



Municipality of Port Hope 2009 Proposed Budget

February 3, 2009

Budget Committee Recommendation to General
Government and Finance Committee

Purpose of This Presentation

- Budget Process
- Budget Committee Proposed
 - Capital Budget
 - Community Grants
 - Operating Budget
- Assessment Changes
 - Taxpayer Impact

Budget Process

- Budget guidelines and templates distributed to Community Partners and Departments
- Budget submissions reviewed in detail by Municipal Finance Department and budget adjusted as determined appropriate in consultation with Departments
- Draft Budget reviewed/prioritized/amended by Management Team

Budget Process

- Draft Budget reviewed by Budget Committee
 - Eight meetings to review complete budget
 - Capital in November
 - Community Grants in December
 - Operating Budget in January
- Budget approved for consideration at GGF



Capital Budget

Process and Proposed Budget

Management Team

Decision Making Process - Capital

- The primary factors in making decisions on each individual project
 1. Health and Safety Issues
 2. Legal and Other Commitments
 3. Project Identified as a Council priority
 4. Inclusion in 10 year capital plans
 5. Grant eligibility and/or cost sharing
 6. Utilizing Reserves and Development Charges

Other Considerations

7. Previous budget commitment carryover
8. Project cost reduction (e.g. not to full urban standard)
9. Implications of deferment of project to future years
10. Self debenture and repaying over the life of the asset
11. Paying mileage versus purchasing a vehicle
12. Impacts on employee staffing levels

Capital Project Categories

- 2008 Approved Carryovers – no levy impact
- \$0 Levy Impact
- A Priority - Levy Impact in Management Team recommended priority order according to decision making factors
- B Priority – Levy Impact requiring further Council decision
- C Priority – Defer to another year

Capital Budget – Budget Committee Revisions

- Management Team presented a list of carry forward, zero levy impact, “A” priority and “B” priority projects
- Management Team only the first 59 “A” priority projects were considered affordable based on prior year funding levels (i.e. reserve and taxation)
- Budget Committee recommendations take advantage of available reserve funding and reduce levy requirement
- Tax levy freed by use of reserve funding was not redirected to other projects

Capital Project Submission

- 30 carryover projects valued at \$42.3 million with no 2009 tax levy impact
 - Sewage Plant - \$28.8 million
 - Raw Water Pumping Station - \$7.5 million
 - Water Tower - \$3.0 million
- 45 projects totaling \$13.4 million have been submitted with no tax levy impact.
 - Sewage Treatment Plant - \$6.4 million
 - Water Tower Construction - \$1.0 million
 - Streetlight Replacement - \$1.1 million
 - Peter Street Watermain - \$2.2 million
 - Lake Street Pumping Station - \$227,000

Capital Project Submission

- 59 projects totaling \$1.3 million with \$1.083 million from tax levy (slight decrease from 2007 tax levy)
 - Annual Bridge Safety - \$100,000
 - Annual Street Resurfacing - \$265,000
 - GRCA projects - \$95,000
 - Jack Burger various projects - \$55,000
 - Town Park Rec Centre various projects - \$20,000



Community Grants

Process and Proposed Budget

Community Grants

- Budget Committee considered 20 Community Grant applications with a value of \$265,935
- Recommendation to approve grants totalling \$119,800 (net of non-tax funding sources)
- This represents a \$8,700 or 7.8% increase from the approved 2008 budget.



Operating Budget

Process and Proposed Budget

Operating Review

- Department submission of budget requirements
- Detailed review by Finance and individual meetings with Departments
 - Core operating costs reviewed
 - Previous year's revenues and expenditures
 - Removal of any one-time funds from prior year
- Review of Department submission by Management Team
- Review of Draft Budget by Budget Committee

Operating Review cont'd

- Budget reflects costs in 2009 to provide same level of service as in 2008 except where Council has approved changes to levels of service
- Increase resource needs approved through “Plans” (i.e. Fire Master Plan, Transit Implementation Plan) included in 2009 Budget but identified for Committee review and consideration
- Level of service or project implementation items not approved as part of “Plans” submitted as “Potential Increases” for Budget Committee consideration before including in the budget.

Operating Budget - Tax Levy Requirement Increases

- Salary and benefits per grid plus COLA - \$216,000
- Fire Truck Financing Costs - \$105,000
- Police salary and benefits - \$175,500
- Library operating - \$62,500
- PSAB implementation consulting/auditing costs - \$50,000
- Archivist Service Contract - \$25,000

