



2011 Budget Working Papers

Budget Committee
December 13, 2010

Brian Horton
Senior Director of Corporate Services



No decisions necessary tonight

- Officially transferring the 2011 Budget Working Papers to you
- Simply asking you to receive this presentation
- You are not being asked to make any budget decisions tonight



2011 Budget Mandate

- to prepare a budget that reflects the same levels of service as approved in previous year unless enhancements are specifically approved by resolution of Council
- adjusted for
 - inflationary factors including salary settlements, grid steps, annualization of new hires, energy costs, etc.
 - legislated enhancements
 - increases / decreases on both direct and indirect revenues beyond our control



..but we understand...

- Levels of service established by previous councils may not necessarily be yours going forward
- So we are presenting **"2011 Budget Working Papers"** to recognize this is your starting point
- The working papers allow you to become familiar with levels of services and their cost
- And then **you confirm or alter** as you see fit



Sandra will provide overview

- Sandra Clancy, Manager of Financial Planning & Revenue Services, will provide overview
- Sandra & her team, working with all Directors, have been instrumental in getting the documents prepared
- 2011 Budget Instructions and Forms sent April 6, 2010
- Been working on them ever since



Tentative Budget Review & Approval Timetable

| Date | Event |
|---|-----------------|
| Documents presented to Budget Committee | Dec 13 |
| Budget Committee Reviews | Jan 10 – 13 |
| Council members review documents individually | Dec 14 to Jan 9 |
| Public Input Budget Committee | Jan 17 |
| 2011 Budget Approved | Jan 31 |



Jan 31 Approval - Tentative

- We understand that may not be possible
- No legislated approval date
- But ... the sooner the better for issuing of tenders and recruitment of staff that may be approved



2006-2011 Budget Approval Dates

| Budget Year | Approval date |
|-------------|---------------------|
| 2011 | Jan 31, 2011 |
| 2010 | Dec 14, 2009 |
| 2009 | Jan 19, 2009 |
| 2008 | Dec 10, 2007 |
| 2007 | Feb 26, 2007 |
| 2006 | May 1, 2006 |



2011 Budget Working Papers Overview

Sandra Clancy

Manager of Financial Planning & Revenue Services



Balance of tonight's presentation

- Give Budget Committee a sense of how the books are set up
- Highlights Book is the focus of Budget Committee reviews
- Take you through the overview section of the Highlights Book identifying key numbers and changes over 2010



Four Budget Books

- The 2011 Budget Working Papers are presented in four books
 - **Book 1 -** **2011 Budget Highlights**
 - **Book 2 -** **Operating Budget details and User Fee Listings**
 - **Book 3 -** **Capital Budget details**
 - **Book 4 -** **Supplementary Information**
Organization Charts, Work Programs, Staffing, Assessment and Tax Rate, Tax Policy, Glossary



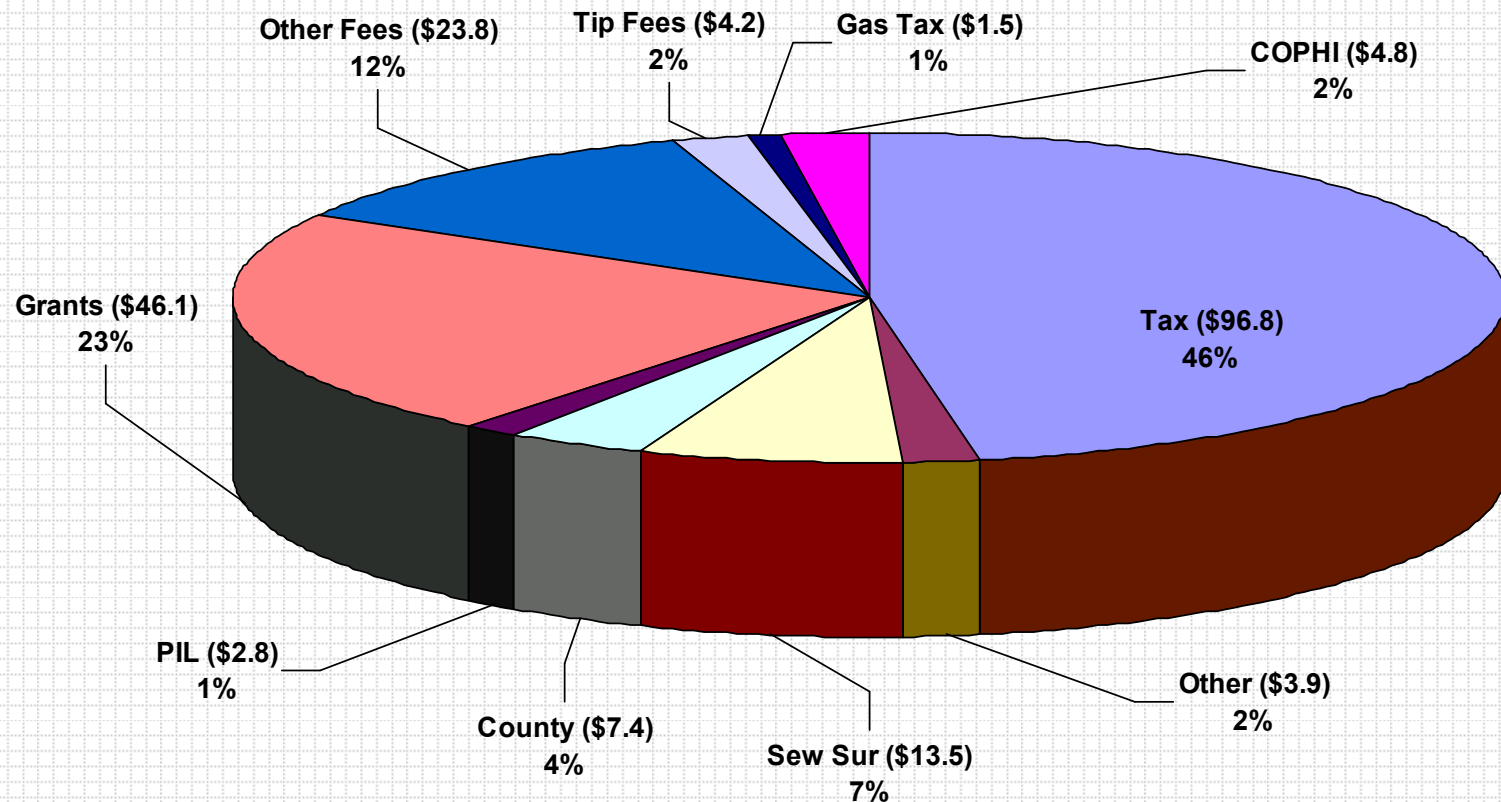
Operating Budget Working Papers Overview

