

CITY COUNCIL AGENDA



DATE November 2, 2011 – 6 p.m.

Please turn off or place on non-audible all cell phones, PDAs, Blackberrys and pagers during the meeting.

**O Canada
Silent Prayer
Disclosure of Pecuniary Interest**

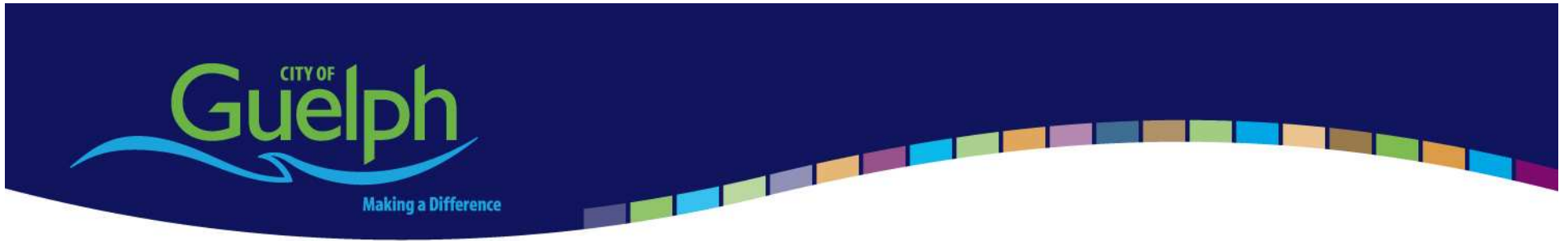
2012 Tax Supported Operating Budget Presentation

PRESENTATIONS:

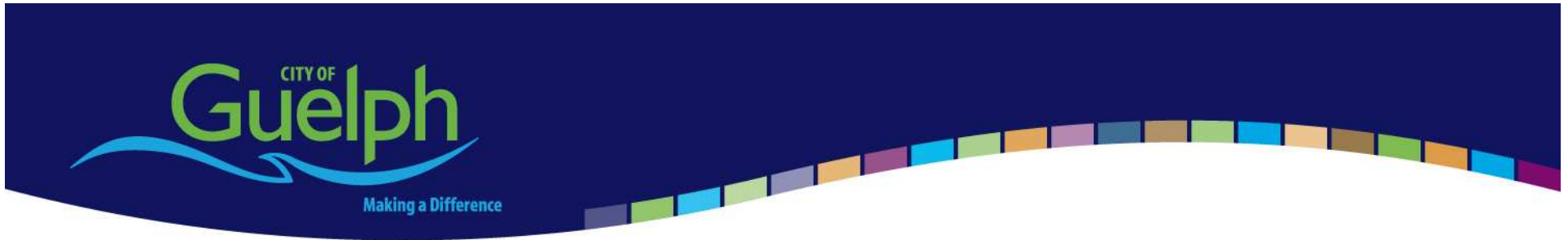
- Ann Pappert, Chief Administrative Officer
- Dan Chapman, Chief Financial Officer/City Treasurer
- Mark Amorosi, Executive Director of Corporate & Human Resources
- Janet Laird, Executive Director of Planning & Building, Engineering & Environment
- Derek McCaughan, Executive Director of Operations & Transit
- Colleen Clack, Interim Executive Director of Community & Social Services
- Dan Chapman, Chief Financial Officer/City Treasurer

"THAT the 2012 Tax Supported Operating Budget with a net levy requirement of \$174,629,567, be received for information."

ADJOURNMENT

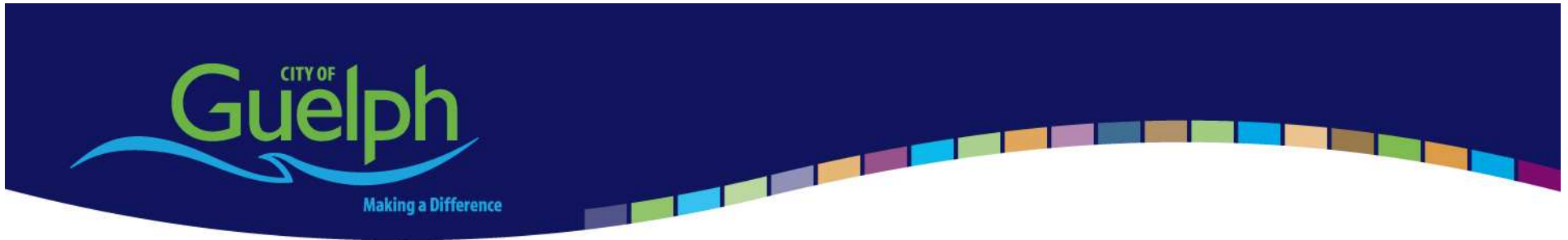


2012 Operating Budget



Executive Overview

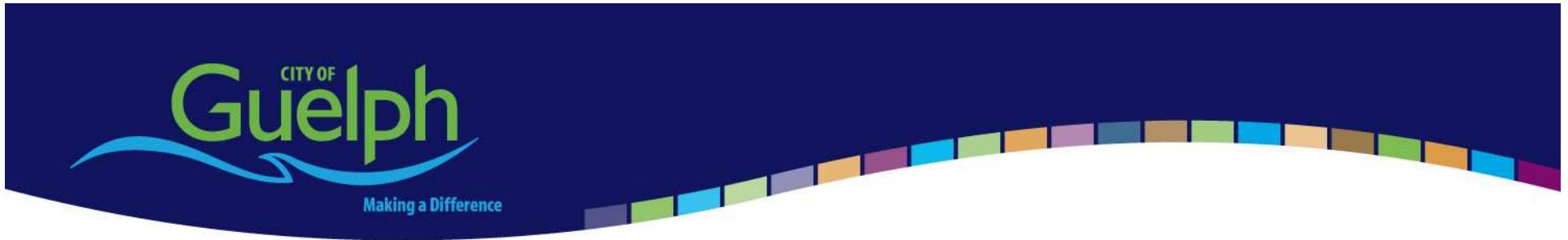
- Budget Submission Highlights
- Moving Forward 2012-2013
- Financial Context & Position
 - General Revenue & Grants
 - General Expenditures, Financing & Cross Charges
- Focus Summaries
 - Compensation & Training
 - Purchased Goods & Services
 - Revenue
 - Quality of Life



Meets Council Guideline

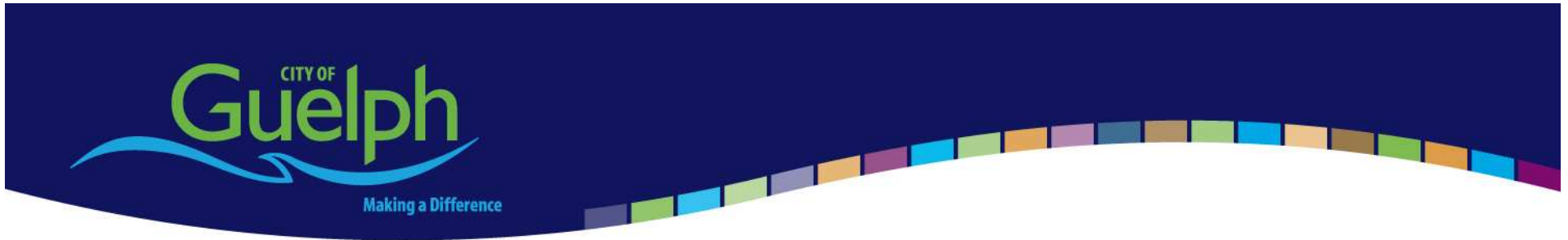
- Achieves 3% goal set by Council
- Focus on “affordability”
- Includes:
 - Annualization Costs (1%) – significant accomplishment
 - Funding Requirements of Uncontrollable Services
 - Reasonable Estimates – External costs (i.e fuel)
 - Opportunities to ‘Do Business Differently”

