



Budget12

Setting the Stage for 2012

**Presented by: Doug Nadorozny
Lorella Hayes**

Agenda

- Preliminary Forecast
- Financial Themes and Municipal Comparisons
- Historical Information



- Preliminary Forecast represents staff's best estimate of municipal tax levy increase for 2012
- Estimates will change by Fall, based on updated information

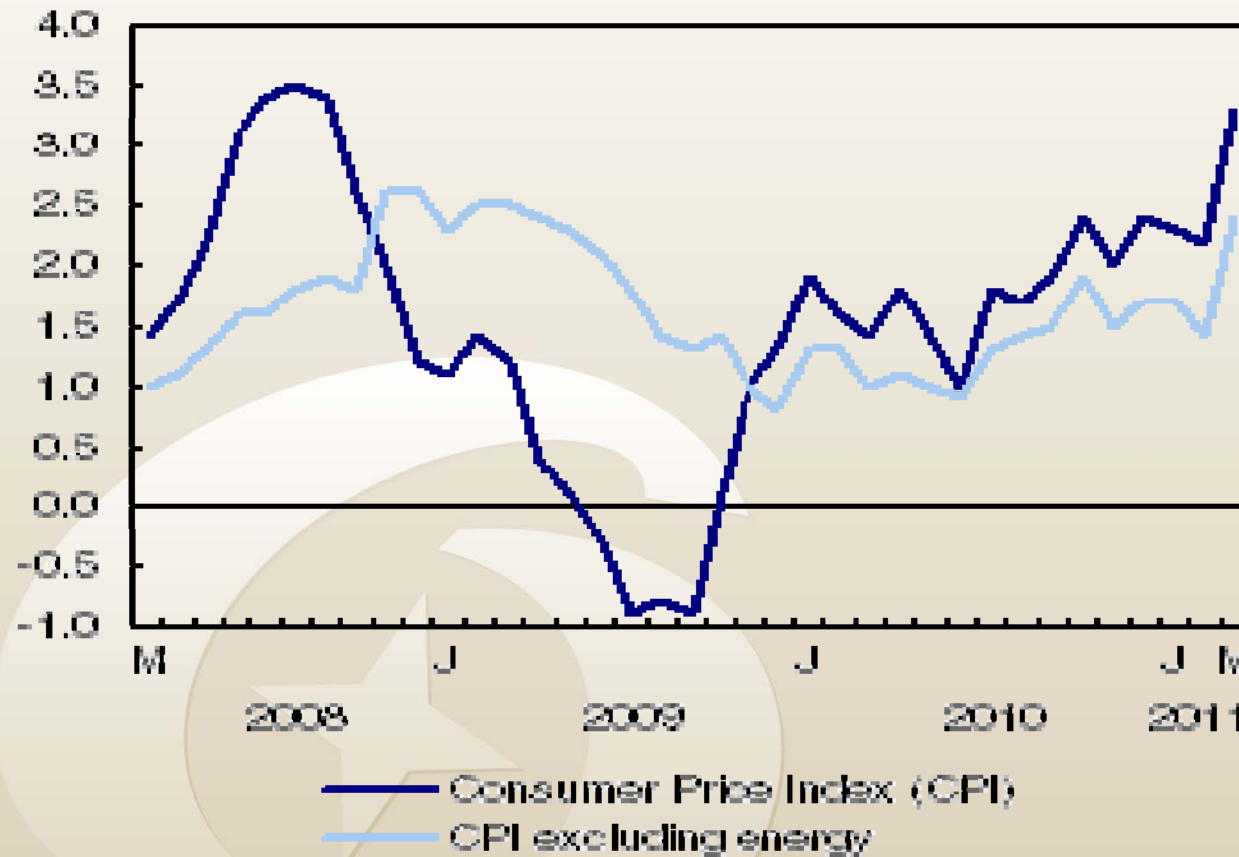


Key Assumptions

- No changes to service levels or service standards
- Current staffing levels maintained
- Contractual obligations satisfied
- Inflation applied: CPI
- One-time OMPF funding of \$3.9 million in 2011

The 12-month change in the CPI and the CPI excluding energy

12-month % change



March CPI:
3.3% Excluding
Energy 2.4%



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Budget Guidelines

- Collective Bargaining Increase: CUPE 2.3%; Estimates for Fire, Police, Pioneer Manor, employee benefits, OMERS 1%
- Core inflation applied to most accounts: 0 to 2%
- Hydro: 5%; Diesel: 9%
- 3% increase in user fee rates



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	2011 Budget (Final) (in millions)	Preliminary 2012 Forecast (in millions)
Total Expenditures	\$472	\$485
Less: Revenues	(\$267)	(\$268)
Municipal Tax Levy	\$205	\$217

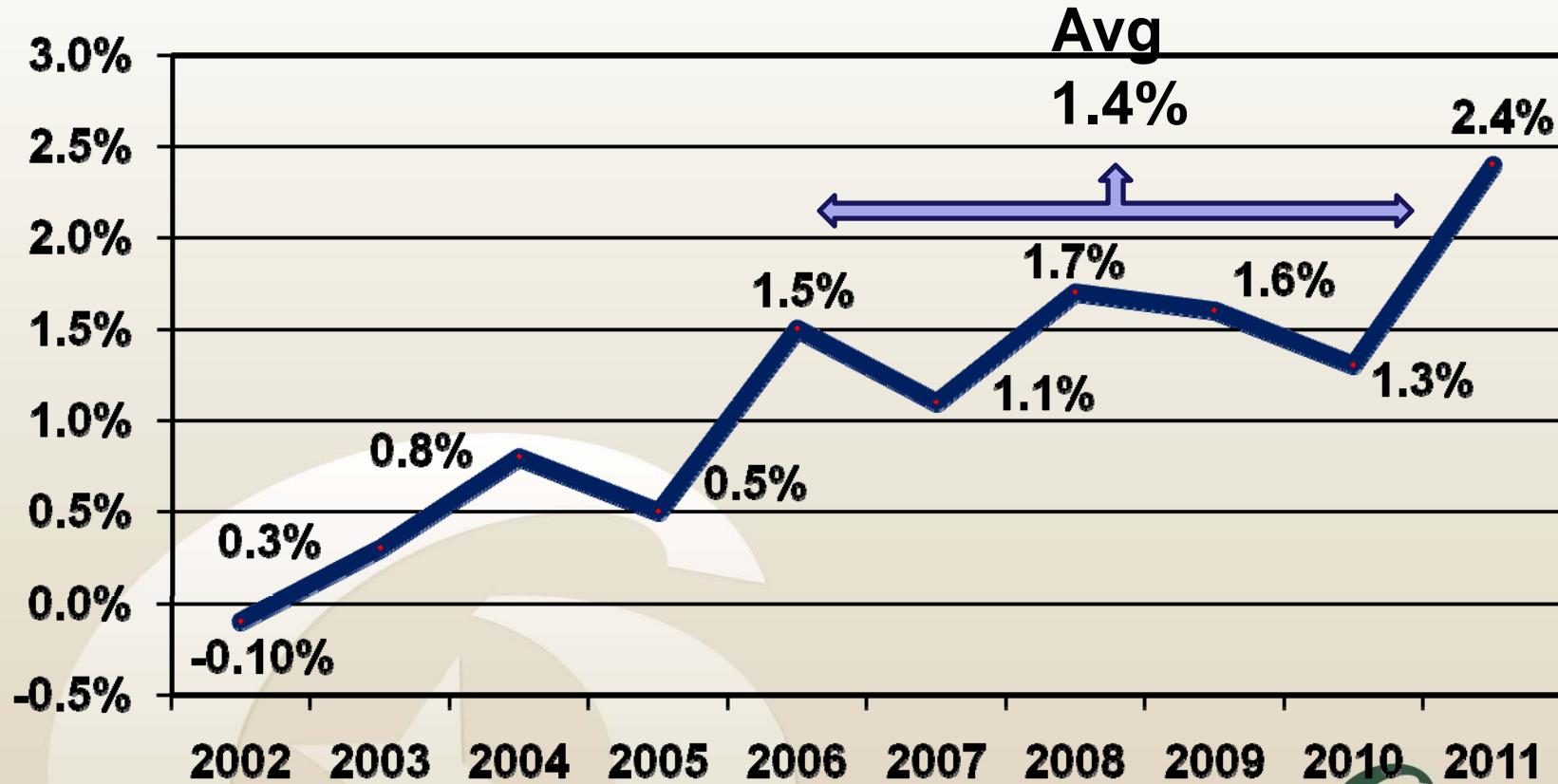


Salary & Benefits
\$213M or 44%

\$12 million or 5.9%
Levy Increase


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Assessment Growth



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Preliminary Forecast

	2011 Budget (Final) (%)	Preliminary 2012 Forecast (%)
Levy Increase	5.9%	5.9%
Less: Assessment Growth	(2.4%)	(1.4%)
Municipal Tax Increase (before area rating and tax policy)	3.5%	4.5%
Plus: Capital Levy	0%	0 to 2.3%
Total	3.5%	4.5% to 6.8%

