

King prepares to finalize 2020 budget

By Mark Pavilons

King residents could see another 3% increase in their property taxes this year, when council passes its 2020 budget Jan. 27. The draft budget is an aggressive approach to improving infrastructure and boosting reserves, putting the municipality in a very good financial position. There is still time for councillors and staff to fine-tune the budget and make changes, before the Jan. 27 meeting. The budget maintains service delivery across all departments, while actually increasing efficiencies to curb costs in the long run. Provincial mandates, climate change moves, the addition of staff members and socking money away in the infrastructure reserves all drive this year's budget.

King is adamant about maintaining or even enhancing operational service standards. Strategically planned construction, maintenance and rehabilitation of municipal infrastructure is on the books. In order to ensure King's long-term fiscal sustainability, the 'responsible tax levy' is needed.

The 2020 operating budget stands at \$44.8 million. To meet its obligations, the Township is levying a tax increase of \$899,748, or 2.89% for homeowners. That amount translates to roughly \$179.77 per year, based on an assessment of \$850,000. This is also assuming that York Region comes in with a tax increase of 2.69% and the school boards levy a 2% hike.

The bulk of the budget goes to salaries ??\$17.9 million. The Township is putting \$8.3 million into reserves. Contractual services takes \$6.8 million, followed by general operations (\$5.7 million). Utilities cost roughly \$1.5 million and other expenses total \$4.6 million.

On the revenue side, the bulk of income comes from property taxes ? \$32.9 million. User fees bring in \$4.4 million and other revenues generate \$2.6 million. To shore up the budget, and lessen the impact to taxpayers, King will transfer some \$3.6 million from its reserves.

Program changes push the bulk of the increases in this year's budget. Some 15 program change requests result in a tax impact of \$632,000 or a 2.05% increase.

Council has made a commitment to convert rural gravel roads to hard surface, and the budgets for 2020 through 2022 reflect this. The capital budget for 2020 stands at \$34.8 million and of that, \$4.4 million (or 12.6%) will come from property taxes.

The Township's multi-year capital plan for 2020-2022 shows \$91.1 million in gross expenditures. The majority of this is for municipal buildings and roads over the next four years. To cover these costs, King will have to rely on funding from development charges (\$26.1 million), property taxes (\$12.7 million) and debentures (\$7.8 million).

The top five major capital projects, totalling \$58.1 million, include the new multi-purpose recreation centre, Nobleton sanitary sewers, phases 3 and 4, reconstruction of King Road and the 15th Sideroad, as well as bridge and culvert improvements.

Staff have deferred the 'Nobleton Loop' construction, the 10th Concession and 15th Sideroad, to 2023. This delays a \$5.5 million tab.

When the Township set its 2019-2022 budget cycle, it focused on a significant investment in roads, and this hasn't changed.

Internally, King is looking for efficiencies through computer system upgrades and automation of internal controls.

Staff said assessment growth has slowed bit in King and is projected at a conservative 2.3% this year. When MPAC assessments come in, tax revenue will likely rise and there may be a noticeable cushion when the final tax bills go out.

King CAO Dan Kostopoulos said by making significant contributions to its infrastructure reserves, King is in a much better place than it was a decade ago.

Mayor Steve Pellegrini said staff delivered exactly what councillors asked for.

A department by department overview showed where the tax dollars are being spent.

The Parks, Recreation and Culture department has a budget of \$6.1 million, with parks and forestry (\$2.07 million) and facilities (\$2.35 million) taking the lion's share.

For every \$1 of property taxes, Engineering, Public Works & Building takes the most, at 36%. Parks and Rec. follows at 23%.

Administration takes 12%, followed by Fire and Emergency Services, which takes 10%. They're followed by Public Library (7%), Clerks and Bylaw (6%), Planning (3%), Council (2%) and Finance (1%).