

2017 Town of Parry Sound Budget

Presentation to Council December 13, 2016

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Director of Finance and POA Court Services

Agenda

- ▶ Overview of capital budgets
- ▶ Update of impact on the ratepayer
- ▶ Deliberation on operating budgets
- ▶ Specific questions regarding what and why will be referred to appropriate director, or deferred to the budget deliberation meetings



Council's Direction for the 2017 Budget

- ▶ Approved Budget and Financial Controls Policy
 - ▶ Rate increase between 1.5% and 3.0%
 - ▶ We have prioritized to bring budget in under 3.0% **plus** 1.8% for infrastructure
 - ▶ Included an additional 1.8% for infrastructure per Asset Management Plan recommendations
- ▶ 2015 - 2018 Strategic Plan
 - ▶ We have identified items in the 2017 budget which further the Strategic Plan
 - ▶ We can't afford to do everything this year

Capital Budget – Chief Administrative Officer (Tab 7 - Page 65)

Municipal Office

- ▶ Replace stair structure level 3-4
 - ▶ 1 Star Priority
 - ▶ \$20,000 funded from reserves
- ▶ Window / Wall HVAC Controls Finance Level
 - ▶ 3 Star Priority
 - ▶ \$20,000 funded from reserves

Information Technology

- ▶ Laptop and desktop replacement
 - ▶ 3 Star Priority
 - ▶ \$10,000 from reserves

Capital Budget - Director of Emergency and Protective Services (Tab 9 - Page 72)

- ▶ Pooled Firefighter Gear
 - ▶ 4 Star Critical
 - ▶ \$25,000 funded from reserves (2017 AMP funding)
- ▶ Personal Protective Equipment
 - ▶ 5 Star Legislative
 - ▶ \$12,700 funded from reserves (2017 AMP funding)
- ▶ Firehall Roof
 - ▶ 4 Star Critical
 - ▶ \$25,000 funded from reserves (2017 AMP funding)



Capital Budget - Director of Public Works (Operations) (Tab 10 - Page 79)

- ▶ Emily Street
 - ▶ 4 Star Committed
 - ▶ \$875,000 from grant
- ▶ Waubeek Street
 - ▶ 4 Star Critical
 - ▶ \$1,886,704 debenture
 - ▶ \$353,986 province
 - ▶ \$376,450 federal
- ▶ Isabella St road realignment
 - ▶ 4 Star Critical
 - ▶ \$700,000 debenture
- ▶ Transfer Station Compactor Bins
 - ▶ 3 Star
 - ▶ \$75,000 current year levy
 - ▶ \$75,000 provincial grant
- ▶ Mini Excavator
 - ▶ 3 Star
 - ▶ \$60,000 reserves
- ▶ PW Supervisor Vehicle
 - ▶ 3 Star
 - ▶ \$30,000 reserves

Capital Budget - Director of Public Works (Operations) (Page 79)

- ▶ Truck wing for grading shoulders
 - ▶ 3 Star
 - ▶ \$10,000 current year levy
- ▶ Dump Truck
 - ▶ 4 Star Critical
 - ▶ \$185,000 reserves
- ▶ Loader Blade
 - ▶ 2 Star
 - ▶ \$10,000 current year levy
- ▶ Aluminum box for 1-ton
 - ▶ 2 Star
 - ▶ \$10,000 current year levy
- ▶ MADVAC
 - ▶ 2 Star
 - ▶ \$60,000 current year levy
- ▶ Traffic light control systems
 - ▶ 4 Star Critical
 - ▶ \$30,000 current year levy

Capital Budget - Director of Public Works (Operations) (Page 80)

