

AGENDA

BUDGET MEETING OF CITY COUNCIL

2010 04 28

3:00 P.M.

COUNCIL CHAMBERS

1. **Yearend Reserve Transfers**

A report of the Commissioner of Finance and Treasurer is attached for the consideration of Council.

Mover - Councillor L. Tridico

Seconder - Councillor P. Mick

Resolved that the report of the Commissioner of Finance and Treasurer dated 2010 04 28 concerning Yearend Transfers to Reserves be accepted and the recommendations contained therein be approved.

2. **2010 Budget**

The reports of the Chief Administrative Officer, the Commissioner of Finance and Treasurer and the Manager of Budgets are attached under separate cover for the consideration of Council.

Mover - Councillor L. Turco

Seconder - Councillor B. Hayes

Resolved that City Council now proceed into the Committee of the Whole to consider the following matter referred to it for consideration – 2010 Budget Deliberations.

Mover - Councillor L. Tridico

Seconder - Councillor P. Mick

Resolved that the Committee of the Whole Council now rise and report on the matter referred to it by City Council – 2010 Budget Deliberations.

3. **Adjournment**

Mover - Councillor L. Turco

Seconder - Councillor P. Mick

Resolved that this Council shall now adjourn.

MAYOR

CLERK

William Freiburger, CMA
Commissioner of Finance
and Treasurer



Finance Department

2010 04 28

Mayor John Rowswell and
Members of City Council

Re: Yearend Reserve Transfers

Attached is a list of recommended 2009 yearend transfers to reserves as prepared by Shelley Schell, CA, Manager of Finance and Audits.

Included on the list is the 2009 yearend reserve balance after the transfer.

RECOMMENDATION

Council approve the 2009 yearend transfers to reserve as presented.

Respectfully submitted,

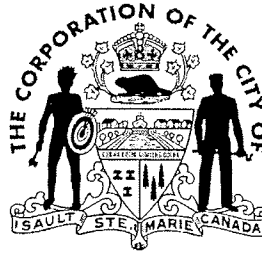
W. Freiburger, CMA
Commissioner of Finance and Treasurer

WF/kl
attachment

1

<u>Details</u>	<u>From Reserve</u>	<u>To Reserve</u>
	<u>\$</u>	<u>\$</u>
OMERS Premium Reduction Reserve		
OMERS support fund contribution not in budget	5,313.88	
Fire Equipment Reserve		
Proceeds from sale of equipment to reserve		600.00
Parks and Recreation Reserve		
2009 Capital from Current - Ken Danby Recognition expensed in 2010		7,000.00
2009 Capital from Current - Strathclair Lighting project		35,000.00
2009 Torch Relay grants-to be used in 2010		15,370.83
Engineering Equipment Reserve		
2009 Capital from Current- 5 laptop computers		10,000.00
Sewer/Bridge Inspection		
Reserved funds expended in 2009	90,267.49	
2nd Line Land		
Reserve no longer required for 2nd Line construction project	138,430.53	
Total	234,011.90	67,970.83
net		- 166,041.07

Joseph M. Fratesi, B.A. LL.B.
Chief Administrative Officer



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2010 04 28

Mayor John Rowswell
and Members of City Council

RE: 2010 BUDGET

Dear Council:

We are pleased to submit to you the 2010 Budget which has been prepared by Bill Freiburger, Commissioner of Finance and Treasurer and Scott McLellan, Manager of Budgets and Revenue. As in previous years, all City budgets were to be prepared based on a global allocation approach that has been in use now for many years. Instructions were given to each department that there would be no increases over the 2009 allocations, save and except for wage increases negotiated/awarded or anticipated, as well as benefit cost increases. Staff continue to be very mindful of the fairly significant factors currently at play in our community, not the least of which is the struggling rebound in the world economy.

Undoubtedly, no one is happy about paying taxes to any level of government and are not appreciative of any increases. However, most ratepayers understand that in order to maintain existing levels of service and quality of life, increases in taxes are inevitable to meet increasing costs.

How Municipal Taxes are Calculated

Local governments are in place to provide a host of important services to members of the community who would otherwise be unable to enjoy these services, were it not for a collective effort. Individually, we could not afford to provide police, fire or ambulance services to ourselves. We could not build, maintain or snow plough roadway systems which connect us to each other. We could not build and maintain safe sewage and water systems or handle refuse on an individual basis. Individually, we could not provide ourselves with recreational and cultural opportunities for our enjoyment.

Municipal Councils, therefore, are in place so that collectively we can have these services that individually we could not physically or financially otherwise have. These Councils determine what services and what level of services the community needs, wants and can afford. Many of these services are mandated by law. Many, though not mandated, are considered essential. Others are discretionary and deemed to be important in achieving a desirable quality of life for our residents. The money we pay in municipal realty taxes helps to pay for some of these services. Some of our services are paid in whole or in part by the people who use them.

In Ontario, municipal tax is not based on the income of individuals or corporations, but is based on the value of the real property owned by these individuals or corporations. All of the land in our cities is divided into different classes, such as single family residential, multi-residential, condos, stores, malls, factories, etc. While some of these properties are exempt from paying taxes (i.e. schools and hospitals), most are, in fact, considered taxable properties.

These form the tax base of our City. A dollar value is placed on each and every property that appears on our tax rolls. That dollar value attempts to reflect current market value for the land and building(s) which comprise that property (for purposes of the 2010 budget, the market value is as of January 1, 2008). Determining the current market value of all properties throughout Ontario is the responsibility of the Municipal Property Assessment Corporation (MPAC) and not each individual community. The result of MPAC's work results in "assessments" for each property and represents current market value.

As one might expect, the more a property is assessed by MPAC, in comparison to other properties in the same class, the more that property owner will pay in municipal taxes. For example, a person owning a single family residence, assessed at \$200,000 in Sault Ste. Marie should expect to pay exactly two times what a person would pay for a single family home assessed at \$100,000 in Sault Ste. Marie.

Notwithstanding, that these two houses may be on the same size of property, on the same street and getting exactly the same services from our municipality, one will pay twice as much as the other, based on the assessments. This is how the government of Ontario has determined that municipal property tax should work throughout the whole of the province.

While the same tax rate is applied to the assessments of every property within the same class (i.e. single family), different tax rates are applied to different classes of properties. As a result, Sault Ste. Marie, like most other Ontario communities, receives a higher level of taxes from every dollar of industrial assessments (between 2-3 to 1) and commercial assessments (about 2 to 1) than it does with every dollar of residential assessment. This is very important to note when changes in assessment brought on by reassessment, result in significantly different changes in each class. This, in fact, is what is currently occurring in our community and will be discussed further in this report and others that will be brought forward to Council.

Once a Municipal Council has determined those services that it wishes to provide to its ratepayers in the current year and calculates its expenditures to do so, it will firstly reduce this amount by sources of revenue such as grants from the senior levels of government. In Sault Ste. Marie, the OMPF grant has played a prominent role in determining the outcome of our municipal tax rates. It is noted later in this report that there has been a significant net reduction in our OMPF grant for 2010.

The expenditures to operate the municipality are also reduced by revenues that we expect to collect from user fees (i.e. tipping fees, cemetery fees, sewer levy, parking, etc.). Other smaller sources of revenue such as licensing fees, permit fees and charges to other municipalities for providing services, are also used and applied towards the expenditures.

After all of the above sources of revenue are applied to the total expenditure amount, the difference is then deemed to be the "levy" which is the amount that must be collected by way of property taxes to balance our total revenues against our total expenditures. As referred to earlier, how a levy is divided amongst the various properties and taxpayers in any given community in Ontario is stipulated by Provincial legislation. MPAC in consultation with the Provincial government decides when and how assessments for property are calculated. If all classes were to be taxed at the same rate, the calculations would be simple. If all properties in our community, regardless of class, had assessment changes which were the same throughout, the calculation would be very simple.

Unfortunately, the rates charged to various classes of properties, differs greatly. The changes in assessment brought on by the 2008 reassessment and the four-year phased in implementation are also significantly different among the various classes. In Sault Ste. Marie, at the same time as we see the average residential property increase in assessed value by about 8% per year for four years, we see commercial assessments increasing at less than 1%. Worse yet, as a result of the reassessment, we see existing industrial assessments actually declining over that same period. Though we experienced some new assessment brought on by growth, those values are significantly over shadowed by the decline in current industrial and commercial values.

At the risk of being repetitive, it is important again to note this point as our total tax revenue is calculated on the basis of different rates where each dollar of industrial and commercial assessment brings in significantly more revenue than each dollar of residential assessment. The result for Sault Ste. Marie is that we will collect significantly less this year from the non-residential classes of property compared to last year. While these changes, no doubt, make industrial and commercial taxpayers happy, it shifts a significant tax burden to our residential property tax base.

In previous years, staff has always presented the budget with calculations and recommendations and has focused on what the "average" taxpayer (property value of \$116,000 in 2010) in Sault Ste. Marie could expect as a result of both the combined affect of the new budget and expected increases in assessment brought on by reassessment. Most other communities in Ontario have focused on only that portion

over which they have control, i.e. the tax rates. They take the position that because assessment changes are in fact beyond their control and because they do not affect property taxpayers within the same class equally, they are not even referred to. This appears to have worked well in those communities so that when Council passes its budget, it communicates the changes (increase or decrease) in reference to the tax rate that each class can expect and which will consistently be applied to all properties in that particular class. For example, they do not attempt to explain how the municipal budget will affect a residential property owner who has a 2% increase in assessment and compare it how that same budget will affect another residential property owner who has an 8% increase in assessment. They simply clearly state that the budget increase/decrease that they announce is with respect to the municipal tax rate only and does not take into account any assessment related increases/decreases.

While we should continue to include in our information to Council, how a budget will impact the "average" homeowner in our community, our focus should probably shift, however, to changes in our expenditures and our tax rates.

The Provincial government expects communities to view increases in assessment, whether brought on by new development or by reassessment, as a source of new revenue for the municipality. In Southern Ontario, where assessments have increased by more than 10% in many communities annually for the last twenty years, the tax increases announced were modest because new assessments and significantly increasing market values were more than enough to make up the new revenues which were required to support increasing costs. No reference was ever made to assessment related increases. For these communities and for many Northern Ontario communities, the reported increases are related to rates only.

In order to ensure that municipalities take advantage of increased assessments in their communities, the Province has a formula which results in the reduction of OMPF grant funding to those communities who are experiencing assessment increases on the assumption that those communities will take advantage of those assessment increases. The Province has clearly indicated that its formula is intended to assist communities who have either stagnant or declining assessments. Our community enjoyed such assistance for that reason up until recently. However, now that our assessments have appreciable increases due to market changes, that assistance from the Province will continue to decline.

Hopefully this explanation will assist in better understanding the budget which is presented this year, which has some very different variables applied.

2010 Assessment

Residential real estate values in Sault Ste. Marie have significantly increased over the last several years. **Residential assessments**, which had been frozen up until 2008, in fact, have increased by an average of 32% as a result of the 2008 reassessment. These increases are being phased in over a four-year period.

