

Municipality of Chatham-Kent 2017 Draft Budget Presentation

Budget Committee Information Meeting
January 18, 2017

1

Agenda Item

- Opening remarks
 - Budget chair, Clr Derek Robertson
 - CAO, Don Shropshire
- Presentation of the 2017 Draft Budget

2

Budget Highlights

- In March, Council supported a budget direction of CPI % on the operating budget and a percentage increase consistent with the current approvals to meet our Asset Management Plan.
- Administration is presenting a budget of 1.96% on the entire operations including a 1% increase in the annual funding for infrastructure, while also incorporating the Ambulance contract additional costs, Capitol Theatre operations and other previous Council decisions and Requisitioning body's requests.

3

CKPLAN2035

AREAS OF STRATEGIC FOCUS



ECONOMIC PROSPERITY

Within one generation, our community will be a leader in educational opportunities and be recognized as a destination of choice in Ontario for investment.



HEALTHY & SAFE COMMUNITY

Within one generation, our community is a leader in healthy public policies and is one of the healthiest and safest in Ontario.



PEOPLE & CULTURE

Within one generation, our community is recognized as the best place to live in Ontario and a destination of choice to experience arts and culture.



ENVIRONMENTAL SUSTAINABILITY

Within one generation, Chatham-Kent will be recognized as a provincial leader in the management of natural and built resources and energy conservation.

4



CKPLAN2035

CRITICAL SUCCESS FACTORS

FINANCIAL SUSTAINABILITY

That the Corporation of the Municipality of Chatham-Kent is financially sustainable


OPEN & TRANSPARENT GOVERNMENT

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership.

RESILIENT

To be a community that is responsive to emerging strategic priorities, able to adapt to and recover from change and taking advantage of opportunities.

5



Community Factors

<u>Challenges</u>	<u>Proactive Actions</u>
Low Assessment Growth	Investing in Economic Development
Declining Population/ Low Density	Resident Attraction and Retention Strategy
Significant Infrastructure Assets	Asset Management Plan and Financing Plan

6



Long-term Financing and Budgeting Strategy

- In October, 2015 we brought forward the Long-Term Financial Strategy, the following are important principles we should follow:
 - Municipal Act requires an annual balanced budget
 - Debt can not be used to balance the operating budget
 - Ongoing operations should be funded from ongoing revenues
 - One-time costs should be funded with one-time revenues
 - Sustainable funding for facility replacement and strategic objectives
 - Fully fund Asset Management Plan

7



Major Components of Variability in Tax Budget Process

- Council's challenge is to balance the levels of service in the Community against assessment growth and an increase in revenues.
 - 1) New Tax Assessment
 - 2) Level of Services
 - 3) Revenues/Taxes/User Fees

8

Budget Team presents the details within the 2017 Budget

9

Proposed Agenda

- Budget Overview
- Background information
- Tax information
- 2017 budget information
- Infrastructure
- Overview of reserves
- Overview of staffing recommendations
- Ongoing processes that create the budget
- Other budget information and next steps
- Deputations
- Discussion on draft budget presentation

10

Agenda Item

- Budget Overview

11

For 2017 budget Administration was tasked with :

- Meeting a budget target of CPI (1.7%) for operational needs and approval for infrastructure spending with the currently approved financing model.
- Addressing the 1.31% approved Council decisions and a requisitioning body's request that are carried into the 2017 budget
- Implementation of the first year of the Financing Plan for the 2016 Asset Management Plan – a recommended 1% increase in infrastructure spending

12



Council Decisions and LTVCA affecting 2017

	Year of	2017	2017
	Impact	Amount	Cumulative impact
2016 Increase in Ambulance Contract (Municipal Share)	2017	445,478	445,478
2016 Capitol Theatre Operations	2017	543,886	989,364
2016 Increase to LTVCA 2016 Base Budget	2017	171,909	1,161,273
2015 Reduction to Human Resource Strategy	2017	400,000	1,561,273
<u>2015 Use of Utility Reserve (2015-2016)</u>	<u>2017</u>	<u>300,000</u>	<u>1,861,273</u>
2013 Reduction to Winter Control Budget	tbd	500,000	
2016 CK Reduction to recommended lifecycle phase-in	tbd	<u>500,000</u>	
Total amount that should be recaptured		2,861,273	

13



Overview of 2017 Draft Budget

	Requests Considered		Recommended Budget		Comment
	Tax \$	Tax %	Tax \$	Tax %	
Municipal Operations including Police					
Net Provincial uploading	(325,974)	(0.23%)	(325,974)	(0.23%)	Ontario Works Upload
Provisions for labour matters	1,732,567	1.22%	1,411,167	0.99%	
Inflation	1,630,575	1.15%	1,638,185	1.15%	
2016 budget decisions:					
Net base budget requirement	226,664	0.16%	226,664	0.16%	
Ontario Municipal Partnership Funding grant increase	(1,960,100)	(1.38%)	(1,960,100)	(1.38%)	Transition funds transferred to funding envelopes benefiting Chatham-Kent
Assessment growth	(1,000,000)	(0.70%)	(875,000)	(0.62%)	
Revenue opportunities	(494,776)	(0.35%)	(653,769)	(0.46%)	
Budget requirements	2,245,229	1.58%	439,813	0.31%	
Subtotal prior to service reductions	2,054,185	1.45%	(99,014)	(0.07%)	
Service reductions required to meet inflation target	(97,852)	(0.07%)	(97,852)	(0.07%)	Included in Items Recommended Tab 4
Subtotal for existing services	1,956,333	1.38%	(196,866)	(0.14%)	
Strategic investments	2,863,680	2.02%	1,070,180	0.75%	
One time requests	1,200,062	0.85%	0	0.00%	Fund from revenues, reserves - included in Tab 7 Other Funding Available
Asset Management Plan requirement net of new asset funding	52,898	0.04%	52,898	0.04%	Ministry requirement
Subtotal of Municipal Operations including Police	6,072,973	4.28%	926,212	0.65%	
Council Decisions and LTVCA added to the Budget					
Ambulance Contract	445,478	0.31%	445,478	0.31%	June 27, 2016 Decision
Capitol Theatre	550,000	0.39%	543,886	0.38%	December 12, 2016 Decision
LTVCA Increase to 2016 Base Budget	171,909	0.12%	171,909	0.12%	Base change vs. one-time
2015 Budget Decision - Human Resource Strategy	400,000	0.28%	400,000	0.28%	2015 Budget Deliberation Decision
2015 Budget Decision - Use of Utility Reserve	300,000	0.21%	300,000	0.21%	2015 Budget Deliberation Decision
Subtotal of Council Decisions and Uncontrollables	1,867,387	1.32%	1,861,273	1.31%	
Total Change	7,940,360	5.60%	2,787,485	1.96%	

14



2017 Tax Budget

Avg. Household Taxes \$2,735
(Assessment \$161,300)

	<u>Tax %</u>	<u>Annual Impact</u>	<u>Weekly Impact</u>
Municipal Operations:			
Municipal Departments	0.21%	\$6	\$0.11
Council Decisions and LTVCA	1.31%	\$36	\$0.69
Police Services	0.40%	\$11	\$0.21
	<u>1.92%</u>	<u>\$53</u>	<u>\$1.02</u>
Infrastructure renewal:			
Recommended AMP requirements Tax Levy	0.04%	\$1	\$0.02
Recommended AMP requirements Gas Tax Funding	0.00%		
Recommended AMP requirements OCIF Funding	0.00%		
	<u>0.04%</u>	<u>\$1</u>	<u>\$0.02</u>
Total Recommendation	<u>1.96%</u>	<u>\$54</u>	<u>\$1.04</u>



Agenda Item

- Background information



Chatham-Kent's Customers

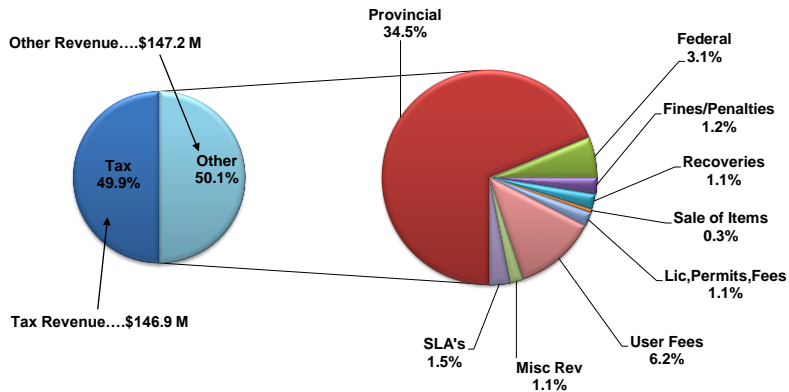
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|------------------------|--------|-------------------|--------|
| – Municipal tax based: | | Rate based: | |
| – Households | 47,889 | • Hydro customers | 32,791 |
| – Businesses: | | • Water customers | 38,813 |
| • Commercial | 2,567 | • Sewer customers | 29,488 |
| • Shopping | 15 | | |
| • Large office | 8 | | |
| • Industrial | 660* | | |
| • Large industrial | 15 | | |

* Industrial includes wind turbines

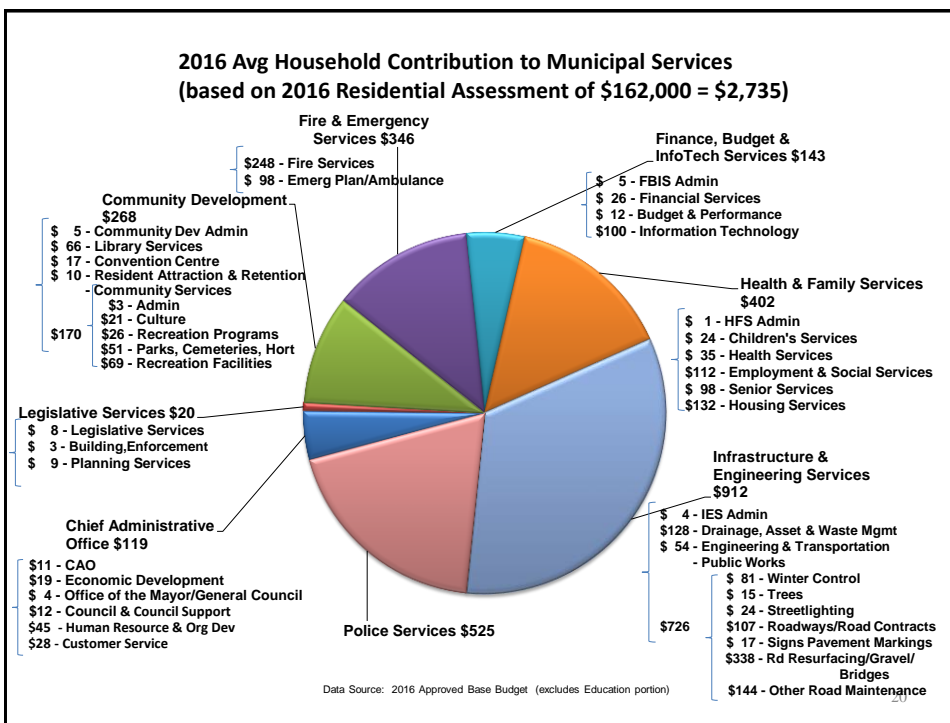
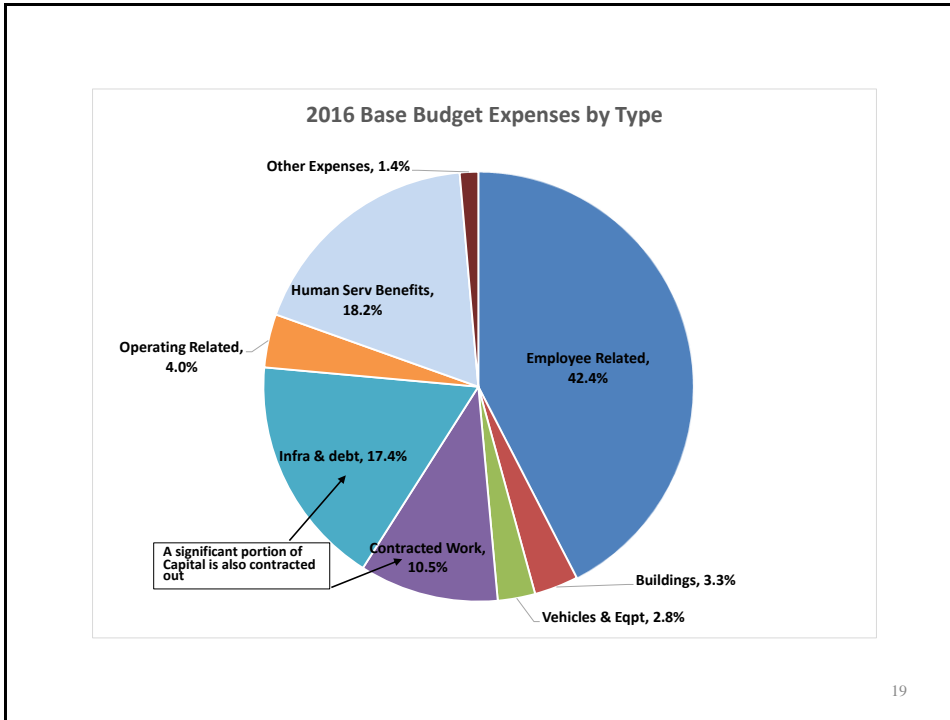
Service level agreements are in place for the cost of services provided for rate based services

2016 Revenue Breakdown

Total \$294,200,000

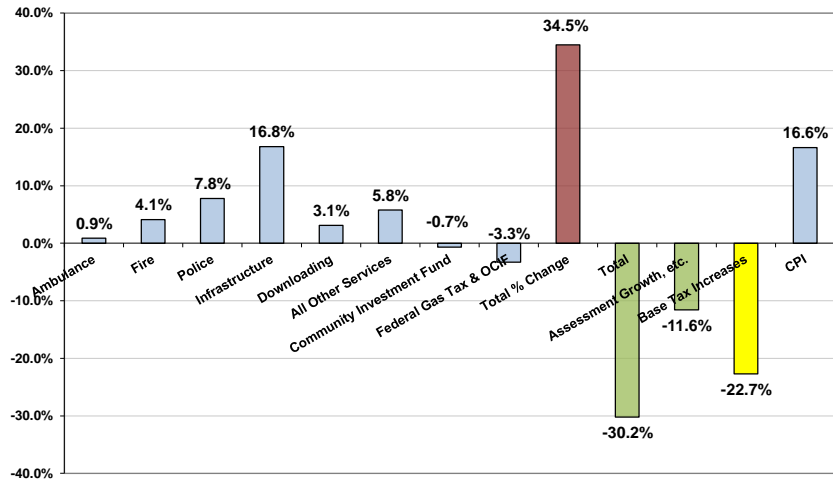


Data Source: 2016 Approved Base Budget





Chatham-Kent Net Expenditure Changes - Tax Impact 2007 to 2016 (10 years)



21



Comparison of Tax Changes to CPI

	Tax <u>Revenue</u>	Tax <u>Rate</u>
10 year increase *	34.5%	22.7%
Less new services:		
Net infrastructure investment	13.5%	13.5%
Net downloading	<u>3.1%</u>	<u>3.1%</u>
Change for existing services	17.9%	6.1% ←
 CPI during same period	 <u>16.6%</u>	 ←

* Difference of 11.8% is from assessment growth

22



Overview of Debt

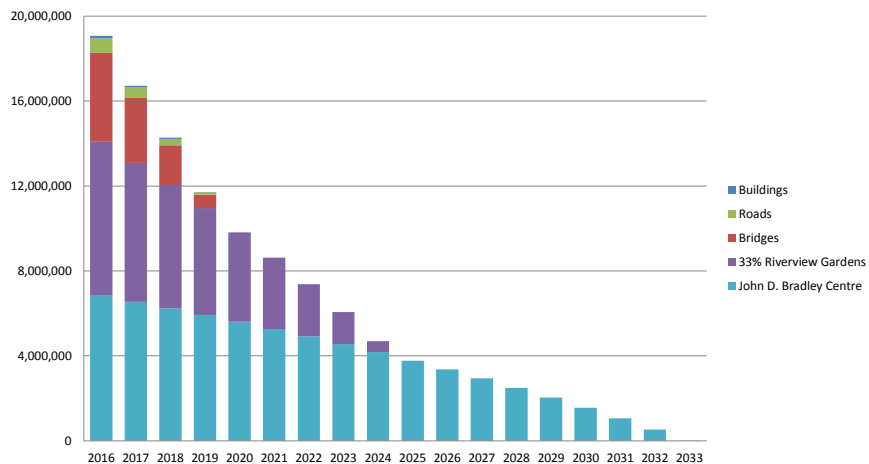
Debt Outstanding at December 31, 2016						
PUC		Municipality		Total		
Rates	Locals	Taxes	Locals	PUC	Municipality	Total
53,400,000	0	19,400,000	23,400,000	53,400,000	42,800,000	96,200,000

- Rates and taxes:
 - debt being funded by those revenue streams
- Locals:
 - debt being funded by local improvements or senior government grants

23



Debt Principal Outstanding Tax Funded Debt Only



24



Chatham-Kent CK Financial Position

CK Balance Sheet at December 31, 2015 (Audited)	
Assets (excluding capital):	
Financial	252,400,000
Inventory	400,000
Prepaid expenses	<u>1,300,000</u>
	254,100,000
Capital assets at historical cost, net of depreciation	<u>819,600,000</u>
Total assets	<u>1,073,700,000</u>
Liabilities	
Accumulated surplus	<u>866,600,000</u>
Total liabilities and equity	<u>1,073,700,000</u>

- **Hypothetical question ... how do we meet our commitments if we “cease operations”?**
 - Use \$252M of liquid assets to pay off \$207M of liabilities
 - Surplus of \$45M
 - Net Asset Position:
 - This places us in a solid financial position to ensure funding is available for ongoing operations and unfunded liabilities
 - This trend has been moving into a positive direction over the past 5 years

25



Chatham-Kent

What's the Bottom Line re CK's Financial Position?

- **Balance sheet:**
 - will remain healthy as long as we fully fund our operating decisions
- **CK's challenge:**
 - sustained pressure on operating requirements:
 - infrastructure funding ... significantly less than our requirements
 - Provincial regulations and requirements
 - Freezing of funding on certain Health and Family Services levels of funding
 - declining non residential tax base:
 - historically plant closures; recently assessment appeals
 - arbitration awards in Emergency Services
 - CK's unemployment rate (improving since 2009)
 - median household income in CK

26

Agenda Item

- Tax information
 - Background information
 - Comparison to other communities
 - Analysis by community within CK
 - Budget vs tax policy
 - Other tax issues

27

2016 Average Residential Tax

Average assessment	<u>\$161,300</u>
Municipal taxes	\$2,735
School Board taxes	<u>304</u>
Total taxes	<u>\$3,039</u>

BMA Study 2016 total taxes \$3,039

28



Comparison of Relative Taxes on an Average 1,200 Sq. Ft. Home

<u>Chatham-Kent</u>		<u>Provincial Average</u>
\$161,300	← Assessment Value →	\$251,704
1.8908%	← Tax Rate →	1.2765%
\$3,039	← Property Taxes →	\$3,213



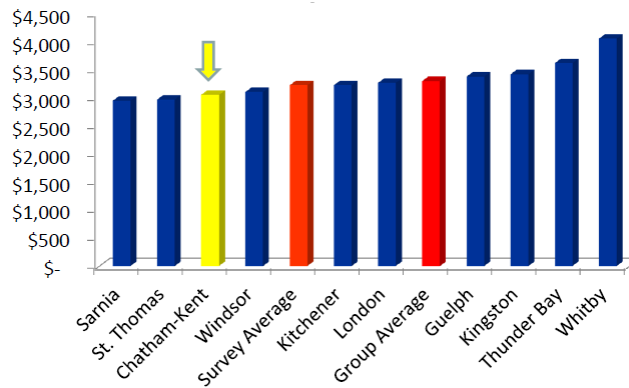
Same Average House
Same Average Municipal Services



