



# CITY OF NORTH BAY

## 2009 COMMITTEE RECOMMENDED OPERATING BUDGET

### PUBLIC PRESENTATION

JANUARY 12, 2009

## 2009 Preliminary Operating Budget Summary

*as presented to Committees of Council in December 2008*

	2009 Preliminary Operating Budget	2008 Approved Operating Budget	Tax Levy Impact \$ Increase / (Decrease) <i>Over 2008</i>	Tax Levy Impact % Increase / (Decrease) <i>Over 2008</i>
<b>Total City Activities</b>	\$43,642,700	\$42,015,700	\$1,627,000	3.87%
<b>Local Agencies, Boards &amp; Commissions</b>	\$37,848,012	\$37,549,281	\$298,821	0.80%
<b>Ontario Municipal Partnership Funding</b>	(\$14,595,200)	(\$16,611,000)	\$2,015,800	12.14%
<b>Required Tax Levy</b>	\$66,895,602	\$62,953,981	\$3,941,621	6.26%

### 2009 Preliminary Operating Budget was prepared as follows:

- Expenditures for 2009 are best estimates to provide the same programs and levels of service as approved in the 2008 Operating Budget.
- Staff complement represent levels as approved in 2008 Operating Budget and includes any approved amendments made during 2008.
- Budget estimates are in accordance with existing policies.
- Revenue estimates are based on current trends, current rates and current approved rate increases.
- Estimates for Local Agencies, Boards and Commissions are the latest received. Local Agencies, Boards & Commissions will be presenting their respective budgets to City Council in early February.

## 2009 Committee Recommended Operating Budget

### Summary

*as submitted following Committee budget meetings in December 2008*

	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Changes / Enhancements	2009 Committee Recommended Operating Budget	Tax Levy Impact \$ Increase / (Decrease) Over 2008	Tax Levy Impact % Increase / (Decrease) Over 2008
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<i>Total General Government</i>	\$23,200	(\$307,000)	(\$283,800)	\$15,094,000	(\$22,000)	(.15%)
<i>Engineering &amp; Works</i>	(\$81,880)	(\$48,200)	(\$130,080)	\$8,978,120	\$154,320	1.75%
<i>Total Community Services</i>	(\$101,670)	\$47,400	(\$54,270)	\$19,102,430	\$1,026,530	5.68%
<i>Total City</i>	(\$160,350)	(\$307,800)	(\$468,150)	\$43,174,550	\$1,158,850	2.76%

<i>Local Agencies, Boards &amp; Commissions</i>	(\$176,299)	\$0	(\$176,299)	\$37,671,803	\$122,522	1.09%
<i>Ontario Municipal Partnership Funding</i>	\$0	\$0	\$0	(\$14,595,200)	\$2,015,800	12.14%

*2009 Tax Levy Before 2008*

	(\$336,649)	(\$307,800)	(\$644,449)	\$66,251,153	\$3,297,172	5.23%
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*Before 2008*

*Assessment Base Growth*

<i>2008 Assessment Base</i>					(\$819,000)	
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*Real Growth of 1.3%  
will absorb*

<i>2009 Required Tax Levy</i>				\$65,432,153	\$2,478,172	3.94%
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## **GENERAL GOVERNMENT COMMITTEE SUMMARY**

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget -per Budget Book-	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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<b>Corporate Services</b>	\$4,525,300	\$29,200	\$58,000	\$87,200	\$4,612,500	\$55,300	1.21%
<b>G.G. Activities</b>	\$10,852,500	(\$6,000)	(\$365,000)	(\$371,000)	\$10,481,500	(\$77,300)	(4.38%)
<b>General Government C.</b>	\$15,377,800	\$23,200	(\$307,000)	(\$283,800)	\$15,094,000	(\$22,000)	(0.15%)



### **2009 Preliminary Operating Budget Adjustments, \$23,300:**

- **Elimination of Financial Services Administration fee revenues for DNSSAB, \$50,000**

## GENERAL GOVERNMENT COMMITTEE SUMMARY

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget -per Budget Book-	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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G.G. Activities	\$10,852,500	(\$6,000)	(\$365,000)	(\$371,000)	\$10,481,500	(\$77,300)	(4.38%)
General Government C.	\$15,377,800	\$23,200	(\$307,000)	(\$283,800)	\$15,094,000	(\$22,000)	(0.15%)



### 2009 Proposed Changes / Enhancements, (\$307,000):

- Increased use of Tax Rate Stabilization Reserve fund , (\$750,000)
- Interest & dividend revenue from investment in North Bay Hydro, (\$165,000)

#### *PARTIALLY OFFSET BY:*

- Increase in infrastructure capital spending funded through the operating budget, \$500,000 as included in the approved 2009 five year capital budget
- Address election, corporate and city hall accessibility shortfalls as required under the 'Accessibility for Ontarians with Disabilities Act' as enacted by the Province of Ontario, \$108,000