Starting in 2009 and continuing in 2010 and 2011 and 2012. The average residential increase for 2010 is about 8%, (similar to that in 2009) and this will be repeated in the next two upcoming years.

Industrial assessments, however, did not increase as a result of the 2008 reassessment. **Commercial assessments** increased only by .93%. Staff had expected an increase, at least in the industrial sector, which would have recovered some of the assessment which had been lost in previous years due to appeals. Therefore, in 2010, our total assessment increased by 7.88%. However, a shifting in the burden among assessment classes did not produce any significant new net revenue for the City. Staff and Council are on record in making a commitment to the residential taxpayers of this community that the City will not take advantage of the new residential assessments by simply using the existing tax rate. A commitment to lowering the tax rate, to at least in part, to offset these assessment increases was made. This occurred in the 2009 budget and is repeated in this budget, as the **urban residential tax rate is actually reduced again.**

Council is again reminded that every dollar of commercial and industrial assessment provides a much higher level of revenue to the municipality than does every dollar of residential assessment. With the large increases in residential assessments and the stagnated industrial and commercial assessments, there will be **a significant shift in the tax burden from industrial and commercial taxpayers onto residential taxpayers**, with this trend continuing throughout the balance of the reassessment period. It is expected that Council will wish to continue the "revenue neutral tax ratios", which were implemented in the 2009 budget to militate against this shift to residential taxpayers.

2010 Expenditures and Revenues

There are several major factors which affect this year's budget. You will note from the budget material as presented, that **expenditures for 2010 have increased by \$3,417,757 or only 2.06% (2.04% in 2009). Revenues, excluding the tax levy, have again decreased by a net amount of \$2,063,762 or 2.51% (\$1,064,153 or 1.31% in 2009).** This loss in revenue is primarily as a result of the **reduction in the OMPF grant** from the Province for 2010. Our grant is **\$4,069,700 less** than the 2009 amount (-14.60%). While this reduction is offset in part by the reduction which the City received from the DSSAB in the amount of \$2,676,720 because of the upload of the Ontario Disability Support Program and the Ontario Drug Benefit Program, the City is still left with a shortfall of \$1,392,980. Part of this is a reduction in the OMPF grant because of our improved assessment, while a portion represents increases in other Provincial services which are delivered by DSSAB.

Included in the expenditures increase for 2010 budget is about \$2.5 million under "contingencies". Amongst other things, included in this provision, are the wage increases of about 2.5% as well as higher annual increases for Police and Fire. These represent settlements negotiated in previous years.

Finance staff has once again done a great job of presenting to Council a summary of those items which are impacting the levy, both as it pertains to expenditures and revenue. The largest item impacting the budget obviously is with respect to wage and benefit increases which were negotiated in previous years and which in fact are lower than the increases of the past. The next largest item is the loss in the OMPF funding from the Province, which after factoring in the reduction in the DSSAB levy, leaves a net reduction of \$1,392,980 in our revenue from the Province compared to last year. Another factor which is contributing to our current budget expenditure increase is related to Police and Fire wages over and above the \$2.5 million which is included in the budget for general increases. The Police Services increases a further \$533,455 and the Fire Services increases by a further \$281,740 because of larger wage increases, 3/6/9 experience pay and rank movements. This total amount of more of \$800,000 is in addition to the 2.5% general wage increases provided to other departments. While there are other several smaller amounts affecting the levy as detailed in the budget presentation, the only other item to be mentioned is the \$500,000 amount which Council directed from the 2008 surplus to be applied to reducing the levy in 2009, contrary to Finance staff's advice. It will now be necessary to either raise the levy by this amount or find some other source of funding such as the 2009 surplus to replace this amount in the current budget. Council should be cautious in this regard.

Global Allocation Approach

The global allocation approach to budgeting has served us well in Sault Ste. Marie. In essence, this approach has driven our organization to the application of **best practices and efficiency efforts in providing high levels of service** within a fairly static level of budgetary resources. Aside from new services downloaded to the City, staffing has decreased in most departments, while still providing the same level of service.

As in past years, City departments have again done an excellent job in adhering to this approach to the budget and they are thanked for their hard work, cooperation and diligence that has gone into the preparation of this difficult budget. For the most part, non-wage components of the budget continue to be held to the same level as in previous years. Given that this approach has been used for many years now, we will need to look at specific problems which some departmental budgets may be experiencing, from time to time. Council did in fact, in 2008, agree to adjustments in both the PWT and CSD budgets because of this. No request for additional funding is being made this year by any of the departments.

As in past years and in view of the difficulty of this year's budget, **staff is again not recommending that Council approve any "supplementary" items** which have ongoing budget implications and which, therefore would increase the levy and the resulting taxes which follow.

Capital Spending

The City continues to take significant pride in recently completed projects. We have reconstructed many of our main streets. We will proceed as approved by Council in 2009 with the second year of the two-year capital construction program, a very aggressive road reconstruction in our City, valued at about \$40 million. The following are some of the major projects on the two-year program:

- Trunk Road improvements
- McNabb/South Market extension and reconstruction
- Shannon Road reconstruction
- Third Line extension
- Borron Avenue reconstruction
- Wellington Street East resurfacing
- Sussex Road Bridge and other bridges
- Hub Trail

We continue annually to **increase the amount of roadwork** that we are able to do. It is apparent, based on the number of projects that are undertaken each year that Council is serious about addressing our road deficiencies over a reasonable period of time. In addition, we have received approval and funding under the Economic Infrastructure Stimulus Program to proceed with the **extension of our Hub Trail including the downtown waterfront walkway and the Fort Creek trail and the new Algoma Public Health building**. These projects, to be built over the next year, have a total value of more than **\$25 million**, with the City's share already approved by Council. In addition, Council has approved funding and proceeding with the first two phases of the multi-use Municipal Complex at the McMeeken Centre site, which includes an indoor turf facility and a new west end brand Library. It is expected that this exciting project will break ground later this year.

"Capital from Current"

Council will recognize that many demands have been made on the "Capital from Current" portion of the budget. This amount had remained at \$500,000 for many years. In accordance with a recommendation by staff, in 2007 Council agreed that this amount would be increased by \$100,000 per year for the following five years until it grows to \$1 million per year to satisfy these demands. This did not happen last year, but given that the list of capital purchases/projects being now requested is significant, it is **recommended that we increase the "Capital from Current" in the current budget to the \$800,000 amount** as part of the levy. This would allow us to address many of the outstanding needs of the various departments and agencies of the City. Staff have reviewed the list of outstanding requests and has formulated a recommendation for the spending of this \$800 thousand item amount. Items of Health and Safety issues are recommended and alternative sources of funding for several other items including reserves are also recommended. Finance staff will review this list including recommendations as part of the budget presentation and ask for Council's approval of those recommendations.

Use of Reserves

Council will note that in 2009, no reserve funds were used to assist in lowering the levy. This year, again, **no reserve funds are recommended to reduce the levy**. This is in keeping with a financial plan originally presented in the year 2000. Prior to that, it had been necessary to use as much as \$2.4 million from reserves to settle the budget and allow for an acceptable tax rate increase. This action continues to draw **positive comments from the City's bond raters** in our annual rating reports. It also gives Council the ability to address future capital needs.

2009 Surplus

Turning to the surplus from the 2009 budget, the **adjusted year-end surplus stands at about \$500,000** (\$774,722 in 2009). For many years now, the Treasurer has been recommending that we move away from our reliance on the previous year's surplus as revenue in the current year's budget. This had been accomplished in 2008. In 2009, contrary to Finance staff's advice, Council opted to use \$500,000 of the surplus to reduce the tax levy. This, in fact, results in Council now being required to find either by way of levy or other ongoing source of funds revenue to make up this contribution.

For 2010, staff continues to strongly recommend that any surplus from previous years be allocated for one-time only expenditures or dedicated to a reserve account for future projects or to a contingency reserve be made available to assist in paying for unforeseen expenditures such as large industrial assessment appeal refunds, wage/benefit or WSIB matters, or as a buffer to potential increased costs associated with the many City projects planned over the next few years.

While Council may wish to defer this action for one year, given the other difficulties being faced in the 2010 budget, it is important that Council commit to this in future years.

Staff Recommendation for Increasing Revenue into Operating Budget

As a way of reducing the levy, City staff is recommending that Council approve the transfer of \$1 million of revenue annually into the Operating budget. The sources for such amount are listed in detail in the Finance report and is comprised of ongoing current revenue within the existing budget which up until this point in time as been allocated to various reserves. Finance staff is satisfied that this funding which is ongoing can legitimately be introduced into the Operating budgets, based on operating costs related to such revenues. These include, amongst other items, a portion of the sewer levy and building permit fees.

Physician Recruitment and Retention

Council has had several presentations and discussions regarding the Physician Recruitment & Retention Program which the City has co-sponsored for several years, using surplus casino revenues. Given the decline in casino revenue, which the City has received in the past few years, it is recommended that that City continue to use, as it did in 2008 and 2009, the interest earned on our new Sault Area Hospital construction reserve, (which has not been committed for any other purpose) be used over the next several years to provide stable funding for this important purpose. It is hoped that in that time frame, our casino revenues will in fact increase, the Northern Ontario School of Medicine will be graduating doctors who will wish to practice in Sault Ste. Marie and our commitment to the new hospital will be near completion.

SUMMARY AND RECOMMENDATIONS

The Senior Management Team believes that the 2010 Budget as presented continues to provide a **very high level of service** to the citizens of our community in an effective and efficient manner. This budget and the resultant tax increase continues to compare very favourably with other cities in Northern Ontario. The taxes paid by the average homeowner are quite low by comparison. This favourable position is as a result, at least in part, of the approach to budgeting that the City of Sault Ste. Marie has been involved in for many years, and to the dedication of all of the City's staff in providing the best possible services at the lowest possible cost.

The budget continues to fund a reserve for the City's contribution to our new hospital which is now near completion. It continues to fund a significantly higher level of road improvements on a "pay as you go basis". It continues to provide snow removal at a very high level. It does not rely to any great extent on reserves and previous years' surpluses as revenue. It continues to fund the City's portion of the \$74 million major sewage infrastructure improvements, which will be paid off shortly. It covers the debt re-payment for the new Essar Centre, as well as other major works. It allows for the renewal and enhancement of our public Transit system. It provides our share of four very exciting Infrastructure Stimulus projects which are underway.

We will continue to take full advantage of Provincial/Federal government programs which have provided further opportunities for infrastructure improvement under such programs as the Federal Gas Tax Program, the Provincial Gas Tax Program, and improved roadwork grants.

Ratepayers will want to know how the budget affects them on their individual properties. This is difficult to answer without having specifics about their assessment, changes to their assessment and the classification of their property. However, as in the past we have presented the budget on the basis how it will affect "average" homeowner. The average home has increased because of assessment changes from \$108, 000 in 2009 to \$116,000 in 2010. The 2010 budget which has an increase in expenditures of 2.06%, when compared to the 2009 budget, has the

following affect for the “average” homeowner:

- **reduction** of 3.24% in tax rate
- **increase** of 3.92% in taxes paid
- **increase** of \$88.12 in taxes paid
- **increase** from \$2,243.63 to \$2,331.75

Council is reminded that if it wishes to add or subtract further items in this budget, every \$100,000 of spending represents a change in the tax rate of about .10% (\$1 million representing 1% increase).

