

Town of Oakville 2018 Budget

Budget Committee
November 21, 2017

2018 Budget Process

- June 2017
 - Election of Budget Committee Chair
 - Review of Guidelines
- Operating Budget Guideline
 - That, in addition to Council's existing direction to keep overall property taxes in line with inflation for 2018, the 2019 and 2020 budgets be prepared keeping overall property tax increases in line with inflation.

2018 Budget Process

- Budget Committee Meetings
 - Distribution of 2018 Budget Documents & Overview Presentation – November 21, 2017
 - Rates and Fees
 - Staff Presentations – November 23, 2017
 - Public Delegations – November 28 and 30, 2017
 - Budget Deliberations – December 12, 2017
- Council Approval – December 18, 2017

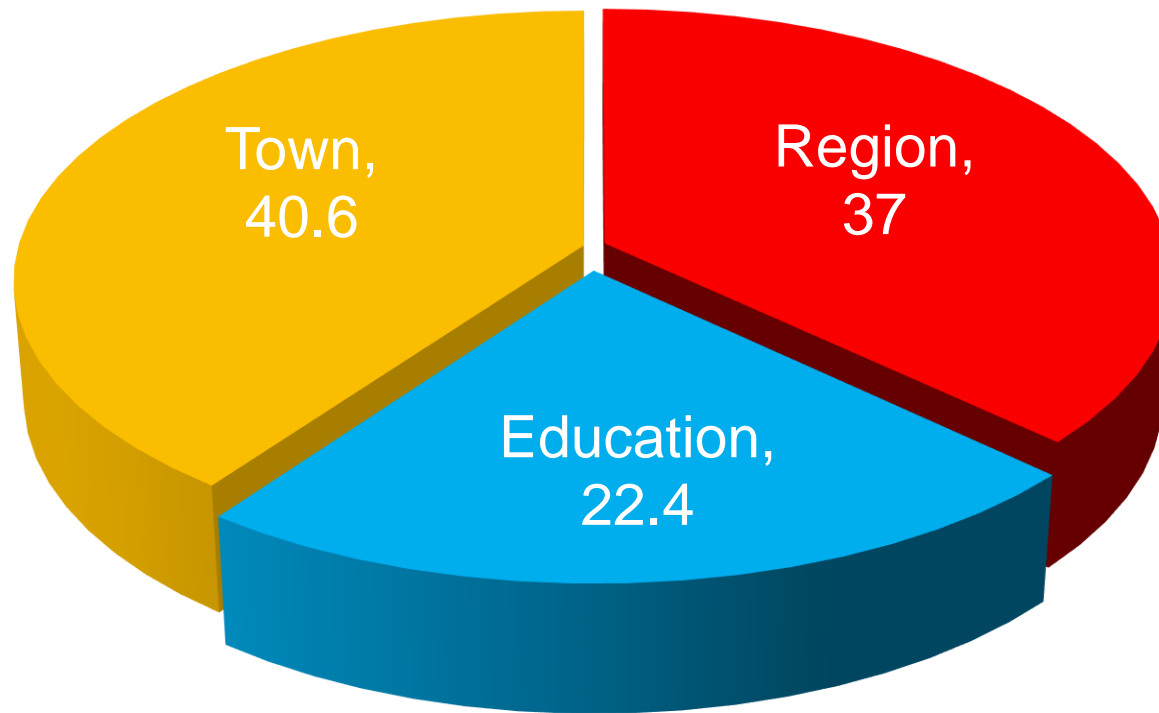
2018 Budget

- In line with Council's guideline
- Maintains services valued by our residents
- Ensures town's strong financial position is maintained
- Ensures funding to maintain infrastructure in state of good repair
- Accommodates services required due to growth

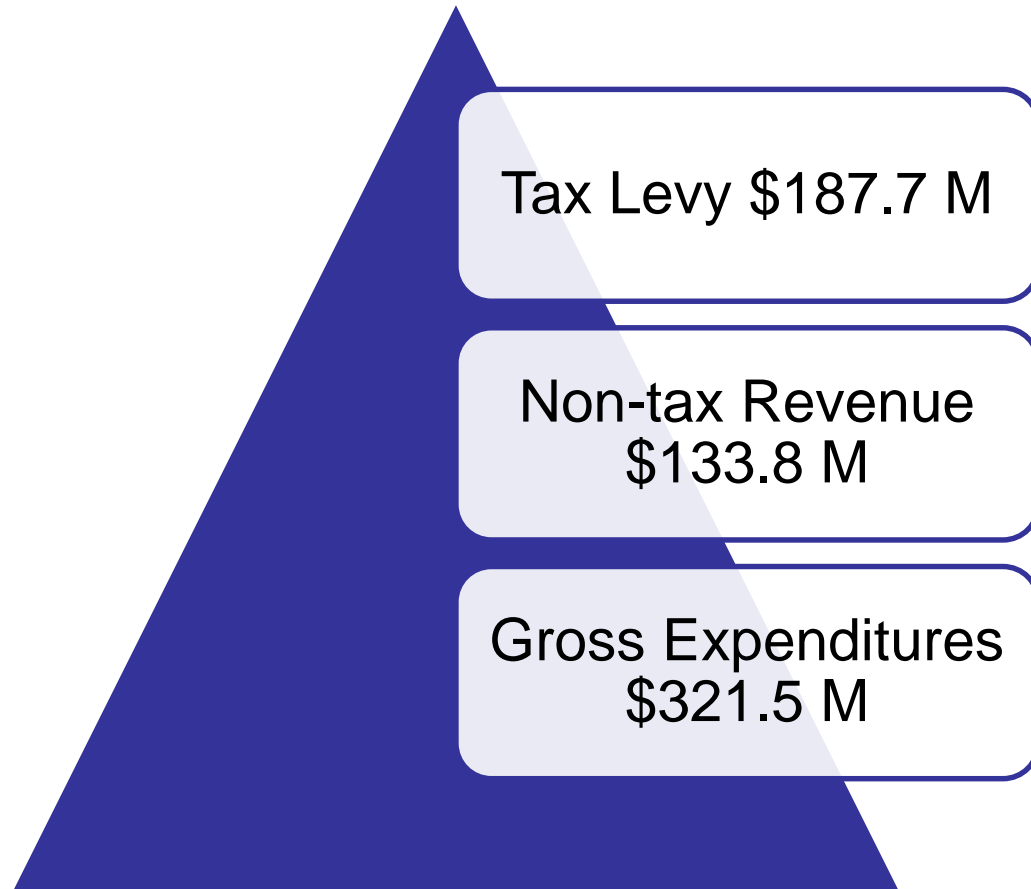
Focus On Programs

- The budget continues to be presented using PB2 methodology
- Focus on programs and program outcomes
- Performance measures included for all town programs, showing a five year trend for key program outcomes
- Livable Oakville Custom dashboard featuring 29 measures
- Town achieved ISO 37120 Platinum Certification from the World Council on City Data

