CORPORATE EXPENDITURES

	2012 PERFORMANCE			2013 PROPOSED BUDGET			
	APPROVED BUDGET	PROJECTED	YEP VAR. FAV/(UNFAV)	BASE BUDGET	BUSINESS CASES	TOTAL PLAN	% CHANGE VS. 2012 BUDGET
CORPORATE EXPENSES							
Prov for Contingency	$ 1,488,445	$ 1,488,445	$ -	$ 1,538,445	$ -	$ 1,538,445	3.4%
Prov for Insurance	2,200,000	2,200,000	-	2,400,000	100,000	2,500,000	13.6%
Prov for Current Year Tax W/Os	375,000	375,000	-	375,000	-	375,000	0.0%
Prov for Allow. for Prior Yr's Tax W/Os	500,000	500,000	-	500,000	-	500,000	0.0%
Prov for Strategic Land Aquistion	240,000	240,000	-	240,000	-	240,000	0.0%
Joseph Brant Memorial Hospital	2,400,000	2,400,000	-	2,400,000	1,200,000	3,600,000	50.0%
Prov for VDRF's (Corporate)	2,263,988	2,263,988	-	2,332,000	-	2,332,000	3.0%
CVA Rebates (Business & Charities)	454,944	594,944	(140,000)	504,944	-	504,944	11.0%
Corporate Related Financial Expenses (e.g. bank & credit service charges)	656,694	605,181	51,513	653,455	-	653,455	0.4%
Budgeted HR Reductions	(400,000)	(6,252)	(393,748)	(400,000)	-	(400,000)	0.0%
OMERS	(1,000,000)	(1,000,000)	-	(1,000,000)	-	(1,000,000)	18.1%
Sub-Total Corporate Expenses:	**$ 9,179,071**	**$ 9,661,306**	**$ (482,235)**	**$ 9,543,844**	**$ 1,300,000**	**$ 10,843,844**	**18.1%**
TAX SUPPORTED CAPITAL							
- Capital From Current Funding							
- City	$ 6,110,000	$ 6,110,000	$ -	$ 5,670,000	$ -	$ 5,670,000	-7.2%
- Local Boards	564,850	564,850	-	904,850	-	904,850	60.2%
Sub-Total Capital from Current	$ 6,674,850	$ 6,674,850	$ -	$ 6,574,850	$ -	$ 6,574,850	-1.5%
- Provision for Railway Crossing RESF	$ 350,000	$ 350,000	$ -	$ 350,000	$ (230,000)	$ 120,000	-65.7%
- Provision to Infra Renew RESF	9,148,000	9,148,000	-	10,667,782	230,000	10,897,782	19.1%
- Debt Charges	7,283,530	7,283,530	-	7,383,530	-	7,383,530	1.4%
Total Tax Supported Capital	**$ 23,456,380**	**$ 23,456,380**	**$ -**	**$ 24,976,162**	**$ -**	**$ 24,976,162**	**6.5%**
TOTAL NET CORPORATE EXPENDITURES:	**$ 32,635,451**	**$ 33,117,686**	**$ (482,235)**	**$ 34,520,006**	**$ 1,300,000**	**$ 35,820,006**	**9.8%**