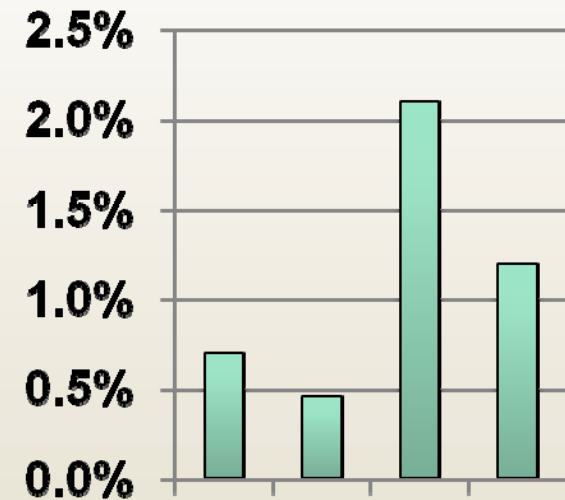


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	\$ (millions)	%
2011 Budget Approvals	\$1.4	0.7%
Provincially Mandated Programs	\$1.0	0.5%
Municipal Base Budget (Costs to maintain service levels)	\$7.1	3.4%
Outside Boards	\$2.6	1.3%
Assessment Growth	-	(1.4%)
Total	\$12 M	4.5%

Tax Levy



2011 Approvals
Prov Mandated
Municipal Base Budget
Outside Brds

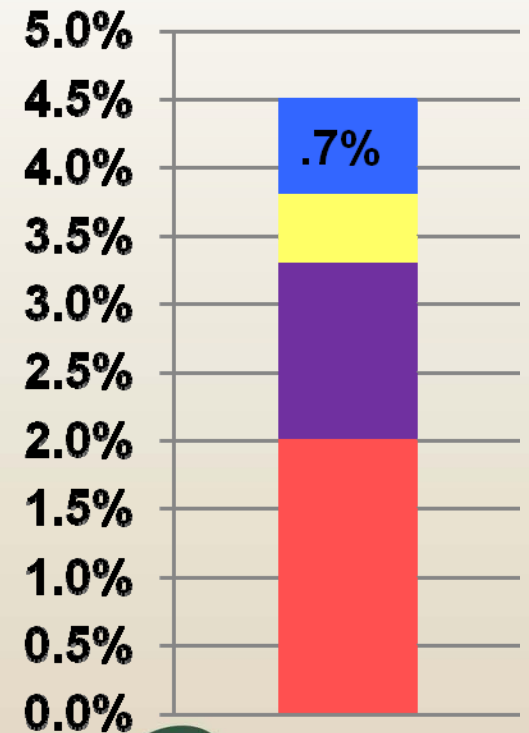


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Highlights of Budget Pressures:

2011 Budget Approvals: \$1.4 M or 0.7%

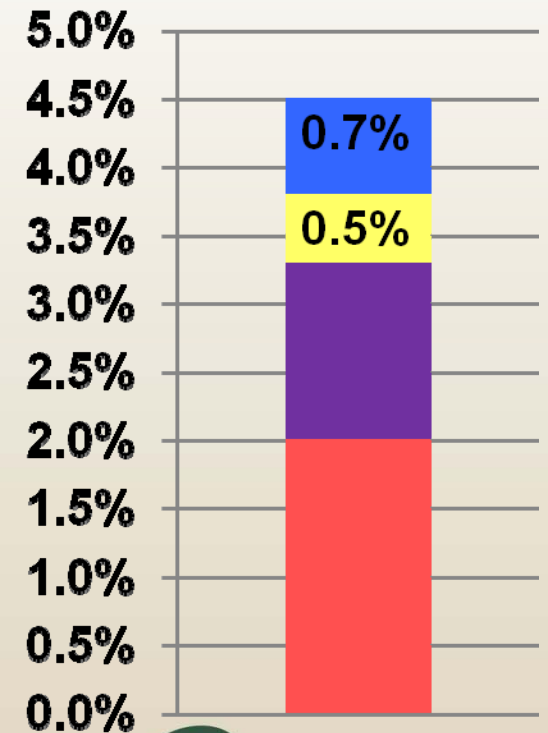
- Healthy Communities Funding
\$190,000
- Operating budget impacts
identified through budget
enhancements and capital
projects - \$210,000
- Phase in of Transit Sunday
Service - \$292,000
- Removal of one-time funding from
Tax Rate Stabilization
Reserve: \$713,000



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Highlights of Budget Pressures: Provincially Mandated \$1.0M or 0.5%

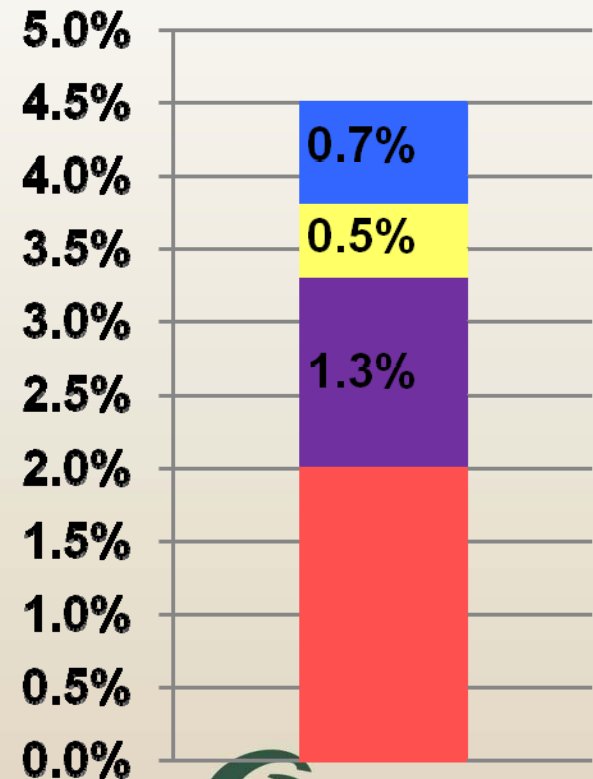
- Legislated increase in grants to GSHC and Non-profit Housing Providers: Estimate only
- Ontario Works: Upload of Benefits; offset by reduction in OMPF grant
- Child Care
- Emergency Medical Share: City/Province 50:50 Share



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Highlights of Budget Pressures: Outside Boards \$2.6M or 1.3%

- NDCA and SDHU: City staff estimate of 3% increase
- Police: City staff estimate, plus phase in of 5 officers, and \$285,000 in capital for communications system replacement



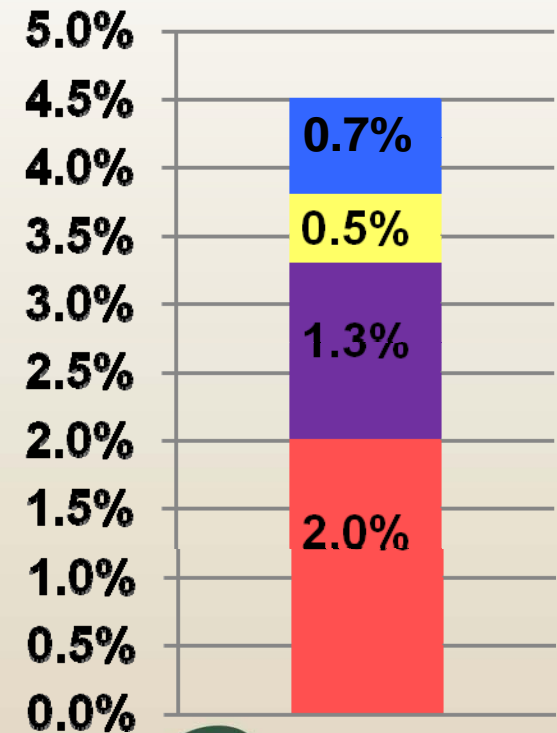
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Highlights of Budget Pressures:

Municipal Base Budget: \$7M or 3.4%

(2% Net of Assessment Growth)

- Contractual Salaries and Benefits: \$3.4 million
- Energy: \$1.2 million
- Increase in Capital: \$700,000
- Pioneer Manor: \$1.2 million
- Phase in of Fire Protection costs as per WWW 10 year Financial plan: \$408,000



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Highlights of Budget Pressures:

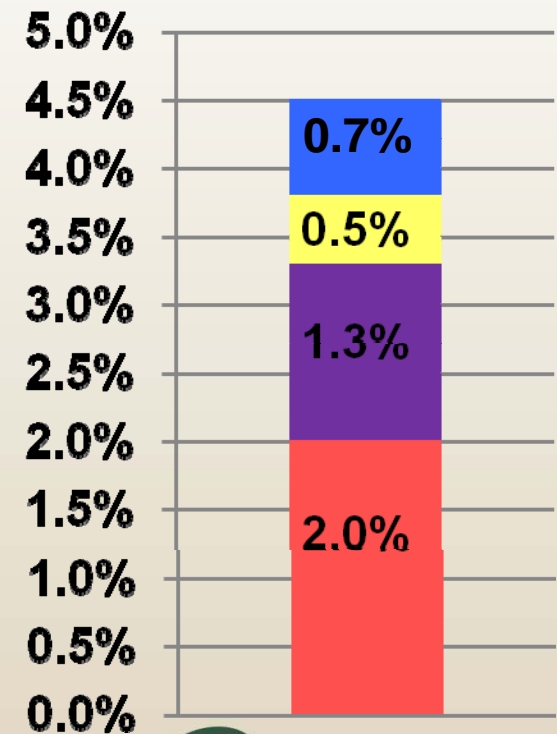
Municipal Base Budget: \$7M or 3.4%

(2% Net of Assessment Growth)

