



Town of
East Gwillimbury

2011 Business Plan and Budget

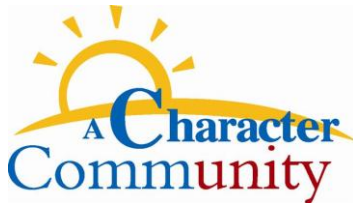
Executive Summary



January 24, 2011

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This is a summary of the Town of East Gwillimbury 2011 business plan and budget as approved by Council on January 24, 2011. A detailed budget document is available at the Town web site at eastgwillimbury.ca or by calling 905.478.4282.

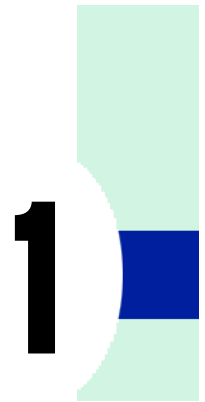
East Gwillimbury

The Town is organized to provide services to its residents through a Town Council, a Chief Administrative Officer, and five departments as follows:



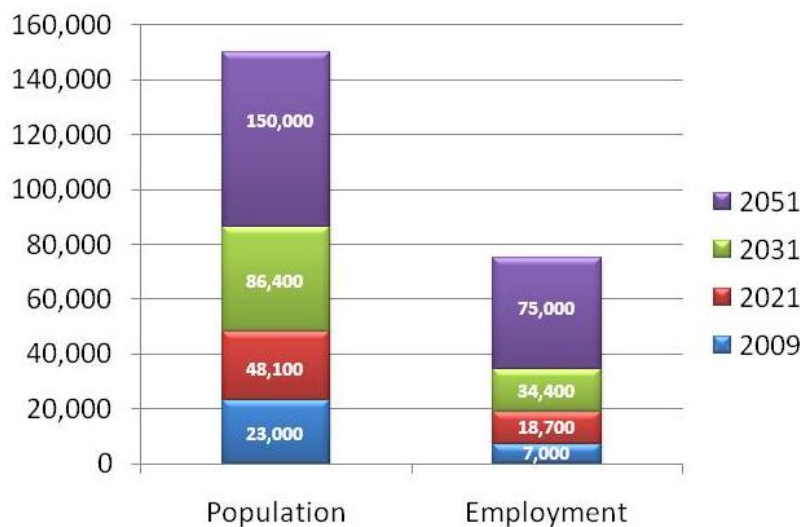
The Town’s strategic plan is Council’s vision for the future direction of the corporation. The vision is *Our Town, Our Future*. Council is in the process of reviewing the strategic plan to guide the current four-year term. We are known for our strong community values and invigorating mix of residential, employment, recreational, agricultural and natural areas, and we work together to plan for a thriving community today and tomorrow. This vision is delivered through programs and services organized within five pillars:

- protecting and enhancing the environment
- providing and advocating for quality programs and services to the community
- investing in municipal infrastructure
- managing growth to ensure a sustainable community
- supporting a municipal organization focused on excellence



In planning and providing services, the Town is mindful that East Gwillimbury stands at the threshold of significant growth. Within the next ten years, it is projected that the Town population will grow from 23,000 to 48,100. These forces influence Town planning at present, and will directly affect services in future. A key element of the growth strategy is a linkage between the provision of new homes and the requirement to provide new jobs, commonly referred to as *employment linkage*. This will expand the Town’s non-residential tax base and bring new revenues that will provide for service expansion without unduly burdening the homeowner.

Figure 1
EG Growth Forecast



The Town’s recently adopted Consolidated Official Plan is anticipated to be approved by the Region of York in 2011. The plan provides direction for managing growth and land use decisions within the planning period until 2031. An over-arching theme of the official plan is the management of growth to ensure it is sustainable. In this regard, East Gwillimbury will endeavour to balance the three forces of sustainability: economic, social and environmental.



The Town's 2011 budget

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2011 budget summary

What's new in the 2011 budget?

Although the current provincial rate of inflation is running around 3%, the Town of East Gwillimbury has achieved a 2011 base level tax increase equivalent to 0.8%. This provides for all the services residents need, as well as a number of new initiatives including extended library hours, and the development of an economic development strategy to entice new businesses, expand the non-residential tax base, and provide new employment opportunities within East Gwillimbury.

