

## City Treasurer's Message

## 2004 Proposed Current Budget Overview

### RESULTS BASED BUSINESS PLANNING AND PERFORMANCE MEASURES

Results based business planning and budgeting involves a budget process that directly connects resource allocations to specific, measurable results. Budgets are used to drive progress and leverage accountability, rather than simply to maintain the status quo. This system of results based business planning and budgeting will begin to supply policy makers with the tools that they need to respond more effectively to what the community wants as well as provide them with the political support that is needed to make tough choices.

Performance measures are at the heart of any results based business planning and budgeting system. Performance measures reflect the achievement of organizational goals through organizational programs. As such, they gauge progress at the program level rather than at the corporate level. Appropriate performance measures are closely related to a program's basic purpose and are within the ability of the program manager to control, to some significant degree.

The City of Burlington has been developing performance measures for a number of years. There is a wide range of measures in use including the mandatory MPMP measures prescribed by the Province. Most of the measures being tracked are at the program level and can be adapted to the results based business planning and budgeting process.

This project will be expanded in 2005, with the final transition to this method of planning and budgeting occurring with the 2006 or 2007 current budget.

The management of Performance Measures and Results Reporting for key measures is being further developed as part of a separate project so that results information is systematically captured and made readily available to senior management.

### STAFF DIRECTIONS

The budget directions approved in August 2003 are as follows:

BP-17-03 Approval of Amended 2004 Performance Targets and Current Budget Directions:

*"That the performance targets in Appendix B of Item BP-13-03, as amended at the July 7, 2003 meeting of the Budget and Strategic Planning Committee be approved; and*

*That the City Treasurer be directed to prepare the 2004 proposed current budget with a tax rate increase not to exceed 6.5%"; and*

*That additional decision packages, not to exceed 1.5 %, be brought forward for consideration on matters not accommodated in the 6.5% budget; and*

*That the City Treasurer be directed to develop a financial plan and strategy for both the operating and capital budgets by the end of the first quarter of 2004, that achieves strategic objectives for the years 2005 and 2006. If the required tax rate increases to achieve those objectives exceed 4% in 2005 and 3% in 2006 reflective of the effects of Burlington Refocus initiatives, the City Treasurer will also develop strategies for consideration by Council on how budgets might be reduced to meet the tax rate increases listed above."*

## HIGHLIGHTS OF 2004 APPROVED CURRENT BUDGET

The net tax base been approved by City Council for the 2004 current budget consists of a base amount of \$71,666,007 and program changes of (\$652,193) for a total approved net tax levy of \$71,013,814. This is an increase over the approved, and subsequently restated, net tax levy in 2003 of \$5,573,335 or 8.5%.

The approved increase in the net tax levy offset by growth in assessment of 2.19% results in an increase to the City's tax rate of 6.06%. The approved 6.06% increase in the City's tax rate combined with the approved Regional tax rate increase, the transfer of the GO Transit tax room, and the anticipated increase in the residential Education rates result in an overall tax rate increase of approximately 4.94% for Burlington residents. This translates into an increase of \$145.35 on a home with a current value assessment of \$250,000. Of this increase, \$57.59 pertains to the increase in the City's portion of taxes.

The tax rate increase applies to all homes that experience a Current Value Assessment increase equal to the average increase in Burlington. If the value of a ratepayer's home increases by less than the average for the City as a whole, then the tax rate increase for City services will be proportionately lower than 6.06%

One component of the overall tax increase relates to the tax room vacated by the Region pertaining to GO Transit. In 2004, the City is taking up the GO Transit tax room in the form of a tax-supported contribution to the Transit Inter -Regional Reserve Fund of \$3.3M.

The 2004 Approved Net Tax Levy of \$71,013,814 includes (\$206,055) worth of budget amendments recommended and approved by Members of Council during budget deliberations.

As further illustrated in the summary of Gross Expenditures and Revenues, the budget itself includes a 13.8% increase in total gross expenditures that is partially offset by a 22.0% increase in non-tax revenues such as transit fares, building permit revenues, and investment returns. The 13.8% increase in total gross expenditures is being driven primarily by Corporate Expenditure costs including, but not limited to, contributions to the contingency reserve as well as reflecting an increase in Human Resources.

## GST EXEMPTION

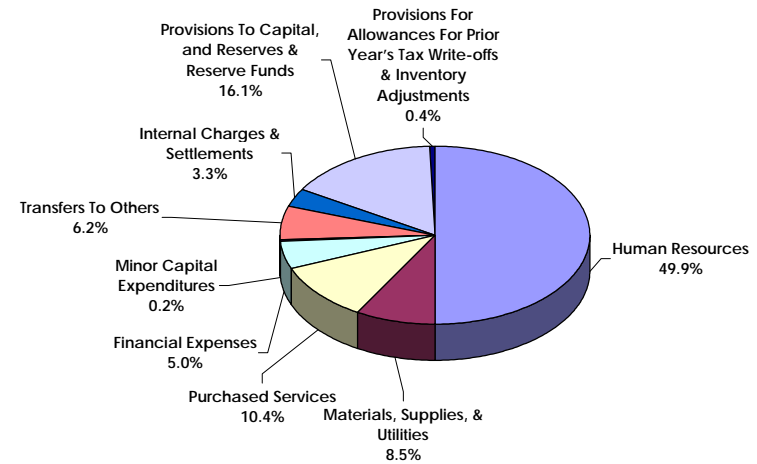
Recently, the Federal Government announced that effective February 1, 2004, Canadian municipalities are entitled to a 100% refund of GST paid on goods and services. Prior to this announcement, municipalities were eligible to claim a refund equal to four sevenths of the tax.

Each manager has prepared a 2004 operating budget expecting to pay a net amount of 3% GST on goods and services to be acquired in the coming year. Since the Federal legislation has not yet been passed and because of the advanced stage of budget preparation, the budget will not be adjusted for 2004. Instead, a strategy will be implemented, based on Council recommendations, which would see GST funds up to a maximum of \$530,000 being allocated to infrastructure renewal projects, such as road resurfacing. Any surplus arising from the reduced GST above and beyond the first \$530,000 will then be distributed to a reserve fund to help fund future infrastructure projects.

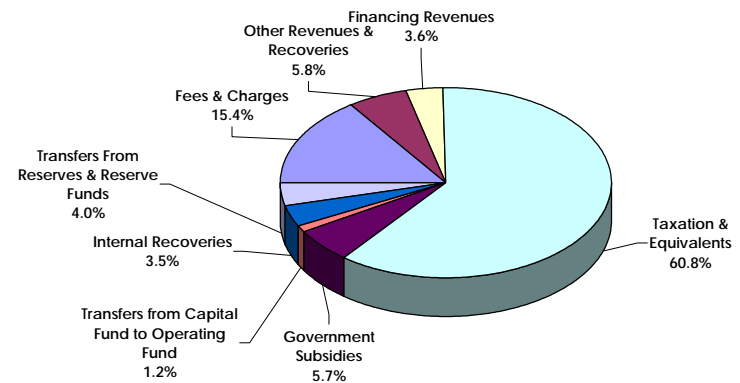
## Summary of Major Revenues & Expenditures (Net)

	2002 Actual	2003 Actual	2004 Approved Budget
<b>Starting Balance, January 1, 2003</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditure Categories</b>			
Human Resources	\$49,841,880	\$55,911,284	\$61,544,385
Materials, Supplies, & Utilities	\$10,090,269	\$10,510,279	\$10,482,741
Purchased Services	\$11,539,372	\$12,829,188	\$12,849,157
Financial Expenses	\$5,001,755	\$5,348,980	\$6,147,953
Capital Expenditures	\$363,943	\$306,960	\$258,910
Transfers To Others	\$6,073,955	\$6,975,729	\$7,662,056
Internal Charges & Settlements	\$3,699,662	\$4,082,875	\$4,032,793
Provisions To Capital, and Reserves & Reserve Funds	\$13,191,352	\$22,678,695	\$19,796,289
Provisions For Allowances For Prior Year's Tax Write-offs & Inventory Adjustments	\$781,527	\$510,465	\$530,000
<b>Total Expenditures</b>	<b>\$100,583,715</b>	<b>\$119,154,455</b>	<b>\$123,304,284</b>
<b>Revenue Categories</b>			
Fees & Charges	(\$16,884,316)	(\$18,313,766)	(\$18,980,915)
Other Revenues & Recoveries	(\$5,853,559)	(\$9,808,069)	(\$7,120,859)
Financing Revenues	(\$6,562,858)	(\$7,133,393)	(\$4,472,500)
Taxation & Equivalents	(\$62,113,802)	(\$66,486,095)	(\$74,952,809)
Government Subsidies	(\$635,786)	(\$7,902,927)	(\$7,071,632)
Transfers from Capital Fund to Operating Fund	(\$1,344,714)	(\$1,225,262)	(\$1,439,157)
Internal Recoveries	(\$3,851,713)	(\$4,083,569)	(\$4,319,037)
Transfers From Reserves & Reserve Funds	(\$3,587,041)	(\$4,201,374)	(\$4,947,375)
<b>Total Revenues</b>	<b>(\$100,833,789)</b>	<b>(\$119,154,455)</b>	<b>(\$123,304,284)</b>
<b>Net Change (+/-)</b>	<b>(\$250,074)</b>	<b>\$0</b>	<b>\$0</b>
<b>Transfer to Tax Rate Stabilization Reserve Fund</b>	<b>\$250,074</b>	<b>\$0</b>	<b>\$0</b>
<b>Ending Balance, Dec. 31, 200x</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

2004 Approved Budgeted Expenditures By Category



2004 Approved Budgeted Revenues By Category



## HUMAN RESOURCE IMPACTS

Municipalities are service organizations and rely heavily on human resources to deliver the quality of service that residents have come to expect. As a result, the year-over-year dollar increase for Human Resource costs is approximately \$5.6 million. This figure is attributable to several key items:

- **Annualization of 2003 salary and wage settlements** - \$314,000. The full year impact of increases awarded to the various employee groups in 2003 is felt in 2004.
- **Annualization of 2003 staffing decisions** - \$250,000. Increases in staffing approved in 2003 occurred at various points throughout the year and the full year impact of these new positions will be felt for the first time in 2004.
- **2004 anticipated economic adjustments and performance adjustments** - \$1,771,000. This is the estimated cost in 2004 of all adjustments, settlements and outstanding performance adjustments for both union and non-union employees.
- **2004 proposed program changes** – \$19,244. These program changes are explained in more detail below.
- **Budgeted Councillor's Fees** - \$276,000. The 2004 budget for Councillor's Fees increases notably due to a change in the method of budgeting. For the first time, the City of Burlington will budget for both the City's portion and the Region's portion of the Councillors' Fees. The City will subsequently recover a percentage of the total budgeted cost from the Region of Halton.
- **Budgeted decreases to Part Time staffing** –(\$202,000). The 2004 Proposed Current Budget includes decreases in part time staffing largely resulting from renovations-related temporary facility closures.
- **Overtime Salaries & Wages:** Overtime has historically been an area that is significantly under-budgeted, especially in areas such as RPM. In 2003, an additional \$205,000 was budgeted to narrow the budgeting gap. For 2004, an additional \$23,700 has been made to meet known demands on.
- **Increases in other earnings categories:** The balance of the increase in earnings relate to a series of smaller provisions including on-call status.
- **Legislated benefit cost increases (CPP, EI, EAF, WCB, Health Tax)**- \$1,000,000. Corporately, Standard Life costs for full-time employees will increase by \$826,000 and CPP contributions will increase by approximately \$150,000. Increases in employer costs for employee health tax and employee accident fund are both significant. Largely as a result of the reduction in part-time staffing costs, employment insurance experiences a decrease in 2004 of \$46,000.
- **Reinstatement of OMERS Contributions** – As described in more detail in the next section of the report, the 2004 incremental cost of the OMERS reinstatement of contributions and higher premiums is \$1,920,500.
- **Increases in other benefits** - An increase of \$136,000 has been budgeted in corporate training and development, employee memberships and employee parking.

## APPROVED INCREASES IN HUMAN RESOURCES

As a guideline, only new staff required to maintain existing service levels were considered and approved as part of the 6.06% approved current budget. Of the Human Resource increases approved, many consist of the renewal of existing resources and thus have a net zero impact on the overall Full-time Equivalent (FTE) count. The chart below summarizes all new and renewed positions approved for 2004.

Position Title	Department	2004 FTE Impact	Expected Start Date
Receptionist	Office of the Mayor & Council	0.5	July 1
Councillors' Assistant	Office of the Mayor & Council	0.5	July 1
Recreation Programmer	P&R	0.1 (net)	January 1
Contract Administrative Associate	P&R	0.5	January 1
Contract Customer Service Clerk	P&R	0.0 (net)	January 1
Contract Facility Operator	P&R	0.1 (net)	January 1
Downtown Ambassador	T&T	0.2	June 1
Part-time Ticket Clerk	T&T	0.5	April 1
Part-time HR Clerical Assistant	HR	0.5	April 1
Summer Student	Engineering	0.2	May 1
Additional Horticultural Crew Hours	RPM	0.3	N/A
Additional Turf Maintenance Crew Hours	RPM	0.1	N/A
<b>Total New Full-Time Equivalents for 2004</b>		<b>3.5</b>	

## REINSTATEMENT OF OMERS CONTRIBUTIONS

In 2002 OMERS announced an end to the contribution holiday with the resumption of contributions to be phased in over three years starting January 2003. An initial phase-in amount of \$450,000 was budgeted in 2002 and an additional \$500,000 was budgeted in 2003. Subsequent to budget approval in 2003, OMERS announced that the phase in would occur over two instead of three years and that rates would increase.

The 2004 impact represents a full resumption of the contribution to OMERS implying there will be no further incremental costs associated with the completion of the OMERS contribution holiday beyond 2004.

The net increase of 4.71 FTE's included in the 2004 approved budget is a combination of an increase in the number of FTE's in the base budget, primarily due to the annualization of positions approved as part of the 2003 Current Budget, and a net decrease in FTE's approved as program changes for 2004.

The decrease in FTE's is largely due to a reduction in part-time staffing in the Parks & Recreation department which, in 2004, will experience two temporary facility closures due to renovation activities.

## Full Time Equivalent (FTE) Staffing Levels (2003 – 2004)

The table below provides a summary of the budgeted year-over-year (2003 – 2004) FTE changes. These changes are summarized in the following table:

<i>Department/Details</i>	<i>Base Budget (FTE's)</i>	<i>Program Changes (FTE's)</i>	<i>Net Staffing Cost</i>
<i>Annualization &amp; base budget staffing adjustments</i>	5.62		
<i>Office of the Mayor &amp; Council</i>		1.0	\$43,945
<i>Human Resources</i>		0.5	\$16,001
<i>Roads &amp; Parks Maintenance</i>		1.79	\$61,810
<i>Traffic &amp; Transit</i>		0.7	\$20,243
<i>Parks &amp; Recreation</i>		(5.1)	(\$122,755)
<i>Engineering</i>		0.2	\$0
	<b>5.62</b>	<b>(0.91)</b>	<b>\$19,244</b>

### Summary of Full-Time Equivalents By Department 2002-2004

Department	2002 Approved Budget			2003 Approved Budget			2002-2003 Change		2004 Approved Budget			2003-2004 Change	
	FT	PT	Total	FT	PT	Total	Change +/- FT	Change +/- PT	FT	PT	Total	Change +/- FT	Change +/- PT
Mayor & Council	4.5	0.5	5.0	5.0	—	5.0	0.5	-0.5	6.0	—	6.0	1.0	—
City Manager	3.0	—	3.0	3.5	—	3.5	0.5	—	4.0	—	4.0	0.5	—
Corporate Services Admin	1.5	—	1.5	1.5	—	1.5	—	—	1.5	—	1.5	0.0	—
Finance	37.0	0.3	37.3	37.0	0.3	37.3	—	—	37.3	0.3	37.5	0.3	—
Human Resources	10.0	—	10.0	10.0	—	10.0	—	—	10.0	0.5	10.5	0.0	0.5
Legal	9.0	—	9.0	9.5	—	9.5	0.5	—	10.0	—	10.0	0.5	—
ITS	22.0	0.3	22.3	22.5	0.3	22.8	0.5	—	23.5	0.3	23.8	1.0	—
City Clerk	25.5	1.0	26.5	27.0	1.3	28.3	1.5	0.3	26.0	1.5	27.5	-1.0	0.3
Community Services Admin	2.0	—	2.0	2.0	—	2.0	—	—	2.0	—	2.0	0.0	—
Roads & Parks Maintenance (RPM)	129.4	25.0	154.4	135.2	21.5	156.6	5.8	-3.6	136.2	21.7	157.9	1.0	0.3
Fire	149.3	4.6	153.9	162.6	4.8	167.4	13.4	0.2	166.6	5.2	171.8	4.0	0.4
Transit & Traffic	101.4	46.6	148.0	104.4	49.6	153.9	3.0	3.0	106.9	51.0	157.9	2.5	1.4
Parks and Recreation	92.4	136.5	228.9	98.3	139.8	238.1	6.0	3.3	100.0	128.5	228.5	1.7	-11.3
Development & Infrastructure Admin	4.5	—	4.5	4.3	—	4.3	-0.3	—	4.5	—	4.5	0.3	—
Building	36.0	0.9	36.9	37.7	1.5	39.2	1.7	0.6	38.0	1.5	39.5	0.3	—
Engineering	48.0	1.0	49.0	48.7	1.3	50.0	0.7	0.3	49.0	1.5	50.5	0.3	0.2
Planning	23.5	—	23.5	24.0	0.3	24.3	0.5	0.3	24.0	0.3	24.3	0.0	—
	698.9	216.7	915.5	733.1	220.5	953.6	34.2	3.9	745.4	212.3	957.7	12.3	-8.2



## 2004-2006 MULTI-YEAR CURRENT BUDGET FORECAST

Multi-year forecasts are based on a comprehensive set of assumptions and estimates and show the projected urban residential tax rate increases that will be required based on those assumptions.

Budget simulations like all forecasting models are not precision tools. The validity of any model is only as sound as the assumptions on which it is based. Staff has spent considerable effort in developing and reviewing the assumptions in this model.

