

2012 Operating & Capital Budgets



TOWNSHIP OF WEST LINCOLN

MARCH 19, 2012

West Lincoln

Your Future Naturally

Budget Process: Variance-Based



- Service Plan deferred for 2012 – Strategic Planning process underway
- Draft Budget Books to Council February 21, 2012
- Variance-based analysis by department
- Analysis provides for commitments, legislative, inflationary and growth adjustments – also mitigation
- Deferred projects
- Budget deliberation March 19 (& 20th if required)

Key Changes/Challenges



Year	OMPF Grant (\$)	Reduction (\$)	Reduction (% of Levy)
2009	\$1,154,000	-	-
2010	\$ 923,200	\$(230,800)	(5.37)%
2011	\$ 830,900	\$ (92,300)	(2.15)%
2012	\$ 754,600	\$ (76,300)	(1.77)%
Total Loss		\$(339,400)	(9.29)%

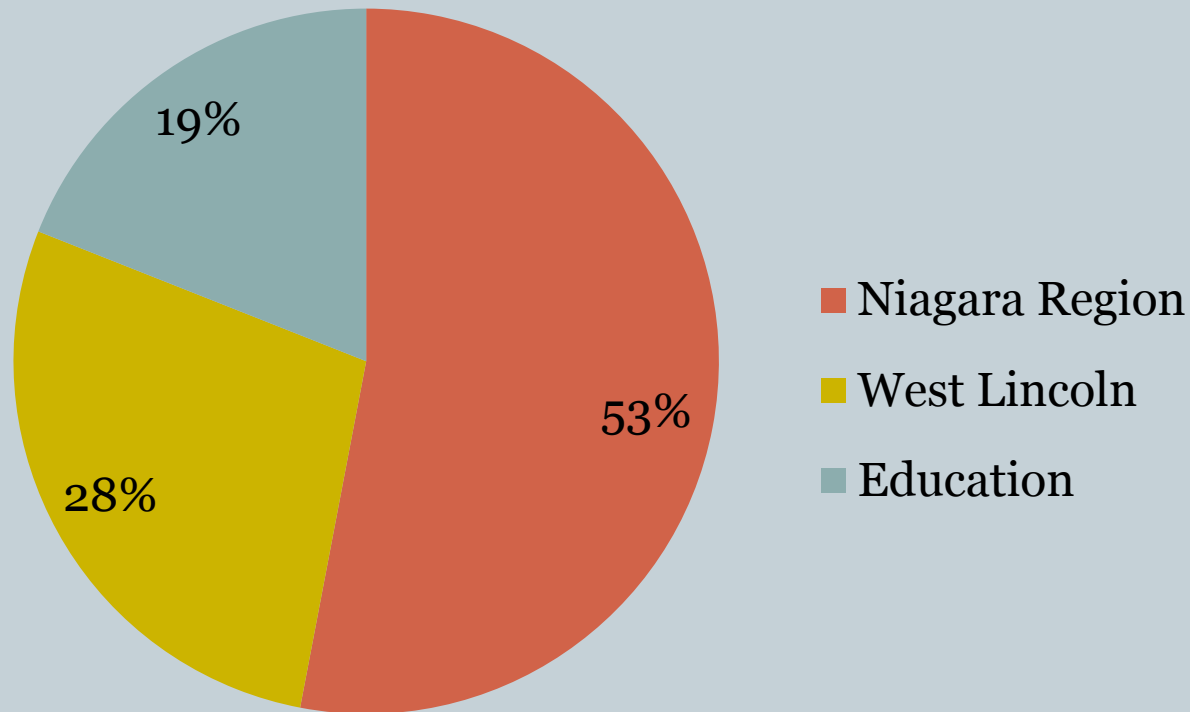
- OMERS increases to contribution - \$41,500 (.96%)
- Other labour-related increases WSIB, EI, CPP (.23%)
- Decline in new assessment (growth) – from 2.5% in 2011 to .89% in 2012 (\$105,000 - \$38,000)
- Bridge reconstruction needs (Infrastructure grants?)