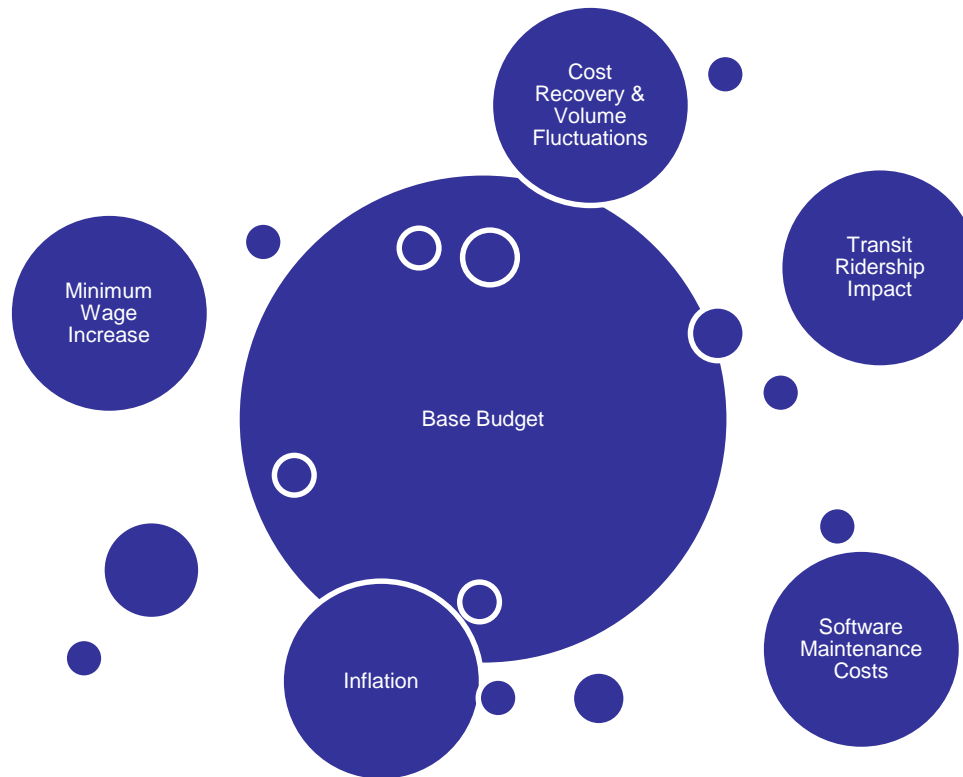
Residential Property Tax Bill



Proposed Budget



Budget Pressures



Minimum Wage Increase

\$1.1 M impact

- Minor changes to the way we budget within the bands reduced impact by \$300,000
- Integrity of grid kept in tact – Minimizes risk of compression issues
- Fee increases where possible to mitigate impact
- Adds pressure on cost recovery targets

Transit Ridership

Required revenue adjustment of \$0.8 M

- Mitigated through efficiencies resulting from detailed review of service/demand
- Increased use of gas tax to introduce service improvements and keep Transit budget at 2017 tax levy level

Program Requirements/Cost Recovery

Rates & Fee Policy requires review of program fees/cost recovery

- Recreation & Culture Fees reviewed this year
- Staffing levels adjusted to reflect increase in program demand
- Fee increases proposed to bring recovery closer to targets
- Will require further review in 2018
- Tax stabilization used to mitigate impact for 2018 budget – temporary measure

Fluctuation in Planning & Development Revenues

Identified as a key issue during 2017 budget process

- Fluctuations in volume create pressure on annual budget
- 2018 revenue budget based on average volumes over development cycle
- Mitigates impact of fluctuations
- Tax stabilization reserve will be used to balance actual revenues against budget

Staff Recommended Budget

- Funding to maintain existing services
- Includes:
 - Inflationary increase on existing expenditures
 - Mitigation of budget pressures
 - Operating impacts from completed capital projects
 - Maintenance of new parks and roads assumed through development process
 - Annualization of 2017 program initiatives
- Capital Levy to maintain infrastructure in state of good repair

New Assessment Growth

- Assessment growth from new development 1%
 - Results in a reduction in the town tax rate
- CVA does not provide additional revenue to the town
- Any additional growth on the returned roll will be transferred to tax stabilization to offset impacts of new facilities and infrastructure in future years

