

Three Year Financial Forecast – prepared May 2013

The information contained in this report and Appendix A, B and C, was presented to the Finance and Administration Committee on May 7, 2013 based on the factors that Finance and the operating departments knew of at that time. The 2014 base budget document tabled to the Finance and Administration Committee on November 6, 2013 contained adjustments based on updated information and direction received from the Committee.

The following financial forecasts are based on delivering the same level of service that is currently in place for the City of Greater Sudbury, and the following assumptions and key highlights:

1. General inflation factors applied to costs, unless otherwise noted are based on the Bank of Canada inflationary control target of 2.0%. Inflation projections from two of the major banks that have inflation forecasts for 2014 range from 1.9% to 2.0%.

The ten year history of Consumer Price Index has reflected an increase on average of 2.2% per year. The rate of 2.0% has been used for the 2014, 2015 and 2016 forecast. For 2014, the 2% inflation on non-contractual obligations is approximately worth \$1.3 million or 0.6% tax increase.

2. General inflation factors applied to most energy costs are approximately 4.5% for 2014, 2015 and 2016. Natural gas costs were reduced significantly in the 2013 budget as a result of the end of the City's fixed cost contract and the City moving to purchasing natural gas on a spot market basis. Natural gas prices have been reflecting some strength over the last few months and therefore the impact of the natural gas increase is estimated to be 6.0%. For the purpose of this projection, a conservative 5.0% increase for hydro was used. Diesel fuel is reflecting a 2.7% increase for 2014, and 2.0% for 2015 and 2016. The 2013 Operating Budget forecasted a \$1.12/litre price and the City is currently realizing the same price. The price for 2014 contained in this forecast is \$1.15/litre. Based on the volatility in the energy market, this estimate is subject to change prior to the final budget being distributed to Council.
3. Overall, salary and benefits have been forecasted to increase for the next three years based on the tentative and ratified contractual agreements. The largest influence for 2013 was related to the last stage of the OMERS contribution increases, which translated into approximately 1.0% on the tax levy. From 2014 to 2016, OMERS contribution premiums have not been increased for this projection, however, given OMERS current deficit, this may be subject to change.

Increases in health benefits, short and long term disability premiums are estimated to be much greater than the inflationary index and currently are in this projection at 5.0%.

In total, salaries and benefits account for a \$4.9 million increase over the 2013 budget.

4. Generally, user fees have been increased by the estimated 3.0% for 2014 to 2016 in accordance with the Miscellaneous User Fee Bylaw.
5. Water/Wastewater, Cemetery, Building Services, 199 Larch Street and Parking have been assumed to be self-supporting in accordance with policy.

6. Contributions for capital envelopes have been increased by 2.0% for 2014 in accordance with the Capital Policy, which calls for the greater of 2.0% or the first quarter increase in the Non-Residential Building Construction Price Index. In 2012, this index increased by 4.1%, thus increasing capital envelopes by a corresponding percentage. For 2015 and 2016, a 3.0% and 4.0% increase respectively has been used for this forecast. The impact of the 2.0% to the 2014 budget, is \$750,000 and represents 0.3% increase to the net levy. In addition, the increase to Water Wastewater Capital is \$1.8 million, which includes a provision of debt repayment for the Biosolids Project. Increased capital allocation in Water/Wastewater is funded by user fees, therefore having no impact on the general levy.
7. Provincial subsidies on some cost sharing programs are forecasted to increase by only 1.0%, far below the rate of inflation and this is causing pressure in some service delivery areas. In addition, provincial funding for Emergency Medical Services is forecasted to increase by only 0.75%.
8. Revenues from supplementary taxation have been reduced by \$300,000 in each of the next three years to reflect the current trend. This amount has been offset by an increase in Payment in Lieu taxation, which will reflect \$300,000 of additional revenue.

Tax write-offs have also been increased for 2014 by \$200,000 to \$2 million to account for the current trend of successful appeals by property owners.

