



*THE CORPORATION OF THE TOWN OF*  
**SAUGEEN SHORES**

## STAFF REPORT

Prepared By: Kate Allan, Director of Finance

Approved By: Larry Allison, CAO \_\_\_\_\_

Date: March 9, 2015

Subject: 2015 Municipal Budget

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### **RECOMMENDATION**

THAT the Council of the Corporation of the Town of Saugeen Shores approve the Municipal Budget for the year 2015 as follows:

	<b>Operating and Reserves</b>	<b>Capital</b>	<b>Total 2015 Budget</b>
<b>Expenditures</b>	\$ 23,195,226	\$ 5,633,350	\$ 28,828,576
<b>Revenues</b>	13,314,712	4,421,729	17,736,441
<b>Total Municipal Taxation</b>	9,880,514	1,211,621	11,092,135

THAT the Town of Saugeen Shores Tax Levy be set at \$11,092,135 to finance the Operating and Capital Budgets of the municipality for the year 2015. This levy includes growth of \$217,814 (2.08%) and a levy increase of \$404,133 (3.86%) for a total levy increase of \$621,947.

THAT the Tax Levy By-law establishing the 2015 Tax Rates be considered by Council.

THAT the flat fee of \$27.53 per property be approved AND THAT Schedule A to the Consolidated Fees and Charges By-law #xx-2014 be presented to Council for amendment.

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### **BACKGROUND**

Following several Capital and Operating Budget Review Meetings, Council and Staff have finalized the 2015 Budget process with a projected total tax levy increase of

\$621,947 including new tax dollars provided through growth at 2.08% and the final levy increase of 3.86%. The 2015 Budget and Levy are impacted by the loss of \$343.500 in grant funding from the Ontario Municipal Partnership Fund. The OMPF funding is expected to be further reduced in 2016 and 2017. When the municipal tax rate is combined with the County and School rates, the average overall property tax increase is 3.08%, compared to our municipal levy increase of 3.86%.

The 2015 operating budget includes several small service enhancements including an increase in summer students dedicated to beach and waterfront facility maintenance, an increase to the amount spent on gravel resurfacing. The amount to be set aside for future bridge capital work has been increased as well. Otherwise the 2015 operating budget is a status quo budget with no significant enhancements or reductions.

### **Waste Management User Fee**

Based on previous discussions, Staff has determined that a Waste Management Levy in the amount of \$27.53 per property will result in a tax levy neutral budget for Waste Management Services. (Includes Collection, Disposal and Recycling)

The \$27.53 levy will raise approximately \$218,024.50 based on current property numbers. This amount will fund the following transfers,

- \$75,000 - transfer to expansion reserve
- \$84,987.73 – transfer to equipment reserve
- Partially fund \$81,887.27 – repayment to FCP reserve for fleet

Upon approval from Council this fee will be added to Schedule A of the Consolidated User Fee By-law and included on the tax bill in addition to the final levy that is issued in July 2015.

**Schedule “A”** the departmental summary that is attached provides a summary of each Departments burden on the tax levy for 2015 in comparison with the 2014 approved budget. The annual municipal impact to a residential unit assessed at \$270,000 is an increase of approximately \$48.25

**Schedule “B”** provides details on the 2015 Capital Budget program. A large amount of capital work is expected to be completed through a combination of tax dollars, donations, Federal Gas Tax funding, User Fees, Development Charges and Reserve Transfers. The total 2015 Capital Budget program is estimated to be \$5.6 million dollars. This is a reduction of \$2.6 million from 2014.

### **Major projects in the 2015 Budget include the following:**

- Implementation of the IT master plan including a disaster recovery strategy and the creation of a cold site as well as improved connectivity with remote locations.

- Replacement of SCBA Pack and Mask equipment
- Renovation to improve storage and space efficiencies at the Police Station
- Purchase of a Quint unit at the Fire Hall as well as other vehicle and equipment replacements.
- Reconstruction of Waterloo Street
- Continuing work on Adelaide Street
- Stafford Street and Catherine
- Doll Side road asphalt resurfacing
- Drainage improvements along Highway 21.
- Accessibility improvements at High Street and Victoria intersection in Southampton.

**Schedule “C”** recaps the 2014 and prior project work to be completed in 2015. The funding for these projects was committed in 2014. This list includes:

- Bridge rehabilitation
- Intersection improvements at Goderich and Green, Morpeth crosswalk, Goderich and Devonshire and continuing implementation of the Port Elgin streetscape plan
- Top coat asphalt completing previous year’s road work on Geddes Street, Saugeen Street, Eugenie Street, Market Street and Waterloo Street.
- Completion of the LED streetlight conversion project
- Completion of the water meter up-grade program in Port Elgin.
- Slope stabilization at Pioneer Cemetery
- Wi-Fi servicing to downtown Port Elgin

**Schedule “D”** outlines the 2014 Reserve and Reserve Fund activity and the projected year-end balances for December 31, 2015.

The 2015 Budget includes a recommendation to transfer a total of \$3,009,218 (\$2,481,068 – 2014) into Reserve and transfer \$3,214,653 (\$5,367,789 – 2014) from our Reserve and Reserve Fund Accounts to accommodate the capital and operating work that will be completed this year. Included in this amount is a balance of \$468,622 is being used to finance two capital projects and will be repaid over a number of years. The net impact to our Reserve and Reserve Fund balances will be a projected year-end balance of \$9,288,468 compared to \$9,493,903 at December 31, 2014. The net change when the borrowed funds are added back is an increase of \$532,973.16 in total reserve balances.

The complete 2015 Operating and Capital Budgets and all related schedules will be available on the Treasury page of the municipal web-site at <http://www.saugeenshores.ca/en/our-town-hall/Budget-Reports.asp> once the by-law is passed. All draft budgets are available through iCompass as part of the agenda packages for each budget meeting.

**FINANCIAL IMPACT**

2015 Tax levy of \$11,092,195