



City of Sault Ste. Marie

**2015 PRELIMINARY BUDGET
PRESENTATION TO COUNCIL
JANUARY 26, 2015**

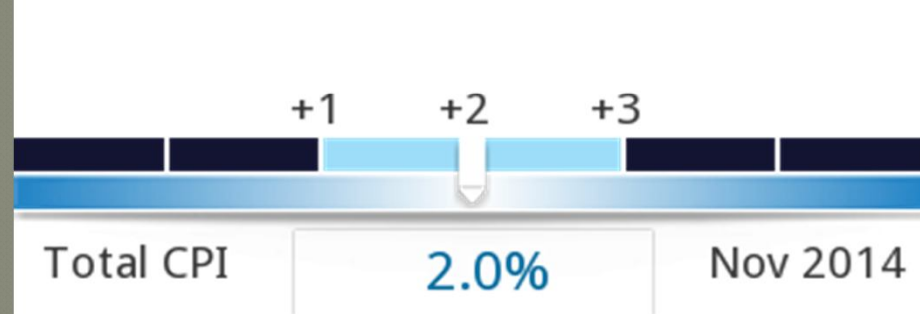
2015 OPERATING BUDGET PROCESS

	DATE
EMPLOYEE COMPLEMENT VERIFIED BY DEPARTMENTS. SALARY/BENEFIT BUDGET ESTABLISHED BY FINANCE.	AUGUST/SEPTEMBER
DEPARTMENT BUDGET FOR NON-SALARY ITEMS AND REVENUES, CAPITAL FROM CURRENT AND OPERATING INCREASE REQUESTS SUBMITTED	MID-OCTOBER
FINANCE DEPARTMENT REVIEW AND ADJUSTMENTS	NOVEMBER
PRELIMINARY BUDGET COMPLETED AND REVIEWED BY DEPARTMENTS	DECEMBER
PRELIMINARY BUDGET PRESENTED TO COUNCIL	JANUARY

