



**Finance and Administration
Committee Meeting
November 6, 2012**

**Presented By: Doug Nadorozny
Lorella Hayes**



Agenda

- Strategic Plan and Budget Themes
- 2013 Budget Overview and Highlights
- Progress Since Three Year Financial Forecast in May 2012
- 2013 Proposed Budget Enhancements
- Next Steps

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:

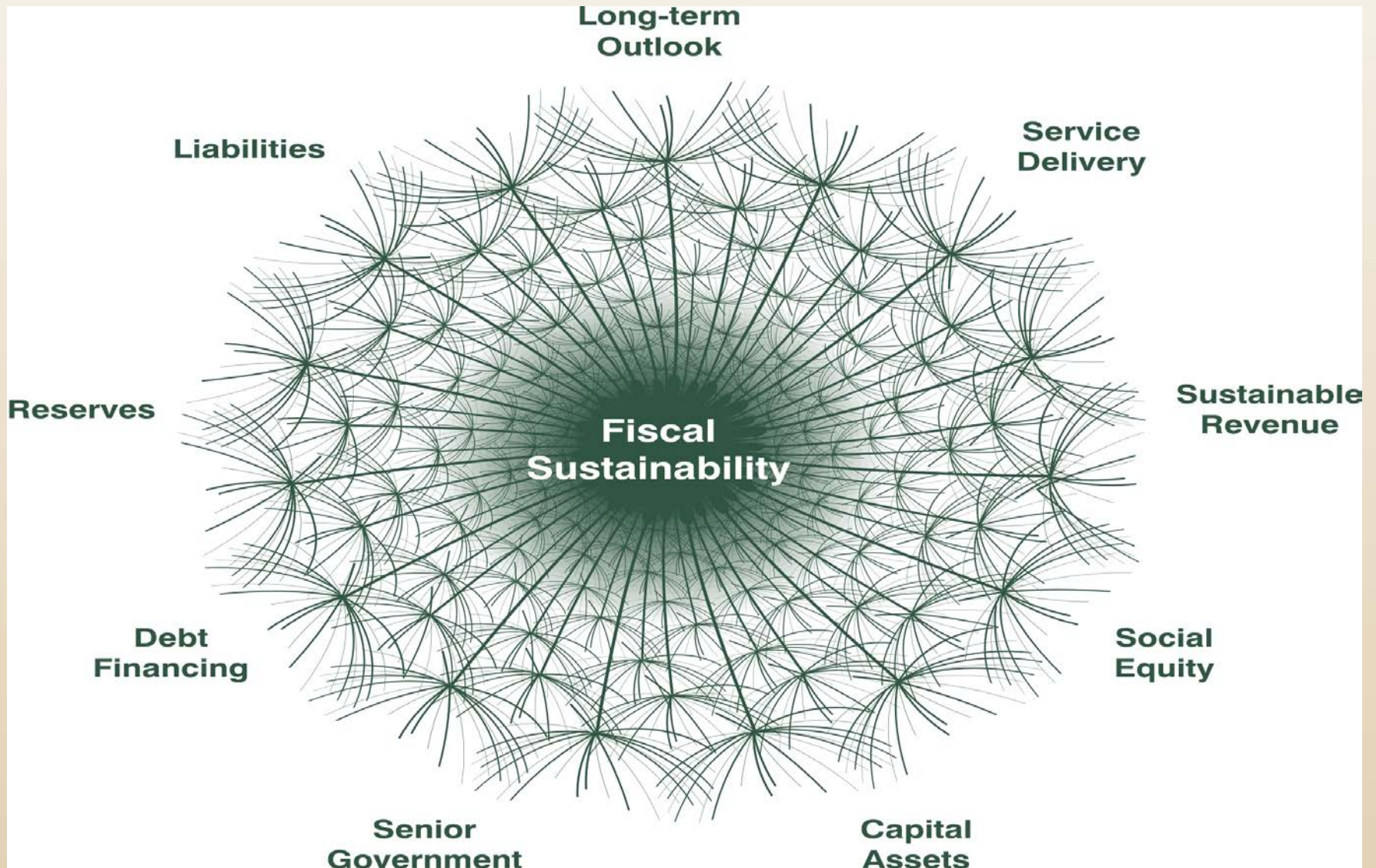
- ✓ Infrastructure
- ✓ Growth and Jobs
- ✓ Image
- ✓ Tourism
- ✓ Healthy Communities



Budget Themes and Priorities

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

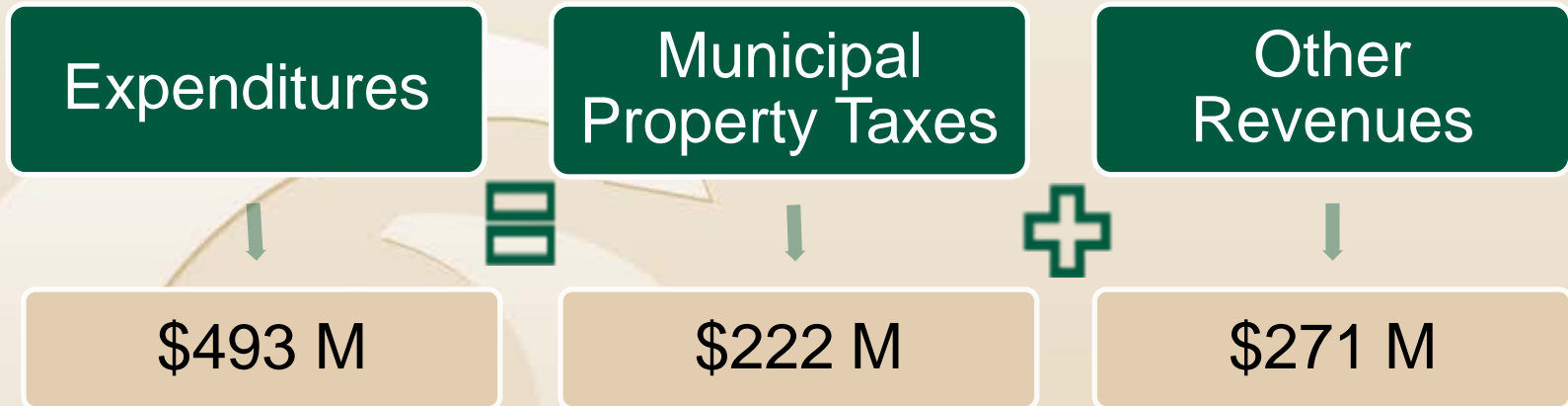
Long Term Financial Policies Toward Fiscal Sustainability Plan



