



**FOR IMMEDIATE RELEASE**  
**October 1, 2020**

## **2021 Budget Update #1**

**Wasaga Beach** – On Thursday, Oct. 1, members of Wasaga Beach town council began work on the 2021 draft operating and capital budgets.

The meeting began with Jocelyn Lee, the town’s treasurer, presenting a [report](#) on draft 1 of the budget. Council, sitting as Committee of the Whole, received the report for information. Watch the presentation [here](#).

“This report is the first draft of the proposed 2021 budget and provides a preliminary overview of the budget. The report outlines the budget pressures for 2021 and the efforts to address them,” Lee said.

At this point, the proposed tax rate increase is 3.6 percent. For a home assessed at \$330,000, this translates to \$1,914.56 in the town portion of taxes for 2021, a municipal increase of \$66.55 over 2020 at this point in the budget process. County and education taxes are on top of the taxes collected by the municipality,

Compared to similar municipalities in Simcoe County, Wasaga Beach has the third lowest tax rate, helping make the town an affordable place to live and operate a business.

As things stand today, the draft budget consists of \$41-million for operating costs and \$52-million for capital projects – the funds used for a variety of infrastructure initiatives.

The proposed operating budget is up by \$716,590 and the proposed capital budget is up by \$18-million.

Key factors for the increase in the proposed operating budget are things such as wage increases (\$312,000), benefit increases (\$157,000), and policing costs (\$98,000).

For the capital budget, cost drivers are things such as the new twin-pad arena (\$16.9-million), the new library (\$6.7-million), water and wastewater projects (\$10.7-million), as well as bridge and road projects (\$8.4-million).

For the arena and twin-pad library project, the total project cost is \$59-million, of which the land portion is paid. The remaining project cost to be covered is approximately \$51-million, of which \$31-million would be financed through long-term debt when the project is complete in 2023.

The 2021 draft budget proposes \$8.9-million in construction financing to cover the commencement of construction in the spring of 2021. Although this is additional debt, the town is only required to pay the interest charges based on an estimated rate 0.75 percent for construction financing. In 2021, this will add \$3.62 to the tax bill based on the average assessed home of \$330,000.

Later in the presentation, Lee presented a [financial plan](#) for the new arena and library as part of the town's long-term capital plan. She outlined how the town's strategy will ensure the financial sustainability of the municipality. She described the town's strong financial position and its ability to take on large capital projects.

The staff report included three options, with staff recommending that committee recommend to council that it proceed as planned; with the project completed in 2023.

Of the other two options considered, one involved phasing in the two buildings with construction starting on the arena now and the library in 2025.

The other option would have seen construction of the two buildings deferred until the end of next year.

Staff had recommended that council proceed with the project because the current arena is at the end of its lifespan and the existing library is too small, the town's strong financial position, and very low interest rates to finance a large project. Committee of the Whole approved the recommendation.

Council will ratify the decision at the end of October.

In the financial plan, Lee breaks down how the town will fund the project, using a conservative approach with known funding sources. The municipality will borrow \$31-million, use a small amount of taxation, with the balance of the funds for the project coming from reserves, including development charge reserves, general reserves and federal gas tax reserves.

Council also reviewed preliminary operating costs for the library and arena. There is much work to do before the facility opens, but at this point in time, it is projected the operating costs of the facility will add \$73 to the average annual taxes for a household. That works out to \$6.08 each month.

Committee of the Whole will review the budget again on Oct. 22. The meeting will include presentations by the town's leadership team about their departmental needs for 2021. The committee will also discuss budget items still outstanding, including a nearly \$1-million – over two years – funding request from the YMCA, pandemic impacts on the budget, potential new positions, beachfront development costs, and customer service review recommendations.

**The following are the key dates in the coming weeks regarding the budget process:**

**Oct. 22** – Committee of the Whole budget meeting

**Nov. 12** – Draft 2 of the budget, plus public meeting on proposed rates and fees for 2021

**Dec. 3** – Draft 3 of the budget

**Dec. 15** – Public meeting on the budget

**Dec. 22** – Council considers approval of the budget.

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