

FISCAL HEALTH REPORT 2020 PRE-BUDGET

André Morin, Director of Finance/Treasurer
October 15, 2019



Opinion of Treasurer

Town of St. Marys = Positive Fiscal Health



Opinion of Treasurer



- The community should be proud of where the Town is financially and it is encouraging to see efforts from Council and staff to maintain a solid financial base.
- In his review, André Morin, Director of Finance/Treasurer, utilized the following sources of information:
 - St. Marys Audited Financial Statements
 - St. Marys Financial Information Return (FIR)– 2009 – 2010
 - Ministry of Municipal Affairs FIR database
 - BMA Management Consulting 2018 Municipal Study

Sustainability Ratios/Indicators



TOWN OF ST. MARYS - SUSTAINABILITY INDICATORS							
Ratio/Indicator	2013	2014	2015	2016	2017	2017 South Average	Risk Level
Total Taxes Receivable less Allowance for Uncollectible as a % of Total Taxes Levied	4.2%	4.9%	5.0%	4.6%	4.1%	6.4%	Low: < 10% Mod: 10% to 15% High: > 15%
Net Financial Assets or Net Debt as % of Own Purpose Taxation, User Fees and Service Charges	-21.3%	-3.7%	9.5%	10.4%	7.0%	-12.4%	Low: > -50% Mod: -50% to -100% High: < -100%
Total Reserves & Discretionary Reserve Funds as a % of Municipal Expenses	47.6%	52.4%	60.4%	60.8%	56.3%	39.6%	Low: > 20% Mod: 10% to 20% High: < 10%
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	2.55	3.24	3.56	1.97	1.28	1.78	Low: > 0.5:1 Mod: 0.5:1 to 0.25:1 High: < 0.25:1

Flexibility Ratios/Indicators



TOWN OF ST. MARYS - FLEXIBILITY INDICATORS

Ratio/Indicator	2013	2014	2015	2016	2017	2017 South Average	Risk Level
Debt Servicing Cost as a % of Total Revenues	5.9%	6.1%	5.4%	5.4%	5.1%	4.7%	Low: < 5% Mod: 5% to 10% High: > 10%
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	28.9%	30.0%	31.4%	31.7%	31.9%	41.5%	Low: < 50% Mod: 50% to 75% High: > 75%
Annual Surplus/(Deficit) as a % of Own Purpose Taxation, User Fees and Service Charges (Operating Surplus Ratio)	11.6%	9.8%	16.5%	16.8%	21.5%	17.6%	Low: > -1% Mod: - 1% to - 30% High: < -30%

Tangible Capital Assets

Financial Statements		Asset Management Plan	
Total Asset Costs	\$ 123,695,000	Total Replacement Cost	\$ 219,000,000
Annual Amortization	\$ 2,301,000	Annual Investment Required	\$ 4,425,524
Funding Deficit	\$ -	Funding Deficit	\$ (1,086,848)

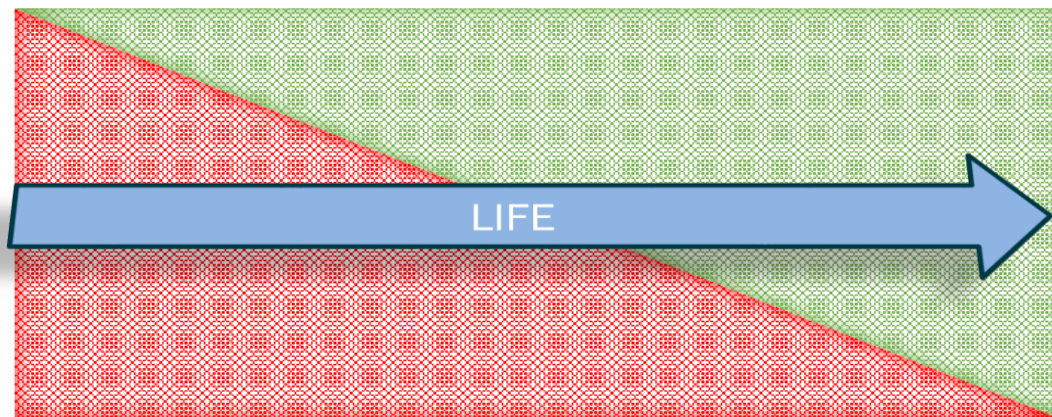


****Based on 2018 AMP Update - Includes tax funded and rate funded assets***

Assets – Debt - Reserves

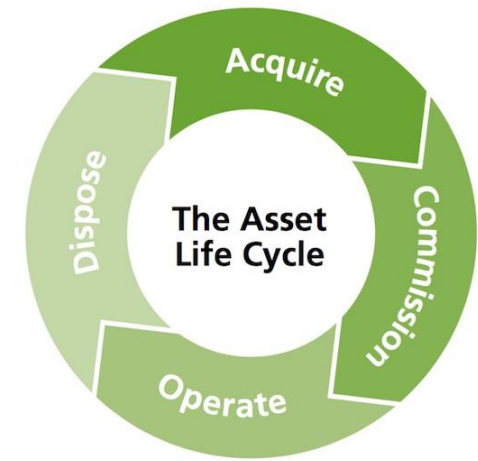
- Is our Debt Too High?
- Do we have enough Reserves?

