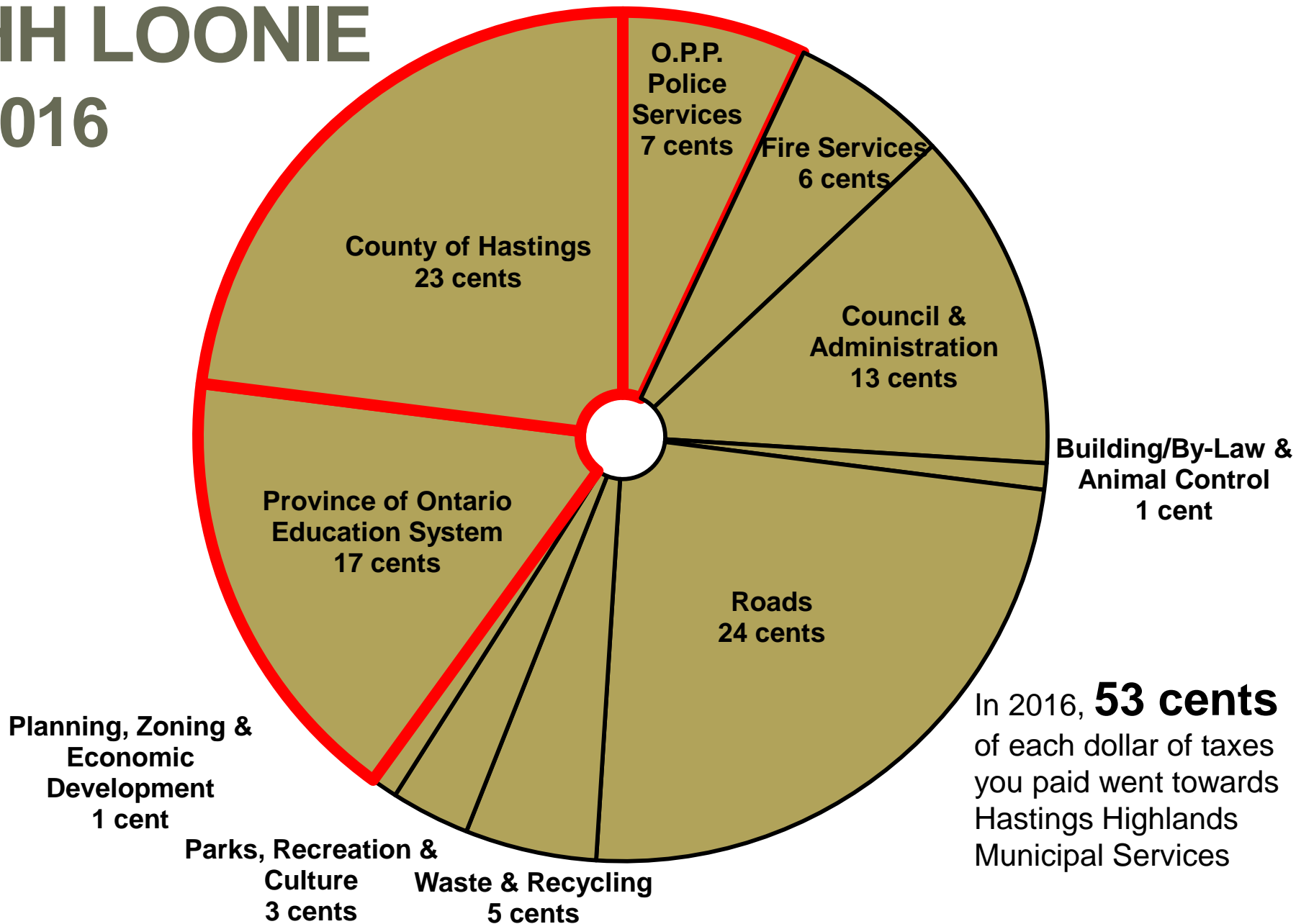
2016 YEAR END REVIEW

(UNAUDITED)



HH LOONIE

2016



2016 YEAR END REVIEW (UNAUDITED)

OPERATING BUDGET - Revenues

- Total Revenues Budgeted in 2016: \$8,461,166
- Total Municipal Revenues **Exceeded** Budget by \$254,028 or 3%

HIGHLIGHTS INCLUDE:

- +\$104,803 Municipality's Fees & Service Charges
- +\$112,814 Municipality's Own Source Revenues

2016 YEAR END REVIEW (UNAUDITED)

OPERATING BUDGET - Expenses

- Total Expenses Budgeted in 2016: \$8,461,166
- Total Municipal Expenses Under Budget by \$142,069 or 1.68%

2016 YEAR END REVIEW (UNAUDITED)

OPERATING BUDGET YEAR END POSITION

Revenue Exceeding Budget	\$254,028 or 3%
Expenses Under Budget	\$142,069 or 1.68%

Unaudited Operating Surplus.....\$396,097 or 4.68% of the municipality's total 2016 operating budget of \$8,461,166.