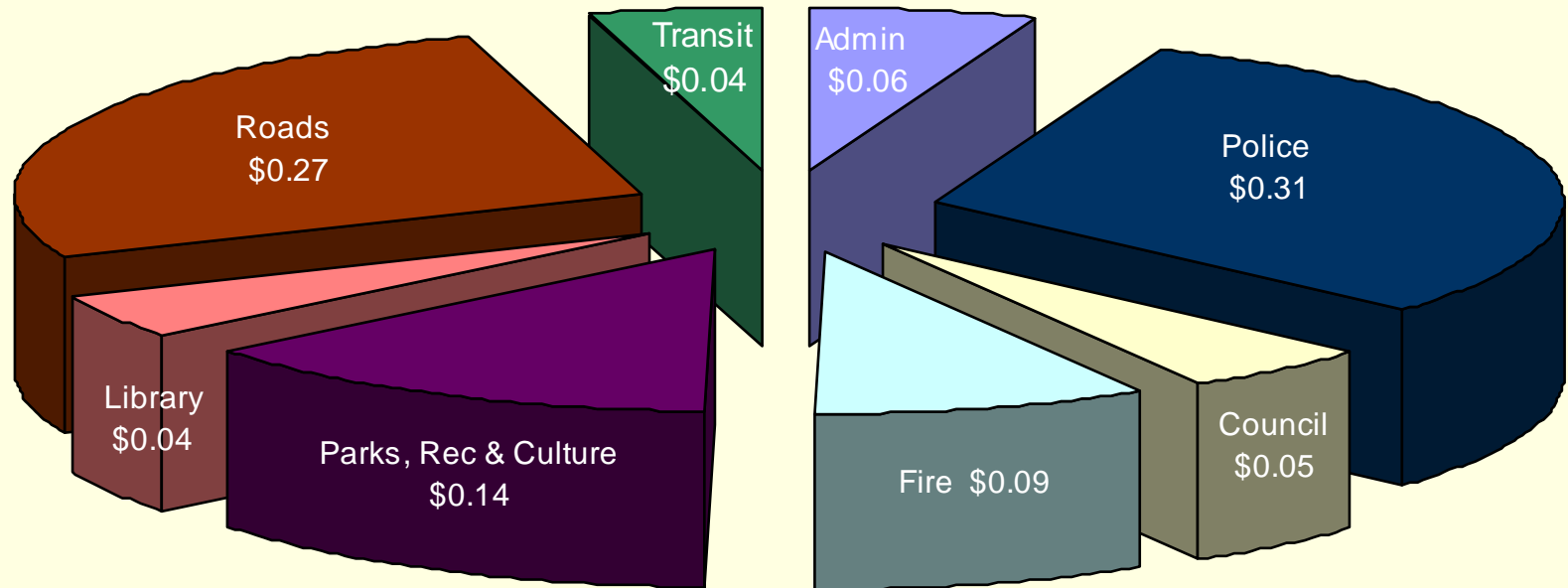
Operating Budget – Tax Levy Requirement Decreases

- Property Tax Penalty & Interest - \$100,000
- Transfer of Bulky Waste Responsibility to County - \$53,000
- Screening Funds used to offset Fire and Public Works Dispatch/Communications paid to PHPSB - \$150,000

2008 Proposed Budget Summary

	2008 Approved Budget	2009 Budget Committee Approved	Variance \$	Variance %
Operating	\$ 7,390,590	\$ 7,454,500	\$ 63,910	0.9%
Capital	1,138,000	1,083,000	(55,000)	-4.8%
Community Grants	111,100	119,800	8,700	7.8%
Police	3,955,000	4,167,500	212,500	5.4%
Library	<u>526,500</u>	<u>589,000</u>	<u>62,500</u>	<u>11.9%</u>
	<u>\$ 13,121,190</u>	<u>\$ 13,413,800</u>	<u>\$ 292,610</u>	<u>2.2%</u>

How Your Tax Dollar Is Being Used



Assessment

- Assessments in 2009 based on 2008 assessment year
- Overall assessment increased \$90.4 million (6.6%) over 2008
- Weighting is applied to adjust proportionate share of taxes between classes – e.g.. Ind/Comm = 2.63 times Res; Farm = 0.25 times Res
- Weighted assessment increased \$92.2 million (6.3%) over 2008

Assessment

- Ward 1 assessment increased \$69.9 million with increases in all classes
- Ward 1 weighted assessment increased by \$79 million or 7.5%
- Ward 2 assessment increased \$20.5 million with increases in res/farm offset by decreases in Ind/Comm
- Ward 2 weighted assessment increased by \$13.2 million or 3.2%

Area Rating

- The Area Rating is calculated as per the approved By-law and variances each year are based on changes in the weighted assessment in each Ward.
- The percentage calculation in 2009 is 85.97% for Ward 1 and 14.03% in Ward 2, a shift of .27% between the Wards when compared to 2008.

Residential Tax Impact

	Ward 1	Ward 2
2009 Tax Rate	0.010196	0.004439
2008 Tax Rate	<u>0.010688</u>	<u>0.004646</u>
Change in Tax Rate	<u>-0.000492</u>	<u>-0.000207</u>
	-4.6%	-4.5%
	Ward 1	Ward 2
Avg Assessment 2008	\$175,600	\$162,700
Taxes 2008	\$1,876.81	\$755.90
	Ward 1	Ward 2
Avg Assessment 2009	\$185,100	\$171,300
Taxes 2009	\$1,887.20	\$760.36
Change in Taxes	\$10.39	\$4.45

Next Steps

- Week of February 3 – 10 opportunity for public viewing and questions/comments with Finance Department staff
- February 17, 2009 – report to General Government and Finance Committee re questions and comments from public
- February 24, 2009 Resolution at Council to approve the budget based on GGF recommendation



Thank you