



**Finance and Administration
Committee Meeting
November 6, 2013**

**Presented By: Doug Nadorozny
Lorella Hayes**



Agenda

- Opening Remarks:
Doug Nadorozny, CAO
- Budget Overview:
Lorella Hayes, CFO

Mission, Vision, Strategic Plan

Vision:

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

Mission:

We are committed to providing excellent access to quality municipal services and leadership in the social, environmental and economic development.

Strategic Goals:

- ✓ Infrastructure
- ✓ Growth and Jobs
- ✓ Image
- ✓ Tourism
- ✓ Healthy Communities



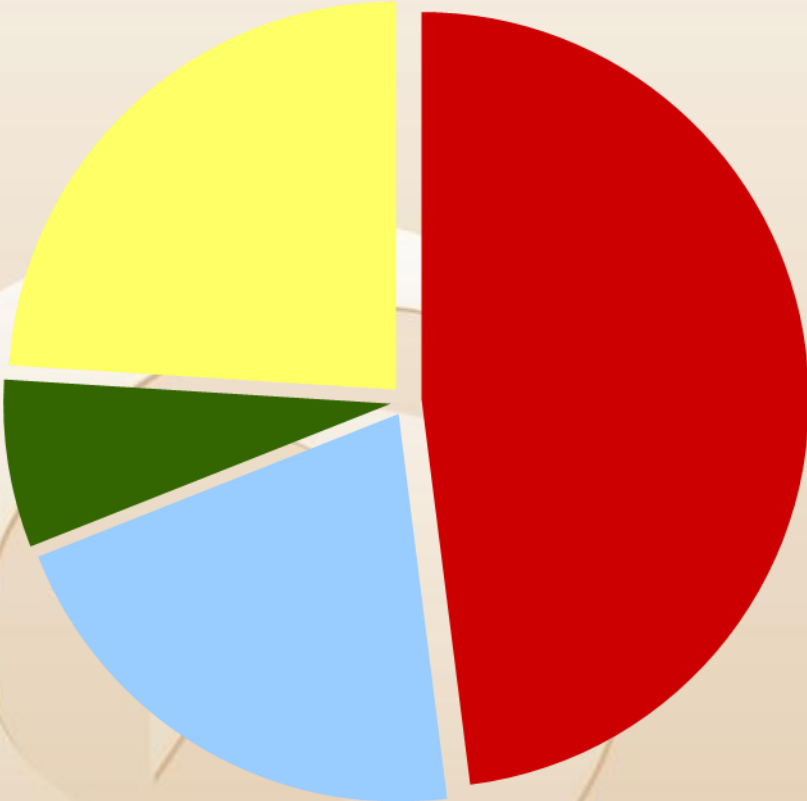
Budget Themes and Priorities

- Maintain low property taxes
- Ensure financial sustainability
- Additional capital funding
- Maintain reserves and reserve funds and debt at appropriate levels

Challenging Municipal Issues

- Community expectations
- Infrastructure aging and requires investment
- Declining funding from senior levels of government
- Limited access to new revenue sources

Municipal Taxes: Largest Source of Revenue



- Municipal Taxes
- User Fees
- Other Revenues
- Grants

Budget Process



Three Year Forecast

- Finance prepared a **Financial Forecast: 2014 to 2016**
- **City Council Direction: Inflationary Tax Increase**

Staff Review

- **Budget Adhoc Committee**
- **Reports to Standing Committee**
- **Detailed Review of Budget by operating departments, Finance, SMT and CAO**

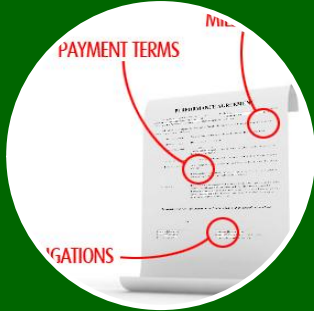
Deliberation

- **Review of Capital Budget and Forecast: June to October 2013**
- **Review of Operating Budget by Finance and Administration Committee: November and December**

Council Approval

- **OMPF Grant**
- **December (or in 2014 if variance from budget is significant)**

Key Factors



Service Levels and Standards

- Contractual Obligations
- Salary and Benefit Costs
- Service and Operating Contracts



Growth

- Costs to service growth
- Assessment growth



Infrastructure

- Capital Funding Gaps
- Senior Levels of Government
- Debt and Interest Rates



Provincial Legislation

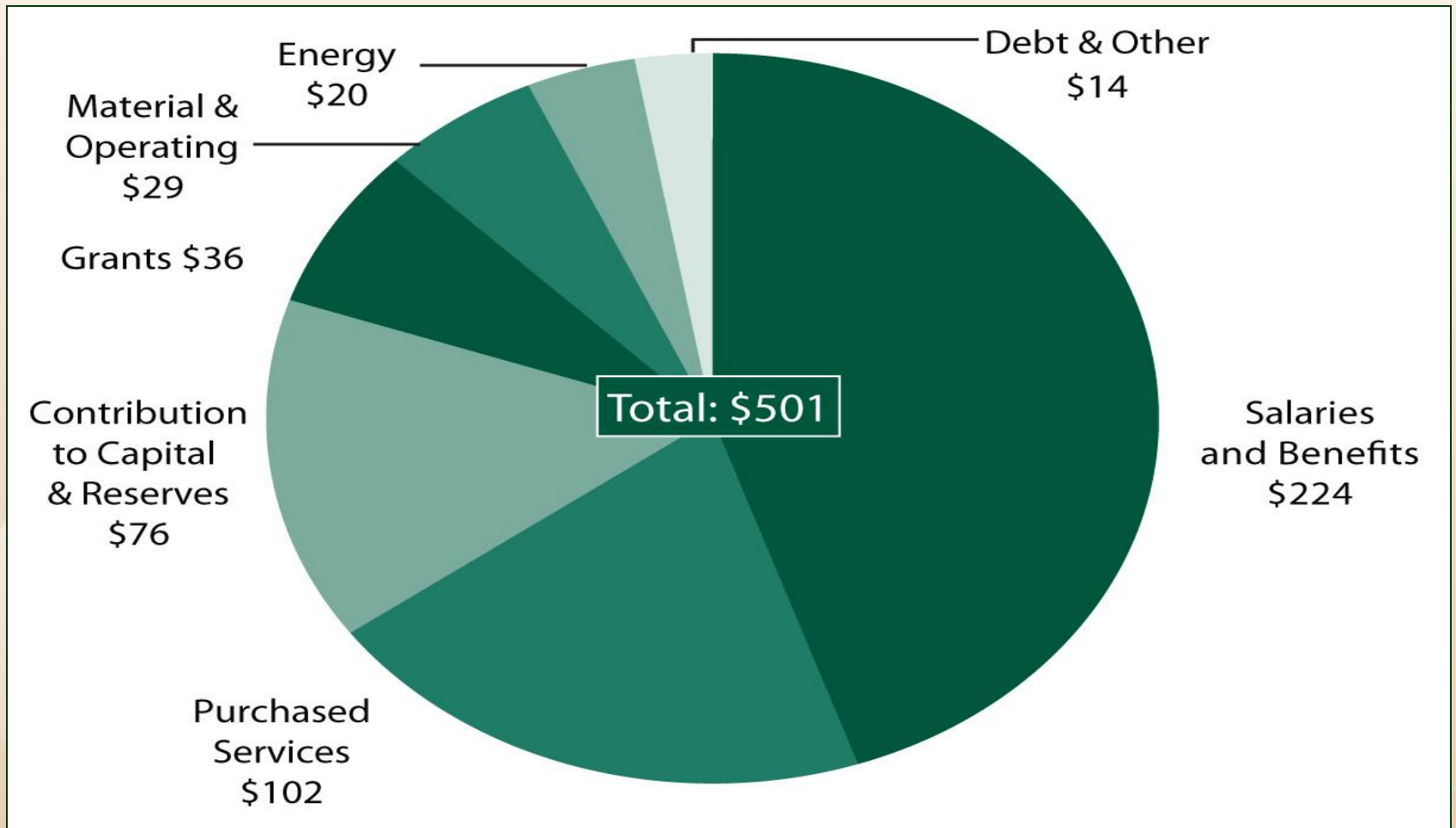
- Funding Levels
- Uploading of Social Services
- Mandated Services



Budget 14

(in millions)	2013 Final Budget	2014 Base Budget	Change
Revenues (other than tax levy)	\$ 277	\$271	(\$6.2)
Municipal Tax Levy	<u>\$222</u>	<u>\$230</u>	<u>\$7.6</u>
Expenses	<u>\$500</u>	<u>\$501</u>	<u>\$1.4</u>

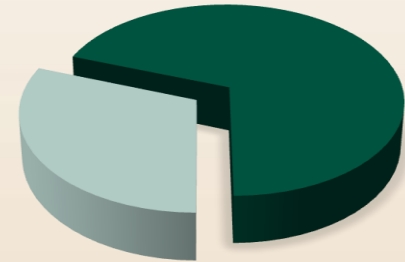
2014 Budget



Budget 14

Our Employees

45 % of 2014 Gross Budget



2013 Full Time Staff	2019
Less: Transfer of Regional Geriatric Program	(12)
Add: Police	4
2014 Full Time Staff	2011

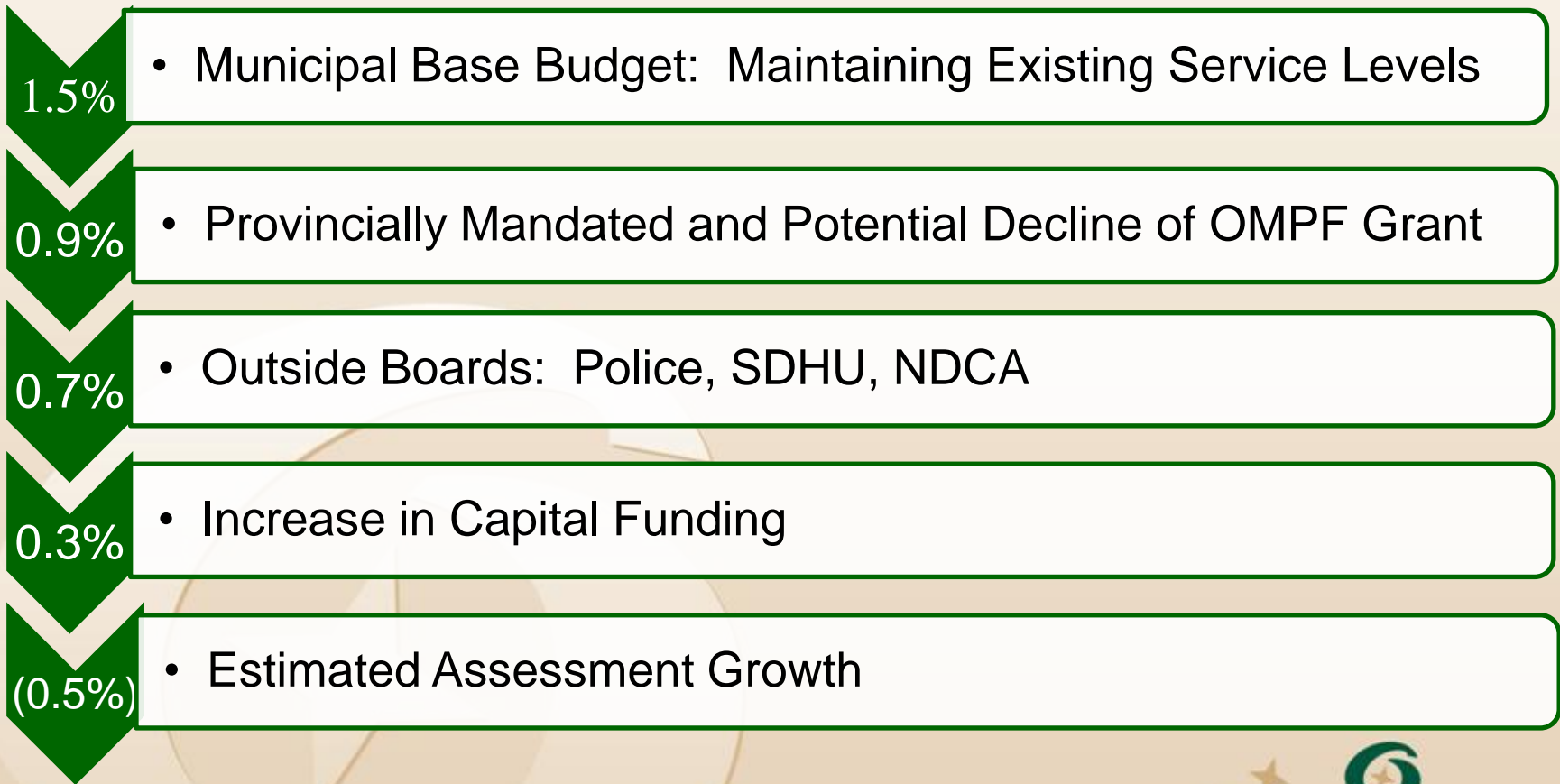
Base Municipal Tax Increase

Base Budget	3.4%
Estimated Assessment Growth	(0.5%)
Base Municipal Tax Increase	2.9%