*A more detailed 2016 year end report is available on www.hastingshighlands.ca under Council Meetings and Agendas for February 9th, 2017

BUDGET --- PROCESS



BUDGET PROCESS



**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

THE CURRENT MUNICIPAL PICTURE

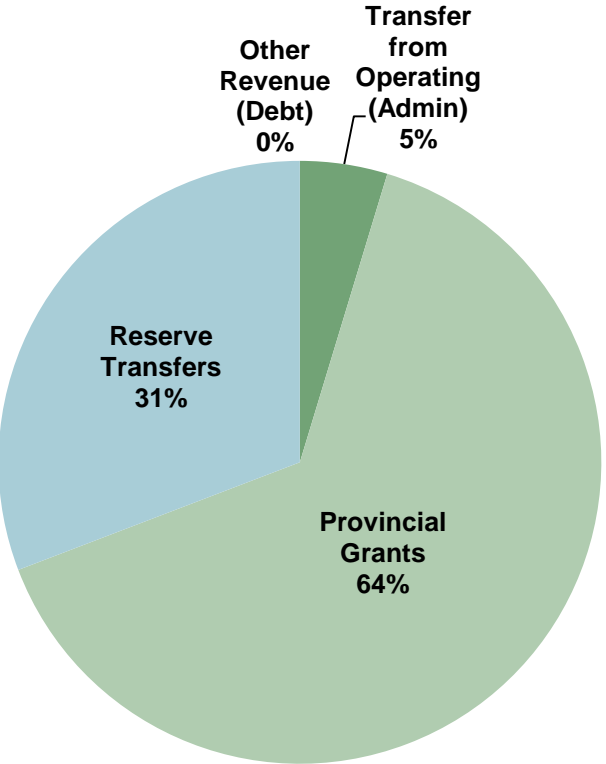
Fiscal Realities:

- Senior Government Transfers Annualizing
 - Annual predictable funding increasing Example: OMPF & OCIF-Formula
- One Time Capital Grant Programs Decreasing
 - Example: OCIF-Formula subtracted from Capital Grant Eligibility
 - Hastings Highlands is competing dollar for dollar against municipalities with populations of up to 100,000

**BUDGET
PROCESS**

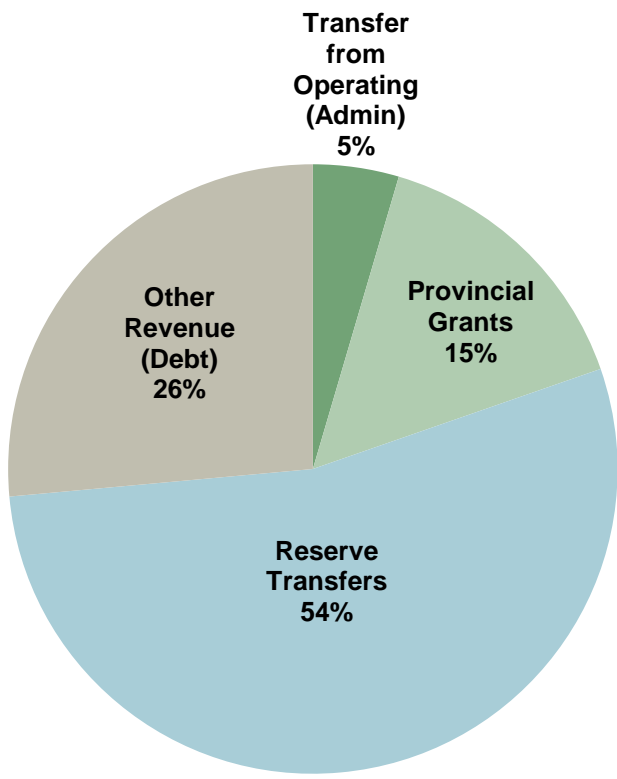
**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**