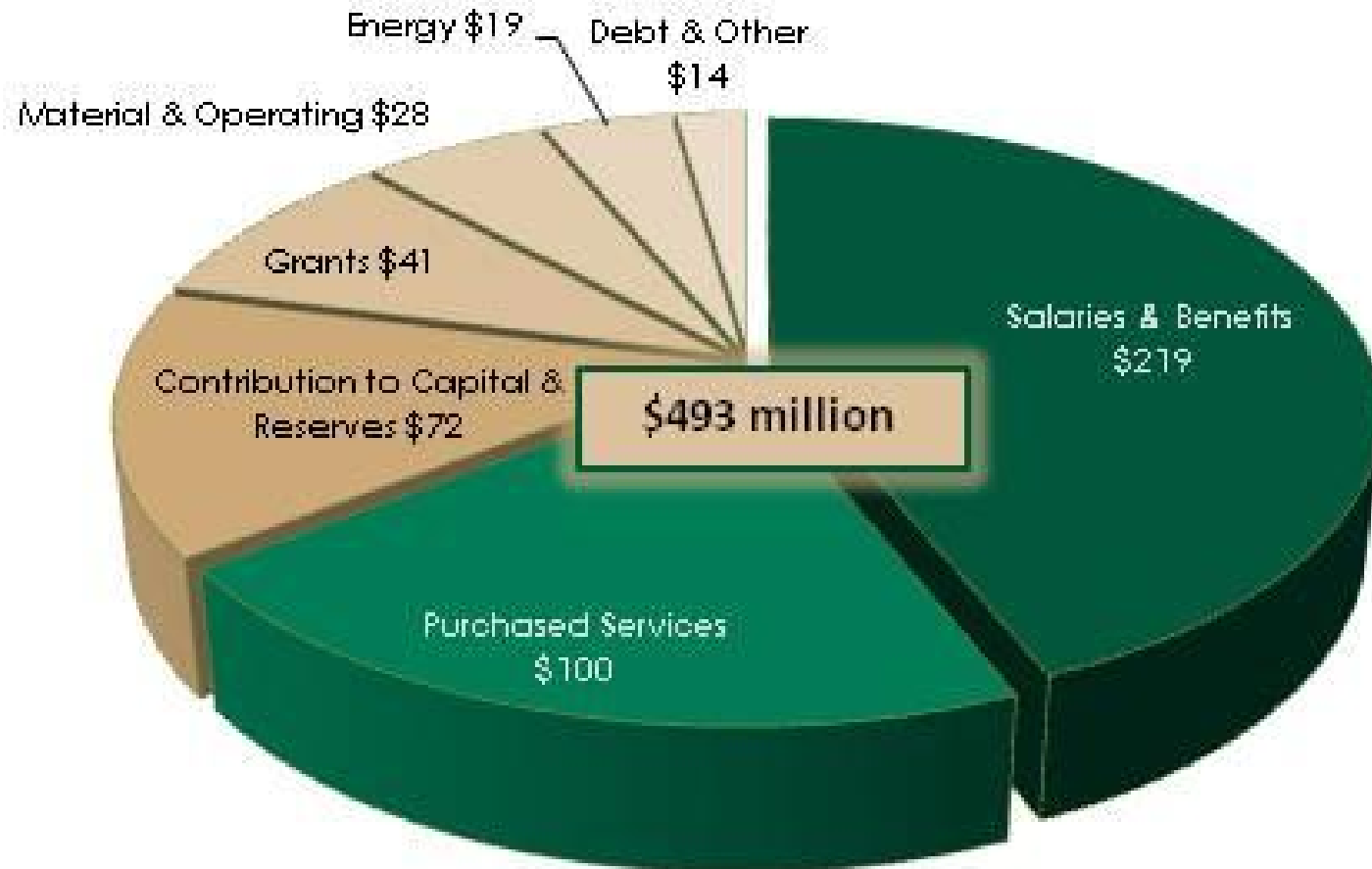
The Annual Budget Process - Three Stages

1. Preliminary Forecast – May
2. Preparation of Budget - June to November
 - Staff preparation and detailed analysis
 - Assumptions and inflationary guidelines
 - Review of public input submissions
 - Reports to Standing Committees regarding Budget Enhancements
3. Council Review and Approval
 - November to January

Budget13 An Introduction



2013 Proposed Budget



Overall, gross budget expenditures have increased 1.3% from the approved 2012 budget.