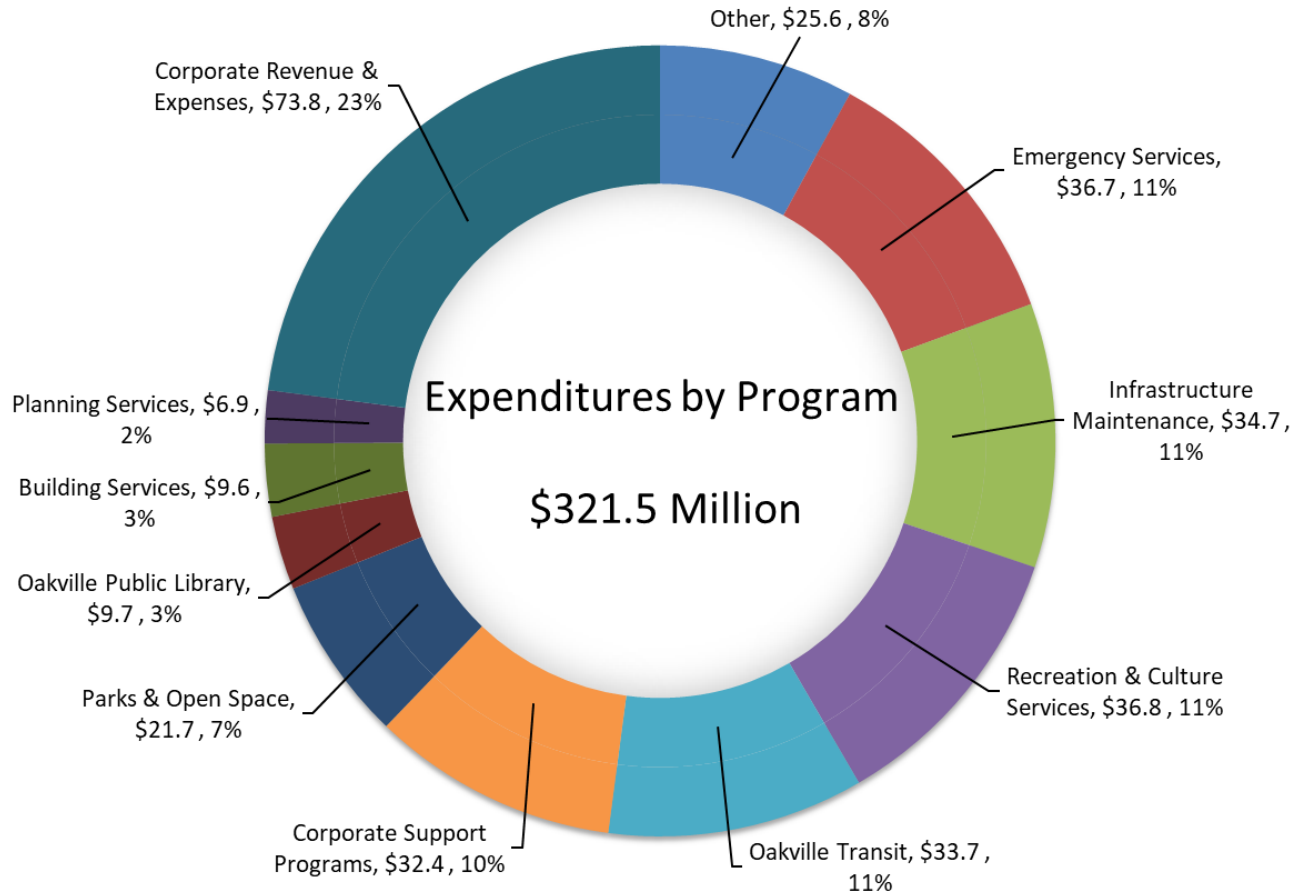
Total Tax Impact

Purpose	Share of Tax Bill	Increase	Impact on Total Bill	\$ Increase per \$100,000 of Assessment
Town of Oakville	40.6%			
Inflationary Impacts/Revenue Adjustment		2.41%	0.98%	\$7.81
Annualized Impact of 2017 Service Adjustments		0.08%	0.03%	\$0.26
Capital Driven Operating Costs for New Infrastructure		0.55%	0.22%	\$1.78
Assessment Growth		-1.00%	-0.41%	(\$3.24)
Total Base Operating Budget		2.04%	0.83%	\$6.61
Capital Levy		1.00%	0.41%	\$3.24
Additional Funding for Road Resurfacing		0.00%	0.00%	\$0.00
Budget Committee Referrals - Service Enhancements			0.00%	\$0.00
Total Town of Oakville*	40.6%	3.04%	1.23%	\$9.85
Region of Halton**	37.0%	1.9%	0.70%	\$5.61
Education	22.4%	0.00%	0.00%	\$0.00
Total *			1.94%	\$15.47

