

Financial Management Services

Multi-Year Budgets

Budget Standing Committee, February 9, 2016

Background

At its meeting of June 8, 2015, Council directed the new Budget Standing Committee to look at creating a 3-5 year budget plan. Now that the 2016 draft budget is close to finalization Staff are in a position to prepare a forecast for the next three years.

Report

Staff have used the draft 2016 budget as the starting point for the development of the future years forecast. The following are the estimates used in the three year forecast.

Description	Estimation	Rationale
Salaries and Wages	1.25%	Based on settled union contracts
Benefits	2.50%	Based on historical experience
Equipment Operations	5.00%	Based on historical experience and age of equipment
Materials	2.00%	Based on historical experience
Building and Maintenance	7.00%	Based on historical experience with utilities and age of facilities
Contracts	2.00%	Based on historical experience
Office and related expenses	2.50%	Based on historical experience
Property Expenditures	One-time	Based on computer replacement schedule and needs of individual departments
Other Service Charges	2.00%	Based on historical experience
Revenues	1.00%	Conservative estimate

With these estimates the City departmental expenditures expected are included in the table below.

<u>Year</u>	<u>City Departmental Expenditures (Including Debt)</u>	<u>Percentage Change from Previous Year</u>
2017	\$96,797,612	4.56%
2018	\$100,618,555	3.95%
2019	\$103,387,807	2.75%

Details of the various City departments' budget forecasts for 2017 to 2019 with significant changes are attached as Appendix 1.

As properties will be reassessed by MPAC in 2016, 2017 will be the first year of another four-year phase (2017 to 2020). It is difficult to predict, at this time, the tax rate for these future years. In addition, the outside boards and commissions information is required to determine to calculate the City's tax rate. Therefore Staff have presented the City's departmental expenditures forecast only as this is the amount that we have the most control in managing.

Recommendation

Staff recommends that the Budget Standing Committee receive the 2017 to 2019 budget forecast for information purposes.

Conclusion

The Budget Standing Committee has done excellent work during the 2016 budget process to move the City forward to be more sustainable in the future years and to continue to invest in the City's infrastructure. This work makes for a solid foundation for the future.

City of St. Catharines
Budget Forecasts for 2017 to 2019

	<u>2016</u> <u>Budget</u>	<u>2017</u> <u>Forecast</u>	<u>2018</u> <u>Forecast</u>	<u>2019</u> <u>Forecast</u>
Office of Mayor and Members of Council	\$663,348	\$673,031	\$734,018	\$745,222
Grants and Committees	10,000	10,000	11,500	13,000
City Departments				
CAO	1,221,506	1,269,635	1,354,731	1,383,067
Legal Services and Clerks	2,795,494	3,287,976	3,292,593	3,348,665
Planning and Building Services	3,852,504	4,131,266	4,257,132	4,025,819
Fire Services	24,197,713	24,915,469	25,364,349	25,824,361
Economic Development & Tourism	940,908	931,494	951,978	972,978
Operations Commission				
Transportation & Environmental Services	18,227,483	18,762,251	19,369,716	20,027,037
Parks, Recreation and Culture Services	18,146,547	19,005,946	19,954,998	20,633,160
Corporate Services				
Financial Management Services	3,886,892	3,997,648	4,123,900	4,201,687
Corporate Support Services	5,233,761	5,590,947	6,067,561	6,387,181
Contribution to Capital	1,400,000	1,450,000	1,500,000	1,550,000
Total City Departments and Commissions	80,576,156	84,025,663	86,982,476	89,112,177
Debt Repayment	12,002,251	12,771,949	13,636,079	14,275,627
Total City Expenditures	\$92,578,407	\$96,797,612	\$100,618,555	\$103,387,804
Percentage Increase from Previous Year		<u>4.56%</u>	<u>3.95%</u>	<u>2.75%</u>

City of St. Catharines**2017 Forecast****Significant Changes from 2016 Draft Expenditure Budget**

