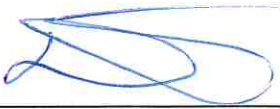


TOWN OF RICHMOND HILL
2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

2019 Draft Budget Submitted and Reviewed by:



David Dexter
Director, Financial Services & Treasurer

TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

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TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

OVERVIEW

This budget area provides a consolidation of revenues and expenditures, which are corporate-wide rather than department specific. They include the Town's annual revenues from supplementary taxation, payments in lieu of taxes, investment income, tax arrears penalties, and transfers from other funds. Expenditures include the annual contribution to the repair and replacement reserve funds, provisions for tax assessment appeal and other adjustments, grants and tax rate funded capital. The net total funding / revenue sources provide significant offsets to the Town's total operating costs.

This program is separate from, but accounted for by the Corporate & Financial Services Department.

2019 Budget Highlights

The 2019 Draft Budget for the Corporate Accounts is a net revenue of \$1,881,200 before taxation. The 2019 Draft Taxation Revenue is \$117,306,100.

	2017 Actuals	Preliminary Actuals at 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Expenditures						
Corporate Accounts	\$ 14,656,220	\$ 10,582,591	\$ 12,196,800	\$ 14,345,200	2,148,400	
Grants	384,594	321,121	342,700	362,700	20,000	
BIA Village of RH	92,226	51,040	92,800	92,800	-	
Total Expenditures	\$ 15,133,040	\$ 10,954,752	\$ 12,632,300	\$ 14,800,700	\$ 2,168,400	17.2%
Revenues						
Corporate Accounts	(13,118,513)	(27,762,316)	(15,871,600)	(16,509,100)	(637,500)	
Grants	(71,262)	(50,000)	(80,000)	(80,000)	-	
BIA Village of RH	(92,226)	(101,056)	(92,800)	(92,800)	-	
Total Revenues	\$ (13,282,001)	\$ (27,913,372)	\$ (16,044,400)	\$ (16,681,900)	\$ (637,500)	4.0%
Net						
Corporate Accounts	1,537,707.29	(17,179,725)	(3,674,800)	(2,163,900)	1,510,900	
Grants	313,332	271,121	262,700	282,700	20,000	
BIA Village of RH	-	(50,016)	-	-	-	
Net Budget before Taxation	\$ 1,851,039	\$ (16,958,620)	\$ (3,412,100)	\$ (1,881,200)	\$ 1,530,900	-44.9%
Net Budget Taxation	\$ (108,719,051)	\$ (114,703,762)	\$ (114,254,600)	\$ (117,306,100)	\$ (3,051,500)	
Net Budget	\$ (106,868,012)	\$ (131,662,382)	\$ (117,666,700)	\$ (119,187,300)	\$ (1,520,600)	1.3%

TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

OVERVIEW – Cont'd

Budget Change Explanations	2018 Budget	2019 Budget	Incremental Change	% Change Over Prior Year	Explanation
2018 Net Budget			\$ (3,412,100)		
BASE					
Expenditures					
<u>Corporate Accounts</u>					
Retiree Benefits	180,000	240,000	60,000		To reflect provision for Retiree Benefits
Personnel Contingency Account	572,600	1,154,400	581,800		To reflect provision for negotiated settlement
Transfer to Reserve	500,000	385,000	(115,000)		Reduction in the transfer for WSIB
Bill 148 Legislation	215,900	-	(215,900)		Bill 148 legislation impact reduced in 2019
General Contracts	33,300	40,000	6,700		Annual subscription to Bloomberg Terminal & FTSE/TMX Global Debt Markets
Staff Transit Zone 1 Subsidy	36,000	25,000	(11,000)		Based on historical trend
Bank Charges	64,000	50,000	(14,000)		Based on historical trend
<u>Grants</u>					
Senior Tax Assistance	204,200	224,200	20,000		Based on historical trend
Revenues					
<u>Corporate Accounts</u>					
P.I.L. - Canada Post	(138,000)	(128,000)	10,000		Based on historical trend
P.I.L. - L.C.B.O	(8,700)	(9,000)	(300)		Based on historical trend
P.I.L. - Trans. Ministry	(1,300)	(1,500)	(200)		Based on historical trend
P.I.L. - Infrastructure	(74,000)	(80,000)	(6,000)		Based on historical trend
P.I.L. - Region of York	(72,000)	(65,000)	7,000		Based on historical trend
P.I.L. - Metrolinx	(114,000)	(115,000)	(1,000)		Based on historical trend
EBC Tenants Base Rent	(138,000)	(150,500)	(12,500)		As per the lease agreement
Transfers from Water	(3,166,500)	(3,577,800)	(411,300)		Transfer from Water & Wastewater increased to offset inflationary pressures and reflect greater allocation of corporate efforts to WWW
Tax Arrears - Penalties & Interest	(3,100,000)	(3,350,000)	(250,000)		Based on historical trend
Transfer from Tax Rate Stabilization Reserve	(188,300)	-	188,300		Reduced funding for Bill 148 Legislation corresponding to reduction in budgeted costs
Base Budget			(163,400)	4.8%	
UNSUSTAINABLE REVENUE & SPECIAL LEVY					
<u>Corporate Accounts</u>					
Transfer to Infrastructure Reserves Funds		893,100	893,100		Additional contribution from increase in Capital Levy
Contribution to Cash to Capital		223,300	223,300		Additional contribution from increase in Capital Levy
Investment Income	(6,203,200)	(5,870,000)	333,200		Year 3 of 3 year plan to reduce investment income
Tax Rate Stabilization Reserve Draw - Growth Rate Stab Strategy	(489,500)	(244,800)	244,700		Year 4 of 5 year plan to eliminate Growth Rate Strategy
Total Unsustainable Revenue & Special Levy			1,694,300	-49.7%	
Incremental Change			1,530,900	-44.9%	
2019 Net Budget before Taxation			(1,881,200)	-44.9%	

TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

OVERVIEW – Cont'd

Budget Change Explanations	2018 Budget	2019 Budget	Incremental Change	% Change Over Prior Year	Explanation
Municipal Levy (Taxation)					
2018 Net Budget			\$ (114,254,600)		
GROWTH					
Tax Revenue	(109,709,400)	(111,644,500)	(1,935,100)		Based on 1.76% assessment growth in 2019
Total Growth			(1,935,100)	1.7%	
SPECIAL LEVY					
Capital Sustainability Special Levy	(3,115,200)	(4,231,600)	(1,116,400)		Levy to fund the Town's Capital Reserve Funds
Total Special Levy			(1,116,400)	1.0%	
Incremental Change			(3,051,500)	2.7%	
2019 Net Budget Taxation			(117,306,100)	2.7%	

TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

CORPORATE ACCOUNTS

Program Description

Corporate Revenues provide for revenues, which are corporate in nature and are not department specific. They include payments-in-lieu of taxes from the Federal and Provincial Governments, and institutional levies in accordance with the Municipal Act. Investment income, tax arrears penalties and transfers from other municipal funds are also included.

Corporate Expenditures provide for expenditures, which are corporate in nature and are not department specific. They include the Town's annual contribution to the infrastructure repair and replacement reserve funds, provisions for tax assessment appeal and other adjustments.