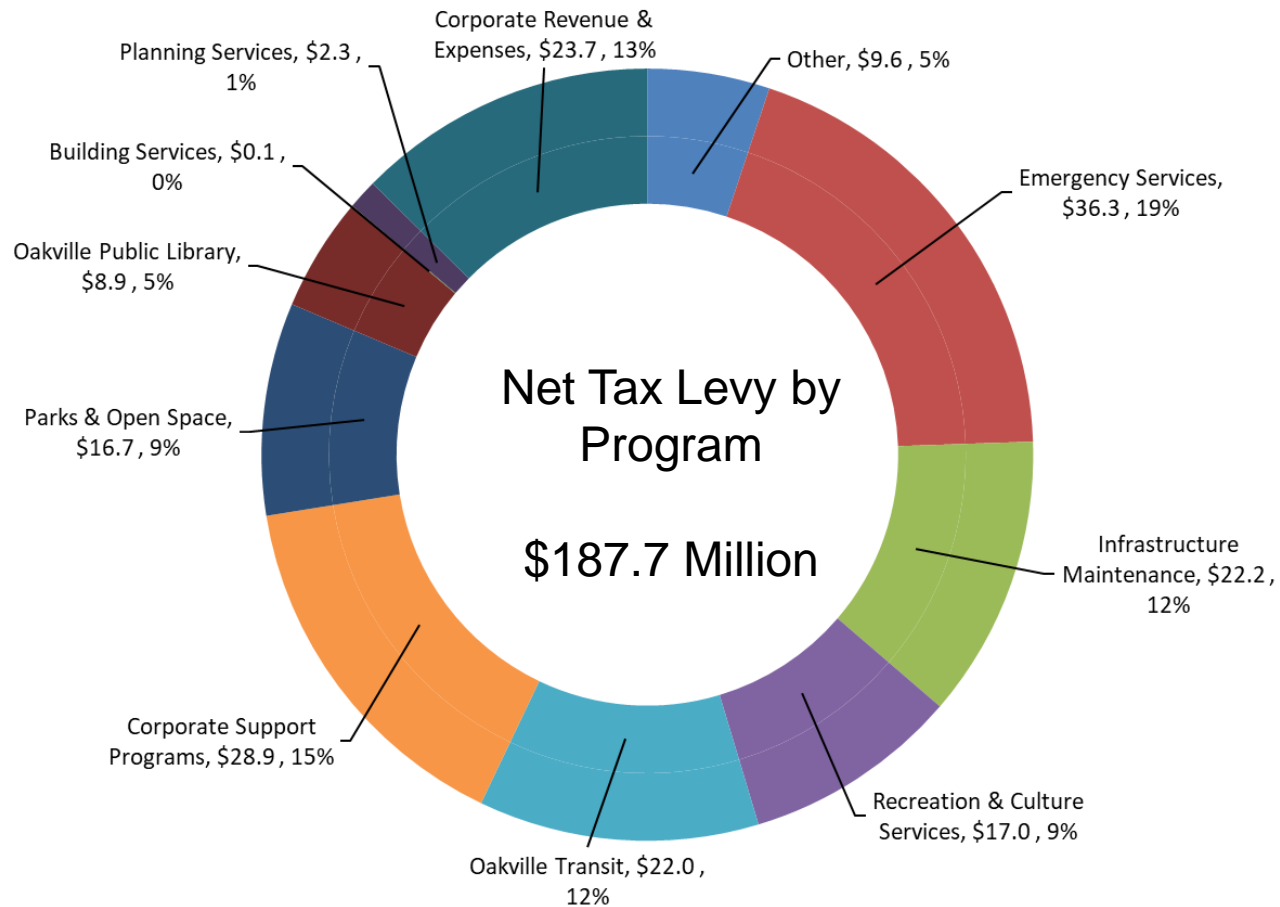
*Exclusive of reassessment impacts

**Proposed Region of Halton total tax increase

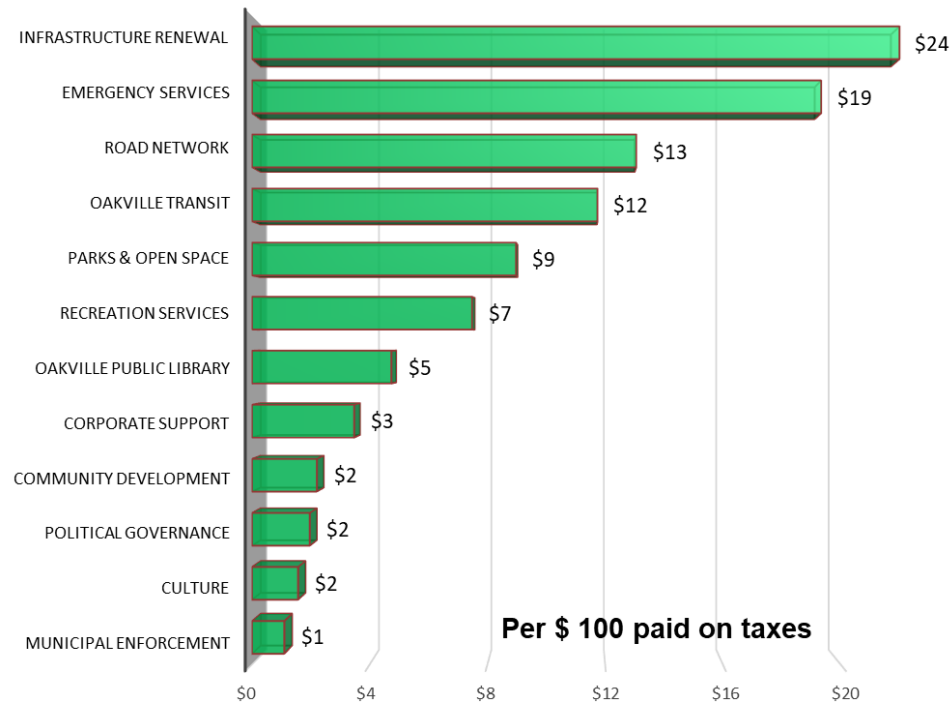
2018 Budget Overview



2018 Budget Overview

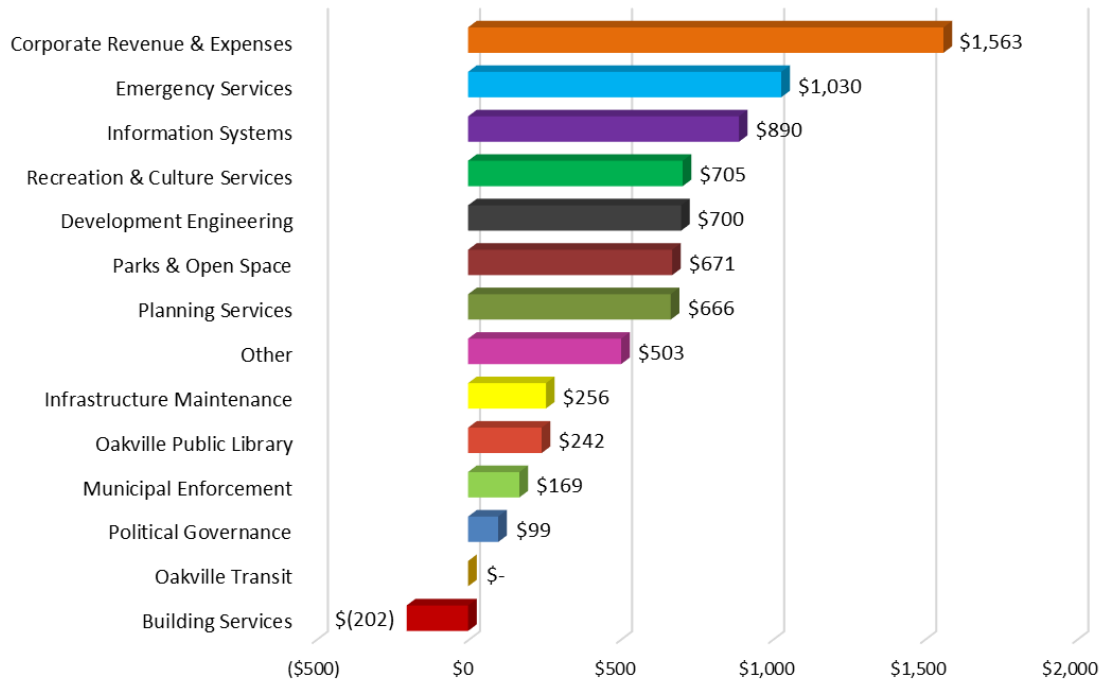


2018 Tax Levy - \$187.7 Million

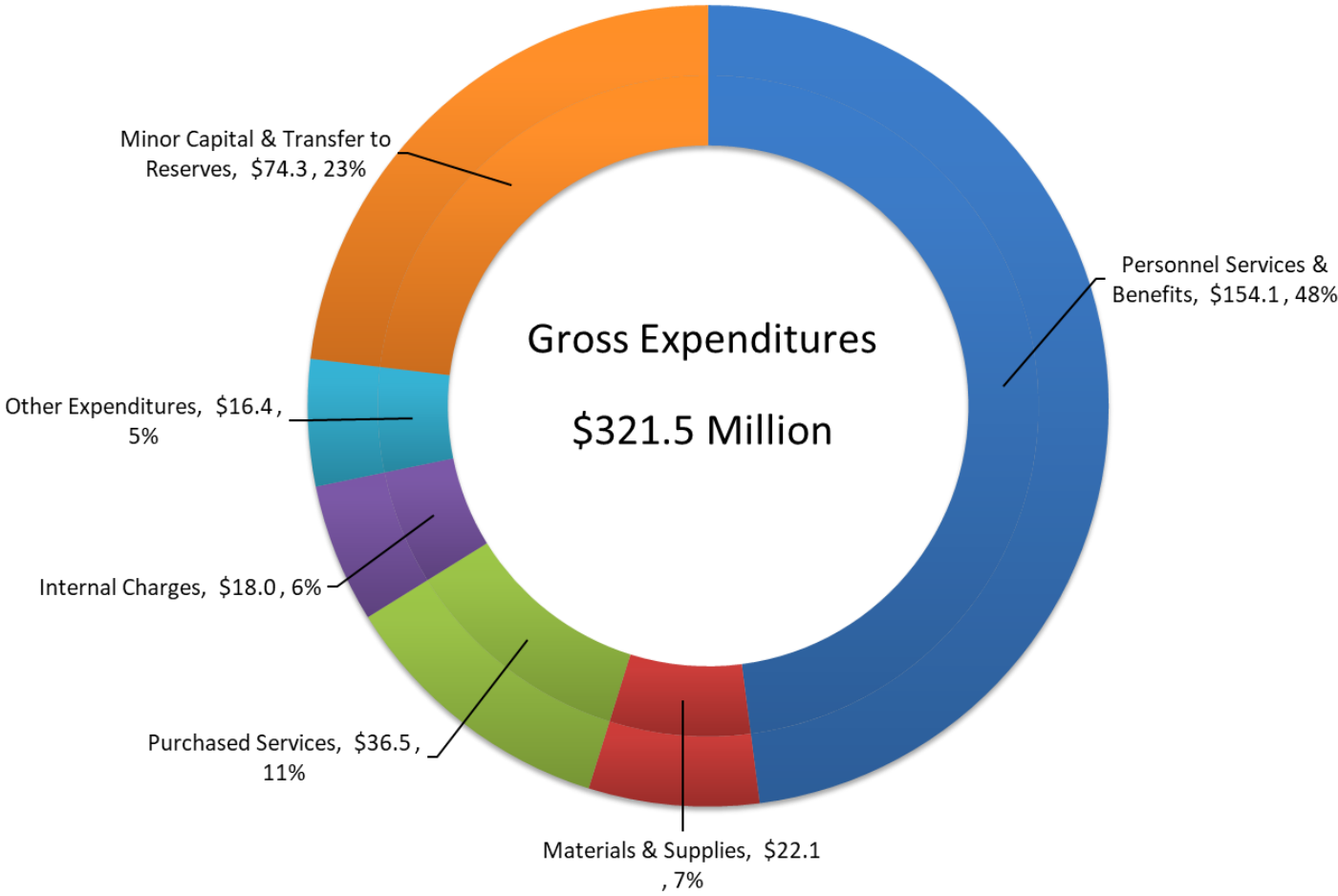


Net Program Increase

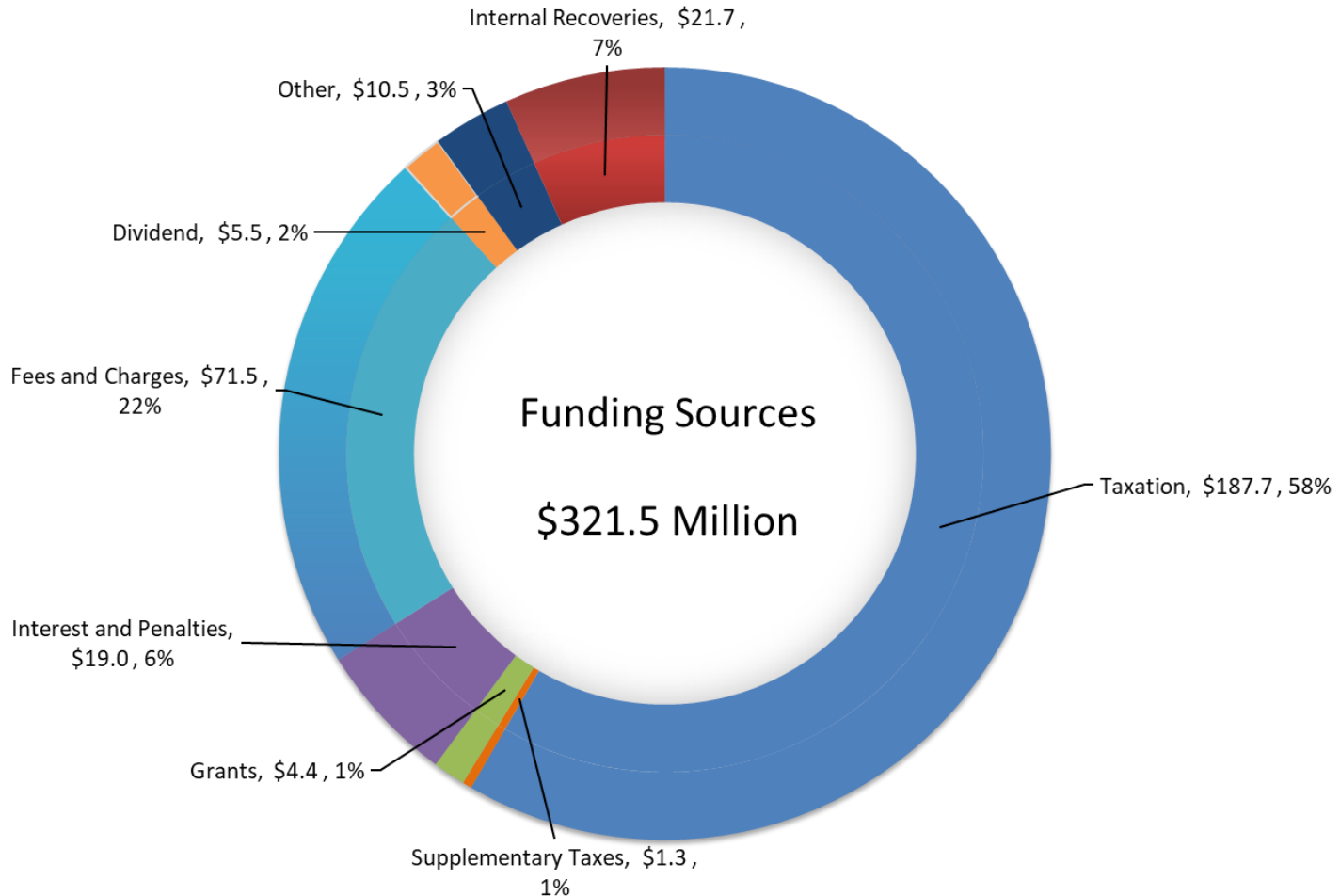
2018 Base Budget Increase \$7.3 Million - By Program



2018 Operating Budget



2018 Operating Budget



Budget Committee Referrals

Item	Date of Meeting	Dept. Responsible.	Outstanding	Appendix
Fire Master Plan	CSC 11/7/2016	Fire Department and Finance Department	That the implementation strategy as outlined in Appendix B from the Fire Department and the Finance Department dated August 17, 2016, be referred to the 2018 Budget Committee for their consideration as part of the 2018 budget process.	A
Events Strategy Implementation Update	CSC 05/23/2017	Recreation & Culture	That the budget implications of the 2017 Events Strategy Update be referred to the 2018 Budget Committee.	B
Flashing 40km/h Zone Sign Program	CSC 06/19/2017	Engineering & Construction	That the costs (\$156,000) for the Flashing 40 km/h Zone Sign Program be referred to the 2018 Budget Committee for a planned implementation in 2018.	C
Pedestrian Safety Program	CSC 10/23/2017	Engineering & Construction	That an annual capital cost of \$200,000 to implement the Pedestrian Safety Program be referred to the 2018 Budget Committee.	D
Cultural Plan Implementation Update	CSC 10/23/2017	Engineering & Construction	That funding required to further advance the implementation of the Cultural Plan as outlined in the report be referred to the 2018 Budget Committee.	E