## GENERAL GOVERNMENT COMMITTEE SUMMARY

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget <i>-per Budget Book-</i>	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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<b>General Government C.</b>	<b>\$15,377,800</b>	<b>\$23,200</b>	<b>(\$307,000)</b>	<b>(\$283,800)</b>	<b>\$15,094,000</b>	<b>(\$22,000)</b>	<b>(0.15%)</b>
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### General Government Committee 2009 Recommended Operating Budget

decrease of (\$22,000), or (.15%) over 2008 resulting from:

- Increased use of Tax Rate Stabilization Reserve fund , (\$750,000)
- Lower tax re-assessment reduction adjustments, (\$225,000)
- Interest & dividend revenue from investment in North bay Hydro, (\$165,000)
- Elimination of 2008 one-time increase to insurance reserve, (\$100,000)

***PARTLY OFFSET BY:***

- Increase in infrastructure capital spending funded through the operating budget: \$486,900 as a result of Council's approved capital funding policy; \$500,000 as included in the approved 2009 five year capital budget
- Estimates wage & benefit increases, \$160,000
- Upgrade election, corporate and city hall accessibility shortfalls as required under the 'Accessibility for Ontarians with Disabilities Act' as enacted by the Province of Ontario, \$108,000

## *ENGINEERING & WORKS COMMITTEE SUMMARY*

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget <i>-per Budget Book-</i>	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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Engineering, Environmental Services & Works	\$9,108,200	(\$81,880)	(\$48,200)	(\$130,080)	\$8,978,120	\$154,320	1.75%
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### 2009 Preliminary Operating Budget Adjustments, (\$81,880):

- 10 cent reduction in fuel cost per liter estimate, (\$60,000)

## *ENGINEERING & WORKS COMMITTEE SUMMARY*

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget <i>-per Budget Book-</i>	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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Engineering, Environmental Services & Works	\$9,108,200	(\$81,880)	(\$48,200)	(\$130,080)	\$8,978,120	\$154,320	1.75%
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### **2009 Proposed Changes / Enhancements, (\$48,200):**

- Increase tipping fee rate \$3 per tonne from \$65 to \$68 per tonne to offset operating costs, (\$67,500)

#### *PARTIALLY OFFSET BY:*

- Operate hazardous waste depot for full year, \$16,800
- Expand recycling program to include tubs and lids, \$2,500

## *ENGINEERING & WORKS COMMITTEE SUMMARY*

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget <i>-per Budget Book-</i>	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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Engineering, Environmental Services & Works	\$9,108,200	(\$81,880)	(\$48,200)	(\$130,080)	\$8,978,120	\$154,320	1.75%
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### **Engineering & Works Committee 2009 Recommended Operating Budget increase of \$154,320, or 1.75% over 2008 resulting from:**

- Estimated wage and benefit increases, \$196,920
- Lower recycling program sales revenue, \$91,500
- Higher maintenance costs in asphalt roadways, \$84,200
- Higher storm sewer maintenance costs, \$57,600; lower storm sewer revenues, \$54,600
- Higher fleet fuel costs, \$85,000 and higher fleet repair costs, \$65,700

#### *PARTIALLY OFFSET BY:*

- Higher tipping fee net revenues, (\$222,300)
- Higher fleet usage revenues, (\$264,300)

## COMMUNITY SERVICES COMMITTEE SUMMARY

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget -per Budget Book-	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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Community Services	\$8,769,100	(\$101,670)	\$47,400	(\$54,270)	\$8,714,830	\$621,230	7.68%
Fire Department	\$10,387,600	\$0	\$0	\$0	\$10,387,600	\$405,300	4.06%
Total Community Services C.	\$19,156,700	(\$101,670)	\$47,400	(\$54,270)	\$19,102,430	\$1,026,530	5.68%



### 2009 Preliminary Operating Budget Adjustments, (\$101,670):

- Increase in use of Provincial Gas Tax funding, (\$100,000)
- 10 cent reduction in the cost of fuel per liter estimate, (\$78,000)

#### *PARTIALLY OFFSET BY:*

- Reduction in transit cash and multi fare card revenues, \$100,000, resulting from the 25 cent reduction in transit cash fares

## COMMUNITY SERVICES COMMITTEE SUMMARY

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget <i>-per Budget Book-</i>	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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Fire Department	\$10,387,600	\$0	\$0	\$0	\$10,387,600	\$405,300	4.06%
Total Community Services C.	\$19,156,700	(\$101,670)	\$47,400	(\$54,270)	\$19,102,430	\$1,026,530	5.68%



### 2009 Proposed Changes / Enhancements, \$47,400:

- Graffiti control, \$20,000
- Downtown utility tractor operator, \$17,400
- Algonquin sports field access agreement, \$10,000

## **COMMUNITY SERVICES COMMITTEE SUMMARY**

*as submitted following Committee budget meetings in December 2008*

2009 Preliminary Operating Budget <i>-per Budget Book-</i>	2009 Preliminary Operating Budget Adjustments	2009 Proposed Changes / Enhancements	2009 Total Adjustments; Proposed Changes / Enhancements	2009 Committee Recommended Operating Budget	\$ Increase Over 2008	% Increase Over 2008
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Community Services	\$8,769,100	(\$101,670)	\$47,400	(\$54,270)	\$8,714,830	\$621,230	7.68%
Fire Department	\$10,387,600	\$0	\$0	\$0	\$10,387,600	\$405,300	4.06%
Total Community Services C.	\$19,156,700	(\$101,670)	\$47,400	(\$54,270)	\$19,102,430	\$1,026,530	5.68%