(refer to Tab 1 – Budget Binder)



Meets Council Guideline

- Includes:
 - Delivering on Innovation Projects:
 - Community Energy Initiatives – City Building Energy Use
 - Exploration – Transfer of Street lighting Asset
 - Development of Enterprise Options – GMHI
 - Mandatory Gapping for Vacancies
- Challenges – Budget does not include:
 - Growth Requests for existing program/service
 - New Service requests
 - New Tax-supported FTE's (excluding Local Board requests)
 - Training & Development phased increase

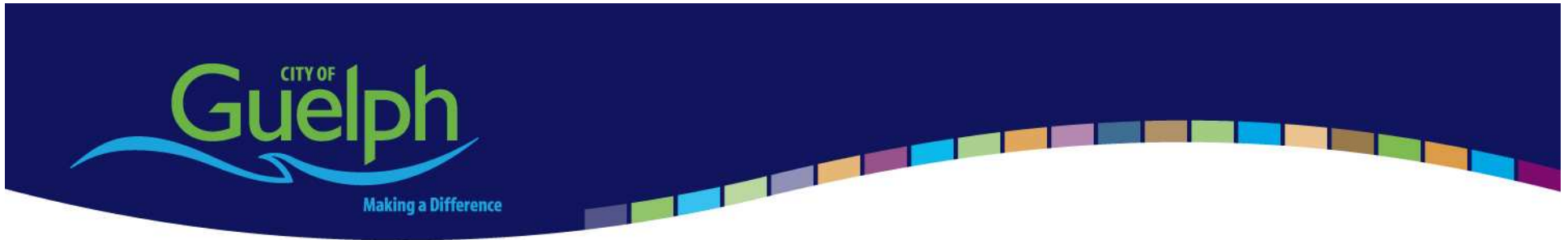


Excluded Items

Growth – Ranked Top Priorities:

1. Customer Service Specialist (O&T) - \$86,100
2. Records Coordinator (Corporate & HR) - \$79,200
3. Business System Analyst (Corporate & HR) – \$83,500
4. Downtown Guelph Community Improvement Plan (CAO)- \$200,000
5. Urban Design Heritage Planner (PBEE)- \$ 84,000

(refer to Tab 3 – Budget Binder)



Excluded Items

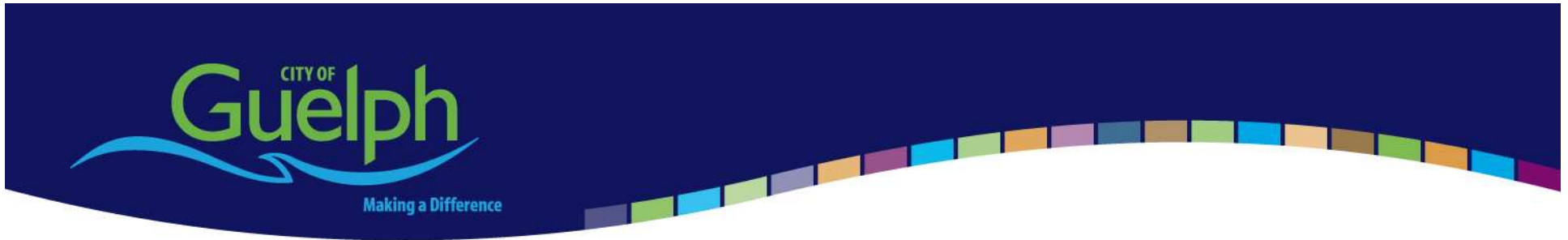
New Services – Ranked Priorities:

Office of the CAO

1. Manager – Internal Audit - \$132,700
2. Downtown Minor Activation Grant - \$120,000
3. Economic Development and Tourism Analyst - \$57,000

Community and Social Services

1. Affordable Bus Pass Pilot Program - \$256,200
2. Interim Skateboarding Solutions - \$10,000
3. Open Space Program Officer - \$89,200



New Services – Ranked Priorities cont'd:

Operations & Transit

1. Reinstate Holiday Service - \$27,900
2. Equipment Operators Park Sanitation - \$135,000
3. Forestry Technologist - \$108,100
4. Parking Clerk - \$63,400

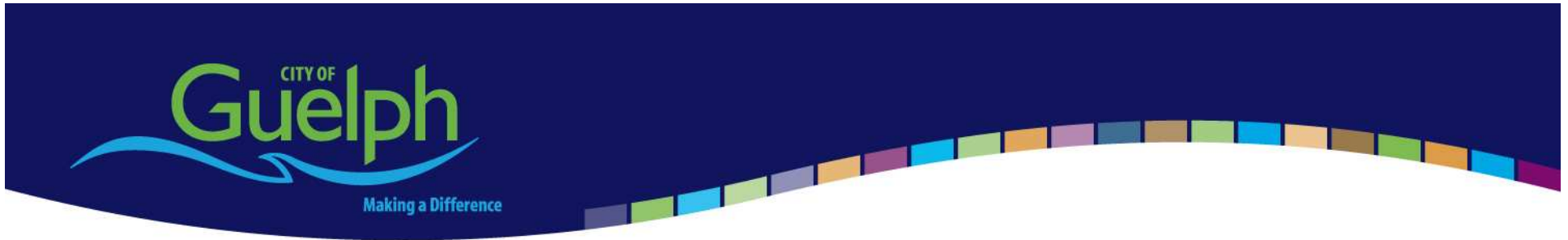
Planning, Building, Engineering & Environmental

1. Zoning Inspector - \$120,900

Corporate and Human Resources

1. Succession Planning - \$20,000

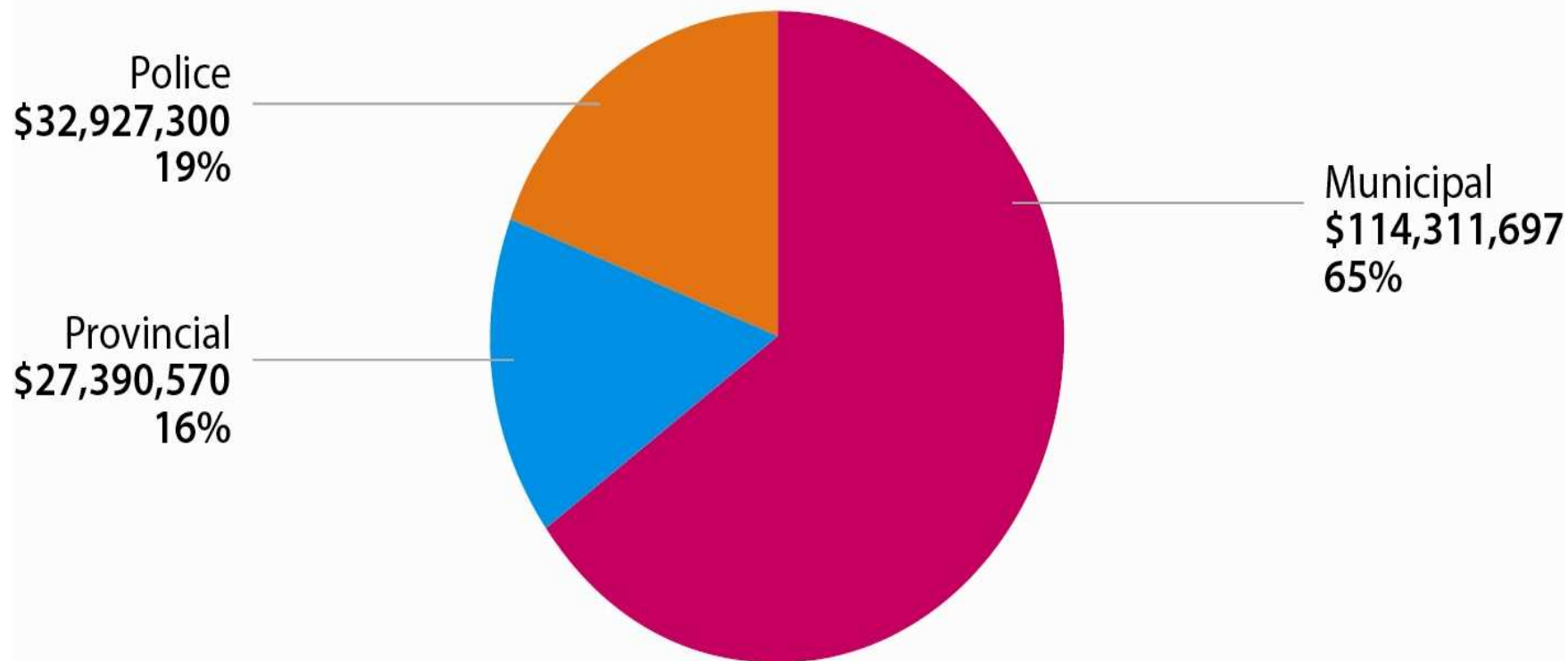
(refer to Tab 3 – Budget Binder)

