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Date: January 8, 2018
To: Mayor and Council
Author: Ryan McLeod, Manager of Financial Services
RE: 2018 Draft Budget Amendments
Report No.: FS-2018-03

AIM

To provide council with a summary of changes to the 2018 draft budget since its original submission to council on December 11, 2017.

BACKGROUND

The draft budget provided to council on December 11, 2017 included management's best estimates based on the information available at that time. 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 2018 Draft Budget has been amended as follows:

Insurance Renewal

On December 21, 2017 administration finalized the Town's insurance renewal with Jardine Lloyd Thompson Canada Inc ("JLT"). Due to the increasing replacement values of our insured assets, as well as additions to our asset inventory, our premiums will be approximately \$13,000 higher than originally anticipated. This increase has been reflected in General Insurance expense (01-112-099-60312) in the General Administration operating budget (pg. 11).

ERCA Levy

On December 19, 2017 administration received ERCA's 2018 draft budget. Based on this budget, Kingsville's share of the ERCA levy will be \$193,146 (\$638 higher than previously

estimated). The General Administration operating budget (01-112-420-60950) has been updated accordingly.

Tourism & Economic Development

The Tourism & Economic Development budget (pg. 56) has been amended to include \$5,000 for an Economic Development conference (01-185-099-63113). This addition has been offset by an increase in the draw from the Economic Development reserve (03-185-032-41700), resulting in no impact on taxation. Billboard designs (01-185-099-63100) has been increased to \$3,000 (previously \$2,400).

Education Tax Rates

On December 22, 2017 administration received notification from the Ministry of Finance that the proposed residential education property tax rate for 2018 will be .170% (2017 - .179%). This represents a 5% decrease to the education rate, or an \$18 decrease on a home valued at \$200,000.

LINK TO STRATEGIC PLAN

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

FINANCIAL CONSIDERATIONS

The net impact of these changes increases the amount to be funded by taxation by \$14,238.

Based on these changes, the proposed increase to the municipal tax rate is currently 3.9% (previously 3.8%)

Including the impact of the Education Tax reduction, the combined property tax rate increase is currently 1.9% or \$48.41 on a home assessed at \$200,000.

CONSULTATIONS

Sandra Zwiers, (Former) Director of Financial Services

RECOMMENDATION

That council receive the proposed amendments to the 2018 draft budget.

Ryan McLeod

Ryan McLeod, CPA, CA
Manager of Financial Services

Peggy Van Mierlo-West

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