

2020 Budget Context



2020 Budget Agenda Process

Nov 16

- Budget Context
- Preliminary department budgets for
 - Transportation
 - Drainage
 - Waste management
 - Corporate Services
 - Planning/Economic Development & Communications
 - Parks and Recreation
 - Finance and CAO
- Overview of capital projects presented & reserves



2020 Budget Agenda Process

Nov 26

- Water and Wastewater Rate Study Presentation
- Fire Department & By-law Budget

Nov 27

- Budget Overview, options

Dec 3

- Discussion on 2020 Budget Options

Dec 11

- Adopt Water and Wastewater Rate Study
- Adopt Budget

January 2020

- Water and Wastewater Budget presentation
- Adopt Water and Wastewater Budget

2020 Budget Agenda Nov 16

- 09:00 a.m. Budget Context
- 09:45 a.m. Transportation
- 10:15 a.m. Drainage
- 10:35 a.m. Coffee Break
- 10:50 a.m. Waste Management
- 11:30 a.m. Corporate Services
- 12:15 p.m. Lunch
- 12:45 p.m. Planning Economic Development & Communications
- 01:15 p.m. Parks and Recreation
- 01:45 p.m. Finance and CAO
- 02:10 p.m. Overview of capital projects and reserves for projects presented

2019 Accomplishments

- ◉ Escribe software installation & implementation
- ◉ Business Retention & Expansion project completed & implementation underway
- ◉ Beaches Study phase 2 completed
- ◉ Mayor's Breakfast, 40% increase in attendance
- ◉ Waterfront Development & Parks and Recreation Master Plan projects

2019 Accomplishments

- Fire Department Code of Conduct & Ethical Standards
- IT Systems security measures implemented
- IT Systems mobile device policy approved & implemented
- 5 hiring processes completed
- Doctor Recruitment Committee

2019 Accomplishments

- ◉ Windermere Drive municipal water connections
- ◉ Multi-use recreation path Ferran Drive
- ◉ Preliminary design plans for Ingleside WWTF underway
- ◉ Ingleside Park completed installation of splashpad and landscaping

Global Influences

- ◉ Growth of eastern economy – China, India
- ◉ Protectionism continues – economic, immigration, culture
- ◉ Climate change – rise of youth leadership
- ◉ Automation – by 2030 ~14% world's workforce may have to find new occupations

Global Influences

- Infrastructure concerns – worldwide municipal, provincial/state and federal levels
- Cyber attacks – business, personal, government
- Equity, inclusion & social integration
- World of work – contracts, mobile offices, less need for bricks and mortar, boomers retiring

Global Influences

- Role of social media – elections, bullying
- Exponential change – speed
- Ongoing tensions/war in middle east escalate

MPs receive 188,000 abusive tweets in three months, report finds

Almost two-thirds of the messages were sent from accounts belonging to men, analysis shows

UK Independent Newspaper



Amazon grew 3000%, while every other competitor — bar Walmart - shrunk...

| COMPANY | VALUE (2006) | VALUE (2016) | % Change |
|-----------|--------------|---------------------|----------|
| sears | \$14.3B | \$0.9B | 94% |
| JCPenney | \$18.1B | \$1.7B | 90% |
| NORDSTROM | \$12.4B | \$7.7B | 38% |
| KOHL'S | \$24.2B | \$7.1B | 71% |
| ★macy's | \$24.2B | \$7.1B | 71% |
| WALMART | \$28.4B | \$18.4B | 41% |
| TARGET | \$51.3B | \$31.7B | 38% |
| Walmart* | \$214.0B | \$243.9B | 15% |
| amazon | \$17.5B | \$174.4B | >\$820B |

Source: Yahoo Finance & visualcapitalist.com

The most valuable companies in the world in 2016. Source: Yahoo Finance and visualcapitalist.com.



Global Influences

The average cost of a data breach in 2020 will exceed \$150 million
As more business infrastructure gets connected, Juniper Research data suggests that cybercrime will cost businesses over \$2 trillion total in 2019.

In 2018 hackers stole half a billion personal records
This was a 126% jump from 2017. Since 2013 there are approximately 3,809,448 records stolen from breaches every day.. 158,727 per hour, 2,645 per minute and 44 every second of every day reports Cybersecurity Ventures.

