

# Request for Recommendation Finance Committee



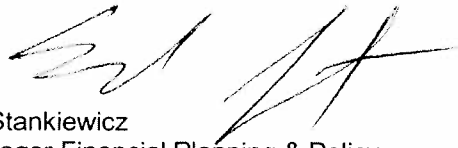
Type of Decision							
Meeting Date	March 29, 2011				Report Date	March 29, 2011	
Decision Requested	X	Yes		No	Priority	X	High
	Direction Only				Type of Meeting	X	Open
							Closed

Report Title
2011 Operating Budget Budget Enhancement Voting Results and Finalization of the Budget

Budget Impact/Policy Implication	Recommendation
<p>This report has been reviewed by the Finance Division and the funding source has been identified.</p>	<p>THAT the 2011 Budget be approved in the gross amount of \$_____ and in the net amount of \$_____ which represents a _____% municipal tax increase;</p> <p>AND THAT estimated \$_____ be drawn from the Tax Rate Stabilization Reserve;</p> <p>AND THAT City Council accept the following Board's budgets:</p> <p>The City's share of the Nickel District Conservation Authority's operating budget in the amount of \$584,156;</p> <p>The City's share of the Sudbury and District Health Unit's operation budget in the amount of \$5,490,448;</p> <p>The Greater Sudbury Police Service's operating budget in the amount of \$46,701,197.</p>
<p>X Background Attached</p>	<p>Recommendation Continued</p>

Recommended by the Department
 Lorella Hayes Chief Financial Officer / Treasurer

Recommended by the C.A.O.
 Doug Nadorozny Chief Administrative Officer

Report Prepared By	Division Review
 Ed Stankiewicz Manager Financial Planning & Policy	

## BACKGROUND:

At the March 28, 2011 Finance Committee meeting, a voting process of budget options took place using a 1 – 10 ranking procedure. The options were sorted in order from highest to lowest and the point total ranges from a high of 119 (maximum 120) to a low of 67 (minimum 12). If all options voted upon were accepted with no revisions or alternate funding sources, the impact would be a 6.2% tax increase, subject to area rating and property tax policy decisions.

## Options for Budget Enhancements

**Option 1 – Tax increase 4.2%.** Fund enhancements that received 80% of the vote (ranking of 96 and above)

Currently for the options ranked above 96, the impact to the levy is approximately \$1.9 million with a corresponding tax increase of 4.2%.

Under this option, it is proposed that some of the one-time expenditures are funded from three separate sources; that being the \$190,000 available from budget option that increased the Healthy Community Initiatives Fund (formerly CIP), reallocation of \$300,000 from the reduced Light Fleet Funding and the Tax Rate Stabilization Reserve. In addition, some of the ongoing operating costs will not be required until 2012, therefore, this amount has been eliminated from the 2011 impact.

The distribution of the Healthy Community Budget Option was provided to all the Leisure capital projects that reside within the 80% approval line. The allocation of the \$300,000 previously held with Fleet Services is proposed to be used for the first seven Leisure capital projects on the list. For this option, it is proposed that the remainder of the one-time options be funded from the Tax Rate Stabilization Reserve. In summary, if approved, this would add approximately \$445,000 to the budget with a tax increase of 4.2%.

**Option 2 – Tax increase 4.6%.** Fund enhancements that received 70% of the vote (ranking of 84 and above)

For the enhancements that fell between 70% and 80% (ranking between 84 and 96), it is proposed that the one-time expenditures be funded from the Tax Rate Stabilization Reserve in the amount of \$1.05 million over the amount identified in Option 1. If approved, this option would still require an increase in the levy of \$800,000 over the Option 1 total and resulting in a tax increase of 4.6%.

Date: March 29, 2011

**Option 3 – Tax increase 4.9%.** Fund enhancements that received 50% of the vote (ranking of 60 and above)

If this option were accepted, all enhancements would be implemented with the one-time expenditures being funded from the Tax Rate Stabilization Reserve in the amount of \$30,000. This would leave an additional \$700,000 on the levy over and above the previous options resulting in a tax increase of 4.9%.

**Impact of Options**

	All Enhancements on Levy	80% Funding Line	70% Funding Line	50% Funding Line
Net Expendable Increase	4,683,389	1,888,048	3,780,406	4,683,389
2012 Levy Impact	(230,037)	(14,350)	(56,337)	(230,037)
Funding from Healthy Communities Fund		(174,165)	(174,165)	(174,165)
Funding from Tax Rate Stabilization Reserve		(955,090)	(2,007,590)	(2,037,590)
Reallocation of capital funding	_____	(300,000)	(300,000)	(300,000)
2011 Levy Impact	4,453,352	444,443	1,242,314	1,941,597
Municipal Tax Increase	6.2%	4.2%	4.6%	4.9%
<b>Area Rating</b>				
Career / Urban	6.3	4.3	4.7	5.0
Composite / Commuter	6.1	4.0	4.4	4.8
Volunteer / Commuter	5.9	3.7	4.1	4.5
Volunteer	6.0	3.7	4.2	4.6

The above chart represents the four options identified by staff and funding of these enhancements that Finance Committee ranked. The Committee may choose other options or may choose to move the funding line to a different point total.

Attached is a chart reflecting the voting results and the tax impact.

