



Committee Agenda

**Special
Committee Meeting of Council
February 29, 2012
at 7:00 p.m.**

MEETINGS

**FOR THE WEEK OF
FEBRUARY 27TH, 2012**

Monday, February 27, 2012

7:00 p.m.

Committee Meeting of Council
Council Chambers, 2nd Floor

Wednesday, February 29, 2012

7:00 p.m.

Special Committee Meeting of
Council
Council Chambers, 2nd Floor

MEETINGS

**HELD UNDER THE
MUNICIPAL ACT**

GENERAL GOVERNMENT COMMITTEE

Wednesday, February 29, 2012

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Chairperson: Councillor Chirico
Vice-Chair: Councillor Koziol
Members: Councillors Anthony, Maroosis
Ex-Officio: Mayor McDonald

- GG-2011-04 Motion from Councillor Anthony dated January 10, 2011 re Council remuneration (F16/2011/CNB/COUNCIL).
- GG-2011-16 Report from C.M. Conrad dated August 2, 2011 re Election campaign signs (C07/2011/ELECT/GENERAL).
- GG-2011-18 Report from D.G. Linkie dated August 31, 2011 re Power assisted bicycles (T00/2011/TRANS/GENERAL).
- ▶ **GG-2011-21 Report from R. Mimee / M. Karpenko dated November 23, 2011 re 2012 recommended Operating Budget (F05/2012/OPEBU/GENERAL).**
- ▶ **GG-2012-01 Report from L. Rochefort / M. Karpenko dated January 30, 2012 re 2012 Assessment Analysis and Tax Policy Review (F22/2012/TAXR/GENERAL).**

GG-2011-21

Draft recommendation:

"As per General Government Committee Report Nos. 2012-01, 2012-02 and 2012-03."

CITY OF NORTH BAY

Report to Council

Report No: CORP 2012-06

Date: January 16, 2012

Originator: Laura Boissonneault & Ron Mimee

Subject: Enhancements and Adjustments to the 2012 Administration Approved Operating Budget as Recommended by the Standing Committees

RECOMMENDATION:

That the proposed Enhancements and Adjustments made by the Standing Committees to the 2012 Administration Approved Operating Budget be received and approved.

BACKGROUND:

During October 2011, the Business Unit Managing Directors and their management teams met with the Chief Administrative Officer, the Chief Financial Officer and the Supervisor of Budgets & Financial Reporting to review their **2012 Administration Approved Operating Budget** submissions.

The revised Administration Approved Operating Budget was then reviewed by the Standing Committees in December 2011 and January 2012. From these meetings, the **2012 Committee Recommended Operating Budget** was developed with the following considerations:

- Expenditures for 2012 were best estimates to provide the same **programs** and **levels of service** as approved in the 2011 Operating Budget.
- Staff complements represented levels approved in the 2011 Operating Budget and/or any approved amendments made during the year.
- Budget estimates were in accordance with existing policies, including but not limited to the Capital Funding Policy and User Fee Policy.
- Revenue estimates were based on historical data, current trends, current rates and current approved rate increases.
- For any budgets not received from Agencies, Local Boards and Commissions, an estimated 3% increase was assumed.
- Any budget changes that did not fall under the above budget guidelines were presented as **enhancements** to the Standing Committees. Attached is a summary of the recommended changes (See Appendix A).

The proposed enhancements and adjustments reduce the required Tax Levy increase to 2.97%. The below table summarizes the total adjustments. Refer to Appendix B for details.

	2012 Administration Approved Operating Budget	2012 Adjustments, Changes, & Enhancements	2012 Committee Recommended Operating Budget	2011 Approved Operating Budget	Tax Levy Impact \$ Increase/ (Decrease)
City	\$40,166,849	(\$934,236)	\$39,232,613	\$37,620,000	\$1,612,613
ABC's	\$34,527,492	\$28,357	\$34,555,849	\$33,672,405	\$883,444
Total	\$74,694,341	(\$905,879)	\$73,788,462	\$71,292,405	\$2,496,057
2011 Assessment Base Growth	(\$379,235)		(\$379,235)		
Total	\$74,315,106	(\$905,879)	\$73,409,227	\$71,292,405	\$2,116,822
Levy Increase					2.97%

*ABCs includes Agencies, Local Boards and Commissions

It should be noted that the 2012 budget assumes the OMPF funding remains at the level received in 2011. At the time of this report, no announcements regarding the 2012 OMPF funding has been made. This may result in a significant impact to the current municipal tax levy increase of 2.97%.

OPTIONS:

- 1) That the proposed Enhancements and Adjustments made by the Standing Committees to the 2012 Administration Approved Operating Budget be received and approved.
- 2) That the proposed Enhancements and Adjustments made by the Standing Committees to the 2012 Administration Approved Operating Budget be received and *not* approved.

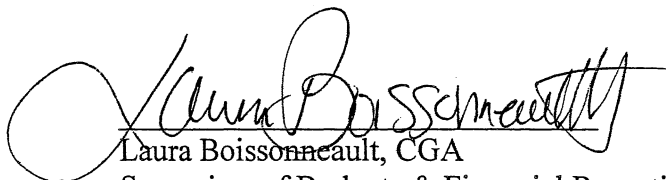
This would mean a higher increase to the 2012 tax levy.

RECOMMENDED OPTION:


- 1) That the proposed Enhancements and Adjustments made by the Standing Committees to the 2012 Administration Approved Operating Budget be received and approved.

The final budget recommendations and the **2012 Committee Recommended Operating Budget** are scheduled to be considered at the regular General Government Committee Meeting on Monday, March 12th, 2012 and adopted at the regular Council Meeting on Monday, March 19th, 2012.

Respectfully submitted,



Laura Boissonneault, CGA
Supervisor of Budgets & Financial Reporting




Ron Mimee
Manager of Accounting & Budgets

We concur in this report and recommendation



Margaret Karpenko, C.M.A.
Chief Financial Officer



David Linkie
Chief Administrative Officer

Personnel designated for continuance: Chief Financial Officer and Supervisor of Budgets & Financial Reporting

Attach. – Proposed 2012 Operating Budget Enhancements
- 2012 Committee Recommended Operating Budget Summary

TOTAL CITY SUMMARY

**CITY OF NORTH BAY
ANNUAL OPERATING BUDGET - YEAR 2012
PROPOSED CHANGES TO ADMINISTRATION RECOMMENDED OPERATING BUDGET
PRIORITY RANKING SCHEDULE**

ACTIVITY	DESCRIPTION OF PROPOSED CHANGE TO ADMINISTRATION RECOMMENDED OPERATING BUDGET	EXPENDITURES (REVENUES)		2012 COMMITTEE RECOMMENDED
		Annualized	2012	
<i>Corporate Services</i>	Communications Officer - Proposed salary range ... \$55,650 to \$71,061 plus benefits	\$82,500	\$55,000 <i>on hold</i>	
<i>Engineering, Environmental Services & Works</i>	Increase Tipping Fees at Merrick Landfill by 3%	(\$74,628)	(\$62,190)	(\$62,190)
	Expand recycling program to include commercial sector	\$80,000	\$66,667	\$0
<i>Community Services</i>	Transit Routing Changes:			
	a) Pinewood Route - City Hall Loop	(\$10,648)	(\$10,648)	(\$10,648)
	b) Pinewood Route - Browning St. Loop	(\$6,655)	(\$4,991)	(\$4,991)
	c) Pinewood Route - Motherhouse Loop	(\$13,504)	(\$10,128)	\$0
	d) Ski Club Route - Douglas St. Loop	(\$7,337)	\$0	\$0
	e) North Highway Route - Servicing New Hospital	(\$11,390)	\$0	\$0
	f) Sunday Service - Combine Routes	(\$20,000)	\$0	\$0
	Increase cash fares by \$0.25	(\$111,400)	(\$111,400)	(\$84,500)
	Increase adult monthly pass rate	(\$21,200)	(\$21,200)	
	Increase multifare card rate	(\$6,500)	(\$6,500)	
	Increase single trip card rate	(\$2,000)	(\$2,000)	
	Sports Complex maintenance support to be absorbed internally	\$0	\$0	\$0
	Increase sports fields user fees	(\$50,000)	(\$50,000)	(\$50,000)
	Increase grant to Heritage Gardeners to cover additional administration costs Commitment for 2013 and 2014 Summer in the Park festival	\$6,000	\$6,000	\$6,000
TOTAL INCREASE (DECREASE) IN TAX LEVY		(\$166,762)	(\$151,390)	(\$206,329)

**CITY OF NORTH BAY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
SUMMARY**

	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	Revenue Adjustments	Enhancements	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. / % Incr.	
										\$ Incr.	% Incr.
Corporate Services	\$4,948,782	\$3,738	(\$24,443)	\$0	(\$3,030)	\$0	(\$23,735)	\$4,925,047	\$4,680,200	\$244,847	5.23%
Engineering, Environmental Services & Works	\$9,312,920	\$18,451	(\$40,866)	\$0	(\$353,760)	(\$62,190)	(\$438,365)	\$8,874,555	\$9,141,400	(\$266,845)	-2.92%
Community Services	\$8,936,469	\$26,481	(\$31,563)	\$0	(\$15,714)	(\$144,139)	(\$164,935)	\$8,771,534	\$8,660,800	\$110,734	1.28%
Fire Department	\$11,512,446	\$2,480	(\$13,083)	\$0	\$0	\$0	(\$10,603)	\$11,501,843	\$11,185,700	\$316,143	2.83%
General Government Activities	\$14,024,932	\$3,718	(\$316)	\$0	(\$300,000)	\$0	(\$296,598)	\$13,728,334	\$12,520,600	\$1,207,734	9.65%
Total City	\$48,735,549	\$54,868	(\$110,271)	\$0	(\$672,504)	(\$206,329)	(\$934,236)	\$47,801,313	\$46,188,700	\$1,612,613	3.49%
Less Ontario Municipal Partnership Funding	(\$8,568,700)						\$0	(\$8,568,700)	(\$8,568,700)	\$0	0.00%
Net Total City	\$40,166,849	\$54,868	(\$110,271)	\$0	(\$672,504)	(\$206,329)	(\$934,236)	\$39,232,613	\$37,620,000	\$1,612,613	4.29%

Local Agencies, Boards and Commissions	\$34,527,492	\$0	\$28,357	\$0	\$0	\$0	\$28,357	\$34,555,849	\$33,672,405	\$883,444	2.62%
Social Programs Grant	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Net Local Agencies, Boards and Commissions	\$34,527,492	\$0	\$28,357	\$0	\$0	\$0	\$28,357	\$34,555,849	\$33,672,405	\$883,444	\$0

Required Tax Levy	\$74,694,341	\$54,868	(\$81,914)	\$0	(\$672,504)	(\$206,329)	(\$905,879)	\$73,788,462	\$71,292,405	\$2,496,057	3.50%
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2011 Assessment Base Real Growth
(Excluding Effects of Market Value Re-Assessment)

	(\$379,235)		
	\$73,409,227	\$71,292,405	\$2,116,822 2.97%

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
GENERAL GOVERNMENT COMMITTEE

<i>Corporate Services Business Unit:</i>	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr.	% Incr.
Council Secretariat	\$852,972	\$15,403	(\$1,202)		(\$3,030)	\$11,171	\$864,143	\$759,000	\$105,143	13.85%
Financial Services	\$1,532,506	\$41,656				\$41,656	\$1,574,162	\$1,517,400	\$56,762	3.74%
Human Resources	\$1,284,269	(\$102,343)				(\$102,343)	\$1,181,926	\$1,122,700	\$59,226	5.28%
Information Systems	\$1,238,769	\$25,446				\$25,446	\$1,264,215	\$1,216,100	\$48,115	3.96%
Legal Department - By-Law Page 37, #3450 Commissionaires	(\$9,745)	\$3,491	(\$12,241)			(\$8,750)	(\$18,495)	(\$15,900)	(\$2,595)	16.32%
Legal Department - General	\$348,806	\$7,544	(\$12,000)			(\$4,456)	\$344,350	\$384,300	(\$39,950)	-10.40%
POA / Other Activities	(\$298,796)	\$12,541	\$1,000			\$13,541	(\$285,255)	(\$303,400)	\$18,145	-5.98%
Total Corporate Services Business Unit	\$4,948,782	\$3,738	(\$24,443)	\$0	(\$3,030)	(\$23,735)	\$4,925,046	\$4,680,200	\$244,846	5.23%

2012 Preliminary Budget Adjustments
 2012 Proposed Changes / Enhancements:

(\$23,735)

2012 Proposed Changes / Enhancements

\$4,925,046	\$4,680,200	\$244,846	5.23%
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Total Corporate Services Business Unit Changes (\$23,735)

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
ENGINEERING and WORKS COMMITTEE

	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr.	% Incr.
Engineering Services	\$688,624	\$36,545				(\$291,130)	\$397,494	\$605,400	(\$207,906)	-34.34%
Page 4, #2705 Natural Gas			(\$20,000)							
Page 4, #0460 Capital Transfer					(\$307,675)					
Environmental Services	\$469,072	\$15,665				(\$42,583)	\$426,489	\$583,100	(\$156,611)	-26.86%
Page 9, #3421 Airborne Contaminants			(\$4,600)							
Page 10, #3215 Building Lease			(\$7,750)							
Page 10, #0452 Sale of Recycle Goods					(\$44,075)					
Page 14, #3601 Insurance			(\$1,823)							
Fleet Management	(\$425,652)	\$41,920				\$41,098	(\$384,554)	(\$308,900)	(\$75,654)	24.49%
Page 23, #3601 Insurance			(\$822)							
Roads	\$6,790,993	\$64,978				\$59,107	\$6,850,100	\$6,725,900	\$124,200	-1.85%
Page 29, #3601 Insurance			(\$5,871)							
Storm	\$592,134	\$7,241				\$5,231	\$597,365	\$543,600	\$53,765	9.89%
Page 45, #0855 Service Charges					(\$2,010)					
Works Department	\$1,197,749	(\$147,898)				(\$147,898)	\$1,049,851	\$992,300	\$57,551	5.80%
Total Engineering & Works Committee	\$9,312,920	\$18,451	(\$40,866)	\$0	(\$353,760)	(\$376,175)	\$8,936,745	\$9,141,400	(\$204,655)	-2.24%

2012 Preliminary Budget Adjustments
 2012 Proposed Changes / Enhancements:
 Increase Tipping Fees
 Expand recycling
 Reduce Ditching Budget

(\$376,175)
(\$62,190)
Not Recommended
Not Recommended

2012 Proposed Changes / Enhancements (\$62,190)

\$8,874,555	\$9,141,400	(\$266,845)	-2.92%
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Total Engineering, Environmental & Works Business Unit
 Changes (\$438,365)

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
COMMUNITY SERVICES COMMITTEE

<i>Community Services Business Unit:</i>	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. / % Incr.	
									\$ Incr.	% Incr.
Aquatic Centre	\$284,800					(\$29,517)	\$255,283	\$304,000	(\$48,717)	-16.03%
Page 4, #2701 Hydro			(\$15,000)							
Page 4, #2705 Natural Gas			(\$15,000)							
Page 4, #3601 Insurance			\$483							
Arena - Memorial Gardens	\$717,376	\$14,198				\$12,146	\$729,522	\$702,400	\$27,122	3.86%
Page 13, #3445 Snow removal			\$1,000							
Page 13, #3601 Insurance			(\$3,052)							
Arena - Palangio	\$104,310	\$8,976				\$4,492	\$108,802	\$138,200	(\$29,398)	-21.27%
Page 19, #3445 Snow removal			(\$2,500)							
Page 19, #3601 Insurance			(\$1,984)							
Arena - West Ferris	\$277,812	\$6,386				\$830	\$278,642	\$312,000	(\$33,358)	-10.69%
Page 25, #3445 Snow removal			(\$3,500)							
Page 25, #3601 Insurance			(\$2,056)							
Kings Landing	\$4,200					\$2,100	\$6,300	\$7,800	(\$1,500)	-19.23%
Page 29, #2701 Hydro			\$2,100							
Marina	\$0	\$459				(\$0)	(\$0)	\$0	(\$0)	#DIV/0!
Page 33, #3601 Insurance			(\$495)							
Page 33, #5115 Transfer to Reserve			\$16,095							
Page 34, #0909 Fuel Sales					(\$16,059)					
Parking	(\$172,929)	\$4,494				\$4,457	(\$168,472)	(\$153,300)	(\$15,172)	9.90%
Page 38, #3601 Insurance			(\$37)							
Parks - Operations	\$3,157,267	\$46,676				\$42,747	\$3,200,014	\$2,997,600	\$202,414	6.75%
Page 13, #3601 Insurance			(\$4,538)							
Page 13, #3601 Insurance			\$609							
Parks - Sports Complex	\$47,005	\$798				\$798	\$47,803	\$85,000	(\$37,197)	-43.76%
Recreation & Leisure Services	\$641,942	\$11,940				\$11,940	\$653,882	\$629,200	\$24,682	3.92%
Skateboard Park	\$0	\$0				\$0	\$0	\$8,500	(\$8,500)	-100.00%
Building	\$70,876	\$14,870				\$20,215	\$91,091	\$88,400	\$2,691	3.04%
Page 91, #0470 transfer from reserve					\$5,345					

2012 Committee Adjustments

Community Service Admin	\$357,497	(\$170,435)		(\$170,435)	\$187,062	\$199,200	(\$12,138)	-6.09%		
Economic Development	\$614,215	\$8,815		\$8,815	\$623,030	\$606,300	\$16,730	2.76%		
Planning	\$457,079	\$13,380		\$8,480	\$465,559	\$461,300	\$4,259	0.92%		
Page 109, #3035 Mileage			(\$500)							
Page 110, #3001 Postage			\$400							
Page 110, #3035 Mileage			\$200							
Page 110, #0851 Inquiry Fees				(\$5,000)						
Transit	\$2,375,019	\$65,924		\$62,136	\$2,437,155	\$2,274,200	\$162,955	7.17%		
Page 117, #3601 Insurance			(\$1,025)							
Page 121, #3601 Insurance			\$395							
Page 129, #3601 Insurance			(\$3,158)							
Total Community Services Business Unit	\$8,936,469	\$26,481	(\$31,563)	\$0	(\$15,714)	(\$20,796)	\$8,915,673	\$8,660,800	\$254,873	2.94%