### **Community Services Committee 2009 Recommended Operating Budget increase of \$1,026,530, or 5.68% over 2008 resulting from:**

- Firefighter estimated wage settlements for years 2006 thru 2009, \$389,300.
- Estimated salary & wage increase, \$213,030.
- Lower transit cash and multi fare card revenues, \$214,500
- Higher transit fuel costs, \$76,200
- Higher use of corporate fleet vehicles and equipment, \$54,900
- Higher approved complement level, \$56,000

#### ***PARTIALLY OFFSET BY:***

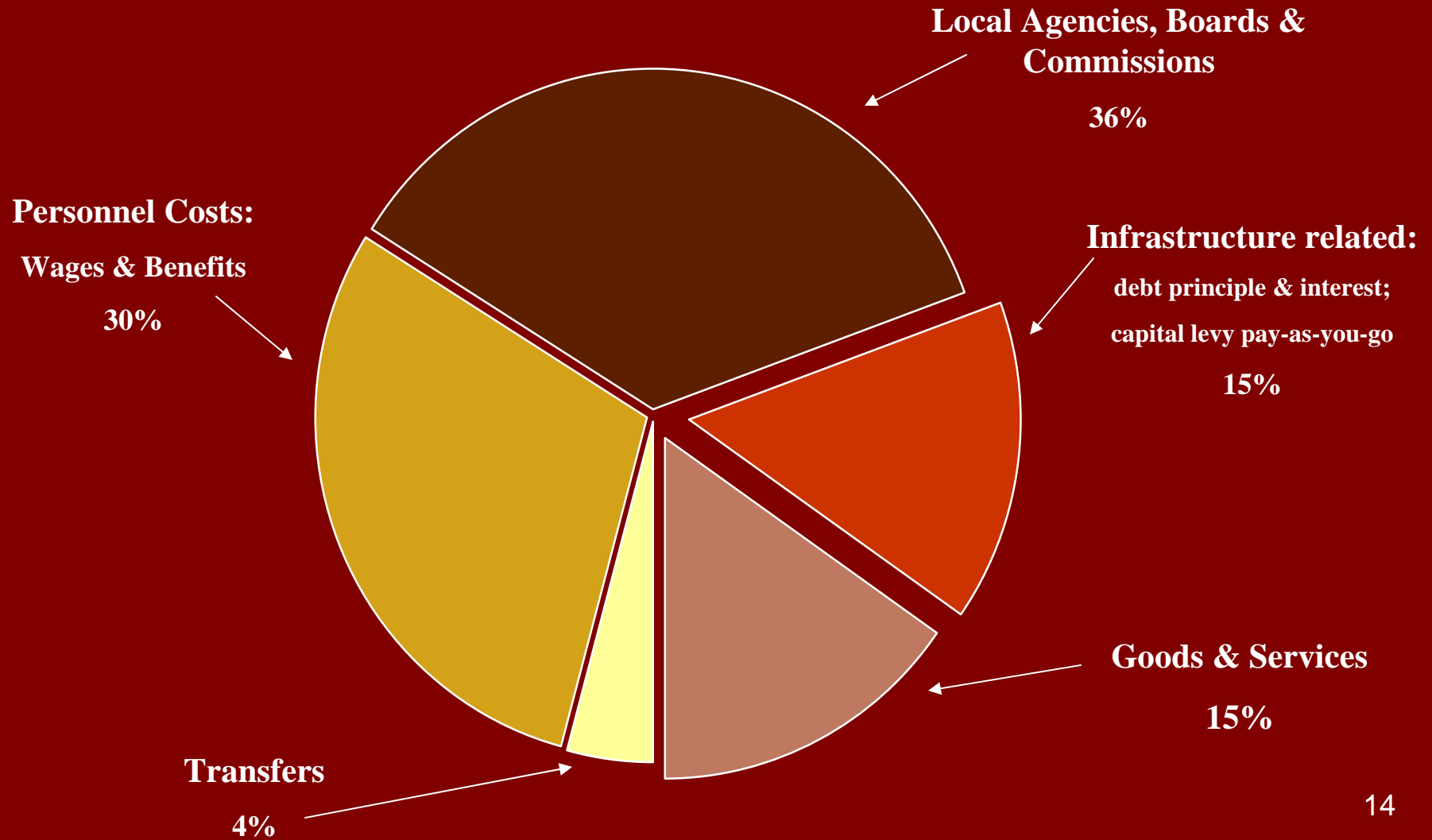
- Increased use of Provincial Dedicated Gas Tax, (\$100,000)

