

City of Greater Sudbury 2007 Budget Overview

**Finance Committee Meeting
February 22, 2007**

**Presented by: Councillor Ted Callaghan
Mark Mieto
Lorella Hayes**



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Agenda

- **Budget Planning Process**
- **Citizen Issues**
 - Feedback Survey
 - Public Input
- **Council Priorities**
- **Fiscal Imbalance**
- **Performance Measurement and Efficiencies**
- **Proposed 2007 Tax Increase**
- **Overview of 2007 Budget**
- **BMA Study Comparison**
- **Conclusion**



Budget Planning Process

January 2007

- Development of council priorities

January 2007 to May 2007

- Development of business plans

January 2007

- Public input sessions

February 22 to March 5, 2007

- Finance committee review of budget and voting process

March 7, 2007

- Council approval & adoption of 2007 operating budget

April 2007

- Property Tax Policy and approval of rates

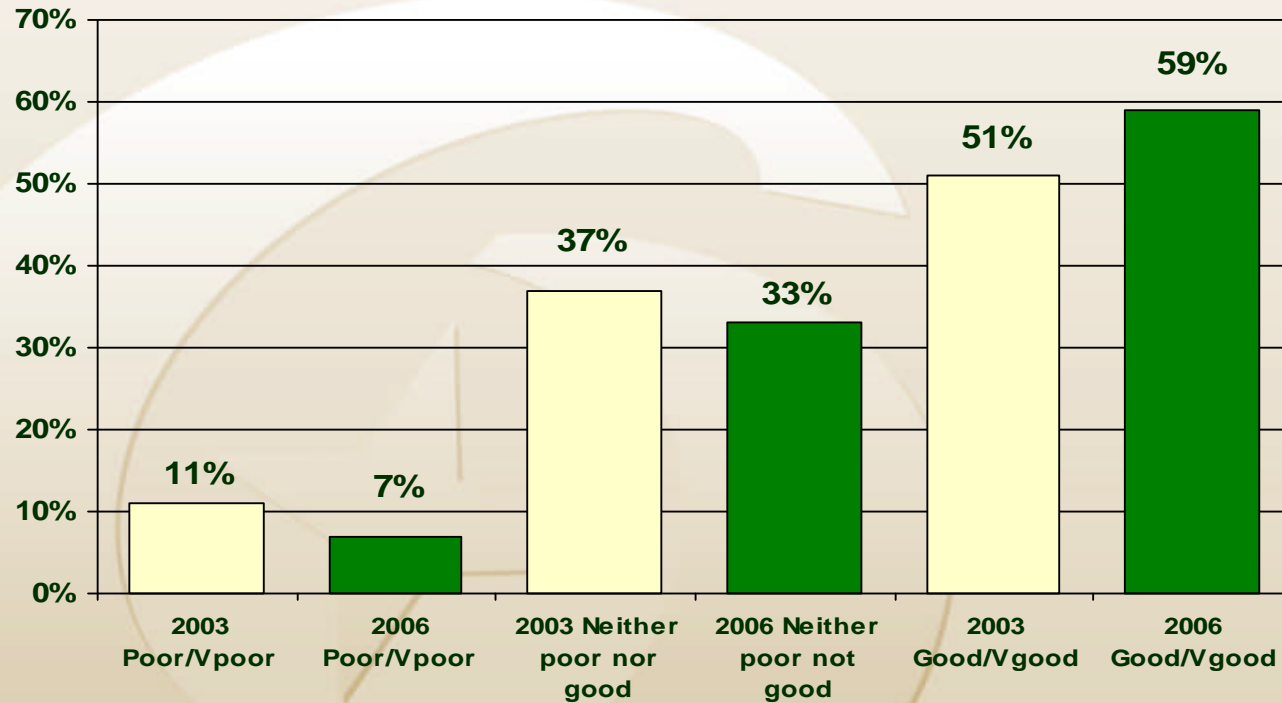
May 2007

- Business Plan Presentations



Citizen Issues

“ Using the scale where five is very good and one is very poor, how would you rate the overall quality of life in the CGS?”



Citizens Issues

Most Important Top of Mind Issues

2003		2004		2007	
Roads	19%	Roads	31%	Roads	33%
Jobs / Employment / Unemployment	15%	Taxes	15%	Health Care / Hospital	9%
Taxes	12%	Jobs / Employment / Unemployment	12%	Taxes	8%
Health Care	8%	Health Care	11%	Jobs / Employment / Unemployment	7%
Hydro / Hydro Rates	6%	Economy	4%	Amalgamation Issues	5%
Hospital / completion of	4% each	Budget	3%	Infrastructure	3%
Infrastructure					

Citizens Issues

Key themes from 2007 Public Input Sessions

- **Environmental Issues**
- **Facility Development and Renewal**
- **Infrastructure Renewal, including roads, sidewalks**
- **Community Safety**
- **Fiscal Responsibility**



Council Priorities

Council's Strategic Focus:

- **Community Growth & Development**
- **Infrastructure Investment**
- **Fiscal Sustainability**
- **Excellence in Governance**

Council Priorities

Council's 2007 Priorities:

- **Community Facilities**
 - **Multi-Use Recreation Facility**
 - **Arts & Culture Facility**
- **Implementation of Constellation City Report**
- **Alternative Revenue Strategies**
- **Economic Development Priorities**
- **Road Maintenance Standards**
- **Infrastructure Priorities**

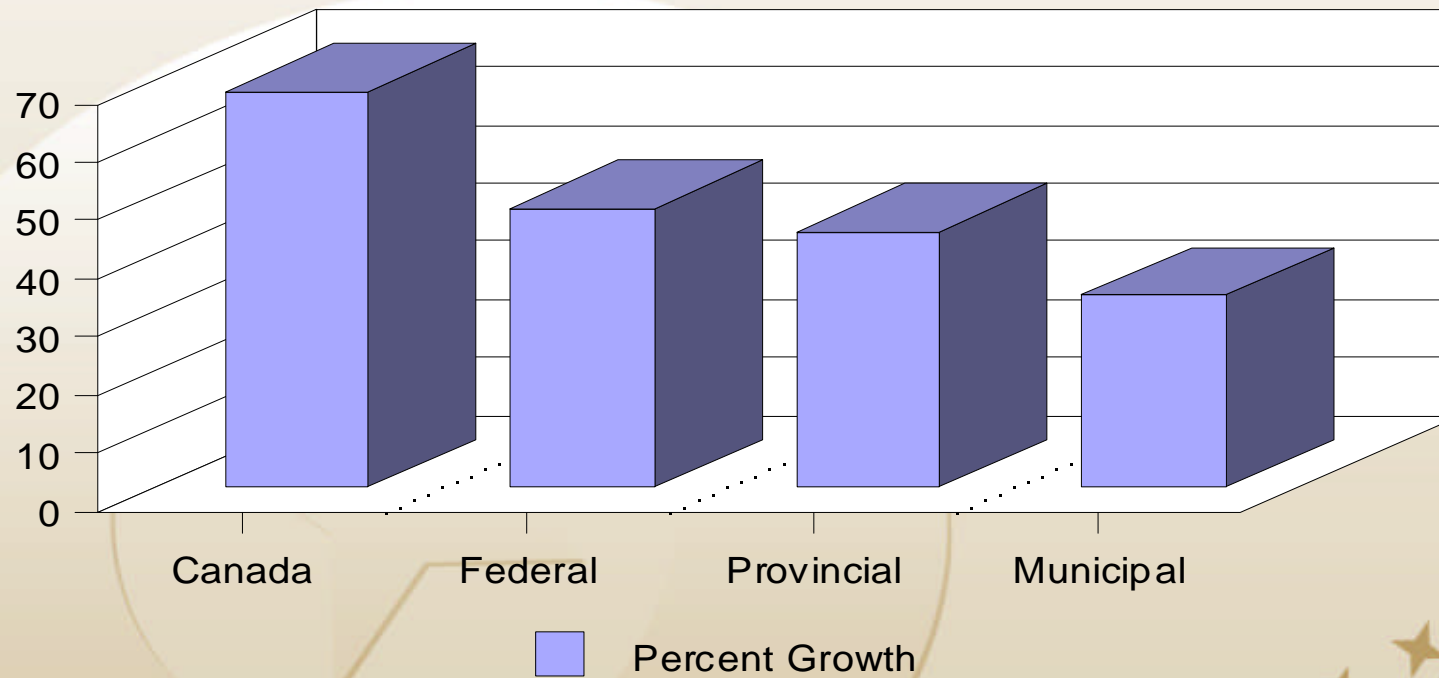
Organizational Excellence

- **Year of the Employee**

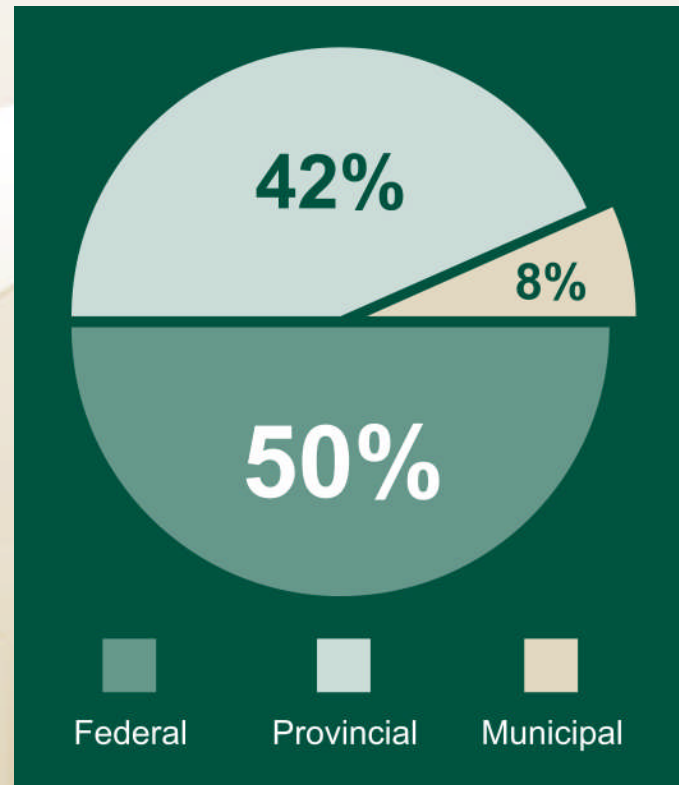


Fiscal Imbalance

Revenue Growth 1993-2003



Canadian Tax Dollar




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Organizational Excellence

Corporate Initiatives that Promote Excellence:

- **Continuous Improvement Program**
- **Long Term Financial Plan**
- **Business Planning**
- **My Sudbury/My Workplace**
- **Ontario Municipal Benchmarking Initiatives (OMBI) and Municipal Performance Measurement Program (MPMP)**

Performance Measurement

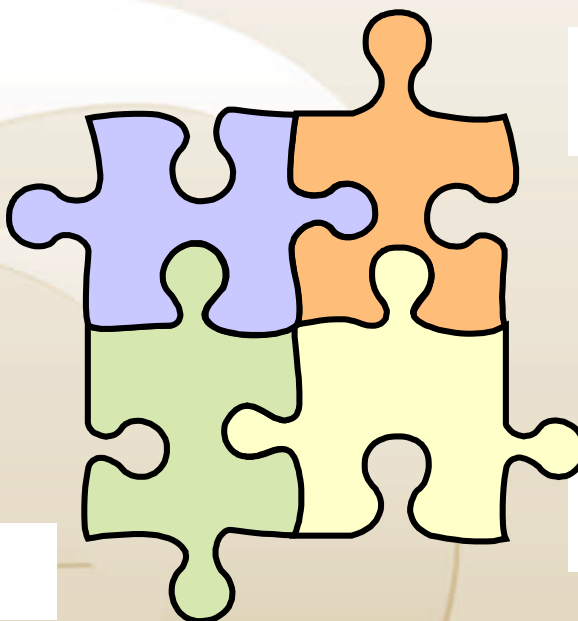
Ontario Municipal Benchmarking Initiatives (OMBI) :

Efficiency Measures

Cost per unit of service.

Customer Service Measures

Evaluation of service delivery to the user.



Service Level Measures

Number of units of service provided or delivered.

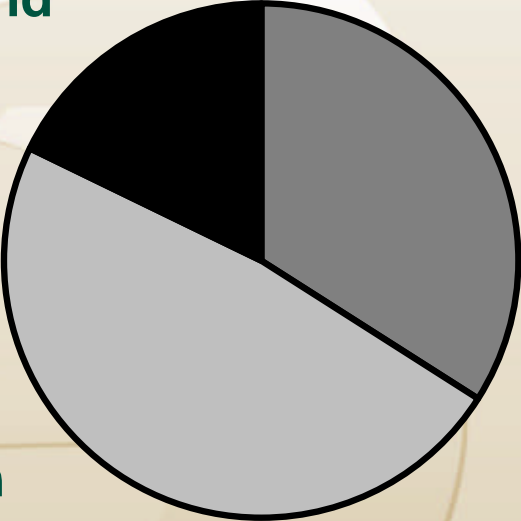
Community Impact Measures

Impact or benefit the program is having on community served.