2012 Proposed Changes / Enhancements (\$144,139)

2012 Preliminary Budget Adjustments	(\$20,796)									
2012 Proposed Changes / Enhancements:							\$8,771,534	\$8,660,800	\$110,734	1.28%
Pinewood - City Hall	(\$10,648)									
Pinewood - Browning	(\$4,991)									
Pinewood - Motherhouse	Not Recommended									
Ski Club	Not Recommended									
North Highway	Not Recommended									
Sunday Service	Not Recommended									
Cash Fares	(\$84,500)									
Sports Field Maintenance	\$0									
Sports Field	(\$50,000)									
Heritage Gardeners	\$6,000									
Summer in the Park	\$0									
2012 Proposed Changes / Enhancements	(\$144,139)									
Total Community Services Business Unit Enhancements	(\$164,935)									

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
COMMUNITY SERVICES COMMITTEE

<i>Fire Department</i>	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget		
									\$ Incr.	% Incr.
Administration Page 6, #3601 Insurance	\$10,902,146	\$2,480				\$566	\$10,902,712	\$10,598,000	\$304,712	2.88%
			(\$1,914)							
Stations	\$147,900					\$0	\$147,900	\$152,400	(\$4,500)	-2.95%
Fire Prevention Page 9, #3080 Advertising	\$28,000					(\$2,000)	\$26,000	\$26,000	\$0	0.00%
			(\$2,000)							
Training	\$46,000					\$0	\$46,000	\$43,000	\$3,000	6.98%
Fire Fleet Page 8, #3601 Insurance	\$354,400					(\$9,169)	\$345,231	\$332,300	\$12,931	3.89%
			(\$9,169)							
Community Emergency Plan	\$34,000					\$0	\$34,000	\$34,000	\$0	0.00%
Total Fire Department	\$11,512,446	\$2,480	(\$13,083)	\$0	\$0	(\$10,603)	\$11,501,843	\$11,185,700	\$316,143	2.83%

2012 Proposed Changes / Enhancements:

\$0

2012 Preliminary Budget Adjustments (\$10,603)
 2012 Proposed Changes / Enhancements:
 Staff Reductions and changes
 Eliminate Aerial Service
 Station 2
 Third Party Insurance
 Fire Department Adjustments

(\$10,603)
Not Recommended
Not Recommended
Not Recommended
Not Recommended
(\$10,603)

\$11,501,843	\$11,185,700	\$316,143	2.83%
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SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
GENERAL GOVERNMENT COMMITTEE

<i>General Government Activities:</i>	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr.	% Incr.
	Mayor & Council	\$347,615	\$2,247	(\$316)			\$1,931	\$349,546	\$350,600	(\$1,054)
CAO'S Office	\$402,557	\$1,471				\$1,471	\$404,028	\$387,300	\$16,728	4.32%
Financial Expenses Page 6, #0437 Dividends Page 6, #0445 Interest	\$15,454,200					(\$300,000)	\$15,154,200	\$14,030,000	\$1,124,200	8.01%
General Revenues	(\$2,179,440)					\$0	(\$2,179,440)	(\$2,247,300)	\$67,860	-3.02%
Total General Government Activities	\$14,024,932	\$3,718	(\$316)	\$0	(\$300,000)	(\$296,598)	\$13,728,334	\$12,520,600	\$1,207,734	9.65%
2012 Preliminary Budget Adjustments										
2012 Proposed Changes / Enhancements:										
Total General Government Business Unit Changes										

2012 Proposed Changes / Enhancements

\$0

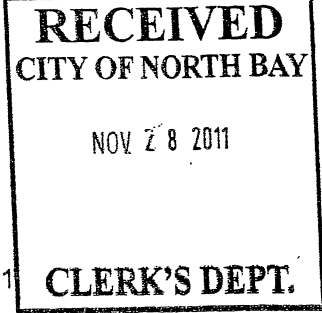
\$13,728,334 **\$12,520,600** **\$1,207,734** **9.65%**

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
LOCAL AGENCIES, BOARDS & COMMISSIONS

	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjs.	Revenue Adjs.	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. / % Incr.	
									\$ Incr.	% Incr.
District of Nipissing Social Services Administration	\$11,307,944		(\$56,283)			(\$56,283)	\$11,251,661	\$11,121,109	\$130,552	1.17%
ODSP	\$0					\$0	\$0	\$0	\$0	#DIV/0!
Total District of Nipissing Social Services Administration	\$11,307,944					(\$56,283)	\$11,251,661	\$11,121,109	\$130,552	1.17%
Ontario Municipal Partnership Funding (OMPF)	\$0					\$0	\$0	\$0	\$0	#DIV/0!
Net District of Nipissing Social Services Administration	\$11,307,944					(\$56,283)	\$11,251,661	\$11,121,109	\$130,552	1.17%
North Bay Police Services	\$15,239,149		\$38,578			\$38,578	\$15,277,727	\$14,778,999	\$498,728	3.37%
9-1-1 Emergency Services	\$526,016		\$3,611			\$3,611	\$529,627	\$526,016	\$3,611	0.69%
Total North Bay Police Services	\$15,765,165					\$42,189	\$15,807,354	\$15,305,015	\$502,339	3.28%
Cassellholme	\$2,414,536					\$0	\$2,414,536	\$2,344,210	\$70,326	3.00%
North Bay Public Library Board	\$1,964,714		\$13,255			\$13,255	\$1,977,969	\$1,907,489	\$70,480	3.69%
Less: Transfer From Development Reserve Fund	(\$22,660)					\$0	(\$22,660)	(\$22,000)	(\$660)	3.00%
Net Library Board Levy	\$1,942,054					\$13,255	\$1,955,309	\$1,885,489	\$69,820	3.70%
North Bay / Parry Sound District Health	\$1,527,529					\$0	\$1,527,529	\$1,483,038	\$44,491	3.00%
Municipal Property Assessment Corporation	\$626,229		\$7,874			\$7,874	\$634,103	\$607,989	\$26,114	4.30%
North Bay / Mattawa Conservation Authority	\$312,220					\$0	\$312,220	\$303,127	\$9,093	3.00%
Capitol Centre	\$305,115					\$0	\$305,115	\$296,228	\$8,887	3.00%
Humane Society	\$309,700		\$21,822			\$21,822	\$331,522	\$309,700	\$21,822	7.05%
Golden Age Club	\$17,000		(\$500)			(\$500)	\$16,500	\$16,500	\$0	0.00%
DIA	\$110,000					\$0	\$110,000	\$108,882	\$1,118	1.03%
DIA Taxation	(\$110,000)					\$0	(\$110,000)	(\$108,882)	(\$1,118)	1.03%
Net DIA Levy	\$0					\$0	\$0	\$0	\$0	
Total Local Agencies, Boards and Commissions	\$34,527,492	\$0	\$28,357	\$0	\$0	\$28,357	\$34,555,849	\$33,672,405	\$883,444	2.62%
Ontario Municipal Partnership Fund (OMPF)	\$0					\$0				
Total Local Agencies, Boards and Commissions Levy	\$34,527,492	\$0	\$28,357	\$0	\$0	\$28,357	\$34,555,849	\$33,672,405	\$883,444	2.62%

CITY OF NORTH BAY

Report to Council



Report No: CORP 2011-184

Date: November 28, 2011

Originator: Ron Mimee / Margaret Karpenko

Subject: 2012 Administration Recommended Operating Budget

RECOMMENDATION:

That the 2012 Administration Recommended Operating Budget be received and referred to the General Government Committee.

BACKGROUND:

During October 2011, the Business Unit **Managing Directors** and their management teams met with the **Chief Administrative Officer**, the **Chief Financial Officer** and the **Supervisor of Budgets and Financial Reporting** to review their 2012 Preliminary Operating Budget submissions.

Adjustments were made and the attached is a summary of the proposed **Administration Recommended 2012 Operating Budget**.

Budget Development Guidelines

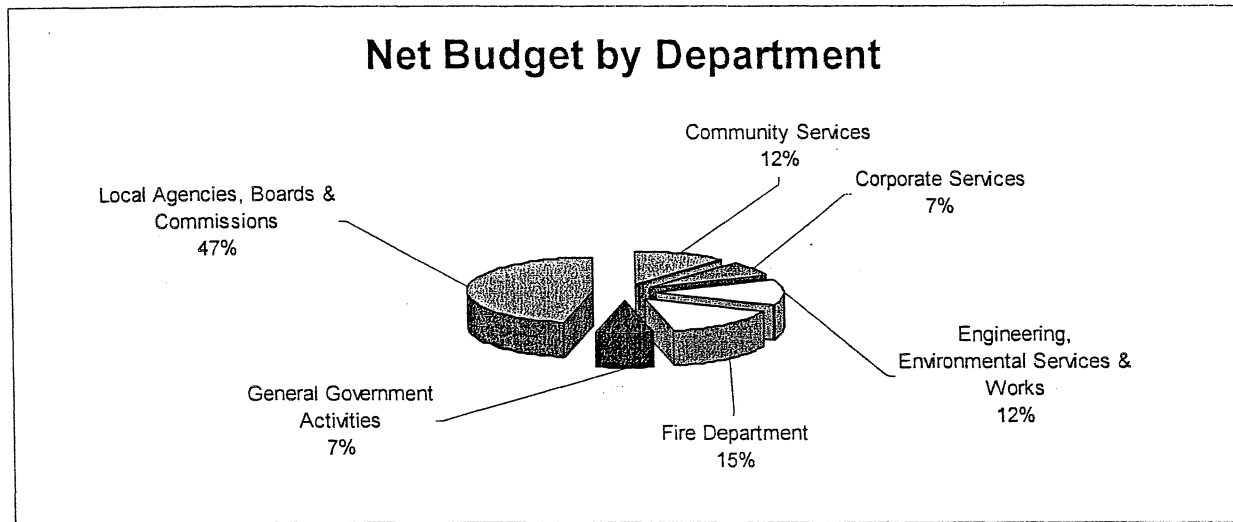
The 2012 Administration Recommended Operating Budget was prepared with the following guidelines:

- **Service Levels:** The preliminary budget was prepared with the assumption that all services and programs would generally remain at the 2011 levels.
- **Expenditures:** Represent management's best estimates to continue to provide the same programs and levels of service as approved in the 2011 Operating Budget. Management estimates would include:
 - Annualized approved Council initiatives or partial items within the 2011 Operating Budget
 - Inclusion of contractual agreements
 - Known revenue reductions
 - Legislated changes that came into effect
- **Staff Complement:** Changes to staff complement would be presented through enhancements; therefore, the base Administrative Recommended Operating Budget represents staffing levels as approved in the 2011 Operating Budget and includes any approved amendments made during 2011.
- **User Fees:** User fees have been calculated in accordance with a study or prior approvals of Council. Any new user fees would be proposed as an enhancement.

- Fringe Benefits: All staff benefit costs have been calculated by the Finance Department and are reflected within the department that the individual works.
- Utility Costs: Finance obtained rate estimates from North Bay Hydro and other utility experts. The projections take into consideration the prior year's actual and expected future trends. Calculations, therefore, take into consideration the benefit of energy efficiencies gained through capital investments or enhanced education programs to improve conservation.
- Revenue Estimates: These estimates are based on current trends, current rates and current approved rate increases.
- Local Agencies, Boards and Commissions: An estimated 3% increase has been included for those Local Agencies, Boards and Commissions where 2012 operating budgets have as yet been received.

As with any budget, there are risks associated with forecasting expenditures and revenues. Many municipal expenditures are non-discretionary; therefore, impacts from factors such as assessment appeals, fuels costs, permit revenues, etc. may significantly impact net municipal costs increasing the risk of future budget variances. The tabled budget contains a contingency account of \$50,000 that may somewhat mitigate the aforementioned risks. Specific risk that can have a significant impact to the City's budget includes the Provincial OMPF Funding. The Administration Recommended Operating Budget assumes that the OMPF funding will remain constant at the 2011 amount. Formal announcements are typically released the first week of December. At that time Administration will advise Council of any impact.

Below is a graph demonstrating how the net tax levy supported budget is divided by business unit. The total net expenditure amount is \$74.3 million. Detail summary of budget changes are provided in Schedules A – F.



The Administration Recommended Operating Budget, as presented, would require a tax levy increase of 4.78%. The major items accounting for this increase are as follows:

- **Business Units increasing by \$1,042,516 or 3.10%** resulting from: estimated wage increases, \$665,000; increases to employee benefit plans, \$506,000; higher fuel costs, \$238,000 **partially offset** by higher net revenues in waste collection / reduction programs, (\$110,000); lower fleet maintenance costs, (\$136,800) and approved increase in user fees and by-laws (\$155,430).

-
- **General Government Activities increasing by \$1,504,331 or 38.07%** resulting from: increase in Pay-As-You-Go Capital Levy in accordance with the approved Long-Term Capital Funding Policy, \$1,188,000; lower interest revenue on short-term investments, \$244,700; lower reserve fund transfers, \$40,000 and lower education taxes retained on Federal in-lieu properties, \$40,000.

It should be noted that Ontario Municipal Partnership Funding (OMPF) is assumed at the same funding level as received in 2011. Allocation notices for 2012 OMPF funding should be received shortly from the Province of Ontario.

- Local Agencies, Boards and Commissions increasing by \$864,387 or 2.57%. A 3% increase has been included for those local agencies, boards and commission where 2011 budgets are yet to be received.

The projected assessment base real growth for 2011 is estimated at .060% which will effectively reduce the required tax levy increase down to 4.08%.

As per attached Schedule F the following will be the Committee Meetings of Council:

- Community Services – December 7th, 2011 at 11am
- Engineering, Environmental and Works – December 12th, 2011 at noon
- General Government – December 13th, 2011 at noon

Part of the review included a summary of the expected financial position of the City as at December 31, 2011. It is expected the City will end the year 2011 with a small **surplus of \$100,000**. The major variances accounting for this surplus are as follows:

- **Business Units projecting a surplus of \$222,821 resulting from:** higher internal use of corporate fleet, \$250,000; higher recycling goods sales revenue, \$240,000; higher waste reduction program grants, \$175,000; saving from temporary staff vacancies in several areas for part of the year, \$316,000 **partially offset by** higher fuel costs, (\$280,000); lower tipping fee revenues, (\$275,000); higher transit operators wage and benefit costs, (\$132,000); and higher overtime costs in the Fire Department, (\$193,800).
- **General Government Activities projecting a deficit of (\$206,317) resulting from:** lower short term interest and investment revenues (\$240,000) and lower supplementary tax revenues, (\$90,000); **partially offset by** lower debt principle and interest payments, \$75,000.
- **Local Agencies, Boards and Commissions projecting a surplus of \$35,534 resulting from:** distribution of 2010 surplus from the North Bay / Parry Sound District Health Unit.
- **2011 Tax Levy projecting a surplus of \$47,962.**

This 2011 financial projection is based on actual results to the end of November and conservative best estimates to the end of 2011. Final year end position will be known upon completion of the 2011 year end audit.

RECOMMENDED OPTION:

That the 2012 Administration Recommended Operating Budget be received and referred to the General Government Committee.

The results of these Standing Committee Meetings will be reviewed with Council at the budget meeting scheduled for Monday, January 16th, 2012, at 7:00 p.m. in the City Council Chambers. A staff

presentation will provide an overview of the 2012 **Committee Recommended** Operating Budget and will identify the major impacts, both positive and negative.

Attached is a copy of the **2012 Operating Budget Review Schedule** as approved by the Chair of the General Government Committee.

The final budget recommendations are scheduled to be considered at the regular General Government Committee Meeting on Monday, March 12th, 2012 and adopted at the regular Council Meeting on Monday, March 19th, 2012.

Respectfully submitted,

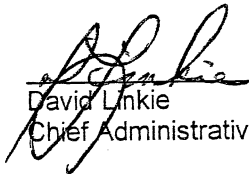


Ron Mimee
Manager of Budgets

We concur in this report and recommendation



Margaret Karpenko, C.M.A.
Chief Financial Officer/Treasurer



David Linkie
Chief Administrative Officer

Personnel designated for continuance: Chief Financial Officer and Manager of Budgets

Attach.