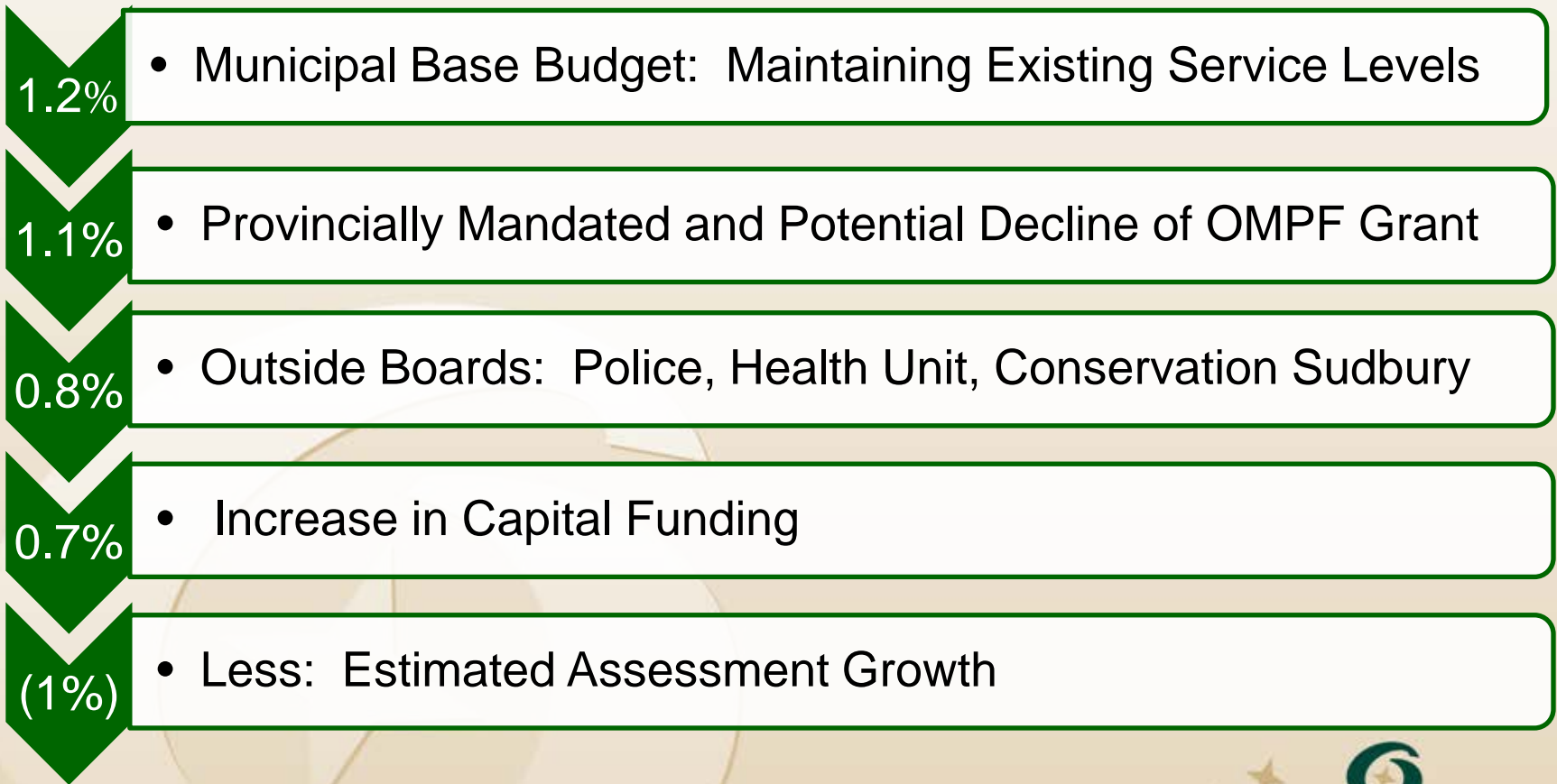
Proposed Municipal Tax Increase

Base Budget	3.8%
Less: Estimated Assessment Growth	(1.0%)
Proposed Municipal Tax Increase	2.8%