Analogy

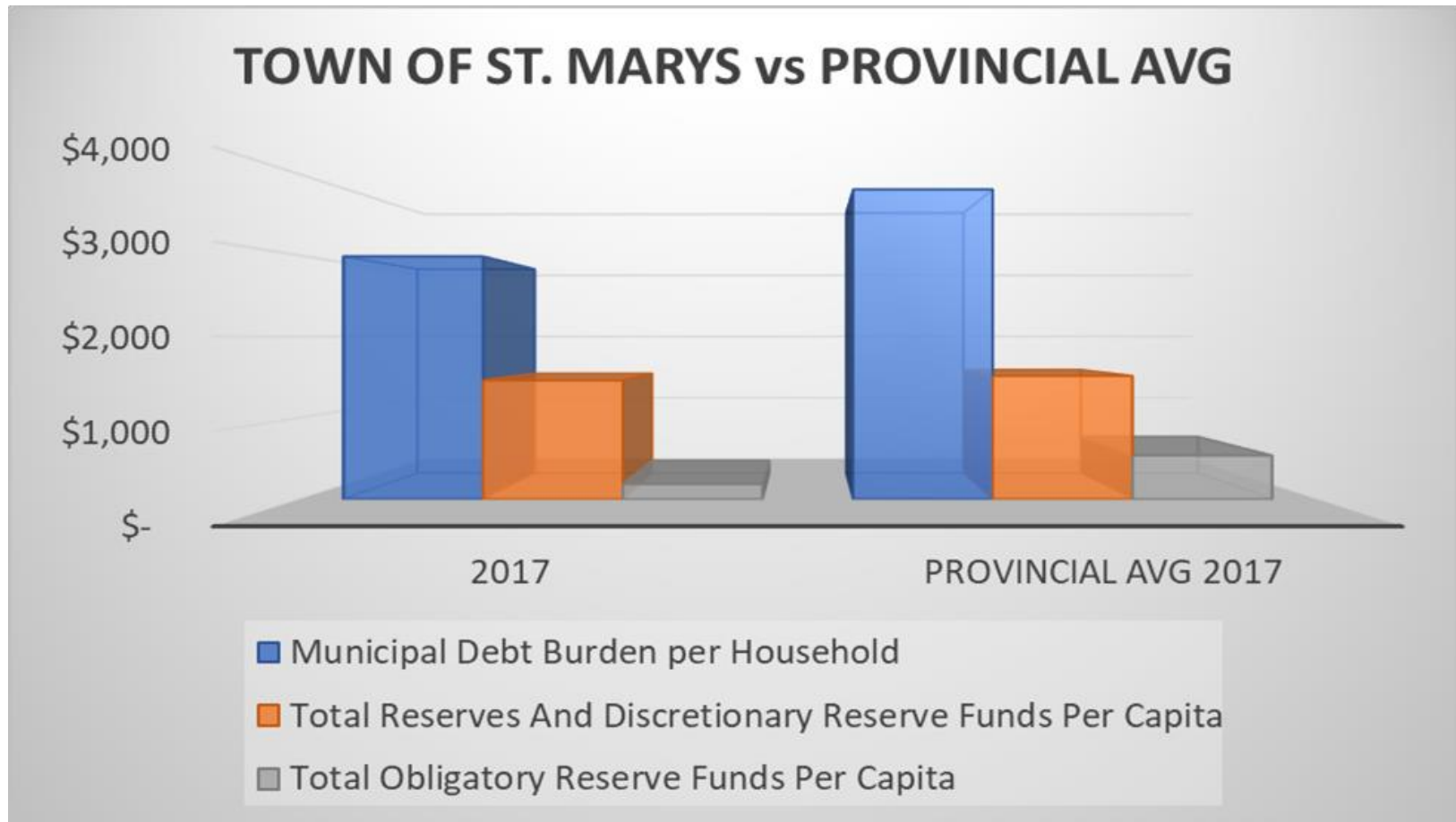


■ Debt ■ Savings

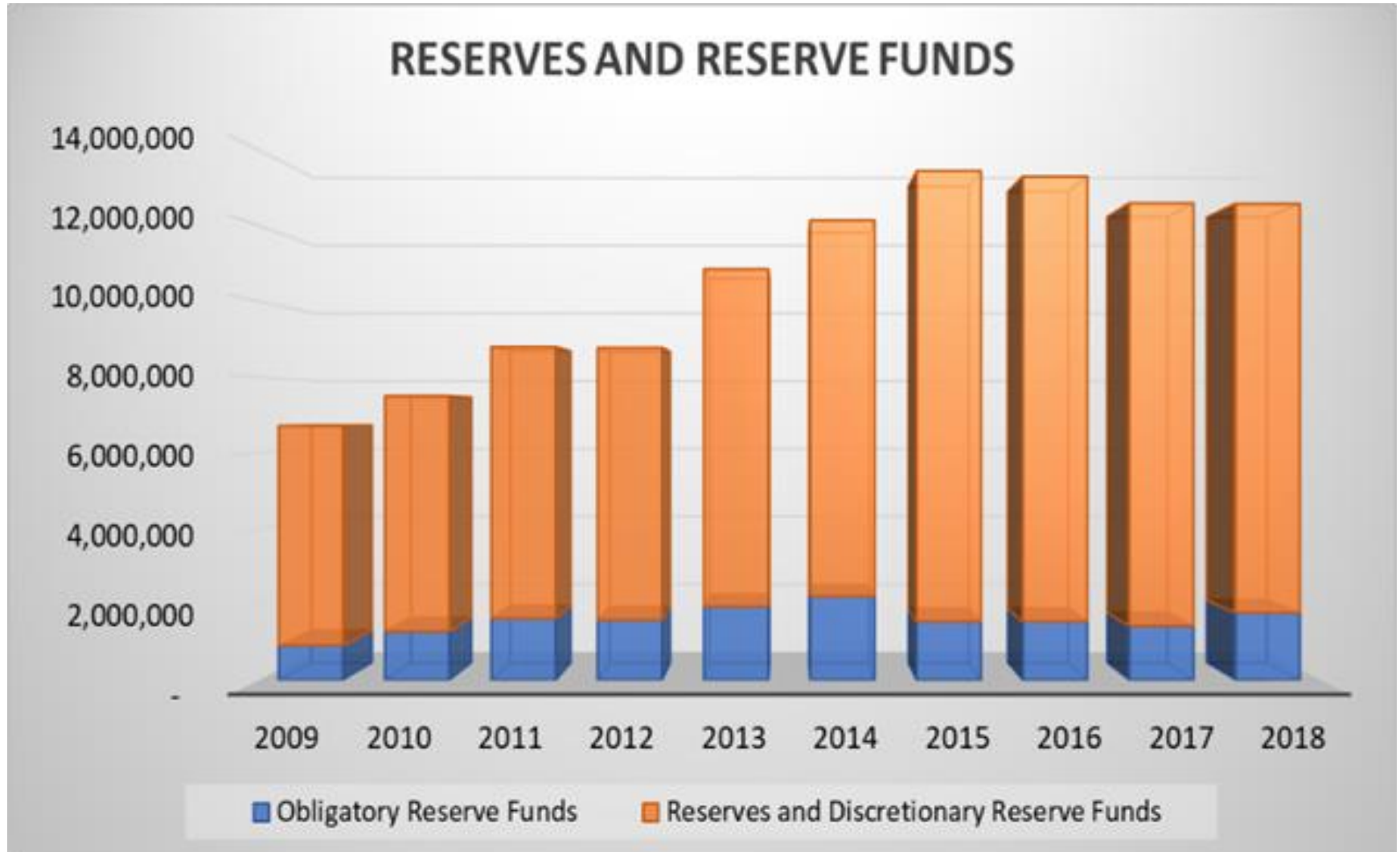
Town's 10,000 Assets



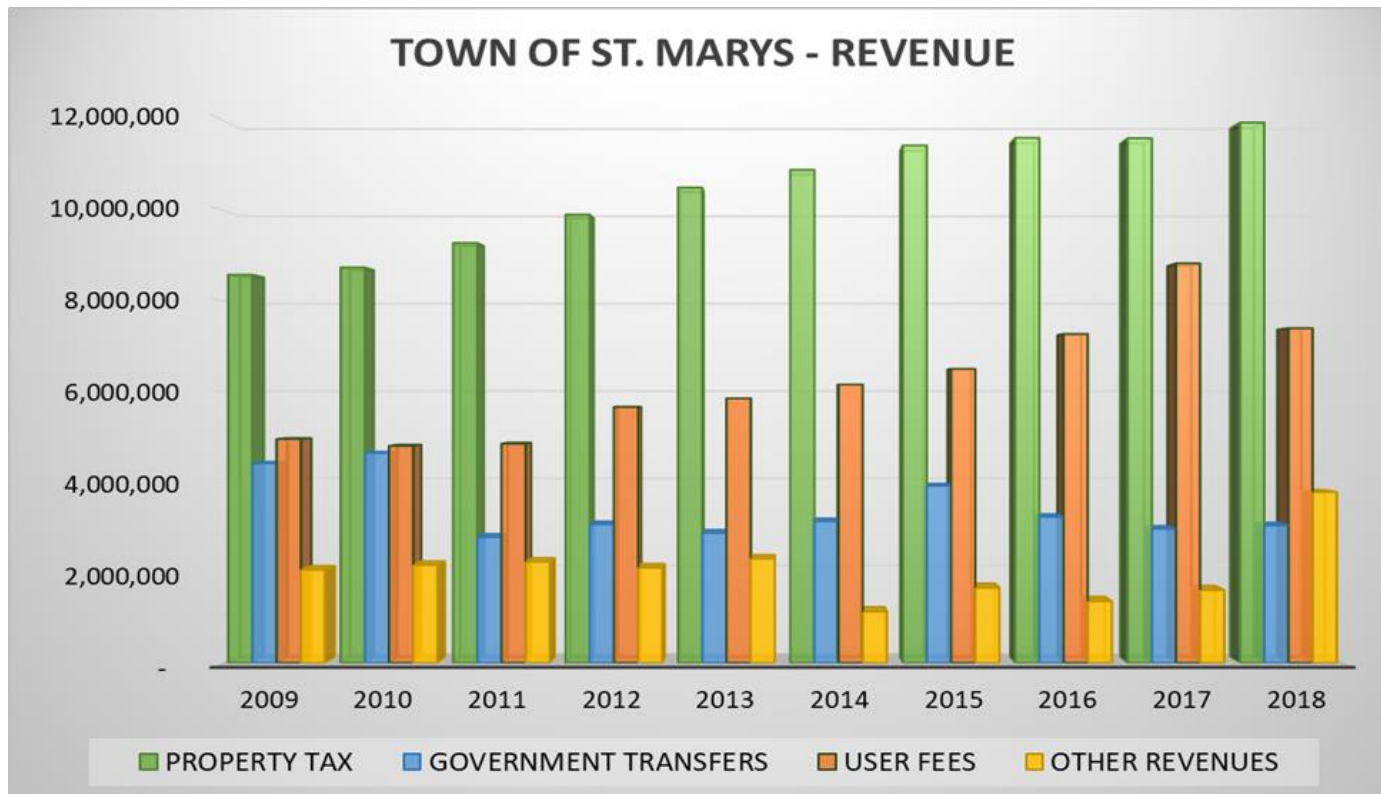
How do we Compare



Reserves and Reserve Funds

