

King tables 5% tax hike in draft budget

By Angela Gismondi

King Township's first council and committee of the whole meeting of the new term was held Monday and councillors didn't waste any time getting down to business.

The draft 2015 budget and business plan was tabled at the meeting, with final adoption and approval scheduled for Monday, January 26, 2015.

The proposed budget results in a five per cent increase in the Township's residential tax rate, which translates to a \$99 increase for an average home assessed at \$614,000. The plan focuses on long-term fiscal sustainability for the Township, putting money into the Township's reserves for future needs. Of the five per cent, 3.65 per cent is slated to go to reserves.

Although the five percent increase in the Township share of municipal taxes is significant, council should recognize such as the initial step toward long-term sustainability for the municipality, states the staff report prepared by Allan Evelyn, the Township's director of finance and treasurer.

In recent years, the Township has committed to significant investment in its wastewater systems within the village core areas of King City and Nobleton. These investments required significant access to sources of funding which did result in depletion of the Township's reserve base while also requiring realignment of resources that typically were set aside for road and facility related maintenance, repair and rehabilitation. It is essential that the Township restore the base operating budget allocation to support its assets and staff recommend such be done as part of an overall review and implementation of a comprehensive reserve and reserve fund strategy.

The recommended increase in reserve contribution represents 73 per cent of the proposed total tax rate increase, which means 73 cents of each dollar of the proposed tax rate increase will be set aside to support future infrastructure needs. The purpose of the infrastructure reserve is to have the funds to replace assets in the future when the asset has reached the end of its useful life.

While councillors were pleased with the work done by staff, many of them agreed they could not support a five per cent increase. They asked staff to go back and see where they could find savings.

With all due respect, if there can be any money found in operating, if we can wrestle a little more out of the operating budget, we don't have to touch program changes, said Pellegrini. I can't support a five per cent increase but I will do without some of the program changes if we can't find the money.

I'm taken aback by the magnitude of the bottom line, added Councillor Debbie Schaefer.

Councillor Bill Cober agreed the increase is high, especially since a one per cent increase is equal to \$198,000.

The challenge is we may have to look at some of the things we may not be able to afford this year, he noted.

Councillor Avia Eek asked that all budget asks be tied back to the Township's plans and strategies.

Evelyn responded all department heads are required to justify their asks and explain why the demand is being made.

Everyone around the table has to be convinced of the ask before it's included, added Township CAO Susan Plamondon. The initial asks are substantially higher than what is in front of you.

The Draft 2015 Capital Budget is \$7.2 million with an operating budget contribution of \$1,836,570. Some of the major proposed capital projects include the acquisition of vehicles, road and sidewalk improvements.

The Township's proposed 2015 property tax supported operating budget, which includes the library and the Holland Marsh Drainage System, is \$20,042,364 or an increase of \$603,555 (or 3.15 per cent) over 2014. That figure does not incorporate an estimate for assessment growth and program changes.

The proposed budget also recommends new initiatives or program changes in the amount of \$547,114. It includes building maintenance/energy management initiatives (\$50K); beautification/streetscaping initiatives (\$91K); and seed funding for the Community Improvement Plan (\$50K). Of the total amount, \$376,114 (68.7%) represents personnel related costs for approximately five full-time equivalent additions to headcount in a combination of full-time, part-time and contract positions.

Councillors questioned the need for five new employees, including a communications specialist who would respond to the media, manage the website and social media, write press releases and other corporate communications.

This is in response to concerns we heard you articulate, said Plamondon. We require a person with professional knowledge to ensure efficiency and effectiveness. They would support the whole organization, not just one department.

Eek said she didn't see a tourism coordinator on the list.

If there is any opportunity for us to piggy back all of our plans and strategies that we have worked so diligently on when we do hire somebody, why don't we add some of the duties of a tourism coordinator so we can start moving that plan forward, said Eek.

Eek was also concerned that the road works she requested in her ward were not included in the budget. She was particularly concerned about Miller Sideroad, which the residents have been waiting to be repaired for many years, Canal Road and King Street. Evelyn explained that a number of bridges have been replaced in that ward, which are very expensive. He said the other works are included in the front end of the 10-year plan and anticipates they could be completed within the next three years.

?I think it will depend on the financial situation of the municipality and the prioritized works of other municipal roads,? Evelyn explained.

Schaefer was also concerned about the roads in her ward.

?King Station did not have their roads properly finished with the sewers were done,? said Schaefer. ?I think it is really problematic that we continue not to finish the job and that this subdivision has substandard roads.?

Mike Cole, acting director of engineering and public works, explained the work that was planned has been completed but there has been public outcry in the area requesting that the Township grind and repair the road.

Plamondon said more road infrastructure work was included in the budget but asked council to recognize there are a lot of roads in need of repair across the Township.

?We heard loudly and clearly from members of council that that was one of the key issues when you were campaigning,? said Plamondon. ?Our needs are significant, certainly on the infrastructure side. We're trying to fight our infrastructure on a number of levels in terms of operations and reserves. We know we are facing long-term financial challenges. You are making four-year decisions and 40-year decisions, planning for the future of our infrastructure so that a future council doesn't find themselves in a similar situation. We're putting money away to take care of tomorrow's needs.?

Staff will be bringing back a revised budget in January.

?We heard very clearly the things you like and some of the areas we can bring you more information on to make a case,? said Plamondon. ?We recognize this is not an easy decision ? it's not easy at the staff level and not at the council level. We are going to work with you to find that balance that works.?