



2015

City of Greater Sudbury

BUDGET



Agenda

- Introduction and Overview
Doug Nadorozny,
Chief Administrative Officer
- 2015 Base and Proposed Budget
Lorella Hayes,
Chief Financial Officer

Budget Themes and Priorities

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

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.

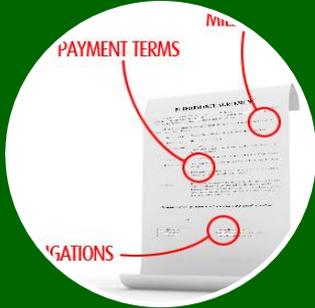
Strategic Framework:

- ✓ Infrastructure
- ✓ Growth and Jobs
- ✓ Healthy Communities
- ✓ Fiscal Sustainability

Where does your tax dollar go?



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 Process



Three Year Forecast

- Finance prepared a Financial Forecast: 2015 to 2017

Staff Review

- Detailed Review of Budget by operating departments, Finance, SMT and CAO

0%

- Council Resolution: 0%
- With no Service Level or permanent staff reductions

Deliberation and Council Approval

- Review of Operating and Capital Budget by Finance and Administration Committee

Council Resolution: December 9

“Chief Administrative Officer and the Chief Financial Officer to make a report to Council, providing their specific and recommended course(s) of action in delivering on zero percent municipal tax increase.”

“...without a loss of permanent jobs, or a reduction of the level of services provided by the City.”

AUGUST 2014
Preliminary Forecast

4.9%

- Three year forecast
- \$12.1 million forecasted tax levy increase

JANUARY 2015
Base Budget

3.6%

- Long Term Financial Planning
- Financial Sustainability Initiatives
- Budget Option Evaluation Tool
- \$3.7 million tax levy reductions

FEBRUARY 2, 2015
Proposed Budget

0.0%

- Long Term Financial Planning
- Council Direction
- Continued Collaboration
- \$8.4 million proposed tax levy reduction options

BASE AND PROPOSED BUDGET



2015

City of Greater Sudbury

BUDGET



Base Operating and Capital Budget

2014 Operating Budget:
\$504 million



2015 Operating Budget:
\$515 million

2014 Capital Budget:
\$95 million



2015 Capital Budget:
\$108 million

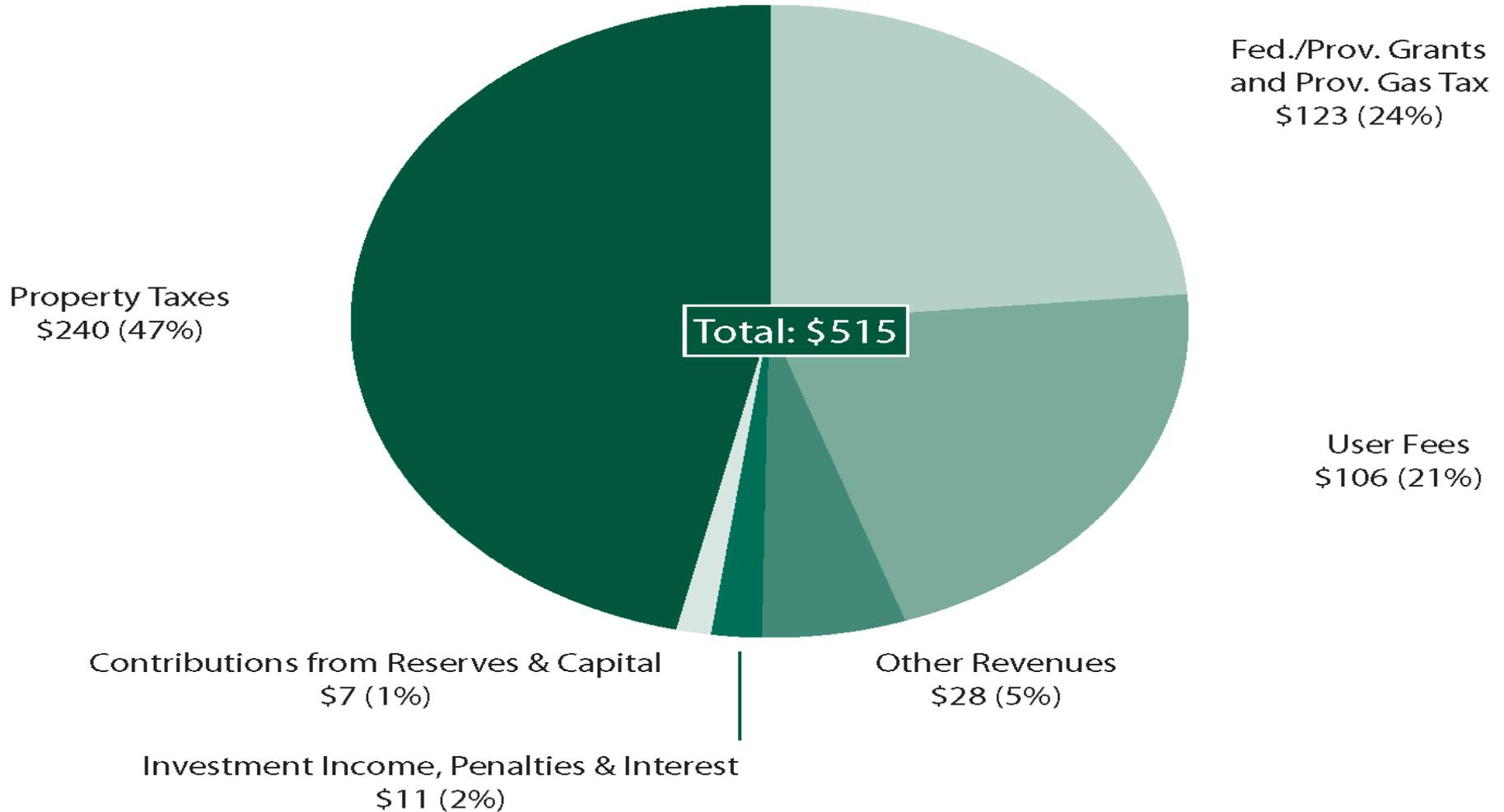
2015 Base Budget

Expenses = **Municipal Property Taxes** + **Other Revenues**
(\$515 M) (\$240 M) (\$275 M)

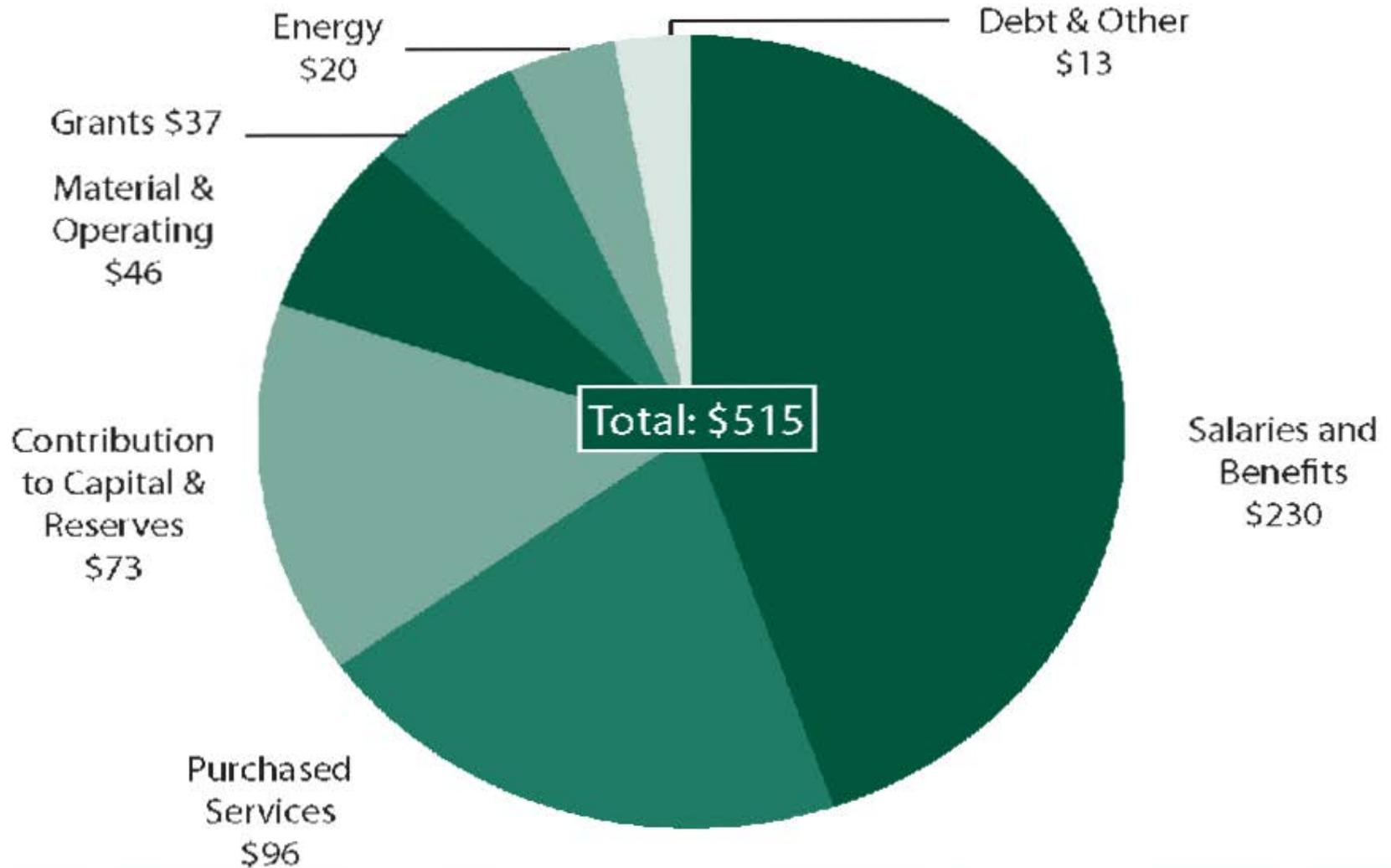


3.6% Base Municipal Tax Increase

Revenue (in millions):



Composition of the 2015 Base Budget (in millions):



Our Employees

45% of 2015 Gross Budget



	Full Time
2014 Staffing Levels	2011
Less:	(1)
Add: Police	8
2015 Staffing Levels	2018



1.4 Million Part
Time/Temporary
Hours

Budget Option: Conversion of PT Hours for 3 FT Staff

(in millions)

