



Budget16

Corporate Revenues
and Expenses

2016 Operating Budget

Operating Budget Summary

Description

2015

2016

| | Projected Actual | Budget | Base Budget | % 2015 Budget | Proposed Budget Options | Proposed Budget | % 2015 Budget |
|--------------------------------|---------------------|---------------------|---------------------|------------------|----------------------------|---------------------|------------------|
| Full Time Positions | | 0 | 11 | 100.0 | 0 | 11 | 100.0 |
| <u>Revenues</u> | | | | | | | |
| Levies | (10,007,735) | (10,110,284) | (10,223,901) | (1.1) | 0 | (10,223,901) | (1.1) |
| Provincial Grants & Subsidies | (28,468,100) | (28,468,100) | (25,792,100) | 9.4 | 0 | (25,792,100) | 9.4 |
| Licensing & Lease Revenues | (228,000) | (200,000) | (200,000) | - | 0 | (200,000) | - |
| Investment Earnings | (12,755,701) | (10,430,701) | (10,339,046) | 0.9 | 0 | (10,339,046) | 0.9 |
| Contr from Reserve and Capital | (6,149,090) | (6,149,090) | (1,202,761) | 80.4 | 0 | (1,202,761) | 80.4 |
| Other Revenues | (3,580,000) | (3,745,000) | (2,395,000) | 36.0 | 0 | (2,395,000) | 36.0 |
| Total Revenues | (61,168,626) | (59,103,175) | (50,152,808) | 15.1 | 0 | (50,152,808) | 15.1 |
| <u>Expenses</u> | | | | | | | |
| Salaries & Benefits | 0 | 0 | 914,145 | 100.0 | 0 | 914,145 | 100.0 |
| Materials - Operating Expenses | 2,626,728 | 2,171,029 | 1,987,000 | (8.5) | 0 | 1,987,000 | (8.5) |
| Rent and Financial Expenses | 500,000 | 245,000 | 245,000 | - | 0 | 245,000 | - |
| Debt Repayment | 2,100,000 | 2,100,000 | 2,100,000 | - | 0 | 2,100,000 | - |
| Grants - Transfer Payments | 332,517 | 332,517 | 322,517 | (3.0) | 0 | 322,517 | (3.0) |
| Contr to Reserve and Capital | 1,295,000 | 1,295,000 | 45,000 | (96.5) | 0 | 45,000 | (96.5) |
| Internal Recoveries | 0 | 0 | (32,902) | (100.0) | 0 | (32,902) | (100.0) |
| Total Expenses | 6,854,246 | 6,143,546 | 5,580,760 | (9.2) | 0 | 5,580,760 | (9.2) |
| Net Budget | (54,314,380) | (52,959,629) | (44,572,048) | 15.8 | 0 | (44,572,048) | 15.8 |

CORPORATE REVENUES AND EXPENSES

This section of the budget records all general or non-departmental revenues and expenses of the Municipality including:

- Tax write offs, Provincially mandated tax rebates
- Payment in lieu of taxation
- Supplementary taxes
- Elderly tax assistance
- Ontario Municipal Partnership Fund
- Investment income
- Interest on tax arrears
- Greater Sudbury Utility (GSU) interest revenue
- OLG slot revenue
- Certain grants to non-profit organizations
- Annual contribution to Laurentian University (School of Architecture)
- Annual contribution to Health Sciences North and Northeastern Ontario Regional Cancer Centre

2016 Operating Budget

Operating Budget Summary

Description

This section includes payments-in-lieu of taxes, power generating dams grants and revenue associated with supplementary taxation. This section also includes tax write offs and elderly tax assistance, which is a \$275 rebate for qualifying homeowners. Provincially mandated programs for vacancy rebates and charity rebates are funded from this section.

