

FINANCIAL FORECAST 2015 to 2017

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Finance & Administration Committee
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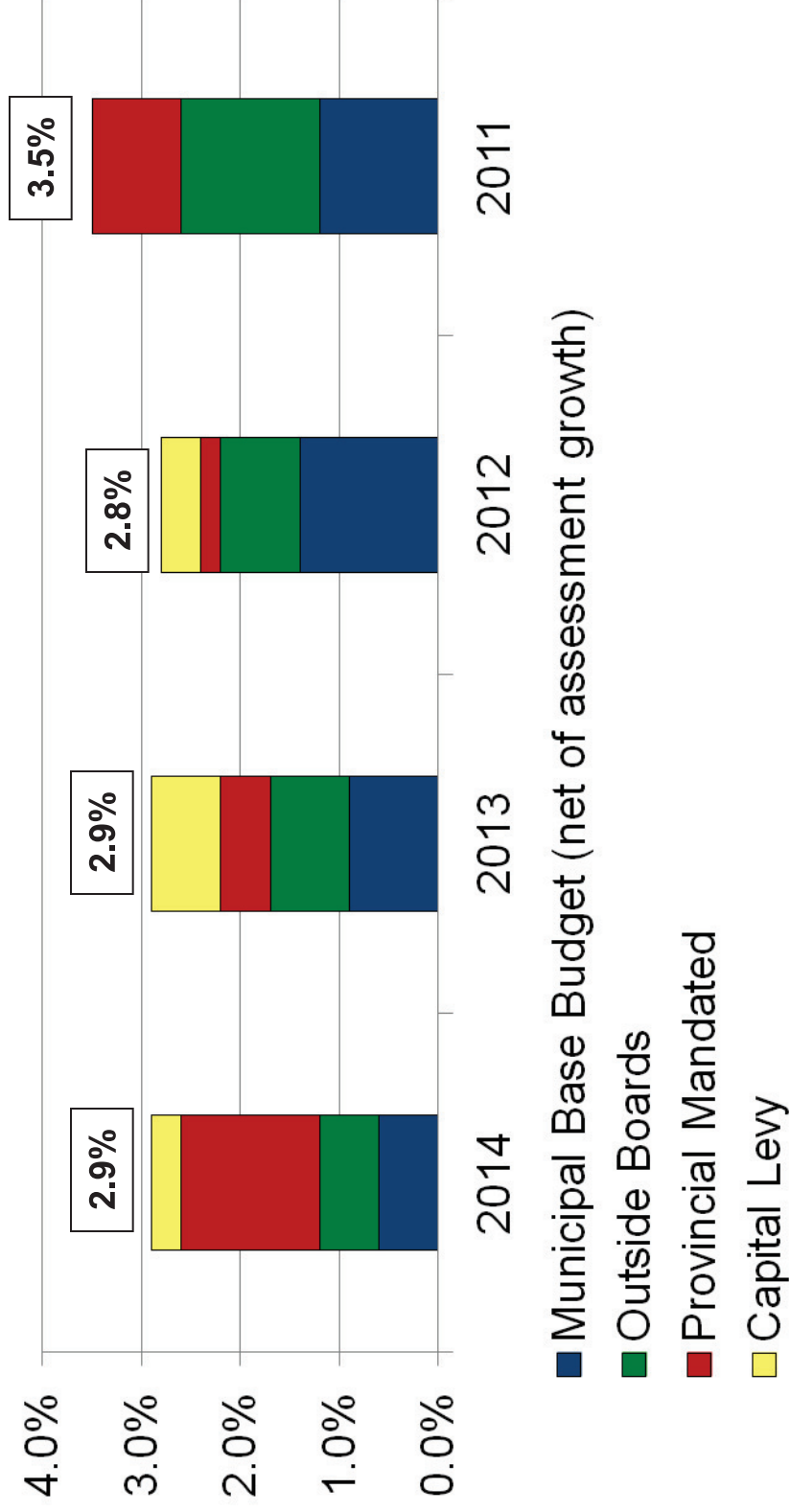




Three Key Themes

- Maintain Low Property Taxes and Financial Sustainability
- Need for Additional Capital Funding
- Maintain Reserves and Reserve Funds and Debt at Appropriate Levels

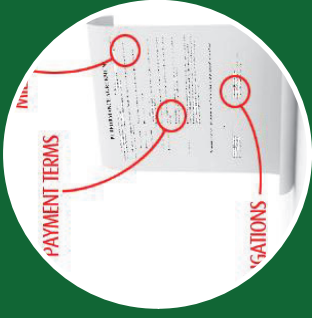
Approved Tax Increases



Three Year Forecast 2015 to 2017



Key Factors



Service Levels and Standards

- Contractual Obligations
- Salary and Benefit Costs
- Service and Operating Contracts



Growth

- Costs to service growth
- Assessment growth



Infrastructure

- Capital Funding Gaps
- Senior Levels of Government
- Debt and Interest Rates



Provincial Legislation

- Funding Levels
- Uploading of Social Services
- Mandated Services





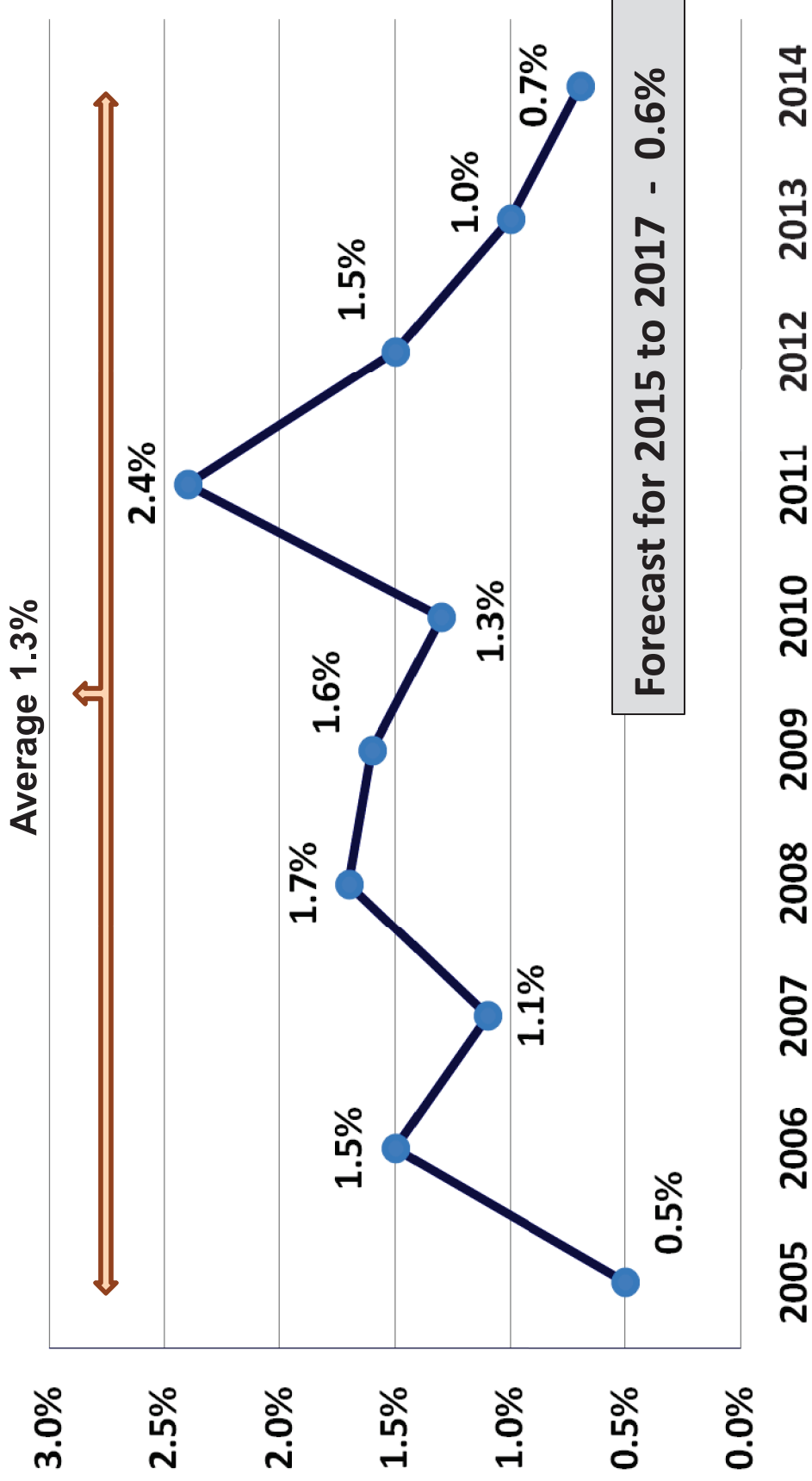
Financial Forecast

	2015	2016	2017
Total Gross Budget	\$516 M	\$527 M	\$538 M
Less: Revenues	\$273 M	\$274 M	\$275 M
Municipal Tax Levy	\$243 M	\$253 M	\$263 M

Forecasted Tax Increase (net of assessment growth)	4.9%	3.5%	3.1%
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Assessment Growth





Key Pressures

- No changes to service levels or service standards
- Current staffing levels maintained and estimates for collective bargaining increases and Employee Benefit costs
- Estimates for contractual obligations
- Inflation applied: CPI – 2%
- Energy: Hydro 5%, Diesel 3.6 %, Natural Gas 16%