In addition, investment income has been flat lined as well for this exercise as previous capital gains are not expected to reoccur in future years.
9. The three year forecast for OMPF is a decline of 5.0% in each year. Staff believe this conservative approach is prudent in this fiscal environment. A more detailed explanation of the OMPF is contained in the latter part of this report.
10. Preliminary estimates for the outside Boards: Nickel District Conservation Authority, Sudbury and District Health Unit and Police Services are included in this projection.
11. Housing Services is projecting an increase in net costs of \$920,000 as a result of increased transfers to service providers and a \$560,000 reduction in federal government grants.
12. Continued provincial uploading is resulting in a decrease of Social Services net costs in the amount of \$650,000.
13. Increase in Roads Maintenance costs exclusive of capital is \$1.2 million partially due to increases in winter control contract costs.
14. A projected increase in Transit net costs of \$550,000 is required for contractual obligations including Handi Transit.
15. Increase in Environmental Services net costs of \$900,000 is a result of contractual obligations for landfill sites, waste collection, processing and diversion.
16. No changes to the municipal contribution for Children Services have been forecast for 2014 despite provincial funding formula changes. A separate report is forthcoming to Community Services Committee in June 2013 regarding policy changes for Children Services.

Impact of the Ontario Municipal Partnership Grant (OMPF) on Future Operating Budget

2013 Allocations

For 2013, Northern Ontario municipalities received a minimum of 95% of their 2012 OMPF and additional funding based on the fiscal health of their communities. The criteria used to determine fiscal health relates to such items as weighted assessment per household and median household income as the primary indicators and new construction and employment issues as secondary indicators. Fiscal health of a community ranges from 0 (strong) to 10 (weak). The City of Greater Sudbury rating is 3.9, which indicates relatively strong fiscal health. Our City received 95% of the 2012 OMPF plus 1.9% (out of a maximum of 5.0%) of the 2012 OMPF as a result of our Municipal Fiscal Circumstances Index (MFCI). This results in the City receiving 96.9% of the 2012 OMPF allocation.

2014 OMPF and Beyond

The Provincial Government announced that the OMPF will be reduced by \$25 million a year until 2016. For 2014, the OMPF will be reduced from \$575 million to \$550 million. Following further consultation with municipalities, a redesigned OMPF will be announced for the 2014 program year. Based on previous consultations, the government acknowledges that there continues to be a need for ongoing assistance for municipalities, particularly those with more challenging fiscal circumstances. As a result, the redesign of the program for 2014 is expected to improve the targeting of funding for northern and rural municipalities.

Details regarding the redesigned program will be an important aspect of the 2014 municipal budget planning process.

For the 2014, 2015 and 2016 forecast, staff are being conservative by using 95% of the previous year's allocation, which translates into a reduced OMPF by \$1.7 million in 2014, \$1.6 million in 2015 and \$1.5 million in 2016. If the Ministry uses somewhat the same formula regarding the MFCI and the City receives 96.9% (same as 2013) of the previous year's allocation, this translates into an additional \$650,000 for the City.

Assessment Growth

For this forecast, an estimated assessment growth of 0.8% has been used in each of the three years. This is below the average annual growth over the last seven years. However, the City only realized 1.0% assessment growth in 2013 and based on current building activity, staff are uncertain that this number will be met in 2014 or the near future. Also affecting the growth number, when compared to previous years, is that MPAC has caught up with its backlog of valuing properties. It is difficult to project assessment growth as new construction is also offset by demolitions and other tax write-offs. It should also be noted that not all construction is subject to taxable assessment. Construction in underground facilities is not subject to taxation. In addition, manufacturing and processing properties would not be assessed on the equipment or foundations to support the equipment used in the processing. Until projects are completed and reviewed by MPAC, it is difficult to estimate the assessed value.