## COMMITTEE RECOMMENDED OPERATING BUDGET SUMMARY

*as submitted following Committee budget meetings in December 2008*

	2009 Budget	2008 Budget	Increase / (Decrease)	% Increase / (Decrease)
Personnel Costs	\$31,529,250	\$30,405,600	\$1,123,650	3.70%
Goods & Services	\$16,188,200	\$15,947,600	\$240,600	1.51%
Capital & Financing	\$16,251,180	\$15,314,980	\$936,200	6.11%
Transfers	\$4,232,300	\$3,865,500	\$366,800	9.49%
<b>Total City</b>	<b>\$68,200,930</b>	<b>\$65,533,680</b>	<b>\$2,667,250</b>	<b>4.07%</b>
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Agencies, Boards & Commissions	\$37,671,803	\$37,549,281	\$122,522	.33%
<b>Total Expenditures</b>	<b>\$105,872,733</b>	<b>\$103,082,961</b>	<b>\$2,789,772</b>	<b>2.71%</b>
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Operating Revenues	\$25,026,380	\$23,517,980	\$1,508,400	6.41%
Ontario Municipal Partnership Funding	\$14,595,200	\$16,611,000	(\$2,015,800)	(12.14%)
<b>Total Revenues</b>	<b>\$39,621,580</b>	<b>\$40,128,980</b>	<b>(\$507,400)</b>	<b>(1.26%)</b>
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Required Tax Levy	\$66,251,153	\$62,953,981	\$3,297,172	(5.24%)
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2008 Assessment Growth	(\$819,000)			
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Required Tax Levy	\$65,432,153	\$62,953,981	\$2,478,172	3.94%
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**COMMITTEE RECOMMENDED OPERATING BUDGET**  
**TOTAL 2008 CITY EXPENDITURES**  
*\$105,872,733, up \$2,789,772 or 2.71%*



## COMMITTEE RECOMMENDED OPERATING BUDGET

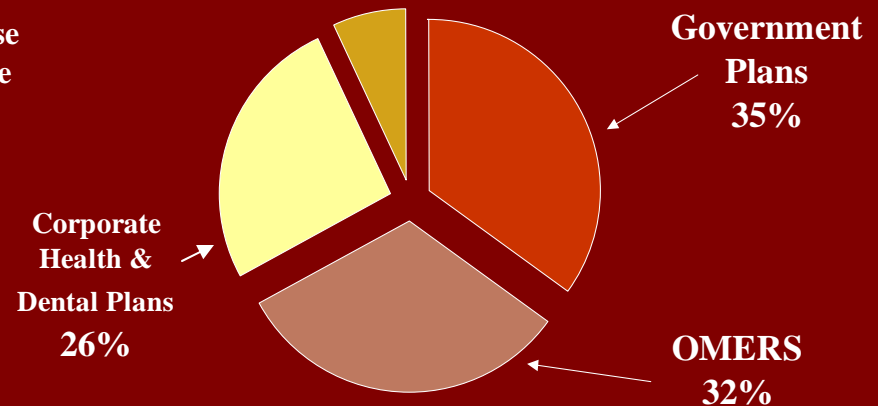
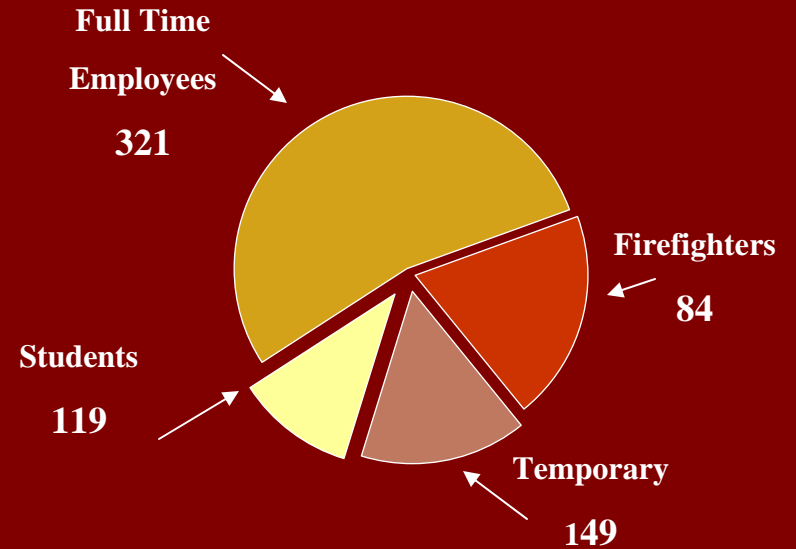
### Personnel Costs \$31,529,250 up \$1,123,650 or 3.70%

**Wage Costs, \$25,506,550 up \$932,350 or 3.8% resulting from:**

- Estimate for firefighters wage settlements for years 2006 to 2009
- CUPE wage agreement expired December 31, 2008
- Full year salary costs for 4 new staff positions approved in 2008

**Benefit Costs, \$6,022,700, up \$191,300, or 3.3% resulting from:**

- Increase in overall wages
- Government statutory benefits
  - CPP / EHT / EI / WCB – very little change
- City benefits package:
  - OMERS Pension Plan (age 65), slight decrease
  - OMERS Pension Plan (age 60), 8.9% increase
  - Extended Health – 3.4% increase
  - Dental – slight increase

