

TITLE: 2016 Capital & Operating Budgets	DATE OF MEETING: December 14, 2015
	REPORT DATE: December 9, 2015, 3:52 PM
CLEARANCES:	ATTACHMENTS: 2016 City of Yorkton Capital Budget; 2016 City of Yorkton Operating Budget Submission – 3.90%
Shannon Bell	December 9, 2015
_____ Presenter Shannon Bell, Director of Finance	_____ Date
Lonnie Kaal	December 9, 2015
_____ City Manager	_____ Date

SUMMARY OF HISTORY/DISCUSSION & FUNDING:

2016 Capital Budget

The 2016 Capital Budget was presented to the Committee of the Whole Council at their June 22, 2015 meeting. At that time Management was directed to refine the costs of the proposed capital projects and to bring the 2016 Capital Budget back to a future Committee of the Whole Council Meeting. Since its' original submission, the 2016 Capital Budget has been revised to better represent the work that will be able to be completed in 2016.

The multi-year projects, such as the Main Sanitary Sewer Truck Main Outfall, the Rehabilitation of the Existing Sanitary Sewer, the Drainage Channel Improvements and the Culverts under Highway #9, have been adjusted to only include the preliminary work of the project in 2016. The actual construction of the projects will not be completed until 2017 at the earliest. If it is determined that these projects are to proceed then they will require long term financing in 2017.

After discussions with Council we have also highlighted projects that may not proceed in 2016 until after the review of operations has been completed. These include the City Transit Bus, Drake Field Spray Pad, Gloria Hayden Court Walls and the Farrell Agencies Arena Expansion. The estimated costs of these projects have been removed, however if Council wishes to add any of them back to budget we would just need to update the long term financing that is required to fund the 2016 Capital Budget.

With Council's approval we would see a \$19,786,355 Capital Budget that would require long term financing in the amount of approximately \$6,200,000. This loan would be repaid over 10 years beginning in 2017.

2016 Operating Budget

The 2016 Operating Budget has proven to be one of the most challenging budgets the City has seen in decades. Over the past three years the City has seen operating costs increase between 4% and 6% even though property taxes have only increased between 1.0% and 3.2% for operating purposes. We recognize that large increases in property taxes cannot continue so Management was tasked with ways to conduct the same business in a different manner. As such we are presenting to Council today a 2016 City of Yorkton budget that would see a 3.9% increase to property taxes, with 0.9% going towards operations and 3.0% going towards future capital projects.

Management has prepared this budget with little increases to services being provided to the citizens of Yorkton. As the cost to providing the same services is greater than the cost of inflation this budget focuses on providing those same services more efficiently and at a reduced cost. By controlling our operating spending in all areas we are able to propose a 0.9% increase in property taxes for the operations of the City. Below are some highlights as to where the 0.9% is required.

Highlights of the Budget

- **Reduced Revenues**
 - Municipal Revenue Sharing from the Province – amount is not known at this time but an increase is not forecasted
 - Court fine revenue is down \$65,000
 - Building permit revenue is down \$38,000
 - Business license revenue is down \$10,000
 - Bylaw ticket revenue is down \$14,000
- **Janitorial Contracts for City Facilities**
 - City Hall increase of \$138,000
 - The majority of this is for the RCMP offices as there are time restrictions of when cleaning can be done and the contractors must be screened under Federal security provisions to be in the area
 - Godfrey Dean increase of \$18,000
 - Gloria Hayden increase of \$8,000
- **Increase to Yorkton SPCA Poundkeeper Services Contract**
 - as the SPCA has not received an increase in their contract for the past 15 years the City of Yorkton has increased their contract beginning in 2016 by \$20,000

- **Increases to Other Service Contracts**
 - Parkland Regional Library Levy will see a \$60,000 increase
 - Transit services contract will see a \$70,000 increase
- **Increases to Staffing**
 - One Seasonal Open Spaces position is being budgeted for at approximately \$30,000, due to the increase in acres that City has to maintain (Approximately 90 acres more) the department requires additional resources to maintain the current maintenance rotation.
- **Election Expense**
 - The estimated cost of the City election is approximately \$8,600
- **Increases to Facility Lease Rates & Other Rate Increases**
 - The lease rates for some of the City run facilities will see rate increases based on the square footage of space occupied
 - Admission and lesson rates are set to increase at the Waterpark
 - A new booking fee for all bookings at the Gallagher Centre is being proposed
- **Union Contract Negotiations**
 - As of December 31, 2015 both the CUPE and the IAFF Union contracts will expire. The City will begin negotiations and the actual increase to wages will not be known until that process is complete; however we have budgeted for a 1.0% increase in all wages.

Increase in Property Taxes due to Future Capital

As stated above Management is proposing a 3.0% increase for future Capital projects. As the City's infrastructure is aging and getting to a state of replacement we will be experiencing increasing costs in the next 10 years. For example, we have approximately 150 km's of paved roadways; of this 61% are in poor condition with another 27% in fair condition. Also there are City facilities that will require extensive repairs or replacement, such as the Public Works building and the Kinsmen Arena. As these are very large projects they will require large amounts of funding and will also require the City to utilize long term financing to complete. The 3.0% increase in property taxes will go towards funding these long term projects.