By 2020 there will be roughly 200 billion connected devices
The risk is real with IoT and its growing. According to figures compiled within a recent Symantec Internet Security Threat Report, there are 25 connected devices per 100 inhabitants in the US.



Social Media Monitoring During Elections: Cases and Best Practice to Inform Electoral Observation Missions

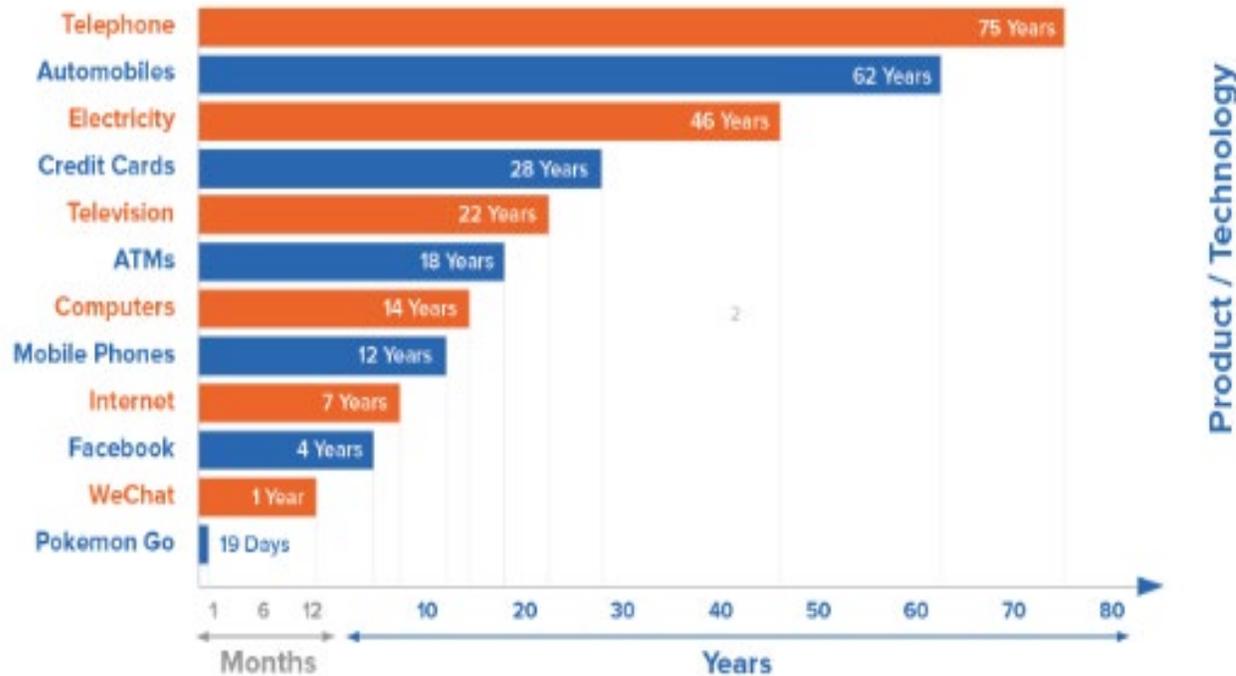
July 31, 2019

Concern over online interference in elections is now widespread—from the fallout of the Cambridge Analytica scandal to the pernicious effects messaging apps have had in elections in Kenya or Brazil. Yet regulatory and monitoring efforts have lagged behind in addressing the challenges of how public opinion can be manipulated online, and its impact on elections. The phenomenon of online electoral interference is global. It affects established democracies, countries in transition, and places where freedom of expression and access to information are tightly controlled.

