

# 2011 BUDGET OVERVIEW



**FRIDAY, FEBRUARY 25, 2011**

# FINANCIAL INDICATORS-BMA STATISTICS



- **Clarington participates in annual study performed by BMA Management Consulting Inc.**
- **Includes 83 municipalities representing 84% of the population of Ontario**
- **Provides a valuable tool for comparing to other municipalities as well as assessing affordability from a local perspective**

# Net Municipal Levy Per Capita Selected Municipalities



	2010 Levy	Relative	Rank in	2010 Levy
Municipality	per Capita	Rating	Survey	per Capita
	Upper and Lower			Lower Only
Milton	\$ 911	low	4	357
Clarington	\$ 1,145	mid	32	420
Ajax	\$ 1,308	high	61	438
Pickering	\$ 1,373	high	70	458
Halton Hills	\$ 976	low	7	465
Whitby	\$ 1,333	high	66	495
Caledon	\$ 1,106	Low	26	524
Oshawa	\$ 1,375	high	71	680
GTA Average	\$ 1,208			
Survey Average	\$ 1,228			

# PROPERTY TAXES AS A PERCENTAGE OF INCOME



Municipality	2010 AVERAGE Residential Taxes (TOTAL)	% of Household Income	Relative Ranking
Milton	\$ 3,882	3.5%	Low
Caledon	\$4,759	3.6%	Low
Halton Hills	\$ 4,400	3.8%	Low
Clarington	\$ 4,557	4.6%	Low
Whitby	\$ 5,072	4.7%	Mid
Ajax	\$ 4,914	4.8%	Mid
Pickering	\$ 5,184	4.8%	Mid
Oshawa	\$ 4,611	5.7%	High
GTA Average	\$4,815	4.3%	
Survey Average	\$ 4,309	5.0%	

# PROPERTY TAX COMPARISONS-DETACHED BUNGALOW – 2010



<b>MUNICIPALITY</b>	<b>2010 PROPERTY TAXES</b>	<b>RELATIVE TAX BURDEN</b>
Milton	\$2,675	Low
Halton Hills	\$2,852	Mid
Clarington	\$2,930	Mid
Caledon	\$3,027	Mid
Whitby	\$3,582	High
Ajax	\$3,629	High
Oshawa	\$3,848	High
Pickering	\$4,007	High
Average- Overall	\$2,913	
Average- Population 50,000-99,999	\$2,972	
GTA Average	\$3,373	

# Detached bungalow relative taxes

## Clarington trends



<b>YEAR</b>	<b>RELATIVE TAXES</b>	<b>POPULATION GROUP AVG</b>	<b>GTA AVERAGE</b>	<b>STUDY AVERAGE</b>
2006	\$2,681	\$2,687	\$3,063	\$2,630
2007	\$2,787	\$2,773	\$3,131	\$2,750
2008	\$2,891	\$2,854	\$3,255	\$2,819
2009	\$2,902	\$2,898	\$3,326	\$2,880
2010	\$2,930	\$2,972	\$3,373	\$2,913
<b>Cumulative Increase</b>	<b>9%</b>	<b>11%</b>	<b>10%</b>	<b>11%</b>
<b>Avg Annual Increase</b>	<b>1.9%</b>	<b>2.1%</b>	<b>2%</b>	<b>2.2%</b>

# PROPERTY TAX COMPARISONS- SENIOR EXECUTIVE HOME- 2010



<b>MUNICIPALITY</b>	<b>2010 PROPERTY TAXES</b>	<b>RELATIVE TAX BURDEN</b>
Milton	\$4,124	LOW
Caledon	\$4,377	LOW
Clarington	\$4,697	LOW
Halton Hills	\$5,178	LOW
Whitby	\$5,459	MID
Ajax	\$5,583	HIGH
Pickering	\$5,841	HIGH
Oshawa	\$5,859	HIGH
Average- Overall	\$5,434	
Average- Population 50,000-99,999	\$5,026	
GTA Average	\$5,663	