2013 ANALYSIS OF CHANGE
(Rounded to Thousands)

DIVISION: Corporate Services
DEPARTMENT: Corporate Expense
DIRECTOR: Joan Ford

Description	Expenditure	Revenue	Cumulative Cost	Cumulative Change over 2012	Staff Impact (FTE)
2012 APPROVED BUDGET	**$36,462**	**($3,827)**	**$32,635**		
BASE BUDGET ADJUSTMENTS ***(include base budget "key issues")***					
Decrease in minor capital to reflect phasing out of contribution to Community Cleanup	($2)		$32,633	-0.01%	
Increase in purchased services 7.5 k for multifunctional devices and 1K for 407 tolls	$9		$32,642	0.02%	
Increase in internal charges to reflect increase in transit pass program	$2		$32,644	0.03%	
Decrease in internal charges for transit and traffic charges for employee parking	($3)		$32,641	0.02%	
Increase in miscellaneous revenue to reflect actual experience		($9)	$32,632	-0.01%	
Decrease in transfer from Hydro reserve for special circumstances debt	($254)	$254	$32,632	-0.01%	
Insurance - premiums increase (Key Issue 6)	$200		$32,832	0.60%	
Provision to Contingency increase required to accommodate confidential legal & HR matters (Key Issue 7)	$50		$32,882	0.76%	
VDRF provision forecast to increase 3% per year (Key Issue 8)	$68		$32,950	0.96%	
GTA Tax Room Transfer to Capital (Key Issue 10)	$910		$33,860	3.75%	
Dedicated Infrastructure Renewal Capital Levy includes shave and pave program (Key Issue 11)	$610		$34,470	5.62%	
Increase in vacancy rebate to reflect current demand (Key issue 22)	$50		$34,520	5.77%	
MITIGATING COST REDUCTION MEASURES / USER FEES ***(list cost efficiency savings first, then service reductions/changes)***					
BUSINESS CASES ***(to be recommended)***					
Increase in Levy for Joseph Brant Memorial Hospital expansion (Key issue 48)	$1,200		$35,720	9.45%	
Further increase to insurance provision to accommodate premium increase (Key issue 53)	$100		$35,820	9.76%	
Randall Reef reduction of $230,000 in RRXRF offset by an increase in provision to Capital Purposes Reserve Fund (Key Issue 60)	$0		$35,820	9.76%	
2013 Proposed Budget	**$39,402**	**($3,582)**	**$35,820**	**9.76%**	**0.0**
BUSINESS CASES ***(not recommended)***					

2013 CURRENT BUDGET BUSINESS CASE FORM 48

CLIENT INFO	
Title / Subject	*Joseph Brant Hospital Levy*
Department:	*Click and select your Department*
Service Group:	*Corporate Expenditures*

PURPOSE

Title / Subject	*Joseph Brant Hospital Levy*
Service Change	*Enhance*
Strategic Direction	*Excellence in Government*

Purpose:

To meet the contribution agreement for the redevelopmenet and expansion of JBMH as outlined in report RPM-09-12, approved by Council July 16, 2012

Description

Appendix A of report RPM-09-12 outlined incremental increases to the hospital levy in order to maximize cash payments in accordance with the contribution agreement. As of 2012, the hospital levy is $2.4M, and is projected to increase a further $1.2M in the proposed 2013 current budget for a total hospital levy of $3.6M. A further increase of $1.2M is projected in 2014, with no further increases to the hospital scheduled beyond that point.

How will Success be Measured?

Performance Measures	Current	2013	2014
• *Hospital Levy*	*$2.4M*	*$3.6M*	*$4.8M*
•			
•			
•			
•			

POTENTIAL BENEFITS / RISKS

Due To	Define Benefit / Risk	Probability	Mitigation Strategy
Implementing	*Benefit: maximize the use of cash funding*	*High*	
Implementing	*Benefit: Shrink the period of time in which levy is required*	*High*	
Not Implementing	*Risk: Additional debt will be required to sustain the required payments*	*High*	*Revised cash flow analysis*
Not Implementing	*Risk: Increase cost to taxpayers in the form of interest on debt*	*High*	*Revised cash flow analysis*

FINANCIAL IMPACT

Proposed Budgets	2013
EXPENDITURES:	
Human Resource Costs	*$0*
Operating/Minor Capital Equipment	*$0*
Purchased Services	*$1,200,000*
Corporate Expenditures/Provisions	*$0*
Internal Charges & Settlements	*$0*
TOTAL EXPENDITURES	*$1,200,000*
TOTAL REVENUES	*$0*
NET OPERATING BUDGET	*$1,200,000*

Funding Type for 2013	On-going ☒	One-time ☐
2014 Incremental Budget Impact (if any):		*$1,200,000*

2013 CURRENT BUDGET BUSINESS CASE FORM 48

FTE IMPACT (if relevant)	Job Title:		
	Grade Classification:	Job Rate or Hourly Rate:	*$0.00*
	Proposed Start Date:		
	New RFT Position ☐	Conversion ☐	Contract ☐
	Part-time Hours ☐		Contract Length
	Number of FTE's added/reduced in 2013		

OTHER	**Reference Documents** *RPM-09-12* **Optional/Additional Information**

2013 CURRENT BUDGET BUSINESS CASE FORM 53

CLIENT INFO

Title / Subject	*Increase provision to insurance reserve*
Department:	*Finance*
Service Group:	*BB-corpexp*

PURPOSE

Title / Subject	*Increase provision to insurance reserve*
Service Change	*Maintain*
Strategic Direction	*Excellence in Government*

Purpose:

To propose an increase in the provision to the insurance reserve

Description

The increase in the provision is required to supplement a projected increase in the casualty portion of the premium of close to 15% as per 2012 Stewardship Report produced by Wardell Insurance. Consideration of increasing deductible in one or more policies will also be considered.

