



KING
INCORPORATED 1850

The Corporation of the Township of King

Ontario, Canada



2012

Budget & Business Plan

Prospering and Preserving





Table of Contents

	<u>Page #</u>
1. Introduction	2
2. 2012 Tax Based Operating Budget	25
3. 2012 Water Operating Budget	40
4. 2012 Wastewater Operating Budget	42
5. Ten Year Capital Plan (2012 – 2021)	44
6. Operating Budget Details: (please refer to Tab 4 in the 2012 Budget & Business Plan Binder)	
a) Administration Department	Tab 4
b) Clerks & By-law Department	Tab 5
c) Finance Department	Tab 6
d) Fire & Emergency Services Department	Tab 7
e) Planning Department	Tab 8
f) Engineering & Public Works Department	Tab 9
g) Parks, Recreation & Culture Department	Tab 10
h) Members of Council	Tab 11
i) Library & Other	Tab 12
7. Water and Wastewater Operating Budget Details	Tab 13
8. Ten Year Capital Plan Details:	
a) 2012 Capital Budget Details	Tab 14
b) Capital Project Justification Forms	Tab 14
c) 2012 – 2021 Ten Year Capital Plan	Tab 14
9. Program Change Forms:	
a) Recommended	Tab 15
b) Non-Recommended	Tab 15

INTRODUCTION:

About King

The Township of King is a unique and special place that prides itself on its natural heritage and scenic beauty, its agricultural lands, its rich local and rural history and its rural traditions of farming, mills and small town feel. King Township is located just 40 km north of downtown Toronto, covering an area of 339 square kilometers boasting some of Ontario's most beautiful and rolling country sides and natural areas. Over 99% of King Township is within the Greenbelt area of which 65% of King's area is contained within the Oak Ridges Moraine. The Moraine is a famed geological formation created by a retreating glacier in the last ice age.

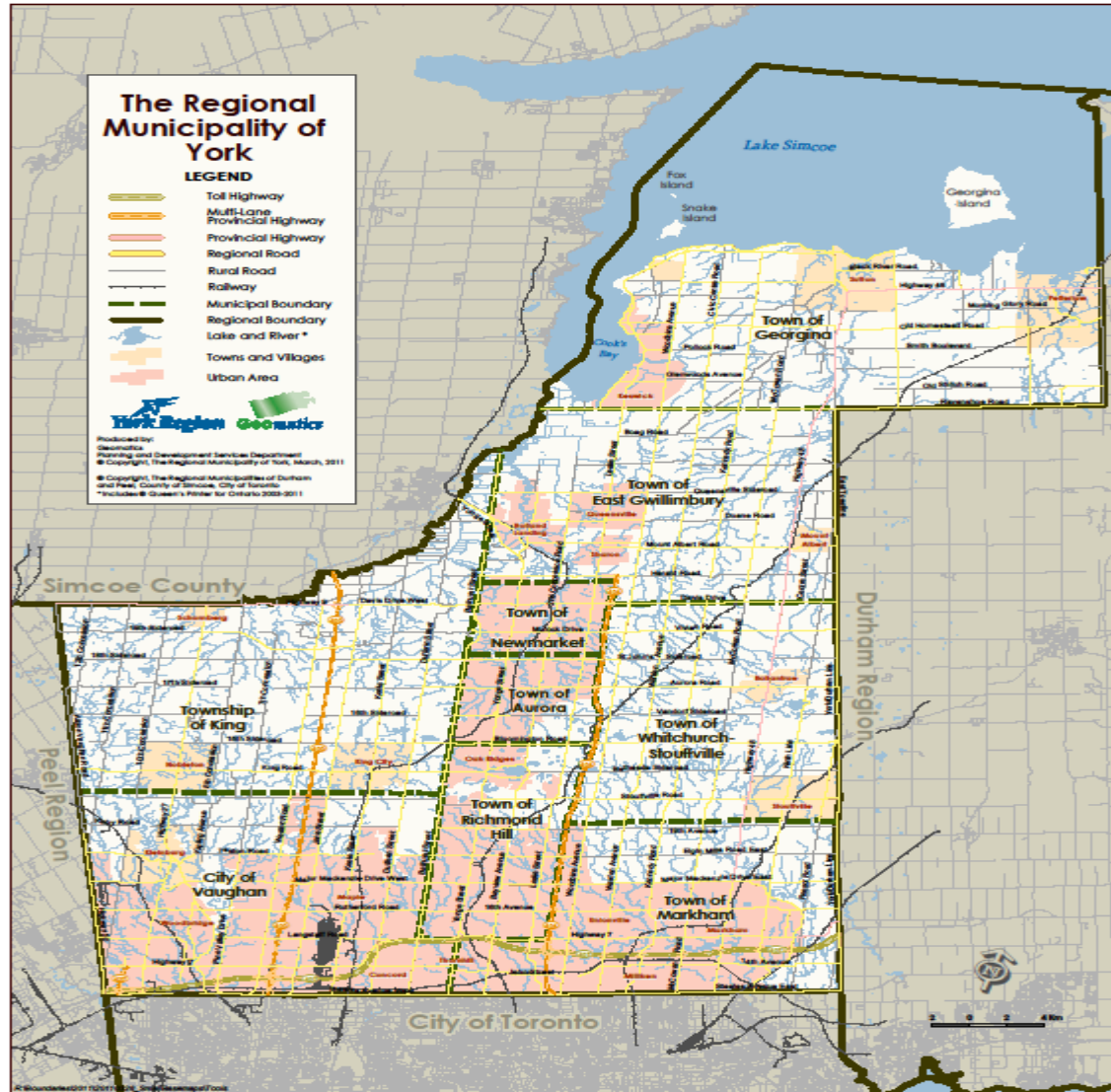
King Township is one of nine municipalities that make up the Regional Municipality of York. It encompasses the villages and hamlets of: Ansnorveldt, Kettleby, King City, Laskay, Lloydtown, Nobleton, Pottageville, Schomberg and Snowball. The Township is easily accessible by Highways 400, 407, 27 and 9, and it is only 30 minutes from Toronto's Pearson International Airport.

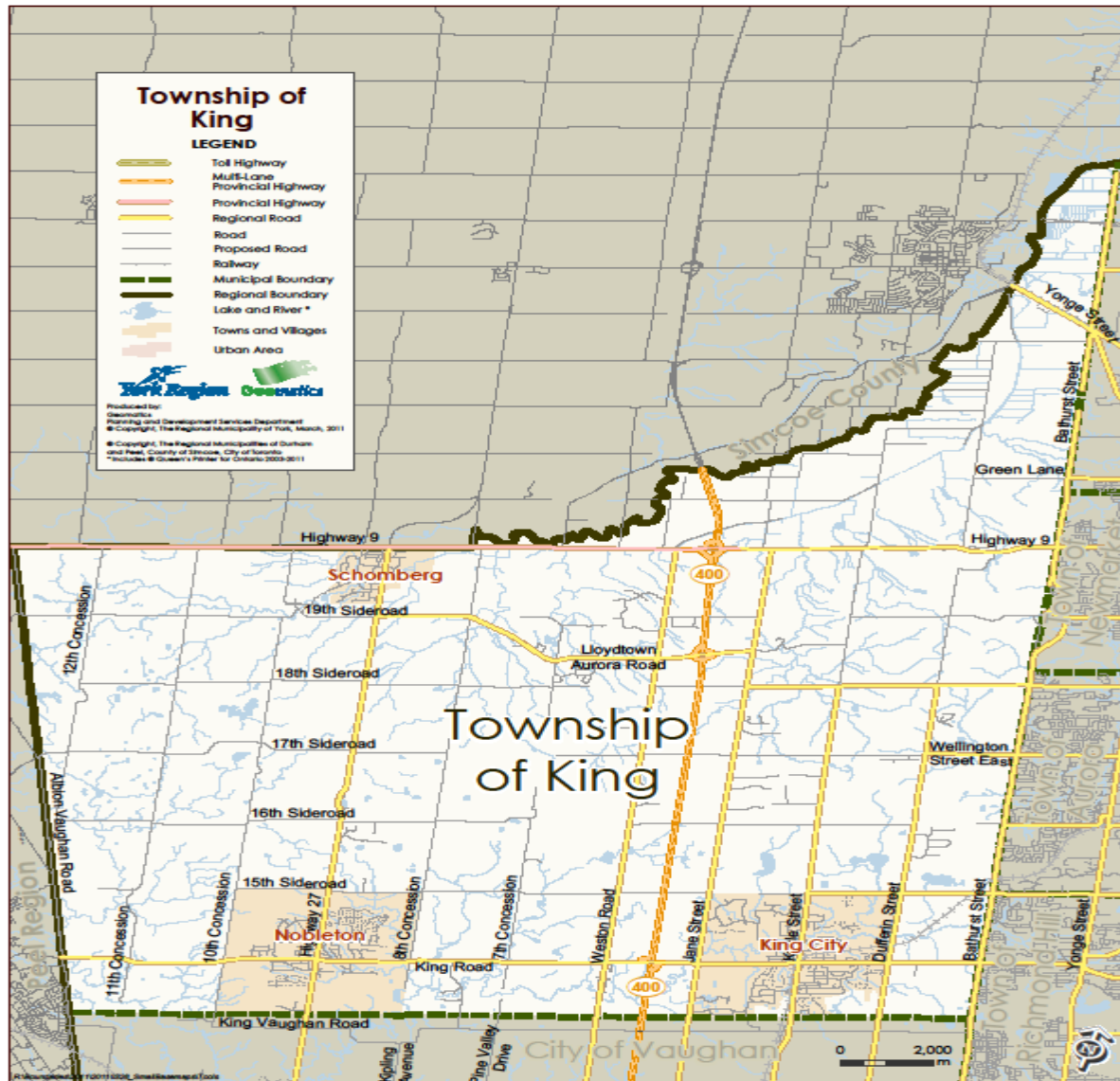
The Township has a population that surpasses 20,000 people and is projected to grow to 35,000 people by 2031. An important asset of King Township is its strong rural economy and agricultural sector, which depends upon the Holland Marsh's deep fertile soils and rich growing season. About 60% of the Holland Marsh, also known as 'Ontario's Vegetable Basket' is found in King. In addition, the Township is home to the 2008 Beijing Olympic Equestrian Medalists and is also home to the largest golfing complex in Canada, namely Cardinal Golf Course.

The Township's major infrastructure includes: roads and bridges, water distribution and wastewater collection, waste management (collection), disposal and recycling, recreation facilities, parks, and emergency services (fire). It also includes a collection of administration facilities for fire, operations, and other service departments. In addition, it includes a collection of fleet for our parks, operations and fire & emergency services.

The Major services that are provided by the Township include (but are not limited to):

- Fire & Emergency Services
- Recreation programs and facilities
- Water distribution systems
- Wastewater collection systems
- Garbage collection, disposal and recycling
- Municipal roads and bridges
- Parks
- Economic development
- Community planning and growth management





History of the Township of King

The first European to discover the Township of King was Samuel de Champlain in 1615, while using the Toronto Carrying Place Trail, a portage route that provided the fastest route (via the Holland and Humber Rivers) between Lakes Ontario and Simcoe. This route had long been important to native peoples, and would later become vital to the fur-trade as well.

King Township was named for John King, the British undersecretary of state at the time when the Township was created in 1794. European settlers began arriving around the same time. Among the first arrivals were Quakers from Pennsylvania, hardworking and religious people who founded the communities of Lloydtown and Schomberg. Other settlers, including American colonists (known as the United Empire Loyalists) who sided with Britain during the War of Independence, soon joined them. The rich soil provided bountiful crops, allowing the settlers to prosper.

Most of the early communities formed along streams, which provided power for the mills that provided for the basic needs of the settlers---grist mills grinding grain into flour for food, and sawmills cutting lumber for shelter. Lloydtown, Glenville, Laskay, Kettleby, and Schomberg all owe their existence to mills. These mills provided the impetus for development and growth. In 1811, when there were perhaps two or three mills in the entire Township, a mere 206 people called King home. By the 1870s, however, the number had jumped to more than 3,000.

When the importance of village mills waned in the latter years of the 19th century, King Township residents fell back on the soil to provide for their well-being.

History of King City

(Source: King City Community Profile)

The Village of King City, likely named after British undersecretary of state John King, began as a settlement in 1836. In 1890, under James Whiting Crossley, the elected Reeve of King Township and son of the original settler Nathaniel Pearson Crossley, King City was incorporated. The village of King City was the result of a merger of the hamlets of Springhill, Eversley, Kinghorn and Laskay. Some of the prominent names in the history of King City include: Fisher, Gillham, Hogan, McClure, Norman, and Wells. Two significant landmarks are Hogan's Inn at four corners, built in 1855, and Crawford Wells, built in 1863. The King train station, built in 1853 to serve the thriving community of Springhill, was relocated, having been moved to Kortright Centre in 1969, back to King City in 1989 on the King Township Museum site at Jane Street and King Road.

Local residents purchased products from the local general store, the bakery, harness shop, shore store, iron foundry and smithy, and furniture store. Available services, at the time, including hydro, as of 1924; banking at two local banks; postal services; funeral services; horse-drawn bus service to and from the railway station; medical care; library; and barber shop. Residents could congregate for Sunday service at the local churches. Visitors could find accommodations at one of the two local hotels built by Issac Dennis. In the early years, social activities were organized by local leaders in the community and celebrated at various locations in the village.

King City has experienced, and continues to experience, steady growth, attracting residents wanting to live in a thriving community, a community built on a history of dynamic individuals.

History of Nobleton

(Source: Nobleton Community Profile)

The Village of Nobleton, named after Joseph Noble, began as a settlement about 1812. Other family names like Wellar, Snider, Pringle, Kaake, Hambly, Hawman, Robb and Hill are seen today on street signs or plaques on heritage homes. One of the most familiar landmarks is the Hambly House, originally built of logs and rebuilt after a fire, at the corner of Hwy 27 and King Rd. The majority of the original settlers to the area came from England, Scotland and Ireland. Other home countries included the United States, Holland and Germany.

During those early years, merchants offered the residents of Nobleton a variety of products from the two general stores and from the planing mill, which supplied sashes and doors. In the community, services were available from the local post office, two blacksmith shops, the local doctor, and two telephone companies. Residents could congregate for Sunday service at the local churches. The arena provided skating; entertainment was available at the music hall, where the Nobleton Community Hall now stands; and weary travellers could find accommodation in either of the two hotels.

Nobleton has seen many changes and moderate growth over almost two hundred years. The community still celebrates its heritage proudly, in local events and in history books written by those dedicated to preserving Nobleton's heritage.

History of Schomberg

(Source: Schomberg Community Profile)

The village of Schomberg originally was named Brownsville, after the four Brown brothers from Pennsylvania, who settled in the area in 1830. The Brown brothers were an energetic family: John was interested in farming, and purchased 100 acres when they arrived; Thomas built the first mill in 1836, and it stood as the nucleus of the growing community for over one hundred and twenty five years, before being torn down; Garrett built the first bank at the corner of Main and Church Streets. Little is known of Robert. The community name of Brownsville was changed in order for the hamlet's application for a post office to be successful; as there was already a Brownsville in York County, south of Woodbridge. The name Schomberg, taken from The Duke of Schomberg, a fallen hero from the Battle of Boyne (1690), was selected to replace Brownsville; the post office opened on August 1, 1862.

The hamlet, in 1850, offered services and products from two general stores, a liquor store, a tavern, a blacksmith shop, a wagon shop, two shoe-shops, and a tannery. The population occupied twenty five houses. Two local papers operated in the early 1860's, and were active on local issues. By 1862, Schomberg was a busy trading centre; and, by 1895, other businesses included a tailor shop, a bakery/confectionary, furniture store, two hotels, a butcher, a blacksmith, a clothing store, a jewellery shop, and a hardware store. Some of the family names, still familiar to the community, included: Kitchen, Hulse, Taggart, Dillane, Kay, and Dennis. The arrival of the rail line from Oak Ridges to Schomberg, running from 1902 to 1927, represented another period of prosperity.

The event highlight of the year was the annual fair, originally organized in 1851 as a fall event, and moved around the township from year to year. The Fall fair found its permanent home in Schomberg in 1872. Eighty-five years later, in 1957, the Fall fair became a Spring fair, and is held annually during the last weekend in May.

Schomberg continues to attract residents seeking a quaint, rural village lifestyle steeped in tradition.

Township of King Council

King Township is governed by an elected Mayor and six Councillors, each representing one of the six wards within the Township. As head of Council, the Mayor represents the Township on York Regional Council. Council sets policy and directs the affairs of the municipality with assistance from a staff of dedicated full-time employees.

Recent legislation dictates municipal elections be held every four years. The next municipal election is scheduled for the fall of 2014.

The Township's current Members of Council for the 2011 – 2014 term are shown below:



Mayor

Steve Pellegrini



Councillor, Ward 1
Cleve Mortelliti



Councillor, Ward 2
Peter Grandilli



Councillor, Ward 3
Linda Pabst



Councillor, Ward 4
Bill Cober



Councillor, Ward 5
Debbie Schaefer



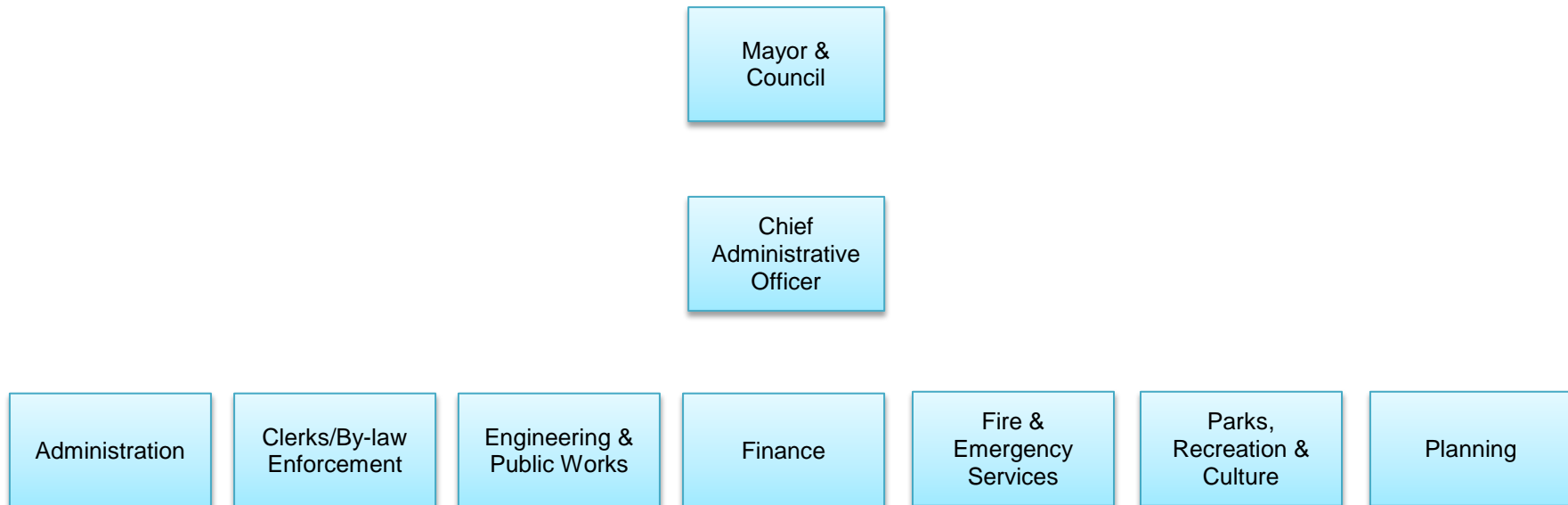
Councillor, Ward 6
Avia Eek

Township Organizational Chart

The Township of King's corporate structure is comprised of the Chief Administrative Officer (CAO), who has seven key service areas/departments that directly report to their office. Each service area/department has a Director who oversees the day to day operation of that department. The CAO and the Directors of each service area/department form the Township's Senior Management Team. The CAO is Chair of the Administrative Committee of Department Heads (The Senior Management Team).

The Chief Administrative Officer is responsible for the corporate management of the Township. The CAO is responsible for the efficient and effective management and administration of all Township Departments including the overall planning, co-ordination and direction of Municipal operations in collaboration with Directors (of Departments), and in accordance with the objectives, policies and plans approved by Township Council.

The CAO co-ordinates and directs the initiatives, operating procedures and resources of the Administration Department which is comprised of Sustainable Community Development, Human Resource Management, and Information Technology.



Economic Profile

Expected to grow to 35,000 over the next twenty years and located approximately 40 kilometres north of downtown Toronto, King is the location of choice for a diverse mix of over 400 businesses including the corporate head office of The Clublink Corporation, LGL Environmental Research Associates, Robert B Somerville, BC Instruments and Showa Canada. The Township's three main villages: King City, Nobleton and Schomberg attract business and residents seeking to live in rural communities providing a superb quality of life second to none, but in close proximity to urban amenities. King is also home to three post-secondary institutions focused on applied research, education and training opportunities being: Seneca College - King City Campus; Koffler Scientific Reserve as part of the University of Toronto; and the Muck Crop Research Station as part of the University of Guelph.

King is prepared to build on its strengths by becoming the host community for agri-business, recreation, tourism, education/innovation centres of excellence and green and clean technology companies and corporate head offices.

Employment Area Lands

Several major designated or zoned industrial and commercial areas are found within the existing community plans of King City, Nobleton and Schomberg including: 95 Acres of Prestige Employment Area within the King City Community Plan. Approximately 35 acres of lands on Highway 27 designated for Business Area use within the Nobleton Community Plan; and approximately 125 acres of Industrial land and approximately 20 acres of Highway Commercial lands in the Schomberg Community Plan.

There are also a number of opportunities for redevelopment intensification in the three village cores and comprehensive village core design guidelines will ensure that this development takes place in a sustainable manner.

Vision Statement

(Source: Future 2000 Strategic Plan, November 1995)

The Township of King strives to be a **prosperous, vibrant community**, proud of its **rural traditions** and committed to balancing the benefits of **accessibility** with the values of its **natural environment**.

Prosperous Vibrant Community: Residents and businesses in The Township of King value its healthy economic, social and natural environment. The future must continue to stress these values.

Rural Traditions: The Township of King is rich in history and continues to have agricultural as a dominant component of its economic base. Rural traditions also include a commitment to the concept of volunteerism and unique community events.

Accessibility: People are attracted to the Township of King because of its proximity – to employment centres in the Greater Toronto Area and to recreation opportunities to the north.

Natural Environment: Citizens are also attracted to the natural beauty of the area and its rural qualities. Care must be taken to ensure growth continues to be sensitive to the natural features of the area.

The government of King Township is driven by five key factors: to have limited planned growth with design guidelines; to maintain and strengthen its independence; to celebrate our heritage; to be responsive and accessible to its citizens; and to continue to be professional, fiscally-responsible administrators.

To provide responsible, autonomous government that is best suited to serve the residents of King Township now and in the future, we will:

- Ensure limited planned growth within design guidelines;
- Provide open, accessible, affordable local government;
- Maintain the Township of King as an independent municipal corporation;
- Foster a climate that encourages active citizen involvement with decision-making process;
- Create effective working relationship with and among council, staff, residents;
- Eliminate duplication with other levels of government;
- Operate a professional well-managed local government;
- Ensure the Township is Fiscally healthy; and
- Support the agricultural community

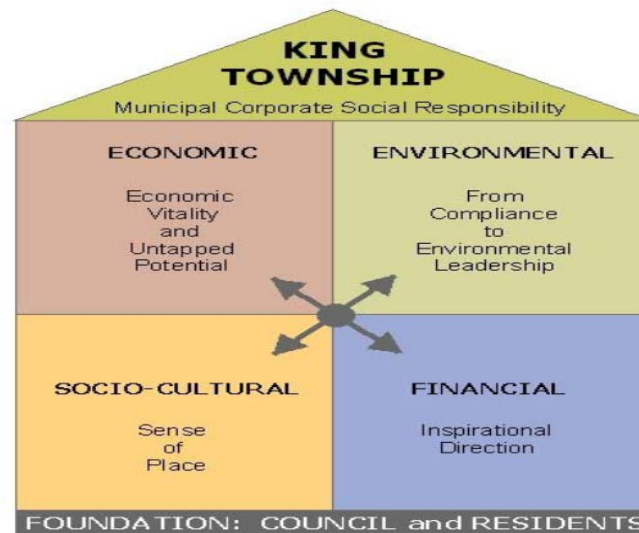
King's Integrated Community Sustainability Plan (ICSP)

King's Integrated Community Sustainability Plan (Sustainable King) is an initiative of the Township of King that will enhance the long-term well-being of its residents and ensure the protection of the natural environment over the next 20-25 years. The Sustainability Plan provides guidance and direction for balancing King's environmental, economic, social and financial priorities, in a way that promotes high quality of life, while respecting and restoring the natural environment and its limits.

In May 2010, King Township received funding from the Federation of Canadian Municipalities' (FCM) Green Municipal Fund to develop an Integrated Community Sustainability Plan (ICSP). ICSPs are one type of sustainability plan that usually involve developing a vision, goals, significant community engagement and integration of the pillars of sustainability (i.e. social, economic, environmental, finance). The development of the Township's plan was launched in May 2011; since this time a Sustainability Task Force, 4 citizen-based Working Groups, stakeholders, the community and the Township have been working together to prepare the Sustainability Plan.

Over 3,000 individuals have had an opportunity to participate in the development of the Plan and many have provided input through working group meetings, community forums, individual conversations, presentations, mapping sessions, display booths, as well as online through Facebook, Twitter, a website and online survey. The public's response and level of engagement has been exceptional.

The draft Plan will be made available to the public in mid-February and shortly thereafter a second Sustainable King Community Forum will take place in which the draft Plan will be presented and celebrated input on the draft will be received. The draft will then go to Council for approval in early April 2012.



2011 Accomplishments

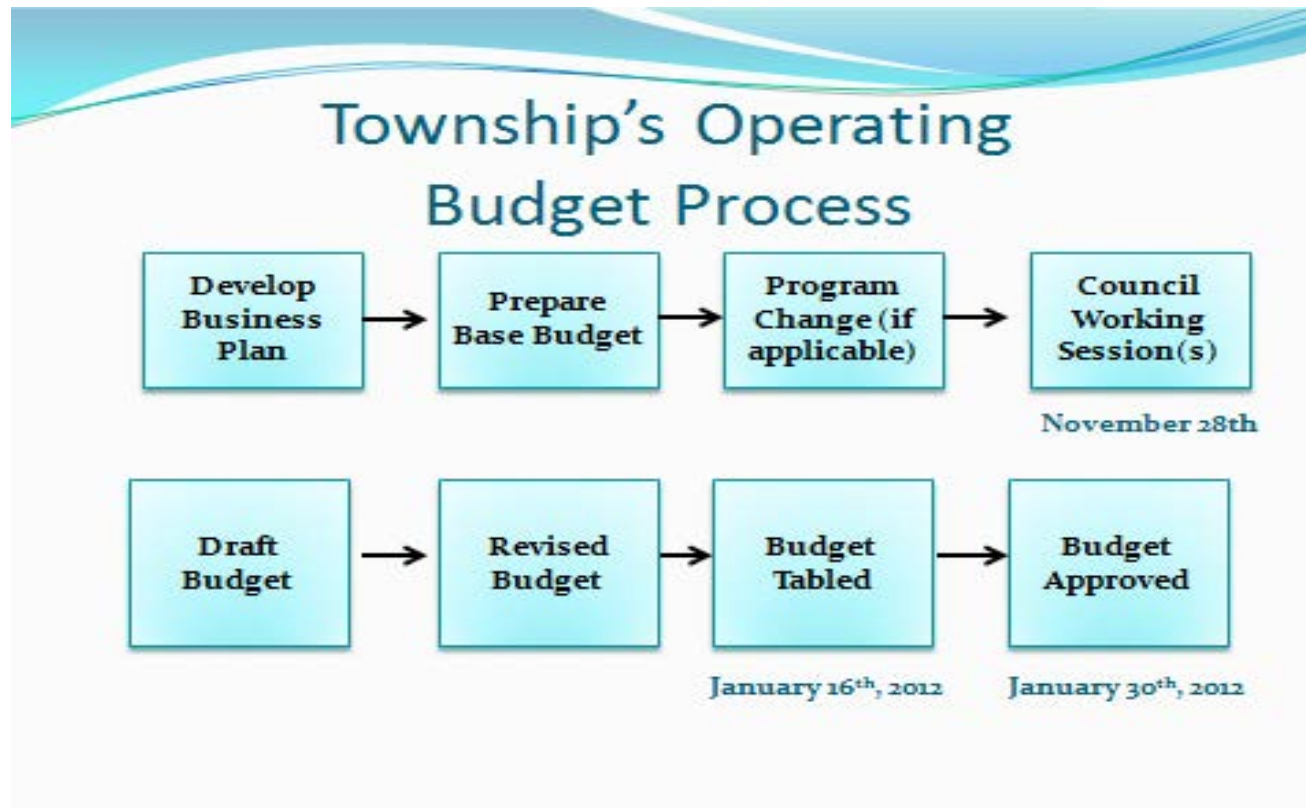
In 2011, the Township focused on four strategic areas of the community: economic; environmental; financial and socio-cultural. Infrastructure projects and upgrades occurred throughout the Township to ensure a sustainable and prosperous future. These projects will improve the quality of life and provide more products and services to the King Township community, as well as offering employment opportunities to residents.

Some of the highlights from 2011 are:

- Official launch of the development of the Township's Integrated Community Sustainability Plan (ICSP)
- Successful completion of construction and grand opening of the Trisan Centre
- Opening of the Schomberg EMS Station in partnership with the Region of York
- Successful launch of Township website (www.king.ca)
- Continuation of construction contracts for the Nobleton Sanitary Sewer Servicing Project to accommodate residential growth and to enable business opportunities
- Completion of construction and opening of the Jane Street Bridge
- Continuation of capital canal works in the Holland Marsh
- Registration of plans of subdivision and condominium in King City (Osmington, Hickory Hills, King North, King Dufferin, and Residences of Spring Hill), in Nobleton (Fandor and Hamley's), and in Schomberg (Signature)
- Successful installation of sewer connections for King City and Nobleton Fire Halls
- Accessibility improvements at King City Library and Schomberg Library
- Commencement of a Rural/Agricultural Business Retention + Expansion Project
- Partnerships with Schomberg and Nobleton Village Associations resulted in publication of a business directory brochure for Schomberg and a website launch for Nobleton
- Successful opening of a Community Policing Centre in Schomberg in partnership with York Regional Police
- Construction of a shade structure at Cold Creek Conservation Area
- Installation of new LED parking lot lights at the Township's Administration Office
- Launch of the implementation of the Township's new financial software
- Hiring of new Chief Administrative Officer
- Hiring of Heritage Coordinator on a contract basis
- Township became a member of Smart Commute – Central York
- Adoption of the 2011 Budget & Business Plan
- Approval and compliance of 2010 Financial Statements

2012 Budget Process

The Township's annual budget process is aimed at providing decision makers, Members of Council, with information (qualitative and quantitative) to ensure that an informed decision regarding the budget can be made. The diagram below illustrates the process that was followed in completing this year's budget. More detailed information regarding the various steps in the process follow on the next page:



1) Department Business Plans:

The purpose of the department business plan is to provide consistent details about the responsibilities, activities, and outcomes provided by each department. Business plans for each department can be found under the Operating Budget details tab.

2) Base Operating Budgets:

The base operating budget is the primary means by which most of the financing acquisitions, spending, and service delivery activities of the municipality are controlled. The 2012 Base Operating budgets were developed to reflect the costs that are required to maintain existing programs and services.

3) Program Changes:

The purpose of a program change form is to provide detailed information regarding the need for a change in program direction or a change in staff. Departments requesting a change in program direction and/or new staffing for 2012 were required to complete a Program Change. The Program Changes that were completed in 2012 were reviewed by Senior Management and due to competing priorities were placed either in a “recommended” or a “non-recommended” list. The recommended program change forms and their impacts have been included in the 2012 requested budget details. All program changes can be found under the “**Program Change**” tab of the draft 2012 Budget & Business Plan.

4) Council Working Session:

During the course of the development of the 2012 budget, staff met with Members of Council in what is referred to as a “Special Committee of the Whole Working Session”. This session, which was held on Monday November 28, 2011 from 1pm to 4pm in the Council Chambers, was less formal than a regular Council meeting and/or a Committee of the Whole meeting. The intent of this working session was to provide Council with information pertaining to the budget and to have them provide staff with their input/feedback.

5) Draft Operating Budget/Requested Budget:

The Draft Operating Budget for 2012 includes the 2012 Base Operating budget (see item #2 above) along with all of the recommended program changes.

6) Revised Budget:

Through input/feedback/comments obtained from Members of Council and their constituents, staff compiles this information and transforms it into the final version of the budget book.

7) Budget Tabled:

This refers to when the budget will be brought to Council for them to commence deliberations. The 2012 Budget will be tabled on Monday January 16, 2012. Members of the public are encouraged to attend.

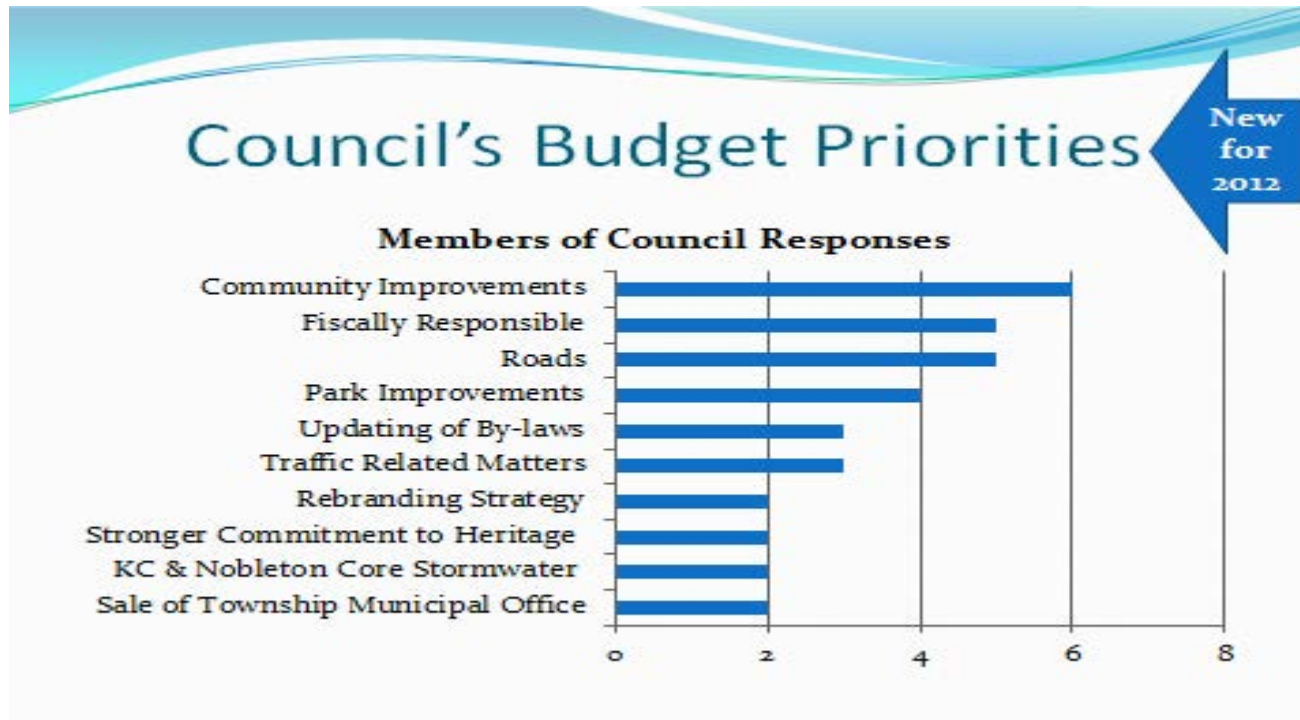
8) Budget Approved:

This refers to when final adoption/approval of the budget by Council is to occur. The 2012 budget is to be adopted/approved on Monday January 30, 2012.

Council's Budget Priorities



In August 2011, through the direction of Mayor Pellegrini, Township staff requested from each Member of Council their top ten budget priorities for 2012. Responses were consolidated at a high level and the graph below provides the results.

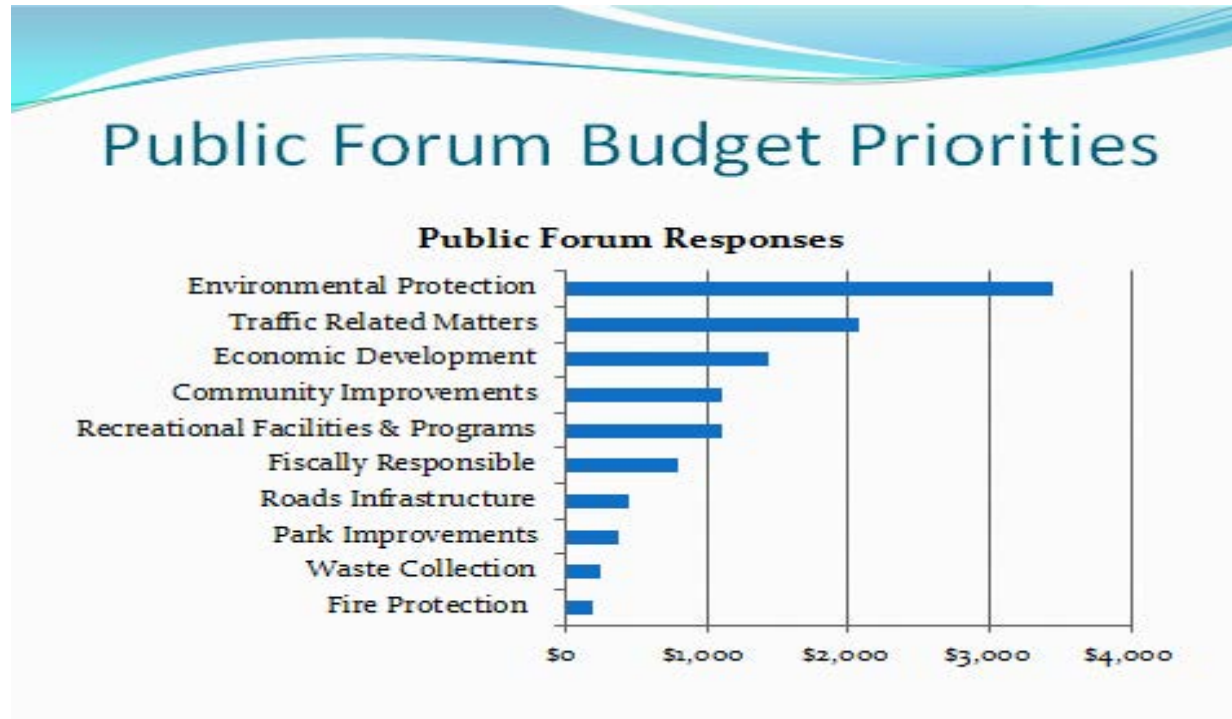


Six members of Council ranked Community Improvements (which includes Streetscaping, Sidewalk Improvements, Village Core Beautification, etc.) as one of their top budget priorities for 2012. Five members of Council ranked being fiscally responsible and roads as one of their top ten priorities for 2012. Fiscal responsibility involves investing today for tomorrow (building of reserves). Four members of Council ranked Park Improvements and the Completion of Parks as one of their top ten priorities. Three members of Council ranked the Updating of By-laws, review of Work Plans and Traffic Related Matters as one of their top budget priorities. Two members of Council ranked a rebranding strategy, stronger commitment to Heritage, King City & Nobleton Core Storm Water Management Review and the Sale of the Township Municipal Office as one of their top priorities in 2012.

In developing their 2012 budgets, Township staff has taken these priorities into consideration.

In addition to obtaining Council's budget priorities for 2012 and in an effort to seek more public engagement in the 2012 budget process, staff teamed up with the Integrated Community Sustainability Plan initiative at the Sustainability Public Forum which was held on October 20th, 2011 at Country Day School.

Budget priorities were placed on containers and each individual that came to the public forum was given \$100 in monopoly money and were asked to spend their money on the budget priorities that were provided. As a result of this initiative, one additional priority was created, that being Environmental Protection. The results from this initiative are depicted in the graph below.



2012 Budget Timetable

The development of the draft 2012 Budget & Business Plan was as follows:

Action Item	Date
Budget Kick-off Meeting	September 2011
Reconciliation of existing staff complement	September 2011
Review and Update Department Business Plans	September 2011
Sustainability Public Forum – Public Input on 2012 Budget Priorities	October 20, 2011
Drafting of Base Operating Budgets, Program Changes and Capital Project Justification Forms	October – November 2011
Committee of the Whole – Working Session – 2012 Budget Process	November 28, 2011
Finalization of Base Operating Budgets, Program Changes and Capital Project Justification Forms	December 2011
Distribution of draft 2012 Budget & Business Plan to Council & the public	January 13, 2012
Draft 2012 Budget & Business Plan tabled at Committee of the Whole	January 16, 2012
2012 Budget & Business Plan Adopted/Approved by Council	January 30, 2012

Basis of Accounting

All financial information is prepared in accordance with Canadian generally accepted accounting principles (GAAP) for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The Township of King follows the accrual basis of accounting, which recognizes revenues as they become available and measurable and expenditures are recognized as they are incurred and measurable as a result of goods or services and the creation of a legal obligation to pay.

Effective January 1, 2009, the Township adopted CICA Public Sector Handbook section 1200 “Financial Statement Presentation” and section 3150 “Tangible Capital Assets”. This required that the Township provide details on their Tangible Capital Assets, namely; their historical cost, accumulated amortization and an amount charged to operations that represents the value of the assets that have been used up, amortization expense. The Township’s 2012 budget does not include a charge for amortization; this effectively understates the reported cost of the programs and services described in the budget.

Budgeting

As per section 290(1) of the Municipal Act, 2001, “for each year, a local municipality shall, in the year or the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality, including,

- a) Amounts sufficient to pay all debts of the municipality falling due within the year;
- b) Amounts required to be raised for sinking funds or retirement funds; and
- c) Amounts required for any board, commission or other body.

Township Council is thus required to approve a balanced budget each fiscal year that must be finalized and approved prior to final property tax bills being issued.

The operating budget includes annual expenditures for personnel costs, materials and supplies, contracted services, minor capital, debt charges, reserve transfers and program fees.

The Township’s capital budget includes expenditures and financing sources to acquire, construct, maintain and facilitate Township capital assets such as: roads, bridges/structures, water distribution and wastewater collection systems, recreational facilities and administrative facilities.

Reserves and Reserve Funds

Certain amounts, as approved by the Township’s Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

A reserve is an appropriation/allocation from net revenue at the discretion of Council, after the provision for all known expenditures. Reserves do not require the physical segregation of money or assets as is the case for reserve funds. An example of a reserve is a vehicle replacement reserve.

A reserve fund is a fund that has been set aside either by by-law of the Council or by a requirement of provincial legislation to meet a future event. Reserve funds are either permissive (Council initiated) or regulatory (mandated by provincial statute). An example of reserve funds is development charges.

As shown in the table below, the Township's reserves and reserve funds are projected to be \$18.5M at December 31, 2012. However, the Township's Infrastructure related reserves have decreased by 50% from 2008 therefore putting the Township at risk in regards to repairing and replacing their existing infrastructure. Staff is proposing, through the draft 2012 Budget & Business Plan, a 1% contribution to Infrastructure related reserves in an effort to try to rebuild this reserve over time. The Water Reserve is projected to be in a deficit balance of \$2.6M at the end of 2012, as well, the Wastewater Reserve is projected to be in a deficit balance of \$0.2M at the end of 2012. Staff will be conducting its bi-annual review of water and wastewater rates in the latter part of 2012 and any changes will be brought forward to Council for their review and subsequent approval. The Township's total reserve and reserve funds are forecasted to increase by \$7.2M from 2010 to 2011, this is mainly due to the registration of development applications in King City, Nobleton and Schomberg (development charges).

**Reserve & Reserve Fund Continuity Schedule
2008 - 2012**

	31-Dec-08	31-Dec-09	31-Dec-10	Forecast 31-Dec-11	31-Dec-12
Reserves					
Corporate Operating	2,908,331	2,190,927	1,404,898	4,518,164	5,614,780
Infrastructure related	1,459,559	198,744	(401,894)	816,847	729,486
Water	2,359,028	1,382,006	1,417,005	(804,356)	(2,588,962)
Wastewater	466,313	466,313	466,313	366,242	(180,940)
Total	\$ 7,193,232	\$ 4,237,989	\$ 2,886,321	\$ 4,896,896	\$ 3,574,363
Reserve Funds					
Development Charges - Tax Based	685,462	2,443,858	3,380,819	8,207,534	8,950,808
Development Charges - Water	1,881,746	1,913,452	2,124,038	2,348,535	2,428,695
Development Charges - Wastewater	4,422	30,526	35,672	1,001,955	1,705,493
Parkland Reserve Funds	439,695	604,865	353,333	2,692,677	1,850,627
Federal Gas Tax	-	-	327,604	306,368	30,526
MIII Grant	6,771,263	6,706,928	3,071,603	-	-
Infrastructure Stimulus	-	713,526	1,936	-	-
Other	39,194	39,306	39,505	-	-
Total	\$ 9,821,782	\$ 12,452,461	\$ 9,334,509	\$ 14,557,069	\$ 14,966,149
Reserve & Reserve Funds	\$ 17,015,014	\$ 16,690,450	\$ 12,220,830	\$ 19,453,965	\$ 18,540,512



Development Charges

Development charges provide for the recovery of growth-related capital expenditures from new development. The Development Charges Act, 1997, is the statutory basis to recover these charges. They are levied on residential, industrial, commercial, and institutional development at either subdivision approval or at building permit issuance in accordance with the Township's Development Charges by-law (2009-74).

The chart below provides a forecast as to the Development Charge revenues that the Township anticipates on collecting over the next five years. The 2011 figures represent the balance as of December 31, whereas the figures in 2012 thru 2016 represent the year end cumulative balance (previous year balance plus additions minus reductions in the year). The additions in each year are based on estimated growth figures multiplied by an indexed amount for DCs (indexed 3% annually), whereas the reductions are based on the 2012 – 2016 Capital Budget. Staff will need to review the pressures relating to our roads and related projects and determine the needs that are required in 2013 and what can be deferred until a future year.

**Forecasted Development Charge Revenue
2012 - 2016**

	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
Development Charges - Tax Based						
Roads & Related	6,392,408	5,509,718	(1,363,623)	(3,498,764)	(3,499,961)	(2,943,873)
Fire Protection	60,566	268,514	(117,238)	103,503	304,487	511,560
Outdoor Recreation	803,147	983,537	1,211,652	1,496,449	1,927,841	2,372,305
Indoor Recreation	(32,495)	869,731	1,799,294	2,757,024	3,629,034	4,527,466
Library	831,680	1,074,200	1,324,068	1,581,508	1,815,906	2,057,406
Admin	152,228	245,108	340,802	439,396	529,165	621,655
Sub-total	\$ 8,207,534	\$ 8,950,808	\$ 3,194,955	\$ 2,879,116	\$ 4,706,472	\$ 7,146,518
Development Charges - Water	2,348,535	2,428,695	2,511,284	2,596,375	2,684,045	2,774,371
Development Charges - Wastewater	1,001,955	1,705,493	2,901,457	4,133,659	5,403,196	6,711,200
Parkland Reserve Funds	2,692,677	1,850,627	1,810,627	1,760,627	1,760,627	1,760,627
Total	\$ 14,250,700	\$ 14,935,622	\$ 10,418,323	\$ 11,369,776	\$ 14,554,340	\$ 18,392,716



Debt Management

King Township will need to be diligent over the next few years in managing debt levels and maintaining adequate reserves to ensure that the Township’s financial condition meets creditor requirements for timely settlement of the Township’s obligations and to ensure that resident expectations for service commitments are being met.