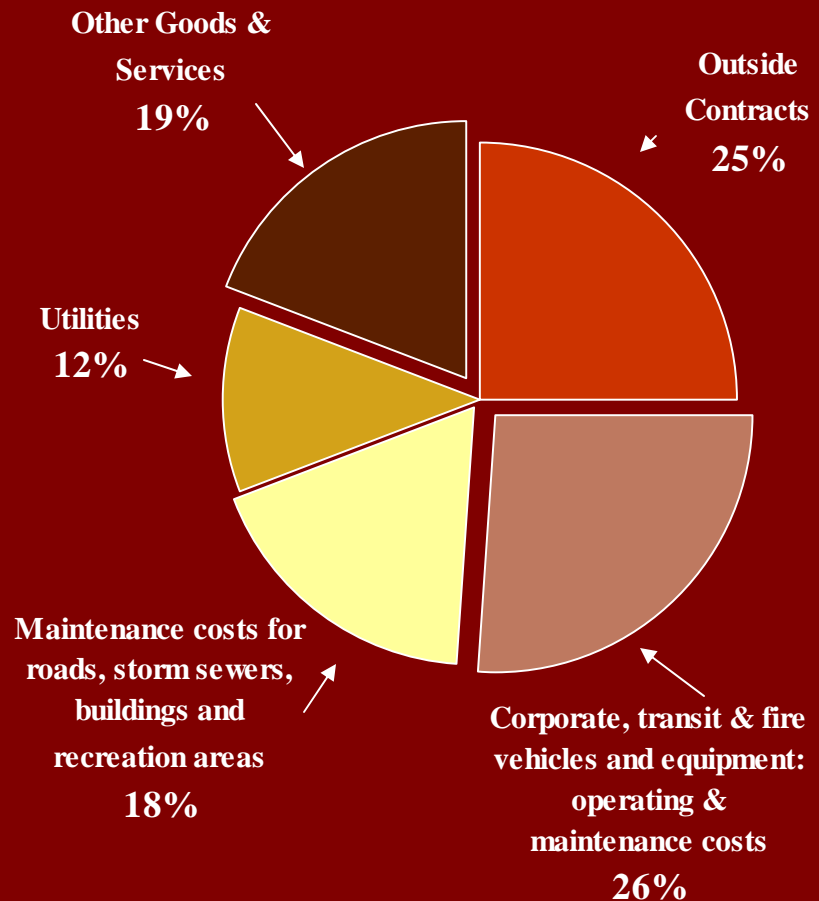


## COMMITTEE RECOMMENDED OPERATING BUDGET

**Goods & Services \$16,188,200 up \$240,600 or 1.51%**

**Resulting from increases in:**

- **Total fleet operating and maintenance costs ... \$277,600**, resulting from increases in fuel and repair parts costs
- **Maintenance costs for roads, storm sewers, buildings and recreation areas ... \$208,400**, resulting from 8% increase in asphalt contract; inflationary increases in all other areas
- **Outside contracts .... \$96,300**, resulting from inflationary increases in garbage & blue box collection contracts, Merrick landfill operating contract and PHARA transit operating contract; higher activity in hazardous waste program.
- **Utilities ... (\$88,700)**, resulting from city wide conservation programs reducing consumptions partially offset by 10% increase in electricity and natural gas rates