2012 Premium was $2,379,375.

2012 Approved provision to insurance reserve	*2.2M*	*Insurance Reserve Balance*	*3.5M*
2013 Base provision to insurance reserve	*2.4M*	*Commitments in 111421*	*2.6M*
Proposed addition	*100K*	*Balance available*	*.9M*
Total 2013	*2.5M*		

How will Success be Measured?

Performance Measures	Current	2013	2014
• *Insurance Claims*	*160*	*200*	*220*
•			
•			
•			
•			

POTENTIAL BENEFITS / RISKS

Due To	Define Benefit / Risk	Probability	Mitigation Strategy
Implementing	*Adequacy of insurance reserve to meet expenses will be maintained*	*High*	*If insurance reserve is inadequate premium charges will have to be recovered from the current budget*
Implementing		*Click and Select*	
Not Implementing	*Insurance reserve will become depleted*	*High*	*If insurance reserve is inadequate premium charges will have to be recovered from the current budget*
Not Implementing		*Click and Select*	

2013 CURRENT BUDGET BUSINESS CASE FORM 53

INANCIAL IMPACT

Proposed Budgets	2013
EXPENDITURES:	
Human Resource Costs	*$0*
Operating/Minor Capital Equipment	*$0*
Purchased Services	*$0*
Corporate Expenditures/Provisions	*$100,000*
Internal Charges & Settlements	*$0*
TOTAL EXPENDITURES	*$100,000*
TOTAL REVENUES	*$0*
NET OPERATING BUDGET	*$100,000*

Funding Type for 2013 On-going ☐ One-time ☒

2014 Incremental Budget Impact (if any): *$0*

FTE IMPACT (if relevant)

Job Title:

Grade Classification: Job Rate or Hourly Rate: *$0.00*

Proposed Start Date:

New RFT Position ☐ Conversion ☐ Contract ☐

Part-time Hours ☐ Contract Length

Number of FTE's added/reduced in 2013

OTHER

Reference Documents

COB 2012 Stewardship Report

Optional/Additional Information

2013 CURRENT BUDGET BUSINESS CASE FORM 60

CLIENT INFO	
Title / Subject	*Randle Reef Funding*
Department:	*Click and select your Department*
Service Group:	*Corporate Expenditures*

PURPOSE

Title / Subject *Randle Reef -City Contributions*

Service Change *New*

Strategic Direction *Excellence in Government*

Purpose:

To provide fundng for the city's contribution to the Randle Reef contaminated sediment remediation project as outlined in report DI-1-12, approved by Council on September 24th, 2012.

Description

Early March 2012, the Randle Reef Executive Committee received the findinsgs from the peer review of the Randle Reef Engineered Containment Facility design undertaken by WorlyPArsons Canada. This review was undertaken in 2011 at the request of Public Works and Government Services Canada. One key outcome is a revised 2011 cost estimate for the project of $138M. This estimate is based on $105.7M capital costs, $14.4M contingency and $18.8M for inflationary financing. The local partner's 1/3 share of funding is $46.3M with a Burlington contribution. This funding is proposed from a reallocation of $230,000/year for 10 year annual contribution from the railway crossing reserve fund (from $350,000 to $120,000).

FUNDING COMMITMENT FOR RANDLE REEF RESTORATION

Direct the Director of Finance to include $230,000 annually from 2013 – 2022 in the Capital Budget and forecast as the City of Burlington's contribution to the clean-up of Randle Reef, subject to council approval of the 2013 capital budget; and, Direct the City Solicitor and General Manager of Development and Infrastructure to negotiate an agreement that reflects the city's financial contribution to the project, subject to:

- *an upset project contribution limit of $2.3 million,*
- *federal management of the project,*
- *long term management of the engineered containment facility by the Hamilton Port Authority,*
- *limitation of liability related to any and all matters pertaining to the Randle Reef project; and,*

Authorize the Mayor and City Clerk to sign the Implementation Agreement for the Randle Reef Contaminated Sediment Remediation project subject to the satisfaction of the City Solicitor and General Manager of Development & Infrastructure, and council approval of the 2013 capital budget. (DI-1-12-1)

How will Success be Measured?