Performance Measurement

2005 Profile: CGS' Results, Compared to OMBI Median

18% lags behind



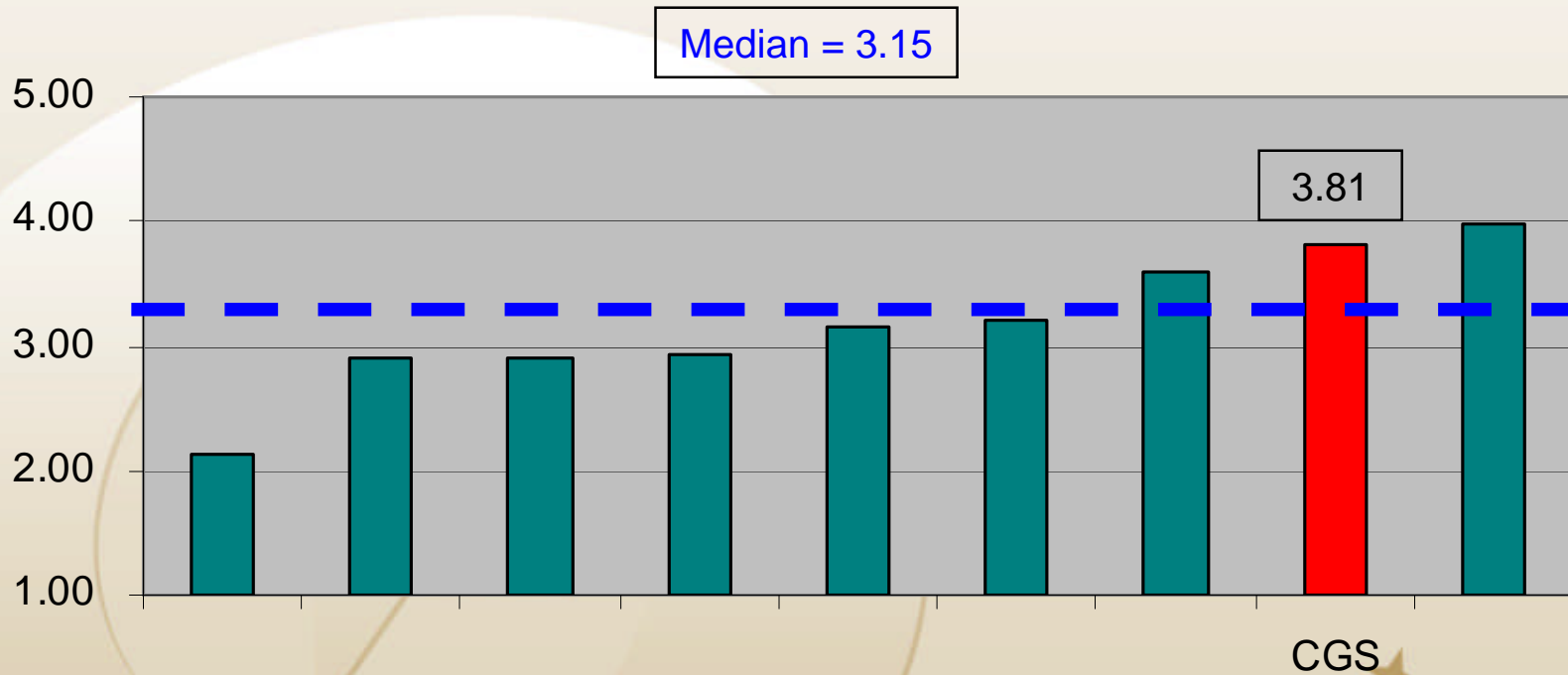
34% well above

48% at median



Performance Measurement

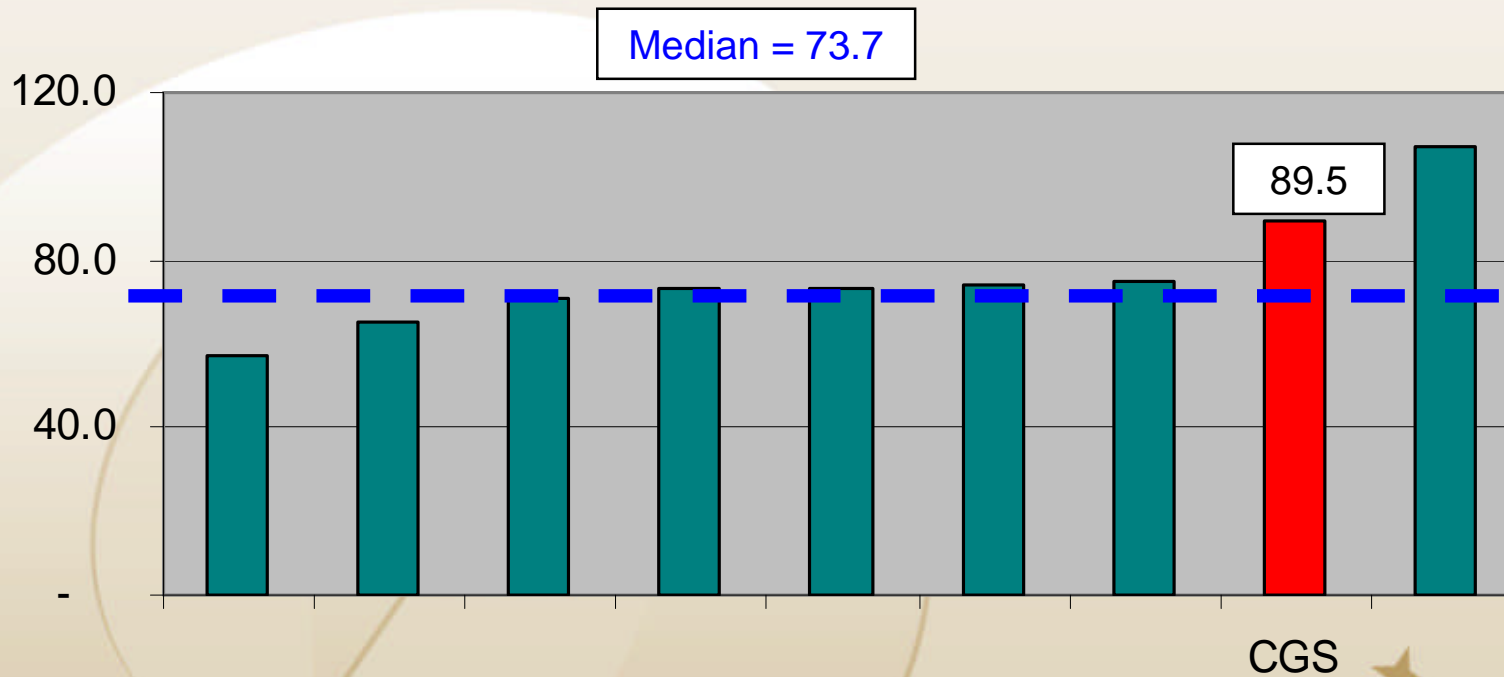
Library Holdings per Capita



CGS

Performance Measurement

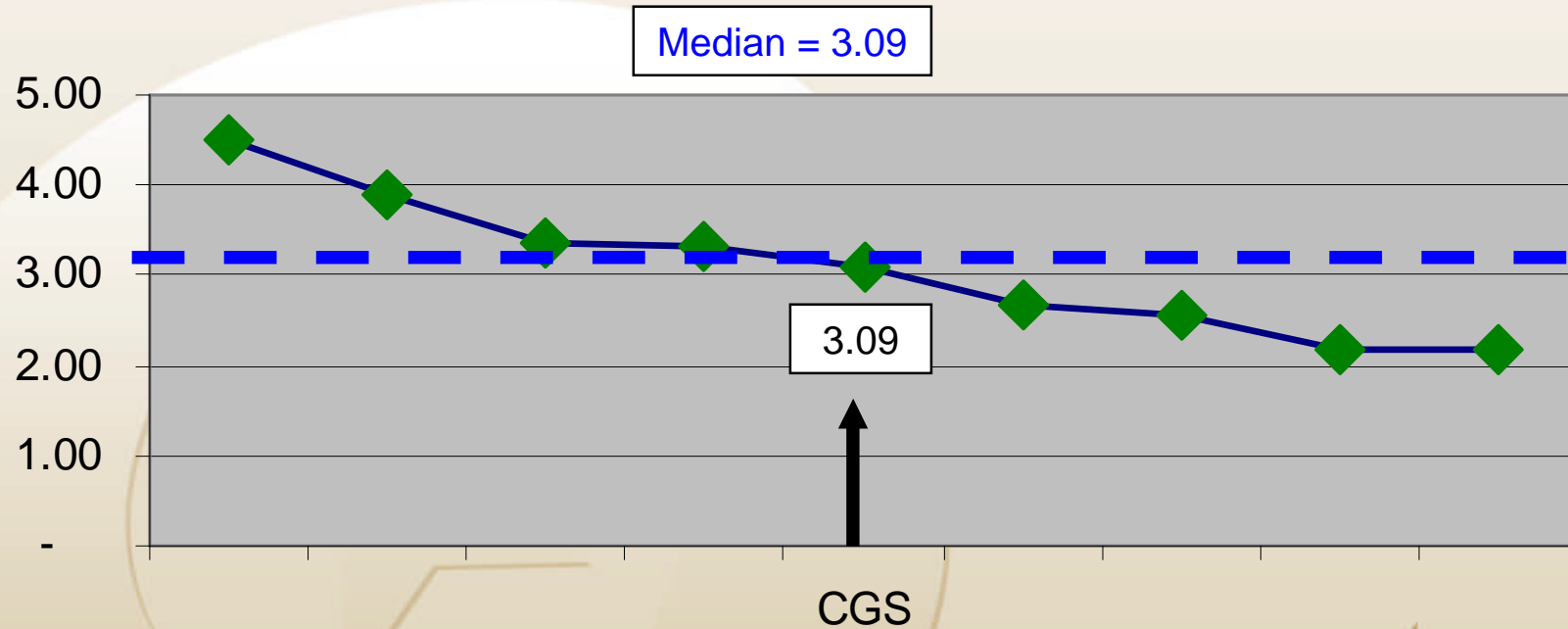
Public Access Workstations per 100K



CGS

Performance Measurement

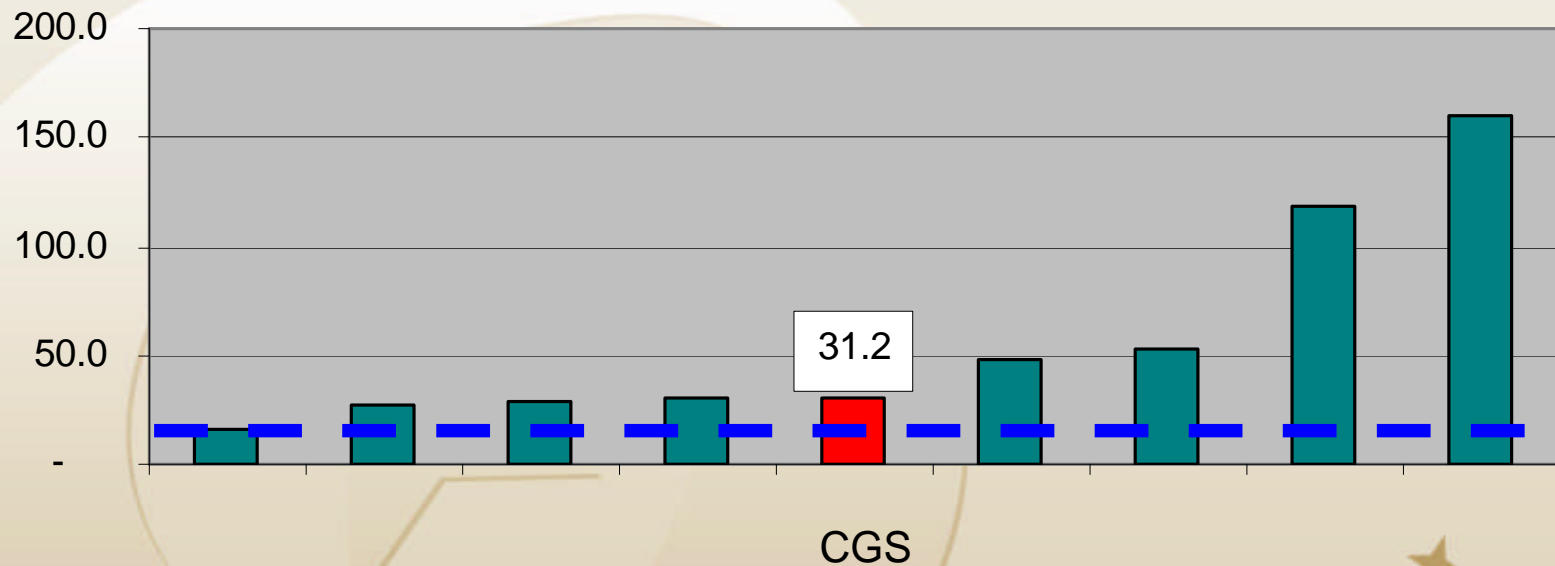
Transit
Cost per trip for conventional transit