Operating Budget by Department on Page 15
to 130 of Highlights Books and further Details
in Book 2

2011 Operating Budget – Revenues by Type

(Page 3)

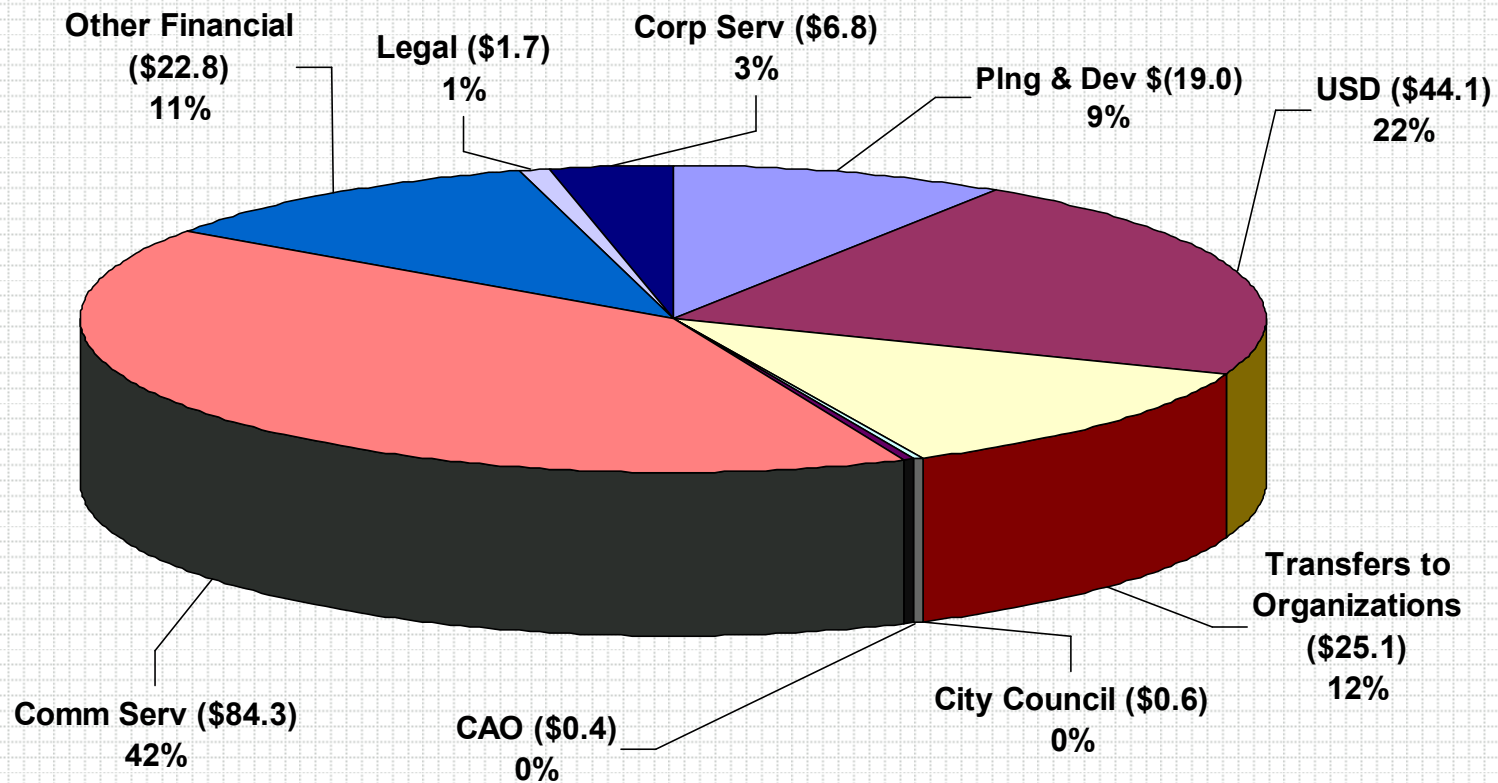
\$204.8 million



2011 Operating Budget – Gross Expenditures

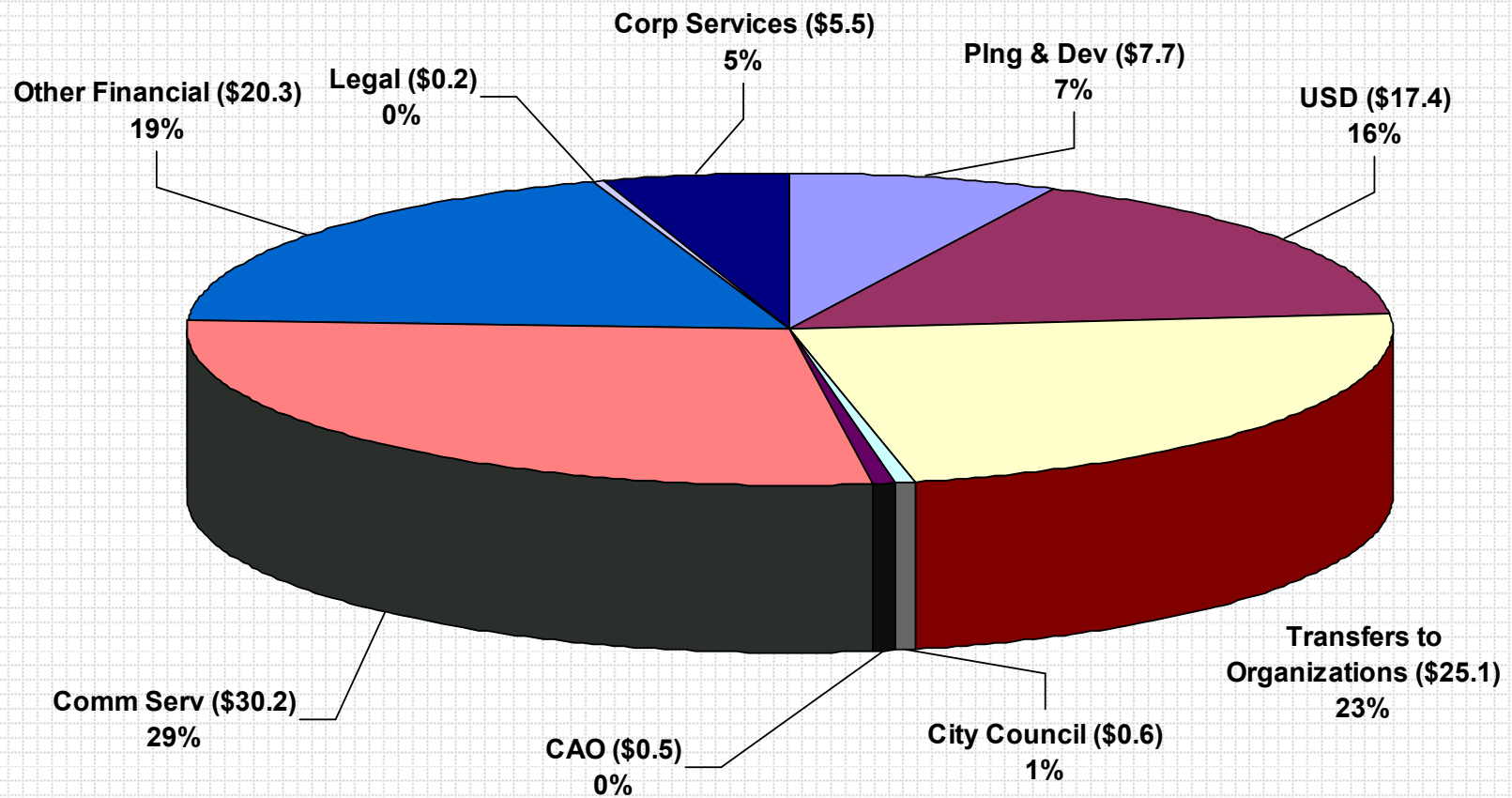
(Page 4)

\$204.8 million



2011 Operating Budget – Net Expenditures (Page 5)

\$107.5 \$ million





2011 Budget Mandate

- As Brian indicated...
- to prepare a budget that reflects the same levels of service as approved in previous year unless enhancements are specifically approved by resolution of Council
- adjusted for
 - inflationary factors including salary settlements, grid steps, annualization of new hires, energy costs, etc.
 - legislated enhancements
 - increases / decreases on both direct and indirect revenues beyond our control



That mandate results in 3.2% all inclusive increase

- “all inclusive” means municipal, education, & sewer surcharge levies increase for single family dwelling
 - “not on water”
 - assessed at \$197,500 for 2011 **and** \$189,500 for 2010
- **3.2% = \$98** annual increase
- The 2010 equivalent increase was **2.2%**



Many factors affect 3.2% increase

- Page 6 provides a list.....
- Following slides provide some additional details



Gross expenditures (Millions)

| 2010 | 2011 | \$ Change | % Change |
|-------------|-------------|----------------------|---------------------|
| \$202.3 | \$204.8 | \$2.5 | 1.2% |



Municipal Residential Tax Rate

| 2010 | 2011 | % Change |
|--------|--------|-------------|
| 1.197% | 1.194% | (0.3%) |

**Tax rates are affected by net municipal tax levy,
assessment and tax ratio policies**



Assessment (Billions)

| 2010 | Real Growth Change ★ | Market Value Change | 2011 |
|----------|-------------------------|------------------------|---------|
| \$6.478 | \$0.121 | \$.315 | \$6.914 |
| % Change | 1.9% | 4.8% | 6.7% |

★ 2011 is the third year of a 4-year phase in whereby Jan 1 2008 market values are being phased in over the 4-year period 2009 - 2012



Phasing affects assessed value of typical Single Family Dwelling

| 2010 | 2011 | % Change |
|---------|---------|----------|
| 189,500 | 197,500 | 4.2% |

Municipal tax levied on typical home is based on combination of **4.2% increase in CVA** and **0.3% decrease in municipal tax rate**



8 – Year Tax Ratio Policy

- We're under an 8-year tax ratio policy
- **Multi-Residential, Commercial, and Industrial Tax** ratios would be reduced by a set amount in each of the years **2010 through 2017** so that by 2017, the tax ratio for all three classes would be 1.5
- **Shifts tax burden** from the three classes to residential



Tax Policy impacts 3.2% all inclusive increase

- Municipal Residential Tax rates higher than what they would otherwise be
- If no change to ratios in 2011 residential tax rate would decrease by **1.2%** as opposed to the **0.3%** decrease reflected
- **3.2%** all inclusive increase **would be 2.4%**



Education Residential Tax Rate

| 2010 | 2011 ★ | % Change |
|--------|---------|-------------|
| .0241% | .02302% | (4.5%) |



Estimate only – Is a Province-wide rate to be regulated by Province.



Water and Sewer

- Average **water bill** to increase by **2.9%**
- **No change** proposed to the **95% sewer surcharge rate**
- Combine to result in a **2.9% (\$10.83) increase in sewer surcharge payable** in 2011 for typical home owner



Tax levy requirements (Millions)

| 2010 | 2011 | \$ Change | % Change |
|-------------|-------------|----------------------|---------------------|
| \$91.6 | \$96.8 | \$5.2 | 5.7% |

**Page 7 identifies major impacts attributing to \$5.2M
(5.7%) increase**

Tax Levy - Personnel Impacts

| Ref C1 | Description C2 | Total C4 | 2011 Tax Levy Req't Impact C5 |
|---|---|------------------|-------------------------------------|
| 2.00 | <u>Personnel costs (contract provisions, annualization of 2010 hires) - Excluding Police</u> | | |
| 2.01 | Fire | 529,817 | 0.6% |
| 2.02 | Other | 767,000 | 0.8% |
| 2.03 | Less estimate of non tax sources of funding | (40,608) | 0.0% |
| Subtotal of Personnel Costs - Excluding Police | | 1,256,209 | 1.4% |

Includes Net FTE increase (excl. Police) of 4.091; 2.0 existing Temporary positions to become permanent; 1.0 existing Temporary position to remain temporary

Tax Levy - Police Services Impact

| Ref C1 | Description C2 | Total C4 | 2011 Tax Levy Req't Impact C5 |
|--|--|------------------|-------------------------------------|
| 3.00 | <u>Police Services</u> | | |
| 3.01 | Personnel (excluding new FTE's below) | 887,048 | 1.0% |
| 3.02 | Increase in Benefit Costs - OMERS Rate Change | 142,300 | 0.2% |
| 3.03 | Eight Proposed Additional FTEs (annualized cost starting in 2012 would be \$542,000) <i>Business Plan, rec'd by Council on March 22, 2010, identified eleven more positions in future years</i> | 391,982 | 0.4% |
| 3.04 | Capital Expenses Moved to Operating due to PSAB | 115,000 | 0.1% |
| Subtotal of Police Services Increases | | 1,536,330 | 1.7% |

