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Date: January 21, 2020
To: Mayor and Council
Author: Ryan McLeod, CPA, CA
RE: 2020 Draft Budget Amendments # 2
Report No.: FS-2020-02

AIM

To provide council with a summary of changes to the 2020 draft budget since the initial budget meeting on January 16, 2020.

BACKGROUND

The draft budget reflects estimates based on the information available at the time it was submitted. Prior to the formal adoption of the budget, Administration will propose changes to update the budget to reflect the most current information available.

DISCUSSION

The 2020 Draft Budget has been amended as follows:

General Administration – Affordable Housing Initiatives

On January 13, 2020, Council approved a request from Fiona Coughlin, Executive Director/CEO of Habitat for Humanity Windsor-Essex that the building, development and related fees for the HFH homes at 1057 Maple Avenue and 1056 Birch Avenue be granted back to Habitat for Humanity. The total cost of these building, development and related fees levied by the Town of Kingsville amount to \$26,396 for both properties. This refund is reflected the Affordable Housing Initiative line 01-112-200-60393.

IT Capital Projects / Modernization Grant

Administration has obtained an estimate for the cost of installing a private fibre line from Town Hall to the Arena and Fire Hall (Capital Project IT-2020-9). This connection will significantly improve the speed and reliability of data sharing between these facilities. The

total cost of this project is estimated at \$380,000 which would be fully funded from the Modernization Grant received from the Province in 2019.

With cost of the fibre line now estimated, Financial Services recommends applying additional funds from the Modernization Grant as follows:

- \$20,500 to the related project “Fibre Upgrades for Backups” (IT-2020-9)
- \$75,684 to “Planning PLL Software” (IT-2020-5)

After applying the funds noted above, the Town will have approx. \$64,000 remaining from the Modernization Grant to apply to future projects identified through further business process efficiency reviews.

Police - Court Security and Prisoner Transportation Grant

On January 16, 2020, the Province announced that it will proceed with this grant program in 2020 at its historical funding levels. This funding helps to offset municipal costs associated with providing security to provincial courthouses and transporting prisoners to and from those facilities. The Town received \$16,000 from this grant in 2019, and as such, grant revenue of \$16,000 has been added to line 01-122-058-40505 in the Police budget.

BIA Budget

Administration has received some revisions to the BIA budget since it was initially provided to Council on December 9, 2019. Please refer to Appendix A for their revised budget. With the exception of the BIA’s grant requests, the BIA is funded through their own levy. This budget has no impact on general taxation.

LINK TO STRATEGIC PLAN

Effectively manage corporate resources and maximize performance in day-to-day operations.

To become a leader in sustainable infrastructure renewal and development.

FINANCIAL CONSIDERATIONS

The net impact of the proposed changes reduces the amount to be funded by taxation by \$85,788. This decreases the municipal tax rate increase to 1.4% (previously 1.9%).

When combined with the County and Education tax rates, the overall tax rate increase is currently 0.5% (previously 0.7%).

CONSULTATIONS

Shaun Martinho, Manager of Public Works
Tony Iacobelli, Manager of Information Technology

RECOMMENDATION

To approve the following changes to the 2020 draft budget:

- Increase Affordable Housing Initiative expense (01-112-200-60393) to \$26,396
- Update the cost of the Fibre Network capital project (IT-2020-9) to \$380,000 which is to be funded in full from the Modernization Grant
- Apply Modernization Grant Funding of \$20,500 to capital project IT-2020-10
- Apply Modernization Grant Funding of \$75,684 to capital project IT-2020-5
- Increase Prisoner Transportation Grant revenue (01-122-058-40505) to \$16,000

To receive the revised Kingsville BIA 2020 budget.

Ryan McLeod

Ryan McLeod, CPA, CA
Director of Financial Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer