

Economic & Budget Update

March 10, 2011



Village of Kingston

Agenda

- 1. Economic & Budget Forecast**
- 2. Budget Principles**
- 3. Budget Outlook**
- 4. Budget Process & Next Steps**



Section 1

Economic & Budget Forecast

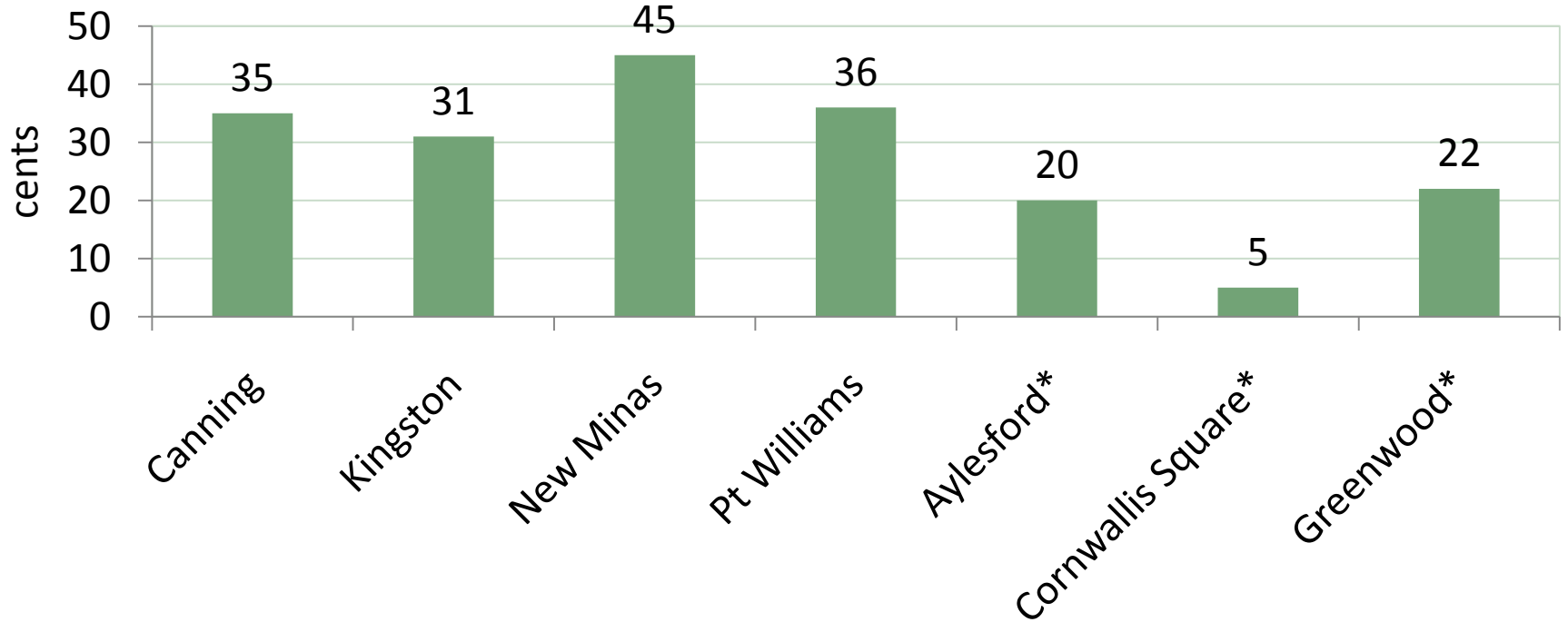
- Improved economic outlook compared to previous periods
- Economic recovery is still fragile
- Recent events may cause inflationary pressures

- Provincial & federal governments experiencing significant deficits
- Constrain spending and reductions to other areas
- Municipalities cautioned that provincial budget (expected June approval) may have negative impact on units