- General Inflation: \$1 million
- Environmental Services Contracts: \$384,000
- Reduction in PIL and OLG Revenues: \$200,000

Offsetting items

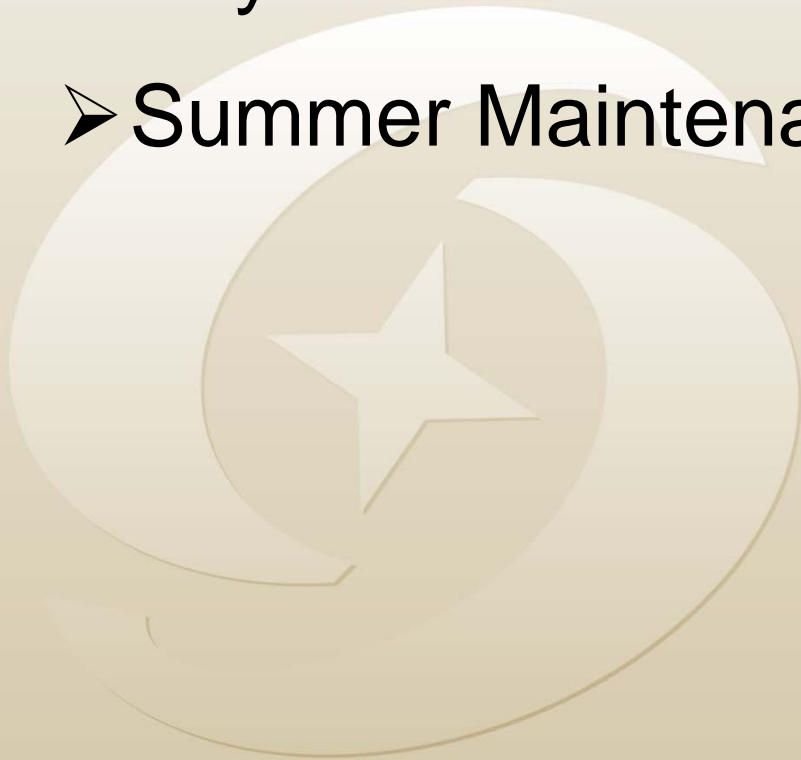
- Fiscal Sustainability Reductions: \$494,000
- Increase in User Fee rates (3%): \$900,000



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2011 Enhancements: Funded One Time Only

- Emergency Shelter Top up: \$423,000
- Physician Recruitment: \$400,000
- Summer Maintenance: \$750,000



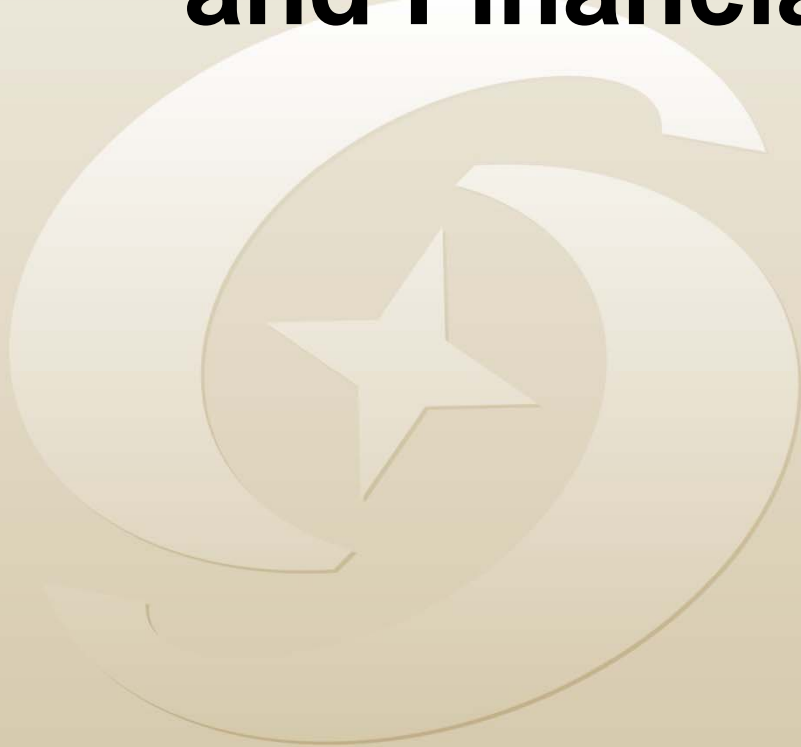

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**Municipal Comparisons and
Financial Themes**

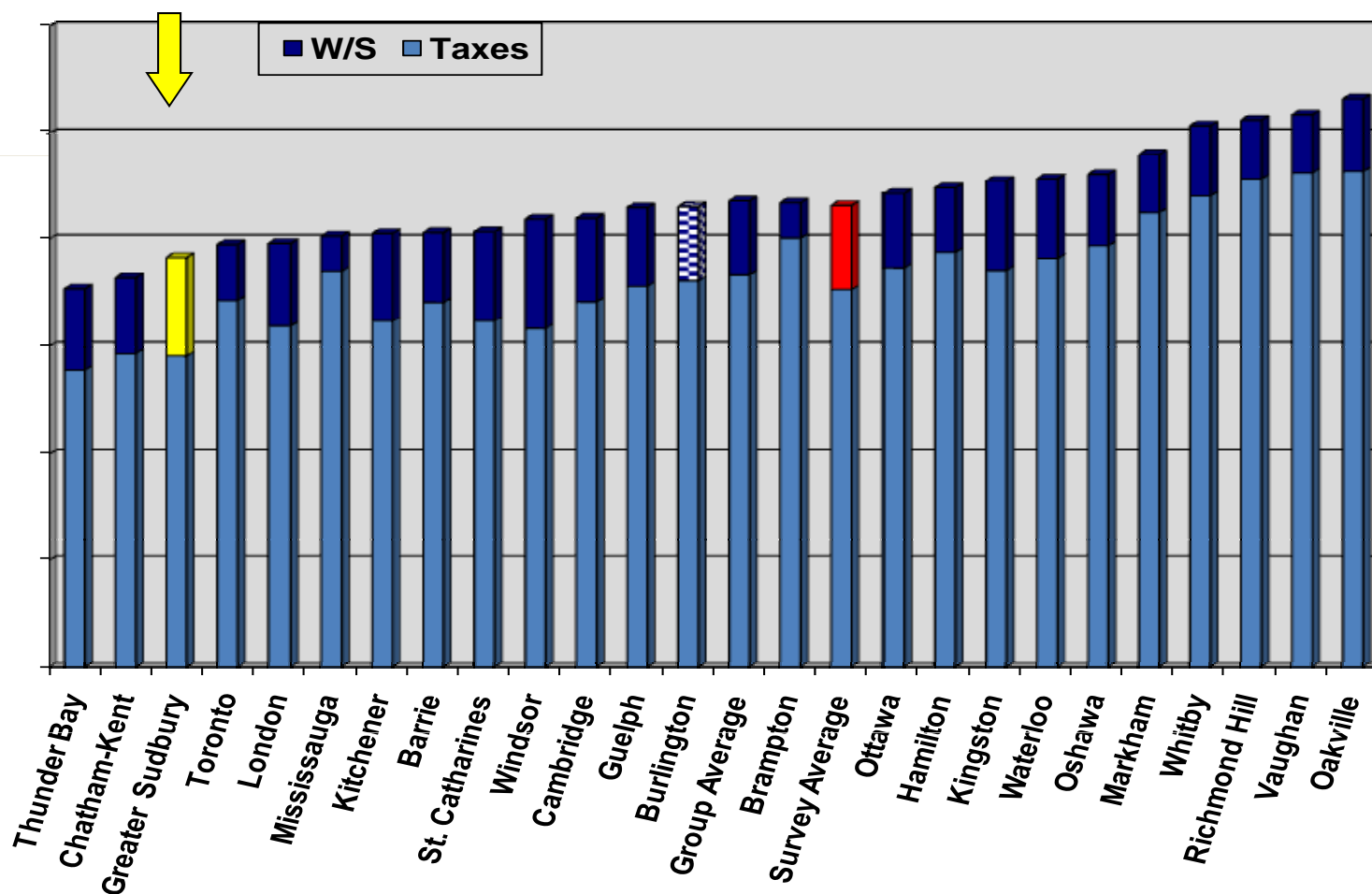
Maintain Low Property Taxes and Financial Sustainability