- A. Net Tax Levy Supported Budget
- B. Community Services Net Levy Budget
- C. Corporate Services Net Levy Budget
- D. Engineering, Environmental Services & Works Net Levy Budget
- E. Fire Services Net Levy Budget
- F. 2012 Operating Budget Review Schedule

Net Tax Levy Supported Budget

	2010 Actuals	2011 Actuals YTD	2011 Budget	2012 Council Review	Variance	Variance %
Community Services						
AQUATIC CENTRE	302,837	184,468	304,000	284,800	(19,200)	-6.32%
ARENA - MEMORIAL GARDENS	596,471	583,579	702,400	717,376	14,976	2.13%
ARENA - PETE PALANGIO	193,628	239,075	138,200	104,310	(33,890)	-24.52%
ARENA - WEST FERRIS	224,013	221,538	312,000	277,812	(34,188)	-10.96%
BUILDING	86,298	(99,805)	88,400	70,876	(17,524)	-19.82%
COMMUNITY SERVICES ADMIN	146,823	131,875	199,200	357,497	158,297	79.47%
ECONOMIC DEVELOPMENT	557,963	223,537	606,300	614,215	7,915	1.31%
KINGS LANDING	7,983	(2,612)	7,800	4,200	(3,600)	-46.15%
MARINA	2	(36,044)	0	(0)	(0)	100.00%
PARKING OPERATIONS	(177,868)	(211,661)	(153,300)	(172,929)	(19,629)	-12.80%
PARKS - OPERATIONS	2,994,164	2,802,787	2,997,600	3,157,267	159,667	5.33%
PARKS - SPORTS FIELD COMPLEX	0	51,088	85,000	47,005	(37,995)	-44.70%
PLANNING DEPARTMENT	338,742	348,588	461,300	457,079	(4,221)	-0.92%
REC, LEISURE, & CULTURAL SERVICES	610,621	392,530	629,200	641,942	12,742	2.03%
SKATEBOARD PARK	6,668	4,298	8,500	0	(8,500)	-100.00%
TRANSIT	2,468,380	2,085,218	2,274,200	2,375,019	100,819	4.43%
Total:	8,356,723	6,918,457	8,660,800	8,936,469	275,669	3.18%
Corporate Services						
COUNCIL SECRETARIAT	708,305	658,841	759,000	852,972	93,972	12.38%
FINANCIAL SERVICES	1,476,988	1,318,458	1,517,400	1,532,506	15,106	1.00%
HUMAN RESOURCES	1,049,613	1,014,044	1,122,700	1,284,269	161,569	14.39%
INFORMATION SYSTEMS	1,101,170	1,022,764	1,216,100	1,238,769	22,669	1.86%
LEGAL DEPARTMENT - BY-LAW ENFORCEMENT	(12,511)	(800)	(15,900)	(9,745)	6,155	38.71%
LEGAL DEPARTMENT - GENERAL	356,692	473,541	384,300	348,806	(35,494)	-9.24%
LEGAL DEPARTMENT - POA	(400,747)	(338,019)	(303,400)	(298,796)	4,604	1.52%
Total:	4,279,511	4,148,828	4,680,200	4,948,782	268,582	5.74%
Engineering, Environmental Services & Works						
ENGINEERING SERVICES	483,933	386,173	605,400	688,624	83,224	13.75%
ENVIRONMENTAL SERVICES	974,253	(34,745)	583,100	469,072	(114,028)	-19.56%
FLEET MANAGEMENT	(711,765)	(639,985)	(308,900)	(425,652)	(116,752)	-37.80%
ROADS DEPARTMENT	6,851,267	6,803,951	6,725,900	6,790,993	65,093	0.97%
STORM SEWERS	555,949	435,576	543,600	592,134	48,534	8.93%
WORKS DEPT ADMINISTRATION	900,273	792,458	992,300	1,197,749	205,449	20.70%
Total:	9,053,910	7,743,429	9,141,400	9,312,919	171,519	1.88%
Fire Department						
FIRE DEPARTMENT	10,832,460	9,417,413	11,185,700	11,512,446	326,746	2.92%
Total:	10,832,460	9,417,413	11,185,700	11,512,446	326,746	2.92%

Net Tax Levy Supported Budget

	2010 Actuals	2011 Actuals YTD	2011 Budget	2012 Council Review	Variance	Variance %
General Government Activities						
FINANCIAL EXPENSES	14,161,962	(214,230)	14,030,000	15,454,200	1,424,200	10.15%
GENERAL REVENUES	(82,862,438)	(82,376,900)	(10,816,000)	(10,748,140)	67,860	0.63%
MAYOR & COUNCIL	304,570	268,672	350,600	347,615	(2,985)	-0.85%
OFFICE OF THE CAO	364,790	66,037	387,300	402,557	15,257	3.94%
Total:	(68,031,116)	(82,256,421)	3,951,900	5,456,231	1,504,331	38.07%
Local Agencies, Boards & Commissions						
BOARDS & COMMISSIONS	35,516,243	30,665,796	33,672,405	34,536,792	864,387	2.57%
Total:	35,516,243	30,665,796	33,672,405	34,536,792	864,387	2.57%
Grand Total:	(18,037)	(30,426,174)	71,292,405	74,703,639	3,411,234	4.78%
2011 Growth				(379,235)	(379,235)	
Net Tax Levy				74,324,404	3,031,999	4.08%

Community Services Net Levy Budget

2012 Administration Recommended Operating Budget

	Budget 2012	Budget 2011	Change	Percentage
REVENUE:				
FEE/SERV CHGE/DONATIONS	4,599,283	4,532,400	(66,883)	-1.48%
FEE/SERV CHGES/DONATIONS	1,550,100	1,491,000	(59,100)	-3.96%
INTERNAL TRANSFERS	82,330	81,200	(1,130)	-1.39%
OTHER REVENUE	1,529,714	1,529,300	(414)	-0.03%
TOTAL REVENUE	7,761,427	7,633,900	(127,527)	-1.67%
EXPENSE:				
PERSONNEL	9,604,846	9,280,068	324,778	3.50%
GOODS & SERVICES				
ADMINISTRATION EXPENSES	499,800	512,900	(13,100)	-2.55%
CONTRACTS	940,041	891,000	49,041	5.50%
FLEET SUPPLIES	1,927,338	1,862,000	65,338	3.51%
FOR SALE SUPPLIES	14,500	14,500	0	0.00%
GENERAL SUPPLIES	196,066	190,900	5,166	2.71%
INSURANCE EXPENSES	333,701	314,200	19,501	6.21%
LEASES & RENTS	130,400	128,600	1,800	1.40%
MAINTENANCE SERVICE FEES	524,300	495,700	28,600	5.77%
MATERIALS	209,600	210,100	(500)	-0.24%
OTHER SERVICES & RENTS	66,383	64,700	1,683	2.60%
OTHER SUPPLIES	20,000	20,000	0	0.00%
PROFESSIONAL FEES	8,000	8,500	(500)	-5.88%
UTILITIES / TAXES	1,106,556	1,103,200	3,356	0.30%
	5,976,685	5,816,300	160,385	2.76%
CAPITAL / RESERVE				
CAPITAL FINANCING	77,865	143,900	(66,035)	-45.89%
CAPITAL PURCHASES	132,000	163,600	(31,600)	-19.32%
	209,865	307,500	(97,635)	-31.75%
INTERNAL TRANSFERS	906,500	890,832	15,668	1.76%
TOTAL EXPENSE	16,697,896	16,294,700	403,196	2.47%
NET TOTAL	8,936,469	8,660,800	275,669	3.18%

NOTES:

Community Services portion of the 2012 Administration Recommended Operating Budget is higher by \$275,669 or 3.18%. The major items accounting for this variance are as follows:

- * Estimated wage increases, \$175,000
- * Higher fuel costs, \$126,038
- * Increases in benefit costs, \$188,622
- * Municipal transit terminal taxes, \$46,856
- * Annual costs to maintain new waterfront park, \$60,000

Partially offset by:

- * Lower transit fleet maintenance costs, (\$95,800)
- * Increased Business Unit revenues, (\$170,880)

Corporate Services Net Levy Budget

2012 Administration Recommended Operating Budget

	Budget 2012	Budget 2011	Change	Percentage
REVENUE:				
FEDERAL GRANTS	27,400	27,400	0	0.00%
FEEs/SERV CHGE/DONATIONS	654,200	663,700	9,500	1.43%
FEEs/SERV CHGES/DONATIONS	95,600	95,500	(100)	-0.10%
INTERNAL TRANSFERS	620,569	610,900	(9,669)	-1.58%
OTHER REVENUE	2,670,313	2,650,800	(19,513)	-0.74%
Total Revenue	4,068,082	4,048,300	(19,782)	-0.49%
EXPENSE:				
PERSONNEL	6,072,282	5,830,100	242,182	4.15%
GOODS & SERVICES				
ADMINISTRATION EXPENSES	432,000	436,300	(4,300)	-0.99%
CONTRACTS	303,813	278,500	25,313	9.09%
GENERAL SUPPLIES	156,300	157,900	(1,600)	-1.01%
INSURANCE EXPENSES	298,200	294,300	3,900	1.33%
LEASES & RENTS	54,700	54,500	200	0.37%
MAINTENANCE SERVICE FEES	375,600	358,800	16,800	4.68%
OTHER SERVICES & RENTS	270,113	272,700	(2,587)	-0.95%
OTHER SUPPLIES	8,500	8,500	0	0.00%
PROFESSIONAL FEES	376,200	391,500	(15,300)	-3.91%
UTILITIES / TAXES	209,700	189,000	20,700	10.95%
	2,485,126	2,442,000	43,126	1.77%
CAPITAL / RESERVE				
CAPITAL FINANCING	170,000	170,000	0	0.00%
CAPITAL PURCHASES	42,100	42,600	(500)	-1.17%
	212,100	212,600	(500)	-0.24%
INTERNAL TRANSFERS	247,356	243,800	3,556	1.46%
Total Expense	9,016,864	8,728,500	288,364	3.30%
NET TOTAL	4,948,782	4,680,200	268,582	5.74%

NOTES:

Corporate Services portion of the 2012 Administration Recommended Operating Budget is higher by \$268,582 or 5.74%. The major items accounting for this variance are as follows:

- * Estimated wage increases, \$120,000
- * Higher city hall maintenance costs, \$85,357
- * Increases in benefit costs, \$93,328

Partially offset by:

- * Lower legal department costs, (\$34,426)

Engineering & Environmental Services and Works Net Levy Budget

2012 Administration Recommended Operating Budget

	Budget 2012	Budget 2011	Change	Percentage
REVENUE:				
FEES/SERV CHGE/DONATIONS	2,832,040	2,708,200	(123,840)	-4.57%
FEES/SERV CHGES/DONATIONS	630,700	544,900	(85,800)	-15.75%
INTERNAL TRANSFERS	5,263,715	5,077,100	(186,615)	-3.68%
OTHER MUNICIPAL	154,487	150,300	(4,187)	-2.79%
OTHER REVENUE	696,600	621,500	(75,100)	-12.08%
TOTAL REVENUE	9,577,542	9,102,000	(475,542)	-5.22%
EXPENSE:				
PERSONNEL	8,586,018	8,116,400	469,618	5.79%
GOODS & SERVICES				
ADMINISTRATION EXPENSES	164,380	165,200	(820)	-0.50%
CONTRACTS	3,624,300	3,541,000	83,300	2.35%
FLEET SUPPLIES	1,699,600	1,663,100	36,500	2.19%
INSURANCE EXPENSES	214,300	196,000	18,300	9.34%
LEASES & RENTS	307,700	325,600	(17,900)	-5.50%
MAINTENANCE SERVICE FEES	223,300	210,300	13,000	6.18%
MATERIALS	836,913	897,200	(60,287)	-6.72%
OTHER SERVICES & RENTS	22,000	22,000	0	0.00%
GENERAL SUPPLIES	157,600	169,700	(12,100)	-7.13%
OTHER SUPPLIES	3,900	3,400	500	14.71%
PROFESSIONAL FEES	107,920	106,400	1,520	1.43%
UTILITIES / TAXES	927,800	866,100	61,700	7.12%
WRITE OFFS	12,500	12,500	0	0.00%
TOTAL GOODS & SERVICES	8,302,213	8,178,500	123,713	1.51%
CAPITAL / RESERVE				
CAPITAL FINANCING	189,700	189,700	0	0.00%
CAPITAL PURCHASES	11,120	11,000	120	1.09%
TOTAL CAPITAL / RESERVE	200,820	200,700	120	0.06%
INTERNAL TRANSFERS	1,801,410	1,747,800	53,610	3.07%
TOTAL EXPENSE	18,890,461	18,243,400	647,061	3.55%
NET TOTAL	9,312,919	9,141,400	171,519	1.88%

NOTES:

Engineering, Environmental Services and Works portion of the 2012 Administration Recommended Operating Budget is higher by \$171,519 or 1.88%. The major items accounting for this variance are as follows:

- * Estimated wage increases, \$170,000
- * Higher fuel costs, \$115,000
- * Increases in benefit costs, \$126,207

Partially offset by:

- * Lower fleet maintenance costs, (\$80,000)
- * Higher internal use of corporate fleet, (\$100,185)
- * Higher net revenue in waste collection/reduction programs, (\$110,760)

Fire Services Net Levy Budget

2012 Administration Recommended Operating Budget

	Budget 2012	Budget 2011	Change	Percentage
REVENUE:				
FEES/SERV CHGE/DONATIONS	163,000	161,000	(2,000)	-1.24%
INTERNAL TRANSFERS	15,421	15,300	(121)	-0.79%
ONTARIO SPECIFIC GRANTS	17,000	17,000	0	0.00%
OTHER REVENUE	6,000	0	(6,000)	
TOTAL REVENUE	201,421	193,300	(8,121)	-4.20%
EXPENSE:				
PERSONNEL	10,778,267	10,470,300	307,967	2.94%
GOODS & SERVICES				
ADMINISTRATION EXPENSES	104,300	98,700	5,600	5.67%
CONTRACTS	1,000	1,000	0	0.00%
FLEET SUPPLIES	195,500	180,300	15,200	8.43%
GENERAL SUPPLIES	208,000	205,500	2,500	1.22%
INSURANCE EXPENSES	69,700	61,900	7,800	12.60%
LEASES & RENTS	7,000	7,000	0	0.00%
MAINTENANCE SERVICE FEES	211,300	205,000	6,300	3.07%
OTHER SUPPLIES	40,800	43,800	(3,000)	-6.85%
PROFESSIONAL FEES	2,500	2,500	0	0.00%
UTILITIES / TAXES	70,500	78,000	(7,500)	-9.62%
	910,600	883,700	26,900	3.04%
CAPITAL / RESERVE	25,000	25,000	0	0.00%
TOTAL EXPENSE	11,713,867	11,379,000	334,867	2.94%
NET TOTAL	11,512,446	11,185,700	326,746	2.92%

NOTES:

Fire Department portion of the 2012 Administration Recommended Operating Budget is higher by \$326,746 or 2.92%. The major items accounting for this variance are as follows:

- * Estimated wage increases, \$192,310
- * Increases in benefit costs, \$115,658

2012 BUDGET SCHEDULE

SCHEDULE F

Below is the proposed budget schedule for the following items:

- 2012 Water Rates
- 2012 Long Term Capital Funding Policy and Capital Budget
- 2012 Operating Budget
- Tax Policies
- User Fees

November 2011							December 2011							January 2012						
S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S
		1	2	3	4	5				1	2	3	1	2	3	4	5	6	7	
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30	31				

ACTIVITY	DATE	TIME	LOCATION
WATER RATES – GOAL JAN 1 NEW RATES			
City Council Receives 2012 Water Rates and Budget	OCT 17	7 PM	COUNCIL CHAMBER
2012 Water Rates Public Meeting (After 21 day notice)	NOV 21	7 PM	COUNCIL CHAMBER
Water rates By-law presented to Council	DEC 12	7 PM	COUNCIL CHAMBER
CAPITAL BUDGET			
City Council Receives 2012 Capital Budget	NOV 21	7 PM	COUNCIL CHAMBER
Capital Budget and Long term Capital Policy discussed at Committee (last Committee Mtg. of year)	DEC 5	7 PM	COUNCIL CHAMBER
Capital Budget Recommendations Approved	DEC 12	7 PM	COUNCIL CHAMBER
OPERATING BUDGET			
City Council receives Draft of 2012 Operating Budget	NOV 28		INFORMATION TO GO IN PACKAGES
Standing Committees (Dec. 7, 12 & 13)	DEC 7, 12 & 13		
Committee Meeting of Council Regarding - Operating Budget staff Presentation	JAN 16	7 PM	COUNCIL CHAMBER
City Council Receives Assessment Analysis and Tax Policy Review City Council Receives User Fees	JAN 23	7 PM	COUNCIL CHAMBER
Public Presentations regarding Operating Budget Committee Meeting on Tax Policies	FEB 13	7 PM	COUNCIL CHAMBER
Special Committee Meetings - Agencies, Boards and Commissions Presentations – Second day optional if required	FEB 14 & 15	7 PM	COUNCIL CHAMBER
General Committee Wrap-up meeting & Proposed Tax Rates Recommend adopting Operating Budget	MARCH 12	7 PM	COUNCIL CHAMBER
City Council Review and adoption of General Government Committee Recommendation & Passage of Resolutions / By-laws	MARCH 19	7 PM	COUNCIL CHAMBER

GG-2012-01

Draft recommendation.

“As per General Government Committee Report No. 2012-01.”

City of North Bay

Report to Council

Report No.: CORP 2012-08

Date: January 30, 2012

Originator: Lorraine Rochefort and Margaret Karpenko

Subject: 2012 Assessment Analysis & Tax Policy Review

RECOMMENDATIONS:

That Council adopt the 2012 Tax Policy recommendations as follows:

- i) That the 2012 tax ratios remain at the 2011 levels as follows:
 - Multi-Residential - 2.2054
 - Commercial - 1.8822
 - Industrial - 1.4000
 - Pipeline - 1.1656
 - Farmland - 0.1500
 - Managed Forest - 0.2500
 - ii) That the excess supplementary municipal taxes in the Commercial and Multi-Residential tax classes be transferred to the Tax Policy Development Reserve Fund (#99541). Excess amount to be based on the year-end report from the Chief Financial Officer and;
 - iii) That the 2012 Capping Program recommendations be brought forward under a separate report.
-

BACKGROUND:

It is proposed that the 2012 Operating Budget will be approved by Council at its March 19th Council Meeting. The 2012 municipal property tax levy required is estimated at \$73,760,898, an increase of approximately \$2,468,493 from the 2011 levy.

Prior to the adoption of tax rates, municipalities are required on an annual basis to make a host of decisions in respect of tax policy that will affect the apportionment of the tax burden within and between tax classes.

While no general reassessment will occur for 2012, it is important to remember that in addition to the continued impact of the four-year assessment phase-in program, the updated assessment roll will also reflect changes related to growth, loss and various equity changes that have been made to property values.

As such, municipalities must continue every effort to understand the ongoing and annual implication of changes to the assessment base and assessment roll in order to make informed decisions with respect to local tax policies.

In order to ensure that appropriate and locally sensitive tax policy choices can be made in a timely manner, a careful examination of the following relationships and circumstances must be undertaken:

1. Real assessment and revenue growth and/or loss that has occurred over the past year, which is the starting point, or revenue limit, for budgetary and rate setting purposes;
2. Assessment phase-in program tax impacts and changes to the assessment roll;
3. Property tax shifts and tax dollar impacts from 2012 phase-in assessments;
4. Tax ratio analysis. The effect of status quo and optional tax ratio scenarios on the distribution of the tax burden between tax classes, and
5. The impact of the mandatory "tax capping" protection program on both the capped and uncapped classes, including the effects of any optional capping tools that may be adopted by the municipality. Tax capping recommendations will be brought forward to Council in a separate report.

1. Real Assessment Growth:

Real assessment growth is generated by supplementary assessments resulting from new buildings, additions, new subdivisions, severances, etc. and reduced by reductions in assessment resulting from assessment appeals.

The following table outlines the growth experience from 2005 – 2012:

Year over Year Real Assessment Growth:

Taxation Year(s)	Real Assessment Growth %	Additional Tax Revenue
2008-2009	1.30%	\$ 798,000
2009-2010	0.89%	\$ 587,000
2010-2011	1.47%	\$ 1,065,228
2011-2012	.61%	\$ 414,463

2010-2011 Real Assessment Growth by Tax Class:

Tax Class	Growth %	Impact on Tax Levy
Residential	1.3%	\$ 566,242
Multi-Residential	-4.8%	(\$ 306,047)
Commercial	1.1%	\$ 157,858
Industrial	-6.7%	(\$ 3,818)
Managed Forest	3.1%	\$ 228
Farmland	0%	\$ 00
Total		\$ 414,463

The multi-residential real assessment growth reduction is primarily as a result of properties converting to condominiums. When converted, the tax class changes from multi-residential to residential.