\$8.2 M Increase in Tax Levy

Composition of Municipal Tax Increase



2.8% Municipal Tax Increase

Progress Since Forecast

	2013 Forecast	2013 Budget (Base)
Municipal Tax Levy	\$228 M	\$222 M
	4.4%	2.8%



\$6 Million Levy Decrease

Progress Since Forecast

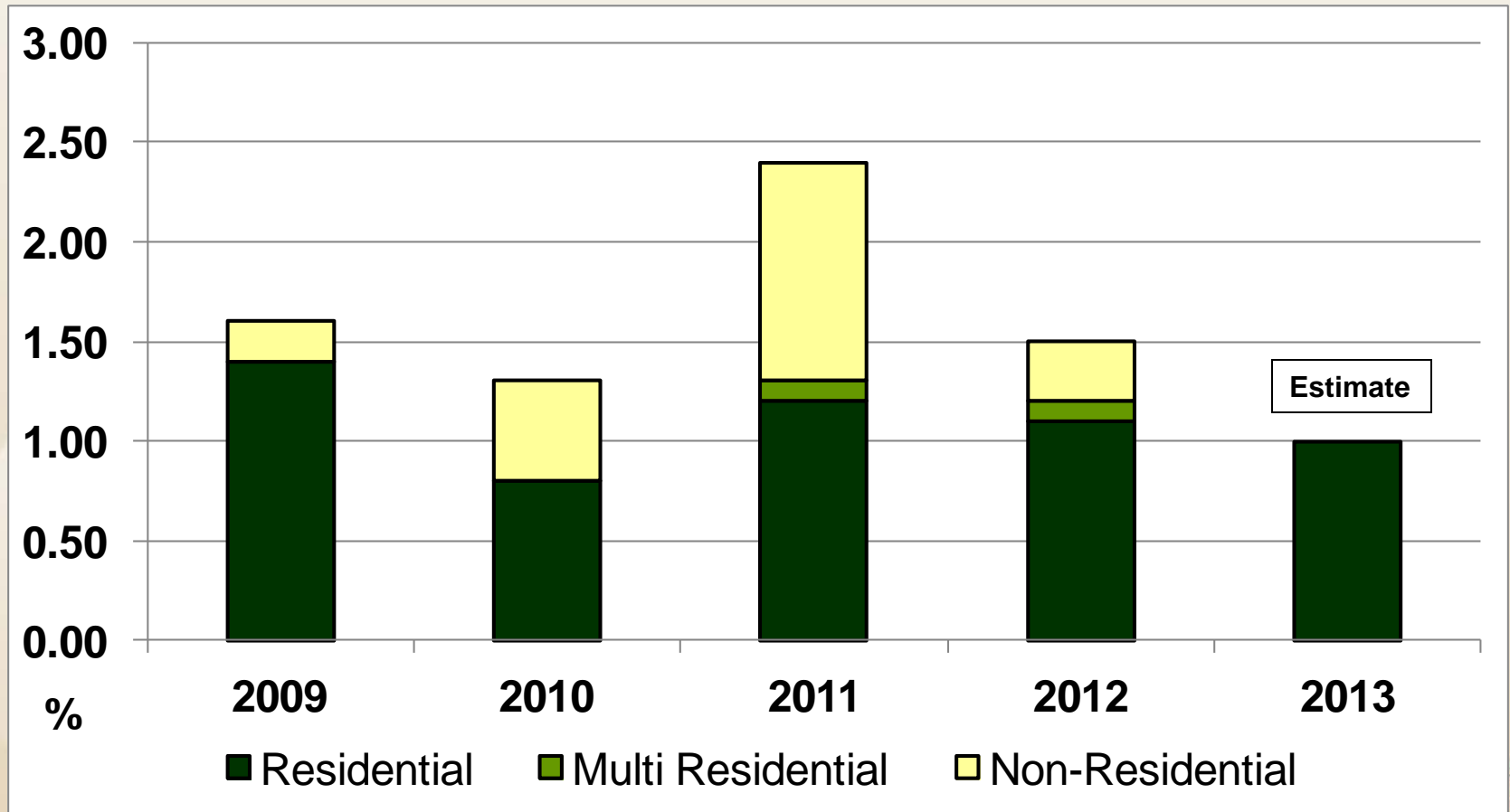
May 2012: Three Year Forecast	4.4%	\$228M
Less: Fiscal Sustainability Initiatives - \$2.8 M		
• Commitment in 2012 Budget: \$1.5 Million	-	(\$1.5)
• Additional Reductions: \$1.3 Million	(0.6%)	(\$1.3)
Less: Other Reductions to Tax Levy	(0.8%)	(1.6)
Less: Reductions in Police Services	(0.5%)	(1.1)
Less: Reduction in Capital	(0.2%)	(0.5)
Add: Change in Estimated Assessment Growth	0.5%	-
Total	2.8%	\$222M

Estimated Assessment

	Total	Growth
Residential (weighted)	\$12.0 Billion	\$173 Million
Non-Residential (weighted)	\$4.9 Billion	(\$6) Million
Total Assessment (weighted)	\$16.9 Billion	\$167 Million
		= 1.0%

Residential includes Multiple-residential and Farm
Based on 2012 CVA totals

Historical Assessment Growth 2009 to 2013



2013 Operating Budget at a Glance

The following is a breakdown of the tax increase.