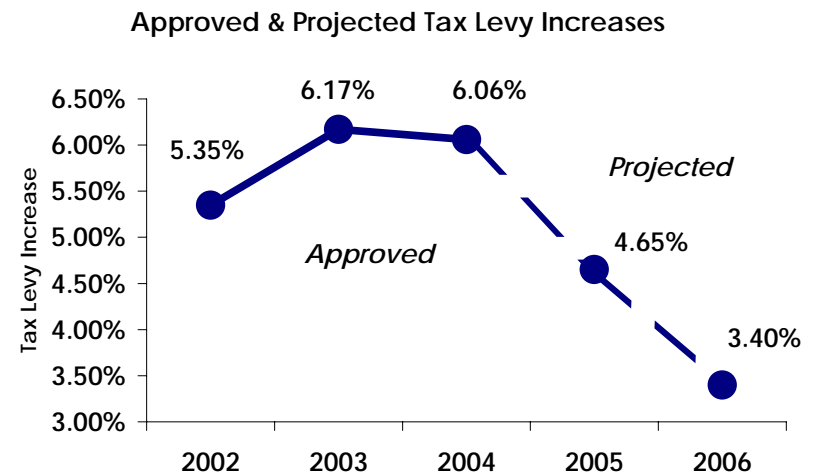
Finance report F-48/03 (item BP-13-03) recommended a tax rate increase in 2004 of 8.3% in order to deal with certain budget pressures the most significant of which was the accelerated resumption of OMERS contributions. Attached to report F 48/03 was a current budget simulation for the years 2004 to 2006 showing additional tax rate increase requirements of 4.65% and 3.4% in 2005 and 2006. After considerable discussion, Council agreed that it could not support an 8.3% tax rate increase in 2004. Staff was directed to smooth the required tax rate increase over three years.

Since that time, several changes have taken place (Finance report F-51/03), which impact these numbers. The tax rate increase approved for 2004 has been limited to 6.06 % in accordance with Council's direction. As the 2004 Approved Current Budget is less than was initially derived in the earlier simulation, the same dollar requirements in 2005 and 2006 will result in a larger percentage increases for those years.

Key factors affecting forecasted expenditures include specific provisions related to human resource costs and anticipated increases in corporate expenditures, largely due to required

increases in Reserve Funds to meet expected future operational and legislated needs;

The result of the simulation indicates the continuing pressure to increase tax rates has peaked in 2004. As a result, projected tax rate increases of 6.46% and 4.89% are estimated to be required in 2005 and 2006 respectively.



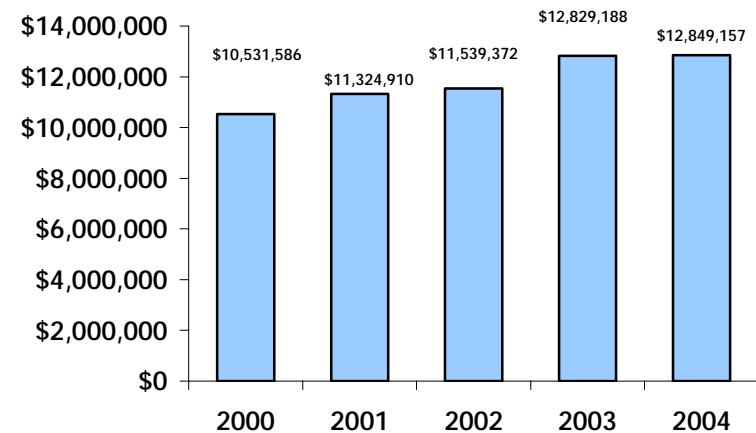
## 2004 PURCHASED SERVICES

Purchased services in the approved budget are well contained for 2004, showing an overall increase of \$26,025, or 0.2%.

Increases and decreases driving the overall reduction include:

- Decreases in city-wide equipment maintenance costs within the approved budget of approximately \$47,250
- Decreases in purchased services for bus transportation of about \$57,360, or 52.4% over 2003
- Increases in purchased services for winter control totalling nearly \$117,450 primarily due to snow ploughing, spreading of sand/salt and sidewalk clearing contracts
- Increases in purchased janitorial services of approximately \$42,225, of which \$22,565 pertains to Transit Maintenance and Infrastructure and \$11,415 relates to the 414 Locust Street office location
- Insurance premium payment increases of \$48,500 or 31.2% over last year, with \$14,470 of this increase coming from purchased services for fleet management in RPM and \$19,060 resulting from increases in purchased traffic and transit services
- Increases in purchased services for waste disposal of nearly \$32,510, \$13,000 which can be attributed to increases in RPM administrative accounts
- Increases in ITS departmental accounts of \$70,475, relating to increases in miscellaneous software services amounting to approximately \$45,500.

Purchased Services Expenditure 2000 - 2004



2000 - 2003 represent actual expenditures.  
2004 represents projected expenditures.

## CONTROLLABLE REVENUES

Overall, controllable revenues in the Departments are expected to increase by \$1.9M or 7.9%. The increases are expected to occur mainly in the Community Services Division, \$816,000 and in the Development and Infrastructure Division \$850,000.

In the Roads and Parks Maintenance Department, increases of over \$185,000 in recoveries are expected from the Region of Halton for winter control, roadwork, traffic signals, and overhead. The increase of over \$60,000 in the Fire Department is largely driven by recoveries from Oakville for costs incurred in the Appleby Line dispatch centre. In the Transit and Traffic Department, transit fare revenues are expected to rise by almost \$106,000 due to an expected increase in ridership. An increase in expected recoveries from the Region of Halton and the Province of Ontario are expected to yield an additional \$62,000, and a change in the City's by-law activities is expected to further raise controllable revenues by \$90,000. In the Parks & Recreation Department, tenant lease revenue resulting from 414 Locust Street is anticipated to increase by approximately \$85,000 in 2004.

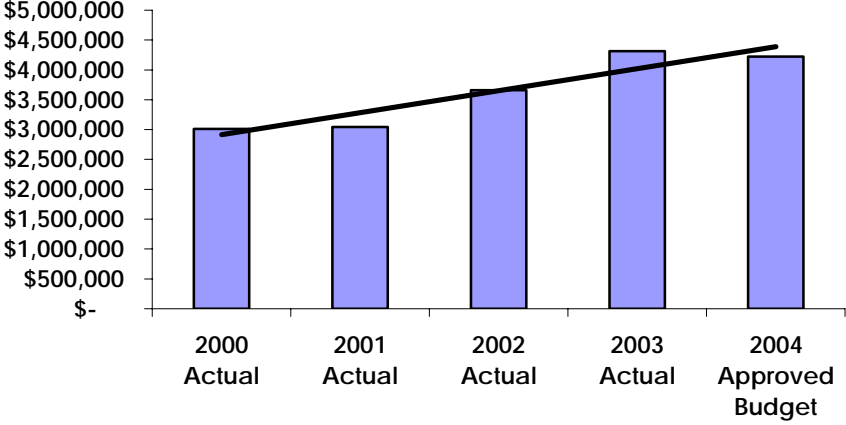
Within the Development and Infrastructure Division, additional controllable revenues of \$230,000 (net) have been budgeted as part of the 2004 Current Budget to reflect Phase II of the Development Application Approval Process fee increase (as recommended in CD-101-03-1, Finance Report F-49/03). The strategy developed by staff to generate additional revenues include increasing fees related to Committee of Adjustment applications, Site Plan applications, and Sub-division applications. Building permit fees are also being reviewed and budgeted revenues are expected to increase by almost \$512,000 in 2004. In addition, the 2004 annualized impact of the

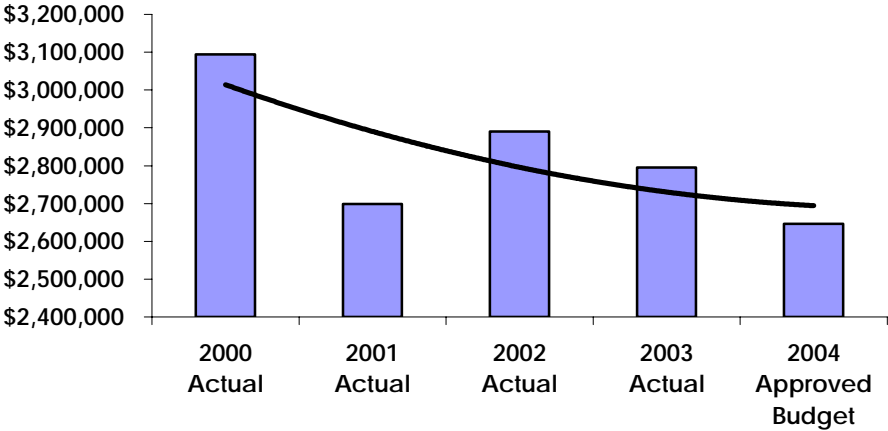
Phase I fee increase is expected to yield approximately \$81,000 in the Planning department.

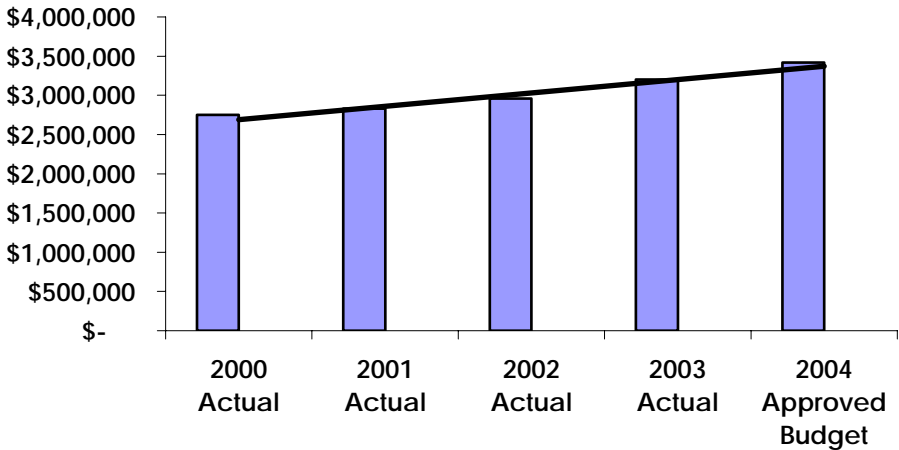
The following pages contain a summary of the City's most prominent sources of controllable revenues. This summary includes the amounts budgeted for 2004 for each revenue source, as well as the key factors that will drive the generation and collection of each revenue item.

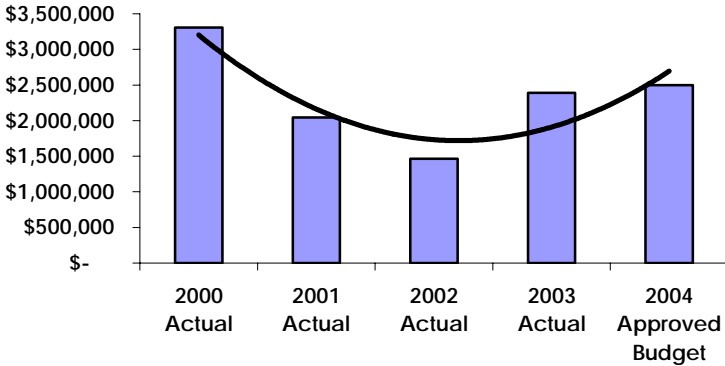
## Summary Of Major Revenue Sources

Major Revenue Source*	Explanation of Assumptions												
<p><b>General Tax Levy (\$71,013,814)</b></p>	<p>The General Tax Levy is not formally budgeted for. However, an expected level of this revenue source must be calculated to estimate the maximum level of expenditures that can be budgeted. These expectations are based on:</p> <ul style="list-style-type: none"> <li>• 2003 General Tax Levy – It is assumed that the 2004 General Tax Levy will be at least as great in value as the 2003 General Tax Levy.</li> <li>• 2004 Reassessment – All properties in Ontario have been reassessed for 2003 to reflect property values as at June 30, 2002. The estimate of the 2004 General Tax Levy is based on these current value assessments. The 2003 General Tax Levy was based on 2001 property assessments.</li> <li>• Budget-related Tax Increases – Burlington Councillors have approved a tax increase of 6.06 % for Burlington’s portion of the 2004 tax bill. This is expected to result in an increase of \$57.59 per property assessed at \$250,000.</li> </ul> <p style="text-align: center;"><b>General Tax Levy with Trendline</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>General Tax Levy with Trendline Data</caption> <thead> <tr> <th>Year</th> <th>General Tax Levy (\$)</th> </tr> </thead> <tbody> <tr> <td>2000 Actual</td> <td>~\$48,000,000</td> </tr> <tr> <td>2001 Actual</td> <td>~\$52,000,000</td> </tr> <tr> <td>2002 Actual</td> <td>~\$58,000,000</td> </tr> <tr> <td>2003 Actual</td> <td>~\$62,000,000</td> </tr> <tr> <td>2004 Approved Budget</td> <td>~\$70,000,000</td> </tr> </tbody> </table>	Year	General Tax Levy (\$)	2000 Actual	~\$48,000,000	2001 Actual	~\$52,000,000	2002 Actual	~\$58,000,000	2003 Actual	~\$62,000,000	2004 Approved Budget	~\$70,000,000
Year	General Tax Levy (\$)												
2000 Actual	~\$48,000,000												
2001 Actual	~\$52,000,000												
2002 Actual	~\$58,000,000												
2003 Actual	~\$62,000,000												
2004 Approved Budget	~\$70,000,000												

Major Revenue Source*	Explanation of Assumptions												
<p><b>Building Permit Revenues</b> (\$4,222,500)</p>	<p>The 2004 budget for Building Permit Revenues have increased by \$512,250 over the 2003 budget. This increase was budgeted based on the following assumptions and expectations:</p> <ul style="list-style-type: none"> <li>• An expected 3% increase in the inflation rate.</li> <li>• An analysis of 2003 actual Building Permit Revenues.</li> <li>• An expected increase in revenues resulting from an anticipated increase in Building Permit fees. Building Permit fees are expected to increase to closer reflect the costs involved in the Building Permit application, review, and issuing process.</li> <li>• Additional expected permit volume based on the forecasted 2004 building industry outlook.</li> </ul> <p style="text-align: center;"><b>Building Permit Revenues with Trendline</b></p>  <table border="1" data-bbox="814 841 1654 1263"> <caption>Building Permit Revenues with Trendline</caption> <thead> <tr> <th>Year</th> <th>Revenue (\$)</th> </tr> </thead> <tbody> <tr> <td>2000 Actual</td> <td>~\$3,000,000</td> </tr> <tr> <td>2001 Actual</td> <td>~\$3,000,000</td> </tr> <tr> <td>2002 Actual</td> <td>~\$3,600,000</td> </tr> <tr> <td>2003 Actual</td> <td>~\$4,300,000</td> </tr> <tr> <td>2004 Approved Budget</td> <td>~\$4,222,500</td> </tr> </tbody> </table>	Year	Revenue (\$)	2000 Actual	~\$3,000,000	2001 Actual	~\$3,000,000	2002 Actual	~\$3,600,000	2003 Actual	~\$4,300,000	2004 Approved Budget	~\$4,222,500
Year	Revenue (\$)												
2000 Actual	~\$3,000,000												
2001 Actual	~\$3,000,000												
2002 Actual	~\$3,600,000												
2003 Actual	~\$4,300,000												
2004 Approved Budget	~\$4,222,500												

Major Revenue Source*	Explanation of Assumptions												
<p><b>Payments in Lieu</b> (\$2,646,100)</p>	<p>The budget for Payments in Lieu are calculated by the Tax Department using the following formula:</p> $PIL\ Assessments \times Applicable\ Tax\ Rates$ <p>The Municipal Property Assessment Corporation provides PIL Assessments to the Tax Department. Anticipated 2004 payments-in-lieu reflect a decline from 2003 because PIL properties do not typically increase in value at the same rate as taxable properties in a reassessment year.</p> <p style="text-align: center;"><b>Payments-In-Lieu with Trendline</b></p>  <table border="1" data-bbox="793 824 1675 1252"> <caption>Payments-In-Lieu with Trendline Data</caption> <thead> <tr> <th>Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2000 Actual</td> <td>\$3,090,000</td> </tr> <tr> <td>2001 Actual</td> <td>\$2,700,000</td> </tr> <tr> <td>2002 Actual</td> <td>\$2,890,000</td> </tr> <tr> <td>2003 Actual</td> <td>\$2,800,000</td> </tr> <tr> <td>2004 Approved Budget</td> <td>\$2,646,100</td> </tr> </tbody> </table>	Year	Amount	2000 Actual	\$3,090,000	2001 Actual	\$2,700,000	2002 Actual	\$2,890,000	2003 Actual	\$2,800,000	2004 Approved Budget	\$2,646,100
Year	Amount												
2000 Actual	\$3,090,000												
2001 Actual	\$2,700,000												
2002 Actual	\$2,890,000												
2003 Actual	\$2,800,000												
2004 Approved Budget	\$2,646,100												

Major Revenue Source*	Explanation of Assumptions												
<p><b>Transit Fares</b> <b>(\$3,415,655)</b></p>	<p>The 2004 budget for Transit Fare Revenues has increased by \$125,429 over the 2003 budget based on the following factors:</p> <ul style="list-style-type: none"> <li>• The annualized impact of the May 1, 2003 fare increase.</li> <li>• An anticipated 3% increase in ridership levels over 2003 year-end levels.</li> <li>• An increase in the provision from the inter-regional reserve fund equivalent to, and in lieu of, a 5% fare increase.</li> <li>• Expert analysis.</li> </ul> <p>Based on the above factors, an estimated 2.9% increase in general fare revenues as well as a 16.7% increase in charter revenues can be reasonably expected. When added together, these factors have resulted in the overall increase in Transit Fare Revenues of 8.2%</p> <p style="text-align: center;"><b>Transit Fares with Trendline</b></p>  <table border="1" data-bbox="787 852 1680 1299"> <caption>Transit Fares with Trendline Data</caption> <thead> <tr> <th>Year</th> <th>Revenue (\$)</th> </tr> </thead> <tbody> <tr> <td>2000 Actual</td> <td>~\$2,750,000</td> </tr> <tr> <td>2001 Actual</td> <td>~\$2,800,000</td> </tr> <tr> <td>2002 Actual</td> <td>~\$2,950,000</td> </tr> <tr> <td>2003 Actual</td> <td>~\$3,150,000</td> </tr> <tr> <td>2004 Approved Budget</td> <td>~\$3,300,000</td> </tr> </tbody> </table>	Year	Revenue (\$)	2000 Actual	~\$2,750,000	2001 Actual	~\$2,800,000	2002 Actual	~\$2,950,000	2003 Actual	~\$3,150,000	2004 Approved Budget	~\$3,300,000
Year	Revenue (\$)												
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2001 Actual	~\$2,800,000												
2002 Actual	~\$2,950,000												
2003 Actual	~\$3,150,000												
2004 Approved Budget	~\$3,300,000												

Major Revenue Source*	Explanation of Assumptions												
<p><b>Earnings on Investments (\$2,500,000)</b></p>	<p>The 2004 approved budget for Earnings on Investments has increased by \$489,200, or 24.3% over the 2003 budget based on the following factors:</p> <ul style="list-style-type: none"> <li>• An expected increase in the funds available for investment.</li> <li>• Short-term micro and macroeconomic outlook at the provincial, national, and international levels. This includes expectations of actions taken by the Bank of Canada regarding monetary policy.</li> <li>• Expert analysis of financial markets provided by economists at the various financial institutions.</li> </ul> <p style="text-align: center;"><b>Earning on Investments with Trendline</b></p>  <table border="1" data-bbox="871 760 1591 1123"> <caption>Earning on Investments with Trendline</caption> <thead> <tr> <th>Year</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>2000 Actual</td> <td>~\$3,200,000</td> </tr> <tr> <td>2001 Actual</td> <td>~\$2,000,000</td> </tr> <tr> <td>2002 Actual</td> <td>~\$1,400,000</td> </tr> <tr> <td>2003 Actual</td> <td>~\$2,300,000</td> </tr> <tr> <td>2004 Approved Budget</td> <td>~\$2,500,000</td> </tr> </tbody> </table>	Year	Amount (\$)	2000 Actual	~\$3,200,000	2001 Actual	~\$2,000,000	2002 Actual	~\$1,400,000	2003 Actual	~\$2,300,000	2004 Approved Budget	~\$2,500,000
Year	Amount (\$)												
2000 Actual	~\$3,200,000												
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2002 Actual	~\$1,400,000												
2003 Actual	~\$2,300,000												
2004 Approved Budget	~\$2,500,000												



## CORPORATE REVENUES

Overall, Corporate Revenues are expected to rise by 7% in 2004 as compared to 2003, in spite of significant, anticipated decreases in supplementary taxes, and payments in lieu of taxes and despite the phasing out of the annual \$250,000 carry forward of prior year surplus.

