

# BUDGET CONTEXT

**2021**

**Proposed Budget Overview**

**March 6, 2021**



# 2020 Successes



## BUDGET CONTEXT 2021

- Parks and Recreation Master Plan
- Waterfront Development Plan
- Service Delivery Review
- Pay Equity Job Evaluation / Compensation
- New HR Policies, Performance Management Plan
- Vacation Entitlement Sort Out
- Procurement Policy and Procedures
- Industrial Lands Sales
- Survived COVID (Pandemic Policy)



# 2021 Budget Context



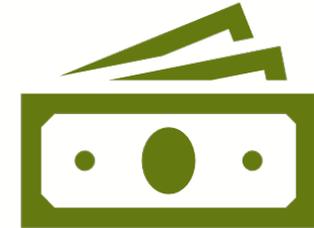
## BUDGET CONTEXT 2021



Population: 14,068  
(2019)



Average Dwelling  
Value: \$318,997  
(2019)



Average Household  
Income: \$97,647  
(2019)



Labour Force: 7,696 (2019)  
64% participation rate



# 2021 Budget Context



## BUDGET CONTEXT 2021



Household Income by Broad Groups

	South Stormont	SDG Counties	Ontario
Total Number of Households	5,666	54,046	5,666,640
Income Levels	%	%	%
Under \$10,000	1	2	3
\$10,000 to \$19,000	4	7	5
\$20,000 to \$39,000	14	20	15
\$40,000 to \$59,999	16	17	15
\$60,000 to \$79,999	17	14	14
\$80,000 to \$99,999	14	12	12
\$100,000 and over	39	26	37
% of households earning \$59,999 or less	35	46	38

June 2020 data, Manifold

# 2021 Budget Context



## BUDGET CONTEXT 2021

- COVID – 19 & variants
- Economic recovery – world, national, provincial & regional
- Asset management – condition, O. Reg. 588/17 compliance
- Implementing Service Delivery Review
- Growth & demands on service delivery
- Finance Dept improvements
- Long term financial management plan