Performance Measures	Current	2013	2014
• *Debt as a % of net revenues*	*8.7%*	*9%*	*9%*
• *Meet Council approved direction to fund $230,000 per year from 2013 to 2022*	*100%*	*100%*	*100%*
•			
•			
•			

POTENTIAL BENEFITS RISKS

Due To	Define Benefit / Risk	Probability	Mitigation Strategy
Implementing	*Benefit: redistribute cash funding*	*High*	
Implementing	*Benefit: Reduced impact on tax increase*	*High*	
Not Implementing	*Risk: Incremental tax increase required for contribution in 2013*	*High*	
Not Implementing	*Tax supported funding for 2 future grade separations could be impacted*	*High*	

2013 CURRENT BUDGET BUSINESS CASE FORM 60

FINANCIAL IMPACT

Proposed Budgets	2013
EXPENDITURES:	
Human Resource Costs	$0
Operating/Minor Capital Equipment	$0
Purchased Services	$0
Corporate Expenditures/Provisions	$0
Internal Charges & Settlements	$0
TOTAL EXPENDITURES	$ 0
TOTAL REVENUES	$0
NET OPERATING BUDGET	$ 0

Funding Type for 2013 On-going ☒ One-time ☐

2014 Incremental Budget Impact (if any): $0

FTE IMPACT (if relevant)

Job Title:

Grade Classification: Job Rate or Hourly Rate: $0.00

Proposed Start Date:

New RFT Position ☐ Conversion ☐ Contract ☐

Part-time Hours ☐ Contract Length

Number of FTE's added/reduced in 2013

OTHER

Reference Documents

DI-1-12-1

Optional/Additional Information

CORPORATE REVENUES

	2012 PERFORMANCE			2013 PROPOSED BUDGET			
	APPROVED BUDGET	PROJECTED	YEP VAR. FAV/(UNFAV)	BASE BUDGET	BUSINESS CASES	TOTAL PLAN	% CHANGE VS. 2012 BUDGET
CORPORATE REVENUES							
Supplementary Taxes	$ (1,750,000)	$ (1,347,182)	$ (402,818)	$ (1,750,000)	$ 400,000	$ (1,350,000)	-22.9%
Local Improvements	(74,780)	(76,414)	1,634	(74,780)	-	(74,780)	0.0%
Payments in Lieu of Taxes	(2,882,225)	(2,891,819)	9,594	(2,900,000)	-	(2,900,000)	0.6%
Railway Right-of-way (ROW)	(84,835)	(85,286)	451	(84,835)	-	(84,835)	0.0%
Penalties & Interest on Taxes	(2,100,000)	(2,050,000)	(50,000)	(2,100,000)	-	(2,100,000)	0.0%
Earnings on Investments	(4,800,000)	(5,300,000)	500,000	(4,900,000)	-	(4,900,000)	2.1%
Reserve Fund Contribution to Current	(250,000)	(250,000)	-	(250,000)	-	(250,000)	0.0%
Other Revenues/Aggregate Resources	(167,200)	(199,506)	32,306	(162,607)	-	(162,607)	-2.7%
TOTAL NET REVENUES :	**$ (12,109,040)**	**$ (12,200,207)**	**$ 91,167**	**$ (12,222,222)**	**$ 400,000**	**$ (11,822,222)**	**-2.4%**

