

MUNICIPALITY OF WAWA

2020 Draft Operating Budget

Presentation to Mayor & Council

Tuesday, April 21, 2020

Maury A. O'Neill

CAO-Treasurer



BUDGET 2020 – Strategy

- Council budget goal - 2% Levy Increase (*no more than COLA*)
- Focused on increasing capital reserves - + \$812,630
- Capital budget approved – \$6.32 million (*\$4.7 million grants*)
- Fiscally responsible – Reduce discretionary spending
- Pay down debt – August Debenture Payment (\$1.6 million)
- COVID-19 - Prepare for reduced revenues, taxpayer relief
- Prepare for long-term sustainability and changes to come

BUDGET 2020 – Highlights

- Impacts of COVID-19 has impacted the operating budget, mainly decreasing projected revenues
 - **NEW** – Budget inc. \$150,000 for COVID-19
- Major capital projects to proceed = \$4.5 million
 - **NEW** -Connecting Link \$3.3 million paid with 100% grant funds
- Loan Debenture Repayment - \$200,000 down payment on \$1.6 million loan to be refinanced in August
 - **NEW** - \$103,000 extra from reserves
- Water and Sewer – 100% Non-Tax Supported
 - **NEW** – Water Stabilization Reserve = \$76,000

2020 BALANCED BUDGET

Revenues = Expenditures

2020 BUDGET SUMMARY			
	REVENUE	EXPENDITURE	DIFFERENCE
Finance, Taxation, Boards	\$10,309,665	\$3,502,428	\$6,807,237
Admin, Council, COVID, Seniors	\$235,279	\$1,653,501	-\$1,418,222
Protective Services, Fire, Building	\$67,230	\$506,198	-\$438,968
Community Services and Tourism	\$414,893	\$1,931,223	-\$1,516,330
Infrastructure Services	\$606,270	\$3,765,616	-\$3,159,346
Water and Sewer	\$1,455,959	\$1,455,959	\$0
Information Technology	\$124,878	\$399,249	-\$274,371
TOTAL BUDGET	\$13,214,174	\$13,214,174	\$0

NOTE: Decrease of 5.5% compared to 2019

2020 Operating Revenues

Operating Revenues	2019	2020	Difference	Percentage	Notes
Finance, Taxation, Boards	\$10,804,124	\$10,309,665	\$494,459	-4.58%	Grant and Assessment Reductions ★
Adm, Council, COVID, Seniors	\$283,824	\$235,279	\$48,545	-17.10%	2019 Donation \$100,000 and COVID -
Protective - Fire & Building	\$77,648	\$67,230	\$10,418	-13.42%	Reduction in Permits
Community Services-Tourism	\$611,134	\$414,893	\$196,241	-32.11%	Loss of Drag Races
Infrastructure Services	\$613,605	\$606,270	\$7,335	-1.20%	Lower Airport Revenues
Water and Sewer	\$1,459,421	\$1,455,959	\$3,462	-0.24%	0% increase in rates for in 2020
Information Technology	\$132,976	\$124,878	\$8,098	-6.09%	Loss of Echo Bay contract
TOTAL BUDGET	\$13,982,732	\$13,214,174	\$768,558	-5.50%	

★ NOTE: 2020 Reduction in Grants Over 2019 = \$189,500+ \$478,600 + \$51,500 = \$719,600

2020 REVENUES (Main Sources)

➤ Taxation (including Payment In-Lieu of Taxes)

- Levy increase of 2% = **\$92,248**
- Dependent on Payment In-Lieu (Power Dams) = **\$2 million**

➤ Conditional and Unconditional Grants

- OMPF decreased again in 2020 = **\$51,500**
- Decreasing government grants in 2020 = **~ \$750,000**

➤ User Fees, Permits, Licenses and Fines

- 2% – 5% increase in user fees proposed in 2020
- Water and Sewer Rates increased 0% in 2020

➤ Other revenues include penalties, rents, sale of land, etc.