The 2011 budget also provides for a public safety initiative that will add three new firefighters and a deputy fire chief. The cost of this public safety initiative equates to a 2.5% tax rate increase. The overall tax increase for the Town in 2011 is 3.3%. For an average home in East Gwillimbury assessed at a value of \$375,000.00, this represents an approximate \$42.00 increase.

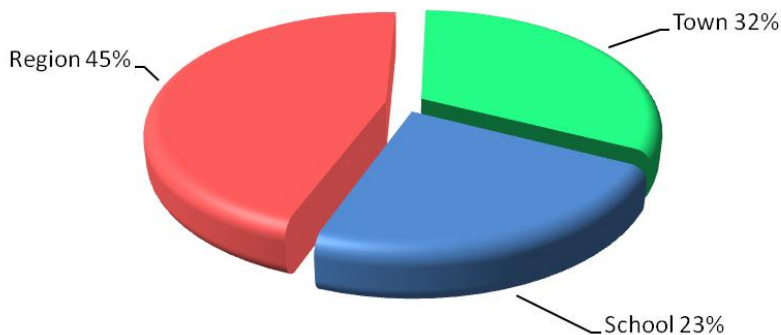
Please note that the property tax rate increases referred to pertain only to the Town portion. Also, a one-time adjustment has been made in 2011 to reflect off-setting tax rate adjustments by the Town and the Region related to the Provincial Offenses Act. The amount of the adjustment is approximately 0.6% (increase to the Town portion, off-set by an equal decrease to the Region portion) with no net impact to the taxpayer.

With regard to water/wastewater, although the Region has increased its charges to the Town by 10% in 2011, rates to our property owners will increase by only 9%.

In summary, quality, cost-effective programs and services have been maintained with a base level tax rate increase well below the provincial rate of inflation. A modest increase will address public safety concerns and provide the fire and emergency services we need. And the water/wastewater rate increases have been held below the Region cost increase.

Property taxes are collected by the Town based on the assessed value of each property as established by the province's Municipal Property Assessment Corporation. Of the total tax bill, only about one-third of it goes to the Town. The remaining two-thirds of the total taxes collected is transferred to the Province to pay for public schools, and to York Region to pay for programs such as health services, police, transportation, and regional roads (about half the roads in East Gwillimbury are owned and managed by the Region).

Figure 2
Where residential taxes go



The 32% Town portion of the residential property tax dollar is used by the Town to provide programs and services for East Gwillimbury residents. Figure 3 shows how much of each tax dollar is spent on these programs.

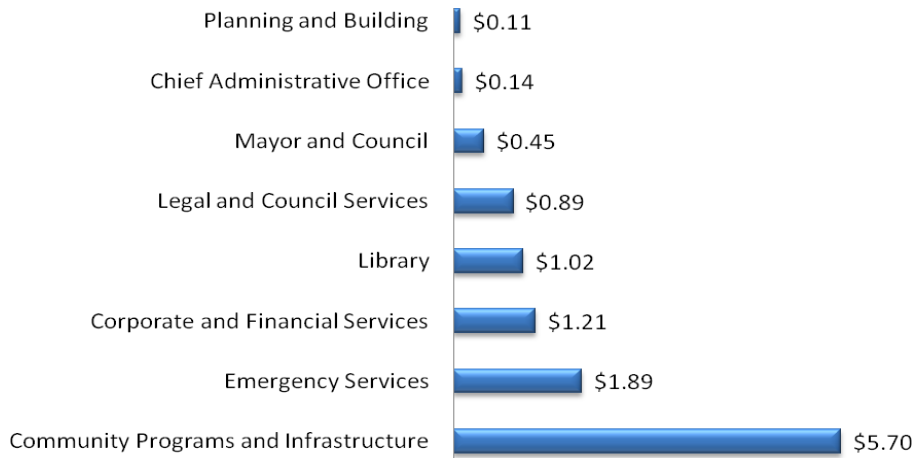
Figure 3
How Town taxes are spent

Roads, bridges & sidewalks	31¢
Fire & emergency Services	22¢
Recreation facilities	18¢
Public library	11¢
Parks services	10¢
Garbage & waste collection	8¢