2019 Budget Highlights

	2017 Actual	Preliminary Actuals at 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Expenditures						
Personnel Contingency Account	\$ 102,510	\$ -	\$ 572,600	\$ 1,154,400	\$ 581,800	
Gapping Vacancy Factor	-	-	(1,030,000)	(1,030,000)	-	
Retiree Benefits	182,701	200,444	180,000	240,000	60,000	
Professional Fees - O.M.B	634,859	66,048	200,000	200,000	-	
Credit Card, Bank Fees and ADP Payroll Charges	545,320	329,284	419,000	405,000	(14,000)	
General Contracts	-	-	33,300	40,000	6,700	
Provision for Assessment Adjustments & Rebate	610,002	253,402	375,000	375,000	-	
Transfer to Reserves	874,365	-	500,000	385,000	(115,000)	
Transfer to Infrastructure Reserves Funds	6,855,401	7,728,600	8,430,800	10,063,300	1,632,500	
Cash to Capital RF Allocation	1,871,700	1,947,000	2,124,100	2,347,400	223,300	
Other Expenditures	2,979,362	57,814	392,000	165,100	(226,900)	
Total Expenditures	\$ 14,656,220	\$ 10,582,591	\$ 12,196,800	\$ 14,345,200	\$ 2,148,400	17.6%
Revenues						
Investment Income	\$ (2,426,163)	\$ (18,679,098)	\$ (6,203,200)	\$ (5,870,000)	333,200	
Tax Arrears - Penalties & Int.	(3,174,177)	(3,706,801)	(3,100,000)	(3,350,000)	(250,000)	
Transfer from Capital fund	-	-	(900,000)	(1,639,400)	(739,400)	
Transfer from Tax Rate Stabilization Reserve	(734,200)	(448,800)	(677,800)	(244,800)	433,000	
Transfer from Other Funds	(2,994,800)	(2,902,900)	(3,166,500)	(3,577,800)	(411,300)	
Transfer from OMB Reserve	-	(53,074)	(200,000)	(200,000)	-	
Transfer from Reserve Funds	(2,322,049)	(72,106)	-	-	-	
EBC Tenants Base Rent	(147,831)	(164,448)	(138,000)	(150,500)	(12,500)	
Payments in Lieu of Taxes	(1,788,943)	(1,060,403)	(481,100)	(471,600)	9,500	
Opening Surplus	-	(452,200)	-	-	-	
Other Miscellaneous	469,652	(222,487)	(1,005,000)	(1,005,000)	-	
Total Revenues	\$ (13,118,513)	\$ (27,762,316)	\$ (15,871,600)	\$ (16,509,100)	\$ (637,500)	4.0%
Net Budget	\$ 1,537,707	\$ (17,179,725)	\$ (3,674,800)	\$ (2,163,900)	\$ 1,510,900	-41.1%

TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

CORPORATE ACCOUNTS – Cont'd

	2018 Approved Budget	Base	Legislated	Annualization	New/Growth Staff & Programs	Unsustainable Revenue Sources	2019 Draft Budget
Expenditures							
Personnel Contingency Account	\$ 572,600	\$ 581,800	\$ -	\$ -	\$ -	\$ -	\$ 1,154,400
Gapping Vacancy Factor	(1,030,000)	-	-	-	-	-	(1,030,000)
Retiree Benefits	180,000	60,000	-	-	-	-	240,000
Professional Fees - O.M.B	200,000	-	-	-	-	-	200,000
Credit Card, Bank Fees and ADP Payroll Charges	419,000	(14,000)	-	-	-	-	405,000
General Contracts	33,300	6,700	-	-	-	-	40,000
Provision for Assessment Adjustments & Rebate	375,000	-	-	-	-	-	375,000
Transfer to Reserves	500,000	(115,000)	-	-	-	-	385,000
Transfer to Infrastructure Reserves Funds	8,430,800	739,400	-	-	-	893,100	10,063,300
Cash to Capital RF Allocation	2,124,100	-	-	-	-	223,300	2,347,400
Other Expenditures	392,000	(226,900)	-	-	-	-	165,100
Total Expenditures	\$ 12,196,800	\$ 1,032,000	\$ -	\$ -	\$ -	\$ 1,116,400	\$ 14,345,200
Revenues							
Investment Income	\$ (6,203,200)	\$ -	\$ -	\$ -	\$ -	\$ 333,200	(5,870,000)
Tax Arrears - Penalties & Int.	(3,100,000)	(250,000)	-	-	-	-	(3,350,000)
Transfer from Capital fund	(900,000)	(739,400)	-	-	-	-	(1,639,400)
Transfer from Tax Rate Stabilization Reserve	(677,800)	188,300	-	-	-	244,700	(244,800)
Transfer from Other Funds	(3,166,500)	(411,300)	-	-	-	-	(3,577,800)
Transfer from OMB Reserve	(200,000)	-	-	-	-	-	(200,000)
EBC Tenants Base Rent	(138,000)	(12,500)	-	-	-	-	(150,500)
Payments in Lieu of Taxes	(481,100)	9,500	-	-	-	-	(471,600)
Other Miscellaneous	(1,005,000)	-	-	-	-	-	(1,005,000)
Total Revenues	\$ (15,871,600)	\$ (1,215,400)	\$ -	\$ -	\$ -	\$ 577,900	\$ (16,509,100)
Net Budget	\$ (3,674,800)	\$ (183,400)	\$ -	\$ -	\$ -	\$ 1,694,300	\$ (2,163,900)