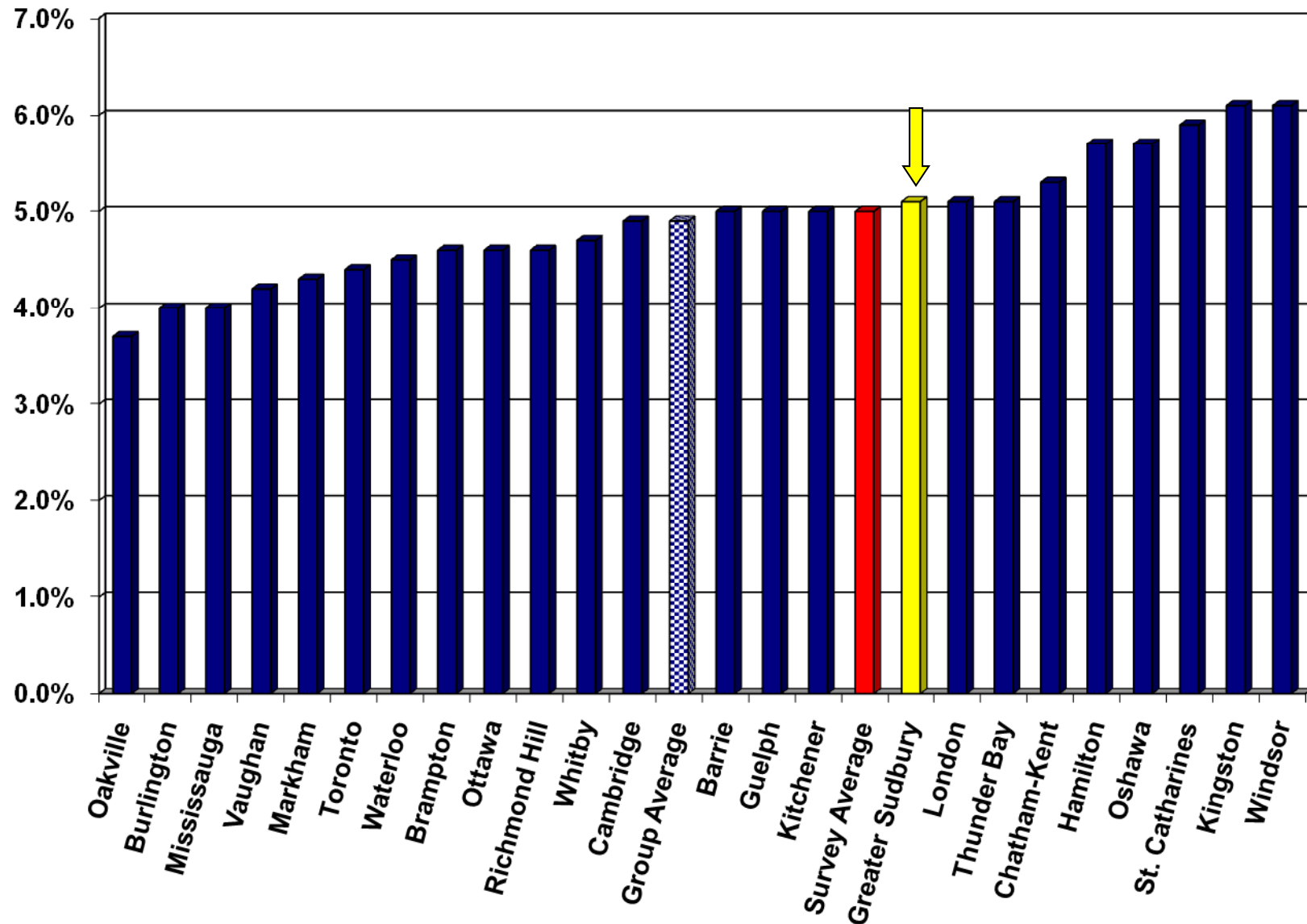

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BMA Municipal Comparison Taxes & Water / Sewer Rates Combined

(based on a standard three bedroom bungalow – 2010)