	2014 Final Budget	2015 Base Budget	Change
Expenses	\$504.1	\$515.1	\$11.0
Less: Revenues	<u>\$ 273.6</u>	<u>\$275.5</u>	<u>\$ 1.9</u>
Municipal Tax Levy	<u>\$230.5</u>	<u>\$239.6</u>	<u>\$ 9.1</u>

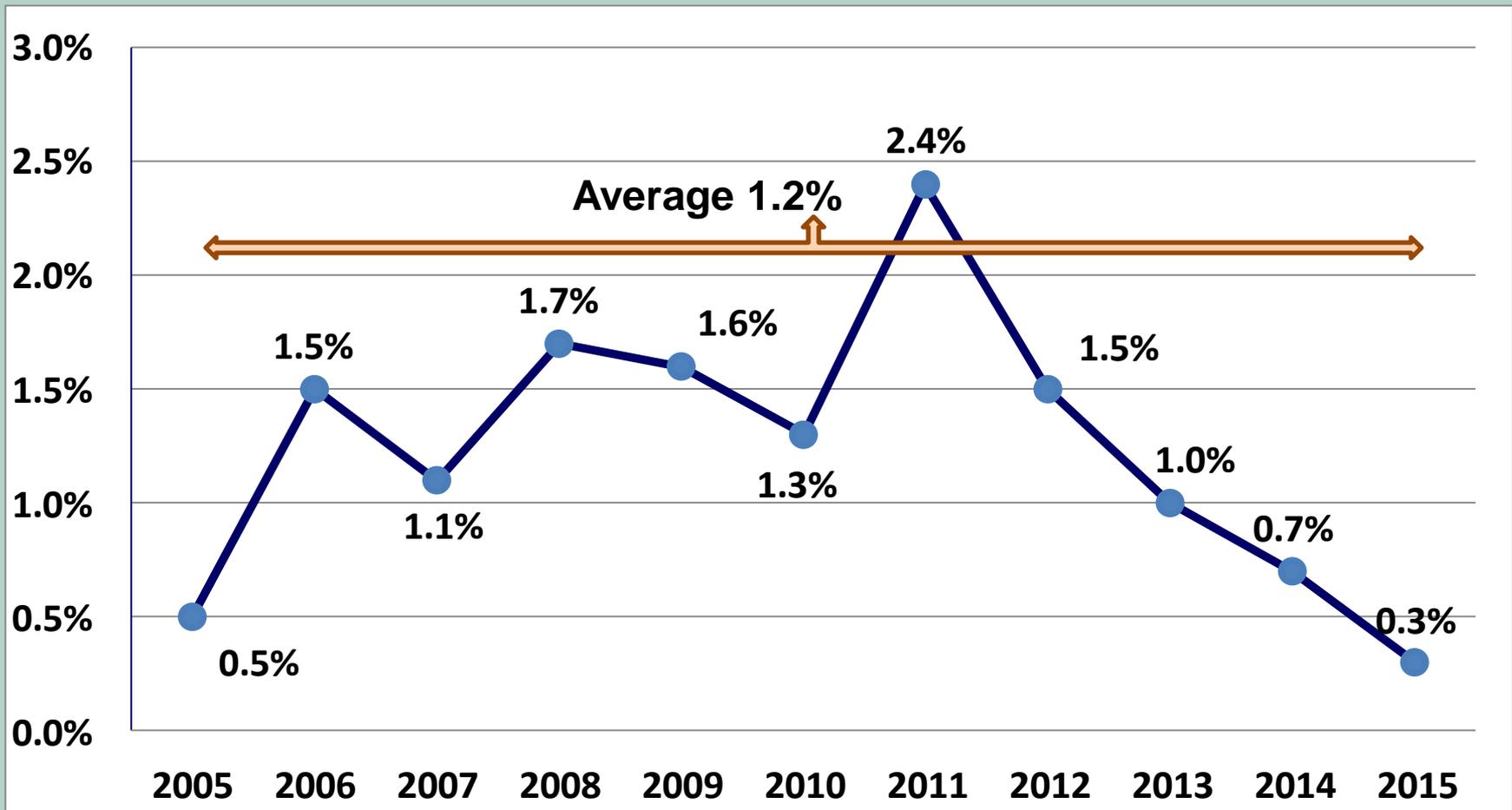
Base Municipal Tax Increase

Base Budget	3.9%
Assessment Growth (\$0.7 million)	(0.3%)
Base Municipal Tax Increase	3.6%



\$ 8.4 M Tax Levy Reduction
to arrive at 0%

Assessment Growth



2015 Base Budget

The following is a breakdown of the tax increase.

	Levy increase (millions)	Municipal Tax Increase
Provincially Mandated (Incl. decline in OMPF)	\$3.5	1.5%
Maintaining Services	\$2.8	1.2%
Additional Capital Investments	\$0.7	0.3%
Outside Boards (Police, NDCA & SDHU)	\$1.4	0.6%
Total Municipal Levy Increase (net of assessment growth)	\$8.4 M	3.6%