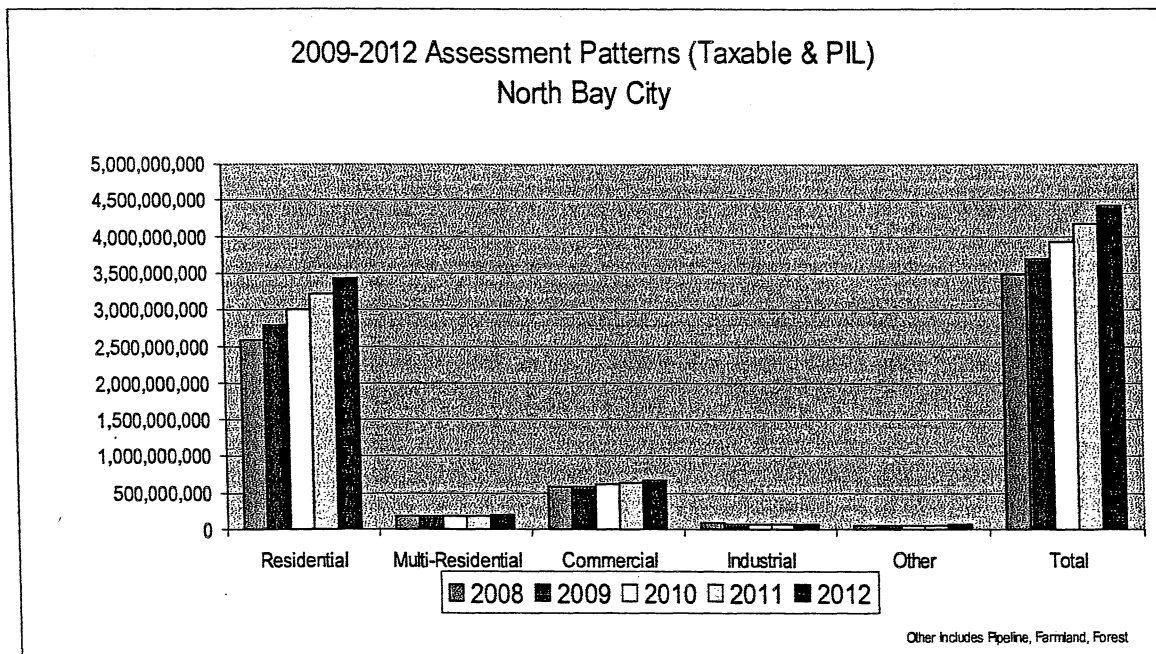
MPAC advises that an increase in the residential assessment after conversion is generally the norm. Multi-residential properties are assessed based on the income approach. If the property is not a big revenue producer the multi-residential assessment would be low. When the new condominium units are revalued, based on condo sales which is generally a higher market, the residential assessment usually increases. In most cases a loss in municipal tax revenue is experienced due to the fact that the tax ratio for the multi-residential tax class is 2.2% of the residential rate. A property's assessment would have to more than double after conversion in order to result in a revenue neutral tax change.

The industrial tax class has also experienced a reduction in real assessment growth. Although the percentage may seem high at 6.7%, the overall impact on the levy is only \$3,800.00 because the overall total assessment in the class is low in comparison to the other classes. The industrial class accounts for 2% of the total assessment distribution.

2. Assessment Phase-In Program:

In addition to growth related changes to the assessment roll, the progression and impact of the four-year phase-in program is also of central interest to the City.

The following chart outlines the 2009-2012 assessment patterns experienced by the City as a result of the reassessment.



2012 Phase-In Broad Class Reassessment Results:

2012 marks the fourth and final year of the four year assessment phase-in program. The next reassessment will take place in 2013 and will be phased in over 2014, 2015 and 2016 taxation years. The base date is January 1, 2012 for the four year term.

The following table shows the City's 2012 phased CVA value increases from 2011. The results are consistent with the original projections where the residential tax class continues to absorb the higher share of the tax burden.

Tax Class	2011 Market Value (Equity)	2012 Market Value (Equity)
Residential	7.1%	6.6%
Multi-Residential	1.0%	0.9%
Commercial	4.6%	4.1%
Industrial	0.7%	1.1%
Pipeline	3.8%	3.6%
Farmland	3.5%	3.4%
Managed Forest	11.4%	10.1%

3. Property Tax Shifts and Tax Dollar Impacts from 2012 Phase-in Assessments:

Translating broad class assessment changes to tax dollar impacts is demonstrated below, applying the 2011 tax policy tools (tax rates, tax ratios, tax capping) .

Tax Class	Tax Class Shift (based on 2011 Tax Ratios)	Tax Levy Shift
Residential	1.3%	\$564,528
Multi-Residential	(4.3%)	(\$249,058)
Commercial	(1.1%)	(\$149,136)
Industrial	(4.6%)	(\$59,749)

Although the residential tax class is absorbing 1.3% of the total tax shift, 82% of the 14,520 increasing properties will see an average annual increase in municipal taxes of \$60.00; 18% of the 3,450 decreasing properties will see decreases of \$56.00. This analysis is based on assessment impacts, not municipal tax rate impacts.

Current Value Assessment Change Analysis and Tax Dollar Impacts (Residential):

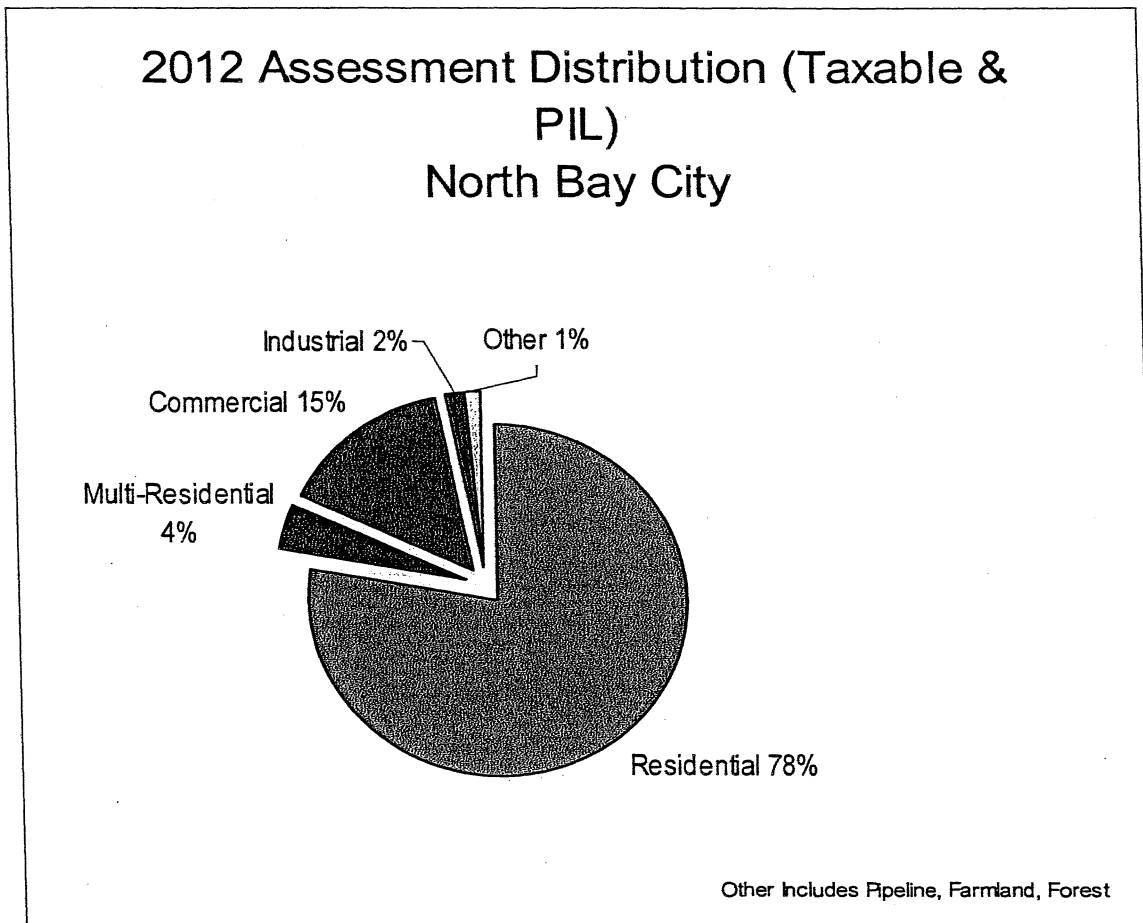
	Scenario 1 0% increase in CVA	Scenario 2 5% increase in CVA	Scenario 3 6.6% increase in CVA
2011 CVA	247,000	247,000	247,000
2012 CVA	247,000	259,350	263,302
Dollar Change	0	12,350	16,302
Percentage Change	0	5%	6.6%
2011 Taxation	\$4,130	\$4,130	\$4,130
2012 Taxation	\$3,925	\$4,131	\$4,184
Dollar change	(\$205)	0	\$ 54
Percentage Change	(-5%)	0%	1.3%

Scenario 1: if a property's assessment remained constant year over year, the taxes would decrease by 5%, which is consistent with the increase in the overall assessment base for all classes for 2012 which is 5.9%.

Scenario 2: if a property's assessment increased by the 5% overall average, the taxes would not increase.

Scenario 3: if a property's assessment increased by 6.6%, which is the average increase in CVA for the residential tax class, the property would see an increase in taxes of 1.3% which equals the tax class shift for the residential tax class for 2012.

2012 Assessment Distribution by Class:



4. Tax Ratios:

For 2012, the Municipal Act continues to provide municipalities with a range of tax policy tools that may be used to alter the distribution of the tax burden both within and between tax classes. Tax ratios may be adjusted to affect the level of taxation on different tax classes.

Municipalities are required to establish tax ratios for the multi-residential, commercial, industrial and pipeline classes prior to finalizing tax rates for this year's tax cycle.

Established ratios ultimately govern the relationship between the rate of taxation for each affected class and the tax rate for the residential property class.

The tax ratio for the residential class is legislated at 1.0, while the farm and managed forest classes have a prescribed tax ratio of 0.25. Municipalities do have the flexibility to set a tax ratio for the farm class that is below 0.25. Council reduced the farm class ratio to 0.15 in 2003. (See Appendix B for tax ratio comparisons)

In setting tax ratios for all other property classes, municipalities must do so within the guidelines prescribed by the Province. Council may choose to adopt:

- either the current tax ratio for any class (2011 adopted);
- establish a new tax ratio for the year that is closer to or within the Range of Fairness. This option gives the City the flexibility to reduce tax ratios as per the Long Term Tax Policy;
- restated revenue neutral transition ratios to mitigate phase-in related tax shifts between classes.

An analysis has been undertaken to show the effects of the following tax ratio scenarios for the affected classes using the municipal levy only.

1. Status quo 2011 ratios
2. Reduced ratios as per Long Term Tax Policy
3. Revenue neutral ratios (maximum)

Tax Ratio Comparison:

Property Class	1. 2011 Tax Ratios Status Quo	2. 2012 Tax Ratios Long Term Tax Policy	3. 2012 Revenue Neutral Tax Ratios	Tax Policy Target
Residential	1.000000	1.000000	1.000000	1.000000
Multi-Res.	2.205400	2.167200	2.331182	1.400000
Commercial	1.882200	1.859600	1.930160	1.400000
Industrial	1.400000	1.400000	1.479901	1.400000
Farmlands	.150000	.150000	.150000	.150000
Managed Forest	.250000	.250000	.250000	.250000
Pipelines	1.165600	1.165600	1.199240	1.165600

Tax Shift Impact Summary – 2012 Reassessment Tax Shifts using alternate tax ratios:

Scenario 1			Scenario 2		Scenario 3	
Tax Class	Class Shift 2011 Tax Ratios Increase/ (decrease)	Tax Levy Shift	Class Shift using Tax Policy reductions	Tax Levy Shift	Class Shift Max. Rev. Neutral Tax Ratios	Tax Levy Shift
Residential	1.3%	\$564,528	1.8%	\$821,378	.0%	\$15,970
Multi-Res.	(4.2%)	(\$249,058)	(5.3)%	(\$315,524)	.0%	(\$ 17)
Comm.	(1.1%)	(\$149,136)	(2.4)%	(\$243,818)	3.0	\$44,335
Industrial	(4.6%)	(\$59,749)	(7.8)%	(\$145,145)	(0.3%)	(\$ 1,237)

(Comparison of residential and protected classes only. Offsetting balance to the residential shift includes all tax classes)

Scenario 1 - represents the tax class shift as a result of the 2012 phased-in assessment. As noted, the residential tax class is absorbing an additional 1.3% of the tax burden and all other tax classes are seeing a reduction.

Scenario 2 - represents the tax class shifts if tax ratios reduced in the commercial and multi-residential tax classes as per the Long Term Tax Policy. This results in the shift moving back to the residential tax class and a reduction in all other classes.

Scenario 3 - represents the tax class shifts if the "revenue neutral" tax ratios were imposed to offset 100% of the tax burden shift from the residential tax class.

Tax Reductions for Mandated Subclasses of Vacant Land/Units:

Municipalities must pass by-laws to reduce the tax burden on vacant and industrial land. The by-law identifies the reduction as a percentage discount of the occupied tax rate.

Section 313 of The Municipal Act provides two options as follows:

Vacant Commercial and Industrial:

- 1) Use legal default reductions of 30% and 35% for the commercial and industrial classes respectively, or
- 2) Set a uniform discount rate for both classes anywhere between 30% and 35%.

The City has chosen to set a uniform rate of 30% for both classes and passes a by-law annually to adopt the discount rates.

Administration continues to recommend this policy and a By-law will be brought forward on March 19, 2012.

Long Term Tax Policy

Council adopted a Long Term Tax Policy in 2005 which introduced the following goals and implementation plans:

To reduce tax ratios for the multi-residential and commercial classes to 1.400 over a twenty-five year period *only if the tax burden shifts can be offset by real assessment growth.*

- To consider annually a transfer of excess supplementary taxes in the multi-residential and commercial classes to a Tax Policy Reserve Fund.
- To accelerate the movement toward full Current Value Assessment for all properties in the capped classes utilizing the capping options available.
- To fund the cost of the mandatory capping program within each class.
- To consider annually the options to fund a portion of the cost of the mandatory capping program from the Tax Policy Development Reserve Fund.

Administration continues to recommend this policy and a recommendation will be brought forward on March 19, 2012.

Tax Policy Reserve Fund

To facilitate implementation of the Tax Policy, Council established a Tax Policy Development Reserve Fund in 2004 as follows:

- To transfer excess supplementary municipal taxes in the commercial and multi-residential classes to a Tax Policy Development Reserve.
- Excess amount to be based on year-end report from Chief Financial Officer.
- The total balance as at December 31, 2011 is \$340,479.51.

Administration continues to recommend this policy and a recommendation will be brought forward on March 19, 2012.

2012 Tax Policy Options:

Mandatory Capping Options:

We are unable to accurately analyze the capping options in OPTA at this time. However, we do not anticipate significant budget requirements for funding the program. The commercial capping program is the largest, which historically has been funded within the class and the multi-residential and industrial programs have been funded through the Tax Policy Reserve.

Once the information is available we will bring a Report to Council outlining our findings and seek your approval of our final recommendation on the Program.

Tax/Transition Ratios Options:

1. To reduce the multi-residential and commercial tax ratios using real assessment growth as follows:
 - Multi-residential tax ratio by .0382 from 2.2054 to 2.1672
 - Commercial tax ratio by .0226 from 1.8822 to 1.8596
 2. To increase tax ratios to the maximum revenue neutral transition ratios to avoid shifts that occurred between property classes as a result of the 2012 phase-in reassessment.
 3. To maintain the 2011 tax ratios for the 2012 year as follows:

Multi-residential	- 2.2054	Pipeline	- 1.1656
Commercial	- 1.8822	Farmland	- 0.1500
Industrial	- 1.4000	Managed Forest	- 0.2500
-

OPTIONS / ANALYSIS:

Option 1:

To reduce the 2012 tax ratios as per the Long Term Tax Policy as follows:

- Multi-residential tax ratio by .0382 from 2.2054 to 2.1672
- Commercial tax ratio by .0226 from 1.8822 to 1.8596

The Long Term Tax Policy requires that the reductions be funded by real assessment growth. The cost to fund the multi-residential reduction is \$66,466.00; however, the class did not realize growth, but a large decrease in the amount of \$306,047.00. Therefore, the multi-residential reduction is not an option.

The cost to fund the commercial reduction is \$94,682.00. The commercial tax class realized growth in the amount of \$157,858.00 therefore growth could fund the reduction. By doing so, the residential tax class would see an additional shift of 1.6% when the class is already absorbing a 1.3% shift from the reassessment results. This Option is not recommended.

Option 2:

To increase the tax ratios to the maximum revenue neutral transition ratios to avoid the tax shift to the residential tax class. The analysis shows that if the maximum revenue neutral ratios were used, the residential class and multi-residential tax classes would not see a tax shift at all. The Commercial would increase by 3% and industrial would decrease by .3%.

Although the residential, multi-residential and industrial tax classes would benefit by not experiencing a tax burden shift, the commercial, pipeline and managed forest would see increases. If adopted, the new tax ratios would be far above the current tax ratios, which is not in keeping with the Long Term Tax Policy.

Under the maximum revenue neutral tax ratio scheme, the industrial tax ratio would increase from the 1.40 to 1.50. The 1.40 tax ratio is the destination tax ratio for the commercial, multi-residential and commercial tax classes; therefore, this type of shift would definitely be a step backward in Council's long term vision as it relates to tax ratios.

Option 3:

1) To maintain the 2011 tax ratios for the 2012 year as follows:

- Multi-Residential - 2.2054 Pipeline - 1.1656
- Commercial - 1.8822 Farmland - 0.1500
- Industrial - 1.4000 Managed Forest - 0.2500

Tax ratios have been reduced from the 1998 transition ratios from 2001-2008 in an effort to redistribute the relative tax burden in the non-residential tax classes. (See Appendix B)

In 2011 Council opted to maintain the 2010 tax ratios because:

- a) adopting revenue neutral ratios to mitigate the shift to the residential tax payer was contrary to the goals of the Long Term Tax Policy. Revenue neutral tax ratios increase the tax ratios in the business classes.
- b) the reduction of commercial and multi-residential tax ratio, as per the Long Term Tax Policy, would pose an additional burden to the residential tax class which had already absorbed large shifts from the reassessment; and there was not sufficient growth in the two classes to pay for the cost of the tax ratio reductions.

For 2012 the residential tax class will continue to absorb a larger shift than the other tax classes, therefore, the 2011 rationale continues to apply for the 2012 taxation year.

2) To adopt the 2012 Tax Capping program

We are unable to accurately analyze the capping options in OPTA at this time. Once the information is available we will bring a Report to Council outlining our findings and seek your approval of our final recommendation on the Program.