The major expected reductions have been offset by a one-time contribution of \$600,000 to the current budget from the Hydro Proceeds Reserve Fund. The net overall increase of 7% is being driven by the annualized impact of the more aggressive penalty and interest policy on unpaid taxes adopted in 2003 and increased investment income derived from changes in policy related to more active trading strategies.

## CORPORATE EXPENDITURES

Overall, Corporate expenditures are expected to increase by \$1,529,861 or 9.4% over the budget of the previous year. The increases are primarily in the provision to the contingency reserve, the provision to the insurance reserve fund, the provision for previous year tax write-offs, the provision for the Tax Rate Stabilization fund, Debt Charges, and transfers to local boards.

The 2003 uncommitted balance in Contingency Reserve was depleted by year-end and is insufficient to meet the known requirements. Before the target to achieve an uncommitted balance equal to 1% of gross current budget expenditures of \$1,000,000 is realized, funds must be added to meet existing needs. To meet this goal, the 2004 approved provision will total \$1,080,000.

The increase in the provision to the Insurance Reserve Fund is in anticipation of an 18% increase in insurance premiums resulting from the transition to a new insurance provider, effective July 1, 2003.

The increase in the provision for previous year tax write-offs is necessary because the balance in the Allowance for Tax Write-offs as at December 31, 2003 was only \$396,600, after the transfer of unspent current year write-off. Staff has reviewed the prior year outstanding assessment appeals and have determined that \$525,000 is necessary to allow for anticipated write-offs.

There is a need for a 1-time provision of \$145,000 to the Tax Rate Stabilization Fund to adequately offset the increase in citywide hydro costs anticipated as a result of the increase in hydro rates announced in 2003.

In 2003, Contributions to Capital from Current increased in accordance with the Infrastructure Project Phase II Report. In 2004, however, the funds will instead be budgeted to offset future debt charges. This strategy will allow the City to leverage these resources to raise increased capital for future infrastructure projects.

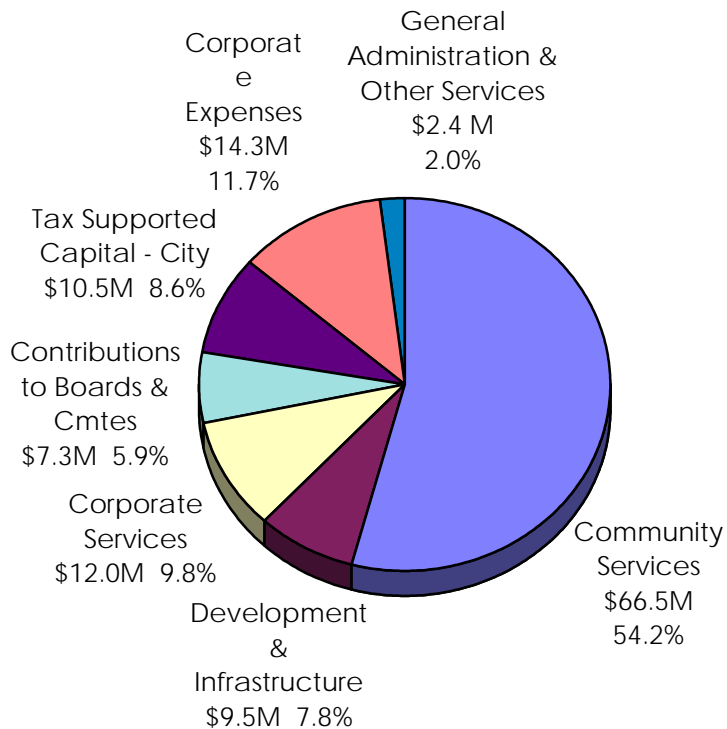
While transfers to local boards are not technically corporate expenditures, for 2004, transfers do represent a significant increase in overall expenditures of \$550,000. Driving this increase are the Libraries that will receive an additional \$418,000. This increase is necessary to offset human resources-related costs, increases in the costs of purchasing library resources, and costs associated with daily operations (e.g. building operating and maintenance costs and automated system costs). Other approved increases to funding for local boards include: Tourism, Museums, BEDC and the Art Centre.

## EXPENDITURES BY PROGRAM

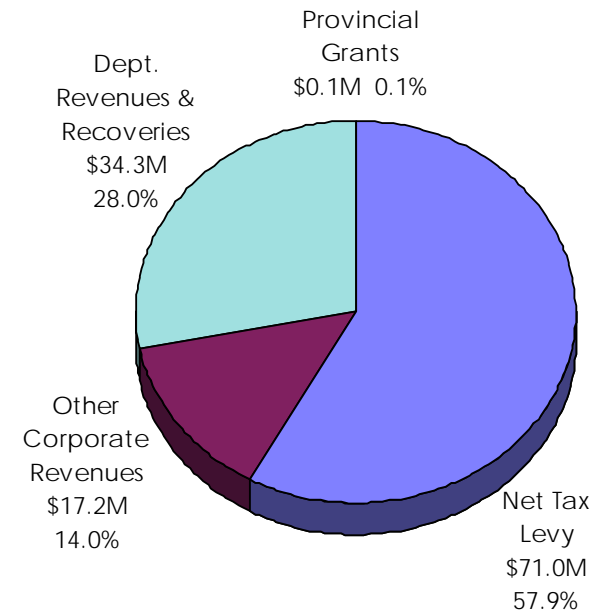
The schedule of gross expenditures and revenues that is included later in the overview (entitled, **Summary of Gross Expenditures & Revenues and Budgeted Staffing Levels (FTE's)**) summarizes the 2004 Current Budget, first by Department and then by Program. This schedule also shows the budgeted Full Time Equivalent's (FTE's) in each program/department.

The graph below displays the breakdown for the approved 2004 budget by Division for gross expenditures and by type for gross revenues.

### Where We Spend Our Dollars



### Where We Get Our Dollars



SUMMARY OF GROSS EXPENDITURES AND REVENUES

DEPARTMENT/PROGRAM	GROSS EXPENDITURES				GROSS REVENUES/RECOVERIES				NET EXPENDITURES			
	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-

**Executive Summary**

Total Mayor & Council	\$663,981	\$781,656	\$1,215,700	55.5%	(\$46)	(\$23,300)	(\$277,483)	0.0%	\$663,935	\$758,356	\$938,217	23.7%
Total City Manager	\$577,642	\$626,878	\$861,321	37.4%	(\$81,388)	(\$55,000)	(\$86,000)	56.4%	\$496,254	\$571,878	\$775,321	35.6%
Corporate Services Administration	\$199,050	\$206,103	\$227,944	10.6%	(\$5,550)	\$0	\$0	0.0%	\$193,500	\$206,103	\$227,944	10.6%
Total Finance	\$2,649,450	\$2,880,837	\$3,212,594	11.5%	(\$277,598)	(\$274,010)	(\$422,703)	54.3%	\$2,371,852	\$2,606,827	\$2,789,891	7.0%
Total Human Resources	\$1,539,585	\$1,735,236	\$1,847,587	6.5%	(\$102,248)	(\$145,300)	(\$130,650)	-10.1%	\$1,437,337	\$1,589,936	\$1,716,937	8.0%
Total Legal	\$758,593	\$865,305	\$1,001,705	15.8%	(\$764,071)	(\$1,020,424)	(\$852,000)	-16.5%	(\$5,478)	(\$155,119)	\$149,705	-196.5%
Total ITS	\$2,729,491	\$2,978,639	\$3,138,718	5.4%	(\$205,240)	(\$192,211)	(\$116,476)	-39.4%	\$2,524,251	\$2,786,428	\$3,022,242	8.5%
Total Clerk's	\$2,223,331	\$2,568,231	\$2,591,667	0.9%	(\$566,256)	(\$754,932)	(\$552,274)	-26.8%	\$1,657,075	\$1,813,299	\$2,039,393	12.5%
Community Services Administration	\$238,138	\$236,506	\$263,298	11.3%	(\$5,550)	\$0	\$0	0.0%	\$232,588	\$236,506	\$263,298	11.3%
Total Roads & Parks Maintenance	\$15,742,627	\$17,342,776	\$18,617,594	7.4%	(\$3,736,828)	(\$4,256,282)	(\$4,597,029)	8.0%	\$12,005,799	\$13,086,494	\$14,020,565	7.1%
Total Fire Dept	\$13,804,294	\$15,120,241	\$16,583,432	9.7%	(\$589,222)	(\$722,256)	(\$790,533)	9.5%	\$13,215,072	\$14,397,985	\$15,792,899	9.7%
Total Transit & Traffic Dept	\$9,672,183	\$11,069,735	\$12,058,744	8.9%	(\$4,815,237)	(\$6,355,173)	(\$7,228,456)	13.7%	\$4,856,946	\$4,714,562	\$4,830,288	2.5%
Total Parks and Recreation	\$16,933,153	\$18,509,931	\$18,988,985	2.6%	(\$11,108,259)	(\$11,891,618)	(\$12,054,291)	1.4%	\$5,824,894	\$6,618,313	\$6,934,694	4.8%
Total Development & Infra. Admin	\$491,640	\$478,955	\$547,649	14.3%	(\$5,550)	(\$40,000)	(\$259,000)	100.0%	\$486,090	\$438,955	\$288,649	-34.2%
Total Building Dept	\$2,666,527	\$2,950,767	\$3,227,976	9.4%	(\$4,290,688)	(\$4,356,955)	(\$4,847,455)	11.3%	(\$1,624,161)	(\$1,406,188)	(\$1,619,479)	15.2%
Total Engineering Dept	\$3,275,179	\$3,563,795	\$3,759,578	5.5%	(\$1,664,577)	(\$1,662,484)	(\$1,613,840)	-2.9%	\$1,610,602	\$1,901,311	\$2,145,738	12.9%
Total Planning	\$1,516,155	\$1,777,544	\$1,976,025	11.2%	(\$239,378)	(\$365,820)	(\$495,950)	35.6%	\$1,276,777	\$1,411,724	\$1,480,075	4.8%
<b>TOTAL DEPARTMENTAL</b>	<b>\$ 75,681,019</b>	<b>\$ 83,693,135</b>	<b>\$ 90,120,517</b>	<b>7.7%</b>	<b>\$(28,457,686)</b>	<b>\$(32,115,765)</b>	<b>\$(34,324,140)</b>	<b>6.9%</b>	<b>\$ 47,223,333</b>	<b>\$ 51,577,370</b>	<b>\$55,796,377</b>	<b>8.2%</b>
<b>TOTAL CORPORATE EXPENSES</b>	<b>\$ 15,244,491</b>	<b>\$ 16,898,442</b>	<b>\$ 18,564,915</b>	<b>9.9%</b>	<b>\$ (1,558,331)</b>	<b>\$ (616,755)</b>	<b>\$ (753,367)</b>	<b>0.0%</b>	<b>\$ 13,686,160</b>	<b>\$ 16,281,687</b>	<b>\$17,811,548</b>	<b>9.4%</b>
<b>TOTAL BOARDS &amp; COMMITTEES</b>	<b>\$ 6,101,682</b>	<b>\$ 6,828,546</b>	<b>\$ 7,331,784</b>	<b>7.4%</b>	<b>\$ (120,356)</b>	<b>\$ (30,000)</b>	<b>\$ (35,200)</b>	<b>0.0%</b>	<b>\$ 5,981,326</b>	<b>\$ 6,798,546</b>	<b>\$ 7,296,584</b>	<b>7.3%</b>
<b>NET CORPORATE REVENUES</b>	<b>\$ 2,759,226</b>	<b>\$ 375,000</b>	<b>\$ 6,671,000</b>	<b>1678.9%</b>	<b>\$(12,837,262)</b>	<b>\$ (9,592,125)</b>	<b>\$(16,561,695)</b>	<b>72.7%</b>	<b>\$ (10,078,036)</b>	<b>\$ (9,217,125)</b>	<b>\$ (9,890,695)</b>	<b>7.3%</b>
<b>NET TAX LEVY</b>	<b>\$ 99,786,418</b>	<b>\$ 107,795,123</b>	<b>\$ 122,688,216</b>	<b>13.8%</b>	<b>\$(42,973,635)</b>	<b>\$(42,354,645)</b>	<b>\$(51,674,402)</b>	<b>22.0%</b>	<b>\$ 56,812,783</b>	<b>\$ 65,440,479</b>	<b>\$71,013,814</b>	<b>8.5%</b>