2013 ANALYSIS OF CHANGE
(Rounded to Thousands)

DIVISION: Corporate Services
DEPARTMENT: Corporate Revenues
DIRECTOR: Joan Ford

Description	Expenditure	Revenue	Cumulative Cost	Cumulative Change over 2012	Staff Impact (FTE)
2012 APPROVED BUDGET	**$10,437**	**($22,546)**	**($12,109)**		
BASE BUDGET ADJUSTMENTS ***(include base budget "key issues")***					
Increased internal charge for staff time	$1		($12,108)	0.00%	
Increase in investment income anticipated with recent change to investment policy. (Key Issue 13)		($100)	($12,208)	0.82%	
Increase in controllable revenues represents commissions on HST remittance - higher than previously with GST		($10)	($12,218)	0.90%	
Increase in PILs reflects actual (Key Issue 36)		($18)	($12,236)	1.05%	
Decrease in aggregate resource levy reflective of actual experience		$15	($12,222)	0.93%	
Miscellaneous increases		($1)	($12,222)	0.93%	
MITIGATING COST REDUCTION MEASURES / USER FEES ***(list cost efficiency savings first, then service reductions/changes)***					
BUSINESS CASES ***(to be recommended)***					
In addition to the base reduction of $100,000 for 2013's supplementary taxes, a further reduction of $300,000 is requested (Key Issue 50)		$400	($11,822)	-2.37%	
2013 Proposed Budget	**$10,437**	**($22,260)**	**($11,822)**	**-2.37%**	**0.0**
BUSINESS CASES ***(not recommended)***					

2013 CURRENT BUDGET BUSINESS CASE FORM 50

CLIENT INFO		
	Title / Subject	*Supplementary Taxes*
	Department:	*Finance*
	Service Group:	*Corporate Revenues*

PURPOSE

Title / Subject *Supplementary Taxes*

Service Change *Reduction*

Strategic Direction *Excellence in Government*

Purpose:

A reduction of $400,000 is required (to $1.35 million from $1.75 million) for supplementary taxes

Description

During the year, the City receives supplementary tax revenue for both current year and prior years. This revenue is based on assessments provided by the Municipal Property Assessment Corporation (MPAC) relating to new construction occupied during the current year (known as supplementary assessments) as well as buildings which were constructed and occupied in prior years and were inadvertently omitted from the assessment roll (known as omitted assessments).

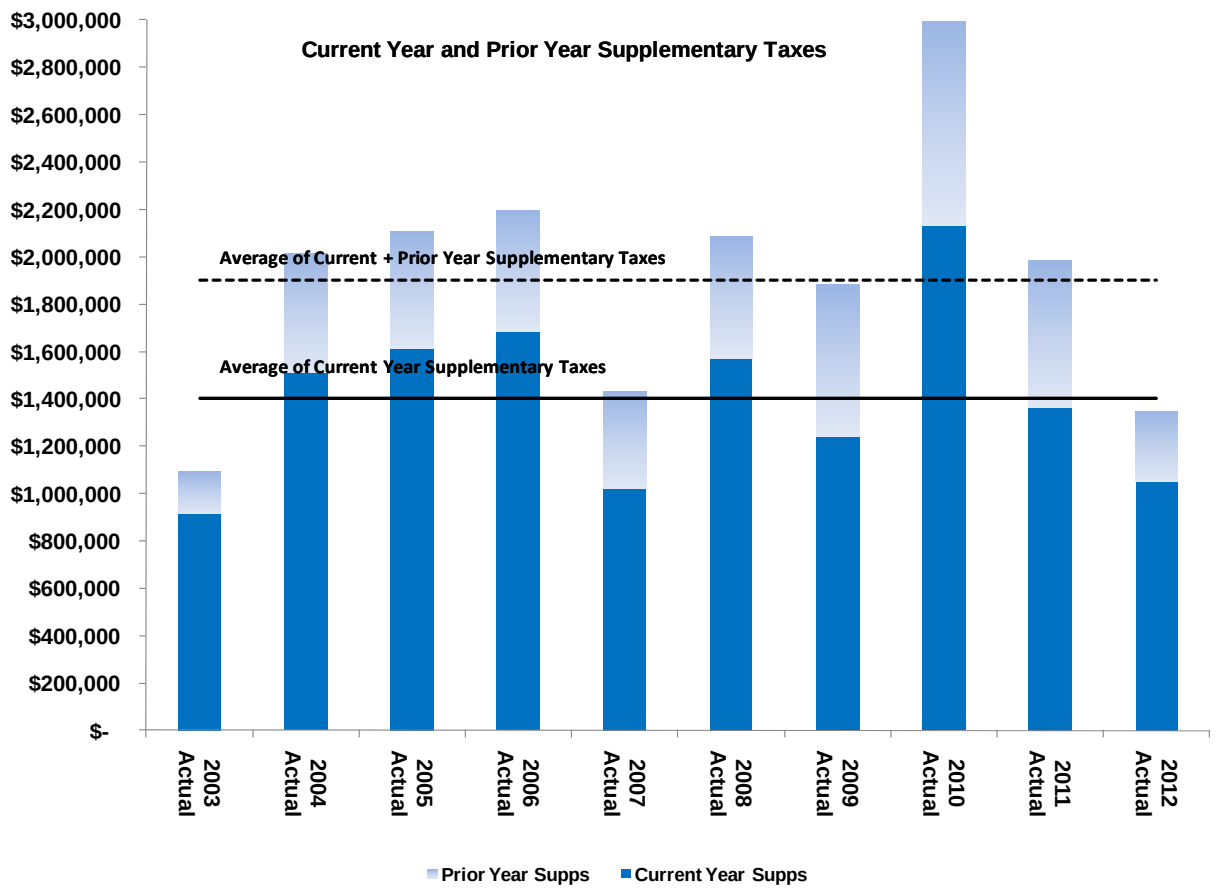
From 2002 to 2011, current year revenues as a percentage of total (current year plus prior years) revenues have been approximately 73.3% or $1.4 million per year on average. Thus the remaining 26.7% of these revenues is due to the backlog of new construction for which MPAC was not able to assess in the year of occupancy. For some of the backlog, once assessed, the city receives more than one year of tax revenue in the given calendar year.