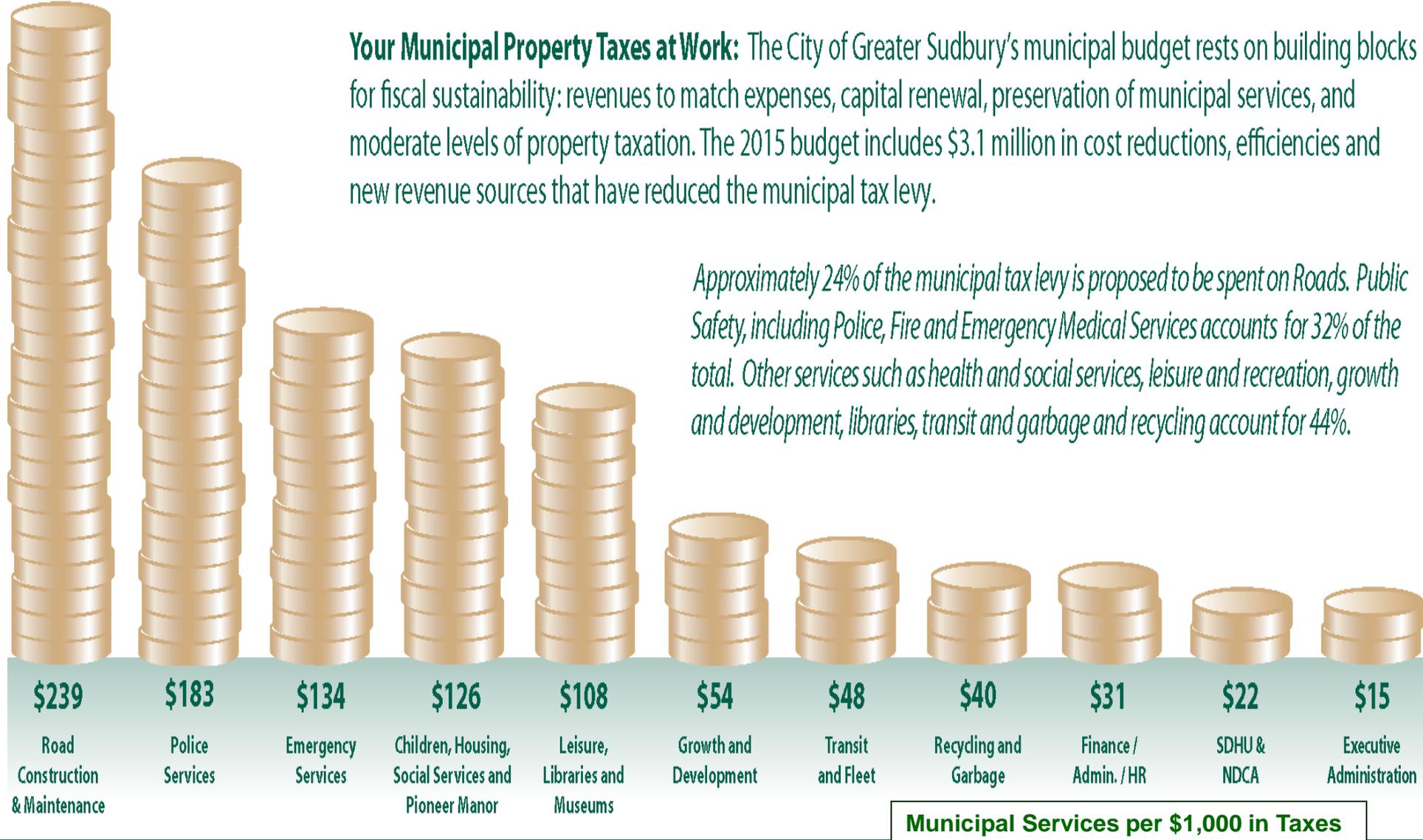
Major Drivers of Tax Increase Changes:

Tax Levy Increases	
Decline of OMPF	\$3,000,000
Animal Control Contract	\$300,000
Environmental Services	\$630,000
Housing Services	\$770,000
Winter Control	\$500,000
Increase in Capital	\$730,000
Handi Transit	\$400,000
Fleet repairs and maintenance (including Fire)	\$400,000

Tax Levy Decreases	
Fiscal Sustainability Initiatives and Efficiencies	\$3,100,000
Fuel	\$1,000,000
Tax write offs	\$ 400,000
Uploading of Ontario Works	\$ 800,000

Your Municipal Property Taxes at Work: The City of Greater Sudbury's municipal budget rests on building blocks for fiscal sustainability: revenues to match expenses, capital renewal, preservation of municipal services, and moderate levels of property taxation. The 2015 budget includes \$3.1 million in cost reductions, efficiencies and new revenue sources that have reduced the municipal tax levy.

Approximately 24% of the municipal tax levy is proposed to be spent on Roads. Public Safety, including Police, Fire and Emergency Medical Services accounts for 32% of the total. Other services such as health and social services, leisure and recreation, growth and development, libraries, transit and garbage and recycling account for 44%.



Municipal Services per \$1,000 in Taxes

Municipal Property Taxes

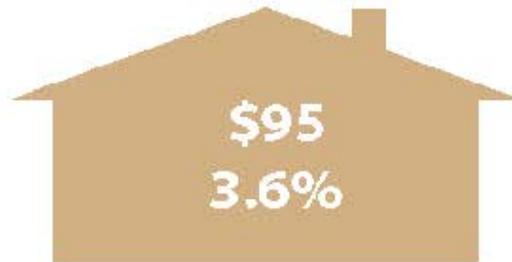
2014
2015

For a home
in the former
City of Sudbury

Increase (\$)
Increase (%)

Typical Bungalow
Assessed at a
CVA \$230,000*

\$2,634
\$2,729



Senior Executive Home
Assessed at a
CVA \$490,000*

\$5,595
\$5,796



* 2015 phased in values of \$219,000 and \$467,000. CVA = Current Value Assessment

