

STAFF REPORT: Financial & Information Services

REPORT TO: Council
MEETING DATE: January 11, 2010
REPORT NO.: FIS.10.02
SUBJECT: 2010 Proposed Budget Update
PREPARED BY: Elizabeth Thompson, Manager
of Accounting & Budgets /
Deputy Treasurer

A. Recommendations

THAT Council receive Staff Report FIS.10.02 "2010 Proposed Budget Update" for information purposes;

B. Background

At the Public Meeting held on December 14, 2009, staff informed Council that the proposed Bylaw to adopt the 2010 budgeted estimates would be brought to the January 11, 2010 Council meeting, however, on December 15, 2009, the province announced the changes to the Ontario Municipal Partnership Fund (OMPF) allocations to eligible municipalities. The OMPF is critical provincial funding program for municipalities, which assists with social program costs, equalization, policing costs, and assists northern and rural communities to provide services to citizens. In 2009, the Town received \$1,683,000 in OMPF which included a Special One-time Assistance of \$148,100. In 2010, the province has indicated the OMPF will be \$1,581,200, consisting of rural community assistance of \$1,034,300 and a police services grant of \$546,900 with no further special assistance. This creates a shortfall of \$101,203 to the 2010 Budget.

The reduced funding will impact the Town of The Blue Mountains by approximately \$15.25 per household in 2010.

Further to the reduction in grant funding from the province, staff now have the 2010 assessment information to calculate the actual assessment growth for tax purposes. Within the proposed budget an estimate of 1% growth was used and the actual calculation is 0.58% growth. Unfortunately, the calculation means an additional shortfall of approximately \$40,000.

Staff are currently working on solutions to fund the \$101,203 budget shortfall created by the change in OMPF allocation and the shortfall created by the growth calculation. Staff plan to have the final changes and recommendation to the 2010 budget available to present to Council at the January 25, 2010 regular Council meeting. Staff is also hoping to present the proposed Bylaw to adopt the estimates at the same meeting.

The Tax Rate will be calculated at a later date when County of Grey has confirmed the tax ratios for 2010. Each year the County and Province set their own tax rates.

C. The Blue Mountains' Strategic Plan

To ensure long-term financial sustainability of the Town of The Blue Mountains

D. Environmental Impacts

The proposed budget contains several programs enhancing and preserving the natural and environmental features, and cultural heritage of the community.

E. Budget Impact

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F. Attached

None

Respectfully submitted,

Signature

For more information, please contact:

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