**SUMMARY OF GROSS EXPENDITURES AND REVENUES**

DEPARTMENT/PROGRAM	GROSS EXPENDITURES				GROSS REVENUES/RECOVERIES				NET EXPENDITURES			
	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-
MAYOR AND COUNCIL	\$663,981	\$781,656	\$1,215,700	55.5%	(\$46)	(\$23,300)	(\$277,483)	0.0%	\$663,935	\$758,356	\$938,217	23.7%
CITY MANAGER-Departmental												
-Departmental	\$388,798	\$400,168	\$562,282	40.5%	(\$334)	\$0	\$0		\$388,464	\$400,168	\$562,282	40.5%
-Corporate Related	\$188,844	\$226,710	\$299,039	31.9%	(\$81,054)	(\$55,000)	(\$86,000)	56.4%	\$107,790	\$171,710	\$213,039	24.1%
Total City Manager	\$577,642	\$626,878	\$861,321	37.4%	(\$81,388)	(\$55,000)	(\$86,000)	56.4%	\$496,254	\$571,878	\$775,321	35.6%
TOTAL NON-DIVISIONAL DEPTS.	\$1,241,623	\$1,408,534	\$2,077,021	47.5%	(\$81,434)	(\$78,300)	(\$363,483)	364.2%	\$1,160,189	\$1,330,234	\$1,713,538	28.8%
<b>CORPORATE SERVICES DIVISION</b>												
Corporate Services Administration	\$199,050	\$206,103	\$227,944	10.6%	(\$5,550)	\$0	\$0	0.0%	\$193,500	\$206,103	\$227,944	10.6%
<b>FINANCE</b>												
-Accounting & Administration	\$809,393	\$1,048,594	\$1,191,909	13.7%	(\$108,925)	(\$117,510)	(\$133,703)	13.8%	\$700,468	\$931,084	\$1,058,206	13.7%
-Financial Planning Services	\$839,183	\$842,874	\$950,068	12.7%	(\$29,506)	(\$22,500)	(\$81,000)	260.0%	\$809,677	\$820,374	\$869,068	5.9%
-Revenue & Tax Coll. Division	\$902,985	\$893,369	\$974,617	9.1%	(\$126,608)	(\$134,000)	(\$208,000)	55.2%	\$776,377	\$759,369	\$766,617	1.0%
-Corporate Related	\$97,889	\$96,000	\$96,000	0.0%	(\$12,559)	\$0	\$0	0.0%	\$85,330	\$96,000	\$96,000	0.0%
Total Finance	\$2,649,450	\$2,880,837	\$3,212,594	11.5%	(\$277,598)	(\$274,010)	(\$422,703)	54.3%	\$2,371,852	\$2,606,827	\$2,789,891	7.0%
<b>HUMAN RESOURCES</b>												
-Departmental Accounts	\$1,116,516	\$1,200,546	\$1,302,747	8.5%	(\$102,248)	(\$145,300)	(\$130,650)	-10.1%	\$1,014,268	\$1,055,246	\$1,172,097	11.1%
-Corporate Related	\$423,069	\$534,690	\$544,840	1.9%	\$0	\$0	\$0	0.0%	\$423,069	\$534,690	\$544,840	1.9%
Total Human Resources	\$1,539,585	\$1,735,236	\$1,847,587	6.5%	(\$102,248)	(\$145,300)	(\$130,650)	-10.1%	\$1,437,337	\$1,589,936	\$1,716,937	8.0%
<b>LEGAL</b>												
-Legal Department	\$758,593	\$865,305	\$1,001,705	15.8%	(\$225,366)	(\$217,000)	(\$248,000)	14.3%	\$533,227	\$648,305	\$753,705	16.3%
-POA Proceeds	\$0	\$0	\$0	0.0%	(\$538,705)	(\$803,424)	(\$604,000)	-25%	(\$538,705)	(\$803,424)	(\$604,000)	-24.8%
Total Legal	\$758,593	\$865,305	\$1,001,705	15.8%	(\$764,071)	(\$1,020,424)	(\$852,000)	-16.5%	(\$5,478)	(\$155,119)	\$149,705	-196.5%
<b>I.T.S.</b>												
-Departmental Accounts	\$2,600,162	\$2,834,886	\$2,996,318	5.7%	(\$205,240)	(\$192,211)	(\$116,476)	-39.4%	\$2,394,922	\$2,642,675	\$2,879,842	9.0%
-Corporate Related	\$129,329	\$143,753	\$142,400	-0.9%	\$0	\$0	\$0	0.0%	\$129,329	\$143,753	\$142,400	-0.9%
Total ITS	\$2,729,491	\$2,978,639	\$3,138,718	5.4%	(\$205,240)	(\$192,211)	(\$116,476)	-39.4%	\$2,524,251	\$2,786,428	\$3,022,242	8.5%
<b>CITY CLERKS</b>												
-Clerks Administration	\$213,422	\$216,244	\$237,542	9.8%	(\$10,000)	\$0	\$0	0.0%	\$203,422	\$216,244	\$237,542	9.8%
-Council & Cmte Services	\$250,893	\$271,013	\$313,348	15.6%	(\$5,000)	(\$4,500)	(\$10,600)	135.6%	\$245,893	\$266,513	\$302,748	13.6%
-Comm. of Adjustment	\$119,415	\$128,073	\$141,402	10.4%	(\$220,621)	(\$225,639)	(\$224,443)	-0.5%	(\$101,206)	(\$97,566)	(\$83,041)	-14.9%
-Public & Legislated Services	\$392,706	\$415,894	\$454,522	9.3%	(\$171,010)	(\$188,892)	(\$196,835)	4.2%	\$221,696	\$227,002	\$257,687	13.5%
-Corporate Communication Services	\$957,933	\$1,040,701	\$1,057,922	1.7%	(\$85,457)	(\$81,402)	(\$38,700)	-52.5%	\$872,476	\$959,299	\$1,019,222	6.2%
-Municipal Election	\$50,657	\$229,060	\$73,545	-67.9%	\$0	(\$166,975)	\$0	0.0%	\$50,657	\$62,085	\$73,545	18.5%
-Corporate Related	\$238,305	\$267,246	\$313,386	17.3%	(\$74,168)	(\$87,524)	(\$81,696)	-6.7%	\$164,137	\$179,722	\$231,690	28.9%
Total Clerk's	\$2,223,331	\$2,568,231	\$2,591,667	0.9%	(\$566,256)	(\$754,932)	(\$552,274)	-26.8%	\$1,657,075	\$1,813,299	\$2,039,393	12.5%
TOTAL CORPORATE SERVICES DIVISION	\$10,099,500	\$11,234,351	\$12,020,215	7.0%	(\$1,920,963)	(\$2,386,877)	(\$2,074,103)	-13.1%	\$8,178,537	\$8,847,474	\$9,946,112	12.4%

**SUMMARY OF GROSS EXPENDITURES AND REVENUES**

DEPARTMENT/PROGRAM	GROSS EXPENDITURES				GROSS REVENUES/RECOVERIES				NET EXPENDITURES			
	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-
<b>COMMUNITY SERVICES DIVISION</b>												
Community Services Administration	\$238,138	\$236,506	\$263,298	11.3%	(\$5,550)	\$0	\$0	0.0%	\$232,588	\$236,506	\$263,298	11.3%
<b>ROADS AND PARKS MAINTENANCE</b>												
-General Administration	\$3,061,503	\$3,291,018	\$3,669,551	11.5%	(\$112,838)	(\$168,800)	(\$220,860)	30.8%	\$2,948,665	\$3,122,218	\$3,448,691	10.5%
-Animal Control	\$449,461	\$499,457	\$529,165	5.9%	(\$244,849)	(\$261,000)	(\$238,500)	-8.6%	\$204,612	\$238,457	\$290,665	21.9%
-Cemetery Operations	\$201,752	\$225,197	\$236,969	5.2%	(\$166,029)	(\$166,500)	(\$166,500)	0.0%	\$35,723	\$58,697	\$70,469	20.1%
-Fleet Management	\$1,432,017	\$1,588,425	\$1,734,345	9.2%	(\$2,077,300)	(\$2,322,532)	(\$2,396,461)	3.2%	(\$645,283)	(\$734,107)	(\$662,116)	-9.8%
-Roadways (Maint. & Resurfacing)	\$1,309,835	\$1,436,081	\$1,529,054	6.5%	(\$2,314)	\$0	\$0	0.0%	\$1,307,521	\$1,436,081	\$1,529,054	6.5%
-Debris	\$806,404	\$863,449	\$892,806	3.4%	(\$20,135)	(\$74,500)	(\$30,000)	-59.7%	\$786,269	\$788,949	\$862,806	9.4%
-Forestry	\$653,284	\$626,190	\$640,793	2.3%	(\$53,041)	(\$15,000)	(\$16,000)	6.7%	\$600,243	\$611,190	\$624,793	2.2%
-Sign Operations	\$423,968	\$423,825	\$446,501	5.4%	(\$292,458)	(\$272,840)	(\$276,327)	1.3%	\$131,510	\$150,985	\$170,174	12.7%
-Road Markings	\$140,016	\$152,588	\$180,543	18.3%	\$0	\$0	\$0	0.0%	\$140,016	\$152,588	\$180,543	18.3%
-Turf Maintenance	\$728,480	\$851,571	\$923,948	8.5%	\$0	\$0	\$0	0.0%	\$728,480	\$851,571	\$923,948	8.5%
-Sport Field Maintenance	\$411,751	\$437,133	\$436,228	-0.2%	(\$9,572)	(\$1,500)	(\$2,000)	33.3%	\$402,179	\$435,633	\$434,228	-0.3%
-Horticultural Maintenance	\$358,375	\$367,364	\$433,676	18.1%	(\$29,744)	(\$30,000)	(\$30,000)	0.0%	\$328,631	\$337,364	\$403,676	19.7%
-Traffic Signals	\$526,200	\$592,221	\$630,282	6.4%	(\$86,782)	(\$122,625)	(\$160,590)	31.0%	\$439,418	\$469,596	\$469,692	0.0%
-Sidewalks, Walkways etc.	\$292,682	\$379,210	\$375,497	-1.0%	(\$500)	\$0	\$0	0.0%	\$292,182	\$379,210	\$375,497	-1.0%
-Winter Control	\$1,634,174	\$2,188,642	\$2,324,849	6.2%	(\$26,196)	(\$41,274)	(\$139,534)	238.1%	\$1,607,978	\$2,147,368	\$2,185,315	1.8%
-Street Lighting	\$994,017	\$844,136	\$802,663	-4.9%	(\$18,805)	(\$71,650)	(\$69,100)	-3.6%	\$975,212	\$772,486	\$733,563	-5.0%
-Districts	\$1,217,495	\$1,168,882	\$1,297,912	11.0%	(\$1,951)	\$0	(\$60,000)	0.0%	\$1,215,544	\$1,168,882	\$1,237,912	5.9%
-Stormwater & Creeks	\$551,936	\$689,908	\$732,237	6.1%	\$0	\$0	\$0	0.0%	\$551,936	\$689,908	\$732,237	6.1%
-Work for Others (Recoverable)	\$319,959	\$265,048	\$270,369	2.0%	(\$336,727)	(\$265,048)	(\$270,369)	2.0%	(\$16,768)	\$0	\$0	0.0%
-Board of Education	\$146,425	\$178,100	\$180,297	1.2%	(\$175,022)	(\$178,100)	(\$180,297)	1.2%	(\$28,597)	\$0	\$0	0.0%
-Boundary Roads (Recoverable)	\$547	\$18,836	\$18,836	0.0%	(\$274)	(\$9,418)	(\$9,418)	0.0%	\$273	\$9,418	\$9,418	0.0%
-Region of Halton (Recoverable)	\$82,346	\$243,495	\$319,073	31.0%	(\$82,291)	(\$243,495)	(\$319,073)	31.0%	\$55	\$0	\$0	0.0%
-RPM Corporate Related	\$0	\$12,000	\$12,000	0.0%	\$0	(\$12,000)	(\$12,000)	0.0%	\$0	\$0	\$0	0.0%
<b>Total Roads &amp; Parks Maintenance</b>	<b>\$15,742,627</b>	<b>\$17,342,776</b>	<b>\$18,617,594</b>	<b>7.4%</b>	<b>(\$3,736,828)</b>	<b>(\$4,256,282)</b>	<b>(\$4,597,029)</b>	<b>8.0%</b>	<b>\$12,005,799</b>	<b>\$13,086,494</b>	<b>\$14,020,565</b>	<b>7.1%</b>
<b>FIRE</b>												
-Administration	\$594,635	\$631,271	\$686,874	8.8%	(\$25,765)	(\$5,000)	(\$6,000)	20%	\$568,870	\$626,271	\$680,874	8.7%
-Fire Suppression	\$10,878,582	\$11,731,050	\$12,815,095	9.2%	(\$410,098)	(\$181,000)	(\$155,000)	-14.4%	\$10,468,484	\$11,550,050	\$12,660,095	9.6%
-Fire Dispatch/Communications	\$448,406	\$914,611	\$1,026,399	12.2%	(\$4,230)	(\$453,617)	(\$513,650)	13.2%	\$444,176	\$460,994	\$512,749	11.2%
-Fire Prevention	\$629,876	\$732,852	\$804,998	9.8%	(\$46,430)	(\$63,400)	(\$67,150)	5.9%	\$583,446	\$669,452	\$737,848	10.2%
-Training	\$406,224	\$377,155	\$402,739	6.8%	(\$44,543)	\$0	\$0	0.0%	\$361,681	\$377,155	\$402,739	6.8%
-Fire Station Operations	\$294,279	\$243,245	\$277,929	14.3%	(\$16,890)	(\$19,239)	(\$14,733)	-23.4%	\$277,389	\$224,006	\$263,196	17.5%
-Fire Fleet Operations	\$402,563	\$356,552	\$426,272	19.6%	(\$12,315)	\$0	\$0	0.0%	\$390,248	\$356,552	\$426,272	19.6%
-Corporate Related	\$149,729	\$133,505	\$143,126	7.2%	(\$28,951)	\$0	(\$34,000)	0.0%	\$120,778	\$133,505	\$109,126	-18.3%
<b>Total Fire Dept</b>	<b>\$13,804,294</b>	<b>\$15,120,241</b>	<b>\$16,583,432</b>	<b>9.7%</b>	<b>(\$589,222)</b>	<b>(\$722,256)</b>	<b>(\$790,533)</b>	<b>9.5%</b>	<b>\$13,215,072</b>	<b>\$14,397,985</b>	<b>\$15,792,899</b>	<b>9.7%</b>

**SUMMARY OF GROSS EXPENDITURES AND REVENUES**

DEPARTMENT/PROGRAM	GROSS EXPENDITURES				GROSS REVENUES/RECOVERIES				NET EXPENDITURES			
	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-
<b>TRANSIT AND TRAFFIC</b>												
-Transit Service	\$4,332,047	\$4,844,695	\$5,353,094	10.5%	(\$3,438,793)	(\$4,601,689)	(\$5,231,642)	13.7%	\$893,254	\$243,006	\$121,452	-50.0%
-Transit-Maint & Infrastructure	\$2,460,718	\$2,599,213	\$2,832,699	9.0%	(\$27,096)	(\$20,282)	(\$14,150)	-30.2%	\$2,433,622	\$2,578,931	\$2,818,549	9.3%
-HandiVan Operations	\$543,791	\$701,672	\$741,356	5.7%	(\$120,626)	(\$135,737)	(\$154,435)	13.8%	\$423,165	\$565,935	\$586,921	3.7%
-Traffic Operations	\$797,627	\$975,875	\$1,065,600	9.2%	(\$128,391)	(\$97,203)	(\$164,550)	69.3%	\$669,236	\$878,672	\$901,050	2.5%
-Parking	\$416,820	\$669,398	\$723,541	8.1%	(\$416,820)	(\$669,398)	(\$723,893)	8.1%	\$0	\$0	(\$352)	0.0%
-Bylaw Enforcement	\$390,622	\$448,748	\$492,711	9.8%	(\$683,511)	(\$830,864)	(\$939,186)	13.0%	(\$292,889)	(\$382,116)	(\$446,475)	16.8%
-School Crossing Guards	\$730,558	\$830,134	\$849,743	2.4%	\$0	\$0	(\$600)	0.0%	\$730,558	\$830,134	\$849,143	2.3%
<b>Total Transit &amp; Traffic Dept</b>	<b>\$9,672,183</b>	<b>\$11,069,735</b>	<b>\$12,058,744</b>	<b>8.9%</b>	<b>(\$4,815,237)</b>	<b>(\$6,355,173)</b>	<b>(\$7,228,456)</b>	<b>13.7%</b>	<b>\$4,856,946</b>	<b>\$4,714,562</b>	<b>\$4,830,288</b>	<b>2.5%</b>
<b>PARKS AND RECREATION</b>												
- Parks Design & Development	\$429,404	\$505,189	\$569,138	12.7%	(\$84,240)	(\$84,665)	(\$84,625)	0.0%	\$345,164	\$420,524	\$484,513	15.2%
- Sportsfields & Passive Parks	\$202,211	\$202,180	\$224,338	11.0%	(\$310,108)	(\$298,834)	(\$332,776)	11.4%	(\$107,897)	(\$96,654)	(\$108,438)	12.2%
- Downtown & Waterfront Parks	\$16,123	\$10,718	\$12,122	13.1%	(\$21,761)	(\$22,100)	(\$27,700)	25.3%	(\$5,638)	(\$11,382)	(\$15,578)	36.9%
- Brant Hills Community Centre	\$306,460	\$252,271	\$211,020	-16.4%	(\$192,454)	(\$119,223)	(\$51,683)	-56.7%	\$114,006	\$133,048	\$159,337	19.8%
- Senior's Centre	\$405,852	\$419,637	\$467,425	11.4%	(\$179,072)	(\$192,415)	(\$218,809)	13.7%	\$226,780	\$227,222	\$248,616	9.4%
- Music Centre	\$468,006	\$391,468	\$415,558	6.2%	(\$219,111)	(\$188,754)	(\$211,580)	12.1%	\$248,895	\$202,714	\$203,978	0.6%
- Tansley Woods Community Centre	\$1,923,305	\$2,079,836	\$2,152,558	3.5%	(\$1,465,414)	(\$1,490,430)	(\$1,563,783)	4.9%	\$457,891	\$589,406	\$588,775	-0.1%
- Paletta Lakefront Park	\$1,003,304	\$944,040	\$802,560	-15.0%	(\$867,886)	(\$806,118)	(\$694,369)	-14%	\$135,418	\$137,922	\$108,191	-21.6%
- LaSalle Facility	\$199,282	\$198,000	\$215,713	8.9%	(\$199,282)	(\$198,000)	(\$215,713)	8.9%	\$0	\$0	\$0	0.0%
- 414 Lucust Street - Office/Retail	\$0	\$150,713	\$186,114	0.0%	\$0	(\$138,275)	(\$186,114)	0%	\$0	\$12,438	\$0	0.0%
- Beachway Park & Pavillion	\$34,284	\$35,619	\$34,693	-2.6%	(\$5,106)	(\$5,125)	(\$5,625)	9.8%	\$29,178	\$30,494	\$29,068	0.0%
- Tyandaga Golf Facility	\$1,432,710	\$1,836,892	\$1,757,862	-4.3%	(\$1,432,710)	(\$1,836,892)	(\$1,757,862)	-4.3%	\$0	\$0	\$0	0.0%
- Arenas & Auditoriums	\$4,079,720	\$4,158,727	\$4,232,147	1.8%	(\$3,727,226)	(\$3,730,936)	(\$3,791,623)	1.6%	\$352,494	\$427,791	\$440,524	3.0%
- Indoor & Outdoor Pools	\$1,808,961	\$1,954,580	\$1,961,852	0.4%	(\$861,076)	(\$876,576)	(\$800,911)	-8.6%	\$947,885	\$1,078,004	\$1,160,941	7.7%
- Student Theatre	\$140,151	\$141,683	\$154,328	8.9%	(\$149,996)	(\$159,020)	(\$162,689)	2.3%	(\$9,845)	(\$17,337)	(\$8,361)	-51.8%
- Joint Venture Facilities	\$336,451	\$315,357	\$347,590	10.2%	(\$248,227)	(\$235,580)	(\$267,639)	13.6%	\$88,224	\$79,777	\$79,951	0.2%
- Preschool/Child Programming	\$260,887	\$282,470	\$259,541	-8.1%	(\$157,675)	(\$145,519)	(\$152,671)	4.9%	\$103,212	\$136,951	\$106,870	-22.0%
- Youth/Teen Programming	\$174,972	\$339,892	\$390,275	14.8%	(\$47,063)	(\$139,948)	(\$169,409)	21.1%	\$127,909	\$199,944	\$220,866	10.5%
- School Programming	\$492,399	\$574,022	\$586,905	2.2%	(\$249,924)	(\$364,236)	(\$374,482)	2.8%	\$242,475	\$209,786	\$212,423	1.3%
- Arts, Heritage & Culture	\$16,065	\$43,704	\$34,704	-20.6%	\$0	(\$9,000)	\$0	-100.0%	\$16,065	\$34,704	\$34,704	0.0%
- Special Needs Programming	\$186,666	\$212,916	\$222,085	4.3%	(\$90,454)	(\$101,358)	(\$110,527)	9.0%	\$96,212	\$111,558	\$111,558	0.0%
- Special Events	\$225,124	\$230,577	\$245,840	6.6%	(\$45,796)	(\$36,220)	(\$51,400)	41.9%	\$179,328	\$194,357	\$194,440	0.0%
- Parks & Rec Administration	\$1,981,886	\$2,441,193	\$2,687,357	10.1%	(\$219,438)	(\$468,444)	(\$547,378)	16.9%	\$1,762,448	\$1,972,749	\$2,139,979	8.5%
- Vehicle Operations	\$126,412	\$103,736	\$85,435	-17.6%	(\$277,214)	(\$187,302)	(\$176,319)	-5.9%	(\$150,802)	(\$83,566)	(\$90,884)	8.8%
- City Hall Facility Operations	\$675,034	\$680,911	\$729,407	7.1%	(\$47,737)	(\$50,648)	(\$93,786)	85.2%	\$627,297	\$630,263	\$635,621	0.9%
- P&R Accounts Receivable	\$7,484	\$3,600	\$2,418	-32.8%	(\$9,289)	(\$6,000)	(\$4,818)	-19.7%	(\$1,805)	(\$2,400)	(\$2,400)	0.0%
<b>Total Parks and Recreation</b>	<b>\$16,933,153</b>	<b>\$18,509,931</b>	<b>\$18,988,985</b>	<b>2.6%</b>	<b>(\$11,108,259)</b>	<b>(\$11,891,618)</b>	<b>(\$12,054,291)</b>	<b>1.4%</b>	<b>\$5,824,894</b>	<b>\$6,618,313</b>	<b>\$6,934,694</b>	<b>4.8%</b>
<b>TOTAL COMMUNITY SERVICES DIVISION</b>	<b>\$56,390,395</b>	<b>\$62,279,189</b>	<b>\$66,512,053</b>	<b>6.8%</b>	<b>(\$20,255,096)</b>	<b>(\$23,225,329)</b>	<b>(\$24,670,309)</b>	<b>6.2%</b>	<b>\$36,135,299</b>	<b>\$39,053,860</b>	<b>\$41,841,744</b>	<b>7.1%</b>