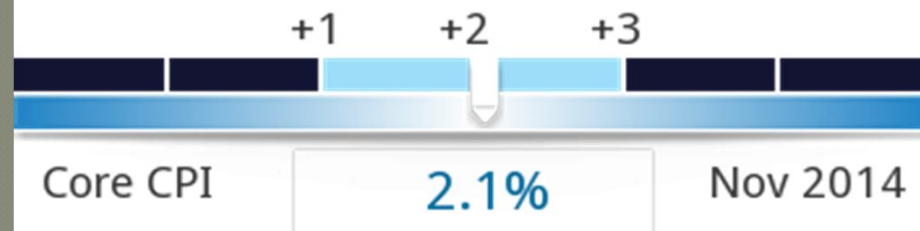
INFLATION INDICATORS

Key Indicators

Inflation-Control Target

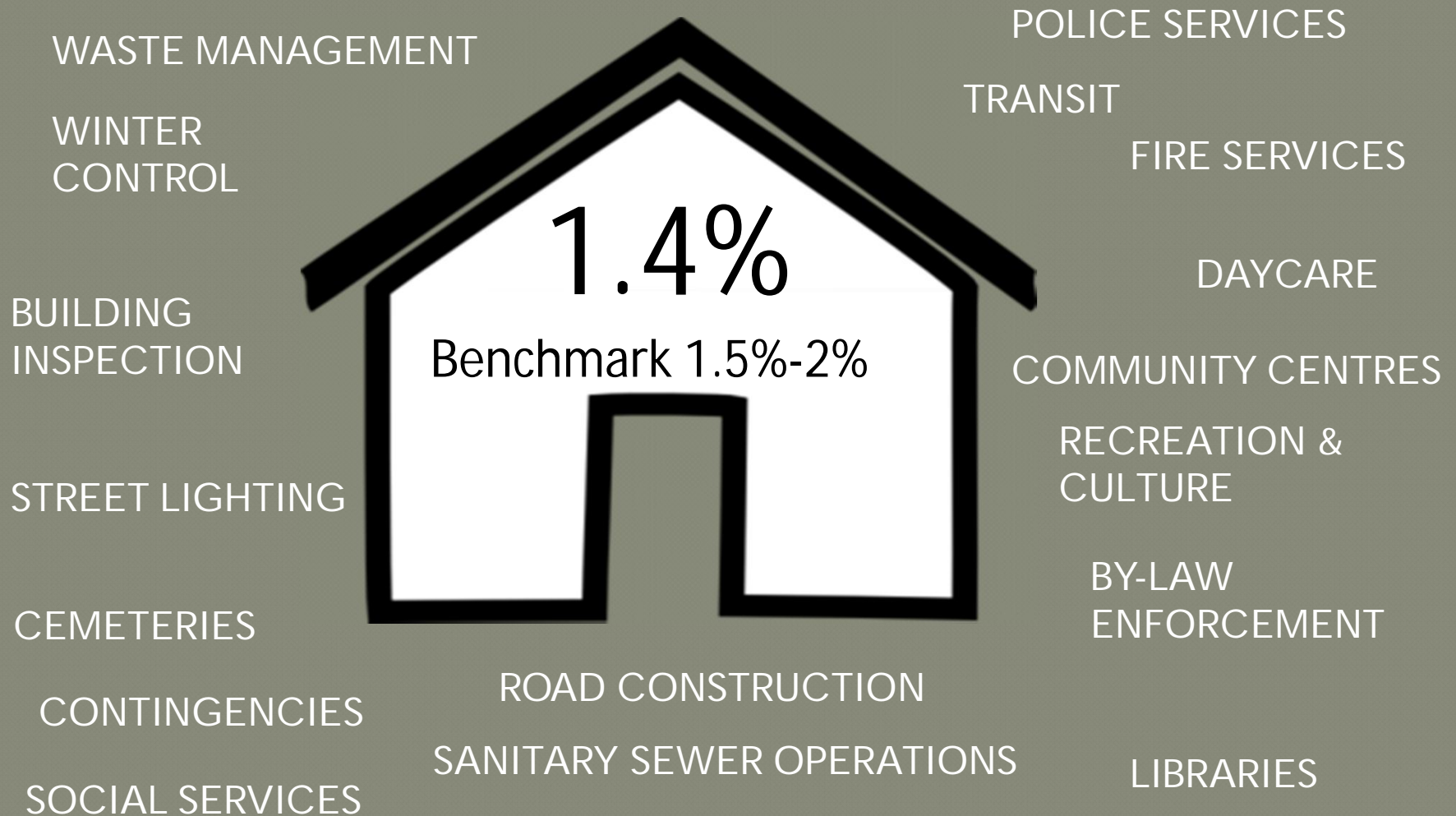


Operational Guide



Bank of Canada, www.bankofcanada.ca,
January 16, 2015

MAINTAINING SERVICES



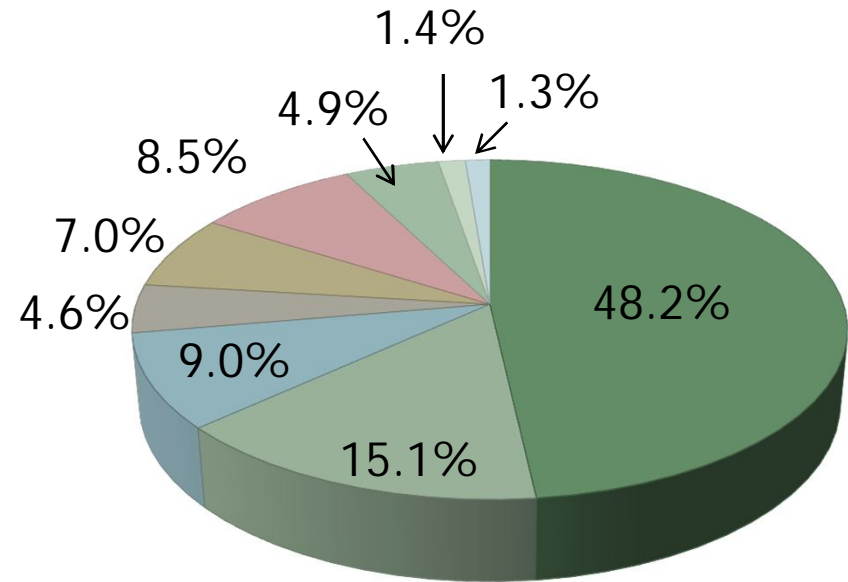
MAINTAINING SERVICES

- **Streetlighting** +753,050
- **Insurance Deductible** +\$100,000
- **Capital from Current** +\$100,000
- **Municipal Daycare**
 - Interim Savings – \$378,475
- **Cellphone Service Savings** -\$71,300
- **Fuel Usage** Neutral