- ***Impact of COVID-19 on revenues could be severe - \$151,000 fund***

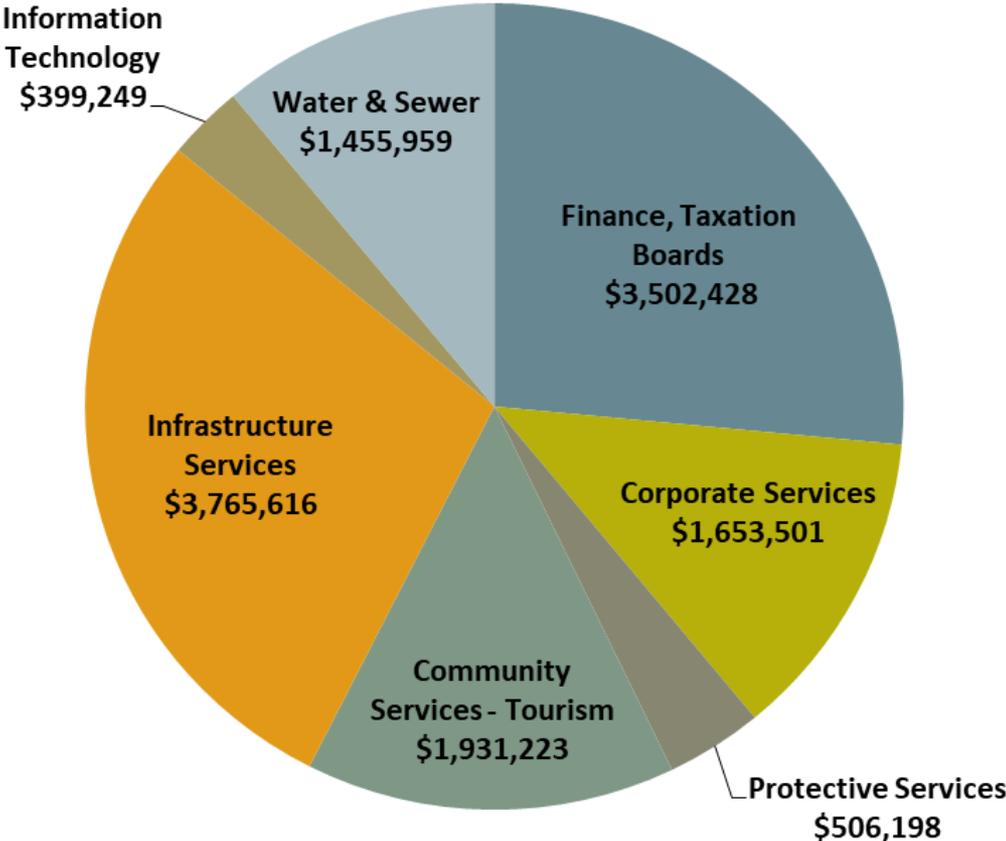
2020 Operating Expenses

Operating Expenses	2019	2020	Difference	Percentage	Notes
Finance, Taxation, Boards	\$4,289,735	\$3,502,428	\$787,307	-18.35%	<i>transfers to reserves & capital 50% less ★</i>
Adm, Council, COVID, Seniors	\$1,794,687	\$1,653,501	\$141,186	-7.87%	<i>reduce travel, consulting, reserves</i>
Protective - Fire & Building	\$508,070	\$506,198	\$1,872	-0.37%	<i>reduce travel</i>
Community Services-Tourism	\$2,075,482	\$1,931,223	\$144,259	-6.95%	<i>Loss of Drag Race, reduced tourism</i>
Infrastructure Services	\$3,719,750	\$3,765,616	-\$45,866	1.23%	<i>Increase due to COLA</i>
Water and Sewer	\$1,173,377	\$1,455,959	-\$282,582	24.08%	<i>Reserves for capital ★★ \$170,000, \$150,000</i>
Information Technology	\$421,631	\$399,249	\$22,382	-5.31%	<i>loss of 2019 employee</i>
TOTAL BUDGET	\$13,982,732	\$13,214,174	\$768,558	-5.50%	

