

The Corporation of the Township of Hamilton



REPORT TO: Mayor Cane & Members of Council

REPORT No: T 2019-23

SUBMITTED BY: Nusrat Ahmed, Treasurer

DATE: December 12, 2019

Subject: 2020 Draft Operating Budget

RECOMMENDATION: For Information Only ■

It is recommended that the Council of the Township of Hamilton enact as follows:

THAT Report T 2019-23, 2020 Draft Operating Budget, be received for Council information

ORIGIN/BACKGROUND:

The 2020 Draft Operating Budget proposes a \$229,690 or 2.9% increase over the 2019 budget. Additional special budget meeting is scheduled to be held on January 16, 2020.

DISCUSSION:

The 2020 Draft Operating Budget proposes a 2.9% increase over the 2019 budget (Appendix "A").

2020 Budget Highlights

	2018 Budget	2019 Budget	2020 Draft Budget	Variance (Fav)/Unfav	Variance %
Expenditures					
Personnel	\$ 3,755,262	\$ 3,865,895	\$ 4,023,703	\$ 157,807	4.1%
Contribution to Reserve	576,135	603,946	629,106	25,160	4.2%
Other Expenditure	5,391,183	5,583,276	5,594,211	10,935	0.2%
Total Expenditures	9,722,580	10,053,117	10,247,020	193,903	1.9%
Revenues					
Contribution from Reserve	-60,837	-92,984	-64,837	28,147	-30.3%
Other Revenue	-1,895,596	-1,977,899	-1,970,259	7,640	-0.4%
Total Revenue	-1,956,433	-2,070,883	-2,035,096	35,787	-1.7%
Net Budget	7,759,531	7,982,234	8,211,924	229,690	2.9%

Base budget pressures which are generally inflation pressures for maintaining services level presents a net impact of \$143,790 or 1.8%, followed by new pressures of \$85,900 or 1.1%.

	2019 Approved Budget	Base	New	2020 Draft Budget
Expenditures				
Personnel	\$ 3,865,895	\$ 71,907	\$ 85,900	\$ 4,023,703
Contribution to Reserve	603,946	25,160	-	629,106
Other Expenditure	5,583,276	10,935	-	5,594,211
Total Expenditures	10,053,117	108,003	85,900	10,247,020
Revenues				
Contribution from Reserve	-92,984	28,147	-	-64,837
Other Revenue	-1,977,899	7,640	-	-1,970,259
Total Revenue	-2,070,883	35,787	0	-2,035,096
Net Budget	7,982,234	143,790	85,900	8,211,924
		1.8%	1.1%	

Base Budget

Base Budget pressures are about \$143,790 or 1.8%.

- Personnel base expenditure pressure has an increase of \$71,907 or 1.9% which includes cost of living adjustment provisions, adjustments to benefit rates and step-rate increases.
- Contribution to reserve saw an increase of \$25,160 or 4.2% as the Township is increasing its contribution to reserve.
- Other expenditure is increasing by \$10,935 or 0.2% mainly due to increase in GIS expense to advance on departmental efficiencies as well as starting the integration of GIS into asset management.
- Contribution from reserve is decreasing by \$28,147 or 30.3% primarily due to the completion of the Road Needs Study in 2019 and therefore funding is not required in 2020.
- Other revenue is decreasing by \$7,640 or 0.4% mainly because ice is no longer rented by Millbrook based teams in September.

All base budgets were reviewed and scrutinized to ensure they were to contracted rates, reflect any efficiencies, and are in-line with actual costs.


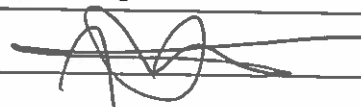
New Items

The Township's Operating Budget includes 2 new positions, as well as services and contract resources to support existing services to a growing community (Appendix "B").

	2020 Draft Budget
<u>New Staff Request</u>	
Administration	
Deputy Clerk (July 2020 start)	\$ 44,300
 Public Works/Water Operations	
Heavy Equipment Operator (April 2020 start)	55,500
Water Rate Funding (25%)	-13,900
	41,600
 <u>Service & Contract</u>	
Administration	
Records Management Contract	40,000
Efficiency Funding	-40,000
	0
 Administration	
Communication Plan and Implementations	25,000
Efficiency Funding	-25,000
	0
 Administration	
Organizational Review	40,000
Efficiency Funding	-40,000
	0
Tax Rate Increase	\$ 85,900

Strategic Plan

Ensure high financial performance standards are in place for planning and implementation of capital infrastructure and development projects.