2015 Gross Operating Budget by Major Types of Expenditures

Total Gross Expenditures : \$185.6 million (0.74% increase from 2014)

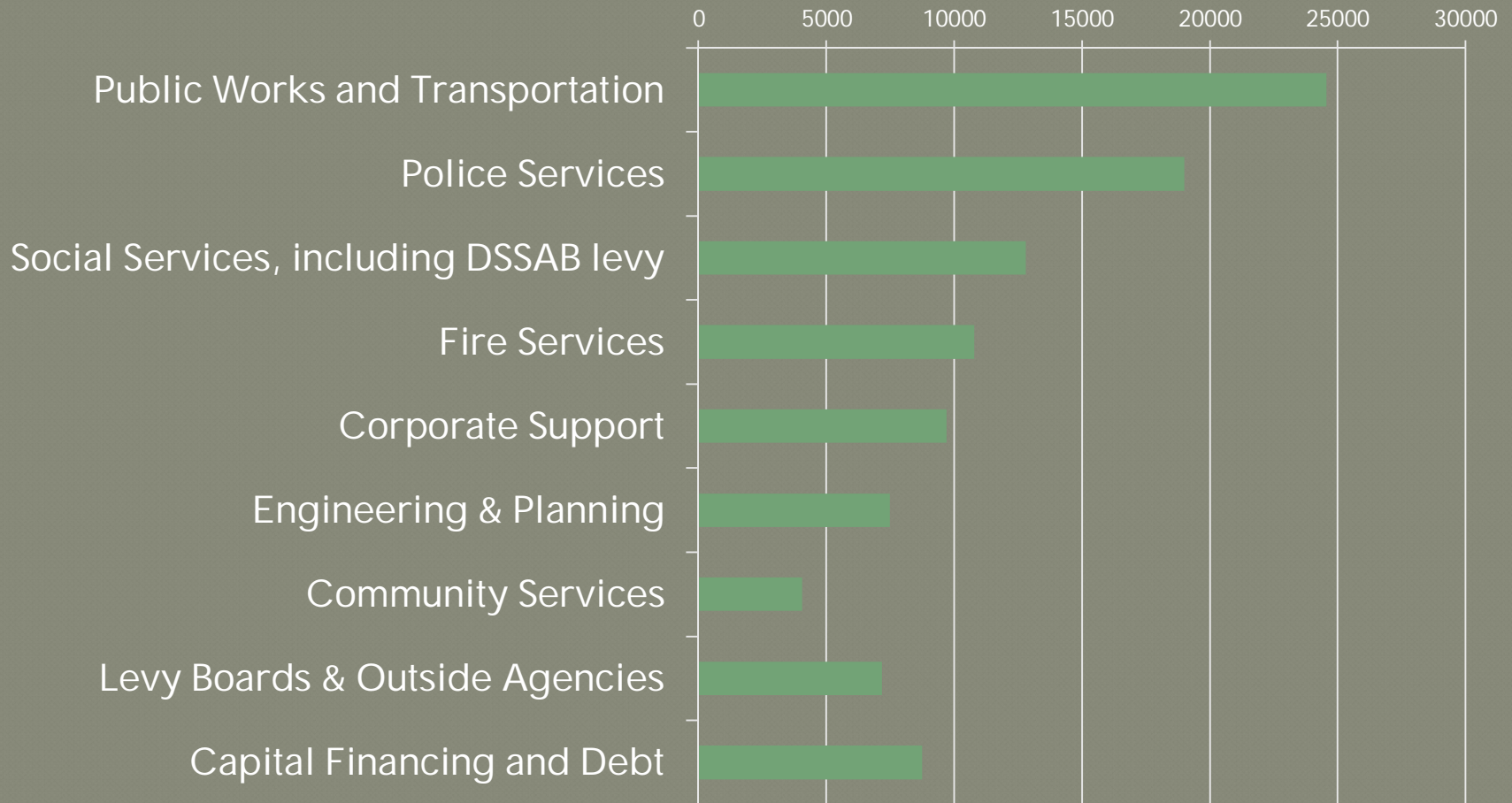
- Salaries & Benefits [48.2%] *
- Transfers to Reserves and Capital Funds [15.1%]
- DSSAB levy [9.0%] **
- Transfers to External Agencies [4.6%]
- Utilities Insurance and Taxes [7.0%]
- Operating and Maintenance Supplies [8.5%]
- Purchased and Contracted Services [4.9%]
- Financial Expenses [1.4%]
- Long Term Debt Principle & Interest Payments [1.3%]