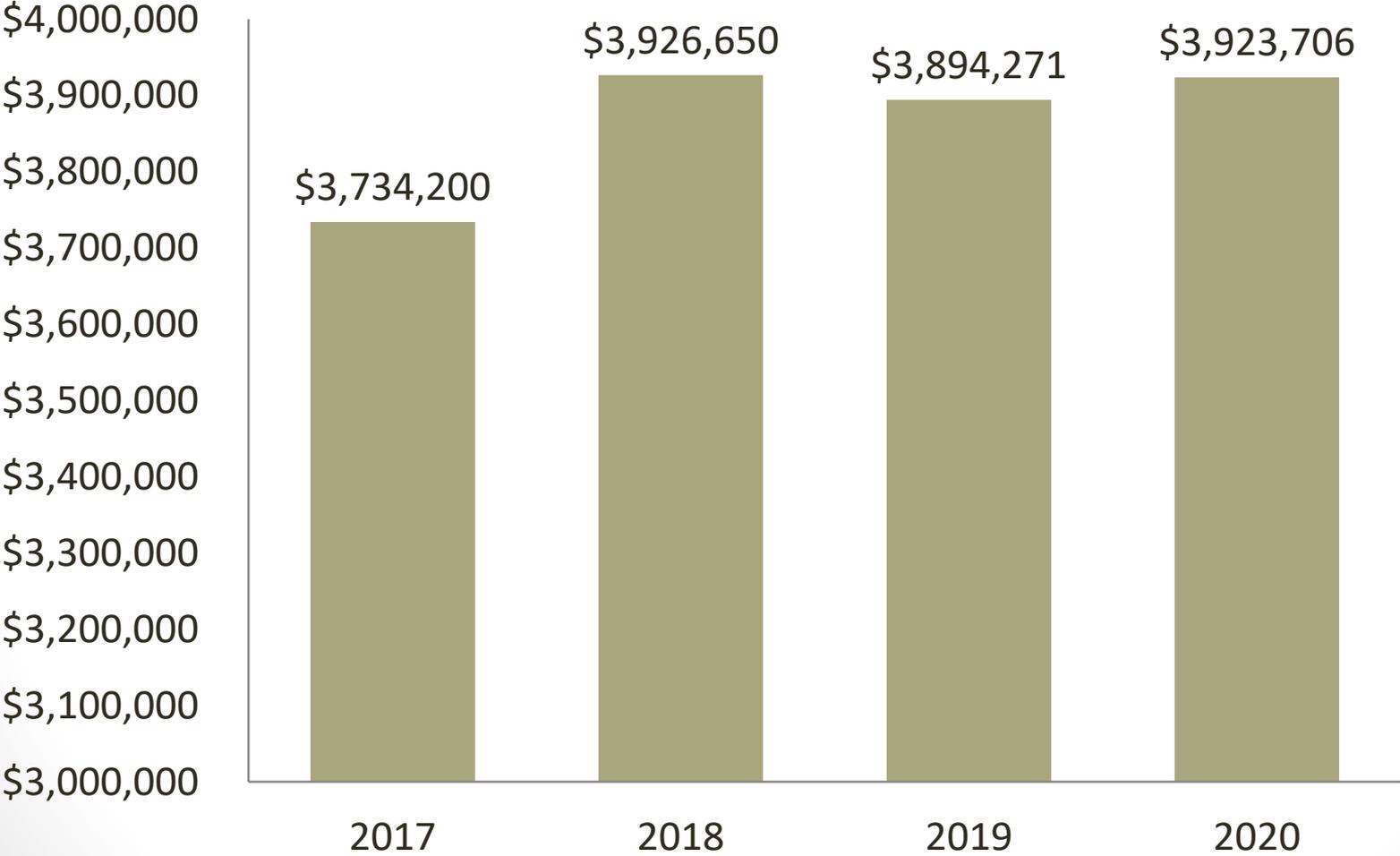
NOTE: ★ 2020 Reduction in Grants Over 2019 = \$189,500+ \$478,600 + \$51,500 = \$719,600
★★ Previously surplus not transferred directly to reserves or water-sewer capital.

Expenditures by Department

2020 Budget Expenditures



2020 Employee Costs



Expenditures – A Snapshot

✓ O.P.P. Contract	↑	\$ 53,238 (6.9%)
✓ Library Board Levy	↑	\$ 15,889 (8.0%)
✓ Insurance	↑	\$ 20,653 (15.5%)
✓ Group Benefits	↑	\$ 15,889 (8.0%)
✓ Water and Sewer	↑	\$ 75,000 (~6%)
✓ Tax Write-Offs	↑	\$185,000 (75%)
✓ Salary & Benefits	↑	\$ 29,465 (1.0%)
✓ Landfill	↑	\$ 26,994 (5.0%)

Budget Reductions – COVID-19

- All discretionary staff training, conferences, professional development and travel has been suspended.
- Hiring of new, non-critical positions has been suspended.
- Review of capital program undertaken to determine which projects could be paused pending the end of the pandemic or deferred to 2021 – *Sewer Jet deferred (\$75,000)*.
- Delay in some projects will possibly occur but still budgeted (*e.g. municipal building review, LNG, School Zone*).
- Cancellation of events – *Drag Race, Summer Programming*
- Current review of programs and services as well as staffing levels with possible redeployment being completed.