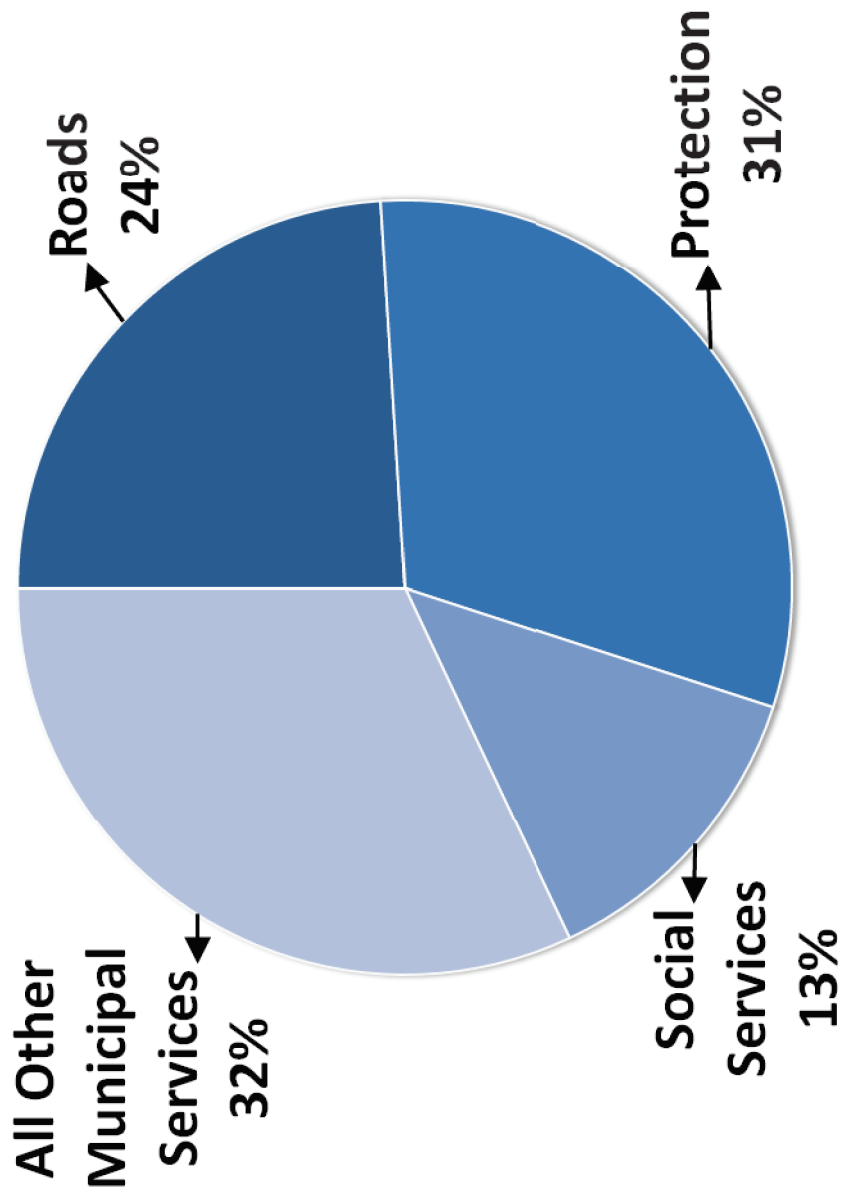


2015 Forecast: Breakdown of Tax Increase

	2015
Provincial Mandated (including loss of OMPF)	1.4%
Municipal Services (net of assessment growth)	2.3%
Capital	0.3%
Outside Boards	0.9%
Forecasted Municipal Tax Increase	4.9%



Municipal Taxes





2014 OMPF Grant

(in millions)	2014
Assessment Equalization	\$ -
Northern Communities	\$16.0
Fiscal Circumstance Index (new)	\$ 2.4
Transitional Assistance	\$13.0
TOTAL OMPF (91.6% of 2013)	\$31.4 M

❖ **Decrease of \$2.9 Million From 2013 Grant**



Ontario Municipal Partnership Fund: OMPF

(in millions)	2012	2013	2014	2015 Estimate	2016 Estimate
TOTAL Provincial Allocation	\$598 M	\$575 M	\$550 M	\$515 M	\$500 M
CGS Allocation	\$35.4 M	\$34.3 M	\$31.4 M	?	?



Ontario Municipal Partnership Fund(OMPF): Forecast

- OMPF – 90% of 2014 Funding Level
 - \$3.1 M Decline in 2015
 - \$2.8 M in 2016
 - \$2.5 M in 2017



Water and Wastewater Forecast

- 10 Year Financial Plan Completed in 2011
 - Forecast: 7.4% for next ten years
- 2014 WWWW increase 4.6% (includes 2.3% Biosolids)
- Challenges
 - Consumption
 - Capital investments well below sustainable levels
 - Three year phase in of Biosolids operating and debt repayment costs



Preliminary Budget Schedule

- 2015 Budget: Tabled in December 2014
- Public Input: January 2015
- Budget Deliberations and Presentations from Outside Boards: January to February 2015
- Water Wastewater Budget Approval: January 2015

QUESTIONS?

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