To put the estimated growth into perspective, the value of 0.8% growth each year would have to generate an increased weighted assessment of \$145 million over the current assessment of \$17.9 billion. The majority of the City's growth over the last few years has come from the residential class. To obtain the 0.8% growth, the City would see a similar scenario to this following example:

Residential	\$ 70 million	(approximately 175 houses)
Multi-Residential	\$ 10 million	
Commercial	\$ 10 million	
Industrial	\$ 10 million	

This scenario would generate approximately \$145 million of weighted assessment required for the 0.8% growth. This number is net of all tax write-offs, which reduces the assessment growth. Council will be kept apprised of assessment growth through the budget variance reports, which will report on the supplementary taxation rolls received from MPAC.

City of Greater Sudbury 2014 Preliminary Financial Forecast

	2014 Forecast \$ Millions	2014 Forecast %
Tax Levy Increase	9.4	4.2
Less: Impact of Assessment Growth	(1.8)	(0.8)
Forecasted Municipal Tax Increase	\$7.6M	3.4%
Tax Increase Consists of:		
Outside Boards	2.1	0.9
Municipal Base Budget (net of assessment growth)	5.5	2.5
Forecasted Municipal Tax Increase	\$7.6M	3.4%
Annual Impact to the Homeowner *	\$87	

*The municipal tax impact is calculated on a property in the former City of Sudbury with a Current Value Assessment of \$230,000.

City of Greater Sudbury 2015 - 2016 Preliminary Financial Forecast

	2015 Forecast	2016 Forecast
Tax Levy Increase	3.9%	4.1%
Less: Impact of Assessment Growth	(0.8)	(0.8)
Forecasted Municipal Tax Increase	3.1%	3.3%
Annual Impact to the Homeowner *	\$82	\$90

Appendix "A" displays the expenditures and revenues by service area for 2014. Appendix "B" displays the expenditures and revenues by service area for 2015 and 2016.

Appendix "C" provides the details of the municipal budget for the three forecasted years by expenditure and revenue categories.

2014 Targets for Base Budget

If the Committee wishes to have a municipal base budget tax increase that approximates general inflation the following reductions are required:

Current Forecast	3.4%	3.4%
Less: Reductions Required	<u>(0.9%)</u>	<u>(1.4%)</u>
Target Tax Increase	<u>2.5%</u>	<u>2.0%</u>

\$ Required to Meet Targets for Base Budget

Tax Levy Reductions excluding enhancement options (0.9% and 1.4% above)	\$2.0M	\$3.1M
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Budget Enhancement Options

A public input session for the 2014 budget was held on June 18, 2013. The City's process is that all budget enhancement options must be recommended by a standing committee of Council prior to being considered by Finance and Administration Committee for inclusion in the budget. The following chart reflects the gross expenditures (excluding water and waste water) and the impact on the net tax levy for budget enhancement options approved during this term of Council.

	Capital	Physician Recruitment	Emergency Shelters	Other	Total Gross Expenditures	Net Tax Levy
2011	1.3 M	0.4 M	0.4 M	0.3 M	\$ 2.4 M	\$ 0 M
2012	0.8 M	0.4 M	0.3 M	0.1 M	1.6 M	0.8 M
2013	<u>1.1 M</u>	<u>0.2 M</u>	<u>0.2 M</u>	<u>0.4 M</u>	<u>1.9 M</u>	<u>0.7 M</u>
Total	<u>3.2 M</u>	<u>1.0 M</u>	<u>0.9 M</u>	<u>0.8 M</u>	\$ <u>5.9 M</u>	\$ <u>1.5 M</u>

In each of the last three years, significant options for Capital, Physician Recruitment and Emergency Shelters have been approved. As illustrated in this chart, of the \$5.9 million in gross expenditures, \$1.5 million was funded by the tax levy with the remainder funded by reserves.

Addressing the Capital Infrastructure Deficit

While the City has made progressive steps in dealing with the capital infrastructure gap; most recently implementing the increase to the capital envelopes based on the non residential building construction price index, there is still a major shortfall in funding.