2018 Budget

- Overall impact of 1.94%
 - Meets Council guideline
 - Maintains service levels
 - Invests in infrastructure renewal

Preliminary 2019 and 2020 Forecast

- Reflects:
 - Inflation
 - Operating impact of capital projects
 - Trafalgar Park revitalization
 - Fire Station 8
 - Southeast Community Centre
 - Temporary North Branch Library
 - Cost of operating and replacing new equipment
 - Maintenance of new infrastructure

2019 and 2020 Forecast

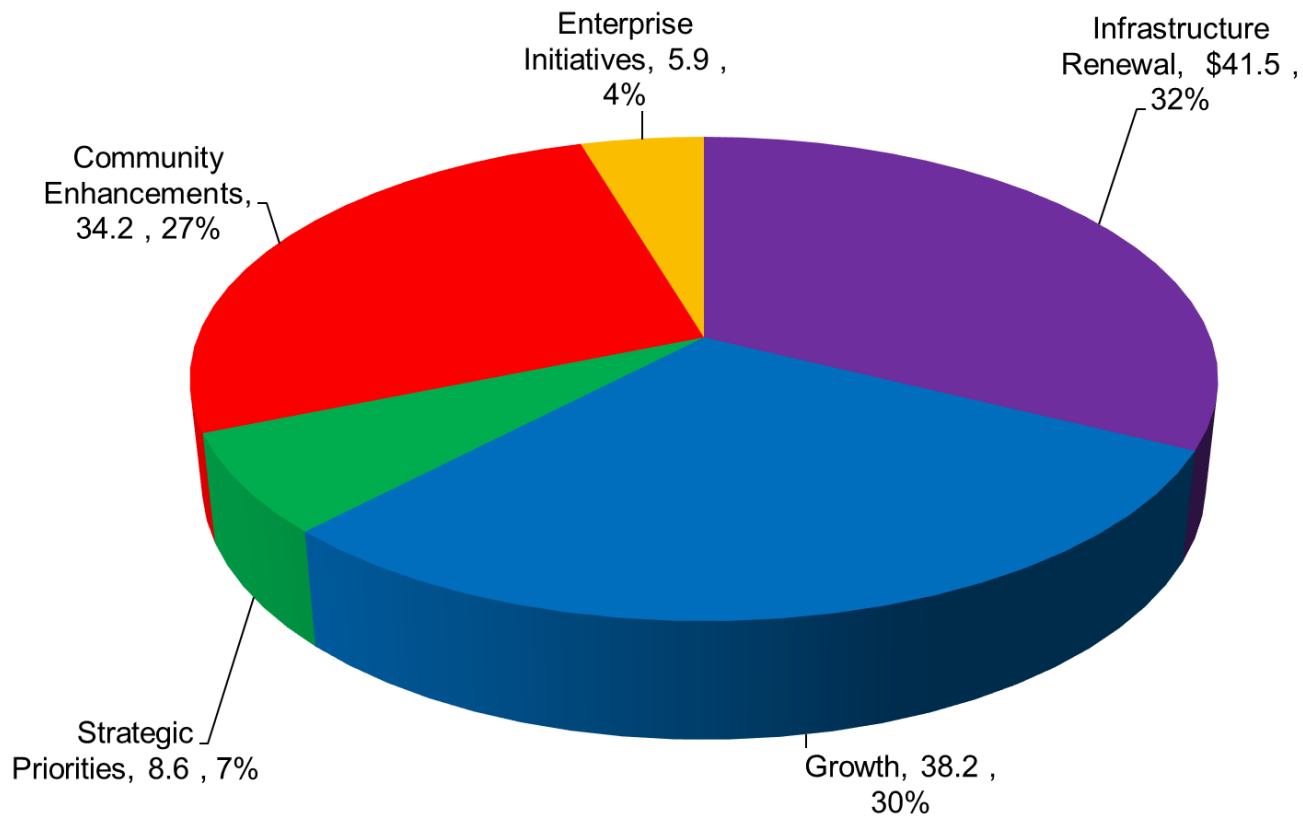
	2018 Requested Budget	2019 Forecast Budget	2020 Forecast Budget
Inflationary Impacts/Revenue & Reserve Transfer Adjustment	2.41%	2.22%	1.58%
Annualized Cost of New Services Approved in Prior Year	0.08%	0.07%	0.00%
Capital Driven Operating Costs for New Infrastructure	0.55%	1.80%	2.18%
Assessment Growth	-1.00%	-1.00%	-1.00%
Total Base Operating Budget	2.04%	3.09%	2.76%
Capital Levy/Additional Road Resurfacing Funding	1.00%	1.00%	1.00%
Service Adjustments	0.00%	0.09%	0.04%
Reduction Target		-1.45%	-0.96%
Total Recommended Budget	3.04%	2.73%	2.84%
Total Town Budget	3.04%	2.73%	2.84%
Province of Ontario	0.00%	0.00%	0.00%
Region of Halton (1)	1.90%	2.40%	2.30%
Overall Tax Bill Impact (%) (2)	1.94%	2.00%	2.00%
Overall Tax Bill Impact (\$'s per \$100,000 of assessment) (3)	\$15.47	\$16.25	\$16.64

(1) Based on Region's proposed increase for 2019 and 2020 forecast as identified in 2017 budget

