



2011 Budget Process

Budget Philosophy & Budget Preparation Workshop

July 6, 2010

Budget Philosophy

“Ensuring long term financial stability”

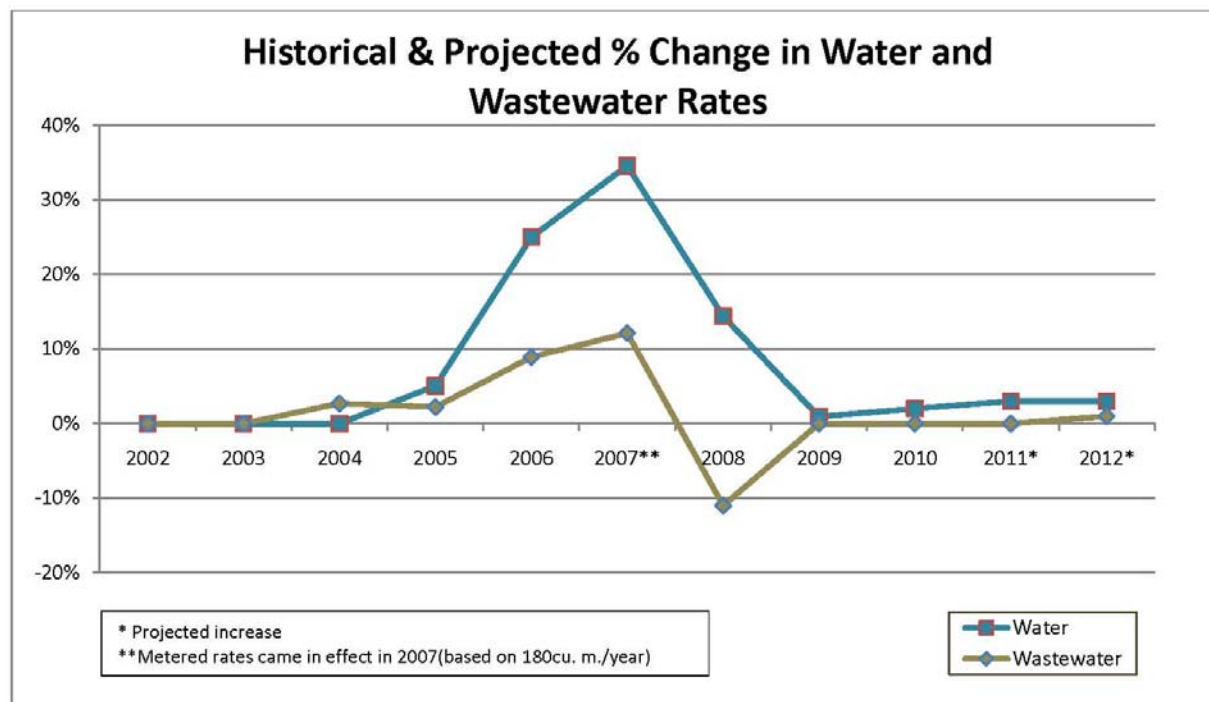
- i. Confirm commitment to 3 year operating & 5 year capital budgeting process**
- ii. Adopt a 3 year economic forecast for budgeting purposes with development growth projections based on current trends**
 - *Continue a slow steady recovery over next 2 years with some improvement in 3^d year.*
 - *World markets are still unsettled from credit crisis and Europe is concerned with debt. These fiscal concerns are likely to persist through year-end and remain a constant theme in global financial markets.*
 - *The United States is still a concern due to the slow changes in their banking system. A strong banking system is integral to a strong economy.*
 - *These and the following indicators point to Canada having a relatively strong recovery outlook:*
 - *Trade expansion with newer markets/partners - Brazil, Russia, India and China (BRIC).*
 - *Inflation is forecasted at 2.2% for 2010 (BMO Capital Markets Economics – June 18/10 using Consumer Price Index)*
 - *Prime rate expected to increase from 2.35% to 4.75% in the first quarter of 2012*
 - *An additional 2% in interest rates could mean \$62,000 / year of additional debt repayments.*
 - *Employment Growth in Canada is estimated at 1.6% in 2011 – could be up to 90k- 100k new jobs in ONT*
 - *Development Growth*

Year	Building Permits (for new units/dwellings)	DC Background Study
2005	317	539
2006	294	510
2007	183	481
2008	105	481
2009	67	158
2010	90	186
2011	125	191
2012	150	215
2013	175	210