Getting to Zero:

Preliminary Forecast (August)	\$12.1 M
Less: Tax Levy Reductions and Fiscal Sustainability Initiatives	(\$3.7M)
Base Budget Municipal Tax Levy Increase	\$8.4 M

Resolution approved by City Council:

- Recommended courses of Action
- No Reduction in Permanent Jobs
- No Reduction in Service Levels

Strategy to Achieve Zero

- Toward Fiscal Sustainability Plan Initiatives
- Developed a Budget Evaluation Tool
- Accepted Risk: For example
 - Winter Control
 - Fuel
- Refined estimates based on most recent information

Proposed Budget Reduction Options

	Tax Levy	%
Expense Reductions:		
-Capital	\$2,434,024	1.0%
-Operating	\$590,269	0.3%
Revenue Increases	\$663,842	0.3%
One Time Revenues to Reduce Tax Levy	\$4,691,240	2.0%
Total	\$8,379,376	3.6%

Proposed Capital Reductions

Freeze the Capital Envelopes at 2014 Levels	\$734,024
Reduce Roads Capital equal to the increase in funding from Senior Levels of Government	\$1,700,000

Proposed Expense Reductions

14 Reduction Options: Examples	\$
Elimination of Safety Awards and Wellness Lunch	\$40,000
Recruit a volunteer for City's United Way Campaign (Eliminate Backfilling expense)	\$25,647
Freeze Arts and Culture Grants Freeze GSDC Grants	\$12,491 \$19,204
Reduction of Reuse Store Hours at Sudbury Landfill Reduction in hours at the Walden Transfer Station	\$60,000 \$66,798
Reduction in Early Day/School Readiness Subsidy	\$250,000

Proposed Revenue Increases

Revenue Increases	\$
Transcab User Fees	\$161,000
Accelerate Phase in of MURB Garage Collection User Fee (Full cost recovery by 2018)	\$181,542
Change Definition of Older Adult (from 55 to 65 years old)	\$175,000
Eliminate Fall residential tipping fee holiday	\$80,000

Budget Item	2015 Base Budget		2015 Proposed Budget	
	Levy increase (millions)	Municipal Tax increase	Proposed Reductions	Municipal Tax Increase
Provincially Mandated (Incl. decline in OMPF)	\$3.5	1.5%	(\$0.3)	1.4%
Maintaining Services (net of assessment growth)	\$2.8	1.2%	(\$1.0)	0.8%
Additional Capital Investments	\$0.7	0.3%	(\$2.4)	(0.7%)
Outside Boards (Police, NDCA & SDHU)	\$1.4	0.6%	-	0.6%
Total Municipal Levy Increase	\$8.4 M	3.6%	(\$3.7 M)	2.0%
Less: One Time Revenues to reduce tax levy			(\$4.7 M)	(2.0%)
Total Municipal Levy Increase	\$8.4 M	3.6%	(\$8.4)	0%

2015
BASE Budget

\$515M



2015
PROPOSED Budget

\$512M

2015
BASE Capital

\$108M



2015
PROPOSED Capital

\$105M

2015 BASE
Municipal Tax Levy

\$239.5M



2015 PROPOSED
Municipal Tax Levy

\$231.1M

2015 City of Greater Sudbury
BUDGET



Proposed One-Time Revenues

Contribution from the Tax Rate Stabilization Reserve to fund Outside Boards	\$1,437,314
Contribution from the Human Resources Management Reserve Fund	\$753,926
Cancellation of Capital Projects approved by Previous Council	\$2,500,000
Total One Time Revenues to reduce Municipal Tax Levy	<u>\$4,691,240</u>

2016 and Future

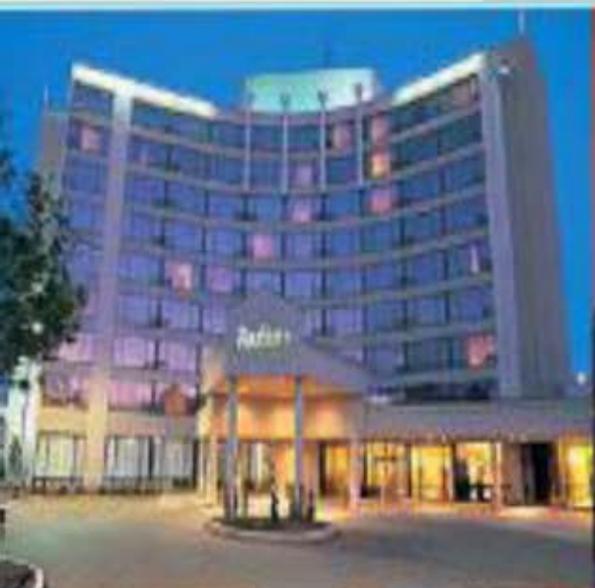
- Anticipate continued declines in OMPF
- Preliminary Forecast of Municipal Tax Increase
 - 2016: 3.5%
 - 2017: 3.1%
- Savings to be identified in 2016: \$4.7 million to avoid an increase above preliminary forecast

Collaboration: City Council and Staff

- Identify savings and reductions of \$4.7 million through:
 - Attrition
 - Service Delivery Reviews and Discussion with Standing Committees/City Council
 - Other Efficiency Initiatives

Budget Schedule

- Line by Line Review:
February 2 to February 24, 2015
- Review of Public Input Submissions:
Feb 24
- Voting on Budget Options:
February 25
- Finalization:
February 25 or March 4



BMA
Management Consulting Inc.