**SUMMARY OF GROSS EXPENDITURES AND REVENUES**

DEPARTMENT/PROGRAM	GROSS EXPENDITURES				GROSS REVENUES/RECOVERIES				NET EXPENDITURES			
	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-
<b>DEVELOPMENT AND INFRASTRUCTURE DIVISION</b>												
DIVISION ADMINISTRATION												
- Development & Infrastructure Admin	\$278,476	\$311,823	\$380,174	21.9%	(\$5,550)	(\$20,000)	\$0	0.0%	\$272,926	\$291,823	\$380,174	30.3%
- Environmental Energy & Special Projec	\$106,703	\$167,132	\$167,475	0.2%	\$0	(\$20,000)	(\$9,000)	0.0%	\$106,703	\$147,132	\$158,475	7.7%
- Economic Development Initiatives	\$48,071	\$0	\$0	0.0%	\$0	\$0	(\$250,000)	0.0%	\$48,071	\$0	(\$250,000)	0.0%
- Business Development	\$58,390	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%	\$58,390	\$0	\$0	0.0%
Total Development & Infra. Admin	\$491,640	\$478,955	\$547,649	14.3%	(\$5,550)	(\$40,000)	(\$259,000)	100.0%	\$486,090	\$438,955	\$288,649	-34.2%
BUILDING												
-Administration	\$542,567	\$601,171	\$660,254	9.8%	(\$6,186)	(\$2,441)	(\$1,441)	-41.0%	\$536,381	\$598,730	\$658,813	10.0%
-Zoning & Plan Examination	\$735,957	\$771,231	\$859,151	11.4%	(\$1,186)	(\$4,882)	(\$2,882)	-41.0%	\$734,771	\$766,349	\$856,269	11.7%
-Inspection & By-Law	\$1,191,019	\$1,391,885	\$1,541,895	10.8%	(\$50,931)	(\$15,382)	(\$5,882)	-61.8%	\$1,140,088	\$1,376,503	\$1,536,013	11.6%
-Vehicle Operations	\$154,245	\$162,480	\$166,676	2.6%	\$0	\$0	\$0	0.0%	\$154,245	\$162,480	\$166,676	2.6%
-Building Revenues	\$42,739	\$24,000	\$0	0.0%	(\$4,232,385)	(\$4,334,250)	(\$4,837,250)	11.6%	(\$4,189,646)	(\$4,310,250)	(\$4,837,250)	12.2%
Total Building Dept	\$2,666,527	\$2,950,767	\$3,227,976	9.4%	(\$4,290,688)	(\$4,356,955)	(\$4,847,455)	11.3%	(\$1,624,161)	(\$1,406,188)	(\$1,619,479)	15.2%
ENGINEERING												
-Administration	\$236,531	\$282,055	\$288,898	2.4%	(\$27,149)	(\$25,520)	(\$24,300)	-4.8%	\$209,382	\$256,535	\$264,598	3.1%
-Design & Construction	\$1,414,043	\$1,443,450	\$1,519,509	5.3%	(\$820,097)	(\$721,482)	(\$679,200)	-5.9%	\$593,946	\$721,968	\$840,309	16.4%
-Utility Inspection	\$93,567	\$80,181	\$96,296	20.1%	(\$64,774)	(\$73,500)	(\$77,700)	5.7%	\$28,793	\$6,681	\$18,596	178.3%
-Development & Tech Services	\$1,449,585	\$1,673,097	\$1,776,959	6.2%	(\$705,602)	(\$780,182)	(\$770,840)	-1.2%	\$743,983	\$892,915	\$1,006,119	12.7%
-Vehicle Operations	\$81,453	\$85,012	\$77,916	-8.3%	(\$46,955)	(\$61,800)	(\$61,800)	0.0%	\$34,498	\$23,212	\$16,116	-30.6%
Total Engineering Dept	\$3,275,179	\$3,563,795	\$3,759,578	5.5%	(\$1,664,577)	(\$1,662,484)	(\$1,613,840)	-2.9%	\$1,610,602	\$1,901,311	\$2,145,738	12.9%
PLANNING												
-Policy, Graphics & Admin	\$677,347	\$802,294	\$971,892	21.1%	(\$8,608)	(\$8,000)	(\$47,400)	492.5%	\$668,739	\$794,294	\$924,492	16.4%
-Development Control	\$300,484	\$355,487	\$393,393	10.7%	(\$166,165)	(\$185,000)	(\$190,550)	3.0%	\$134,319	\$170,487	\$202,843	19.0%
-Development Planning	\$538,324	\$619,763	\$610,740	-1.5%	(\$64,605)	(\$172,820)	(\$258,000)	49.3%	\$473,719	\$446,943	\$352,740	-21.1%
Total Planning Dept	\$1,516,155	\$1,777,544	\$1,976,025	11.2%	(\$239,378)	(\$365,820)	(\$495,950)	35.6%	\$1,276,777	\$1,411,724	\$1,480,075	4.8%
TOTAL DEVELOPMENT & INFRA. DIVISION	\$7,949,501	\$8,771,061	\$9,511,228	8.4%	(\$6,200,193)	(\$6,425,259)	(\$7,216,245)	12.3%	\$1,749,308	\$2,345,802	\$2,294,983	-2.2%
TOTAL DEPARTMENTAL	\$75,681,019	\$83,693,135	\$90,120,517	7.7%	(\$28,457,686)	(\$32,115,765)	(\$34,324,140)	6.9%	\$47,223,333	\$51,577,370	\$55,796,377	8.2%

**SUMMARY OF GROSS EXPENDITURES AND REVENUES**

DEPARTMENT/PROGRAM	GROSS EXPENDITURES				GROSS REVENUES/RECOVERIES				NET EXPENDITURES			
	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-
			\$6,427,382									
<b>CORPORATE EXPENSES</b>												
-Provisions for Contingency	\$642,000	\$504,300	\$1,080,000	114.2%	\$0	\$0	(\$200,000)	0.0%	\$642,000	\$504,300	\$880,000	74.5%
-Provisions for Insurance	\$550,000	\$632,500	\$750,000	18.6%	\$0	\$0	\$0	0.0%	\$550,000	\$632,500	\$750,000	18.6%
-Provision for P.Yrs Tax Writeoffs	\$764,524	\$375,000	\$525,000	40.0%	\$0	\$0	\$0	0.0%	\$764,524	\$375,000	\$525,000	40.0%
-Provisions for Inventory Adjustment	\$16,928	\$5,000	\$5,000	0.0%	\$0	\$0	\$0	0.0%	\$16,928	\$5,000	\$5,000	0.0%
-Prov for Inter-Regional Transit	\$0	\$3,300,000	\$3,300,000	0.0%	\$0	\$0	\$0	0.0%	\$0	\$3,300,000	\$3,300,000	0.0%
-Provision for VDRFs Corporate	\$2,299,096	\$2,089,158	\$2,031,383	-2.8%	\$0	\$0	\$0	0.0%	\$2,299,096	\$2,089,158	\$2,031,383	-2.8%
-Funding for CAP Prov to VDRF fm Hydro	\$0	\$0	\$0	0.0%	(\$250,000)	(\$105,000)	\$0	-100.0%	(\$250,000)	(\$105,000)	\$0	-100.0%
-Provisions for Tax Rate Stabilization	\$877,020	\$0	\$145,000	0.0%	\$0	\$0	\$0	0.0%	\$877,020	\$0	\$145,000	0.0%
-Funding for Tax Rate Stab. RF from Hydro	\$0	\$0	\$0	0.0%	(\$150,000)	\$0	\$0	0.0%	(\$150,000)	\$0	\$0	0.0%
-CVA Rebates (Sm Bus. & Charities)	(\$55,754)	\$166,944	\$201,944	21.0%	\$0	\$0	\$0	0.0%	(\$55,754)	\$166,944	\$201,944	21.0%
-Provisions for Governance Issues	\$50,000	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%	\$50,000	\$0	\$0	0%
Sub-total Corporate Expenses	\$5,143,814	\$7,072,902	\$8,038,327	13.6%	(\$400,000)	(\$105,000)	(\$200,000)	0.0%	\$4,743,814	\$6,967,902	\$7,838,327	12.5%
<b>TAX SUPPORTED CAPITAL</b>												
Capital From Current Funding												
- City	\$4,551,059	\$5,165,959	\$5,203,409	0.7%	\$0	\$0	\$0	0%	\$4,551,059	\$5,165,959	\$5,203,409	0.7%
- Local Boards	\$400,000	\$450,000	\$412,550	-8.3%	\$0	\$0	\$0	0%	\$400,000	\$450,000	\$412,550	-8.3%
Subtotal Capital from Current	\$4,951,059	\$5,615,959	\$5,615,959	0.0%	\$0	\$0	\$0	0.0%	\$4,951,059	\$5,615,959	\$5,615,959	0.0%
Prov - Railway Crossing Res. Fund	\$900,000	\$400,000	\$400,000	0.0%	\$0	\$0	\$0	0%	\$900,000	\$400,000	\$400,000	0%
Capital Prov for Railway Crossing RESF	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%
Funding for CAP Prov to Railway fm Hydro	\$0	\$0	\$0	0.0%	(\$500,000)	\$0	\$0	0%	(\$500,000)	\$0	\$0	0%
Debt Charges (City & Hydro)	\$4,249,618	\$3,809,581	\$4,510,629	18.4%	(\$658,331)	(\$511,755)	(\$553,367)	8.1%	\$3,591,287	\$3,297,826	\$3,957,262	20.0%
Provision for Debt Reduction (1-time)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0%
Subtotal Debt	\$4,249,618	\$3,809,581	\$4,510,629	18.4%	(\$658,331)	(\$511,755)	(\$553,367)	8.1%	\$3,591,287	\$3,297,826	\$3,957,262	20.0%
Total Tax Supported Capital	\$10,100,677	\$9,825,540	\$10,526,588	7.1%	(\$1,158,331)	(\$511,755)	(\$553,367)	0.0%	\$8,942,346	\$9,313,785	\$9,973,221	7.1%
<b>TOTAL CORPORATE EXPENSES</b>	<b>\$15,244,491</b>	<b>\$16,898,442</b>	<b>\$18,564,915</b>	<b>9.9%</b>	<b>(\$1,558,331)</b>	<b>(\$616,755)</b>	<b>(\$753,367)</b>	<b>0.0%</b>	<b>\$13,686,160</b>	<b>\$16,281,687</b>	<b>\$17,811,548</b>	<b>9.4%</b>
<b>TOTAL CITY EXPENDITURES</b>	<b>\$90,925,510</b>	<b>\$100,591,577</b>	<b>\$108,685,432</b>	<b>8.0%</b>	<b>(\$30,016,017)</b>	<b>(\$32,732,520)</b>	<b>(\$35,077,507)</b>	<b>7.2%</b>	<b>\$60,909,493</b>	<b>\$67,859,057</b>	<b>\$73,607,925</b>	<b>8.5%</b>



**SUMMARY OF GROSS EXPENDITURES AND REVENUES**

DEPARTMENT/PROGRAM	GROSS EXPENDITURES				GROSS REVENUES/RECOVERIES				NET EXPENDITURES			
	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-	2002 ACTUAL	2003 BUDGET	2004 BUDGET	% +/-
<b>BOARDS AND COMMITTEES (NET)</b>												
-Burlington Public Library	\$4,867,378	\$5,318,276	\$5,736,568	7.9%	(\$15,000)	\$0	\$0	0.0%	\$4,852,378	\$5,318,276	\$5,736,568	7.9%
-Burlington Museums Board	\$305,472	\$361,295	\$390,411	8.1%	\$0	\$0	(\$10,200)	0.0%	\$305,472	\$361,295	\$380,211	5.2%
-Burlington Arts Centre	\$357,170	\$384,300	\$403,500	5.0%	\$0	\$0	\$0	0.0%	\$357,170	\$384,300	\$403,500	5.0%
-Tourism Burlington	\$153,925	\$143,300	\$218,000	52.1%	(\$42,856)	\$0	\$0	0.0%	\$111,069	\$143,300	\$218,000	52.1%
-Burl. Economic Devel. Corp. (BEDC)	\$332,136	\$422,242	\$441,292	4.5%	(\$62,500)	\$0	\$0	0.0%	\$269,636	\$422,242	\$441,292	4.5%
Sub-Total Local Boards	\$6,016,081	\$6,629,413	\$7,189,771	8.5%	(\$120,356)	\$0	(\$10,200)	0.0%	\$5,895,725	\$6,629,413	\$7,179,571	8.3%
-L.A.C.A.C.	\$17,129	\$52,688	\$18,562	-64.8%	\$0	(\$30,000)	\$0	0.0%	\$17,129	\$22,688	\$18,562	-18.2%
-Mundialization Committee	\$14,150	\$78,350	\$31,648	-59.6%	\$0	\$0	\$0	0.0%	\$14,150	\$78,350	\$31,648	-59.6%
-Sound of Music Inc.	\$25,000	\$25,000	\$50,000	100.0%	\$0	\$0	(\$25,000)	0.0%	\$25,000	\$25,000	\$25,000	0.0%
-Burlington International Games	\$6,000	\$11,500	\$11,788	100.0%	\$0	\$0	\$0	0.0%	\$6,000	\$11,500	\$11,788	2.5%
-Burlington Crime Prevention	\$7,875	\$8,269	\$8,035	-2.8%	\$0	\$0	\$0	0.0%	\$7,875	\$8,269	\$8,035	-2.8%
-Adv. Cmte on Violence Agnst Women	\$1,236	\$1,386	\$0	-100.0%	\$0	\$0	\$0	0.0%	\$1,236	\$1,386	\$0	-100.0%
-Seniors Advisory Committee	\$2,040	\$2,142	\$1,350	-37.0%	\$0	\$0	\$0	0.0%	\$2,040	\$2,142	\$1,350	-37.0%
-Sustainable Development	\$6,495	\$5,700	\$7,800	36.8%	\$0	\$0	\$0	0.0%	\$6,495	\$5,700	\$7,800	36.8%
-Accessibility Advisory Cmte	\$2,040	\$2,758	\$2,490	-9.7%	\$0	\$0	\$0	0.0%	\$2,040	\$2,758	\$2,490	-9.7%
-Property Standards Comm.	\$0	\$1,000	\$1,000	0.0%	\$0	\$0	\$0	0.0%	\$0	\$1,000	\$1,000	0.0%
-Bikeway Committee	\$3,636	\$3,340	\$3,340	0.0%	\$0	\$0	\$0	0.0%	\$3,636	\$3,340	\$3,340	0.0%
-Civic Recognition Cmte	\$0	\$7,000	\$6,000	-0.14286	\$0	\$0	\$0	0.0%	\$0	\$7,000	\$6,000	-14.3%
Sub-Total Citizen Committees	\$85,601	\$199,133	\$142,013	-28.7%	\$0	(\$30,000)	(\$25,000)	0.0%	\$85,601	\$169,133	\$117,013	-30.8%
<b>TOTAL BOARDS &amp; COMMITTEES</b>	<b>\$6,101,682</b>	<b>\$6,828,546</b>	<b>\$7,331,784</b>	<b>7.4%</b>	<b>(\$120,356)</b>	<b>(\$30,000)</b>	<b>(\$35,200)</b>	<b>0.0%</b>	<b>\$5,981,326</b>	<b>\$6,798,546</b>	<b>\$7,296,584</b>	<b>7.3%</b>
<b>TOTAL NET EXPENDITURES</b>	<b>\$97,027,192</b>	<b>\$107,420,123</b>	<b>\$116,017,216</b>	<b>8.0%</b>	<b>(\$30,136,373)</b>	<b>(\$32,762,520)</b>	<b>(\$35,112,707)</b>	<b>7.2%</b>	<b>\$66,890,819</b>	<b>\$74,657,603</b>	<b>\$80,904,509</b>	<b>8.4%</b>
<b>CORPORATE REVENUES</b>												
Tax Write-Offs (Current Year)	\$375,000	\$375,000	\$375,000	0.0%	\$0	\$0	\$0	0.0%	\$375,000	\$375,000	\$375,000	0.0%
Supplementary Taxes	\$0	\$0	\$0	0.0%	(\$1,700,009)	(\$1,400,000)	(\$1,100,000)	-21.4%	(\$1,700,009)	(\$1,400,000)	(\$1,100,000)	-21.4%
Local Improvements - City's Share	\$0	\$0	\$0	0.0%	(\$89,283)	(\$109,740)	(\$94,270)	-14.1%	(\$89,283)	(\$109,740)	(\$94,270)	-14.1%
Payments in Lieu of Taxes	\$0	\$0	\$0	0.0%	(\$2,890,526)	(\$2,738,540)	(\$2,646,100)	-3.4%	(\$2,890,526)	(\$2,738,540)	(\$2,646,100)	-3.4%
Prov Community Reinvestment Grant	\$0	\$0	\$0	0.0%	(\$65,000)	(\$65,000)	(\$65,000)	0.0%	(\$65,000)	(\$65,000)	(\$65,000)	0.0%
Railway Right-of-Way (ROW)	\$0	\$0	\$0	0.0%	(\$91,436)	(\$82,980)	(\$74,625)	-10.1%	(\$91,436)	(\$82,980)	(\$74,625)	-10.1%
Penalties & Interest on Taxes	\$2,400,439	\$0	\$0	0.0%	(\$1,601,711)	(\$1,800,000)	(\$1,900,000)	5.6%	\$798,728	(\$1,800,000)	(\$1,900,000)	5.6%
Earnings on Investments	\$0	\$0	\$0	0.0%	(\$4,890,425)	(\$2,010,800)	(\$2,500,000)	24.3%	(\$4,890,425)	(\$2,010,800)	(\$2,500,000)	24.3%
Hydro Dividend	\$0	\$0	\$0	0.0%	(\$1,000,000)	(\$1,000,000)	(\$1,600,000)	60.0%	(\$1,000,000)	(\$1,000,000)	(\$1,600,000)	60.0%
Contrib. from Reserves/Reserve Funds	\$0	\$0	\$0	0.0%	\$0	\$0	(\$125,000)	0.0%	\$0	\$0	(\$125,000)	0.0%
Other Revenues/Aggregate Resource	(\$16,213)	\$0	\$6,296,000	0.0%	(\$258,809)	(\$135,065)	(\$6,456,700)	4680.4%	(\$275,022)	(\$135,065)	(\$160,700)	19.0%
Prior Years Surplus	\$0	\$0	\$0	0.0%	(\$250,063)	(\$250,000)	\$0	-100.0%	(\$250,063)	(\$250,000)	\$0	-100.0%
<b>NET CORPORATE REVENUES</b>	<b>\$2,759,226</b>	<b>\$375,000</b>	<b>\$6,671,000</b>	<b>1678.9%</b>	<b>(\$12,837,262)</b>	<b>(\$9,592,125)</b>	<b>(\$16,561,695)</b>	<b>72.7%</b>	<b>(\$10,078,036)</b>	<b>(\$9,217,125)</b>	<b>(\$9,890,695)</b>	<b>7.3%</b>
<b>NET TAX LEVY</b>	<b>\$99,786,418</b>	<b>\$107,795,123</b>	<b>\$122,688,216</b>	<b>13.8%</b>	<b>(\$42,973,635)</b>	<b>(\$42,354,645)</b>	<b>(\$51,674,402)</b>	<b>22.0%</b>	<b>\$56,812,783</b>	<b>\$65,440,479</b>	<b>\$71,013,814</b>	<b>8.5%</b>

