




A Plan For Financial Stability

4TH ANNUAL
MAYORS' STATE OF THE COMMUNITIES ADDRESSES
BEST WESTERN BRANT PARK INN - APRIL 3, 2008

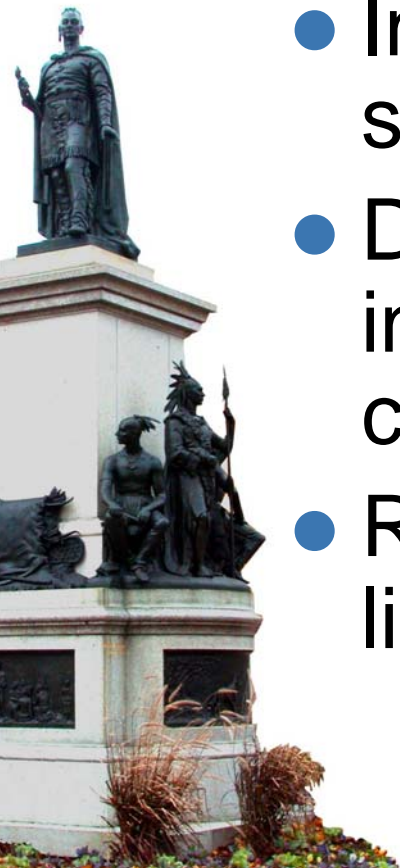


“We must learn to view change as a natural phenomenon – to anticipate it and to plan for it. The future is ours to channel in the direction we want to go...we must continually ask ourselves, “What will happen if...?” or better still, “How can we make it happen?”

- Lisa Taylor -

The Changing Municipal Environment – Factors

- Downloaded responsibilities from senior levels of government.
- Increased demands for capital spending due to aging infrastructure.
- Demands for new services or increases in service levels from municipal councils and the community.
- Resident and business demands to limit property tax increases.



Developing A Plan For Change

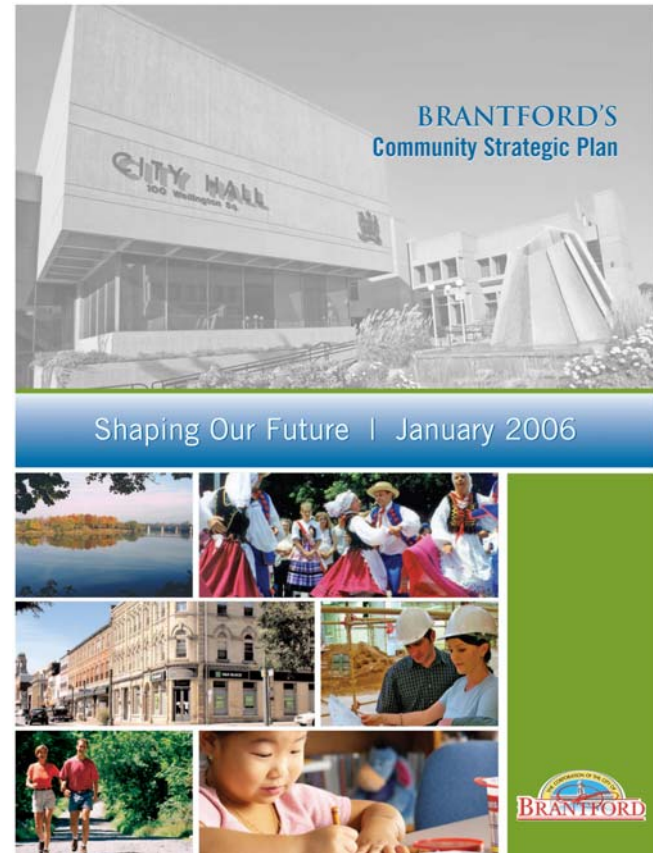
- Need to develop an overall financial planning strategy.
- Need to undertake fundamental change in its business practices.
- For the past 2¹/₂ years the City has commenced this process of change focusing on:
 - Setting of priorities.
 - Making decisions from a long-term perspective.