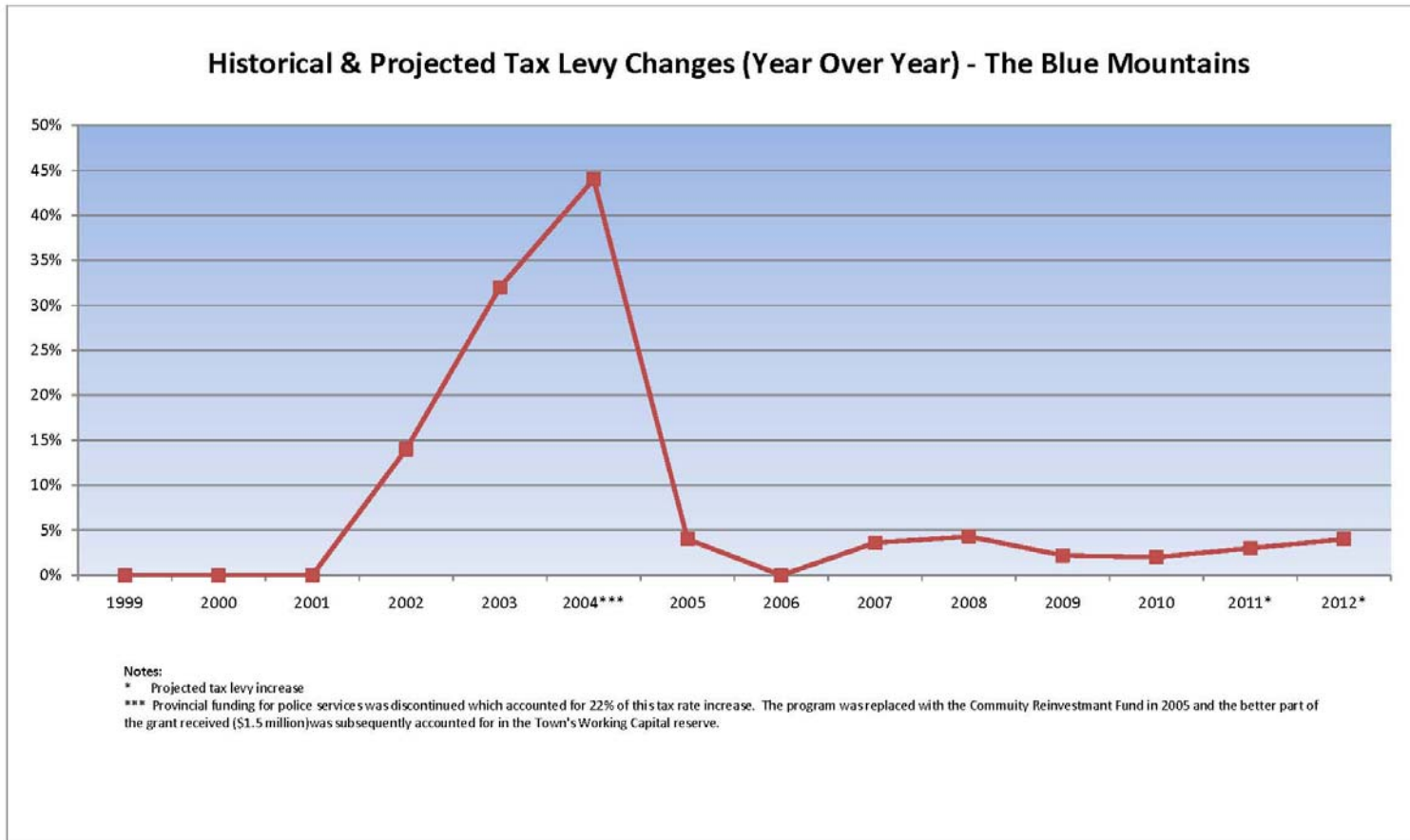
- Assessment Growth for 2011 is estimated at 2%
 - This is made up of new growth and property improvements.

iii. Confirm budget levels based upon controlled growth and long term financial sustainability

- It has been 4 years since metered rates have been introduced. Water consumption continues to decline as users continue to conserve.



- The projected Tax Levy Change is 3.4% in 2011 and 3.5% in 2012



iv. Confirm the continued use of a higher level operating budget review based upon corporate-wide and departmental summaries versus a review of all line accounts

Town of The Blue Mountains
Operating Budget Summary
Budget Expenditures InterFunctional and Transfers

Department	2008		Proposed Budget						
	Actual \$	Budget \$	2009 Budget	Annual Change \$	%	2010 Budget	%	2011 Budget	%
Council	439,861	473,843	434,853	-38,990	-8%	514,522	18%	445,116	-13%
CAO/Clerks Office	1,042,037	1,017,552	975,182	-42,370	-4%	913,412	-6%	947,432	4%
Communications & Economic Develop	572,343	584,888	701,076	116,188	20%	800,556	14%	608,036	-24%
Human Resources	151	0	494,700	494,700	0%	549,056	11%	607,544	11%
Police Services	4,223,581	4,190,210	4,353,302	163,092	4%	4,749,764	9%	4,890,300	3%
Financial Services	2,449,930	2,361,100	2,410,158	49,058	2%	2,502,798	4%	2,533,574	1%
Corporate Admin	-5,394,701	492,384	703,007	210,623	43%	249,761	-64%	397,158	59%
Information Technology	271,479	202,942	224,644	21,702	11%	311,938	39%	324,868	4%
Fire Services	2,101,960	2,348,857	2,367,712	18,855	1%	2,324,500	-2%	2,492,518	7%
Emergency Measures	168,114	217,310	148,930	-68,380	-31%	158,230	6%	162,964	3%
Conservation Authority	505,938	506,240	412,840	-93,400	-18%	462,650	12%	449,830	-3%
By-Law & Animal Ctl	512,950	606,236	625,392	19,156	3%	677,480	8%	637,988	-6%
Roads and Drainage	5,954,065	5,706,625	6,092,808	386,184	7%	6,715,803	10%	6,990,784	4%
Parking Lots	3,099	21,000	19,100	-1,900	-9%	40,100	110%	20,000	-50%
Street Lights	431,117	452,000	353,700	-98,300	-22%	356,000	1%	301,000	-15%
Engineering	200,055	360,000	514,000	154,000	43%	428,000	-17%	439,000	3%
Garbage Collection	521,622	525,622	551,802	26,180	5%	577,746	5%	596,922	3%
Landfill	900,814	895,220	1,025,019	129,799	14%	927,230	-10%	1,165,836	26%
Recycling	669,755	956,282	1,551,654	595,372	62%	1,506,702	-3%	1,483,602	-2%
Cemetery	99,343	134,050	216,806	82,756	62%	383,526	77%	232,362	-39%
Health and Social Services	62,100	70,200	70,000	-200	0%	70,000	0%	70,000	0%
Library	993,309	1,103,654	1,160,382	56,728	5%	1,261,314	9%	1,405,312	11%
Recreation	24	0	344,124	344,124	0%	354,448	3%	365,082	3%
Parks and Trails	1,120,421	1,271,018	1,121,892	-149,126	-12%	1,182,870	5%	1,191,964	1%
Beaver Valley Comm. Ctr.	729,384	965,299	804,460	-160,839	-17%	945,396	18%	951,086	1%
Small Halls	47,715	60,063	41,770	-18,293	-30%	38,034	-9%	39,278	3%
Georgian Trail	37,717	36,852	36,912	60	0%	36,852	0%	36,852	0%
Depot	285,430	199,740	175,002	-24,738	-12%	188,244	8%	195,918	4%
Planning and Zoning	1,159,413	1,415,448	2,248,088	832,640	59%	1,329,238	-41%	1,424,740	7%
Total Expenditures	20,109,024	27,174,634	30,179,315	3,004,681	11%	30,556,170	1%	31,407,066	3%