*Contract expire in early 2015, 0% reflected until settlement determined

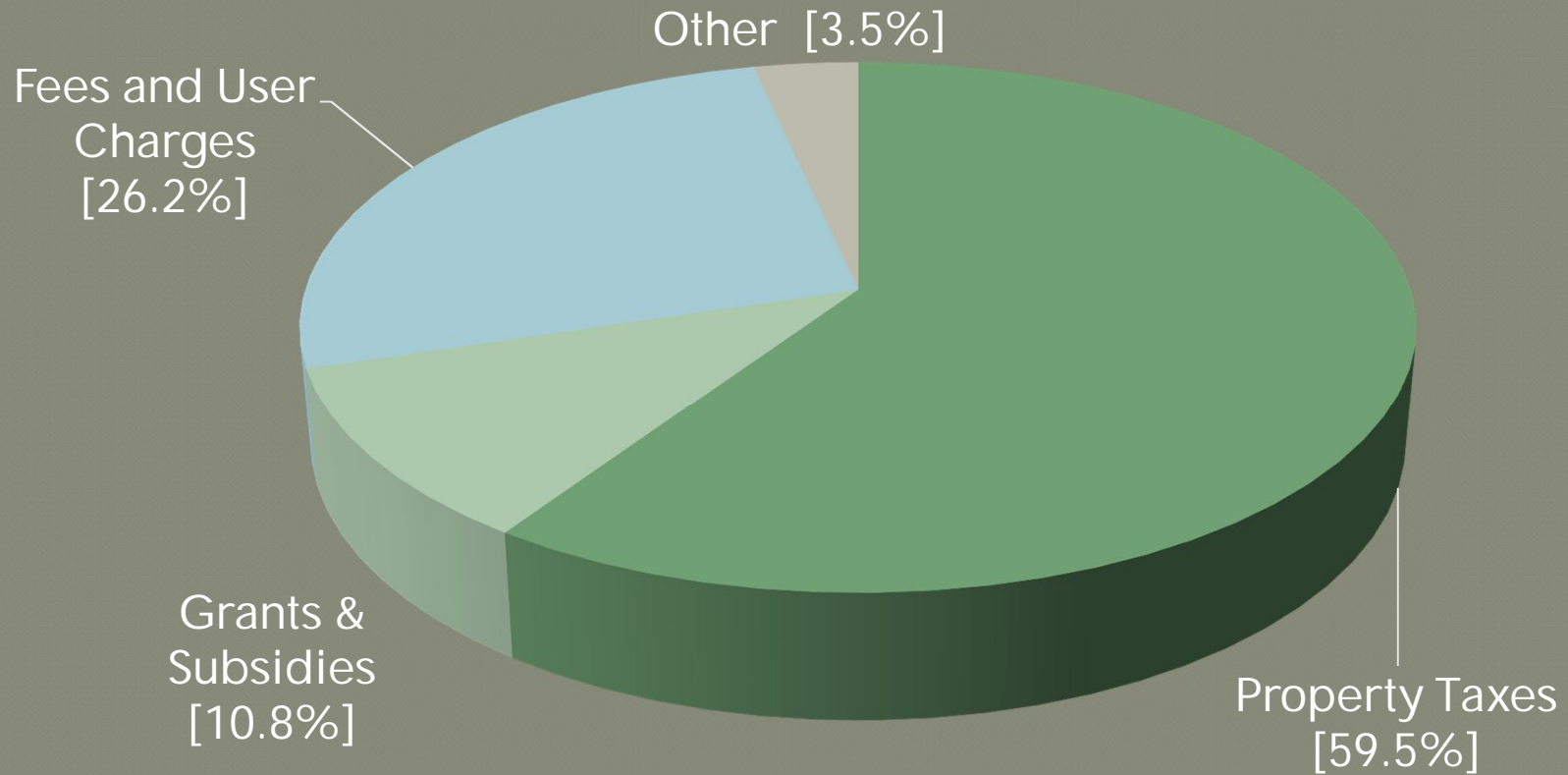
**Reflects 2014 levy as 2015 not yet received