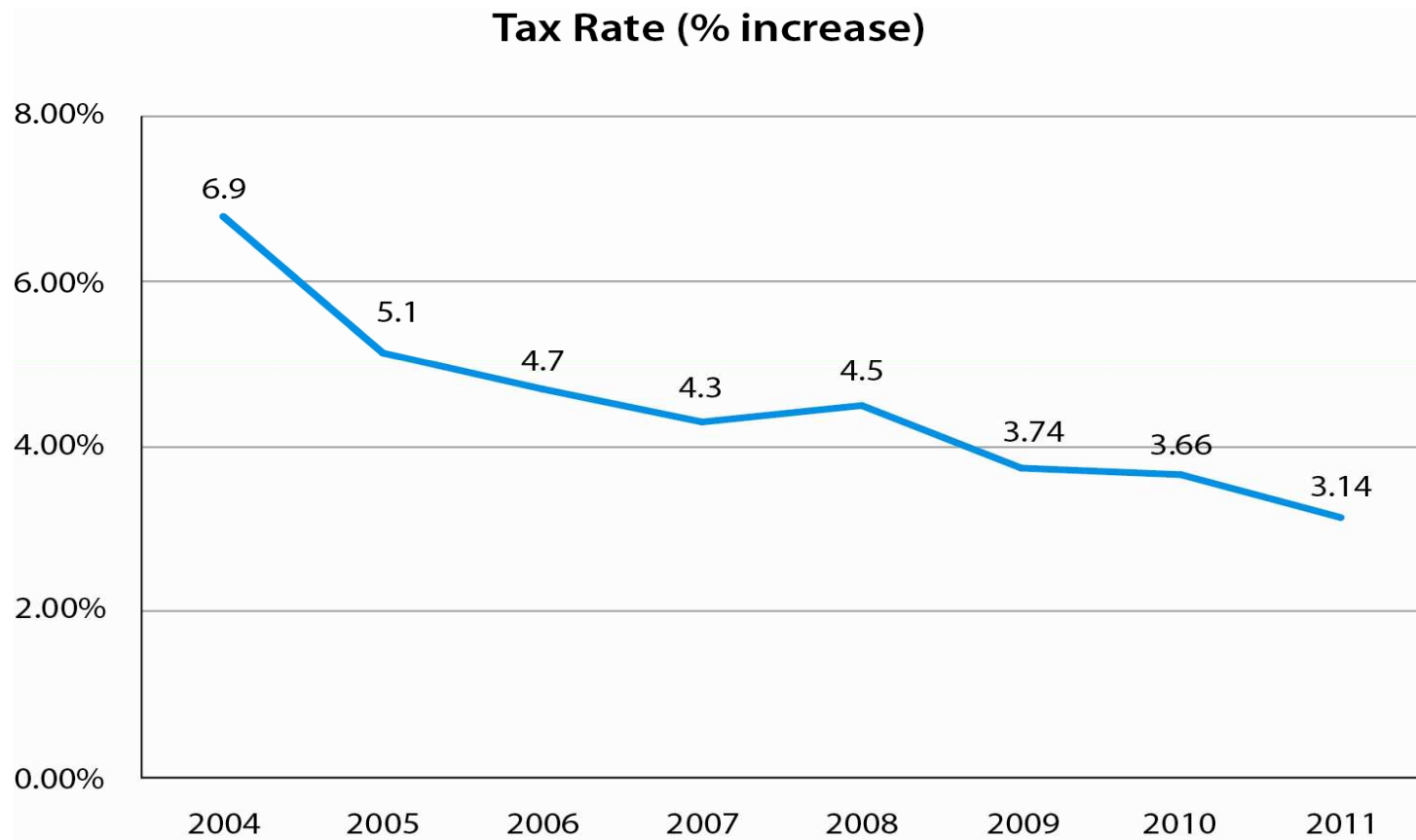


Framing our Future 2012-2013

- Sustainable, Thriving & Affordable
- Strategic Directions & Financial Alignment
 1. Capital, User Pay & Operating Frameworks
 2. Budget Principles
 3. Multi – year budget projections & guidelines
 4. Service Reviews & Evaluations: Value for Dollars
 5. Complete Community Focus – Relations & Partners
 6. Growth – Catalytic opportunities
 7. Organizational Capacity to Innovate & take Risk

