

FOR IMMEDIATE RELEASE
Feb. 7, 2019



Budget Update #3

Wasaga Beach – Town council, sitting as Committee of the Whole, held its third budget meeting on Tuesday afternoon.

Residents can watch the meeting here: <http://bit.ly/2Ddc8aw>.

During the session, town treasurer Jocelyn Lee presented a **second draft** of the budget.

Lee noted that through consultation with members of council and the Senior Leadership Team, staff identified changes to the draft budget that would help **reduce the municipal tax rate**.

The result is the second draft of the budget sits with a **tax rate increase of 3.26 percent** at this point in the process, down from **5.71 percent**. The draft operating budget sits at \$39,454,670 and the draft capital budget sits at \$25,598,690.

- To accommodate the reduction in the tax rate, staff have made a number of changes and adjustments to the budget since draft 1. See the list here: <http://bit.ly/2MSZJ04>

Staff also presented council with information requested at the Jan. 22 budget meeting. This included a list of graphic design service providers the town uses, a copy of the Beachfront Report, and information about funding for the Downtown Master Plan. This information is here for review: <http://bit.ly/2MSZJ04>.

At the Feb. 12 Committee of the Whole meeting, members of Council will receive information on staff hiring over the last four years – requested at the Jan. 22 meeting – information on legal costs related to projects and property, a report on the provision of tourist information services, and a report on the environmental assessment for the downtown and the beachfront.

An important factor affecting the Budget

During the presentation to council, Lee noted **a significant impact on the 2019 budget and future budgets** is the reduction of the Ontario Municipal Partnership Fund Grant (OMPF).

This provincial grant is **decreasing by 15 percent each year.** The reduction in 2019 is \$375,015 and equates to approximately a 1.6 percent tax rate increase if replaced by tax levy. The reduction in this grant impacts the town's ability to build the capital asset replacement reserve (about 75 percent of the grant) and contribute to operating costs (about 25 percent).

Lee said that in order to continue to make contributions to the town's Capital Asset Plan it is important that **council consider increasing tax revenue to offset the loss of the OMPF funding grant, as well as to cover the lost operational revenue.**

As well, if council wishes to address building the capital asset replacement reserve to meet future needs, additional taxation may be required.

What will happen next in the budget process?

At the Feb. 12 Committee of the Whole meeting, staff will bring forward the remaining staff reports that council has requested for review.

Between the Feb. 5 meeting and the Feb. 12 meeting, staff will continue to review the second draft of the budget to see what savings can be realized.

At the Feb. 12 meeting, staff will present staffing information to advance the discussion of the second draft of the budget and seek council's permission to advertise a public meeting on the draft budget. This will be the **public's opportunity to get a full overview of the budget and provide comment.** The public meeting is tentatively scheduled for March 19.

The third draft of the budget, if changes are required, along with the four-year operating and ten-year capital forecast, will be presented to council at the March 5 Committee of the Whole budget meeting. This meeting will provide a final review of the budget for council before the public meeting.

At the March 26 council meeting, council will be asked to consider approving the 2019 operating and capital budget, as well as receive the four and 10-year forecasts for information.

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