Source: 2016 BMA Study – Total Taxes (Municipal + Education)

29

Detached Bungalow

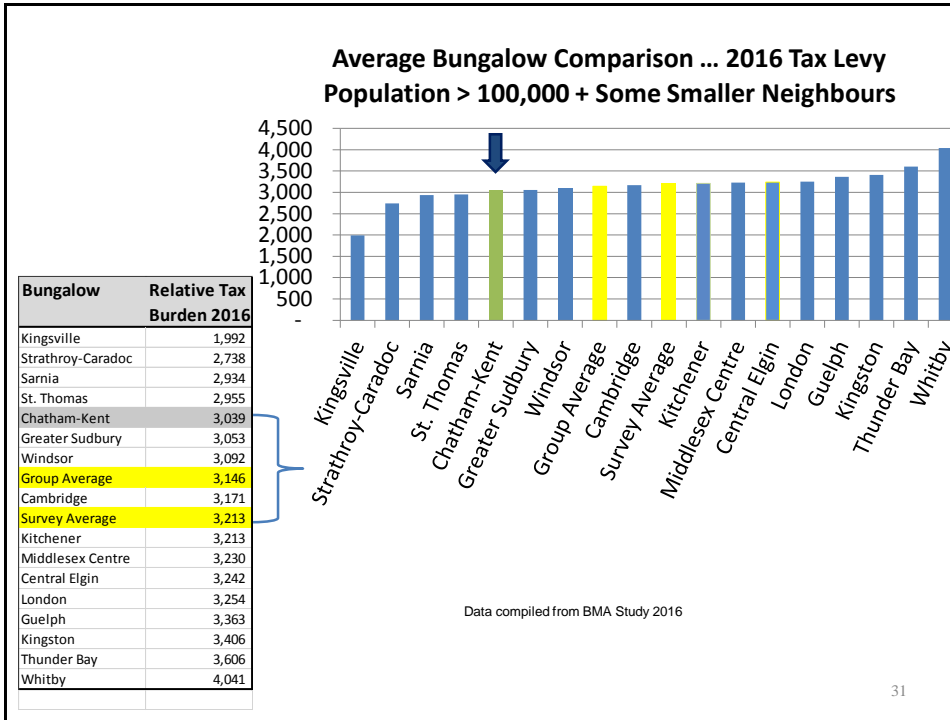


Bungalow	Relative Tax Burden 2016
Sarnia	2,934
St. Thomas	2,955
Chatham-Kent	3,039
Windsor	3,092
Survey Average	3,213
Kitchener	3,213
London	3,254
Group Average	3,290
Guelph	3,363
Kingston	3,406
Thunder Bay	3,606
Whitby	4,041

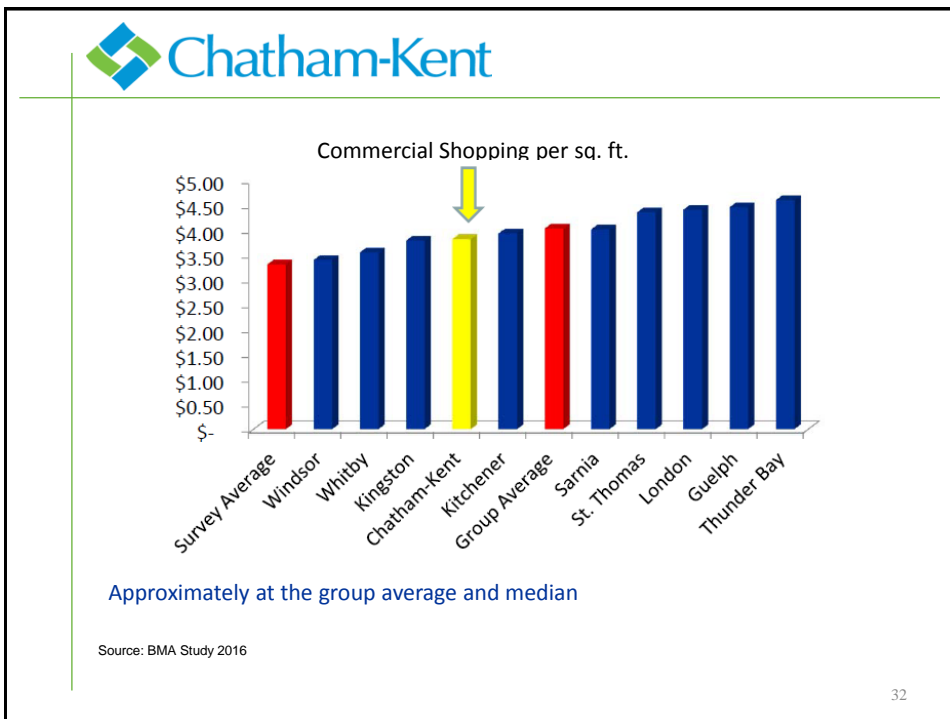
Below the survey and group average

Source: BMA Study 2016

29



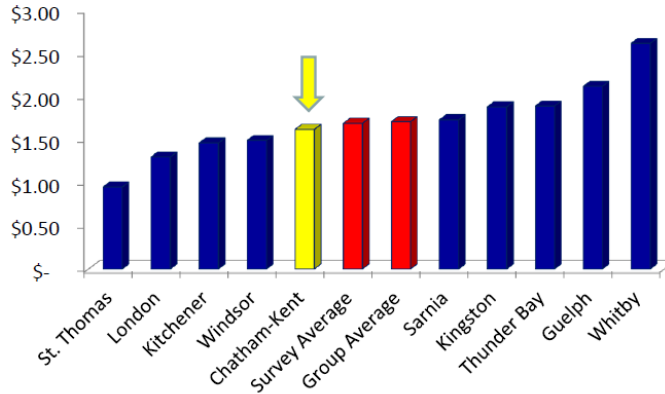
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32



Industrial Standard taxes per sq. ft



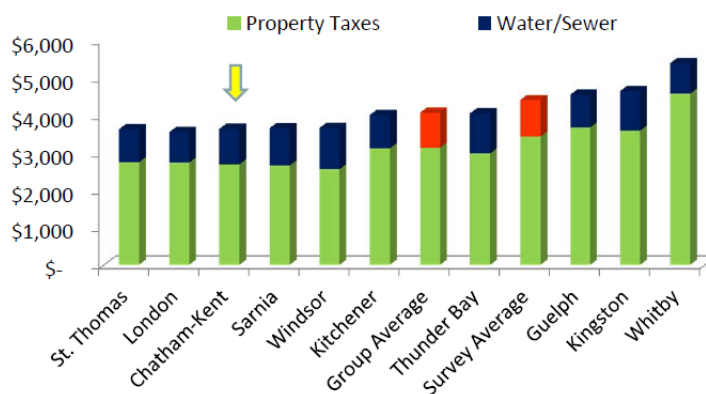
Lower than group average and median
 (important note CK Industrial Rates lowered in 2015 and 2016)

Source: BMA Study 2016

33



Residential Average Cost of Service



Low municipal spending and low water/sewer costs in Chatham-Kent result in one of the lowest cost of services in the survey

Source: BMA Study 2016

34



CK's Geography Presents Service Challenges

- Roadways:
 - 3,259 lane km paved
 - 3,264 lane km gravel
- Bridges:
 - 850 with 3m or greater span
 - CK has 0.8% of Ontario's population but 5% of the bridges
- Population density (per sq km): (BMA 2016)
 - CK ... 42
 - Windsor ... 1437
 - Sarnia ... 456
 - London ... 925
 - Kingston ... 294
- 4,800 km of drains (20% of Ontario drains)
- 6 municipal centres
- 11 public works garages
- 19 fire stations
- 6 ambulance stations
- 11 library branches
- 6 municipally owned and operating cemeteries; 58 inactive;
- 10 arenas
- 16 aquatic facilities
- 90+ sports fields
- 185 total buildings (excl. Social Housing)
- Etc.

35



Local Numbers

2016 Residential Assessment and Tax			
Community	Average Assessment	Average 2016 Tax	1% =
Blenheim	\$ 136,316	\$ 2,117	\$ 21
Bothwell	\$ 89,879	\$ 1,270	\$ 13
Camden	\$ 145,635	\$ 1,878	\$ 19
Chatham City	\$ 148,546	\$ 2,529	\$ 25
Chatham Twp	\$ 171,043	\$ 2,205	\$ 22
Dover	\$ 192,659	\$ 2,483	\$ 25
Dresden	\$ 115,248	\$ 1,761	\$ 18
Erie Beach	\$ 177,454	\$ 2,519	\$ 25
Erieau	\$ 175,799	\$ 2,498	\$ 25
Harwich	\$ 167,581	\$ 2,160	\$ 22
Highgate	\$ 72,001	\$ 978	\$ 10
Howard	\$ 183,196	\$ 2,363	\$ 24
Orford	\$ 132,842	\$ 1,713	\$ 17
Raleigh	\$ 176,254	\$ 2,272	\$ 23
Ridgetown	\$ 133,932	\$ 2,098	\$ 21
Romney	\$ 164,472	\$ 2,195	\$ 22
Thamesville	\$ 113,568	\$ 1,606	\$ 16
Tilbury	\$ 128,404	\$ 2,006	\$ 20
Tilbury E	\$ 135,868	\$ 1,751	\$ 18
Wallaceburg	\$ 105,488	\$ 1,783	\$ 18
Wheatley	\$ 137,064	\$ 1,938	\$ 19
Zone	\$ 143,780	\$ 1,854	\$ 19

36



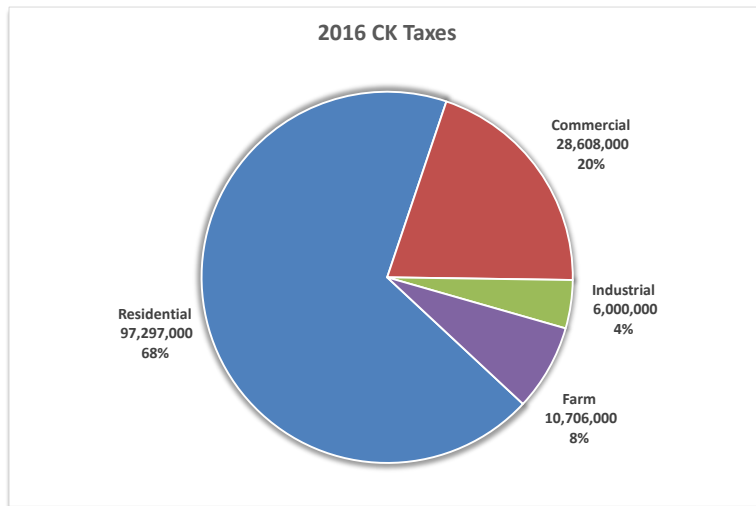
Average 2016 Farm Assessment & Tax by Ward				
Ward	Description	Avg Farm Assess	Avg Farm Tax	1% Increase
1	West Kent	\$ 310,992	\$ 892	\$ 9
2	South Kent	\$ 430,529	\$ 1,221	\$ 12
3	East Kent	\$ 444,940	\$ 1,263	\$ 13
4	North Kent	\$ 516,316	\$ 1,464	\$ 15
5	Wallaceburg	\$ 171,162	\$ 636	\$ 6
6	Chatham	\$ 538,350	\$ 2,017	\$ 20

37



2016 Commercial and Industrial Assessment and Tax				
Assessment Type	Average Assessment	2016 Average Municipal Tax	1% =	1% per \$100,000 Assessment
Commercial	\$ 375,806	\$ 10,584	\$ 106	\$ 28
Industrial	\$ 303,604	\$ 9,640	\$ 96	\$ 32

38



39

2016 Taxes Raised by Community and Property Class

Former Entity	Commercial	Industrial	L Industrial	Mult-Res	Parking Lot	Pipeline	Residential	Farm	Managed Forest	Total
Romney Twp	194,444	205,972	-	54,167	-	113,381	2,315,546	340,802	241	3,224,553
Wheatley	193,649	44,271	-	-	-	10,483	1,276,817	3,291	-	1,528,511
Tilbury E	137,886	380,387	-	-	-	193,850	1,523,605	721,708	-	2,957,435
Tilbury	1,253,911	319,636	412,242	300,447	-	30,418	3,560,235	2,087	-	5,878,977
Raleigh Twp	619,231	439,523	77,110	36,948	-	90,232	4,791,586	1,041,336	613	7,096,578
Harwich Twp	1,848,857	498,837	-	8,669	-	143,675	6,895,174	1,812,041	423	11,207,675
Blenheim	1,164,326	257,896	57,549	318,473	1,399	29,347	3,514,977	4,105	-	5,348,072
Erie Beach	-	-	-	-	-	1,411	327,423	-	-	328,833
Erieau	75,815	7,262	-	-	-	3,223	951,877	-	-	1,038,177
Howard twp	236,672	269,943	42,632	-	-	154,143	2,466,611	1,060,684	356	4,231,041
Ridgetown	537,736	171,201	107,207	404,801	-	22,155	2,683,331	7,515	-	3,933,946
Orford	52,092	118,598	-	-	-	36,038	890,884	647,543	825	1,745,980
Highgate	41,476	10,457	-	14,601	-	7,152	177,106	7,531	-	258,323
Zone	112,338	18,501	-	-	-	25,833	699,073	393,285	1,524	1,250,554
Bothwell	132,597	11,012	-	20,045	-	7,852	564,033	3,026	-	738,564
Camden Twp	136,769	80,490	-	-	-	33,770	1,538,272	849,903	1,184	2,640,388
Thamesville	151,529	12,780	-	3,799	-	6,199	616,804	4,666	-	795,776
Dresden	364,714	80,125	92,590	95,376	-	20,507	1,835,476	2,536	-	2,491,324
Chatham Twp	2,815,960	57,260	-	35,555	-	160,427	4,607,729	2,124,904	-	9,801,835
Chatham City	13,810,376	1,041,343	468,946	4,288,755	30,961	245,804	38,403,069	104,870	-	58,394,124
Wallaceburg	2,249,743	425,004	66,790	789,581	-	73,488	7,098,288	16,544	-	10,719,438
Dover Twp	823,306	223,970	-	3,822	-	212,951	4,184,314	1,552,273	-	7,000,637
TOTAL	26,953,425	4,674,467	1,325,065	6,375,040	32,360	1,622,341	90,922,230	10,700,648	5,165	142,610,742

40



Budget Process vs. Setting Tax Policy

- **Budget process:**
 - determines financial resources required to carry out desired levels of service
- **Tax policy:**
 - determines how budget requirements are levied
 - finalized in April/May in order to facilitate:
 - timing of policy announcements from Province
 - August 1 due date of final tax billing

41



Tax Policy Continued

- tax formula:
 - assessment X tax ratio X tax rate
- current tax ratios:

	<u>CK</u>	<u>Limit</u>	
– Residential	1.0	1.0	← prescribed
– Farm	0.22	0.25	← maximum
– Multi-residential	2.15	2.74	} Can only allocate 50% of budget increase to class if ratio above limit
– Commercial	1.96	1.98	
– Industrial	2.16	2.63	

- New regulations will lead to Multi-Residential Ratio to drop to 2.0 for 2017

42

Other Tax Issues

- local improvement levies
- area rating (see executive overview in binder)

43

Agenda Item

- 2017 budget information

44



OMPF Funding

Received in 2016		17,962,900
2017 OMPF grant		<u>19,923,000</u>
2017 Increase		<u>1,960,100</u>

Revised OMPF Formula:	<u>2017</u>	<u>2016</u>
Amount based on formula	19,923,000	17,962,900
Transitional assistance	<u>-</u>	<u>-</u>
	<u>19,923,000</u>	<u>17,962,900</u>

2017 Changes in Program Formula and Funding:

- Increased funding emphasis on Rural Communities and challenging fiscal circumstances (Chatham-Kent was part of the consultation team to increase the funding emphasis for rural communities during 2016)
- Overall Provincial funding at \$505 million, **our funding level should be sustained going forward**

45



Actual Growth by Class

	2017	2016
COMMERCIAL	\$ 262,170	\$ 350,163
INDUSTRIAL**	\$ 17,469	\$ 34,739
MULTI RES	\$ -	\$ 8,223
PARKING LOT	\$ 471	\$ 2,882
PIPELINE	\$ 1,749	\$ 2,478
RESIDENTIAL	\$ 552,131	\$ 569,185
FARM	\$ 41,010	\$ 32,330
MANAGED FOREST	-	-
Total	\$ 875,000	\$ 1,000,000

** Wind Turbine growth included in Industrial

	2017	2016
INDUSTRIAL	\$ -	\$ -

46



Provincial Upload Status

Municipal Cost Shares										
Program	Upload Status	2007	2008	2009	2010	2011	2012	2013	2018	
ODB	Upload completed in 2008	20%	0%							
ODSP Administration	Upload completed in 2009	50%		0%						
ODSP Benefits	Upload completed in 2011	20%			10%	0%			0%	
OW Benefits	Phased upload continues in 2012	20%			19.4%	18.8%	17.2%	14.2%		
Court Security and Prisoner Transportation	Phased upload starts in 2012 (up to \$125 million annually)	100%					85.7%	71.4%		
OW Administration	Upload implemented in 2012	50% of eligible costs*								

* OW administration costs for 2012 reflect the new OW administration funding approach announced in 2011.

47



2017 Provincial Upload

Ontario Works Benefits	\$ 1,065,138
Court Security & Prisoner Transportation (reduction)	<u>(94,390)</u>
	<u>\$ 970,748</u>

Allocated as follows:

Fund OW costs currently covered by reserves	\$ 239,164
Contribution towards Affordable Housing needs	500,000
Offset other budget pressures	325,974
Recovered from Police Services Board Budget	<u>(94,390)</u>
	<u>\$ 970,748</u>

Future outlook:

- Full uploading will be complete in 2018:
 - approx. \$800K available in 2018
- Consideration should be given to offset future affordable housing downloading

48

Agenda Item

- Infrastructure

49

Infrastructure

- 2016 Asset Management Plan recommendations:
 - Annual tax increases to achieve full funding by 2036 (20 year plan):
 - All Categories in 2016 AMP (recommended) 1.00% (.33% previously approved)
 - Decreasing debt payments:
 - Part of AMP Funding, adding expiring debt payments to infrastructure
 - \$697,500 in 2017
 - Inflation:
 - Needed in addition to phased-in revenue / cost reductions

- 2017 budget proposal:

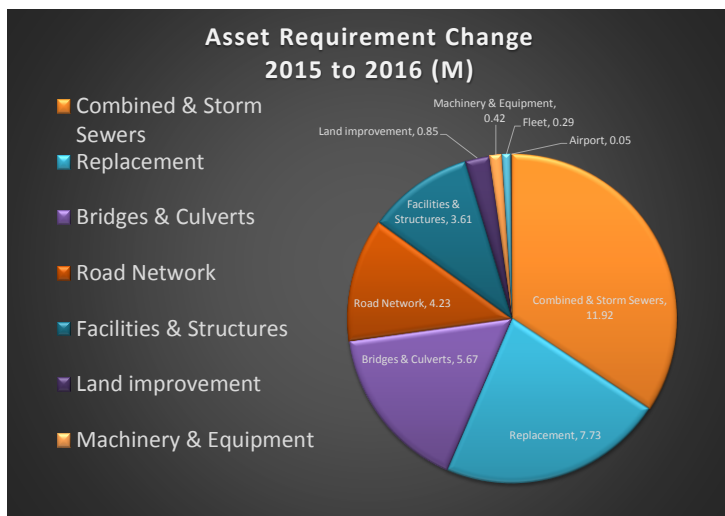
Approved categories from 2016 Asset Management Plan	52,900
Increase in 2017 Federal Gas Tax Annual Funding	300,200
Increase in 2017 OCIF Annual Funding	<u>1,065,900</u>
Recommended 2017 net phase-in	<u>\$1,419,000</u>

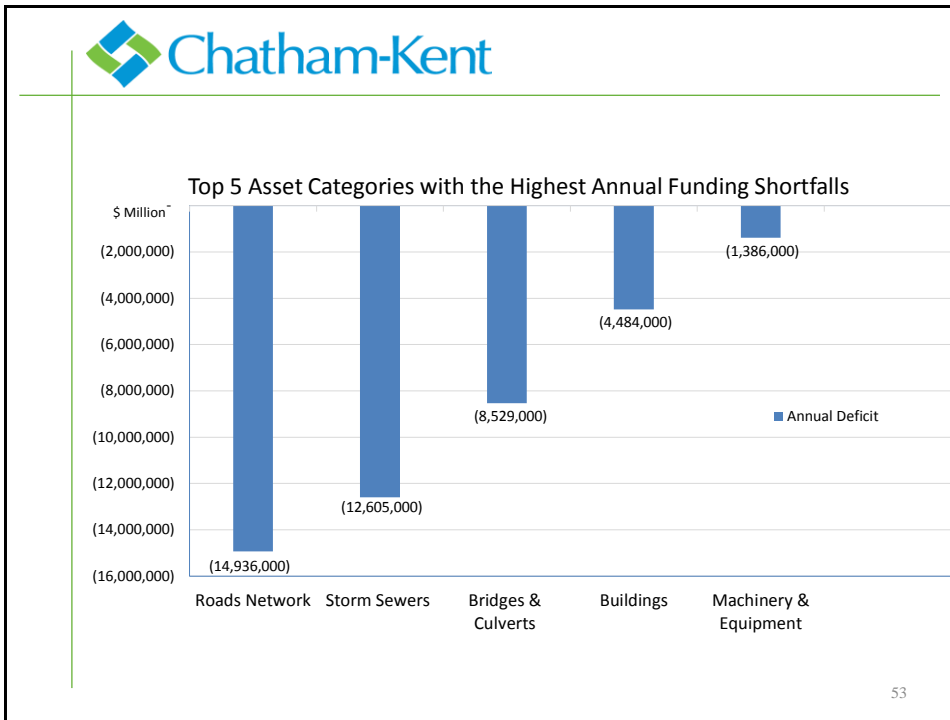
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Infrastructure Category	2016 Model			Annual Deficit	Annual Lifecycle Replacement
	2015 Requirement	2016 AMP REV	Budget		
Active Living	830,000	0	103,000	103,000	
Airport		48,461	0	-48,461	
Arenas (maintenance)	861,000	641,190	835,000	193,810	
Arenas (replacement - 50 year life)				0	231,178
Bridges & culverts - 3m	1,592,000	3,960,000	732,000	-3,228,000	
Bridges & culverts - 3m	11,296,000	14,600,000	9,299,000	-5,301,000	
Buildings - IES (Asset Management)	1,559,000	4,892,464	1,447,000	-3,445,464	
Buildings - CD		356,631		-356,631	
Cemeteries	43,000	140,056	41,000	-99,056	
Community Trails	1,023,000	550,780	229,000	-321,780	
Curb & Gutter		1,015,788		-1,015,788	
Election	118,000	0	114,000	114,000	
Fleet - municipal	3,765,000	4,671,496	3,447,000	-1,224,496	
Fleet - police (included with "municipal # above")	616,000		512,000	512,000	
Guide Rails		1,003,333		-1,003,333	
Halls - REC FAC (Maintenance)		27,307		-27,307	
Halls - REC FAC (Replacement)				0	18,950
ITS - phone systems	577,000	382,592	310,000	-72,592	
ITS - servers, printers, photocopiers, etc.	489,000	1,469,213	475,000	-994,213	
ITS - software		877,857	786,000	-91,857	
ITS - workstations	308,000	509,630	299,000	-210,630	
Lifecycle issues yet to be identified	502,000	0	0	0	
Non lifecycle capital projects	6,430,000	5,740,000	5,740,000	0	
Parking lots	314,000	663,130	304,000	-359,130	
Parks - Rec Fac		327,651		-327,651	
Parks - other capital (miscellaneous - incl. CALS splashpads)	649,000	476,006	438,000	-38,006	
Parks - playground units (CALS & REC FAC)	194,000	589,742	188,000	-401,742	
Pools - building replacement				0	44,700
Pools - indoor (does not include building)	69,000	102,500	67,000	-35,500	
Pools - outdoor (does not include building)	82,000	220,500	80,000	-140,500	
Railway crossings - rubberized (Feb/17 report)	179,000	179,000	0	-179,000	
Railway crossings - signals (Feb/17 report)	63,000	63,000	61,000	-2,000	
Reforestation Strategy	88,000	0	86,000	86,000	
Roads - gravel	3,503,000	3,900,000	3,145,000	-755,000	
Roads - paved & surface treated	13,393,000	14,678,529	10,817,000	-3,861,529	7,392,456
Sidewalks	659,000	1,191,683	639,000	-652,683	
Signage - 401 (on MTO property)		20,000		-20,000	
Social housing - municipally owned	905,000	905,000	884,000	-21,000	
Social housing - partners	1,300,000	1,300,000	905,000	-395,000	
Splash Pads (Maintenance)(REC FAC)				-7,500	
Splash Pads (Replacement)(REC FAC)				0	42,800
Sport Fields - CALS		243,179		-243,179	
Storm pump stations		105,000		-105,000	
Storm sewers (collector network)	3,049,000	8,867,000	1,759,000	-7,208,000	
Storm sewer (tile drainage system)		4,668,240		-4,668,240	
Storm sewers - combined (separation)		603,760		-603,760	
Storm Water Management Ponds		20,000		-20,000	
Street lights	1,100,000	1,000,000	0	-1,000,000	
Street light poles	105	05	000	5	95
Traffic Assets - Signals		11		-11	
Traffic Assets - Parking Equipment		87		-87	
Transit Assets		2,407		-2,407	51
Total Funding is 50% of Requirements	56,642,105	80,857,348	44,647,000	-36,210,348	7,730,084



Change in Annual Requirements





Overall Asset Management Plan View ... 2017

	<u>2016 AMP Annual & Total %</u>	
Recommendation to Council 2017:		
Per AMP phased in requirements (2017-2036)	1.3%	26.0%
Recommendation in budget (2017-2036)	<u>1.0%</u>	<u>20.0%</u>
Balance to come from divested assets and service level changes	<u>0.3%</u>	<u>6.0%</u>

The Final 2016 AMP will be to be submitted to the Province after Council approval later this year, with an approved list of recommendations on the AMP Financing Plan.

This recommended financing plan should be followed to ensure we remain eligible for any future Provincial funding programs.

54

Agenda Item

- Overview of reserves

55

Current Reserve Position

<u>Type of Reserve</u>	<u>Forecasted Dec 2016 Balance</u>
Mandated	11,924,000
Assigned	41,955,000
Lifecycle Program	<u>61,161,000</u>
Total Reserves	<u>115,040,000</u>

56



Average Contribution to Reserves over last 5 years

Contribution to Reserves	Net			Total
	From Surplus	Other transfers	Base Budget Transfers	
2015	828,665	3,206,787	-	4,035,452
2014	1,619,807	2,023,498	-	3,643,305
2013	1,293,014	1,030,702	570,000	2,893,716
2012	3,031,075	1,218,224	570,000	4,819,299
2011	<u>289,503</u>	<u>3,304,756</u>	-	<u>3,594,259</u>
Average Contribution	1,412,413	2,156,793	228,000	3,797,206

57



Average Drawdown from Reserves over last 5 years

	All Drawdowns (Including Caseload)	Less: OW Caseload Related	Net Drawdowns	Additional Council Approved	Strategic Development Reserve	Total
2016	7,082,000	-	7,082,000	734,000	973,000	8,789,000
2015	5,065,000	270,000	4,795,000	896,000	220,000	5,911,000
2014	2,000,000	400,000	1,600,000	923,000	337,000	2,860,000
2013	3,300,000	900,000	2,400,000	-	493,000	2,893,000
2012	<u>5,500,000</u>	<u>1,900,000</u>	<u>3,600,000</u>	<u>70,000</u>	<u>201,000</u>	<u>3,871,000</u>
Average Drawdown	4,589,400	694,000	3,895,400	524,600	444,800	4,865,000

58



Drawdown - Types of Reserves

2017 One-Time items

Mandated Reserves	(196,000)
Assigned Reserves	(6,761,000)
Lifecycle Reserves	(616,000)
Base Budget Contribution to Reserves	<u>567,600</u>
Total 2017 Recommended Net Drawdowns	<u>(7,005,400)</u>

59



Pending 2017 Reserve Items

These items are ***not*** in the 2017 budget, but have some potential to affect the amounts in our Reserves through additional drawdowns in 2017 and beyond.

Support for Employment CIP	?
Winter Control	?
Other Requests (annual average of past years)	<u>500,000</u>
Total Pending Items	<u>500,000</u>

60



Impact of Recommendations on Reserves

	<u>2017</u>	<u>Average</u>
Contributions to reserves	\$4.0M	\$3.8M
Use of reserves	<u>\$7.6M</u>	<u>\$4.9M</u>
Net increase (decrease)	<u>(\$3.6M)</u>	<u>(\$1.1M)</u>

Recommendation for long-term reserve sustainability:

- Average annual net decrease to reserves of \$1.1M
- 2017 recommendations a \$3.6M drawdown
 - At present contribution levels, annual draw downs are consistently exceeding contributions
 - Traditionally reserve contributions are limited to one-time items, which includes year end surpluses
 - Reserves are one-time funds and should be used to fund one-time items
 - Annual Base Budget contributions are being recommended to ensure Council Strategic Objectives are supported

61



Agenda Item

- Overview of staffing recommendations

62



Summary of Staffing Changes

	FTE Count	Net Tax \$ Impact
Base Funded		
1) Existing Services	(3.56)	(111,034)
2) New Services	6.60	92,773
Total Staffing Base Funded	3.04	(18,261)
One Time Funded		
1) Existing Services	10.26	0
2) New Services	3.00	0
Total Staffing Base Funded	13.26	0
(One-time positions were funded from reserves)		
<hr/>		
Total Base and One Time Funded	16.30	(18,261)
Additional Base Request		
New Services Capitol Theatre	6.93	491,034
Grand Total of Staffing Changes	23.23	472,773

63



Overview of Staffing History of CK 1998 – 2017

Total staff January 1, 1997 (year prior to CK)	1321
Reductions during amalgamation	<u>217</u>
Total staff when CK came to be on January 1, 1998	1104
Staff added due to downloaded services	245
Net staff added due to other service changes	<u>3</u>
2016 base staffing FTE	1352
2017 base recommended net staffing changes - Downloaded Service	2
2017 base recommended net staffing changes - Other Services	1
2017 base recommended staffing changes - Capitol Theatre	<u>7</u>
Total 2017 staff FTE recommended	<u>1362</u>

64

Agenda Item

- Ongoing Processes That Create the Budget
 - Service review
 - Strategic planning
 - Business planning
 - Council meetings
 - EMT meetings

Budgets are **not** created in January. They are a compilation of decisions made during the year on Monday nights and Tuesday afternoons.

65

Overview of 2016 Service Reviews

- Ambulance
- Capitol Theatre
- Restructuring of Insurance Allocations
- Fleet
- Civic Centre
- Gravel Pit
- Building Services Re-Org
- Asset Management Plan
- Citizens Budget Tool

66



Future Years' Forecast

CK Multi Year Budget Projections (Tax Impact)					
	2018	2019	2020	2021	2022
Existing Services:					
Labour Relations	1.34%	1.36%	1.35%	1.80%	1.80%
CPI on existing Services	0.90%	0.90%	0.90%	0.90%	0.90%
CPI on existing Lifecycle	0.54%	0.54%	0.55%	0.55%	0.56%
Provincial upload - Ontario Works, Police security	(0.22%)	0.00%	0.00%	0.00%	0.00%
Assessment growth	(0.69%)	(0.69%)	(0.69%)	(0.69%)	(0.69%)
OMPF Provincial funding change (estimate)	(0.35%)	(0.34%)	0.00%	0.00%	0.00%
Sub total for existing services	1.51%	1.77%	2.11%	2.56%	2.57%
Future Challenges:					
New initiatives (not quantified)	0.35%	0.34%	0.33%	0.33%	0.32%
Long Term Financial Plan	0.00%	0.20%	0.20%	0.20%	0.20%
Effect of one-time reserves used to fund budget	0.00%	0.00%	0.00%	0.00%	0.00%
Phase in - Capital/Lifecycle/Debt strategy	1.00%	1.00%	1.00%	1.00%	1.00%
Grants related to Phase in - Capital/Lifecycle/Debt strategy	(0.92%)	(1.00%)	(0.24%)	0.00%	0.00%
Sub total for future challenges	0.43%	0.54%	1.29%	1.53%	1.52%
Total Projection	1.94%	2.31%	3.41%	4.09%	4.09%
Average weekly household impact	\$ 1.04	\$ 1.24	\$ 1.83	\$ 2.19	\$ 2.19
The projected price indexes used are as follows:					
Projected CPI%	2%	2%	2%	2%	2%
Projected Construction index %	3%	3%	3%	3%	3%
1% of municipal taxes	\$ 1,447,000	\$ 1,476,000	\$ 1,506,000	\$ 1,536,000	\$ 1,567,000
Note: Projections based on estimates and assumptions and is for illustration only.					

67



Agenda Item

- Other budget information and next steps

68



Chatham-Kent Citizen Budget Results

753

Visitors

223

Responses

29.6% participation

8 minutes

Median time to complete

- Entire results available on website
- Pilot Project – Goal to create awareness of the budget process
- 78 detailed comments
- Respondents from all wards

69



- Not a scientific survey – results cannot be relied upon to represent the will of the community
- Educational rather than directive
- General Conclusions:
 - survey was educational and appreciated
 - support for core infrastructure
 - support for responsible spending
 - request more details by division if survey repeated

70

Budget Information

- **Available tonight and on our website:**
 - **2017 Draft Budget Overview**
 - **Opening night presentation**
 - **Time and location of community forums**
 - **Comments and feedback opportunities**
 - **2016 Departmental Services Provided by Your Municipal Tax Dollars**
 - **2017 Draft Base Budget**

- **Information to come:**
 - **Police Services Board presentation**
 - **Employment and Labour Relations closed session presentation**

71

Other Municipalities 2017

Municipality	Single/Two	Draft/	Municipal Tax Levy %
	Tier	Approved	
Durham	T	D	2%
Lakeshore	S	A	3.03%
Kingston	S	A	2.5% (includes 1% capital levy)
Hamilton	S	D	3.50%
Waterloo Region	T	D	4.00%
London	S	A	2.80%
Muskoka	S	D	2.8% (includes 1.5% capital levy)
Mississauga	T	A	2.50%
Lasalle	T	A	1.50%
Kitchener	T	D	1.75%
Peel	T	A	1.9% (includes 1% capital infrastructure levy)
Sarnia	S	A	2.32%
Sudbury	S	A	3.60%
Tecumseh	T	A	2.70%
York	T	A	2.87%
Windsor	T	D	2.70%
Amherstburg	S	A	1.89%

72



Chatham-Kent Next Steps

Community consultation:

<u>Location</u>	<u>Date</u>	<u>Time</u>
Tilbury Arena, Ryder Hall, 55 Bond Ave. Tilbury	Tuesday, January 24, 2017	4:30 to 6:30 p.m.
Brunner Centre 32 Wallace St., Thamesville	Tuesday, January 24, 2017	4:30 to 6:30 p.m.
Blenheim High School Cafeteria 163 Chatham St. S., Blenheim	Wednesday, January 25, 2017	4:30 to 6:30 p.m.
Wallaceburg Municipal Office, 786 Dufferin Ave., Wallaceburg	Wednesday, January 25, 2017	4:30 to 6:30 p.m.
Active Lifestyle Centre, 20 Merritt Ave, Chatham	Thursday, January 26, 2017	4:30 to 6:30 p.m.
Open house at 4:30; brief presentation at 5:00 p.m. followed by a group Q & A session		

Council deliberations:


- February 1, 2, 7, 8, 9(if necessary)
- 6:00 to 10:00 pm, Council Chambers, Chatham-Kent Civic Centre
- 5 minute presentations by citizens are welcome at each meeting (time to be determined each evening) – please sign up at the door⁷³



Chatham-Kent

Agenda Item

- Deputations
 - Presentation by IES – Bridges
 - public



AMP Phase 2 Follow-up January 18, 2017



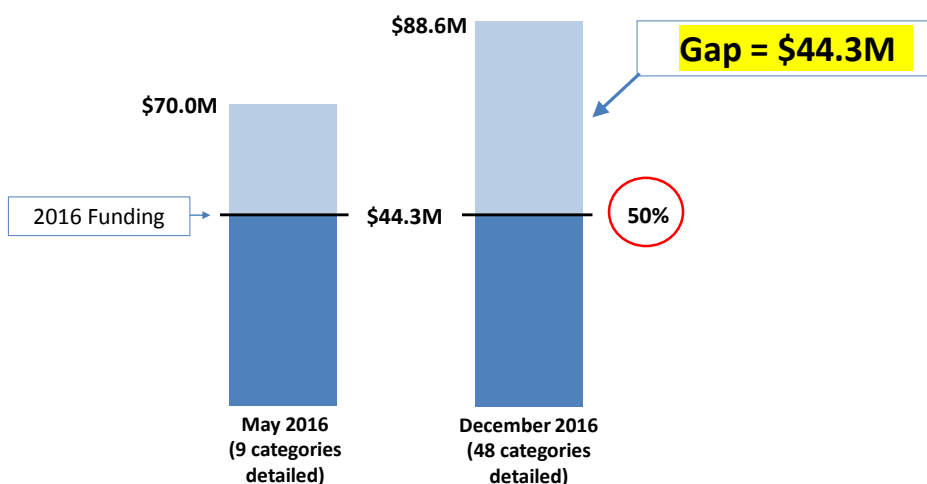
Contents

- AMP Phase 2 Status from Jan. 16/17
- BMA Municipal Spending Comparison
- Bridges > 3.0 m
 - Challenges
 - Current Status
 - Alternative Proposal

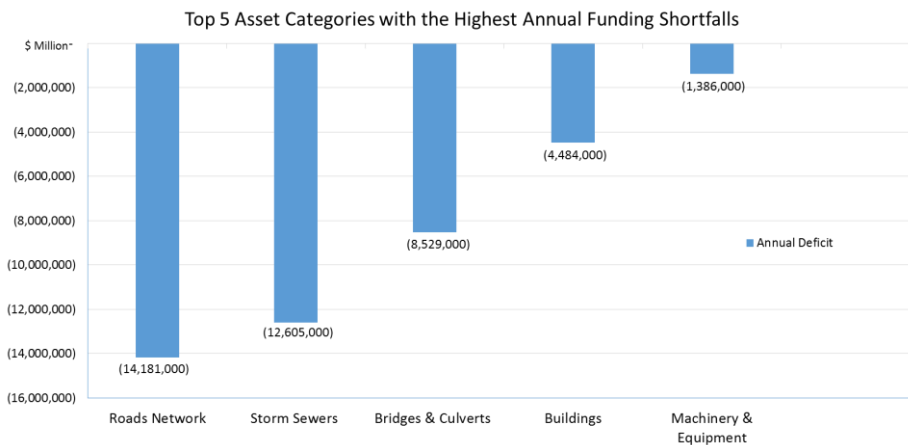
AMP Phase 2 Status

- Asset Management Plan (AMP) – Phase 1
 - 0.33% Approved by Council Jan/14 for 10 years plus CPI
 - Included the following assets:
 - Roads (excluding gravel), bridges & large culverts (> 3 m span), Social Housing, PUC –Water / Wastewater
- AMP Phase 2 Recommendation from Jan. 16/17:
 - Apply a 1.0% tax increase directly to AMP for the 2017 budget (+0.67% incremental from Phase 1)
 - Equates to + \$950,730 (\$1,419,000 total per year)
 - In addition, increase AMP funding by CPI and reallocate debt funding
 - Gas tax, OCIF revenue and OCIF grants will be applied