Setting Priorities – The City's Community Strategic Plan

Goals:

- Economic Vitality & Innovation
- High Quality of Life & Caring for All Citizens
- Managed Growth & Environmental Leadership
- Excellence in Governance & Municipal Management



Council's Priorities 2006–2010

- Pre-eminent priority – south side of Colborne Street
- Primary priorities
 - Downtown
 - City/County relationship
 - Brownfields
 - Post-secondary education development
 - Control tax increases
 - Infrastructure renewal



A Longer Term View – Long Term Financial Planning

- Long term financial planning is identified in the Strategic Plan
- A Strategic Action states that the City will prepare a strategic financial plan.



Why is Long Term Financial Planning Important?

- A strategic process providing the City with a goal of establishing a financially sustainable future.
- Financial sustainability is defined as the City's ability to maintain needed services and infrastructure, within the limits of its revenue sources.
- A Strategic Financial Plan is the first step in the long term financial planning process.



What is a Strategic Financial Plan?

- Is a policy document.
- Guides the City's financial decision-making.
- The goal is to ensure the City is in a sound financial position
- To hold the line on property tax increases.



Purpose of the Plan

- A decision–making framework to ensure that the City:
 - Maintains services/programs at desired levels.
 - Remains competitive in the regional economy.
 - Protects and maintains its infrastructure.
 - Establishes a stable and equitable community-wide tax burden policy.
 - Balances the mix of revenue sources.
 - Establishes a degree of financial predictability to the organization and community



Assumptions

- Future funding from other levels of government will be subject to change.
- The City will continue to partner with the community in both the continued development and implementation of the plan.
- The City will become more effective and efficient in the provision of its services.
- The City will be a growth community.