Property Taxes in West Lincoln

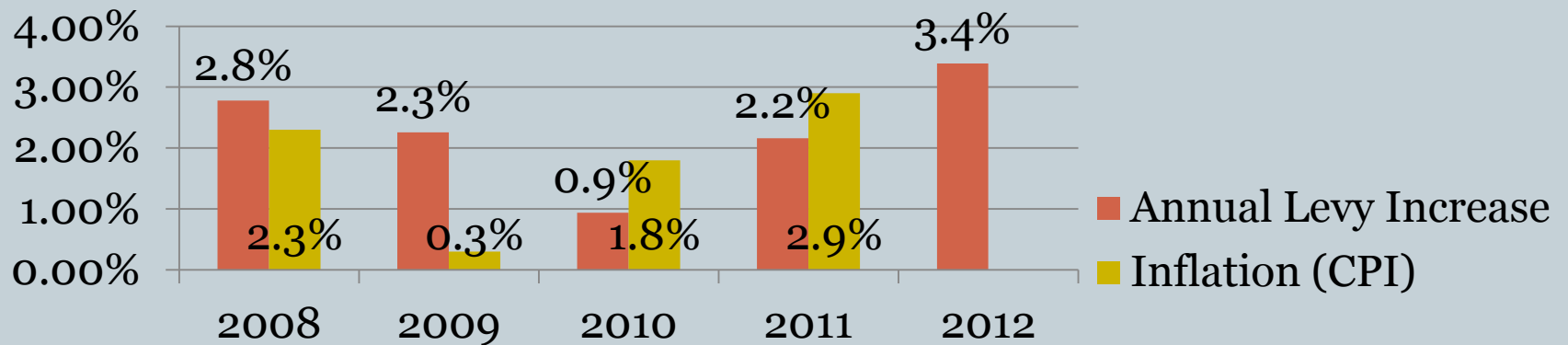


- Tax bill collects for three entities: Niagara Region, West Lincoln (WL) and School Board/Education

Property Tax Distribution



Tax Levy and Inflation



Tax Levy



- 2012 proposed levy increase is 3.39% or \$145,150
- 1% change in levy equates to \$43,000
- Results in approx. \$3.43 increase in general taxes annually per household (avg. assessed value \$275,141)
- Niagara Region increase is 3.14% on their levy - \$11,715,156 (\$41.03 avg. Niagara) - \$54.50 WL

Water/Wastewater Rates



- 2012 budget represents a status quo position for rates
- Wastewater fixed charge from Region up 8.4% (\$69,000)
- Region will start new reconciliation method – 2011 actual sewer reconciled to paid – recoverable in 2013
- Anticipate rate setting for 2013 – Fall of 2012 to coordinate to Regional changes
- User fees to be reviewed in 2012

2012 Capital Program Summary

	Gross Cost	Revenue Fund	Reserves	DCA/Gas Tax	Grants/Other
Corporate Expenditure	105,000	56,500	13,500	-	35,000
Corporate Services	77,000	77,000	-	-	-
Cemetery	5,000	5,000	-	-	-
Fire	84,000	13,000	71,000	-	-
CIDB	15,000	1,500	13,500	-	-
Roads	648,000	-	-	648,000	-
Bridges	53,500	41,500	12,000	-	-
Sidewalks (Rural)	50,000	50,000	-	-	-
Equipment	325,000	30,000	295,000	-	-
Sewers	220,000	-	97,000	123,000	-
TOTALS	1,687,500	299,500	582,000	771,000	35,000

Capital Funded Through Operations



Year	Total Capital Budget	Funded from Operations	% Funded from Operations
2012	1,687,500	299,500	17.75%
2011	3,002,800	434,800	14.48%
2010	4,983,900	305,100	6.12%
2009	4,104,000	280,000	6.82%

- West Lincoln has received grant funding for capital in large amounts since 2008
- 2012 no indication of grants – loss in OMPF
- Trend shown above

Summary of Reserves



● Balance at Dec 31, 2010	<u>\$ 6,440,556</u>
● Income net of Expenses 2011	\$ 734,148
● Committed Funds at Dec 31, 2011	<u>\$(2,608,404)</u>
● Projected Balance Dec 31, 2011 (unaudited)	\$4,566,300

- 23 Reserves – some legislated for specific purposes- some Council created for planning/contingency
- Over 50% of projected balance in restricted funds
- Net effect of 2012 budget is increase to Reserves of approx. \$129,000
- Financial Indicator Review highlights low risk for Total Reserves as a % of Operating Expenses

Conclusions



- Draft budget book – summary of operating/capital budgets
- Variance and detail provided by department
- Proposed Budget is 3.39% levy increase equates to \$145,150 after mitigation of legislation/inflation - \$3.43 annually for average resident

Questions?



- Department staff are present to answer questions from Council and to clarify project and operating budget details
- Note: Base budgets adjusted in prior years – current proposed budget focuses on variance over 2011

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