

Budget Presentation

Council Presentation # 2

February 9, 2021



ElginCounty
Progressive by Nature

2020 Ten-Year Plan

- ▶ Measured tax increases over the ten-year window to avoid double digit tax increases
- ▶ Temporary use of debt and reserves until the gradual tax increase takes full effect
- ▶ The Asset Management Plan (AMP) added almost \$50 million in spend
- ▶ Use of provincial and federal infrastructure funding, as well as assessment growth, to partially fund the AMP
- ▶ Remainder was funded by Council approved 3.6% tax increase on an average property from 2020-2029

Efficiencies

\$0.2 M ANNUALLY

Homes efficiencies achieved predominately through improvements to the Case Mix Index (CMI)

Cost Increases

\$0.9 M ANNUALLY

Facilities Capital Maintenance

\$0.1 M ANNUALLY

Insurance Increases

Service Enhancements

\$0.15 M ANNUALLY

In Community Improvement Plan Funding through budget tightening in other Economic Development Budget Lines

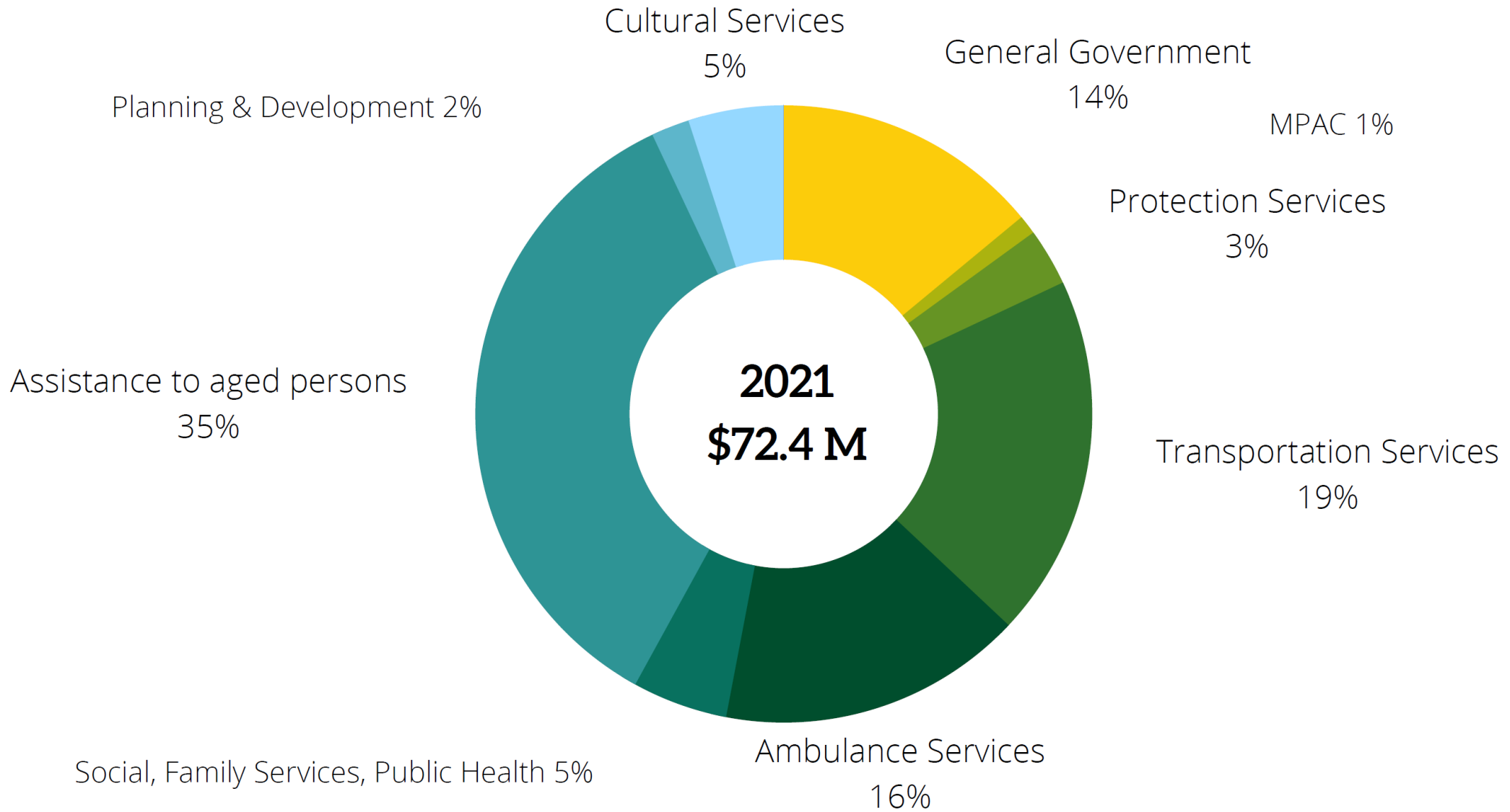
\$0.06 M ANNUALLY

In future years for library expansion

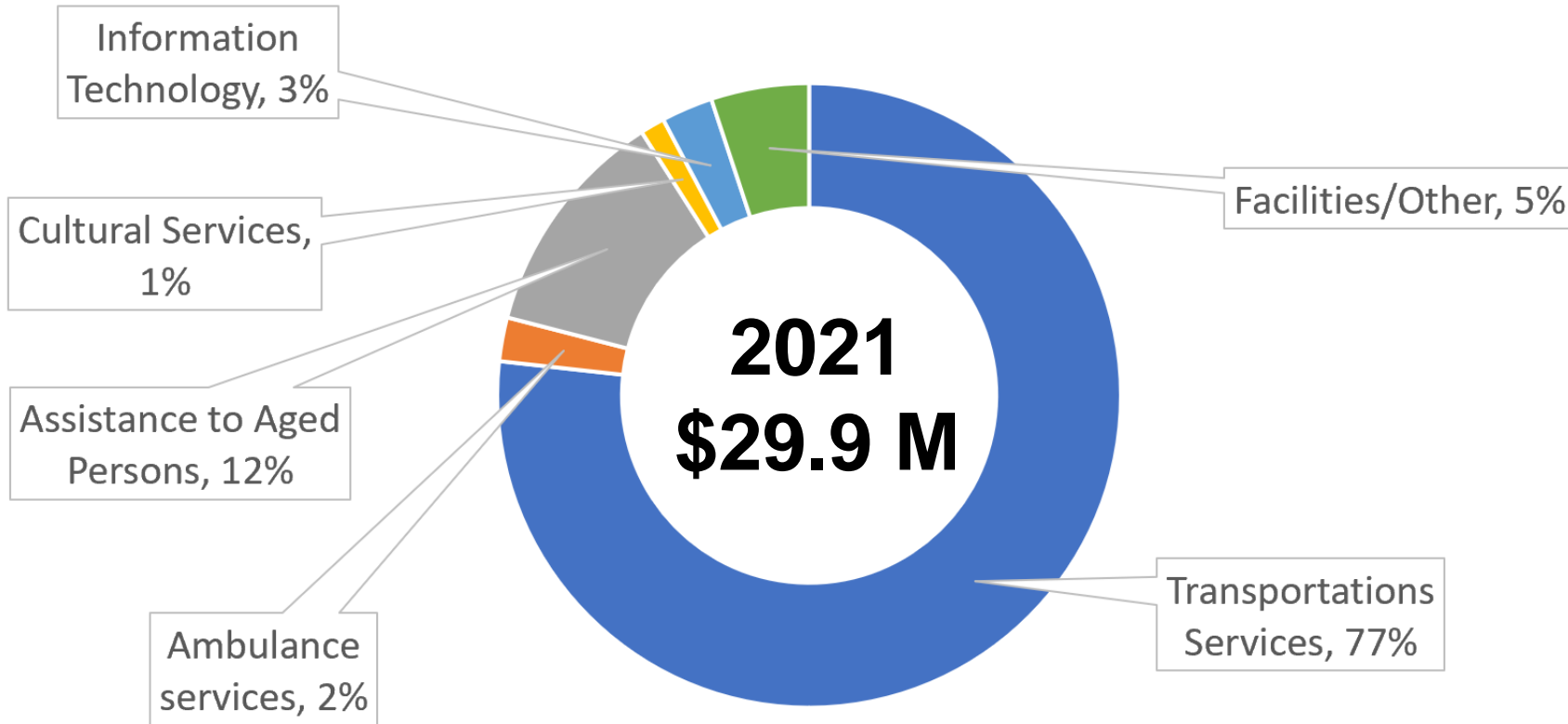
\$0.3 M ANNUALLY

Net costs to implement **priority recommendations** contained within the Service Delivery Review as identified by County Council.