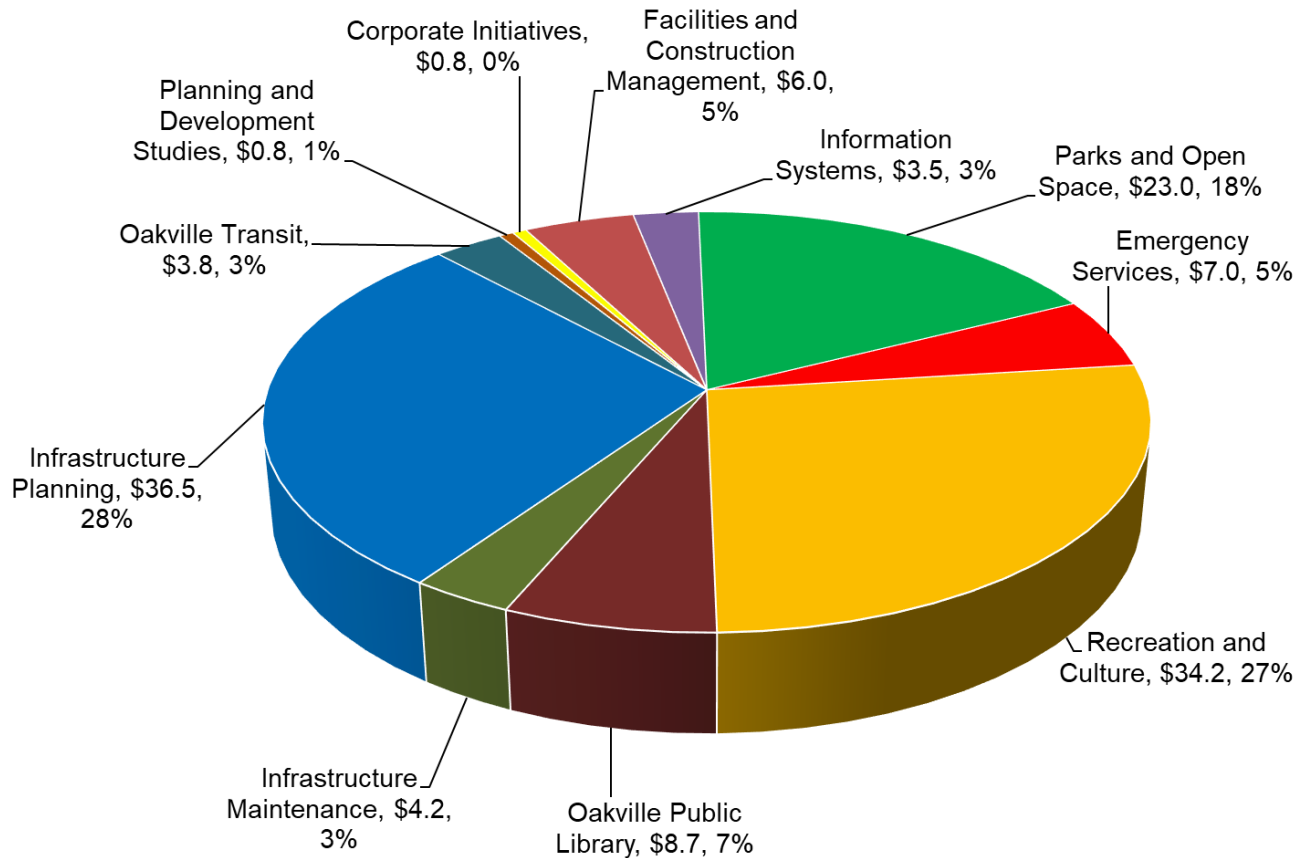
(2) Total Tax Bill is 37.% Region, 40.6% Town, 22.4% Education

(3) Exclusive of reassessment impacts

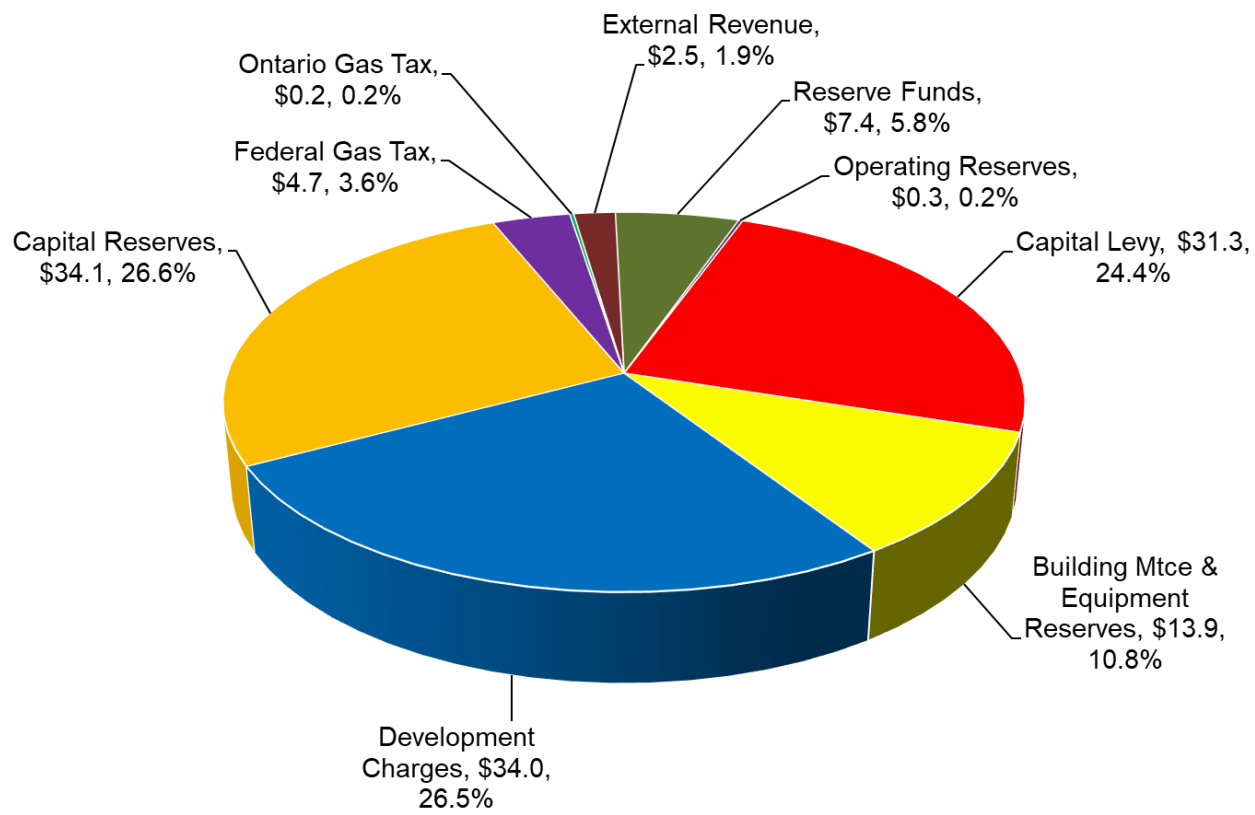
2018 Capital Budget by Category \$128.4M