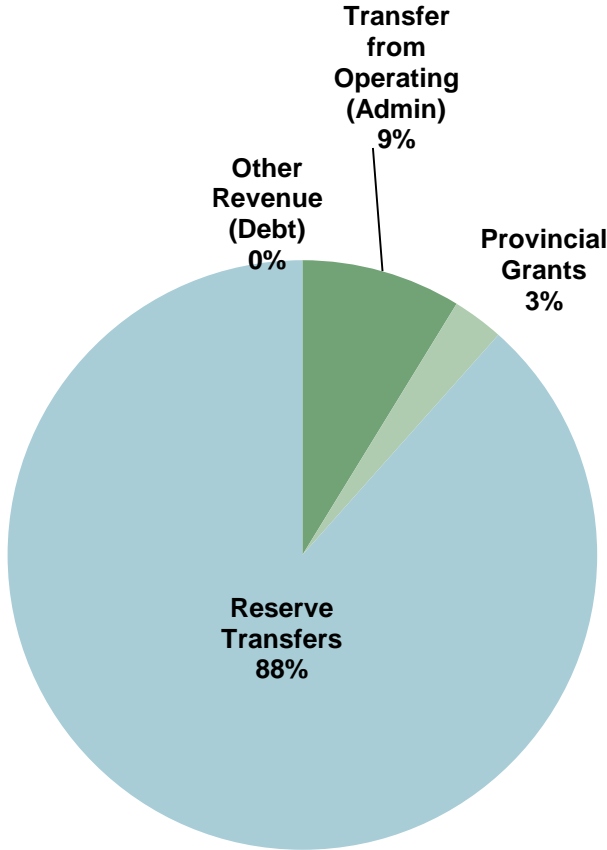
MUNICIPAL CAPITAL REVENUES 2014

BUDGET PROCESS



MUNICIPAL CAPITAL REVENUES 2015

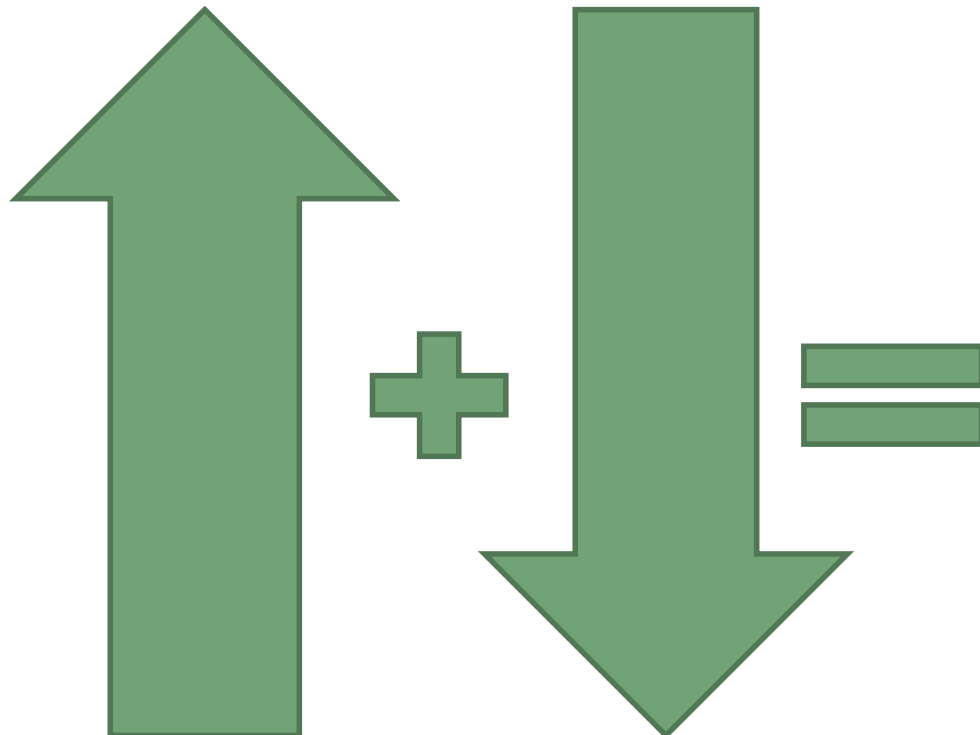
DRAFT OPERATING BUDGET



MUNICIPAL CAPITAL REVENUES 2016

COUNCIL DISCUSSION

THE CURRENT MUNICIPAL PICTURE



Hastings Highlands
Ownership of Assets

Annual Capital
Funding From
Senior Government
Partners

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

Current Municipal
Picture



**COUNCIL
DISCUSSION**

THE CURRENT MUNICIPAL PICTURE

“It is clear that every municipality is expected to move towards the sustainable management of its own capital assets” (Hastings Highlands Asset Management Plan)

Conclusion:

We Must Plan with What We Have, **NOT** What Might Be....