2012 Use of Municipal Tax Dollars





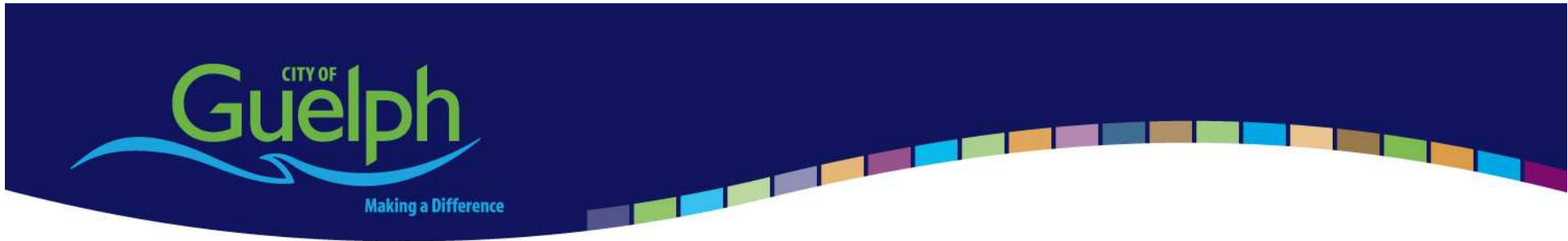
Financial Overview

Affordability

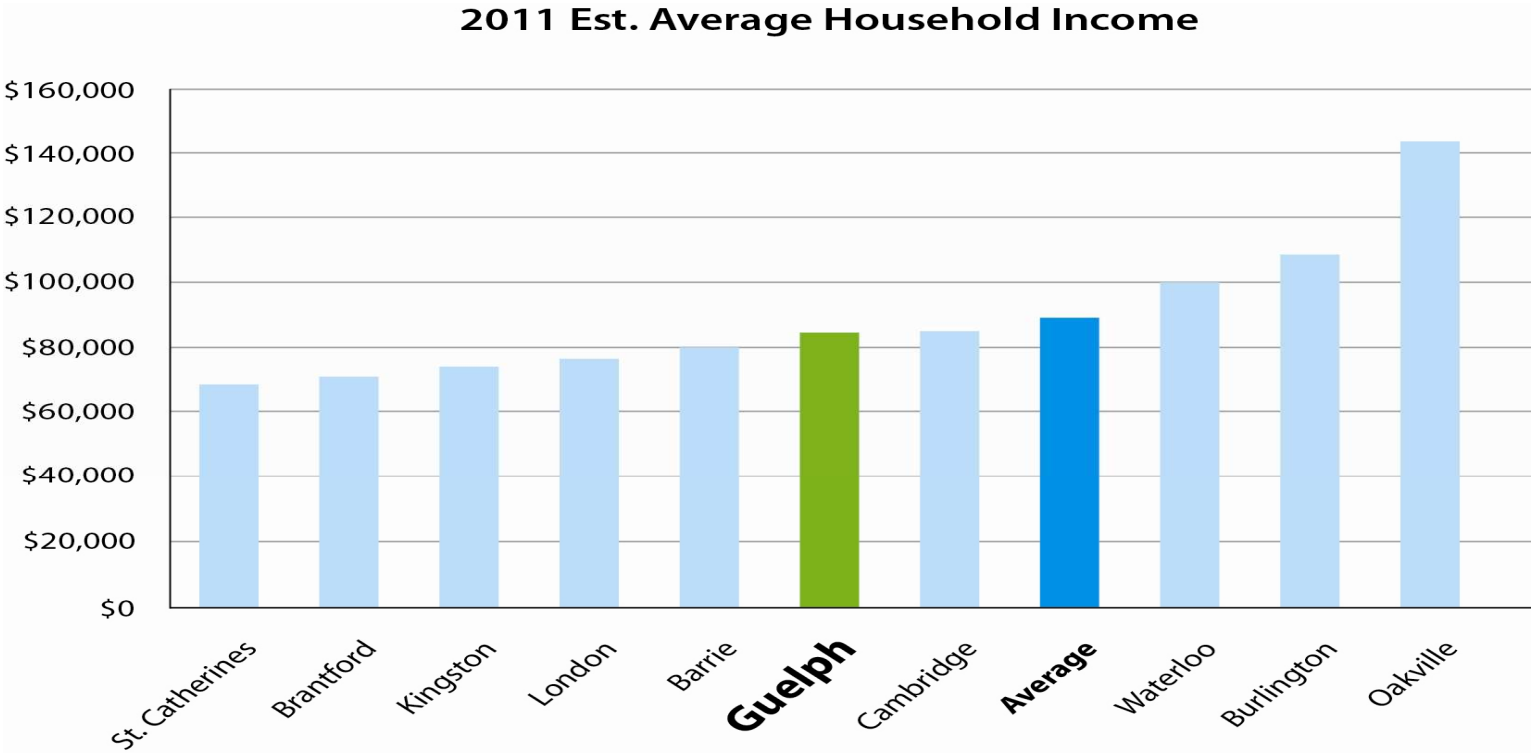
For 2011, the City of Guelph's total municipal burden for property taxes, water and wastewater costs is very close to the 2011 Group Average, as it was in 2010, with a slight shift in burden proportion from property tax to water and wastewater costs.

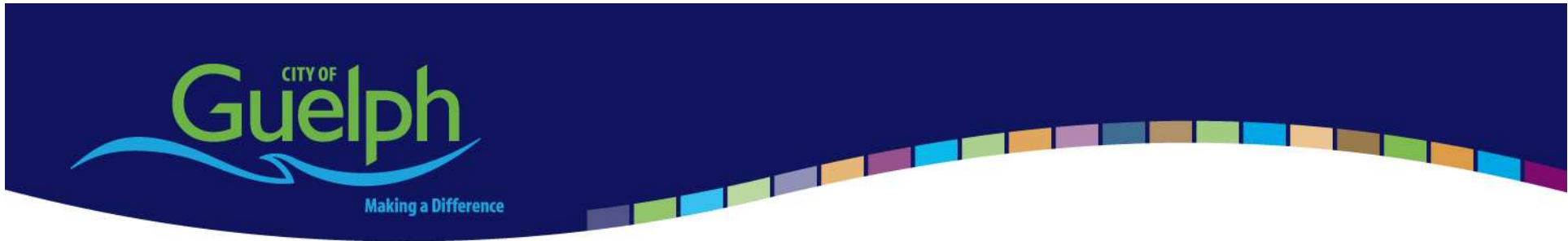


Municipality	2011 Property Taxes as a % of Household Income	2011 Water and Wastewater as a % of Household Income	2011 Total Municipal Burden as a % of Household Income
Oakville	3.1%	0.5%	3.6%
Burlington	3.2%	0.7%	3.8%
Waterloo	3.7%	0.8%	4.5%
Cambridge	3.9%	1.0%	4.9%
London	4.0%	1.0%	5.0%
Barrie	4.2%	0.9%	5.1%
Brantford	4.1%	1.3%	5.3%
Kingston	4.9%	1.2%	6.1%
St. Catharines	4.6%	1.3%	5.9%
2011 Group Average	4.0%	1.0%	5.0%
Guelph 2011	4.1%	0.9%	5.0%
2010 Group Average	4.1%	0.9%	4.9%
Guelph 2010	4.2%	0.8%	5.0%