2010 Property Taxes + W/S as a % of Income

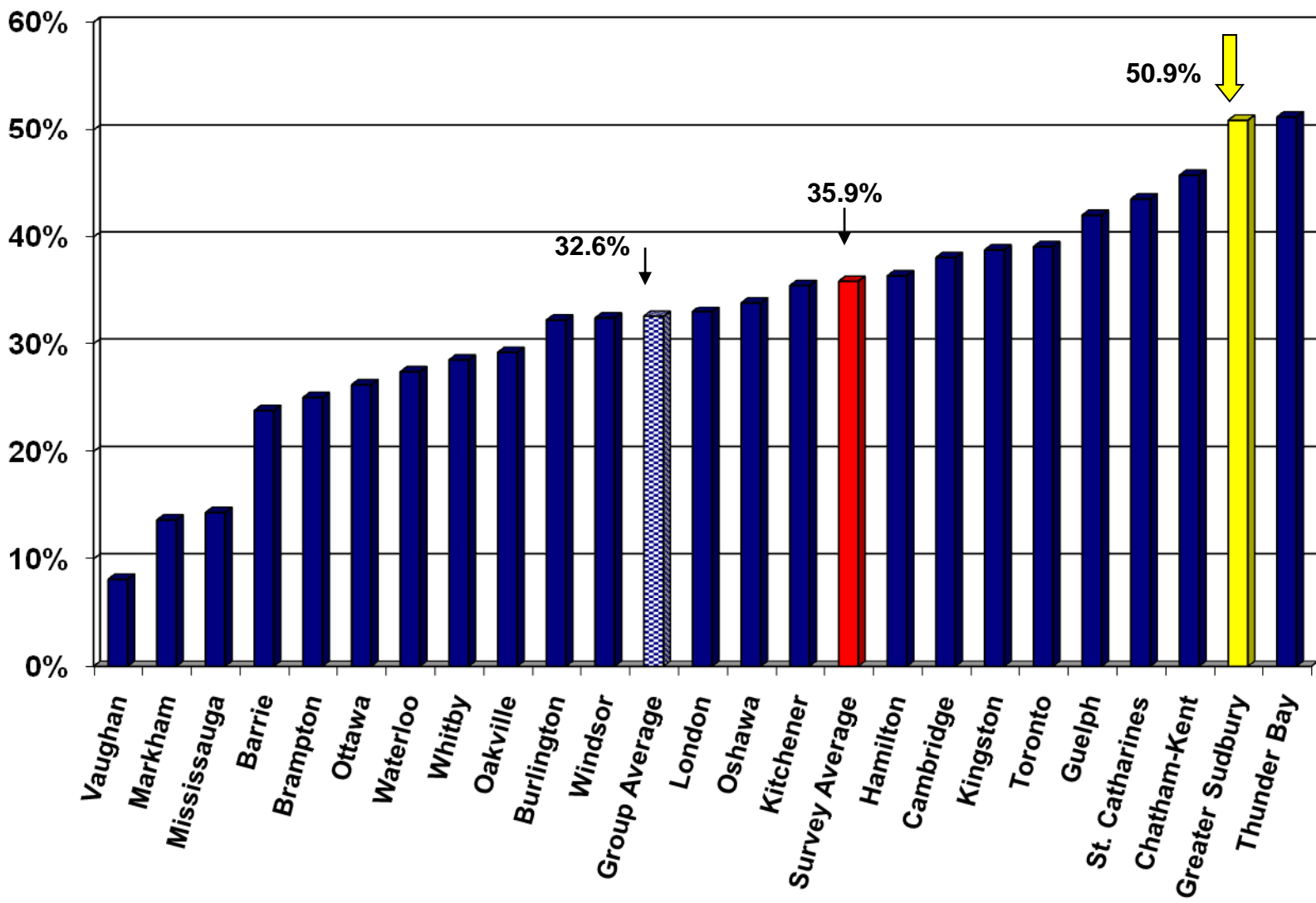


Need for Additional Capital Funding

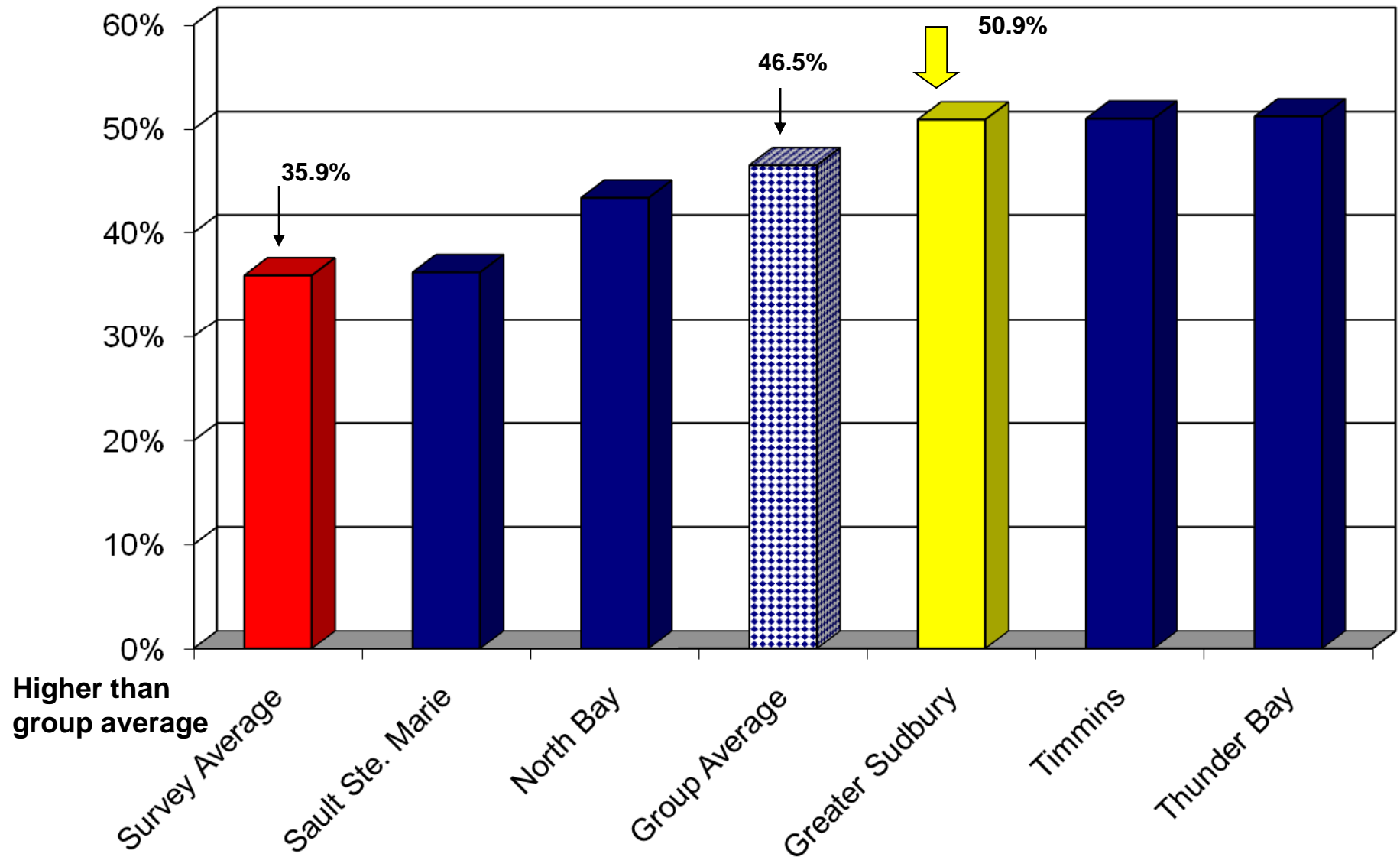



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2009 Asset Consumption Ratio



2009 Asset Consumption Ratio



Sustainable Funding Levels: Capital

- Tax supported capital sustainable funding requirement: At least 2 times existing funding levels
- WWW annual requirement: \$46 Million compared to base budget of \$23.5 Million



Capital Levy and Long Term Financial Plan

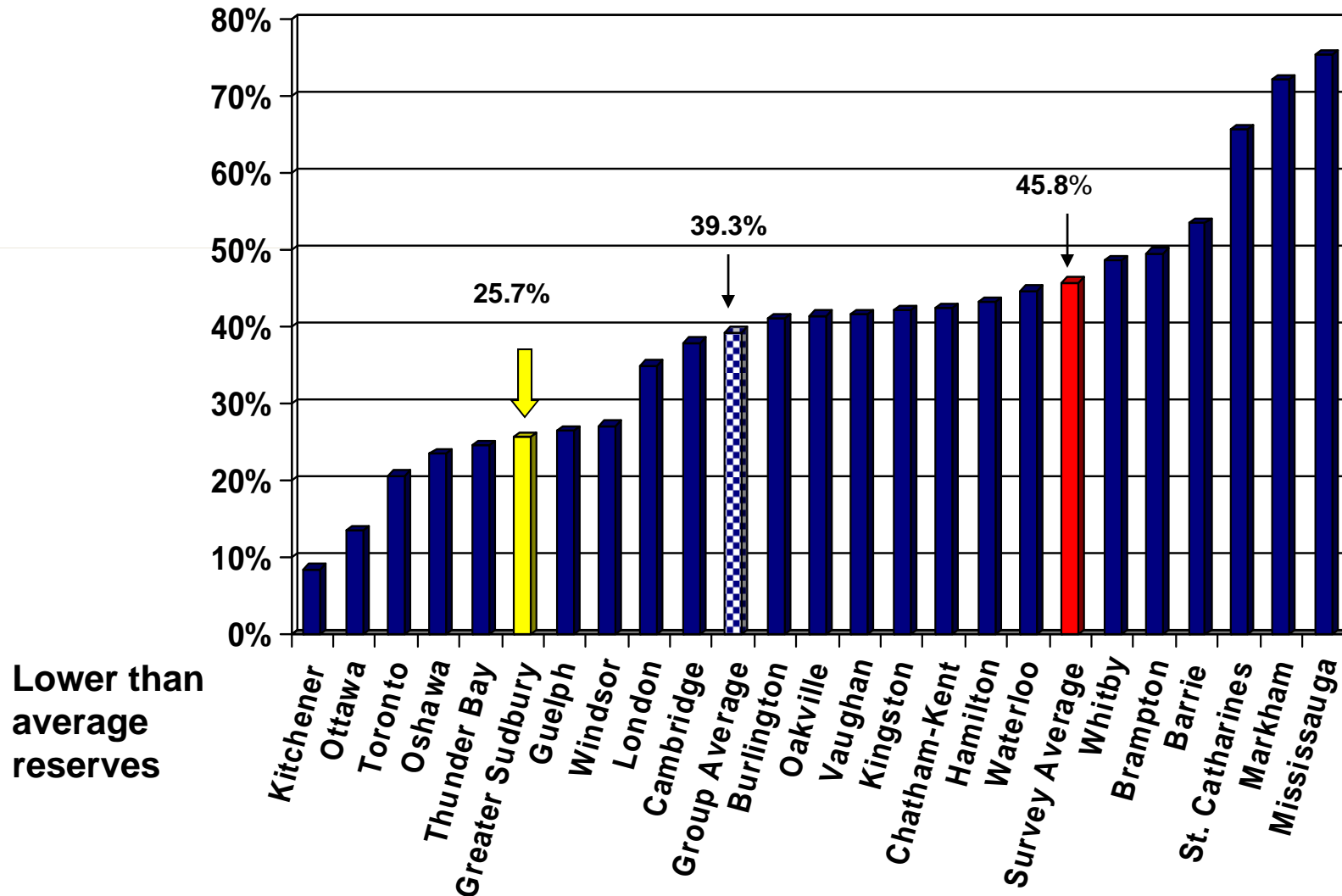
- 2011: No capital levy
- LTFP recommendation of 2.3% capital levy; Approved in 2005, 2006, 2008. 0.5% in 2007
- A ten year capital plan will be updated and developed in advance of 2013 budget deliberations

Maintain Reserves and Reserve Funds and Debt at Appropriate Levels



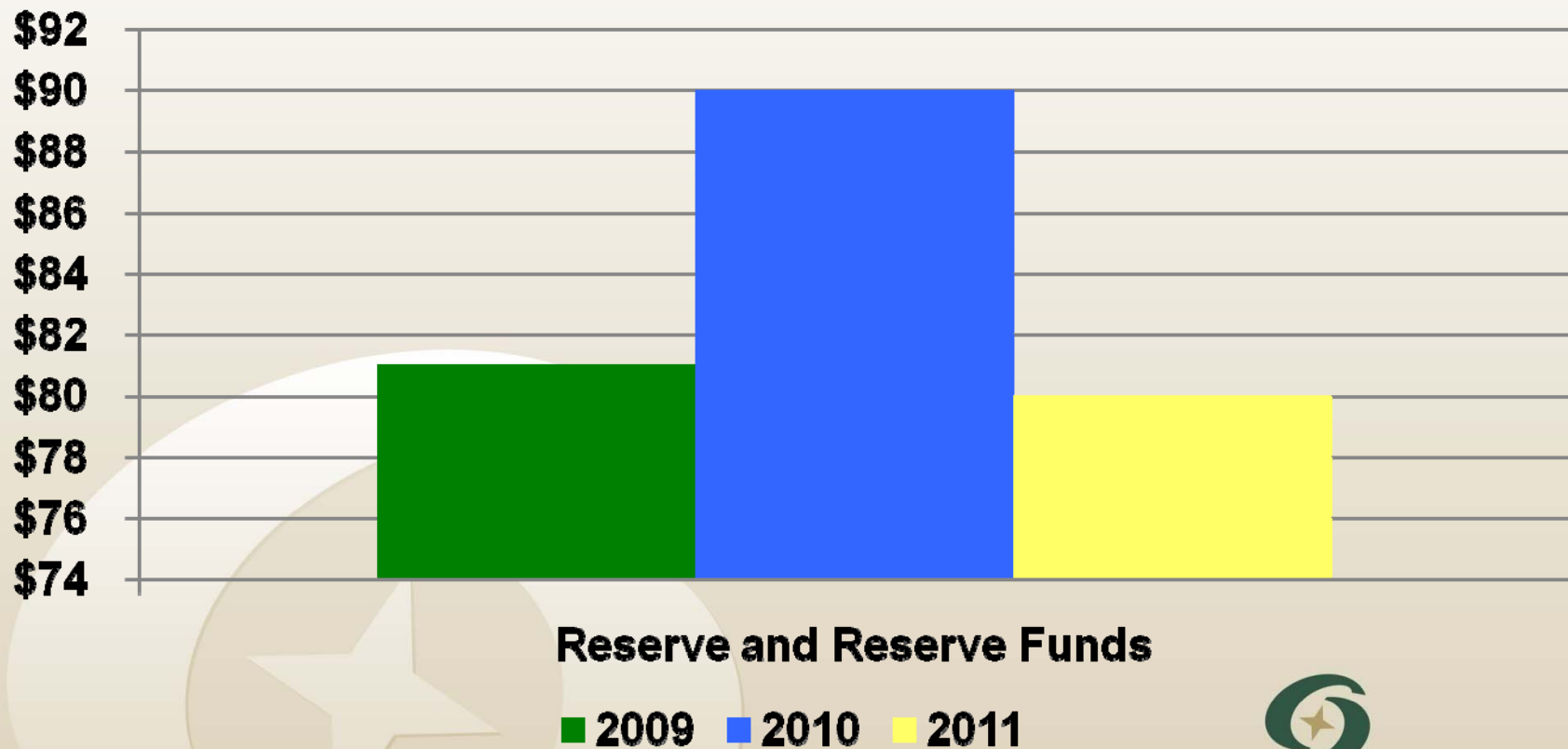

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2009 Reserves as a % of Own Source Revenues