COUNTY EXPENDITURES



Capital



- Carry-forward project budget adds a further \$40.5 million (predominately Terrace Lodge) of budget available for 2021
- 2021 - 2030 Capital Budget is \$209 million (\$9 million increase due to facilities capital maintenance)

2021 Major Capital Project Budgeted Spend



\$32.9M

Terrace Lodge Rebuild



\$3.9M

King George Lift Bridge Rehabilitation



\$5.0M

Rodney Reconstruction (103 and 104)



\$1.5M

Road 18 (Rd 14 to Rd 20) Rehabilitation



\$2.6M

Road 25 Rehabilitation (incl. 0.5m Partial Paved Shoulder)



\$1.4M

Bothwell Bridge Rehabilitation



\$3.1M

Administration Building Elevators



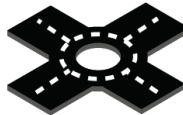
\$1.2M

Shaw Hill Drainage Improvements (rd 45)



\$2.8M

Meeks Bridge Replacement



\$1.5M

Elm Street at Centennial Road Intersection Improvement



\$2.0M

Road 27 Rehabilitation - Union to Sparta



\$1.1M

Road 48 Full Depth Reclamation plus one lift of asphalt resurfacing (25 to 30)

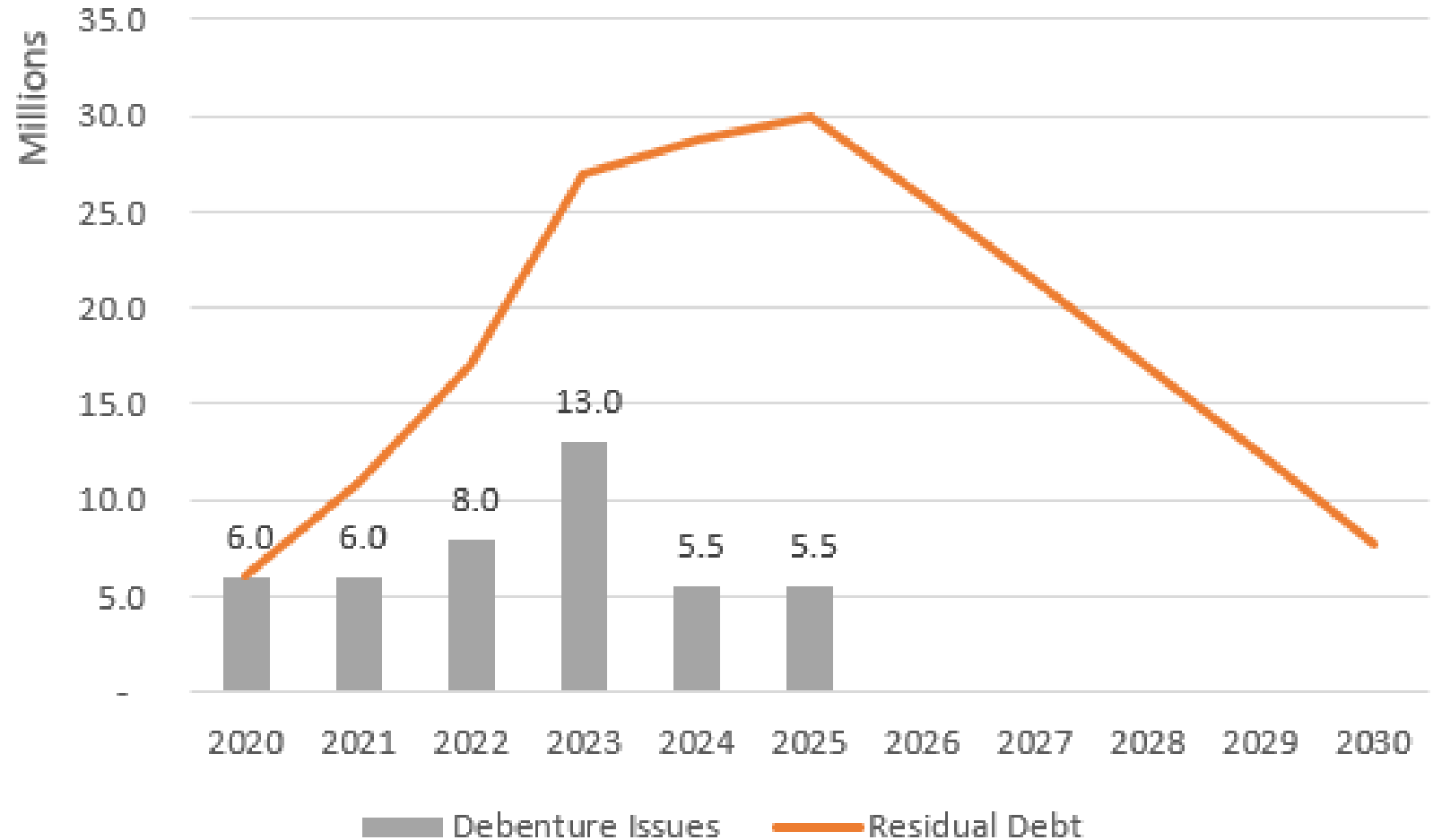


\$1.0M

Road 45 Rehabilitation (3 to 16)

