

2013 Operating Budget



Direction des services administratifs et du greffe

September 12, 2012

Presentation

| | |
|--|----|
| ➤ 2012-2013 Comparative Budget | 3 |
| ➤ Highlights | 4 |
| ➤ Budget Activity Calendar | 5 |
| ➤ 2013 Budget: | 6 |
| ❖ Expenditures | 7 |
| ❖ Summary of Adjustments | 8 |
| ❖ Balanced Budget Scenario | 9 |
| ❖ Pay | 10 |
| ❖ Contractual Commitments | 11 |
| ❖ Adjustment of Structural Deficits | 12 |
| ❖ Increased Budget Items | 13 |
| ➤ New Division of Tax Room | 14 |
| ➤ 2012-2013 Budget Allocation Comparison | 15 |
| ❖ By Program | 16 |
| ❖ By Expenditure Type | 17 |
| ❖ 2012 Budget–Revenues | 18 |
| ❖ 2013 Budget–Revenues by Program | 19 |

2012 and 2013 Comparative Budget

| | <u>2012</u> | <u>2013</u> | <u>Change</u> |
|---------------------------------------|-------------|-------------|---------------|
| Property Value | 17.5 B | 17.7 B | 0.1% |
| Net Expenditure Budget | 67,957.9 | 63,175.5 | (7.0%) |
| Transfer Tax Revenue (0.05 /\$100) | --- | 7,110.1 | 100.0% |
| Local Service Charge Revenue | 3,045.4 | 3,165.3 | 3.9% |
| Balanced Expenditure Budget | 71,003.3 | 73,450.9 | 3.4% |
| Labour | 460.0 PY | 465.1 * PY | 5.1 PY |

* Other employees will be added in 2013 following the new Notre-Dame-de-Grace Cultural Centre's 2013 opening.

Highlights

2013 Budgetary Framework

- Introduction of a new borough funding model that creates fiscal room of \$0.05 per 100 of assessed value, drawn from the municipal property tax base.
- Budgetary adjustments to correct underfunding in certain boroughs
- Expenditure budget indexed to the 2.2% consumer price index (CPI) rise to cover increased charges, including:
 - ❖ Payroll expenditures
 - ❖ Contractual agreements
 - ❖ Other expenditure categories, such as energy costs
- Payment of the borough's contribution to the Development Fund (covering development costs)
- Transfer of revenues from billboards and rental of public property
- Introduction of a new property billing management model

Calendar Of Budget Activities

- Public presentation of the 2013-2014-2015 Three Year Capital Program June 20, 2012
- Special Meeting to Adopt the 2013-2014-2015 Three Year Capital Program June 26, 2012
- Information session on the 2013 Operating Budget September 12, 2012
- Special Borough Council meeting on the 2013 Budget September 19, 2012

2013 Budget Key Adjustments



2013 Budget Expenditures

| 2012 Budget | 460.0 PY | 71,003.3 |
|--|----------|-----------------|
| Net 2012 Expenditure Budget (2012 Budget minus 2012 local revenues) | | 67,957.9 |
| Adjustments by the Services des finances | | |
| - Pension plans—impact of actuarial evaluations | | 493.0 |
| - CPI indexing—2.2% | | 1,505.9 |
| - Correction for underfunding | | 1,435.1 |
| - Development Fund—coverage for costs | | 140.5 |
| - Removal of the indexed 2012 Property Billing Budget | | (7,881.4) |
| - Transfer of the new property billing budget | | 6,650.3 |
| - Adjustment of marking/signage inter-unit charge—maintenance and addition of services | | 162.8 |
| - Adjustment of marking/signage inter-unit charge—financed by the boroughs | | (142.9) |
| Corrections for transfer of tax room to the borough | | |
| - Transferred tax room—\$0.05 per \$100 of assessed value | | (7,025.8) |
| - Billboards | | (92.4) |
| - Rental of public property | | (27.5) |
| Revenue Budget | | |
| - Property transfer tax revenue— \$0.05 per \$100 of assessed value (including estimated growth) | | 7,110.1 |
| - Local Service Charge Revenue | | 3,165.3 |
| 2013 Budget | 7 | 465.1 PY |
| | | 73,450.9 |

