



City of
Peterborough

TO: Members of the Budget Committee

FROM: Sandra Clancy, Director of Corporate Services

MEETING DATE: March 7, 2011

SUBJECT: Report CPFPRS11-008
2012 Budget Process

PURPOSE

A report to propose a 2012 Budget process that includes departmental presentations and provides for Council input prior to the Draft 2012 Budget being presented to Budget Committee.

RECOMMENDATION

That Council approve the recommendation outlined in Report CPFPRS11-008 dated March 7, 2011 of the Director of Corporate Services, as follows:

That Council endorse the proposed 2012 Budget Process as detailed in Appendix A.

BUDGET AND FINANCIAL IMPLICATIONS

There are no budget and financial implications associated with the recommendation.

BACKGROUND

At its meeting held January 31, 2011, Council approved the following recommendations with respect to the 2012 Budget process...

- a) *That staff present a report to a Budget Committee meeting to be held the week of March 7, 2011 on a suggested 2012 Budget process which includes presentations by each Director to be made at a series of separate Budget Committee meetings to be held prior to the end of April.*
- b) *And that the presentations use 2011 approved budget as a baseline, and include a summary of current levels of service within each department and division, how the services are being delivered now, resources required to deliver the service, any legislated requirements that impact the service delivery, and other factors that may affect the 2012 request.*

This report complies with Council's direction and proposes a process for the 2012 Budget.

Proposed 2012 Budget Process

The proposed 2012 budget process is explained in the report's two attachments:

Appendix A is a proposed 2012 Budget Process showing all the events that require Council's participation. It includes the additional Budget Committee meetings in the months of March and April that were requested as part of the January 31 motion. It allows for the possibility of a second Budget Committee meeting for the Community Services and Utility Services Departments in recognition of the sheer size and quantity of information that could be discussed. These meetings would be public meetings. The Schedule concludes with Council tentatively approving the 2012 Budget on December 12, 2011.

Appendix B identifies the level of detail by Department/Division/Service or Program that will be included in each presentation to be held in March and April.

Format of Presentations

Although each Department within the Corporation is unique in that they serve different purposes and have very distinct functions - often to diverse customer groups, each presentation will follow a similar format.

Each presentation will include as applicable:

- Name of Facility / Service / Program or Functional area
- Primary or key services delivered
- Any legislated requirements that impact service delivery (specify legislation)
- Indicate whether there is a Board or Advisory Committee that provides some input to the budget
- Levels of service currently being provided
- Customers served: description and number
- How the service is delivered - Contracted vs. in-house (including description and value)
- Any Collective Agreement Restrictions
- Gross/Net 2011 budget (baseline)
- Key revenue sources
- Chart summarizing resources required to deliver the services, including:
 - Number of staff (FTE's: FT/PT by employee group)
 - Personnel costs by employee group
 - Other (materials, utilities, contractual services, etc.)
- Alternate service delivery opportunities that could be explored
- Opportunities for efficiencies and/or cost savings
- Other considerations
- Factors which could impact the 2012 Budget request, including any cost estimate, such as legislated or Council approved enhancements already made
- Questions and direction from Budget Committee

Significant time commitment required and options

The list of items on Appendix B is extensive and the level of detail to be included in each presentation as set out above will result in a very significant time commitment by both staff and council members within a condensed two-month time period.

The Budget Committee may wish to consider another option that would reduce the time commitment suggested in Appendix B:

Full Budget Committee vs. Sub Committee structure

Council may wish to appoint certain members (3 or 4) of the Budget Committee to one or more Budget sub committees that would review different areas set out in Appendix B. The sub-committees could then select certain Facilities, Services, Programs or Functional areas for a larger discussion with the entire Budget Committee. Such an approach would be less time consuming for any one member of the Budget Committee. The disadvantage is that not all members will have the opportunity to participate in the exchange of information and dialogue for each presentation.

Some work on 2012 Budget needs to happen concurrently

In order for staff to be able to deliver the draft 2012 Budget in November, staff need to begin work on their detailed budget forms no later than April 1, 2011. That means some initial work will be done on the budget while March and April presentations are being made to the Budget Committee.

Initial direction to staff will be to prepare a 2012 Budget that maintains current levels of service, but to be prepared to adjust budget submissions subject to direction of Budget Committee recommendations ultimately approved by Council.

SUMMARY

The report responds to the January 31, 2011 direction of Council to prepare a report proposing a 2012 process that includes Departmental presentations in March and April. The report further suggests some options that the Budget Committee may wish to consider to reduce the time commitment by Council members.