Changes	Amount	Oper Bud %
<u>Expenditures:</u>		
Base Budget Increase	1,979,507	2.14%
- includes negotiated settlements plus Fire Services estimate		0.00%
	1,979,507	2.14%
New Facilities		
Meridian Centre - debt		0.00%
Performing Arts Centre		0.00%
Subtotal New Facilities	0	0.00%
Expanded Services		
		0.00%
		0.00%
Subtotal Expanded Services	0	0.00%
Infrastructure Maintenance/Improvements		
Operations Equipment Allocation	150,000	0.16%
TES - Winter Control	50,000	0.05%
TES - Storm Sewer Improvements	50,000	0.05%
TES - Road Improvement Program	95,000	0.10%
PRCS - Trees Contracts/stumping	70,000	0.08%
Capital out of Revenue - annual Capital project commitment	50,000	0.05%
Subtotal Infrastructure Maintenance/ Improvements	465,000	0.50%
Other		
CAO - Communications - quality of life survey/social media strategy	23,000	0.02%
CAO - Communications - social media monitoring	9,000	0.01%
LCS - Clerks Office - mailing machine	45,000	0.05%
LCS - Elections - election allocation	275,000	0.30%
LCS - Canine/Humane Control	120,000	0.13%
PBS - Planning - Creative Cluster Master Plan Update	150,000	0.16%
PBS - Planning - Official Plan Update	100,000	0.11%
PBS - Heritage Recognition Program Enhancements	25,000	0.03%
FMS - Technology upgrades (software)	50,000	0.05%
CSS - Information Systems - service contracts (updated software)	130,000	0.14%
CSS - Information Systems - technology plan	33,000	0.04%
CSS - Human Resources - Skills Development Training	45,000	0.05%
Debt Repayment estimate	769,698	0.83%
Subtotal Other Items	1,774,698	1.92%
Expenditure Increase	4,219,205	4.56%

City of St. Catharines**2018 Forecast****Significant Changes from 2017 Expenditure Forecast**

Changes	Amount	Oper Bud %
<u>Expenditures:</u>		
Base Budget Increase	2,036,813	2.10%
- includes negotiated settlements plus Fire Services estimate		0.00%
	2,036,813	2.10%
New Facilities		
Meridian Centre - debt		0.00%
Performing Arts Centre		0.00%
Subtotal New Facilities	0	0.00%
Expanded Services		0.00%
Subtotal Expanded Services	0	0.00%
Infrastructure Maintenance/Improvements		
Operations Equipment Allocation	100,000	0.10%
PRCS - Trees contracts/stumping	70,000	0.07%
TES - Winter Control	50,000	0.05%
TES - Storm Sewer Improvements	25,000	0.03%
TES - Road Improvement Program	100,000	0.10%
Capital out of Revenue - annual Capital project commitment	50,000	0.05%
Subtotal Infrastructure Maintenance/ Improvements	395,000	0.41%
Other		
Communications - web site editor	75,000	0.08%
PBS - Planning - Civic Square Land Use Design Study	50,000	0.05%
PRCS - Meridian Centre - other equipment	25,000	0.03%
FMS - software upgrades	50,000	0.05%
CSS - Information Systems - service contracts (updated software)	180,000	0.19%
CSS - Information Systems - technology plan	100,000	0.10%
CSS - Human Resources - Skills Development Training	45,000	0.05%
Debt Repayment estimate	864,130	0.89%
Subtotal Other Items	1,389,130	1.44%
Expenditure Increase	3,820,943	3.95%

City of St. Catharines**2019 Forecast****Significant Changes from 2018 Expenditure Forecast**

Changes	Amount	Oper Bud %
<u>Expenditures:</u>		
Base Budget Increase	1,434,701	1.43%
- includes negotiated settlements plus Fire Services estimate		0.00%
	1,434,701	1.43%
New Facilities		
Meridian Centre - debt		0.00%
Performing Arts Centre		0.00%
Subtotal New Facilities	0	0.00%
Expanded Services		0.00%
Subtotal Expanded Services	0	0.00%
Infrastructure Maintenance/Improvements		
Operations Equipment Allocation	150,000	0.15%
PRCS - Tree Contracts	45,000	0.04%
TES - Winter Control	50,000	0.05%
TES - Storm Sewer Improvements	100,000	0.10%
TES - Road Improvement Program	100,000	0.10%
Capital out of Revenue - annual Capital project commitment	50,000	0.05%
Subtotal Infrastructure Maintenance/ Improvements	495,000	0.49%
Other		
PBS - Planning - Civic Square Land Use Design Study	50,000	0.05%
CSS - Information Systems - service contracts (updated software)	20,000	0.02%
CSS - Information Systems - technology plan	100,000	0.10%
CSS - Human Resources - Skills Development Training	30,000	0.03%
Debt Repayment estimate	639,548	0.64%
Subtotal Other Items	839,548	0.83%
Expenditure Increase	2,769,249	2.75%