| | 2015 | | 2016 | | | | |
|--------------------------------|---------------------|---------------------|---------------------|------------------|----------------------------|---------------------|------------------|
| | Projected Actual | Budget | Base Budget | % 2015 Budget | Proposed Budget Options | Proposed Budget | % 2015 Budget |
| Full Time Positions | | 0 | 0 | - | 0 | 0 | - |
| <u>Revenues</u> | | | | | | | |
| Levies | (10,007,735) | (10,110,284) | (10,223,901) | (1.1) | 0 | (10,223,901) | (1.1) |
| Other Revenues | (1,045,000) | (1,045,000) | (45,000) | 95.7 | 0 | (45,000) | 95.7 |
| Total Revenues | (11,052,735) | (11,155,284) | (10,268,901) | 7.9 | 0 | (10,268,901) | 7.9 |
| <u>Expenses</u> | | | | | | | |
| Materials - Operating Expenses | 2,615,700 | 2,160,000 | 1,975,000 | (8.6) | 0 | 1,975,000 | (8.6) |
| Grants - Transfer Payments | 175,000 | 175,000 | 165,000 | (5.7) | 0 | 165,000 | (5.7) |
| Contr to Reserve and Capital | 1,045,000 | 1,045,000 | 45,000 | (95.7) | 0 | 45,000 | (95.7) |
| Total Expenses | 3,835,700 | 3,380,000 | 2,185,000 | (35.4) | 0 | 2,185,000 | (35.4) |
| Net Budget | (7,217,035) | (7,775,284) | (8,083,901) | (4.0) | 0 | (8,083,901) | (4.0) |

TAXATION LEVY

Variance Explanation:

Other Revenues/Contribution to Reserve

There is a variance in other revenues and the corresponding contribution to reserve as a result of the removal of the 2015 budget target of \$1Million from the sale of Municipal facilities.

2015 Year End Projection

This area is reflecting a projected negative variance of \$560,000 as follows:

- Supplemental taxation is projected to be under budget by \$55,000
- Payments in lieu of taxation are projected to be under budget by \$45,000
- Tax writeoffs are projected to exceed budget by \$460,000 as a result of appeals, and requests for reconsideration and applications under section 357

2016 Operating Budget

| Operating Budget Summary |
|---|
| Description |
| This area reflects all components of funding under the Ontario Municipal Partnership Fund (OMPF). |

| | 2015 | | 2016 | | | | |
|-------------------------------|---------------------|---------------------|---------------------|---------------|-------------------------|---------------------|---------------|
| | Projected Actual | Budget | Base Budget | % 2015 Budget | Proposed Budget Options | Proposed Budget | % 2015 Budget |
| Full Time Positions | | 0 | 0 | - | 0 | 0 | - |
| Revenues | | | | | | | |
| Provincial Grants & Subsidies | (28,468,100) | (28,468,100) | (25,792,100) | 9.4 | 0 | (25,792,100) | 9.4 |
| Total Revenues | (28,468,100) | (28,468,100) | (25,792,100) | 9.4 | 0 | (25,792,100) | 9.4 |
| Net Budget | (28,468,100) | (28,468,100) | (25,792,100) | 9.4 | 0 | (25,792,100) | 9.4 |

GRANTS AND SUBSIDIES

The province has continued with its plan to phase down OMPF, however the Ministry of Finance revised the 2016 reduction plan by \$5 Million resulting in a total of \$505 Million of available funding for Ontario municipalities.

The OMPF remains an important revenue source to the City's budget. The Association of Municipalities of Ontario (AMO) recognizes this and the following is an excerpt from its 2015 pre-budget submission:

"The provincial upload of many social assistance and court security costs from the property tax base has been highly beneficial to the municipal sector as a whole. Financial risk is diminished. However, the upload has affected different municipalities in different ways and the OMPF remains critically important to many municipalities."

| | |
|---|----------------|
| 2016 Impact to the City of Greater Sudbury | (\$ millions) |
| Decline in OMPF | (\$2.7) |
| Ontario Works Upload (Social Services Budget) | <u>\$0.8</u> |
| Subtotal | (\$1.9) |
| Court Security and Prisoner Transportation Upload (Police Budget) | <u>\$.3</u> |
| Impact to the Operating Budget | <u>(\$1.6)</u> |

The 2016 OMPF Allocation Notice for the City of Greater Sudbury is on the next page.