Title	Official	Signature	Date
Treasurer	Nusrat Ahmed		Dec. 6, 19
Chief Administrative Officer	Arthur Anderson		2019.12.06



TOWNSHIP OF HAMILTON New Ask

	2020 Draft Budget	2021 Full Year Cost	2021 Annualization
<u>New Staff Request</u>			
Administration			
Deputy Clerk (July 2020 start)	\$ 44,300	\$ 88,600	\$ 44,300
Public Works/Water Operations			
Heavy Equipment Operator (April 2020 start)	55,500	74,000	18,500
Water Rate Funding (25%)	-13,900	-18,500	-4,600
	41,600	55,500	13,900
<u>Service & Contract</u>			
Administration			
Records Management Contract	40,000		
Efficiency Funding	-40,000		
	0		
Administration			
Communication Plan and Implementations	25,000		
Efficiency Funding	-25,000		
	0		
Administration			
Organizational Review	40,000		
Efficiency Funding	-40,000		
	0		
Tax Rate Increase	\$ 85,900		\$ 72,100

TOWNSHIP OF HAMILTON
Reserve and Reserve Funds

Appendix "C"

Description	Projected 2019 Ending Balance	2020 DRAFT OPERATING BUDGET		2020 DRAFT CAPITAL BUDGET		Projected 2020 Ending Balance
		Contribution to Reserve	Contribution from Reserve	Contribution to Reserve	Contribution from Reserve	
RESERVE & RESERVE FUNDS						
COUNCIL RETIREMENT RESERVE	(3,600)	(510)				(4,110)
HERITAGE RESERVE	(27,988)	(5,000)				(32,988)
ADMINISTRATION FACILITY RESERVE	(41,968)					(41,968)
ELECTION RESERVE	(72,367)	(10,000)				(82,367)
ADMIN IT RESERVE	(11,900)	(7,650)				(19,550)
HOSPICE RESERVE	(43,120)					(43,120)
GENERAL RESERVE - CONTINGENCY	(1,420,541)	(33,946)				(1,454,487)
ACCESSIBILITY RESERVE	(20,000)	(9,000)	9,000			(20,000)
ECONOMIC DEVELOPMENT RESERVE	(7,638)					(7,638)
PLANNING RESERVE	(49,691)		15,000			(34,691)
BUILDING RESERVE	(129,865)		3,683		7,500	(118,682)
FIRE FACILITY RESERVE	(19,268)					(19,268)
FIRE VEHICLE/EQUIPMENT RESERVE	239,324	(150,000)			77,000	166,324
POLICING RESERVE	(135,330)					(135,330)
POLICE KIDS RESERVE	(8,336)					(8,336)
POLICE SERVICE BOARD RESERVE	(34,747)	(7,000)	12,337			(29,410)
ROADS VEHICLE/EQUIPMENT RESERVE	(92,853)	(275,000)			370,000	2,147
GRAVEL REHAB RESERVE	(291,461)					(291,461)
BRIDGE/CULVERT RESERVE	(96,529)	(12,000)				(108,529)
ROADS RESERVE	(655,281)					(655,281)
BEAVERMEADOW FINLAY GR	(7,655)					(7,655)
WINTER MAINTENANCE RESERVE	(145,799)	(4,000)				(149,799)
TREE REMOVAL RESERVE	(15,000)					(15,000)
STREETLIGHT RESERVE	(213,995)	(7,000)				(220,995)
ROADS NEEDS STUDY RESERVE	(11,500)	(10,000)				(21,500)
GENERATOR RESERVE	(40,000)	(10,000)				(50,000)
HYDRANT RESERVE	(123,703)	(14,083)				(137,786)
LUSI CAPITAL FUND RESERVE	(22,064)	(22,064)				(44,128)
WATER RESERVE	279,242		31,873		420,000	731,115
WATER RATE STUDY	(30,000)	(10,000)	30,000			(10,000)
WATER - UNFUNDED CAPITAL - KENNEDY RD	274,928					274,928
PARKS RESERVE	(48,245)					(48,245)
RECREATION FACILITY RESERVE	31,606	(64,500)				(32,894)
P & R VEHICLE/EQUIPMENT RESERVE	(182,416)	(20,000)			60,000	(142,416)
COLDSPRINGS HALL - FUNDRAISING RESERVE	(750)					(750)
COLDSPRINGS PARK BOARD RESERVE	(74)					(74)
COLD SPRINGS HALL RESERVE	(23,415)	(3,500)	2,500			(24,415)
BEWDLEY COMMUNITY RESERVE	(7,098)					(7,098)
MAS BUILDING/EQUIPMENT RESERVE	(86,675)					(86,675)
MAS MERCY RESERVE	(936)					(936)
MAS GENERAL RESERVE	(205,631)					(205,631)
MAS SPRAY NEUTER RESERVE	(3,153)					(3,153)
Total Reserve	(3,505,491)					(3,141,851)