2010 Budget Process – Budget Philosophy

User Fee Supported									
Building	1,335,403	1,511,896	1,438,877	-73,019	-5%	1,473,204	2%	1,571,478	7%
Harbour	391,013	842,300	858,661	16,361	2%	883,500	3%	905,600	3%
Tile Drainage	12,083	17,734	21,868	4,134	23%	19,810	-9%	17,218	-13%
BIA	72,624	158,150	161,558	3,408	2%	160,886	0%	153,386	-5%
Total User Fee Supported	1,811,123	2,530,080	2,480,964	-49,116	-2%	2,537,400	2%	2,647,682	4%
User Rate Supported									
Water and Wastewater									
Water Treatment Plant	320,480	1	24,999	24,998	0%	14,999	-40%	15,000	0%
Water Distribution System	2,807,831	5,827,950	6,253,347	425,396	7%	6,559,321	5%	6,668,488	2%
Water Meters	0	0	0	0	-100%	0	0%	0	0%
Thornb'y WW Collection & Treat	601,426	1,402,104	1,954,662	552,558	39%	2,014,465	3%	2,115,790	5%
Craigleith WW Collection & Treat	1,359,587	2,786,071	2,655,481	-130,589	-5%	2,778,601	5%	2,839,108	2%
Total Water and Sewer	5,089,324	10,016,126	10,888,489	872,363	9%	11,367,387	4%	11,638,386	2%

2010 Budget Process – Budget Philosophy

Town of The Blue Mountains Training and Travel For the Twelve Months Ending December 31, 2008

Department	2007	Budget	2008	Budget	Proposed Budgets			2010	%	2011	%
	Actual		Actual		2009	Annual Change	Budget				
	\$	\$	\$	\$	Budget	\$	%	Budget	%	Budget	%
Council	35,823	38,300	37,845	37,500	13,600	-23,900	-64%	41,360	204%	41,250	0%
CAO/Clerks Office	15,310	17,950	19,512	16,000	12,500	-3,500	-22%	16,500	32%	18,000	9%
Communications & Economic Development	31,103	26,000	9,064	8,500	4,800	-3,700	-44%	8,000	67%	8,000	0%
Human Resources	0	0	0	0	6,000	6,000	0%	8,650	44%	9,100	5%
Financial Services	14,561	20,295	20,245	25,960	18,877	-7,083	-27%	24,430	29%	25,230	3%
Corporate Admin	6,528	4,840	6,237	3,050	4,150	1,100	36%	4,150	0%	4,150	0%
Information Technology	2,848	4,950	5,380	6,800	7,500	700	10%	9,500	27%	10,000	5%
Fire Services	17,393	14,100	16,346	22,725	16,000	-6,725	-30%	17,700	11%	18,750	6%
Emergency Measures	191	1,975	566	2,025	1,890	-135	-7%	2,145	13%	2,200	3%
By-Law & Animal Ctl	7,440	7,315	5,918	4,950	7,800	2,850	58%	9,325	20%	9,335	0%
Roads and Drainage	11,931	14,750	13,210	17,150	13,500	-3,650	-21%	18,050	34%	18,050	0%
Engineering	8,148	7,100	5,640	9,500	7,183	-2,317	-24%	10,350	44%	10,875	3%
Garbage Collection	700	0	0	0	0	0	0%	0	0%	0	0%
Landfill	1,857	6,500	2,936	4,900	1,500	-3,400	-69%	5,500	267%	6,100	11%
Recycling	1,716	6,985	4,308	6,980	1,450	-5,530	-79%	8,615	494%	8,615	0%
Cemetery	255	125	298	250	325	75	30%	525	62%	575	10%
Library	2,226	3,650	2,928	5,200	5,725	525	10%	7,225	26%	8,700	20%
Parks and Trails	3,781	7,400	3,105	5,050	4,500	-550	-11%	7,500	67%	7,525	0%
Beaver Valley Comm. Ctr.	5,601	6,440	8,052	5,500	6,000	500	9%	5,820	-3%	5,870	1%
Georgian Trail	351	0	432	0	0	0	0%	0	0%	0	0%
Depot	266	0	5,050	806	2,050	1,244	154%	3,500	71%	3,510	0%
Planning and Zoning	16,540	17,100	18,068	19,450	13,675	-5,775	-30%	16,900	24%	17,600	4%
Total Non-Tax Revenue	184,568	205,775	185,140	202,296	149,025	-53,271	-26%	225,745	51%	233,235	3%
User Fee Supported											
Building	24,328	37,130	13,480	14,350	15,200	850	6%	17,150	13%	17,150	0%
Harbour	1,359	2,725	2,427	3,225	5,450	2,225	69%	4,175	-23%	4,800	15%
BIA	205	200	0	265	265	0	0%	265	0%	265	0%
Total User Fee Supported	25,891	40,055	15,907	17,840	20,915	3,075	17%	21,590	3%	22,215	3%
User Rate Supported											
Water and Wastewater											
Water Treatment Plant	5,307	7,150	4,079	6,550	5,950	-600	-9%	6,475	9%	6,900	7%
Water Distribution System	7,951	11,050	7,963	9,050	7,500	-1,550	-17%	8,000	7%	8,525	7%
Water Meters	2,257	1,650	758	1,300	1,350	50	4%	1,400	4%	1,400	0%
Thornby WW Collection & Treat	693	4,950	2,204	3,350	3,400	50	1%	3,450	1%	3,724	8%
Craigleith WW Collection & Treat	2,006	7,000	2,564	4,750	5,100	350	7%	5,500	8%	5,700	4%
Total Water and Sewer	18,213	31,800	17,569	25,000	23,300	-1,700	-7%	24,825	7%	26,249	6%
Total	228,673	277,630	218,616	245,136	193,240	-51,896	-21%	272,160	41%	281,699	4%