Finance/Treasury

2020 DEPARTMENTAL BUDGET - FINANCE, TAXATION AND BOARDS SUMMARY OF ACCOUNTS

	2018 ACTUAL VALUES	2019 ACTUAL VALUES	2019 FINAL BUDGET	2020 PRELIMINARY BUDGET
<u>REVENUE</u>				
TAXATION	-\$4,758,007.00	-\$4,849,008.35	-\$4,844,207.00	-\$4,941,256.00
SCHOOL BOARD	-\$533,523.00	-\$530,166.69	-\$537,969.00	-\$562,525.00
FINANCE	-\$4,592,228.00	-\$5,272,924.46	-\$5,411,948.00	-\$4,800,884.00
HEALTH AND SAFETY	\$0.00	\$0.00	\$0.00	\$0.00
POLICE SERVICES BOAF	\$0.00	\$0.00	\$0.00	\$0.00
EXTERNAL BOARDS	-\$10,000.00	-\$5,000.00	\$0.00	-\$5,000.00
SCHOOL BOARD REQS	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL REVENUE	-\$9,893,758.00	-\$10,657,099.50	-\$10,794,124.00	-\$10,309,665.00
<u>EXPENSES</u>				
TAXATION	\$211,196.00	\$44,504.50	\$41,983.00	\$94,626.00
SCHOOL BOARD	\$8,605.00	\$4,798.14	\$4,044.00	\$16,017.00
FINANCE	\$187,333.00	\$1,197,060.47	\$1,666,928.00	\$747,173.00
HEALTH AND SAFETY	\$6,246.00	\$5,088.22	\$3,800.00	\$1,000.00
POLICE SERVICES BOAF	\$5,395.00	\$4,090.46	\$6,719.00	\$6,282.00
EXTERNAL BOARDS	\$2,030,231.00	\$2,049,167.50	\$2,050,336.00	\$2,108,822.00
SCHOOL BOARD REQS	\$506,920.05	\$514,166.32	\$515,925.00	\$528,508.00
TOTAL EXPENSES	\$2,955,926.05	\$3,818,875.61	\$4,289,735.00	\$3,502,428.00
NET SURPLUS/DEFICIT	-\$6,937,831.95	-\$6,838,223.89	-\$6,504,389.00	-\$6,807,237.00

Corporate/Admin./Council

**MUNICIPALITY OF WAWA
2020 DEPARTMENTAL BUDGET - CORPORATE SERVICES
SUMMARY OF ACCOUNTS**

	2018 ACTUAL VALUES	2019 ACTUAL VALUES	2019 FINAL BUDGET	2020 PRELIMINARY BUDGET
<u>REVENUE</u>				
COUNCIL	\$0.00	-\$100,000.00	\$0.00	\$0.00
ELECTIONS	-\$1,100.00	\$0.00	\$0.00	\$0.00
ADMIN	-\$128,972.72	-\$181,358.28	-\$229,850.00	-\$170,302.00
CEMC	\$0.00	\$0.00	\$0.00	\$0.00
COVID	\$0.00	\$0.00	\$0.00	\$0.00
TRANSIT	-\$18,789.49	-\$33,056.00	-\$32,789.00	-\$31,152.00
SENIORS ASSISTANCE	-\$19,707.85	-\$31,429.15	-\$18,960.00	-\$31,600.00
PLANNING	-\$3,475.00	-\$400.00	-\$2,225.00	-\$2,225.00
TOTAL REVENUE	-\$172,045.06	-\$346,243.43	-\$283,824.00	-\$235,279.00
<u>EXPENSES</u>				
COUNCIL	\$76,576.97	\$182,233.99	\$117,906.00	\$104,436.00
ELECTIONS	\$1,100.00	\$0.00	\$0.00	\$6,000.00
ADMIN	\$1,310,948.49	\$1,198,073.81	\$1,553,111.00	\$1,287,662.00
CEMC	\$14,809.23	\$4,564.57	\$10,150.00	\$4,900.00
COVID	\$0.00	\$0.00	\$0.00	\$151,274.00
TRANSIT	\$52,744.47	\$50,867.87	\$80,545.00	\$66,226.00
SENIORS ASSISTANCE	\$20,882.87	\$27,297.88	\$28,905.00	\$28,936.00
PLANNING	\$3,489.32	\$3.00	\$4,070.00	\$4,067.00
TOTAL EXPENSES	\$1,480,551.35	\$1,463,041.12	\$1,794,687.00	\$1,653,501.00
NET SURPLUS/DEFICIT	\$1,308,506.29	\$1,116,797.69	\$1,510,863.00	\$1,418,222.00

