

2012 Budget Speech

NEW BUSINESS

2012 Budget
January 30, 2012

Read by Finance Chair Councillor Brent Budz

Your Worship and members of Council, this evening I am very pleased to present the 2012 budget for your approval.

This is the second budget for this Council. However, it is the first budget that encompasses the initiatives and principles set-out in our Strategic Plan. As you are aware, City Council's mission statement is:

“To be an open, honest, and proactive government that delivers quality services in a fair and responsible manner while optimizing available resources.”

We have aligned this year's spending according to our mission and with many of our objectives set out in the Strategic Plan and I am pleased to explain the details accordingly.

City Strategic Initiative No. 1 – *Build City's reserves and make fiscally responsible decisions.*

We kept true to this task in our budget deliberations which in the end resulted in a 2.9% tax increase. This increase is in line with the Manitoba's inflation rate and does not compromise the City's delivery of essential services for the public.

Continuing to build our reserves in order to prepare for our future is a priority for this council. Currently, the General Reserves and surplus balance is approximately \$2.5 Million. At a current minimum required balance of \$1.9 Million, it is essential to increase the reserve fund in order to fiscally prepare for future capital projects. The tax increase

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includes an additional transfer to the General Reserve of \$98,000, which makes up one third of the tax increase.

City Strategic Initiative No. 3 – *Create an economic development plan and strategy*

The Economic Development workshop that was held in early December was an important step in shaping the focus and direction of economic development within this region. A broad approach to economic development is preferential thanks to the strong relationships between the City, the rural municipality, and many other valued community stakeholders. As such, City Council has designated \$60,000 for initiatives related to economic development in this year`s budget. The exact formula for economic development in our city has yet to be determined and continues to be a work in progress.

City Strategic Initiative No. 5 – *Park creation and development and upgrades in the northern portion of the City*

Council has designated \$50,000 towards the development of recreation development in the north end of the City.

City Strategic Initiative No. 6 – *Increase funding for road construction.*

The paving overlay program totals \$256,000 this year, an increase of \$40,000 from 2011, and includes \$10,000 to repair frost boils on the Industrial Park Road. The Heritage Square West parking lot will receive an overlay of asphalt costing in excess of \$200,000. Heritage Square will also receive some landscaping and improvements totalling \$30,000 which will be funded by the General Reserve.

As well, the roughest section of Meighen Avenue (from Astbury to Roe) will be reconstructed, as well as 8th Street NW (from 5th to 6th Ave.). These projects total \$833,000 and will be funded primarily from the General Reserve.

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A number of sidewalk repairs on Sask. Ave. West, Royal Road North and sidewalk extension on Crescent Road West are in this year's budget, amounting to \$45,000 which will be funded from the Sidewalk and Environmental Reserves.

The table below lists the items approved in addition to the general operating budget that make up for the 2.9% tax increase:

<u>New Items:</u>	<u>Increase</u>	<u>%</u>
Economic Development	60,000	0.6%
Parks Division Staffing	23,800	0.2%
Additional Overlays & Repairs	40,000	0.4%
Increase in General Reserve	98,000	1.0%
Increase in Community Grants	23,000	0.2%
Increase in Public Safety Costs	20,000	0.2%
Succession Planning	20,000	0.2%
Miscellaneous Items	5,000	0.1%
	<u>289,800</u>	<u>2.9%</u>

City Council appreciates the community groups in our city and has committed a total of \$497,813 in grants to various groups in 2012. It is important to note that this amount has increased by \$3,400 from the total 2011 grants. A complete listing is attached as an appendix.

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The Utility is primarily a self-sustaining fund with revenues from consumption and service rates to meet its expenditures. The Utility 2012 budget is \$10,620,446 including capital expenditures from its reserves of \$982,000. The 2012 budget includes \$1.1 Million for nutrient removal engineering studies and preparation for nutrient removal which is mandated by the Province. This also falls in line with the City's "Strategic Plan No. 4 - Compliance with Provincial sewage nutrient removal regulations."

Also included is \$585,000 in water and sewer renewal projects.

A listing of the capital items approved is attached to this report.

In total, the City's 2012 budget of \$28.7 Million is made up of

TOTAL SPENDING BUDGET	<u>2012</u>
General Operating Fund	16,575,189
Utility Operating Fund	9,088,446
Reserve Withdrawals	2,337,330
Spending from Capital Grants	657,500
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	<u>28,658,465</u>

As the 2011 fiscal year is being closed, some additional items will be carried over to the 2012 budget. These will be outlined at the time the 2012 Financial Plan will be presented which can be expected in (March/April).

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In summary, City Council approached this year's budget with a focus to stay in line with their strategic goals while maintaining City's essential services to its citizens. I feel that this balanced approach to our budget decision making process, helped to achieve these goals.

In conclusion, Your Worship, I move:

THAT the 2012 General budget and 2012 Utility budget be approved as follows:

TOTAL SPENDING BUDGET	<u>2012</u>
General Operating Fund	16,575,189
Utility Operating Fund	9,088,446
Reserve Withdrawals	2,337,330
Spending from Capital Grants	657,500
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	<u>28,658,465</u>

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Copy of 2012 Budget is attached.

Community Grants 2012	
Arts Council	26,300
Chamber of Commerce - operating	7,500
Potato Festival	7,500
Fort la Reine Museum	26,700
Handivan - Operating	26,400
Heritage Grant	1,100
Herman Prior	15,000
Hometown Manitoba matching grants	10,000
Hosting Assistance Grant	1,500
Library Board - operating	258,748
Centennial Community Club Inc.	7,300
Canad Inn Curling Classic	1,500
Pond Hockey	1,800
Portage Community Centre Inc. - operating	60,000
Portage Community Centre Inc. - Capital Res	10,000
Portage Community Revitalization Grant	10,000
Portage Learning Centre - operating	15,500
Portage Neighbourhood Connections - operating	3,465
Miscellaneous	7,500
	497,813