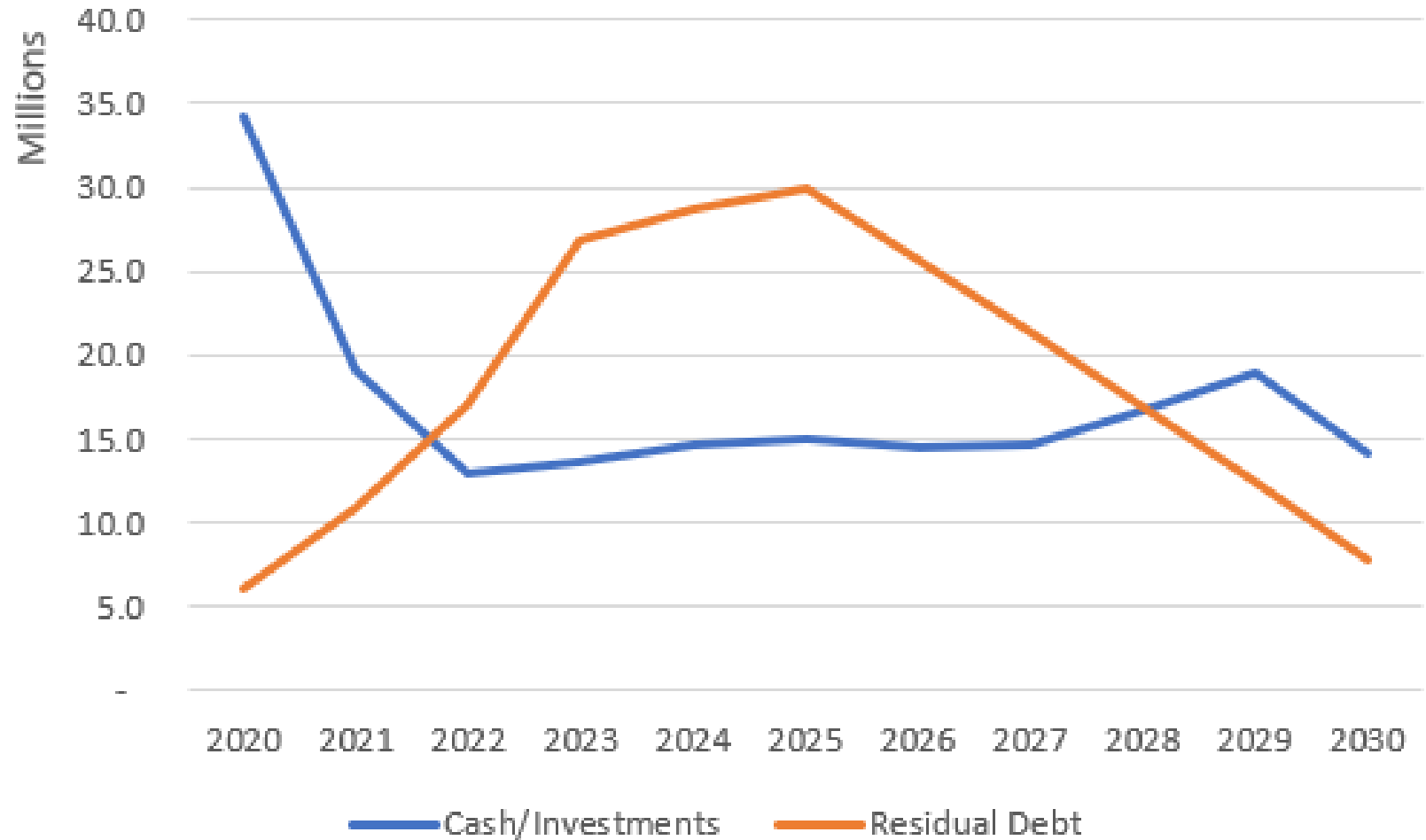
Debt Financing to Reduce Current Taxes

- 2020 plan included \$35 million in debt with ten year terms
- Current plan includes an increase in facilities capital spending of \$9 million
- Total debt acquired from 2020-2030 would be \$44 million with a 2030 residual level of debt of \$7.7 million



Cash Reserve Used to Reduce Taxes

- Council has built a cash reserve to fund major capital such as Terrace Lodge
- Cash and investments at the end of 2020 stood at \$34 mil
- Cash, debt and levy allow Council to invest \$209 million in infrastructure
- 2030 cash levels drop to \$14 million or the equivalent of one quarterly levy payment
- Further debt of \$8.0 million required in 2031 to maintain a “1/4 levy payment” cash reserve



Flexibility Built into the Plan

SRF/COVID Plan and Unallocated Reserve

SRF Carry-Forward	899,736
2020 Operating Budget Performance	2,600,000
Estimated Capital Project Surplus	2,900,000
2021 SRF Funding	256,000
SRF and Performance Carry-Forward	6,655,736
SRF Uses	609,413
SRF Reserves	105,000
Service Delivery Review Initiatives	3,406,647
Jan 26 Approved Capital Addition	218,400
Unallocated 2020 Performance Reserve (Available for Future Spending)	2,316,277

- Uses for reserve funding could include COVID costs and broadband funding

Taxes

	Ten-Year \$mils	2021	2022 - 2029	2030
2020 Ten-Year Plan		3.6%	3.6%	2.0%
PILS & Supplementals	3.1	0.7%		
Health Unit Provincial Downloads	(0.7)	(0.2%)		
Ambulance Contract	(0.8)	(0.2%)		
Terrace Lodge Redevelopment	1.6	0.4%		
Preliminary Average Tax Increase	<u>3.1</u>	<u>2.9%</u>	<u>3.6%</u>	<u>2.0%</u>

Levy		
Starting point (prior year levy)	\$37,275,310	
Increases on existing buildings	\$1,095,894	2.9%
Levy generated on new buildings (population growth)	\$688,926	1.9%
Total Levy	\$39,060,130	4.8%

2.9 %

Tax Rate Increase



\$ 61

Tax Increase on
Average Residential
Property (\$350,000)