- ▶ Operations Shop LED Conversion
 - ▶ 2 Star
 - ▶ \$12,000 tax levy
- ▶ New Public Washrooms
 - ▶ 4 Star critical
 - ▶ \$200,000 debenture
- ▶ Monument restoration
 - ▶ 4 Star critical
 - ▶ \$15,000 tax levy
- ▶ Additional street lights in Town
 - ▶ 2 Star
 - ▶ \$10,000
- ▶ Bowes St / Louisa Retaining Wall Phase II
 - ▶ 4 Star critical
 - ▶ \$160,000 debenture
- ▶ Parry Sound Rd Feasibility Study
 - ▶ 4 Star Committed
 - ▶ \$100,000 reserve fund
- ▶ Great North Rd Reconstruction Design
 - ▶ 4 Star Committed
 - ▶ \$900,000 reserve fund

Capital Budget - Director of Development and Leisure Services (Tab 11 Page 92)

Parks and Recreation

- ▶ Skate Park Resurfacing
 - ▶ 3 Star
 - ▶ \$20,000 current year levy
- ▶ BOCC Dehumidifier
 - ▶ 4 Star Critical
 - ▶ \$41,000 current year levy



Capital Budget - Director of Development and Leisure Services (Page 92 to 93)

Charles W. Stockey Centre

- ▶ Web Page
 - ▶ 4 Star Critical
 - ▶ \$15,000 current year levy
- ▶ Kitchen Storage
 - ▶ 3 Star
 - ▶ \$5,000 current year levy
- ▶ Performance Hall Displays
 - ▶ 3 Star
 - ▶ \$5,000 reserves

Charles W. Stockey Centre

- ▶ Curtains and Sheers
 - ▶ 2 Star
 - ▶ \$5,000 reserves
- ▶ Roof Phase II
 - ▶ 4 Star Critical
 - ▶ \$350,000 grant
 - ▶ \$350,000 debenture
- ▶ Carpeting Replacement
 - ▶ 1 Star
 - ▶ \$5,000 current year levy

Capital Budget - Director of Development and Leisure Services (Page 92 to 93)

Charles W. Stockey Centre

- ▶ Sound and Communication System
 - ▶ 3 Star
 - ▶ \$27,500 current year levy
- ▶ Table and Chair Replacement
 - ▶ 1 Star
 - ▶ \$5,000 current year levy
- ▶ BOHF Gift Shop
 - ▶ 2 Star
 - ▶ \$5,000 reserves
- ▶ BOHF Website
 - ▶ 4 Star Critical
 - ▶ \$15,000 reserves



Capital Budget - Director of Development and Leisure Services (Page 94)

- ▶ Big Sound Marina Divestiture
 - ▶ 4 Star Critical
 - ▶ \$5,000,000 grant
- ▶ Old Fire Hall
 - ▶ 4 Star Critical
 - ▶ \$100,000 AMP levy (being revisited)
- ▶ CP Station Structure
 - ▶ 2 Star
 - ▶ \$7,500 AMP levy
- ▶ Seguin St Mural
 - ▶ 2 Star
 - ▶ \$12,000 current year levy
- ▶ Waubuno Beach Interpretive Signs
 - ▶ 2 Star
 - ▶ \$5,000 current year levy
- ▶ Oastler Park Drive Property
 - ▶ \$245,000 other revenue