At the end of 2011, the Township’s outstanding debt amounted to \$24.8M (principal only), with \$15.6M to be repaid by benefitting landowners and \$9.2M by all of the residents of King Township. The Township is forecasting to incur an additional \$13.6M over the next few years which is directly related to the construction of the Nobleton sanitary sewers. Of this amount, \$10.2M is to be recovered by the benefitting landowners and \$3.4M by all of the residents of King Township.

Annual Debt Charges

Annual debt charges are included in the amount of the property tax rate and user rate calculations. The chart below summarizes the annual debt charges (principal and interest) for the Township’s existing debt obligation; it does not include any new proposed debt.

Year	Tax Rate	Benefitting Landowners	Total
2012	840,199	2,575,419	3,415,618
2013	840,199	2,559,399	3,399,598
2014	840,199	2,544,954	3,385,153
2015	840,199	2,530,291	3,370,490
2016	840,199	2,476,157	3,316,356
2017	840,199	2,206,504	3,046,703
2018	840,199	1,793,645	2,633,844
2019	590,199	517,831	1,108,030
2020	487,507	503,485	990,992
2021		487,161	487,161
2022 - 2027		2,209,156	2,209,156
Total	\$ 6,959,098	\$ 20,404,002	\$ 27,363,100

Principal & Interest Payments – (Existing Debt)

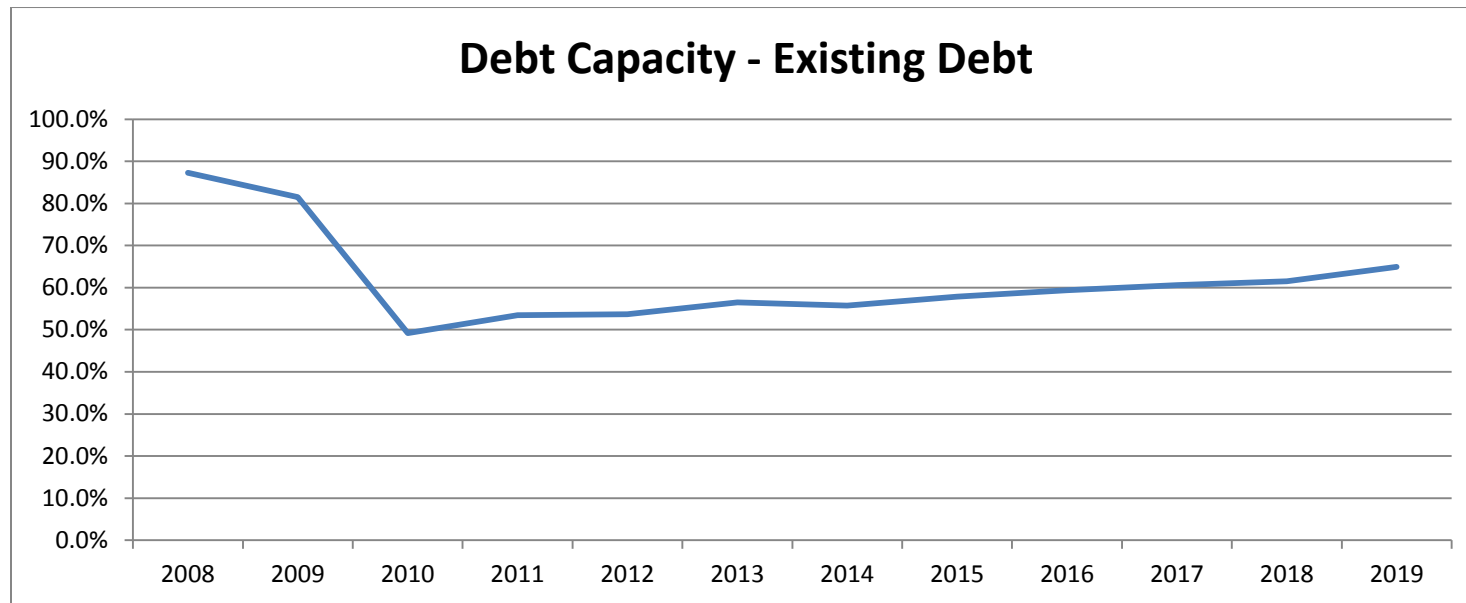
The following graph indicates the principal and interest costs for the Township's existing debt obligation.



Debt Capacity

The Provincial government sets a debt capacity guideline for municipalities by limiting the annual debt payment amount to 25% of the net revenue fund revenues. The annual calculation is based on the financial information return (FIR) from two years prior (e.g. 2012 is based on the 2010 FIR). Before issuing debt, other sources of revenue such as available reserves and reserve funds are to be utilized in order to minimize the amount of the debt that is required.

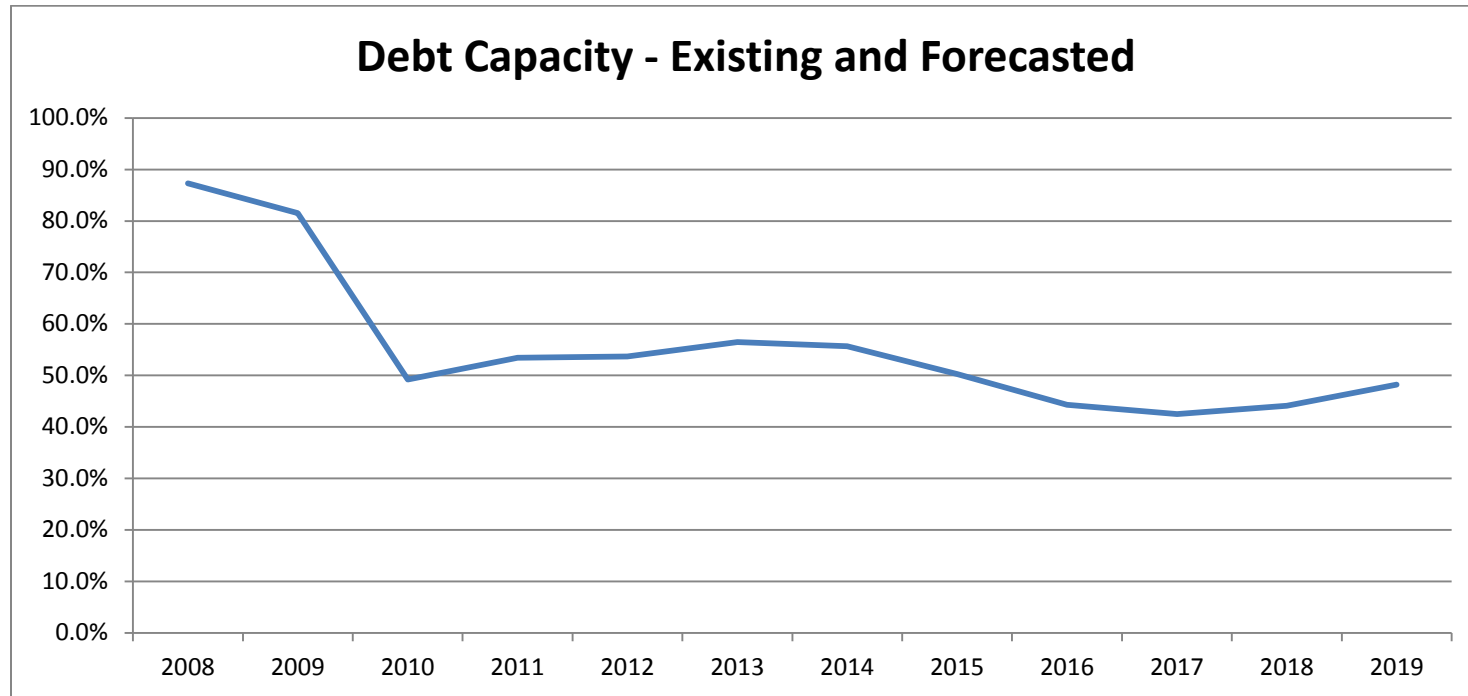
The Township’s current (existing) debt capacity is 53.7% (annual repayment limit of \$3.67M divided by 25% of own net revenues of \$6.8M). The following graph indicates the Township’s actual debt capacity for the years 2008 – 2019 (assumes no new debt being issued). Debt capacity refers to the Township’s ability to borrow and/or the amount of funding that the Township can borrow up to.



The actual debt issued peaked in 2010 when the Township’s debt capacity was 49.2%. This graph only depicts the debt that has been issued as of the end of 2011, it does not take into account any future debt requirements, the graph on the next page provides this information.

Debt Capacity (cont'd)

The following graph indicates the Township's actual debt capacity for the years 2008 – 2019 and the projected debt capacity for the years 2012 – 2019, it includes the forecasted debt required in order to complete Phase 1 of the Nobleton Sanitary Sewer Project.



The actual and forecasted debt is projected to peak in 2017 once the full impact of Phase One of the Nobleton Sanitary Sewers and concurrent works (roads) project is captured. It is at this point that the Township's debt capacity is projected to be 42.5%. Please note that the forecasted debt is subject to change due to the timing of the issuance of debentures.

2012 Tax Based Operating Budget

The 2012 Tax Based Operating Budget maintains the services and programs that were offered in 2011. In order to assist the reader, the 2012 Tax Based Operating Budget includes two key components:

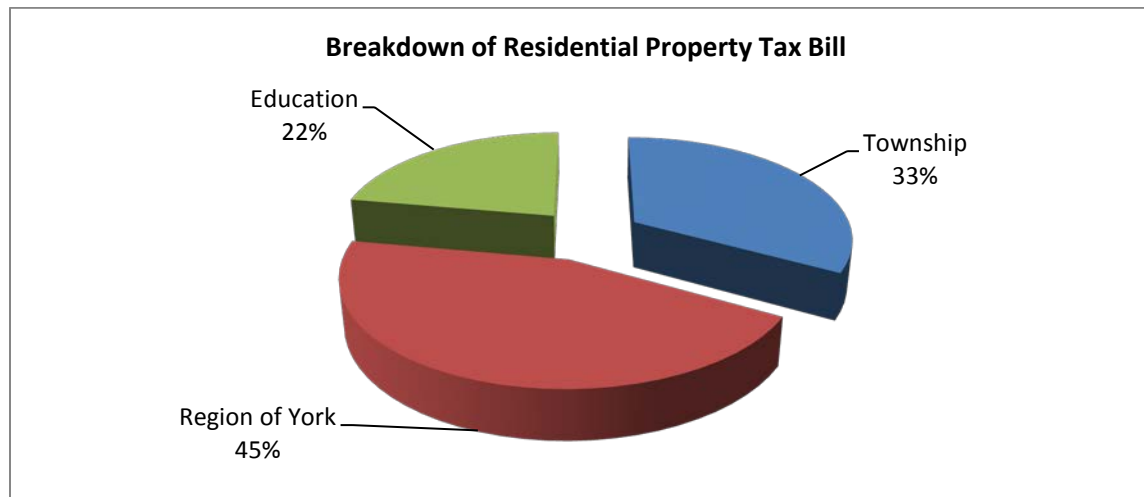
- 1) The base budget
- 2) Program changes

The 2012 Base Operating budget provides for the same level and type of resources that are required to deliver the Township's existing programs and services at 2011 levels. The Program changes represent the needs that staff has identified in order to meet 2012 demands.

If approved as presented, the draft 2012 Budget & Business Plan described within represents a 8.90% increase to the Township's portion of the property tax which represents a projected 3.62% blended property tax increase assuming the Region of York approves their draft 2012 Budget increase of 1.8% and the school board property taxes remain revenue neutral.

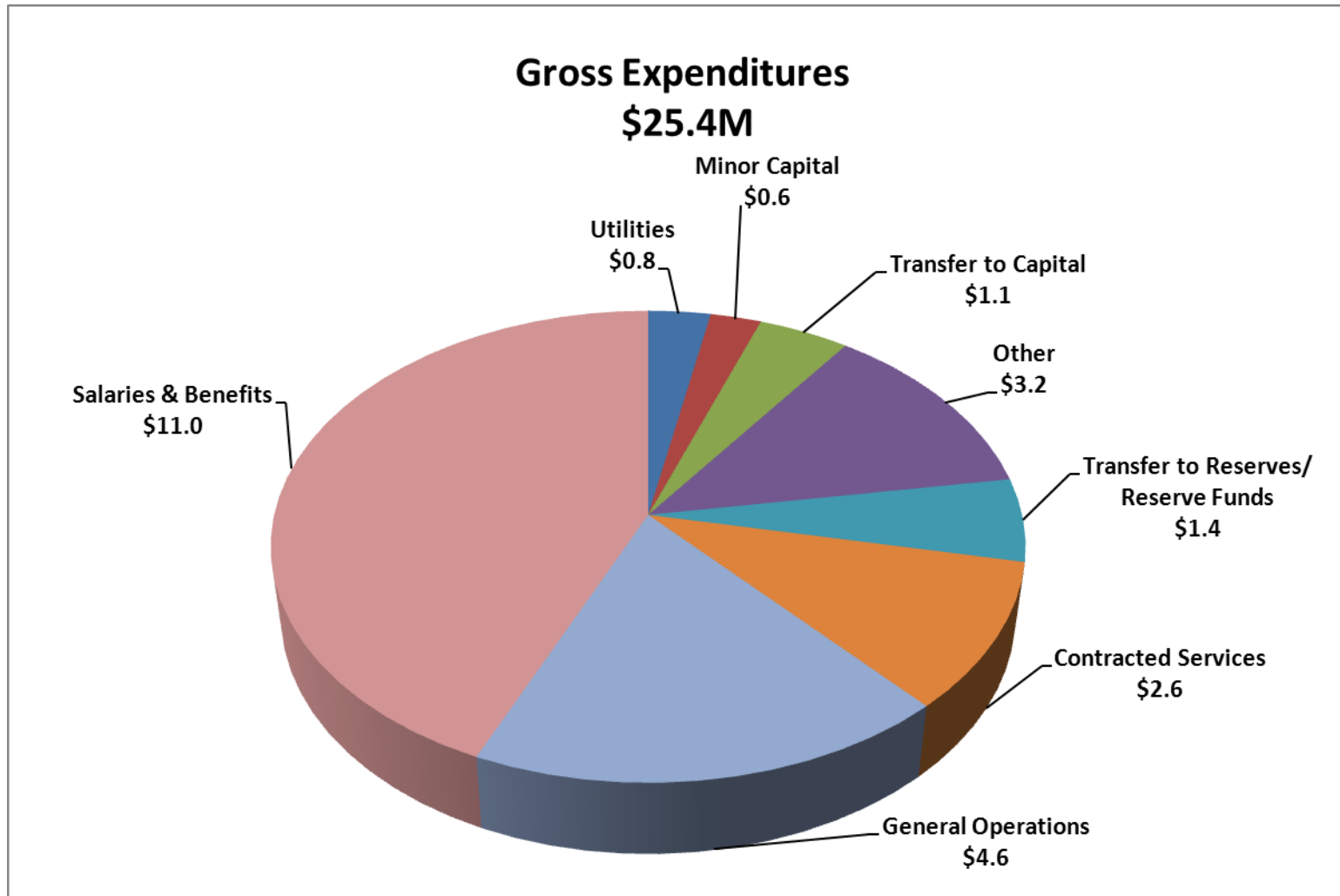
Breakdown of Residential Property Tax Bill

The residential property tax bill in the Township of King is comprised of three main areas: King Township, Region of York, and Education/School Boards. The Township of King collects property taxes from all King residents on behalf of these parties and in turn forwards the Region and School Board portions to these parties throughout the fiscal year. In 2012, the proposed breakdown among these areas is as follows:



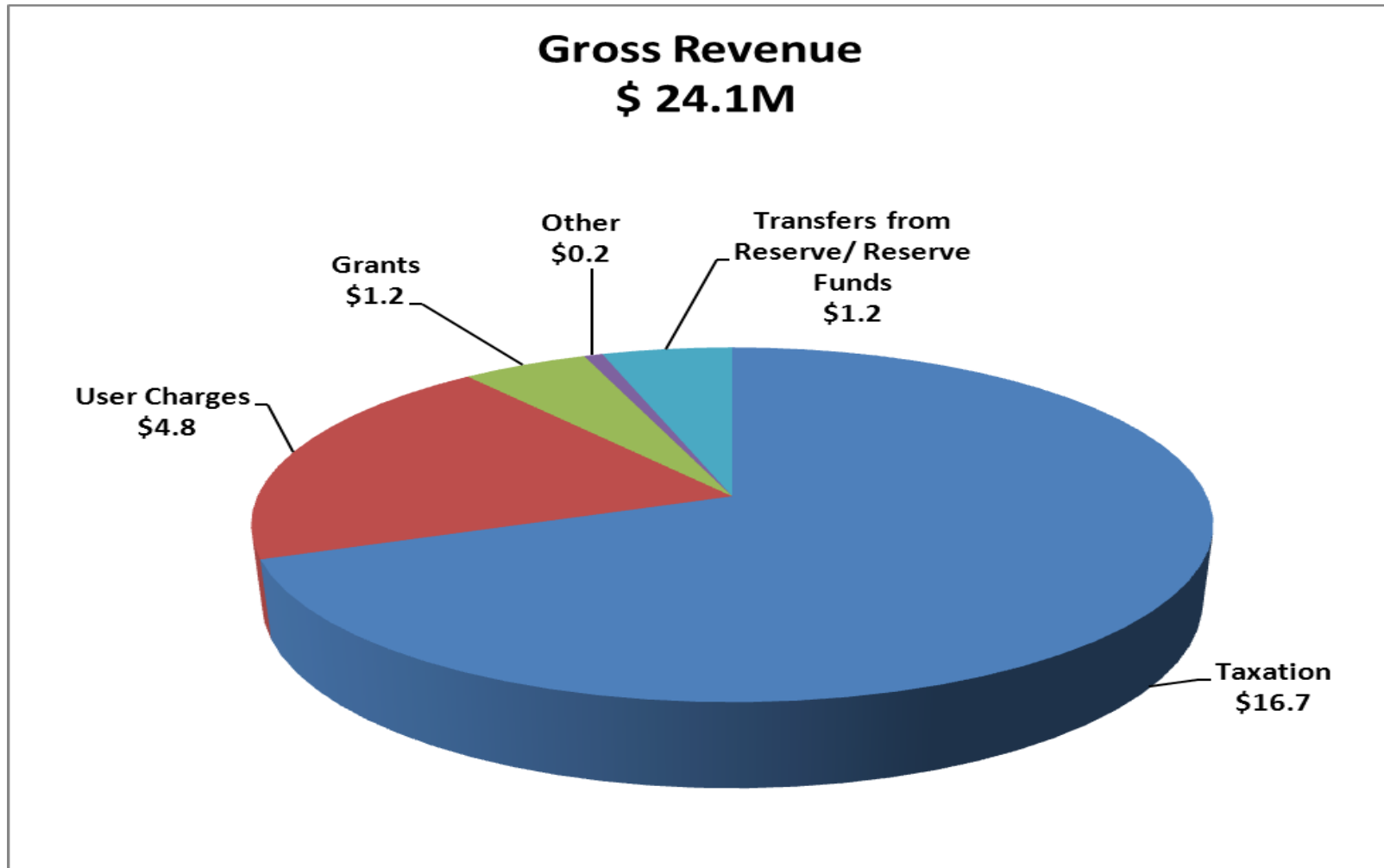
Gross Expenditures

The 2012 Tax Based Operating Budget (including recommended program changes) has gross expenditures in the amount of \$25.4M, which are displayed in the graph below.



Gross Revenues:

The 2012 Tax Based Operating Budget (including recommended program changes) has gross revenues in the amount of \$24.1M, which are depicted in the graph below.





Assessment Growth:

The Township’s projected assessment growth, additional tax assessment from new construction in the Township, for 2012 is 2.88% and this has been included in the gross revenues. Based on the 2012 gross expenditures, \$25.4M and the gross revenues, \$24.1M, the Township has a shortfall in funding, net levy requirement, in the amount of \$1,369,789.

Net Expenditures:

The table below reflects the 2012 tax based gross and net budget request. Overall, the Township is proposing to increase its net budget including recommended program changes by 8.9% or \$1,369,789.

**TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)**

	2011 BUDGET		2012 BASE BUDGET		TAX RATE IMPACT	PROGRAM CHANGES (Recommended)		2012 REQUESTED BUDGET		TAX RATE IMPACT	CHANGE IN 2012 REQUESTED BUDGET TO 2011 BUDGET	
	Gross \$	Net \$	Gross \$	Net \$	Net %	Gross \$	Net \$	Gross \$	Net \$	Net %	Gross \$	Net \$
Transportation Services	5,868,945	4,407,012	5,938,138	4,662,386		203,389	203,389	6,141,527	4,865,775		272,582	458,764
Environment Services	769,450	662,477	674,591	513,068		-	-	674,591	513,068		(94,859)	(149,409)
Parks, Recreation & Culture	4,476,669	2,419,456	4,942,680	2,676,139		137,500	83,250	5,080,180	2,759,389		603,510	339,932
Protection to Persons & Property	3,802,182	2,308,315	3,878,117	2,584,869		180,363	20,363	4,058,480	2,605,232		256,298	296,916
General Government	3,261,883	2,746,883	3,161,446	2,753,280		85,506	85,506	3,246,952	2,838,786		(14,931)	91,903
Planning & Development	919,271	615,759	956,411	570,411		71,719	71,719	1,028,130	642,130		108,859	26,371
Corporate	2,599,619	(14,767,360)	2,745,672	(14,453,256)		384,000	359,000	3,129,672	(14,094,256)		530,053	673,104
Drainage - Holland Marsh	667,769	126,944	556,970	155,300		-	-	556,970	155,300		(110,799)	28,356
Election	33,000	33,000	30,000	30,000		-	-	30,000	30,000		(3,000)	(3,000)
Library	1,160,821	1,160,821	1,183,859	1,183,859		-	-	1,183,859	1,183,859		23,038	23,038
Members of Council	310,760	310,760	308,063	308,063		-	-	308,063	308,063		(2,697)	(2,697)
Total Operating Budget	23,870,369	24,068	24,375,946	984,119	6.4%	1,062,477	823,227	25,438,423	1,807,346	11.7%	1,568,054	1,783,278
Less Assessment Growth				437,557	2.8%				437,557	2.8%		
Total After Assessment Growth	23,870,369	24,068	24,375,946	546,562	3.6%	1,062,477	823,227	25,438,423	1,369,789	8.9%	1,568,054	1,783,278



The following tables provide more detailed information as to the items that comprise the major categories identified in the table on the previous page.

In addition, further details (organization charts, department business plans, and 2012 Operating Budget details by major expense category by department) are provided under the Operating Budget Details tab of the draft 2012 Budget & Business Plan.

Transportation Services:

**TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)**

	2011 BUDGET		2012 BASE BUDGET		PROGRAM CHANGES (Recommended)		2012 REQUESTED BUDGET		CHANGE IN 2012 REQUESTED BUDGET TO 2011 BUDGET	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Transportation Services										
Bridge & Culvert	141,520	129,020	83,850	80,850	-	-	83,850	80,850	(57,669)	(48,169)
Contribution to Capital	-	-	350,000	350,000	-	-	350,000	350,000	350,000	350,000
Grading, Ditching, Gravel Maintenance	874,613	874,613	928,045	928,045	-	-	928,045	928,045	53,432	53,432
Tree Maintenance	15,460	15,460	13,475	13,475	-	-	13,475	13,475	(1,984)	(1,984)
Stormsewers & Catch Basins	91,868	91,868	115,995	115,995	-	-	115,995	115,995	24,127	24,127
Contribution to Capital	-	-	90,000	90,000	-	-	90,000	90,000	90,000	90,000
Sweeping & Cleaning	46,310	46,310	46,468	46,468	-	-	46,468	46,468	158	158
Asphalt Maintenance & Patching	891,572	891,572	383,714	383,714	-	-	383,714	383,714	(507,858)	(507,858)
Contribution to Capital	-	-	196,341	196,341	-	-	196,341	196,341	196,341	196,341
Dust Suppressant	142,452	142,452	135,180	135,180	135,000	135,000	270,180	270,180	127,728	127,728
Winter Maintenance	576,483	576,483	510,392	510,392	-	-	510,392	510,392	(66,092)	(66,092)
Sign Maintenance, Safety, Guide Posts	143,404	143,404	147,414	147,414	-	-	147,414	147,414	4,010	4,010
Engineering & Public Works Administration	1,984,513	535,080	1,749,168	481,416	68,389	68,389	1,817,557	549,805	(166,956)	14,726
Contribution to Capital	40,000	40,000	-	-	-	-	-	-	(40,000)	(40,000)
Works Depot	124,400	124,400	97,800	97,800	-	-	97,800	97,800	(26,600)	(26,600)
Equipment Operation	508,350	508,350	488,539	488,539	-	-	488,539	488,539	(19,811)	(19,811)
Contribution to Capital	-	-	307,300	307,300	-	-	307,300	307,300	307,300	307,300
Sidewalks	31,000	31,000	37,456	37,456	-	-	37,456	37,456	6,456	6,456
Street Lighting	257,000	257,000	257,000	252,000	-	-	257,000	252,000	-	(5,000)
Sub-total	5,868,945	4,407,012	5,938,138	4,662,386	203,389	203,389	6,141,527	4,865,775	272,582	458,764

Environmental Services:

**TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)**

	2011 BUDGET		2012 BASE BUDGET		PROGRAM CHANGES (Recommended)		2012 REQUESTED BUDGET		CHANGE IN 2012 REQUESTED BUDGET TO 2011 BUDGET	
	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$
Environment Services										
Waste Management	718,000	612,027	603,091	488,068	-	-	603,091	488,068	(114,909)	(123,959)
Disposal Sites	51,450	50,450	71,500	25,000	-	-	71,500	25,000	20,050	(25,450)
Sub-total	769,450	662,477	674,591	513,068	-	-	674,591	513,068	(94,859)	(149,409)

Parks, Recreation & Culture:

**TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)**

	2011 BUDGET		2012 BASE BUDGET		PROGRAM CHANGES (Recommended)		2012 REQUESTED BUDGET		CHANGE IN 2012 REQUESTED BUDGET TO 2011 BUDGET	
	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$
Parks, Recreation & Culture										
Nobleton Outdoor Pool	73,084	52,084	77,556	53,057	-	-	77,556	53,057	4,472	973
Community Centres (Arenas)	1,833,155	422,590	1,872,856	266,013	-	-	1,872,856	266,013	39,701	(156,577)
Contribution to Capital	63,300	63,300	-	-	-	-	-	-	(63,300)	(63,300)
Municipal Office	171,300	171,300	158,502	158,502	-	-	158,502	158,502	(12,798)	(12,798)
Contribution to Capital	25,700	25,700	-	-	-	-	-	-	(25,700)	(25,700)
Municipal Plaza	67,000	(102,523)	35,000	(116,445)	-	-	35,000	(116,445)	(32,000)	(13,923)
Contribution to Capital	5,400	5,400	-	-	-	-	-	-	(5,400)	(5,400)
Community Policing Program - Schomberg	12,000	7,000	15,577	9,503	-	-	15,577	9,503	3,577	2,503
Community Halls	108,091	35,466	105,343	26,125	-	-	105,343	26,125	(2,748)	(9,341)
Contribution to Capital	12,000	12,000	21,000	21,000	-	-	21,000	21,000	9,000	9,000
Cold Creek	113,706	73,706	142,885	86,623	-	-	142,885	86,623	29,179	12,917
Day Camp	156,688	(3,212)	163,776	(6,224)	-	-	163,776	(6,224)	7,088	(3,012)
Recreation Programs	86,902	(5,498)	63,198	(13,402)	-	-	63,198	(13,402)	(23,704)	(7,904)
Recreation Administration	571,286	571,286	687,848	687,848	65,000	35,750	752,848	723,598	181,562	152,312
Facilities Administration	197,910	197,910	226,944	226,944	20,000	20,000	246,944	246,944	49,034	49,034
Contribution to Capital	8,000	8,000	-	-	-	-	-	-	(8,000)	(8,000)
Parks Division	774,691	720,891	973,155	929,155	(91,500)	(91,500)	973,155	929,155	198,464	208,264
Contribution to Capital	-	-	91,500	91,500	91,500	91,500	91,500	91,500	91,500	91,500
Crossing Guard Patrols	69,492	69,492	70,044	70,044	-	-	70,044	70,044	552	552
King Museum	114,964	82,564	129,139	97,639	52,500	27,500	181,639	125,139	66,675	42,575
Contribution to Capital	12,000	12,000	-	-	-	-	-	-	(12,000)	(12,000)
Environmental Stewardships	-	-	108,357	88,257	-	-	108,357	88,257	108,357	88,257
Sub-total	4,476,669	2,419,456	4,942,680	2,676,139	137,500	83,250	5,080,180	2,759,389	603,510	339,932



Protection to Persons & Property:

**TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)**

	2011 BUDGET		2012 BASE BUDGET		PROGRAM CHANGES (Recommended)		2012 REQUESTED BUDGET		CHANGE IN 2012 REQUESTED BUDGET TO 2011 BUDGET	
	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$
Protection to Persons & Property										
Fire And Emergency Services	2,209,591	1,983,591	2,242,320	2,027,320	363	(29,637)	2,292,683	2,047,683	83,092	64,092
Contribution to Capital	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Emergency Management	20,000	20,000	20,000	20,000	-	-	20,000	20,000	-	-
Building	1,060,000	(160,616)	1,033,498	-	130,000	-	1,163,498	-	103,498	160,616
By-Law Enforcement	331,818	309,318	351,526	331,526	-	-	351,526	331,526	19,708	22,208
Other	180,773	156,023	180,773	156,023	-	-	180,773	156,023	-	-
Sub-total	3,802,182	2,308,315	3,878,117	2,584,869	180,363	20,363	4,058,480	2,605,232	256,298	296,916

General Government:

**TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)**

	2011 BUDGET		2012 BASE BUDGET		PROGRAM CHANGES (Recommended)		2012 REQUESTED BUDGET		CHANGE IN 2012 REQUESTED BUDGET TO 2011 BUDGET	
	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$
General Government										
Clerks	627,206	620,006	644,086	636,886	-	-	644,086	636,886	16,880	16,880
Human Resources	173,986	173,986	174,258	174,258	70,206	70,206	244,464	244,464	70,478	70,478
Chief Administration Office	406,085	406,085	463,524	463,524	-	-	463,524	463,524	57,439	57,439
Sustainable Community Development	227,339	202,339	221,907	221,907	-	-	221,907	221,907	(5,432)	19,568
Integrated Community Sustainability Plan	250,000	-	135,000	-	-	-	135,000	-	(115,000)	-
Finance	1,109,229	892,229	1,035,461	783,795	-	-	1,035,461	783,795	(73,768)	(108,434)
Information Systems	442,769	442,769	463,910	463,910	15,300	15,300	479,210	479,210	36,441	36,441
Other	25,269	9,469	23,300	9,000	-	-	23,300	9,000	(1,969)	(469)
Sub-total	3,261,883	2,746,883	3,161,446	2,753,280	85,506	85,506	3,246,952	2,838,786	(14,931)	91,903



Planning & Development:

**TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)**

	2011 BUDGET		2012 BASE BUDGET		PROGRAM CHANGES (Recommended)		2012 REQUESTED BUDGET		CHANGE IN 2012 REQUESTED BUDGET TO 2011 BUDGET	
	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$
Planning & Development										
Planning	906,031	630,515	942,954	606,954	71,719	71,719	1,014,673	678,673	108,642	48,158
Committee O Adjustment	13,240	(14,756)	13,457	(36,543)	-	-	13,457	(36,543)	217	(21,787)
Sub-total	919,271	615,759	956,411	570,411	71,719	71,719	1,028,130	642,130	108,859	26,371

Council:

**TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)**

	2011 BUDGET		2012 BASE BUDGET		PROGRAM CHANGES (Recommended)		2012 REQUESTED BUDGET		CHANGE IN 2012 REQUESTED BUDGET TO 2011 BUDGET	
	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$	Gross \$	Net \$
Members of Council	310,760	310,760	308,063	308,063			308,063	308,063	(2,697)	(2,697)
Sub-total	310,760	310,760	308,063	308,063	-	-	308,063	308,063	(2,697)	(2,697)



Other: (includes Corporate, Drainage, Election, and Library)

TOWNSHIP OF KING
2012 Tax Based Operating Budget
(includes recommended program changes)

Table with 11 columns: Category, 2011 Budget (Gross/Net), 2012 Base Budget (Gross/Net), Program Changes (Gross/Net), 2012 Requested Budget (Gross/Net), Change in 2012 Requested Budget to 2011 Budget (Gross/Net). Rows include Corporate, Drainage - Holland Marsh, Election, Library, and Sub-total.