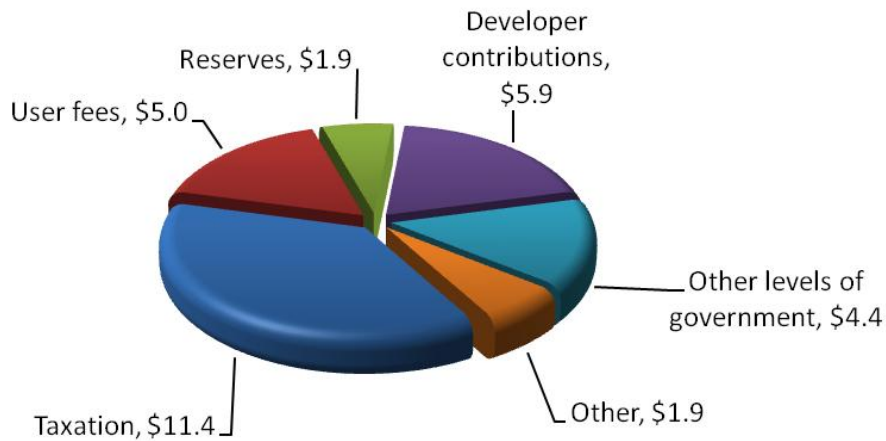
Another way to understand how property taxes are used by the Town is demonstrated in Figure 4, which shows allocation by municipal department. The mandate for each of these departments is noted on page 1.

Figure 4
2011 Net Budget Funded From Taxes
(Shown in millions, total \$11.41 million)



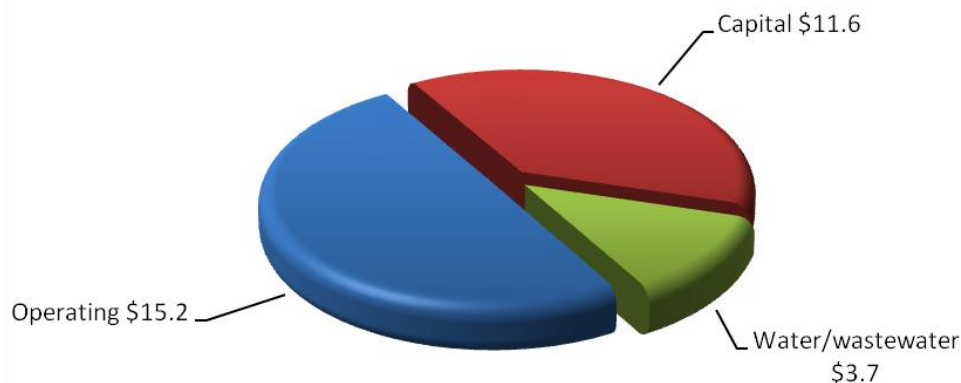
In addition to property tax revenue, the Town is able to leverage other sources of funding to access the money needed to provide for our residents. In Figure 5, you can see that property taxation represents about one-third of the Town's total revenues.

Figure 5
2011 Sources of Funding
(Shown in millions, total \$30.5 million)



With these additional sources of funding, the Town is able to leverage its \$11.4 million in property tax revenue by an additional \$19.1 million. To represent how this money is used, expenditures are grouped into three fund categories: operations, capital, and water/wastewater.

Figure 6
2011 Gross Expenditures
(Shown in millions, total \$30.5 million)



Operating Fund (\$15,145,230)

The operations budget deals with the recurring costs of services. These include services such as road maintenance, snow removal operations, garbage collection, fire and emergency services, maintaining parks, planning, and library services. All but about 7% of property tax revenues collected by the Town are allocated to the operating fund. The 2011 operations budget is \$15,145,230.

Capital Fund (\$11,647,950)

The capital budget deals with the non-recurring costs of projects and the purchase of tangible assets. These include items such as road and bridge construction, purchase of snow removal equipment and emergency vehicles, and construction of parks. Capital expenses are paid for primarily by development-related charges and capital grants from other levels of government. The 2011 capital budget is \$11,647,950. Key capital priorities in 2011 include:

- completion of the sports complex renovation & expansion
- road and sidewalk repairs
- redevelopment of Grist Mill Park, Parkway Park & Holland Landing Community Centre
- a new picnic shelter at North Union, in support of a community initiative
- a new fire pumper/tanker truck
- walking & cycling trail enhancements

Water/Wastewater Fund (\$3,746,850)

The water and wastewater budget deals with the costs of providing clean, safe drinking water, and the removal and treatment of sewage. Included are the repair and replacement of infrastructure as well as testing to ensure the safety of the water our families drink. Property owners in East Gwillimbury pay for these services not through taxes but directly through water and wastewater charges each quarter.