Property Assessment

The impact of the 2016 reassessment on tax years 2017 to 2020

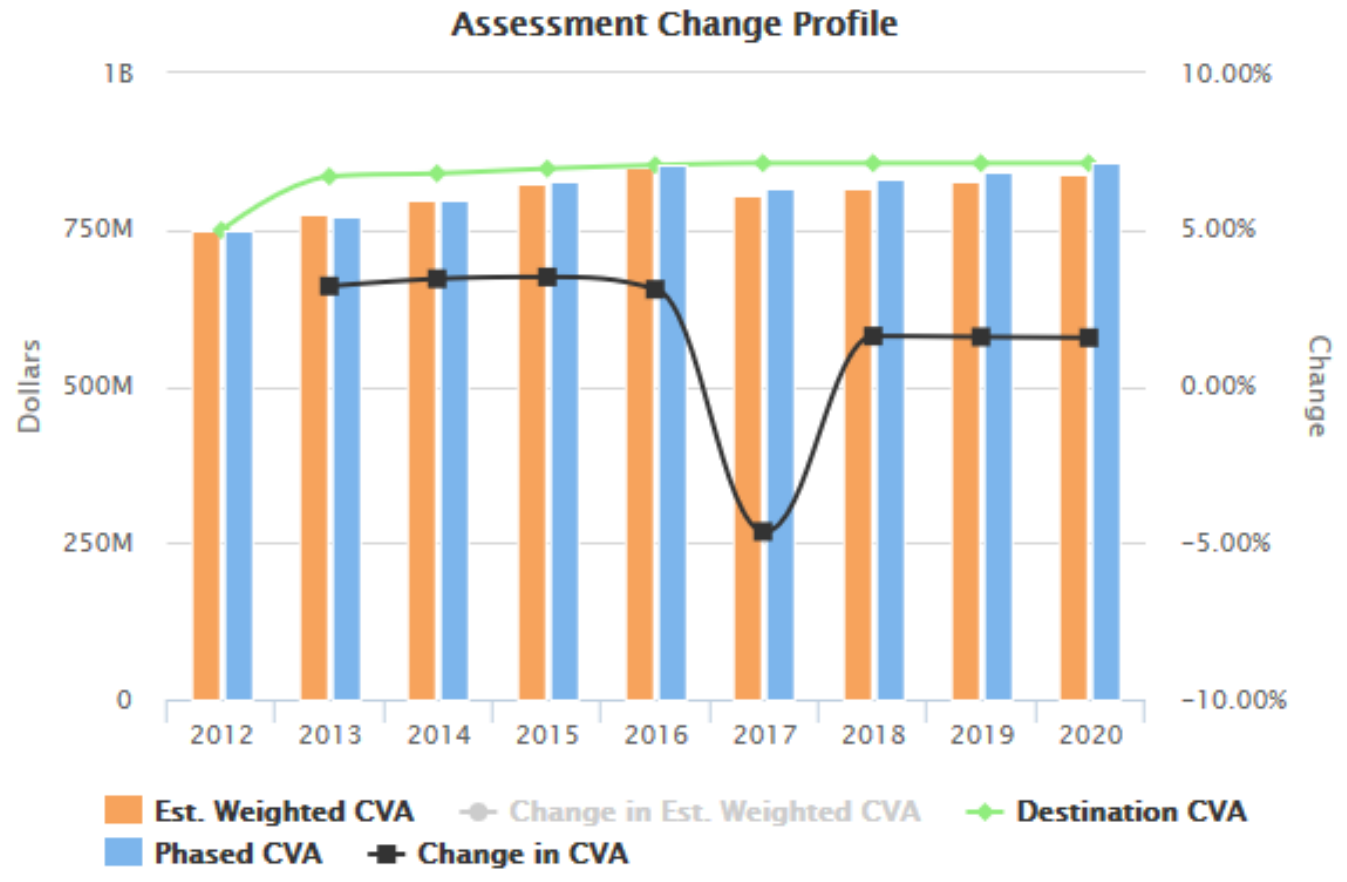
Reassessment of Property Values 2017 to 2020 Tax Years

- ▶ The assessment for the 2017 to 2020 tax years is based on what the property was worth on January 1, 2016
- ▶ If the January 1, 2016 value is lower than January 1, 2012 then the decrease in assessment occurs in the 2017 tax year
- ▶ If the January 1, 2016 value is higher than the January 1, 2012 value then the increase is phased in over 4 years
 - ▶ For example if the increase is 12% then each year the assessed value of the property will increase 3%


Town Assessment 2012 to 2020

By 2020 the assessment will be similar (still lower than) the 2016 assessment base

The growth over the next four years from market phase in is not going to be significant



