

CITY COUNCIL AGENDA



DATE March 2, 2011 – 7 p.m.

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

Disclosure of Pecuniary Interest

2011 TAX SUPPORTED OPERATING AND CAPITAL BUDGETS

“THAT the 2011 Tax Supported Operating Budget net levy of \$171,130,731 (5.67% increase), recommended by the Executive Team be reduced by \$200,000 in compensation related costs to a revised 2011 amount of \$170,930,731 (5.54%);

AND THAT the proposed increased to user fees and transfers to/from reserve funds incorporated in the 2011 budget, be approved;

AND THAT the 2011 Tax Supported Capital Budget, in the amount of \$44,800,000 be approved;

AND THAT the 2012-2015 Tax Supported Capital Forecast in the amount of \$223,666,000 be received for information.

ADJOURNMENT

TO **Guelph City Council**

SERVICE AREA Finance
DATE March 2, 2011

SUBJECT 2011 Tax Supported Operating and Capital Budgets
REPORT NUMBER FIN-11-08

RECOMMENDATION

THAT the 2011 Tax Supported Operating Budget net levy of \$171,130,731 (5.67% increase), recommended by the Executive Team be reduced by \$200,000 in compensation related costs to a revised 2011 amount of \$170,930,731 (5.54%);

AND THAT the proposed increases to user fees and transfers to/from reserve funds incorporated in the 2011 budget, be approved;

AND THAT the 2011 Tax Supported Capital Budget, in the amount of \$44,800,000 be approved;

AND THAT the 2012 – 2015 Tax Supported Capital Forecast in the amount of \$223,666,000 be received for information.

REPORT

At its January 31, 2011 meeting, the Executive Team recommended for Council's approval, the 2011 Tax Supported budget. The budget was prepared with a view to balancing affordability for Guelph taxpayers, citizen expectations regarding the delivery of service and a sustainable financial position for the City. The staff recommendation was for a net levy of \$171,130,731 or 5.67% and a summary of the 2011 budget requests by Service Area is attached as Appendix 1 to this report.

The 2011 budget has been impacted by a number of factors, including

- contractual obligations and risk mitigation
- reinstatement of cost reductions due to the recession
- increases to capital improvements to address the infrastructure gap
- Increased service demands due to growth
- New service demands identified during 2010
- Impacts due to boards and agencies
- Revenue adjustments
-

The Schedule summarizing these 2011 budget impact is attached as Appendix 2 to this report.

During presentations on February 14 and February 15, staff were requested to identify options for reductions. This information, as well as responses to questions from Council regarding the budget have been submitted to Council in a detailed package.

Subsequent to budget preparation, compensation savings of \$ 200,000 have been identified, and the recommendation for budget approval has been amended to incorporate these savings.

CORPORATE STRATEGIC PLAN

Goal 1: An attractive, well-functioning and sustainable city

Goal 2: A healthy and safe community where life can be lived to the fullest

Goal 3: A diverse and prosperous local economy

Goal 4: A vibrant and valued arts, culture and heritage identity

Goal 5: A community-focused, responsible and accountable government

Goal 6: A leader in conservation and resource protection/enhancement

FINANCIAL IMPLICATIONS

The net operating requirements identified in the budget document are funded through the municipal tax levy, various user fees and subsidies.

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 the local newspaper.

ATTACHMENTS

Appendix 1 – 2011 Tax Supported Operating Budget Summary

Appendix 2 – 2011 Budget Impacts

"original signed by Susan Aram"

Prepared By:

Susan Aram, CGA
Deputy Treasurer

"original signed by Margaret Neubauer"

Recommended By:

Margaret Neubauer, CA
Director of Finance

Appendix 1: Budget Request by Service Area

City of Guelph

2011 Tax Supported Operating Budget

	2010 Approved Budget	2011 Base Budget	2011 Growth	2011 New Services	2011 Impact from Capital	2011 Requested	2011 Budget Change \$	2011 Budget Change %
CAO								
CAO Administration	\$328,400	346,100				\$346,100	\$17,700	5.4%
Mayor & Council	831,000	894,150		6,800		900,950	69,950	8.4%
Information Services	5,361,388	5,626,610				5,626,610	265,222	4.9%
Finance	2,216,000	2,641,356				2,641,356	425,356	19.2%
Emergency Services	20,621,455	21,653,829	173,400	99,937	1,240,600	23,167,766	2,546,311	12.3%
Economic Development	1,107,500	1,137,250				1,137,250	29,750	2.7%
Community Energy	162,000	221,442				221,442	59,442	36.7%
Downtown Renewal	223,600	222,684				222,684	-916	(0.4%)
Strategic Planning & Corporate Initiatives	119,400	172,100				172,100	52,700	44.1%
Total CAO	30,970,743	32,915,521	173,400	106,737	1,240,600	34,436,258	3,465,515	11.2%
Operations & Transit								
O&T Administration	\$3,646,725	4,302,400	103,300			\$4,405,700	\$758,975	20.8%
Roads & Rights of Way	6,751,940	6,913,784	183,000			7,096,784	344,844	5.1%
Fleet			61,500	36,500		98,000	98,000	0.0%
Parklands & Greenways	4,403,298	4,587,750	196,800		218,700	5,003,250	599,952	13.6%
Traffic & Parking	1,925,500	1,871,745		234,600		2,106,345	180,845	9.4%
Transit	8,900,095	8,977,900	157,900		185,800	9,321,600	421,505	4.7%
Total Operations & Transit	25,627,558	26,653,579	702,500	271,100	404,500	28,031,679	2,404,121	9.4%
Planning, Engineering & Environmental Services								
PEES Administration	\$248,100	340,440				\$340,440	\$92,340	37.2%
Planning & Building	2,337,064	2,511,900	148,300	74,125		2,734,325	397,261	17.0%
Engineering	807,106	917,725				917,725	110,619	13.7%
Solid Waste	10,153,100	9,826,400	213,000		90,000	10,129,400	-23,700	(0.2%)
Total Planning, Engineering & Environmental Services	13,545,370	13,596,465	361,300	74,125	90,000	14,121,890	576,520	4.3%
Community & Social Services								
CSS Administration	\$1,140,800	1,300,650	173,500	456,110		\$1,930,260	\$789,460	69.2%
Parks & Recreation Programs and Facilities	1,510,993	1,794,017				1,794,017	283,024	18.7%
Community Engagement	1,204,535	1,328,565				1,328,565	124,030	10.3%
Arts, Culture and Entertainment	1,251,499	1,414,731	8,304		213,550	1,636,585	385,086	30.8%
Corporate Building Maintenance	1,058,100	1,002,975		272,400		1,275,375	217,275	20.5%
Civic Precinct	726,400	922,300			206,700	1,129,000	402,600	55.4%
Administration & Customer Service	252,560	461,838				461,838	209,278	82.9%
Total Community & Social Services	7,144,887	8,225,076	181,804	728,510	420,250	9,555,640	2,410,753	33.7%
Human Resources & Legal Services								
HR&L Administration	\$2,045,500	1,968,295	1			\$1,968,296	-\$77,204	(3.8%)
Human Resources	670,100	718,400				718,400	48,300	7.2%
Legal Services	1,013,900	872,000				872,000	-141,900	(14.0%)
Court Services	-302,374	-387,920			51,000	-336,920	-34,546	11.4%
Total Human Resources & Legal Services	3,427,126	3,170,775	1		51,000	3,221,776	-205,350	(6.0%)
Local Boards								
Police	\$30,316,700	31,653,100	254,300		198,200	\$32,105,600	\$1,788,900	5.9%
Library	7,138,200	7,629,800	169,600			7,799,400	661,200	9.3%
Total Local Boards	37,454,900	39,282,900	423,900		198,200	39,905,000	2,450,100	6.5%
Shared Services & Grants								
Shared Services & Grants	\$25,653,900	25,745,200				\$25,745,200	\$91,300	0.4%
Total Shared Services & Grants	25,653,900	25,745,200				25,745,200	91,300	0.4%
General and Capital Financing								
General Expenditures	\$3,606,691	2,926,129				\$2,926,129	-\$680,562	(18.9%)
General Revenues	-11,455,262	-12,255,250				-12,255,250	-799,988	7.0%
Capital Financing	25,979,395	27,588,917				27,588,917	1,609,522	6.2%
Total General and Capital Financing	18,130,824	18,259,796				18,259,796	128,972	0.7%
Tax Rate Prior to Growth	\$ 161,955,308	\$ 167,849,312	\$ 1,842,905	\$ 1,180,472	\$ 2,404,550	\$ 173,277,239	\$ 11,321,931	7.0%
2010 Assessment Growth						\$ (2,146,508)	\$ (2,146,508)	
Taxation Requirement	\$ 161,955,308					\$ 171,130,731	\$ 9,175,423	5.7%

Appendix 2: 2011 Budget Impacts

2011 Contractual/Fixed and Risk Mitigation		Tax Rate Impact
Salary/Benefit/Allowance Costs	3,109,507	
Finance (BMA Report)	480,442	
Midyear Service Adjustments:		
Community & Social Services	317,337	
Planning, Engineering & Environmental Services	190,700	
Human Resources & Legal Services	124,500	
Additional Recoveries from Water & Wastewater (OMBI)	(664,800)	
Net Impact of other increases - Purchased Goods/Services	212,503	
	\$ 3,770,189	2.33%
Recession Adjustments		
Re-Instatement of Five Days Off	1,200,000	
Maternity Leave re-instatement	162,500	
Training & Development Reinstatement	420,000	
Implement Voluntary Leave Program	(100,000)	
	\$ 1,682,500	1.04%
Capital Infrastructure Gap		
Structural assessment repairs	1,300,000	
Green infrastructure (trees and plantings)	200,000	
Downtown Assessment Growth Fund	425,000	
Reallocate Brownfield Reserve Funding to Capital Project - Monitor & Cleanup	(270,000)	
	\$ 1,655,000	1.02%
Operating Impact from New Capital Facilities		
Organics Facility - Program Manager	90,000	
South End Emergency Facility (8 months)	1,240,600	
New Museum (5 months)	213,550	
Civic Precinct Market Square (5 months)	257,700	
New Transit Facility (4 months)	185,800	
New Parks/Trails (built in 2010)	218,700	
New POA Facility (2011 annualization)	(181,514)	
	\$ 2,024,836	1.25%
Impacts Due to Growth		
Emergency Services -Land Ambulance (City Portion) Legislated	173,400	
Parklands & Greenways	196,800	
Bylaw, Compliance and Security	103,300	
Roads & Right of Ways	183,000	
Fleet & Transit	219,400	
Planning & Building	148,300	
Solid Waste	213,000	
Community Services	181,800	
	\$ 1,419,000	0.88%
New Services		
Shared Rental Housing	324,762	
Building Maintenance Program	272,400	
Community Well Being Strategy	165,000	
Social Services Base Staff	191,110	
Social Services Assessment of Programs & Services	100,000	
By-Law Enforcement	83,900	
Fuel Trailer & Fleet	36,500	
Integrity Commissioner	6,800	
	\$ 1,180,472	0.73%

Impacts from External Agencies/Boards		Tax Rate Impact
Health Unit	344,300	
Reduce Health Unit Request for Capital Funding	(277,000)	
Police	2,294,900	
Reduce Funding for Police HQ Renovations	(506,000)	
Library (including annualization of East End Library Branch new in 2010)	661,200	
	\$ 2,517,400	1.55%
Community Investments in Health Sector		
Contribution to St. Joseph's (\$1.2 M over 3 years)	400,000	
Delay Funding for St. Joseph's to 2013, 2014, 2015 - Upon completion of commitments to General Hospital/Hospice	(400,000)	
	\$ -	0.00%
Sub-Total	\$ 14,249,397	8.80%
Revenues		
Hydro Note Interest	1,365,000	
Hydro Dividend	750,000	
Parks & Recreation Revenue	125,000	
Increase in Investment Income	(357,638)	
Increase in Solid Waste Revenue	(918,300)	
Increase in Transit Revenues	(1,097,878)	
Increase Parking Fines & Permits	(145,000)	
Increase Advertising Revenues	(107,000)	
Increase PIL Revenues	(1,041,650)	
Increase Supplementary Levy	(1,500,000)	
Assessment Growth	(2,146,508)	
	\$ (5,073,974)	-3.13%
Total	\$ 9,175,423	5.67%