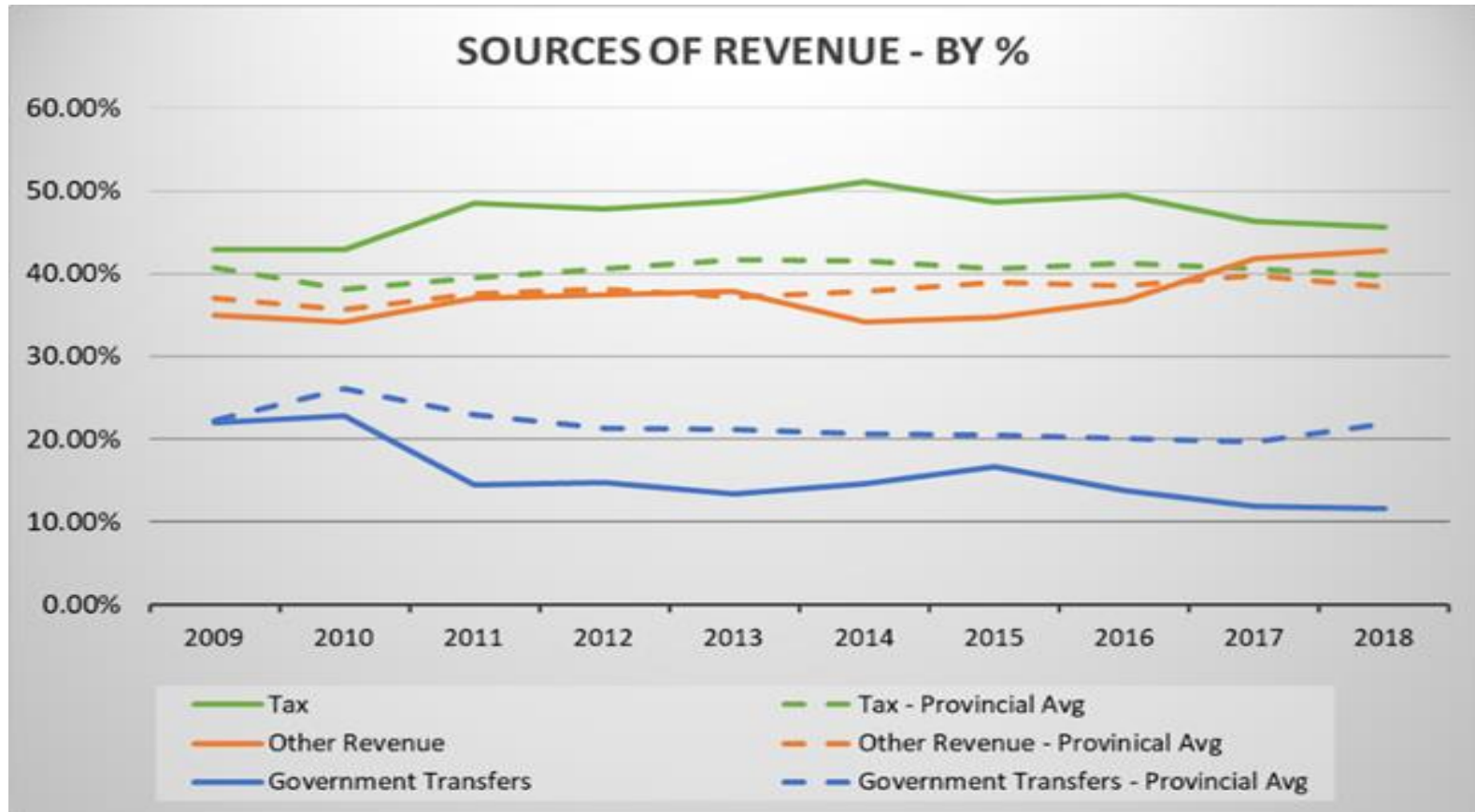


Revenue Sources



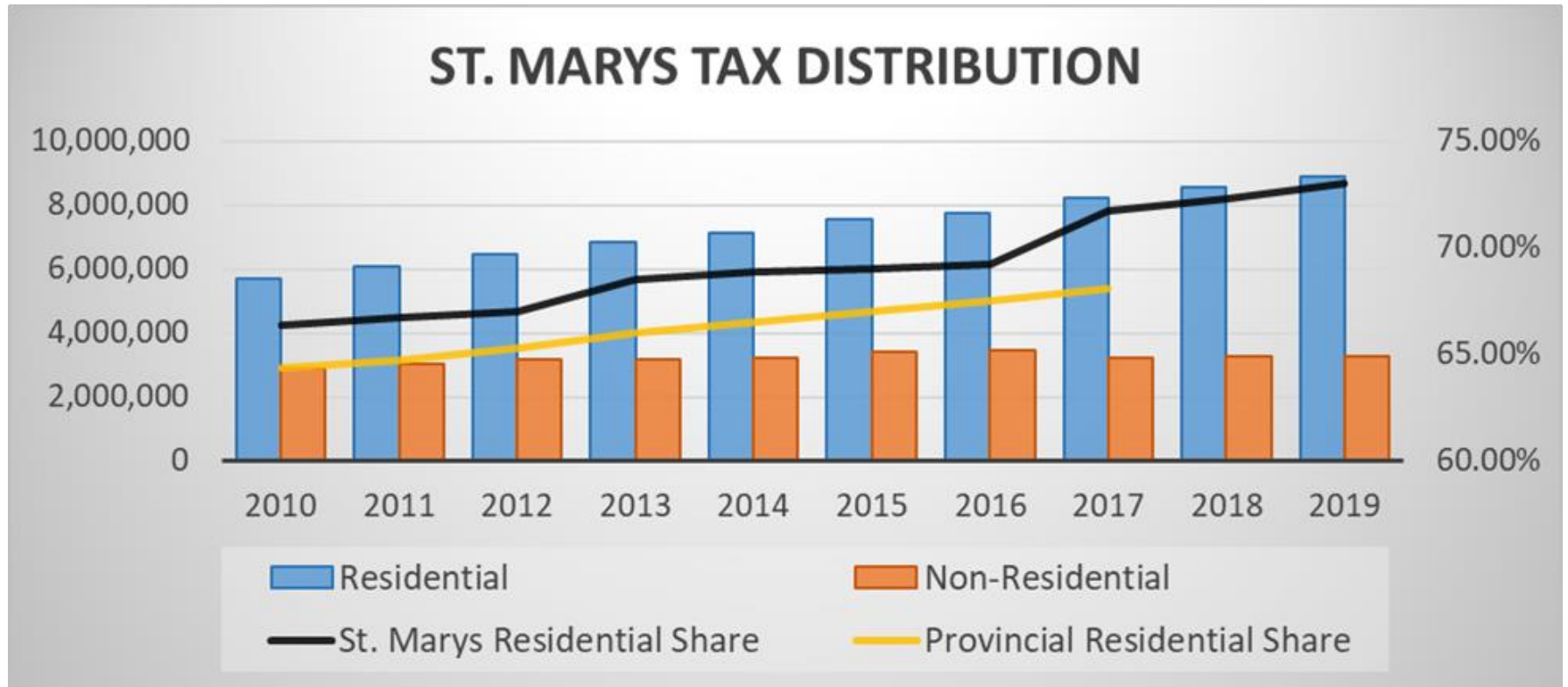
Property Tax remains our primary source of funding. Government Transfers have decreased. Our reliance on User Fees and Other Revenues has increased as we continue to look at different ways to fund service delivery. Note: the drastic changes in 2017 and 2018 (user fees and other) were due to donated development assets.