- Impacts of provincial budget may affect village funding requests at County
 - Satellite office
 - Visitor Information Centre
 - Kingston Library
- County also facing also significant requests (ie Greenwood twin-pad)
- County fiscal state unknown at this time

Our tax rates are competitive

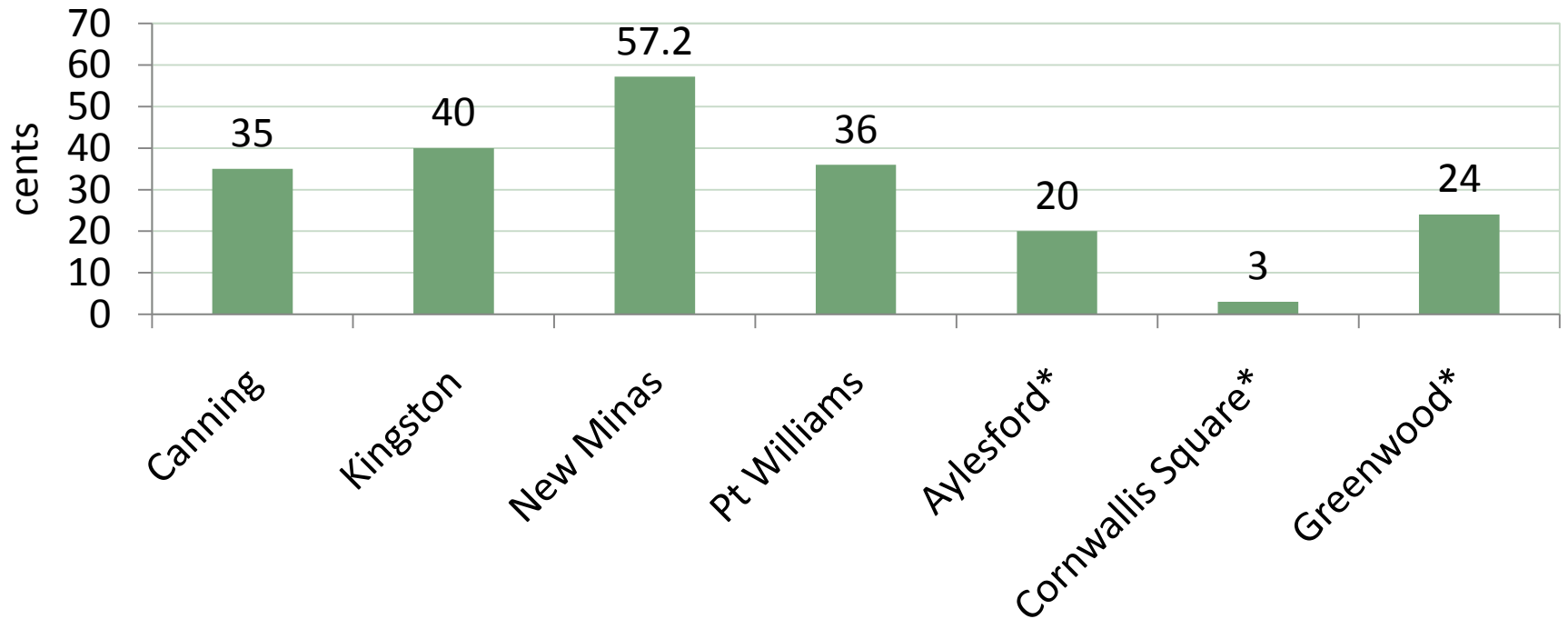
Residential Tax Rate



* - for presentation purposes, Aylesford, Cornwallis Square and Greenwood are shown; however the services they provide are generally less than the other villages

Our tax rates are competitive

Commercial Tax Rate



* - for presentation purposes, Aylesford, Cornwallis Square and Greenwood are shown; however the services they provide are generally less than the other villages