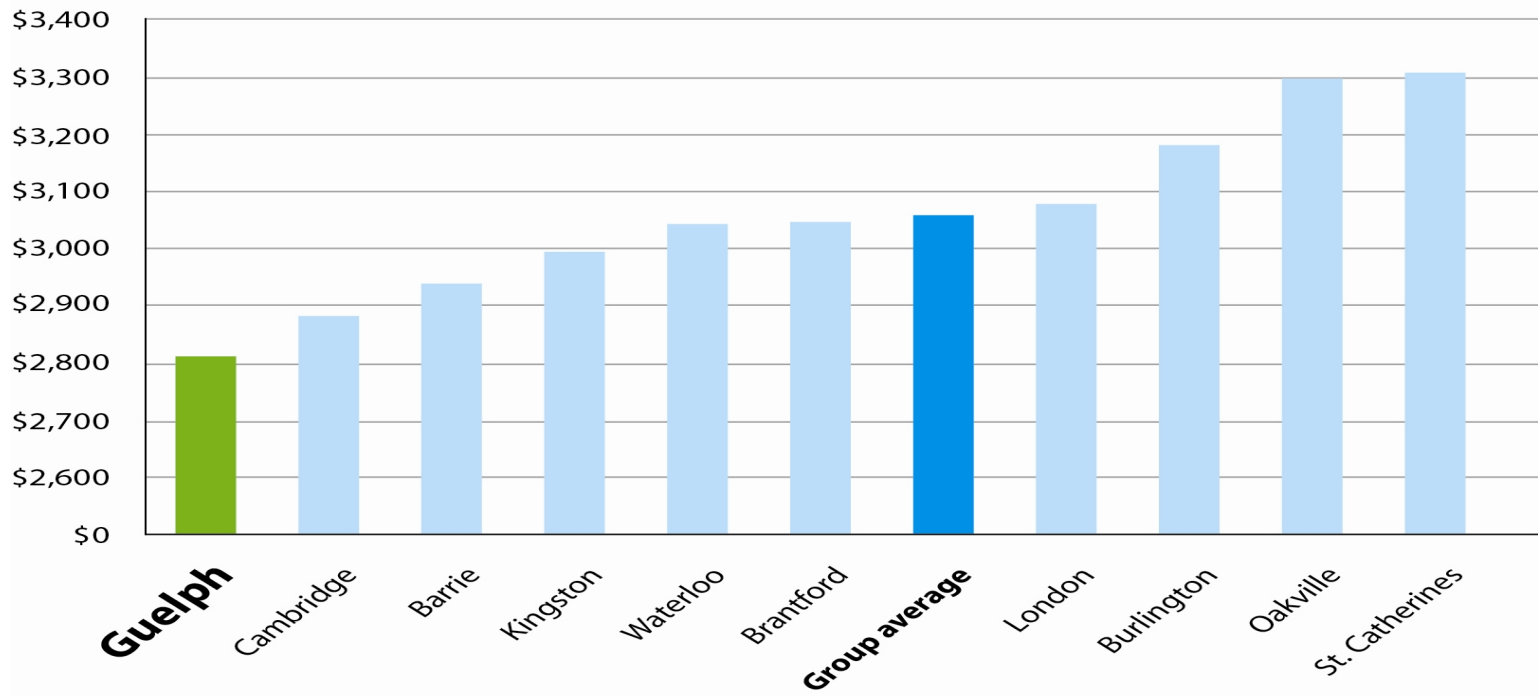
Financial Overview

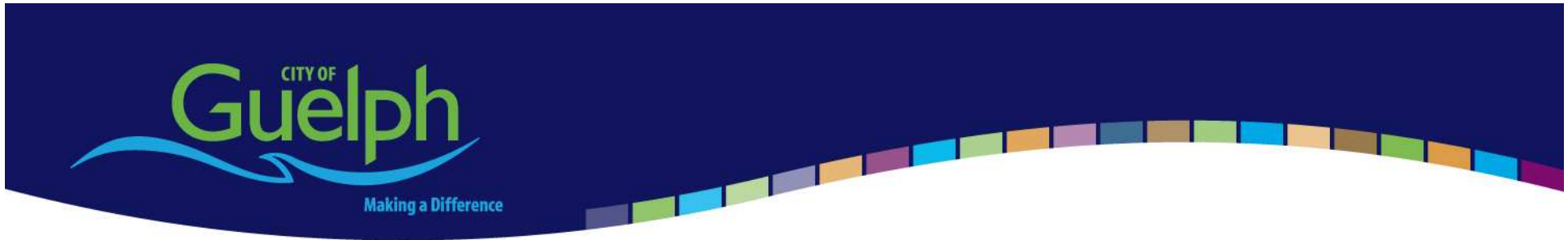




Financial Overview

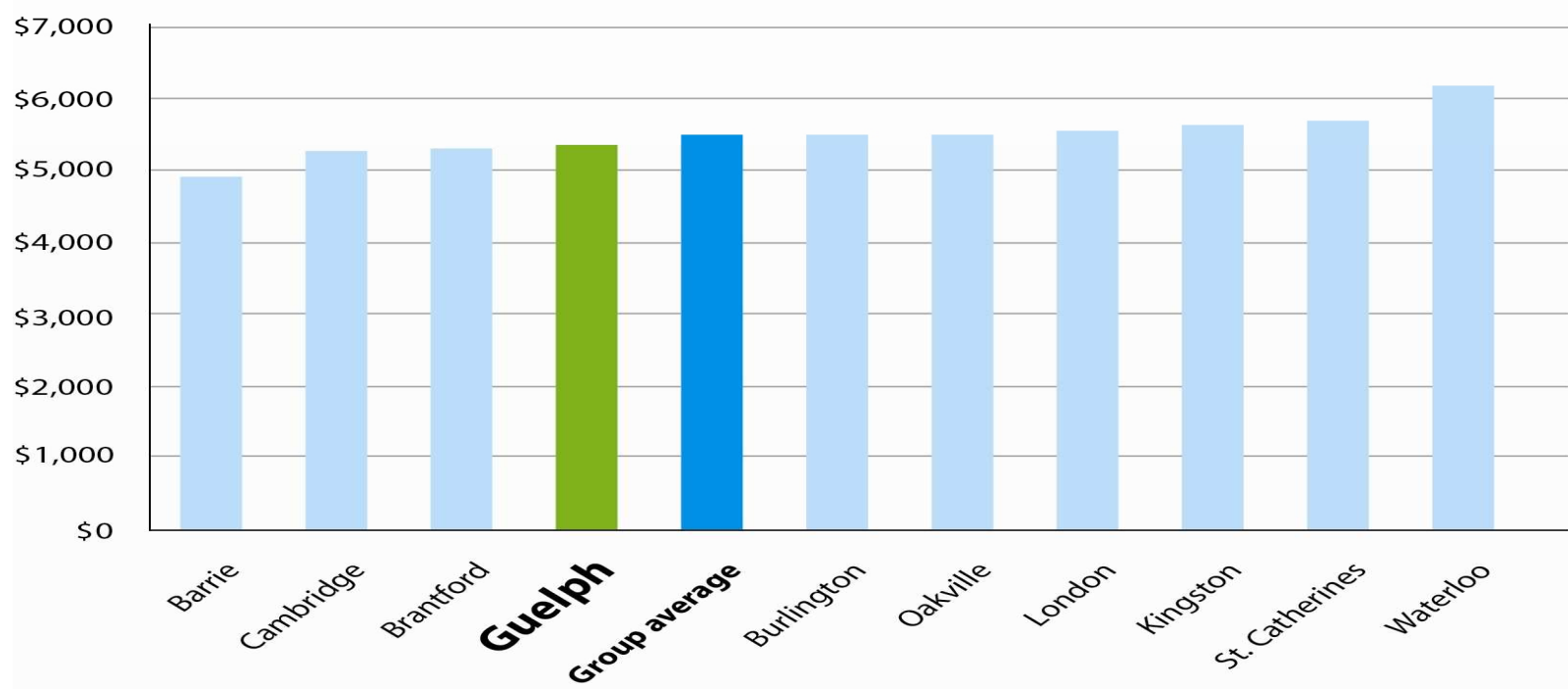
2011 Residential Property Taxes - Bungalow