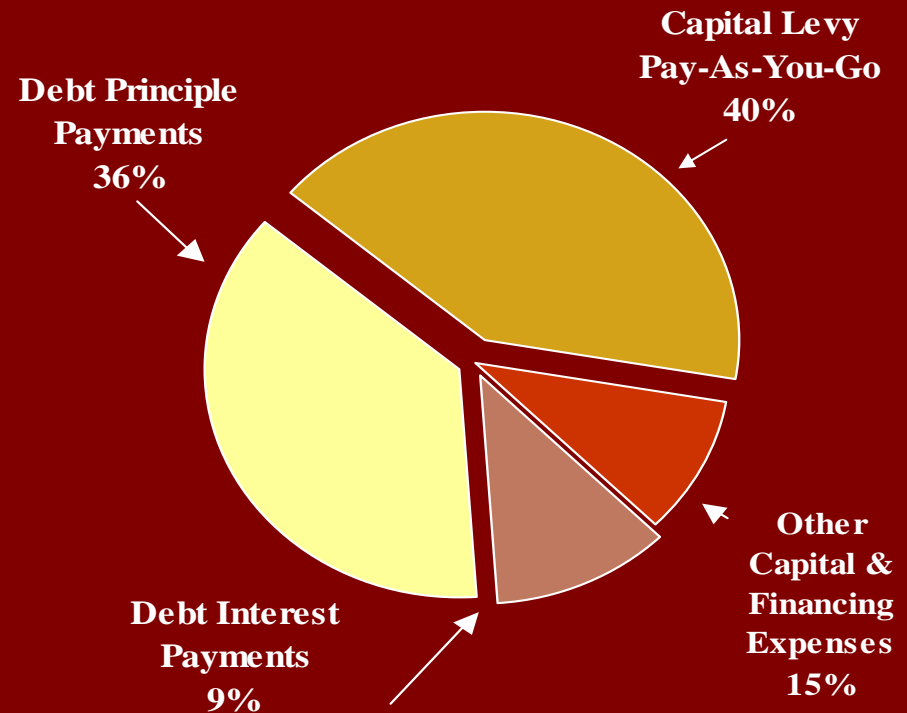


## COMMITTEE RECOMMENDED OPERATING BUDGET

Capital & Financing Expenses \$16,251,180 up \$936,200 or 6.11%

**Total infrastructure spending included in the operating budget, \$14,487,100:**

- Debt principle payments, \$5,823,100, up \$258,100
- Debt interest payments, \$1,524,000, down (\$56,000)
- Capital Levy Pay-As-You-Go, \$6,534,800, up \$784,800
- Other capital purchases, \$605,200, up \$100,000

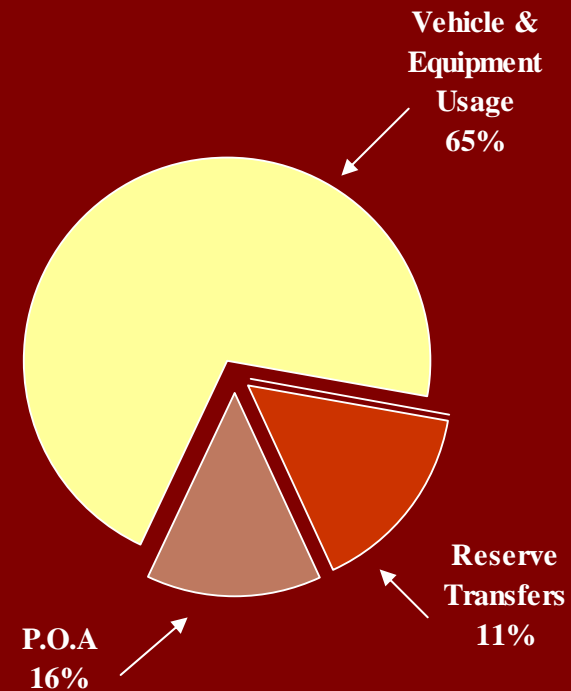


## COMMITTEE RECOMMENDED OPERATING BUDGET

Transfers \$4,232,300 up \$366,800 or 9.49%

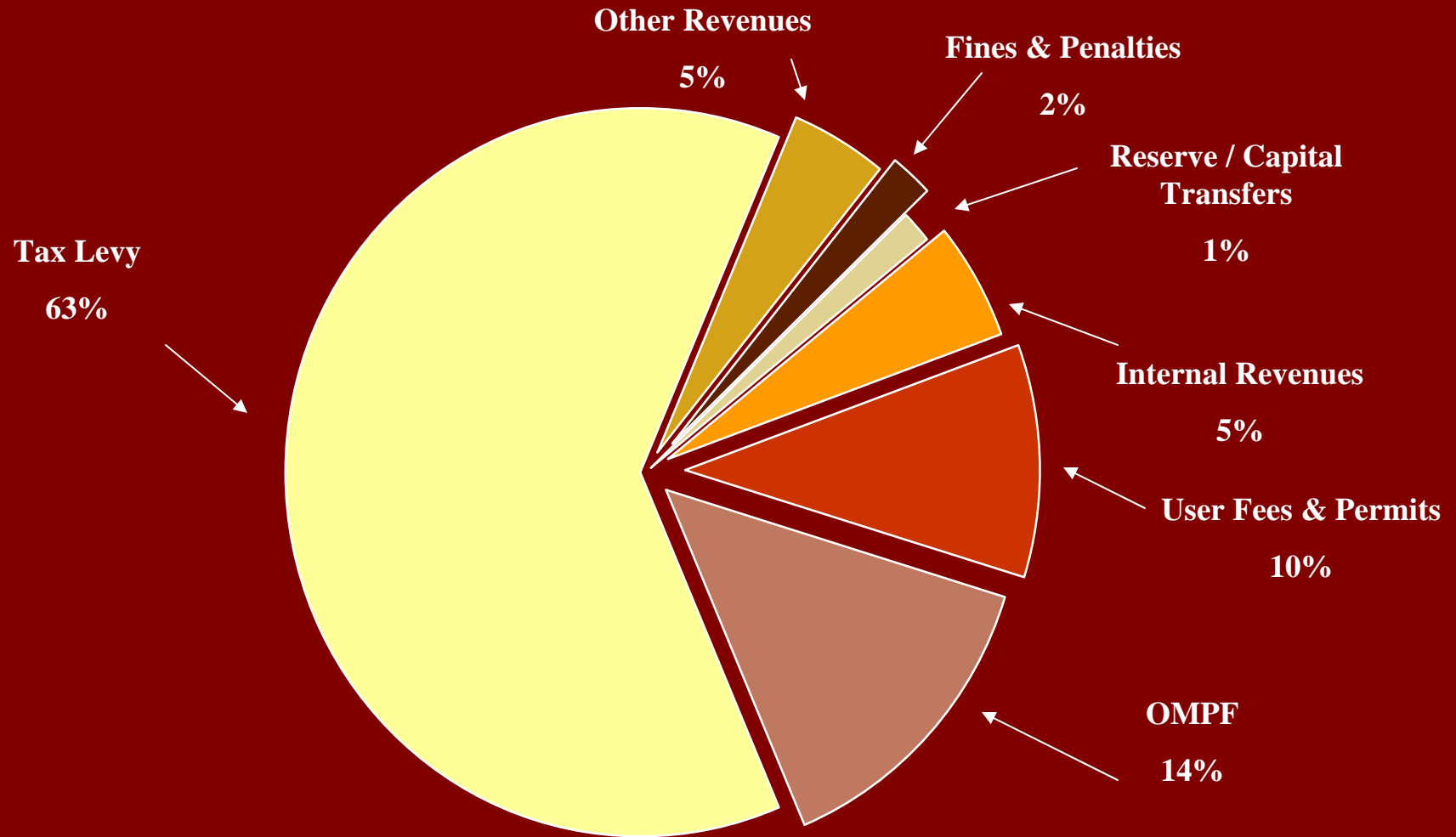
### Results from :