Section 2

Budget Principles

GUIDING PRINCIPLES



- Maintain existing service levels
- Continue to identify and incorporate efficiencies (internal and external)
- Improve customer service and communications
- Incorporate proactive infrastructure renewal plans
- Prepare for current and future years
 - Appropriateness of rates
 - Strategic planning
 - Adequacy of reserves

- Base budget concept (amounts to maintain current services)
- Decision packages
 - Discretionary items
 - Service level initiatives (new or improved programs)
 - Capital budget approval

STAFF PRIORITIES (PREVIOUS YEAR)



- Completion of long-term capital plan
- Customer services initiatives
 - tax billing
 - local and regional cooperation ventures
- Policy development
 - fiscal policies (ie purchasing, reserves) and development
 - Personnel
 - development charges?

STAFF PRIORITIES (CURRENT YEAR)



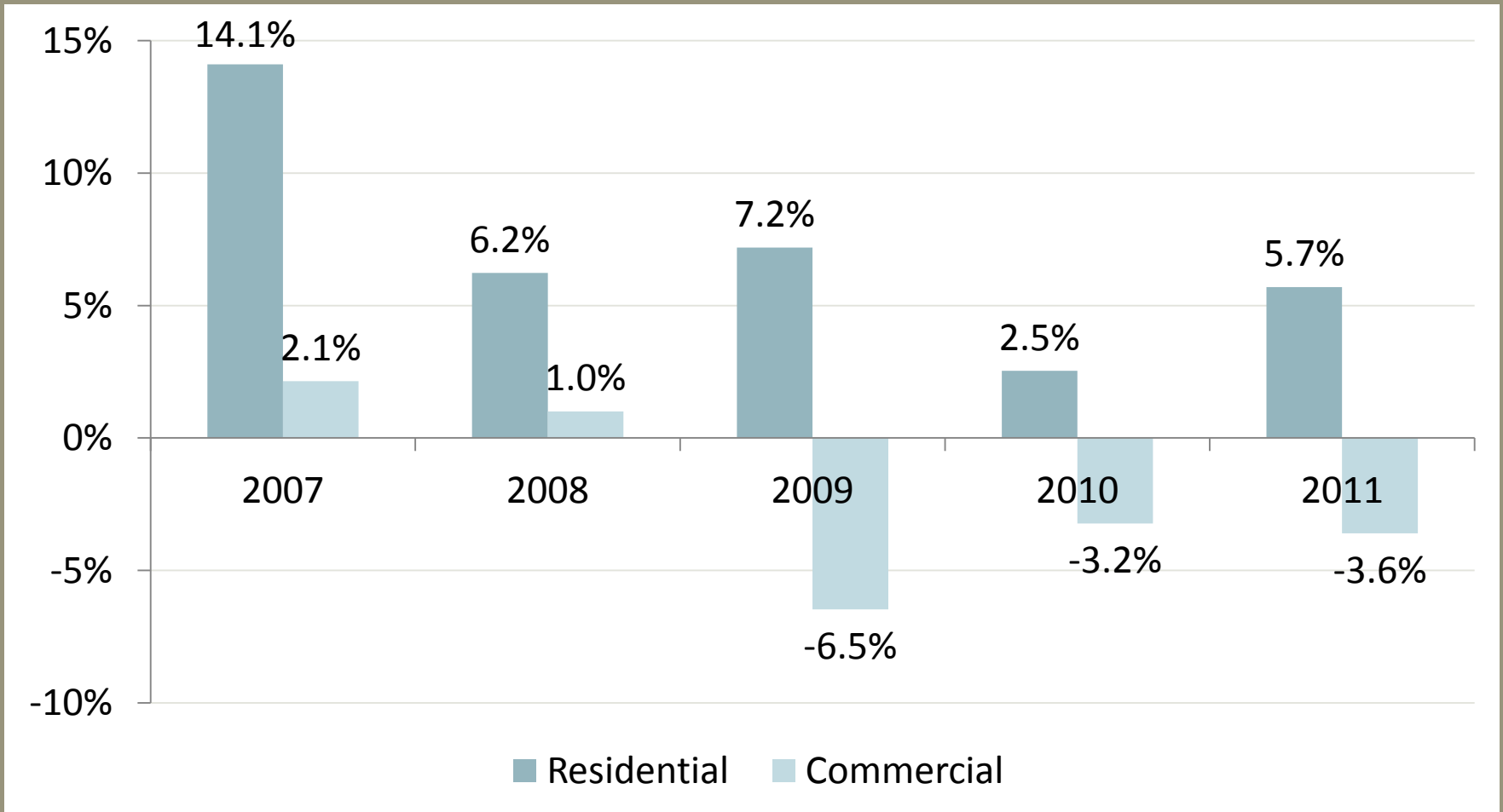
- Continue work on long-term capital and maintenance plan
- Local and regional cooperation/funding ventures
 - municipal partnerships
 - improved relationship with DTIR
- Continue policy development
 - fiscal policies (ie purchasing, reserves) and development
 - election by-law
- Incorporate Kingston Recreation within village



