

# Municipality of Meaford

2011 Proposed Operating Budget  
 Council Workshop  
 January 17, 2011  
 9:00 – 4:00 P.M.

## Budget Guiding Principles

- ▶ Adopt a very strict budget guidelines and process
- ▶ Spending prioritized on initiatives, risk, value & performance
- ▶ Seek and implement Operational Efficiencies
- ▶ Develop and implement a long term (5 year) financial sustainability plan
- ▶ Systematically and Strategically reduce Municipal debt
- ▶ Allocate for a sustainable Capital budget
- ▶ Rebuild a Reserve Fund
- ▶ Maintain staff morale
- ▶ Target single digit blended tax rate
- ▶ Emphasis on other revenues, not just taxation

## Assessment and Property Tax Update

## Property Tax In 2011

- ▶ During 2007 & 2008 Budget processes, the Minister of Finance announced a series of property tax reforms measures for 2009 taxation and beyond affecting the frequency of reassessment, the treatment of assessment related increases, the appeal process, and the setting of business education tax rates
- ▶ We are now entering the third year of the reform cycle and need to be aware of the challenges that face municipalities

## Reassessment Cycles

Years	Assessed Value
1998 – 2000	Current value on June 30, 1996
2001	Current value on June 30, 1999
2002	Current value on June 30, 1999
2003	Current value on June 30, 2001
2004	Current value on June 30, 2003
2005	Current value on June 30, 2003
2006, 2007, 2008	Current value on January 1, 2005
<b>2009 – 2012</b>	<b>Current value on January 1, 2008</b>
2013 – 2016	Current value on January 1, 2012

## Assessment Changes

Market Update

## Assessment Growth or Loss

- Represents amount of assessment increases or decreases over time regardless of whether reassessment / market update occurs
- Growth reflects changes in the property's state, condition or use, and is attributable to things like new construction, additions, improvements and changes in use; represents new revenue for municipalities
- Losses occur because of assessment reductions, changes in use, demolitions, etc....; tax write-offs result
- Assessment growth and losses impact municipal revenue streams
- It is important to measure and understand growth separately from the impact so market change due to the phase-in program

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## Assessment Growth or Loss

- Important to recognize that the most recent reassessment provided phase-in protection to property owners
- Increases due to reassessment are to be phased in over four years
- Decreases due to reassessment took place immediately
- This will result in inevitable tax shifts as the tax burden is redistributed between classes

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## Valuation Change

- Valuation change represents the impact of reassessment which involves updating the current assessed value of properties to reflect a new, more recent effective valuation date
- Reflects changes in real estate market conditions, which are driven by economic factors, demographics, etc.
- While there is no general reassessment for 2011, and additional 25% of the reassessment related increases in the value associated with last year's market update (from 2005 to 2008 base year) are now reflected on this year's roll
- Similar to a reassessment, these valuation changes will not necessarily affect municipal revenue because tax rates must be restated; this will however, affect the overall distribution of the tax burden among taxpayers
- These changes are measured as the difference between the 2010 Phased CVA roll and the most recently revised and the 2011 Phased CVA on the roll as returned

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## Individual Property Changes

- Not all taxpayers experience assessment changes at exactly the average class rate; therefore, not all taxpayers within the class will be impacted in the same way
- Property specific impacts will depend on individual property changes relative to the class average and overall assessment demographic
- Revenue neutral tax rates are a critical input for taxpayers to understand the impacts of valuation change and the assessment phase-in on their property
- Property in the "capped" classes (multi-residential, commercial and industrial classes) will be impacted differently than property in "uncapped" classes

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## Property Tax Assessment 101

And now you know why the Ontario Property Tax Assessment System is so easy to comprehend !!!

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## Proposed Budget Expansions – 2011 Operating Budget

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### Proposed Budget Expansions- New

**Economic Development**

- ▶ Supplement to Chamber Contract
- ▶ Work in conjunction with Economic Dev. on variety of initiatives as identified by Econ Dev. and Chamber
- ▶ Includes but not limited to Tourism, Shop Local Campaign and Business Directory

**Budget Impact: \$25,000 Contracted Services**

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### Proposed Budget Expansions - New

**Planning & Building**

- ▶ By-law Enforcement Officer. New full time position to provide by-law enforcement to the Municipality
- ▶ Provide services in Property Standards, Parking, Animal Control and municipal by-law enforcement
- ▶ Presently by-law services are being provided one day per week

**Budget Impact: Salary and benefits \$ 25,600**

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### Proposed Budget Expansions- New

**Parks**

- ▶ Seasonal Labour:
  - Increase in part-time hours in horticulture to enhance flower beds
  - Increase participation in Communities in Bloom

**Budget Impact: \$6,900 part time salaries**

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### Proposed Budget Expansions- New

**Waste Management**

- ▶ Expansion of Organics to Rural Areas
- ▶ Services to be provided by existing contractor
- ▶ Will provide service to all residents of the municipality.