v. **Confirm a commitment to the growth of the capital budget and to a detailed review of all capital projects associated with the 3 year operating budget**

- o *The Capital Budget process will remain similar to last year with comprehensive budget sheets being prepared for each Capital Project.*
- o *Emphasis will be on detailed project timelines to assist managers and staff to ensure adequate corporate resources and staff are available to complete the proposed project.*
- o *As in last year’s budget process, Tangible Capital Assets will follow the requirements of PSAB 3150. Therefore budgeting for some expenditures that would have been included as capital will no longer be considered capital. Staff will adjust numbers for comparison purposes.*

Capital Budget vs. Actual History	2006	2007	2008	2009
Total Capital Budget (Expenditures)	\$26,375,775	\$26,077,765	\$18,605,319	\$25,452,083
Total Actual	\$22,615,058	\$10,135,490	\$9,256,971	\$13,937,674
Percentage of Budget Spent	85.74%	38.87%	49.75%	54.75%
Budgeted Funding from Taxation	\$1,975,468	\$1,988,184	\$1,699,596	\$1,471,445
Spent from Taxation	\$1,812,468	\$1,453,265	\$1,330,291	\$1,199,836
Percentage of Taxation Budget Spent	92%	73%	78%	82%

- o *Discuss ability to historically complete budgeted capital works and an action plan to close the gap*

	2006	2007	2008	2009	2010	2011 (Budget)	2012 (Budget)	2013 (Budget)	2014 (Budget)
Total Capital Budget	\$ 26,375,775	\$ 26,077,765	\$ 18,605,319	\$ 24,064,858	\$ 15,886,860	\$ 9,731,486	\$ 5,366,270	\$ 18,560,828	\$ 9,249,461
Funding from Taxation*	\$ 1,975,468	\$ 1,988,184	\$ 1,699,596	\$ 1,471,445	\$ 1,530,790	\$ 1,655,038	\$ 1,759,090	\$ 1,813,068	\$ 2,006,617
\$ Increase or decrease from previous year	\$ 268,449	\$ 12,716	-\$ 288,588	-\$ 228,151	\$ 59,345	\$ 124,248	\$ 104,052	\$ 53,978	\$ 193,549
% Increase or decrease from previous year	15.7%	0.6%	-14.5%	-13.4%	4.0%	8.1%	6.3%	3.1%	10.7%
Taxation impact - proposed levy increase**	2.9%	0.1%	-3.4%	-2.5%	0.6%	1.2%	1.0%	0.5%	1.8%

*includes all non PSAB compliant projects contained in Operations

**Total levy increase of 1% would result in additional capital spending of \$100,000 for 2011

○ **Capital Budgets fund more human resources:**

- Staff/Consultants/Project managers

- Complete some projects as design / build assignments

- ▶ The Town has struggled to get “value for money” from several engineering consultants on our construction projects. Since the supply of consulting firms is quite limited locally and some engineering consultants lack the sense of ownership that we find in our own staff, SMT wishes to explore the option of growing the Engineering Division within EPW to provide in-house engineering services for a base load of work. SMT has discussed the viability of the option in the past and wishes to obtain Council’s opinion whether the initiative warrants exploration.
- ▶ We have had success on several projects that we have done internally. Most recently, the Hester Street Parking Lot went from conception to completion within 3 months. The Town has the skills to effectively administrate a reconstruction project designed by an external engineering firm.
- ▶ Consulting Engineering staff generally charge out at 2½ times wages which provides us flexibility in staff workload assignment and still be “money ahead”. The main disadvantage to hiring internal staff is making sure that they have an adequate workload. We feel that with effective five year capital planning and not expanding beyond that needed for a base workload, we can confidently plan a schedule that optimises internal engineering services.
- ▶ The next step would be to develop a business plan to explore the feasibility of expanding the Engineering Division for possible incorporation in the 2012 Budget.

