

2021 Operating Budget Overview

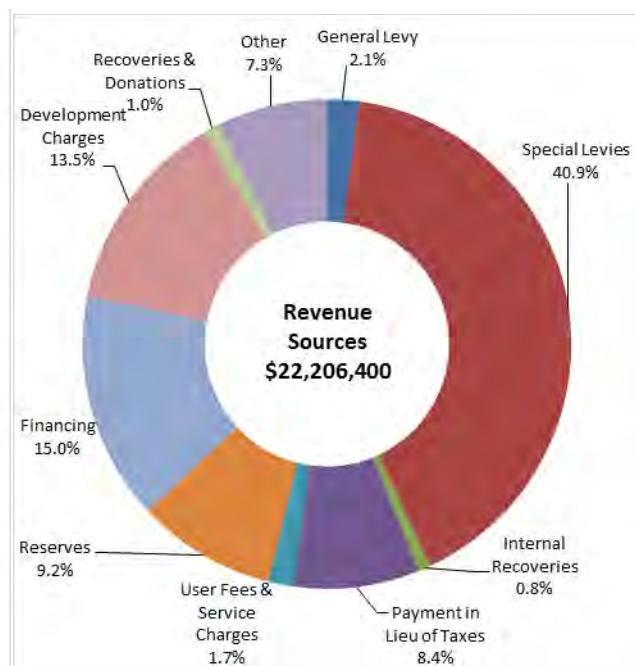
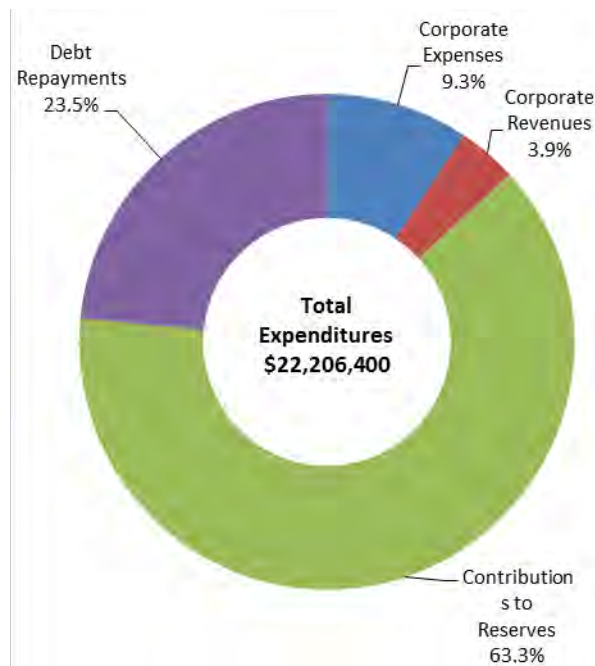
Included in the Corporate Revenue & Expenses Operating Budget are expenditures related to corporate-wide programs, long-term financing, capital planning and contributions to reserves.

Examples of corporate-wide programs include legal services, advertising, insurance, health and safety, professional development, financing, and voice and data coverage.

2021 Operating Budget Highlights

The proposed Corporate Revenue & Expenses Operating Budget for 2021 is \$22,206,400 in gross expenditures and \$470,600 in net expenditures supported from the general tax levy. Corporate Revenues also include \$9,090,400 in special levies, an increase of \$324,000 since 2020.