Comparison to other Northern Ontario Cities

Last year, we presented to City Council, information on what other cities in Northern Ontario have done by way of their budgets. Though all other municipalities have certainly started their budgets, not all have completed them at this point in time with tax bylaws. We repeat below, our best information regarding tax changes for Northern Ontario cities from 2008 and 2009 information. As discussed earlier in this report, not all municipalities report the changes in their budget in the same manner. Some report a percentage which represents a change, (usually an increase to the levy). Some report the change (this year both increases and decreases) to the tax rate. Few do as we do in our community and report the increase to the average homeowner. Many simply do not make reference to assessment increases. It, therefore, makes it very difficult to compare what other municipalities have done in 2010 with their municipal taxes. Council was provided last year with a copy of the BMA Report which made comparisons amongst Ontario municipalities for the 2008 municipal taxes. The City of Sault Ste. Marie was amongst the lowest and certainly was the lowest amongst the Northern Ontario cities. As can be seen in the information which was provided in the Budget Manager's report for 2009, Sault Ste. Marie continues to enjoy the lowest taxes amongst all Northern Ontario communities and amongst all Ontario communities, our size or larger.

City	2008 Increase and Average Home Municipal Taxes(Estimated)		2009 Increase and Average Home Municipal Taxes (Estimated)	
Sudbury	5.10%	(\$2370)	4.50%	(\$2477)
Thunder Bay	2.72%	(\$2855)	2.38%	(\$2923)
North Bay	2.10%	(\$2762)	2.56%	(\$2833)
Timmins	3.94%	(\$2579)	4.69%	(\$2700)
Sault Ste. Marie	1.73%	(\$2179)	4.33%	(\$2274)

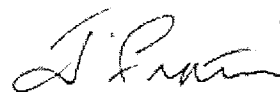
Conclusion

As can be seen from the information above, we remain **very favourable in comparison to other communities in Northern Ontario**. We continue to be very confident that the property taxes paid in Sault Ste. Marie by the average homeowner for municipal services remain **amongst the lowest in the Province for cities our size**. We are equally confident that the **level of services provided here is among the highest**.

Council and the residents of this community can continue to be proud of the infrastructure improvements that have been made over the last several years, including in areas of road improvement, policing, fire protection, drinking water safety, sewage treatment and recreational facilities. Notwithstanding the fact that the City has faced significant past challenges, it has nonetheless continued to move forward to maintain and improve our major infrastructure, as well as to provide a very good level of service to our ratepayers. **Our debt is manageable and re-payment has already been built into the existing levy. We continue to enjoy the confidence of our lenders and an improved credit rating from our bond raters.** Our current capital plans for future spending will be discussed with our bond raters later this year and we expect to continue to enjoy their full confidence.

Our 2010 budget as presented to you continues in that direction, in what staff believes to be a very responsible manner. This budget is therefore wholeheartedly recommended to City Council for its consideration and approval.

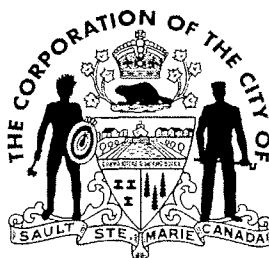
Respectfully submitted,



JMF:bb

Joe Fratesi
Chief Administrative Officer

William Freiburger, CMA
Commissioner of Finance
and Treasurer



Finance Department

2010 04 28

Mayor John Rowswell
and Members of City Council

Re: 2010 Budget

This report will highlight a number of important budget issues for 2010.

Sault Ste. Marie District Social Services Administration Board

The Sault Ste. Marie District Social Services Administration Board (DSSAB) was created in 1999 to administer Social Services, Child Care and Housing. The cost of Land Ambulance was added in 2001. The geographic area for the DSSAB consists of the City of Sault Ste. Marie, the Township of Prince and the area included in the Sault North Planning Board.

The City of Sault Ste. Marie pays 88.3% of the total DSSAB levy based on property assessment. The City provides administrative services to the DSSAB on a contract basis.

Municipalities had been responsible for 20% of the benefit costs under the Ontario Disability Support Program (ODSP). In 2010, one-half of the municipal share of ODSP or 10%, will be uploaded to the Province and in 2011 the remaining 10% will be uploaded to the Province. Also, between 2010 and 2018 the municipal share of the Ontario Works Benefits program will be gradually reduced from 20% to 0%. For 2010, the municipal share of Ontario Works will be reduced from 20% to 19.4%.

2009 DSSAB Levy	\$ 22,357,252
2010 DSSAB Levy	<u>19,680,532</u>
2010 DSSAB decrease from 2009	\$ <u>2,676,720</u>

For 2010, the Province reduced the Ontario Municipal Partnership Fund (OMPF) grant due to the uploading of ODSP and the partial uploading of the Ontario Works Benefit program.

The DSSAB costs were reduced by a comparable amount for ODSP but were offset by increased costs for income maintenance, public housing and child benefits.

Major variances in the DSSAB Levy from 2010 and 2009 are listed below and detailed in Appendix A.

ODSP Upload			\$ (3,302,420)
Program Costs			
Housing Cost increases	286,255		
Income Maintenance	(85,298)		
OW Administration (salaries)	150,671		
Other	<u>(8,986)</u>	342,642	
Surplus Reduction		<u>283,058</u>	<u>625,700</u>
Total Levy Reduction			<u>\$ (2,676,720)</u>

The DSSAB surplus was reduced from 786,130 in 2008 to 503,072 in 2009 resulting in a cost increase to the City. Our goal has been to remove surplus from the levy so we do not have to rely on surplus to maintain the levy at a constant rate.