RECOMMENDED OPTION:

Option 3 is the recommended option.

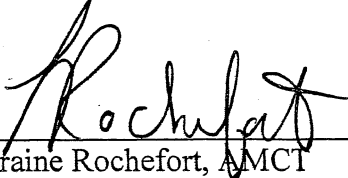
That Council adopts the 2012 Tax Policy recommendations as follows:

- i) That the 2012 tax ratios remain at the 2011 levels as follows:

Multi-Residential	- 2.2054	Pipeline	- 1.1656
Commercial	- 1.8822	Farmland	- 0.1500
Industrial	- 1.4000	Managed Forest	- 0.2500
- ii) That the excess supplementary municipal taxes in the Commercial and Multi-Residential tax classes be transferred to the Tax Policy Development Reserve Fund. (#99541) Excess amount to be based on the year-end report from the Chief Financial Officer and;
- iii) That the 2012 Capping Program recommendations be brought forward under a separate report.

Following Council approval of the 2012 Tax Policy, by-laws will be brought forward to the March 19th Council Meeting adopting the 2012 Tax Rates, Tax Ratios and Tax Rate Reductions for property subclasses.

Respectfully submitted,




Lorraine Rochefort, AMCT
Manager of Revenues & Taxation



Margaret Karpenko, CMA
Chief Financial Officer/Treasurer

I/We concur in this report and recommendations.



David Linkie
Chief Administrative Officer

Personnel designated for continuance: Manager of Revenues & Taxation
Chief Financial Officer/Treasurer

Attachments: Appendix A: Background – Assessment/Taxation Legislation
Appendix B: Tax Ratio/Tax Rate Comparisons
Appendix C: Long Term Tax Policy

APPENDIX A

BACKGROUND – Assessment and Taxation Legislation

Assessment and taxation legislation were significantly changed as a result of the 2007 and 2008 Provincial budgets. The budgets introduced a number of measures to enhance the fairness and predictability of the current property tax system, including:

- 1) Business Education Tax Cuts
- 2) Four-year Reassessment Cycle & Phase-In
- 3) Assessment Appeal Process Changes
- 4) Assessment Notices
- 5) New Tax Capping Option

1) Business Education (BET) Property Tax Cuts:

In the 2007 Budget the Government announced a plan to cut business education taxes by \$540 million over seven years, lowering the high BET rates to a target maximum rate of 1.60%. Under the plan, annual ceiling rates for commercial and industrial properties would be reduced each year until they reach the target maximum BET rate of 1.60%.

As a result of the 2009 reassessment, the target minimum BET rate and the annual ceiling rates for 2009 were reset to offset reassessment impacts. For example, the 2008 maximum BET rate of 1.60% was lowered to 1.52% for 2009.

Business Education Tax Rates for new construction were immediately subject to the 1.60% rate for 2008 and the 1.52% rate for 2009, 2010 and onward. The government has created new construction property classes to facilitate the lower education tax rate for new construction.

These new property classes are for education tax purposes only and reflect existing definitions for commercial and industrial property classes. Eligibility is determined in part by new construction initiated after March 22, 2007 and an increase in the current value assessment by 50% or more.

All properties in the Commercial and Industrial tax classes in the City of North Bay were set at 1.43% for 2010 to offset the 2nd year of the phase-in assessment impacts. 2011 rates may be further reduced to offset the 3rd year phase-in reassessment results.

Business Education Tax (BET) Rates – City of North Bay

Property Tax Class	2009 BET Rate	2010 BET Rate	2011 BET Rate
Commercial	2.000000%	1.430000%	1.330000%
Industrial	1.859127%	1.430000%	1.330000%
Pipeline	1.239394%	1.192848%	1.149635%
New Construction – Commercial	1.520000%	1.430000%	1.330000%
New Construction – Industrial	1.520000%	1.430000%	1.330000%

CITY OF NORTH BAY BET CUTS - 2008-2011

Year	Max. Rate	North Bay Commercial Rate	Overall % Reduction
2008	2.35	2.237236	
2009	2.00	2.000000	
2010	1.52	1.430000	
2011	1.52	1.330000	-40.90%
Year	Max. Rate	North Bay Industrial Rate	% Reduction
2008	2.75	1.859127	
2009	2.25	1.853944	
2010	1.52	1.430000	
2011	1.52	1.330000	-35.70%

2) Changes to the Assessment System:

Three changes to the assessment system were introduced commencing 2009:

- a four year reassessment cycle
- a mandatory phase-in of assessment increases for all tax classes
- Enhancement to the fairness and effectiveness of the assessment appeal system

Four Year Reassessment Cycle:

2009 was a reassessment year and assessments were based on property values as of January 1, 2008. The January 1, 2008 valuation date will apply for 2009, 2010, 2011 and 2012. The cycle will continue accordingly every four years. Another reassessment will occur in 2013 with a valuation date January 1st, 2012 for 2013, 2014, 2015 and 2016.

Phase-in of Assessment Increases:

Commencing with the 2009 reassessment year, all assessment increases will be phased-in over four years for all tax classes. For example, a 20% assessment increase would be phased in gradually in increments of 5% per year over four years – 2009, 2010, 2011 and 2012. The phase-in applies to assessment increases only, assessment decreases were realized immediately in 2009. 2012 marks the fourth and final year of the four (4) year phased-in reassessment cycle.

Current Value Assessment Revised from 1998 to Current:

The following chart outlines the reassessment years and changes to base dates since the implementation of the Ontario Fair Assessment System in 1998.

Taxation Year	*Base Date for Assessment of Current Value
1998, 1999 and 2000	June 30, 1996
2001 and 2002	June 30, 1999
2003	June 30, 2001

2004 and 2005	June 30, 2003
2006/2007/2008	January 1, 2005
2009 - 2012	January 1, 2008
2013-2016	January 1, 2012 and so forth

3) Assessment Appeal System:

Prior to changes in legislation in 2008, ratepayers were able to file a Request for Reconsideration RfR to the Municipal Property Assessment Corporation (MPAC) or file a formal appeal with the Assessment Review Board (ARB).

The deadline for RfR was Dec. 31st and ARB March 31st. (9 months earlier than the RfR deadline). MPAC was not obligated to respond to the requests prior to the ARB's appeal deadline resulting in people filing protective appeals with the ARB that are held in abeyance pending a response from MPAC. The process often leads to confusion, duplication of effort and inefficient use of resources.

For 2009 and onward, the assessment appeal system has been changed as follows:

- Deadline to challenge CVA is March 31st
- Right to appeal remains annual
- If a property or portion of it, is classified as residential, farm or managed forest, a request for reconsideration (RfR) is now a mandatory first step
- MPAC must respond by September 30th of the year, or within 180 days for supplementary and omitted assessment
- An appeal may be filed to the ARB within 90 days of MPAC's decision being mailed as a second option for recourse
- For supplementary and omitted assessments, the deadline to file an RfR is 90 days after the mailing of the assessment notice

Business Classes

- Deadline to challenge CVA is March 31st
- Right to appeal remains annual
- A Request for Reconsideration (RfR) of CVA is an optional first step
- Business taxpayer may forego the reconsideration process and appeal directly to the ARB

Onus of Proof in the Hearing

- Previous to the legislative changes, the onus rested with the complainant to demonstrate to the Assessment Review Board that the assessed value on their property was incorrect. MPAC was only responsible to explain the assessment. The onus is now on MPAC to prove the accuracy of the assessed values at an ARB hearing.

4) Assessment Notices:

In addition to the standard Notice of Assessment that was issued to all ratepayers in November of 2008 reflecting the 2009-2012 assessment information, MPAC has developed new in-year Notices. Specifically:

- Post Roll Amended Property Assessment Notice – Issued for factual errors on the Assessment Roll at any time during the taxation year. For example, plans of subdivision that did not get added to the Assessment Roll.
- Property Assessment Change Notice – this was previously known as the Supplementary or Omitted Property Assessment Notice.
- Statement of Revised Assessment – accompanies the Property Assessment Change Notice. Provides the revised total assessment, including improvements. Includes the revised phased-in assessments for the next four taxation years.
- Advisory Notice of Adjustment – MPAC is required to notify property taxpayers about changes to their phased-in assessment amounts whenever the current value assessment for a property changed. For example, if the Assessment Review Board mails a Notice of Decision to a property owner indicating a reduction in assessment, MPAC will mail an Advisory Notice of Adjustment to the owner explaining how the reduction will affect their phased-in assessment amounts.

5) New Tax Capping Option:

In 2009 municipalities had the option to permanently exclude properties from the capping program once they reach their CVA tax destination. Under this new feature, a property that reaches CVA tax in one year can be excluded from the capping program the next year. The option may be put into place for any or all of the capped classes.

A goal of the Long Term Tax Policy is to accelerate the movement toward full Current Value Assessment for all properties in the capped classes by utilizing the capping options available. The 2009 Tax Capping Policy adopted the new option which permanently excluded properties that had reached CVA tax from the capping/claw back program.

This is an annual Tax Policy decision which means a decision to cap properties previously excluded can be made in subsequent years.

APPENDIX B

TAX RATIO INTRODUCTION:

Tax Ratios/Transition Ratios – The province regulated “transition ratios” which were the tax ratios as at January 1, 1998. They reflect the relative tax burden of each property class prior to tax reform (i.e. in 1997). Transition ratios were calculated by the province utilizing the 1998 current value assessments and the 1997 tax levies for each class to ensure that they can be utilized to maintain the “status quo” tax burden for each class.

Prior to 1998 there were three tax classes. Residential/Farm, Commercial and Business. After current value assessment implementation, there were seven. Residential, Multi-Residential, Commercial, Commercial Vacant, Industrial, Industrial Vacant, Managed Forest/Farmland and Pipeline. In order to ensure that property owners would continue to assume the same tax burden as prior to reform, tax ratios were introduced.

Tax ratios express the relationship that each property class bears to the tax rate for the residential class. They determine the relative tax burden to be borne by each property class or their share of the pie. The residential property class is the benchmark class and its value in the ratio structure is therefore set at 1.0000.

Provincial Range of Fairness: The province established a target range for each property class. Tax ratios can be equal to the transition ratios but cannot be moved further away from the fairness range. Once a tax ratio is moved closer to the range of fairness, it cannot be moved back further away.

Tax Ratios/Threshold Ratios: Commencing in 2001, the Province introduced “threshold ratios” for the three capped classes. Any municipal levy increase can not be passed on to the classes that have tax ratios above the threshold ratio, therefore, it is very important to ensure ratios are not above thresholds so the levy increase can be passed on to the ratepayer. The threshold ratios for 2001 were set by regulation and equaled the provincial average.

Tax Ratio Flexibility: In 2009, the government provided municipalities with the tax ratio flexibility that has been provided in previous reassessment years. This allowed municipalities to avoid tax shifts that may occur between property tax classes as a result of reassessment by adoption of new transition ratios, referred to as “Revenue Neutral Tax Ratios”. This allows municipalities to move the ratios away from the Range of Fairness to avoid reassessment tax shifts. The Minister will be making decisions on tax ratio flexibility on an annual basis.

Tax Ratio Reductions: The City of North Bay has taken the initiative to reduce tax ratios since 2001, whereby reducing the tax burden to the applicable tax classes. The Long Term Tax Policy goal is to reduce the multi-residential and commercial tax ratios equal to the industrial tax ratio of 1.40 over a twenty-five year period. Any reductions of tax ratios for one class will shift tax burden to other classes unless it is funded by a budget allocation, reserves or real assessment growth. The Policy requires that real assessment growth be used to fund tax ratio changes.

TAX RATIO COMPARISON – 1998 TO CURRENT 2011

Property Class	Provincial Fairness Range	City Transition Ratios in 1998	Provincial Threshold Ratios	City's Current 2011 Tax Ratios	2011 BMA Study average for 43 municipalities
Residential	1.0000	1.0000	1.0000	1.0000	1.0000
Multi-Residential	1.0000-1.0000	2.3556	2.7400	2.2054	2.0102
Commercial	1.6000-1.1000	2.0326	1.9800	1.8822	1.6867
Industrial	0.6000-1.1000	3.2920	2.6300	1.4000	2.2229
Farmlands	.25	.25	n/a	.15	n/a
Managed Forest	.25	.25	n/a	.25	n/a
Pipelines	0.6000-0.7000	1.1656	n/a	1.1656	n/a

TAX RATIO REDUCTIONS FROM 2001-2011

YEAR	Multi-Residential	Commercial	Industrial	Farmland
1998	2.3556	2.0326	3.2920	.2500
2001	2.3556	1.9700	2.4200	.2500
2002	2.3556	1.9650	1.8300	.2500
2003	2.3556	1.9650	1.40	.1500
2004	2.3556	1.9650	1.40	.1500
2005	2.3200	1.9500	1.40	.1500
2006	2.2818	1.9274	1.40	.1500
2007	2.2436	1.9048	1.40	.1500
2008	2.2054	1.8822	1.40	.1500
2009/2010/2011	2.2054	1.8822	1.40	.1500

2010 TAX RATIO COMPARISON – NORTHERN MUNICIPALITIES

Municipality	Multi-Residential	Commercial	Industrial
North Bay	2.2054	1.8822	1.4000
Greater Sudbury	2.2667	2.1302	3.0255
Thunder Bay	2.7400	1.9527	2.4300
Timmins	1.6816	1.7501	2.1783

APPENDIX C

The Corporation of The City of North Bay

FINANCIAL POLICY AND PROCEDURES	SECTION: FINANCIAL PLAN
	APPROVED: OCTOBER 2010
	SUBJECT: Long-Term Tax Policy
	POLICY 2010-00

PURPOSE:

The purpose of the Long-Term Tax Policy is to establish a framework for tax ratio, tax capping and Tax Policy Development Reserve Fund goals over a twenty-five year period.

LEGISLATIVE AUTHORITY:

Tax Policy considerations and programs are mandatory and legislated by *The Municipal Act, 2001, S.O. 2001, c.25* and associated tax policy/capping related regulations.

The Tax Policy Development Reserve Fund is not a legislative requirement.

GOALS AND OBJECTIVES:

The goals and objectives of the Long-Term Tax Policy include,

1. To reduce the tax ratios for the Multi-Residential and Commercial Classes to 1.400 over a twenty-five year period
2. To reduce tax ratios only if the tax burden shift can be offset by *real assessment growth*
3. To consider each year to transfer "excess" supplementary taxes in the Multi-Residential and Commercial classes to a Tax Policy Development Reserve Fund
4. To accelerate the movement toward full Current Value Assessment for all properties in the capped classes utilizing the capping options available

5. To fund the cost of mandatory capping program within each class by limiting assessment related tax reductions that would otherwise benefit other properties (claw-backs)
6. To consider annually the options to fund a portion of the cost of the mandatory capping program from the Tax Policy Development Reserve Fund

ROLES AND RESPONSIBILITIES:

City Council is responsible to:

1. Review the Long-Term Tax Policy annually
2. Authorize by by-law the tax policy program as it relates to tax ratios and the mandatory tax capping program
3. Consider and authorize the transfer of excess supplementary revenue to the Tax Policy Development Reserve Fund
4. Authorize the use of the Tax Policy Reserve Fund to fund a portion of the cost of the mandatory capping program.

Chief Administrative Officer is responsible to:

1. Sign all Tax Policy related reports to Council

Chief Financial Officer is responsible to:

1. Ensure goals and objectives of the Policy are being met and adhered to.
2. Confirm Real Growth calculations based on the definition adopted in the 2010 Tax Policy Program
3. Ensure that all authorizations required for the tax policy program and use of the reserve fund are received.
4. Sign all Tax Policy related reports to Council

IMPLEMENTATION:

The implementation of the Long Term Tax Policy includes,

1. Enactment of by-laws as follows:
 - i. Adoption of tax ratios
 - ii. Adoption of Optional Tools for the Capping Program
 - iii. Establishment decrease limits for claw back properties
 - iv. Adoption of New Construction Thresholds

2. Resolutions for:

- i. Transfer from the Tax Policy Development Reserve Fund for costs related to funding the legislated caps if required
- ii. Transfer to reserve of excess supplementary revenue if required

The implementation of this Policy shall be considered a long-term goal over a period of up to twenty-five years.

The implementation of this Policy shall be considered as a key component of the City of North Bay's Long-Term Financial Plan.

DEFINITIONS:

CURRENT VALUE ASSESSMENT:

In general terms "Current Value Assessment" (CVA) is the amount of money a property would realize if sold at arm's length by a willing seller to a willing buyer.

TAX RATIO:

A "tax ratio" determines the relative tax burden to be borne by each property class and expresses the relationship that each property class bears to the tax rate for the residential class.

TAX POLICY DEVELOPMENT RESERVE FUND:

The Tax Policy Development Reserve Fund is funded from the excess supplementary revenue from the Multi-Residential and Commercial tax classes and is established in a specific resolution that also outlines its operational elements.

TAX CAPPING PROGRAM:

Tax capping limits increases in taxes in the Multi-Residential, Commercial and Industrial tax classes resulting from reassessment or class changes to a level adopted annually by Council, but to a minimum of 5% from the previous year's adjusted taxes.

CLAWBACK:

Clawback's are tax decreases in the Multi-Residential, Commercial and Industrial tax classes that may be utilized to fund the tax capping program.

OPTIONAL TOOLS:

Optional tools are tools provided by the provincial government which gives municipalities the opportunity to bring all classes of properties to Current Value Assessment more quickly.

MUNICIPAL PROPERTY ASSESSMENT CORPORATION (MPAC):

MPAC administers a uniform, province-wide property assessment system based on current value assessment in accordance with the provisions of the *Assessment Act*. It provides municipalities with a range of services, including the preparation of annual assessment rolls used by municipalities to calculate property taxes and municipal enumerations in order to prepare the Preliminary List of Electors during an election year.

NEW CONSTRUCTION THRESHOLDS:

Is the average tax level new construction properties pay in relation to comparable properties compiled by Municipal Property Assessment Corporation (MPAC) and as adopted by Council by by-law annually.

SUPPLEMENTARY ASSESSMENT:

Supplementary assessment is new assessment compiled by MPAC resulting from an increase in value of properties for new buildings or structures, alterations/additions to buildings or structures or new lots created by subdivision/condo plans and splits.

SUPPLEMENTARY TAXES:

Are taxes generated from the supplementary assessment roll.

REAL ASSESSMENT GROWTH:

Real Assessment Growth means new assessment which is generated by supplementary assessments and netted by assessment reductions resulting from assessment appeals.