**Ontario Municipal Partnership Fund (OMPF)
2016 Allocation Notice**



City of Greater Sudbury

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2016 Highlights for the City of Greater Sudbury

- The City of Greater Sudbury's combined benefit of the 2016 OMPF and provincial uploads totals \$55,680,100 which is the equivalent of 24% of the City's municipal property tax revenue.
- The City's combined benefit includes:
 - \$25,792,100 through the OMPF
 - \$29,888,000 benefit resulting from the provincial uploads
- This exceeds the payments received in 2004 by \$1,083,100.

A Total 2016 OMPF \$25,792,100

| | |
|--|--------------|
| 1. Assessment Equalization Grant | - |
| 2. Northern Communities Grant | \$17,136,100 |
| 3. Rural Communities Grant | - |
| 4. Northern and Rural Fiscal Circumstances Grant | \$2,705,700 |
| 5. Transitional Assistance | \$5,950,300 |

B 2016 Combined Benefit of OMPF and Provincial Uploads (Line B1 + Line B2) \$55,680,100

| | |
|---------------------------------|--------------|
| 1. Total OMPF (Equal to Line A) | \$25,792,100 |
| 2. Provincial Uploads | \$29,888,000 |

C Other Ongoing Provincial Support \$14,127,900

| | |
|-------------------------------|-------------|
| 1. Public Health | \$7,186,900 |
| 2. Land Ambulance | \$4,348,700 |
| 3. Provincial Gas Tax Program | \$2,592,300 |

D Key OMPF Data Inputs

| | |
|--|--------------|
| 1. Households | 75,158 |
| 2. Total Weighted Assessment per Household | \$287,459 |
| 3. Rural and Small Community Measure | 11.8% |
| 4. Farm Area Measure | n/a |
| 5. Northern and Rural Municipal Fiscal Circumstances Index | 3.6 |
| 6. 2016 Guaranteed Level of Support | 90.6% |
| 7. 2015 OMPF (Line A from 2015 Allocation Notice) | \$28,468,100 |

Issued: November 2015

Ontario Municipal Partnership Fund (OMPF) 2016 Allocation Notice



City of Greater Sudbury

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2016 OMPF Allocation Notice - Line Item Descriptions

A The OMPF grants are described in detail in the OMPF Technical Guide – this document can be found on the Ministry of Finance's website at: <http://www.fin.gov.on.ca/en/budget/ompf/2016>

A5 If applicable, reflects the amount of transitional support provided to assist the municipality in adjusting to the redesigned OMPF program.

B1 Sum of 2016 OMPF grants. (Equal to Line A)

B2 Estimated 2016 benefit of the Province's upload of social assistance benefit program as well as court security and prisoner transportation costs.

C1 The estimated 2016 municipal benefit of the Province's 75 per cent share of public health funding relative to its 50 per cent share in 2004. In two-tier systems, this benefit is identified at the upper-tier level. Actual municipal savings may not correspond with the Allocation Notice due to budget approvals made by the local Boards of Health. Municipalities may provide additional funding beyond their obligated cost share. Any additional municipal funding is not included in the calculation of the public health figure.

C2 The estimated 2016 municipal benefit of the Province's 50 per cent share of land ambulance funding relative to its share in 2005. This incremental increase in land ambulance funding delivers on the Province's commitment to strengthen land ambulance services and maintain the 50:50 sharing of land ambulance costs. In two-tier systems, this benefit is identified at the upper-tier level.

C3 Funding provided to the municipality through the 2015-16 provincial gas tax program.

D2 Refers to the total assessment for a municipality weighted by the tax ratio for each class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households.

D3 Represents the proportion of a municipality's population residing in rural areas or small communities. For additional information see the 2016 OMPF Technical Guide.

D4 Represents the percentage of a municipality's land area comprised of farm land. Additional details regarding the calculation of the Farm Area Measure are provided in the 2016 OMPF Technical Guide.

D5 The northern and rural Municipal Fiscal Circumstances Index (MFCI) measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province, and ranges from 0 to 10. A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances. For additional information see the 2016 OMPF Technical Guide.

