

Memorandum

Date: December 17, 2019

To: Members of Council

From: Heather Haire, Treasurer, Finance

Subject: Proposed 2020 Budget Update and Supplementary Information related to the Fees By-law

The purpose of the memorandum is a status update of the proposed 2020 budget to be considered at the December 17, 2019 meeting before final consideration.

At the December 10, 2019 General Committee 2020 Budget meeting, amendments to the 2020 Budget were approved to be considered at the December 17, 2019 Council meeting. The budget amendments are listed in Schedule A to this memo and will be considered for Council approval (on December 17, 2019). The impact to property taxes for consideration at the Council meeting is shown in Table 1 below:

Table 1 – Impact of the Proposed 2020 Budget (as of December 16, 2019):

Typical 2019 Residential Assessment of \$620,000	2019 Property Tax Bill	Estimated 2020 Property Tax Bill incl. Budget	Estimated \$ Change	Estimated % Change
Town	\$2,329.17	\$2,467.17	\$138.00	5.92%
Broadband Levy	\$10.21	\$9.98	(\$0.23)	(2.25%)
Region*	\$1,727.87	\$1,768.17	\$40.30	2.33%
School Board**	\$998.20	\$998.20	\$0.00	0%
Total	\$5,065.45	\$5,243.52	\$178.07	3.52%

* Based on the MPAC assessments from 2016 and the assessment value's used for Property Tax Billing

** Regional budget impact is assumed until the Region of Peel's budget is approved. Approval is anticipated for December 19, 2019.

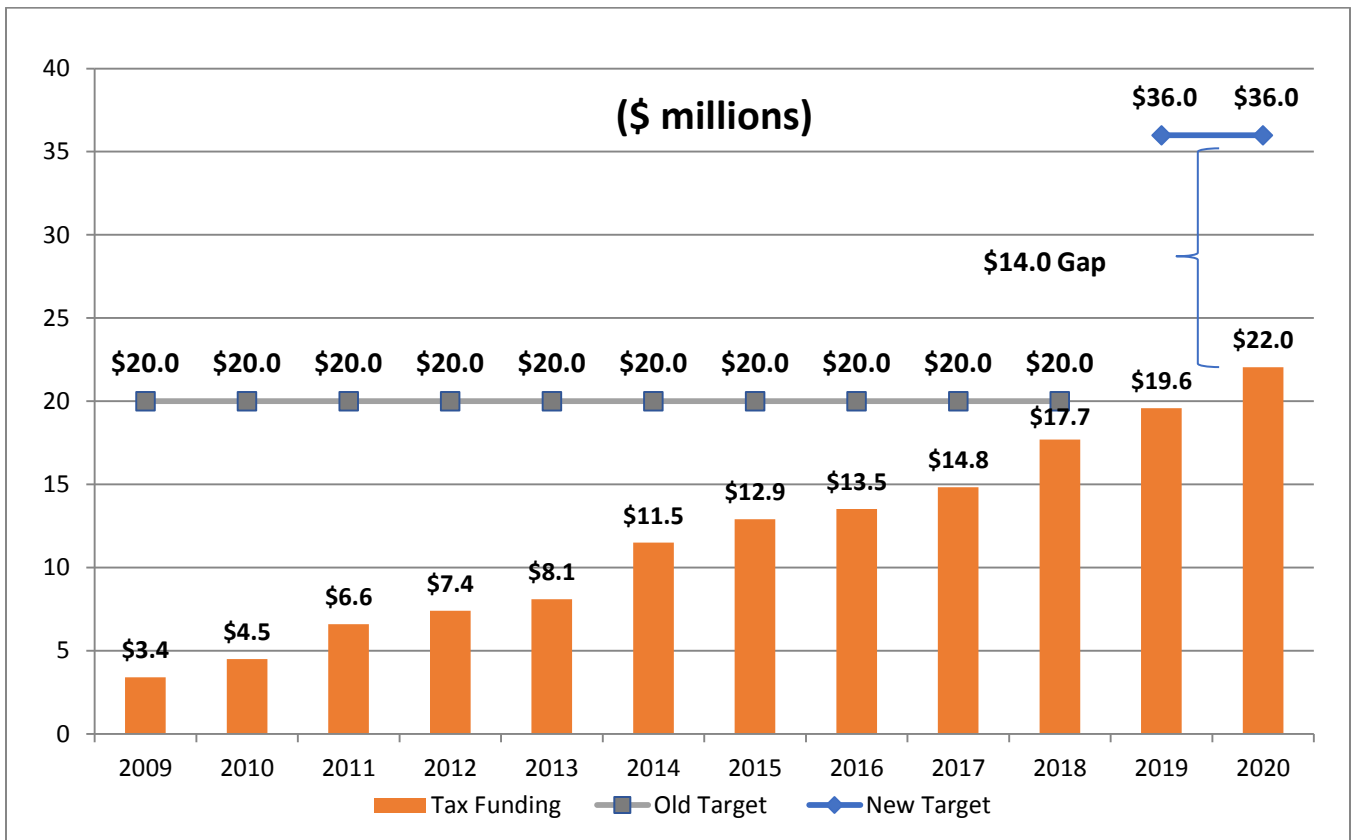
*** Assumes zero. Budget is not passed until March/April 2020