**Budget impact: \$97,000 Contracted Services**

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### Proposed Budget Expansions- New

**Library**

- ▶ Increase in existing Part time labour to reflect current situation.
- ▶ Move Children and Youth Coordinator from part-time to full-time
- ▶ Addition of Part-time Circulation Clerk to allow library to open 50 hours/week
- ▶ Hire summer student to deliver childrens' programs
- ▶ Eliminate previous years' operating deficits

**Budget Impact: \$120,000**

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### Service Enhancements / Expansions 2011 Budget Impacts

Description	Cost Implication	Percentage
Economic Development Supplement to Chamber Contract	\$ 25,000	0.28%
Full-time By-Law Enforcement Officer and Vehicle	\$ 25,600	0.29%
Seasonal Labour Horticulture	\$ 6,900	0.08%
Organics Collection Expanded to Rural Areas	\$ 97,600	1.11%
<b>Total</b>	<b>\$ 155,100</b>	<b>1.76%</b>

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### Library Service Enhancements / Expansions 2011 Budget Impacts

Description	Cost Implication	Percentage
Increase Part-Time Labour at Library	\$ 29,500	0.34%
Children's Youth Coordinator	\$ 43,100	0.45%
Circulation Clerk	\$ 26,900	0.28%
Summer Student	\$ 8,500	0.09%
Deficit Elimination	\$ 12,000	0.10%
<b>Total</b>	<b>\$ 120,000</b>	<b>1.26%</b>

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### 2011 Proposed Operating Budget

Description	2010 Budget	2011 Budget	%
Total Expenditure	\$ 15,886,600	\$ 13,903,600	
Total Revenue	\$ 15,886,600	\$ 13,024,500	
Required From Taxation	\$ -	\$ 879,100	9.99%
<b>Attributed To:</b>			
Requirement Of Five-year Plan		\$ 525,000	5.97%
Payroll Costs		\$ 252,600	2.87%
Other		\$ 101,500	1.15%
Required From Taxation		\$ 879,100	9.99%

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### Proposed Operating Budget 2011 Revenue

Municipal Revenue	2010 Budget	2011 Budget	Inc. / Dec.
Taxation	\$ 8,812,300	\$ 9,691,400	\$ 879,100
Supplementary Taxes	\$ 20,000	\$ 50,000	\$ 30,000
Payments-in-Lieu	\$ 585,000	\$ 585,000	\$ -
Tax Penalty & Interest	\$ 130,000	\$ 150,000	\$ 20,000
User Fees & Service Charges	\$ 698,100	\$ 831,100	\$ 133,000
Licenses	\$ 224,800	\$ 213,200	\$ (11,600)
Deferred Revenue	\$ 45,000		\$ (45,000)
Working Capital for Deficit Reduction	\$ 2,540,000	\$ -	\$ (2,540,000)

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### Proposed Operating Budget 2011 Revenue

Municipal Revenue	2010 Budget	2011 Budget	Inc. / Dec.
Facility Rentals	\$ 787,700	\$ 778,200	\$ (9,500)
Concession Sales	\$ 52,300	\$ 64,200	\$ 11,900
Lot Sales	\$ 415,000	\$ 17,000	\$ (398,000)
Investment Income	\$ 2,100	\$ 1,000	\$ (1,100)
OMPF	\$ 1,257,300	\$ 1,257,300	\$ -
Grants - Canada	\$ 46,000	\$ 26,000	\$ (20,000)
Grants - Ontario	\$ 155,500	\$ 134,400	\$ (21,100)
Other Income	\$ 110,800	\$ 101,300	\$ (9,500)
<b>Total Revenue</b>	<b>\$ 15,886,600</b>	<b>\$ 13,903,600</b>	<b>\$ (1,983,000)</b>

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### Proposed Operating Budget 2011 Expenditure

Municipal Service	2010 Budget	2011 Budget	Inc. / Dec.	%
Public Works	\$ 2,493,400	\$ 2,776,300	\$ 282,900	11.30%
Protective Services	\$ 2,865,200	\$ 2,939,000	\$ 73,800	2.58%
Administrative Services	\$ 6,599,000	\$ 4,059,800	\$ (2,539,200)	-38.48%
Waste Management	\$ 1,158,300	\$ 1,070,700	\$ (87,600)	-7.56%
Cultural Services	\$ 901,200	\$ 1,014,900	\$ 113,700	12.62%
Planning & Building	\$ 280,800	\$ 304,500	\$ 23,700	8.44%
Library	\$ 464,500	\$ 494,000	\$ 29,500	6.35%
Parks & Recreation	\$ 718,400	\$ 842,600	\$ 124,200	17.29%
Social Services	\$ 150,600	\$ 151,700	\$ 1,100	0.73%
Community Centres	\$ 255,200	\$ 250,100	\$ (5,100)	-2.00%
<b>TOTAL EXPENDITURE</b>	<b>\$ 15,886,600</b>	<b>\$ 13,903,600</b>	<b>\$ (1,983,000)</b>	<b>-12.49%</b>

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### Explanation of Budgetary Increase Five-Year Financial Plan