Changes to the Capital Budget process are being implemented for the 2014 budget, whereby, capital budgets are being presented to Standing Committee for review prior to being presented to Finance and Administration Committee in October, 2013.

For 2013, staff developed options to increase the Roads Capital Envelope by 0.3%, 0.5% and 1.0% of the municipal levy. Council approved a 0.3% increase in the Capital Envelope as permanent and an additional \$425,000 in temporary funding for Roads.

For 2014, staff will prepare options based on Council's direction in order to lessen the infrastructure gap, in the areas of Roads, Facilities and Fire Services. As identified in the Roads Long Term Financial Plan presented in 2012, a 3.0% levy increase in each of the next ten years is required to fund the capital shortfall. In addition, both Facilities and Fire Services are spending less on an annual basis than what is required for replacement of their assets.

Conclusion


The 3 year budget forecast was prepared based on the best estimates available as of May 2013. As the year progressed, estimates were refined based on updated information, public input and Finance and Administration Committee direction to form the 2014 Approved Budget. The three year forecast reflected estimated tax increases (net of assessment growth of 0.8%) of 3.4% in 2014, 3.1% in 2015 and 3.3% in 2016.

The final approved 2014 budget reflected a tax increase of 2.9% (net of assessment growth of 0.7%). Major changes from the May forecast included a loss of OMPF grant funding of \$1.2 Million, application of fiscal sustainability initiatives reductions totaling \$2.2 Million and increased contractual obligations and budget options totaling \$0.5 Million.

	2014 Final Budget \$ Millions	2014 Budget %
Tax Levy Increase	\$8.1M	3.6%
Less: Impact of Assessment Growth		(0.7)
Forecasted Municipal Tax Increase	\$8.1M	2.9%
Tax Increase Consists of:		
Outside Boards	1.4	0.6
Municipal Base Budget (net of assessment growth)	6.7	1.3
Forecasted Municipal Tax Increase	\$8.1M	2.9%
Annual Impact to the Homeowner *	\$74	

*The municipal tax impact is calculated on a property in the former City of Sudbury with a Current Value Assessment of \$230,000.