Building & Fire Department

MUNICIPALITY OF WAWA
 2020 DEPARTMENTAL BUDGET - FIRE / BUILDING / BY-LAW ENFORCEMENT
 SUMMARY OF ACCOUNTS

	2018 ACTUAL VALUES	2019 ACTUAL VALUES	2019 FINAL BUDGET	2020 PRELIMINARY BUDGET
<u>REVENUE</u>				
FIRE	-\$71,592.16	-\$31,190.75	-\$29,188.00	-\$29,800.00
BUILDING	-\$34,973.77	-\$34,957.37	-\$42,460.00	-\$32,930.00
BY-LAW ENFORCEMENT	-\$9,493.12	-\$6,970.65	-\$6,000.00	-\$4,500.00
TOTAL REVENUE	-\$116,059.05	-\$73,118.77	-\$77,648.00	-\$67,230.00
<u>EXPENSES</u>				
FIRE	\$273,532.36	\$331,728.98	\$347,546.00	\$363,522.00
BUILDING	\$146,677.20	\$117,182.16	\$141,062.00	\$131,064.00
BY-LAW ENFORCEMENT	\$25,700.59	\$2,108.49	\$19,462.00	\$11,612.00
TOTAL EXPENSES	\$445,910.15	\$451,019.63	\$508,070.00	\$506,198.00
NET (SURPLUS)/DEFICIT	\$329,851.10	\$377,900.86	\$430,422.00	\$438,968.00

Community Services & Tourism

	2018 ACTUAL VALUES	2019 ACTUAL VALUES	2019 FINAL BUDGET	2020 PRELIMINARY BUDGET
<u>REVENUE</u>				
MMCC	-\$235,378	-\$226,192	-\$240,591	-\$307,893
REC PROGRAM	-\$70,340	-\$61,463	-\$69,000	-\$50,500
PARKS	-\$23,116	-\$21,987	-\$27,543	-\$18,500
VEHICLES	\$0	\$0	\$0	\$0
EVENTS	-\$155,656	-\$188,775	-\$201,000	\$0
TOURISM	-\$66,289	-\$46,665	-\$63,000	-\$38,000
SERVICES	-\$21,147	-\$11,048	-\$10,000	\$0
TOTAL REVENUE	-\$571,926	-\$556,130	-\$611,134	-\$414,893
<u>EXPENSES</u>				
MMCC	\$1,326,359	\$1,347,201	\$1,424,511	\$1,470,982
REC PROGRAM	\$43,283	\$42,792	\$51,500	\$46,000
PARKS	\$168,158	\$144,059	\$105,061	\$141,067
VEHICLES	\$37,518	\$19,683	\$40,101	\$33,355
EVENTS	\$219,821	\$240,476	\$258,000	\$23,000
TOURISM	\$252,839	\$167,410	\$195,809	\$216,819
SERVICES	\$20,470	\$8,096	\$500	\$0
TOTAL EXPENSES	\$2,068,448	\$1,969,717	\$2,075,482	\$1,931,223
NET (SURPLUS)/DEFICIT	\$1,496,522	\$1,413,587	\$1,464,348	\$1,516,330