○ *Review status of reserves and reserve funds*

	2009 Unaudited Year-end Balances	2010 Estimated Year-end Balances
Reserves	\$9,229,471	\$7,750,000
Reserve Funds	\$15,899,130	\$15,225,000
DC Funds	\$752,374	\$1,375,000

- 2009 Debt & Unfinanced - \$11,169,232

- Set five year target for Capital Budgets and look to grow to a 10 year outlook

- vi. **Adopt the philosophy of a Council set “Base Target Budget” with proposed enhancements / reductions being debated through the budget process**
 - *Staff would bring forward a proposed budget based upon a target set by Council*
 - *Senior Management Team would bring forward “Justification Reports” for any proposed enhancements or reductions*
 - *Council can add to the list*
 - *Ultimately Finance & Administration Committee of the Whole will vote to determine which, if any, enhancements or reductions are to be included in the “Proposed Budget” to be released to the Public for comment*

- vii. **Discuss the Integrated Community Sustainability Plan, the Housing Study, the Economic Development Strategy, the Community Improvement Plan and the Official Plan as critical Planning Documents**



Budget Preparation

Budget Preparation Assumptions

a) Anticipated Budget Pressures With Financial Projections

i. Three (3) year COLA increase based upon established settlements in other jurisdictions

Salaries/Wages/Contract Payrolls

Proposed Cost of Living Allocation (COLA) for The Blue Mountains;

2010 – 1.0% 2011 – 2.0% 2012 – 3.0% 2013 – TBD during process

The Town payroll is a large portion of the Town's expenditures. One percent increase on the taxation portion of the Town payroll is approximately \$67,000, which is approximately 0.68% of the overall Town levy. A 2% COLA would increase the tax levy by 1.4%.

Supporting data at this point is yet to be updated.

Non-union salary increases are frequently tied to bargaining unit settlement. If not, these increases are often subject to review. The following is information of various municipalities compiled by the Ontario Municipal Human Resource Association.

Unionized and Non-union salary increases for 2010 and 2011

<i>Method</i>	<i>2010</i>		<i>2011</i>	
	<i>CUPE</i>	<i>Non-union</i>	<i>CUPE</i>	<i>Non-union</i>
<i>Average</i>		2.81%		2.59%
<i>Median / Mode</i>		3%		2.5% to 3%
<i>Other</i>	2.25% to 3.25%	CPI %	2.5% to 3.25%	CPI %

Municipality	2010		2011	
	Union	Non-union	Union	Non-union
The Blue Mountains		1%		
Meaford	3%	n/a		unknown
Collingwood	3%			unknown
Owen Sound	3% + 2% October	3%		unknown
Barrie	2%		2%	
Wasaga Beach	3%	1.6%	negotiations	unknown
Springwater		2%		unknown
Parry Sound	3%	2%	3.15%	unknown
Orillia	Out since 2009	1.5%		unknown
Simcoe County		1.5%		unknown
Town of Bradford West Gwillimbury		2%		unknown

OMERS – 2009 Rates

		2009	2010	2011
Normal retirement age 65 members	On earnings up to CPP earnings limit	6.3%	6.4%	
	On earnings over CPP earnings limit	9.5%	9.7%	
Normal retirement age 60 members	On earnings up to CPP earnings limit	7.7%	7.9%	
	On earnings over CPP earnings limit	12.8%	13.1%	

**The YMPE for 2010 is \$472,300 (year's maximum pensionable earnings). This is the earnings limit up to which members also contribute to the Canada Pension Plan. We will know the 2011 limit later this year.*

ii. Anticipated cost increases/decreases

○ **Purchased water from COLLUS -- TO BE DISCUSSED**

The Town has an agreement with COLLUS to provide water to the Town. The Water agreement was established in 2006 to take water at an increasing volume until termination.

Although our Water Plant can produce sufficient flow for the entire distribution system, the benefits of having a secondary water source are immense.

As the contract with COLLUS ages, the minimum volume requirement to take water increases, creating a large impact on the water system budget. The Engineering and Water and Wastewater senior staff have negotiated a new contract with COLLUS.

○ **Insurance – estimated 15% increase over 2010**

- *The Town is always working to reduce the exposure to risks, liability and potential claim.*
- *The Town’s insurer states it is **too early in the year to project an accurate estimate**, however all insurance rates will likely see an increase*
- *Anticipate an increase anywhere from 15% to 25%. Using the minimum estimate of 15% increases the annual 2010 premium from \$522,945.00 to \$601,385.*

<i>Insurance Increases by User/Taxation Funding:</i>	Increase over 2010 Budget
<i>Taxation</i>	\$49,812
<i>Water / Wastewater</i>	\$12,425
<i>User Departments</i>	\$16,204

○ **Energy**

The projection for electrical rates for 2010 anticipates rate increases.

The regulatory charges are increasing from 5.8 cents to 6.5 cents for the first 600 kwh used and 7.5 cents for each kwh above that threshold.

Time of Use Pricing will be reflected when Smart Meters are installed:

- The On-Peak Rate of 9.9 cents / kwh will be in effect from 7:00 am to 11:00 am AND 5:00 pm to 9:00 pm
- Mid-Peak Rate of 8.0 cents / kwh will be in effect from 11:00 am to 5:00 pm
- Off Peak Rate of 5.3 cents / kwh will be in effect from 9:00 pm to 4:00 am

<i>Electricity Costs for 2009</i>	
<i>Taxation</i>	\$ 212,689
<i>Water / Wastewater</i>	\$ 345,478