**Appendix A
2014 Preliminary Forecast**

	2013 APPROVED BUDGET (\$000)			2014 DRAFT BUDGET (\$000)			VARIANCE		
	Expenses	Revenues	Net	Expenses	Revenues	Net	Net	% change over 2013	% 2013 Levy
Corporate Revenue-Expenditures									
Taxation Levy	2,812	-10,826	-8,014	3,050	-10,837	-7,787	226	-2.8%	
Grants and Subsidies		-34,341	-34,341		-32,624	-32,624	1,717	-5.0%	
Other Revenues Summary	2,188	-12,692	-10,704	2,139	-12,822	-10,683	21	-0.2%	
Total	5,000	-58,059	-53,059	5,189	-56,203	-51,014	1,964	-3.7%	0.88%
Executive - Administrative									
Office of the Mayor	611		611	618		618	7	1.2%	
Council Support	63		63	64		64	1	2.2%	
Council Expenses	1,017		1,017	1,030		1,030	13	1.3%	
Healthy Community Initiatives	600		600	600		600			
Auditor General	378		378	361		361	-17	-4.5%	
Office of the C.A.O.	586	-28	558	564		564	5	1.0%	
Comm. and French Lang Services	988		988	1,011		1,011	23	2.3%	
Total	4,243	-28	4,216	4,249		4,249	33	0.0%	0.01%
Administrative Services									
Clerks Administrative Services	1,602	-188	1,414	1,610	-189	1,422	7	0.5%	
Debt - Contribution to Capital	458		458	467		467	9	2.0%	
Legal Services	1,705	-245	1,460	1,774	-230	1,544	84	5.8%	
Provincial Offices	1,176	-2,665	-1,488	1,215	-2,665	-1,449	39	-2.6%	
Information Technology	51	-51	0	51	-51	0	0	-23.2%	
Total	4,992	-3,148	1,844	5,110	-3,134	1,984	-139	7.5%	0.06%
Human Res and Org Dev									
Human Resources	347	-347	0	323	-323	0	0	0.2%	
Total	347	-347	0	323	-323	0	0	0.2%	0.00%
Financial Services									
Financial Services Admin.	1,240		1,240	1,200		1,200	-40	-3.3%	
Financial Support - Budgeting	333	-32	301	351		351	50	16.5%	
Financial Planning - Policy	5,060	-1,131	3,930	5,099	-1,131	3,968	38	1.0%	
Taxation	867	-361	506	919	-372	547	41	8.1%	
Supplies and Services	55	-16	39	16	-16	0	-39	-100.0%	
Accounting Services	1,258	-105	1,153	1,325	-105	1,219	67	5.8%	
Financial Support	0		0	0		0	0	5,025.0%	
Total	8,614	-1,645	7,168	8,908	-1,624	7,285	116	-1.6%	0.05%
Growth - Development Services									
General Manager's Office	313		313	316		316	4	1.2%	
Economic Development	7,807	-2,951	4,855	6,594	-1,800	4,794	-162	-3.3%	
Planning and Development	6,453	-1,552	4,901	6,322	-1,438	4,884	-17	-0.4%	
Sudbury Airport Personnel	1,948	-1,948	0	1,963	-1,963	0	0	66.7%	
Building Serv EnforcCompliance	5,823	-5,523	300	5,883	-5,559	324	24	8.1%	
Asset Services Summary	9,505	-4,972	4,533	9,750	-5,027	4,723	191	4.2%	
Environmental Services	18,657	-9,045	9,612	19,899	-9,369	10,530	918	9.6%	
Total	50,605	-25,991	24,614	50,720	-25,156	25,571	958	3.9%	0.43%
Community Development Services									
General Manager Office	373		373	372		372	-1	-0.2%	
Debt - Contribution Capital	4,160		4,160	4,243		4,243	83	2.0%	
OMPF Social Programs									
Administrative-Financial Serv.	332		332	351		351	18	5.5%	
Regional Geriatric Services	1,562	-1,371	191	1,541	-1,346	195	4	2.1%	
Housing Services	29,587	-10,443	19,143	29,943	-9,878	20,066	923	4.8%	
Long Term Care-Senior Services	31,509	-27,870	3,639	31,976	-28,139	3,836	197	5.4%	
Social Services	43,500	-34,008	9,493	42,662	-33,626	8,836	-657	-6.9%	
Citizen Services	32,891	-21,107	11,784	33,195	-21,160	12,036	252	2.1%	
Leisure - Recreation Services	28,594	-8,586	18,008	27,164	-9,032	18,132	124	0.7%	
Total	170,508	-103,385	67,123	171,447	-103,381	68,066	943	1.4%	0.42%
Infrastructure Services									
I.S. G.M.'s Office	210		210	215		215	5	2.4%	
Public Works Depots	1,162	-18	1,144	1,204	-18	1,186	42	3.7%	
Engineering Services	74	-74	0	76	-76	0	0	-98.4%	
Water/Waste Water Maintenance	62,361	-59,127	3,234	65,195	-61,887	3,307	73	2.3%	
Roads Mice	64,889	-867	64,022	66,124	-528	65,596	1,574	2.5%	
Transit-Fleet-Crossing Guard	22,688	-9,610	13,078	23,430	-9,802	13,628	550	4.2%	
Total	151,383	-69,695	81,688	156,243	-72,311	83,933	2,244	2.7%	1.01%
Emergency Services Division									
Emergency Services	20,297	-9,947	10,351	20,445	-9,796	10,649	298	2.9%	
Fire Services Division	22,599	-274	22,325	23,243	-276	22,967	642	2.9%	
Total	42,896	-10,220	32,676	43,688	-10,072	33,616	940	2.9%	0.42%
Share of N.D.C.A.									
N.D.C.A. Share	618		618	655		655	37	6.1%	
Total	618		618	655		655	37	6.1%	0.02%
Share of Public Health									
Public Health Share	5,579		5,579	5,746		5,746	167	3.0%	
Total	5,579		5,579	5,746		5,746	167	3.0%	0.08%
Police Services									
Police Service	53,353	-3,479	49,874	55,422	-3,667	51,755	1,881	3.8%	
Total	53,353	-3,479	49,874	55,422	-3,667	51,755	1,881	3.8%	0.85%
Net Levy	498,339	-276,997	222,342	507,717	-275,952	231,765	9,423	4.2%	0.85%