2013 Budget

Summary of Budget Adjustments

UPGRADING THE EXPENDITURE BUDGET

EXPLANATION

| | |
|--|-----------|
| Pension plans—impact of actuarial assessments | 493.0 |
| CPI indexing—2.2% | 1,505.9 |
| Correction for underfunding | 1,435.1 |
| Development Fund—coverage of costs | 140.5 |
| Estimated rise in 2013 property tax base | 84.3 |
| Decrease in property billing budget | (1,061.7) |
| Indexing of the remaining property billing budget | (169.4) |
| Adjustment of marking/signage inter-unit charge—maintenance and addition of services | 162.8 |
| Adjustment of marking/signage inter-unit charge—financed by the boroughs | (142.9) |
| | <hr/> |
| Total: | 2,447.6 |

Balanced Budget Scenario

| | |
|--|-----------|
| ➤ Pay | 1,639.3 |
| ➤ Contractual Commitments | 527.3 |
| ➤ Adjustments to deficit budget items | 571.7 |
| ➤ Service improvements | 771.0 |
| ➤ Reduction in property billing budget | (1,061.7) |
| | <hr/> |
| Total: | 2,447.6 |

Pay

Pay Indexing Details

| | | | |
|---|--|-------|-------------------|
| 2012 Budget | | | \$33,027.1 |
| Pay increase (2.7% average) | | 689.3 | |
| Impact of actuarial evaluations – pension plan | | 493.0 | |
| Increase in other social benefit costs | | 457.0 | 1,639.3 |
| | | | <hr/> |
| 2013 Budget | | | \$34,666.4 |

Contractual Commitments

Details on Additional 2013 Costs

| | |
|---|-------|
| Snow removal contracts | 178.0 |
| Garbage pickups | 121.0 |
| Snow-dumping site (equipment and operator) | 86.3 |
| Contract for Centre sportif Notre-Dame-de-Grâce (SOGEP) | 75.0 |
| Selective collection | 32.0 |
| Dumpster transport | 20.0 |
| Animal control contract | 15.0 |
| | 527.3 |
| Total adjustment for contractual commitments | 527.3 |

Adjustment of Structural Deficits

Details of Service Maintenance Adjustments

➤ Adjustments for deficit budget items:

| | |
|---|-------|
| ■ Overtime | 200.0 |
| ■ Fuel | 150.0 |
| ■ CSP-MRA–vehicle maintenance | 100.0 |
| ■ Support for borough services (HR, finance, libraries) | 121.7 |

| | |
|---------|-------|
| Total : | 571.7 |
|---------|-------|

Increased Budget Items Service Enhancement Details

| | | |
|---|--|-------|
| ■ | Park upkeep | 250.0 |
| ■ | Canadiens' rink (blue-white-red) | 150.5 |
| ■ | Life quality improvement projects | 80.0 |
| ■ | Equipment rental | 80.0 |
| ■ | Additional contributions to organizations | 50.0 |
| ■ | Communications | 25.0 |
| ■ | Green plan | 25.0 |
| ■ | Marking/signage inter-unit charge—addition of services | 110.5 |
| | Total: | 771.0 |

New Division of Tax Room

Tax Room of \$0.05 per \$100 of Assessed Value

New borough funding strategy for the next two years based on the following principles:

* Reduction of \$0.05 per \$100 of assessed valuation in the general tax for 2012 and application of a local borough tax in the same amount

Local property tax revenues to offset transfers to the central city

| | |
|-------------|--------------------|
| <u>2013</u> | <u>\$7,110,104</u> |
|-------------|--------------------|