Base Expenditure

- Personnel Contingency Account expenditure increased by \$581,800 to provide for the potential corporate impact of collective bargaining negotiations
- Retiree benefits have been increased due to the greater number of anticipated retirements in the upcoming year.
- Credit card fees and bank charges decreased by \$14,000 based on historical trend.
- Transfer to Reserves reduced by \$115,000 due to decrease in self-applied WSIB rates.
- Other Expenditures reduced mainly due to the removal of the Bill 148 Legislation impact included in prior year's budget.

TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

CORPORATE ACCOUNTS – Cont'd

Base Revenue

- Transfer from other funds is comprised of the following:

	<u>2018</u>	<u>2019</u>
Water & Wastewater Fund – Corporate Overhead	\$1,875,600	\$2,074,200
Water & Wastewater Fund – Stormwater	1,290,900	1,503,600
	-----	-----
Total	\$3,166,500	\$3,577,800

- Penalties and interest on arrears increased by \$250,000 based on historical trends.
- Reduction in Transfer from Tax Rate Stabilization Reserve due to the reduction of Bill 148 Legislation costs budgeted in prior year's budget, which was partially funded from the reserve.
- EBC Building Rental income increased by \$12,500 as per tenant lease agreements.
- Payments in Lieu of Taxes are budgeted at \$471,600 which is \$9,500 lower than 2018 budget due change in property tax valuations and actual trends.

Unsustainable Revenue/Special Levy

- Budget for Transfer to the Infrastructure Repair & Replacement Reserve Fund and Cash to Capital allocation increased by \$1,027,200 reflective of increase in Capital Levy.
- Investment Income budget decreased by \$333,200 due to expected lower returns on short-term investments reflective of a continued low interest environment. This is the third year of a three year phased reduction to reduce by \$1 million.
- Transfer from Tax Rate Stabilization Reserve budget decreased by \$244,700 to account for the year 4 of the 5-year phase-in of the elimination of the Growth Rate Stabilization Strategy.

TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

GRANTS

	<u>2018</u>	<u>2019</u>
Seniors Tax Assistance	\$204,200	\$224,200
Disability Initiatives Grant	50,000	50,000
Ann Gold Scholarships	5,000	5,000
Road Watch Grant	3,500	3,500
Heritage Grant	30,000	30,000
Transfer from Reserves Grants	(30,000)	(30,000)
Total	<u>\$262,700</u>	<u>\$282,700</u>

Ann Gold Scholarships

This grant program was developed to recognize the importance of youth to the future of our community. The purpose of the annual program is to recognize graduating high school students who exemplify "Community Spirit" and to celebrate their achievements. Community Spirit is defined as students who take pride in their community, actively participate in school life, volunteer within the Town and are role models for both their peers and younger students. The purpose of the scholarship is to assist with the cost of post secondary education.

Up to five scholarships for \$1,000 each are awarded to students who live in the Town of Richmond Hill and are in their last year of high school pursuing a post-secondary education. These students must reside in the Town however; they may attend any high school, including those not located in Richmond Hill. This program is currently administered through the Mayor and Councillors' office.