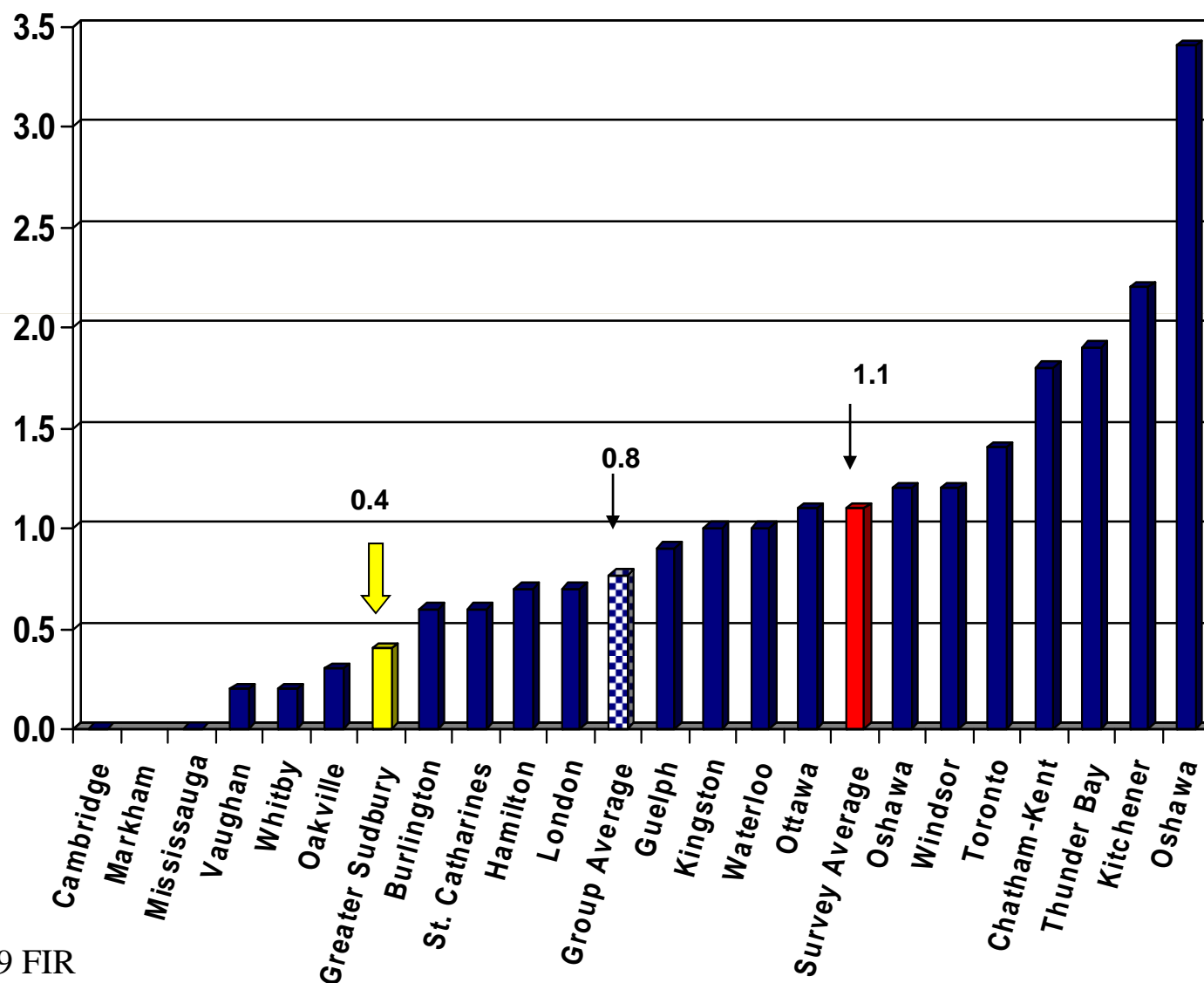
Reserves and Reserve Funds

(in Millions)



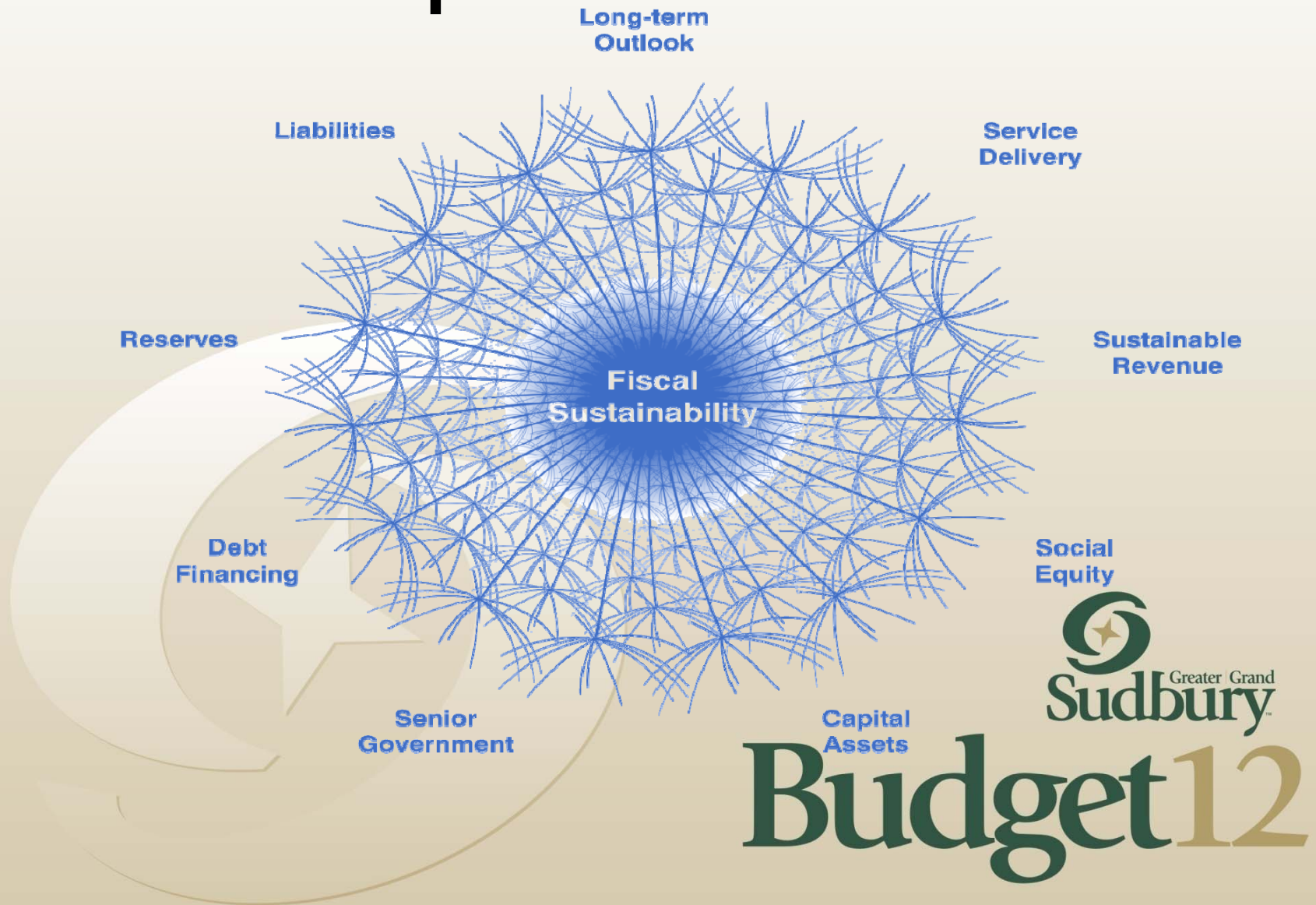

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2009 Outstanding Debt to Reserve Ratio