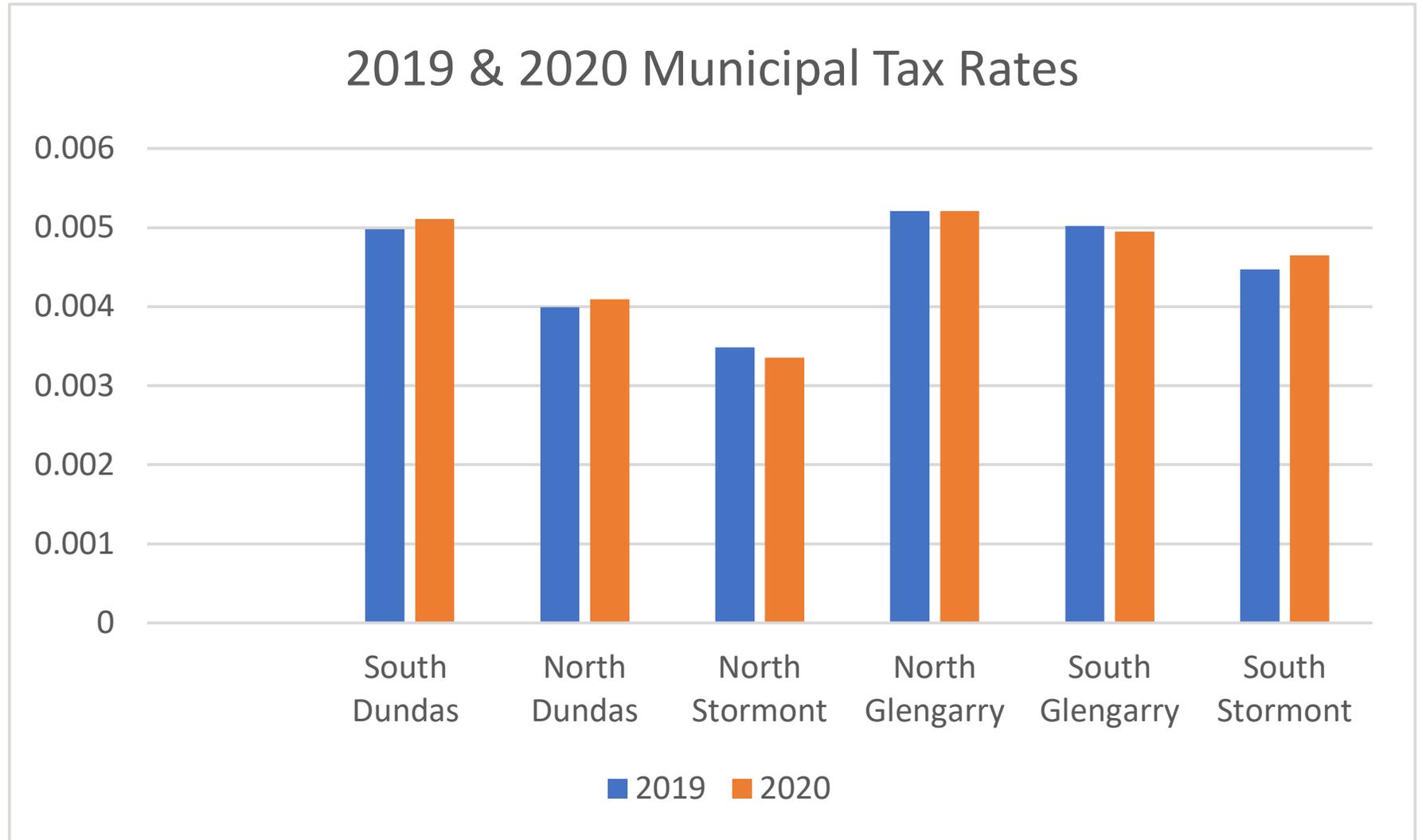


# BUDGET CONTEXT 2021



# How Do We Measure Up?

## South Stormont Tax Rates in Middle of SDG Municipalities

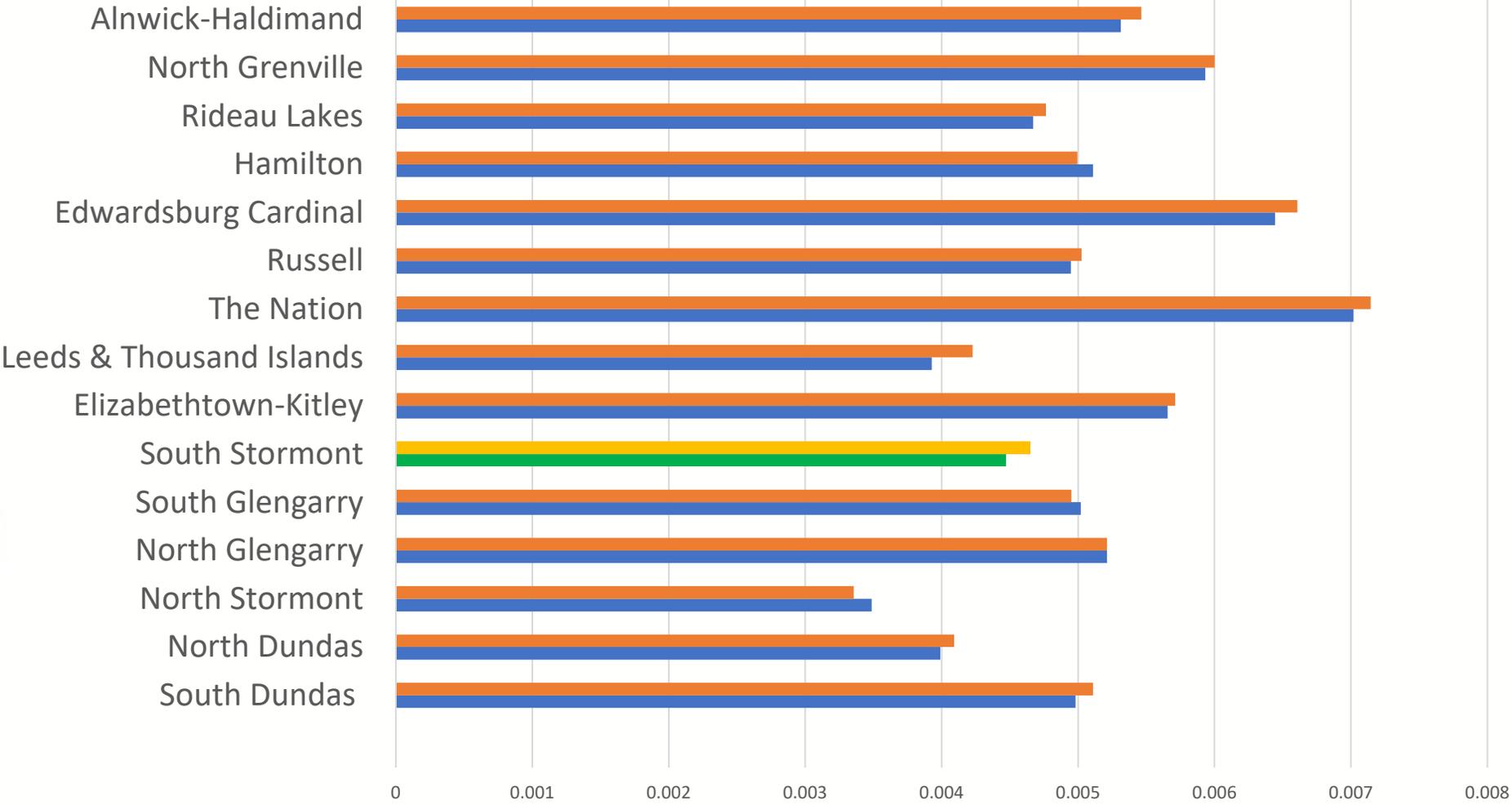


2019 Financial Information Returns, 2020 respective By-laws

# How Do We Measure Up?

## South Stormont Property Taxes Among the Lowest in Rural Eastern Ontario

2019 & 2020 Lower Tier Tax Rates



2019 Financial Information Returns & 2020 respective By-laws

2020 2019



# BUDGET CONTEXT 2021





# BUDGET CONTEXT 2021



# Roadmap to Build the 2021 Budget

- Initial Budget Tax Increase – 2% (after assessment growth)
  - Incorporates:
    - Service level adjustments
    - Work not completed/undertaken 2019 & 2020
    - Municipal insurance policies (20% )
  - Relies on:
    - Reserves & debt (26%)
    - other levels of government, grants (13%)