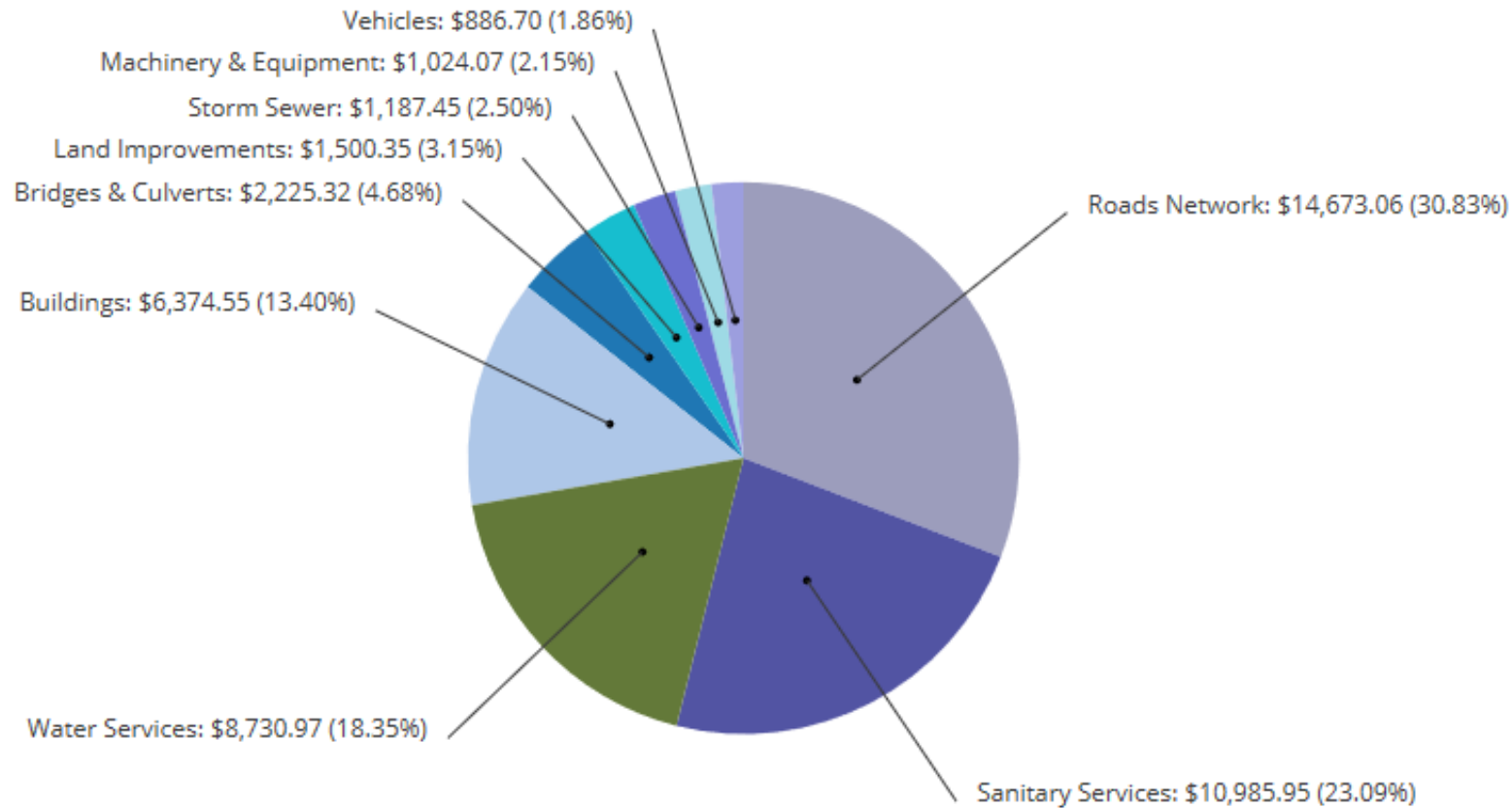
2017 Assessment by Tax Class

Parry Sound - 2017 Assessment by RTC 					
RTC	Description	Phased CVA	Change	Est. Weighted CVA	Change
C	Commercial	124,822,766	-6.54 %	198,113,912	-6.61 %
E	Exempt	117,057,404	-10.00 %	0	0.00 %
F	Farm	555,500	-5.04 %	138,875	-5.04 %
G	Parking Lot	1,017,000	0.49 %	1,688,220	0.49 %
I	Industrial	7,579,075	-3.33 %	10,064,647	-4.37 %
J	Industrial New	425,100	0.97 %	646,152	0.97 %
M	Multi-Residential	20,799,975	6.08 %	31,407,958	6.08 %
N	Multi-Residential New	1,339,500	3.01 %	1,339,500	3.01 %
P	Pipeline	1,481,250	1.39 %	1,303,500	1.39 %
R	Residential	511,213,549	-3.05 %	511,213,549	-3.05 %
S	Shopping Centre	12,701,681	1.04 %	21,056,000	1.04 %
T	Managed Forest	60,100	0.33 %	15,025	0.33 %
W	Railway Right-of-Way	0	0.00 %	0	0.00 %
X	Commercial New	17,988,050	-14.44 %	29,748,088	-14.49 %
		817,040,950	-4.64 %	806,735,426	-3.99 %