The City of Yorkton is committed to providing services that its citizens require while at the same time recognizing that we need to provide them in the most efficient and economical manner. All businesses need to react to economic downturns and the City is no exception. The 2016 budget has addressed the various lower revenue streams and has adjusted spending accordingly.

OPTIONS:

1. That the Committee of the Whole Council recommend to Council to adopt the 2016 Capital & Operating Budgets as presented.
2. That the Committee of the Whole Council recommend to Council to table the adoption of the 2016 Capital & Operating Budgets until the January 11, 2016 Council meeting.
3. That the Committee of the Whole Council provide other direction to Administration.

RECOMMENDATIONS:

That the Committee of the Whole Council recommend to Council to table the adoption of the 2016 Capital & Operating Budgets until the January 11, 2016 Council meeting.

CITY OF YORKTON
BUDGET SUBMISSION - 3.90%
FOR THE YEAR ENDED DECEMBER 31, 2016

	Actual 2014	Budget 2015	Budget 2016	\$ Change	% Change
Revenue					
Taxes including GIL	17,883,987	17,793,000	19,236,000	1,443,000	
Tax Growth	0	355,000	184,000	(171,000)	0.96%
Increase to Taxes	0	585,000	174,780	(410,220)	0.90%
Increase for Capital	0	503,000	582,600	79,600	3.00%
Sale of General Land	109,675	0	0	0	
Transfer from Reserves	259,225	100,000	0	(100,000)	-100.00%
BID Levy	(112,893)	(115,000)	(115,000)	0	0.00%
Interest	427,028	210,000	275,250	65,250	31.07%
Surcharges	3,508,124	3,265,000	3,320,000	55,000	1.68%
Municipal Operating Grant	3,240,775	3,381,935	3,345,472	(36,463)	-1.08%
Total Revenue	25,315,921	26,077,935	27,003,102		
Net Departmental Expenses					
General					
Misc/BID Grant	100,000	100,000	100,000	0	0.00%
Legislative/Council	548,159	559,830	555,196	(4,634)	-0.83%
Administration & Facilities	2,857,159	2,909,860	2,940,811	30,951	1.06%
Total General	3,505,318	3,569,690	3,596,007		
Protective Services					
Fire	2,449,303	2,503,785	2,380,236	(123,549)	-4.93%
RCMP	3,579,838	3,707,740	3,853,360	145,620	3.93%
Total Protective Services	6,029,141	6,211,525	6,233,596		
Community Development Parks & Recreation					
Cemetery	0	0	0	0	#DIV/0!
Deer Park	197,260	191,000	195,458	4,458	2.33%
Library	534,885	538,295	578,575	40,280	7.48%
Leisure Services - Admin & Programs	372,490	385,785	353,039	(32,746)	-8.49%
Leisure Services - Facilities	173,313	172,100	177,075	4,975	2.89%
Leisure Services - Outdoor & Parks	1,354,269	1,505,700	1,493,631	(12,069)	-0.80%
Total Community Development Parks & Recreation	2,632,217	2,792,880	2,797,778		
Gallagher Centre					
Gallagher Centre	1,083,115	1,148,025	1,128,307	(19,718)	-1.72%
Waterpark	620,978	646,880	648,680	1,800	0.28%
Total Gallagher Centre	1,704,093	1,794,905	1,776,987		
Engineering & Asset Management					
Engineering & Asset Management	973,330	945,375	628,829	(316,546)	-33.48%
Traffic Control	640,430	111,000	111,000	0	0.00%
Transit	265,226	290,000	362,246	72,246	24.91%
Total Engineering & Asset Management	1,878,986	1,346,375	1,102,075		
Planning, Building & Development					
Planning Services	0	24,220	226,318	202,098	834.43%
Building Services	0	(23,290)	(73,467)	(50,177)	215.44%
Bylaw Control	113,074	148,550	241,212	92,662	62.38%
Economic Development	257,651	299,470	296,774	(2,696)	-0.90%
Airport	74,066	176,100	188,286	12,186	6.92%
Total Planning, Building & Development	444,791	625,050	879,123		
Public Works	4,024,735	4,138,490	4,296,184	157,694	3.81%
Environmental Services					
Landfill/Garbage	0	0	0	0	#DIV/0!
Residential Garbage	0	0	0	0	#DIV/0!
Water & Sewer	(100,000)	(100,000)	(100,000)	0	0.00%
Total Environmental Services	(100,000)	(100,000)	(100,000)		
Total Net Departmental Expenses	20,119,281	20,378,915	20,581,750		
Capital, Debt & Reserve Expenditures					
Capital					
Capital Expenditures	3,580,000	4,083,000	4,085,000	2,000	0.05%
Future Capital	0	0	582,600	582,600	#DIV/0!
New Deals Gas Tax Grant	(889,999)	(890,000)	(889,999)	1	0.00%
Total Capital	2,690,001	3,193,000	3,777,601		
Debt					
Gallagher Centre	1,151,254	1,151,255	1,151,254	(1)	0.00%
Fire Hall	648,789	648,790	648,789	(1)	0.00%
Total Debt	1,800,043	1,800,045	1,800,043		
Reserve Allocation	705,000	705,000	705,000	0	0.00%
Total Capital, Debt & Reserve Expenditures	5,195,044	5,698,045	6,282,644		
NET OPERATING & CAPITAL BUDGET	1,596	975	138,708		