	2020		2021					2021 vs. 2020	
	Budget (\$)	Forecast (\$)	Base Budget (\$)	Pre-Approved Capital Impacts (\$)	Inclusions (\$)	One-Time (\$)	Total Budget (\$)	Budget Change	
Expense	21,539,100	23,486,083	22,304,000	6,000	-	(103,600)	22,206,400	667,300	3.1%
Revenue	(12,080,200)	(11,899,765)	(12,645,400)	-	-	-	(12,645,400)	(565,200)	4.7%
Special Levy - Fair Workplaces	(153,500)	(153,500)	(153,500)	-	-	-	(153,500)	-	0.0%
Special Levy - Fire Services	(2,451,200)	(2,451,200)	(2,451,200)	-	-	-	(2,451,200)	-	0.0%
Special Levy - Infrastructure	(2,084,000)	(2,084,000)	(2,084,000)	-	-	-	(2,084,000)	-	0.0%
Special Levy - Infrastructure Gap	(594,000)	(594,000)	(918,000)	-	-	-	(918,000)	(324,000)	54.5%
Special Levy - Pavement Management	(1,884,000)	(1,884,000)	(1,884,000)	-	-	-	(1,884,000)	-	0.0%
Special Levy - Arenas	(1,232,700)	(1,232,700)	(228,900)	-	-	-	(228,900)	1,003,800	(81.4%)
Special Levy - Georgetown Hospital	(335,000)	(335,000)	-	-	-	-	-	335,000	(100.0%)
Special Levy - Financial Sustainability	-	-	(1,370,800)	-	-	-	(1,370,800)	(1,370,800)	0.0%
Total Net Expenditures	724,500	2,851,918	568,200	6,000	-	(103,600)	470,600	(253,900)	(35.0%)



	2020		2021					2021 vs. 2020	
	Budget (\$)	Forecast (\$)	Base Budget (\$)	Pre-Approved Capital Impacts (\$)	Inclusions (\$)	One-Time (\$)	Total Budget (\$)	Budget Change	
Division									
Corporate Expenses									
Expense	1,685,600	3,635,963	2,065,700	6,000	-	-	2,071,700	386,100	22.9%
Revenue	(508,000)	(565,559)	(538,000)	-	-	-	(538,000)	(30,000)	5.9%
Special Levy - Fair Workplaces	(153,500)	(153,500)	(153,500)	-	-	-	(153,500)	-	0.0%
Net Expenditures	1,024,100	2,916,905	1,374,200	6,000	-	-	1,380,200	356,100	34.8%
Corporate Revenues									
Expense	987,700	984,320	865,300	-	-	-	865,300	(122,400)	(12.4%)
Revenue	(6,713,600)	(6,475,607)	(7,014,000)	-	-	-	(7,014,000)	(300,400)	4.5%
Net Expenditures	(5,725,900)	(5,491,287)	(6,148,700)	-	-	-	(6,148,700)	(422,800)	7.4%
Contributions to Reserves									
Expense	13,758,200	13,758,200	14,163,200	-	-	(103,600)	14,059,600	301,400	2.2%
Revenue	(111,000)	(111,000)	(243,600)	-	-	-	(243,600)	(132,600)	119.5%
Special Levy - Arenas	(1,232,700)	(1,232,700)	(228,900)	-	-	-	(228,900)	1,003,800	(81.4%)
Special Levy - Georgetown Hospital	(335,000)	(335,000)	-	-	-	-	-	335,000	(100.0%)
Special Levy - Fire Services	(2,451,200)	(2,451,200)	(2,451,200)	-	-	-	(2,451,200)	-	0.0%
Special Levy - Infrastructure	(2,084,000)	(2,084,000)	(2,084,000)	-	-	-	(2,084,000)	-	0.0%
Special Levy - Pavement Management	(1,884,000)	(1,884,000)	(1,884,000)	-	-	-	(1,884,000)	-	0.0%
Special Levy - Infrastructure Gap	(594,000)	(594,000)	(918,000)	-	-	-	(918,000)	(324,000)	54.5%
Special Levy - Financial Sustainability	-	-	(1,370,800)	-	-	-	(1,370,800)	(1,370,800)	0.0%
Net Expenditures	5,066,300	5,066,300	4,982,700	-	-	(103,600)	4,879,100	(187,200)	(3.7%)
Debt Repayments									
Expense	5,107,600	5,107,600	5,209,800	-	-	-	5,209,800	102,200	2.0%
Revenue	(4,747,600)	(4,747,600)	(4,849,800)	-	-	-	(4,849,800)	(102,200)	2.2%
Special Levy - Arenas	-	-	-	-	-	-	-	-	0.0%
Special Levy - Georgetown Hospital	-	-	-	-	-	-	-	-	0.0%
Net Expenditures	360,000	360,000	360,000	-	-	-	360,000	-	0.0%
Total									
Expense	21,539,100	23,486,083	22,304,000	6,000	-	(103,600)	22,206,400	667,300	3.1%
Revenue	(12,080,200)	(11,899,765)	(12,645,400)	-	-	-	(12,645,400)	(565,200)	4.7%
Special Levy - Fair Workplaces	(153,500)	(153,500)	(153,500)	-	-	-	(153,500)	-	0.0%
Special Levy - Fire Services	(2,451,200)	(2,451,200)	(2,451,200)	-	-	-	(2,451,200)	-	0.0%
Special Levy - Infrastructure	(2,084,000)	(2,084,000)	(2,084,000)	-	-	-	(2,084,000)	-	0.0%
Special Levy - Infrastructure Gap	(594,000)	(594,000)	(918,000)	-	-	-	(918,000)	(324,000)	54.5%
Special Levy - Pavement Management	(1,884,000)	(1,884,000)	(1,884,000)	-	-	-	(1,884,000)	-	0.0%
Special Levy - Arenas	(1,232,700)	(1,232,700)	(228,900)	-	-	-	(228,900)	1,003,800	(81.4%)
Special Levy - Georgetown Hospital	(335,000)	(335,000)	-	-	-	-	-	335,000	(100.0%)
Special Levy - Financial Sustainability	-	-	(1,370,800)	-	-	-	(1,370,800)	(1,370,800)	0.0%
Total Net Expenditures	724,500	2,851,918	568,200	6,000	-	(103,600)	470,600	(253,900)	(35.0%)