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

DRAFT OPERATING BUDGET

A 1% increase to taxation in 2017 represents \$66,216.91



AREAS OF RESPONSIBILITIES

- 486 km of Roads & 13 Bridges
- Waste & Recycling Management (9 landfill sites)
- Parks, Recreation & Culture
- Library Services
- 30 Municipal Buildings & 50+ Vehicles
- Building, Planning & Zoning
- Economic Development
- Fire & Emergency Services
- By-Law Enforcement & Animal Control
- Council/Governance & Administration
- Tax Collectors for County of Hastings
- Tax Collectors for Province of Ontario Education System

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

MUNICIPAL TAX LEVY

Definition

- Municipal tax levy by definition is the amount of revenue the municipality needs to balance its budget - revenues must equal expenses
- The municipal tax levy represents only a portion of your tax bill. By law, lower tier municipalities collect taxes on behalf of the County of Hastings and the Hastings County School Boards. These taxes collected are requisitioned quarterly by the municipality

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

2017 GROWTH CALCULATION

(Excludes Grantable Assessment)

Property Class & Property Class (Code)	2016 Returned Assessment	2017 Returned Assessment	Assessment Increase/ (Decrease) 2016 to 2017	Taxation Revenue Increase/ (Decrease) 2016 to 2017
Residential (RT)	\$897,057,118	\$892,750,057	(\$4,307,061)	(\$30,925)
Farmlands (FT)	\$2,593,400	\$3,287,500	\$694,100	\$1,246
Managed Forest (TT)	\$8,500,400	\$9,580,375	\$1,079,975	\$1,939
Commercial Full, New, Vac/Exc (CT) (XT) (XU) (CU) (CX)	\$16,854,542	\$17,779,305	\$924,763	\$7,153
Industrial Full, New, Vac/Exc, Large (IT) (JT) (IU) (IX) (LU)	\$3,807,630	\$3,686,573	(\$121,057)	(\$1,133)
TOTAL	<u>\$928,813,090</u>	<u>\$927,083,810</u>	<u>(\$1,729,280)</u>	<u>(\$21,720)</u>

In short, this means if the municipal tax rates remained unchanged from 2016 to 2017, the municipality would need to locate an additional \$21,720 in revenue or decrease operating expenses by \$21,720 to balance the budget

PROPOSED MUNICIPAL TAX LEVY

SUMMARY

	<u>2016 BUDGET</u>	<u>2017 BUDGET</u>	<u>% CHANGE</u>
Municipal Tax Levy	\$6,621,191	\$6,709,363	+ 1.32%
Municipal Negative Growth Factored	\$192,320	(\$21,720)	+ 0.33%
Municipal Tax Levy Increase (Incl. Negative Growth)	<u>\$293,209</u>	<u>+ \$109,392</u>	<u>+ 1.65%</u>