Performance Measurement

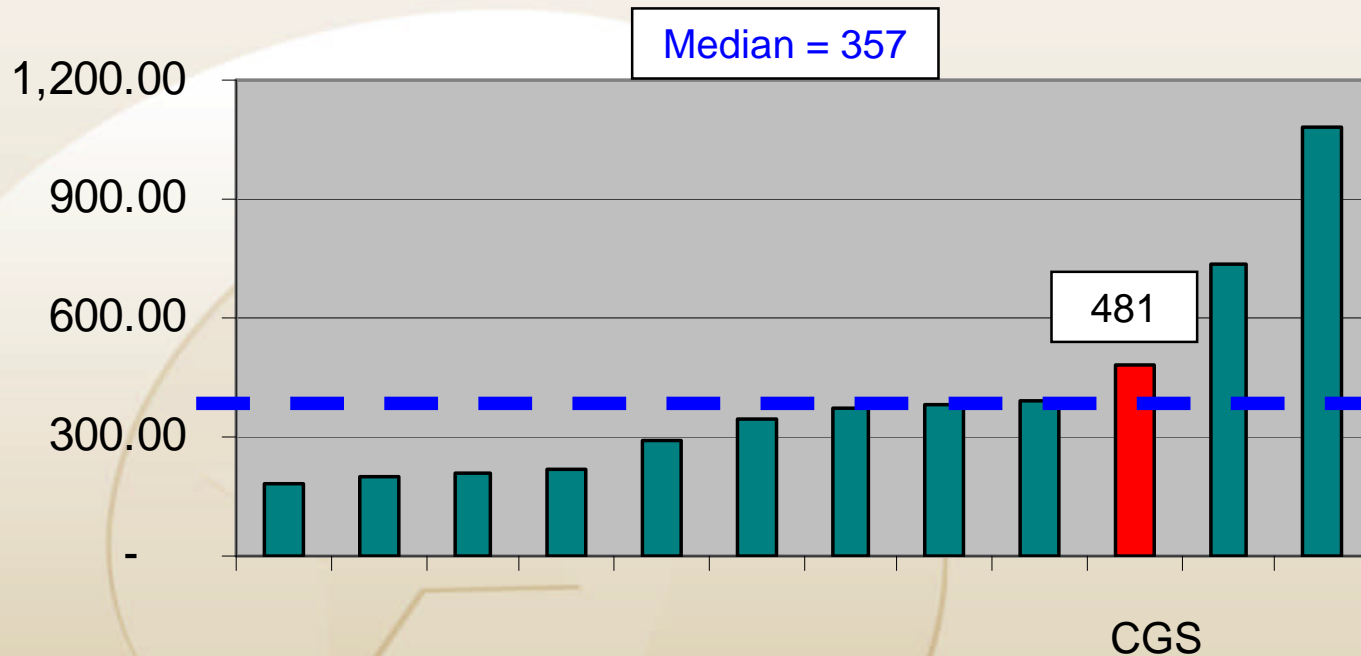
Transit Trips per Capita in Service Area

Median = 31.2



Performance Measurement

Cost of Collection, Treatment, Disposal of WW, per Megalitre



Organizational Excellence/Efficiencies

- 1,000 Employees - Safety Trained
- 1,849 Employees - Participate in Fitness Activities
- 3rd lowest of 47 municipalities for workplace accidents
- Top 10% of municipalities for employees return to work
- CGS has $\frac{1}{2}$ of average municipality's lost hours rate
- Negotiated Savings for Group Insurance Benefits = \$600,000

Efficiencies

Ridership Growth Strategy:

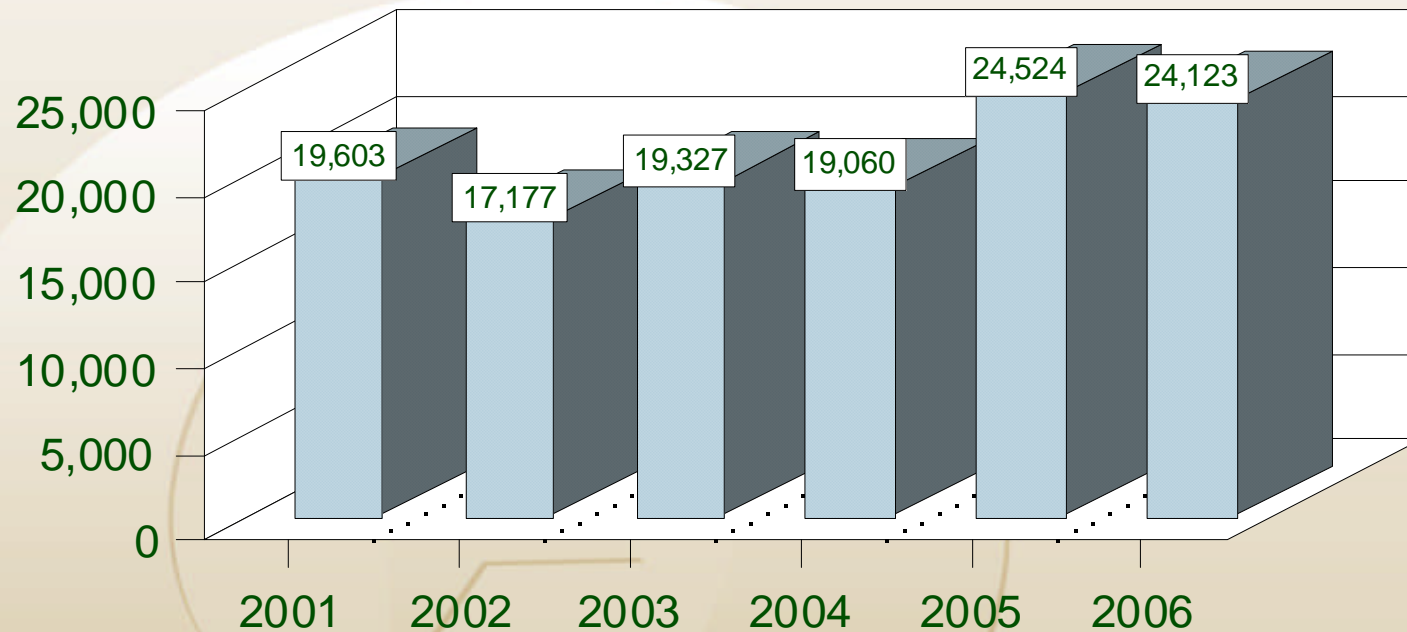
- U-Pass with Laurentian University
- Transit Terminal Improvements
- Seven new low floor buses
- Automatic Vehicle Location System

Revenue Increase due to Ridership Growth \$600,000

Efficiencies – Doing More With Less

Provincial Offences Act Charges by Year

City of Greater Sudbury



 # of Charges Filed



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**

2007 Draft Budget

Key Highlights

2007 Base Tax Increase

2.1%

- Includes all core municipal services, except winter maintenance
- Negotiated wage increases
- Efficiencies and new revenues



2007 Draft Budget

Key Highlights – net 2007 tax increase consists of:

Base Tax Increase	2.1%
Capital Levy	2.3%
Winter Operations	2.8%
Net 2007 Tax Increase (before reductions or enhancements)	7.2%



2007 Draft Budget

Staff Recommended Reductions

Net 2007 Tax Increase	7.2%
Less: Return to Historical Winter Control Service Standards	(1.9%)
Recommended 2007 Tax Increase (Including 2.3% Capital Levy)	5.3%