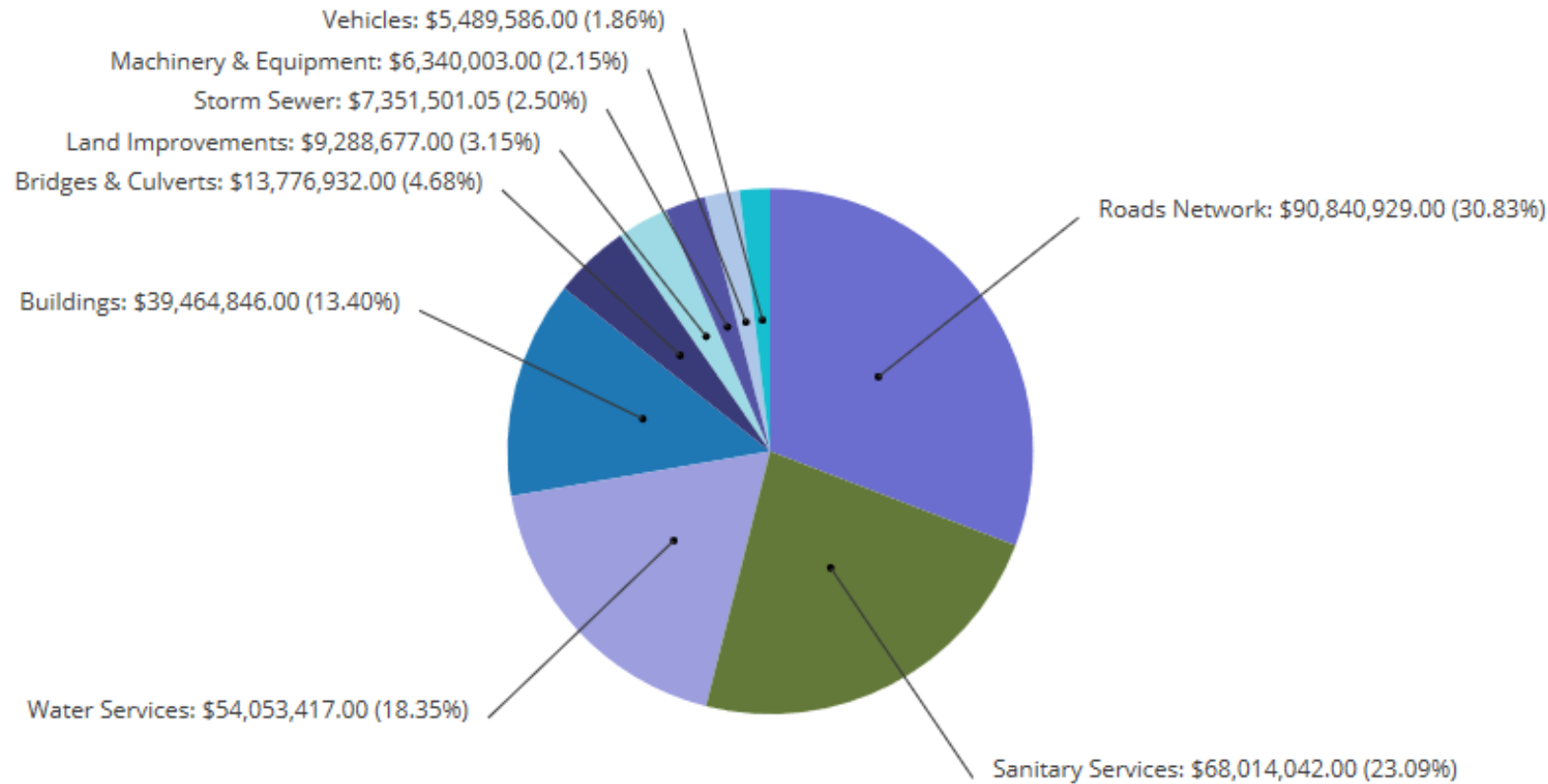
Asset Management

Providing Services Is Not Just About The Operating Statement