BUDGET
PROCESS

DRAFT
OPERATING
BUDGET

COUNCIL
DISCUSSION

DRAFT OPERATING BUDGET

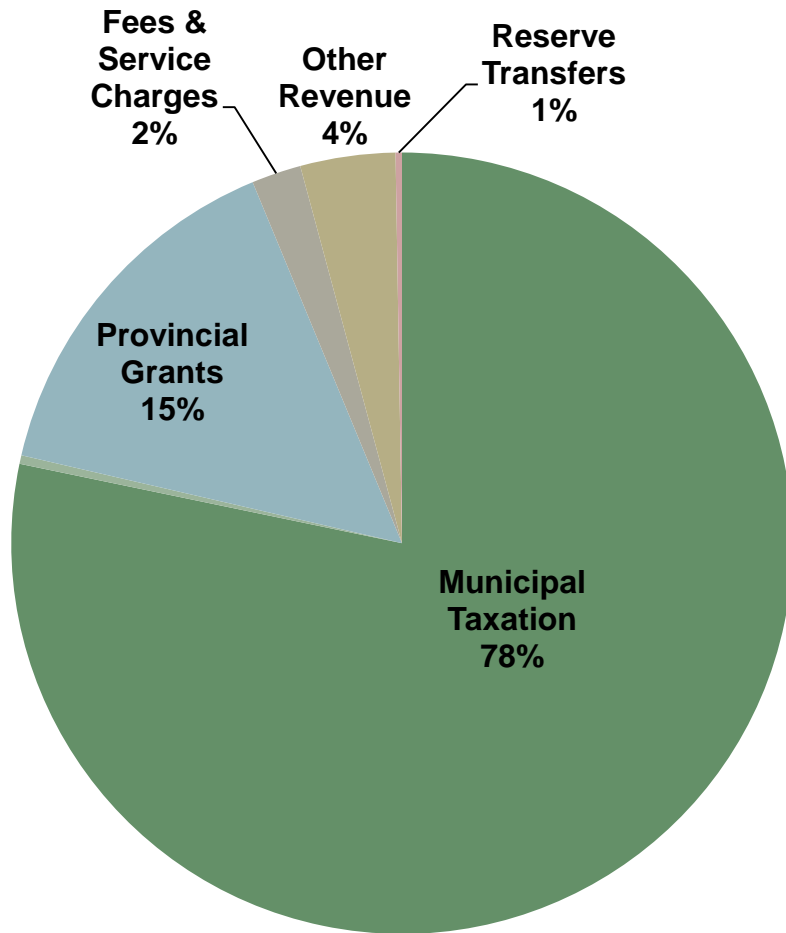
Revenues

	2017 BUDGET	2016 BUDGET
Municipal Taxation	6,709,363	6,621,691
Municipal Payment In Lieu	35,000	30,000
Provincial Grants	1,402,300	1,281,159
Fees & Service Charges	206,564	173,343
Other Revenue	330,500	332,600
Reserve Transfers	<u>70,000</u>	<u>22,373</u>
TOTAL	<u>8,753,727</u>	<u>8,461,166</u>

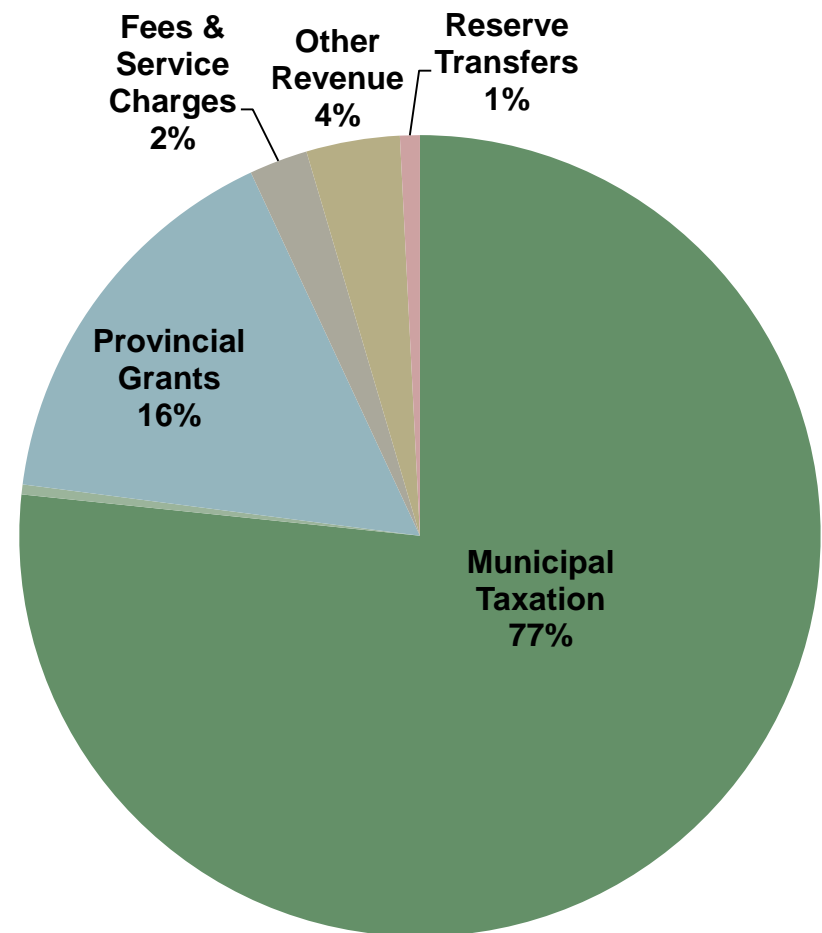
**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**