Infrastructure Services

	2018	2019	2019	2020
	ACTUAL VALUES	ACTUAL VALUES	FINAL BUDGET	PRELIMINARY BUDGET
REVENUE				
INFRASTRUCTURE - ADMIN	-\$23,793	-\$15,484	-\$6,800	-\$11,599
BUILDINGS	-\$103,482	-\$95,028	-\$112,643	-\$97,140
VEHICLES	\$0	\$0	\$0	\$0
HEAVY EQUIPMENT	\$0	\$0	\$0	\$0
ROADS	-\$853	-\$853	\$0	-\$850
AIRPORT	-\$491,248	-\$396,341	-\$336,495	-\$337,200
EQUIPMENT	\$0	\$0	\$0	\$0
CEMETERY	-\$13,256	-\$12,947	-\$8,500	-\$8,500
LANDFILL	-\$202,372	-\$232,277	-\$149,167	-\$150,980
TOTAL REVENUE	-\$835,004	-\$752,929	-\$613,605	-\$606,269
EXPENSES				
INFRASTRUCTURE - ADMIN	\$640,203	\$663,391	\$1,253,008	\$700,016
BUILDINGS	\$1,071,254	\$1,086,629	\$1,075,361	\$1,170,611
VEHICLES	\$59,209	\$42,013	\$50,804	\$50,364
HEAVY EQUIPMENT	\$250,997	\$229,157	\$164,348	\$216,953
ROADS	\$624,289	\$577,073	\$223,019	\$628,245
AIRPORT	\$443,992	\$323,654	\$381,756	\$392,848
EQUIPMENT	\$5,456	\$7,579	\$6,268	\$7,568
CEMETERY	\$30,943	\$30,881	\$35,264	\$42,092
LANDFILL	\$421,674	\$513,550	\$529,925	\$556,919
TOTAL EXPENSES	\$3,548,016	\$3,473,927	\$3,719,753	\$3,765,616
NET (SURPLUS)/DEFICIT	\$2,713,011	\$2,720,998	\$3,106,148	\$3,159,347

Water and Sewer

Non-Tax Supported Budget

	2018 ACTUAL VALUES	2019 ACTUAL VALUES	2019 FINAL BUDGET	2020 PRELIMINARY BUDGET
REVENUE				
EQUIPMENT - THOMPSON STEAMER S/N 15-987	\$0	\$0	\$0	\$1
SEWER AND WATER SYSTEM	-\$1,361,634	-\$1,422,352	-\$1,425,214	-\$1,414,668
MRV WATER SYSTEM	-\$15,869	-\$16,094	-\$16,170	-\$24,236
PINEWOOD DR. WATER SYSTEM	-\$7,372	-\$8,117	-\$6,910	-\$9,056
WATER TREATMENT PLANT	-\$8,557	-\$7,104	-\$11,127	-\$8,000
TOTAL REVENUE	-\$1,393,431	-\$1,453,668	-\$1,459,421	-\$1,455,959
EXPENSES				
EQUIPMENT - THOMPSON STEAMER S/N 15-987	\$483	\$886	\$1,288	\$1,385
STORM & SANITARY SEWER	\$93,711	\$73,932	\$30,000	\$54,125
SEWER TREATMENT PLANT	\$111,263	\$97,776	\$79,857	\$105,271
SEWER AND WATER SYSTEM	\$236,414	\$240,885	\$461,895	\$533,344
MRV WATER SYSTEM	\$41,173	\$28,405	\$15,500	\$44,053
PINEWOOD DR. WATER SYSTEM	\$3,014	\$788	\$1,700	\$1,700
WATER PURIFICATION	\$39,082	\$24,781	\$36,000	\$41,000
WATER DISTRIBUTION	\$172,715	\$108,544	\$67,026	\$120,029
WATER TREATMENT PLANT	\$649,019	\$521,028	\$459,506	\$534,973
WAWA LAKE PUMP HOUSE	\$3,717	\$3,195	\$5,764	\$3,854
VEHICLE - 2018 Chev Silverado 1500 4x4 - WHITE	\$13,487	\$6,652	\$5,889	\$6,290
VEHICLE - 2008 FORD F350 4X2 BLK/ORANGE	\$8,335	\$7,637	\$8,952	\$9,935
TOTAL EXPENSES	\$1,372,415	\$1,114,508	\$1,173,377	\$1,455,959
NET (SURPLUS)/DEFICIT	-\$21,016	-\$339,159	-\$286,044	\$0

