

To:	Warden Halliday and Members of Grey County Council
Committee Date:	January 11, 2018
Subject / Report No:	FR-CW-05-18
Title:	2018 Corporate Budget
Prepared by:	Kevin Wepler, Director of Finance
Reviewed by:	Kim Wingrove, Chief Administrative Officer
Lower Tier(s) Affected:	All Grey County
Status:	Recommendation #2 adopted as presented per Resolution CW25-18; Endorsed by County Council January 25, 2018 per Resolution CC18-18;

Recommendation

1. That Council receive Report FR-CW-05-18 titled 2018 Corporate Budget; and
2. That the 2018 budget requiring a 0.82% net levy increase be adopted; and
3. That a by-law be brought forward to adopt the Estimates of Revenue and Expenditures for the Year 2018 requiring a total to be raised from taxation of \$55,711,093.

or

1. That Council receive Report FR-CW-05-18 titled 2018 Corporate Budget; and
2. That the 2018 budget requiring a 0.36% net levy increase be adopted; and
3. That a by-law be brought forward to adopt the Estimates of Revenue and Expenditures for the Year 2018 requiring a total to be raised from taxation in 2018 of \$55,457,365.

Executive Summary

The 2018 budget contains operating and capital expenses of \$144M. After operating and capital revenues, reserves and capital financing are calculated, \$55M needs to be raised through taxes to maintain and enhance existing service levels.

The 2017 assessment growth estimate of \$916,739 exceeds the four year average by \$457,004. Earlier in 2017, Council had directed that any assessment growth revenue in excess of the four year average be transferred to the Capital Infrastructure Reserve to meet future

obligations. In addition, since the 2018 budget was drafted, Grey County received notice of \$253,728 in grant funding under the Ontario Municipal Commuter Cycling Program.

The 2018 budget as drafted requires an additional \$454,120 to be raised from taxation. This would result in a 0.82% net levy increase and support a transfer to the Capital Infrastructure Reserve in the amount of \$457,004.

If the \$253,728 in grant funding under the Ontario Municipal Commuter Cycling Program was endorsed to be used to reduce the Transportation Services 2018 budget and the overall 2018 budget requirement. This would reduce the \$454,120 required to be raised from taxation to \$200,392 or a net levy increase of 0.36%

Background and Discussion

This report provides updated 2018 net budget summaries representing two scenarios. The first scenario has the additional \$457,004 in assessment growth being transferred to reserve and the budget contribution from the Transportation Services departmental reserve fund being reduced by the Ontario Municipal Commuter Cycling Program grant revenue of \$253,728. This would result in an overall next levy requirement of 0.82% or a total to be raised from taxation of \$55,711,093.

The second scenario represents the additional \$457,004 in assessment growth being transferred to reserve and the Ontario Municipal Commuter Cycling Program funding of \$253,728 used to reduce the Transportation Services departmental funding requirements, therefore reducing the 2018 overall amount of funds to be raised from taxation. This would result in an overall net levy requirement increase of 0.36% or a total to be raised from taxation of \$55,457,365.

On December 7, 2017, an overview of the 2018 budget and departmental budget presentations were made to the Committee of the Whole. The 2018 budget as presented would require \$55,254,089 to be raised from taxation. The 2018 budgetary levy increase net of the projected assessment growth would require an additional \$454,120 to be raised from taxation. This levy increase was based on a projection of \$459,735 in assessment growth which was based on historical trends of the past four years (2013-2016). Based on this estimate, a net levy increase of 0.83% would be required.

The Municipal Property Assessment Corporation (MPAC) is to provide the year end 2017 Assessment Roll by the end of the 2017 calendar year. Based on November assessment information posted on MPAC's Municipal Connect website, assessment growth of nearly \$917,000 had been estimated. As adopted in the 2018 Corporate Budget Overview and Background Report FR-CW-22-17, any revenue generated by the 2017 assessment growth that exceeds the average of the previous four years, would be transferred to the Capital Infrastructure Reserve for future capital needs. If Council would like to reconsider this resolution, a notice of intention to reconsider this motion would be required.

It was also noted during the Transportation Services departmental budget presentation that Grey County had received notice that it had been approved for funding through the Ontario Municipal Commuter Cycling Program. This funding would assist Transportation Services projects already included in the 2018 budget.

Staff indicated that once the 2017 assessment growth number and the cycling grant figures were finalized, these numbers would be incorporated into the 2018 budget and that the 2018

budget would reflect a 0.83% net levy increase.

On December 14, 2017, a notice of motion was provided to request the funding announced to be received from the Ontario Municipal Commuter Cycling Program be used to reduce the overall 2018 budget requirement rather than reduce the funding being transferred from Transportation Services' reserve in order to reduce the overall 2018 budget requirement to an increase of 0.36%.

The Municipal Property Assessment Corporation (MPAC) has now provided the 2017 Assessment Roll to support the calculation of 2017 assessment growth and property taxes for the 2018 year. Based on the returned roll, the County can anticipate on receiving \$916,739 in assessment growth. This would result in the 2018 budget containing a transfer to the Capital Infrastructure Reserve in the amount of \$457,004.

Also, the Ministry has now confirmed that the County has been approved for \$253,728 in grant funding under the Ontario Municipal Commuter Cycling Program. This funding would reduce the amount of reserve funding being utilized in the Transportation Services 2018 budget, or if this funding was used to reduce the overall 2018 budget requirement a net levy increase of 0.36% would be required.

Legal and Legislated Requirements

Section 289(1) of the *Municipal Act, 2001*, requires an upper-tier municipality prepare and adopt a budget including estimates of all sums required during the year for the purposes of the upper-tier municipality.

Financial and Resource Implications

The 2018 budget (Scenario 1) representing a net levy increase of 0.82% would require an additional \$454,120 to be raised from taxation.

The 2018 budget (Scenario 2) representing a net levy increase of 0.36% would require an additional \$200,392 to be raised from taxation.

Relevant Consultation

Internal – CAO - Kim Wingrove and Director of Transportation Services - Pat Hoy

Appendices and Attachments

[Attachment to FR-CW-05-18 - 2018 Corporate Budget - Scenario 1](#)

[Attachment to FR-CW-05-18 - 2018 Corporate Budget - Scenario 2](#)