Debt Reduction	\$ 175,000	1.99%
Capital Budget Allocation	\$ 250,000	2.84%
Contribution to Reserves	\$ 100,000	1.13%
<b>Requirement of Five-Year Plan</b>	<b>\$ 525,000</b>	<b>5.96%</b>

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### Available Reserve Balances

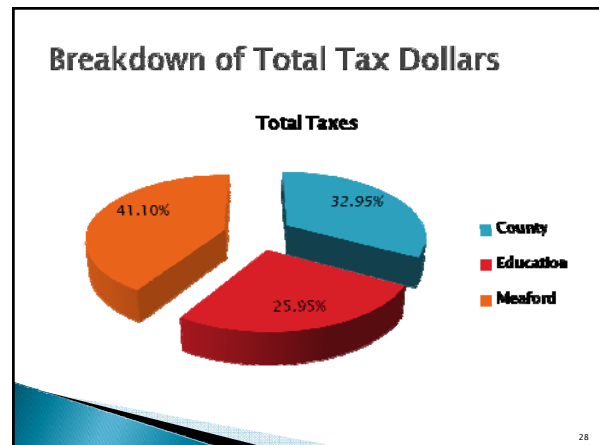
Reserve	Balance 2009	Balance 2010
Working Capital	911,577	911,577
Tax Rate Stabilization	70,000	70,000
HR Contingency	35,000	35,000
IT Equipment Replacement	41,000	41,000
Fire Department	46,362	46,362
Building Dept Vehicle	35,000	12,160
Meaford Roads	783,731	717,751
Meaford Athletic Field	8,083	8,083
<b>Discretionary Reserve Fund</b>		
Municipal Surplus	207,605	207,605
General Recreation	45,623	22,454
Town General	142,549	142,549
Capital - Fire	149,622	113,370
Capital - Fleet	0	25,000
Capital - Harbour	0	10,000
<b>Total</b>	<b>\$ 2,476,151</b>	<b>\$ 2,362,910</b>
Accumulated Deficit Paid		\$ (2,362,910)
Available Reserve Balance 31 Dec 2010		ZERO

### Payroll Impact

Director, Community Services	\$ 33,200	0.38%
Annualize Economic Development Professional	\$ 56,000	0.64%
2% Inflationary Adjustment	\$ 81,000	0.92%
Grid Moves (34)	\$ 106,300	1.21%
Change in Benefit Rates	\$ (23,900)	-0.27%
<b>Payroll Impact</b>	<b>\$ 252,600</b>	<b>2.87%</b>

### Explanation of Budgetary Increase Other Impacts

Increase in Insurance Cost	\$ 120,000	1.36%
OPP Contract	\$ 68,800	0.78%
Extension of Annual Grant Program	\$ 5,000	0.06%
Additional Reserve Contributions	\$ 53,600	0.61%
Changes to Cost Recovery from User Pay	\$ (71,400)	-0.81%
Reduction in Discretionary Spending	\$ (74,500)	-0.85%
<b>Other Impacts on the Budget</b>	<b>\$ 101,500</b>	<b>1.15%</b>



# MUNICIPALITY OF MEAFORD

## PROPOSED 2011 CAPITAL BUDGET

- ### CAPITAL BUDGET – GENERAL PRINCIPALS
- > Capital Project Sheets detailing estimated costs shall be submitted for each project
  - > All funding sources shall be identified and agreed to by Finance
  - > Capital type expenditures over \$10,000 shall be presented in the annual Capital Budget
  - > Feasibility studies must be identified in the project cost and completed prior to construction
  - > Feasibility studies must demonstrate need, timing, operating costs and impact on budgets

**CAPITAL BUDGET – GENERAL PRINCIPALS  
Cont'd**

- Capital projects shall not proceed until funding is in place
- Financial impact of “tax-related” capital projects must not be more than 15% of the Municipality’s previous year’s gross budget
- Overall financial impact of sewer and water capital projects must not be more than 25% of the Municipality’s previous year’s gross budget

**MAJOR PROJECTS**

<b>Roads</b>	
➤ Granular Resurfacing	\$ 95K
➤ Bridge Inspection	\$ 24K
➤ Chatsworth/Boundary Rd	\$ 25K
➤ Tandem Snow Plow	\$ 203K
➤ Tandem Snow Plow – Lease	\$ 32K
➤ Pick-up Truck	\$ 35K
➤ Multi-passenger Vehicle	\$ 30K

**MAJOR PROJECTS cont'd**

**Recreation**

➤ “A” Dock Replacement – Harbour	\$ 10K
➤ Header Trench –Arena	\$ 25K

**Fire**

➤ Fire Prevention Van	\$ 32K
➤ Parking Lot Paving	\$ 20K

**MAJOR PROJECTS cont'd**

**Building**

➤ By-law Enforcement Vehicle	\$ 30K
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**Planning**

➤ Waterfront Strategic Plan	\$ 50K
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**Information Technology**

➤ Server	\$ 26K
➤ Computer Replacement	\$ 23K