Democracy Reporting International

Global Influences

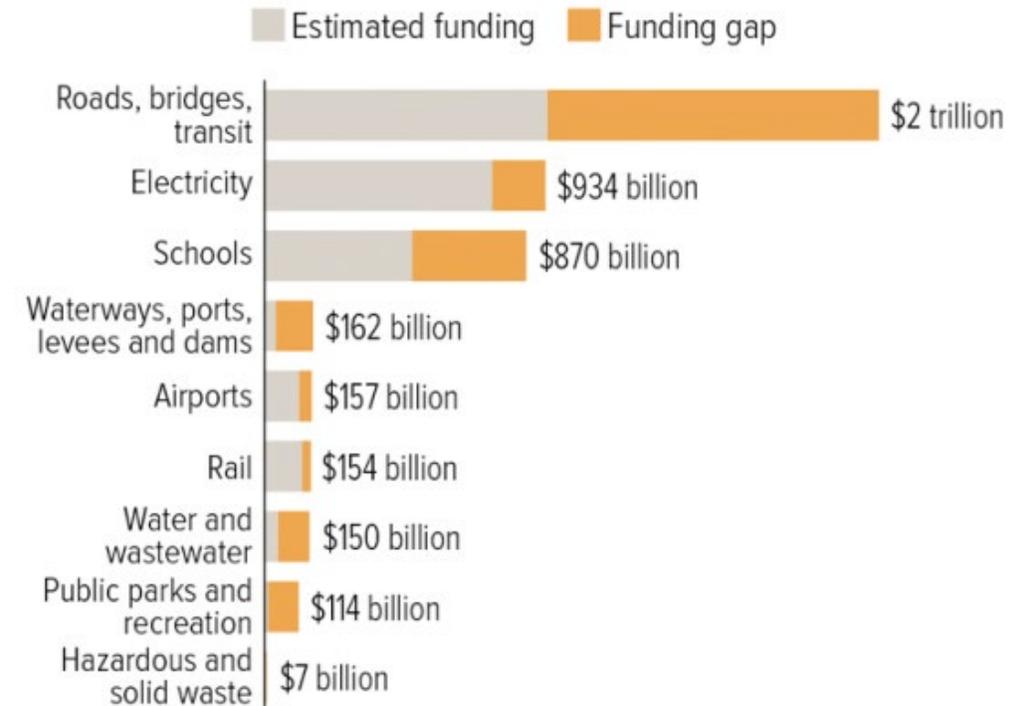
TIME TO REACH 50 MILLION USERS



<https://blogs.wsj.com/economics/2015/03/13/it-took-the-telephone-75-years-to-do-what-angry-birds-did-in-35-days-but-what-does-that-mean/>
<http://www.visualcapitalist.com/how-long-does-it-take-to-hit-50-million-users/>

Public Infrastructure Has Been Neglected

Infrastructure needs, funded and unfunded, 2016-2025



Source: American Society of Civil Engineers 2017 Infrastructure Report Card and Failure to Act series, published 2011-2017

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

Canadian/Federal Influences

- Canada ranks 5th in world for highest household debt
- Climate change – floods & fires, arctic warming
- Cannabis
- Role of social media
- Public sector retirements – over 40% in Ontario
- Interprovincial tensions - pipelines, rise of PQ isolationist policies, rise in western frustration

Canadian/Federal Influences

- ◉ Liberal minority government
- ◉ Infrastructure program
- ◉ Addressing unrest/dissatisfaction in western Canada
- ◉ Addressing increased protectionism in Quebec
- ◉ Climate change
- ◉ Relationship with Ontario's Conservative Premier

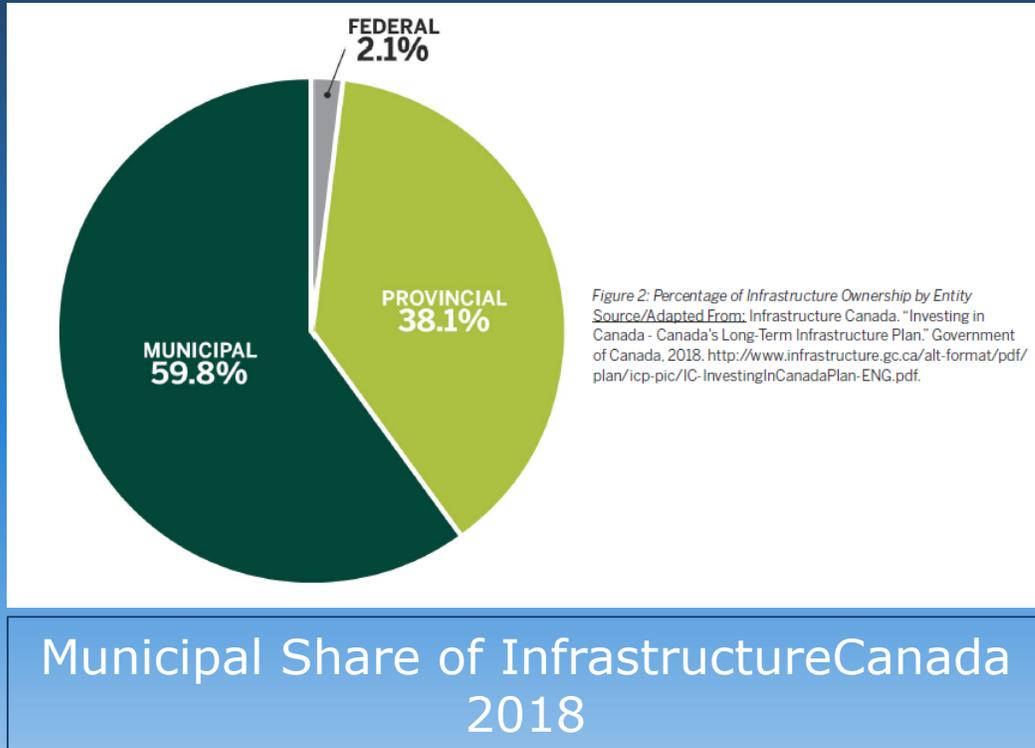
Canadian/Federal Influences

From Fires to Floods, Extreme Weather May Be Shaping Canadians' Views on Climate Crisis

The Tyee



Canadian/Federal Influences



How baby boomers retiring will affect the economy

Seniors will make up over 20% of the population by 2030. By 2030, over 20% of the population will be 65 or over, which means that they'll be past the current age of retirement. This doesn't mean that boomers will stop working, but it does mean that they'll become eligible for social assistance and, in the U.S., government-provided Medicare coverage, putting a strain on public funds.

Economic growth in general relies on the growth of the labour force. During the 1970s, after many boomers had entered the workforce, economic growth in Canada peaked at 4%, but the country predicts it will only grow at less than 2% annually during the 2020s. Politicians and economists used to steady economic growth will have to temper expectations.

Canadian/Federal Influences

'It's a bit weird': She's French, but Quebec denies residency over language

CTV News

**Quebec wants
Ottawa to accept its
values tests for
immigrants**

iPolitics

Separated at birth,
how two provinces
have now reunited
in alienation

CBC News

B.C. calls for unity
as Western
alienation
sentiments surge

CBC News

Western alienation
and anger: How
should Canada move
forward?

CBC News

Provincial Influences

- Relationship with Liberal Federal government
- Pace and extent of legislative changes
- Advance and retreat on provincial program announcements creating uncertainty
- Lack of consultation on some topics

A year into his government, Ontario Premier Doug Ford has shown no interest in engaging with other provinces to pursue a pan-Canadian interest.

Policy Options

Provincial Influences

Figure 9 - Calculation of Capital Infrastructure Deficit for Rural Eastern Ontario

| Capital Infrastructure Deficit Calc. for... | Value of Assets at Cost (\$ Billion) | Book Value of Assets (\$Billion) | Capital Infrastructure Deficit (\$Billion) |
|---|--------------------------------------|----------------------------------|--|
| Rural Eastern Ontario - 2009 | 7.65 | 4.36 | 3.29 |
| Rural Eastern Ontario - 2010 | 8.09 | 4.62 | 3.47 |
| Rural Eastern Ontario - 2011 | 8.71 | 4.97 | 3.74 |

Figure 10 - Calculation of Average Annual Expenditure Required to Address the Capital Infrastructure Deficit in Rural Eastern Ontario

| Annual Investment Requirements to Address Capital Infrastructure Deficit | Capital Infrastructure Deficit at 2011 (\$Billion) | Period Over Which Deficit to be Addressed (Years) | Average Annual Expenditure Required (\$Billion) |
|--|--|---|---|
| Rural Eastern Ontario - 2009 | 3.29 | 10 | 0.329 |
| Rural Eastern Ontario - 2010 | 3.47 | 10 | 0.347 |
| Rural Eastern Ontario - 2011 | 3.74 | 10 | 0.374 |

Provincial Influences

A More Inward Looking Ontario Emerges Under Ford

In its first year in office, the Ford government has brought forth ambitious plans for an in-depth restructuring of both the health care and secondary education systems, for the adoption of a performance model of university funding, for a billion-dollar cut to social assistance, and for downloading public health and childcare costs onto municipalities. In short, the government has decided to invest its energies in austerity projects posing significant bureaucratic/administrative challenges as well as predictable conflicts with a wide range of affected stakeholders. It is not a government that is looking to intergovernmental relations to meet its policy goals, nor one that has imagination or appetite for national conversations.