LEVY BY DEPARTMENT

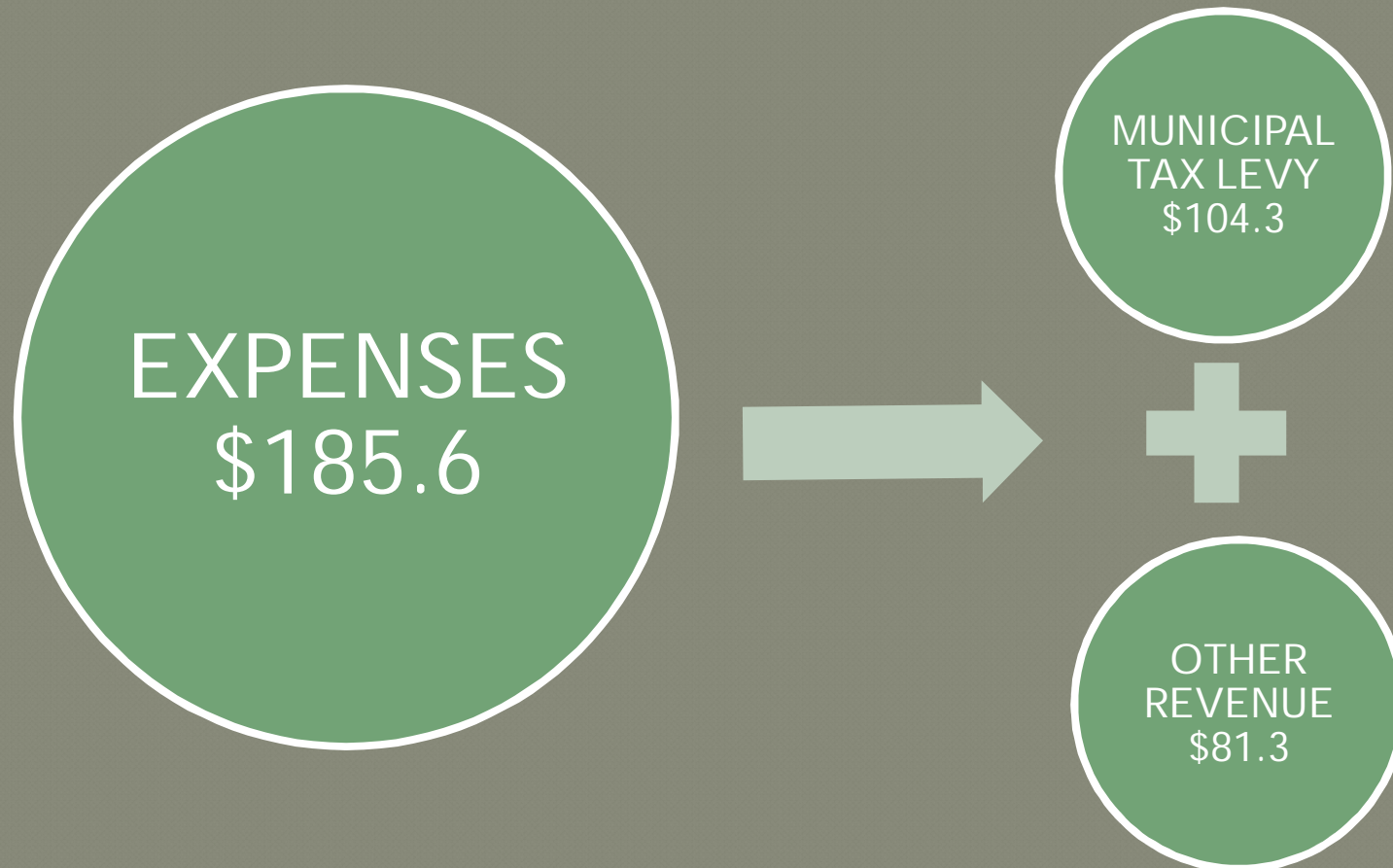


How Will We Fund the Total Expenditures?

