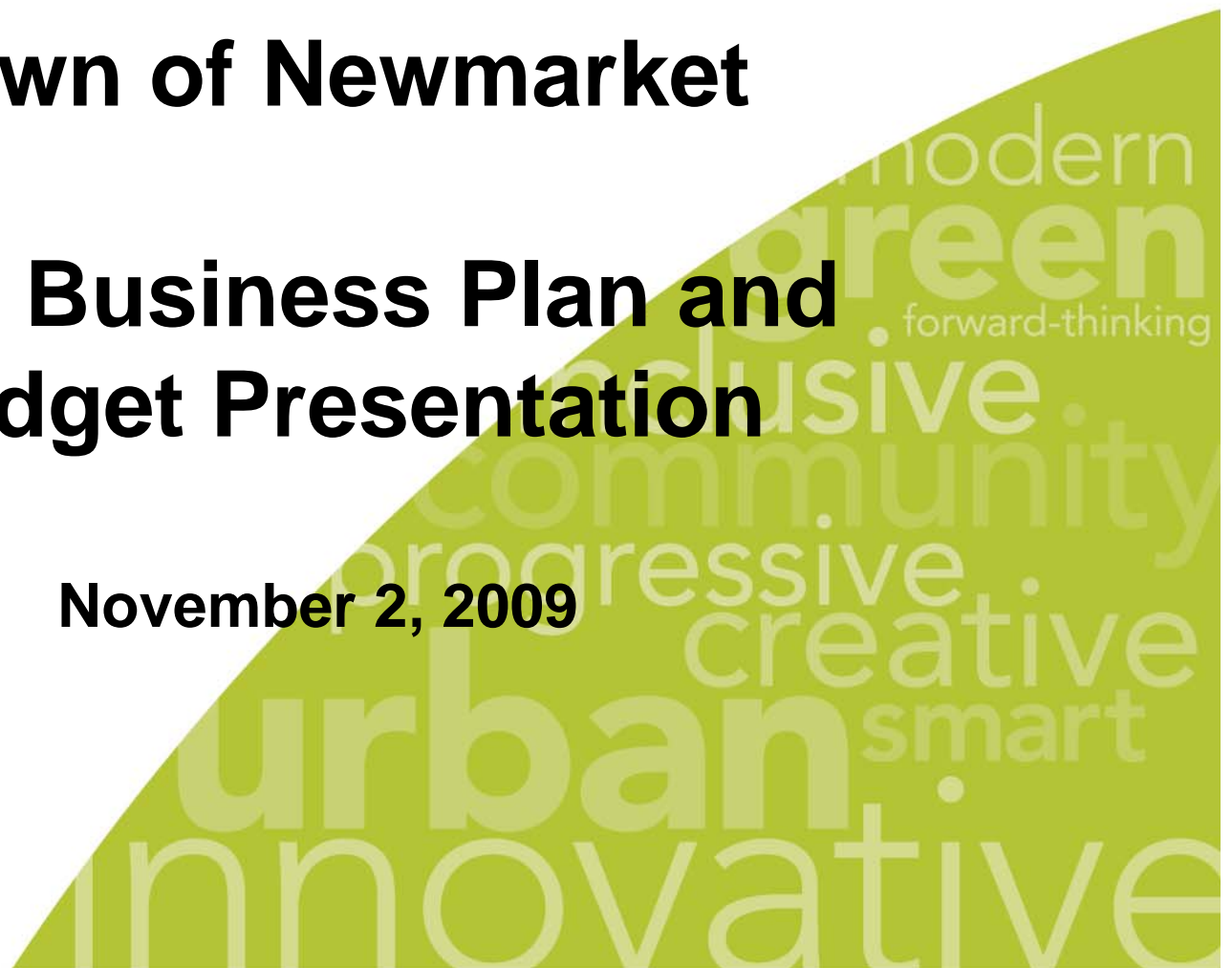




# Town of Newmarket

## 2010 Business Plan and Budget Presentation

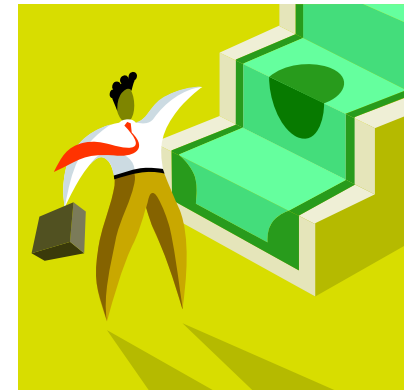
November 2, 2009



## Presentation Purpose



- Provide Members of Council with 2010 business planning and budget information for consideration.
- Seek comments and respond to questions.
- Request approval to prepare budget documentation for public consultation.



