

2010 MUNICIPAL OPERATING BUDGET PRESS RELEASE INFORMATION

- Today Council approves the 2010 operating budget and five year capital plan, a progressive budget with a number of substantial capital projects in the works while addressing some community related concerns.
- Some of the more significant impacts the City faced in 2010 included:
 - Increased requests from mandated external organizations anticipated at \$195K combined
 - Increased requests from local boards and commissions, with the final approved budgets coming in at a combined increase of \$43K following reductions made during the budget process
 - Combined wage impacts of \$267K
 - Additional loss in interest revenue projected at \$157K
 - New debt payment obligations of \$262K in 2010
- On the offset, the City was able to obtain some relief in its 2010 budget process through the continued phase in of the new assessment. Overall, this represented incremental tax room for the City totalling \$692K, or 3.7%.
- In addition, the City achieved \$251K in budgeted savings resulting from the change to policing by the Ontario Provincial Police for the entire City. This is based simply on budgeted 2009 versus 2010 budget information. These savings are being placed in the contingency reserve to rebuild that reserve following its use to address the KPS disbandment costs. It should be noted that this budget savings does not factor in:
 - The impact of economic adjustments that would have occurred in 2010
 - Reductions in 911 Emergency Access related costs as a result of the transition, totalling \$144K
 - The budget overage for KPS in 2009, currently estimated at \$336K for six and a half months of operations; and
 - Savings already realized in 2009 due to the part year transition
- Overall, theoretical annualized savings, based on actual KPS spending in 2009, with anticipated economic adjustments for 2010 as compared to budgeted 2010 policing costs as submitted by the OPP are projected to be in excess of \$1.6 million. Had Council not proceeded with this very difficult decision, the City would have faced a significantly different and much more difficult budget season in 2010.
- The net tax levy allocation to capital spending in 2010 remains at the reduced 2009 level due to the continued low interest rates and resulting reductions in City investment income. Despite this, the City is fortunate to have a number of significant projects in the works for 2010, largely thanks to funding from senior levels of government.
- Major projects planned for 2010 include:
 - Emergency Services Facility (\$4.0 million)
 - Highway 17 East Rehabilitation and Gateway Signage (\$4.5 million)
 - Lake of the Woods Discovery Centre (\$3.1 million)
 - Downtown Revitalization Phase II – Harbourfront (\$5.5 million)

- Additional enhancements in the 2010 budget include:
 - Increased funding for Community Clubs and the establishment of a \$30,000 reserve to start addressing deficiencies at the Clubs.
 - Projects related to addressing accessibility issues at: City Hall, the Operations Facility, the Library and the Museum, as well as putting an additional \$30,000 into reserve to work on other City facility accessibility issues as identified
 - Replacing the washrooms at Anicinabe Park; and
 - Addition of a band stand attached to the picnic shelter at Coney Island park

- Overall financial highlights of the approved 2010 budget include:
 - \$52.9 million in combined operating, capital, non-capital special projects / unusual spending and reserve appropriations, broken out as follows:
 - 26.1 million in operating expenses;
 - \$2.0 million in reserve appropriations;
 - \$24.1 million in capital expenses; and
 - \$.7 million in non-capital special projects / unusual spending
 - Combined this represents \$19.7 million in net tax levy requirements

- What does this mean for the average homeowner? This budget represents a .43% increase in the municipal tax rate. This represents an increase of \$8.85 per year, or about \$.74 per month, on a home assessed at \$150,000, before any assessment-related impacts.

- In addition, while the Province has not yet announced its 2010 education rates, the City understands that these rates will drop as a result of the new assessment.

- The City's industrial and large industrial tax rates were reduced by 2.97% for 2010.

- We on Council believe this budget, in conjunction with the strong financial management by City Council over recent years, has helped to maintain the City's financial strength, in spite of the current crisis in the global economy.

- Finally, in addition to the combined municipal operating budget and five year capital plan, today Council is also approving the City's water & sewer and solid waste budgets. There is a 5% rate increase included in the water & sewer budget effective April 1st, 2010. This rate increase is required to start addressing current shortfalls in capital spending for the water and sewer operations.

- There are no rate changes reflected for the solid waste utility rates.

- I would like to thank my fellow Councillors, as well as City staff and management, who worked so diligently towards minimizing the potentially significant impacts to our taxpayers.