Revenue Source as a %



The solid lines here represent St. Marys.
The dotted lines represent the Provincial average.

A Closer Look at Property Taxes



This Chart demonstrates the distribution of Property Tax between Residential and Non-Residential. Residential taxes have risen, while Non-Residential have remained fairly flat. The increase to Residential tax burden is not unexpected due to less box stores, more e-stores and e-services, and a decline in industrial assessments.

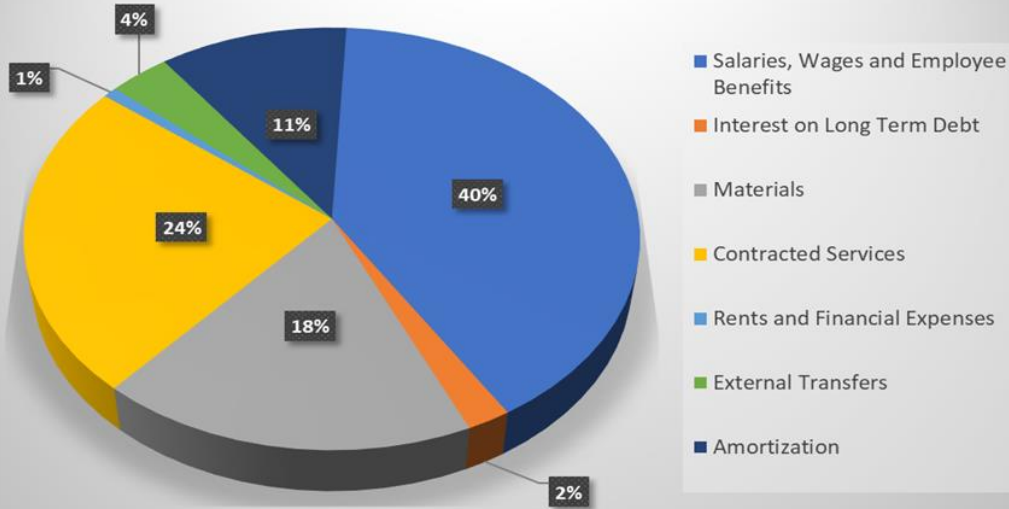
Residential Property Taxes in St. Marys



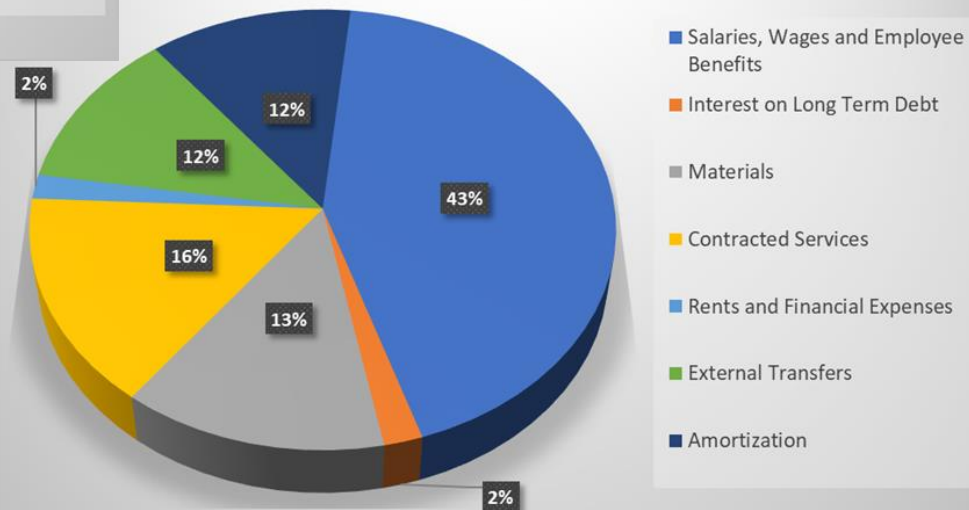
2018 BMA Study Review			
Municipal Service		St. Marys	BMA Study Average
1	Net Municipal Levy per Capita	\$1,510	\$1,527
2	Average Property Tax - Residential Detached Bungalow	\$3,277	\$3,397
3	Residential Property Taxes as a % of Household Income	4.1%	3.8%
4	Total Municipal Burden (Taxes & Water/Wastewater) as a % of Household Income	5.2%	4.9%