Ontario Municipal Partnership Fund (OMPF)

On March 31, 2005 the Province announced a new support program for municipalities entitled the Ontario Municipal Partnership Fund (OMPF). This program replaced the Community Reinvestment Fund (CRF).

The OMPF grant is a support program based on property assessment values and social service costs. The OMPF grant formula was an improvement over the CRF program for Sault Ste. Marie since it compensates municipalities with lower and static assessment values.

The City received a grant increase of \$4,081,651 to \$25,529,651 in 2005 under the new OMPF formula as compared to the 2004 grant of \$21,448,000 under the CRF.

Historical Comparison of Ontario Municipal Partnership Funding

<u>Year</u>	<u>Grant</u>	<u>Increase/ (Decrease)</u>
2004	21,448,000	
2005	25,529,651	4,081,651
2006	25,941,091	411,440
2007	26,403,830	462,739
2008	28,835,600	2,431,770
2009	27,883,300	(952,300)
2010	23,813,600	(4,069,700)

The City has benefited from low property assessments as the OMPF grant provided relief for municipalities with lower than average assessment bases. This trend changed in 2009 with the 2008 reassessment that was the base for the 2009 tax year. The above reductions in 2009 and 2010 reflect the uploading of Provincial social service costs.

A detailed OMPF 2010 grant calculation is listed below for information.

Highlights of 2010 OMPF Grant for Sault Ste. Marie

2010 OMPF Allocation	\$ 23,813,600
2009 OMPF Allocation	<u>27,883,300</u>
Decrease Allocation for 2010	\$ <u>4,069,700</u>
Social Program Grant reduction	\$ 3,612,800
Equalization Grant reduction	468,700
Northern Communities Grant increase	<u>(11,800)</u>
Total decrease	\$ <u>4,069,700</u>

Assessment increase impact on OMPF reduction

Social Program Grant reduction	\$ 252,500
Equalization Grant reduction	<u>468,700</u>
Total Assessment impact on OMPF	721,200
Northern Communities Grant increase	<u>(11,800)</u>
Net Change	709,400
Social cost reduction – ODSP	<u>3,360,300</u>
Total Grant Reduction	\$ <u>4,069,700</u>

A total of \$721,200 must be added to the tax levy to compensate for reduced grants due to higher assessments and other grant changes.

Attached in Appendix B is the 2010 Provincial Allocation OMPF grant. Also attached in Appendix C is a comparison of the 2010 and 2009 grant calculation.

The reassessment increase impacted both the social program and equalization components of the OMPF grant resulting in a total reduction of \$721,200. In previous years, the City had benefited from lower average assessments as compared to other communities and received higher OMPF grants.

The Province announced the results of the Provincial–Municipal Fiscal Service Delivery Review in 2008.

The following social service uploads will occur over the next 10 years.

2009 – Upload administration costs for the Ontario Disability Support Program. This upload has been estimated at \$1,191,200 by the Province and will be offset against other changes in the OMPF grant.

2010 – Upload 10% of the total cost for the Ontario Disability Support Program. Currently, municipalities pay 20% of total program costs. In 2010, the City share will be reduced to 10%.

2010 – Begin a 9 year phase in process to upload Ontario Works benefit costs. Currently, municipalities fund 20% of the cost of Ontario Works benefits. The phase in begins in 2010 with 3% of municipal costs being uploaded and the future years are uploaded as follows;

2011 – 6%

2012 – 14%

2013 – 29%

2014 – 43%

2015 – 57%

2016 – 71%

2017 – 86%

2018 – 100%

2011 – Upload remaining 10% of the total cost of the Ontario Disability Support Program.

2012 – Begin 7 year phase in process to upload court security costs.

Impact of the Provincial–Municipal Fiscal and Service Delivery Review

Under the OMPF program, the uploading of Social Service costs to the Province are offset against our Social Service Grant resulting in a net neutral impact on our operating costs.

2010 Budget Process

The City has utilized a global budget allocation system for several years. Departments were asked to submit a 2010 budget based on the approved 2009 allocation. Additional requests are included in a list of supplementary items.

The City website was open for public input for the 2010 Budget.

Surplus included in the Budget as Revenue

We have cautioned Council on using surplus as revenue in the budget. If a surplus is not generated then cost reductions or revenue increases are required to offset the loss of this revenue the following year.

<u>Year</u>	<u>Surplus included as Revenue in the Budget</u>
1998	1,215,000
1999	1,000,000
2000	750,000
2001	500,000
2002	250,000
2003	250,000
2004	200,000
2005	0
2006	432,013
2007	530,000
2008	0
2009	500,000
2010	500,000

Our goal has been to phase out the use of surplus as a revenue source in the budget. If a surplus does occur it should be utilized for one-time expenditures such as capital projects or a contribution to reserves.

The reported surplus for 2009 is \$493,729 subject to final audit adjustments.

Staff recommends the 2009 surplus of \$493,729 be allocated to the tax levy with the purpose of phasing out the surplus in the budget over a two year period (2011 and 2012). The 2008 surplus of \$500,000 was included in the 2009 budget and Staff are proposing that this practice continue for 2010.

Contributions from Reserves included in the Budget as Revenue

As with surplus, our plan is not to use reserves as a source of revenue to balance the budget. The City does not have the reserve base to depend on reserves as a continual source of revenue.

