



City of Sault Ste. Marie

**2016 PRELIMINARY BUDGET  
PRESENTATION TO COUNCIL  
FEBRUARY 8, 2016**

# 2016 OPERATING BUDGET PROCESS

	DATE
EMPLOYEE COMPLEMENT VERIFIED BY DEPARTMENTS. SALARY/BENEFIT BUDGET ESTABLISHED BY FINANCE.	AUGUST, 2015
DEPARTMENT BUDGET FOR NON-SALARY ITEMS AND REVENUES, CAPITAL FROM CURRENT AND OPERATING INCREASE REQUESTS SUBMITTED	MID-OCTOBER, 2015
FINANCE DEPARTMENT REVIEW AND ADJUSTMENTS / PREPARATION OF BUDGET DOCUMENTATION	COMPLETION JANUARY, 2016
PRELIMINARY BUDGET PRESENTED TO COUNCIL	FEBRUARY 8, 2016

# BUDGET INPUT

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- New for 2016: Online Budget Input Tool
  - Released January 12, 2016
- E-mail submissions
  - [budgetinput@cityssm.on.ca](mailto:budgetinput@cityssm.on.ca)
- Public Open Houses: Civic Centre Russ Ramsay Room
  - Wednesday, February 17, 2016 7pm-9pm
  - Saturday, February 20, 2016 2pm-4pm

# TAX LEVY (millions)

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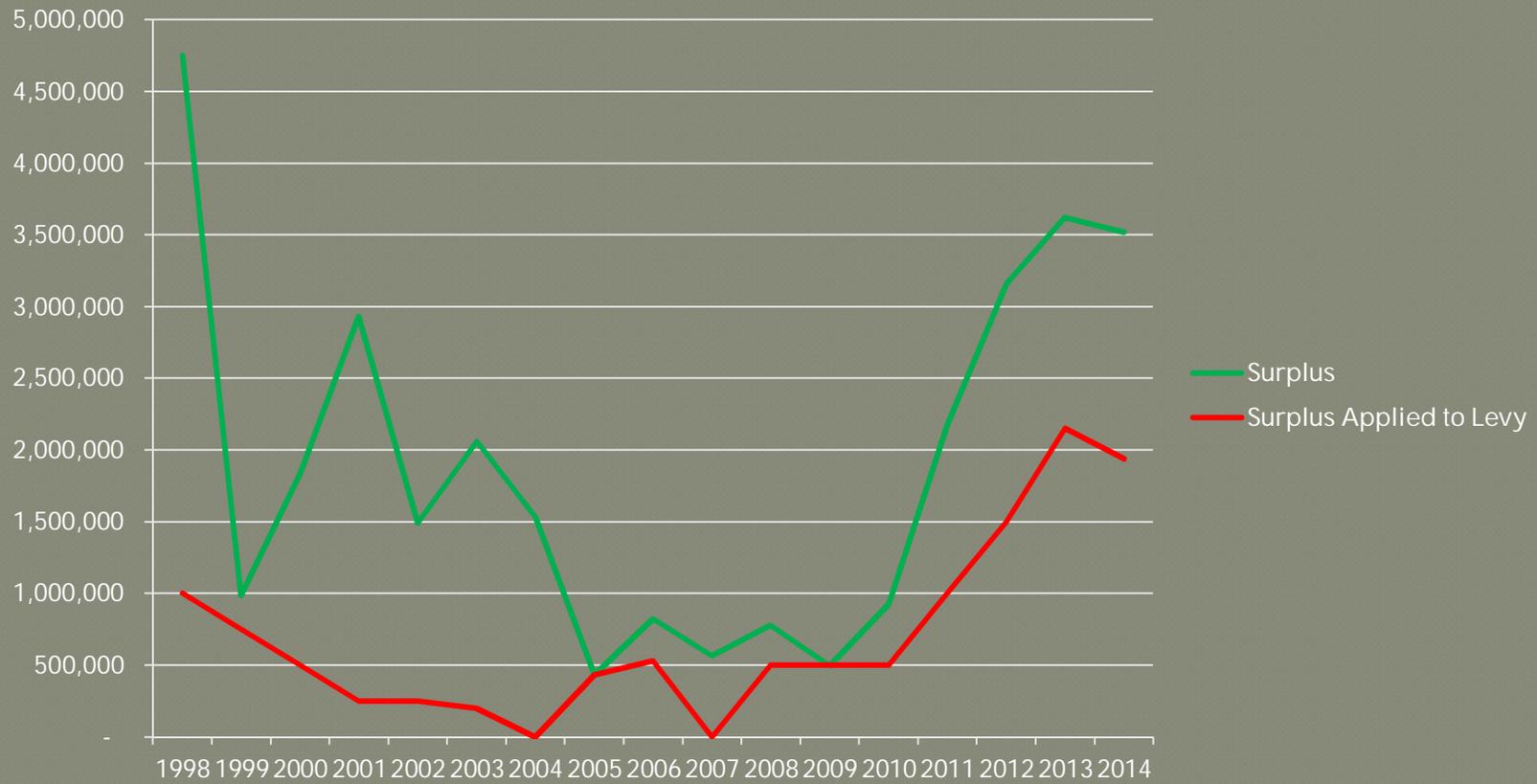