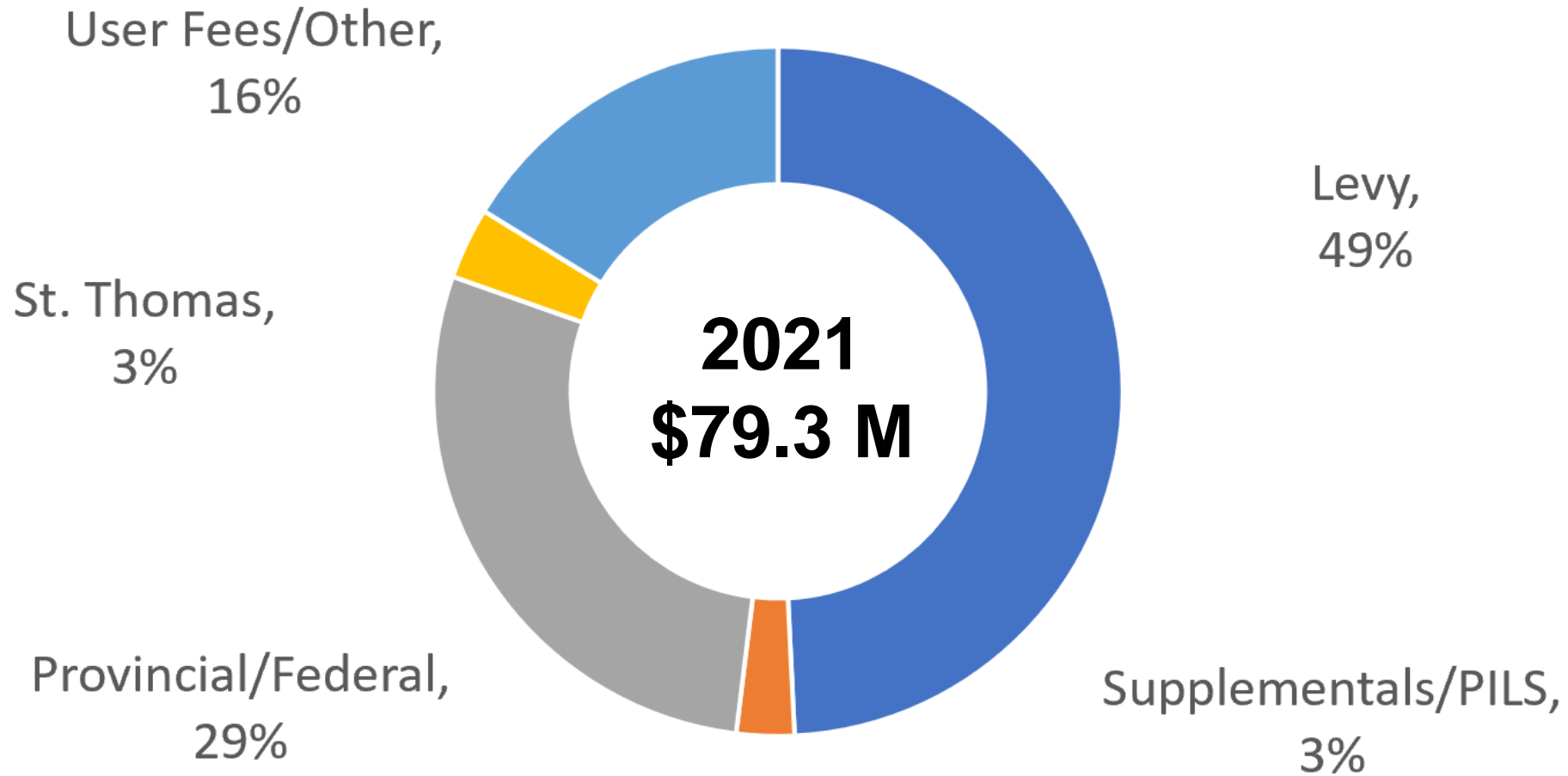
\$ 39.1M

2021 Total Levy

\$ 1.8M

Levy increase Over
2020

County Revenue



Carry-forward net project revenue (Port Bruce Bridge) adds a further \$2.5 million

Recommendation

- ▶ THAT a 2.9% tax rate increase for 2021 be approved with a 2021 levy of \$39,060,000; and,
- ▶ THAT a further \$6 million of debentures be acquired in 2021 as part of the plan to acquire \$44 million in debentures between 2020-2030 and additionally allow up to \$15 million in temporary borrowing to meet short-term immediate cashflow needs; and,
- ▶ THAT an overall 2021 operating budget net income of \$9,382,000 be approved, being the result of the carry-forward operating project net revenue of \$2,459,000 and a 2020 base operating net income of \$6,923,000 (comprised of \$79,341,000 of revenue and \$72,418,000 of costs); and,
- ▶ THAT the 2021 ten-year capital plan of \$209,053,000 with 2021 capital spend of \$70,315,000, comprised of carry-forward project reserve of \$40,457,000 and new capital projects of \$29,858,000 be approved; and,
- ▶ THAT the necessary by-laws be approved.