2018 Capital by Program



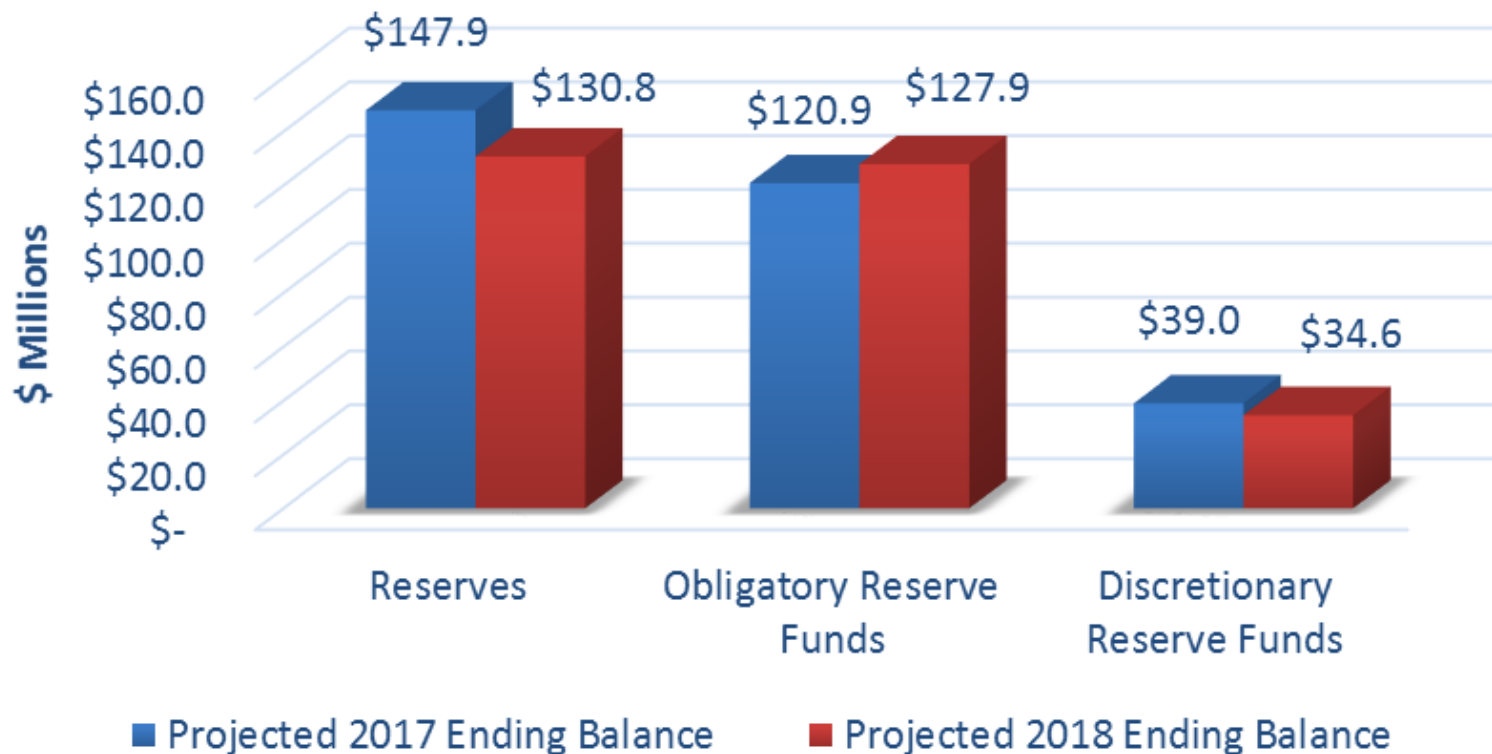
2018 Capital Budget Financing \$128.4 M



Top 10 Largest Capital Projects

2018 Capital Budget Top 10 Largest Capital Projects (\$ Millions)		
Program	Project	2018
Recreation & Culture	46311301 Trafalgar Park Revitalization	\$ 21.1
Recreation & Culture	46601701 South East Community Centre	\$ 10.8
Infrastructure Planning	53331702 Road Resurfacing and Preservation Program	\$ 9.6
Infrastructure Planning	53311410 Speers Rd - GO Station W of 3rd Line to 4th Line	\$ 7.1
Infrastructure Planning	53311006 Sixth Line Phase 1-Threshing Mill Rd to Dundas	\$ 4.9
Infrastructure Planning	53310703 Kerr St Widening and Grade Separation	\$ 4.6
Harbours	52901802 Bronte Outer Harbour Dockage	\$ 3.9
Parks and Open Space	52271702 EAB Management Program	\$ 3.7
Oakville Transit	54411705 Replacement Buses	\$ 2.7
Emergency Services	43301402 Fire Station 9 - Land	\$ 2.7
Oakville Public Library	71101811 New Branch Library Trafalgar North - Land	\$ 2.6
Total		\$ 73.7

2018 Projected Reserve, Reserve Fund Balances



Town of Oakville

2018 Projected Outstanding Debt Principal (\$ '000s)

	2017 Outstanding Debt	Prior Year Debt Approved Not Issued Yet	2018 Proposed Debt	2018 Debt Principal Payment	2018 Projected Outstanding Debt
Tax Levy Supported Debt:					
Municipal Buildings	253	-	-	81	172
Roads	907	-	-	546	362
LED Streetlight Conversion	4,850	7,250	-	448	11,652
Transit	2,212	-	-	534	1,677
Fire Protection	-	-	-	-	-
Recreation Facilities	-	-	-	-	-
Parks and Pier Rehab	876	-	-	170	706
sub-total	\$ 9,098	\$ 7,250	\$ -	\$ 1,780	\$ 14,569
Self Supported Debt:					
Harbours	2,517	-	-	386	2,131
Development (16 Mile Facility)	14,594	-	-	3,460	11,135
Pine Glen Soccer Club	6,971	-	-	418	6,553
sub-total	\$ 24,083	\$ -	\$ -	\$ 4,264	\$ 19,819
Hospital Debt:					
New Oakville Hospital ¹	86,308	-	-	1,936	84,372
sub-total	\$ 86,308	\$ -	\$ -	\$ 1,936	\$ 84,372
TOTAL	\$ 119,490	\$ 7,250	\$ -	\$ 7,980	\$ 118,759

1) Debt Principal Payment for the New Oakville Hospital reflects the contribution to the sinking fund.

2018 Proposed Rates & Fees

2018 Rates and Fees

- Posted on town web site November 3
- Included on today's agenda
- Timing of increases vary depending on program
- Proposed fees comply with rates and fee policy
 - Ensures appropriate cost recovery based on type of service and direct benefit to user
 - Higher percentage of tax support for programs with greatest community benefit

2018 Rates & Fees

- Ensure full cost recovery where applicable
- Fees must keep pace with costs to ensure additional burden not placed on tax levy
 - Primarily inflationary increases
 - Recreation fees increasing at higher rate due to impact of minimum wage increase on program delivery costs and bring programs closer to cost recovery targets
 - Planning and development fees set to cover the cost of processing development applications and permits
 - Inflationary increase results in additional \$1.3 million

Next Steps

- November 23
 - Staff Presentations
- November 28 and 30
 - Public Delegations (2 meetings)
- December 12
 - Budget Deliberations
- Council Approval – December 18, 2017

Take Part in the 2018 Budget Process

- Public Notification
 - www.oakville.ca
 - YouTube
 - Local Newspaper Ads
 - Media Releases
- Public Input
 - budget@oakville.ca
 - Social media
 - Budget Open Houses
 - November 25 and December 5
 - Delegations
 - November 28 and 30

Questions