Seniors Tax Assistance

The 2018 budget approved a \$387 grant to Senior Homeowners. To be eligible for the Tax Assistance program the individual must have been a Richmond Hill resident for at least one year prior to the date of application and must be the assessed owner or spouse of the subject property. The applicant must also be in receipt of the Guaranteed Income Supplement as provided under the Old Age Securities Act (Canada). The grant is indexed to tax rate increases set by the Town. Beginning in 2018, the cost of the grants was shared between the Town and the school boards, with the Town assuming 75% of the total costs.

Taxation Year	Grant Amount	Approved Applications	Town's Portion	Total Expense
2011	\$307	425	100%	\$130,411
2012	\$316	438	100%	\$138,408
2013	\$324	460	100%	\$149,016
2014	\$331	447	100%	\$147,950
2015	\$345	429	100%	\$147,950
2016	\$360	476	100%	\$171,345
2017	\$377	541	100%	\$203,957
2018	\$387	832	75%	\$241,500

TOWN OF RICHMOND HILL

2019 Draft Budget

CORPORATE REVENUES & EXPENDITURES

GRANTS – Cont'd

Disability Initiative Grant

The Town of Richmond Hill has a parking offense fine for illegal parking in handicapped parking spots of \$300 per incident without a permit, of which 50% of these revenues are allocated to the Disabled Parking Reserve. Annually Council grants these funds towards Mobility Initiatives in the Town based on application.

Road Watch Grant

The Road Watch Program is a community-based initiative supported by the Town of Richmond Hill and York Regional Police to address aggressive and dangerous driving on public roads. The program raises awareness in the community that any member of the public can report any instance of aggressive and dangerous driving through the York Regional Police website and the reporting process is anonymous.

Heritage Grant

The Heritage Grant program is a program to promote heritage conservation of properties and buildings throughout the Town. The Town of Richmond Hill existing heritage program was established in 1988 to encourage local residents to repair and preserve heritage resources and promote good conservation practices by providing grants to assist with lowering the cost associated with conservation work.

TOWN OF RICHMOND HILL

2019 Draft Budget

MUNICIPAL LEVY

TAXATION

The Town of Richmond Hill is responsible for setting its own tax rate and collecting taxes for the Regional Municipality of York and Education levies as prescribed by the Province of Ontario. Only the Municipal Levy is included in the Town's budget.

2019 Budget Highlights

	2017 Actuals	Preliminary Actuals at 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Revenues						
Taxation	\$ (106,776,566)	\$ (111,609,712)	\$ (111,139,400)	\$ (113,074,500)	\$ (1,935,100)	
Capital Sustainability Special Levy	(1,942,485)	(3,094,050)	(3,115,200)	(4,231,600)	(1,116,400)	
	\$ (108,719,051)	\$ (114,703,762)	\$ (114,254,600)	\$ (117,306,100)	\$ (3,051,500)	2.7%
Net Budget	\$ (108,719,051)	\$ (114,703,762)	\$ (114,254,600)	\$ (117,306,100)	\$ (3,051,500)	2.7%

	2018 Approved Budget	Base	Legislated	Annualization	New/Growth Staff & Programs	Special Levy	2019 Draft Budget
Revenues							
Taxation	\$ (111,139,400)	\$ -	\$ -	\$ -	\$ (1,935,100)	\$ -	\$ (113,074,500)
Capital Sustainability Special Levy	(3,115,200)	-	-	-	-	(1,116,400)	(4,231,600)
	\$ (114,254,600)	\$ -	\$ -	\$ -	\$ (1,935,100)	\$ (1,116,400)	\$ (117,306,100)
Net Budget	\$ (114,254,600)	\$ -	\$ -	\$ -	\$ (1,935,100)	\$ (1,116,400)	\$ (117,306,100)

Growth

- Property assessment growth is estimated at 1.76% and is reflected in the Property Tax Revenue under Growth.

Special Levy

- In the 2016 budget, Council approved a Capital Asset Sustainability Levy to fund for increased contribution to the Town's Capital Reserve Funds. Ten-year strategy to increase fees by approximately 1% annually. The 2019 proposed rate would generate approximately \$1,116,400 in additional revenues.