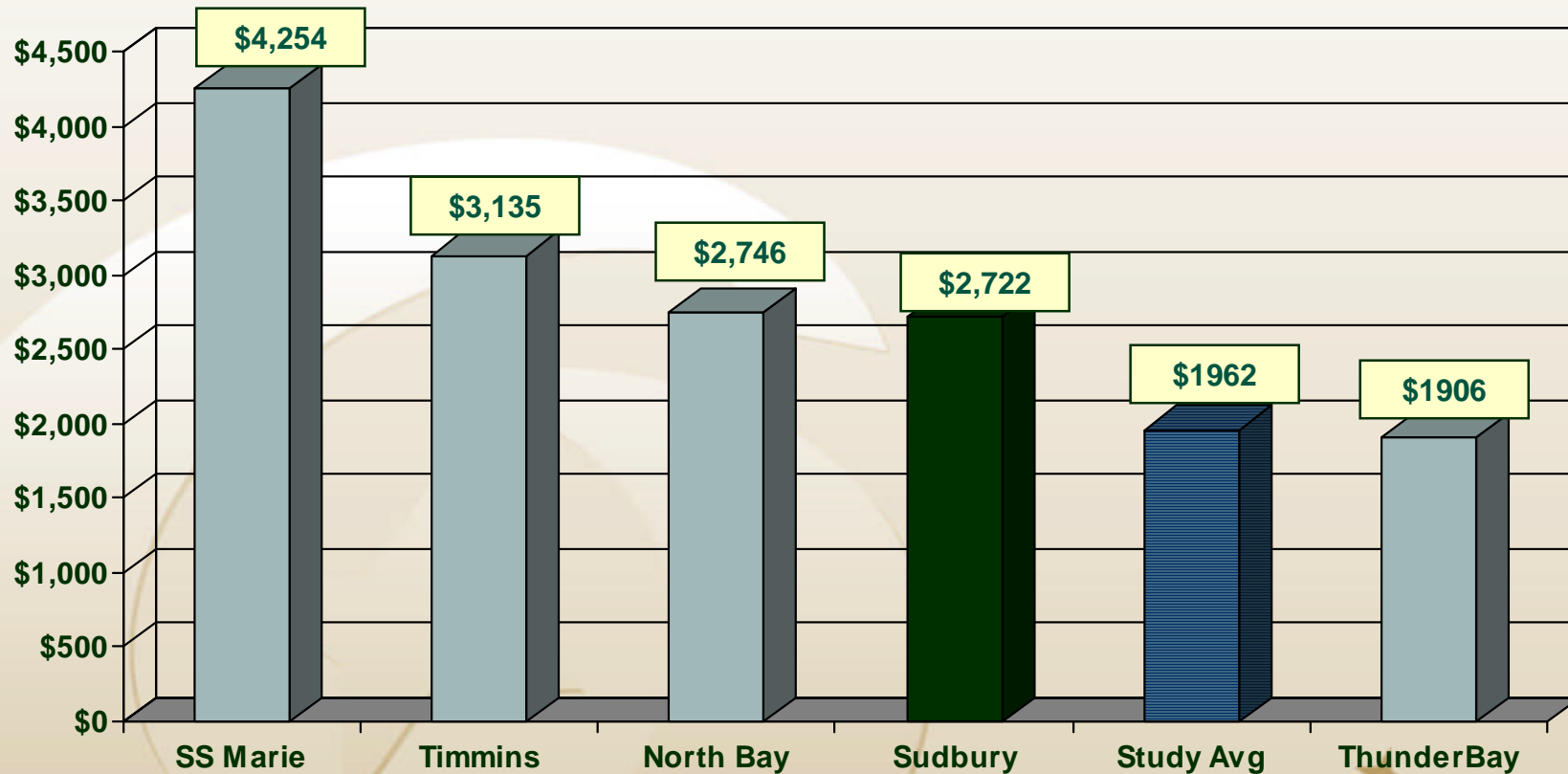


2007 Winter Control Option

1.9% Reduction by Returning to Historical Service Standards

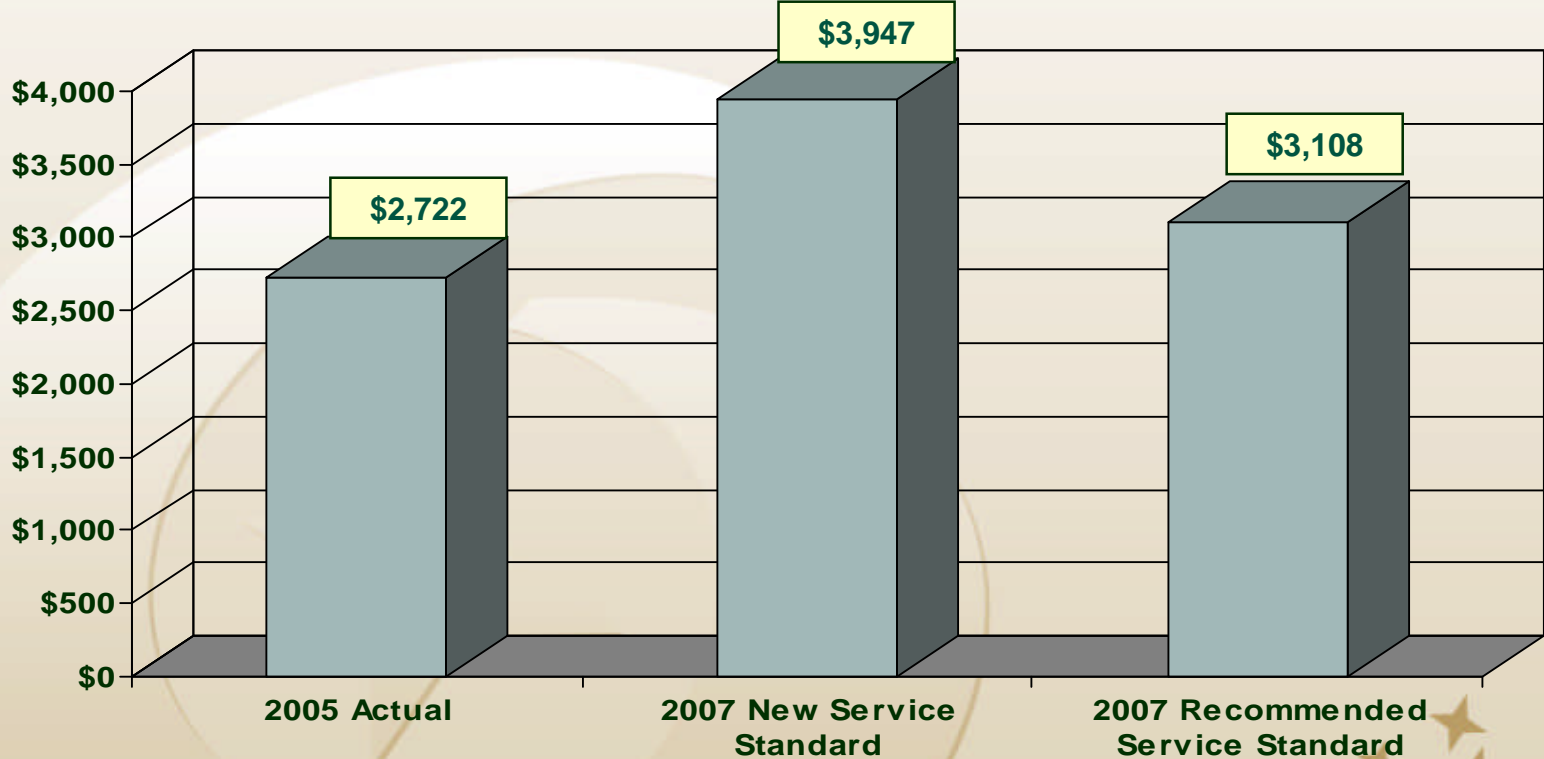
	2006 Budget	2007 Budget	Change	Tax Levy Impact
Total Winter Operations Budget	\$12.2M	\$16.6M	\$4.4M	2.8%
Reduction Options (Effective Nov 1, 2007)	-	(\$3.0M)	(\$3.0M)	(1.9%)
Net Budget Impact	-	\$13.6M	\$1.4M	0.9%