Expenditures

EXPENDITURES - ST. MARYS 2018

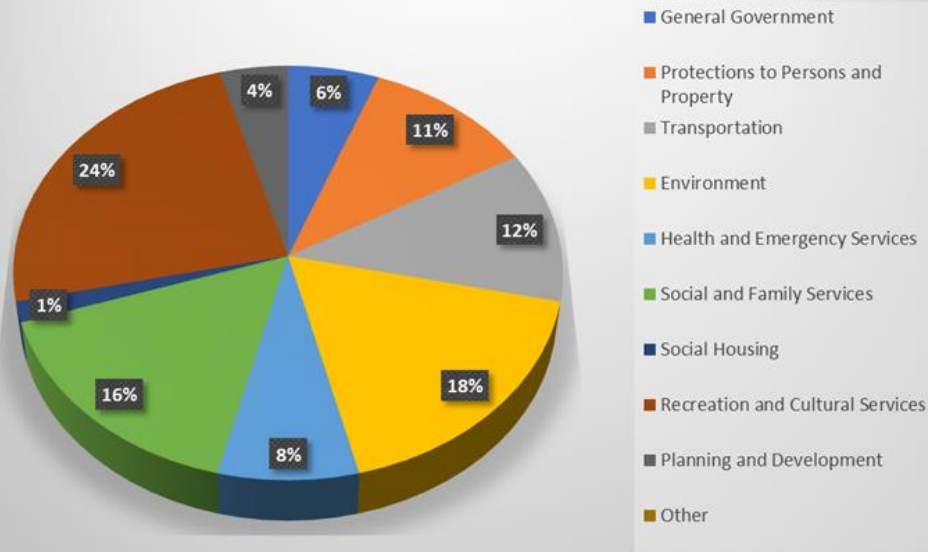


EXPENDITURES - 2018 PROVINCIAL AVERAGE



Expenditures by Function

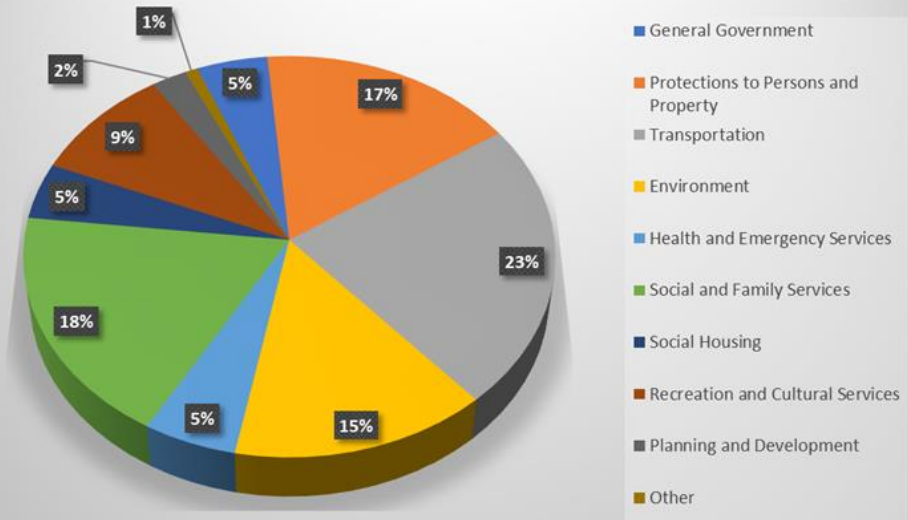
**EXPENDITURES - 2018 ST. MARYS
BY FUNCTION**



In St. Marys, Recreation and Culture make up a much larger piece of our expenditures due to the level of service we provide residents.

However, our Protection to Persons and Property is lower, mostly due to our lower policing costs and our volunteer Fire Department. Transportation is also lower as we are small enough not to have conventional public transit.

**EXPENDITURES - 2018 PROVINCIAL AVERAGE
BY FUNCTION**



2020 Budget Process and Timeline



2020 Budget Timeline		Finance	SMT	CAO	Council	Public
2020 Budget Timeline approved	July 2019	X	X	X		
Operating and Capital Budget instructions and template to SMT	July 2019	X				
Operating Budgets due from Departments	August 31, 2019		X			
Capital Budget (Summary Only) due from Departments	August 31, 2019		X			
Capital Budget guidelines and revised Capital Budget Sheets	August 2019	X		X		
Capital Budget Review (SMT)	September 16, 2019	X	X	X		
Capital Budget Sheets due	September 30, 2019	X	X	X		
Operating Budget Review (by department)	September/October	X	X	X		
Pre-Budget Meeting/Workshop	October 15, 2019	X	X	X	X	X
Finalize Capital Pre-Budget project recommendations	October 2019	X	X	X		
Consolidated Budget review/refinement	November 2019	X	X	X		
Staff and/or SLT Budget presentation	tbd					
2020 Capital Pre-Budget Approvals	November 19, 2019	X	X	X	X	
Council Budget Meeting #1	December 3, 2019	X	X	X	X	X
Council Budget Meeting #2	January 7, 2020	X	X	X	X	X
Council Budget Meeting #3	January 21, 2020	X	X	X	X	X
Council Budget Meeting #4	February 4, 2020	X	X	X	X	X
Council Budget Meeting #5	February 18, 2020	X	X	X	X	X
Public Presentation	March 10, 2020	X	X	X	X	X
Budget Passed	March 24, 2020	X	X	X	X	X