In 2010, the Town began to phase in a new water/wastewater rate structure that provides a financial incentive for residents and businesses to save money when they reduce their consumption. In 2011 the next phase of this new structure will be implemented.

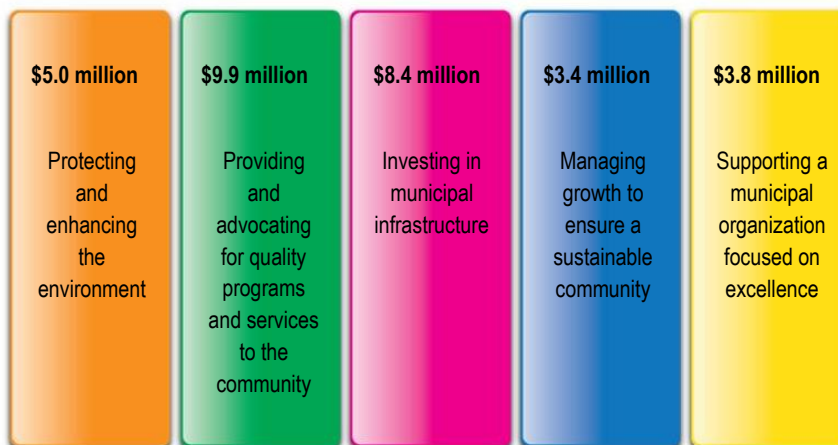
Spending matches strategic directions

Through its strategic plan the Town has established its core purpose to be:

To provide quality, cost-effective services and to lead the community in the planning and delivery of a sustainable future.

To accomplish this, the Town is guided by five pillars. Figure 7 illustrates how the 2011 budget is categorized by strategic pillar.

Figure 7
Alignment with strategic pillars



Budget process overview

The Town's business plan and budget process is a year-round initiative. A proposed draft is brought forward in the fall and Council typically approves the business plan and budget in December or January. Program implementation throughout the year is accompanied by in-year reporting, and the process begins again the next fall.

Figure 8
2011 Budget Process



The budget process was advertised regularly on the Town's page in the Era newspaper to ensure residents were aware of and had the opportunity to participate in the budget review and approval process. Throughout the process there have been many opportunities for public input. All Council budget deliberation meetings were open to the public to listen and the public in attendance were invited to provide comments and suggestions. Written submissions from the public were also welcome at any time. Budget documents, including draft proposals, were posted on the Town's website with an on-line opportunity for input and/or comment. Budget displays and information packages were also available at the Town office.

Key themes

In the development of the 2011 business plan and budget, Town Council and staff addressed the following themes:

- consider current economic conditions
 - provincial consumer price index
 - spiking fuel and utility costs
 - region-wide collective agreements
 - market compensation comparisons
- generally align the base budget with the current rate of inflation
- maintain program and service levels
- closely monitor for delays in growth due to postponement of York-Durham Sanitary Sewer Extension Agreement and plan accordingly
- limit major new initiatives that require sustained funding
- consider the Town's anticipated debt-free status in 2011 once the Civic Centre is fully paid for

Budget pressures

At the same time, financial pressures were considered during budget deliberations. Typically, these are upward trends that the new budget must address. For the 2011 budget, these included:

- increased parkland to maintain
- rising insurance costs
- necessary road safety improvements
- increased costs of garbage diversion
- staff cost of living and benefits
- increased length of roads and sidewalks for maintenance and snow removal

These pressures were mitigated by increases in assessment growth and the pursuit of non-tax revenue sources. Some relief was also realized through an ongoing search for savings through efficiencies and through the use of available taxation revenue resulting from a reduction in Town debt.

Comments?

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Do you have a comment or suggestion regarding our programs, services, or budget process? If so, we'd like to hear from you.



On-line

eastgwillimbury.ca and click on the "2011 Business Plan & Budget" button



Email

customercare@eastgwillimbury.ca



Phone

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In person or by mail

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We welcome your comments