Tax Levy - Legislated, Mandated – 3rd Party Impacts

| Ref C1 | Description C2 | Total C4 | 2011 Tax Levy Req't Impact C5 |
|---|---|----------------|-------------------------------------|
| 4.00 | <u>Legislated/ Mandated/Third Party Increases/(Decreases)</u> | | |
| 4.01 | Increase in Benefit Costs - OMERS contribution includes a 1% rate increase (excluding Police) | 337,700 | 0.4% |
| Subtotal of Legislated or Mandated Increases | | 337,700 | 0.4% |

Tax Levy Service Level Enhancements Impacts

| Ref C1 | Description C2 | Total C4 | 2011 Tax Levy Req't Impact C5 |
|---|--|----------------|-------------------------------------|
| 5.00 | <u>Service Level Enhancements Approved/Endorsed by Council during 2010 or Prior</u> | | |
| 5.01 | Increased Winter Control - BIA's | 70,000 | 0.1% |
| 5.02 | Downtown Youth Space (First full year of operation - excluding personnel costs) | 19,860 | 0.0% |
| 5.03 | Amendments to Smoking By-Law | 10,000 | 0.0% |
| 5.04 | Community Gardens | 10,000 | 0.0% |
| 5.05 | Communities in Bloom | 80,000 | 0.1% |
| Subtotal of Service Level Enhancement Previously Approved by Council | | 189,860 | 0.2% |

Tax Levy Airport Pre-commitments Impacts

| Ref C1 | Description C2 | Total C4 | 2011 Tax Levy Req't Impact C5 |
|---|--|----------------|-------------------------------------|
| 6.00 <u>Airport Precommitment Approved by Council</u> | | | |
| 6.01 | Increase in Transfer to Airport Debt Servicing Reserve | 651,000 | 0.7% |
| 6.02 | Increase in Utilities Expenses | 30,400 | 0.0% |
| 6.03 | Increase in Contractual Services - Airport Operator | 32,768 | 0.0% |
| Subtotal of Airport Precommitments Approved by Council | | 714,168 | 0.8% |

Tax Levy - 2010 One-time reductions not available in 2011

| Ref C1 | Description C2 | Total C4 | 2011 Tax Levy Req't Impact C5 |
|--|--|----------------|-------------------------------------|
| 7.00 | 2010 "One-time" Actions to Reduce 2010 Tax Levy Requirement Now Impacting 2011 Budget | | |
| 7.01 | 2010 Contribution From Rate Stabilization Fund (COPHI) | 250,000 | 0.3% |
| 7.02 | 2009 Surplus Funds Carried Forward as 2010 Revenue | 150,000 | 0.2% |
| 7.03 | 2010 Transfer from Land Ambulance Reserve | 192,415 | 0.2% |
| 7.04 | Increase in COPHI Dividend and Interest Treated as Operating Revenue in 2010 | 134,400 | 0.1% |
| Subtotal of 2010 "One-time" Actions Impacting 2011 Budget | | 726,815 | 0.8% |