Budget Pressures/Drivers:

There are many factors influencing/ driving the 2012 Budget, the following provides a highlight of the key budget pressures/drivers impacting the draft 2012 Business Plan and Budget:

Salaries & Benefits:

Includes an increase of \$747K over the 2011 budget; this is partly due to the annualized costs associated with the hiring of two new staff in 2011, in addition to increases in OMERS and staff advancing to higher levels in the Township’s compensation plan. Furthermore, there was a redistribution of funds that resided in contracted services in 2011 that are now shown in salaries and benefits for 2012.

Transfers to Capital/Capital Funding:

Includes an increase of \$913,341 (\$1,131,141 - \$217,800) over the 2011 budget. In order to support the 2012 Capital Budget, funding in the amount of \$1,131,141 is required to come out of the 2012 Operating Budget.

Infrastructure Reserves:

The 2012 Tax Based Operating Budget includes an amount of \$154,000 for infrastructure renewal/replacement (see below for further details).

Recommended Program Changes:

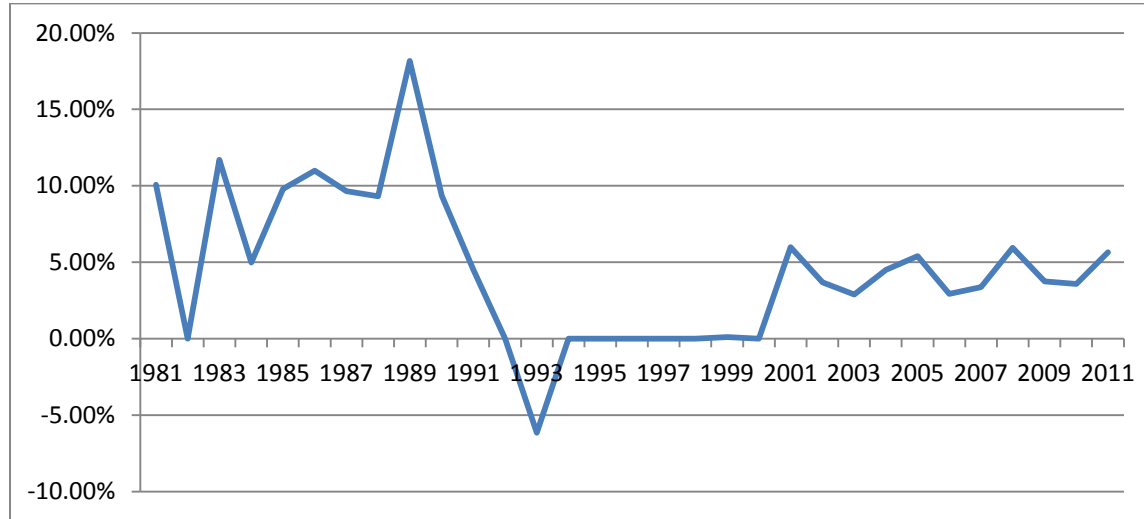
Staff is proposing new initiatives/staffing for 2012 that amount to \$669,227 (net).

Impact of Infrastructure Reserves

At the end of 2010, the Township had tangible capital assets (gross) amounting to \$220M. Accumulated amortization/depreciation amounted to \$78.8M, in other words the Township had used up (consumed) 36% of its assets. If we compare this amount to what is forecasted to be in the Township’s infrastructure reserves at the end of 2011, \$817K, one can quickly see that the Township has a significant gap to cover in regards to the replacement of its infrastructure. The Township has not been setting aside enough into its infrastructure reserves to ensure there are funds available when the infrastructure requires replacing. In an effort to ensure that funds will be available, albeit not 100%, staff is recommending that 1%, approximately \$154,000 of the Township’s 2012 net tax levy requirement be allocated towards the infrastructure reserve. Staff has included \$154,000 in the 2012 tax rate based operating budget for Council’s consideration.

History of Tax Impacts

The following graph shows the annual tax increases that the Township of King has approved since 1981.



Allocation of Property Taxes on Average Assessed Home

The Municipal Property Assessment Corporation (MPAC) is responsible for providing residential assessments. In doing so, they have determined that the average residential assessment for a property in the Township of King in 2012 is \$607,709. If Council is to approve the draft 2012 Budget & Business Plan, the following provides a breakdown of the 2012 impact/increase on an average home assessed at \$607,709 over 2011. In addition, the table below provides the blended tax increase.

	2011	2012	\$ Increase	% Increase
Township of King Portion	\$1,937.60	\$2,110.10	\$172.50	8.9%
Region of York Portion	\$2,816.85	\$2,867.55	\$50.70	1.80%
Education Portion	\$1,403.81	\$1,403.81	\$0.00	0.00%
Total	\$6,158.26	\$6,381.46	\$223.20	3.62%





Breakdown of Municipal Tax Dollar

The following table provides a breakdown of how \$1 municipal tax dollar is proposed to be spent in 2012.

Service/Program Area	Amount
Transportation Services	\$ 0.16
General Government	\$ 0.14
Recreational Facilities & Programs	\$ 0.13
Fire & Emergency Services	\$ 0.09
Road Maintenance	\$ 0.09
Building Services	\$ 0.05
Library	\$ 0.05
Parks	\$ 0.04
Planning & Development	\$ 0.04
Waste Management	\$ 0.03
Holland Marsh Drainage	\$ 0.02
Winter Maintenance	\$ 0.02
Administrative Facilities & Community Halls	\$ 0.02
By-law Enforcement	\$ 0.01
Other Corporate Expenditures	\$ 0.10
Total	\$ 1.00

Transportation Services includes Bridges & Culverts, Dust Suppressants, Street Sweeping, Sidewalks, Streetlights, Storm Sewers, etc.

General Government includes Members of Council, Township Administration (Chief Administrative Office, Human Resources, Finance, Information Technology, Sustainable Community Development, etc.

Other Corporate Expenditures includes Transfer to Reserves, Fenceviewers, Canine Control, Livestock, Damages, etc.



Staff Complement

There are four new full time equivalent positions requested in the 2012 tax based operating budget. Further details on each of these staffing requests are provided on the Program Changes, which can be found under the “Program Change” tab.

As of January 5th 2012, the Township has four vacancies, which are: Director of Parks, Recreation & Culture, Administrative Clerk – By-law, Facility Booking Clerk, and a Project Manager - Development.

**Staff Complements - Tax Based
Permanent Full-Time and Permanent Part-Time**

	2007	2008	2009	2010	2011	2012 Requested	Total
Administration	24	28	29	29	29	1	30
Fire	4	4	4	4	4	1	5
Engineering & Public Works	22	22	26	30	30	1	31
Parks & Recreation	15	17	20	20	22	-	22
Planning	6	7	7	7	7	1	8
Total	71	78	86	90	92	4	96

Administration includes: Chief Administrative Office, Sustainable Community Development, Human Resources, Information Technology, Finance, Clerk’s and By-law Enforcement.

Engineering & Public Works includes: Engineering, Public Works (Tax based), and Building Services.

Parks & Recreation includes: Parks, Recreation, Culture, and Facilities.

Program Changes

Program Changes are required when a Department is requesting a change in program direction and/or new staffing. The Program Changes that were completed in 2012 were reviewed by Senior Management and due to competing priorities were placed either in a “recommended” or a “non-recommended” list. The recommended program change forms and their impacts have been included in the 2012 requested budget details. The tables below provide a summary level of the recommended vs. non-recommended Program Changes in 2012. Further details regarding the justifications for these Program Changes can be found under the “Program Change” tab in the draft 2012 Budget & Business Plan.

Recommended Program Changes:

Program Change	Department	Complement Impact	2012 impact				Annual Impact
			Gross Costs	Revenue Cost Savings	Net \$	Net %	
Implementation of ICSP	CAO/ Administration		230,000	25,000	205,000	1.33%	
Policy Planner	Planning	1	73,219	-	73,219	0.48%	91,625
Fire Prevention Public Educator	Fire & Emergency Services	1	52,063	30,000	22,063	0.14%	65,003
HR Coordinator/ HR Info Systems	Human Resources	1	78,706	-	78,706	0.51%	85,608
GIS Analyst	Eng & PW	1	71,989	-	71,989	0.47%	85,974
Dust Suppressants	Eng & PW		135,000	-	135,000	0.88%	
Reception/Museum Worker	Parks & Recreation		12,500	-	12,500	0.08%	
Cemetery Restoration	Parks & Recreation		15,000	-	15,000	0.10%	
Museum Strategic Business Plan	Parks & Recreation		25,000	25,000	-	0.00%	
Parks & Recreation - Master Plan	Parks & Recreation		65,000	29,250	35,750	0.23%	
Accessibility study for all Township Facilities	Parks & Recreation		20,000		20,000	0.13%	
Land Management Solution	Eng & PW		100,000	100,000	-	0.00%	
	SUB-TOTAL	4	878,477	209,250	669,227	4.35%	328,210

Note: The Land Management Solution is a two year project with total costs of \$150,000. In 2012, staff is requesting \$100,000 and in 2013 an additional \$50,000, all to be funded from the building reserve.



Non-Recommended Program Changes:

Program Change	Department	Complement Impact	2012 impact				Annual Impact
			Gross Costs	Revenue Cost Savings	Net \$	Net %	
Assessment Review/Tax Collection Analyst	Finance	1	56,888	-	56,888	0.37%	67,776
Share Point Enhancement	IT/Clerks		25,000		25,000	0.16%	
Pavement Management System	Eng & PW		25,000	-	25,000	0.16%	
Road Manager Software	Eng & PW		25,000	-	25,000	0.16%	
Fleet Manager Software	Engineering & Public Works		25,000	-	25,000	0.16%	
Ropes/Maintenance Staff (contract) - Cold Creek	Parks & Recreation		28,600	-	28,600	0.19%	
Trail Study/Plan	Parks & Recreation		20,000	-	20,000	0.13%	
	SUB-TOTAL	1	205,488	-	205,488	1.34%	67,776

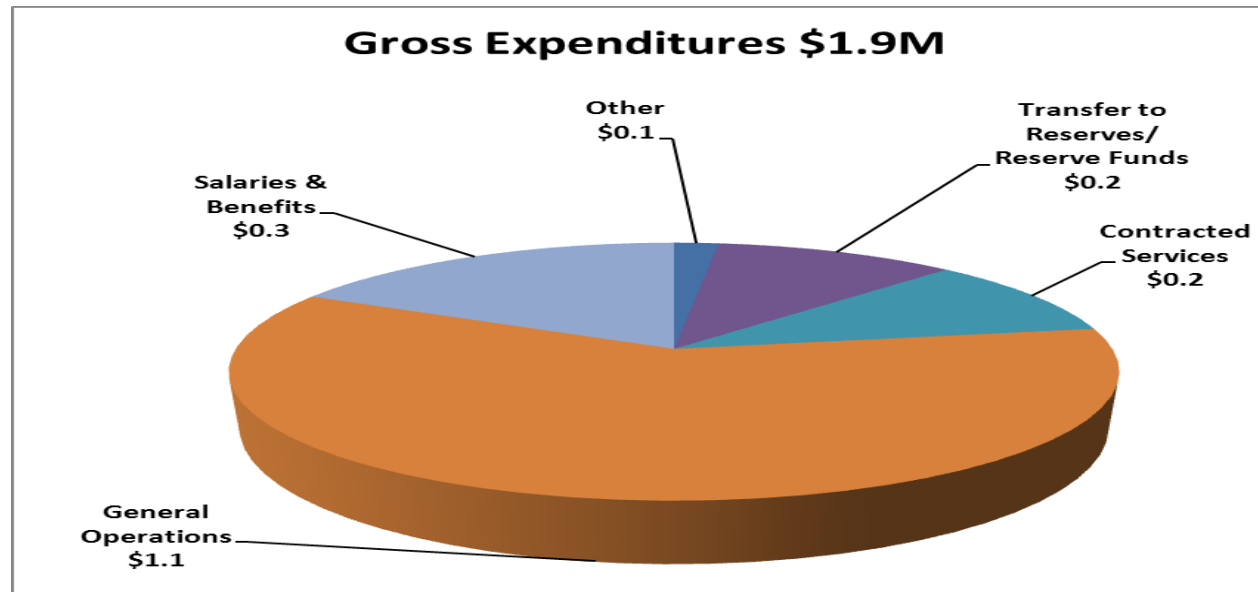
2012 Water Operating Budget

During the latter part of 2010 and the first two months of 2011, staff conducted a review of the water and wastewater rate structure through the assistance of Watson & Associates Ltd. The objective was to develop a water and wastewater rate structure that met the goals and objectives that will enable the Township to meet the full cost recovery requirements of the Sustainable Water and Sewage Systems Act and the Financial Plans Regulation (O.Reg. 453/07) under the Safe Drinking Water Act. The water and wastewater rate study was completed in February 2011 and Council approved the water and wastewater rates for 2011 and 2012 at its February 14, 2011 Council meeting, these rates are effective January 1, 2011.

Since approving the Township water and wastewater rates in early 2011, the Region of York conducted a review of their rates for 2012 to 2016 and adopted new water and wastewater rates effective April 1, 2012 (Report No. 5 of the Finance and Administration Committee, Regional Council Meeting of May 5, 2011). Seeing as the increase in their wastewater rate is significant, 13.2%, and the Township is only scheduled to increase its wastewater consumption rate in 2012 by 2%, staff has recommended an increase to the Township's wastewater consumption rate from \$0.89 per m³ in 2012 to \$0.98 per m³. This increase has already been reflected in the draft 2012 Budget & Business Plan. No changes are being proposed for the 2012 water consumption rate.

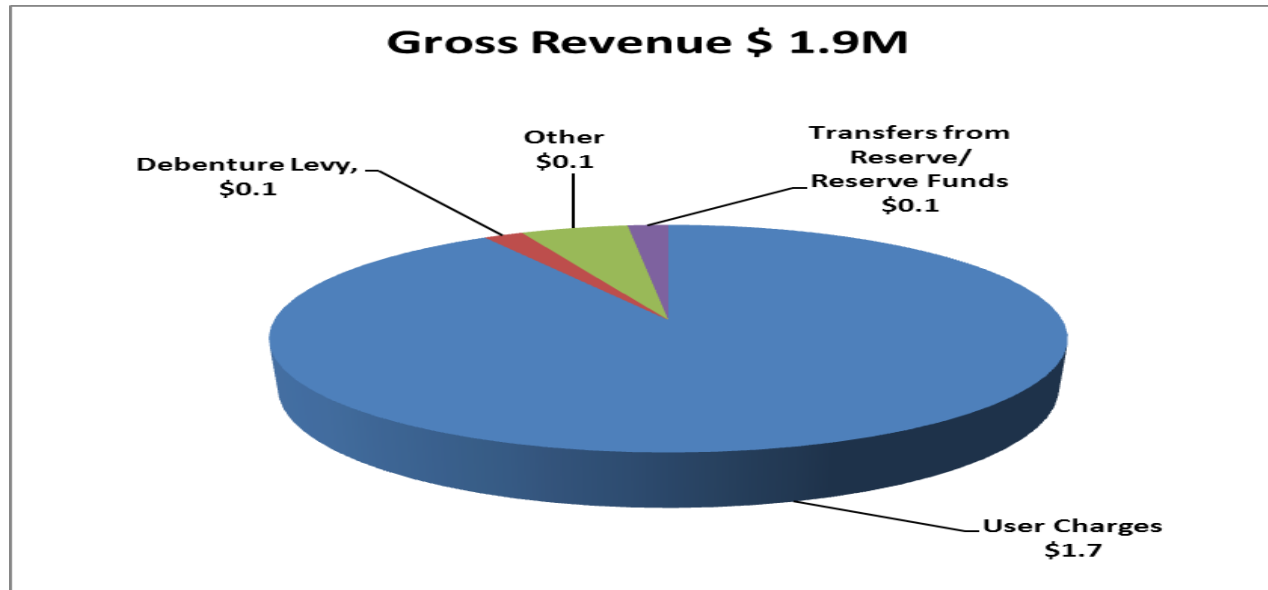
Gross Expenditures

The 2012 Water Operating Budget has gross expenditures in the amount of \$1.9M, which are displayed in the graph below.



Gross Revenues

The 2012 Water Operating Budget has gross revenues in the amount of \$1.9M, which are depicted in the graph below.



Net Impact

The net impact of the 2012 Water Operating Budget is a transfer to the water reserve in the amount of \$137,556. This will assist in funding future capital and operating expenditures that are water related.

Staff Complement

The staff complement that supports the Township's water and wastewater systems are shared between the two operations. The Township currently has five full time equivalents dedicated to providing water and wastewater to the residents of King.

Impact of Water Rate on Average User

The average residential water user (based on an annual consumption of 300 m³) will see an increase in the amount of \$30.60 or 7.1% over 2011. The 2012 water rates can be viewed on the Township's website at www.king.ca.

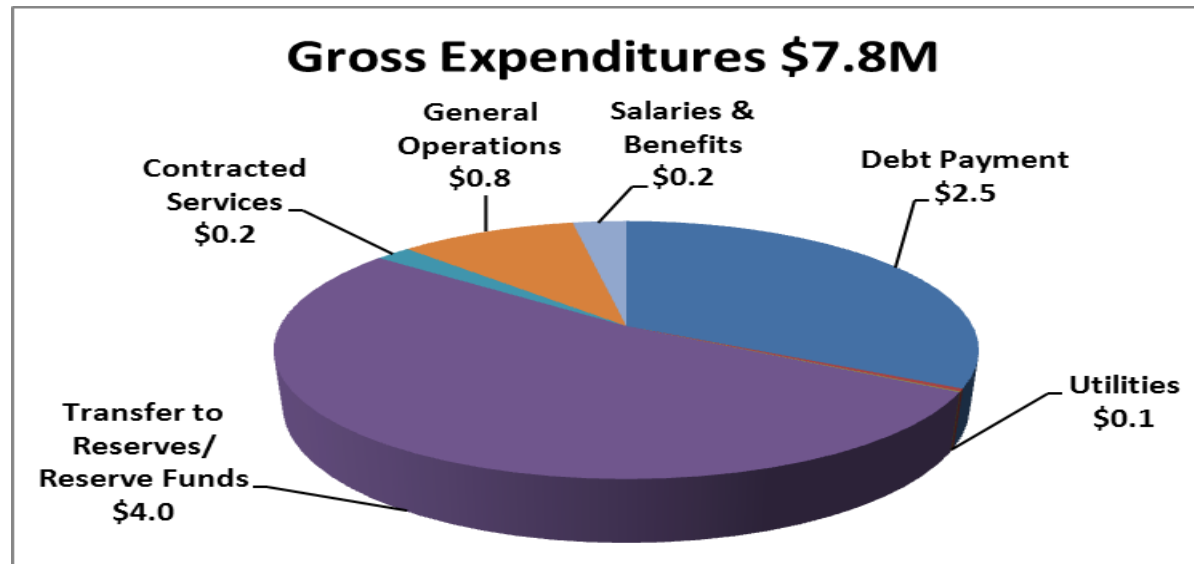
2012 Wastewater Operating Budget

During the latter part of 2010 and the first two months of 2011, staff conducted a review of the water and wastewater rate structure through the assistance of Watson & Associates Ltd. The objective was to develop a water and wastewater rate structure that met the goals and objectives that will enable the Township to meet the full cost recovery requirements of the Sustainable Water and Sewage Systems Act and the Financial Plans Regulation (O.Reg. 453/07) under the Safe Drinking Water Act. The water and wastewater rate study was completed in February 2011 and Council approved the water and wastewater rates for 2011 and 2012 at its February 14, 2011 Council meeting, these rates are effective January 1, 2011.

Since approving the Township water and wastewater rates in early 2011, the Region of York conducted a review of their rates for 2012 to 2016 and adopted new water and wastewater rates effective April 1, 2012 (Report No. 5 of the Finance and Administration Committee, Regional Council Meeting of May 5, 2011). Seeing as the increase in their wastewater rate is significant, 13.2%, and the Township is only scheduled to increase its wastewater consumption rate in 2012 by 2%, staff has recommended an increase to the Township's wastewater consumption rate from \$0.89 per m³ in 2012 to \$0.98 per m³. This increase has already been reflected in the draft 2012 Budget & Business Plan. No changes are being proposed for the 2012 water consumption rate.

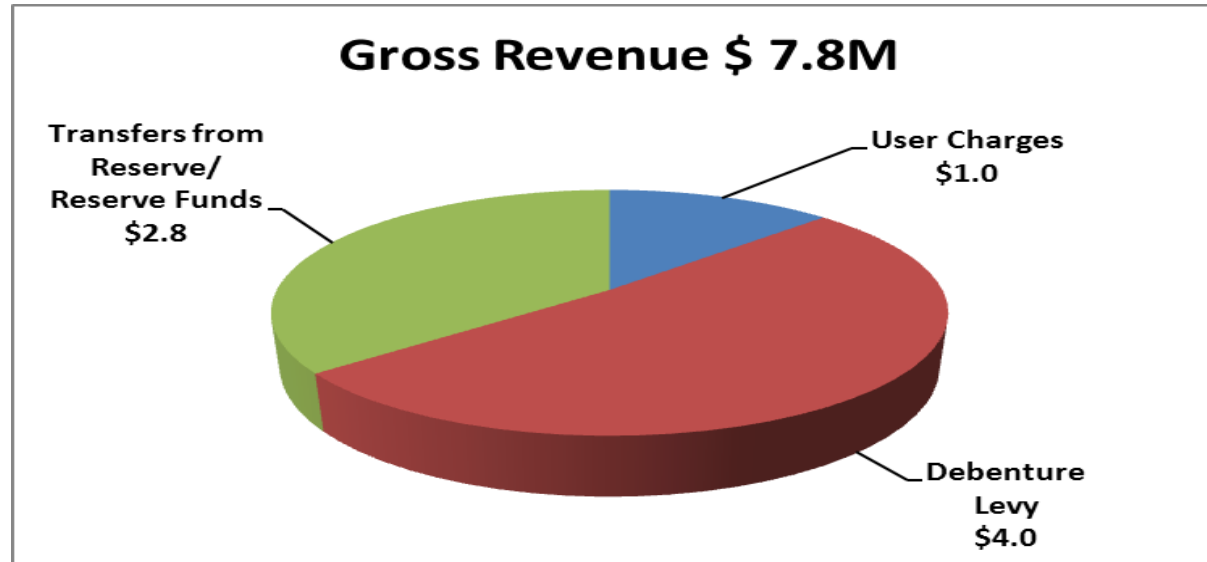
Gross Expenditures

The 2012 Wastewater Operating Budget has gross expenditures in the amount of \$7.8M, which are displayed in the graph below.



Gross Revenues

The 2012 Wastewater Operating Budget has gross revenues in the amount of \$7.8M, which are depicted in the graph below.



Net Impact

The net impact of the 2012 Wastewater Operating Budget is a transfer from the wastewater reserve in the amount of \$241,882.

Staff Complement

The staff complement that supports the Township's water and wastewater systems are shared between the two operations. The Township currently has five full time equivalents dedicated to providing water and wastewater to the residents of King.

Impact of Wastewater Rate on Average User

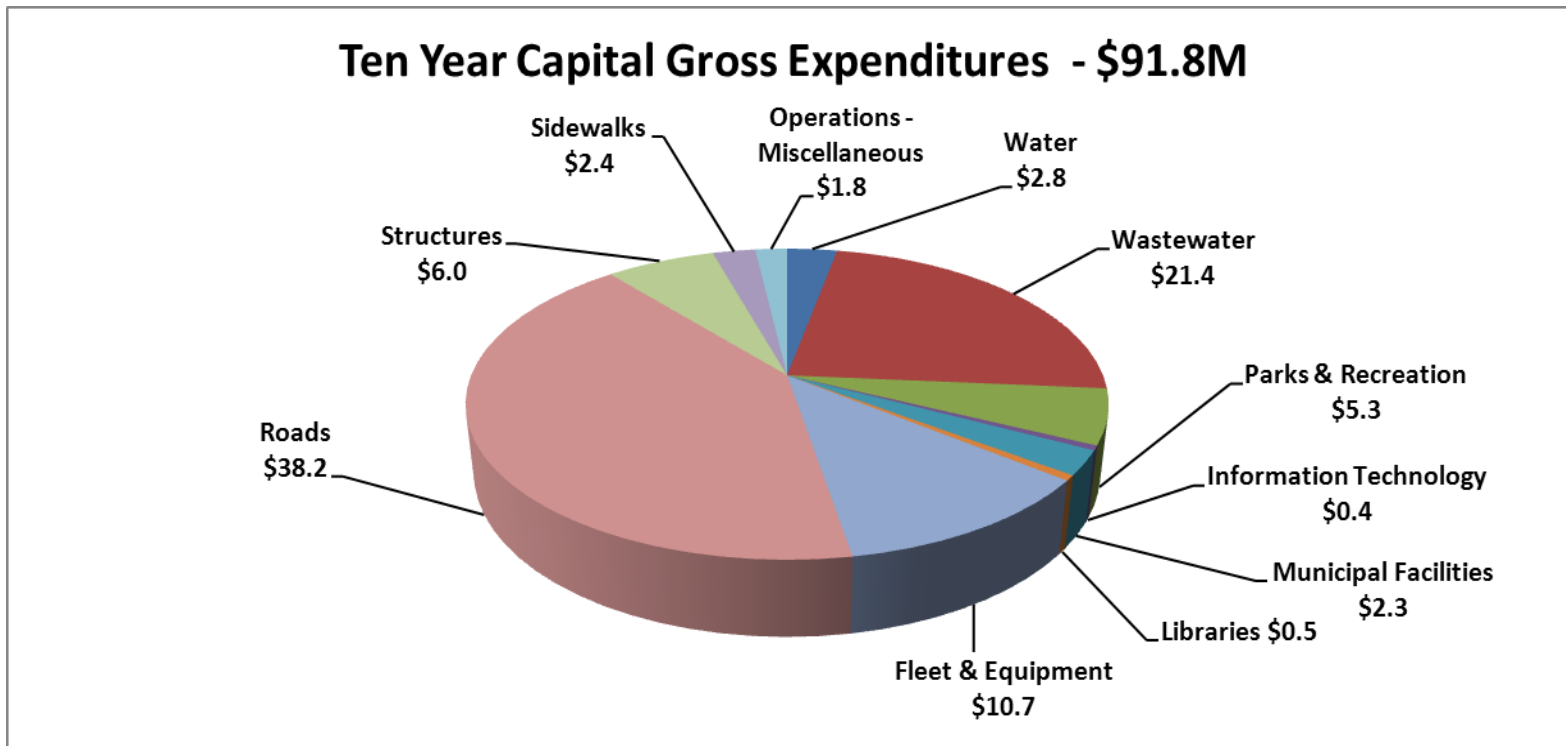
As noted earlier, staff has recommended an increase to the Township's wastewater consumption rate in 2012 and with this increase the average residential wastewater user (based on an annual consumption of 300 m³) will see an increase in the amount of \$36.48 or 8.4% over 2011. The 2012 wastewater rates can be viewed on the Township's website at www.king.ca.

Ten Year Capital Plan (2012 – 2021)

The Township of King’s ten year capital plan is comprised of the expenditures for the acquisition or repair and replacement of the tangible capital assets (TCA) of the municipality. Tangible capital assets are defined as: non-financial assets having physical substance that:

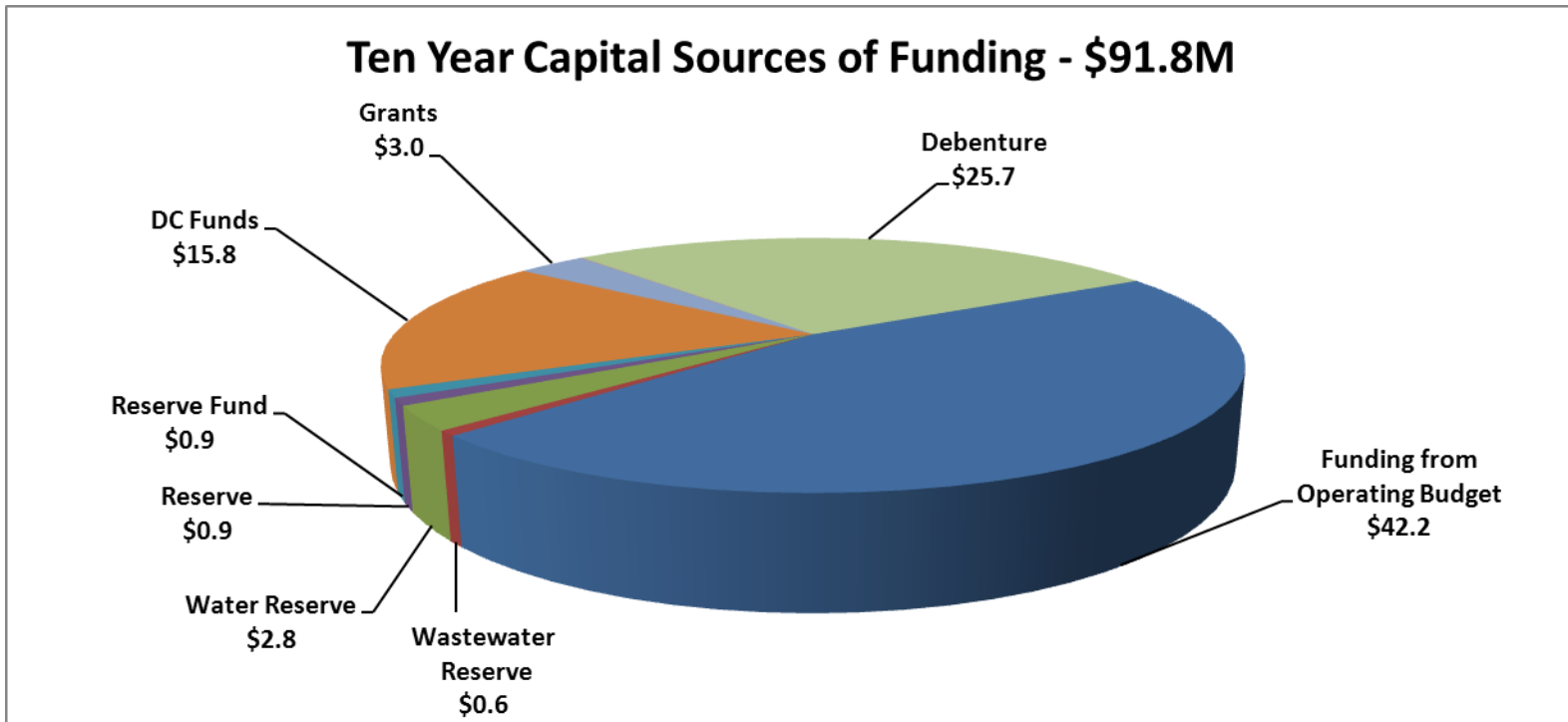
- a) Are held for use in the production of goods and services, for rental to others, for administrative purposes, and/or for the development, construction, maintenance and repair of other TCA;
- b) Are to be used on a continuing basis;
- c) Have useful lives extending beyond one accounting period; and
- d) Are not for sale in the ordinary course of operations.

The Township’s ten year capital plan has gross expenditures in the amount of \$91.8M which is comprised of the following:



As shown in the chart above, roads and wastewater projects form the vast majority, 65%, of the total capital expenditures required over the next ten years.

The ten year capital plan has sources of funding in the amount of \$91.8M:



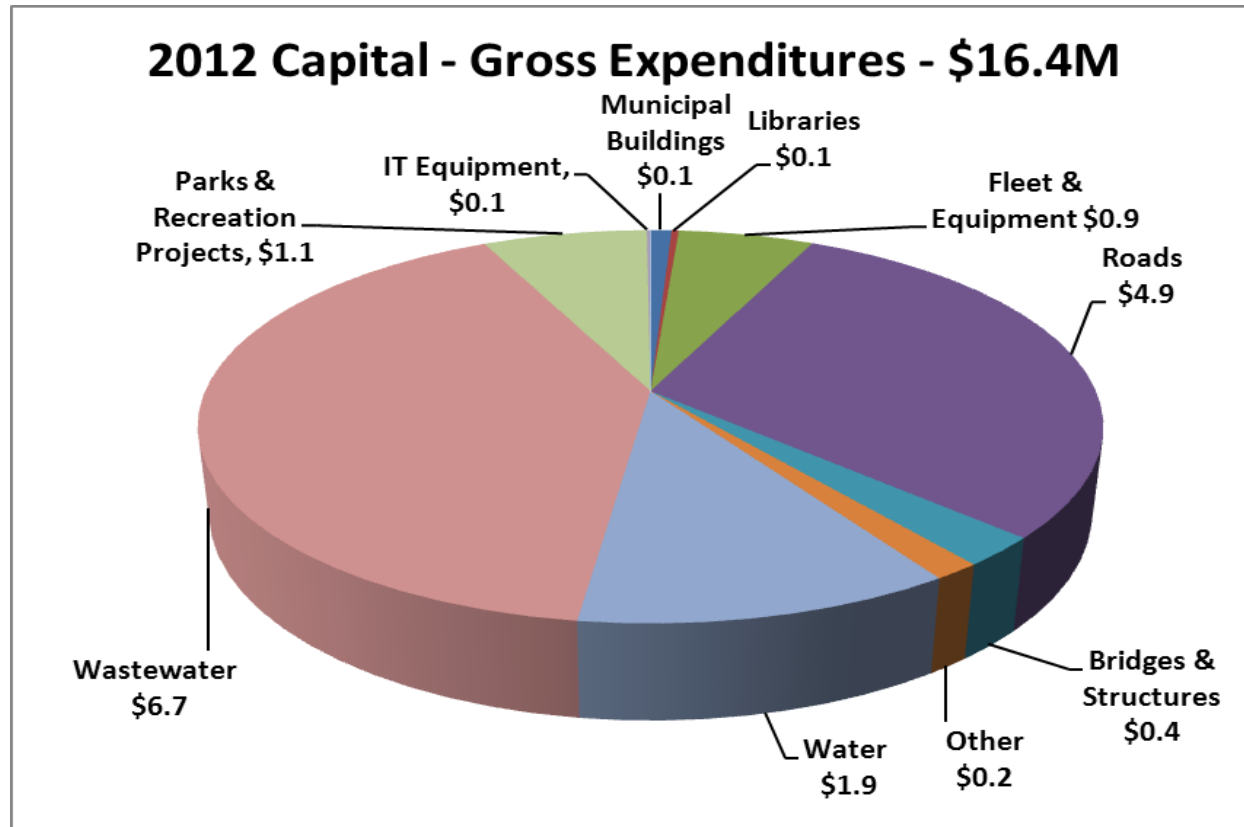
As shown in the chart above, the Township will need to rely heavily on debentures, \$25.7M, funding from the operating budget, \$42.2M, and Development Charges, \$15.8M, in order to fund the ten year capital plan.

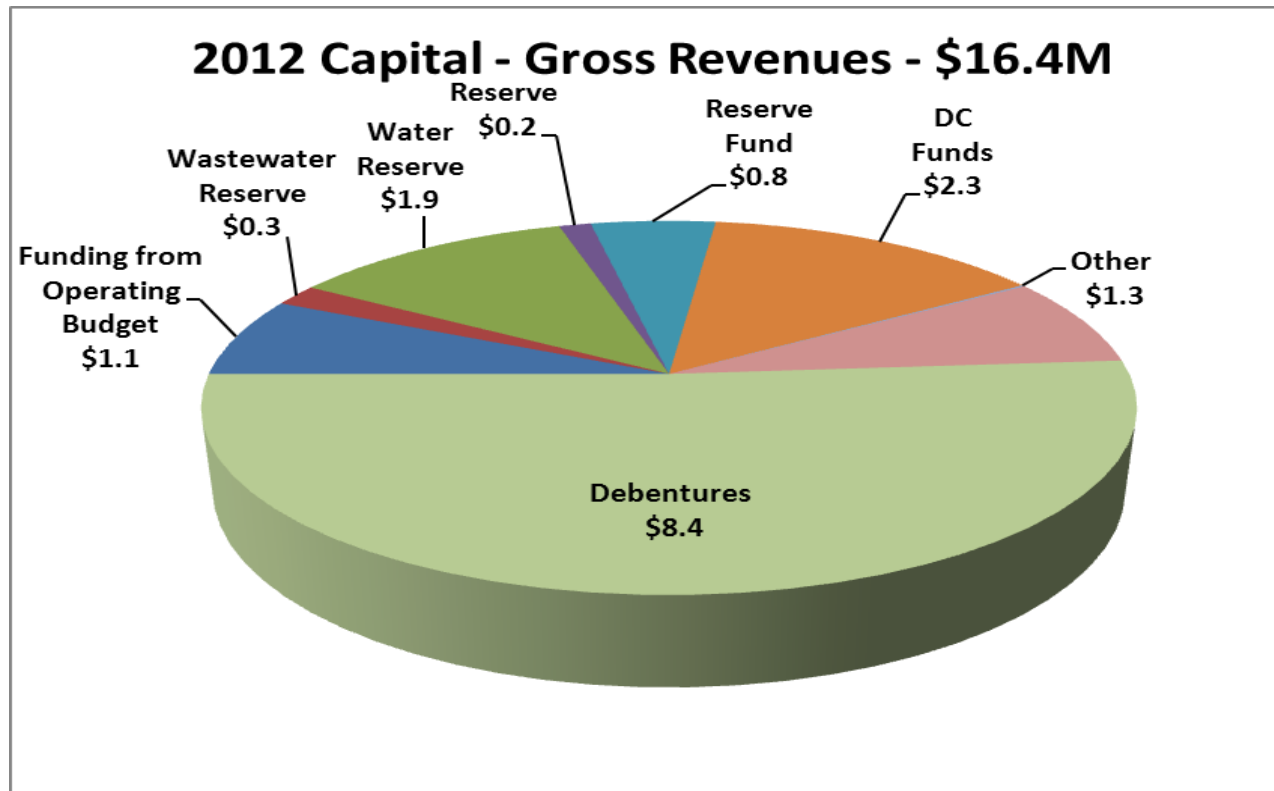
Further details regarding the specific projects that are planned over the next ten years can be found under the “**Ten Year Capital Plan (2012 – 2021) Details**” tab in the draft 2012 Budget & Business Plan.

2012 Capital Budget/Requests

Although the Township has a ten year capital plan, it is only the current year, 2012, that is being recommended for adoption/approval. Therefore, only those projects requested in the current year will proceed, if approved by Council.

The Township of King's 2012 Capital Budget is comprised of gross expenditures in the amount of \$16.4M with funding sources in the same amount. The planned expenditures for 2012 and its corresponding funding sources are depicted in the graphs below:





For further details on the projects that have been planned for 2012, please refer to the “Ten Year Capital Budget Details” tab in the draft 2012 Budget & Business Plan.



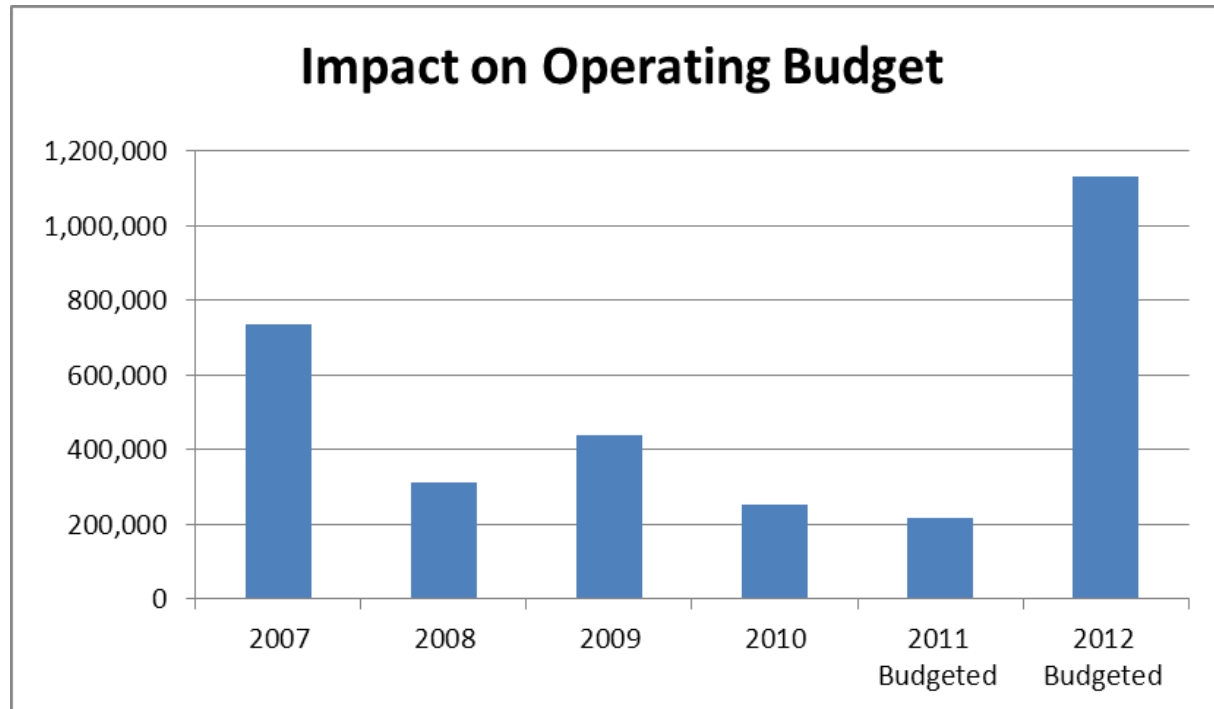
Key Projects for 2012

The key capital projects that are planned for 2012 include (but are not limited to) the following:

Key Project	Proposed 2012 Budget
Nobleton Sanitary Sewers & Concurrent Works(Phase One)	\$9,432,484
11 th Conc. – Hwy 9 to 19 th S.R.	\$1,691,300
11 th Conc. – 19 th S.R. to 17 th S.R.	\$351,433
11 th Conc. – 15 th S.R. to King Road	\$188,573
King City – Asphalt Top Course (King City Sewers)	\$768,424
Skateboard & Ball Hockey Park	\$650,000
(1) Single Axle & (1) Double Axle Dump Truck	\$500,200
16 th east of 11 th > 3.0 metres (Culvert 307)	\$350,000
Soccer Field – Holy Name (King Dufferin Subdivision)	\$250,000
Total	\$14,182,414

Impact on Operating Budget

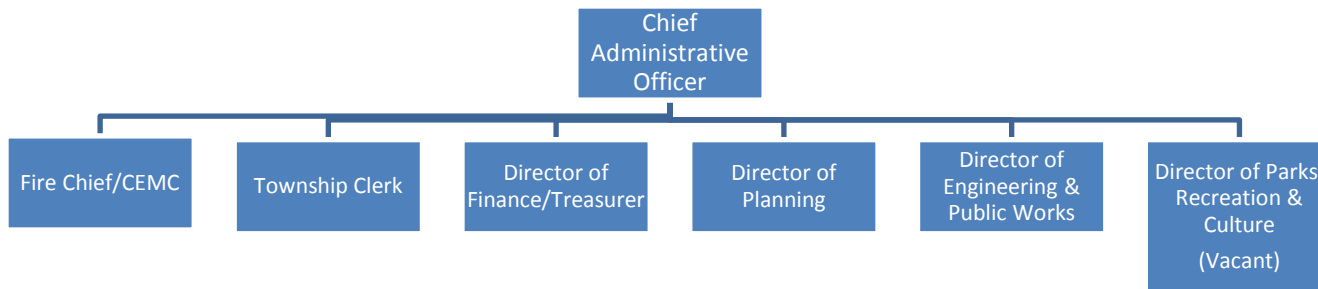
The 2012 Capital Budget is funded from a number of sources; one being the operating budget/taxation. To the extent that the Capital budget does not have any other funding sources to draw upon (e.g. development charges, reserves, grants, provincial and federal funding), the Township is then required to fund the remaining balance from the operating budget/taxation. The graph below shows the amounts that have previously been funded out of the operating budget to support previous capital budgets; as well it indicates the amount that is required in 2012 to be funded from the operating budget to support capital initiatives, namely \$1,131,141.



Further to the graph on the previous page, the chart below provides a detailed breakdown of the capital projects being proposed in 2012 that have an impact/are being supported by the 2012 operating budget.

Project	Gross Expenditures	Impact on 2012 Operating Budget	Impact on Tax Increase
	\$	\$	%
16th east of 11th >3.0 metres (Culvert 307)	350,000	350,000	2.3%
Roads - D/A Dump Equip. #810	262,300	262,300	1.7%
King City - Asphalt Top Course	768,424	196,341	1.3%
Parks - 1 Ton Dump Truck - Replacement	70,000	70,000	0.5%
Fire - # 380 GMC Utility	50,000	50,000	0.3%
Stormwater Management Master Plan - Lake Simcoe watershed	50,000	50,000	0.3%
Roads - Chev 2500 4x4 (3/4 ton) #815	45,000	45,000	0.3%
117 Brule Trail Storm Water Retrofit	60,000	40,000	0.3%
IT Equipment	25,000	25,000	0.2%
Nobleton Hall Upstairs Floor Replacement	21,000	21,000	0.1%
Parks - Core Aerator	19,000	19,000	0.1%
Parks - 1 Lawn Tractor - New	25,000	2,500	0.0%
Total	\$ 1,745,724	\$ 1,131,141	7.4%

Senior Management Team



TOWNSHIP OF KING
Summary (Tax Based Only)
2012 Base Budget Change Form

	2011	2012	Program	2012	Change in 2012 Requested	
	Approved	Base		Requested	Budget to 2011 Budget	
	Budget	Budget	Change(s)	Budget	\$	%
	\$	\$	\$	\$		
Salaries	8,283,635	8,802,641	229,149	9,031,790	748,155	9%
Benefits	1,753,686	1,981,703	29,563	2,011,266	257,580	15%
General Operations	3,846,811	3,935,753	49,465	3,985,218	138,407	4%
Contractual Services/ Consultants	2,712,843	2,172,873	350,300	2,523,173	(189,670)	0%
Utilities (Gas, Hydro, Water)	831,408	838,861	-	838,861	7,453	0%
Minor Capital (Repairs and Maintenance)	1,497,029	2,259,497	20,000	2,279,497	782,468	0%
Other	3,035,076	3,091,766	384,000	3,475,766	440,691	0%
Transfer to Reserve and Reserve Funds	1,909,882	1,292,852	-	1,292,852	(617,030)	0%
Gross Expenditures	23,870,369	24,375,946	1,062,477	25,438,423	1,568,054	7%
Taxation	15,094,455	15,625,011	-	15,625,011	530,557	0%
User Charges	4,195,008	4,803,413	30,000	4,833,413	638,404	0%
Grant	1,283,564	1,189,264	-	1,189,264	(94,300)	0%
Other	1,366,698	1,462,198	79,250	1,541,448	174,750	0%
Transfer from Reserve and Reserve Funds	1,906,576	749,498	130,000	879,498	(1,027,078)	0%
Total Revenues	23,846,301	23,829,384	239,250	24,068,634	222,332	10726%
Net Expenditures	24,068	546,562	823,227	1,369,789	1,345,721	5591%