

2021/2022 Budget Presentation

Corporate Overview
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2021/2022 Budget Overview

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2021/2022 Budget Overview

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2020 Recap

- Building on our Corporate Strategic Plan, Oro-Medonte Council and staff have advanced a number of strategic initiatives during the second year of the 2018-2022 term of Council.
- Township Council and staff have successfully managed through a declared emergency and global health crisis
- Expenditure control and COVID-19 adjusted service delivery has resulted in a favourable 2020 year end variance

2020 Recap

- COVID-19 required the Township to dramatically and quickly modify service delivery and processes to provide customer service to our residents in a digital format
 - Our continuous improvement program assisted in this transition (Council agenda, AP process & payroll and remote connectivity)
- Resident expectations for digital services and speed of response time is increasing dramatically
- Adjustments to Township website are required in 2021 & 2022 to provide expected service levels

2020 Recap

- Low interest rates at banks & for GIC investments have reduced Township revenues on reserve funds
- Municipalities are pressured to keep tax increases low for 2021-2022 to assist residents in managing the financial impacts of the health crisis
- Provincial Grant funding (OMPF) may end as the economy recovers later in 2021-22

2020 Recap

- Housing price increases in Ontario and Oro-Medonte have impacted affordability and rental inventory
- Although staff have been productive working remotely, some staff are experiencing challenges resulting from lack of inter-personal & departmental interaction, limited access to digital records, technology and internet challenges

2020 Recap

- Increased technology requirements from all Departments as the need for ready information and digital transactions continues to evolve
- The potential of cyber threats requires more effort to protect the security of systems and data
- SWIFT initiative and Bell/Rogers bringing high speed Internet to additional areas of the Township

COVID-19 Actions

- Township Council and the community have been regularly advised of COVID-19 actions since the Township declared an Emergency in March 2020
- In April 2020, Township staff presented Council with an adjusted 2020 “COVID-19 impact” budget
 - Uncertainty regarding financial impacts and the duration of the health crisis
 - Four months of interest relief + delayed tax and water payments offered in 2020
- Many initiatives, activities, and capital projects were delayed and have been brought forward in the 2021-2022 budget

COVID-19 Actions

- Increased costs for PPE, safety supplies, operating costs, additional vehicle rentals, increased technology costs and lost revenues
 - Approximate impact for 2020 & 2021 - \$875k
- Township met the adjusted 2020 budget targets in terms of Revenue and Cost savings
 - Generated 2020 surplus

COVID-19 Actions

- Enhanced communications on service delivery adjustments through Township website and social media channels
 - Increased requirement for education and enforcement of Provincial orders in addition to municipal By-laws
- Completion of recovery plan and phasing for service delivery adjustments/stages for office re-opening and appointment bookings
- Use of Zoom technology across organization for meetings and consultations with customers, replacing in person discussions
 - Council/Committee meetings held in digital formats combined with an implementation of a digital public engagement/consultation process through Zoom webinar

COVID-19 Actions

- Development of screening protocols and tracking for staff, contractors, visitors and inspections
- Creation of staff cohorts reducing the number of employees working in a workplace
- Where feasible, transition to remote work for staff across the organization
 - Requirement for remote connectivity tools – laptops, phones, remote locations, strong internet connections, reliable & stable VPN
 - Continued requirement for digital processes (digital A/P, PayPal for customer invoicing/payments, digital reconciliations)

COVID-19 Financial Impacts

- Province provided \$695k in COVID-19 relief funding for 2020-2021
- Estimated COVID-19 financial impacts in 2020-2021

• Operating Costs (PPE, rentals, supplies)	440k
• Community Halls operating costs (Hall share)	100k
• Loss of non-resident parking fees at Bayview Memorial Park	70k
• Net loss from closing Arena in January, 2021	30k
• Impact of deferring staff vacations due to health crisis	115k
• Township cost to host a COVID-19 vaccination site	<u>120k</u>
TOTAL	<u>\$875k</u>

- Township Council identified the Oro-Medonte Community Arena as a potential central COVID-19 vaccination site for area residents (pending)

COVID-19 Financial Impacts

- Councils' COVID-19 budget adjustment in April, 2020, and Provincial COVID-19 funding has contributed to a projected 2020 year-end surplus
- Staff have identified the projected 2020 surplus be applied as follows:
 - Funding for incremental COVID-19 costs not covered by Provincial grants \$180k
 - Allocation to fund strategic digital transformation (modernization) initiatives - \$695K
 - Establishing an Internet Infrastructure Reserve to support Township efforts to secure high speed internet for all residents - \$200k
 - Increased provision for legal reserves for future LPAT hearing costs - \$250k