○ Capital Projects flowing from Stimulus and other Grants

Granting Authority	Project
Infrastructure Stimulus Fund	Beaver River Trail Administrative Building Expansion
FCM – Green Municipal Fund	Administrative Building Expansion
Building Canada Fund	Plan 915 Water / Sewer / Road Reconstruction
Highway Connecting Link Allocation	Beaver River Bridge
R.I.D.E. Grant Program	OPP R.I.D.E. Allocation
Ontario Municipal Partnership Fund	General Government
Stewardship Ontario	Blue Box Program
Ontario Rural Summer Job Service	Summer Student Grant
FCM - Green Municipal Fund	Long Term Community Sustainability & Greenhouse Gas Emission
Municipal Infrastructure Investment Initiative	Organics Processing Study Organics Processing Facility Household Hazardous Waste Facility
Fisheries & Oceans	Dock Replacement at Thornbury Harbour
Federal Gas Tax	General Government

o **Increased costs related to Parks & Trails Growth**

Since 2006, the Recreation Department - Parks and Trails Division has seen an increase in property and trails with the exception of acquisition of the Tomahawk Recreation Complex, Heathcote Park and Beaver River Trail properties and trails. For the most part, these properties have been acquired through development either by 40% open space, parkland dedication and / or trail infrastructure for active transportation and connectivity. In 2010, the completion of the Beaver River Trail, Heathcote Park, and Delphi Point Park added approximately 10 kilometres of trails and 13 acres of property to the overall inventory.

	2006	2010	2012
Maintained Parks (acres)	100.55	199.01	214.21
Trails (kilometres)	7.5	47.83	50

In addition to this inventory, the Recreation Department provides premise maintenance to various Town Sites including the Town Hall, Library, and summer premise maintenance to both Fire Halls as well as water and wastewater facilities.

In 2009, Cemetery Supervisor duties were added to the Harbour Manager job description. The Recreation Department expanded its duties to include the interment services by in house staff at the Thornbury Clarksburg Union Cemetery. These services had historically been performed by an outside contractor. Efficiencies have been realized as well as a more controlled quality and safety of works being performed has been realized. The Department continues to enhance operations and efficiencies at Tomahawk Recreation Complex.

For the 2009 and 2010 season, the Parks and Trail Division currently has a staff complement of 8 for grass cutting and premise maintenance. One of those positions shares flower watering duties with the contracted flower waterer and maintains gardens and flower boxes throughout the town. Staff will be proposing that one additional summer student be included in 2011, and an additional two in 2012 and each year thereafter for a total of 12 summer students.

Staff is pursuing the implementation of an Adopt-a-Trail and Adopt-a-Park program to help provide stewardship opportunities and provide cost savings to the Town. It is essential that the Town's Parks and Trails, which have been a priority for the Town and required through development and acquisition, be maintained at an appropriate standard. As part of the 2011 budget process, Recreation Staff continues to review existing maintenance practices including fertilizer application; grass cutting rotations; interdepartmental grass cutting and property maintenance agreements as well as identifying areas of concern such as trail inspections and trail maintenance.

○ **Others**

- ▶ Staff reviewing future of maintenance, repair and inspection responsibilities of the Georgian Trail.
- ▶ Staff reviewing efficiencies/inefficiencies of interdepartmental premise maintenance.
- ▶ Finalization of Delphi Point Park for public access.
- ▶ Preparation of design, maintenance and operational planning and budgeting for new Town Hall Park.
- ▶ Implementation of potential Community Improvement Plan recommendations.

iii. **Impacts of multi-year contracts or agreements**

Solid Waste and Environmental Initiatives					
Estimated Growth	Cost Increase	5%	5%	5%	End Date
Contract	2010	2011	2012	2013	
Solid Waste					
Annual Report and Monitoring	\$ 18,375				
Daily Cover and Compaction	\$ 144,536				
Berm Building	\$ 21,000	\$ 22,050	\$ 23,153	\$ 24,310	
Waste Transfer	\$ 10,700				
Curbside Garbage Collection	\$ 199,000	\$ 203,000	\$ 207,000	\$ 211,000	2015
Multi-unit	\$ 72,000	\$ 73,000	\$ 74,500	\$ 76,000	2015
Recycling	\$ 226,000	\$ 230,000	\$ 235,000	\$ 239,500	2015
Hazardous Waste Disposal Service	\$ 31,450	\$ 33,023			less \$22,000 ea yr from grants
Totals	\$ 723,061	\$ 561,073	\$ 539,653	\$ 550,810	

2011 Budget Process – Budget Preparation Assumptions

Roads and Drainage				
	Cost Increase	5%	5%	5%
Contract	2010	2011	2012	2013
Snowplowing	\$ 128,177	\$ 130,146	\$ 132,269	
Sidewalks & Parking Lot	\$ 126,000	\$ 132,300		
Sifto salt	\$ 42,000	\$ 44,100		
Jozo Weider Sidewalk	\$ 6,825	\$ 7,166		
Loading & Hauling Snow	\$ 25,000	\$ 26,250		
Beaver River Ice Removal	\$ 42,000	\$ 44,100	\$ 46,305	
Calcium Dust Control	\$ 65,000	\$ 68,250		
Gravel	\$ 129,023	\$ 135,474	\$ 142,248	
Street Sweeping	\$ 13,350	\$ 14,018	\$ 14,718	
Ditching, Gradeall	\$ 20,000	\$ 21,000		
Winter Sand	\$ 105,000			
Streetlights	\$ 21,000	\$ 32,000	\$ 35,000	
Connecting Link Snowplowing	\$ 15,750			
Totals	\$ 739,125	\$ 654,804	\$ 370,540	\$ -

iv. Acquisition of land for Attainable Housing

v. Ongoing Implementation of the Fire Master Plan

Costing Implications

The following positions are being filled in 2010:

- ▶ Two (2) new part time Firefighters / Fire Prevention Officers
- ▶ One Training Officer / Fire Captain

No additional fulltime staff hiring is planned for 2011 however the Fire Master Plan anticipates an annual review of staffing levels.