# BUDGET CONTEXT 2021



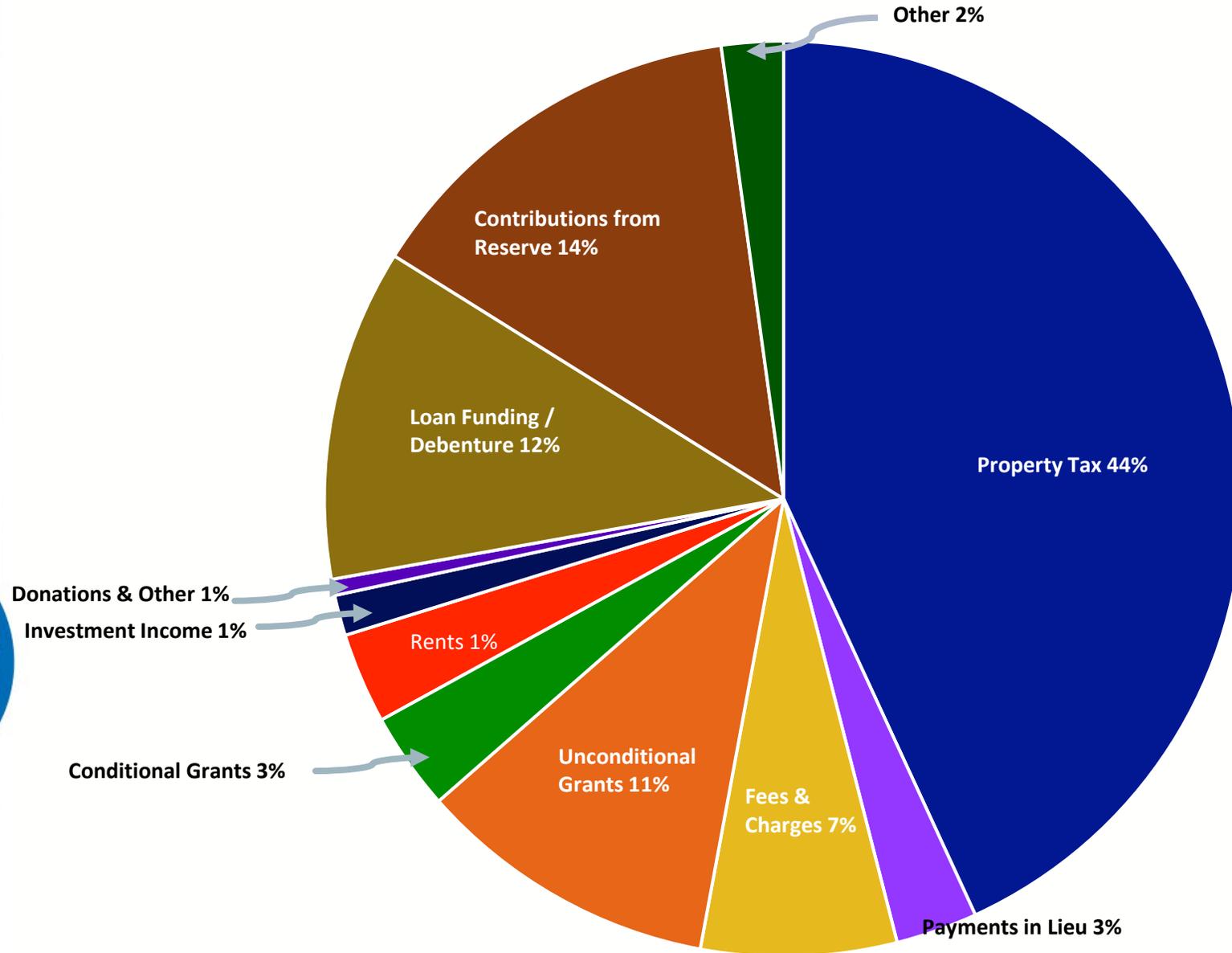
# Roadmap to Build the Budget

- Service Level Adjustments
  - Enterprise-wide service level adjustments
    - Software improvements, insurance, wages, benefits & position adjustments
  - Selected service level adjustments
    - Asset management, improving processes
  - Accepting increased risk
    - 150% increase insurance deductible
    - Increased debt