The amendments, detailed in Schedule A of this memo, result in a net increase to the preliminary 2020 Budget of \$1,112,995 in tax funding between the Town's 2020 proposed tax funded capital program and operating budget, as shown below:

Table 2: Impact of Budget Amendments regarding the Proposed 2020 Budget:

	2020 Proposed	December 10 Budget Amendments	Revised 2020 budget
2020 Proposed Operating Budget Net Increase	\$2,011,060	\$438,601	\$2,449,661
2020 Proposed Tax Funded Capital Program (2019 Base Tax Capital Funding \$19,570,102)	\$21,373,644	\$674,394 <u>\$1,112,995</u>	\$22,048,038

As noted in Table 2, accounting for the December 10, 2019 budget amendments, the Town’s tax funded capital program is currently proposed to be \$22 million. The chart below graph shows the history of the Town’s tax funded capital program since 2009. The Town’s tax funded capital program is a sustainable funding source to both maintain/repair/replace aging assets and to pay for the Non-development charges portion of infrastructure projects required to accommodate growth (residential and employment growth). The original target for the Town’s tax funded capital program was established at \$20 million per year using amortization (or “depreciation”) as an estimate of the funds required to repair and replace existing infrastructure. With the Town’s recent asset management plan work, Council approved a new target of \$36 million per year.



2020 Fees By-law

At the December 10, 2019 General Committee meeting regarding the Budget there were a number of questions about specific fees included in the proposed 2020 Fees by-law.

Below are responses to the questions related to Fees:

Fortification By-law (Page 2 of Schedule A to Staff Report 2019-0266)

The fee for the application was set at \$750.00 in 2004 and will be reviewed through the Building Services Fee Review planned to begin in 2020.

The Division typically processes a maximum of two applications per year. In 2018, one application was filed and approved, and in 2019 one application was filed and approved. Both applications proposed the placement of a locked and gated entrance to residential properties. The applications were approved in consultation with other law enforcement agencies and emergency services personnel. The enforcement of the Fortification By-law is initiated through the building permit process. A property must comply with the Fortification By-law prior to the issuance of a building permit. A review of the effectiveness and purpose of the By-law will be provided to Council at a later date.

Inspection of Marijuana Grow Operations (Page 13 of Schedule A to Staff Report 2019-0266)

The Inspection of Marijuana Grow Operations Fee of \$652.00 is for Fire Code inspections conducted inside cannabis grow and extraction facilities (regardless of heating). These are specialized inspections that require additional technical expertise and training. This fee is in line with other municipalities and offsets the cost of the inspection.

Special Events (Page 15 of Schedule A to Staff Report 2019-0266)

The purpose of the Special Events Fee for attendance of a firefighter or fire vehicle in the amount of \$312.00 is to recover the cost of attendance at non-Town of Caledon sanctioned community events (i.e. birthday parties).

Fill-Heavy Truck Load

The fee included in the proposed 2020 fee by-law for “Fill-Heavy Truck Load – Caledon Road Use” reflects the amendment approved by Council on December 12, 2017, when the 2018 Fees By-law was approved (as part of the 2018 Budget process). Specifically, the fee to recover excessive “wear and tear” on Town roads from heavy trucks carrying fill to/from Caledon properties was reduced from \$6.80 to \$2.00. This charge is calculated based on travel on Town/local roads both to and from the Caledon property. At the time, there was discussion on whether a fee is applicable on the Town roads travelled when the truck does not contain fill, however, staff clarified that:

- The Town’s Traffic By-law defines a “heavy” truck as 12,000 kg (or 12 tonnes);
- Fill is normally transported using tandem or tri-axle trucks;
- Tandem and tri-axle trucks exceed 12,000 kg even when empty.

Attachments:

Schedule A –2020 Budget Amendments - December 10, 2019 General Committee Meeting

