

TO: Administration & Finance Executive Committee

FROM: Dawn Galusha, Treasurer

DATE: January 2, 2020

SUBJECT: 2020 Administration and Finance Budget Considerations

BACKGROUND

Attached you will find draft budget documents for the 2020 Budget for the following areas:

- Corporate
- Administration and Finance
- Police Services

Corporate Budget

In the draft Corporate budget, the 2019 tax levy is the starting point for the 2020 tax levy until such time as there are firm figures for the entire Town Budget so we can determine tax rates. Further, the school board payments are consistent with the 2019 amounts as education taxes are levied and remitted to the school boards. As Council had passed the by-law to remove vacancy rebates and reduction programs, I have adjusted the taxes to remove the rebates. We have the 2020 Ontario Municipal Partnership Funding which is a reduction of \$68,900.

The contributions to the various reserve funds have increased by 1.4% of the 2019 taxes which is equal to \$154,000, based on the outcomes from the Asset Management Plan. The Rainy River District Social Services Administration Board Levy has not been confirmed, thus is kept at \$1,956,182 for the time being. The Northwestern Health Unit levy has seen an increase of \$30,698.

At this time, it is not likely that Destination Northern Ontario will flow a Grant to cover costs of the Travel Information Centre. As a result, this is an estimated increase of \$15,135 to the 2020 budget.

The long-term debt section of the budget has a decrease of \$13,793 at this time, assuming no additional debt is incurred for capital projects in 2020.

The overall Corporate budget variance from 2019 to 2020 is an increase of \$137,986.

Administration and Finance Budget

In the draft Administration budget one of the most significant changes is a decrease to the accounts receivable interest, which is projected as such since we no longer have in excess of 100 Daycare customers. The estimated investment income is a decrease of \$13,000 from the prior year. A few other notable changes to revenue include a \$6,000 decrease in Business Licences, a \$25,000 decrease to the Town's share of POA Fines, and a further reduction of \$170,000 in the Administration Service Charges as a result of no longer performing contracted financial services for the Fort Frances Power Corporation.

Overall, we are budgeting a decrease in revenue of \$216,200 for the Administration and Finance division.

Administration expenses have a projected increase of \$14,170 from 2019 to 2020. The majority of the increase stems from increases in salaries and coverage. There is also an estimated decrease of \$20,800 in the HR area's expenses.

The Clerk's department is also showing an increase of \$25,360, most of which is for a potential cross training for retirement as well as vacation coverage. The Treasury department shows a reduction of \$37,912. Some of this is due to grid changes for newer employees, as well, there is a reduction for telephone that is reallocated to IT.

The overall Administration and Finance budget variance from 2019 to 2020 is an increase of \$135,181.

Police Services Budget

The draft Police Services Board budget has a new line for Proceeds of Crime- Front Line Policing- The PSB has applied for \$300,000 over 3 years, beginning April 1, 2020- there is also an offsetting cost in the same prorated amount of \$75,000. There is a decrease of \$5,000 for training. Police Services administration presents a Court Security grant of \$217,418 which is equal to the Court Security costs in the OPP Grant, although this funding has not been confirmed. We have been advised of an increase to OPP Contracted costs of \$76,670 for 2020.

The overall Police Services budget variance from 2019 to 2020 is an increase of \$125,925.