# Revenue Sources



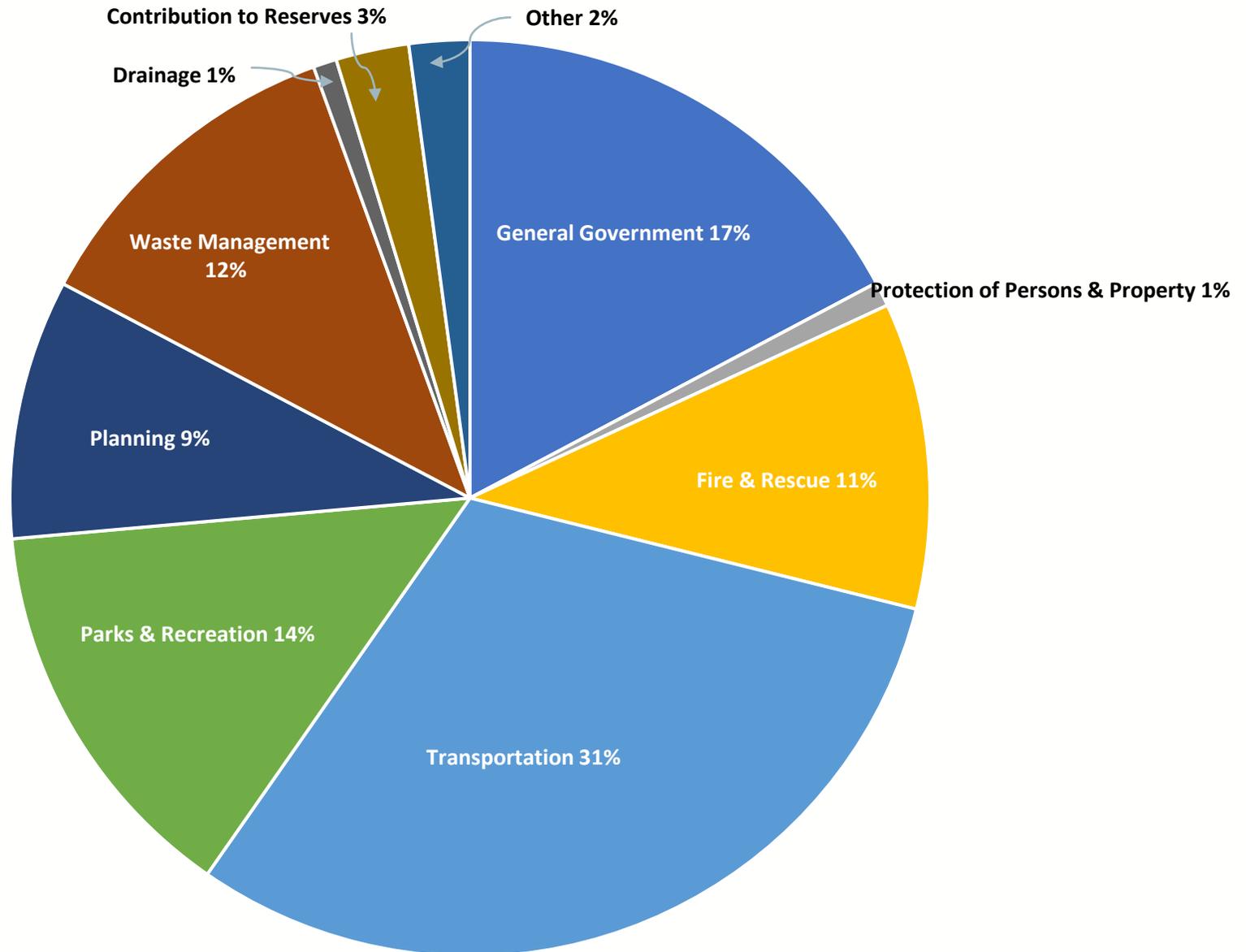
## BUDGET CONTEXT 2021



# Total Expenditures by Function



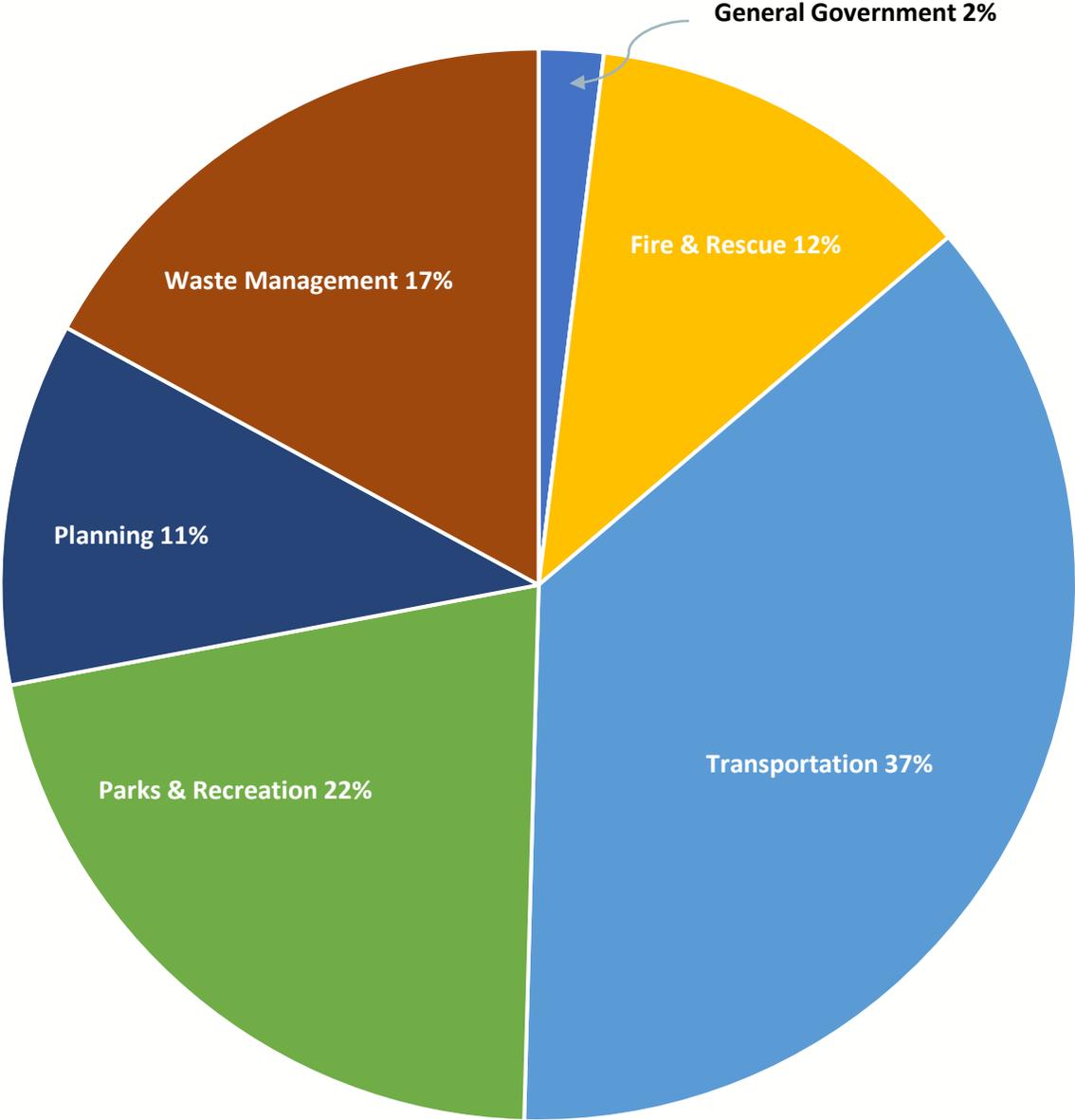
## BUDGET CONTEXT 2021



# Capital Expenditures



## BUDGET CONTEXT 2021





# BUDGET CONTEXT 2021



# 2021 Capital Investment Summary



Significant amount of Road work



Substantial asset renewal work in other asset categories



Investments in technology to enable customer service improvements and more efficient daily service delivery



Services that support a community experiencing strong economic and employment growth