Modernization Funding - Strategic Initiatives

Initiative	(^{'000s}) Amount	Description
Development Services Review (2020 Project)	\$ 46	Completed - Optimization of planning & development processes
Core Services Review (2020 Project)	75	Completed - Review, benchmarking, and optimization recommendations of all Township service levels
Prioritization Process Review	10	Revise process used to prioritize initiatives and resources
Customer Service Strategy	45	Customer Service standards, processes, consistent application
Website Upgrades	75	Website content & platform overhaul
Forms & Online Payments	20	Online self-service for customers to submit applications, information and pay securely online
Records Digitization	25	Strategy and digitization of records
Township Enterprise Software Upgrade (ERP)	550	Baker replacement. Core replacement of Financial system
HRIS & Payroll System	100	Baker replacement. Upgrade of human resource & payroll management system
Office 365 / Cloud Efficiency Applications	100	Optimizes remote work, document collaboration, business continuity
Upgrade Phone System	75	Replacement of outdated phone system to ensure consistent communications between mobile devices and sites
Laptop Replacement Initiative	65	Upgrade laptops for new technology applications and allow full remote capability for ALL office staff
Asset Management Plan	30	Contribution toward updated Asset Management Plan legislated by the Province (due July 1, 2021)
Digital Signature Implementation	20	Allow secure signatures on digital documents
Key FOB System	20	Allows for efficient access controls, logging and enhanced security
Service Level Review - Implementation Initiatives	162	Implement other strategic initiatives identified in Core Service Review
	\$ 1,418	

Modernization Funding:

Province \$723k
 Township 695k
 (2020 surplus allocation)
TOTAL \$1,418k

2021-2022 Staffing

2021-2022 Staffing Supported Municipal Modernization Funds

- | | |
|----|--|
| 1) | Service Level Review Implementation –
Secondment/Contract |
| 2) | Website – Special Projects |
| 3) | ERP Support Secondment/Contract |

3 secondment/contracts for 2021-2022

2021-2022 Staffing

Staffing			
2021 FT		2022 FT	
Equipment Operator	1 FT	½ HR Assistant	.5 FT
		½ MLE Assistant	.5 FT
		Municipal Law Enforcement Officer	1 FT
		Building/Septic Inspector (user pay)	1 FT
		Fire MLEO/Inspector	1 FT
2021 PT		2022 PT	
Finance Revenue Clerk Contract	.5 PT	Finance Revenue Clerk Contract	.5 PT
IT Coop Student	1 PT	IT Coop continued in 2022	
		Parks & Facilities Operator– 8 month contract	.7 PT
		Community Seasonal Programmer	.5 PT

1FT/1.5 PT

4FT (1 user pay)/1.7 PT

Continuous Improvement (RISE)

- Technology implemented to facilitate remote work
- Implemented Council Meeting streaming solution, supporting Council/Staff remote participation
 - Implemented Zoom webinar and Live YouTube streams for Council meetings
- Digital processes implemented to improve efficiency and continuity of customer service for residents and customers
 - Accounts Payable process supported COVID-19 / remote work

Continuous Improvement (RISE)

- Automated electronic customer payment process for tax & water
- Implemented an E-Learning Platform (Moodle) for HR and other departments
- Supported information technology for increased connectivity for remote location sites across the Municipality

2020-2021 Service Level Reviews

Customer Service

- Customer Service Strategy
- Update Website Content & Platform Overhaul
- Implement Digital Forms & Online Secure Payments

Administrative Corporate Initiatives

- Records Digitization Strategy & Implementation
- Update and Implement Township Asset Management Plan



2020-2021 Service Level Reviews

Digital Solutions

- Township Enterprise Software Upgrade (ERP – Baker Replacement financial module only)
- Implement new HRIS & Payroll System (web based, self-service)
- Upgrade Township laptops including full desktop replacement
- Digital Signature Implementation
- Implementation of new IT Ticketing System with root cause analysis
- Improve Network reliability and high speed for Oro-Medonte Remote sites
- Office 365/Cloud Efficiency Applications
- Upgrade Township phone system

2021-2022 Challenges

- Oro-Medonte evolving from a small town to a midsize municipality
- Pressures from the Province of Ontario and the community to modernize service delivery
- Population growth impacting ability to deliver expected levels of service
- Competing demands for increased level of service and cost containment
- Environmental sustainability amidst growth pressures
- Increasing demands for By-law enforcement

2021-2022 Challenges

Continuous Improvement & Fiscal Responsibility

- Township capital and operational costs increasing at rates higher than general inflation
- Provincial requirement to deliver comprehensive Asset Management Plan in 2021
- Infrastructure reserve balances not adequate to meet long-term needs
- Enhanced need for risk management to mitigate escalating insurance premiums
- Development of a long-term remote work strategy and program in conjunction with accommodation planning

2021-2022 Challenges

Enhanced Communications & Customer Service

- Increasing expectations for community engagement and communication

Balanced Growth

- Significant developments projected in Horseshoe-Craighurst corridor, impacting service delivery and staff resources
- Financial implications from legacy systems and agreements

2021-2022 Challenges

Inclusive, Healthy Community

- Long term sustainability of fire service delivery
 - Required staffing mix to ensure adequate response times
- Delivery of a new affordable Oro-Medonte/SCDSB Community Center