Source 2009 FIR

Long Term Financial Plan: Nine Principles

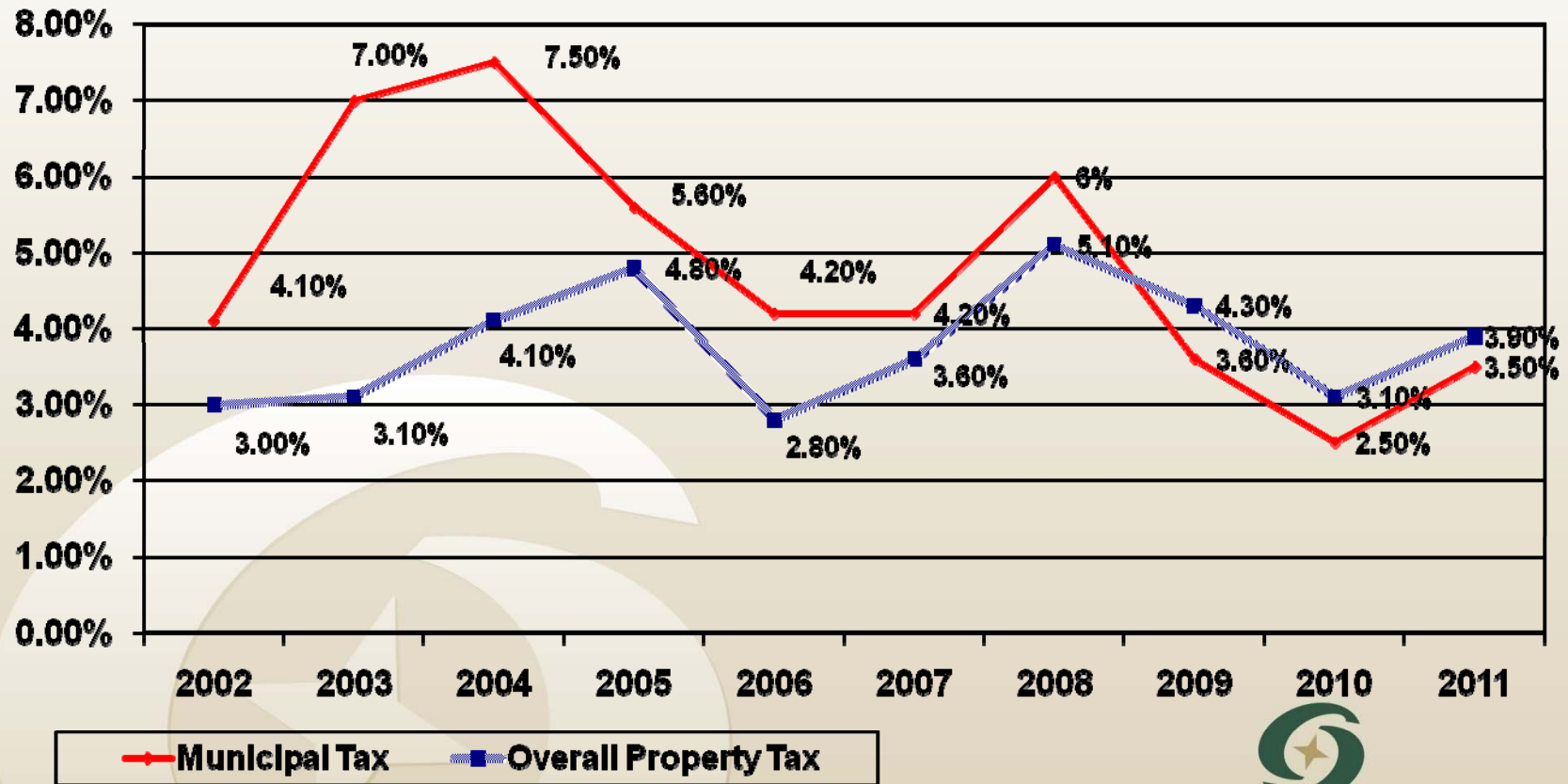




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Historical Information

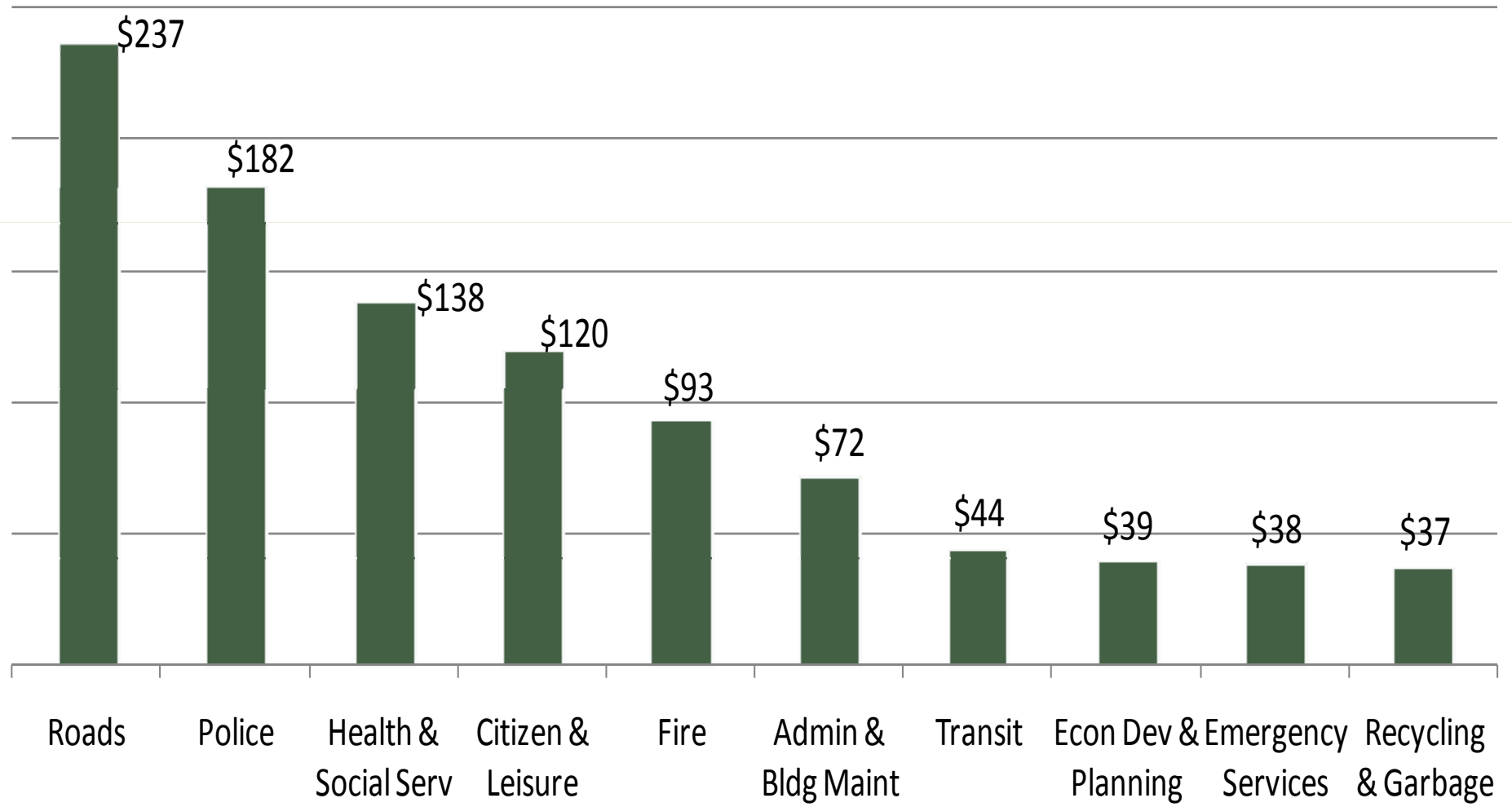
Property Tax Increases




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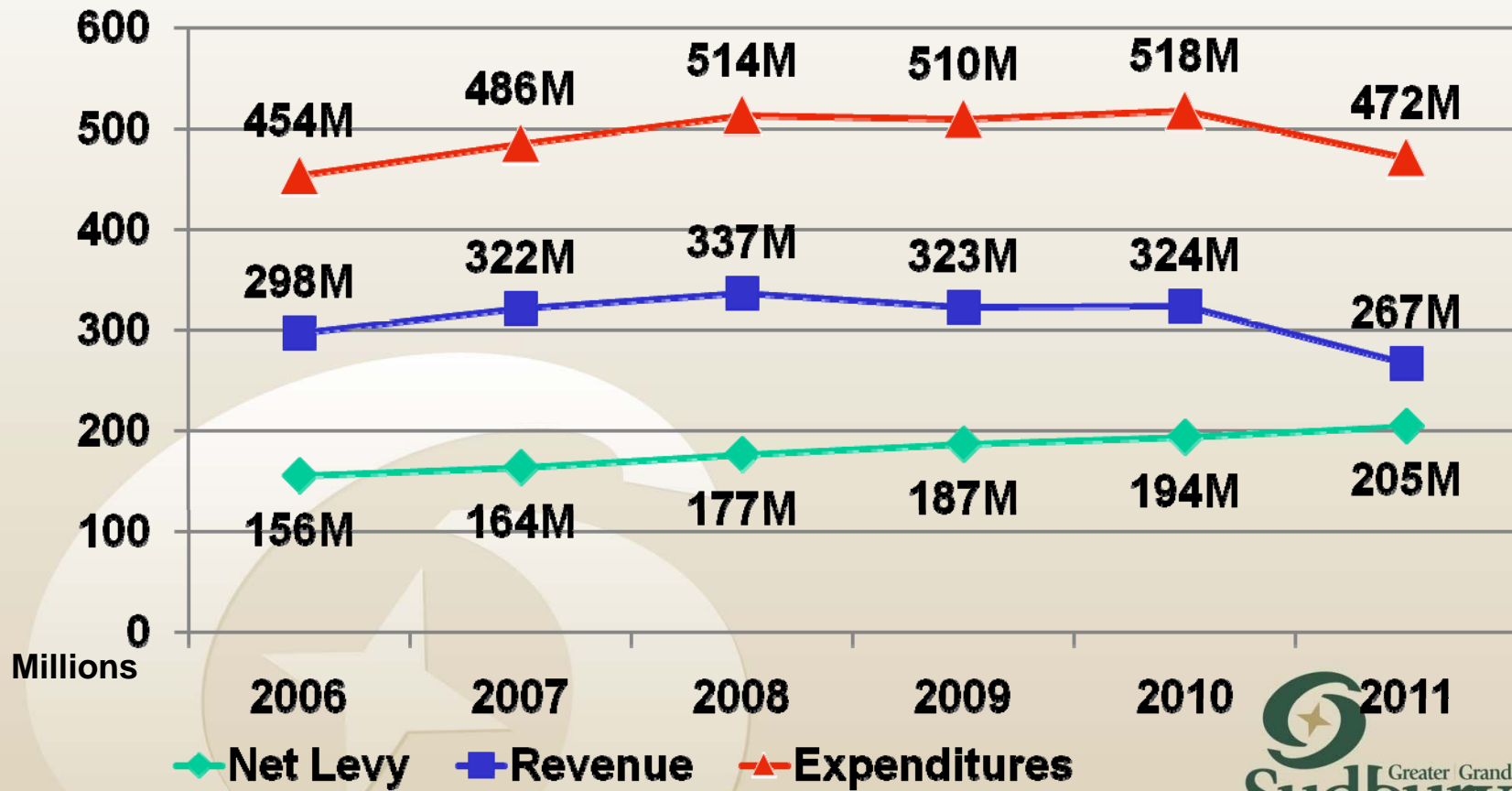
Municipal Property Tax at Work

