

**TO: Mayor Caul & Members of Council**

**FROM: Dawn Galusha, Treasurer**

**DATE: January 11, 2019**

**SUBJECT: Preliminary 2019 Operating & Capital Budgets**

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## **BACKGROUND**

The 2019 formal budget process began with a public meeting held on December 10, 2018. Administration has been working on operational projections and capital needs for the coming year, which were presented to the Executive Committees last week.

The Preliminary 2019 General Operating Budget presented, indicates a deficit of \$813,872.

The two major external uncontrollable components accounting for 69.3% of this increase are:

• OPP Contract increase	\$396,805
• Estimated OMPF reduction	<u>\$167,105</u>
Total	<u>\$563,910</u>

The following is a list of changes in the staffing compliment of the Town of Fort Frances, included in this budget:

- Addition of one full time Public Works labourer and one seasonal labourer to address changes to the Minimum Maintenance Standards (started in October 2018 as it was previously approved)
- Proposed addition of one more student labourer in Parks and Cemeteries \$12,778
- Facilities- Additional maintenance attendant for ice season (Oct-Mar) performing routine maintenance \$32,100.17
- Facilities- 20 hours per week of extra time for caretakers \$26,125
- Marina- Additional 250 hours (16 hours/wk for 16 weeks) upstaff due to increased traffic \$3,835
- Information Technology Intern-  $\frac{3}{4}$  of year \$38,275 less Intern Grant of \$23,625
- Museum- Adding Museum assistant  $\frac{3}{4}$  of year (\$36,715), removing 2 students (reduction of \$15,910), Museum Intern will be done in March and no intern position will be hired in 2019 at Museum
- Lifeguards- increased time- to confirm value with Community Services Manager

The Preliminary Water and Sewer balanced budgets are incorporated in the budget document package, but they do not have a direct impact on the General Operating budget. The Water & Sewer Budgets are stand-alone utilities supported by Water & Sewer rates, which are a cost of living, but do not directly affect taxation rates.

The 2019 Capital Budget of \$15,030,212 is included in this draft budget package. At this time the

assessment of high, medium and low priority has not been considered and there are additional roads projects in the budget as the funding is unknown.

On a positive note, we are in the third year of the four-year cycle for property assessment phase-in. This means additional assessment is added to the taxation role which may provide for additional taxation revenue. For example, if the 2018 Municipal tax rates were applied to the 2019 assessment, it is estimated that approximately \$143,000 additional taxation revenue would be realized (this estimate provides no consideration for graduated taxation and the higher band tax rates- in 2018 graduated taxation generated \$73,491).

As you can see, there are still several unknowns. In addition, Administration has not yet completed its line by line review of the 2018 operating actuals and comparing to the 2019 budget as presented. This will be done in early February as we are closer to completion of the year end processes.

Summary of General Operating Budgets for 2018 as compared to 2019:

<b>Division</b>	<b>2018</b>	<b>2019</b>	<b>Increase/Decrease</b>	<b>Amount</b>	<b>% of Total Increase</b>
Corporate	(9,334,003)	(9,302,401)	Revenue decrease	31,602	3.88%
Admin & Finance	961,771	1,083,296	Net Increase	121,525	14.93%
Emergency Services	3,053,848	3,487,599	Net Increase	433,751	53.29%
Community Services	1,825,221	2,016,152	Net Increase	190,931	23.46%
Operations & Facilities	3,155,450	3,201,916	Net Increase	46,466	5.71%
Planning & Development	337,713	327,310	Net decrease	(10,403)	(1.28%)
Total Budget Increase				813,872	

Council Approval of This Report will receive the Preliminary 2019 General, Water & Sewer Operating and Capital Budgets as presented.