

# ***2014 FINANCIAL FRAMEWORK***

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## **2014 Operating Budget**

Direction des services administratifs et du greffe

January 9, 2014

# PRESENTATION

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# HIGHLIGHTS

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- The 2013 budget envelopes are renewed for 2014, with CPI indexing of 2% of central city transfers
- Balancing participation of \$1,118,300 is included in the envelope
- Expected savings from the QST rebate have been removed from the budgets
- The new 2014-2016 property tax roll has an impact on local property taxes
- The borough is proposing a budget including austerity measures that limit the increase in the tax burden

# CENTRAL CITY TRANSFERS – 2014 BUDGET

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<u>COMPARISON</u>	<u>2013</u>	<u>2014</u>	<u>CHANGE</u>
CENTRAL CITY TRANSFERS	63,175,500	61,678,600	(1,496,900)
TAX ROOM	7,110,100	7,059,200	(50,900)
LOCAL SERVICE CHARGE REVENUE	<u>3,165,300</u>	<u>3,160,500</u>	<u>(4,800)</u>
BASIC BUDGET SET BY THE CENTRAL CITY	<u>\$73,450,900</u>	<u>\$71,898,300</u>	<u>(\$1,552,600)</u>

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# THREE COMPONENTS OF THE BOROUGH BUDGET

## 1. 2013 Central city transfers \$63,175,500

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- CPI indexing - 2% 1,231,300
  
- Employment equity 51,100
  
- Transfer of responsibilities for green waste and street-cleaning waste 318,500
  
- Contribution to balanced budget (1,118,300)
  
- QST rebate (1,056,400)
  
- Property billing (incl. QST rebate): (774,600)
  - Energy budget adjustment (185,600)
  - Rent budget adjustment (148,400)
  - Maintenance and caretaking adjustment (440,600)
  
- Procurement savings (148,500)

**CENTRAL CITY TRANSFERS 2014 \$61,678,600**

# THREE COMPONENTS OF THE BOROUGH BUDGET (cont'd)

## 2. Tax room

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- Budget relating to tax room (\$0.05 / \$100) in 2013 7,110,100
- Correction of estimated value (50,900)

**TAX ROOM**

**\$7,059,200**

# THREE COMPONENTS OF THE BOROUGH BUDGET (cont'd)

## 3. Local service charge revenue

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- Local service charge budgets 3,165,300
- Correction to billboard revenue (4,800)

**LOCAL REVENUE** \$3,160,500

**TOTAL 2014 BUDGET** \$71,898,300

**CHANGE (2013 VS 2014 BUDGET)** **(\$1,552,600)**

# ADDITIONAL BUDGET REQUIRED

**\$2,837,600**

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**COMMITMENTS AND INDEXATION - APPENDIX 1**

**2,110,300**

▪ Salaries and wages 915,200

▪ Contracts 1,359,200

▪ Contribution to balanced budget 1,118,300

**SUBTOTAL** 3,392,700

▪ Less 2% CPI indexing received and pay equity 1,282,400



## ADDITIONAL BUDGET REQUIRED (cont'd)

**\$2,837,600**

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**INTER-UNIT CHARGES**

**487,300**

- Energy 83,766
- Rent 154,634
- Water fund 30,200
- Marking and signage 72,900
- Procurement savings 145,800

**MAINTENANCE OF SERVICES**

**240,000**

- Permit issue clerks (3) 240,000

**TOTAL:**

**\$2,837,600**

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# 2014 FINANCIAL FRAMEWORK

<b>PROPOSED ADDITIONAL ALLOCATION REQUIRED</b>		<b>(2,837,600)</b>
▪ Reduction of expenditures		1,213,800
▪ Increase in revenue		845,200
▪ Local tax room		651,000
	<b>TOTAL:</b>	<b>\$2,710,000</b>
	<b>SHORTFALL:</b>	<b>(\$127,600)</b>
▪ Expected deficit – Library		(140,000)
▪ One-time additional service funding		(424,200)
	<b>TOTAL SHORTFALL:</b>	<b>(\$691,800)</b>

# 2014 FINANCIAL FRAMEWORK (cont'd)

## REDUCTION OF EXPENDITURES

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■ Reduction in library hours <sup>(1)</sup>	300,000
■ Various proposed rationalizations	913,800
<b>SUBTOTAL:</b>	<b><u>\$1,213,800</u></b>

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NOTE (1): Actual expected savings in 2014, \$160,000, and \$300,000 by 2015, as a result of the delayed implementation of the measure

# 2014 FINANCIAL FRAMEWORK (cont'd)

## INCREASE IN REVENUE

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■ Increase – fee revenue	445,200
■ Increase – parking meter revenue <sup>(2)</sup>	350,000
■ Revenue from parking stickers – Car sharing	50,000
<b>SUBTOTAL:</b>	<b>\$845,200</b>

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NOTE (2): - This change must be approved by the Executive Committee and City Council  
- Revenue will be effective once Stationnement Montréal has made the changes

# 2014 FINANCIAL FRAMEWORK (cont'd)

## ADJUSTMENT TO TAX ROOM

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▪ Property development (\$150 M) and effect of the roll	93,500
▪ Maintenance of local tax rate at \$0.05	557,500
<b>SUBTOTAL</b>	<hr/> <b>\$651,000</b>

# PROPOSED 2014 BUDGET

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	<b>2013 BUDGET</b>	<b>2014 CENTRAL CITY ALLOCATION</b>	<b>PROPOSED 2014 BUDGET</b>
<b>CENTRAL CITY TRANSFERS</b>	63,175,500	61,678,600	61,678,600
<b>TAX ROOM</b>	7,110,100	7,059,200	7,761,100
<b>LOCAL REVENUE</b>	3,165,300	3,160,500	3,660,500
<b>PARKING METER REVENUE</b>			350,000
<b>SUBTOTAL</b>	<u>\$73,450,900</u>	<u>\$71,898,300</u>	<u>\$73,450,200</u>

(cont'd) =>

# PROPOSED 2014 BUDGET (cont'd)

	2013 BUDGET	2014 CENTRAL CITY ALLOCATION	PROPOSED 2014 BUDGET
SURPLUS FUNDING			127,600
<b>TOTAL BUDGET:</b>	<b>\$73,450,900</b>	<b>71,898,300</b>	<b>\$73,577,800</b>
NON-BUDGETARY SURPLUS FUNDING			564,200
<b>Estimated P/Y</b>	<b>465.1</b>		<b>462.7</b>

P/Y: Budget in person/years

Variation in workforce: (5) Library closure, (1) economic development commissioner, (1) DCSLDS installation supervisor and (0.2) DSAG secretariat clerk + 3 permit issue clerks + 1.8 historical correction to reflect accreditation of artistic technicians

# IMPACT ON A 2014 TAX ACCOUNT

( For a property assessed at \$382,400 in 2013 and a 22% increase in the roll, representing \$466,500 after 3 years, i.e. \$84,100 or \$28,000 per year)

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	2013	2014	Change	%
<b>BOROUGH</b>				
Tax concerning services 2013	191.20		-	0.0
Maintenance of \$0.05 in 2014		206.17	14.97	7.8
Maintenance at 5¢ without indexing for 2015		219.23	28.03	14.7%
Maintenance at 5¢ without indexing for 2016		\$233.25	\$42.05	22.0%



## 2014 BUDGET BY EXPENDITURE TYPE

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<b>EXPENDITURE TYPE</b>	<b>2013 BUDGET</b>		<b>2014 BUDGET</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Salaries and wages	35,132,100	47.83	35,854,200	48.73
Contracts	13,860,900	18.87	15,215,200	20.68
Property fund	4,609,700	6.28	4,136,400	5.62
Contribution to organizations	3,971,100	5.41	3,870,300	5.26
Goods and materials	5,152,300	7.01	4,855,800	6.60
Rental and maintenance	5,065,600	6.90	4,634,100	6.30

## 2014 BUDGET BY EXPENDITURE TYPE (cont'd)

EXPENDITURE TYPE	BUDGET 2013		BUDGET 2014	
	\$	%	\$	%
Inter-unit charges	2,329,900	3.17	2,183,000	2.97
Transportation and communications	909,400	1.24	696,600	0.95
Salt and abrasives	772,100	1.05	744,800	1.01
Development fund	601,500	0.82	341,100	0.46
Fuel	757,100	1.03	757,100	1.03
Judicial and administrative proceedings	289,200	0.39	289,200	0.39
<b>TOTAL</b>	<b>\$73,450,900</b>	<b>100%</b>	<b>\$73,577,800</b>	<b>100%</b>

## 2014 BUDGET BY PROGRAM

PROGRAM	2013	%	2014	%
	BUDGET		BUDGET	
	\$		\$	
Sports, recreation and social development	13,738,153	18.70	12,402,190	16.86
Snow removal	10,362,486	14.11	11,102,938	15.09
Cleanliness and maintenance, streets and sidewalks	11,451,694	15.59	10,350,725	14.07
Waste and recyclables	10,489,840	14.28	10,240,438	13.92
General administration and administrative services	6,176,700	8.41	5,988,900	8.14
Libraries, Maisons de la culture	5,802,947	7.90	6,222,810	8.46

## 2014 BUDGET BY PROGRAM (cont'd)

PROGRAMS	2013	%	2014	%
	BUDGET		BUDGET	
	\$		\$	
Parks and horticulture	4,816,836	6.56	7,186,295	9.77
Water supply and sewage systems	3,761,844	5.12	3,948,304	5.37
Permits, inspections and urban planning	3,584,900	4.88	4,141,600	5.63
Relations with residents	2,238,600	3.05	1,993,600	2.71
Property assets	1,026,900	1.40	0	0.00
<b>TOTAL</b>	<b>\$73,450,900</b>	<b>100%</b>	<b>\$73,577,800</b>	<b>100%</b>

## 2014 BUDGET – REVENUE BY PROGRAM

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<b>PROGRAMS</b>	<b>2013</b>	<b>2014</b>
Towing revenues	130,900	130,900
Licences and permits	1,157,700	1,307,700
Application reviews	208,800	208,800
Rental of public property	493,600	793,600
Work by the central city	246,300	246,300
Rental of recreational facilities	278,700	278,700
Library fines	65,700	65,700
Miscellaneous services – Libraries	22,200	22,200
Parking	121,600	171,600
Legal services	41,000	41,000
Other	398,800	394,000
<b>TOTAL</b>	<b>\$3,165,300</b>	<b>\$3,660,500</b>

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# APPENDIX

# APPENDIX I

## DETAILED ADDITIONAL BUDGET REQUIRED

<b>PAY INDEXING</b>		<b>\$915,200</b>
▪ Wages and salaries	830,500	
▪ Fringe benefits	84,700	
<b>CONTRACTUAL COMMITMENTS</b>		<b>\$1,359,200</b>
▪ Snow removal (3 contracts)	1,125,000	30% expected increase
▪ Snow dumping	37,100	7% estimated increase
▪ Equipment rental (sweepers, grader)	128,000	7% CPI and gas
▪ Dumpster transport	27,800	Increase in volume
▪ Disposal of excavated soil	38,500	Based on 2012 results
▪ Garbage / recycling pickup contracts	24,500	Difference in two contracts
▪ Management of NDG Sports Centre	75,000	Provided in the contract
▪ Agreement with Concordia University	109,000	Soccer fields
▪ Conversion of administrative support clerk position to section chief	31,500	
▪ Contract reserve	(237,200)	

# APPENDIX I

## DETAILED ADDITIONAL BUDGET REQUIRED (cont'd)

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<b>INTER-UNIT CHARGES</b>		<b>\$487,300</b>
▪ Energy	83,766	
▪ Rent	154,634	
▪ Water fund	30,200	
▪ Marking and signage	72,900	
▪ Procurement savings	145,800	
<b>NEW NEEDS</b>		<b>\$240,000</b>
▪ Permit issue clerks	240,000	





**END**