Information Technology

**MUNICIPALITY OF WAWA
2020 DEPARTMENTAL BUDGET - INFORMATION TECHNOLOGY
SUMMARY OF ACCOUNTS**

	2018 ACTUAL VALUES	2019 ACTUAL VALUES	2019 FINAL BUDGET	2020 PRELIMINARY BUDGET
<u>REVENUE</u>				
INFORMATION TECHNOLOGY	-\$10,426	\$0	-\$55,465	-\$58,239
INFORMATION TECHNOLOGY - NITGC	-\$68,528	-\$76,478	-\$77,511	-\$66,639
TOTAL REVENUE	-\$78,954	-\$76,478	-\$132,976	-\$124,878
<u>EXPENSES</u>				
INFORMATION TECHNOLOGY	\$343,570	\$271,958	\$338,766	\$315,610
INFORMATION TECHNOLOGY - NITGC	\$17,706	\$43,290	\$82,865	\$83,639
TOTAL EXPENSES	\$361,276	\$315,248	\$421,631	\$399,249
NET (SURPLUS)/DEFICIT	\$282,322	\$238,770	\$288,655	\$274,371

2020 Capital Projects – Updated

Project	Operating	Reserves	Other**	Total Project Cost
Asset Management Plan (<i>approved</i>)	-	\$12,500	\$50,000	\$62,500
LNG Study (<i>approved</i>)	\$70,000	-	-	\$70,000
Service Delivery Review	-	\$70,000	-	\$70,000
Wawa Lake Waterfront (<i>approved</i>)	-	\$7,840	\$72,160	\$80,000
Scenic High Falls (<i>approved</i>)	\$23,200	-	\$50,000	\$73,200
Main Street Furniture	-	\$9,176	\$40,824	\$50,000
Arena Truss Painting	-	*** \$150,000	-	\$150,000
Arena Condenser (<i>approved</i>)	-	*** \$125,000	-	\$125,000
Fire Air Compressor	\$35,000	\$35,000	-	\$70,000
New Fire Pumper/Tanker (<i>approved</i>)	-	\$503,000	-	\$503,000
Computer – Software Upgrade	-	\$30,000	-	\$30,000
Connecting Link (<i>approved</i>)	-	-	\$2,221,425	\$2,221,425
THM Study (<i>approved</i>)	-	-	\$25,000	\$25,000
Airport Gas Tank Replacement	\$90,000	\$90,000	-	\$180,000
Landfill Expansion (<i>approved</i>)	\$95,833	\$95,833	\$383,334	\$575,000
Hydrant Install – Water Main Valves	-	-	\$170,000	\$170,000
School Zone Road Work*	-	\$186,536	\$1,678,826	\$1,865,362
***Previous Years Federal Gas Tax				
TOTAL COST	\$314,033	\$1,314,885	\$4,691,569	\$6,320,487

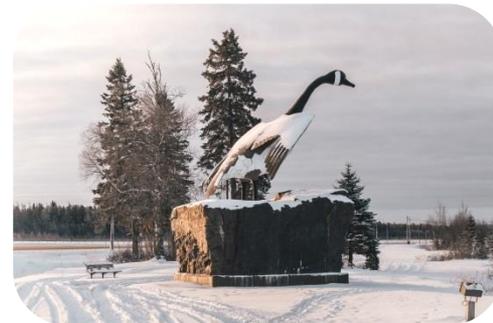
Reserve & Reserve Funds

Reserves	2019 Balance	2020 Added	2020 Used	2020 Est. Balance
General	\$4,288,161	377,391	1,112,897	3,552,655
Water & Sewer	\$542,051	151,131	0	693,182
Obligatory	\$982,082	197,204	275,000	904,286
Conditional	\$1,051,682	27,360	30,000	1,049,042
Cond. Staff	\$147,432	16,480	58,157	189,109
Working Capital	\$250,969	1,388	0	252,357
Total	\$7,262,377	\$812,631	\$1,434,377	\$6,640,631

2020 BUDGET – Further Review

Attachments to Presentation

- **Budget Report By Function – Council Review (169 pages)**
- **Reserve Fund Worksheet**
- **2020-2022 Capital Budget Summary Sheet**
 - *NOTE: Sewer Jet/Vacuum Trailer Deferred to 2021 (\$75,000)*
- **2020 Capital Budget Breakdown**



BUDGET 2020 - Next Steps

- **Council Review & Public Input – May 8, 2020**
- **Final Budget Approval – Council May 12, 2020**
- **By-laws – Adopt Tax Rates, Ratios, Capping and Budget**
 - *Tax Billing Due Dates Changed to end of July and October*
- **Complete Financial Policies – Reserve Funds, Debt Management, Investments, Other**
- **Year-End 2019 Financial Statements by May 2020**
 - *Projected Surplus in 2019 – Transfer to Reserves*