Municipal Operating Revenues 2016



Municipal Operating Revenues 2017

DRAFT OPERATING BUDGET

Expenses	2017 BUDGET	2016 BUDGET
Council/Governance	\$239,075.00	\$240,700.00
Corporate Management/ Administration	\$1,193,431.00	\$1,577,590.00
Fire Services	\$442,440.00	\$441,455.00
Herschel South Station	\$23,700.00	\$23,700.00
Herschel North Station	\$9,500.00	\$9,500.00
Maynooth Station	\$17,150.00	\$17,850.00
Lake St Peter Station	\$15,900.00	\$15,900.00
Bangor Station	\$12,450.00	\$12,450.00
Monteagle Station	\$15,500.00	\$15,500.00
Bunker Gear Maintenance	\$6,500.00	\$7,500.00
Mutual Aid/Rescue Unit	\$10,200.00	\$9,200.00
Joint Fire Services	\$186,141.00	\$185,977.00
Police Services	\$1,088,471.00	\$1,040,676.00
Animal Control Services	\$14,000.00	\$17,000.00
Building/By-Law Department	\$161,880.00	\$144,600.00
Emergency Management	\$0.00	\$5,000.00
Roads	\$2,541,504.00	\$2,213,868.00
Roads Bangor Yard	\$38,500.00	\$38,500.00
Roads Herschel Yard	\$23,000.00	\$27,500.00
Roads Monteagle Yard	\$29,200.00	\$38,200.00
Roads Maynooth Yard	\$12,000.00	\$16,200.00
Roads Maintenance Operations	\$770,500.00	\$755,500.00
Roads Equipment	\$285,200.00	\$314,250.00

DRAFT OPERATING BUDGET

	2017 BUDGET	2016 BUDGET
Streetlights	\$14,000.00	\$12,500.00
Waste Collection	\$0.00	\$0.00
Waste Disposal	\$593,465.00	\$506,300.00
Recycling	\$186,000.00	\$168,200.00
Other Health	\$5,000.00	\$20,000.00
Parks	\$17,000.00	\$22,000.00
Recreation Programs	\$6,000.00	\$9,000.00
Recreation Facilities	\$28,500.00	\$27,000.00
Herschel Community Centre	\$13,500.00	\$14,000.00
Herschel Outdoor Rink	\$15,000.00	\$14,000.00
Maynooth Community Centre	\$12,000.00	\$14,500.00
Maynooth/LSP Outdoor Rinks	\$13,000.00	\$13,000.00
Lake St Peter Community Centre	\$15,000.00	\$14,000.00
Bangor Community Centre	\$13,000.00	\$14,700.00
Musclow Community Centre	\$4,500.00	\$4,500.00
Loggers Field	\$500.00	\$750.00
Municipal Contribution to Library	\$130,000.00	\$130,000.00
Municipal Contribution to Cemetery	\$5,000.00	\$5,000.00
Hastings Highlands Centre	\$151,440.00	\$165,300.00
Planning & Zoning	\$81,580.00	\$80,800.00
Economic Development	\$48,000.00	\$57,000.00
Asset Management Capital Funding Program	\$265,000.00	\$0.00
TOTAL	<u>\$8,753,727.00</u>	<u>\$8,461,166.00</u>

DRAFT OPERATING BUDGET HIGHLIGHTS

Revenue Increases Over 2016

- Provincial Grants Ontario (OMPF Factored) + **\$121,000**
- Own Source Revenue (Net) + **\$31,000**
- Payment In Lieu of Taxes + **\$5,000**
- Reserve Transfers + **\$48,000**

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

DRAFT OPERATING BUDGET HIGHLIGHTS

Expense Increases Over 2016

- Municipal Benefit Premiums Adjustment + **\$50,000**
- O.P.P. Reformed Billing Increase + **\$45,795**
- Municipal Salary Adjustments + **\$35,000**
(Union Contract to be Negotiated for 2017...2% Cost of Living Allowance Budgeted)
 - Includes 1 Office Summer Student Self Funded
- Asset Management Capital Funding Program + **\$165,000**
Included in the draft budget is the creation of a self funding capital program (funded through taxation) that provides the municipality's annual capital budget with predictable dollars to complete projects as per Hastings Highlands Asset Management Plan.

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

DRAFT OPERATING BUDGET HIGHLIGHTS

Decreasing Expenses Over 2016

- Council Mileage, Professional Development & Other Expenses - **\$16,000**
- Administration Consultants - **\$15,000**
- Roads Equipment and Other Health - **\$44,000**
- Hastings Highlands Centre - **\$13,000**

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

DRAFT OPERATING BUDGET NOTES

Re-allocation Note:

Corporate Management/Administration budget re-allocated 3 Full Time Positions (Operations Manager & 2 Operations Supervisors) to Roads budget

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

DRAFT OPERATING BUDGET NOTES

Corporate Management/Administration Breakdown

Budget Proposed: \$1,193,431

- \$711,105 or 60% Salary & Benefits
- \$109,326 or 9% Service Debt (Hastings Highlands Centre)
- \$100,000 or 8.5% Municipal Legal Expenses
- \$80,000 or 7% Funding Reserves for Future Capital & Election Expenses
- \$36,000 or 3.0% Equipment Leases & Membership/Renewals Expenses
- \$33,000 or 2.8% Supplies & Postage Expenses (Paper & Postage Tax Bills)
- \$30,000 or 2.5% Municipal Audit Expenses
- \$26,000 or 2% Corporate Mgmt/Admin Portion of Municipal Insurance