iPolicy

Provincial Influences

| Bills | Status | Acts Affected |
|---|--|---|
| <p>Bill 138, Plan to Build Ontario Together Act, 2019</p> | <p>Nov 6, 2019 1st reading, carried</p> | <p>Alcohol and Gaming Commission of Ontario Act, 2019 - Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996 - Building Opportunity and Securing Our Future Act (Budget Measures), 2014 - Business Corporations Act, Cannabis Control Act, 2017 - Cannabis Licence Act, 2018 - Child, Youth and Family Services Act, 2017 - City of Greater Sudbury Act, 1999 - City of Hamilton Act, 1999 - City of Ottawa Act, 1999 - City of Toronto Act, 2006 - Commodity Futures Act - Connecting Care Act, 2019 - Co-operative Corporations Act - Cutting Unnecessary Red Tape Act, 2017 - Dangerous Goods Transportation Act Development Charges Act, 1997 - Egyptian Heritage Month Act, 2019 - Election Act Employment Standards Act, 2000 - Financial Professionals Title Protection Act, 2019 - Fish and Wildlife Conservation Act, 1997 - Food Safety and Quality Act, 2001 - Gaming Control Act, 1992 - Gasoline Tax Act - Health Insurance Act - Hellenic Heritage Month Act, 2019 - Higher Education Quality Council of Ontario Act, 2005 - Highway Traffic Act - Horse Racing Licence Act, 2015 - Human Rights Code - Independent Health Facilities Act - Interim Appropriation for 2020-2021 Act, 2019 - Legislative Assembly Act - Licence Appeal Tribunal Act, 1999 - Limitations Act, 2002 - Liquor Control Act - Liquor Control Board of Ontario Act, 2019 - Liquor Licence Act - Liquor Licence and Control Act, 2019 - Liquor Sales Agreements Act - Liquor Tax Act, 1996 - Metropolitan Toronto Convention Centre Corporation Act - Ministry of Health and Long-Term Care Act - Ministry of Health and Long-Term Care Appeal and Review Boards Act, 1998 - Ministry of Revenue Act - Motorized Snow Vehicles Act - Municipal Act, 2001 - Municipal Elections Act, 1996 - Off-Road Vehicles Act - Ombudsman Act - Ontario Cannabis Retail Corporation Act, 2017 - Ontario Drug Benefit Act - Ontario Lottery and Gaming Corporation Act, 1999 - Pension Benefits Act - Personal Health Information Protection Act, 2004 - Plan to Build Ontario Together Act, 2019 - Planning Act - Provincial Day of Action on Litter Act, 2019 - Provincial Offences Act - Regulated Health Professions Statute Law - Amendment Act, 2009 - Retail Business Holidays Act - Retail Sales Tax Act - Securities Act Shortline Railways Act, 1995 - Strengthening Quality and Accountability for Patients Act, 2017 Supplementary Interim Appropriation for 2019-2020 Act, 2019 - Supply Chain Management Act (Government, Broader Public Sector and Health Sector Entities), 2019 - Taxation Act, 2007 - Tobacco Tax Act - Toronto Stock Exchange Act - Town of Haldimand Act, 1999 - Town of Norfolk Act, 1999 - Vintners Quality Alliance Act, 1999 - Wine Content and Labelling Act, 2000</p> |

Provincial Influences

| Bills | Status | Acts Affected |
|--|--|---|
| Bill 136, Provincial Animal Welfare Services Act, 2019 | Introduced Oct 29, 2019 2 nd day debates Nov 7, 2019 | Animal Health Act, 2009 - Animals for Research Act - Dog Owners' Liability Act - Ontario Society for the Prevention of Cruelty to Animals Act - Provincial Animal Welfare Services Act, 2019 |
| Bill 115, Bringing Choice and Fairness to the People Act, 2019 | Royal Assent June 6, 2019 | Bringing Choice and Fairness to the People Act (Beverage Alcohol Retail Sales), 2019 - Building Ontario Up Act (Budget Measures), 2015 - Liquor Control Act |
| Bill 34, Green Energy Repeal Act | Royal Assent Dec 6, 2018 | Conservation Authorities Act - Electricity Act, 1998 - Environmental Protection Act - Green Energy Act, 2009 - Ministry of Natural Resources Act - Niagara Escarpment Planning and Development Act - Ontario Energy Board Act, 1998 - Planning Act - Water Opportunities Act, 2010 |
| Bill 66, Restoring Ontario's Competitiveness Act | Introduced Dec 6, 2018 Royal Assent April 3, 2019 | Agricultural Employees Protection Act, 2002 - Child Care and Early Years Act, 2014 - Education Act - Employment Standards Act, 2000 - Farm Registration and Farm Organizations Funding Act, 1993 - Highway Traffic Act - Labour Relations Act, 1995 - Long-Term Care Homes Act, 2007 - Ministry of Agriculture, Food and Rural Affairs Act - Ontario Energy Board Act, 1998 - Pawnbrokers Act - Pension Benefits Act - Personal Property Security Act - Planning Act - Private Career Colleges Act, 2005 - Technical Standards and Safety Act, 2000 - Toxics Reduction Act, 2009 - Wireless Services Agreements Act, 2013 |