Municipal Services per \$1000 in Property Taxes



Budget Comparison

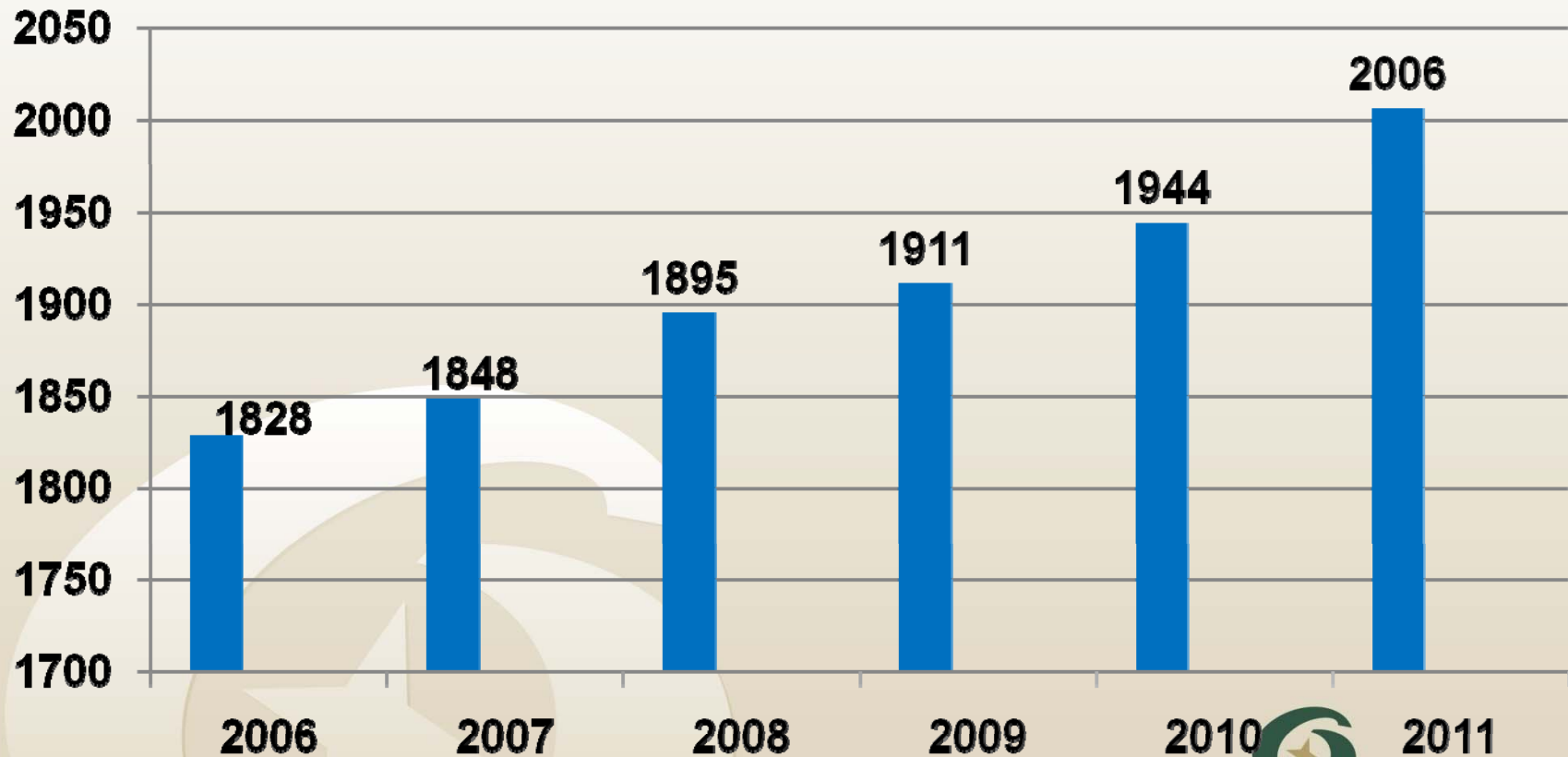
(Including Outside Boards)



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Full Time Positions

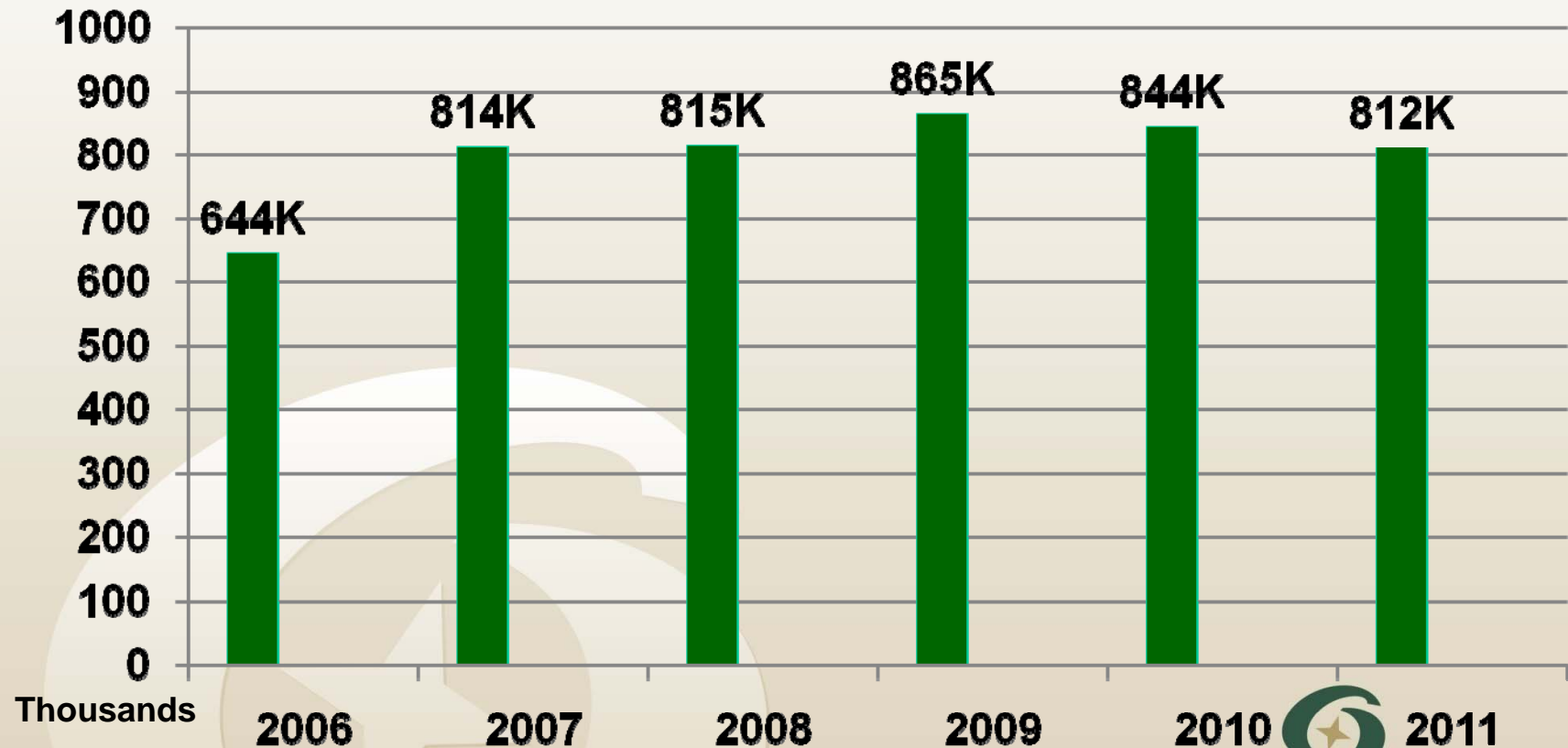
(Including Police)




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Temporary & Part Time Hours

(Including Police)



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2010-32 Caldarelli-Cimino:

THAT zero base budgeting be implemented, or alternatively another budget method adopted by Council, to be done department by department, starting in 2012, commencing with Infrastructure Services;



Range of Municipal Tax Increases

	Forecast	Reduction Scenarios		
Municipal Tax Increase	4.5%	0%	2%	3%
Tax Levy Reductions		\$9.1M	\$5.0M	\$3.0M

Questions




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