D6 Represents the guaranteed level of support the municipality will receive from the Province through the 2016 OMPF. For additional information see the 2016 OMPF Technical Guide.

D7 2015 OMPF allocation

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of \$100.

Ontario Ministry of Finance
Provincial-Local Finance Division

Issued: November 2015

2016 Operating Budget

| Operating Budget Summary | | | | | | | |
|--------------------------|--|--|--|--|--|--|--|
| Description | | | | | | | |
| | | | | | | | |

| | 2015 | | 2016 | | | | |
|--------------------------------|---------------------|---------------------|---------------------|---------------|-------------------------|---------------------|---------------|
| | Projected Actual | Budget | Base Budget | % 2015 Budget | Proposed Budget Options | Proposed Budget | % 2015 Budget |
| Full Time Positions | | 0 | 11 | 100.0 | 0 | 11 | 100.0 |
| Revenues | | | | | | | |
| Licensing & Lease Revenues | (228,000) | (200,000) | (200,000) | - | 0 | (200,000) | - |
| Investment Earnings | (12,755,701) | (10,430,701) | (10,339,046) | 0.9 | 0 | (10,339,046) | 0.9 |
| Contr from Reserve and Capital | (6,149,090) | (6,149,090) | (1,202,761) | 80.4 | 0 | (1,202,761) | 80.4 |
| Other Revenues | (2,615,000) | (2,700,000) | (2,350,000) | 13.0 | 0 | (2,350,000) | 13.0 |
| Total Revenues | (21,647,791) | (19,479,791) | (14,091,807) | 27.7 | 0 | (14,091,807) | 27.7 |
| Expenses | | | | | | | |
| Salaries & Benefits | 0 | 0 | 914,145 | 100.0 | 0 | 914,145 | 100.0 |
| Materials - Operating Expenses | 11,029 | 11,029 | 12,000 | 8.8 | 0 | 12,000 | 8.8 |
| Rent and Financial Expenses | 500,000 | 245,000 | 245,000 | - | 0 | 245,000 | - |
| Debt Repayment | 2,100,000 | 2,100,000 | 2,100,000 | - | 0 | 2,100,000 | - |
| Grants - Transfer Payments | 157,517 | 157,517 | 157,517 | - | 0 | 157,517 | - |
| Contr to Reserve and Capital | 250,000 | 250,000 | 0 | (100.0) | 0 | 0 | (100.0) |
| Internal Recoveries | 0 | 0 | (32,902) | (100.0) | 0 | (32,902) | (100.0) |
| Total Expenses | 3,018,546 | 2,763,546 | 3,395,760 | 22.9 | 0 | 3,395,760 | 22.9 |
| Net Budget | (18,629,245) | (16,716,245) | (10,696,047) | 36.0 | 0 | (10,696,047) | 36.0 |

OTHER REVENUES AND EXPENSES

This section contains investment earnings, OLG slots revenue, and interest earned on taxes, Greater Sudbury Utility promissory note and own projects.

Also, included in this section are the City's annual payment of the accrued financial obligations to Health Sciences North and Northeastern Ontario Regional Cancer Centre ending in 2023, Laurentian University (School of Architecture) ending in 2019 as well as AMRIC.

Variance Explanations:

Contribution from Reserve and Capital

Removal of one-time funding from reserve to fund the 2015 approved budget zero percent tax increase.

Other Revenues/Contribution to Reserve

Removal of the 2015 budget target of \$250,000 from the sale of advertising which was contributed to reserve.

Salaries and Benefits

For 2016, this section includes the 11 positions that were identified for attrition, where the employees were retiring during the year and their applicable part year wages were to be funded from reserve.

2015 Year End Projection:

Corporate Revenues and Expenses are forecasting an overall net positive variance of \$1.9 Million as follows:

- Projected increase in licensing revenue of \$30,000
- Increased investment income primarily from capital gains from the sale of bonds of \$1.9 Million and interest on tax arrears of \$0.4 Million
- Other revenue includes an estimated reduction in OLG slot revenue of \$180,000
- Projected increase in writeoffs of interest and penalties on tax arrears \$250,000