- Higher building activity resulting in higher excess revenues transferred to building code reserve account , \$178,800
- Higher city wide construction and maintenance activity will result in increased use of Corporate fleet of vehicles and equipment, \$164,500



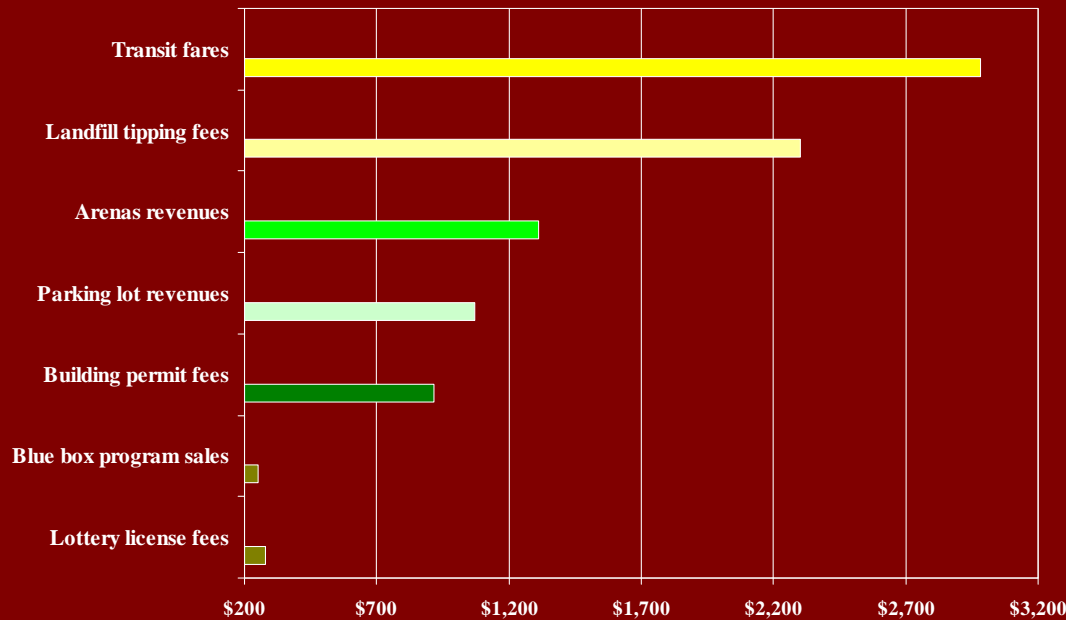
## COMMITTEE RECOMMENDED OPERATING BUDGET

**TOTAL 2009 CITY REVENUES - \$105,872,733, up \$2,789,772 or 2.71%**



## COMMITTEE RECOMMENDED OPERATING BUDGET

### USER FEES AND PERMITS \$10,722,000 up \$356,100, 3.4% over 2008



Over 2.2 million transit rides will generate over \$3.2 million

Disposal of over 30,000 tonnes of garbage at the city landfill will generate over \$2.3 million

Use of city arenas for hockey leagues, tournament and other events will generate over \$1.3 million

Ten city parking lots, on-street pay and display machines and parking meters will generate over \$1.0 million