Section 3

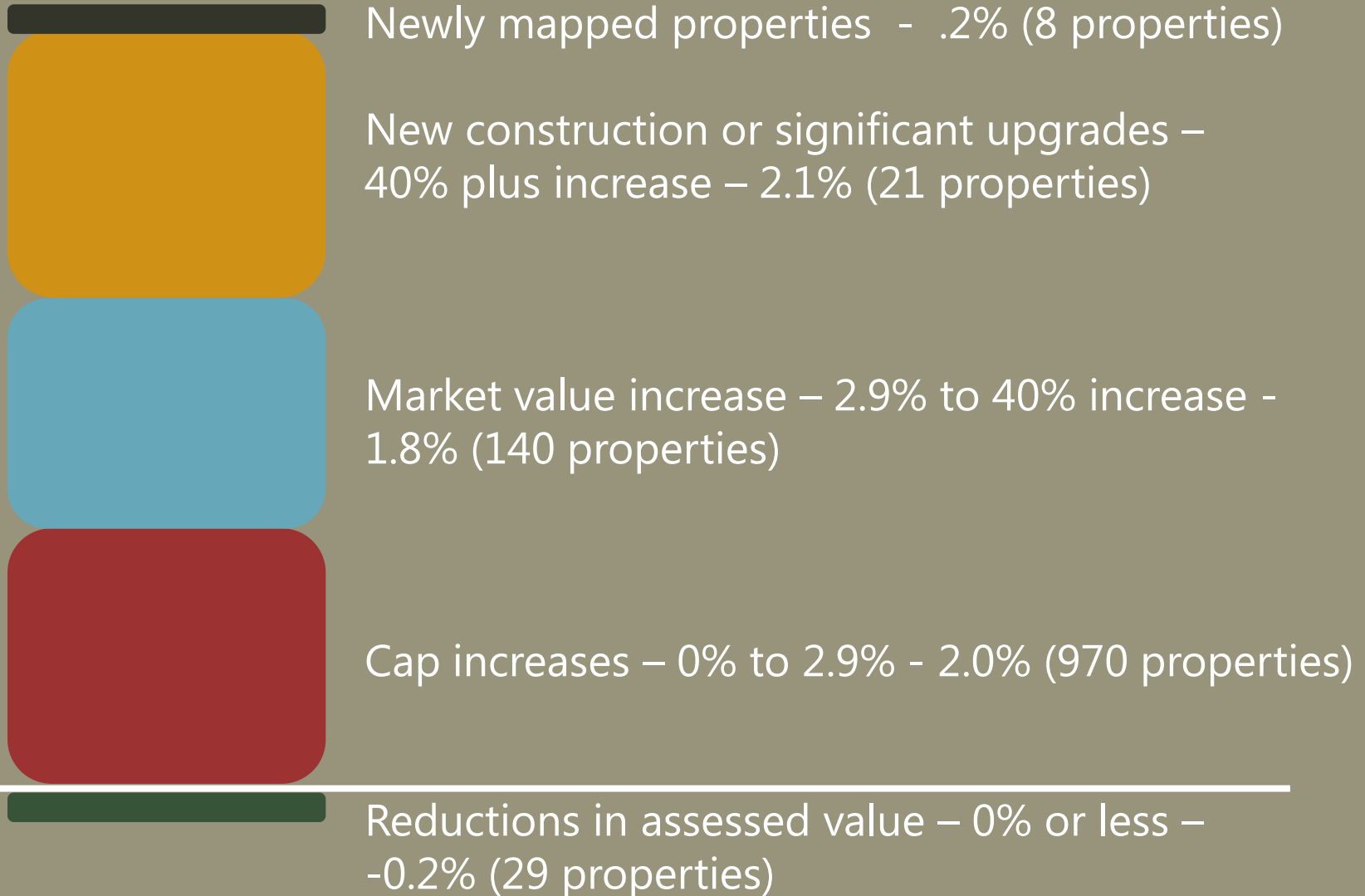
Budget Outlook

ASSESSMENT CHANGES



Assessment cap = 2.9% (Previous year = 0%)

Residential Assessment • 5.9% Increase



Commercial Assessment • 3.6% Decrease



VILLAGE ASSESSMENT



Item	Amount
Residential Increase	\$29,400
Back out cap increases*	(\$14,200)
Commercial Decrease	(\$2,200)
Change in assessment	\$13,000

* Requires 9/10 of a cent reduction or 2.9% of current 31 cent residential rate

- Operating costs generally stabilized – improved budgeting
- Environmental standards and compliance (wastewater system) – continuing concern – financial & manpower
- Infrastructure renewal program
 - Assets are approaching expected lifespan
 - Improved preventative maintenance program
 - Project management challenges
- Capital funding – coming up with our share

BUDGET PRESSURES (Base Budget)



Revenues

Item	General	Sewer
Assessment increase	\$13,000	
Rate increase (previous year adj)		\$19,500
HST Offset	\$4,400	
Crossing Guards	\$4,500	
VIC funding*	\$7,000	
Library funding*	\$4,800	
Satellite office funding*	\$20,000	
	\$53,700	\$19,500

* Funding contingent on approval from other municipal units (Greenwood & Kings County)

BUDGET PRESSURES (Base Budget)



Expenses

Item	General	Sewer
Salaries & benefits*	\$5,700	\$1,900
Professional fees	(\$3,800)	
Power**	\$4,000	\$5,000
Tax Billing	(\$3,500)	