AMP Phase 2 Average Annual Requirements / Status



Top 5 Funding Shortfalls



BMA Study – Paved Roads



Roadways—Paved (Sorted by Net Costs per \$100,000 Assessment, Including Amortization) (cont'd)

Municipality	Per Ln Km Excl Amort	Per Ln Km Incl Amort	Per Capita Excl Amort	Per Capita Incl Amort	Per \$100,000 CVA Excl Amort	Per \$100,000 CVA Incl Amort
Chatham-Kent	\$ 1,409	\$ 4,926	\$ 46	\$ 161	\$ 43	\$ 149
Orillia	\$ 1,856	\$ 14,659	\$ 22	\$ 172	\$ 19	\$ 153
London	\$ 8,980	\$ 16,676	\$ 84	\$ 156	\$ 83	\$ 154
Windsor	\$ 2,421	\$ 11,155	\$ 26	\$ 121	\$ 37	\$ 168
Stratford	\$ 11,087	\$ 15,513	\$ 136	\$ 190	\$ 121	\$ 170
St. Marys	\$ 8,976	\$ 13,370	\$ 147	\$ 218	\$ 128	\$ 191
Espanola	\$ 2,651	\$ 5,820	\$ 63	\$ 138	\$ 90	\$ 198
Prince Edward County	\$ 1,518	\$ 4,521	\$ 103	\$ 307	\$ 69	\$ 206
North Bay	\$ 5,995	\$ 15,056	\$ 83	\$ 207	\$ 83	\$ 209
Timmins	\$ 7,325	\$ 9,299	\$ 126	\$ 160	\$ 166	\$ 211
Greater Sudbury			\$ 62	\$ 226	\$ 61	\$ 221
Kenora	\$ 5,955	\$ 11,376	\$ 117	\$ 223	\$ 116	\$ 221
Thunder Bay	\$ 3,924	\$ 13,512	\$ 60	\$ 205	\$ 72	\$ 246
Belleville	\$ 4,798	\$ 16,858	\$ 87	\$ 307	\$ 89	\$ 311
Parry Sound	\$ 11,090	\$ 23,537	\$ 173	\$ 368	\$ 161	\$ 341
Haldimand	\$ 3,767	\$ 9,186	\$ 192	\$ 468	\$ 157	\$ 382
Elliot Lake	\$ 7,195	\$ 11,027	\$ 119	\$ 182	\$ 256	\$ 392
Quinte West	\$ 2,262	\$ 11,975	\$ 76	\$ 401	\$ 82	\$ 435
Greenstone	\$ 13,168	\$ 19,833	\$ 481	\$ 714	\$ 394	\$ 584
Single Tier Average	\$ 5,317	\$ 11,277	\$ 91	\$ 201	\$ 89	\$ 195
Single Tier Median	\$ 4,361	\$ 11,437	\$ 76	\$ 161	\$ 72	\$ 168

BMA Study – Gravel Roads



Municipal Study 2016

Roadways—Unpaved (cont'd)

(Sorted by Net Costs per \$100,000 Assessment, Including Amortization)

Municipality	Per Ln Km Excl Amort	Per Ln Km Incl Amort	Net Costs per Capita Excl Amort	Net Costs per Capita Incl Amort	Net Costs per \$100,000 CVA Excl Amort	Net Costs per \$100,000 CVA Incl Amort
Brant County	\$ 2,186	\$ 2,783	\$ 31	\$ 39	\$ 20	\$ 26
Timmins	\$ 5,061	\$ 5,540	\$ 21	\$ 23	\$ 28	\$ 30
Espanola	\$ 4,022	\$ 4,085	\$ 23	\$ 23	\$ 32	\$ 33
Kenora	\$ 1,519	\$ 2,130	\$ 34	\$ 48	\$ 34	\$ 48
Chatham-Kent	\$ 1,876	\$ 2,015	\$ 59	\$ 64	\$ 55	\$ 59
Elliot Lake	\$ 1,930	\$ 4,490	\$ 13	\$ 29	\$ 27	\$ 63
Greenstone	\$ 6,725	\$ 6,725	\$ 205	\$ 205	\$ 168	\$ 168
Single Tier Average	\$ 3,961	\$ 5,006	\$ 23	\$ 26	\$ 21	\$ 25
Single Tier Median	\$ 2,630	\$ 4,288	\$ 10	\$ 10	\$ 11	\$ 11

BMA Study - Bridges and Culverts

Roadways—Bridges and Culverts (cont'd)

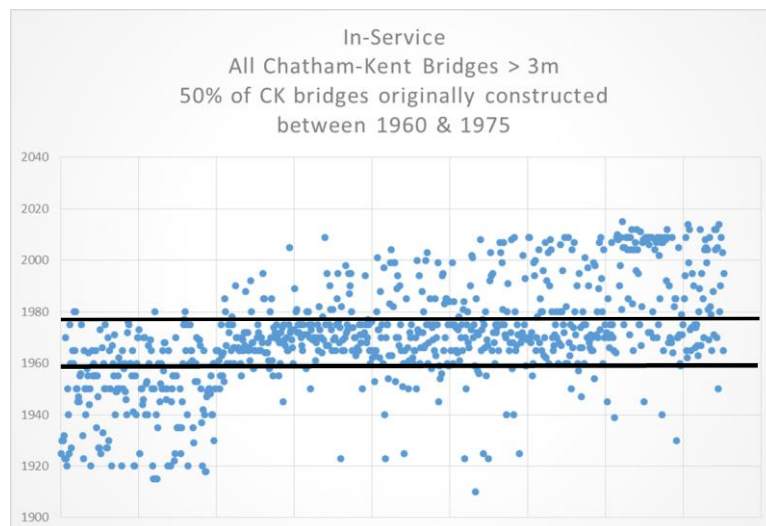
Municipality	Total m2 Surface Area	Total Net Costs per m2 Surface Area Excl Amort	Total Net Costs per m2 Surface Area Incl Amort	Net Costs per Capita Excl Amort	Net Costs per Capita Incl Amort	Net Costs per \$100,000 CVA Excl Amort	Net Costs per \$100,000 CVA Incl Amort
Brant County	42,114	\$ 9	\$ 30	\$ 11	\$ 33	\$ 7	\$ 22
Hamilton	196,673	\$ 53	\$ 69	\$ 19	\$ 25	\$ 17	\$ 22
Milton	73,600	\$ 55	\$ 62	\$ 39	\$ 44	\$ 22	\$ 25
Sault Ste. Marie	6,007	\$ 214	\$ 264	\$ 17	\$ 21	\$ 21	\$ 26
Parry Sound	2,206	\$ 28	\$ 88	\$ 9	\$ 29	\$ 9	\$ 27
Thunder Bay	35,570	\$ 21	\$ 71	\$ 7	\$ 23	\$ 8	\$ 27
Timmins	15,524	\$ 41	\$ 79	\$ 14	\$ 28	\$ 19	\$ 37
Kenora	10,464	\$ 0	\$ 57	\$ 0	\$ 37	\$ 0	\$ 37
Chatham-Kent	105,330	\$ 16	\$ 41	\$ 17	\$ 42	\$ 15	\$ 39
Average	29,252	\$ 41	\$ 67	\$ 6	\$ 13	\$ 5	\$ 10
Median	7,000	\$ 16	\$ 38	\$ 4	\$ 10	\$ 2	\$ 7