## **PROGRAM CHANGES**

A Program Change represents a proposed variation/reduction in the 2004 budgeted expenditures or revenues which is not provided for in the Base Budget and for which separate budget disclosure for purposes of senior staff and/or political review is warranted. Program Changes must be categorized into one of the following groups:

- A) Service Growth Needs
- B) 1.5% Decision Unit List

In general, program changes should include:

- New RFT and contract staff (also renewals of contracts)
- All vacant positions proposed to be staffed for all or part of 2004
- Conversions of PT/Temp. Staff to RFT/Contract (also applies to staff complement reductions)
- Net departmental increases/decreases in PT/Temporary hours related to growth or service changes
- Net departments increases/decreases related to strategic performance measures service gaps
- New equipment, furnishings and furniture acquisitions in excess of \$10,000 per item (Shown as a program change also if budgeting for items of a similar nature under \$10,000 which in aggregate total greater than \$10,000)
- New or expanded services and/or programs including those required by legislation
- Environmental impacts (i.e. Alternative fuel systems for vehicles, energy efficient building components, water conservation measures, hazardous waste reduction)

## **ONE TIME EXPENDITURES FUNDED FROM ONE TIME REVENUE SOURCES**

Some of the items in the 2004 Approved Current Budget were identified as one time in nature and have been shown as being funded from a one-time source of revenue. The total amount of one-time funding being approved in this budget is \$405,000. Most of the items will be funded from the Tax Rate Stabilization Reserve Fund and the anticipated GST Rebate.

In previous years, the prior year's surplus has been relied upon to supplement the Tax Rate Stabilization Reserve Fund for the purpose of offsetting one-time expenditures. However, in 2004, no prior year's surplus will be carried over from 2003. Instead, the Tax Rate Stabilization Reserve Fund will be supplemented by the increase in budgeted Debt Charges that will not be required to be paid out until after 2004.

## **FINANCIAL POLICIES**

The City of Burlington Finance Policies & Procedures manual includes several policies that are well established in this organization, and some that are still in development. Selected policies have been included in more detail, along with a related table of contents, in Appendix A at the back of this document.

## CONCLUSION

2004 represents a year of transition as Burlington reviews and updates its strategic plan to ensure that the City's goals and strategies continue to reflect the issues that are most important to residents. Therefore, the budget has been developed in keeping with the spirit of the strategic plan adopted by Council in 2001 and in anticipation of the new strategic plan being adopted in 2004. This will ensure that the City addresses

The 2004 budget has been painstakingly prepared by following the principle of "holding the line". As a result of the efforts of Council, Management, and Staff, the resulting budget reinforces the levels of services that Burlington is committed to, while meeting growth related needs and addressing the aging infrastructure in Burlington.

Burlington continues to be a growing, vibrant city. It strives to maintain a balance between addressing the diverse needs of its many new residents and business while providing the high quality services that existing residents and businesses have come to expect. A 6.06% tax increase allows Burlington to successfully accomplish this goal in light of increasing costs similar to those facing residents and businesses alike.

## The Budget Process

Municipal elections occur once every three years in Ontario. At the start of each new term of Council, the new Council reviews the Strategic Plan and approves a new three-year plan for Senior Management to implement. As the calendar year 2004 represents the start of a new three-year term, Council will develop and approve a sixth official strategic plan, allowing for the alignment of the budget process with the corporation's goals and objectives. The Strategic Planning process and three-year action plans are the foundation of both the Capital and Current Budget processes and influences financing strategies and guidelines.

The preparation of the annual operating budget is supplemented a three-year simulation and forecast of future tax rate pressures. Other tools that have been used effectively include the results from the "Quality of Services Study" which provides an indication of customer satisfaction with City Services, and the implementation of Results-Based Business Planning, which provides a strong relationship between the Strategic Plan, performance measurement, and the operating budget.

The Budget Process begins with guidelines and strategies for the Operating Budget, which are presented to Council for consideration and approval, after which the Senior Management Team begins the preparation of the document. The budget package is first subjected to a peer review conducted by cross-functional teams representing multiple points of view of the organization. Upon completion of the peer review, recommendations are made to departments concerning issues or opportunities identified by the review team. Once departments have had an opportunity to incorporate any applicable recommendations, a second iteration of the budget is reviewed by the Executive Budget Committee, which is composed of senior management and staff of the Corporation. Public consultation also takes place to assist with the budget process. Once the Executive Budget Committee is satisfied that all funding issues have been addressed, the budget recommendation is prepared

for the Budget and Strategic Planning Committee and subsequent Council approval. Once presented to the Budget & Strategic Planning Committee, Council members have the option of adding new items for consideration, as well as amending or removing existing, staff recommended budget items. A list of all Council amendments is presented on following pages.

After the budget has been approved and ratified by Council, budgetary requirements that had been previously forecasted may need to be amended. If this situation arises, the department requesting the amendment must have the proposed amendment approved by the Budget and Strategic Planning Committee, and subsequently, Council.

It is important to point out the following long term (25 year) financial management goals that drive both the current and capital budget processes:

1. Burlington will be free of tax-supported debt before its 150<sup>th</sup> birthday celebration (in 2023).
2. Growth-related infrastructure will be paid for by the development industry.
3. Funding will be available to maintain, renew, and replace the City's infrastructure.
4. Municipal tax rates (excluding Education) will be reasonable and reflect the value of municipal services provided.

The City faces significant long term funding challenges and is committed to the utilization of sound fiscal and financial policies, and the implementation of affordable funding strategies to address these fiscal pressures. Public consultation and ratepayer input is an integral part of the budget process. The City is committed to ensuring an effective budget process and a quality published budget document, which can be used as an operating guide, a financial plan, a policy statement and a communication tool.

## PERTINENT COUNCIL AMENDMENTS

Item	Description of amendment to proposed budget	Amendment	Net Tax Levy
	<b>Proposed Tax Levy</b>		<b>\$71,219,869</b>
OT-2	Fund sound wall repair along Walker's Line from GST Rebate.	(\$60,000)/\$60,000	
OT-4	Reduce funding related to communication matters pertaining to Emergency Planning capital study.	(\$10,000)/\$10,000	
OT-14	Remove funding for the Communities in Bloom program.	(\$15,000)/\$15,000	
DU-5	Hire Receptionist for Office of the Mayor, and offset with amendment "New-8".	\$17,076	
DU-7	Hire a third Councillor's Assistant due to increased demands, and offset with amendment "New-8".	\$26,869	
DU-15	Funding for additional Transit Service hours along Appleby Line and Dundas Street lines to be offset.	(\$30,418)/\$30,418	
DU-19	Continuation of funding for Youthfest, as per report CC-243-03-1 and fund from 1-time sources.	(\$8,500)/\$8,500	
DU-20	Continuation of the tree infilling and replacement program and fund from GST Rebate.	(\$10,000)/\$10,000	
DU-21	Purchase of 100 new picnic tables for City Parks to be funded from 1-time sources.	(\$20,000)/\$20,000	
DU-22	A one-year continuation of the on-street litter container renewal program, to be funded from 1-time sources.	(\$30,000)/\$30,000	
DU-25	Reduce total funding for the continuation of the Public Access Defibrillator Program and fund from CPRS.	(\$24,000)/\$24,000	
DU-26	Funding for the 25th anniversary of the Sound of Music Festival, to be funded from 1-time sources.	(\$25,000)/\$25,000	
DU-31	Increase Contribution to Capital from Current funding from GST Rebate and use for road resurfacing.	(\$530,000)/\$530,000	
New-5	Increase Building Permit revenues to more closely reflect actual 2003 revenues and rate increases.	(\$125,000)	
New-6	Transfer funds from Mill Rate Stabilization Reserve Fund to offset impact of no longer carrying forward any of the previous year's surplus.	(\$125,000)	
New-8	Budget for some of the GST rebate to offset increased infrastructure and maintenance expenditures. A minimum of \$530,000 be made available for infrastructure and be budgeted in the operating budget, and that up to an additional \$600,000 be made available to the Infrastructure Renewal Reserve Fund (subject to the \$ being received).	(net) \$0	
<b>Final Recommended Tax Levy</b>			<b>\$71,013,814</b>

## 2004 BUDGET PROCESS TIMETABLE

The 2004 Budget Process Timetable identifies some of the key dates and milestones in Burlington's development, review, and approval of its budget.

KEY DATES	CURRENT OPERATING BUDGET
<b>SEPTEMBER</b>	
<u>Monday, September 8</u>	<ul style="list-style-type: none"> <li>EBC Budget Kick Off Meeting</li> </ul>
<u>Thursday September 11 – 18</u>	<ul style="list-style-type: none"> <li>SAP budget training – refresh staff on inputting budget distribution information to SAP</li> </ul>
<u>Monday September 15 – 19</u>	<ul style="list-style-type: none"> <li>Divisional budget kick-off meetings – Finance to provide Staff Orientations to each division</li> </ul>
<u>Monday September 22 – 26</u>	<ul style="list-style-type: none"> <li>SAP Budget Training – Review Extraction procedures with Senior Secretaries</li> </ul>
<b>OCTOBER</b>	
<u>Friday, October 24</u>	<ul style="list-style-type: none"> <li>Final input of 2004 Proposed Current Budget estimates and distribution into SAP – SAP will be locked</li> </ul>
<u>Wednesday, October 29</u>	<ul style="list-style-type: none"> <li>Deadline for first submission of 2004 Proposed Current Budget by departments, local boards and citizen committees</li> </ul>
<b>NOVEMBER</b>	
<u>Monday, November 3 - 14</u>	<ul style="list-style-type: none"> <li>Comprehensive BRTF Detailed Review</li> </ul>
<u>Friday, November 17 - 21</u>	<ul style="list-style-type: none"> <li>Departments to review BRTF comments and provide feedback, amend SAP where required and refresh forms</li> </ul>
<u>Friday, November 21</u>	<ul style="list-style-type: none"> <li>Deadline for second submission of 2004 Proposed Current Budget</li> </ul>
<b>DECEMBER</b>	
<u>Monday, December 1, 3, 5</u>	<ul style="list-style-type: none"> <li>EBC review of 2004 Proposed Current Budget (and Strategic Performance Targets if</li> </ul>

KEY DATES	CURRENT OPERATING BUDGET
	necessary)
<u>Thursday, December 11</u>	<ul style="list-style-type: none"> <li>EBC review of all items cut from budget to finalize those that are included on the 1.5% Decision Package</li> </ul>
<u>Wednesday, December 17</u>	<ul style="list-style-type: none"> <li>Deadline for all EBC budget amendments in SAP</li> </ul>
<b>JANUARY, 2004</b>	
<u>Wednesday, January 14</u>	<ul style="list-style-type: none"> <li>Final submission of 2004 Proposed Current budget, incorporating changes made during EBC review</li> </ul>
<b>FEBRUARY</b>	
<u>Friday, February 27</u>	<ul style="list-style-type: none"> <li>Distribution of 2004 Proposed Current Budget to B&amp;SP Committee</li> </ul>
<b>MARCH</b>	
<u>Wednesday, March 3</u>	<ul style="list-style-type: none"> <li>Current Budget Overview Presentation to B&amp;SP and Public Open House</li> </ul>
<u>Tuesday, March 9</u>	<ul style="list-style-type: none"> <li>Council Information Session - Opportunity For Council to review 2004 Proposed Current Budget with staff</li> </ul>
<u>Wednesday, March 31</u>	<ul style="list-style-type: none"> <li>B &amp; SP Committee - To consider amendments and approve 2004 Proposed Current Budget</li> </ul>
<b>APRIL</b>	
<u>Tuesday, April 13</u>	<ul style="list-style-type: none"> <li>Council Meeting - To approve 2004 Current Budget</li> </ul>

## Preparation of Financial Information

### GENERAL GUIDELINES

The City of Burlington prepares and presents all financial information in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable and expenditures are recognized as they are incurred and measurable, as a result of receipt of goods or services and the creation of a legal obligation to pay.

### FUND STRUCTURE & BUDGETING

The City of Burlington utilizes three fund categories to record and monitor its financial operations. These categories include General Operating Fund, Capital Fund, and Reserves & Reserve Funds.

General Operating Fund activities are budgeted for annually by organizational unit based on the estimated operational requirements of each program within that unit. Due consideration is given regarding inflationary pressures, growth, service quality, and the changing needs of residents. The amount by which gross expenditures exceeds gross revenues dictates the required net tax levy. The General Operating or Current Budget is therefore prepared to net to zero. If a positive balance exists within the General Operating Fund at the end of a given budget year, the balance is transferred to

reserves and/or reserve funds, ensuring a year-end closing balance of \$0.

Net revenues from the Current fund consist primarily of Property Taxes (58%) levied against the homes & businesses of the municipality. Other revenues are realized in Investments (2%), User Fees & Charges (16%) and Other (24%).

Funds collected are spent on service delivery in Recreation (21%), Transportation (23%), Protection (15%), General Governance (26%), Planning (3%) and Other (12%).

Capital Fund activities are budgeted for annually on a project-oriented basis. This approach results in capital expenditures that may carry over from one year to the next. Therefore, projects are budgeted for over a multi-year period. Projects may be funded from the General Operating Fund, Reserve/Reserve Fund, debt issuance, or through partnerships with external agencies.

Revenues collected to finance projects in the Capital Fund were derived from Developers (29%), Reserve Funds (33%), Debt (23%), User Fees (12%), and Other (3%). All capital projects are funded upfront; therefore, the timing of expenditures and percentage of completion of projects is impacted by the fund balance at year-end.

The City of Burlington does not budget for activity within Reserves or Reserve Funds, with the exception being those transactions that flow through the Current or Capital budgets. Policy dictates the use of certain funds for designated purposes. Other funds are controlled by the Development Charges policy. This is to ensure that the City not spend funds that it does not already have in the bank.



Funds are used on projects primarily related to Transportation (61%), Recreation (5%), Protection (1%), General Governance (14%), Program Support (7%), Debt Charges (9%), and Other (3%).

## **FUND RELATIONSHIPS**

While General Operating Fund and Capital Fund activities are mutually exclusive, there are circumstances where a relationship exists between the two.

As part of the City of Burlington's commitment to reducing its dependency on debt financing for capital projects, a transfer is budgeted for and made to the Capital Fund from the General Operating Fund. All such transfers to or from any fund are treated as revenues or expenditures, respectively, of that fund.

The Current Budget also includes budgeted provisions for contributions to and withdrawals from Reserves and Reserve Funds. These revenue and expenditure items are presented in the Corporate Revenue and Corporate Expenditures sections of the budget. Various departments also budget for transfers involving Reserves and Reserve Funds, where appropriate.