Tax Dollars towards Capital Budget	\$4,085,000
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Dept		Project Description	Total Cost	From Reserves	Grants	Trade Value	External Loan Proceeds	Landfill Surplus	Water Surplus	Capital Budget
Parks	Parks Grass Fleet Mower	28,000	(28,000)							0
Parks	Logan Green Soccer Complex Fence & Parking	20,000	(20,000)							0
Rec Facilities	Land Titles Building Code Upgrades	30,000	(15,000)	(15,000)						0
Gallagher Centre	Gallagher Centre Convention Centre Carpet	60,000	(60,000)							0
Fleet	Equipment Purchases	694,000	(678,900)		(15,100)					0
RCMP	Workstations for Members	23,578	(23,578)							0
Transit	City Transit Bus	95,000	(95,000)							0
Landfill	Landfill Culvert Replacement	1,900,000						(1,900,000)		0
Environmental	Main Sanitary Sewer Trunk Main Outfall (Total Project \$2,750,000)	612,500							(612,500)	0
Environmental	Rehabilitation of Existing Sanitary Sewer (Total Project \$2,800,000)	471,000							(471,000)	0
		3,839,078	(825,478)	(15,000)	(15,100)	0		(1,900,000)	(1,083,500)	0

Blue highlight represents multi-year projects

Purple highlights that a separate report is to follow regarding this project

Dept		Project Description	Total Cost	From Reserves	Grants	Trade Value	External Loan Proceeds	Internal Loan Payment	Water Surplus	Capital Budget	
Civic Operations	Loan Payment		300,000							300,000	
Drainage Loan	Loan Payment		1,560,000							1,560,000	
Storm	Storm Pipe Replacement (Annual Pre-Determined)		200,000							200,000	2,060,000
Pathways	Dracup Pathway Paving		200,000							200,000	
Gallagher Centre	FAA Ice Resurfacer		120,000	(50,000)						70,000	
Parks	WDM Tennis Court Resurfacing		50,000	(15,000)						35,000	
Parks	Drake Field Spray-Pad		250,000	(100,000)						150,000	
GHCC	Gloria Hayden Court Walls		75,000	(25,000)						50,000	
Deer Park	Deer Park Pro Shop Walls & Windows		30,000							30,000	
Parks	Patrick Park Picnic Pads		30,000							30,000	
Library	Library Parking Lot Paving		15,000							15,000	
Deer Park	Deer Park Maintenance Building Design		30,000							30,000	
Parks	Rosalyn Hill LED Light		12,000							12,000	
Deer Park	Deer Park Restaurant Air Conditioning		42,000							42,000	464,000
Storm	Smith - Dracup to 8th Avenue		600,000	(200,000)						400,000	
Storm	Smith - 8th Avenue to 7th Avenue		700,000							700,000	1,100,000
			3,889,000	(265,000)	0	0	0	0	0		
TOTAL										3,624,000	3,624,000
Available for projects below											461,000

Dept	Project Description	Total Cost	From Reserves	Grants	Trade Value	External Loan Proceeds	Internal Loan Payment	Water Surplus	Capital Budget	
Gallagher Centre	FAA Expansion	5,000,000		(500,000)					4,500,000	4,500,000
Drainage	Drainage Channel Improvements (Total Project \$4,790,000)	718,500							718,500	
Drainage	Culverts @ Highway #9 (Total Project \$2,300,000)								0	718,500
Roads & Pipes	Dracup - Darlington to York Road - Underground Utilities	2,212,500	(509,580)					(1,763,800)	(60,880)	
Roads & Pipes	Dracup - Darlington to York Road - Roadway	2,184,000							2,184,000	
Roads & Pipes	Darlington Roundabout	965,878	(525,000)						440,878	
Roads & Pipes	Dracup - Darlington to Broadway - Underground Utilities	4,225,000						(2,631,125)	1,593,875	
Roads & Pipes	Dracup - Darlington to Broadway - Roadway	1,752,400							1,752,400	5,910,273
		12,058,278	(1,034,580)	0	0	0	0	(4,394,925)	6,628,773	6,628,773
	Total Capital Projects	19,786,355								

Intersections	Broadway St. & Bradbrooke Dr. Intersection Improvements	600,000		(461,000)
Intersections	Highway 9 & York Road Intersection Improvements	1,775,000		
Intersections	York Road East to Armstrong Road (COB access)	1,750,000		
Intersections	Highway 9 & Armstrong Road Intersection (w/o culverts above)	3,110,000		
These two projects are dependant upon decisions regarding the Civic Operations Building				
			Financing Required for 2016 Capital	6,167,773