GENERAL GOVERNMENT COMMITTEE REPORT NO. 2012-01

March 19, 2012

TO THE COUNCIL
OF THE CORPORATION
OF THE CITY OF NORTH BAY

Your Worship and Councillors:

The General Government Committee presents Report No. 2012-01 and recommends:

Final recommendations as a result of the 2012 Budget Process:

1. That the 2012 Operating Budget in the amount of \$99,686,566 (save and except the District of Nipissing Social Services Administration Board levy of \$11,251,661 and the Humane Society budget of \$331,522) with a resultant tax levy of \$73,788,577 as summarized on the attached **Schedule A**, be approved.
2. That budget adjustments summarized on the attached **Schedule B**, resulting in a net reduction in the tax levy totaling \$905,763 from the Preliminary Operating Budget, be included in the Operating Budget.
3. That the 2011 real growth in the assessment base be applied to reduce 2011 tax rates by a further 0.61%, or \$414,463
4. That the Chief Financial Officer be authorized to process all transfers to and from reserve funds including:
 - a) all transfers included in the 2012 Operating Budget; and
 - b) \$51,800 to be transferred from the land sales reserve to fund the purchase of the property at Airport Road and Carmichael Drive from Gold Fleet Investments Ltd.
5. That the levies of all Agencies, Boards and Commissions totaling \$34,594,103 as summarized on the attached **Schedule B, page #8** be included in the tax levy.
6. That the Chief Financial Officer be authorized to transfer \$9,712,000 from the Operating Fund to the Capital Fund to finance approved capital projects that would otherwise require debenture issuance to fund (Net Capital Levy in Operating Budget). This is often referred to as the "Pay As You Go" funding for capital projects.
7. That Council continues to support the Long Term Tax Policy as attached in **Schedule C**.
8. That the tax policy recommendations outlined in Report to Council CORP 2012-08 be adopted as follows:
 - a) That the 2012 tax ratios remain at the 2011 levels as follows:

Multi-Residential	- 2.2054
Commercial	- 1.8822
Industrial	- 1.4000
Pipeline	- 1.1656
Farmland	- 0.1500
Managed Forest	- 0.2500
 - b) Council decisions to reduce tax ratios will be made at the onset of a reassessment year once the four-year tax shifts are known. Council's decisions to reduce the tax ratios will be considered for the four year cycle commencing with the 2013 reassessment year.

- c) That the Manager of Revenues and Taxation file a Report to Council outlining options and recommendations for the 2012 capping program.
- 9. The Reserve Fund Policy continue to be supported (**Schedule D**).
- 10. That the tax rates included on **Schedule E** be adopted for the 2012 taxation year.
- 11. That each final tax bill clearly discloses the amount included to subsidize provincial health and social programs as described by the Association of Municipalities of Ontario as "Ontario's \$3 Billion Provincial Municipal Fiscal Gap".
- 12. That the due date for the final property tax installment be set at June 29 for the 2012 taxation year.
- 13. That the by-laws arising from this report be presented for three readings on March 19, 2012.

All of which is respectfully submitted.

	ASSENTS	DISSENTS
CHIRICO (CHAIRMAN)	_____	_____
KOZIOL	_____	_____
ANTHONY	_____	_____
MAROOSIS	_____	_____
MAYOR McDONALD	_____	_____

CITY OF NORTH BAY
2012 PROPOSED OPERATING BUDGET

TAX LEVY SUMMARY:				
	2012 Budget	2011 Budget	\$ Change	% Change
General Government Committee	\$10,046,541	\$8,632,100	\$1,414,441	16.39%
Engineering & Works Committee	\$8,874,555	\$9,141,400	(\$266,845)	-2.92%
Community Services Committee	\$20,273,377	\$19,846,500	\$426,877	2.15%
Agencies / Boards / Commissions	\$34,594,104	\$33,672,405	\$921,699	2.74%
Required Tax Levy	\$73,788,577	\$71,292,405	\$2,496,172	3.50%

2012 TAX RATES SUMMARY:	
2012 Required Tax Levy Increase in Tax Rates	3.50%
2011 real assessment growth	-0.61%
City assessment base growth from phase-in of 4 year property re-assessment	-5.31%
2012 Tax Rates Decrease	2.42%

Required tax levy increase of \$2,496,172 or 3.50% results from:

<i>wage & benefit costs</i> increasing by \$1,422,348 resulting from ... negotiated wage settlements; increased contributions to OMERS pension plan; increases in Canada Pension Plan, Employment Insurance and WSIB contributions; increases in employer contributions to health, dental and long-term disability plans.
<i>goods and services costs</i> increasing by \$184,846 resulting from ... higher fuel costs; inflationary increases in outside contract costs <i>partially offset by</i> lower fleet repair and maintenance costs.
<i>capital and financing expenses</i> increasing by \$1,260,500 resulting from ... annual increase in pay-as-you-go capital levy of as per approved long term capital funding policy.
<i>other expenses</i> increasing by \$10,851
City of North Bay's share of <i>Local Agencies / Boards / Commissions</i> budget increases totaling \$921,699: North Bay Police Services Board, \$502,339; District of Nipissing Social Services Administration Board (DNSSAB), \$130,552; Cassellholme, East Nipissing District Home for the Aged, \$97,667; North Bay Public Library Board, \$69,820; North Bay / Parry Sound District Health Unit, \$57,427; Others, \$63,893.
<i>revenues</i> increasing by \$1,304,072 resulting from ... increases in transit fares and sports fields user fees; higher blue box sales and parking lot revenues; higher dividend and interest revenue from investment in North Bay Hydro; higher internal use of corporate fleet; higher waste reduction program grants.

In 2012, residential taxpayers will experience a reduction in tax rates of (2.42%):

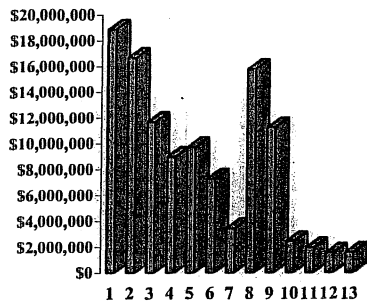
The City will generate its required \$73,788,577 tax levy revenue by: ... multiplying the City's total property assessment base by its established tax rates ...
The City's total property assessment base increased in 2012 as a result of: A) real assessment growth in 2011 due to new construction and the like; B) fourth year of the 2009 province-wide property assessment update.
<i>This assessment growth will allow for a reduction in the 2012 tax rates of (2.42%).</i>

CITY OF NORTH BAY
2012 PROPOSED OPERATING BUDGET

For the year 2012, total projected expenditures amount to \$111,269,749
a increase of \$ 3,800,244 over the 2011 Approved Operating Budget.

	2012 Budget	2011 Budget	\$ Change	% Change
Wages & Benefits	\$35,740,716	\$34,318,368	\$1,422,348	4.14%
Services & Rents	\$17,744,446	\$17,559,600	\$184,846	1.05%
Financing Expenses	\$18,567,200	\$17,306,700	\$1,260,500	
Capital / Reserve Transfers	\$1,638,417	\$1,700,400	(\$61,983)	-3.65%
Internal Transfers	\$2,984,866	\$2,912,032	\$72,834	2.50%
<i>Total City</i>	<i>\$76,675,645</i>	<i>\$73,797,100</i>	<i>\$2,878,545</i>	<i>3.90%</i>
Agencies / Boards / Commissions	\$34,594,104	\$33,672,405	\$921,699	2.74%
Total Operating Expenditures	\$111,269,749	\$107,469,505	\$3,800,244	3.54%

In 2012, the City will spend \$111,270,000



51%, or over \$56,200,000 will be spent by City Business Units:
 (1) ... \$18,800,000 in Engineering & Works Business Unit on:
 operating, maintaining & repairing of; roads, sidewalks,
 drainage systems; street lights; storm sewer systems; heavy
 equipment & machinery; winter sanding, salting and plowing;
 snow removal; engineering, garbage collection & disposal,
 waste reduction / recycling programs.

(2) ... \$16,700,000 in Community Services Business Unit on:
 city planning services; building-code enforcement & administration;
 public transit; crossing guards; economic development;
 city parks, arenas, marina, leisure services, parking lots.

(3) ... \$11,700,000 in the Fire Department
 (4) ... \$9,000,000 in Corporate Services Business Unit on:
 council secretariat; corporate support; by-law enforcement;
 financial services; human resources; legal; information
 systems; provincial offences

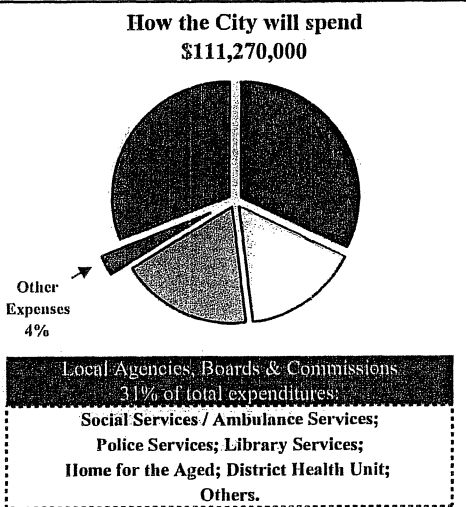
18%, or over \$20,400,000, in General Government Activities:
 (5) ... \$9,700,000 on infrastructure investments
 (6) ... \$8,300,000 on outstanding debt principle & interest payments &
 new hospital commitment.
 (7) ... \$3,400,000 on other general government expenses

31%, or over \$34,600,000, will be spent by the local Agencies, Boards & Commissions:
 (8) ... \$15,800,000 on Police Services
 (9) ... \$11,300,000 on Social Assistance/Social Housing/EMS
 (10) ... \$2,400,000 at Cassellholme Home for the Aged
 (11) ... \$2,000,000 at Public Library
 (12) ... \$1,500,000 for Public Health
 (13) ... \$1,600,000 for Other ABC

Wages & Benefit Plans ... 32% of total expenditures:
 government benefits include: CPP/EIT/EI/WCB;
 city benefits include OMERS pension / health / dental / LTD.

Goods & Services ... 16% of total expenditures:
 maintenance and repair costs for roads, storm sewers,
 recreation areas; city fleet of equipment and machinery;
 fuel costs; electricity / natural gas costs; insurance,
 outside contract costs garbage & blue box collection;
 landfill operating; PHARA; hazardous waste.

Capital & Financial Expenses ... 7% of total expenditures:
 capital investments in roads and infrastructure;
 reserve fund transfers;
 principal and interest payments on outstanding debt;
 other capital expenses.



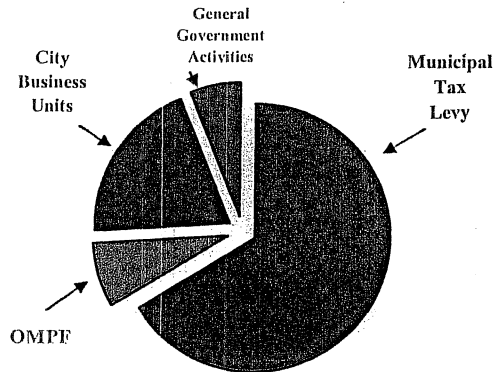
CITY OF NORTH BAY
2012 PROPOSED OPERATING BUDGET

For the year 2012, total projected revenues amount to \$111,269,749 an increase of \$3,800,244 over the 2011 Approved Operating Budget.

	2012 Budget	2011 Budget	\$ Change	% Change
Business Unit Revenues	\$22,176,532	\$20,977,500	\$1,199,032	5.72%
General Government Activity Revenues	\$6,695,440	\$6,630,900	\$64,540	0.97%
Ontario Municipal Partnership Fund	\$8,609,200	\$8,568,700	\$40,500	0.47%
Total	\$37,481,172	\$36,177,100	\$1,304,072	3.60%
Required Tax Levy	\$73,788,577	\$71,292,405	\$2,496,172	3.50%
Total Revenues	\$111,269,749	\$107,469,505	\$3,800,244	3.54%

In 2012, the City will need revenues of \$111,270,000 to offset its operating expenditures.

2012 Revenue Sources



This revenue will come from the following sources:

The Municipal Tax Levy will generate \$73,788,577 or 66% of total required revenues an increase of \$2,496,172 or 3.50% over 2011

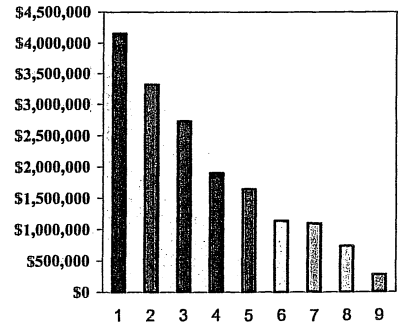
The Province of Ontario will provide \$8,609,200 thru the Ontario Municipal Partnership Fund a increase of \$40,500 over 2011.

General Government Activity revenues are mostly miscellaneous tax, interest and penalty revenues.

City Business Units are projected to generate over \$22,000,000 from user fees, permits and licenses, internal revenues, etc.

major revenues sources are as follows:

use of corporate fleet generating \$4.1 million
1.9 million transit rides generating \$3.4 million
disposal of 30,000 tonnes of garbage generating \$2.8 million
use of arenas / athletic fields / other generating \$1.9 million
provincial offences violations generating \$1.6 million
city parking lot generating \$1.1 million
water/waste reduction programs generating \$1.1 million
building permit fees generating \$700,000
lottery license fees generating \$300,000



CITY OF NORTH BAY
2012 OPERATING BUDGET
SUMMARY by COMMITTEES OF COUNCIL

Total Expenditures		Total Revenues		Net Expenditures	
11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget

GENERAL GOVERNMENT COMMITTEE:

Council Secretariat	\$1,429,000	\$1,540,453	\$670,000	\$676,310	\$759,000	\$864,143
Financial Services	\$2,204,600	\$2,264,797	\$687,200	\$690,635	\$1,517,400	\$1,574,162
Human Resources	\$1,199,800	\$1,260,986	\$77,100	\$79,060	\$1,122,700	\$1,181,926
Information Systems	\$1,656,600	\$1,705,724	\$440,500	\$443,148	\$1,216,100	\$1,262,576
Legal Department - General	\$607,800	\$568,918	\$223,500	\$224,568	\$384,300	\$344,350
Legal Department - By-Law Enforcement	\$284,100	\$287,505	\$300,000	\$306,000	(\$15,900)	(\$18,495)
Legal Department - POA	\$1,346,600	\$1,368,745	\$1,650,000	\$1,650,000	(\$303,400)	(\$281,255)
Total Corporate Services	\$8,728,500	\$8,997,128	\$4,048,300	\$4,069,721	\$4,680,200	\$4,927,407
Mayor & Council	\$350,600	\$349,546	\$0	\$0	\$350,600	\$349,546
City Administrator	\$387,300	\$404,028	\$0	\$0	\$387,300	\$404,028
Financial Expenses	\$17,347,700	\$18,608,200	\$3,317,700	\$3,454,000	\$14,030,000	\$15,154,200
General Revenues	\$1,065,900	\$1,062,000	\$11,881,900	\$11,850,640	(\$10,816,000)	(\$10,788,640)
Total Other City Activities	\$19,151,500	\$20,423,774	\$15,199,600	\$15,304,640	\$3,951,900	\$5,119,134
Total General Government Committee	\$27,880,000	\$29,420,902	\$19,247,900	\$19,374,361	\$8,632,100	\$10,046,541

ENGINEERING, ENVIRONMENTAL SERVICES & WORKS COMMITTEE:

Administration	\$1,431,700	\$1,499,661	\$439,400	\$449,810	\$992,300	\$1,049,851
Roads	\$6,873,900	\$6,999,400	\$148,000	\$149,300	\$6,725,900	\$6,850,100
Storm Sewer	\$615,700	\$672,770	\$72,100	\$75,405	\$543,600	\$597,365
Fleet	\$3,813,000	\$3,903,381	\$4,121,900	\$4,287,935	(\$308,900)	(\$384,554)
Engineering Services	\$1,361,100	\$1,501,639	\$755,700	\$1,104,145	\$605,400	\$397,494
Environmental Services	\$4,148,000	\$4,291,451	\$3,564,900	\$3,927,152	\$583,100	\$364,299
Total Eng., Envir. & Works Committee	\$18,243,400	\$18,868,302	\$9,102,000	\$9,993,747	\$9,141,400	\$8,874,555

CITY OF NORTH BAY
2012 OPERATING BUDGET
SUMMARY by COMMITTEES OF COUNCIL

Personnel Costs		Goods & Services		Capital/Reserve		Financing Expenses		Transfers to A.B.C's		Internal/Other Transfers	
11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget

GENERAL GOVERNMENT COMMITTEE:

Council Secretariat	\$847,700	\$918,358	\$497,500	\$538,795	\$83,800	\$83,300	\$0	\$0	\$0	\$0	\$0	\$0
Financial Services	\$2,050,700	\$2,120,697	\$148,100	\$138,300	\$5,800	\$5,800	\$0	\$0	\$0	\$0	\$0	\$0
Human Resources	\$863,800	\$929,786	\$215,000	\$210,200	\$121,000	\$121,000	\$0	\$0	\$0	\$0	\$0	\$0
Information Systems	\$1,046,300	\$1,099,424	\$610,300	\$606,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal Department - General	\$336,900	\$311,718	\$269,900	\$256,200	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0
Legal Department - By-Law Enforcement	\$146,600	\$152,705	\$136,500	\$133,800	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0
Legal Department - POA	\$538,100	\$548,576	\$564,700	\$572,813	\$0	\$0	\$0	\$0	\$0	\$0	\$243,800	\$247,356
Total Corporate Services	\$5,830,100	\$6,081,264	\$2,442,000	\$2,456,408	\$212,600	\$212,100	\$0	\$0	\$0	\$0	\$243,800	\$247,356
Mayor & Council	\$254,400	\$257,162	\$95,200	\$91,384	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0
City Administrator	\$367,100	\$384,028	\$20,200	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financial Expenses	\$0	\$0	\$11,400	\$11,400	\$0	\$0	\$17,306,700	\$18,567,200	\$0	\$0	\$29,600	\$29,600
General Revenues	\$0	\$0	\$112,300	\$87,000	\$953,600	\$975,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Other City Activities	\$621,500	\$641,190	\$239,100	\$209,784	\$954,600	\$976,000	\$17,306,700	\$18,567,200	\$0	\$0	\$29,600	\$29,600
Total General Government Committee	\$6,451,600	\$6,722,454	\$2,681,100	\$2,666,192	\$1,167,200	\$1,188,100	\$17,306,700	\$18,567,200	\$0	\$0	\$273,400	\$276,956

