



# **Finance Committee Meeting**

**October 13, 2009**

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Lorella Hayes



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# 2010 Budget - Key Highlights

**2010 Base Tax Increase** **4.3%**

- Includes all core municipal services
- Estimate for Police Services, SDHU and NDCA
- Net of assessment growth



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# 2010 Budget - Key Highlights

## Net 2010 Tax Increase Consists Of:

Base Budget	3.0%
Add: Estimate of Outside Boards	0.9%
Add: Annualization of Prior Year Approvals	<u>0.4%</u>
Base Budget Tax Increase	<u>4.3%</u>



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# Key Principles Of The Base Budget

- Council's approved initiatives are funded within the budget
- Legislative and contractual obligations are satisfied
- Council approved service and standard levels are maintained
- Cost of providing services is minimized
- Other revenue sources are maximized to minimize impact on property taxes



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# 2010 Budget: Next Steps

**Base Budget** **4.3%**

**Less: Budget Reduction Target** **(2.3% to 1.3%)**

Target: Municipal Tax Increase **2 to 3%**

Budget Reductions Required to  
Meet Council's Target **\$4.3 to 2.4 M**

(net of enhancements)



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# 2010 Budget

	2009 Final	2010	Municipal Tax Levy Increase
Expenditures	\$510M	\$521M	-
Revenue	(\$323M)	(\$324M)	-
<b>Net Levy</b>	<b>\$186M</b>	<b>\$197M</b>	<b>5.8 %</b>
Assessment Growth			(1.5%)
<b>Net Municipal Tax Increase</b>			<b>4.3%</b>
Targeted Reductions			(1.3 % to 2.3%)
<b>2010 Target Municipal Tax Increase</b>			<b>2 to 3%</b>



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# 2010 Budget

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2010 Total Budget	\$521.5M
2009 Total Budget	\$509.9M
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Increase	\$11.6M
Less: Change in Grants and Other Revenues	\$0.7M
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Net Municipal Levy Increase	\$10.9M
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# 2010 Budget Major Variances

<b>Major Highlights:</b>	<b>Gross Budget Increase of \$11.6M</b>	<b>Municipal Tax Levy Increase of \$10.9M</b>	<b>Tax Levy Impact 5.8%</b>
Provincially Funded Programs	\$7.9M	\$1.1M	0.6%
Revenue Reductions	(\$1.1M)	\$2.3M	1.2%
Net Expenditure Increases	\$6.9M	\$5.1M	2.7%
Police Services, NDCA and SDHU	\$1.8M	\$1.6M	0.9%
Annualization of Prior Year's Approvals	\$0.8 M	\$0.8M	0.4%
Reduction of 2009 One-Time Funding	(\$7.9M)	-	
Water Wastewater	\$3.2M	-	



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# 2010 Budget Challenges - Revenues

- \$400,000 decline in Payment in Lieu of Taxes
- \$800,000 decline in investment income
- \$700,000 decline in Transit User Fees
- No increase in Pioneer Manor provincial revenues
- No benefit from upload of ODSP
- Uncertainty regarding OMPF one-time funding



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# 2010 Budget Challenges - Expenditures

- Solid Waste contracts: recycling, organics, hazardous waste - \$1.1 million
- Winter maintenance - \$500,000 increase for potholes and materials
- Inflation and contractual increases
- Inflation on capital envelopes - \$800,000
- Annualization of prior year approvals - \$800,000