Employer of Choice

- Health & Safety compliance and additional training for all staff and service providers
- Increased focus on staffing in a competitive market (attract, recruit, and retain)

2021-2022 Initiatives

Continuous Improvement & Fiscal Responsibility

- Planning Approvals Service Review Implementation
- Core Service Level Review Plan Implementation
- Update Township Strategic Plan with measurement targets and associated community reporting
- Asset Management Plan
- Complete Road Management Plan
- Continuous Improvement projects
- Update Procurement By-Law
- Energy Conservation & Demand Management Program & Reporting

2021-2022 Initiatives

Continuous Improvement & Fiscal Responsibility

- Information Technology Master Plan including systems related projects:
 - Enterprise Resource Planning (ERP) Financial (Baker replacement)
 - FirePro (Fire & Emergency Services management & reporting)
 - Payroll/HRIS replacement
 - Work Order Management
 - Property Management
 - Records Management

2021-2022 Initiatives

Continuous Improvement & Fiscal Responsibility

- Fire Master Plan Implementation
- Development Charges Study Mid-Cycle Update
 - Area Specific Charges
 - Background Study Update
- Electronic Records Management Digitization Strategy
- Operation of Environmental Services/Municipal Services Corporation

2021-2022 Initiatives

Enhanced Communications & Customer Service

- Website update:
 - online forms and payments, enhanced self service functionality
 - online permitting, inspections, licensing replacement
 - meet legislated accessibility requirements
- Citizen Request Management/311
 - Online - request & tracking for customer service or information & follow up
 - Work Order Management
- Recreation Facility Booking Software

2021-2022 Initiatives

Balanced Growth

- Official Plan/Zoning By-Law Update
- Industrial Land Zoning Strategy
- Community Centre Partnership

2021-2022 Initiatives

Inclusive, Healthy Community

- Ward Boundary and Council composition review
- Completion of Short-Term Rental controls & determination of Municipal Accommodation Tax
- Community Safety Plan
- Advancement of Central Community Centre/SCDSB Partnership
- Emergency Management Planning, Training & Exercises
 - Community Risk Assessment
- Implementation of the Township Fire Master Plan
 - Certification training plan for volunteer Fire Fighters

2021-2022 Initiatives

Employer of Choice

- Focus on strategic Human Resources management
- Health & Safety program enhancement
- Remote Work Strategy and accommodation planning

2021-2022 Budget Assumptions

- Preparation of a 2 year capital budget and accelerated road rehabilitation program, and a 2 year operating budget in accordance with Council direction
- OMPF grant funding strategy
 - Assumed receipt of full OMPF grant for 2021 & 2022 (but uncertain beyond 2021)
 - Continued Allocation of 25% to Operating Reserve

2021-2022 Budget Assumptions

- Inflationary pressures for municipality will exceed 1.93% inflation provision in Township share of tax increase, including:
 - Collective Agreement wage increases 1.7% & 2.0% (2021-2022)
 - Utilities – hydro & gas 5%
 - Insurance premiums – 5% + per year
 - Cost of support for environmental conservation up 17% (2021 vs 2020)
 - Cost of supplies and construction increasing due to health crisis and supply limitations
- Canada Consumer Price Index (CPI)

	Actual	Actual	Actual	Forecast	Forecast	Forecast
Year	2018	2019	2020	2021	2022	2023
Canada CPI	2.00%	2.20%	0.70%	1.6%	1.80-2.00%	2.00%

2021-2022 Tax Levy

- Township managing \$42 Million in expenditures for 2021 (\$24.5M Operating and \$17.5M Capital) and \$43 Million spend in 2022 (\$25.4M Operating and \$17.6M Capital)
- Staff are presenting a draft budget with the following assumptions for 2021 and 2022 (2-year committed budget):
 - 2.00% dedicated allocation to infrastructure reserves (2019 & 2020 @4%)
 - An allocation of 1.93% (inflation) for both the 2021 & 2022 operating budgets

2021-2022 Tax Levy

- **2021 overall tax increase equates to 1.99%**
 - **Township share for 2021 and 2022 is 3.93%**
- The 2022 overall tax increase will be dependent on County and Education increases, which will be determined in late 2021

2021 Tax Levy

	2020 Tax Levy	Tax Revenue from Assmt Growth	For 0% Increase	2021 Budget	Increase	% Increase
Overall	21,385,585	258,198	21,643,783	22,493,856	850,073	3.93%

Overall Tax Increase including County and Education amounts is 1.99%

	Per \$100,000 of Assessment			2021 Tax
	2021 Notional Tax	% Change	2021 Increase	
Township	430.24	3.93%	16.90	447.14
County	273.40	0.00%	-	273.40
Education	145.50	0.00%	-	145.50
Total	849.15	3.93%	16.90	866.05
	Apportionment	Tax Increase	Blended Increase	
Township	50.67%	3.93%	1.99%	
County	32.20%	0.00%	0.00%	
Education	17.14%	0.00%	0.00%	
			1.99%	

Residential Taxpayers will see an increase of \$16.90 per \$100,000 of their Assessed Property Value