Property base subject to taxation or compensation payments

| | |
|-------------|------------|
| Residential | 12,376.7 B |
|-------------|------------|

| | |
|-----------------|-----------|
| Non-residential | 1,674.9 B |
|-----------------|-----------|

* Additional \$0.05 decrease for 2014 (\$0.10 per \$100)

2012-2013 Budget Allocation Comparison

Operating Budget



BUDGET–2013 Expenditures

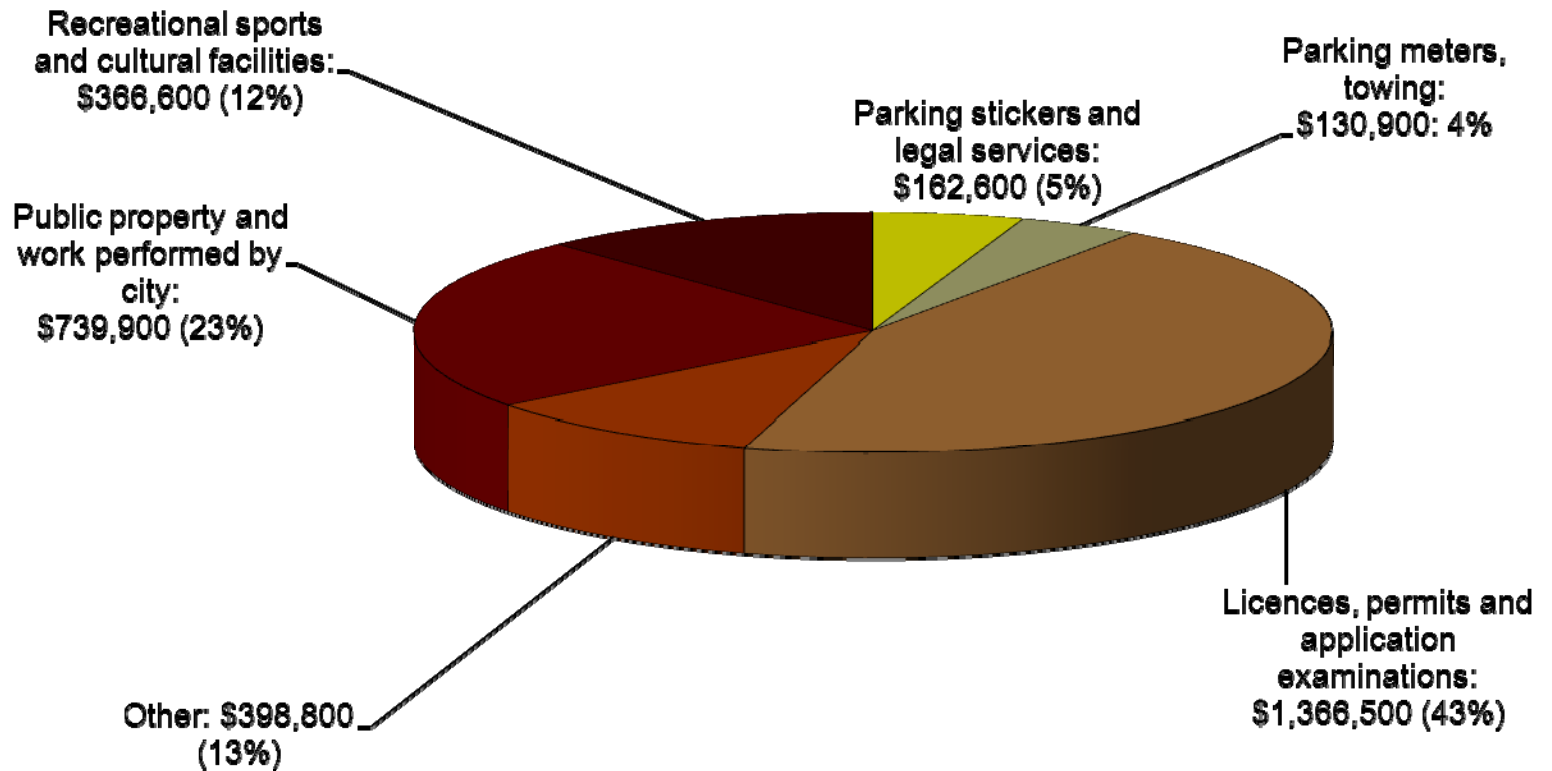
By Program

| | <u>2012</u> | % | <u>2013</u> | % |
|--|-------------|-------|-------------|-------|
| Sports, recreation and social development | 13,964,420 | 19.67 | 13,738,153 | 18.70 |
| Snow removal | 10,226,400 | 14.40 | 10,362,486 | 14.11 |
| Cleanliness and maintenance: streets and sidewalks | 10,834,400 | 15.26 | 11,451,694 | 15.59 |
| Waste and recyclables | 10,267,600 | 14.46 | 10,489,840 | 14.28 |
| General administration and administrative services | 5,516,800 | 7.77 | 6,176,700 | 8.41 |
| Libraries, cultural centres | 5,397,300 | 7.60 | 5,802,947 | 7.90 |
| Parks and horticulture | 4,400,300 | 6.20 | 4,816,836 | 6.56 |
| Water supply and sewage systems | 3,643,800 | 5.13 | 3,761,844 | 5.12 |
| Permits, inspections and urban planning | 3,532,980 | 4.98 | 3,584,900 | 4.88 |
| Relations with residents | 2,225,200 | 3.13 | 2,238,600 | 3.07 |
| Property assets | 994,100 | 1.40 | 1,026,900 | 1.40 |
| | <hr/> | | <hr/> | |
| Total: | 71,003,300 | 100 | 73,450,900 | 100 |

BUDGET–2013 Expenditures By Type