MPAC is committed to providing supplementary assessments on new properties in a timely manner, as is evidenced by their performance target to assess new residential units within 6 months of occupancy. This means that supplementary taxes have started to reflect only one year of tax revenue. In prior years, MPAC was constantly trying to catch up, which meant supplementary taxes reflected 2 or 3 years of tax revenue on many properties. To assist, the city provides monthly building permit information to MPAC.

The 2011 approved current budget for supplementary taxes increased by $400,000 to $1.35 million. Similarly, the 2012 approved current budget for supplementary taxes also increased by $400,000 to $1.75 million. For 2012 the City recieved $1,347,182 in supplementary taxes or 77% of the budget for 2012.

As stated in the BMA Management Consulting Inc. (BMA)'s report for 2010, Burlington "currently faces challenges with respect to maintaining its urban boundary as it approaches full build out". This makes it is imperative that we do not rely too heavily on this revenue source. Therefore, the 2013 proposed budget for supplementary taxes should be reduced by $400,000; this will bring the supplementary taxes down to 2011 budget level. The impact will be a 0.33 tax rate increase.

2013 CURRENT BUDGET BUSINESS CASE FORM 50



How will Success be Measured?

Performance Measures	Current	2013	2014
• *Variance for Supplementary Taxes*	*$402,818 U*	*$0*	*$0*
•			
•			
•			
•			

POTENTIAL BENEFITS / RISKS

Due To	Define Benefit / Risk	Probability	Mitigation Strategy
Implementing		*Click and Select*	
Implementing		*Click and Select*	
Not Implementing	*At December 31, 2013, it could put the City in a deficit position.*	*High*	
Not Implementing		*Click and Select*	

2013 CURRENT BUDGET BUSINESS CASE FORM 50

FINANCIAL IMPACT

Proposed Budgets	2013
EXPENDITURES:	
Human Resource Costs	*$0*
Operating/Minor Capital Equipment	*$0*
Purchased Services	*$0*
Corporate Expenditures/Provisions	*$0*
Internal Charges & Settlements	*$0*
TOTAL EXPENDITURES	*$ 0*
TOTAL REVENUES	*($400,000)*
NET OPERATING BUDGET	*($400,000)*

Funding Type for 2013 On-going ☒ One-time ☐

2014 Incremental Budget Impact (if any): *$100,000*

FTE IMPACT (if relevant)

Job Title:

Grade Classification: Job Rate or Hourly Rate: *$0.00*

Proposed Start Date:

New RFT Position ☐ Conversion ☐ Contract ☐

Part-time Hours ☐ Contract Length

Number of FTE's added/reduced in 2013

OTHER

Reference Documents

2010 BMA Financeial Condition Assessment & Financial Policy Update for the City of Burlington

Historical Data from SAP

MPAC web-site

Optional/Additional Information