## Summary of Projected Fund Balances

Reserve / Reserve Fund Name	Opening Balance January 1, 2004	2004 Projected Contributions	2004 Projected Interest	2004 Projected Expenditures	Projected Balance December 31, 2004
<b>Operating Programs Reserves</b>					
Contingency	153,060	\$1,080,000		\$150,000	1,383,060
Election Expense	0	\$70,000			70,000
Working Capital	1,200,000				1,200,000
Cafeteria Expense	34,488			\$3,000	37,488
Brant Court Apartments	96,091				96,091
Deferred Local Improvements	6,344				6,344
Insurance	868,937	\$750,000		\$900,000	2,518,937
Early Retirement	2,846				2,846
Crime Prevention	21,014				21,014
Burlington International Games	314	\$11,788			12,102
Future Expense	198,353			\$3,000	201,353
Emergency Plan	43,304	\$3,500			46,804
Ice Users	105,820				105,820
<b>Total Operating Program Reserves</b>	<b>2,730,571</b>	<b>1,915,288</b>	<b>0</b>	<b>1,056,000</b>	<b>5,701,859</b>
<b>Operating Programs Reserve Funds</b>					
Economic Development	27,208	\$4,548	1,111		32,867
Winter Control	1,148,680		40,204		1,188,884
Employee Accident Benefits	2,322,711	\$226,600	89,226	\$109,179	2,747,716
Mill Rate Stabilization	472,128		16,524	\$140,000	628,652
Mundialization Committee	1,647,222		57,653	\$708,500	2,413,375
	73,072		2,558		75,630
<b>Total Operating Program Reserve Funds</b>	<b>5,691,021</b>	<b>231,148</b>	<b>207,276</b>	<b>957,679</b>	<b>7,087,124</b>

<b>Reserve / Reserve Fund Name</b>	<b>Opening Balance January 1, 2004</b>	<b>2004 Projected Contributions</b>	<b>2004 Projected Interest</b>	<b>2004 Projected Expenditures</b>	<b>Projected Balance December 31, 2004</b>
<b>Capital Programs Reserve Funds</b>					
Development Charges	22,834,510	5,161,119	979,847	(6,380,080)	22,595,396
Orchard Area Specific	2,272,018		79,521		2,351,539
Burlington Hydro Proceeds	13,228,153		462,985		13,691,138
Infrastructure Renewal	1,182,780		41,397		1,224,177
Park Dedication	4,146,976	500,000	162,644	(1,390,114)	3,419,506
Tyandaga Facility	397,439		13,910		411,349
Vehicle & Equipment Replacements	3,126,607		109,431		3,236,038
Future Services	5,129,200		179,522		5,308,722
Funds-Other	10,273,792		359,583		10,633,375
<b>Total Capital Program Reserve Funds</b>	<b>62,591,475</b>	<b>5,661,119</b>	<b>2,388,841</b>	<b>(7,770,194)</b>	<b>62,871,241</b>
<b>Grand Total</b>	<b>71,013,067</b>	<b>7,807,555</b>	<b>2,596,117</b>	<b>(5,756,515)</b>	<b>75,660,224</b>

## Policies and Procedures relating to Reserves

The City of Burlington maintains reserves and reserve funds for the purpose of financing certain future expenditures. The distinction between reserves and reserve funds is important and is explained in more detail below, together with the policies and pr

### RESERVES

A Reserve is created either through the budget process or by transferring unexpended monies that have been identified prior to the end of the fiscal year. In the latter instance, an amending bylaw is required prior to the end of the fiscal year to segregate a specified amount from the available operating revenues. Reserves, t

#### **Contingency**

This reserve was established in anticipation of unknown expenditures, or liabilities such as damage claims against the City, including professional fees to defend such claims. Payments from the reserve require approval from the City Manager. All transac

#### **Election Expense**

This reserve contains annual budget contributions to help stabilize the cost of the triennial municipal election process.

#### **Cafeteria Expenses**

Commissions collected from the City Hall caterers are deposited to this reserve and the monies are used periodically to finance renovations to the cafeteria area.

### **Brant Court Apartments**

This reserve was established at the time the City assumed the building from the former Burlington Housing Corporation. The sixteen apartments house low-income individuals and the reserve provides for the capital repair of the premises.

### **Deferred Local Improvements**

Some properties, usually farms, are permitted by provincial statute to defer payment of any local improvements until a future date, likely when the property is sold. The City has paid the annual debenture payments and has recorded these amounts as "Defer

### **Insurance**

This reserve, which is replenished from annual budget contributions, provides for insurance premiums and payment of claims/deductibles not covered by the City's policies. The reserve helps stabilize any annual fluctuations in these amounts.

### **Early retirement**

For the purpose of stabilizing annual fluctuations in payouts to early retirees.

### **Crime prevention**

For the purpose of stabilizing annual fluctuations in the cost of crime prevention measures within the City.

### **Burlington International Games**

To hold City and fundraised monies collected for the purpose of hosting the home games held bi-annually.

### **Future expense**

Consists of monies set aside for projects which have been substantially completed in the current year, or monies designated for disbursement in a future accounting period. Requires approval from the City Manager and/or Council.

## **Working Capital**

This reserve comprises monies which have been previously set aside to enable the City to operate on a daily basis. It provides additional monies required to pay our bills while we collect taxes and other revenues or arrange permanent forms of financing

## **RESERVE FUNDS**

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.

## City of Burlington - Reserve Fund Summary

RESERVE FUND NAME	BALANCE @ December 31, 2003	PURPOSE
Development Charges	22,643,234	Development charges imposed to pay for increased capital costs required because of increased capital needs for services arising from development to which the by-law applies.
Orchard Area Specific	2,272,018	Used to finance the growth portion of specific capital transportation services in the Orchard Community . Cannot be utilized for any other purpose.
Burlington Hydro Proceeds	13,227,513	
Economic development	27,208	Used to fund economic development initiatives designed to capitalize on significant business recruitment opportunities.  (By-law No. 26-1998)
Paletta Mansion renovations - donations	(10,006)	To accept donations for costs relating to the reconstruction of Paletta Mansion (By-law #68-1998)
Capital purposes	290,680	Contributions from Current Budget are held in this fund before they are required in the capital program. Capital from Current provisions are made annually.
Transit Inter-Regional	1,588,012	To accumulate funds for future capital Transit Inter-Regional initiatives.
Transit Capital	3,591,615	To finance future transit capital requirements.
Railway crossing	2,483,317	For funding future railway crossing improvements and possible new grade separations budgeted in the Capital Budget.  (By-law No. 33-1997)
Infrastructure renewal	1,182,780	For funding minor reconstruction of roads, creekwork, facility/building, retrofit and repairs and technology replacement.

RESERVE FUND NAME	BALANCE @ December 31, 2003	PURPOSE
Park dedication	3,946,976	For funding parkland acquisitions and development in accordance with governing legislation and municipal policy.
Downtown & Waterfront Development.	213,548	Funds to be used to encourage future development and redevelopment of the older areas of the Downtown and for related Waterfront development.  (By-law No. 13-1988)
Parks & Recreation Infrastructure Renewal	606,295	For funding renewal of Parks and recreation infrastructure.
Tyandaga facility	426,599	For funding capital improvements to the Tyandaga golf facility.
LaSalle Park Pavillion	125,294	To accept donations for renewal of LasSalle Pavillion.
Burlington Youth Centre	73,836	To fund future capital and operating expenditures relating to the youth Club.
Parking District	273,514	For funding capital improvements to parking lots within the City.
Vehicle and equipment replacements	3,126,607	To replace vehicles, equipment and accessories through the capital budget process.
Winter Control	1,148,680	To provide a greater margin fo budget flexibility for winter contro costs (By-law #3-1991)
Employee Accident	2,322,711	Required by agreement for funding WCB claims and related expenses incurred by the City as a Schedule 2 employer.
Benefits	472,128	Fund consists of premium rebates from the insurance carrier , used to make various payments relating to the provision of benefits to staff.  (By-law No. 26-1993)



RESERVE FUND NAME	BALANCE @ December 31, 2003	PURPOSE
Mill Rate Stabilization	1,664,994	To alleviate the fiscal impact on the City's budget and Tax Rate as a result of unforeseen or uncontrollable fluctuations in budget expenditures and revenues. (By-law No. 35-1994)
Future Services	5,278,681	Funds collected from developers under the former Capital Contributions policy and to be applied against future Development Charges.
Downtown Streetscape	20,444	Funds for use in improving streetscaping in the Downtown core area.
Transit Shelters	44,992	
Animal Shelter	52,295	Funds for use in upgrading the Animal Shelter facility.
Downtown BIA	8,716	For the purpose of funding future capital projects and tax rate stabilization. (Bylaw No. 39-1997)
Community Heritage	112,869	Funds provided by the Ministry of Culture and the City to provide financial assistance to owners of designated properties.
BEDC/ Downtown Partnership	47,188	Funding for programs relating to the Downtown Partnership and BEDC program.
Mundialization Committee	73,005	To provide funding for reciprocal gifts for the twin City of Itabashi.
La Salle Marina	213,517	Funds collected from the sale of slips to be used for the capital replacement of the LaSalle Park Marina.
Library Board	69,347	Contributions from the Current Budget are held in this fund before being required in the capital program for Library purposes.
Museums Board	122,361	Funds for use in the acquisition of artifacts and for capital improvements to the Joseph Brant and Ireland House Museums. (By-laws No. 20-1990; 21-1990;22-1990 and 143-1991)

## **2004 Performance Measures Overview**

A Performance Measurement framework has been part of the City's corporate goals since the introduction of the Financial Management System (FMS). This year only minor changes to the performance measures have come from departments where deemed appropriate. Future Focus VI was completed as part of the strategic planning process and Provincial Measures only change when provincial guidelines change.

Departments monitor the need for changes in performance measures as their operating environments evolve. Additional measures may also come from an expanded Provincial Performance Measurement system although no major changes were implemented this year.

### **Performance Measurements Rationalization Exercise**

Since 1998, Council has considered performance measures and approved performance targets in conjunction with the review of the annual current budget. Finance staff has been attempting to integrate performance reporting with the budget process in order to focus budget debate over the allocation of resources. Beginning with the 2004 Current Budget, the approval of performance targets has been separated from performance reporting. Proposed performance targets were presented concurrently with the request for budget directions 2003. This change in timing was intended to assist managers in developing their budgets and ensure that expected service levels are clearly understood at all levels of the organization. Also, beginning in 2004, a pilot Results-based Business Planning initiative has been undertaken to more completely incorporate performance measures and targets into the budgeting process. The underlying concept of Results-based Business Planning is that a service's defined performance target will drive the resources necessary to provide that service, and thus significantly influence the budgeted resources allocated to that service.

An ongoing evaluation of all Performance Measures and Indicators occurs to ensure the relevance and usefulness of existing measures and indicators. Any changes or additions to existing measures should maintain a direct link to the corporation's strategic plan.

Notwithstanding the limitations in benchmarking provincial performance measures, a benchmarking exercise is underway to determine where Burlington ranks among comparator cities in relation to the performance measures mandated by the provincial government. The results of this comparison will be brought forward to Council in conjunction with the proposed 2005 budget directions in late summer 2004.

## **Provincially Mandated Municipal Performance Measures Program (MPMP)**

Provincial Measures (Municipal Performance Measurement Program - MPMP) are diligently reviewed again for submission to the Province in the Financial Information Return that is submitted mid-year.

The Provincial Measures are centered on the efficiency of services in the General Government, Transportation, Fire and Planning areas. These measures are intended to provide a means of comparison with other similar sized municipalities and will be available on our web site. There were some changes in calculation methods between 2001, 2002 and 2003. While year-over-year comparisons are a valuable means for municipalities to understand trends in local service delivery, refinements to the way measures are defined and calculated mean that only some measures provide meaningful comparisons at this time.

More work needs to be done to improve the comparability of data between municipalities before MPMP offers municipal staff the substantive foundation required to identify potential "best practices". One of the key areas of concern among municipalities is the inability to ensure consistency in the calculation and presentation of performance measures from one municipality to another. Other variables such as local geography, population density, assessment base, level of service, quality of service etc. all influence the outcome of calculated measures. The development of Burlington's own performance measures that are integrated with the strategic plan and the annual operating budget have been formulated with a great amount of input and staff participation and have proven to be a more effective analytical tool to assess the effectiveness of our methods of service delivery.

## Provincially Mandated Municipal Performance Measures Program (MPMP)

Statistics Used in Calculations for 2003 results      Households – 61,324      Population - 156,900      Total Property Assessment - \$14,930,685,190

### General Government – Municipal Administration

**Efficiency** - Operating costs for governance and corporate management as a % of total municipal operating costs.

*This measure for 2003 includes such items as cost of council and support, finance, legal and taxation. For 2003, activity-based costing was utilized to measure the costs of all activities deemed part of 'general government'. The total of these support costs are divided by total operating expenditures. Note that in 2002, not costs associated with Human Resources or Information Technology Services was included, despite contributing to corporate management costs. Therefore, the 2003 figure is not comparable to 2002.*

<u>2003</u>	<u>2002</u>	<u>2001</u>
13.6%	8.86%	13.87%

Operating costs for general government support  
Total Municipal Operating Costs

### Protection – Fire

**Efficiency** - Operating costs for fire services per \$1,000 of assessment

*This measure is effectively the entire cost of Fire protection services divided by the total assessment rounded to the thousands. The result for 2003 includes an allocation of expenses for the city's administrative overhead based on a comprehensive activity-based costing model and therefore is not directly comparable to 2001 and 2002.*

\$1.02	\$1.12	\$0.96
--------	--------	--------

Operating costs for Fire Services  
(Total assessment / 1,000)

### Roadways – Paved Roads Maintenance and Winter Control

**Efficiency** - Operating costs for paved (hard top) roads per lane kilometre

*This measure is the entire cost of the maintenance of the City's paved road network. Burlington does not have any unpaved roads. Maintenance expenses include such activities as repairing potholes, minor patching, surface sealing, sweeping and flushing. It does not include major repairs or resurfacing of roads that are considered capital improvements. The result for 2003 includes an allocation of expenses for the city's administrative overhead based on a comprehensive activity-based costing model and therefore is not directly comparable to 2001 and 2002.*

\$874	\$828	\$682
-------	-------	-------

Operating costs for paved roads  
Total paved lane kilometres

**Efficiency** - Operating costs for winter maintenance of roadways per lane kilometre maintained in winter

*This measure is the cost of winter road maintenance that includes the cost of snowplowing, salting and sanding, and minor maintenance such as clearing drainage inlets of ice and snow build up. The cost for 2003 is much higher than 2002 due to the number of late season winter events that are beyond the control of the City. The result for 2003 includes an allocation of expenses for the city's administrative overhead based on a comprehensive activity-based costing model and therefore is not directly comparable to 2001 and 2002.*

\$1861	\$997	\$581
--------	-------	-------

Operating costs for winter control  
maintenance of roadways  
Total lane kilometres maintained in winter

**Roadways – (continued)**

**Effectiveness** - Percentage of winter events where the response met or exceeded locally determined road maintenance standards

*This measure takes the number of winter events that were responded met within the city's own guidelines divided by the total number of independent winter events in the year.*

2003                      2002                      2001

97.7%                      100%                      95.8%

$\frac{\text{Number of winter event responses that met or exceeded municipal road maintenance standards}}{\text{Total number of winter events}}$
--

**Effectiveness** - Percentage of paved lane kilometres where the condition is rated as good to very good

*This measure in Burlington is based on Stantec Super PMA pavement quality index great than 7.5. The result is the percentage of Burlington's roads that meet this standard. Note that different municipalities base their result on different quality rating techniques and standards.*

44.5%                      51.8%                      45.9%

$\frac{\text{Number of paved lane km rated good - very good}}{\text{Total number of paved lane kilometres tested}}$
---

**Transit – Conventional Transit and Ridership**

**Efficiency** – Operating costs for conventional transit per regular service passenger trip

*This measure takes the total expenses for the conventional transit system in Burlington less all revenues collected divided by the total number of passenger trips in the year. The result for 2003 includes an allocation of expenses for the city's administrative overhead based on a comprehensive activity-based costing model and therefore is not directly comparable to 2001 and 2002. Effectively the City contributes the amount reported per trip in addition to the fare collected.*

\$3.12                      \$2.90                      \$2.17

$\frac{\text{Operating costs for conventional transit}}{\text{Total number of regular service passenger trips}}$
--

**Effectiveness** – Number of conventional transit passenger trips per person in the service area in a year

*This measure is the number of trips taken per year divided by the total population of Burlington and effectively shows the utilization of this service by the City's residents.*

\$9.56                      \$9.80                      \$9.95

$\frac{\text{Total number of conventional transit passenger trips in service area in a year}}{\text{Population of service area}}$
---

**Land Use Planning**

**Effectiveness** – Percentage of new lots, blocks and/or units with final approval which are located within the settlement areas

*This measure considers the City's master plan at the beginning of the period and considers the number of new lots that are approved within the designated settlement area. This considers the City's effectiveness of land use planning, and ability to maintain the existing plan. This measure is new and was not reported in 2001.*

100%                      100%                      N/A

$\frac{\text{Number of new lots, blocks and/or units with final approval located within settlement areas}}{\text{Total number of new lots, blocks and/or units with final approval within entire municipality}}$
--

**Land Use Planning – (continued)**

**Effectiveness** - Percentage of land designated for agricultural purposes which was not re-designated for other uses during the reporting year

*This measure considers the City's master plan at the beginning of the period and considers the number of new lots that are approved within the designated settlement area. This considers the City's effectiveness of land use planning, and ability to maintain the existing plan.*

2003                      2002                      2001

100%                      100%                      100%

Hectares of land designated for agriculture in the Official Plan as of December 31, 2002 Hectares of land designated for agriculture in the Official Plan as of January 1, 2002
--

**Effectiveness** - Percentage of land designated for agricultural purposes which was not re-designated for other uses relative to the base year of 2001

*This measure considers the City's master plan at the beginning of the period and considers the number of new lots that are approved within the designated settlement area. This considers the City's effectiveness of land use planning, and ability to maintain the existing plan. This measure was new in 2002 and was not reported in 2001.*

100%                      100%                      N/A

Hectares of land designated for agriculture in the Official Plan as of December 31, 2002 Hectares of land designated for agriculture in the Official Plan as of January 1, 2000
--

**Storm Water Management – Urban & Rural**

**Efficiency** - Operating costs for urban storm water management per kilometre

*This measure is the cost of the maintenance of the City's urban storm water management system. Expenditures that are captured in this measure include catchbasins, hydraulic modelling, maintenance holes, inspections, maintenance, cleaning, etc. as related to the urban storm water system. Additionally an allocation of 'program support' (overhead) is included in the above result. This measure is new and was not reported in 2001. In 2003, the method of allocating 'program support' costs has been refined and improved via the use of activity-based costing. This has resulted in a significant reduction in operating cost relative to 2003.*