ENGINEERING, ENVIRONMENTAL SERVICES & WORKS COMMITTEE:

Administration	\$885,900	\$968,441	\$533,600	\$521,100	\$4,000	\$4,120	\$0	\$0	\$0	\$0	\$8,200	\$6,000
Roads	\$3,094,200	\$3,206,468	\$2,300,700	\$2,260,122	\$0	\$0	\$0	\$0	\$0	\$0	\$1,479,000	\$1,532,810
Storm Sewer	\$245,100	\$295,770	\$180,400	\$181,200	\$0	\$0	\$0	\$0	\$0	\$0	\$190,200	\$195,800
Fleet	\$1,975,000	\$2,031,923	\$1,833,000	\$1,866,458	\$5,000	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
Engineering Services	\$1,253,800	\$1,415,039	\$52,200	\$31,500	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$53,100	\$53,100
Environmental Services	\$662,400	\$687,084	\$3,278,600	\$3,400,967	\$189,700	\$189,700	\$0	\$0	\$0	\$0	\$17,300	\$13,700
Total Eng. Envir. & Works Committee	\$8,116,400	\$8,604,725	\$8,178,500	\$8,261,347	\$200,700	\$200,820	\$0	\$0	\$0	\$0	\$1,747,800	\$1,801,410

2012 OPERATING BUDGET
SUMMARY by COMMITTEES OF COUNCIL

<i>Personnel Costs</i>		<i>Goods & Services</i>		<i>Capital / Reserve</i>		<i>Financial Expenses</i>		<i>Transfers to A.B.C.s</i>		<i>Internal / Other Transfers</i>	
11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget	11 Budget	12 Budget

COMMUNITY SERVICES COMMITTEE:

Office of Managing Director	\$180,600	\$187,909	\$67,600	\$49,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Planning & Development	\$562,800	\$578,301	\$32,200	\$34,101	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0
Building	\$595,600	\$613,594	\$46,400	\$45,310	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$264,300	\$266,400
Transit / Crossing Guards	\$3,173,868	\$3,298,932	\$2,757,300	\$2,820,567	\$9,000	\$1,000	\$0	\$0	\$0	\$0	\$183,232	\$184,400
Parks, Recreation & Leisure Services	\$4,399,200	\$4,570,474	\$2,674,500	\$2,730,862	\$296,500	\$221,497	\$0	\$0	\$0	\$0	\$443,300	\$455,700
EDC	\$368,000	\$383,580	\$238,300	\$239,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Services	\$9,280,068	\$9,632,790	\$5,816,300	\$5,919,390	\$307,500	\$224,497	\$0	\$0	\$0	\$0	\$890,832	\$906,500
Fire Department	\$10,470,300	\$10,780,747	\$883,700	\$897,517	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Community Services Committee	\$19,750,368	\$20,413,537	\$6,700,000	\$6,816,907	\$332,500	\$249,497	\$0	\$0	\$0	\$0	\$890,832	\$906,500

LOCAL AGENCIES, BOARDS & COMMISSIONS:

Local Agencies, Boards & Commissions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,672,405	\$34,594,104	\$0	\$0
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Grand Totals	\$34,318,368	\$35,740,716	\$17,559,600	\$17,744,446	\$1,700,400	\$1,638,417	\$17,306,700	\$18,567,200	\$33,672,405	\$34,594,104	\$2,912,032	\$2,984,866
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CITY OF NORTH BAY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
SUMMARY

	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	Revenue Adjustments	Enhancements	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. % Incr.	
										\$ Incr.	% Incr.
Corporate Services	\$4,948,782	\$3,738	(\$20,443)	\$0	(\$4,669)	\$0	(\$21,374)	\$4,927,408	\$4,680,200	\$247,208	5.28%
Engineering, Environmental Services & Works	\$9,312,920	\$18,451	(\$40,866)	\$0	(\$353,760)	(\$62,190)	(\$438,365)	\$8,874,555	\$9,141,400	(\$266,845)	-2.92%
Community Services	\$8,936,469	\$26,481	(\$31,563)	\$0	(\$15,714)	(\$144,139)	(\$164,935)	\$8,771,534	\$8,662,811	\$108,723	1.26%
Fire Department	\$11,512,446	\$2,480	(\$13,083)	\$0	\$0	\$0	(\$10,603)	\$11,501,843	\$11,185,700	\$316,143	2.83%
General Government Activities	\$14,024,932	\$3,718	(\$316)	\$0	(\$300,000)	\$0	(\$296,598)	\$13,728,334	\$12,520,600	\$1,207,734	9.65%
Total City	\$48,735,549	\$54,868	(\$106,271)	\$0	(\$674,143)	(\$206,329)	(\$931,875)	\$47,803,674	\$46,190,711	\$1,612,963	3.49%
Less Ontario Municipal Partnership Funding	(\$8,568,700)	\$0	\$0	\$0	(\$40,500)	\$0	(\$40,500)	(\$8,609,200)	(\$8,568,700)	(\$40,500)	0.47%
Net Total City	\$40,166,849	\$54,868	(\$106,271)	\$0	(\$714,643)	(\$206,329)	(\$972,375)	\$39,194,474	\$37,622,011	\$1,572,463	4.18%
Net Local Agencies, Boards and Commissions	\$34,527,491	\$0	\$66,612	\$0	\$0	\$0	\$66,612	\$34,594,103	\$33,672,405	\$921,698	2.74%
Required Tax Levy	\$74,694,340	\$54,868	(\$39,659)	\$0	(\$714,643)	(\$206,329)	(\$905,763)	\$73,788,577	\$71,294,416	\$2,494,161	3.50%
2011 Assessment Base Real Growth (Excluding Effects of Market Value Re-Assessment)								(\$414,463)			
								\$73,374,114	\$71,294,416	\$2,079,698	2.92%

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
GENERAL GOVERNMENT COMMITTEE

<i>Corporate Services Business Unit:</i>	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget		
									\$ Incr.	% Incr.
Council Secretariat	\$852,972	\$15,403	(\$1,202)		(\$3,030)	\$11,171	\$864,143	\$759,000	\$105,143	13.85%
Financial Services	\$1,532,506	\$41,656				\$41,656	\$1,574,162	\$1,517,400	\$56,762	3.74%
Human Resources	\$1,284,269	(\$102,343)				(\$102,343)	\$1,181,926	\$1,122,700	\$59,226	5.28%
Information Systems	\$1,238,769	\$25,446			(\$1,639)	\$23,807	\$1,262,576	\$1,216,100	\$46,476	3.82%
Legal Department - By-Law Page 37, #3450 Commissionaires	(\$9,745)	\$3,491	(\$12,241)			(\$8,750)	(\$18,495)	(\$15,900)	(\$2,595)	16.32%
Legal Department - General	\$348,806	\$7,544	(\$12,000)			(\$4,456)	\$344,350	\$384,300	(\$39,950)	-10.40%
POA / Other Activities	(\$298,796)	\$12,541	\$5,000			\$17,541	(\$281,255)	(\$303,400)	\$22,145	-7.30%
Total Corporate Services Business Unit	\$4,948,782	\$3,738	(\$20,443)	\$0	(\$4,669)	(\$21,374)	\$4,927,407	\$4,680,200	\$247,207	5.28%

2012 Preliminary Budget Adjustments
 2012 Proposed Changes / Enhancements:

(\$21,374)

2012 Proposed Changes / Enhancements

\$4,927,407	\$4,680,200	\$247,207	5.28%
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Total Corporate Services Business Unit Changes (\$21,374)

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
ENGINEERING and WORKS COMMITTEE

	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. % Incr.	
									\$ Incr.	% Incr.
Engineering Services	\$688,624	\$36,545				(\$291,130)	\$397,494	\$605,400	(\$207,906)	-34.34%
Page 4, #2705 Natural Gas			(\$20,000)							
Page 4, #0460 Capital Transfer					(\$307,675)					
<hr/>										
Environmental Services	\$469,072	\$15,665				(\$42,583)	\$426,489	\$583,100	(\$156,611)	-26.86%
Page 9, #3421 Airborne Contaminants			(\$4,600)							
Page 10, #3215 Building Lease			(\$7,750)							
Page 10, #0452 Sale of Recycle Goods					(\$44,075)					
Page 14, #3601 Insurance			(\$1,823)							
<hr/>										
Fleet Management	(\$425,652)	\$41,920				\$41,098	(\$384,554)	(\$308,900)	(\$75,654)	24.49%
Page 23, #3601 Insurance			(\$822)							
<hr/>										
Roads	\$6,790,993	\$64,978				\$59,107	\$6,850,100	\$6,725,900	\$124,200	-1.85%
Page 29, #3601 Insurance			(\$5,871)							
<hr/>										
Storm	\$592,134	\$7,241				\$5,231	\$597,365	\$543,600	\$53,765	9.89%
Page 45, #0855 Service Charges					(\$2,010)					
<hr/>										
Works Department	\$1,197,749	(\$147,898)				(\$147,898)	\$1,049,851	\$992,300	\$57,551	5.80%
<hr/>										
Total Engineering & Works Committee	\$9,312,920	\$18,451	(\$40,866)	\$0	(\$353,760)	(\$376,175)	\$8,936,745	\$9,141,400	(\$204,655)	-2.24%

2012 Preliminary Budget Adjustments	(\$376,175)	2012 Proposed Changes / Enhancements	(\$62,190)
2012 Proposed Changes / Enhancements:			
Increase Tipping Fees	(\$62,190)		\$8,874,555
Expand recycling	Not Recommended		\$9,141,400
Reduce Ditching Budget	Not Recommended		(\$266,845)
			-2.92%
Total Engineering, Environmental & Works Business Unit Changes	(\$438,365)		

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
COMMUNITY SERVICES COMMITTEE

Community Services Business Unit:	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. / % Incr.	
									\$ Incr.	% Incr.
Aquatic Centre	\$284,800					(\$29,517)	\$255,283	\$304,000	(\$48,717)	-16.03%
Page 4, #2701 Hydro			(\$15,000)							
Page 4, #2705 Natural Gas			(\$15,000)							
Page 4, #3601 Insurance			\$483							
Arena - Memorial Gardens	\$717,376	\$14,198				\$12,146	\$729,522	\$702,400	\$27,122	3.86%
Page 13, #3445 Snow removal			\$1,000							
Page 13, #3601 Insurance			(\$3,052)							
Arena - Palangio	\$104,310	\$8,976				\$4,492	\$108,802	\$138,200	(\$29,398)	-21.27%
Page 19, #3445 Snow removal			(\$2,500)							
Page 19, #3601 Insurance			(\$1,984)							
Arena - West Ferris	\$277,812	\$6,386				\$830	\$278,642	\$312,000	(\$33,358)	-10.69%
Page 25, #3445 Snow removal			(\$3,500)							
Page 25, #3601 Insurance			(\$2,056)							
Kings Landing	\$4,200					\$2,100	\$6,300	\$7,800	(\$1,500)	-19.23%
Page 29, #2701 Hydro			\$2,100							
Marina	\$0	\$459				(\$0)	(\$0)	\$0	(\$0)	n/a
Page 33, #3601 Insurance			(\$495)							
Page 33, #5115 Transfer to Reserve			\$16,095							
Page 34, #0909 Fuel Sales					(\$16,059)					
Parking	(\$172,929)	\$4,494				\$4,457	(\$168,472)	(\$153,300)	(\$15,172)	9.90%
Page 38, #3601 Insurance			(\$37)							
Parks - Operations	\$3,157,267	\$46,676				\$42,747	\$3,200,014	\$2,997,600	\$202,414	6.75%
Page 13, #3601 Insurance			(\$4,538)							
Page 13, #3601 Insurance			\$609							
Parks - Sports Complex	\$47,005	\$798				\$798	\$47,803	\$85,000	(\$37,197)	-43.76%
Recreation & Leisure Services	\$641,942	\$11,940				\$11,940	\$653,882	\$629,200	\$24,682	3.92%
Skateboard Park	\$0	\$0				\$0	\$0	\$8,500	(\$8,500)	-100.00%

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
COMMUNITY SERVICES COMMITTEE

<i>Community Services Business Unit:</i>	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. % Incr.	
									\$ Incr.	% Incr.
Building	\$70,876	\$14,870				\$20,215	\$91,091	\$88,400	\$2,691	3.04%
Page 91, #0470 transfer from reserve					\$5,345					
Community Service Admin	\$357,497	(\$170,435)				(\$170,435)	\$187,062	\$199,200	(\$12,138)	-6.09%
Economic Development	\$614,215	\$8,815				\$8,815	\$623,030	\$606,300	\$16,730	2.76%
Planning	\$457,079	\$13,380				\$8,480	\$465,559	\$461,300	\$4,259	0.92%
Page 109, #3035 Mileage			(\$500)							
Page 110, #3001 Postage			\$400							
Page 110, #3035 Mileage			\$200							
Page 110, #0851 Inquiry Fees					(\$5,000)					
Transit	\$2,375,019	\$65,924				\$62,136	\$2,437,155	\$2,274,200	\$162,955	7.17%
Page 117, #3601 Insurance			(\$1,025)							
Page 121, #3601 Insurance			\$395							
Page 129, #3601 Insurance			(\$3,158)							
Total Community Services Business Unit	\$8,938,481	\$26,481	(\$31,563)	\$0	(\$15,714)	(\$20,796)	\$8,917,685	\$8,662,811	\$254,873	2.94%

2012 Preliminary Budget Adjustments	(\$20,796)	2012 Proposed Changes / Enhancements	(\$144,139)
2012 Proposed Changes / Enhancements:			
Pinewood - City Hall	(\$10,648)		\$8,773,546
Pinewood - Browning	(\$4,991)		\$8,662,811
Pinewood - Motherhouse	Not Recommended		\$110,735
Ski Club	Not Recommended		1.28%
North Highway	Not Recommended		
Sunday Service	Not Recommended		
Cash Fares	(\$84,500)		
Sports Field Maintenance	\$0		
Sports Field	(\$50,000)		
Heritage Gardeners	\$6,000		
Summer in the Park	\$0		
2012 Proposed Changes / Enhancements	(\$144,139)		
Total Community Services Business Unit Enhancements	(\$164,935)		

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
COMMUNITY SERVICES COMMITTEE

<i>Fire Department</i>	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. % Incr.	
									\$ Incr.	% Incr.
Administration Page 6, #3601 Insurance	\$10,902,146	\$2,480	(\$1,914)			\$566	\$10,902,712	\$10,598,000	\$304,712	2.88%
Stations	\$147,900					\$0	\$147,900	\$152,400	(\$4,500)	-2.95%
Fire Prevention Page 9, #3080 Advertising	\$28,000		(\$2,000)			(\$2,000)	\$26,000	\$26,000	\$0	0.00%
Training	\$46,000					\$0	\$46,000	\$43,000	\$3,000	6.98%
Fire Fleet Page 8, #3601 Insurance	\$354,400		(\$9,169)			(\$9,169)	\$345,231	\$332,300	\$12,931	3.89%
Community Emergency Plan	\$34,000					\$0	\$34,000	\$34,000	\$0	0.00%
Total Fire Department	\$11,512,446	\$2,480	(\$13,083)	\$0	\$0	(\$10,603)	\$11,501,843	\$11,185,700	\$316,143	2.83%

2012 Proposed Changes / Enhancements: \$0

2012 Preliminary Budget Adjustments	(\$10,603)									
2012 Proposed Changes / Enhancements:							\$11,501,843	\$11,185,700	\$316,143	2.83%
Staff Reductions and changes	Not Recommended									
Eliminate Aerial Service	Not Recommended									
Station 2	Not Recommended									
Third Party Insurance	Not Recommended									
Fire Department Adjustments	(\$10,603)									

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
GENERAL GOVERNMENT COMMITTEE

<i>General Government Activities:</i>	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjustments	(Revenue) Adjustments	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget		
									\$ Incr.	% Incr.
Mayor & Council	\$347,615	\$2,247	(\$316)			\$1,931	\$349,546	\$350,600	(\$1,054)	-0.30%
CAO'S Office	\$402,557	\$1,471				\$1,471	\$404,028	\$387,300	\$16,728	4.32%
Financial Expenses Page 6, #0437 Dividends Page 6, #0445 Interest	\$15,454,200				(\$200,000) (\$100,000)	(\$300,000)	\$15,154,200	\$14,030,000	\$1,124,200	8.01%
General Revenues	(\$2,179,440)					\$0	(\$2,179,440)	(\$2,247,300)	\$67,860	-3.02%
Total General Government Activities	\$14,024,932	\$3,718	(\$316)	\$0	(\$300,000)	(\$296,598)	\$13,728,334	\$12,520,600	\$1,207,734	9.65%
2012 Preliminary Budget Adjustments		(\$296,598)								
2012 Proposed Changes / Enhancements:						\$0				
Total General Government Business Unit Changes		(\$296,598)					\$13,728,334	\$12,520,600	\$1,207,734	9.65%

SUMMARY
2012 COMMITTEE RECOMMENDED OPERATING BUDGET
LOCAL AGENCIES, BOARDS & COMMISSIONS

	2012 Preliminary Budget	Wage & Benefit Adjustments	Goods & Services Adjustments	Capital Expenses Adjs.	Revenue Adjs.	Total Proposed Changes	2012 Committee Recommended	2011 Approved Budget	\$ Incr. / % Incr.	
									\$ Incr.	% Incr.
District of Nipissing Social Services Administration	\$11,307,944		(\$56,283)			(\$56,283)	\$11,251,661	\$11,121,109	\$130,552	1.17%
North Bay Police Services	\$15,239,149		\$38,578			\$38,578	\$15,277,727	\$14,778,999	\$498,728	3.37%
9-1-1 Emergency Services	\$526,016		\$3,611			\$3,611	\$529,627	\$526,016	\$3,611	0.69%
Total North Bay Police Services	\$15,765,165					\$42,189	\$15,807,354	\$15,305,015	\$502,339	3.28%
Cassellholme	\$2,414,536		\$27,341			\$27,341	\$2,441,877	\$2,344,210	\$97,667	4.17%
North Bay Public Library Board	\$1,964,714		\$13,255			\$13,255	\$1,977,969	\$1,907,489	\$70,480	3.69%
Less: Transfer From Development Reserve Fund	(\$22,660)					\$0	(\$22,660)	(\$22,000)	(\$660)	3.00%
Net Library Board Levy	\$1,942,054					\$13,255	\$1,955,309	\$1,885,489	\$69,820	3.70%
North Bay / Parry Sound District Health	\$1,527,529		\$12,936			\$12,936	\$1,540,465	\$1,483,038	\$57,427	3.87%
Municipal Property Assessment Corporation	\$626,229		\$7,874			\$7,874	\$634,103	\$607,989	\$26,114	4.30%
North Bay / Mattawa Conservation Authority	\$312,220		(\$2,022)			(\$2,022)	\$310,198	\$303,127	\$7,071	2.33%
Capitol Centre	\$305,114					\$0	\$305,114	\$296,228	\$8,886	3.00%
Humane Society	\$309,700		\$21,822			\$21,822	\$331,522	\$309,700	\$21,822	7.05%
Golden Age Club	\$17,000		(\$500)			(\$500)	\$16,500	\$16,500	\$0	0.00%
DIA	\$110,000				\$2,830	\$2,830	\$112,830	\$108,882	\$3,948	3.63%
DIA Taxation	(\$110,000)				(\$2,830)	(\$2,830)	(\$112,830)	(\$108,882)	(\$3,948)	3.63%
Net DIA Levy	\$0					\$0	\$0	\$0	\$0	
Total Local Agencies, Boards and Commissions	\$34,527,491	\$0	\$66,612	\$0	\$0	\$66,612	\$34,594,103	\$33,672,405	\$921,698	2.74%

The Corporation of the City of North Bay

FINANCIAL SERVICES POLICY	SECTION: FINANCIAL PLANNING
	APPROVED: OCTOBER 2010
	SUBJECT: LONG TERM TAX POLICY POLICY 2010-00

PURPOSE

The purpose of the City of North Bay Long Term Tax Policy is to establish a framework for tax ratio, tax capping and Tax Policy Development Reserve Fund goals over a twenty-five year period.