## 2010 Council Strategic Priorities



- Complete existing programmed capital projects and initiatives
- Update infrastructure as affordable
- Maintain core service levels
- Seek savings and efficiencies
- Establish a contingency fund
- Establish a service review process focused on tax funded areas
- Aim for a **tax rate of 3.81%** with options to reduce to 3%

The Strategic Priorities were established on May 11, 2009 at the Committee of the Whole Budget Process and Strategic Priorities Setting Session and these priorities have largely been met as part of the 2010 Business and Budget Process with the exception of establishing a contingency fund.

# 2010 Business Planning and Budget Process



## What we did . . .

- ✓ Engaged members of Council in the budget process through a strategic priorities setting session, development of a business plan and budget process timeline and Sp CoW budget meetings
- ✓ Developed corporate business plan goals to realize Council strategic priorities
- ✓ Developed business unit goals to realize corporate priorities
- ✓ Drafted 2010 operating and capital budget to support business unit, corporate goals and Council strategic priorities



# 2010 Business Planning and Budget Setting Process



What we accomplished . . .

**Given the times, a balanced, responsible corporate operating and capital budget that reflects the tax rate target of 3.81%\***

\* Subject to Council's review of and concurrence with the exclusions, cost-cutting measures, deferrals and review of reserves.



# Residential Property Tax Projection for 2010



	2009	2010	\$ Change	% Change
Town	\$1,239.81	\$1,287.05	\$47.24	3.81%
Region	\$1,573.30	\$1,574.87	\$1.57	0.10%
<b>Municipal</b>	<b>\$2,813.11</b>	<b>\$2,861.92</b>	<b>\$48.81</b>	<b>1.74%</b>
School Board	\$792.81	\$792.81	-	0.00%
<b>Total</b>	<b>\$3,605.93</b>	<b>\$3,654.74</b>	<b>\$48.81</b>	<b>1.35%</b>

Note: The upper tier municipalities will continue to benefit from uploading to the Province. The Region's draft budget shows that this has allowed them to reduce their tax increase by 3.3%.

## Steps to 3.81%\* . . .



- **Assumes a zero deficit at the end of 2009 as contingency and provision reserves will be replenished, if possible**
- **No enhancements, no provisions for growth**
- **No new staff increases**
- **No provision for the slippage in economic adjustment for wages**
- **Staff levels not adjusted to full impact of cost of living following the 1.5% adjustment in 2009**
- **Deferral of implementing the salary market review from 2009**
- **Hiring gaps continue**
- **Increased benefit costs**
- **Contributions to the Asset Replacement Fund continue to be frozen at 2008 levels**
- **Funding of the capital program from operations is at less than 50% of the level in prior years**
- **Impact of HST not factored into the budget**
- **Limited, non-sustainable use of reserves**
- **Stretch targets have been set for revenues**
- **\$6.7 million in capital requests have been deferred**

\* While ensuring that there were no significant reductions in service levels.