Northern Municipalities – 2005 MPMP Winter Maintenance Cost Per Lane Km

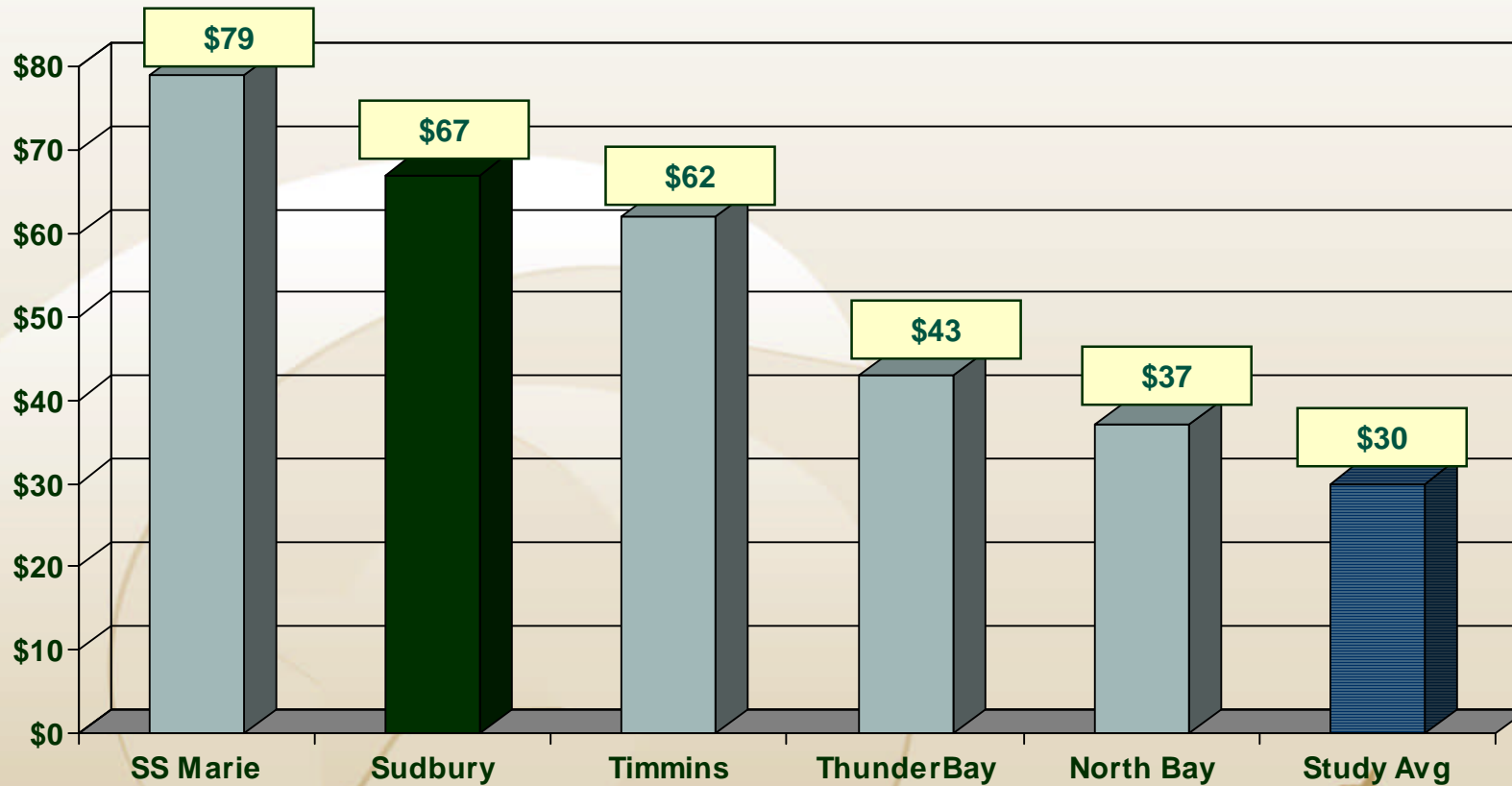


Source: BMA Municipal Study 2006

Sudbury Winter Maintenance Cost Per Lane Km

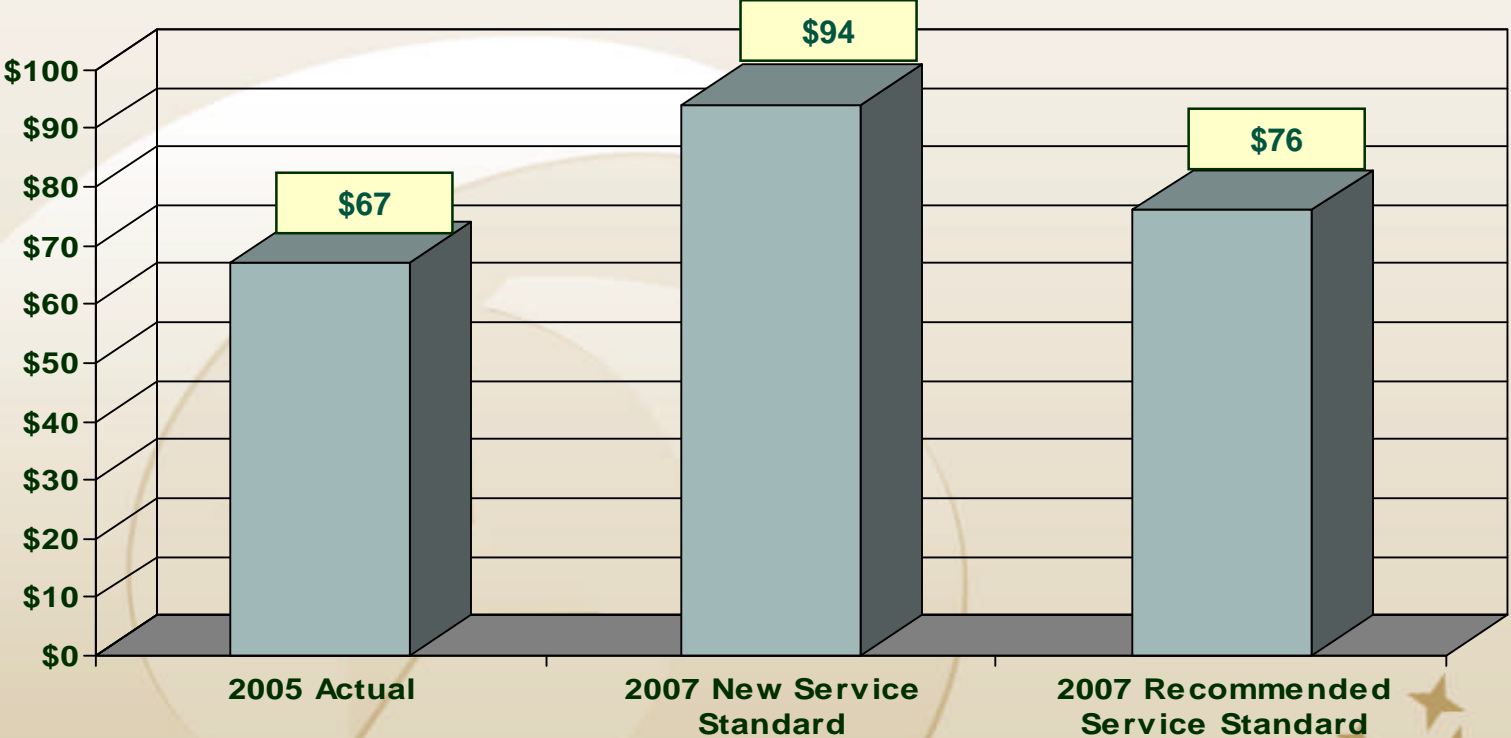


Northern Municipalities Winter Control Per Capita



Source: BMA Municipal Study 2006

Sudbury Winter Maintenance Cost Per Capita



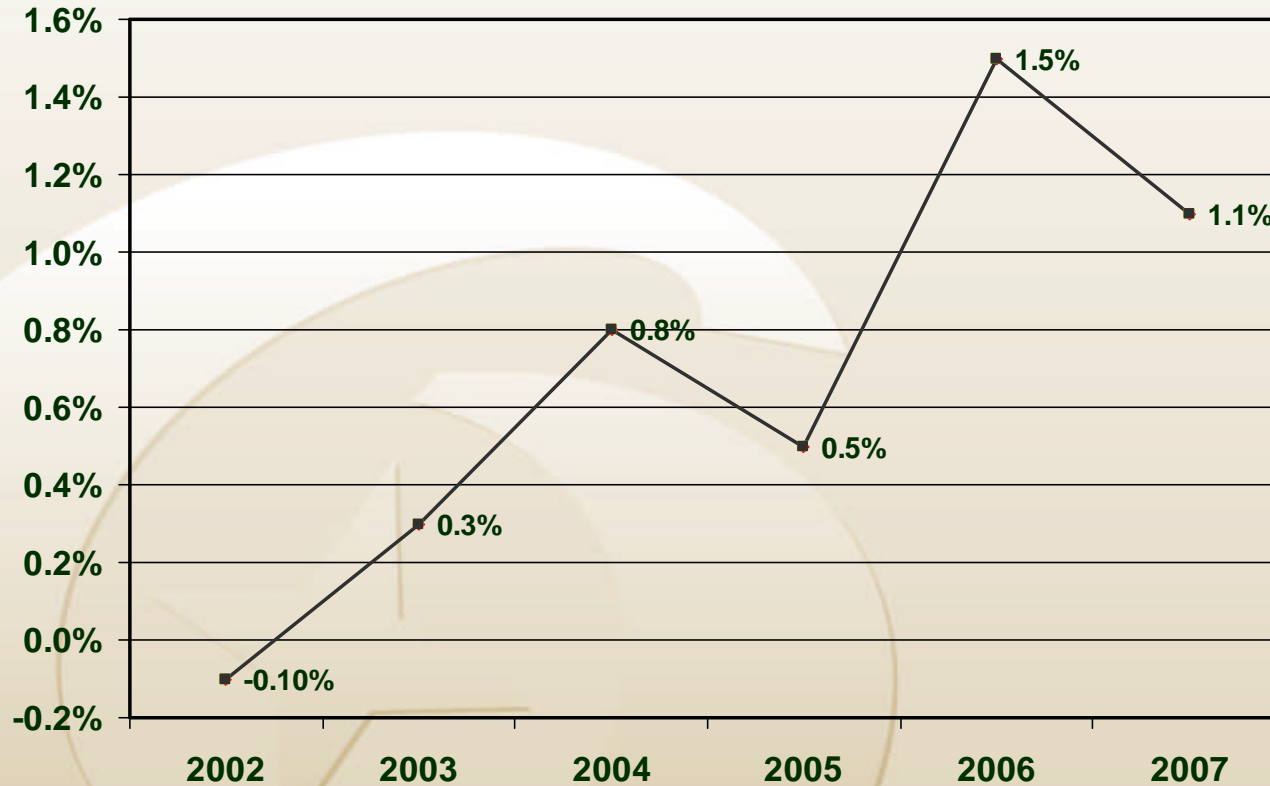
2007 Draft Budget

	2006 Final	2007 Draft	Municipal Tax Levy Increase
Expenditures	\$455M	\$489M	-
Revenue	(\$299M)	(\$320M)	-
Net Levy	\$156M	\$169M	8.3%
Assessment Growth			<u>(1.1%)</u>
Net Tax Increase			7.2%
Capital Levy			(2.3%)
Winter Operations			<u>(2.8%)</u>
2007 Net Base Tax Increase			<u>2.1%</u>



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Assessment Growth 2002 to 2007




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2007 Draft Budget

2007 Total Budget	\$489M
2006 Total Budget	\$455M
Increase	\$ 34M
Less Grants & Other Revenues	\$ 21M
Net Municipal Levy Increase	\$ 13M