# Senior executive relative taxes

## Clarington trends



<b>YEAR</b>	<b>RELATIVE TAXES</b>	<b>POPULATION GROUP AVG</b>	<b>GTA AVERAGE</b>	<b>STUDY AVERAGE</b>
<b>2006</b>	\$4,141	\$4,477	\$5,102	\$4,828
<b>2007</b>	\$4,388	\$4,656	\$5,255	\$5,038
<b>2008</b>	\$4,552	\$4,805	\$5,426	\$5,184
<b>2009</b>	\$4,649	\$4,929	\$5,600	\$5,343
<b>2010</b>	\$4,697	\$5,026	\$5,663	\$5,434
<b>Cumulative Increase</b>	13%	12%	11%	13%
<b>Avg Annual Increase</b>	2.7%	2.5%	2%	2.5%

# Summary Comparison of Relative Taxes



<b>Property Type</b>	<b>Clarington</b>	<b>Rank</b>	<b>Survey Average</b>	<b>Avg with Population Range 50,000-99,999</b>	<b>GTA Average</b>
Detached Bungalow	\$2,930	mid	\$2,913	\$2,972	\$3,373
Senior Executive	\$4,697	low	\$5,435	\$5,026	\$5,663
Neighbourhood Shopping	\$4.42/sq ft	high	\$3.36/sq ft	\$3.66/sq ft	\$3.68/sq ft
Industrial	\$2.17/sq ft	high	\$1.82/sq ft	\$1.84/sq ft	\$2.18/sq ft
Large Industrial	\$0.56/sq ft	low	\$1.37/sq ft	\$1.30/sq ft	\$1.51/sq ft

## 2010 bma study- conclusions on taxation



- **Clarington's tax burden is in mid range overall and low in comparison to GTA group**
- **Property taxes as a percentage of income rated low in Clarington**
- **Clarington ranks 32<sup>nd</sup> in the net levy per capita out of the 83 participants (other Durham lakeshores are 61<sup>st</sup> to 71<sup>st</sup>)**

## Comparison of Tax Rates

### Population Group 50,000-99,999 Plus Durham Lakeshore



<b>MUNICIPALITY</b>	<b>2010 RES. RATE</b>	<b>MUNICIPALITY</b>	<b>2010 RES. RATE</b>
Milton	0.8784%	Clarington	1.4152%
Caledon	0.9691%	Peterborough	1.4380%
Halton Hills	0.9947%	Niagara Falls	1.4510%
Aurora	1.0765%	Brantford	1.4874%
Newmarket	1.1111%	Sarnia	1.5665%
Kawartha Lakes	1.3440%	Belleville	1.6567%
Pickering	1.3710%	Oshawa	1.7045%
Ajax	1.3806%	Welland	1.7225%
Whitby	1.3999%	North Bay	1.7268%
		Sault Ste. Marie	1.9991%

# Historical Trends

## Assessment Growth History



YEAR	ASSESSMENT GROWTH
2001	2.6%
2002	3.47%
2003	2.09%
2004	2.94%
2005	3.06%
2006	3.64%
2007	2.12%
2008	2.8%
2009	3.0%
2010	1.92%
2011	2.2%

# Clarington's Budget Increase History



<b>YEAR</b>	<b>LOCAL BUDGET INCREASE</b>
2001	3.5%
2002	2.86%
2003	3.5%
2004	8.3%
2005	4.7%
2006	4.08%
2007	8.25%
2008	4.44%
2009	2.35%
2010	2.97%

# 2011 BUDGET OVERVIEW



- Currently at 5.47% after growth has been applied at 2.2%, if all options selected
- 1% is approximately \$355,500
- Increase on average house (valued at \$255,000) approximately \$10 per each 1%
- \$55 for an average house for Clarington portion of tax bill