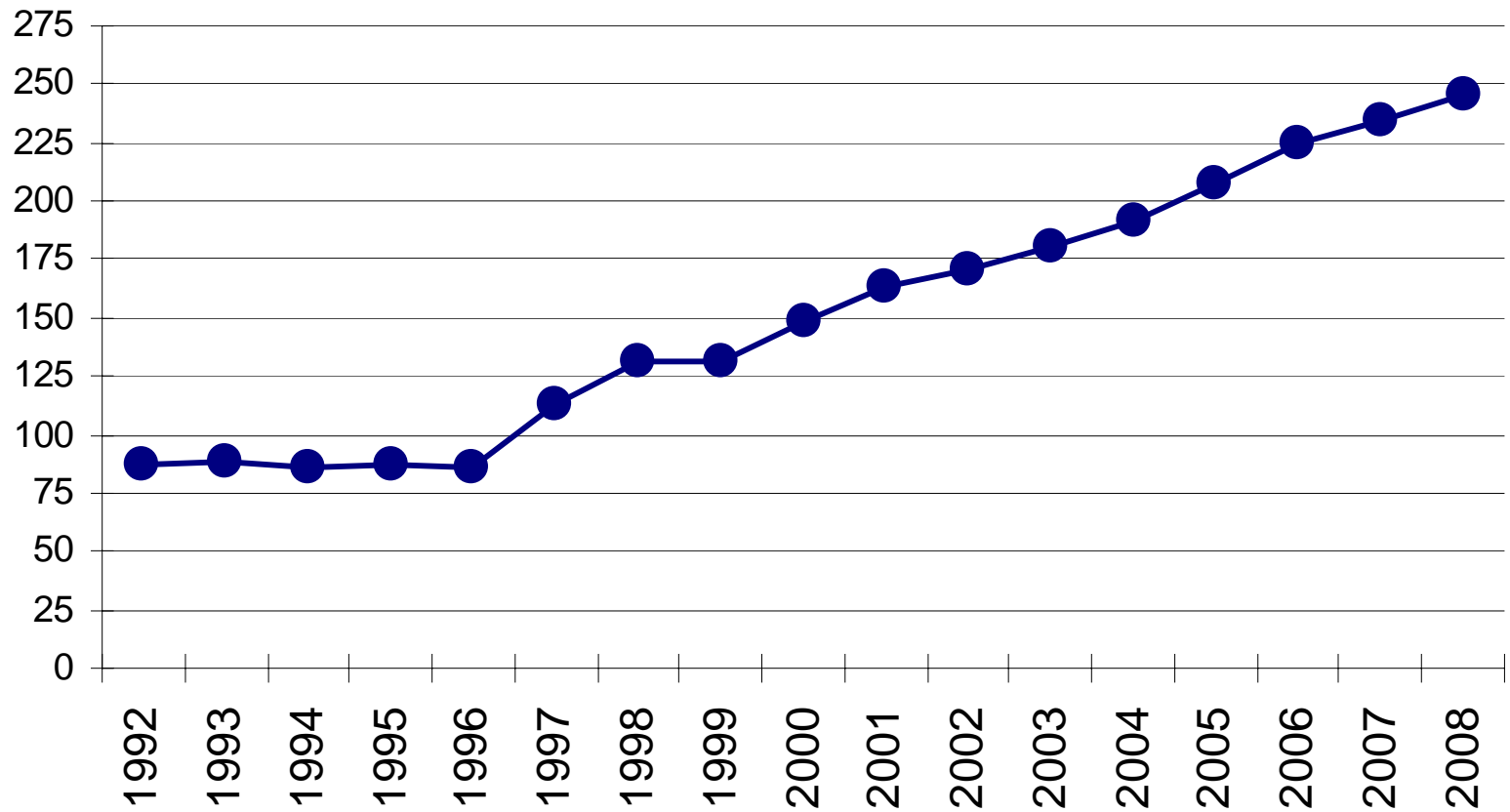
Challenges

- Long Range Planning Challenges
- Expenditure Challenges
- Revenue Challenges
- Asset and Infrastructure Challenges