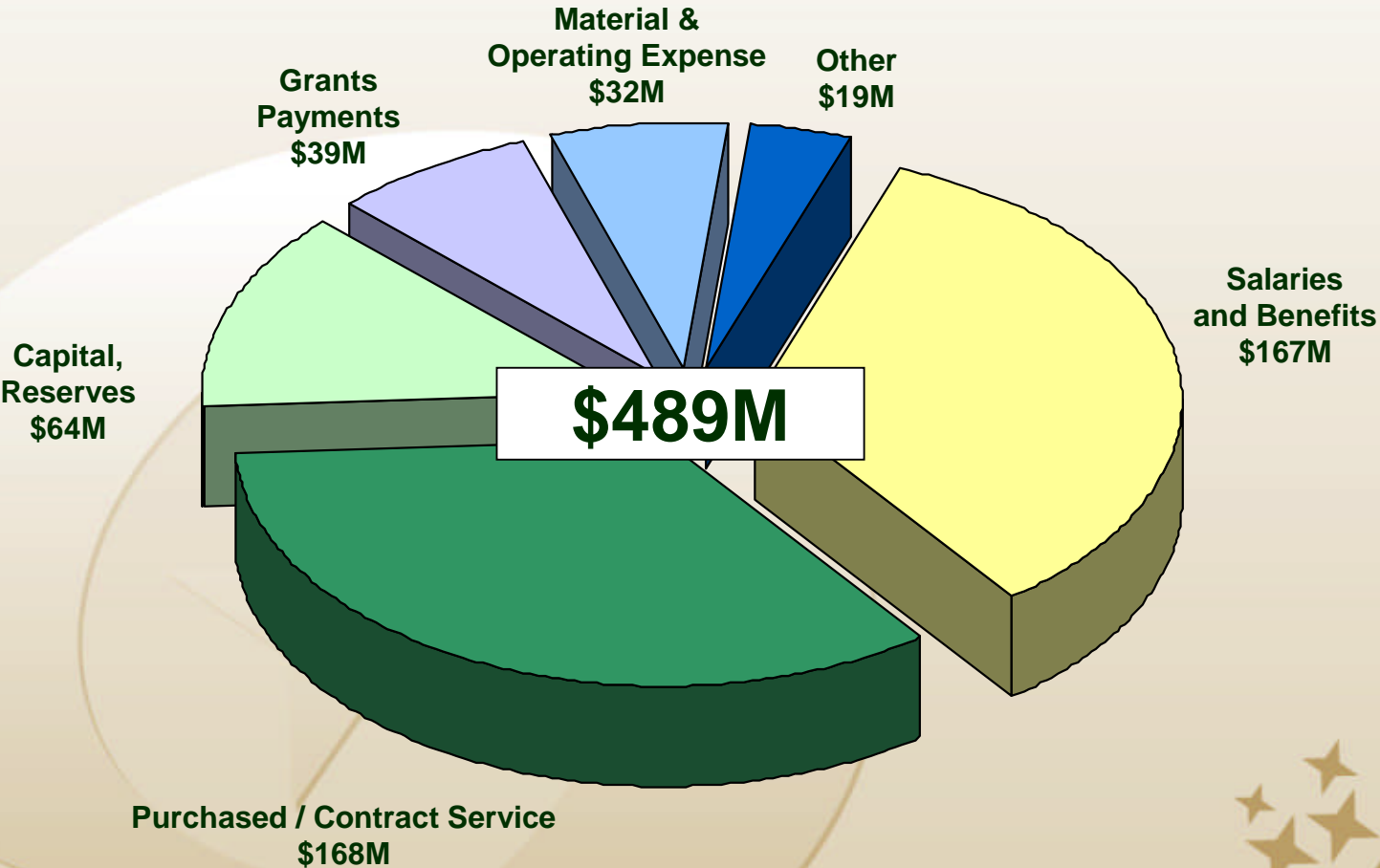
2007 Draft Budget

Increase from Prior Year	Gross Budget	Municipal Tax Levy
	\$34M	\$13M

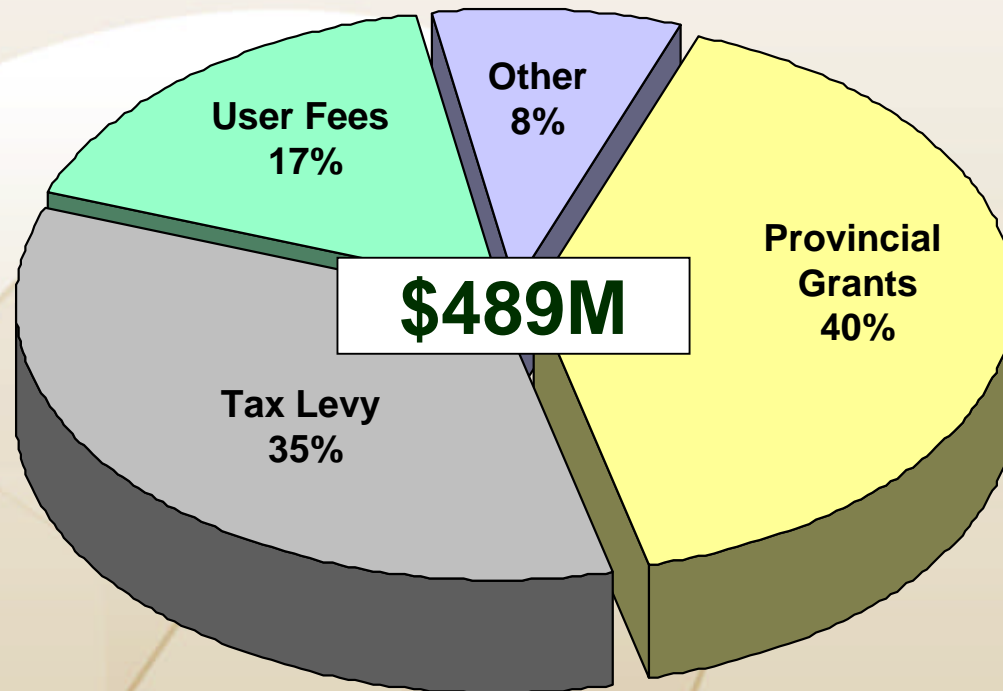
Major Highlights:

Provincially Funded Programs	\$12.6M	\$0.6M
<ul style="list-style-type: none"> • Social Assistance • Childcare • Social Housing 		
Pioneer Manor	\$4.0M	(\$0.1M)
Police Services	\$2.9M	\$1.9M
Winter Operations	\$4.4M	\$4.4M
Capital Levy – 2.3%	\$3.5M	\$3.5M

How 2007 Operating Dollars are Spent:



Sources of Revenues 2007 Budget



Major Budget Variances

Budgetary Pressures for 2007

Negotiated Compensation Increases	\$3.1M
Enhanced Winter Control Services	\$4.4M
Increased Police Services Budget	\$1.8M
Increased Waste Management Contracts	\$1.2M
Increase in Fire Services Budget	\$1.3M
Increased Energy Costs	\$0.3M
Decreased Lottery License Revenues	\$0.4M
Increase in ODSP (Net of OMPF Grant)	\$0.5M

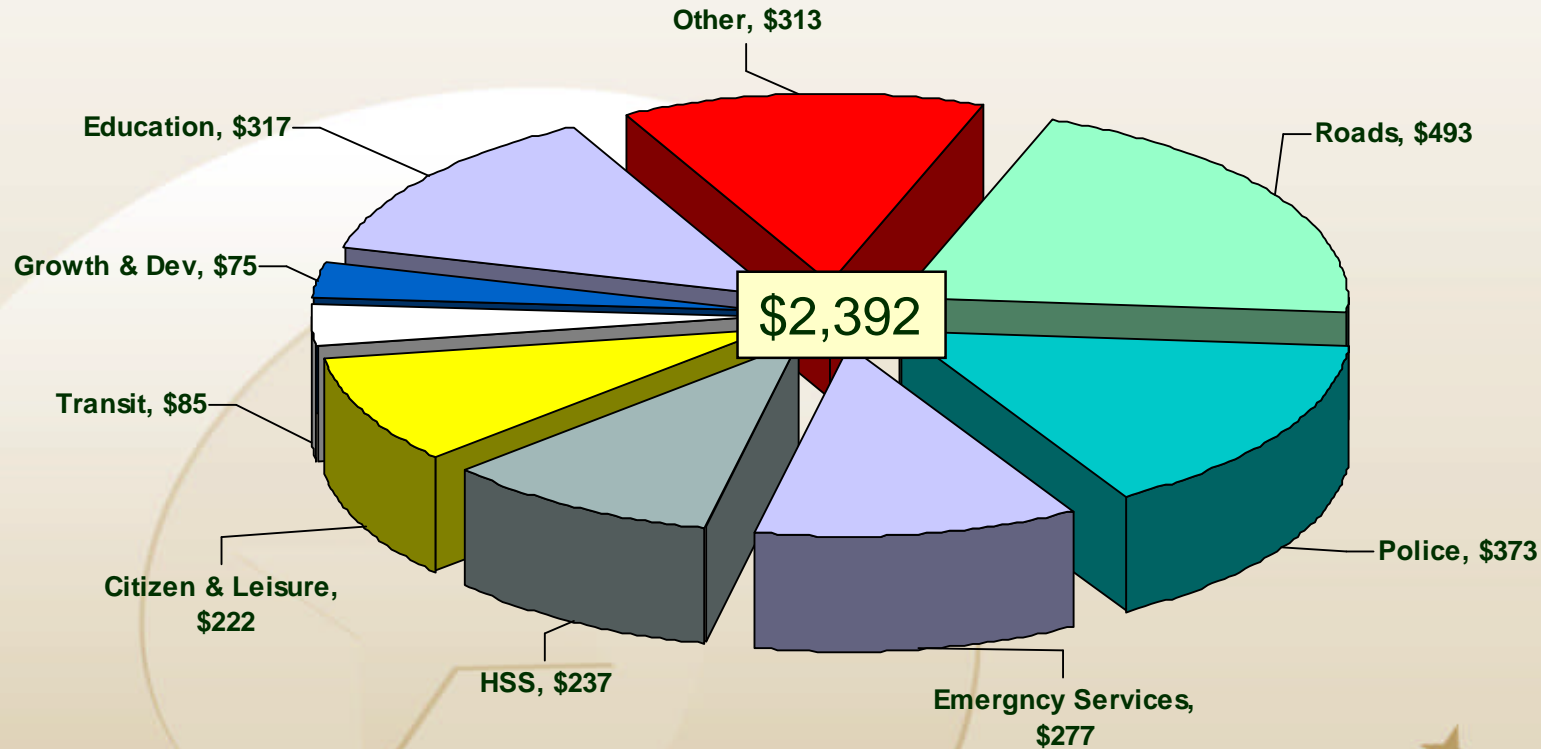
Major Budget Variances

Budget Reductions and Increased Revenues for 2007

Reduction in Group Insurance Health Benefits (as a result of positive claims experience)	\$0.6M
Increase of Transit Ridership Revenues	\$0.6M
Increase in Tipping and Recycling	\$1.4M
Increase in Land Ambulance Grant	\$1.4M
Increase Investment Income	\$0.4M
Reduction in Health Unit Levy (provincial funding formula change)	\$0.4M