Provincially Mandated Programs and potential decline in OMPF

Municipal Base Operating Budget

Additional Capital Investments

Outside Boards (Police, SDHU, NDCA)

Levy increase
(millions)

Municipal
Tax Increase

\$2.3

1.1%

\$2.7

1.2%

\$1.4

0.7%

\$1.8

0.8%

Total Municipal Levy Increase

\$8.2 M

3.8%

Less Estimated Assessment Growth

(1.0%)

Total Municipal Levy Increase

\$8.2 M

2.8%

Provincially Mandated & Potential Loss of OMPF

\$2.3M or 1.1%

- Housing, Social Services, Childcare - \$0.5M
- Emergency Medical Services - \$0.3M
 - 50:50 Prov/Municipal
- Anticipated Reduction in OMPF - \$1.5M

Ontario Municipal Partnership Fund

- To be confirmed by Province - Dec/January 2013
- Staff estimate – reduction of \$2.4M
(\$1.5M net levy impact)
 - Continued upload of social program costs (17.2% municipal share to 14.2%)
 - \$1 million reduction of transition funding (2013 base budget relies on \$2 million of one time funding)
 - Reductions in Assessment Equalization
 - Reduction of Stabilization Grant:
Uploading of Court Security

Municipal Base Budget

\$2.7M or 1.2%

Highlights of Budget Pressures

- Contractual salaries and benefits
 - OMERS: \$1.4M
- Reduction in estimated supplementary revenues: \$0.3M
- Reduction in draw from Provincial Gas Taxes Reserve: \$0.3M
- Removal of one time contribution from reserves: \$1.5M

Municipal Base Budget

(Continued)

\$2.7M or 1.2%

Highlights of Good News

- Reduction in Natural Gas: \$0.8M
- Increase in payment in lieu of taxes: \$0.3M
- Increase in investment income: \$0.3M
- Increased activity in certain user fees:
Transit, Environmental Services, Leisure
- Fiscal Sustainability \$2.8M of budget reductions, attrition, cost avoidances, efficiencies

Toward Fiscal Sustainability: Over \$2.8 Million of Initiatives

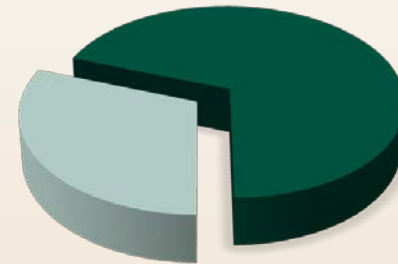
- \$2.1 million cost reductions, avoidances, efficiencies
 - Doing same with less: \$1.3 million of general inflation not applied to accounts
 - Energy efficiencies, effective procurement, working across departments
- \$0.5 million of attrition savings
- \$0.2 million in new revenues

Our Employees

44% of 2013 Gross Budget

- 2,019 Full-time
- 995,669 Part-time/Temp Hrs

2012 Full Time Staff	2016
Less: Attrition Reductions	(5)
Add: Legislated and Growth (Building Services and Airport)	8
2013 Full Time Staff	2019



**Over \$530,000
in Tax Levy
Reductions**

**\$0 Increase to
Tax Levy**

Impact of 2013 Base Operating Budget on Municipal Tax Increase

Municipal Property Taxes

Typical Bungalow Assessed at \$197,000*

Senior Executive Home Assessed at \$419,000*

2012

\$2,487

\$5,282

2013

\$2,557

\$5,430

For a home in the
former City of Sudbury

Increase (\$)

Increase (%)

\$70

2.8%

\$148

2.8%

**based on 2013 property assessment*

Your Municipal Property Taxes at Work

Municipal Services per \$1,000 in taxes



2013 Proposed Budget Enhancements

\$1.5 Million to \$3 Million

Budget Enhancements	\$
One-time Physician Recruitment Grants	\$284,000
One-time Grants for Operational Top Up Homelessness	\$305,000
Increase Roads	\$642,000 to \$2.1M
Community Improvement Plans	\$100,000

Budget Enhancements	\$
Other Grants	\$102,267
Reductions in Revenues	\$23,000
Enhancements Funded from Reserve Funds	\$310,000
City Services	\$57,064

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Roads Levy: Budget Enhancement