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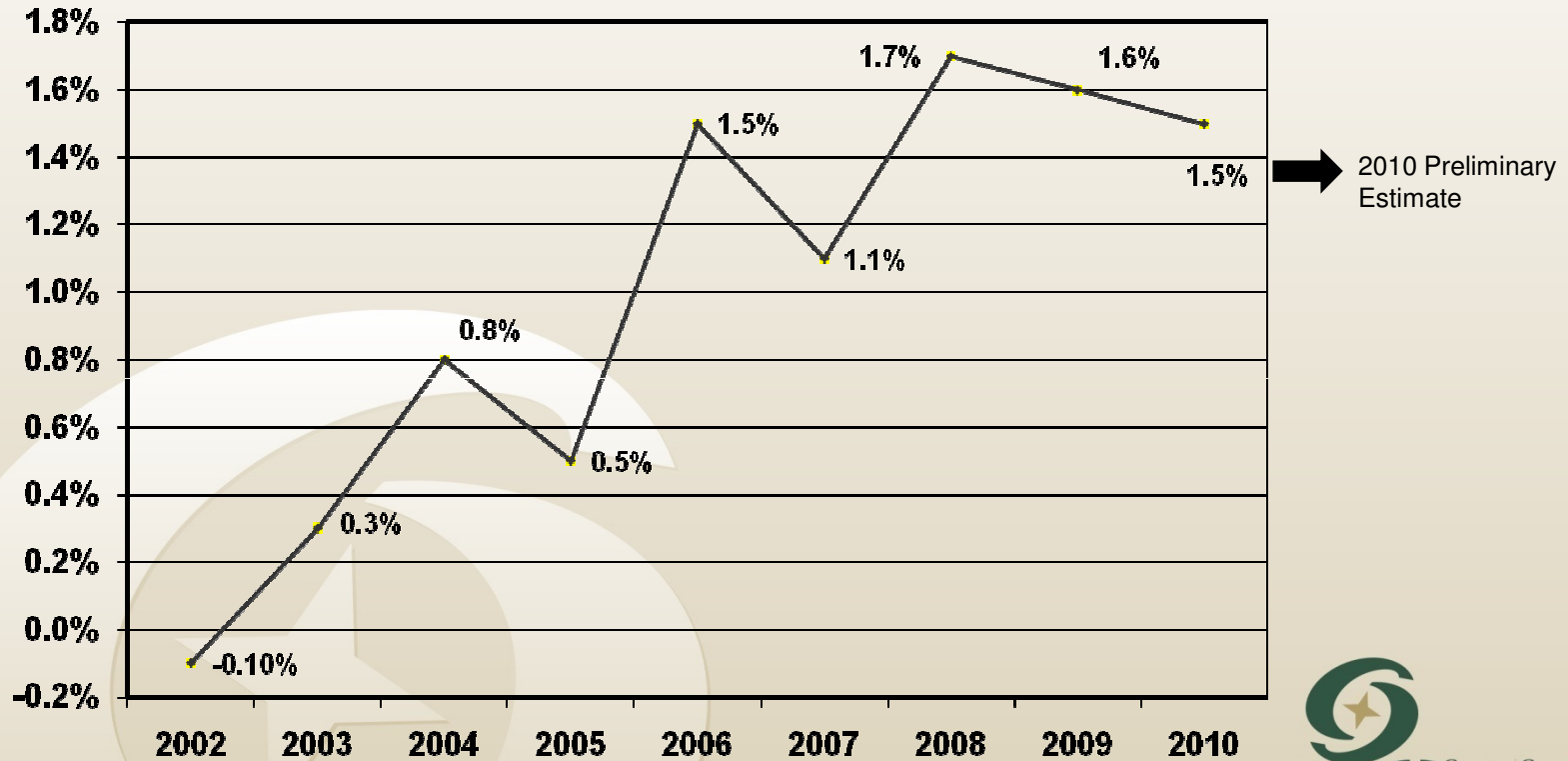
# 2010 Budget Opportunities

- Estimated Assessment Growth: 1.5%
  - To be confirmed in November
- Federal Gas Taxes: \$5.6 M to \$10.1 M
  - Fund incremental spending on capital projects improving clean air, clean water, reduced greenhouse gas emissions
- Provincial Gas Taxes:
  - Available for transit ridership growth initiatives