# Long-term Needs



## BUDGET 2021



Parks and Recreation Master Plan



Strategic Plan



Waterfront  
Development Plan



Facilities



Development and Growth



Transportation

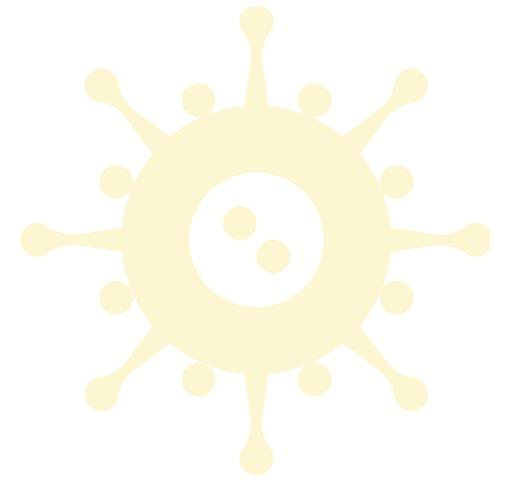




# BUDGET CONTEXT 2021



# 2021 Budget Risks



## COVID-19

- Decreasing revenues
- Higher PPE expenditures
- Impacts for service partners

## Other Considerations

- Growth & Development
- Economic Recovery
- Need for long term financial plans
- Waterfront & Parks & Recreation Master Plans
- Asset Management Plan
- Funding from senior levels of government

# 2021 Budget Risks



## BUDGET CONTEXT 2021

- COVID – 19 health, personal and social effects continue to influence community & service delivery
  - Uncertain timeline for community vaccinations
  - Effects due to COVID variants
  - Community socialization & interaction changes
  - Ongoing PPE costs
  - Possible revenue loss



# 2021 Budget Risks



## BUDGET CONTEXT 2021

- Growth & Development
  - Industrial/Commercial developments
  - Current lack of housing options
  - Federal Provincial support
  - Plan to address effect on Township



# 2021 Budget Risks



## BUDGET CONTEXT 2021

- Economic recovery – global, national, provincial & regional
  - Costs for goods & services may be higher
  - Rising housing prices
  - Ability to obtain goods and services in time/as needed
  - Unemployment
  - Small business recovery



# 2021 Budget Risks



## BUDGET CONTEXT 2021

- Long term financial management plan
  - Move from reliance on annual budget process
  - Increased cost of capital improvements, upgrades, maintenance
- Improved taxation plan
- Effective reserve & reserve fund policy
- Effective investment policy



# 2021 Budget Risks



## BUDGET CONTEXT 2021

- Asset management – condition, O. Reg. 588/17 compliance
  - Current assets – repairs & maintenance needs
  - Continued reliance on annual budget
  - Asset Management Plan – Regulation timeline
  - New facilities



# 2021 Budget Risks



## BUDGET CONTEXT 2021

- Growth & demands on service delivery
  - Commercial growth
  - Effect on hard services
  - Ability to plan versus react
  - Housing inventory low
  - Housing stock not mixed
  - Meeting needs of aging population & families



# 2021 Budget Risks



## BUDGET CONTEXT 2021

- Finance Dept improvements
  - Correct & update financial systems base
  - New budget software
  - Available skills sets
- Integration of technology through all departments
- Improved data collection, analysis & reporting
- Timely reporting



# Proposed Budget Summary



## BUDGET CONTEXT 2021

- \$11,236,909 million Operating Budget
- \$1,125,984 million contribution to Reserves
- \$5,180,650 million Capital Budget
- Tabled Draft Budget = 2% property tax increase after assessment growth
- Includes COVID-19 impacts & municipal services delivery adjustments





# BUDGET CONTEXT 2021



# Property Tax Impacts

2% Investment from Taxpayers represents:

Value of Residential Property	\$200,000	\$450,000	\$700,000
Annual Property Tax Increase	\$18.59	\$41.82	\$65.06
Monthly Property Tax Increase	\$1.55	\$3.49	\$5.42

# Allocation of Property Tax Levy



## BUDGET CONTEXT 2021