2019 Budget in Summary



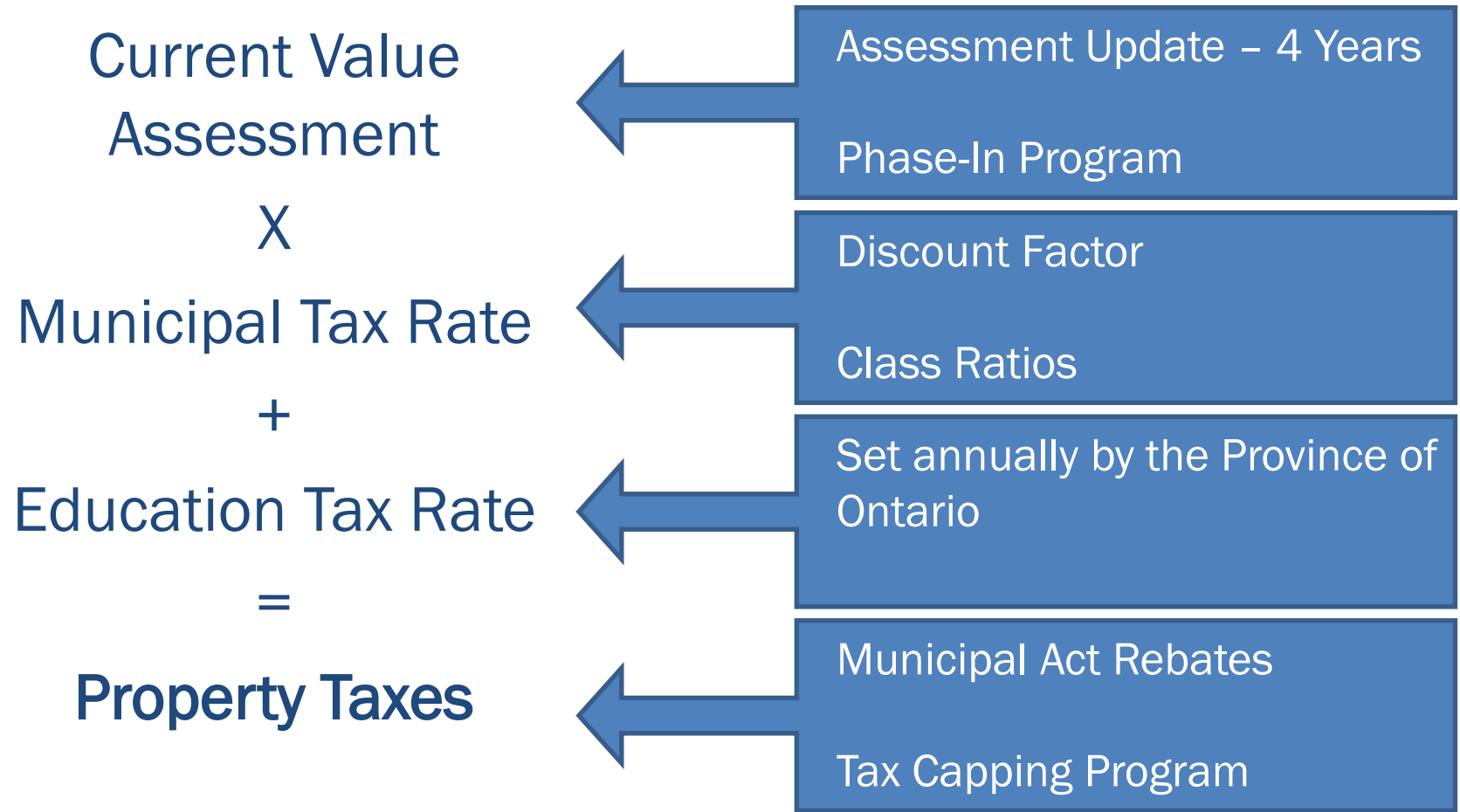
	2019	2018	Difference
Total Property Tax Levy	\$12,191,573	\$11,812,540	3.21%
Net Property Tax Levy	\$12,191,573	\$11,928,791 (Adjusted for Growth)	2.20%
Average Property Taxes on Single Family Home	\$3,539	\$3,475	1.84%
Total Capital Budget	\$4,262,000	\$6,805,000	-\$2,543,000
Net Transfer to (from) Reserves	\$3,405,405	\$2,688,726	\$716,679

2019 Budget – Property Tax Impact



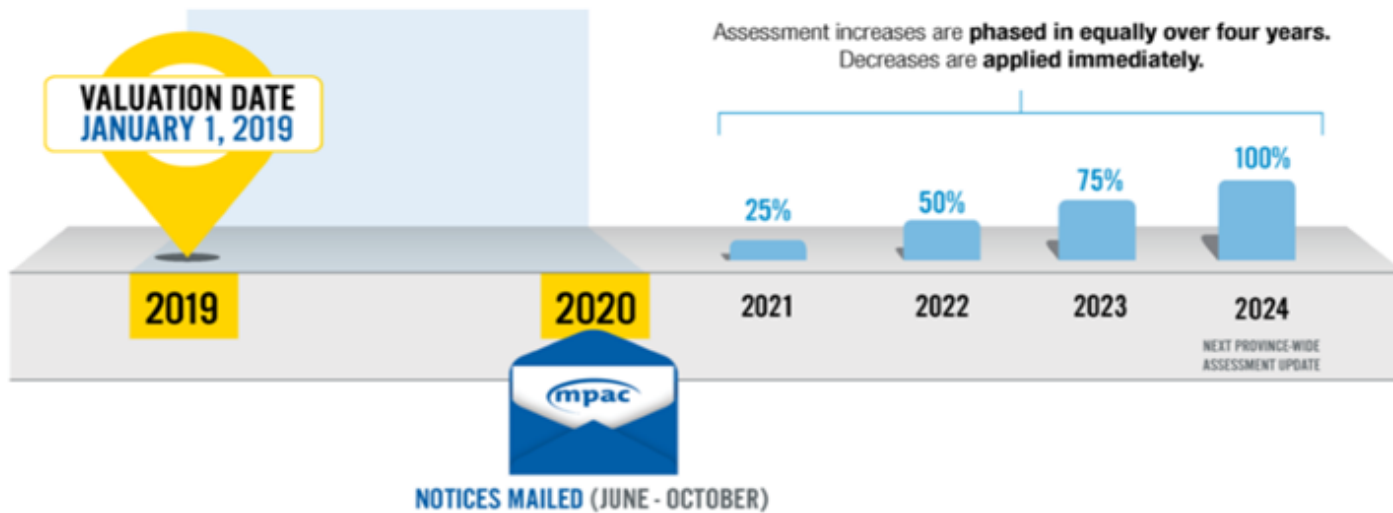
Class	2018 Total Year End Taxation	2019 Estimated Total Taxation (\$)	Difference Between 2018 and 2019 Taxation	
	Municipal	Municipal	\$	%
Taxable				
Residential	8,703,768	8,901,428	197,661	2.27%
Res FADI	127	127	0	-0.03%
Multi-residential	179,569	181,403	1,834	1.02%
Com. Occupied	1,216,851	1,247,200	30,349	2.49%
Com. Exc. Land	9,075	10,728	1,653	18.22%
Com. Vac. Land	13,668	15,502	1,834	13.42%
Ind. Occupied	1,664,562	1,686,800	22,238	1.34%
Ind. Exc. Land	8,830	10,157	1,327	15.03%
Ind. Vac. Land	12,750	14,367	1,618	12.69%
Landfills	0	0	0	0.00%
Pipelines	53,708	54,847	1,139	2.12%
Farm	24,772	27,835	3,063	12.36%
Managed Forests	0	0	0	0.00%
Total Taxable	11,887,680	12,150,395	262,715	2.21%
Payment in Lieu				
Com. Occupied	39,051	39,083	32	0.08%
Com. Vac. Land	578	650	72	12.46%
Landfills	1,483	1,448	-35	-2.39%
Total PIL	41,112	41,180	68	0.17%
Com Grand Total	1,279,223	1,313,163	33,940	2.65%
Ind Grand Total	1,686,142	1,711,324	25,183	1.49%
Grand Total	11,928,791	12,191,575	262,784	2.20%