Tax Levy - Inflationary & revenue changes

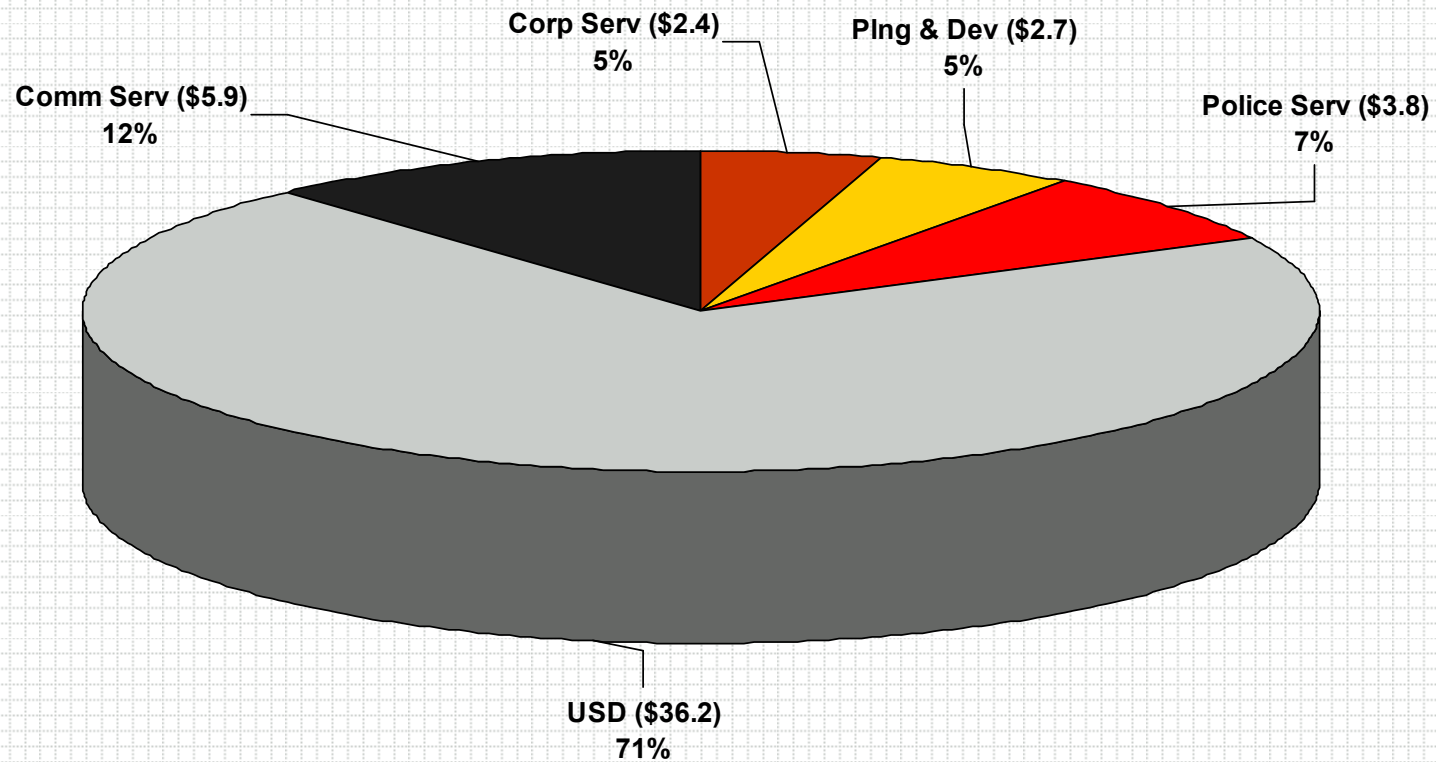
| Ref C1 | Description C2 | Total C4 | 2011 Tax Levy Req't Impact C5 |
|--|---|------------------|-------------------------------------|
| 8.00 | <u>Inflationary factors/other increased costs/decreased revenues proposed</u> | | |
| 8.01 | Lease Agreement - 200 Jameson Drive | 85,000 | 0.1% |
| 8.02 | Increase in Contribution to Landfill Post Closure Cost Reserve Due to NFA Opening | 115,000 | 0.1% |
| 8.03 | Decrease in Provincial Offences Act Office Revenues (City Share) | 82,028 | 0.1% |
| 8.04 | Increase in Development Charge Annexation Payments | 75,000 | 0.1% |
| 8.05 | Increase in Land Ambulance Budget | 122,334 | 0.1% |
| 8.06 | Increase in Utilities Expenses (excluding Airport) | 313,600 | 0.3% |
| Subtotal of Inflationary Factors and Other Increased Costs/Decreased Revenues | | 792,962 | 0.9% |
| 9.00 | <u>Increased Revenues or Decreased Expenditures offsetting the Budgetary pressures</u> | | |
| 9.01 | Increase in Investment Revenue | (173,000) | -0.2% |
| 9.02 | Increase in Provincial Grant for Recycling | (109,000) | -0.1% |
| 9.03 | Increase in Recyclable Sales Revenue | (50,000) | -0.1% |
| Subtotal of Offsets | | (332,000) | -0.4% |



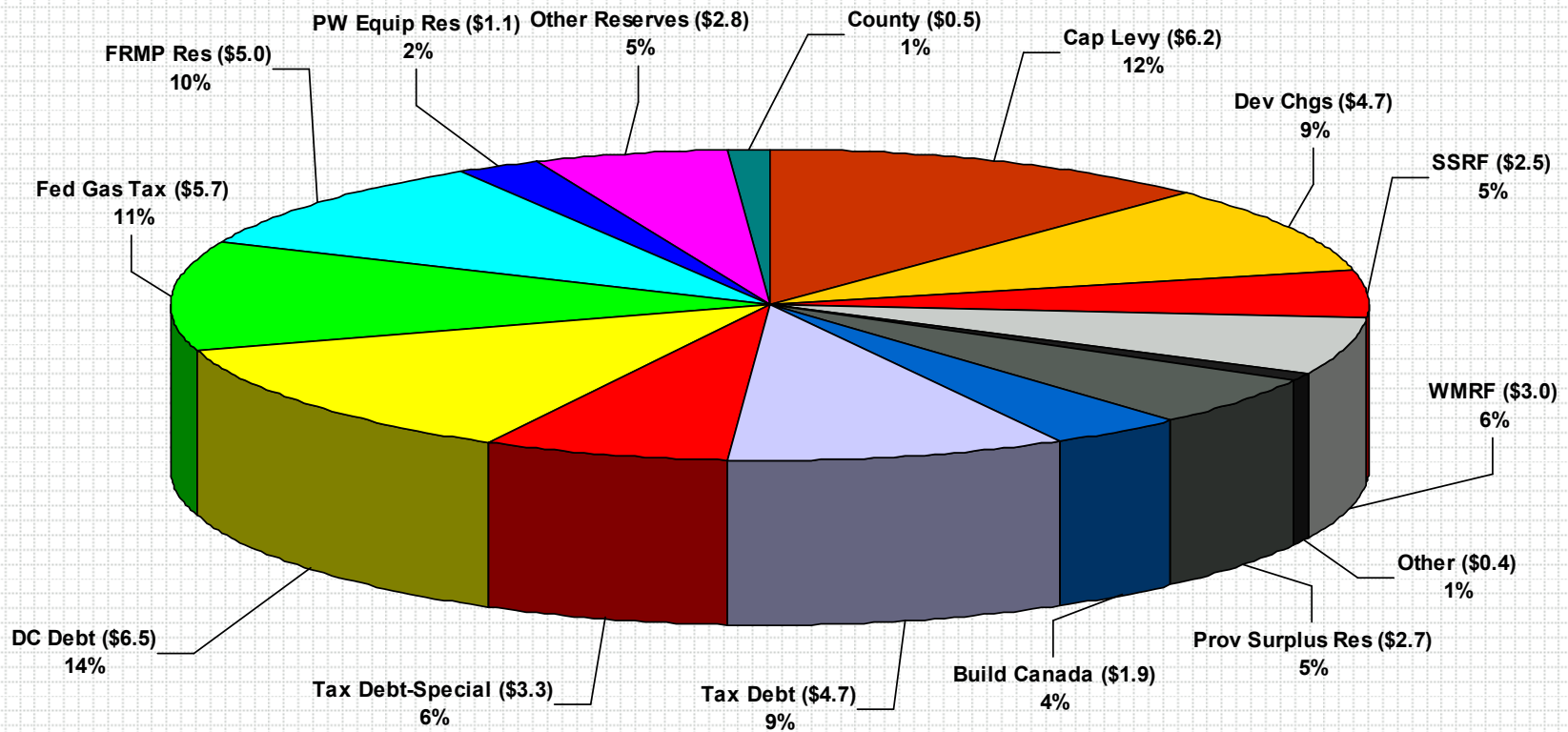
Capital Budget

Capital Budget by Department on Page 15 to 130, Supplementary Information on Page 152 to 159 and Detailed Projects in Book 3

2011 Capital Expenditures (\$51.0 million) (Page 11)



2011 Capital Financing by Source (\$51.0 million) (Page 11)



Largest Dollar Value Capital Projects

(Page 12)

| Ref | Dept | Project Description | Project Number | 2011 | | | | | |
|-------|-----------|--|----------------|-------------|---------|----------|----------|---------|-------------------|
| | | | | TOTAL COSTS | REV | NET COST | CAP LEVY | DEV CHG | DEB OTHER |
| 1 | Police | Radio Replacement | 8.02 | 3,400.0 | | 3,400.0 | | | 3,400.0 |
| 2 | USD | Hunter St Bridge over Otonabee River | 5-4.01 | 2,909.7 | 1,866.3 | 1,043.4 | | | 1,043.4 |
| 3 | USD | Bensfort Road & Reconstruction | 5-10.03 | 2,465.0 | | 2,465.0 | | | 2,465.0 |
| 4 | USD | Municipal Operations Centre | 5-1.01 | 2,000.0 | | 2,000.0 | | 400.0 | 1,600.0 |
| 5 | USD | Parkhill Sewage Pumping Station | 5-6.03 | 2,000.0 | | 2,000.0 | | | 2,000.0 |
| 6 | USD | Hilliard St Sanitary Trunk Sewer | 5-6.04 | 2,000.0 | | 2,000.0 | 120.0 | | 1,880.0 |
| 7 | USD | Coldsprings Sewage Pumping Station | 5-6.05 | 1,800.0 | | 1,800.0 | | | 1,800.0 |
| 8 | USD | Sir Sandford Fleming Bridge over CPR | 5-4.02 | 1,786.0 | | 1,786.0 | | | 1,786.0 |
| 9 | USD | Sanitary Sewer Relining & Repair | 5-15.11 | 1,694.0 | | 1,694.0 | | | 1,694.0 |
| 10 | Pln & Dev | Property Acquisitions | 7-1.01 | 1,270.0 | | 1,270.0 | | | 1,270.0 |
| 11 | Comm Serv | Soccer Complex | 6-8.01 | 1,245.5 | | 1,245.5 | 124.6 | 1,120.9 | |
| 12 | USD | Jackson Creek EA Capital Projects | 5-15.01 | 1,226.4 | | 1,226.4 | | | 1,226.4 |
| 13 | USD | Walker Ave. Reconstruction | 5-6.07 | 1,200.0 | | 1,200.0 | 75.0 | | 1,125.0 |
| 14 | USD | PW Vehicle & Equipment Replacement/Additions | 5-8.04 | 1,126.2 | | 1,126.2 | | | 1,126.2 |
| 15 | USD | Water St/University Heights Intersection Improve | 5-3.05 | 1,125.0 | | 1,125.0 | | | 1,125.0 |
| 16 | USD | Various Road Resurfacing | 5-3.01 | 1,100.0 | | 1,100.0 | | | 1,100.0 |
| 17 | USD | Parkhill - Wallis to City Limit | 5-2.02 | 1,000.0 | | 1,000.0 | | 1,000.0 | |
| 18 | USD | Bethune Trunk Sewer | 5-6.06 | 1,000.0 | | 1,000.0 | | 1,000.0 | |
| 19 | USD | Peterborough Landfill Site | 5-10.01 | 965.1 | 482.6 | 482.5 | | | 482.5 |
| 20 | USD | Byersville Creek EA Capital Projects | 5-15.02 | 950.0 | | 950.0 | | | 950.0 |
| Total | | | | 32,262.9 | 2,348.9 | 29,914.0 | 319.6 | 3,520.9 | 10,180.0 15,893.5 |