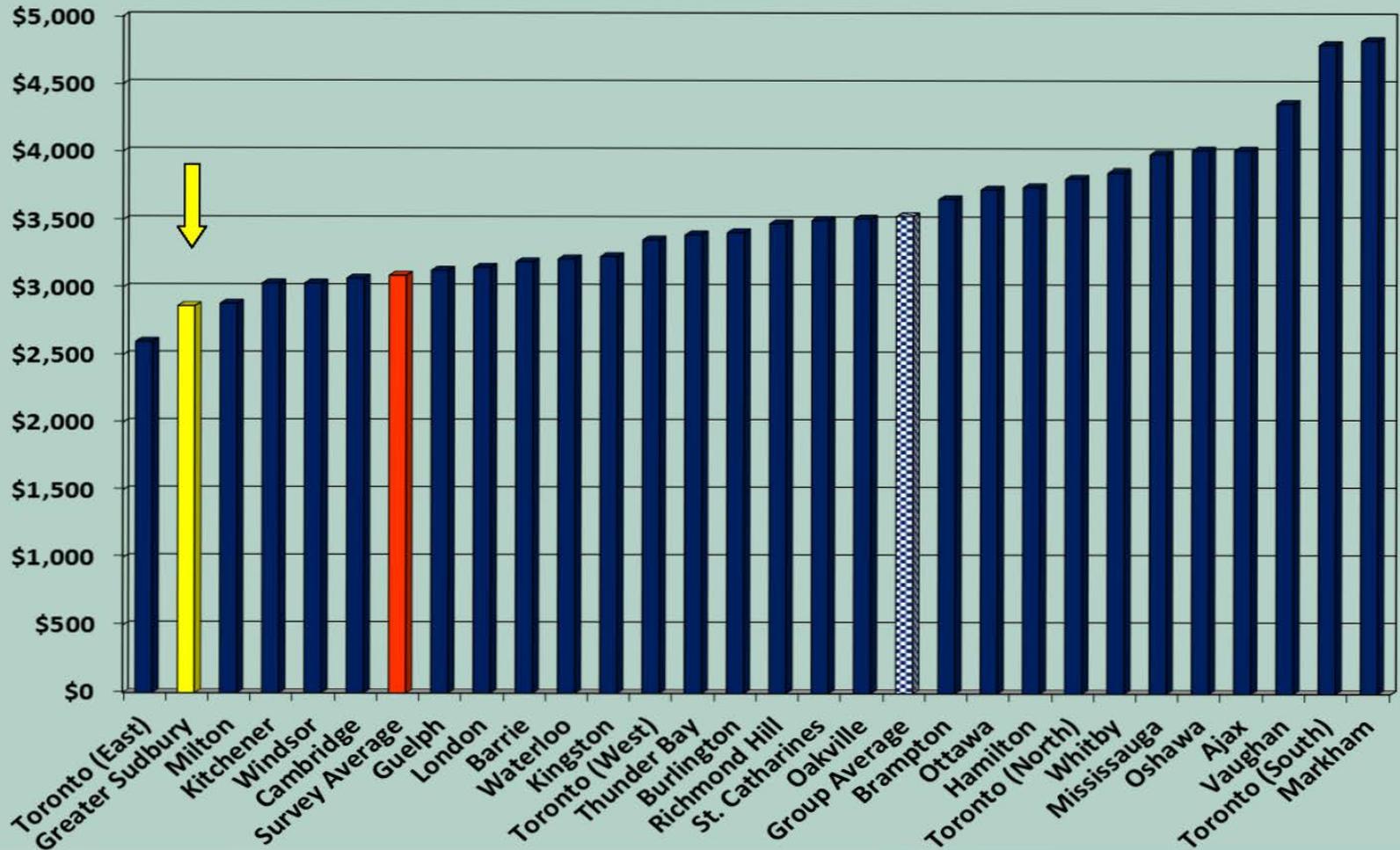


Comparison of Relative Taxes

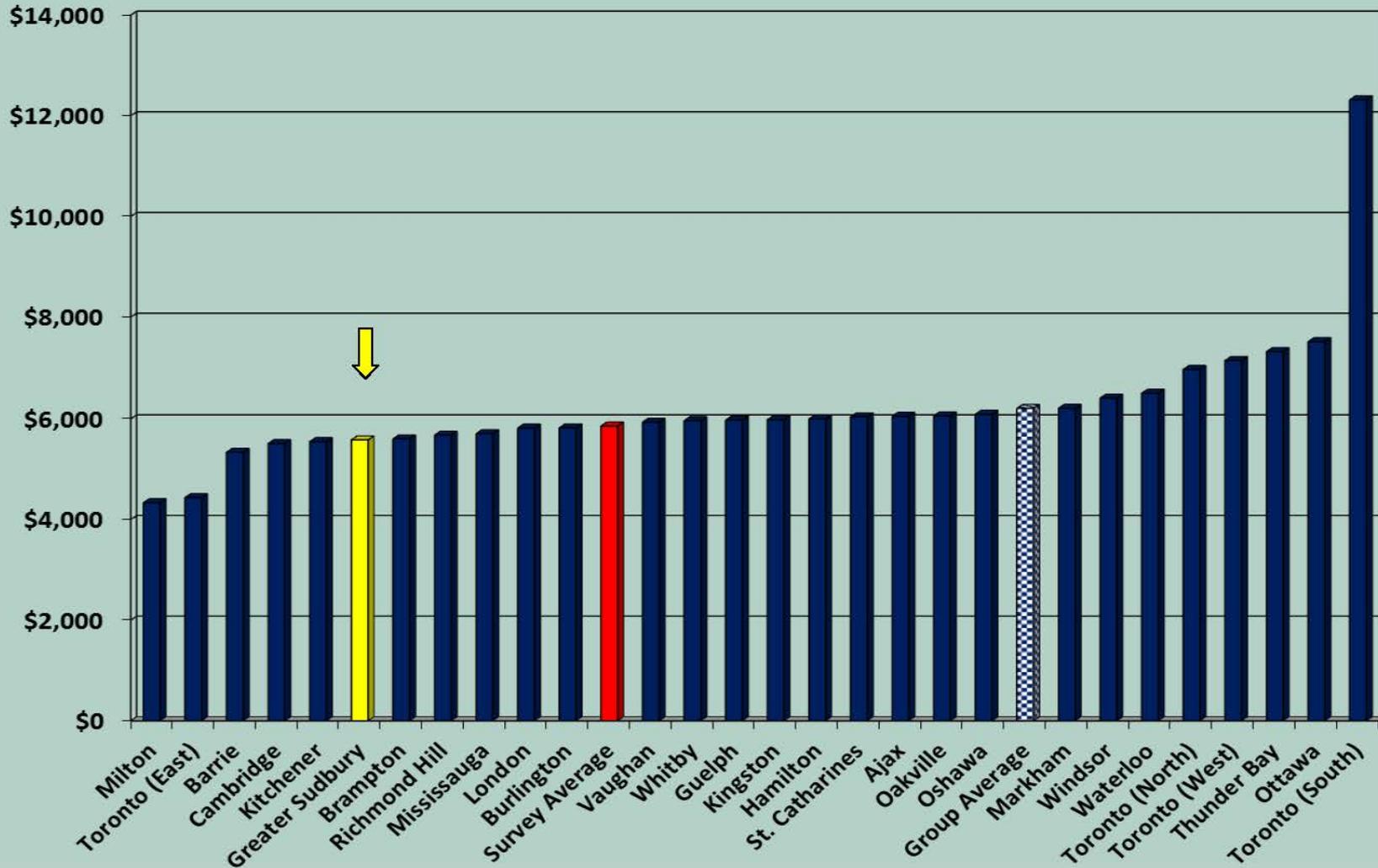
2015 City of Greater Sudbury
BUDGET



2014 Residential Detached Bungalow