Property Tax Policy



4-Year Assessment Cycle

Earlier Valuation Date

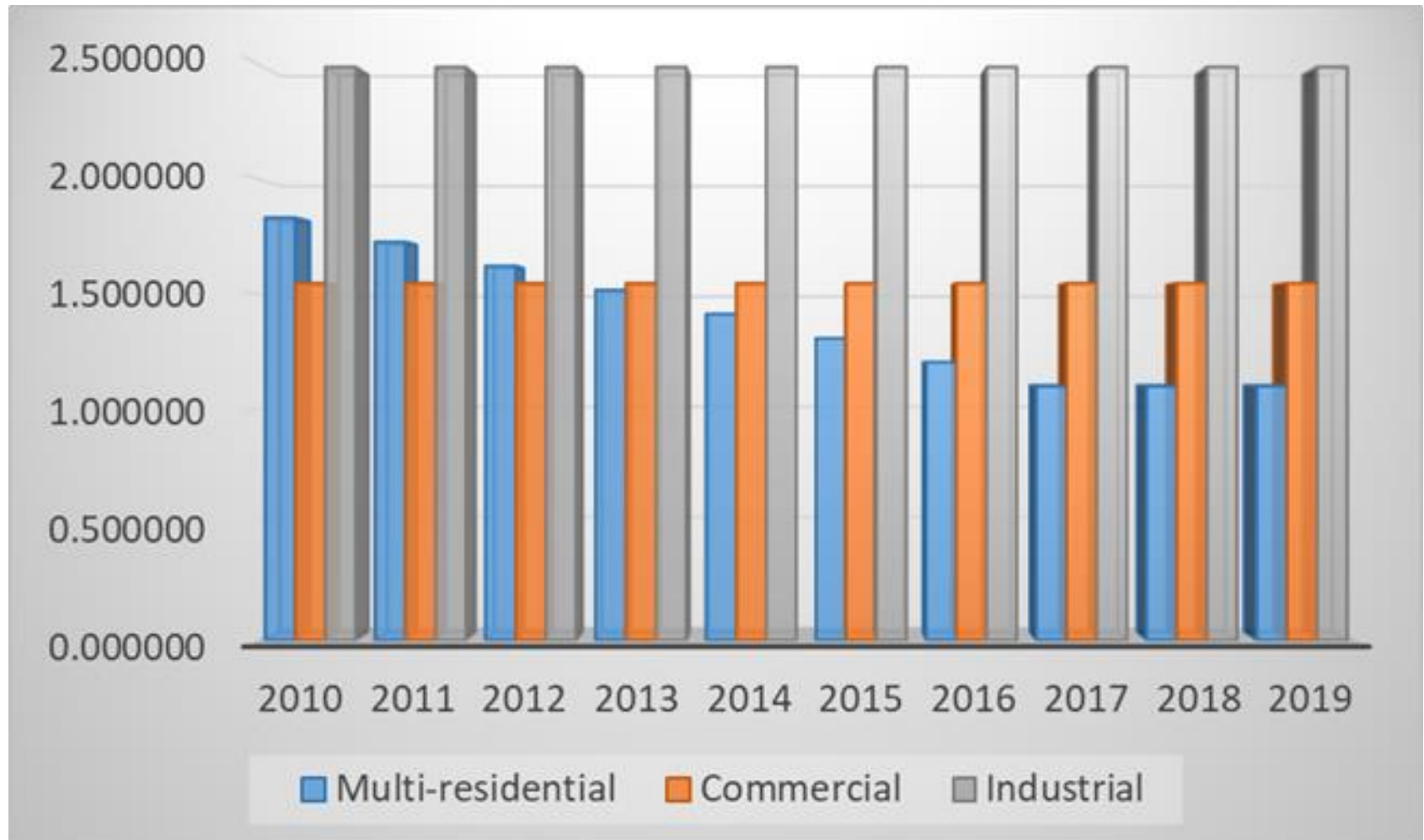


2019 Property Tax Class Shifts



	2018 Total Year End Taxation	2019 Estimated Total Taxation (\$)	2019 Municipal Property Tax Shift	
Class	Municipal	Municipal	Municipal	
			\$	%
Residential	8,848,739	8,854,690	5,951	0.07%
Res FAD I	127	125	-3	-2.18%
Multi-residential	179,569	177,501	-2,068	-1.15%
Pipelines	54,638	54,597	-41	-0.08%
Farm	24,772	27,236	2,464	9.95%
Landfills	1,483	1,485	1	0.10%
Com Grand Total	1,276,534	1,281,860	5,326	0.42%
Ind Grand Total	1,686,142	1,674,515	-11,627	-0.69%
Grand Total	12,072,004	12,072,008	4	0.00%

St. Marys – Tax Class Ratios



2020 Budget Challenges



- Cuts to Government Transfers
- Various Legislation Changes
- WSIB Changes
- Infrastructure Deficit
- Non-Residential Property Tax