



Town of East Gwillimbury

CORPORATE AND FINANCIAL SERVICES

CFS2011-04

To: Mayor and Members of Council

Date: January 24, 2011

Subject: Adoption of 2011 Business Plan and Budget

Origin: Corporate and Financial Services Department – Budget and Business Plan Branch

RECOMMENDATIONS

1. **BE IT RESOLVED THAT** the draft 2011 Town Operating and Capital budgets be approved with a total tax levy of 3.3% as per the information provided in the draft Executive Summary attached as Appendix A; and
2. **THAT** a cost of living adjustment (COLA) of 2.3% (to the Town salary grid with the exception of the volunteer firefighter rates) be approved for implementation effective July 3, 2011; and
3. **THAT** a cost of living adjustment (COLA) of 2.3% be approved to the volunteer firefighter pay rates effective July 3, 2011; and
4. **THAT** the new initiatives outlined in Appendix B be approved for implementation and that with regard to the communications strategy development a Council workshop be held to discuss this initiative prior to proceeding; and
5. **THAT** a Council workshop be scheduled during 2011 to discuss Town Reserves and strategies; and
6. **THAT** a 2011 mid-year budget status report be provided and that additional budget considerations may be undertaken at that time depending on the status of the York-Durham Sanitary Sewer extension agreement; and
7. **THAT** the 2011 Water and Wastewater budget be approved with a general water and wastewater rate increase of 9% effective April 1, 2011 and that staff report to Council in February 2011 with recommendations for the implementation of the next phase of the graduated replacement of the deemed minimum usage water and wastewater billing with a fixed component charge; and

8. **THAT** funds related to the Civic Center debt reduction in the amount of approximately \$260K, be used to fund the Buildings Reserve in the amount of \$185 in 2011 and be used to fund the provision for additional firefighters in the amount of \$75K; and
9. **THAT** a one-time tax rate adjustment, as approved previously by Council with respect to report #2010-08, be processed (approximately .6%) with an offsetting adjustment to be processed by the Region of York in relation to the Provincial Offences Act funding transfer.

PURPOSE

The purpose of this report is to provide a summary of the proposed 2011 Business Plan and Budget development and deliberation process and to seek Council approval of the draft 2011 Business Plan and Budget.

BACKGROUND

On October 4, 2010, staff presented to the Budget Committee report CFS2010-36 Business Plan and Budget Process, which outlined an initial proposed timeline for the 2011 budget approval. Throughout October and November, staff conducted detailed reviews of all program and services areas. The process included a review of 2010 and 2011 proposed business objectives as well as the calculation of 2011 budget requirements to ensure the continued delivery of existing base level programs and services to residents. Staff also identified suggested new initiatives for Council consideration.

The 2011 initial proposed budget was presented to Council at a public budget information and input session held on December 20, 2010. The meeting was publicized on the civic centre sign, webpage, and a separate notice was placed in the Era Banner. At the public budget meeting, the Chief Administrative Officer, and General Manager, Corporate and Financial Services/Treasurer provided an overview presentation regarding the proposed 2011 Business Plan and Budget. The meeting also provided the opportunity for questions and comments to be received from the public at large.

The initial proposed budget was submitted to the Budget Committee and intensive public deliberations were held on January 10, 11, 12, 17, 20 and 24. During the deliberations Council was also provided with a significant amount of supplementary information in addition to the initial budget information package to assist in the deliberation process. Based on the adjustments made by the Budget Committee the 2011 budget deliberations were finalized with a proposed tax rate increase of 3.3% (prior to accounting for the offsetting tax rate adjustment with the Region of York related to the Provincial Offences Act (POA) funding transfer) .

An executive summary has been attached as Appendix A and provides an overview of the draft 2011 budgets for the Operating, Capital, and Water/Wastewater Funds.

ANALYSIS

In addition to maintaining existing program and service levels, the draft 2011 budget includes a significant emphasis on improved public safety through the addition of a new Deputy Fire Chief and three new full time firefighters for the Town. In addition, the draft budget includes the provision for increased service hours at the Town's public libraries as well as numerous roads and parks improvement projects throughout the Town. Also included is a focus on developing an economic development strategy that will provide a roadmap to attracting and retaining businesses within the Town.

In order to arrive at the final budget, there have been four major areas of focus that have been undertaken to mitigate the budget pressures and minimize the tax rate increase. The four mitigation strategies have been:

- Utilizing non taxation revenue sources to the degree possible
- Implementing efficiency measures
- Utilizing taxation revenue available from Town debt reduction and
- Refining the assessment growth projection

As a result of the strategies noted above, the base level tax rate increase equates to .8%. This has provided for the maintenance of existing programs and services as well as some new initiatives. The cost of the significant investment in improved public safety through the hiring of the additional emergency services staff equates to a tax rate increase of approximately 2.5%. In summary, the final tax rate increase required is 3.3% which is marginally higher than the provincial rate of inflation (approximately 3%).

During the deliberations it is useful to note that Council directed staff to report back with additional information regarding the new positions approved in the Community Programs and Infrastructure Department prior to initiating the recruitment process. Council also requested that staff provide information in the future regarding staffing requirements for the Human Resources function.

FINANCIAL AND BUDGETARY IMPLICATIONS

Total revenue to be raised from tax sources has increased from \$10,869,170 in 2010 (including POA adjustment) to \$11,413,490 in 2011. Assessment growth included in the total revenue figure is estimated at 1.8% and, as stated above, a tax rate increase of 3.3% is required to balance the budget.

An overview of the draft 2011 budget is provided in the executive summary attached as Appendix A.

NEED FOR PUBLIC CONSULTATION

All Committee of the Whole Council meetings were open to the public to review the Proposed 2011 Business Plan and Budget. Notice of the public budget deliberations was provided through the Town's Civic Centre Sign, website, and its weekly page in the Era Banner.

Residents and other stakeholders were also welcome to provide input through the Town's online commenting forum and at the initial review of the Business Plans and Budget. Budget information packages and input forms were also on display and available at the Town office.

Notice of the Budget Adoption will be made through the Town's Civic Centre Sign, website, its page in the Era Banner, a media release, and through inserts in regular mail-outs to residents and businesses within the municipality.

ALIGNMENT WITH THE STRATEGIC PLAN

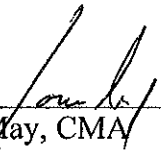
The draft 2011 Business Plan and Budget allocates resources in a manner that aligns with the Town strategic plan and supports the continued efficient and effective delivery of quality programs and services.

CONCLUSION

This report has been prepared to support the process of approving the 2011 Town Business Plan and Budget.


This report has been reviewed by the Senior Management Team.

Prepared by:



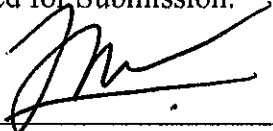
Loren May, CMA
Manager of Budgets and Business Plans

Recommended by:



Mark Valcic, CGA
General Manager,
Corporate and Financial Services/Treasurer

Approved for Submission:



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