Less: Impact of Estimated Assessment Growth

0.8

Forecasted Tax Increase

3.4

Appendix B

2015 - 2016 OPERATING BUDGET PROJECTION SUMMARY BY SERVICE DELIVERY AREA

	2015 Budget (\$000)					2016 Budget (\$000)				
	Revenues	Expenses	Net	% change	Net Levy Impact	Revenues	Expenses	Net	% change	Net Levy Impact
Corporate Revenue and Expenditures	-54,652	5,189	-49,463	(3.2)	0.7	-53,102	5,189	-47,913	(3.1)	0.6
Executive & Legislative		4,330	4,330	1.9	0.0	4,416	4,416	2.0	0.0	
Administrative Services	-3,144	5,236	2,092	5.5	0.0	-3,154	5,367	2,213	5.8	0.1
Human Resources & Prof Development	-332	332			0.0	-341	341			0.0
Financial Services	-1,688	9,115	7,426	2.0	0.1	-1,756	9,332	7,576	2.0	0.1
Growth and Development										
Economic Development	-3,815	8,703	4,888	2.0		-3,869	8,853	4,983	1.9	
Planning & Development	-1,467	6,466	4,999	2.4		-1,496	6,619	5,124	2.5	
Building, Enforcement, Compliance	-5,698	6,015	318	(2.1)		-5,843	6,155	311	(1.9)	
Asset Services	-5,082	9,981	4,879	3.3		-5,139	10,198	5,059	3.7	
Environment Services	-9,374	20,474	11,099	5.4		-9,380	21,078	11,698	5.4	
Other		324	324	2.4			332	332	2.5	
Total	-25,436	51,943	26,507	3.7	0.4	-25,727	53,235	27,508	3.8	0.4
Community Development										
Housing Services(1)	-9,833	30,459	20,627	2.8		-9,767	30,986	21,220	2.9	
Long Term Care & Seniors Services	-28,420	32,746	4,326	12.8		-28,507	33,562	5,054	16.8	
Social Services Summary(1)	-34,771	42,967	8,196	(7.2)		-35,732	43,285	7,553	(7.8)	
Public Libraries/Citizen Services/Child Care(1)	-21,210	33,544	12,334	2.5		-21,261	33,912	12,651	2.6	
Leisure & Recreation Summary	-9,297	27,894	18,596	2.6		-9,570	28,663	19,092	2.7	
Other	-1,352	6,685	5,333	3.3		-1,384	6,914	5,530	3.7	
Total	-104,881	174,294	69,413	2.0	0.6	-106,221	177,322	71,101	2.4	0.7
Infrastructure Services										
Roads Maintenance	-541	67,801	67,260	2.5		-555	69,812	69,258	3.0	
Water Waste Water Maintenance	-63,726	67,091	3,365	1.7		-65,620	69,052	3,432	2.0	
Transit & Fleet	-10,062	24,233	14,171	4.0		-10,329	24,905	14,575	2.9	
Other	-96	1,567	1,471	5.0		-99	1,612	1,514	2.9	
Total	-74,425	160,691	86,267	2.8	1.0	-76,602	165,381	88,778	2.9	1.0
Emergency Services Services Division										
Emergency Services	-9,899	20,838	10,939	2.7		-10,002	21,362	11,360	3.8	
Fire Services	-282	23,846	23,565	2.6		-288	24,440	24,152	2.5	
Emergency Services(1)	-10,180	44,684	34,504	2.6	0.4	-10,290	45,802	35,512	2.9	0.4
Share of N.D.C.A.(1)		667	667	1.8	0.0	679	679	1.8	0.0	
Share of Public Health (1)(2)		5,918	5,918	3.0	0.1	6,096	6,096	3.0	0.1	
Police Services(1)	-3,693	56,938	53,245	2.9	0.6	-3,719	58,509	54,790	2.9	0.6
Tax Levy	-278,431	519,337	240,907	3.9	3.9	-280,912	531,668	250,757	4.1	4.1
Impact of Estimated Assessment Growth					0.8					0.8
Forecasted Tax Increase			240,907		3.1			250,757		3.3