As per our goal of not using reserves as a source of revenue, we recommend the reserve contribution for 2010 be set at \$460,000 to fund only the 2010 contribution to the Doctor Recruitment Program from the Hospital Reserve Fund.

<u>Year</u>	<u>Contributions from Reserves included as Revenue in the Budget</u>	
1997	\$ 1,210,000	
1998	1,000,000	
1999	750,000	
2000	2,394,568	
2001	500,000	
2002	500,000	
2003	500,000	
2004	375,000	
2005	125,000	
2006	120,000	(Election, planned contribution)
2007	0	
2008	470,000	(Doctor Recruitment/Cemetery)
2009	430,000	(Doctor Recruitment)
2010	640,000	(Doctor Recruitment/Election)

Long Term Debt

2009 Net Long Term Liabilities	\$ 20,440,876
2008 Net Long Term Liabilities	<u>23,376,288</u>
Net Decrease in Long Term Liabilities	\$ <u>2,935,412</u>

Total Year End Debt

2009	20,440,876
2008	23,376,288
2007	26,586,752
2006	18,329,293
2005	23,031,325
2004	26,446,776
2003	28,492,740
2002	21,075,992
2001	23,327,226
2000	25,901,858
1999	16,175,994
1998	16,955,181
1997	19,711,034
1996	22,159,369

Over the past 10 years, the average long term debt of the City was \$23,700,913.

The Sewer Diversion Program which includes the East End Sewage Treatment Plant and the Pim Street CSO tank were fully funded at December 31, 2009. No debt was required for these projects due to the use of sewer surcharge.

The City's credit rating from Standard & Poor's is attached (Appendix D) along with a Long Term Debt Projection Schedule (Appendix E).

Debt Strategy

We are maintaining our strategy of a Pay As You Go program to finance capital road reconstruction.

The 2009 capital roadway construction program will be financed by the capital levy and no debt issues are required.

The City's credit rating was upgraded in 2008 from A minus stable to A minus positive.

In 2009, the City's credit rating was upgraded from A minus positive to A stable. A 2010 credit rating review is planned for May 2010.

We have stated to our Bond Rating Agency that we would only issue debt for major capital items. Our attached Bond Rating (Appendix D) states that;

"The stable outlook reflects Standard & Poor's expectation that Sault Ste. Marie will maintain its solid financial profile through maintaining low debt levels, strong operating performance, at least average liquidity and continued support from higher levels of government. In addition, we expect that the city will continue with its progress to diversify the economy. Despite this progress, given its relatively weaker economic profile compared to other rated Canadian municipalities, a positive rating action is unlikely within the rating horizon. Conversely, significant weakening in any of the supportive elements could put downward pressure on the rating."

Staff had recommended that the \$7.1 million allocation from the Investing in Ontario Act funding be allocated to infrastructure projects and \$5.1 million of debt be issued, if required.

Local Share of Infrastructure Funding

Investing In Ontario	\$ 7.1 million
New Debt Issues	<u>5.1 million</u>
Total	\$ 12.2 million

On February 22, 2010 Council approved the construction of the West End Community Centre with the following allocation of the above infrastructure allocation.

Hub Trail & Waterfront Walkway Infrastructure Build Canada	\$ 1,700,000
Recreation Infrastructure Canada Program	700,000
West End Community Centre net cost after possible grants	<u>9,800,000</u>
Total allocation	<u>\$ 12,200,000</u>

On December 15, 2008, Council approved a request from the Sault Ste. Marie Public Utilities Commission to borrow up to \$2.5 million for short and long term purposes relating to water operations.

On October 26, 2009 this amount was increased by \$2.7 million to \$5.2 million for the PUC water utility to finance capital projects with repayment over a ten year period. The cost of the repayment will be financed from water rates. The borrowing is primarily due to the City's expanded road program and can not be financed by the PUC's annual capital allocation.

Total Debt Requirements in 2010

The City plans to issue the following debt in 2010.

City Infrastructure Projects including West End Community Centre Recreation Projects under Infrastructure Program Hub Trail under Build Canada	\$ 5,100,000
PUC Water Infrastructure	<u>5,200,000</u>
Total Debt Issue in 2010	<u>\$ 10,300,000</u>

The capital levy will include provisions for the West End Community Centre. Debt financing is estimated to be \$630,000 per year based on the issuance of \$5.1 million in debt.

No debt provisions have been made for the Historic Sites Heritage Discovery Centre as they are pursuing grants and a loan with the City for the balance of the project costs.

2009 Major Capital Projects

The following is a summary of the Sewage Diversion Project.

Sewage Diversion Project Summary

Expenses

Sewer Tank Project	\$ 8,120,181	
John Street Pumping Station	2,968,596	
Wellington Sewer Repair	89,642	
Hudson Lyons Forcemain	1,017,752	
Clark Creek Pumping Station	2,504,011	
Wellington – John/Hudson Sewer	<u>2,051,821</u>	
Total Sewer Diversion Projects – completed		\$ 16,752,003
East End Sewage Plant		53,718,162
Pim Street CSO Tank		<u>4,077,058</u>
Total Expense Sewer Diversion Project		\$ <u>74,547,223</u>

Revenues

OSTAR – Provincial 33.3% of Total	\$ 24,472,889	
OSTAR – Federal 33.3% or Original Project	<u>20,181,333</u>	\$ 44,654,222

City Funding Sources

Sewer Surcharge – Funding to December 31, 2009	26,291,473	
Apartment Sewer Reserve Fund	1,091,040	
Sewage Plant Reserve Fund	<u>2,510,488</u>	29,893,001

Total Revenue Sewer Diversion Project	\$ <u>74,547,223</u>
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The Sewer Diversion Project is completed with minor expenditures in 2010 to complete. No debt was required for this project.