# Preliminary 2016 Levy Increase

5.23%

	Change 2015 to 2016	Tax Levy Impact
City Departments-Maintaining Services	2.54%	1.80%
Levy Boards and Outside Agencies	2.62%	0.54%
Ontario Municipal Partnership Grant Reduction	5.6%	0.89%
<b>INCREASE BEFORE LEVY REDUCTION FROM PRIOR YEAR</b>		<b>3.23%</b>
Surplus for Levy Reduction		1.90%
Reserves for Levy Reduction		0.10%
<b>Overall Tax Impact</b>		<b>5.23%</b>

# LEVY REDUCTION FROM SURPLUS



# MUNICIPAL TAX BURDEN

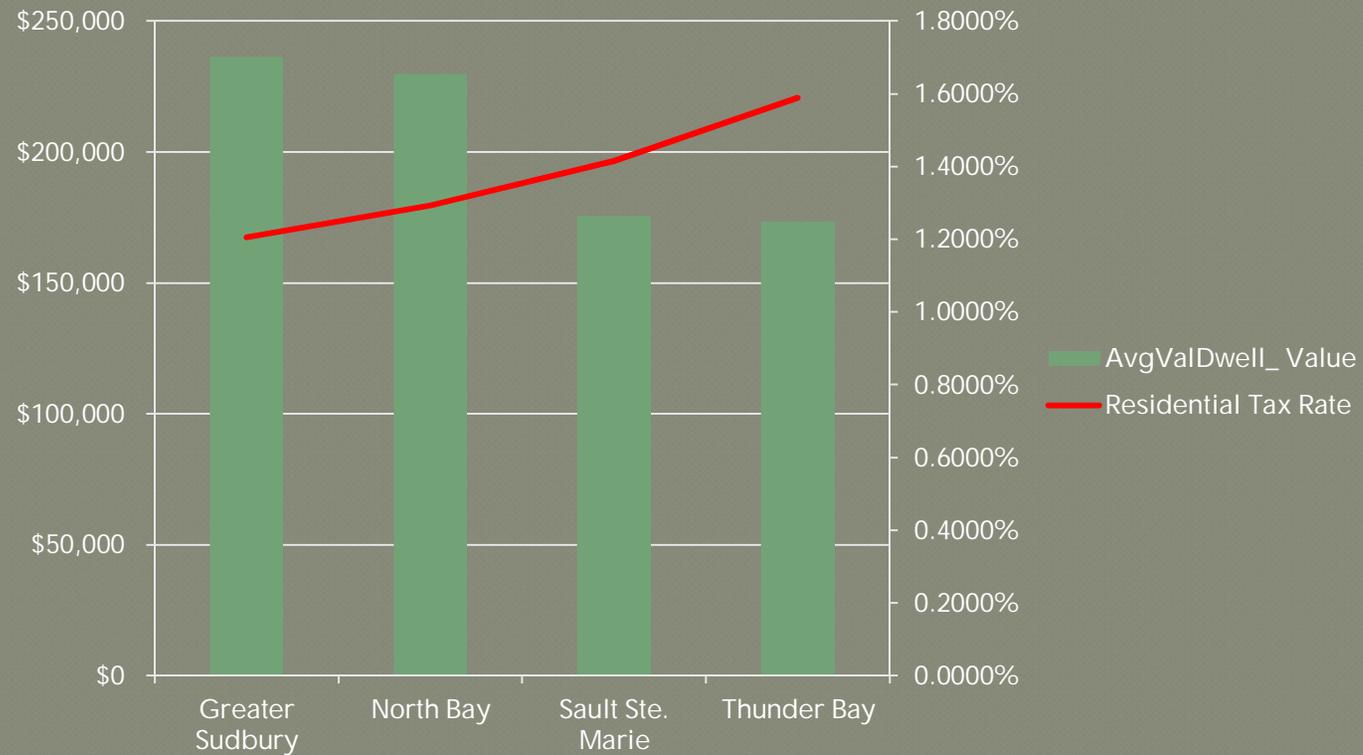


# RESIDENTIAL TAX RATES

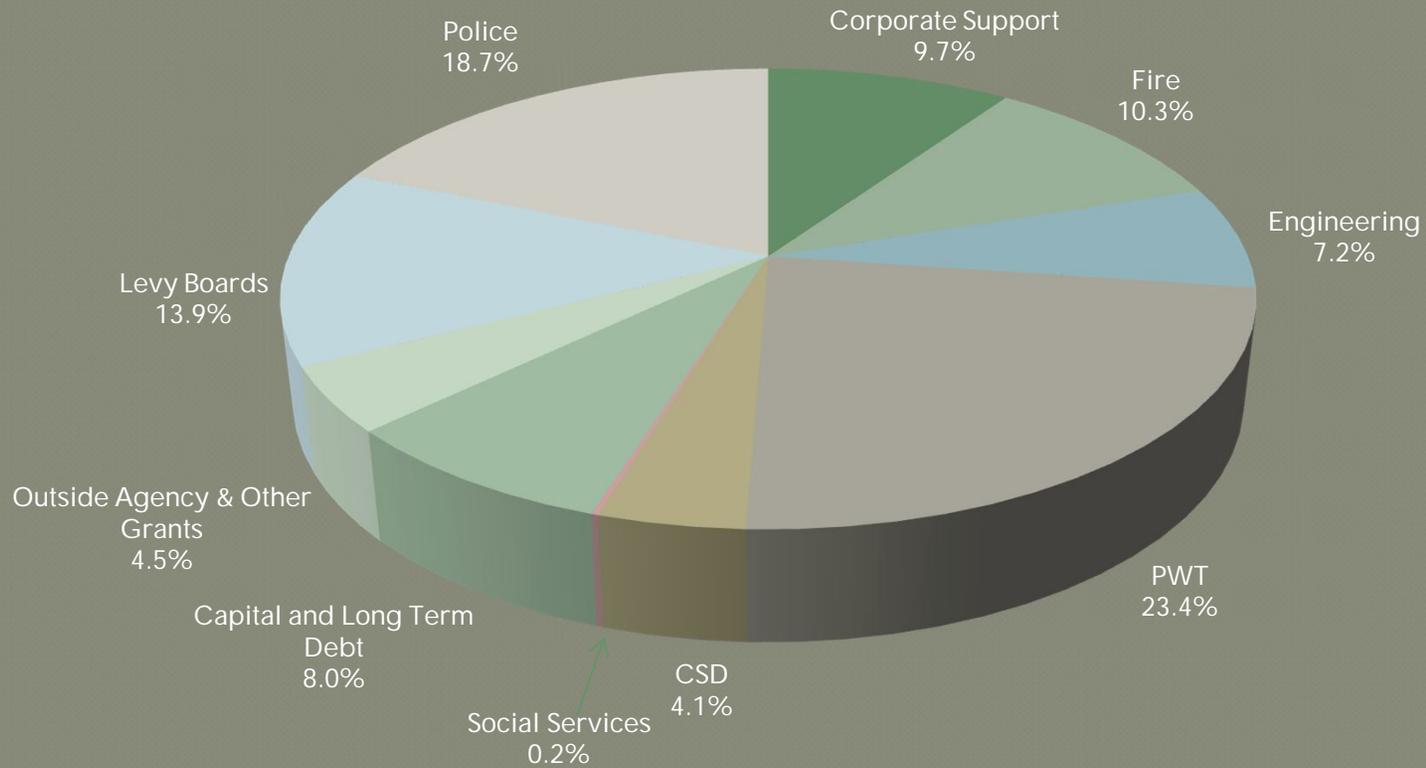


As the denominator (assessment) becomes smaller, the residential tax rate for an equal levy requirement increases