Staffing and New Staff Positions


Details in Book 4 – Page 76

Staffing - New Proposed Police Positions (Page 13)

| Ref | Position and comments | Group | Op Cap | Type | Net Budget Impact (\$) | Net FTE |
|------|---|-------|-----------|------|---------------------------|--------------|
| C1 | C2 | C3 | C4 | C5 | C6 | C7 |
| 1.01 | Police - Data Entry Clerk (January 1) | POL | Op | FT | 65,163 | 1.000 |
| 1.02 | Police - Victims Services Assistant (January 1) | POL | Op | FT | 65,163 | 1.000 |
| 1.03 | Police - Traffic Officers (January 1) | POL | Op | FT | 130,327 | 2.000 |
| 1.04 | Police - Drug Unit (May 1) | POL | Op | FT | 87,720 | 2.000 |
| 1.05 | Police - Drug Unit (Sept 1) | POL | Op | FT | 43,609 | 2.000 |
| 1.06 | Net FTE Increase - Police | | | | 391,982 | 8.000 |

Other New Proposed Positions (Page 13)

| Ref C1 | Position and comments C2 | Group C3 | Op Cap C4 | Type C5 | Net Budget Impact (\$) C6 | Net FTE C7 |
|-------------|--|-------------|-----------------|------------|---------------------------------|----------------|
| 2.00 | Requested new full-time permanent - Needed to Maintain Level of Service | | | | | |
| 2.01 | Planning Technician | L126 | Op | FT | 52,100 | 1.000 |
| 2.02 | Policy Analyst (Community Services) | NU | Op | FT | 51,872 | 0.500 |
| 2.03 | Subtotal | | | | 103,972 | 1.500 |
| 3.00 | Requested new full-time permanent - Revenue Supported | | | | | |
| 3.01 | Building Inspector II | L126 | Op | FT | | 1.000 |
| 3.02 | Programs and Promotions Co-ordinator (Mem Centre) | NU | Op | FT | | 1.000 |
| 3.03 | Wellness Centre Operator 2 | L504 | Op | FT | 10,293 | 1.000 |
| 3.04 | Subtotal | | | | 10,293 | 3.000 |
| 4.00 | Existing part-time proposed to become full-time | | | | | |
| 4.01 | Recreation Secretary (Part Time FTE's decrease by 0.689) | L126 | Op | FT | 18,895 | 0.311 |
| 4.02 | Heritage Designation Researcher (Part Time FTE's decrease by 0.677) | L126 | Op | FT | 22,000 | 0.323 |
| 4.03 | Subtotal | | | | 40,895 | 0.634 |
| 5.00 | Existing Temp proposed to become permanent | | | | | |
| 5.01 | GIS Technologist - LIS | L126 | Op | FT | | |
| 5.02 | Assistant Emergency Planner | L126 | Op | FT | | |
| 5.03 | Subtotal | | | | | |
| 6.00 | Existing temp proposed to be extended | | | | | |
| 6.01 | Municipal Cultural Planning Researcher (Proposed to May 2012) | L126 | Cap | FT-Temp | | |
| 6.02 | Subtotal | | | | | |
| 7.00 | Full Time Positions eliminated as part of 2011 budget process | | | | | |
| 7.01 | Capital Asset Project Administrator - Corporate Services | NU | Cap | FT-Temp | (46,534) | (1.000) |
| 7.02 | Day Care Cook | L126 | Op | FT-Temp | (1,908) | (0.043) |
| 7.03 | Subtotal | | | | (48,442) | (1.043) |
| 8.00 | Net FTE Increase - Other Positions (excluding Police) | | | | 106,718 | 4.091 |



If you have questions during your review of documents

| Name | Phone | Email |
|---------------|-------------------|-------------------------|
| Sandra Clancy | 742-7777 Ext 1862 | sclancy@peterborough.ca |
| Lionel Towns | 742-7777 Ext 1804 | ltowns@peterborough.ca |
| Brian Horton | 742-7777 Ext 1863 | bhorton@peterborough.ca |

Any one of the three of us could meet with you individually to answer questions as well



Questions