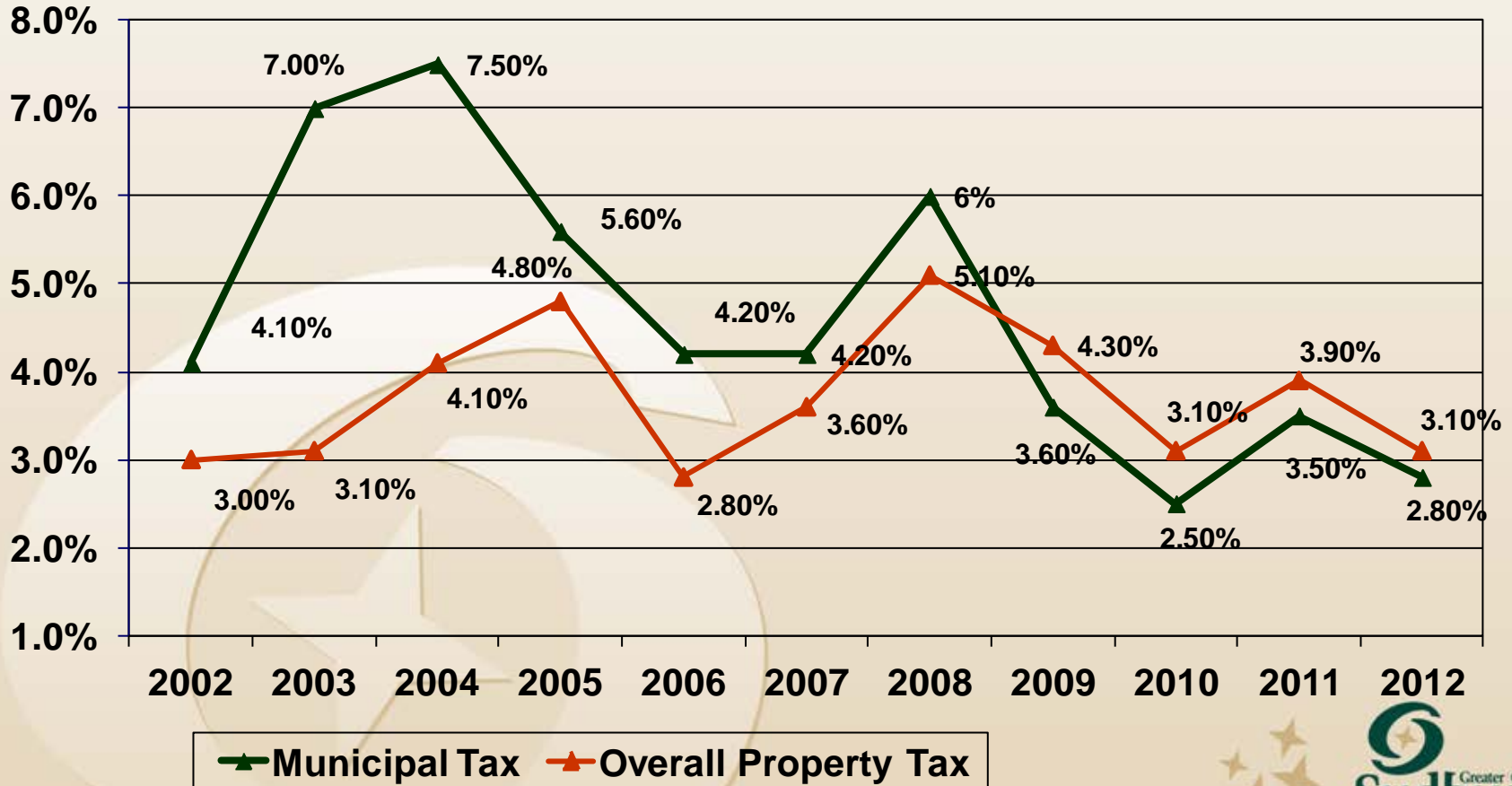
Increase investment in operating and capital in accordance with LTFP

Option 1 0.3%	Option 2 0.5%	Option 3 1%
\$642,000	\$ 1,070,000	\$ 2,140,000

Inflationary Municipal Increase

Municipal Tax Increase	2.8%
Impact of OMPF Decline	(0.7%)
Base Budget (if no loss in OMPF)	2.1%

Property Tax Increases



2013 Budget Schedule

Capital Budget	October 23rd
Budget Overview and Tabling of Budget	November 6th
Presentation from Outside Boards	November 6th & 29th
Review of Base Budget	November 13th and 21st
Water and Wastewater Budget	November 28th and approval in Dec 4th, 2012
Review and Voting on Proposed Budget Options	November 29th
Final Overview and Approval by Council	January 22nd
Property Tax Policy	Spring 2013



Questions


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