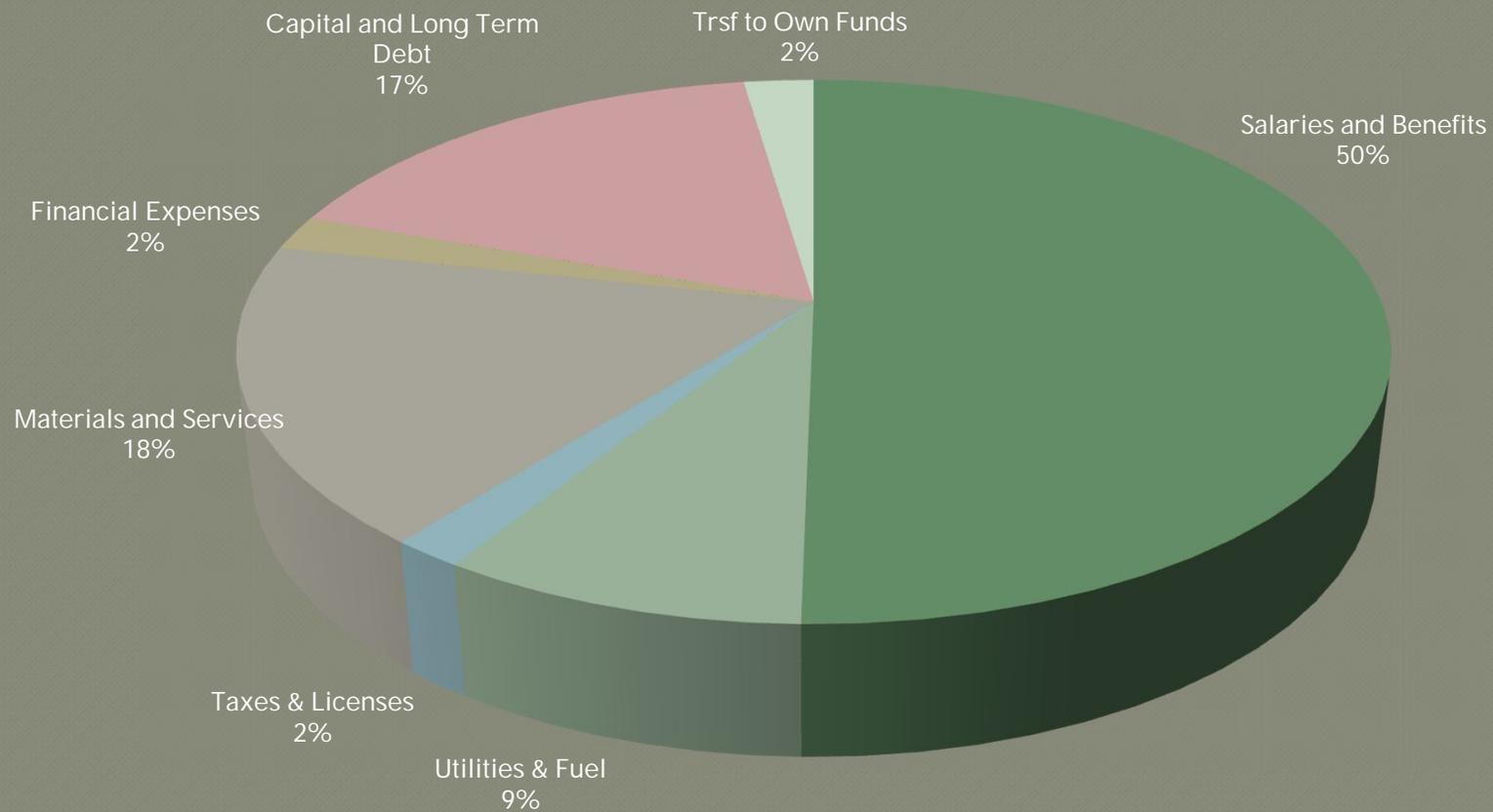
# RESIDENTIAL TAX RATES



# LEVY BY KEY AREAS



# MAINTAINING CITY SERVICES 1.8% OF 5.23% LEVY INCREASE



# LONG TERM DEBT



# CAPITAL BUDGET

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- Annual allocations

- Capital Roads & Misc Construction \$7.5 million
- Asset Management Plan \$5.4 million
- Sanitary Sewer Capital \$5.4 million

- 2016 Capital Road Works as approved by Council June 22, 2015 \$11.8 million

- Annual Operating Budget \$6.2 million
- Federal Gas Tax \$4.6 million
- Sanitary Sewer Charge \$1.0 million

# APPROVED CAPITAL ROAD PROJECTS

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- Francis Street: from Wellington Street East to Railroad Avenue
- Second Avenue: from Wallace Terrace to Second Line West
- Coulson Avenue: from Queen Street to Manor Road
- Black Road Widening: from Second Line to McNabb
- Fort Creek Aqueduct Project
- Various road resurfacing

# ASSET MANAGEMENT PLAN

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- Recommendation for 2016 and Capital from Current to be presented during budget deliberations
- Capital from Current allocation in operating budget remains at \$1.1 million

# SANITARY SEWER CAPITAL

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- ◉ Funded from Sanitary Sewer revenue
- ◉ By-law setting the user fee rate for 2016 was passed by Council on January 11, 2016
  - Aside from Capital Road Works, major projects over the next 5 years include the addition of a Biosolids Management Facility and West End Plant and pump station upgrades

# MAINTAINING SERVICES

CORPORATE REVENUES	
Increase in estimate for supplementary taxes	\$115,000
Increase in estimated Payment in Lieu	\$119,505
Increase in Lottery and Gaming revenue	\$50,000

# MAINTAINING SERVICES

COMMUNITY SERVICES DEPARTMENT REVENUE	
