

TITLE: 2007 Operating and Capital Budget	DATE: April 13, 2007
	DEPARTMENT: Finance
CLEARANCES:	ATTACHMENTS: A) Operating Budget Summary B) Capital Budget Summary C) Combined General Budget
Lonnie Kaal, Director of Finance Presenter	April 13, 2007 Date
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City Manager	Date

SUMMARY OF HISTORY/DISCUSSION & FUNDING:

Combined 2007 **Operating and Capital budgets** require **\$835,000** or a **7.25%** increase in taxes. With the reduction of the health levy of \$720,000 the real tax increase of \$115,000 is **1.0%**.

OPERATING:

The most notable changes in departmental budgets are as follows:

- 1) Revenue: *Extra \$198,020*
 - Increase in Provincial Revenue Sharing Grants of \$48,020
 - Increase surcharge revenue from Crowns \$150,000
- 2) Administration, Legislative & Finance: *Real Cost Increase \$199,585*
 - Increase in computer licenses and maintenance contracts
 - Salary increases
- 3) Protective Services: *Real Cost Increase \$220,235*
 - RCMP contract 3.0% plus radio capital project.
- 4) Leisure Services \$179,595
 - Water Park increase \$90,000 based on realistic revenues.
- 5) Gallagher Centre \$50,665
 - Increased labour and utility costs.

- 6) Planning, Engineering & Building Services: *Real Cost Increase \$172,575*
- Two additional staff persons
 - Landfill required digging of pit \$125,000
- 7) Public Works: *Real Cost Increase \$243,675*
- Increased maintenance of streets, lanes & sidewalks.
- 8) Waterworks is self-sufficient and has no impact on the tax pie.
- Expenditures will require a 5% rate increase effective June 1st.

DEBT:

No change from last year anticipated. If Waterworks project transpires as anticipated, debt may be issued late in year and will be funded from the utility.

CAPITAL:

Typically the City spends around \$1,200,000 on capital projects. Details for 2007 are attached with a total cost of \$1,216,000. The Province will continue to provide a capital grant in 2007 of \$517,110 plus the continuing of the Federal fuel tax grant of \$279,930 offsets costs, such that the capital budget requires \$418,960 from taxes.

The major projects in 2007 include \$12,036,000 in waterworks upgrades which will be funded from the utility. General capital projects include a complete mechanical upgrade to City Hall, improvements to York Road, Kinsmen arena upgrades and many smaller projects.

OVERALL:

The combined tax increase of \$835,000 which equates to 7.25% will have different impacts on specific properties depending upon tax policy decisions. Also, because a significant portion of the taxes levied are for the school divisions, it is important for homeowners to note that this increase is on the City only portion.

The average residential unit will decrease 2.5% because of the health levy reduction.

For a commercial property valued at \$100,000 the tax increase of 7.25% will be \$232.00.

Again, these numbers could change depending upon tax policy decisions.

RECOMMENDATION: That the attached combined 2007 operating and capital budget depicting total revenues of \$23,439,755 together with expenditures of \$23,436,485 with a net surplus of \$3,270 be approved as presented.

Preliminary 2007 Operating Budget Summary

	Actual 2006	Budget 2006	Budget 2007	Change Budget 2007 to 2006	
Revenue				%	Dollars
Taxes incl GIL properties	\$10,735,964	\$10,750,000	\$10,750,000	0.00%	\$0
Taxes - Health Levy	\$720,000	\$720,000	\$0		(\$720,000)
Surcharges - Crowns GIL	\$2,468,860	\$2,200,000	\$2,350,000	6.82%	\$150,000
Provincial Revenue Sharing	\$1,276,843	\$1,284,500	\$1,332,520	3.74%	\$48,020
Total Tax & Grant Revenue	\$15,201,667	\$14,954,500	\$14,432,520	-3.49%	\$198,020
					* excl health
Department	2006 Actual	Net Operating 2006	Net Operating 2007	Change Budget 2006 to 2007	
General				%	Dollars
Interest/Misc/Tax Discounts	(\$82,907)	(\$52,000)	(\$92,990)	78.83%	(\$40,990)
Misc/ BID grant	\$918,410	\$920,000	\$200,000	-78.26%	(\$720,000)
Legislative/Council	\$478,997	\$525,340	\$556,185	5.87%	\$30,845
Admin/Bylaw	\$1,483,260	\$1,538,565	\$1,679,795	9.18%	\$141,230
Subtotal	\$2,797,760	\$2,931,905	\$2,342,990	-20.09%	\$131,085
					* excl health
Protective Services				%	Dollars
Fire	\$1,478,671	\$1,630,605	\$1,679,820	3.02%	\$49,215
RCMP	\$2,713,197	\$2,618,200	\$2,749,220	5.00%	\$131,020
Subtotal	\$4,191,868	\$4,248,805	\$4,429,040	4.24%	\$180,235
Leisure Services & CH				%	Dollars
Cemetery	(\$14,357)	\$0	\$0	0.00%	\$0
Deer Park	\$117,716	\$81,110	\$112,605	38.83%	\$31,495
Leisure Admin & Programs	\$399,839	\$414,650	\$440,675	6.28%	\$26,025
Leisure Facilities	\$115,228	\$82,200	\$75,175	-8.55%	(\$7,025)
Leisure Outdoor & Parks	\$548,312	\$605,085	\$601,950	-0.52%	(\$3,135)
Library	\$422,772	\$417,040	\$430,365	3.20%	\$13,325
Water Park	\$369,621	\$271,810	\$341,100	25.49%	\$69,290
Subtotal	\$1,959,131	\$1,871,895	\$2,001,870	6.94%	\$129,975
Gallagher Centre	\$888,150	\$588,000	\$623,665	6.07%	\$35,665
Engineering & Planning				%	Dollars
Public Works	\$1,850,814	\$1,826,050	\$2,214,725	21.29%	\$388,675
Planning, Engineering, Bldg	\$546,400	\$630,520	\$432,830	-31.35%	(\$197,690)
Transit	\$145,005	\$150,040	\$138,900	-7.42%	(\$11,140)
Airport	\$38,987	\$30,500	\$65,570	114.98%	\$35,070
Landfill/Garbage	\$500,435	\$520,865	\$612,200	17.54%	\$91,335
Water	\$0	\$0	\$0	0.00%	\$0
Subtotal	\$3,081,641	\$3,157,975	\$3,464,225	9.70%	\$306,250
TOTAL DEPT OPERATING	\$12,918,550	\$12,798,580	\$12,861,790	0.49%	\$783,210
NET BEFORE DEBT/CAPITAL	\$2,283,117	\$2,155,920	\$1,570,730	-27.14%	(\$585,190)
Allow for Capital Budget	\$2,155,215	\$2,155,215	\$2,142,000		(\$13,215)
	<i>should be \$1,700,000 loan payment plus min \$400,000 capital = \$2,100,000</i>				
SURPLUS / (DEFICIT)	\$127,902	\$705	(\$571,270)	5.0%	(\$571,975)
TAX INCREASE REQUIRED			(\$571,270)	5.0%	