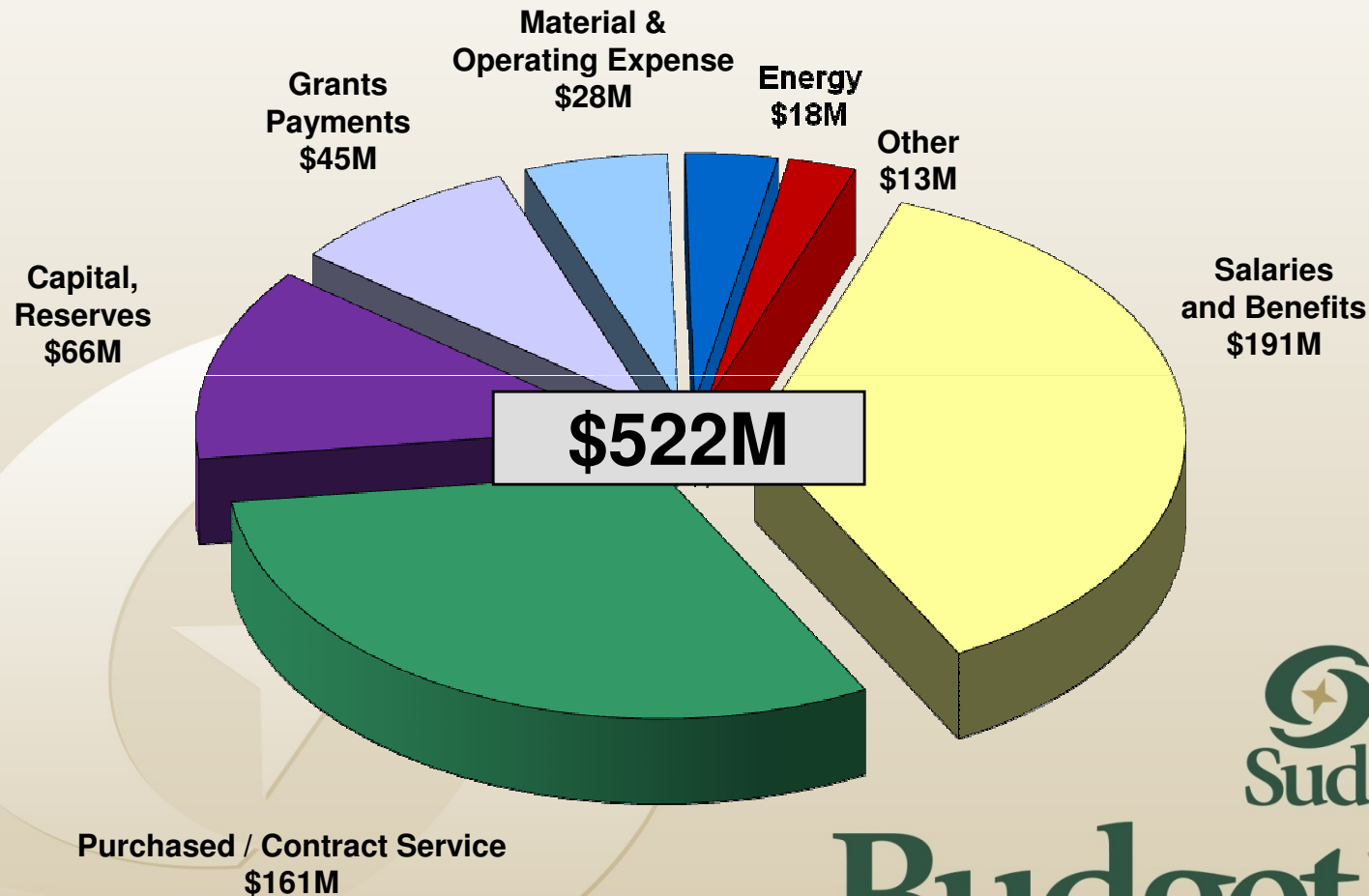
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# Assessment Growth 2002 to 2010



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# How 2010 Operating Dollars are Spent



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# 2010 OMPF

- 2010 Grant formula not yet confirmed by the Ministry of Finance
- Uncertainty: 2010 one-time funding
- Based on historical formula:
  - Social Programs Grant will decrease
  - Assessment Equalization Grant will decrease
  - No change in Northern Grant



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# Mandatory vs. Discretionary Services

	2010 Gross Expenditure	2010 Tax Levy	% of Tax Levy
<b>Mandatory Services</b>	\$ 224M	\$82M	42%
<b>Discretionary Services</b>	\$297M	\$115M	58%
<b>Total</b>	\$521M	\$197M	100%

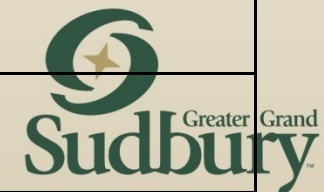


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# 2010 Budget Schedule

<b>Budget Overview and Tabling of Budget</b>	<b>October 13, 2009</b>
<b>Review of Base Budget</b>	<b>October 13<sup>th</sup>, 19<sup>th</sup> and 26<sup>th</sup></b>
<b>Capital Budget</b>	<b>November 4 &amp; 5</b>
<b>Water and Wastewater Budget Review</b>	<b>November 16<sup>th</sup></b>
<b>Review and Voting on Budget Reduction and Enhancement Options, Outside Boards</b>	<b>November 16<sup>th</sup> to 30<sup>th</sup></b>
<b>Final Overview and Approval by Council</b>	<b>December 2 or 9<sup>th</sup></b>
<b>Property Tax Policy</b>	<b>Spring 2010</b>



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# Questions



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