



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	October 30, 2019
<b>SUBJECT/REPORT NO:</b>	2020 Updated Tax Supported Operating Budget Outlook and Mitigation Options (FCS19054(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Andreia Bevilacqua (905) 546-2424 Ext. 4190
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

At the General Issues Committee (GIC) meeting of July 8, 2019 (Item 4(c) to Report 19-013), staff received the following direction:

That staff be directed to report back to the General Issues Committee by October 2019 with an updated 2020 Tax Budget Outlook, with that report to provide actions, as it relates to all three (3) of the following scenarios:

- (i) Options that result in a 2.0% tax increase for City Departments, plus a 1.3% tax increase for Capital and a tax increase for Provincial Funding Shortfalls (currently estimated at 1.3%). This would result in a tax increase of about 4.6% and require \$18.3M in reductions from the current Outlook position;
- (ii) Options that result in a 1.0% tax increase for City Departments plus a 1.3% tax increase for Capital and a tax increase for Provincial Funding Shortfalls (currently estimated at 1.3%). This would result in a tax increase of about 3.6% and require \$27.0M in reductions from the current Outlook position;

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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- (iii) Options that result in a 0.0% tax increase for City Departments, plus a 1.3% tax increase for Capital and a tax increase for Provincial Funding Shortfalls (currently estimated at 1.3%). This would result in a tax increase of about 2.6% and require \$35.7M in reductions from the current Outlook position.

**INFORMATION**

Report FCS19054 “2020 Budget Guidelines, Outlook and Process” estimated a total levy increase of \$62.3 M which would result in a tax increase of approximately 6.7%. Some of the major departmental pressures included a shortfall due to cuts in provincial funding, pressures in transit and corporate financials and increases for Boards and Agencies.

The 6.7% tax increase also includes a 1.3% tax increase for capital. This supports the financing of discretionary / block funded capital projects and debt financing requirements for the City’s funding share of Investing in Canada Infrastructure Program – Public Transit Stream, the Downtown Office Accommodation project and the West Harbour Development.

For this year, Council directed staff to report back on a series of scenarios in order to mitigate the projected average residential tax impact of 6.7%. Report FCS19054(a) “2020 Updated Tax Supported Operating Budget Outlook and Mitigation Options” provides an update of the Budget Outlook that was presented on July 8, 2019 and the mitigation options prepared by the Departments that would result in the Council directed scenarios.

This information is exclusive of Council Referred Items and Business Cases.

The updated Budget Outlook and a discussion of mitigation options, will be provided to GIC in a staff presentation.

**APPENDICES AND SCHEDULES ATTACHED**

N/A

AB/dt