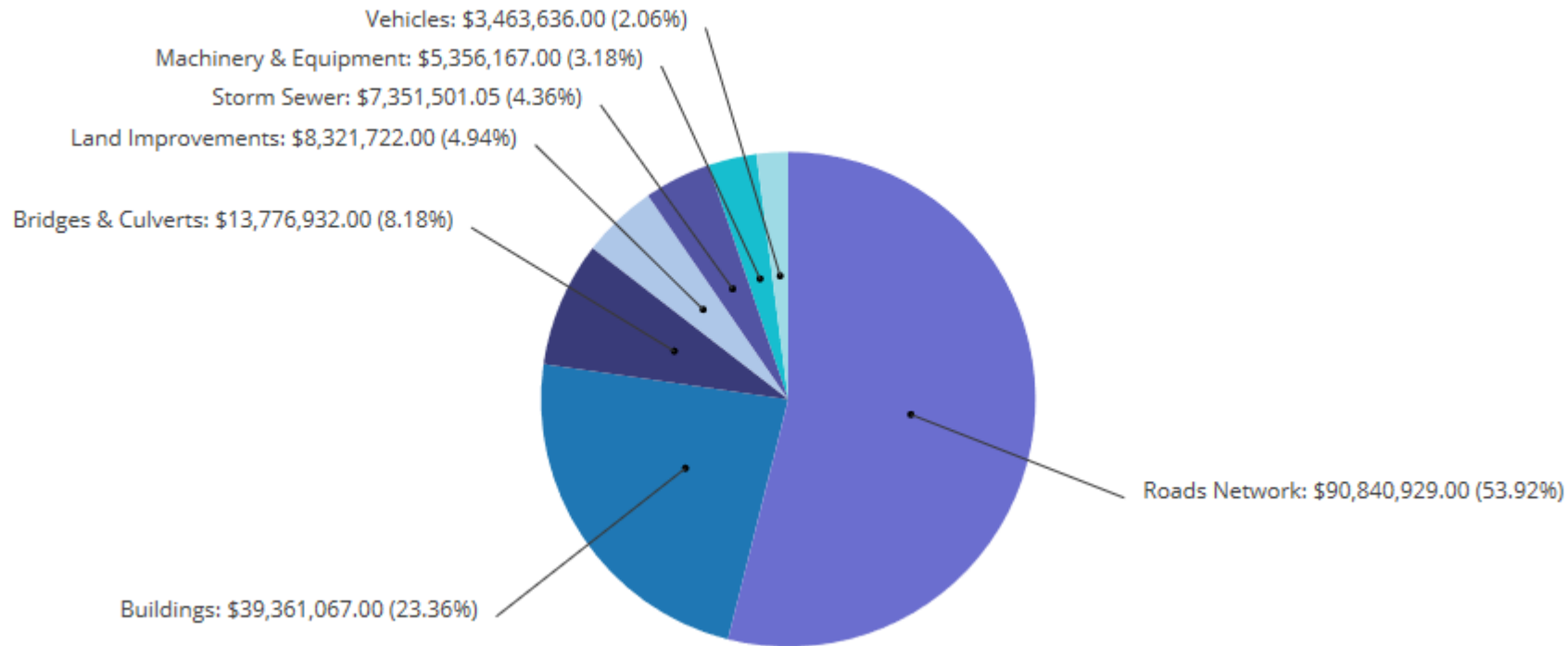
What Do I Own for My Tax Dollars (Average \$ in Assets Per Person, 2015)