Changes at the Local Level

- Council sitting for 1 year
- Significant amount of work completed to date
- Opening meetings (in process), making them more accessible to community
- Addition of Doctor Recruitment Committee
- Focus on waterfront development
- Increased costs for recycling services

South Stormont at a Glance

| Total Population | Total Households | Median Annual Income (2015) | 2018 Twp Taxes/HH | 2018 Twp Expenditures/HH | 2018 CAO's TV, Internet, Cell Expenditures |
|------------------|------------------|-----------------------------|-------------------|--------------------------|--|
| 13,110 | 5,548 | \$76,092 | \$1,275.61 | \$2,522.55 | \$3,729.84 |

South Stormont Services/HH

Council, Road maintenance, Snow clearing – roads and sidewalks, Road construction, Sidewalk construction, Drainage, Building services, Planning services, Waste Collection, Recycling, Fire Protection, Emergency Management, Parks, Recreation programming, Recreation facilities, By-law Enforcement, Animal Control, Economic Development, Heritage, Communications, Tax collection, Bill payments, Asset Management, Fire Safety Education/Training and Inspections, Health and safety, Parking lots, Compliance with Provincial standards/regulations, Human Resources, Compliance with Federal laws, standards, regulations, Financial reporting, Grant applications, Elections, Birth/Death registrations, Corporate secretariat functions, Corporate financial functions, Financial management, Risk management, Water, Wastewater, Storm water, Loan payments, Grants to community, Medical responses, Information technology, Records management, Services locates, Procurement, Parks construction, Parks maintenance, Committees, Community groups ...



How South Stormont Compares

| | South Stormont | North Dundas | South Dundas | South Glengarry | Loyalist Twp | Brighton | Perth East Twp | Ontario |
|--|----------------|--------------|--------------|-----------------|--------------|----------|----------------|------------|
| Total Population | 13,110 | 11,278 | 10,833 | 13,150 | 16,971 | 11,844 | 12,261 | 13,448,495 |
| Average total income households in 2015 (\$) | 89,881 | 87,224 | 76,540 | 93,160 | 89,504 | 81,162 | 93,255 | 97,856 |
| Average after-tax income households in 2015 (\$) | 75,429 | 74,031 | 66,066 | 77,840 | 76,037 | 69,025 | 79,020 | 80,322 |
| Prevalence of low income based on the Low-income measure, after tax (LIM-AT) (%) | 10.0 | 10.4 | 14.0 | 10.7 | 8.6 | 10.8 | 14.1 | 14.4 |

How South Stormont Compares

| Municipality | Hh'ds 2017 | Assessment 2017 | Local Taxes 2017 | Tax Dollars per Hh'd 2017 | Hh'ds 2018 | Assessment 2018 | Local Taxes 2018 | Tax Dollars per Hh'd 2018 |
|-----------------|------------|-----------------|------------------|---------------------------|------------|-----------------|------------------|---------------------------|
| South Stormont | 5,495 | 1,381,139,677 | \$6,788,597 | \$1,235 | 5,548 | 1,455,951,342 | \$7,077,079 | \$1,276 |
| Loyalist | 6,789 | 1,787,510,150 | \$14,465,135 | \$2,131 | 6,965 | 1,857,751,659 | \$15,772,848 | \$2,265 |
| Brighton | 5,099 | 1,315,483,203 | \$8,181,845 | \$1,605 | 5,099 | 1,390,407,805 | \$8,100,580 | \$1,589 |
| Perth East | 4,182 | 2,639,461,304 | 7,301,657 | \$1,746 | 4,080 | 3,001,616,189 | \$8,008,151 | \$1,963 |
| North Dundas | 4,666 | 1,749,249,054 | 5,981,551 | \$1,282 | 4,706 | 1,915,737,972 | \$6,189,924 | \$1,315 |
| South Dundas | 4,555 | 1,408,586,390 | 6,559,121 | \$1,440 | 4,555 | 1,495,537,225 | \$6,940,890 | \$1,524 |
| South Glengarry | 5,948 | 1,955,608,536 | 8,755,007 | \$1,472 | 5,948 | 2,130,855,506 | \$8,941,801 | \$1,503 |