In 2011, a recruitment drive for Volunteer Firefighters for succession planning will take place. Retirement of some firefighters is anticipated. The Plan recommends a complement of 24 Volunteer Firefighters at each Fire Station.

b) Projections For Major Revenue Sources

i. Provincial and Federal Funding projections

- *The Town receives \$1.58 million from the Ontario Municipal Partnership Fund in 2010.*
- *This funding is based on the number of municipal households. Therefore, we are anticipating an annual increase of approximately \$20,000 in 2011 and 2012*

ii. All Service Fees increased annually at least by the rate of inflation

With the implementation of HST, the increase in Service Fees has not been determined

- *Minimum of 2.0% for 2011*
- *Minimum of 2.5% for 2012*
- *Minimum of 3.0% for 2013*

iii. Forecasted water consumption and wastewater generation – a trend analysis

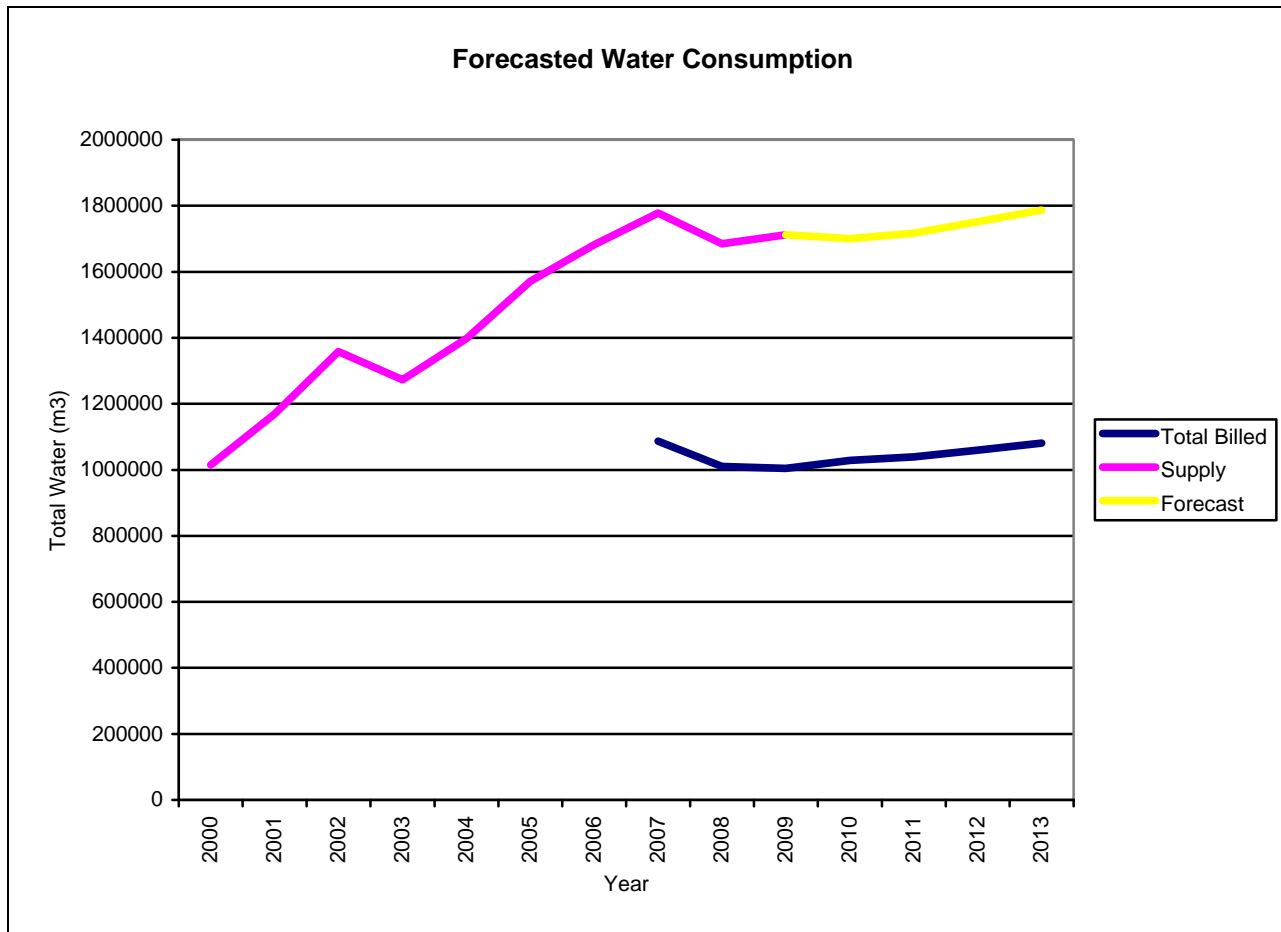
In 2005 and 2006 the Town installed water meters to comply with best practices recommended under Ministry of the Environment guidelines for water use.

In July of 2007, water rates were established by Council based on a 30% flat rate and 70% consumption rate. In the 2009 Budget process, the rate structure was developed to incorporate a 5 m³/mo flat rate minimum charge within the consumption rate. Rate structure did not change for 2010.

The estimated consumption budgeted compared to the actual consumption billed.