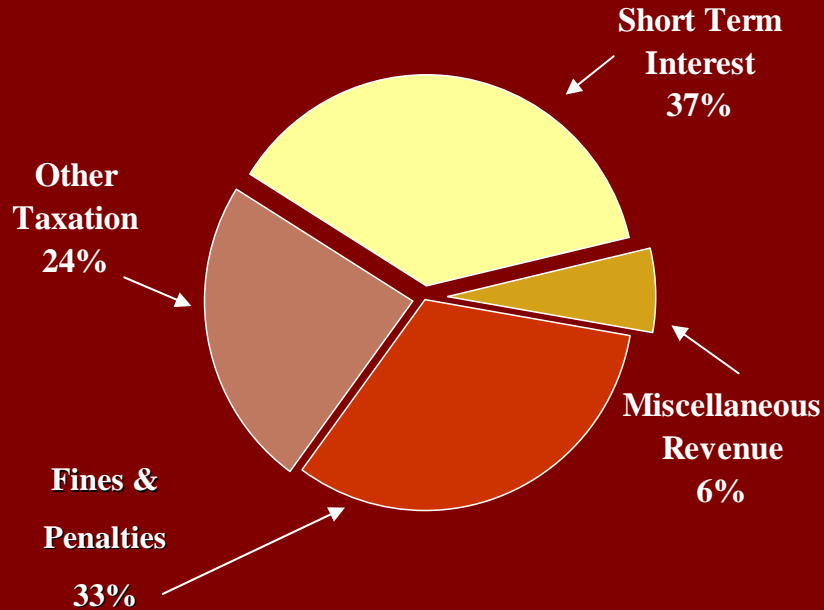
The value of new construction, residential and business renovations is expected to top \$80 million and generate over \$0.9 million

Sales of over 3,500 tonnes of recyclable items collected through the blue box program will generate over \$0.2 million

Issuance of over 600 lottery licenses for bingos, nevedas and other games of chance will generate over \$0.2 million

## COMMITTEE RECOMMENDED OPERATING BUDGET

Other Revenues and Fines & Penalties \$6,812,680 up \$307,100, 4.7% over 2008



### OTHER REVENUES:

- Short term investment interest will generate over \$2.5 million
- Other taxation revenue will generate over \$1.6 million
- Miscellaneous revenues will generate over \$0.4 million

### FINES & PENALTIES:

- Fines collected for over 16,000 traffic and other provincial acts violations will generate over \$1.7 million. The city shares this revenue with its POA partners and retains 55%

# RESERVE FUND POLICY

## GOALS AND OBJECTIVES

- To stabilize tax rates
- To reduce the risks to the taxpayer of significant budget impacts arising from uncontrollable events and activities
- To provide a source of funding for capital projects or major capital equipment requirements, which are not included in approved Capital Budgets and can not be reasonably funded by delaying a lower priority capital project.
- To provide a source of funding for an operating expenditure, including small capital, not included in approved Operating Budget allocations
- To maintain a level of reserves that would reduce the City's exposure to external shocks and, if possible, increase to levels comparable to other Ontario municipalities.

# RESERVE FUND POLICY

## TAX RATE STABILIZATION RESERVE FUND TARGET

- The Tax Rate Stabilization Reserve Fund target level should be maintained at a level between 3% and 5% of the total municipal tax levy
- This translates to a target range of \$1,890,000 to \$3,150,000 based on the 2008 tax levy
- Estimated Tax Rate Stabilization Reserve Fund balance as at December 31, 2008 will be \$3,800,000 assuming a surplus transfer of \$1,000,000 at the end of 2008

# TAX RATE STABILIZATION RESERVE FUND PROPOSED PLANNED USE

- PLAN TO USE \$1,500,000 AS FOLLOWS

➤ 2009	\$750,000
➤ 2010	\$500,000
➤ 2011	\$250,000
➤ 2012	\$0

- Consistent with previous uses and existing policy...will not be relying on an unsustainable use of reserve funds
- The use in future years will be subject to approval of City Council and could be discontinued if budget circumstances allow
- Projected **minimum** balance in 2012 would be \$2,800,000 which is within the target range recommended in the policy
- Past experience and expected one-time revenue sources from ABC's supports an ability to reimburse this reserve fund in the future

# Future Budget Meetings

Date	Time	Activity	Location
Monday, January 26	7:00 pm	<b>General Government [Budget] Committee Meeting – Public Presentations</b>	Council Chamber
Monday, January 26	7:00 pm	General Government [Budget] Committee Meeting - Tax Policies - Assessment – Real Growth and Market Change - User Fees - Preliminary Tax Rates Based on Tax Levy as at January 12 meeting	Council Chamber
Monday, February 9	5:00 pm to 5:30 pm 5:30 pm to 7:00 pm	General Government [Budget] Committee Meeting [dinner] - Agencies, Boards and Commissions	5th Floor Boardroom then Council Chamber
Monday, February 9	7:00 pm	General Government [Budget] Committee Meeting - Provincial Municipal Fiscal and Service Delivery Review and Ontario Municipal Partnership Fund - Wrap Up - Operating Budget, User Fees, Tax Policies and Tax Rates if Required	Council Chamber
Wednesday, February 18	5:00 pm to 5:30 pm 5:30 pm to 7:00 pm 7:00 pm to 8:00 pm	General Government [Budget] Committee Meeting [dinner] - Agencies, Boards and Commissions - Wrap Up - Operating Budget, User Fees, Tax Policies and Tax Rates if Required	5th Floor Boardroom then Council Chamber
Monday, February 23	7:00 pm	Regular General Government Committee Meeting - Recommendation adopting Operating Budget, Tax Policies and Tax Rates	Council Chamber
Monday, March 2	7:00 pm	Regular Council Meeting - Review and adoption of General Government Committee Recommendation and passage of resolutions/by-laws	Council Chamber