\$ 7.6 M Increase in Tax Levy

Composition of Municipal Tax Increase



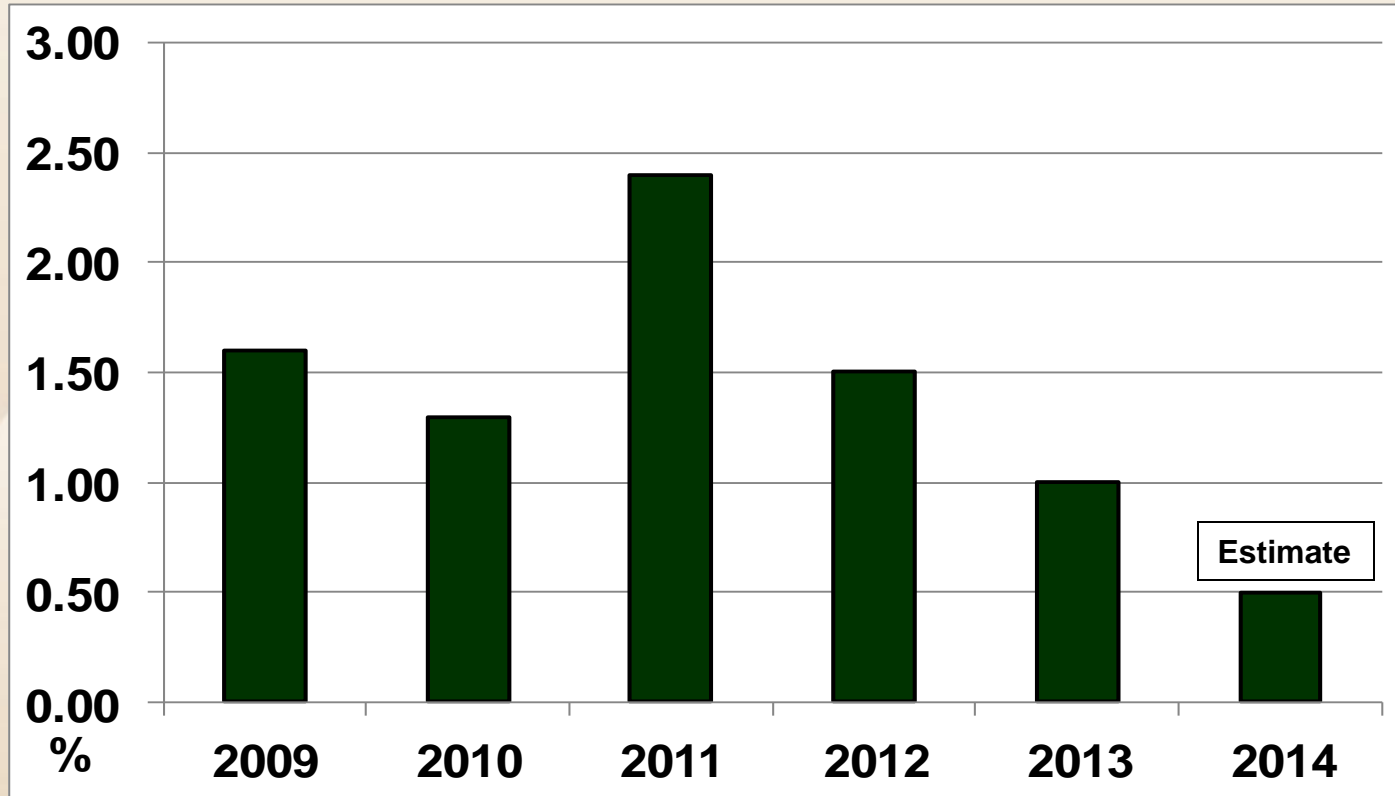
2.9% Municipal Tax Increase

Estimated Assessment

	Total	Growth
Residential (weighted)	\$12.8 Billion	\$156 Million
Non-Residential (weighted)	\$5.1 Billion	(\$69) Million
Total Assessment (weighted)	\$17.9 Billion	\$87 Million
		= 0.5%

Residential includes Multiple-residential and Farm
Based on 2013 CVA estimated year-end totals

Historical Assessment Growth 2009 to 2014



Provincially Mandated & Potential Loss of OMPF

Tax increase 0.9%

- Housing - *increase of \$1.2 Million*
- Social Services and Childcare - *decrease of \$1.0M*
- Reduction in OMPF - *increase of \$1.7 M*
- Emergency Medical Services – *increase of \$0.2 M*
 - 50:50 Prov/Municipal

Ontario Municipal Partnership Fund

- To be confirmed by Province
- Staff estimate – reduction of \$1.7 M or 5%
 - 2014 Budget: \$32.6 million
 - 95% of 2013 OMPF (\$34.3 million)
 - 2013 Province introduced a Northern and Rural Municipal Fiscal Circumstances Index
 - 2013 Transition Year
 - Continued upload of Ontario Works program costs

Municipal Base Budget



Tax increase 1.5%

Budget Pressures

- Environmental Services: \$1.9 M
- Contractual salaries and benefits
- Reduction in estimated supplementary tax revenues: \$0.5 M
- Winter Control contractual increase: \$0.5 M
- Energy: \$0.5 M

Municipal Base Budget (continued)

Tax increase 1.5 %

Tax Levy Reductions

- Increase in payment in lieu of taxes: \$0.3M
- Increased activity in certain user fees:
Transit, Environmental Services
- Fiscal Sustainability \$2.2 M of budget reductions, cost avoidances, efficiencies, new revenues

Toward Fiscal Sustainability: Over \$2.2 Million of Initiatives

- \$2.2 million cost reductions, avoidances, efficiencies, new revenues
 - Doing same with less: \$1.1 million of general inflation not applied to accounts
 - Reviewing service delivery, energy efficiencies, effective procurement, working across departments: \$900,000 of savings
 - Realignment of user fees: \$200,000

Toward Fiscal Sustainability

- Budget Option for realignment of Environmental Services User Fees
 - \$725,000 in revenues to offset tax levy increase

Proposed Municipal Tax Increase

	Scenario One
Base Municipal Tax Increase	2.9 %
Less: Proposed Environmental Services User Fees	(0.3%)
Proposed Municipal Tax Increase	2.6 %