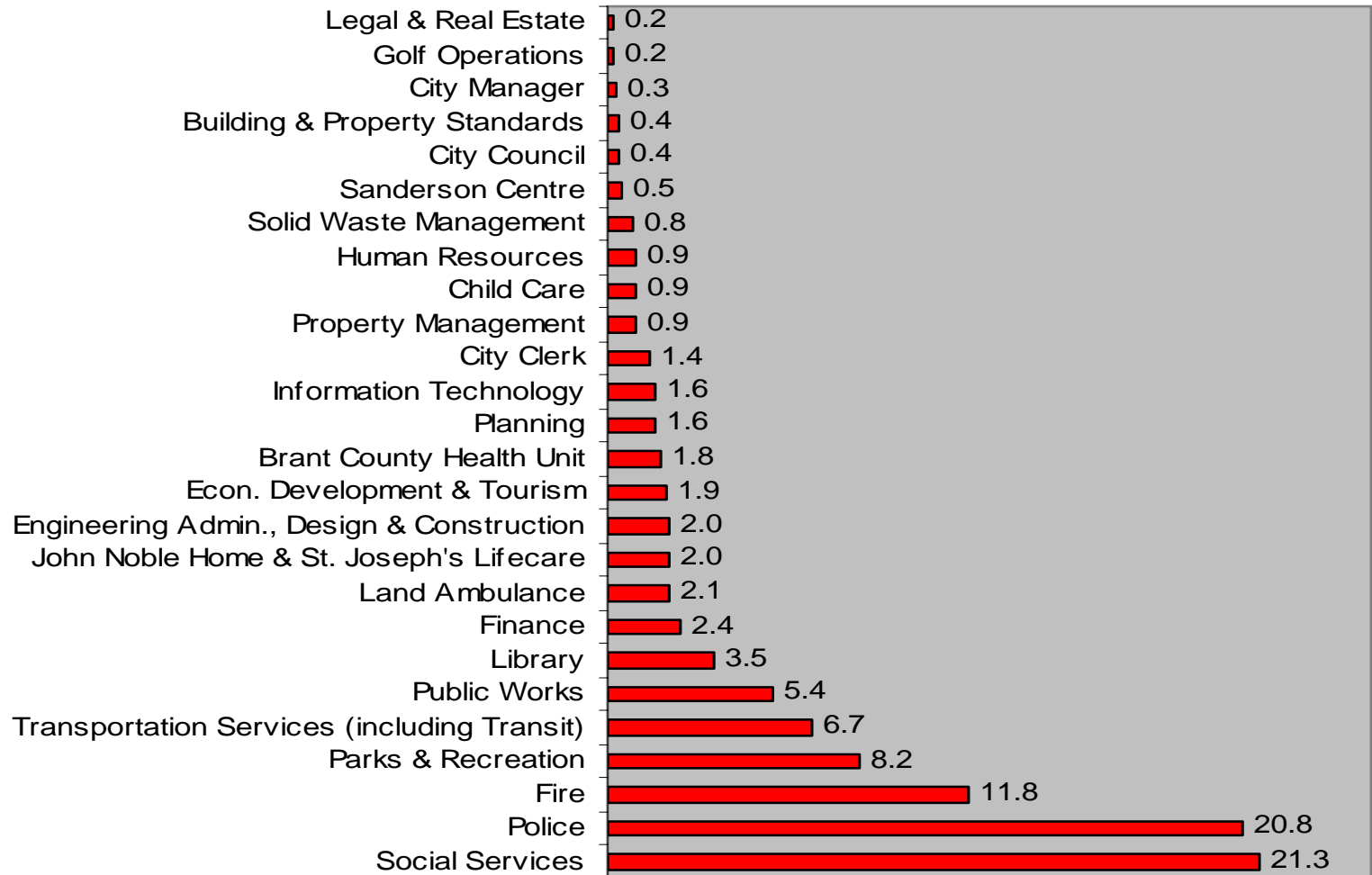
Expenditures

1992 TO 2008 Gross Expenditures



Expenditures By Service

2008 Net Expenditures Per Tax Dollar

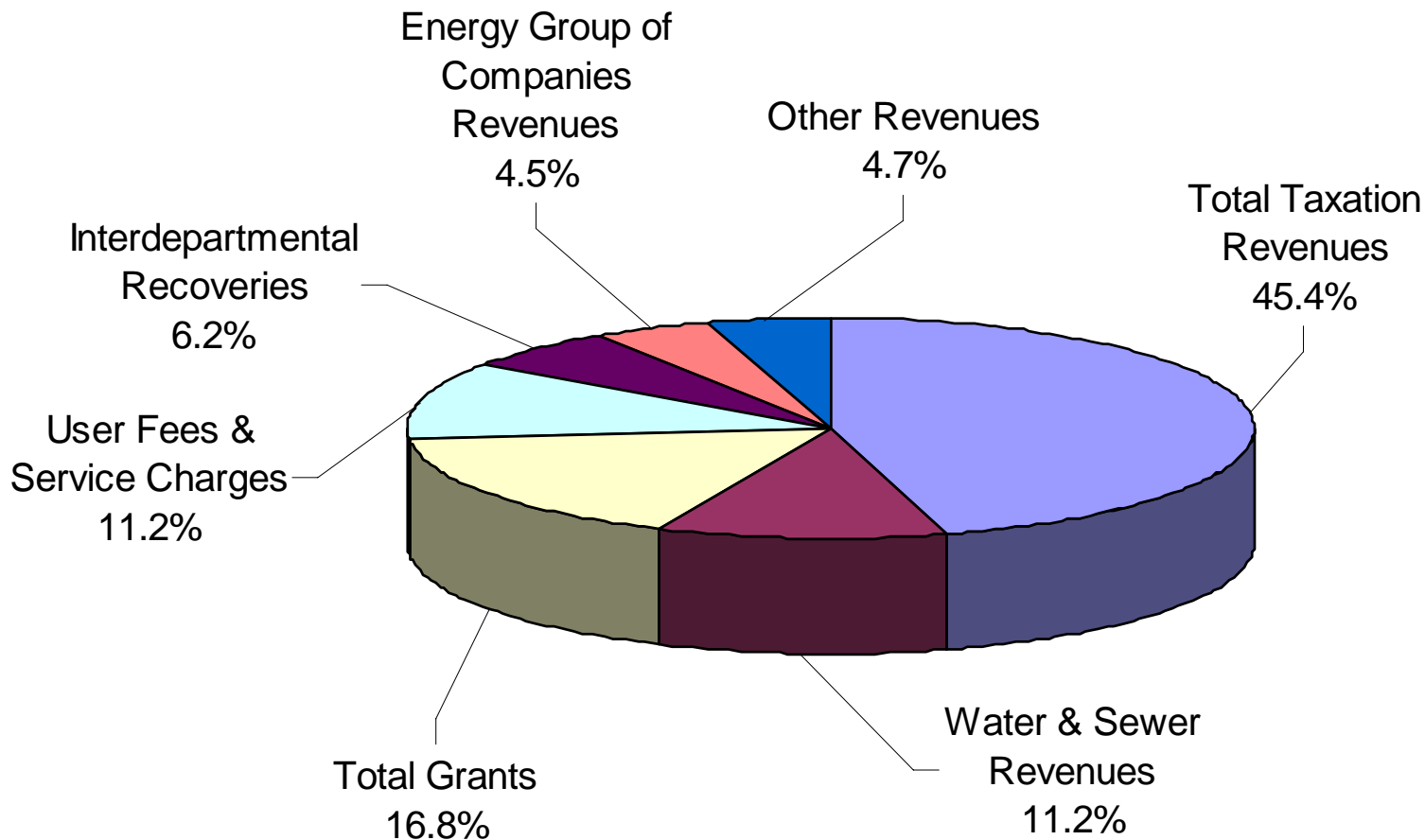


Cents



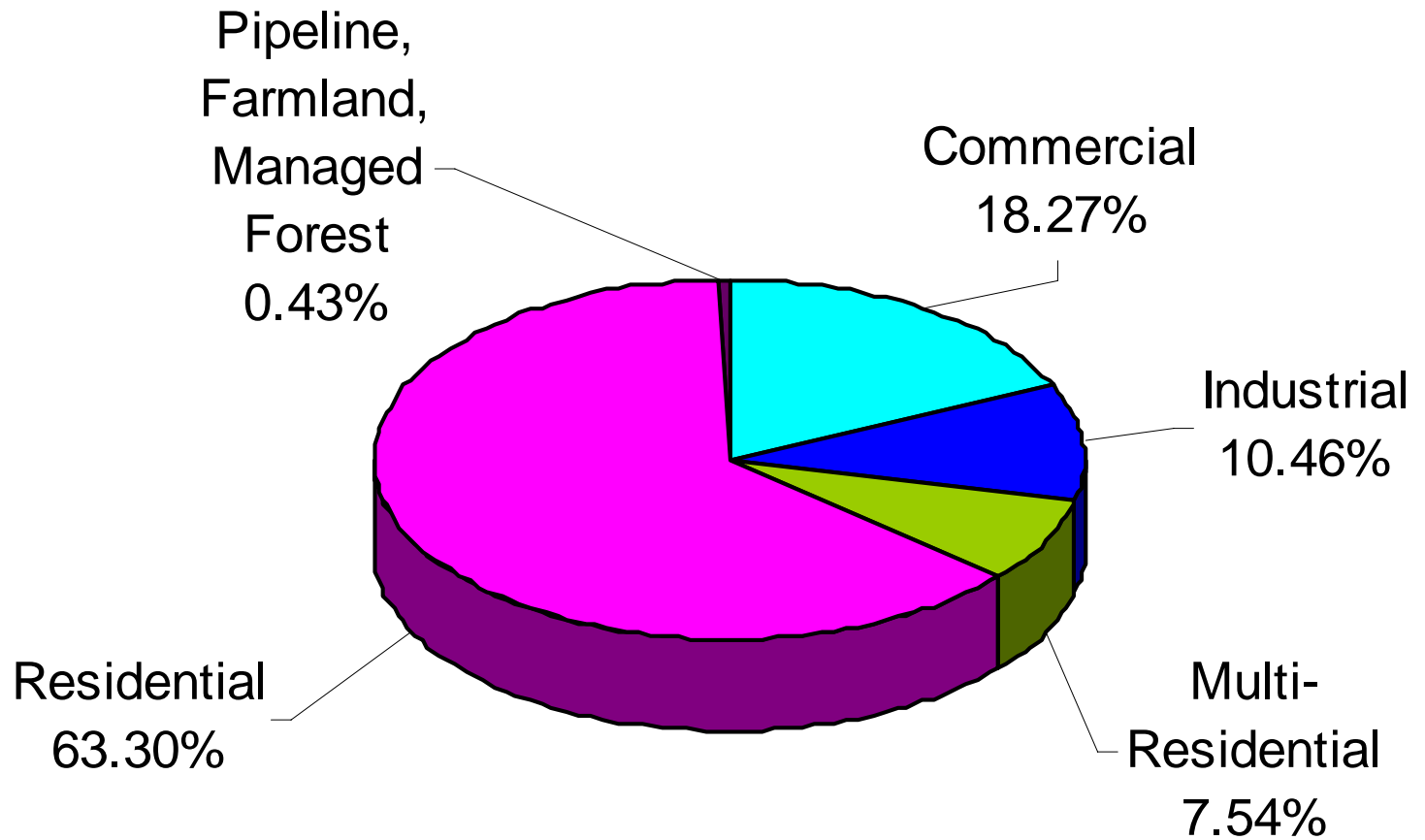
Operating Budget – Revenue Sources

2008 Operating Budget Revenues



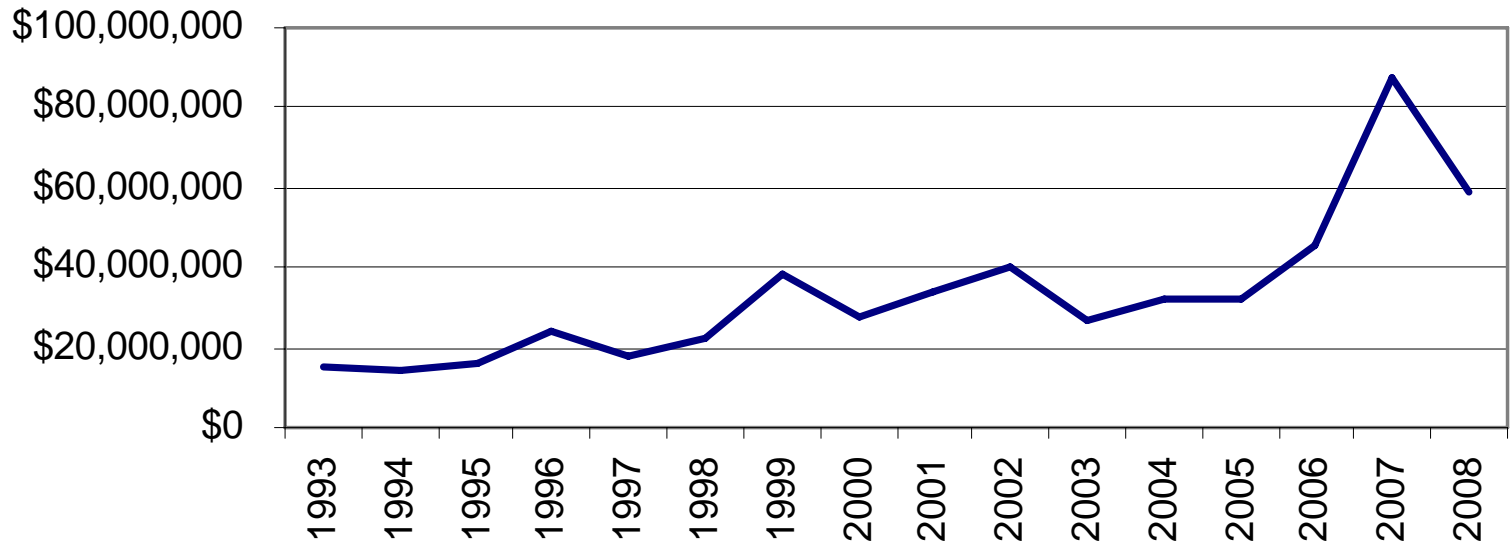
Property Taxes By Class

2007 Tax Revenue by Property Class



City Infrastructure Challenges

1993 to 2008 Approved Capital Budget



- City buildings (next 30 years): \$300 million.
- Roads: \$98 million.
- City bridge and sidewalk improvements: \$7 million.
- City watermains & storm/ sanitary sewer: \$336.1 million
- City fleet (next 2 years): \$10 million



Strategic Financial Plan - Next Steps

- Ongoing Initiatives
 - Council Priority Sessions
 - Program Review
 - Value for Money Audits
- Completed Initiatives
 - Debt Financing Policy
 - Casino Funds Policy
- Upcoming Initiatives
 - Tax Policy
 - Five-Year Capital Plan
 - User Fee Review
 - Update Development Charges Study



“Teamwork is the ability to work together towards a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results.”

- Author Unknown -