How Much May It Cost to Replace



How Much Will It Cost the Taxpayer (Just Tax Supported Capital)



Changes From Nov 29 Proposal

Capital Budget

- ▶ Stockey Centre Phase II
 - ▶ Town was not successful in receiving grant funding of \$350,000
 - ▶ Increase to debenture for 2017 of \$350,000, no impact on current year levy
- ▶ Old Firehall
 - ▶ Required repairs will now be \$250,000 to allow for an immediate occupancy lease
 - ▶ Once repairs complete and rented, additional rental revenues will be realized
 - ▶ Increase to debenture of \$250,000
 - ▶ \$100,000 planned from reserves (from AMP levy) will be contributed to Equipment Replacement Reserve for the 2018 purchase of fire department Self Contained Breathing Apparatus
 - ▶ An alternative, would be to use the \$100,000 to fund tax funded capital, this would reduce the levy by approximately 1%

Operating Budget

- ▶ DSSAB Levy
 - ▶ DSSAB announced that there will be no levy increase
 - ▶ Impact is a decrease of \$14,600 (this is taken into account in following slides)
- ▶ Insurance
 - ▶ Insurance renewal was higher than expected
 - ▶ Allocation is currently being calculated as some of the expense is non-tax supported
 - ▶ Impact is not expected to be greater than \$2,000 overall (being offset by estimated decrease in EMS of about the same) (not taken into account as attributing premium takes some time)
- ▶ Museum has requested an additional \$900, staff recommend adding this increase (included in following slides)

Debenture Update

- ▶ Two debentures in 2017
 - ▶ 2016 Capital projects \$633,500
 - ▶ 2017 Capital projects \$10,696,704
 - ▶ Water \$3,500,000
 - ▶ Wastewater \$3,300,000
 - ▶ Town \$3,896,704
 - ▶ Old Fire Hall \$250,000
 - ▶ SC Phase II \$700,000
 - ▶ Waubeek \$1,886,704
 - ▶ Isabella St \$700,000
 - ▶ Public Washrooms \$200,000
 - ▶ Bowes Retaining Wall \$160,000

- ▶ Prior to changes (ie. As proposed in Nov 29 budget)
 - ▶ Debt servicing costs in 2018 for Town \$343,114 (approx. 3% levy increase in 2018)
- ▶ Changes for \$600,000 additional
 - ▶ Additional debt servicing cost of \$48,300 (0.5% levy increase)

Impact On The Taxpayer

Scenarios for Consideration

Scenario	Change in Revenue from 2016	Change Required from Nov 29 Proposal
Low Goal with AMP (3.3% levy increase)	\$379,000	(\$82,600)
High Goal with AMP (4.8% levy increase)	\$526,700	\$147,700
Proposed on Nov 29 ADJUSTED (4.2% levy increase)	\$461,600	\$0
Same levy as last year (0% levy increase)	\$100	(\$461,500)
Low Range of Policy (1.5% levy increase)	\$202,000	(\$259,600)
High Range of Policy (3.0% levy increase)	\$347,000	(\$114,600)