| | <u>2012</u> | <u>%</u> | <u>2013</u> | <u>%</u> |
|---|-------------|----------|-------------|----------|
| Pay | 33,027,700 | 46.52 | 35,132,100 | 47.83 |
| Contracts | 13,006,800 | 18.32 | 13,860,900 | 18.87 |
| Funds (property and CSP-MRA) | 9,741,500 | 13.72 | 4,609,700 | 6.28 |
| Contribution to organizations | 3,801,000 | 5.35 | 3,971,100 | 5.41 |
| Goods and materials | 3,637,800 | 5.12 | 5,152,300 | 7.01 |
| Rental and maintenance | 2,324,500 | 3.27 | 5,065,700 | 6.90 |
| Inter-unit charges | 2,215,300 | 3.12 | 2,329,900 | 3.17 |
| Transportation and communications | 926,500 | 1.30 | 909,400 | 1.24 |
| Salt and abrasive materials | 772,100 | 1.09 | 772,100 | 1.05 |
| Development fund | 653,800 | 0.92 | 601,500 | 0.82 |
| Fuel | 607,100 | 0.86 | 757,100 | 1.03 |
| Judicial and administrative proceedings | 289,200 | 0.41 | 289,200 | 0.39 |
| Total: | 71,003,300 | 100 | 73,450,900 | 100 |

2012 Budget-Revenues



BUDGET-REVENUES 2013

By Program

| | <u>2012</u> | <u>2013</u> |
|-----------------------------------|-------------|-------------|
| Towing revenues | \$130,900 | \$130,900 |
| Licences and permits | \$1,157,700 | \$1,157,700 |
| Application examinations | \$208,800 | \$208,800 |
| Rental of public property | \$466,100 | \$493,600 |
| Work by the 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 | \$121,600 |
| Legal services | \$41,000 | \$41,000 |
| Other | \$306,400 | \$398,800 |
| | \$3,045,400 | \$3,165,300 |
| Total: | \$3,045,400 | \$3,165,300 |