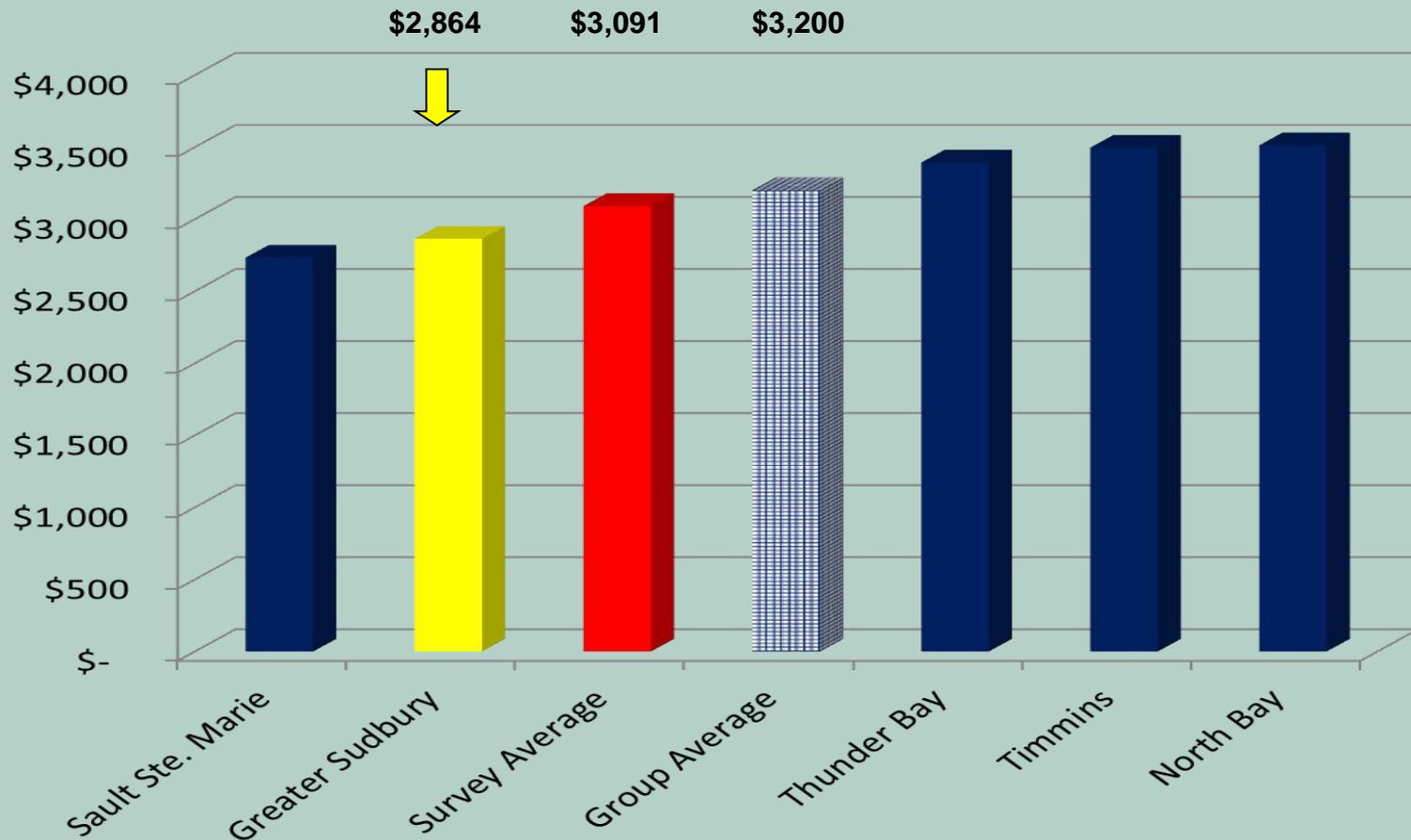
2014 Senior Executive



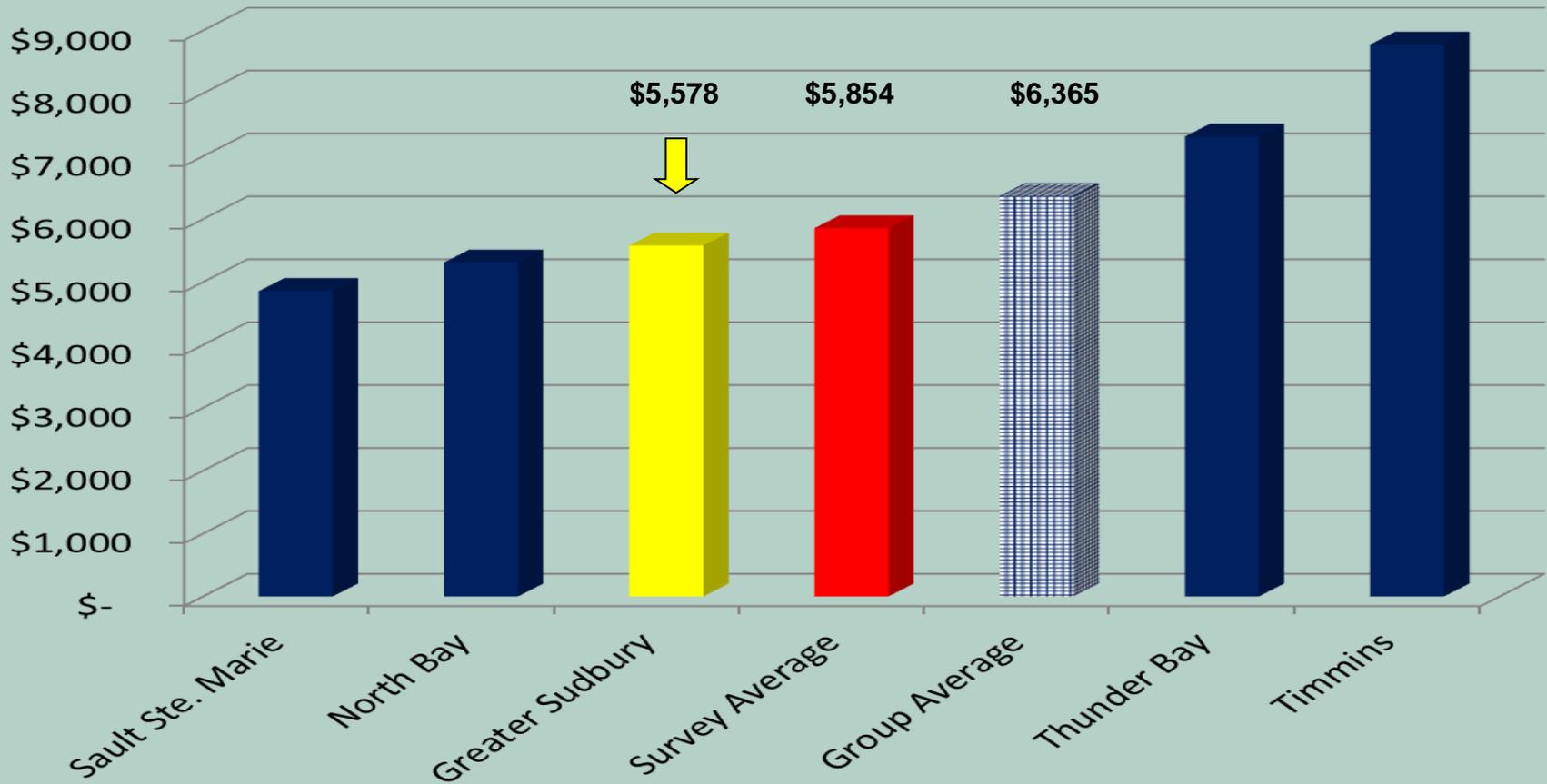
“Like” Property Comparison: Summary

Municipality	Residential	Multi-Residential	Commercial	Industrial
Greater Sudbury Full Survey	mid	mid	mid-high	high
Over 100,000 Population	low-mid	low	mid-high	high

2014 Residential Detached Bungalow



2014 Senior Executive Home



Questions