LEGISLATIVE AUTHORITY

Tax Policy considerations and programs are mandatory and legislated by *The Municipal Act, 2001, S.O. 2001, c.25* and associated tax policy/capping related regulations.

The Tax Policy Development Reserve Fund is not a legislative requirement.

GOALS AND OBJECTIVES

The goals and objectives of the Long Term Tax Policy include,

1. To reduce the tax ratios for the Multi-Residential and Commercial Classes to 1.400 over a twenty-five year period;
2. To reduce tax ratios only if the tax burden shift can be offset by *real assessment growth*;
3. To consider each year to transfer "excess" supplementary taxes in the Multi-Residential and Commercial classes to a Tax Policy Development Reserve Fund;

4. To accelerate the movement toward full Current Value Assessment for all properties in the capped classes utilizing the capping options available;
5. To fund the cost of mandatory capping program within each class by limiting assessment related tax reductions that would otherwise benefit other properties (claw-backs);
6. To consider annually the options to fund a portion of the cost of the mandatory capping program from the Tax Policy Development Reserve Fund.

ROLES AND RESPONSIBILITIES

Chief Financial Officer is responsible to:

1. Ensure goals and objectives of the Policy are being met and adhered to.
2. Confirm Real Growth calculations
3. Ensure that all authorizations required for the tax policy program and use of the reserve fund are received.
4. Sign all Tax Policy related reports to Council.

Chief Administrative Officer is responsible to:

1. Sign all Tax Policy related reports to Council.

City Council is responsible to:

1. Review the Long-Term Tax Policy annually.
2. Authorize by by-law the Tax Policy Program as it relates to tax ratios and the mandatory tax capping program.
3. Consider and authorize the transfer of excess supplementary revenue to the Tax Policy Development Reserve Fund.
4. Authorize the use of the Tax Policy Development Reserve Fund to fund a portion of the cost of the mandatory capping program.

IMPLEMENTATION

The implementation of the Long Term Tax Policy includes:

1. Enactment of by-laws as follows:

- i. Adoption of tax ratios
- ii. Adoption of Optional Tools for the Capping Program
- iii. Establish decrease limits for claw back properties
- iv. Adoption of New Construction Thresholds

2. Resolutions for:

- i. Transfer from the Tax Policy Development Reserve Fund for costs related to funding the legislated caps if required
- ii. Transfer to reserve of excess supplementary revenue if required

The implementation of this Policy shall be considered a long term goal over a period of up to twenty-five years.

The implementation of this Policy shall be considered as a key component of the City of North Bay's Long Term Financial Plan.

DEFINITIONS

Current Value Assessment:

In general terms "Current Value Assessment" (CVA) is the amount of money a property would realize if sold at arm's length by a willing seller to a willing buyer.

Tax Ratio

A "tax ratio" determines the relative tax burden to be borne by each property class and expresses the relationship that each property class bears to the tax rate for the residential class.

Tax Policy Development Reserve Fund

The Tax Policy Development Reserve Fund is funded from the excess supplementary revenue from the Multi-Residential and Commercial tax classes and is established in a specific resolution.

Tax Capping Program

Tax capping limits increases in taxes in the Multi-Residential, Commercial and Industrial tax classes resulting from reassessment or class changes to a level adopted annually by Council, but to a minimum of 5% from the previous year's adjusted taxes.

Clawback

Clawback's are tax decreases in the Multi-Residential, Commercial and Industrial tax classes that may be utilized to fund the tax capping program.

Optional Tools

Optional tools are tools provided by the provincial government which gives municipalities the opportunity to bring all classes of properties to Current Value Assessment more quickly.

Municipal Property Assessment Corporation (MPAC)

MPAC administers a uniform, province-wide property assessment system based on current value assessment in accordance with the provisions of the Assessment Act. It provides municipalities with a range of services, including the preparation of annual assessment rolls used by municipalities to calculate property taxes and municipal enumerations in order to prepare the Preliminary List of Electors during an election year.

New Construction Thresholds

Is the average tax level new construction properties pay in relation to comparable properties compiled by Municipal Property Assessment Corporation (MPAC) and as adopted by Council by by-law annually.

Supplementary Assessment

Supplementary assessment is new assessment compiled by MPAC resulting from an increase in value of properties for new buildings or structures, alterations/additions to buildings or structures or new lots created by subdivision/condo plans and splits.

Supplementary Taxes

Are taxes generated from the supplementary assessment roll.

Real Assessment Growth

Real Assessment Growth means new assessment which is generated by supplementary assessment roll(s) resulting from an increase in value of properties for; new buildings or structures, alterations/additions to buildings or structures and new lots created by subdivision/condominium plans and severances and netted by assessment reductions resulting from assessment appeals.

The Corporation of the City of North Bay

FINANCIAL SERVICES POLICY	SECTION: FINANCIAL PLANNING
	APPROVED: JANUARY 2010
	SUBJECT: RESERVE FUND POLICY 5-04

PURPOSE

The purpose of the City of North Bay Reserve Fund Policy is to establish the framework and outline requirements for establishing reserve funds, authorizations required for use of reserve funds, and for reporting requirements to City Council.

SCOPE OF POLICY

This policy applies to all Business Units.

LEGISLATIVE AUTHORITY

This policy is not a legislative requirement. There are a number of legislated Obligatory Reserve Funds governed by various legislations. Section 417 of the Municipal Act, 2001 governs Discretionary Reserve Funds.

GOALS AND OBJECTIVES

The goals and objectives of the Reserve Fund Policy include,

1. To stabilize tax rates;
2. To reduce the risks to the taxpayer of significant budget impacts arising from uncontrollable events and activities;
3. To provide a source of funding for capital projects or major capital equipment requirements, which are not included in approved Capital Budgets and can not be reasonably funded by delaying a lower priority capital project;

4. To provide a source of funding for an operating expenditure, including small capital, not in approved Operating Budget allocations;
5. To maintain a level of reserves that would reduce the City's exposure to external shocks and, if possible, increase to levels comparable to other Ontario Municipalities.

ROLES AND RESPONSIBILITIES

Chief Financial Officer is responsible to:

1. Ensure that all authorizations required for the establishment and uses of reserves and reserve funds are received.
2. Provide an annual report to City Council by June 30 of each year. The report shall cover the previous fiscal year as at December 31, and outline:
 - a. The following information for each reserve and reserve fund:
 - i. a description of the purpose
 - ii. background information on the establishment
 - iii. legislative authority
 - iv. restrictions
 - v. origin and ongoing funding sources
 - vi. summary of the activity during the year including details of authorizations
 - vii. comments and recommendations
 - b. A summary of reserve and reserve fund balances including projected balances for the current year-end based on the most current information available.
 - c. An annual report with recommendations

Managing Director is responsible to:

1. Ensure that reports to City Council or CAO that include recommendations to establish or use reserve funds are referred to the CFO for consideration under this policy.

Chief Administrative Officer is responsible to:

1. Ensure that all reports to City Council that include recommendations to establish or use reserve funds have been reviewed by the CFO for consideration under this policy.

City Council is responsible to:

1. Review the Reserve Fund Policy at least once during each term of office.
2. *Authority to establish new reserves and reserve funds:* City Council must approve any new discretionary reserve fund by resolution. Alternatively a new reserve fund may be established with the approval of the Operating Budget by specific reference within the budget detail.
3. *Authority to transfer funds to reserve funds:* Transfers into a reserve fund must be approved by City Council. Approval may be granted by specific resolution, by policy approved by City Council or by specifically approved budget allocations.
4. *Authority to use reserve funds:* Authorities to use reserve fund must be approved by City Council. Approval may be granted by specific resolution, by policy approved by City Council or by specifically

IMPLEMENTATION

- A. The implementation of the Reserve Fund Policy will be accomplished in part by establishing target levels as follows:
 1. *The Tax Rate Stabilization Reserve Fund* target level should be maintained at a level between 3% and 5% of the total municipal tax levy. The CFO shall prepare a 10-year forecast each year to demonstrate how this target can be reached or maintained.
 2. *The Operating Stabilization Reserve Funds:* The CFO/Senior Management Team shall identify Operating Budgets with significant risks that could cause expenditure or revenue budgets to vary from the five-year indexed average by more than 20% and include enhancement proposals in the Operating Budget for consideration by City Council. The Operating Budget detail sheets for each identified activity shall include a summary to demonstrate how this target can be reached or maintained. The target level for these Operating Budget Stabilization Reserve Funds should total at least 5% of total operating budget expenditures.
 3. *Discretionary Capital Reserve Funds:* The target level for discretionary reserve funds identified for capital works should total at least 40 % of the Capital Funding Policy Expenditure Limit.
 4. *Other Discretionary reserve funds* identified for unbudgeted Operating Budget expenditures should total at least 1% of the approved Operating Budget.

5. *Total Discretionary reserve funds* balances should total at least between a level equal to 30% of the total municipal tax levy and \$500 per capita.
- B. The implementation of this policy shall be considered as a long term goal over a period of up to twenty years.
- C. The implementation of this policy shall be considered as a key component of the City of North Bay Long Term Financial Plan.

DEFINITIONS

Reserve

A "reserve" is a discretionary appropriation from net revenue, after provision has been made for all known expenditures. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of a reserve fund.

Reserve Fund

A reserve fund that is funded from the revenue fund is normally established in the estimates by-law with a complementary by-law or resolution outlining its operational elements. A reserve fund that is funded from other sources is normally established in a specific by-law or resolution that also outlines its operational elements.

A reserve fund differs from a reserve in that reserve fund assets are segregated and restricted to meet the purpose of the reserve fund. There are two types of reserve funds, obligatory reserve funds and discretionary reserve funds.

Obligatory Reserve Fund

"Obligatory Reserve Fund" is created whenever a statute requires revenue received for special purposes to be segregated from the general revenues of the municipality. Obligatory Reserve Funds are to be used solely for the purpose prescribed for them by statute.

Discretionary Reserve Fund

"Discretionary Reserve Fund" is created under Section 417 of the *Municipal Act* whenever a Council wishes to designate revenues to finance a future expenditure for which it has the authority to spend money, and to set aside a certain portion of any year's revenues so that the funds are available as required. In accordance with Section 417, municipalities should create new reserve funds (or additional allocations to reserve funds) through the estimates process, defining the purpose for which the reserve fund is being created.

CITY OF NORTH BAY
2011 / 2012 TAX RATES

Assessment Class	2011 Tax Rate Percentages			2012 Tax Rate Percentages			Percentage Decrease		
	Municipal Rate	Education Rate	Total Rate	Municipal Rate	Education Rate *	Total Rate	Municipal Rate	Education Rate *	Total Rate
Residential	1.441301%	0.231000%	1.672301%	1.406371%	0.231000%	1.637371%	-2.42%	0.00%	-2.09%
Multi-Residential	3.178646%	0.231000%	3.409646%	3.101611%	0.231000%	3.332611%	-2.42%	0.00%	-2.26%
Commercial Occupied	2.712818%	1.330000%	4.042818%	2.647072%	1.330000%	3.977072%	-2.42%	0.00%	-1.63%
Commercial Vacant	1.898972%	0.931000%	2.829972%	1.852950%	0.931000%	2.783950%	-2.42%	0.00%	-1.63%
Industrial Occupied	2.017822%	1.330000%	3.347822%	1.968919%	1.330000%	3.298919%	-2.42%	0.00%	-1.46%
Industrial Vacant	1.412475%	0.931000%	2.343475%	1.378244%	0.931000%	2.309244%	-2.42%	0.00%	-1.46%
Pipelines	1.679981%	1.149635%	2.829616%	1.639266%	1.149635%	2.788901%	-2.42%	0.00%	-1.44%
Farmlands	0.216195%	0.057750%	0.273945%	0.210956%	0.057750%	0.268706%	-2.42%	0.00%	-1.91%
Managed Forests	0.360325%	0.057750%	0.418075%	0.351593%	0.057750%	0.409343%	-2.42%	0.00%	-2.09%

* Education residential rates are preliminary at this time.

GENERAL GOVERNMENT COMMITTEE REPORT NO. 2012-02

March 19, 2012

TO THE COUNCIL
OF THE CORPORATION
OF THE CITY OF NORTH BAY

Your Worship and Councillors:

The General Government Committee presents Report No. 2012-02 and recommends:

1. That the 2012 Operating Budget in the amount of \$331,522 for the Humane Society be approved.

All of which is respectfully submitted.

	ASSENTS	DISSENTS
CHIRICO (CHAIRMAN)	_____	_____
KOZIOL	_____	_____
ANTHONY	_____	_____
MAROOSIS	_____	_____
MAYOR McDONALD	_____	_____

GENERAL GOVERNMENT COMMITTEE REPORT NO. 2012-03

March 19, 2012

TO THE COUNCIL
OF THE CORPORATION
OF THE CITY OF NORTH BAY

Your Worship and Councillors:

The General Government Committee presents Report No. 2012-03 and recommends:

1. That the City of North Bay's share of the District of Nipissing Social Services Administration Board 2012 Operating Budget in the amount of \$11,251,661.00 be approved.

All of which is respectfully submitted.

	ASSENTS	DISSENTS
CHIRICO (CHAIRMAN)	_____	_____
KOZIOL	_____	_____
ANTHONY	_____	_____
MAROOSIS	_____	_____
MAYOR McDONALD	_____	_____

COMMUNITY SERVICES COMMITTEE

Wednesday, February 29, 2012

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Chairperson: Councillor Lawlor
Vice-Chair: Councillor Mendicino
Member: Councillor Vaillancourt
Ex-Officio: Mayor McDonald

- CS-2001-35 Rezoning applications by Consolidated Homes Ltd. – Golf Club Road (D14/2001/CHLTD/GOLFCLUB).
- CS-2003-37 Condominium application by Rick Miller on behalf of New Era Homes Ltd. - McKeown Avenue (D07/2003/NEHL/ MCKEOWN).
- CS-2004-29 Rezoning and Plan of Subdivision applications by Rick Miller on behalf of Grand Sierra Investments Ltd. - Sage Road (D12/D14/2003/GSIL/ SAGERD).
- CS-2011-04 Motion moved by Councillor Mayne on January 24, 2011 re Designated Off-Leash Dog Area (R00/2011/PARKS/DOGPARK).
- CS-2011-16 Plan of Subdivision application by Miller & Urso Surveying Inc. on behalf of 873342 Ontario Inc. (Kenalex Development Inc.) - Phase II, Trillium Woods Subdivision (Booth Road) (D12/2011/KENAL/BOOTHRD2).
- CS-2011-22 Report from E. Acs dated November 15, 2011 re 2011 Update - Municipal Accessibility Advisory Committee Annual Report (C01/2011/ MAAC/GENERAL).
- CS-2011-23 Report from I.G. Kilgour dated November 22, 2011 re Sport Field User Fees (C00/2011/BYLAW/USERFEES).
- CS-2011-24 Report from P. Carello dated November 25, 2011 re 2011 Municipal Heritage Committee Annual Report (R01/2011/NBMHC/GENERAL).
- CS-2012-05 Report from S. McArthur dated February 2, 2012 re Rezoning application by Southshore Investment Inc. - 1704 to 1730 Main Street West (D14/2012/SSINV/MAINSTW).

ENGINEERING & WORKS COMMITTEE

Wednesday, February 29, 2012

Page 1

Chairperson: Councillor Vrebosch
Vice-Chair: Councillor Mayne
Member: Councillor Bain
Ex-Officio: Mayor McDonald

EW-2010-03 Report from A. Korell/J. Houston dated March 26, 2010 re Kate Pace Way west end bike route connection between Memorial Drive and Gormanville Road (R05/2010/KPWTR/WESTENDR).

EW-2011-05 Memo to A. Tomek dated October 26, 2011 re Curbside collection of recyclables for ICI Sector (E07/2011/BLUE/GENERAL).

ITEMS REFERRED BY COUNCIL FOR A REPORT

<u>DATE</u>	<u>ITEM</u>
March 29, 2005	Backflow Prevention Program survey of all industrial, commercial and institutional buildings (due September 2005) .
April 28, 2008	Ways to assist the hospitals with making further appeals to the Province for financial assistance with the infrastructure cost increases.
September 21, 2009	Review, update and consolidation of Noise By-Law (due June 30, 2010) .
March 8, 2010	Comprehensive Long-Term Financial Plan (due April 30, 2010) .
May 3, 2010	Track the net financial benefits created through increased assessment as a result of the Airport Industrial Community Improvement Plan sites being developed.
June 28, 2010	On completion of Tender 2010-74 (Lakeshore Drive Outdoor Sports Complex Phase V - Completion of fields and associated appurtenances), a summary of the total cost of the project and funding sources.
December 30, 2010	Quarterly report on progress of WSIB appeal, error corrections and cost projections for 2011.
January 24, 2011	Comprehensive review of City owned Lake Nipissing accesses.
July 4, 2011	Comprehensive Status Report relating to BCIP (due July 2014) .
August 2, 2011	Review of smoking at City facilities and commercial establishment patios.
August 15, 2011	Effectiveness of the Residential Rental Housing By-Law (due May 2013) .