The \$253,900, or 35.0%, net decrease to the Corporate Revenue & Expenses Operating Budget is comprised largely by increases in payments in lieu of taxes, which are partially offset by an increase in contributions to reserves and higher insurance costs. Please see below for the breakdown of major budget changes:

- The proposed budget for the corporate insurance portfolio includes an increase of \$311,800 related to insurance premiums. This includes premium increases for a two year period, as the rates were unavailable at the time of the 2020 budget preparation, and was therefore omitted. Premium increases are reflective of increasing rates in the insurance industry which average between 15 and 20% per year.
- Payments in lieu of taxes (PIL) have increased by \$394,600 (15.2%) for 2021. This is a result of the reclassification of a large commercial property to a PIL.

- As recommended in the Long Range Financial Plan, general reserve contributions are proposed at a net \$59,600 (1.2%) increase to reflect inflation in capital planning expenditures and increased contributions to stabilization reserves.
- Additional to the \$59,600 increase in base reserve contributions, there is a one-time \$46,400 contribution to the Public Art Reserve as required to maintain the minimum reserve balance of \$100,000 established in the Public Art Policy (Report COMMSERV-2016-0001).
- The infrastructure gap special tax levy is proposed at \$324,000 (0.6%) for contributions to the Capital Replacement Reserve. The intent of this levy is for the replacement and adaptation of core assets in the context of climate change. For 2021 only there will be a one time redirection of \$150,000 of this special levy to support the 2021 operating budget pressures.
- Three existing special levies have either fulfilled or partially fulfilled their original purpose.
 - The annual Georgetown Hospital capital grant Levy of \$335,000 is now 100% fulfilled.
 - The special levy that was introduced to fund the Fair Workplaces, Better Jobs Act labour increases at a total of \$185,500 per year anticipated additional legislative changes that did not occur. Therefore \$32,000 of this levy is no-longer required to fund labour increases related to this provincial legislation.
 - The arena program levy which was initiated to fund a ten year debenture as part of the arena financing program will be fully fulfilled in 2022. \$1,003,800 of this levy is no-longer required in 2021 to fund the specific arena debt, and a further \$228,900 will no-longer be required in 2022.
- With increasing fiscal challenges due to the uncertainty around the COVID-19 pandemic coupled with a delay in growth, staff is proposing to continue to collect the three above noted special levies. These levies will be re-purposed to support the on-going financial sustainability of the Town. This represents a total of \$1,370,800 in 2021 and \$1,599,700 in 2022 once the remaining \$228,900 from the arena program levy can be re-purposed.