* Remaining expenses not included; advertising expenses, mileage expenses, staff professional development expenses and municipal bank service charges

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

DRAFT OPERATING BUDGET NOTES

North Hastings Joint Fire Services:

- Budget is approved at \$186,141; Increase of \$164 compared to 2016

New Self Funding Capital Program:

Strategic Plan Focus Area – Infrastructure

Plan for Capital Investment Strategy (Maximizing the Municipal Dollars)

Responsibility: Treasurer Target Date: 2017

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

RESERVES SCHEDULE

Capital Budget Not Included

2017					
Description of Reserve	Account #	2016 Balance Dec 31	2017 Budget From	2017 Budget to	2017 Balance Dec 31
Reserve for Working Capital	01-3100-0100	2,377,413.96			2,377,413.96
Reserve for Insurance Expense	01-3100-0110	30,065.48			30,065.48
Reserve for Policing Expense	01-3100-0120	109,999.52			109,999.52
Reserve for Election Expense	01-3100-0130	27,500.26		20,000.00	47,500.26
Reserve for Recreation Expense	01-3100-0140	32,500.00			32,500.00
Reserve for Economic Development Expense	01-3100-0150	97,000.00	-20,000.00		77,000.00
Reserve for Health Expense	01-3100-0160	25,000.00			25,000.00
Reserve for Gym Equipment Expense	01-3100-0170	8,164.00			8,164.00
Reserve for Capital Expense	01-3100-0200	36,736.32			36,736.32
Reserve for Admin Capital Expense	01-3100-0210	120,871.28		60,000.00	180,871.28
Reserve for Equipment Replacement	01-3100-0220	447,475.23		230,000.00	677,475.23
Reserve for Water Capital	01-3100-0230	1,667.72			1,667.72
Reserve for Road Construction Expense	01-3100-0240	229,699.21		80,000.00	309,699.21
Reserve for Landfill Capital	01-3100-0250	173,655.20		10,000.00	183,655.20
Reserve for Fire Capital	01-3100-0260	473,889.42		133,664.00	607,553.42
Reserve for Landfill Closure Expense	01-3100-0900	504,545.40	-50,000.00	50,000.00	504,545.40
TOTAL		4,696,183.00	-70,000.00	583,664.00	5,209,847.00
		Does not include any 2016 operating surplus			
Gas Tax Fund	03-3200-1030	52,725.87		247,406.63	300,132.50
Cash In Lieu of Parkland (Deferred Revenue)	01-2200-0800	42,500.00			42,500.00

RESERVES SCHEDULE EXPLAINED

From Reserves to Cover Operating Expenses Only:

- **\$20,000** from reserve for economic development to cover costs associated with First Impressions Community Exchange Program Action Items
- **\$50,000** from reserve for landfill closure expense to cover costs associated with landfill closure costs anticipated for 2017

**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

RESERVES SCHEDULE EXPLAINED

To Reserves to Cover Future Operating And/Or Capital Expenses:

- **\$20,000** to reserve for election expense to assist with cost of 2018 election
- **\$60,000** to reserve for admin capital expense to assist with future information technology upgrades (software & hardware)
- **\$230,000** to reserve for equipment replacement to replace funds used to purchase 2017 plow truck as per the municipality's fleet management program pay as you go principle
- **\$80,000** to reserve for road construction expense to fund future road needs
- **\$10,000** to reserve for landfill capital to fund future landfill capital needs
- **\$133,664** to reserve for fire capital to replace aged fire truck fleet
- **\$50,000** to reserve for landfill closure expense to replace funds used to fund 2017 operating needs