\$492                      \$811                      N/A

Operating costs for urban storm water mgmt Total km of urban drainage system
---

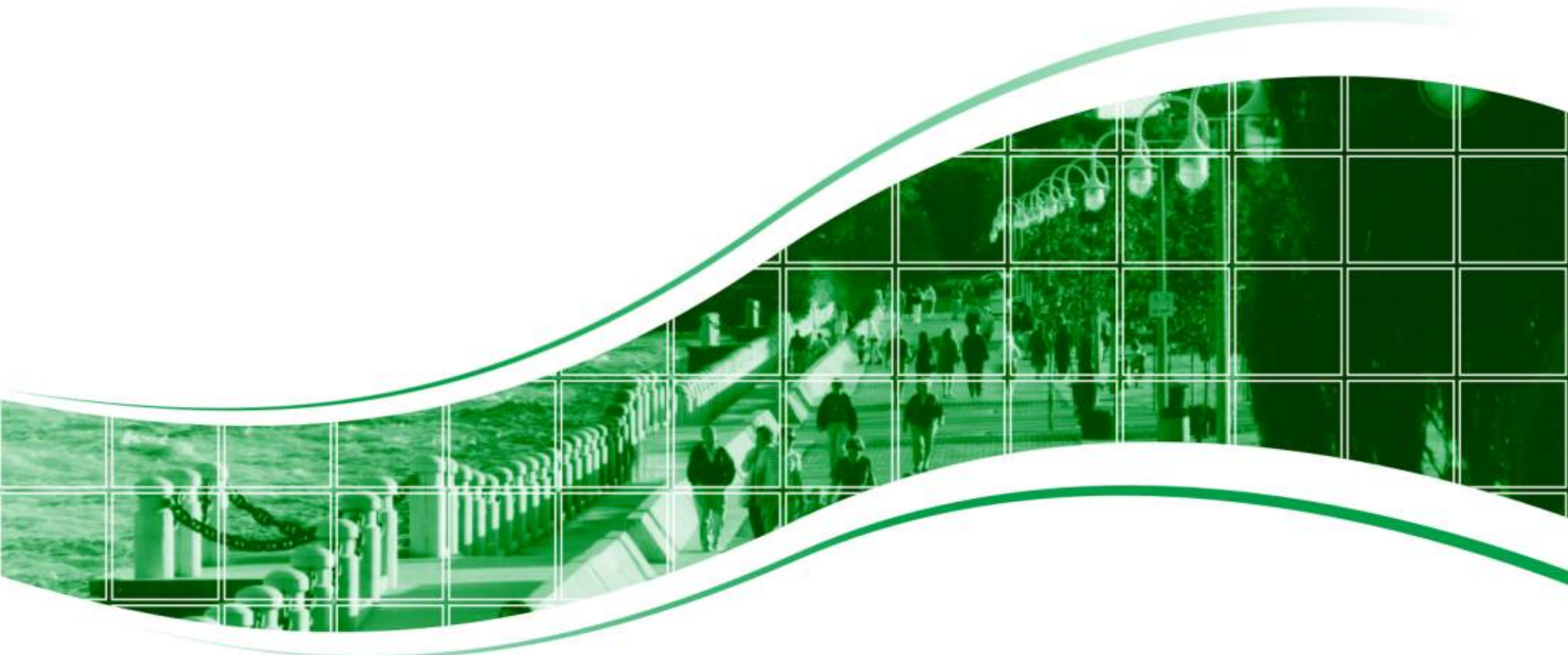
**Efficiency** - Operating costs for rural storm water management per kilometre

*This measure is the cost of the maintenance of the City's rural storm water management system. Expenditures that are captured in this measure include bank repair, bridge repair, beaver control, dredging canals, culverts, ditching, maintenance holes, inspections, maintenance, cleaning, etc. as related to the rural storm water system. Additionally an allocation of 'program support' (overhead) is included in the above result. This measure was new in 2002 and was not reported in 2001. In 2003, the method of allocating 'program support' costs has been refined and improved via the use of activity-based costing. This has resulted in a significant reduction in operating cost relative to 2003.*

\$21                      \$117                      N/A

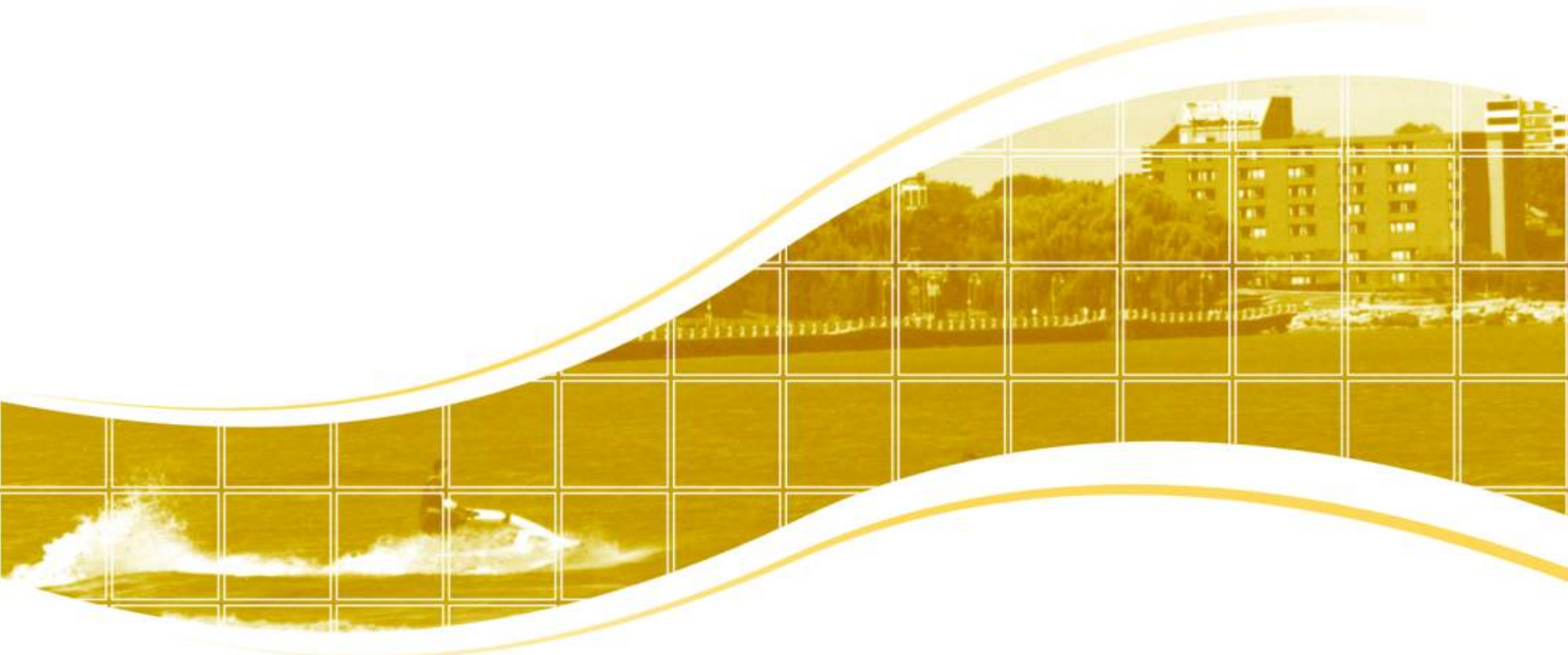
Operating costs for rural storm water mgmt Total km of rural drainage system
---

**Note:** Although 3 years' data has been provided, it is not necessarily comparable from year to year due to significant changes to the definitions of several of the measures. Several measures were directly affected in the 2003 reporting year by the revision of the method of 'program support allocation', that is the application of administrative overhead to the individual operating costs. The Provincial program began in the 2000 reporting year and is still evolving.



## 2004 Current Budget - Overview

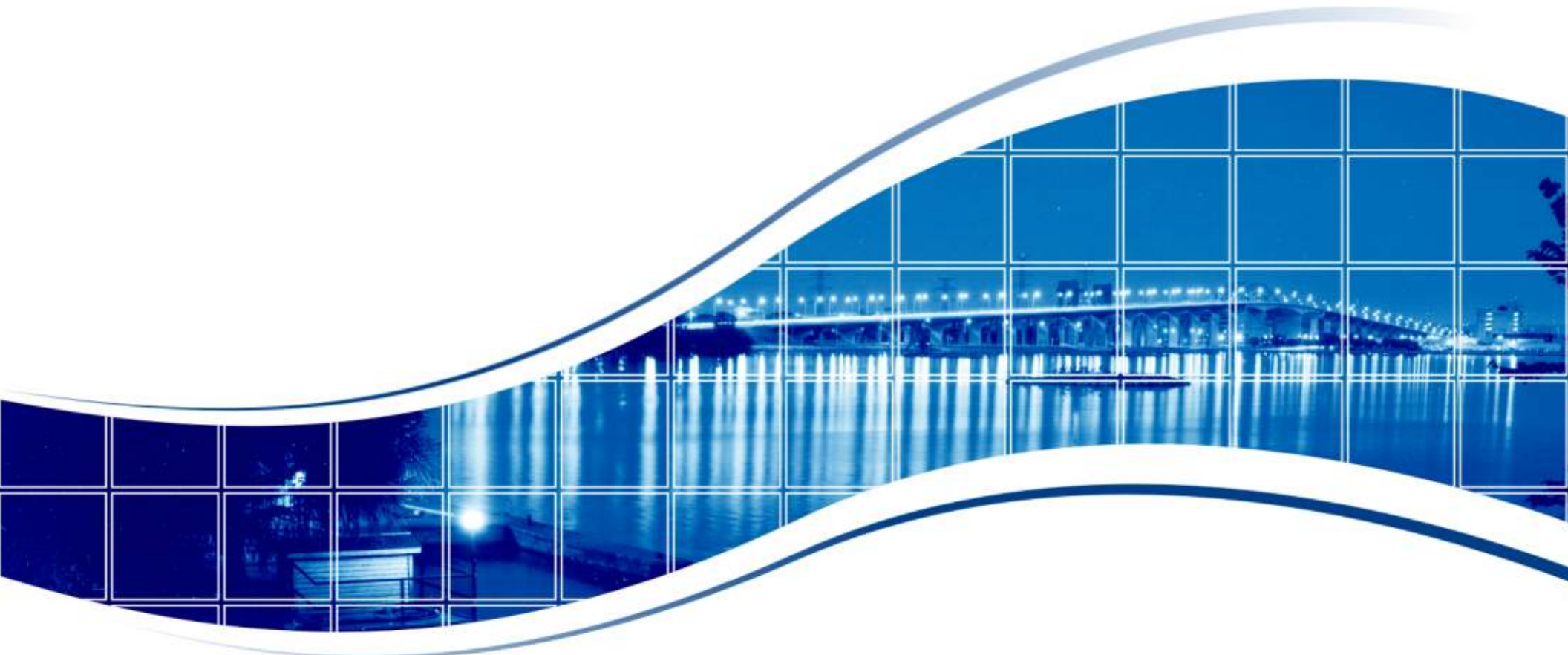
2004 Approved Current and Capital Budgets



## Corporate Services Division/Other

2004 Approved Current and Capital Budgets





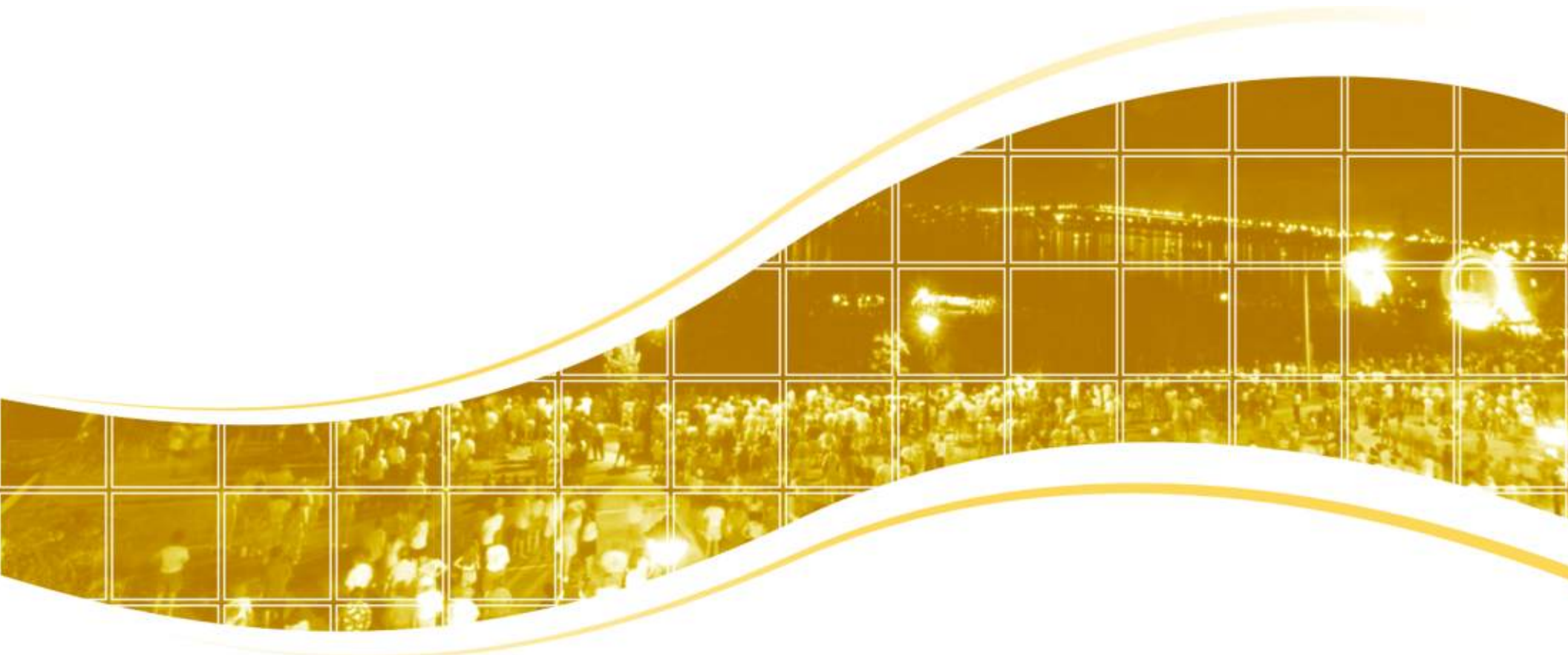
## Community Services Division

2004 Approved Current and Capital Budgets



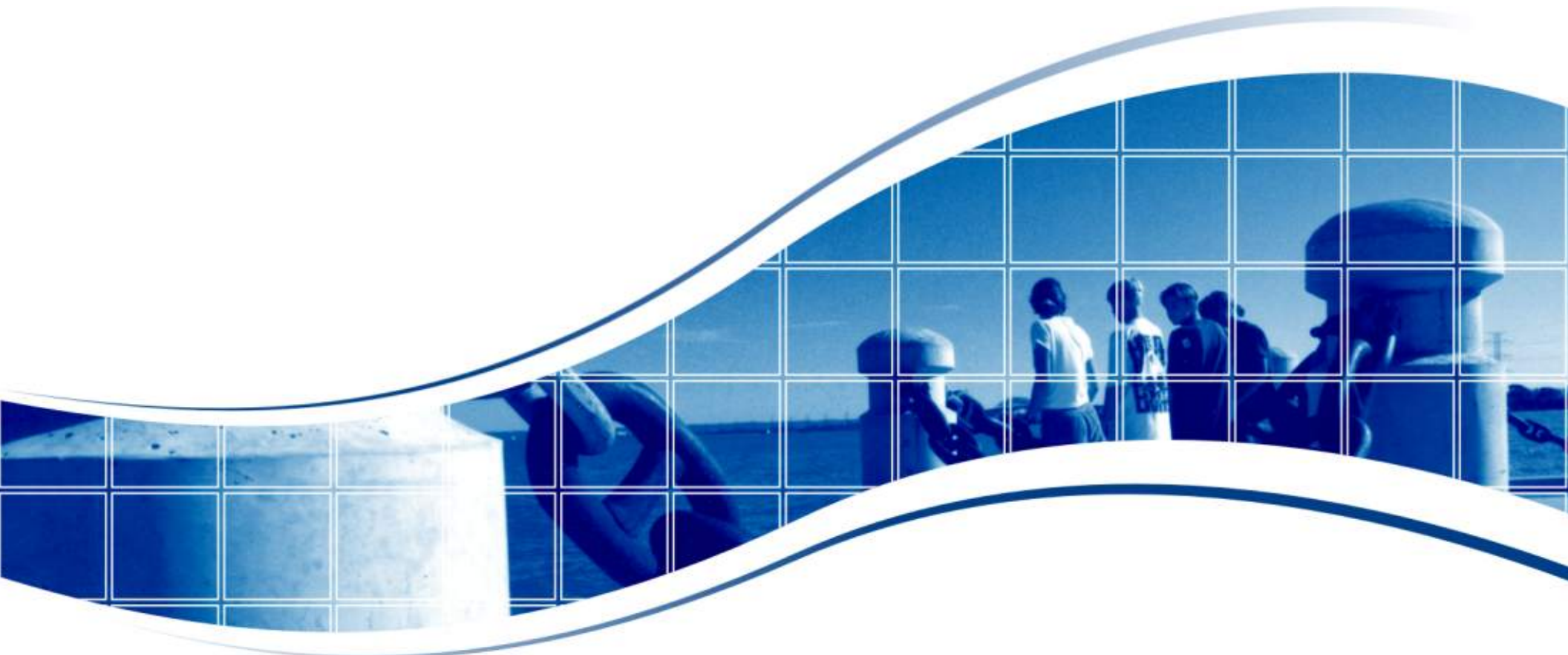
## Development & Infrastructure Division

2004 Approved Current and Capital Budgets



# Corporate Revenues, Expenditures & Local Boards

2004 Approved Current and Capital Budgets



# 2004 - 2013 Capital Budget and Forecast - Overview

2004 Approved Current and Capital Budgets



## Appendices

2004 Approved Current and Capital Budgets