Decrease in daycare revenue projections based upon actual trend for space utilization	\$269,110
Decrease in athletic field fees due to addition of other community facilities	\$7,645
Increase in John Rhodes Community Centre restaurant lease	\$26,800
Increase in user fees and usage in some facilities	\$45,140

# MAINTAINING SERVICES

<b>PUBLIC WORKS AND TRANSPORTATION REVENUE</b>	
Decrease in transit ridership	\$109,000
Increase in Provincial Gas Tax funding	\$31,090
Decrease in cemetery fees, mainly from cremation services.	\$105,820

# MAINTAINING SERVICES

OTHER REVENUE	
Fire Services: elimination of fire alarm monitoring	\$39,000
Finance: decrease in lottery licenses	\$9,000

# MAINTAINING SERVICES

UNCONTROLLABLE COSTS	
Ward 2 By-Election	\$48,550
POA Wawa courtroom and Ministry cost recovery for adjudication	\$66,000
Contracted increases for hydrants, sewage plant operations and streetlights	\$149,745
Diesel fuel price increase from 2015 budget estimate	\$34,155
Utilities	\$39,000

# OUTSTANDING ITEMS

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- District Social Services Board of Sault Ste. Marie annual levy
  - Budget at 2015 level
  - DSSAB board approval scheduled for March 17, 2016
- Final streetlight capital budget from PUC
- Supplementary Items
  - Summary to be presented for discussion during budget deliberation
- 2015 Final Surplus
  - Audit currently underway

# NEXT STEPS

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- Budget deliberation meetings
  - Recommended schedule to be approved by Council
- Preliminary 2016 Budget to be adjusted based upon Council recommendations approved during budget deliberations
- Final Budget meeting mid-April
  - Tax rates based upon final adjusted budget and tax policy to be presented
  - 2015 surplus, if any, and allocation to be approved