Total Gross Revenue: \$185.6million



TAX LEVY (millions)



2015 Levy Increase 4.6%

1.4%

- **MAINTAINING SERVICES**

- Contractual obligations
- Assessment appeals and changes
- Reference: slides 3-5

1.0%

- **DECREASE IN SENIOR LEVEL GOVERNMENT FUNDING**

- OMPF decrease of 5.8%
- Province-wide decrease in fund 6.4%

2.2%

- **SURPLUS USED TO REDUCE LEVY IN 2014**

- \$2,150,055 of 2013 surplus in 2014 budget (\$1.5 mill 2013 budget)
- \$0 surplus included in 2015

CAPITAL FROM CURRENT \$1,200,000 Budget Allocation

DEPARTMENT	PROJECT	AMOUNT
Community Services	McMeeken ice surfacer (1/2 funded in 2014)	\$56,000
	Memorial Tower Rehabilitation-Phase 2 Grants to be pursued for matching funding	\$89,700
	Essar Center-main heating system maintenance	\$85,000
Finance	Disaster recover plan- Phase 2	\$75,000
Fire Services	Safety support stand	\$7,500
Police Services	New Digital 911 System Upgrade	\$119,300

CAPITAL FROM CURRENT \$1,200,000 Budget Allocation

DEPARTMENT	PROJECT	AMOUNT
Public Works and Transportation	Transit bus \$475,000 Balance from Transit Equipment Reserve	\$230,000
	Transit -Repair hoist support	\$35,000
	Transit -Repair Shop pressure washer replacement	\$15,000
	Transit-Forklift replacement	\$30,000
	Buildings- Roof leakage repair	\$15,000
	Demolition of Pipe Plant	\$90,000

CAPITAL FROM CURRENT \$1,200,000 Budget Allocation

DEPARTMENT	PROJECT	AMOUNT
Public Works and Transportation	Parks storage garage shelving	\$9,000
	Men's Locker Room-boiler replacement	\$16,000
	Pointe des Chenes campground septic system repairs	\$27,500
	Traffic-Unsupported traffic controller replacement	\$25,000
	Traffic-Opticom system Year 1 of 5 year funding	\$50,000
	Traffic control software	\$100,000
	Traffic uninterrupted power supply for signals	\$125,000

CAPITAL FROM CURRENT \$1,887,104 Reserves and Other Sources

DEPARTMENT	PROJECT	AMOUNT
Fire Services	Equipment replacement	\$70,000 Equipment Reserve
Police Services	New Digital 911 System Upgrade	\$58,000 Equipment Reserve
Public Works and Transportation	Transit bus portion from equipment reserve	\$245,000 Equipment Reserve
	Landfill-final cover/capping to sections	\$100,000 Waste Disposal Site Reserve
	Cemetery-new mausoleum	\$1,051,804 Cemetery Reserve Fund
	Cemetery chapel door, fencing and roof replacement	\$21,000 Cemetery Reserve Fund
Asset Management-facilities	Priority items required prior to plan approval	\$341,300 Asset Management Reserve

OUTSTANDING ITEMS

- District Social Services Board of Sault Ste. Marie annual levy
 - Budget at 2014 level
 - DSSAB board approval scheduled for March 19, 2015
- Algoma Public Health annual levy
 - Budget at 2014 level
 - Levy will be received by mid-February
- Supplementary Items
 - Will include only items for which Council has received a report and referred to budget
 - Summary to be presented for discussion at time for Final Budget Presentation
- 2014 Final Surplus
 - Audit currently underway

NEXT STEPS

- Final Budget meeting recommendation
April 20-21, 2015
- Tax rates based upon final budget and various options will be presented
- 2014 surplus and allocation to be approved
 - 2014 Municipal revenue increase due to assessment growth 0.62% (2013-1.71%)