2020 Budget Goals & Objectives

Current State Assessment

Strengths

- High level of service from all departments -> Open-minded –
- Working with our share holders in our waterfront, Dr. recruitment,
- History: good working relationship with Lost Villages which is a big draw to the community
- Excellent Township-owned facilities and services

Opportunities

- Expanded parks, rec & tourism
- Better relations with SLPC-> impetus to access, develop waterfront.
- Partner w/ post-sec institutions: staff development, econ development
- Doctor recruitment
- Implement new programs & software to increase efficiencies
- Seek funding from upper levels govt.

Weaknesses

- Aging infrastructure
- Reactive now - trying to be proactive e.g. school closures
- Long term capital planning incorporated into budgets
- Better definitions of level of service & cost to provide services

Threats

- Reduced funding & downloading from upper levels of government .
- Changing legislations (i.e. health & safety, operational, accessibility etc..)
- Succession planning & continuity
- Aging population to be considered (housing/transportation)



2020 Budget Goals & Objectives

Top 10 Budget Considerations for 2020 based on Goals and Priorities
Work Completed on Sept. 24/2019

1. Increase reserves and identify funding sources
2. Fleet management & equipment upgrades
3. Ingleside WWTP
4. Asset Management Plan
5. Waste management plan updates
6. Reconstruction of roads, bridges & sidewalks
7. Human Resources planning
8. Waterfront enhancements
9. Setting and costing levels of services
10. Online activity (website, mobile app)



2020 Budget Goals & Objectives

What Success Looks Like

1) Staff development and retention plans are working with solid succession planning

1.1) Succession plan for retiring directors

1.2) comprehensive human resources program w software & policies

2) Fully integrated Asset Management Plan and software

2.1) Asset Mgt. plan in place including financial plan

3) Comprehensive reserves and reserve funds policies w long term goals & annual budget targets

3.1) Long term capital plans integrated into budget, including maintenance schedules

2020 Budget Goals & Objectives

What Success Looks Like

4) Ingleside WWTP completed and operational

4.1) Expanded Ingleside WWTP

4.2) WWTP reconstruction

4.3) Ingleside water treatment plant up and running well so development will grow

5) Continued growth..... residential, economic growth commercial and industrial

5.1) Continued residential and commercial growth

6) Kept our infrastructure in good shape for future



2020 Budget Goals & Objectives

What Success Looks Like

- 7) Exemplary environmental practices including waste management, proper planning for the closure of the current landfill is complete and alternative solution for waste moving forward
- 8) Better utilization of Waterfront -> working with St. Lawrence Parks Commission for our waterfront improvements
- 9) keeping taxes at fair rate for our residents
- 10) depts. fully IT integrated w new website - customer service, off site uses and connectivity & mobile apps



2020 Budget Goals & Objectives

What Success Looks Like

- 11) Community Beautification in Long Sault, St. Andrews, Newington, Ingleside (street scaping, urban art, landscaping in plaza/high traffic areas/village centres)
- 12) doctor recruitment
- 13) Increased tourism and focal point
- 14) Broadband across the Township



2020 Budget Context – Conclusions

- A wide range of factors affect the Township's place, role and financial position
- Every municipality affected
- Choices are difficult
- Use of pay as you go (taxes) balanced with long term financing may be appropriate for some purchases
 - Future users of the assets contribute towards their use of the assets

2020 Budget Context – Conclusions

- Budget items presented are based on the information gathered during the Goals and Objectives session in Sept.
- Projects presented are preliminary for Council review and consideration
- Staff working on various funding options to be presented on Nov 27th
- No decisions until at least December
- Comments and feedback welcomed

2020 South Stormont Budget Context

Questions?

