



memorandum	
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Item #	1
Report No.	16 (FAA)
SP	
Council -	Dec 15/15

DATE: DECEMBER 15, 2015

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: LAURA MIRABELLA-SIDDALL, CHIEF FINANCIAL OFFICER/CITY TREASURER
LLOYD NORONHA, DIRECTOR OF FINANCIAL PLANNING AND DEVELOPMENT
FINANCE/DEPUTY CITY TREASURER

RE: SPECIAL COUNCIL – DECEMBER 15, 2015
DRAFT 2016 BUDGET AND 2017-2018 PLAN

Recommendation

The Chief Financial Officer/City Treasurer and the Director of Financial Planning and Development Finance/Deputy City Treasurer recommend:

1. That the PROPOSED 2016 Budget and 2017-18 Plan be amended to include a revised assessment growth rate of 1.1461%; and
2. That the increased growth assessment revenue resulting from Recommendation 1 be allocated as follows:
 - a. \$410,000 to corporate contingency
 - b. \$255,000 to mitigate the tax rate increase to 2.90%

Purpose

The purpose of this communication is to present Council with a revision to the PROPOSED 2016 Budget and 2017-18 Plan based on new information received from MPAC at 4pm on December 15th.

Background

At 4pm this afternoon, finance staff received the 2015 Market Change Profile (MCP): Estimated Phase-in Growth Report. The city relies on this report as the final confirmation of the assessment growth to be used for the purposes of determining assessment growth revenue in the budget.

At the preliminary stages of budget development, the assessment growth rate was assumed to be 1.8%. Just prior to the November 2nd presentation of the DRAFT 2016 budget, finance staff received information indicating that assessment growth was revised downward to 0.75%. At this time, the corporate contingency budget was decreased to offset the reduced assessment growth.

The final assessment growth rate as communicated in the MCP report is 1.1461%. The increase in the growth assessment equates to an approximate \$665,000 increase in assessment growth revenues. Staff are recommending that \$410,000 of the increased assessment growth revenues be allocated to corporate contingency. This will help ensure that the corporate contingency levels initially identified during the preliminary stages of the budget process are partially re-established. The remaining \$255,000 are recommended to mitigate the tax rate increase from 3.00% to 2.90%.

Following is the revised PROPOSED 2015 Budget and 2017-18 Plan:

Table 1: Economic Impact of PROPOSED 2016 Budget and 2017-18 Plan

\$M	2016	2017	2018
	Budget	Recognized Plan	
Gross Operating Expenses	264.9	273.4	284.0
Less: Non-Tax Revenue	84.6	83.0	83.6
Net Operating	180.3	190.4	200.4
Less: Assessment Growth	-1.9	-5.4	-9.1
Less: Supplemental & PIL	-5.8	-5.8	-5.8
Less: Efficiency Target		-0.5	-1.2
Net Levy Requirement	172.6	178.7	184.3
Incremental Levy	4.7	6.1	5.6

Tax Rate Increase	2.90%	3.00%	3.00%
Tax Rate Increase	2.90%	3.00%	3.00%
Tax Bill Change for the Average Home*	\$38	\$41	\$42

Total Capital Program	\$80.5	\$144.8	\$67.7
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Note: some numbers may not add due to rounding.

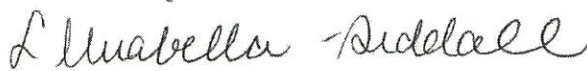
* based on the average home valued at \$587,000

Prepared by:

Jackie Lee Macchiusi, CPA, CGA
Senior Manager, Corporate Financial Planning and Analytics

Maureen Zabiuk
Property Tax & Assessment Manager

Respectfully submitted,



Laura Mirabella-Siddall, CPA, CA
Chief Financial Officer/City Treasurer



Lloyd Noronha, CPA, CMA
Director of Financial Planning and Development Finance/Deputy City Treasurer

2016 Budget 2017-18 Plan

\$M	2016	2017	2018
Gross Operating	264.9	273.4	284.0
Non-Tax Revenue	84.6	83.0	83.6
Net Operating	180.3	190.4	200.4
Less: Assessment Growth	-1.9	-5.4	-9.1
Less: Supplemental Taxation & PIL	-5.8	-5.8	-5.8
Less: Efficiency Target		-0.5	-1.2
Net Levy Requirement	172.6	178.7	184.3
Incremental Levy Requirement	4.7	6.1	5.6
Incremental Tax Rate	2.90%	3.00%	3.00%

Revised