Submitted by,

Sandra Clancy
Director of Corporate Services

Contact Person

Sandra Clancy
Director of Corporate Services
Phone 705-742-7777 ext. 1863
Fax 705-748-8839
E-mail address: sclancy@peterborough.ca

Appendix A 2012 Draft Budget Process

Appendix B Schedule of Budget Committee Presentations

Appendix A

2012 Budget Process

| Day | Date | Description of Event |
|-----------|--------|---|
| Monday | 7-Mar | Budget Committee (Approve Report - Suggested 2012 Budget Process) |
| Monday | 14-Mar | Council - Approve March 7th Report of Budget Committee |
| Tuesday | 22-Mar | Budget Committee - Presentation - Council, CAO, Fire Services, Emergency Management, Legal Services and Planning and Development Services |
| Friday | 1-Apr | Budget Packages Distributed to Staff to start detailed budget preparation |
| Tuesday | 5-Apr | Budget Committee - Presentation - Community Services |
| Wednesday | 6-Apr | Budget Committee - Presentation - Corporate Services, Capital Financing, Other Financial and Corporate Revenues, Transfers to Other Organizations |
| Tuesday | 12-Apr | Budget Committee - Presentation - Utility Services |
| Tuesday | 26-Apr | Council - Approve March 22 - April 12th Reports of Budget Committee |
| Monday | 7-Nov | Budget Committee (To present 2012 Draft Budget). CoW Meeting follows. |
| Monday | 28-Nov | Budget Committee - Review Draft 2012 Budget |
| Tuesday | 29-Nov | Budget Committee - Review Draft 2012 Budget |
| Wednesday | 30-Nov | Budget Committee - Review Draft 2012 Budget - Outside Agencies and Boards |
| Thursday | 1-Dec | Budget Committee - Review Draft 2012 Budget |
| Wednesday | 7-Dec | Budget Committee - Public Meeting |
| Monday | 12-Dec | Council - Tentative Approval of 2012 Budget |

Appendix B
Schedule of Budget Committee Presentations

REVISED - MARCH 14, 2011

| Ref | Date (6.p,m start) | Department Facility / Service / Program or Functional area | 2011 Gross Expenditure | % of Total Gross Expenditure | 2011 Net Tax Levy Requirement | % of Total Tax Levy Requirement |
|-----|-----------------------|---|------------------------------|------------------------------------|-------------------------------------|---------------------------------------|
| C1 | C2 | C3 | C4 | C5 | C6 | C7 |
| 1 | 22-Mar Tuesday | CITY COUNCIL | 607,198 | 0.3% | 607,198 | 0.6% |
| | | CHIEF ADMINISTRATIVE OFFICER | | | | |
| | | Chief Administrative Officer | 454,653 | 0.2% | 454,653 | 0.4% |
| | | Fire Services | 12,736,781 | 6.2% | 12,580,741 | 11.8% |
| | | Emergency Management | 346,523 | | 312,923 | |
| | | | 13,537,957 | 6.6% | 13,348,317 | 12.5% |
| | | LEGAL SERVICES | | | | |
| | | Legal Services | 423,842 | 0.2% | 423,842 | 0.4% |
| | | Provincial Offences Act Office | 1,057,157 | 0.5% | (445,931) | -0.4% |
| | | Peterborough Humane Society | 250,800 | 0.1% | 250,800 | 0.2% |
| | | | 1,731,799 | 0.8% | 228,711 | 0.2% |
| | | PLANNING & DEVELOPMENT SERVICES | | | | |
| | | Planning and Land Information Administration | 1,791,049 | 0.9% | 1,636,949 | 1.5% |
| | | Housing | 13,521,984 | 6.6% | 4,011,208 | 3.8% |
| 2 | 5-Apr Tuesday | COMMUNITY SERVICES | | | | |
| | | Administration | 311,964 | 0.2% | 311,964 | 0.3% |
| | | Community Grants | 907,200 | 0.4% | 863,100 | 0.8% |
| | | <u>Facilities & Special Projects</u> | | | | |
| | | Project Management | 134,291 | 0.1% | 134,291 | 0.1% |
| | | Marina | 272,520 | 0.1% | 59,520 | 0.1% |
| | | Beavermead Campground | 141,933 | 0.1% | 3,933 | 0.0% |
| | | Market Hall | 14,409 | 0.0% | (2,067) | 0.0% |
| | | <u>Recreation</u> | | | | |
| | | Peterborough Sport and Wellness Centre | 2,503,287 | 1.2% | 10,387 | 0.0% |
| | | Recreation Administration | 1,264,317 | 0.6% | 819,501 | 0.8% |
| | | <u>Arts Culture & Heritage</u> | | | | |
| | | Administration & Heritage Preservation Office | 391,856 | 0.2% | 380,826 | 0.4% |
| | | Museum & Archives | 773,679 | 0.4% | 598,346 | 0.6% |
| | | Art Gallery | 591,702 | 0.3% | 343,302 | 0.3% |
| | | Public Library | 2,377,585 | 1.2% | 2,133,154 | 2.0% |
| | | Arenas | 5,861,939 | 2.9% | 1,071,728 | 1.0% |
| | | <u>Social Services</u> | | | | |
| | | Financial Assistance | 41,486,520 | 20.3% | 7,629,940 | 7.2% |
| | | Employment & PERC | 3,610,931 | 1.8% | 482,954 | 0.5% |
| | | Homelessness Intervention | 1,302,905 | 0.6% | 397,414 | 0.4% |
| | | Children's Services | 8,885,006 | 4.3% | 1,473,249 | 1.4% |
| | | Community Social PLAN | 273,952 | 0.1% | 136,976 | 0.1% |
| | | | 71,105,996 | 34.8% | 16,848,518 | 15.8% |
| 3 | 6-Apr Wednesday | CORPORATE SERVICES | | | | |
| | | Financial and Property Services | 3,574,231 | 1.7% | 2,719,719 | 2.6% |
| | | City Clerk | 679,845 | 0.3% | 306,195 | 0.3% |
| | | City Clerk - Election | 246,000 | 0.1% | 180,000 | 0.2% |
| | | Corporate Information Services | 1,382,917 | 0.7% | 1,382,917 | 1.3% |
| | | Human Resources | 869,796 | 0.4% | 869,796 | 0.8% |
| | | | 6,752,789 | 3.3% | 5,458,627 | 5.1% |
| | | CAPITAL LEVY, DEBT, & FINANCIAL SUMMARY | | | | |
| | | Capital Financing Costs | 16,971,864 | 8.3% | 14,471,864 | 13.6% |
| | | Property Taxation Costs | 2,339,925 | 1.1% | 2,339,925 | 2.2% |
| | | Other Expenditures | 1,440,500 | 0.7% | 1,440,500 | 1.4% |
| | | Contingency Provision | 1,935,740 | 0.9% | 1,935,740 | 1.8% |
| | | | 22,688,029 | 11.1% | 20,188,029 | 19.0% |