**SUMMARY**

The options identified in this report are for the Committee's consideration. Once a funding line is established and funding sources are accepted, staff will provide the Committee with the tax rate impact.

Budget Enhancement Voting Results					
		2011 levy Increase	Cumulative	Net Levy	%Tax Incr.
Vote	Modified Current Budget 2011 >> Less: Fire User Fees Option which was deferred			205,921,258	3.9
119	Provide funding to develop Capreol Park as an intergenerational facility	0	0	205,921,258	3.9
119	Creation of a Reception/Secretary position for Councilors	0	0	205,921,258	3.9
117	Provide funding to upgrade McCrea Heights playground	0	0	205,921,258	3.9
116	Provide funding to develop a Senior's Park Rick MacDonald Complex	5,000	5,000	205,926,258	3.9
113	Provide funding to the Eyre Playground Association to upgrade the existing playground	0	5,000	205,926,258	3.9
113	Provide an increase to the Healthy Communities Initiatives Fund for each ward to \$50,000	190,000	195,000	206,116,258	4.0
112	Contract software development - building permits' development approvals	0	195,000	206,116,258	4.0
110	Provide funding for the development of Off-Leash Dog Park in Minnow Lake	3,350	198,350	206,119,608	4.0
110	Eliminate the use of outside agencies for work on tax sale files	0	198,350	206,119,608	4.0
109	Provide funding to install protective netting along back fence at Côté Park Ballfield in Chelmsford	0	198,350	206,119,608	4.0
109	50 % reduction of the light fleet capital funding (\$300,000 to be reallocated to other capital priorities)	0	198,350	206,119,608	4.0
108	Provide funding to develop a permanent skateboard park at the Howard Armstrong Recreational Complex	14,000	212,350	206,133,608	4.0
106	Provide funding to improve the Toe Blake Arena parking lot	0	212,350	206,133,608	4.0
106	Provide funding for site and parking lot improvements at McClelland Arena	0	212,350	206,133,608	4.0
104	Provide funding to the City of Lakes Family Health Team for the conceptual design in Chelmsford	0	212,350	206,133,608	4.0
103	To provide Increased funding for Summer Roads Maintenance 750,000 one time	0	212,350	206,133,608	4.0
102	Transit Committee Proposal - 2011-2012 Service Level Enhancements & Transfers to Base Budget	197,093	409,443	206,330,701	4.1
100	Provide an annual grant to the Samaritan Center	35,000	444,443	206,365,701	4.2
100	Convert a regular part time position into a full time position at the Cemetery Office	0	444,443	206,365,701	4.2
OPTIONAL FUNDING LINE: 80% Acceptance					
95	Convert a regular part time maintenance person into a full time position for Libraries	0	444,443	206,365,701	4.2
94	Provide funding to the Junction Creek Waterway Park for a 4 year Action Strategy Partnership	2,000	446,443	206,367,701	4.2
93	Provide funding to the Lake Panache Campers Association Inc for a private road	0	446,443	206,367,701	4.2
93	Provide funding in support of 5 newly created Outdoor Rinks	10,000	456,443	206,377,701	4.2
91	Provide one time funding for physician recruitment incentives program	0	456,443	206,377,701	4.2
91	Provide Crime Stoppers with a one time grant	0	456,443	206,377,701	4.2
89	Provide funding to pave the existing outdoor rink at the McFarlane Lake playground	0	456,443	206,377,701	4.2
88	Provide funding for biological Control of Eurasian Water milfoil with Milfoil Weevil in 8 CGS lakes	0	456,443	206,377,701	4.2
87	Provide for pavement markings and signage for paved shoulders and wide curb lanes	35,871	492,314	206,413,572	4.2
86	To provide a permanent increase in the Summer Roads Maintenance budget	750,000	1,242,314	207,163,572	4.6
OPTIONAL FUNDING LINE: 70% Acceptance					
83	Provide funding for an increase in the Outdoor Rink's Supervisors hours from 25 to 35 hours per week	6,300	1,248,614	207,169,872	4.6
82	Provide funding for Emergency Shelter Services - Operational Top Up	423,000	1,671,614	207,592,872	4.8
81	Provide funding for a Recycling Transfer Station - Old Burwash Road	15,000	1,686,614	207,607,872	4.8
81	Provide funding to increase the annual operating grant for six Community Centres	30,000	1,716,614	207,637,872	4.8
79	Provide funding for Lake Stewardship grants	20,000	1,736,614	207,657,872	4.8
74	Provide one time funding for bicycle racks	0	1,736,614	207,657,872	4.8
73	Provide funding to extend the Waterfront Program	65,715	1,802,329	207,723,587	4.9
72	Provide funding for additional 5 hours of Library service at the Neighbourhood libraries	25,000	1,827,329	207,748,587	4.9
71	Provide funding to hire 3 permanent Parks employees and converting part time hours	48,250	1,875,579	207,796,837	4.9
68	Provide funding to hire on site Parks Staff to manage the James Jerome Sports Complex	66,018	1,941,597	207,862,855	4.9
67	Provide funding for upgrades to the Capreol Millennium Centre	0	1,941,597	207,862,855	4.9
OPTIONAL FUNDING LINE: 50% Acceptance					