Where the Dollars are Spent

Taxes (based on a 5.3% municipal tax increase)
on a Home With an Assessed Value of \$120,000

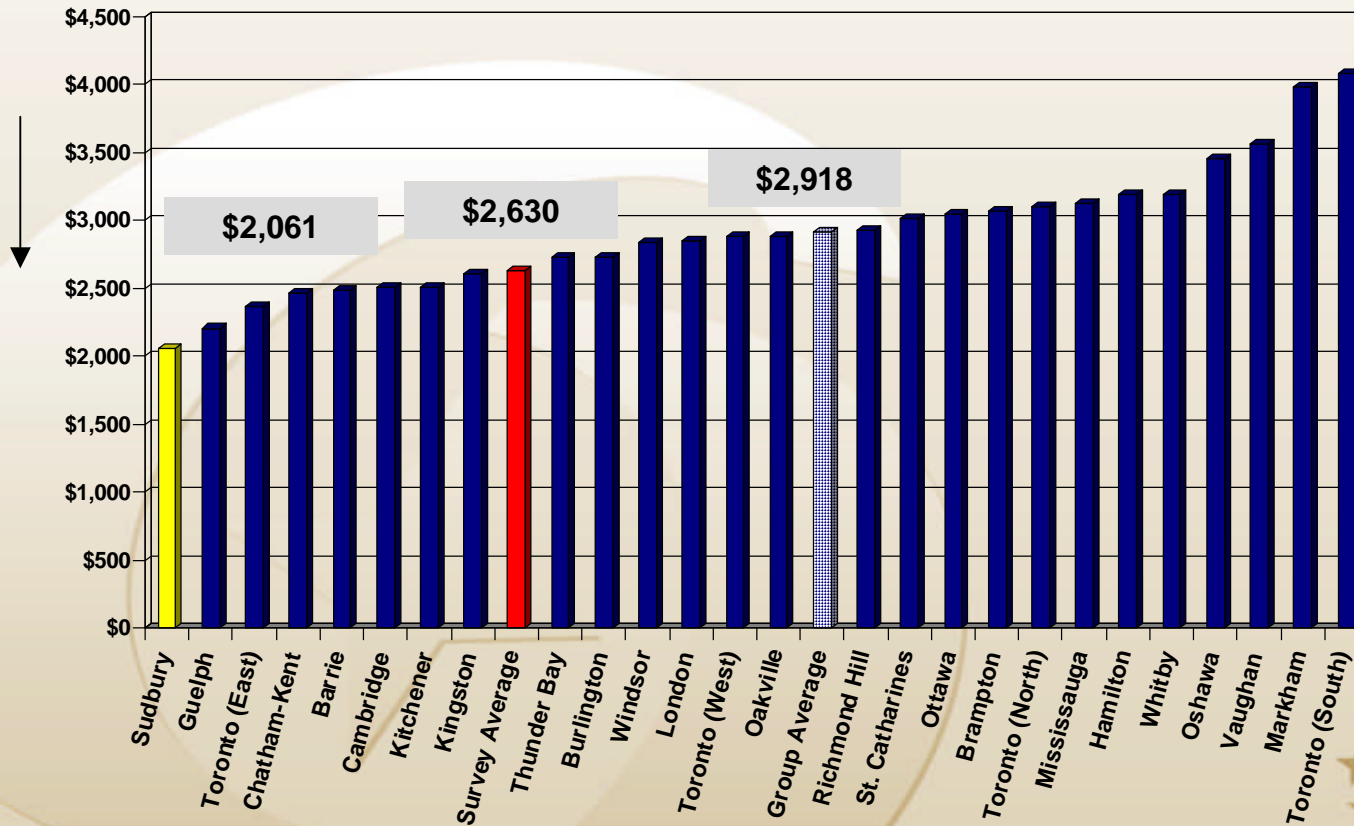


2006 Total Property Taxes - \$2288 =
4.5% Property Tax Increase for 2007

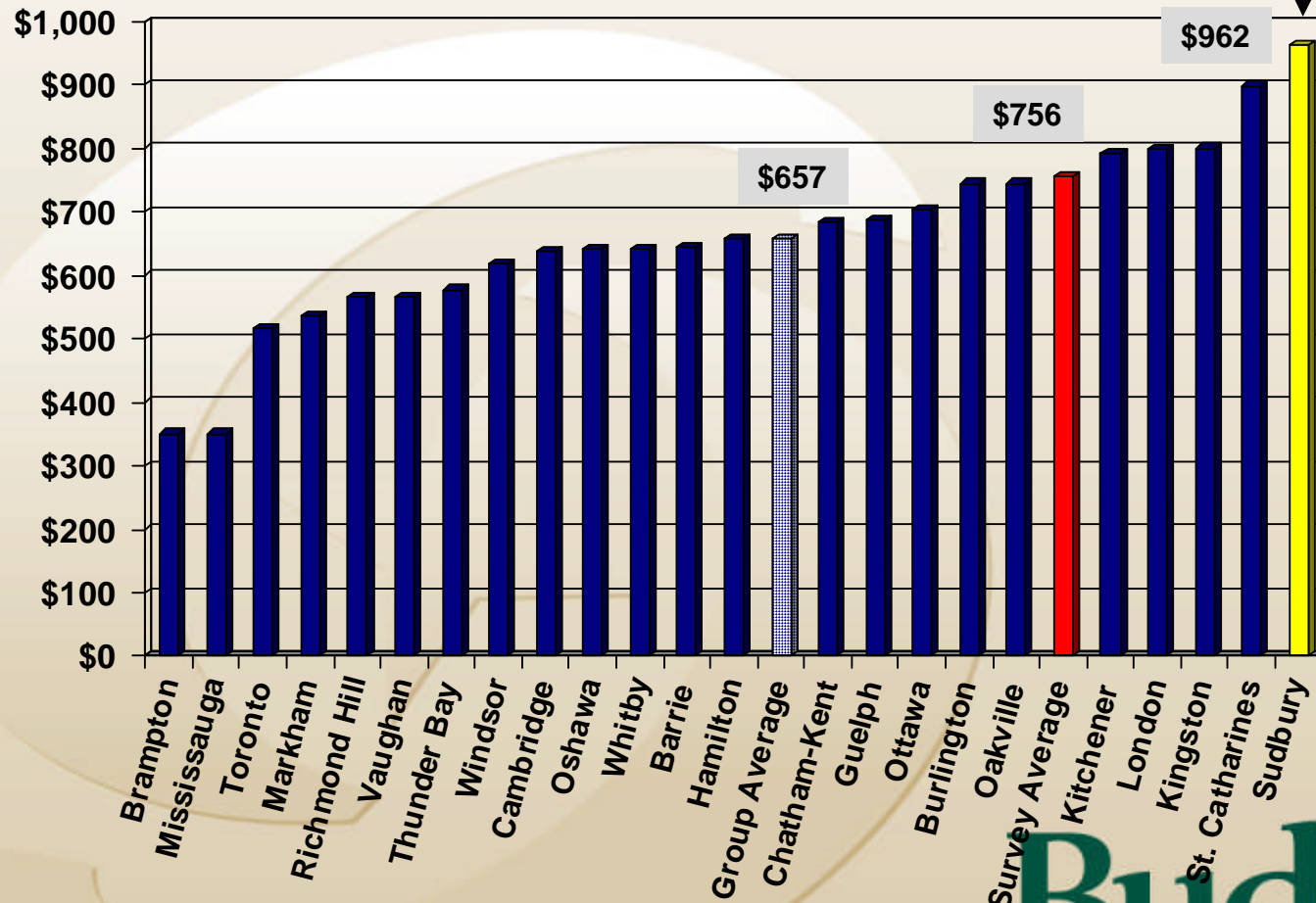
2007 Draft Budget Summary Options

Enhancement Options:	\$ Millions	% Tax Levy
Council/Committee Resolutions	\$1.5M	1.0%
Council Referrals	\$2.4M	1.5%
Public Input/Submissions	\$3.9M	2.5%
Total Enhancement Options	\$7.8M	5.0%
Winter Operations Reduction Options	(\$3.0M)	(1.9%)

2006 BMA Study – Municipal Taxes Residential Detached Bungalow



2006 Municipal Study Residential Water/Sewer Cost



Sudbury's water/sewer cost of \$962 is above the survey average of \$756

Total survey ranged from \$351-\$1,310

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

BMA Study - Other Information

	CGS	North	Survey Avg
Residential Property Taxes	\$2,061	\$2,363	\$2,940
Property Taxes as a % of Income	3.8%	4.0 %	3.3%
Water and Wastewater Charges	\$962	\$614	\$756
Total Municipal Burden as a % of Income	5.4%	5.1%	4.3%

BMA Study - Other information

	CGS	North	Survey Avg
Reserves as a % of Total Expenditures	16.3%	16.6%	42%
Debt as a % of Total Expenditures	1.0%	2.6%	3.7%
Debt to Reserve Ratio	0.6	1.0	0.8

Conclusions:

Staff Recommended Budget

5.3%



Conclusions:

- **Challenging decisions but manageable process**
- **2007 and 2008 Budget will be approved this year**
- **Tonight Staff tabled recommended budget**
- **From tonight on – the budget process belongs to Council**



Questions?



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