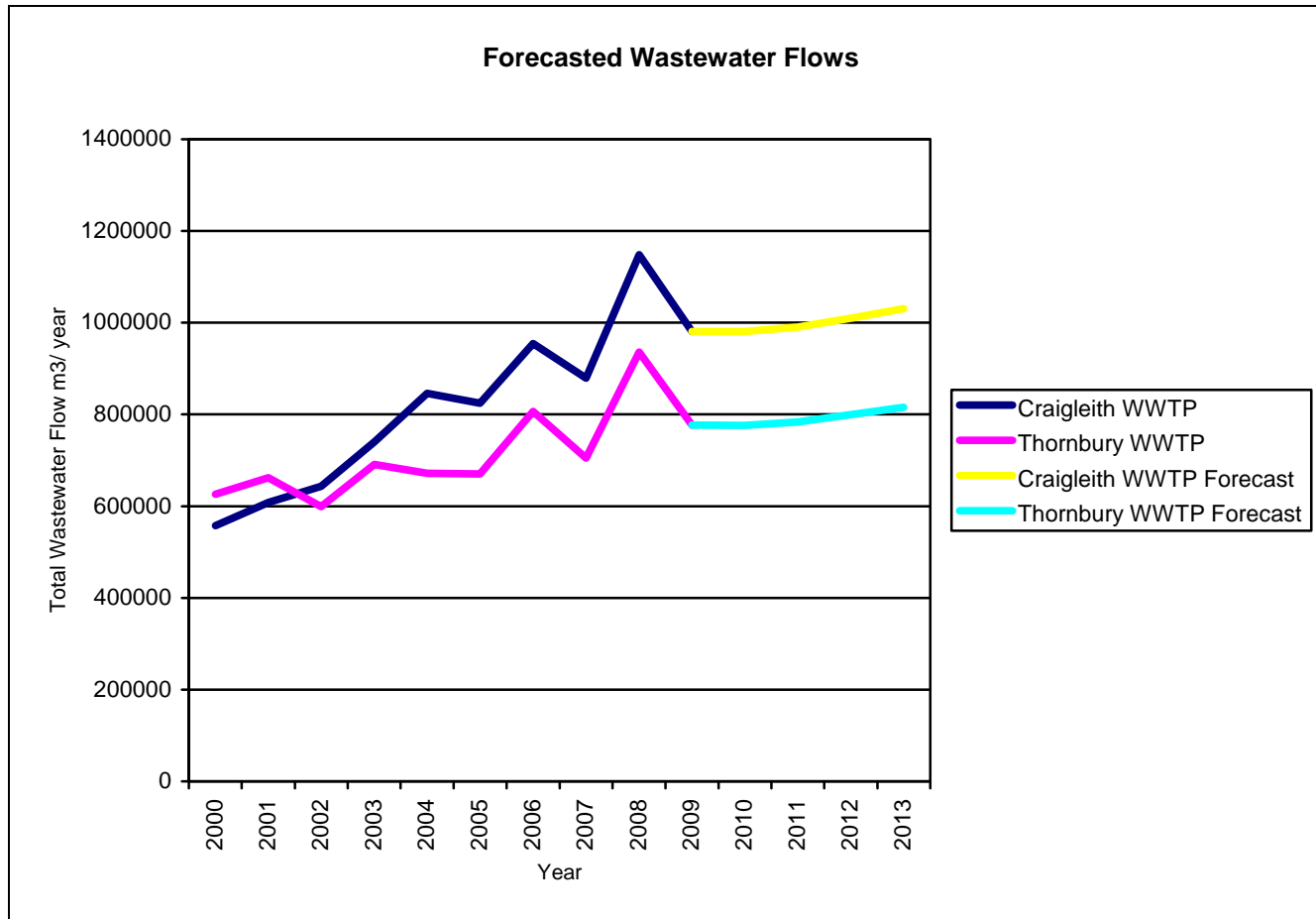
Year	Budgeted Consumption – m³	Units	Actual Consumption – m³
2007	1,236,200	4,783	1,086,554
2008	1,144,000	5,717	1,009,893
2009	1,109,895	5,811	1,004,027
2010	1,109,895	5,943	1,029,000 estimate

Expenditures are continually increasing and the estimated consumption continues to be reduced. The projected consumption for 2010 is estimated to be 8% lower than budgeted for 2010 and further translates to an 8% shortfall in revenues from rates. A rate stabilization reserve was established through the 2009 Budget process to minimize unforeseen consumption fluctuations, impacting user fee revenues.



2011 Budget Process – Budget Preparation Assumptions

Year	Total Billed Water Based on Water Meters	Total Flow m³	Projection
2000		1,015,130	
2001		1,169,107	
2002		1,358,043	
2003		1,273,305	
2004		1,398,301	
2005		1,571,705	
2006		1,681,859	
2007	1,086,554	1,777,849	
2008	1,009,893	1,684,809	
2009	1,004,027	1,712,168	
2010	1,029,000 est.		1,700,000
2011	1,039,290 est.		1,717,000
2012	1,060,076 est.		1,751,340
2013	1,081,277 est.		1,786,366



2011 Budget Process – Budget Preparation Assumptions

Year	Craigeith WWTP Flow m³	Thornbury WWTP Flow m³	Craigeith WWTP – Forecast (3%)	Thornbury WWTP – Forecast (3%)
2000	557,459	626,155		
2001	607,960	661,867		
2002	643,600	598,948		
2003	740,228	690,678		
2004	845,834	671,947		
2005	824,672	670,400		
2006	954,700	806,273		
2007	879,203	704,732		
2008	1,148,185	935,790		
2009	980,514	776,868		
2010			990,305	783,760
2011			1,010,111	799,435
2012			1,030,313	815,429

iv. Project Grants

- List of projected applications which will affect 2011 budget
 - *Rural Connections Broadband Program*
 - *Trillium Grants*
 - *FCM Green Municipal Fund*

c) Litigation Threats, Personnel Matters and Property Acquisition (closed session discussion)

Notes:
