

City of Greater Sudbury 2006 Preliminary Budget

Finance Committee Meeting
November 30, 2005

Presented by: Councillor Eldon Gainer
Mark Mieto
Lorella Hayes



Budget06

Agenda

- **Budget Strategy and Time Lines**
- **Important Issues Facing Taxpayers**
 - Citizen Feedback survey
 - Public Input Sessions
- **2006 Corporate Business Plan**
- **Operating Budget Summary**



Budget Strategy

- **December 15th, 2005**
 - Council adoption of 2006 Operating Budget
- **January 26, 2006**
 - Council adoption of 2006 Capital Budget
- **Spring 2006**
 - Council adoption of Final Tax rates and Tax policy



Budget Planning Process Operating

June 2005

- Development of council priorities

June 2005 – November 2005

- Development of business plans

September 2005

- Public input sessions

June 2005 – November 2005

- Analysis of department submissions

October 2005 – November 2005

- CAO & senior management team
Review of base budget and options

**November 30 to
December 13 2005**

- Finance committee review of budget
and voting process

December 15 2005

- Council approval & adoption of
2006 operating budget



Budget Planning Process Capital

June 2005 – December 2005

- Review and update of 10-year Capital forecast

September 2005 to January 2006

- Analysis of department submissions

October 26, 2005

- Presentation to Council 10 Year Capital Needs & Financing

November 2005 to January 2006

- Prioritization of capital projects Using capital priorities framework

January 16 to 23, 2006

- Finance committee review

January 25, 2006

- Council approval & adoption of Capital budget

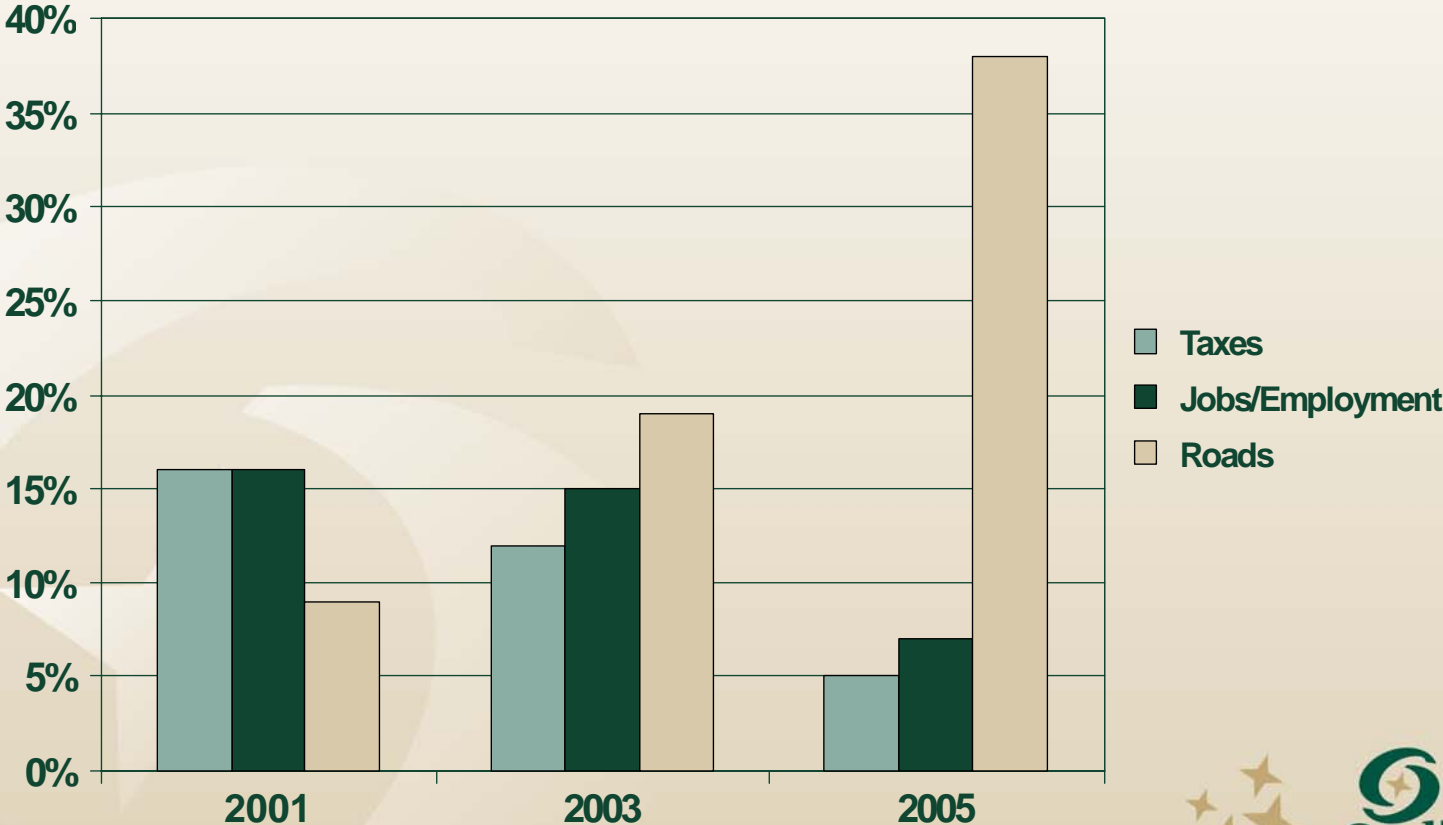
Spring 2006

- Approval of property tax policy
- Approval of tax rates



Citizen Feedback Surveys

Top of Mind Issues



2005 Public Input Sessions

Key Themes:

- Leisure Facilities and Programs
- Roads and Sidewalks
- Transit
- Waste Management

2006 Business Plan

Vision:

The City of Greater Sudbury is a growing, world-class Community bringing talent, technology and a great northern lifestyle together

Mission:

We provide excellent access to quality municipal services and leadership in the social, environmental and economic development of the City of Greater Sudbury



2006 Business Plan

The Short Term Action Chart approved by Council at the Priorities Committee Meeting of September 14, 2005

Four immediate priorities:

- Comprehensive Capital Plan
- Healthy Community Strategy
- Arts and Culture Policy
- Economic Development Action Plan

Three subsequent priorities:

- Transit System Review
- City Beautification
- Roads Standards



2006 Business Plan

**Organizational Improvements
which are priorities include:**

- **External Accreditation Process**
- **Leadership Program and Management Development Plan**
- **Succession Plan**

2006 Business Plan

SMART Goals for the City of Greater Sudbury, 2006

Goal	Examples of Planned Actions
Develop a comprehensive capital plan	<ul style="list-style-type: none">- Capital Priority Framework- Infrastructure Renewal Policy
Develop & implement the Healthy Community Strategy	<ul style="list-style-type: none">- Best Start Program- Diversity Committee – Immigration Strategy
Develop Arts & Culture Policy	<ul style="list-style-type: none">- Initiate dialogue- Review municipal best practices



2006 Business Plan

SMART Goals continued

Goal	Examples of Planned Action
Develop / implement economic development action plan	<ul style="list-style-type: none">- Promote community open to development- Provide start up, expansion and retention information to local companies
Complete / implement transit system review	<ul style="list-style-type: none">- Review routes- Universal Transit Pass
Lead in environmental remediation and community beautification	<ul style="list-style-type: none">- Update design standards- Stewardship Program
Develop standards for roads maintenance and design	<ul style="list-style-type: none">- Winter and Summer Roads Maintenance Standards



2006 Business Plan

SMART Goals continued

Goal	Examples of Planned Action
Explore options for an external accreditation process	<ul style="list-style-type: none">- Baseline Organizational Review- National Quality Institute Progressive Excellence – Certification Level One
Develop leadership program & management development plan	<ul style="list-style-type: none">- Online training calendar- Launch Performance and Development Review Program
Develop a succession plan	<ul style="list-style-type: none">- Individual succession plans- Fire Services Company Officer training program



2006 Draft Operating Budget

2006 Proposed Base Operating Tax Increase	2.7%
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Major Variances

Key Highlights – Increases to 2006 Budget

Loss of Unconditional Grants – OMPF	\$ 2.9M
Negotiated Compensation Increases	\$ 4.1M



Major Variances

Key Highlights – Reductions

Operational Efficiencies and Budget Reductions	\$3.4M
Increased revenues	\$3.4M
One time draw from reserves/2005 projected year end surplus [resolution prepared]	\$1.2M



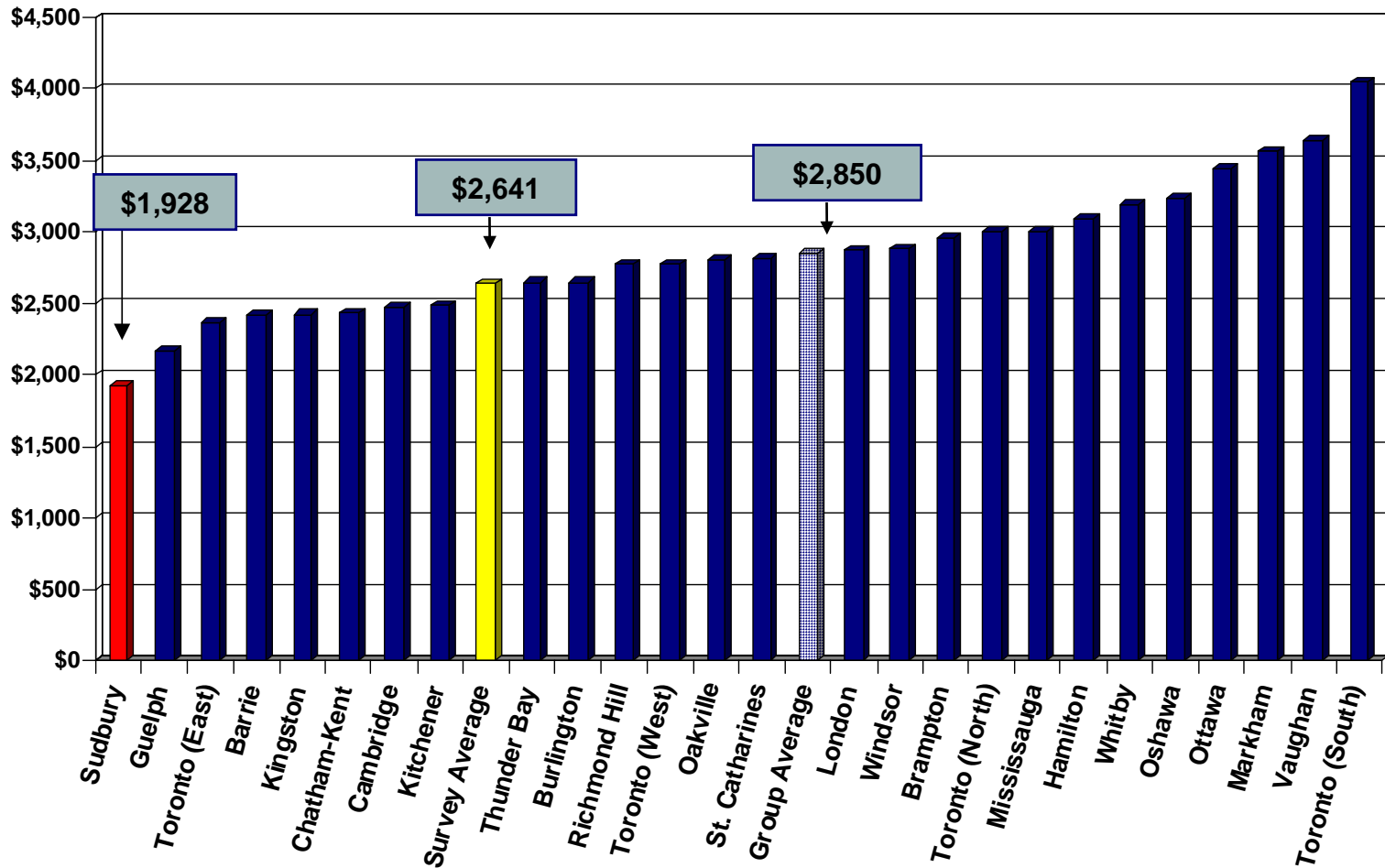
2006 Draft Operating Budget

Key Highlights

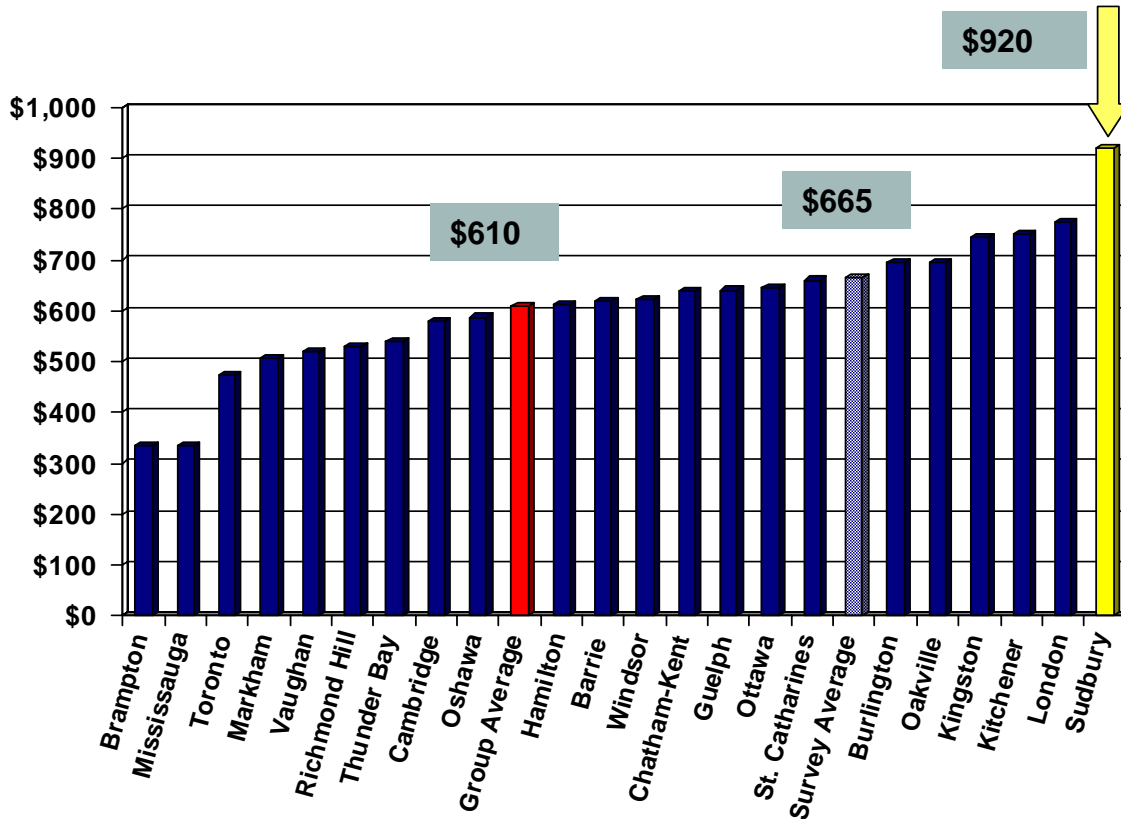
Proposed 2006 Base Operating Tax Increase	2.7%
Impact of OMPF Grant (\$2.9M)	(2.0%)
Base Operating Tax Increase (including efficiencies / new revenues)	0.7%



Property Taxes Residential Detached Bungalow



Residential Water/Sewer Cost

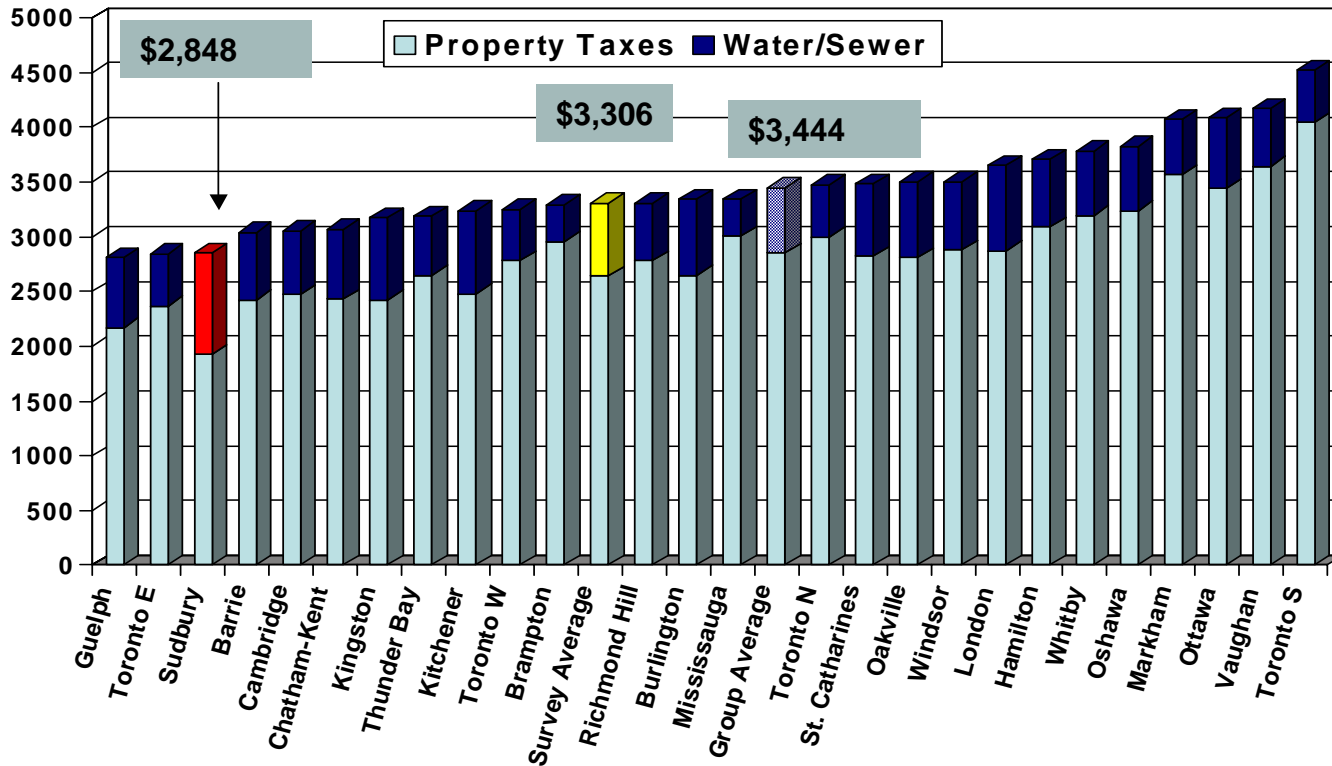


Sudbury's water/sewer cost of \$920 is above the survey average of \$665

Total survey ranged from \$335-\$1,260

In comparison to municipalities 100,000 or greater, highest in the survey

Detached Bungalow & Water/Sewer

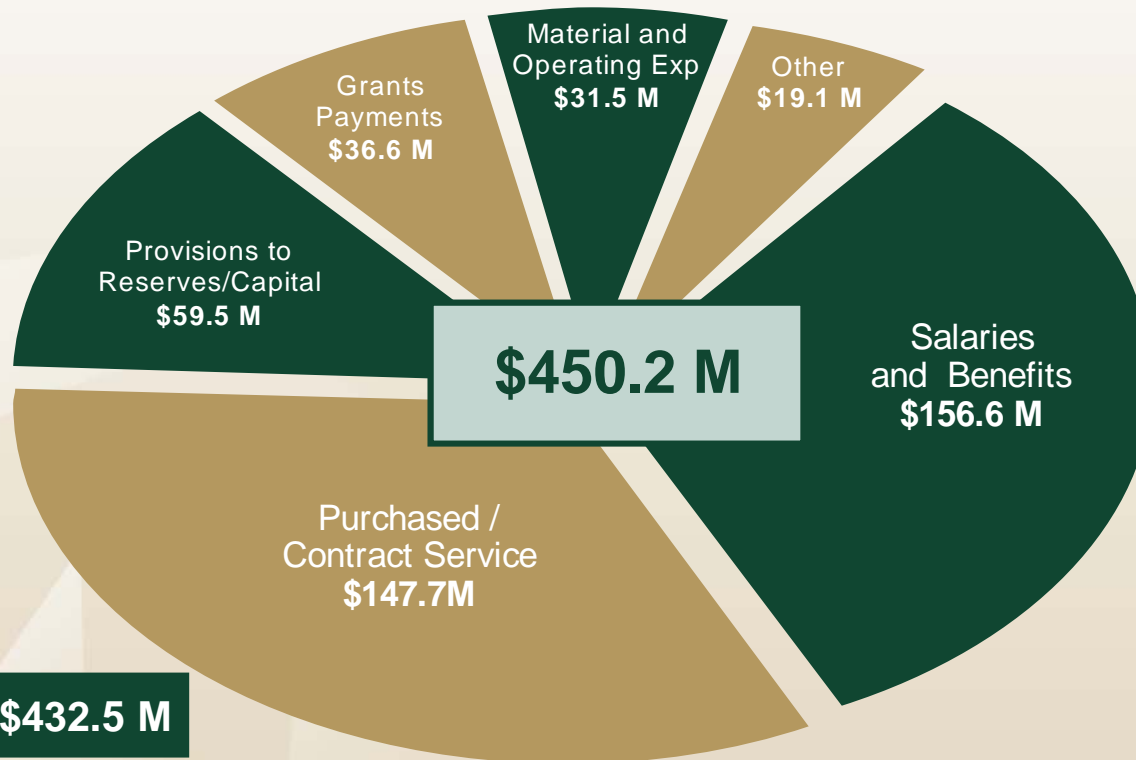


2006 Draft Operating Budget

	2005 Final	2006 Draft	Change
Expenditures	\$ 432.5M	\$ 450.2M	4.1%
Revenue	(\$284.9M)	(\$292.9M)	2.8%
Net Levy	\$ 147.6M	\$157.2M	6.5%
Assessment Growth			(1.5%)
Capital Levy			(2.3%)
2006 Proposed Base Operating Tax Increase			2.7%



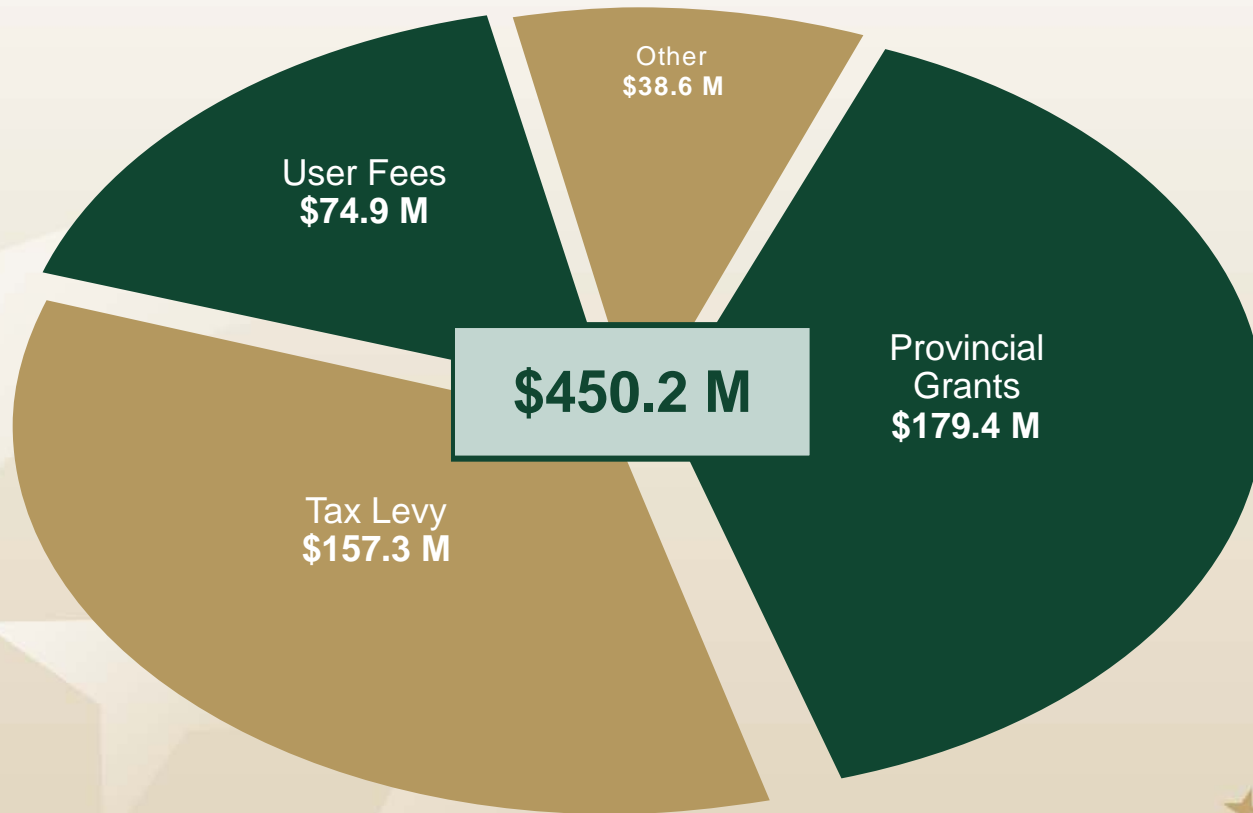
How 2006 Operating Dollars are Spent:



2005 - \$432.5 M

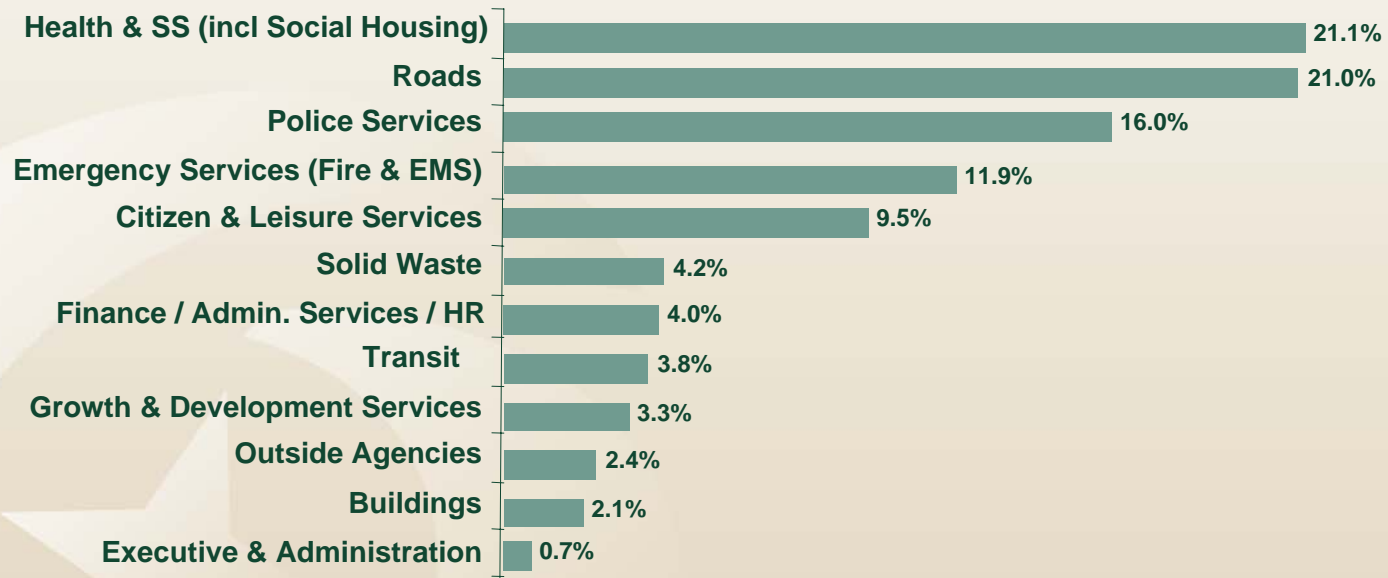


Sources of Revenues:



Allocation of Levy

2006 Draft Net Expenditures (funded by the levy)



Major Budget Variances

Budgetary Pressures for 2006

Negotiated compensation increases	\$ 4.1M
Increase in OMERS contribution rates	\$ 0.8M
Increased energy costs	\$ 0.8M
Increased Police Services budget	\$ 1.9M
Loss in unconditional grants - OMPF	\$ 2.9M

Major Budget Variances

Over \$3.4 million in efficiencies and budget reductions for 2006

Reduction in group insurance health benefits as a result of positive claims experience	\$0.5M
Reduction in Ontario Works caseload	\$0.6M
Efficiencies in summer roads maintenance	\$0.4M
Cost reductions due to providing OW Intake Screening In House	\$0.1M
Light fleet reductions	\$0.3M
Reduction in Health Unit (Provincial funding formula change)	\$0.8M
Blueprint restructuring	\$0.7M



Major Budget Variances

Over \$3.4 million in increased revenues for 2006

Increase of Transit Ridership revenues	\$0.4M
Increase in recreation revenues	\$0.3M
Increased revenue from lease of space at Pioneer Manor	\$0.5M
Provincial Offences	\$0.2M
Increased supplementary and PIL taxation	\$0.9M
Increased investment income	\$0.5M
Increased solid waste revenues	\$0.6M



Assessment Illustration

Assumptions:

- Tax levy increase 5.0% (2.7% BASE + 2.3% Capital Levy = 5%)
- 6.77% average residential assessment increase
- 2005 Current Value Assessment \$100,000 and paid \$1641 in municipal property taxes in 2005

Residential Home 2005 Assessment - \$100,000	2005 Municipal Taxes	2006 Municipal Taxes	% Increase
Tax Rate	0.01641169	0.01613962	-1.66%
2006 Assessment - \$100,000	1,641	1,614	-1.66%
2006 Assessment - \$106,770		1,723	5.00%
2006 Assessment - \$110,000		1,775	8.17%



Assessment Growth

2001 to 2006 Assessment Growth



2006 Draft Operating Budget Summary Options

Enhancement Options:	\$ millions	% Tax Levy
Council Priorities	\$.2M	.2%
Council Referrals	\$.9M	.6%
Solution Teams	\$.1M	.0%
Public Input	\$ 1.3M	.9%
Other	\$.2M	.2%
Total Enhancement Options	\$ 2.7M	1.9%
Reduction Options	\$(0.2M)	(.2%)



Council Resolution

Contribution from 2005 Projected Surplus and Reserve

That Council hereby authorize and direct staff to transfer the following revenue amounts to the 2006 operating budget:

1. Funding the future blueprint implementation (\$530,000) from the 2005 projected Corporate surplus and;
2. Funding of Employee Benefits (\$400,000) from the Human Resources Management Reserve Fund and;
3. Funding the anticipated shortfall for the 2006 election (\$255,000) from the 2005 projected Corporate surplus;

Thus reducing the impact on the Tax Levy by 0.8%.



Questions

- **Questions and answers**