<b>OVERALL SUMMARY</b>	<b>AMOUNT</b>	<b>PERCENT</b>
Schedule "A"	\$2,234,697	6.29%
Schedule "C"	\$110,828	0.31%
Schedule "B" - Options	-\$400,900	-1.13%
Grand Total	\$1,944,625	5.47%

# Budget Impact Summary



- **Review of Schedule A to Report FND-003-11**
- **Review of Schedule B to Report FND-003-11**
- **Review of Schedule C to Report FND-003-11**
- **Schedule B items require specific resolutions to consider each item individually or specific items Committee wishes to move on.**
- **Schedule C- External agencies require specific resolutions only if Council chooses to change from value in draft**

# Reductions Since Budget Education Session



<b>CHANGES POSTED TO BUDGET:</b>	
Increase to Building Permit Revenue	(200,000)
CSD - Decrease to Utilities	(12,400)
Decrease to Pay Equity Estimates	(47,085)
Misc. FND Expense Reductions	(6,000)
Misc. COD Expense Reductions	(2,000)
PSD Capital Expense Reduction	(5,000)
Reduction to WSIB surcharge estimate	(40,000)
Misc. OPD Expense Reductions	(10,000)
Additional R/F financing to capital	(17,750)
CSD- decrease to consulting	(7,500)
Additional Eng & Insp R/F contribution to operating	(30,000)

# Reductions Since Budget Education Session



<b>MOVED TO OPTION LIST:</b>	
<b>Health And Safety - Workwell / Pandemic Etc.</b>	<b>(7,000)</b>
<b>Pavement Patching</b>	<b>(14,500)</b>
<b>Roadside Brushing</b>	<b>(12,000)</b>
<b>Ditch Maintenance</b>	<b>(8,000)</b>
<b>Catch Basin Repairs</b>	<b>(15,000)</b>
<b>Weed Spraying/Median Maintenance</b>	<b>(25,000)</b>
<b>Contribution To Legal Reserve</b>	<b>(25,000)</b>
<b>EMS HQ Renovations And Security Improvements</b>	<b>(16,300)</b>
<b>Contribution To Clerk's Fleet Reserve Fund</b>	<b>(5,000)</b>
<b>Contribution To Tax Write Off Reserve</b>	<b>(25,000)</b>
<b>Fire Prevention Public Education Equipment</b>	<b>(5,200)</b>
<b>Staff Recognition</b>	<b>(25,000)</b>
<b>Applefest Transit</b>	<b>(2,000)</b>

# EXTERNAL AGENCIES REQUESTS



AGENCY	LAST YEAR	THIS YEAR	INCREASE \$	INCR %
Clarington Library Board	2,542,600	2,639,694	97,094	3.8%
Visual Arts Centre	171,500	178,300	6,800	3.97%
Newcastle Hall	13,000	13,000	0	0
Community Care	26,265	26,265	0	0
Clarington Museums	231,117	238,051	6,934	3%
Orono Cemetery Board	10,000	10,000	0	0
Firehouse Youth	47,500	47,500	0	0
Older Adults	132,000	132,000*	0	0
Board Of Trade	110,000	110,000	0	0
*proposal to transfer utility costs				

# LOOKING FORWARD TO 2012



- **Consideration of reduction in rate stabilization reserve fund reliance \$300,000**
- **Physician recruitment**
- **Additional firefighters ??**
- **Increased tax support to capital – Infrastructure Deficit**
- **Wage Settlements and benefits**
- **Address contributions to reserve funds**
- **Staffing pressures**
- **Aging facilities**
- **Implications on tax levy of new facilities**
- **Continued monitoring of cash flow on indoor recreation dc debt**
- **Tax levy savings on debt if balloon proposal approved in 2011**

# 2012-2015 Forecast



- **For Council information**
- **Does not replace annual budgeting exercise**
- **Significant number of assumptions that may cause dramatic shifts**
- **“big picture” perspective of future cost pressures only**