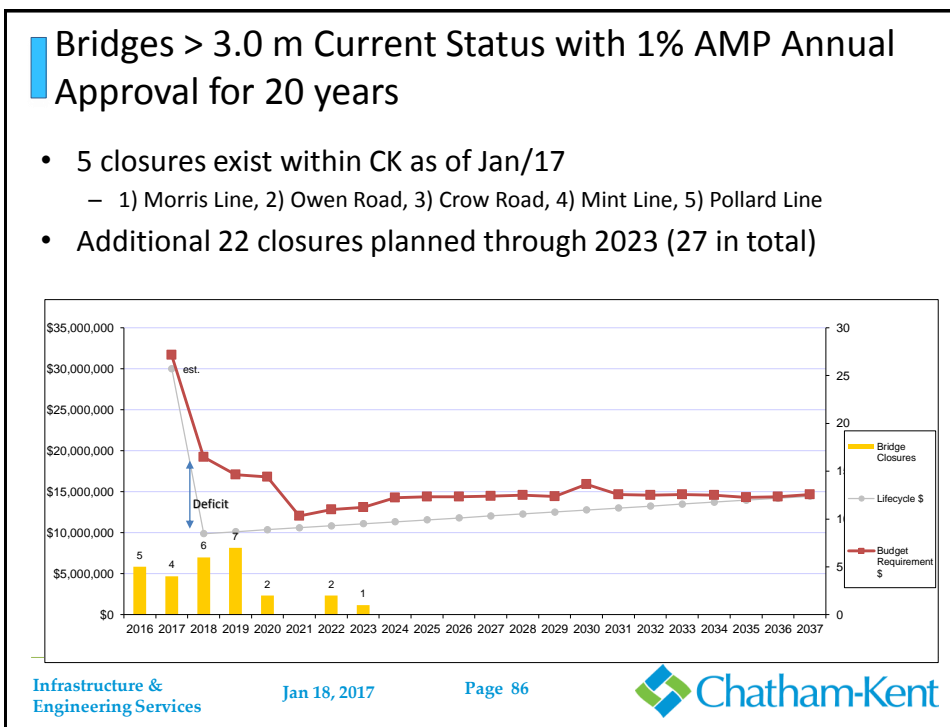
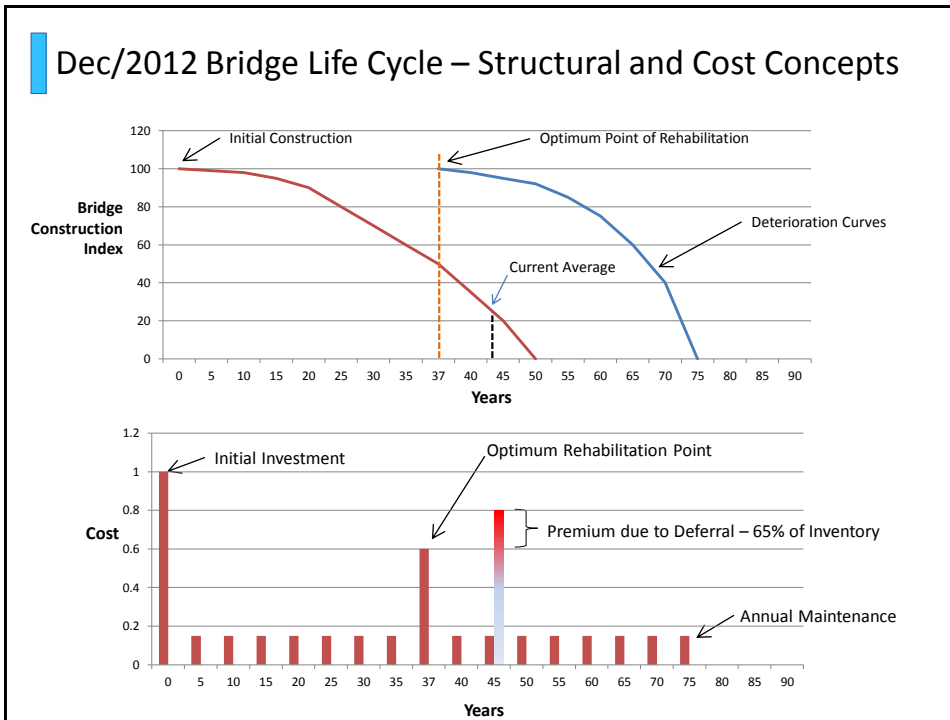
Bridges > 3.0 m Challenges

From AMP Phase 2 January 16/17:

- Detailed condition assessment reports forthcoming on roads, bridges, railway crossings, storm sewers and guide rails
 - \$88.6M requirement is an average amount based on a straight line deterioration
 - Actual spending fluctuates dependent on the age and lifecycle of the asset
 - 50% of all CK bridges > 3 m were built from 1960 to 1975
 - Build-up of reserves often required to fund the asset replacements
- Increases / reductions to asset inventory
- Service level definitions
 - Paved roads target = 70% Pavement Condition Index
- Tender competitiveness, strength of Canadian dollar, construction inflation that exceeds CPI
- Note: External Funding not included in the model
 - Federal government infrastructure support
 - Province grant funding
 - \$2.0M received in each of the past two years
 - Connecting link funding
 - \$3.0M received in 2016

CK Bridge Aging Plot





Bridges > 3.0 m – Alternative Proposal

- Confirm 1% AMP Phase 2 recommendation
- Approve \$3.5M transfer from reserves in 2017 for bridges > 3.0 m
- Approve incremental +0.63% for 3 years and apply fully to bridges > 3.0 m
 - Total AMP = 1.63% for 3 years
 - 0.33% Phase 1 + 0.67% Phase 2 + 0.63% Bridges > 3.0 m = 1.63%
- Result: By 2018
 - Current inventory of open bridges > 3.0 m remain open
 - 22 bridges currently at closure risk remain open
 - Pollard and Morris Line bridges will be repaired to a load posted state
 - Assumes one Maple Leaf Cemetery bridge is pedestrian, the other is a modern vehicular support bridge
 - CK to re-evaluate divestment list and report to Council Jan/18

Questions?

Agenda Item

- Discussion on draft budget

89

2017 Presentation (January 18, 2017) Additional Slides

90



A Few Examples of Differences Between CK & Windsor

	<u>CK</u>	<u>Windsor</u>
2016 tax levy on average bungalow	\$ 3,039	\$ 3,092
1% of taxes	\$1,419,000	\$3,910,000
Population	102,000	211,000
Population Density (per sq. km)	42	1,437
Size of Municipality (sq. km)	2,458	147
Examples of infrastructure differences:		
km's of roads	3,471	1,076
Number of bridges	850	84
% of weighted residential assessment	64.3%	57.4%
Increase in 2017 OMPF grant	\$1,960,100	\$325,000
2016 assessment growth	\$1,000,000	\$1,600,000

91



2017 Budget Additional information not presented:

- Budget objectives
- Budget process
- Ranking criteria
- Service Review process

92



Budget Objectives

- A) Establish a Sustainable Base Budget:**
 - based on comprehensive inventories of all infrastructure
 - ensure that Council has the appropriate information to address all of the Municipality's needs and issues ... current & future
 - systematic review of base budgets
- B) Establish Fair Market "User Fees" for Services:**
 - rather than subsidizing services with property taxes, ensure that services, where there are comparable private sector services, are at market rates
- C) Maximize Leverage:**
 - through cost sharing arrangements such as the Community Partnership Fund program
 - business development incentives such as Brownfield/Bluefield and Community Improvement Plans

93



Budget Objectives

- D) Staffing:**
 - maintain adequate staffing levels
 - maintain a corporate environment that enables:
 - the retention & attraction of qualified staff
 - the delivery of sustainable service levels in an efficient & effective manner
- E) Strategic Planning:**
 - implementation of master plans and studies
 - 5 - 10 year capital budget
- F) Service Review Sustainability Process:**
 - review of services with intent to:
 - contain or reduce future years' projected tax increases
 - ensure service plans are sustainable
 - create opportunities to strategically reinvest existing funds

94

BUDGET PROCESS

- Council update to Strategic Directions
- Input from staff & public is solicited (continuous)
- Service Sustainability Review Process – 4 cycles
- Departments prepare draft budgets
- Executive Management Team reviews and prioritizes departmental submissions and provides options to Council
- Council receives administration's options for consideration
- Public consultation process
- Council budget deliberations
- Approval of 2017 budget (early February)
- Tax policy set in May

95

BASE BUDGET PROCESS

- Existing base budgets
 - reflect the current level of service approved by Council
 - include base operating costs required
 - include existing revenues at existing rates
 - do not exceed prior year's net base budget
 - reflect approved base budget adjustments as a result of Council decisions during the past year

96



SUPPLEMENTARY BUDGET PROCESS

- reflect any proposed change to existing levels of service or any proposed new programs, lifecycle provisions, staff or revenues
- revenue reductions that do not translate into cost reductions
- revenues included s/b any increase to existing fees, any proposed new revenue sources or revenue changes due to volume
- changes to service level agreements
- identify issues as one-time or annual

97



SUPPLEMENTARY BUDGET CRITERIA

A - must do

1. **Net revenue generating**
2. **a) Legislated /contractual**
b) Council Mandated
3. **Required base budget adjustment (including inflation)**

98

SUPPLEMENTARY BUDGET

B - should do

1. **Critical Investment:**
 - Municipal Infrastructure/Council Strategic Directions
 - a) EMT Primary Priority – recommended
 - b) EMT secondary Priority – not recommended
2. **Community growth**
3. **Cost avoidance / payback / legal issues**
4. **Responsive to a wide community / corporate need for new service levels**

99

SUPPLEMENTARY BUDGET CRITERIA

C - nice to do

- **Not critical**
- **Added value**
- **Responsive to a narrower need**

100

SUPPLEMENTARY BUDGET CRITERIA

D - defer

- Not necessary this year

101

SUPPLEMENTARY BUDGET
CRITERIA**E - other funds available**

- Item recommended but through use of existing or alternative funding
- Efficiency matters (less than 1 year pay back)

102

SUPPLEMENTARY BUDGET CRITERIA

T - new area rated service

- Item recommended but not through general tax rate

103

Service Review Ranking Criteria

Impact on:

1. Sustainability:
 - productivity, effectiveness, cost avoidance, staff retention/attraction
2. C-K community:
 - service, civic engagement
3. Strategy:
 - Community Strategic Plan, Corporate Plan, economic development, community development
4. Risk:
 - Legislation, liability, health & safety, financial, social
5. User community:
 - service, civic engagement

104



Service Review Ranking Criteria

<u>Criteria</u>	<u>Weight (1-10)</u>	<u>Rank (1-10)</u>	<u>Example Weight X Rank</u>
Sustainability	8	5	40
C-K Community impact	6	4	24
Strategy	8	3	24
Risk	5	2	10
Ward/user group impact	3	6	<u>18</u>
			<u>116</u>



SERVICE SUSTAINABILITY REVIEW PROCESS

- Objective to assist Council in making informed service level and delivery choices
- Cross functional teams examine service levels and delivery methods
- Magnitude of municipal services:
 - 6 Departments
 - 27 Divisions
 - 142 Business Units
 - » 667 Services



Provisions for Inflation

Infrastructure ... @ 2.0%	882,471
Fixed contracts ... @ specified amount	703,991
All other ... @ 1.7%	<u>44,113</u>
	<u>1,630,575</u>

Notes:

- a) Details provided in binder
- b) CPI:
 - as of October 31, 2016 (available at time of drafting budget), CPI was 1.5%
 - new information:
 - CPI as of November 30, 2016 is 1.4%