Other utilities		\$4,000
Interest charges		(\$2,800)
Collection costs		\$5,000
Contribution to capital/reserves***	\$13,300	\$5,900
	\$15,700	\$19,000

* Based on Commission commitment to reach municipal average (year 3 of 4)

** NSP commercial & industrial increase average 8%

*** 7% increase from previous year – improved fiscal sustainability & flexibility

BUDGET GOALS



- Towards Fiscal Sustainability (9 year plan)
- Integration of commission priorities within fiscal constraints
- Appropriate and stable rates (tax & sewer)
- Proactive planning
- Improved partnerships and cooperation
- Adequacy of reserves
- Capital replacement and funding



Section 4

Budget Process & Next Steps

BUDGET SCHEDULE



April 14,
2011

- Budget presented at Commission meeting
- Distributed to public – library, municipal units, organizations
- Presentation only – no deliberations

April 28,
2011

- Special Commission meeting
- Public deputations
- Budget deliberations

May 12,
2011

- Budget deliberations
- Budget approval

All meetings at 7:00pm

- Complete Operating Budget, Capital Budget and 5 year Capital forecast
- Budget document released to public
- Includes past achievements and future deliverables
- Basis of budgeting
- Departmental budget breakdown
- Easy to understand format

Additional communications and advertisements to go to residents to inform of changes in meeting dates