Appendix C

City of Greater Sudbury

2014 - 2016 Financial Forecast by Expenditure and Revenue Categories

Description	2013 Budget	2014 Forecast	%	2015 Forecast	%	2016 Forecast	%
Revenues							
Levies	(10,680,434)	(10,691,697)	0.1	(10,691,697)	0.0	(10,691,697)	0.0
Provincial Grants	(131,019,063)	(128,197,470)	(2.2)	(127,753,852)	(0.3)	(127,221,349)	(0.4)
Federal Grants	(713,119)	(444,674)	(37.6)	(444,674)	0.0	(444,674)	0.0
User Fees	(100,889,543)	(104,393,385)	3.5	(107,143,434)	2.6	(109,974,254)	2.6
Licensing & Lease Revenues	(3,999,992)	(4,032,962)	0.8	(4,067,266)	0.9	(4,102,598)	0.9
Investment Earnings	(10,212,379)	(10,217,088)	0.0	(10,217,088)	0.0	(10,217,088)	0.0
Contribution from Reserves	(4,515,483)	(4,317,069)	(4.4)	(4,409,711)	2.1	(4,508,626)	2.2
Other Revenues	(13,967,191)	(13,657,931)	(2.2)	(13,703,072)	0.3	(13,751,258)	0.4
TOTAL REVENUES	(275,997,204)	(275,952,276)	(0.0)	(278,430,793)	0.9	(280,911,545)	0.9
Expenditures							
Salaries & Benefits	221,386,972	226,292,686	2.2	231,787,013	2.4	237,542,139	2.5
Materials & Operating Expenses	27,728,600	28,307,041	2.1	28,817,326	1.8	29,337,816	1.8
Equipment Expenses	1,712,169	1,746,412	2.0	1,781,340	2.0	1,816,967	2.0
Energy Costs	19,272,336	20,202,405	4.8	21,271,937	5.3	22,186,918	4.3
Purchased / Contract Services	101,623,380	101,829,111	0.2	103,611,713	1.8	105,434,352	1.8
Debt Costs / Ins and Taxes	10,858,724	11,131,874	2.5	11,588,468	4.1	12,067,891	4.1
Professional Dev & Training	1,625,754	1,600,457	(1.6)	1,632,466	2.0	1,665,115	2.0
Grants - Transfer Payments	40,991,298	41,399,055	1.0	41,583,435	0.4	41,772,986	0.5
Provisions to Reserves / Capital	74,226,880	76,295,358	2.8	78,479,573	2.9	81,324,065	3.6
Internal Recoveries	(1,087,213)	(1,087,219)	0.0	(1,215,847)	11.8	(1,479,756)	21.7
TOTAL EXPENDITURES	498,338,900	507,717,180	1.9	519,337,423	2.3	531,668,493	2.4
TAX LEVY	222,341,696	231,764,904	4.2	240,906,630	3.9	250,756,948	4.1
Less: Impact of Estimated Assessment Growth			0.8		0.8		0.8
Forecasted Tax Increase			3.4		3.1		3.3