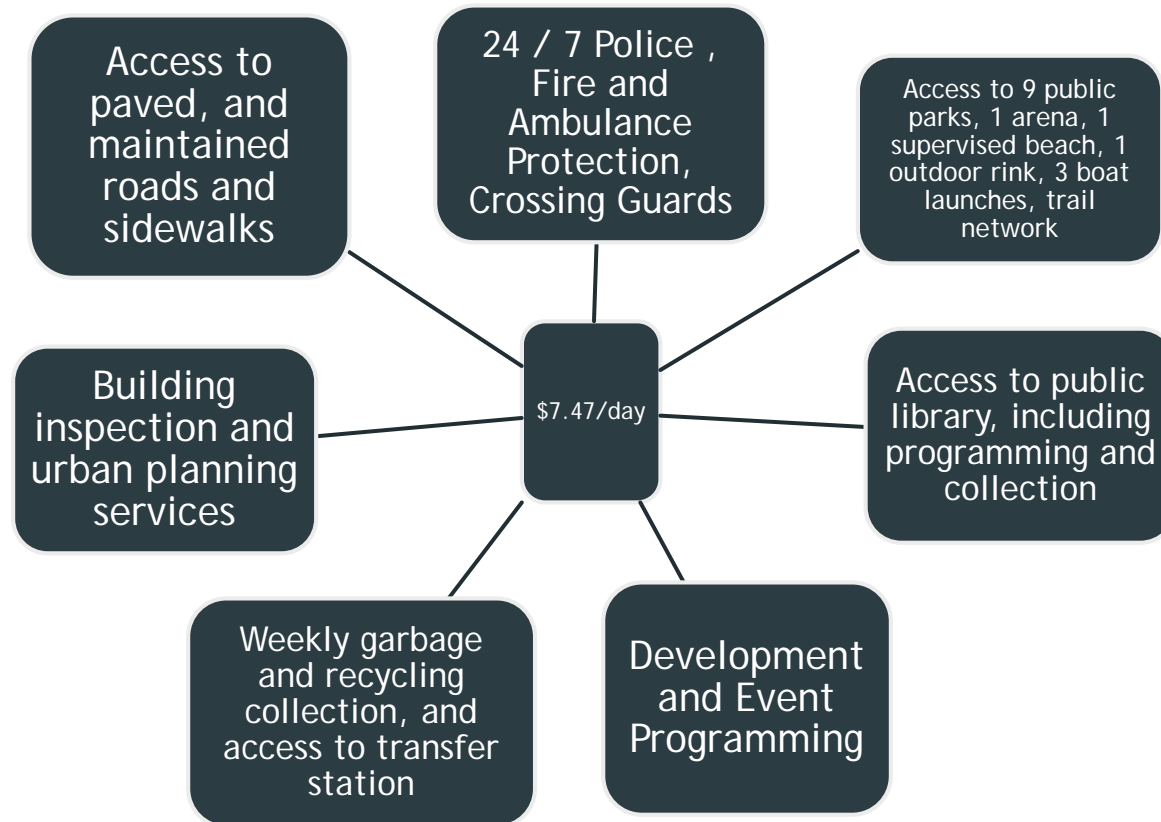
Impact on Taxpayer - Current Proposal

Type of Property	Municipal Tax (Mean Assessment)	Municipal \$ Change	Per Month Change	% Change for Municipal Portion
Single Family	\$2,728	\$174	\$14.49	6.81%
Condo	\$2,489	\$286	\$23.83	12.98%
Commercial	\$8,171	\$189	\$15.75	2.37%
Multi-residential	\$25,018	\$3,655	\$304.55	17.11%

Impact on Taxpayer - Alternatives (Mean Single Family Home - \$209,750)

Scenario	Municipal Tax (Mean Assessment)	Municipal \$ Change	Per Month Change	% Change for Municipal Portion
Low Policy with AMP	\$2,706	\$152	\$12.64	5.94%
High Policy with AMP	\$2,746	\$191	\$15.95	7.50%
Same Levy	\$2,604	\$50	\$4.13	1.94%
Low Policy No AMP	\$2,658	\$104	\$8.67	4.07%
High Policy No AMP	\$2,697	\$143	\$11.92	5.60%

What Services Do I Get For My Tax \$\$



Comparing Taxes to Other Bills

Expense	Estimated Monthly Cost
Monthly Property Taxes for Average Single Family Home	\$227
Utilities (Hydro, Gas, Water)	\$400
Home Insurance	\$150
TV and Internet (Bundle, middle plan)	\$150
Car Insurance (1 car)	\$100
Coffee (1 per work day)	\$35
Cell Phone (share plan, one user)	\$70
Groceries (family of 4)	\$750
Auto gas (one car)	\$160
Entertainment	\$200