## What's included . . .

- **Community Urban Space Project**
- **Continued budget reductions to staff training and development**
- **Continuing with many of the 2009 line item reductions (3-13%)**
- **Core service budget allocation maintained**
- **New Customer Service revenues**
- **CYFS (SCBA Upgrade, Industrial Washer/Dryer, Thermal Cameras)**
- **Economic Development Strategy**
- **Election expenses**
- **Hydro dividend being used for capital purposes**
- **Kingdale Road shoulder rehabilitation**
- **Library allocation**
- **Magna parking lot**
- **NWQ Phase II of Dave Kerwin Trail**
- **Old Town Hall Revitalization**
- **Reprioritization and cost containment resulting in service level changes**
- **Roadwork (Denne Ave, Amelia, Janette, Jefferson, Tecumseth, Raglan Streets, Hamilton Drive)**
- **Senior Centre parking lot**
- **Service pricing keeping pace with policy**
- **Sustained building revenues**
- **Tapestry Lane Boardwalk**
- **Tennis Court Rehabilitation**
- **Water Meter Reading**
- **Green Fund from reserves**
- **Transportation Demand Management from reserves**

## What's excluded or deferred . . .



- **Build-up for 2011 (per original 5-year plan)**
- **Contingencies (see 2010 Council Strategic Priorities)**
- **Corporate Branding**
- **Cane Parkway Rehabilitation and Lane Reduction**
- **Davis Drive Streetscape**
- **Goldstein Park Design**
- **Miscellaneous Hardware Requirements**
- **Pony Drive Infrastructure Improvements**
- **Replace/Upgrade ERP Systems**
- **Road Rehabilitation Program**
- **Room to manoeuvre**
- **Slippage on economic increases**
- **Sewer & Water Spot Improvement Program**
- **Stellar Drive Infrastructure Improvements**
- **Storage Shelving Units**
- **Veterans Celebration Walkway**
- **Wireless Strategy and Pilot**

# How we're positioned going forward . . .



1. **Newmarket's tax rates are lower than the average of the 79 municipalities**
2. **Taxes as a percentage of income are lower than the average**
3. **Newmarket has the second lowest combined property taxes in York Region (combined with Region & School Board)**
4. **Newmarket taxes are the fifth lowest in York Region (Town portion only)**



This information is based on 2008 BMA Municipal Study and will be updated upon receipt of the 2009 BMA Municipal Study and other relevant documentation pertaining to how Newmarket compares.

# Matters on the Horizon and/or Risks



- Declining Hydro Dividend
- Facility opening (CUSP, OTH)
- Funding consideration related to economic development (i.e. DC's, cultural activities, sports groups, etc.)
- Growth
- HST impact
- Limited/no margin of maneuver for 2011 due to cost-cutting in 2009, 2010
- Managing a changing workforce
- Mandatory requirements
- Newmarket transformation related considerations
- Outstanding contract negotiations with CYFS
- Provisions & Contingencies - reduced ability to deal with weather, claims, etc.
- Replenishment of reserves (e.g. ARF, etc.)
- Staffing considerations
- Unprecedented opportunities

# 2010 Business Planning and Budget Process Timelines



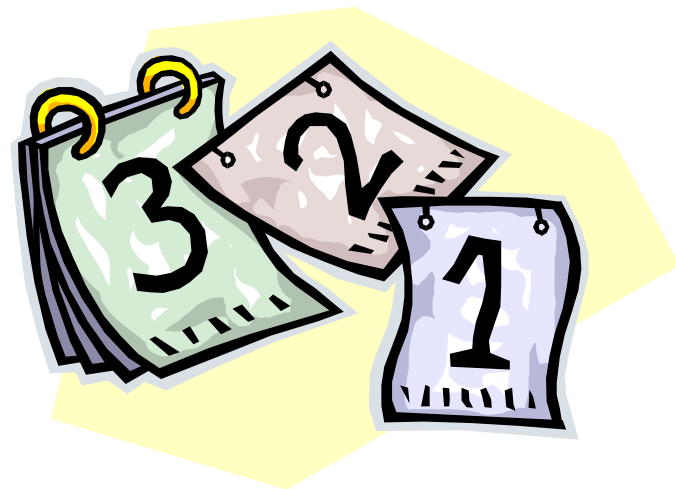
**Nov 2 - Draft Budget Report to Council (Sp Cow)**

**Nov 9 - Budget Open House (Council Chambers)**

**Nov 30 - Public Meeting (Sp CoW) - 7:00 P.M.**

**Dec 7 - Budget Report (CoW)**

**Dec 14 - Budget Final Approval (Council)**



## Next Steps . . .



**Prepare 2010 Business Plan and Budget supporting documentation for public consultation.**