Plus: Enhancement Options

2014 Budget Enhancements

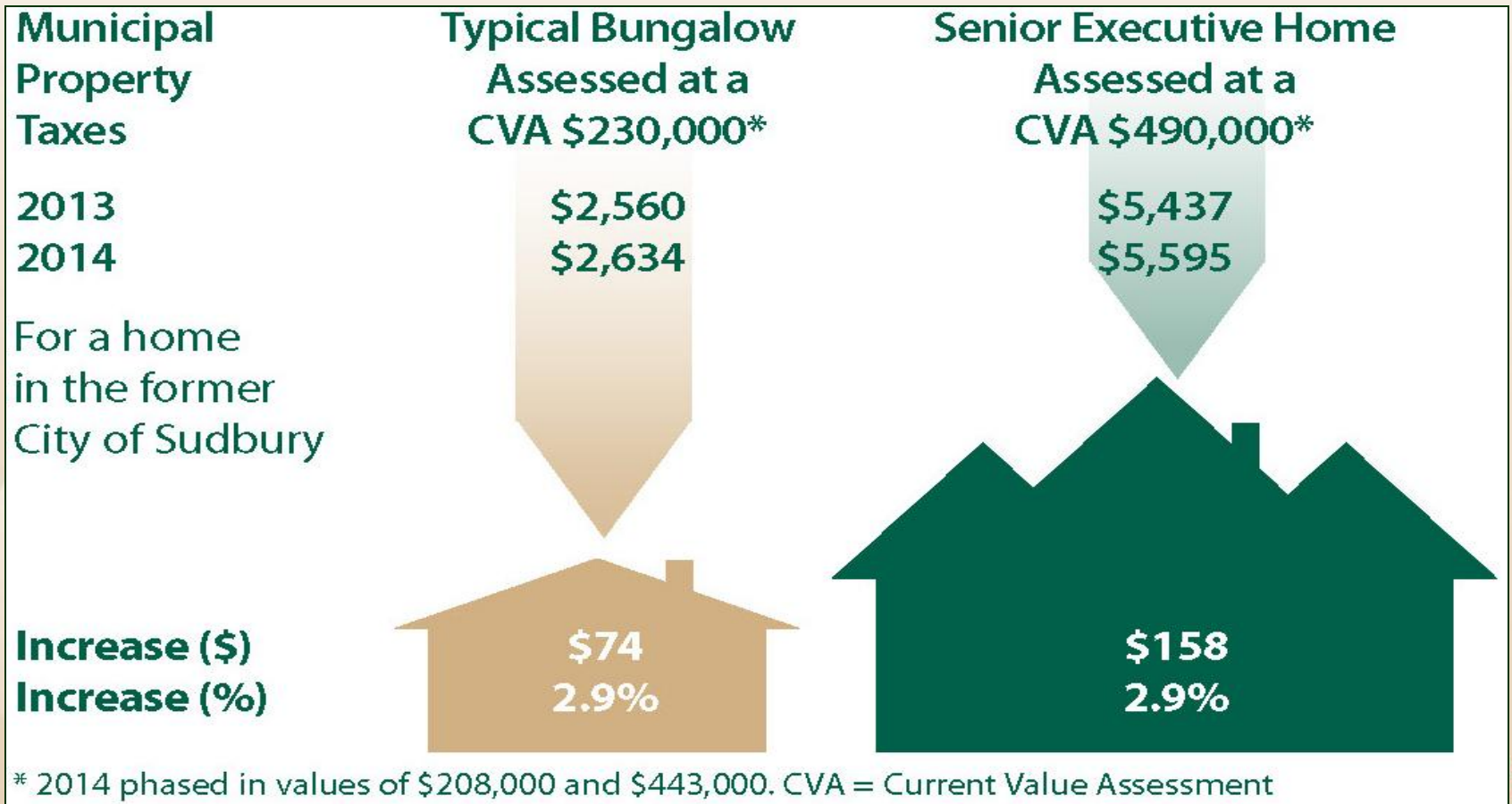
> \$0.5 Million ++

Budget Enhancements	\$
Physician Recruitment Incentives	\$200,000
Arts and Culture Grants	\$47,563
Junction Creek Stewardship Committee	\$30,000
Spay and Neuter Program for Dogs	\$15,670
Municipal Heritage Advisory Panel	\$10,000

Budget Enhancements	\$
Grant to Club Amical du Nouveau	\$14,000
Transit service to LEL Centre	\$100,126
Community Start Up and Maintenance	To be determined
Capital Enhancements (Roads, GHA, Fire, Facilities, Other)	To be determined
AMRIC	To be determined

Budget 14

Impact of 2014 Base Operating Budget on Municipal Tax Increase



2014 Budget Schedule

Capital Budget	Approved by City Council on October 29th, 2013
Budget Overview and Tabling of Budget	November 6th
Review of Base Budget and Outside Boards	November 6th to December 3rd
Water and Wastewater Budget	December 3rd and approval on December 10th
Review and Voting on Proposed Budget Options	December 4th
Final Overview and Approval by Council	December 4th/10th
Property Tax Policy	Spring 2014



Questions

 Greater Grand
Sudbury
Budget 14