Financial Overview

2011 Residential Property Taxes - Senior Executive Home



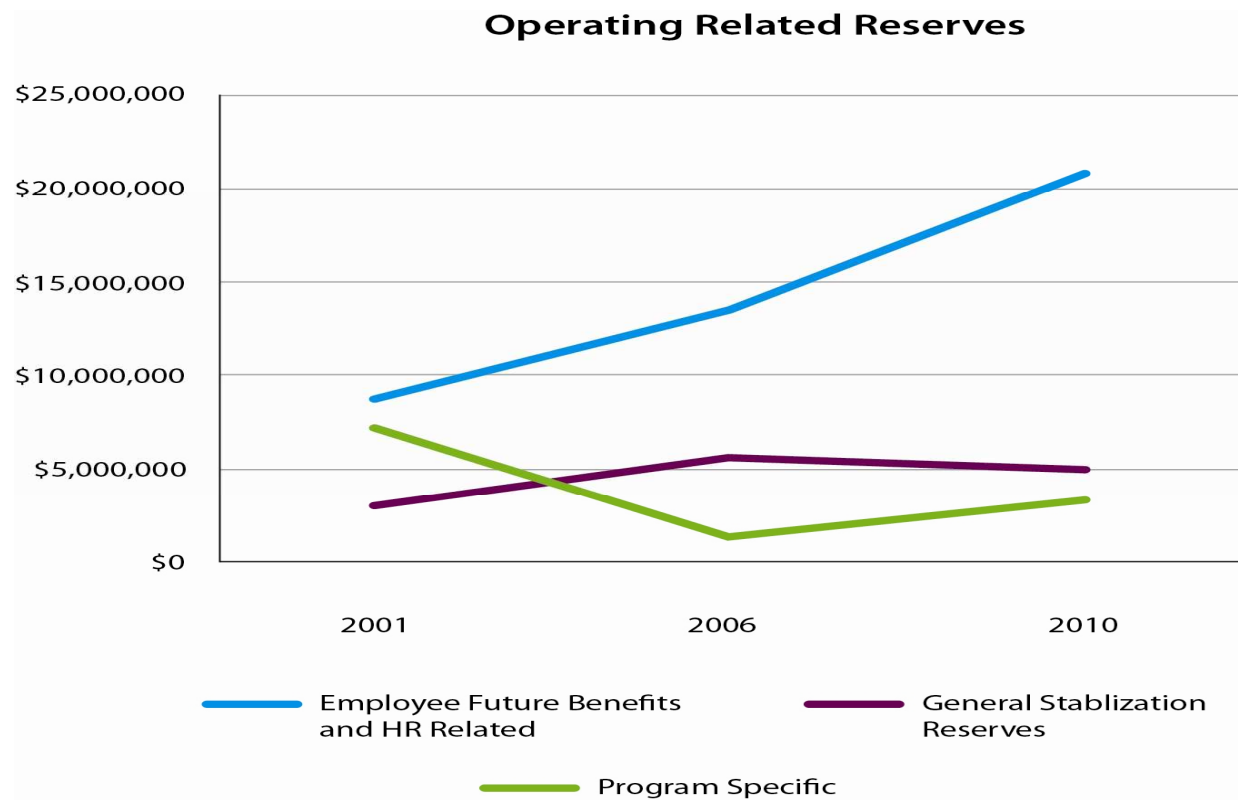
2010 Performance Measures Report Card

Legend

- **Positive:** stay the course
- **Caution:** in the right range but may be moving in the wrong direction
- **Negative:** take corrective action
- + **Positive change**
- **Negative change**

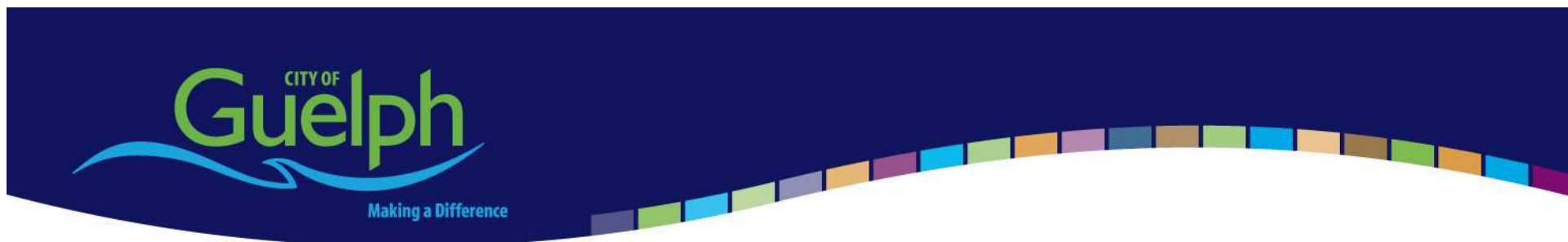
Financial indicators	2010 finding	Change from 2009 to 2010
Financial position	●	+
Operating surplus ratio	●	+
Receivables as % of taxes levied	●	+
Net financial assets	●	-
Net financial asset as % of own revenues	●	-
Debt to total reserve ratio	●	+
Debt outstanding per weighted assessment	●	+
Debt interest as a % of own source of revenues	●	+
Operating reserves as % of own source of revenue	●	+
Capital reserve contributions as % of asset value	●	-
Capital reserve contributions to depreciation	●	-
Liquid assets to total reserves	●	-

Financial Overview



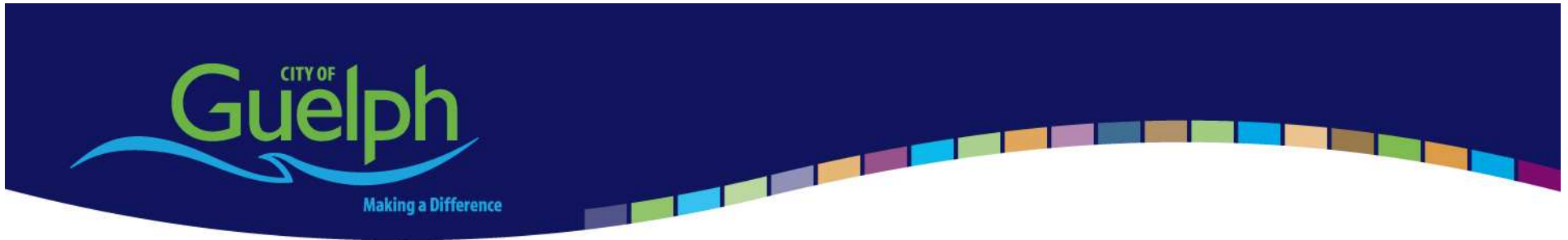
Financial Overview (Changes)

	2012	% Increase
CAO	1,665,852	1.0%
Operations and Transit	777,726	0.5%
PEEBS	(211,833)	-0.1%
CSS	99,951	0.1%
Corporate & HR	121,652	0.1%
General & Capital Financing	3,312,908	2.0%
Local Boards & Shared Services	1,826,190	1.1%
Prior Year Assessment	(2,500,000)	-1.5%
TOTAL INCREASE	\$ 5,092,446	3.0%



Financial Overview (Changes)

	2012	% Increase
Revenue		
Departmental Revenues	(2,885,605)	-1.7%
General Revenues	(551,082)	-0.3%
Expenditures		
Annualization & Impact from Capital	1,900,383	1.1%
Capital Financing & Cross Charges	3,326,567	2.0%
Grants	788,256	0.5%
Compensation	2,803,828	1.7%
Purchased Goods & Services	383,909	0.2%
Local Boards & Shared Services	1,826,190	1.1%
Prior Year Assessment	(2,500,000)	-1.5%
	\$ 5,092,446	3.0%



Annualization & Impact from Capital

**Total Annualization & Impact from Capital
Costs = \$1.9 million**

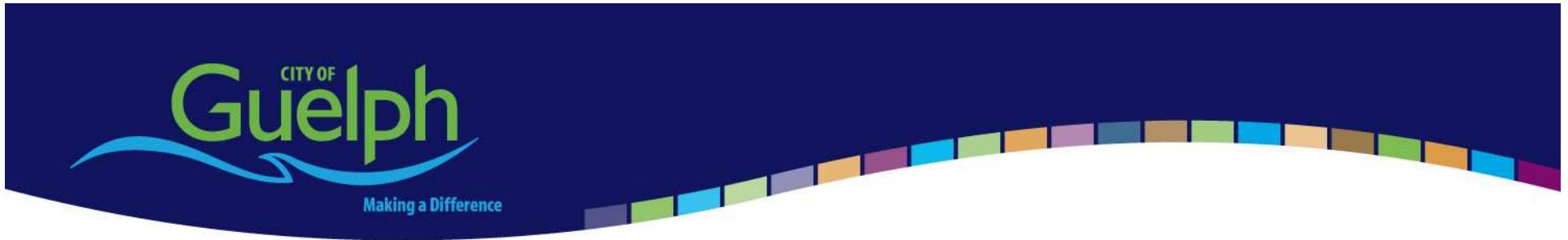
- **Impact from Capital**

New Parks

- Summer Students \$144,200
- Park asset operating repairs and maintenance \$27,300

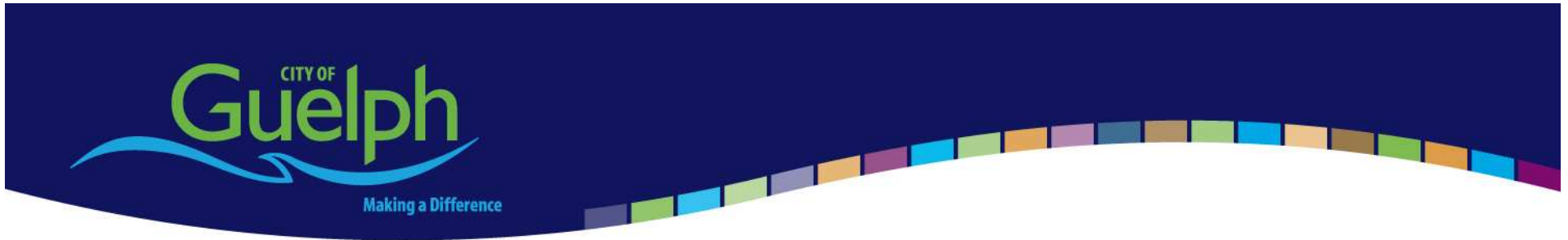
Organic Facility

- Labour Attendant \$43,400
- Kitchen Catchers \$90,000
- Additional revenue (\$225,000)



Annualization & Impact from Capital cont'd

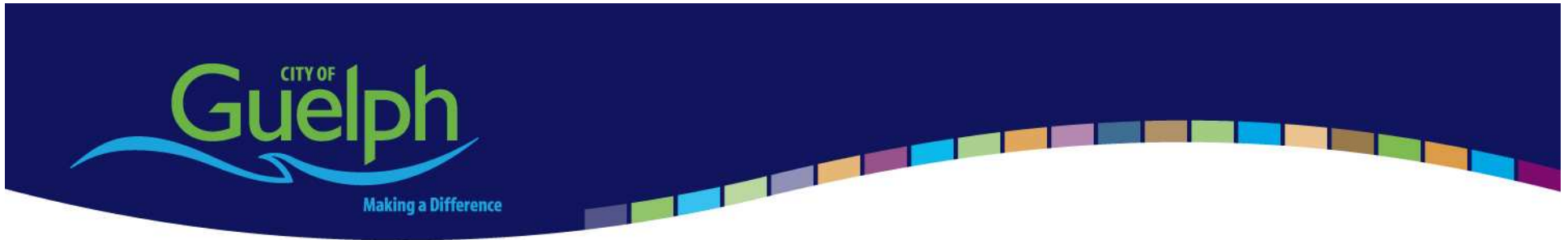
- **Facility related:**
 - Clair Rd Emergency Services Centre (CRESC): \$648,500
 - Guelph Civic Museum: \$94,870
 - Market Square: \$242,420
 - Transit Terminal: \$273,100 (net of property tax)
- **Annualization of 2011 Approved FTE's - \$562,576**



General Expenditures, Capital Financing and Cross Charges

Total General Expenditures, Capital Financing & Cross Charges (\$3.3 million):

- City insurance costs have increased by \$245,200
- MPAC fees have increased by \$76,450
- Internal recoveries have increased by \$730,800 from the Enterprise budgets
- Debt Servicing costs have increased by \$254,700 due to new debt issue for Organics Facility and Guelph Civic Museum
- Transfers to capital reserves have increased by \$2,039,849 to transition back to the 20% guideline
- Remove transfer of \$700,000 from Tax Rate Stabilization Reserve
- Removal of one time reserve transfers \$770,000



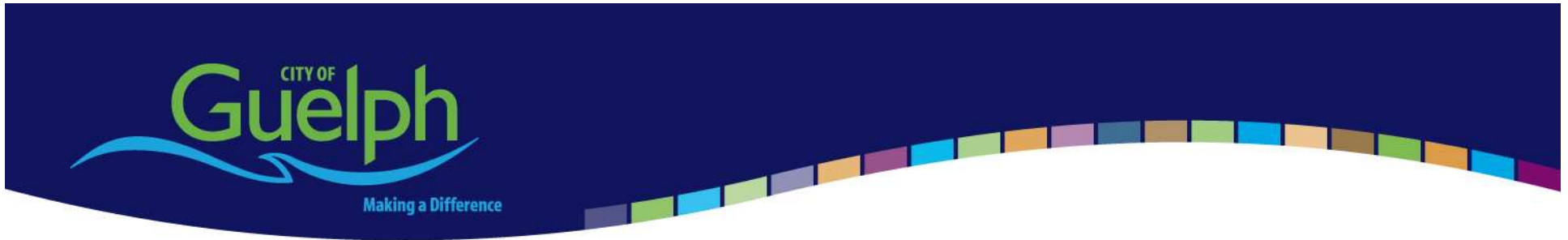
General Revenues & Grants

General Revenues (\$551,100)

- Interest earnings have increased by \$358,000
- PIL's, Supplementary Revenues & Tax Certificate Revenues have increased by \$193,000

Grants (\$788,256)

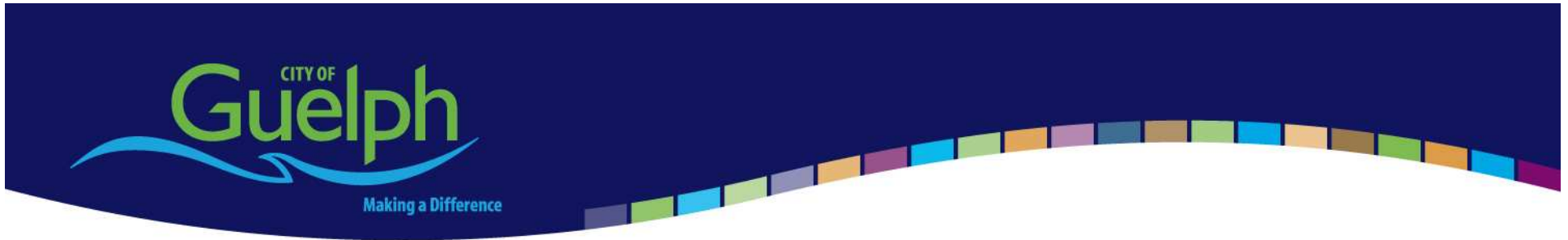
- These were previously included in the City's Capital Budget
 - Heritage Grants - \$235,000
 - Downtown Renewal Programs - \$160,000
 - Guelph General Hospital - \$200,000
 - Hospice Wellington - \$200,000



Compensation, Benefits and Training

Compensation has increased by \$2.8 million over 2011

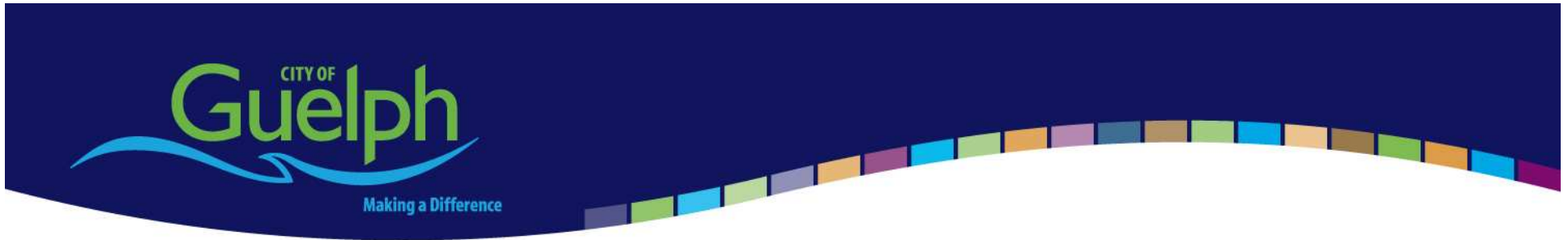
- Negotiated increases and anticipated economic adjustments - \$1,691,270
- Increased costs due to benefit increases related to OMERS, CPP, EI, STD, LTD, Medical/Dental are outside of city control and/or experience rated
- Mitigation – additional mandatory gapping \$700,000
- Training budget maintained at 2011 levels



Purchased Goods & Services

Purchased goods & services have increased by \$383,909 over 2011

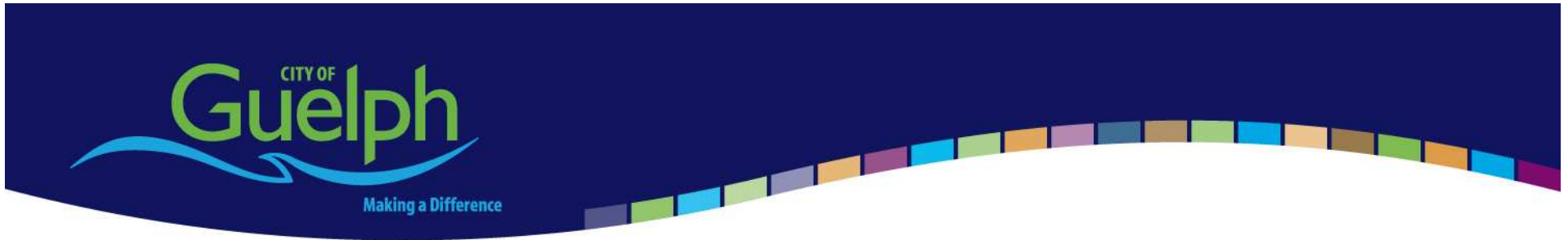
- Increases to purchased goods and services include:
 - Diesel Fuel \$371,100
 - Procurement of Recyclable Materials \$156,900
 - Municipal Property Taxes \$65,170
 - Solid Waste Contracted Haulage \$306,800
 - Street lighting Maintenance (\$290,450) (Q4 Sale of Assets)
 - Land Ambulance Leases (\$69,280)
 - Utilities (\$156,300)



Revenue

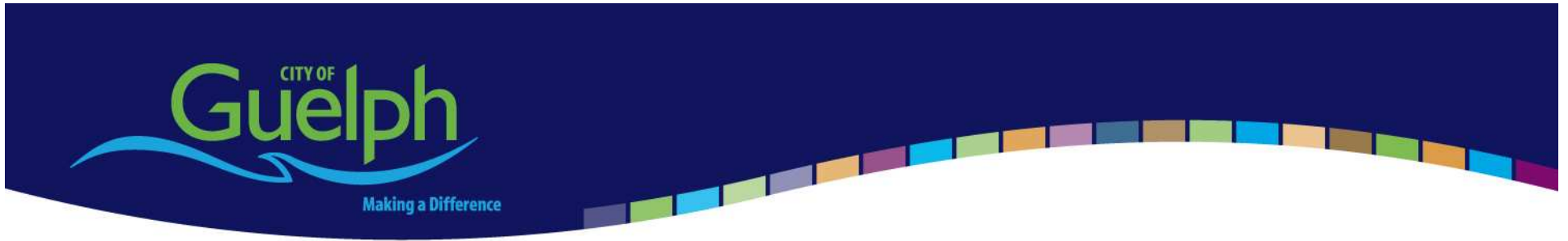
Revenue has increased by \$2.9 million over 2011

- Increases to Revenue include:
 - Solid Waste Revenue \$703,300
 - Transit Fares \$617,700
 - Capital Project Recoveries \$340,820
 - Provincial Funding for Land Ambulance \$297,162
 - Parking Revenue \$309,875
 - By-Law Fines \$160,000
 - Recreation and Culture Fees \$117,655



Quality of Life Improvements

- Continue implementation of Prosperity 2020
- Focus on Downtown Guelph as a strategic priority
- Graffiti and nuisance by-law review
- Transit implementation of new routes and times recommended in the Transit Growth Strategy
- Grand Opening celebrations for Civic Museum and Market Square
- Completion of Community Investment Strategy
- Additional preventative maintenance of City Buildings
- Undertake Environmental Assessment of four closed landfills near Speed River



RECOMMENDATION

- THAT the 2012 Tax Supported Operating Budget with a net levy requirement of \$174,629,567 be received for information

COUNCIL REPORT



TO **Guelph City Council**

SERVICE AREA Finance
DATE November 2, 2011

SUBJECT 2012 Tax Supported Operating Budget Presentation
REPORT NUMBER FIN-11-52

SUMMARY

Purpose of Report: To introduce the 2012 Tax Supported Operating Budget provided to Council and the public on October 27, 2011.

Council Action: Receive the 2012 Tax Supported Operating Budget.

RECOMMENDATION

THAT the 2012 Tax Supported Operating Budget with a net levy requirement of \$174,629,567 be received for information;

REPORT

The details of the 2012 Tax Supported Operating Budget were provided to Guelph City Council and the public on October 27, 2011. The budget was prepared in accordance with Council-approved Budget, Debt Management and General Reserve and Reserve Fund policies.

The budget meets Council's 3% guideline and is respectful of Council's desire to deliver quality public services at a cost that is affordable for taxpayers. The original staff budget brought with it a proposed property tax increase of 5.56%. To reduce that increase, the Executive Team and Finance staff undertook a process whereby adjustments were made and 2.56% was eliminated from the original budget. In order to achieve the 3% guideline, the budget as submitted does not meet the demands of growth or new services. The Executive Team has prioritized these needs for Council's consideration should Council wish to build those allowances back into this budget.

The City will soon be opening several important community facilities, including a new intermodal transportation hub, a new civic museum, Market Square and others. The 2012 budget is impacted by the annualization of costs associated with opening these, and other, new facilities. These costs account for a full 1% of the 3% increase over 2011.

The purpose of the Council meeting on November 2 is to provide the Executive Team with an opportunity present the tax-supported operating budget to Council and receive questions and/or requests for additional information from Council. Shared Services and Local Boards will present their budgets on November 17 and public delegations will be received by Council on November 23. Final budget deliberations and approval are scheduled for December 7 (and December 8 if necessary).

CORPORATE STRATEGIC PLAN

5.3 Open, accountable and transparent conduct of municipal business

FINANCIAL IMPLICATIONS

As outlined in the attached presentation and budget binder (issued under separate cover).

DEPARTMENTAL CONSULTATION

Budget development was a coordinated effort by City Departments, Boards and Shared Services.

COMMUNICATIONS

Public meeting notification was placed on the City's web page and will be advertised in the local newspaper during the month of November. A draft copy of the City budget is also available at all City Library branches and is posted on the City's website.

ATTACHMENTS

PowerPoint presentation for November 2, 2011
2012 Operating Budget Binder (issued under separate cover)

"original signed by Sarah Purton"

Prepared By:

Sarah Purton,
Senior Corporate Analyst (Budget Services)

"original signed by Susan Aram"

Recommended By:

Susan Aram,
Deputy Treasurer/Manager Financial Planning

"original signed by Dan Chapman"

Recommended By:

Dan Chapman,
Chief Financial Officer