Appendix B
Schedule of Budget Committee Presentations

REVISED - MARCH 14, 2011

| Ref | Date (6.p,m start) | Department Facility / Service / Program or Functional area | 2011 Gross Expenditure | % of Total Gross Expenditure | 2011 Net Tax Levy Requirement | % of Total Tax Levy Requirement |
|-----|-----------------------|---|------------------------------|------------------------------------|-------------------------------------|---------------------------------------|
| C1 | C2 | C3 | C4 | C5 | C6 | C7 |
| | | TRANSFERS TO ORGANIZATIONS FOR PROVISION OF SERVICES (An overview, only, of 2012 impacts to be presented by Director of Corporate Services) | | | | |
| | | Police | 18,940,149 | 9.3% | 18,940,149 | 17.8% |
| | | Land Ambulance | 3,700,000 | 1.8% | 3,700,000 | 3.5% |
| | | ORCA | 606,343 | 0.3% | 606,343 | 0.6% |
| | | County City Health Unit | 975,737 | 0.5% | 975,737 | 0.9% |
| | | GPAEDC | 800,663 | 0.4% | 800,663 | 0.8% |
| | | | 25,022,892 | 12.2% | 25,022,892 | 23.5% |
| | | CORPORATE REVENUES | | | | |
| | | Includes Investments, Penalty & Interest, Supplementary Taxes, Payments in Lieu, COPHI, | | | | |
| | | | | | | |
| | | | | | | |
| 4 | 12-Apr Tuesday | UTILITY SERVICES DEPARTMENT | | | | |
| | | Utility Services Administration | 259,199 | 0.1% | 161,846 | 0.2% |
| | | Engineering, Construction and Infrastructure Planning | 2,349,068 | 1.1% | 1,188,061 | 1.1% |
| | | <u>Public Works</u> | | | | |
| | | Winter Control | 2,235,192 | 1.1% | 2,235,192 | 2.1% |
| | | Fleet ** | - | 0.0% | - | 0.0% |
| | | Surface Services | 1,577,347 | 0.8% | 1,577,347 | 1.5% |
| | | Underground Services | 1,719,580 | 0.8% | 232,312 | 0.2% |
| | | Parks and Forestry | 2,894,698 | 1.4% | 2,894,698 | 2.7% |
| | | <u>Transportation</u> | | | | |
| | | Traffic | 1,768,743 | 0.9% | 1,664,116 | 1.6% |
| | | Parking | 2,463,375 | 1.2% | 352,375 | 0.3% |
| | | Transit | 9,820,545 | 4.8% | 4,247,079 | 4.0% |
| | | <u>Environmental Protection</u> | | | | |
| | | Waste Treatment Plant | 4,335,018 | 2.1% | - | 0.0% |
| | | Laboratory | 5,604,373 | 2.7% | - | 0.0% |
| | | Centennial Fountain | 54,257 | 0.0% | 54,257 | 0.1% |
| | | <u>Waste Management</u> | | | | |
| | | Collection & Processing | 5,340,799 | 2.6% | 3,324,557 | 3.1% |
| | | Landfill | 3,504,697 | 1.7% | (812,553) | -0.8% |
| | | | 43,926,891 | 21.5% | 17,119,287 | 16.1% |
| | | ** Fleet expenditures of \$4,758,480 are recovered from other City activities | | | | |
| | | 2011 Net Tax Levy Requirement | 204,353,801 | 100.0% | 106,531,571 | 100.0% |