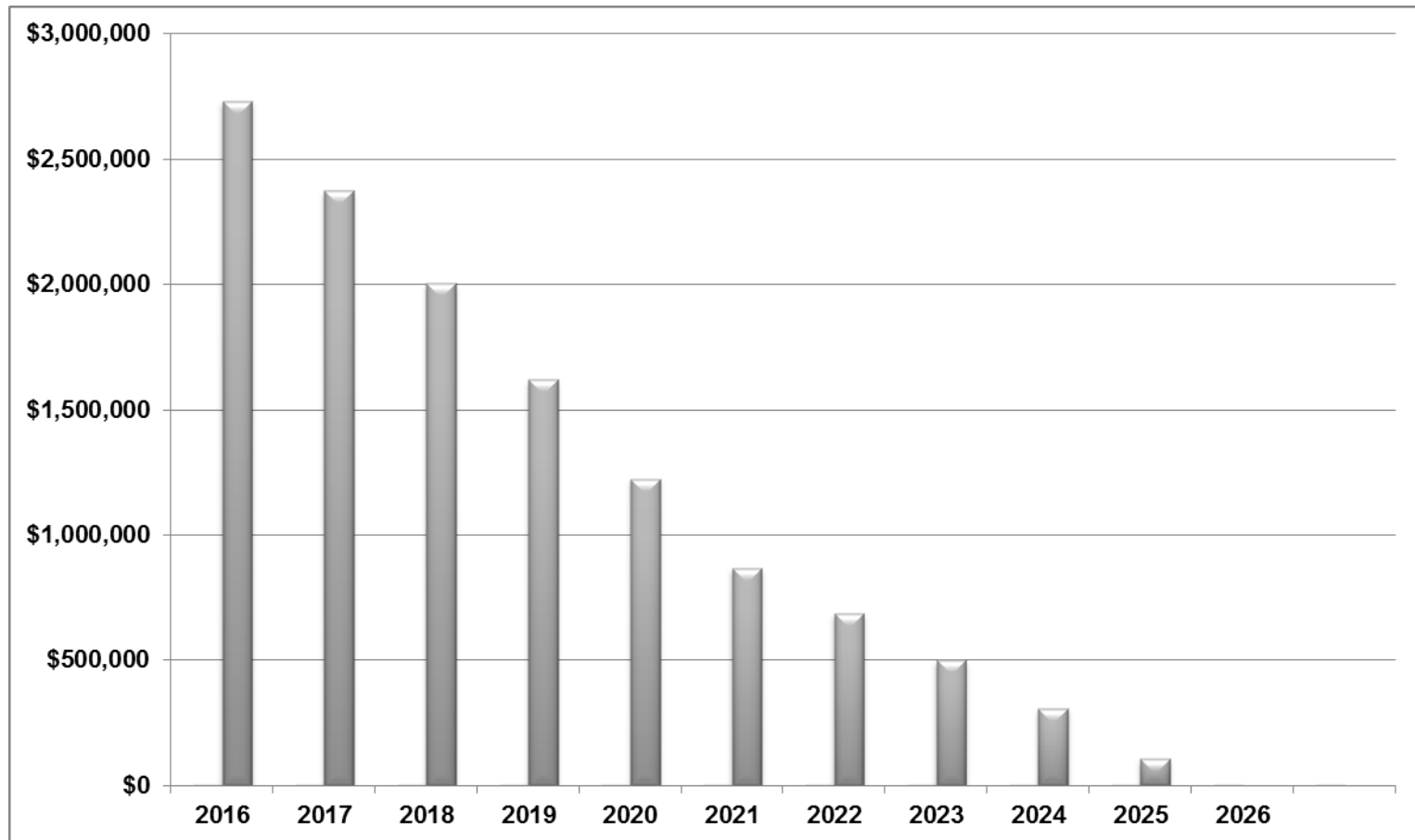
**BUDGET
PROCESS**

**DRAFT
OPERATING
BUDGET**

**COUNCIL
DISCUSSION**

DEBT SCHEDULE

EXPLAINED



PROPOSED MUNICIPAL TAX LEVY

SUMMARY

	<u>2016 BUDGET</u>	<u>2017 BUDGET</u>	<u>% CHANGE</u>
Municipal Tax Levy	\$6,621,191	\$6,709,363	+ 1.32%
Municipal Negative Growth Factored	\$192,320	(\$21,720)	+ 0.33%
Municipal Tax Levy Increase (Incl. Negative Growth)	<u>\$293,209</u>	<u>+ \$109,392</u>	<u>+ 1.65%</u>

BUDGET
PROCESS

DRAFT
OPERATING
BUDGET

COUNCIL
DISCUSSION

2016 TAX BILL

	MUNICIPAL	COUNTY	EDUCATION	TOTAL
Rate	0.00718011	0.00281589	0.00188000	0.01187600
\$188,000 Assessment	\$1,350	\$530	\$353	\$2,233

2017 TAX BILL PROPOSED

	MUNICIPAL	COUNTY	EDUCATION	TOTAL
Rate	0.00729912	TBA	TBA	TBA
\$188,000 Assessment	\$1,372	\$000	\$000	\$0,000

A typical residential ratepayer with an assessment of around \$188,000 will see an increase of only **\$22.00** to the municipal portion of their tax bill in 2017

BUDGET
PROCESS

DRAFT
OPERATING
BUDGET

COUNCIL
DISCUSSION

THANK

YOU