COMRIF – Scada Monitoring System

Estimated Project Costs	\$ 3,680,000
COMRIF Funding	<u>(2,453,333)</u>
Net City Cost – Sewer Surcharge	1,226,667
2009 Allocation of Sewer Surcharge	<u>(646,742)</u>
Total 2010 Sewer Surcharge required to complete	\$ <u>579,925</u>

Funding from the 2010 Sewer Surcharge will complete the financing of this project.

Reserves

Reserves provide liquidity for operations along with a form of security for long term as listed in the above quote from our bond rating.

Reserve Funds – 2009 Total	\$ 25,689,149
Reserve Funds – 2008 Total	<u>23,845,689</u>
Increase in 2009	\$ <u>1,843,460</u>

Reserves – 2009 Total	\$ 20,845,352
Reserves – 2008 Total	<u>21,594,297</u>
Decrease in 2009	\$ <u>748,945</u>

Our reserves have been established for specific purposes and when these projects are completed the reserve is eliminated.

Of the \$20,845,352 in reserves, \$5,741,242 is committed for specific projects.

The largest increase in the reserve funds was attributed to the \$2.1 million contribution to the Hospital Reserve Fund. This reserve fund accounts for 77% of the total reserve funds with a balance of \$19,861,544.

In future years, the City should consider building a general purpose reserve for tax stabilization and improved liquidity.

The attached Appendix F is a statement listing the balances of our Development Charges Reserve. The City does not charge Development Charges but has balances from previous years.

Capital Budget

A 10 Year Capital Budget Forecast for 2010 to 2019 is provided for Council information. Council is not being asked to approve the Capital Budget Forecast, it is provided for the information of Council. Major projects will be presented individually to Council for approval.

The City of Sault Ste. Marie's capital budget is composed of the following components.

1. Capital from Current

A budget allocation of \$800,000 Base Allocation is provided for capital expenditures of operating departments and a listing is included in the blue pages.

2. Sanitary Sewer Surcharge

All sanitary sewer surcharge revenue is used exclusively for sanitary sewer projects.

The sanitary sewer surcharge will be utilized to finance the construction of the East End Sewage Treatment Plant, the Sewer Diversion Program and all operating and capital costs relating to sanitary sewers and sewage treatment.

2010 Sanitary Sewer Budget

Small Pumping Station & FM Upgrades	\$ 500,000
Annual Road Reconstruction Projects	1,500,000
Millenium Court laterals	170,000
Clark Creek SPS valves	500,000
Sanitary Sewer Maintenance costs in City budget - Bill 175	1,400,000
Repairs to Sewage Treatment Plants	750,000
Operating costs paid to PUC for Sewage Plants	3,600,000
Emergency Repairs	135,000
GIS operating costs	65,000
Sludge Landfill/Fee paid to the City	500,000
Biosolids Management	500,000
SCADA Project	580,000
Balance to complete 2008/2009 projects	<u>940,000</u>
Total 2010 Sewer Surcharge Revenue	\$ <u>11,140,000</u>

2009 Sanitary Sewer Budget

	<u>Budget</u>	<u>Actual</u>
Small Pumping Station Upgrades – to be completed 2010	\$ 25,000	0
Annual Road Reconstruction Projects	1,830,000	1,618,291
Sanitary Sewer Maintenance costs in City budget - Bill 175	1,265,000	1,355,667
Repairs to Sewage Treatment Plants	500,000	287,108
Operating costs paid to PUC for Sewage Plants	3,500,000	3,510,070
Summit Sanitary Sewer Repair – to be completed 2010	140,000	0
Roger Sanitary Sewer – to be completed 2010	50,000	0
Remote Flusher – to be completed in 2010	35,000	0
West End Capital Upgrade Study – to be completed in 2010	50,000	0
Haviland Crescent Sewer Repair – additional \$75,001	200,000	184,999
Sewer Diversion Project Capital Contribution	<u>3,200,000</u>	<u>2,751,304</u>
Total Sewer Surcharge Revenue	\$ <u>10,795,000</u>	9,707,439

Costs for projects 2008 approved Generators/ Queen St. Odour control	<u>123,128</u>
Sewer surcharge allocated in 2009	<u>9,830,567</u>
Estimate to complete 2008 projects	118,387
Estimate to complete 2009 – Included in 2010 Budget	<u>800,001</u>
Total to be funded in 2010	\$ <u>918,388</u>

Due to a wet summer and user conservation, the actual total sewer surcharge was \$9.8 million as compared to a budget of \$10.8 million. Revenues were about \$1 million less than estimated. There are no excess sewer surcharge revenues at December 31, 2009.

On March 22, 2010 Engineering Department provided a report for the information of Council that stated sewer surcharge revenue would be required for major future projects including upgrades to the West End Sewage Treatment Plant and a Biosolids Management Facility.

3. 2009/2010 Road Construction Program

Council approved a two year construction plan for the 2009/2010 that includes the following projects. Attached is a summary of the two year plan in Appendix G.

City Financing –	
2010 Federal Gas Tax	\$ 4,598,060
2010 Capital Levy – Overall	4,555,333
2010 Capital Levy – Urban only	<u>1,665,000</u>
Total	10,818,393
Sewer Surcharge	<u>1,500,000</u>
Total	\$ 12,318,393

Federal Gas Tax

On March 8, 2010 Council approved an agreement with the Association of Municipalities of Ontario for receipt of gas tax revenues.

The City will receive \$4,598,059.80 per year for the years 2010 to 2014.

The staff recommendation was to continue to use gas tax funding towards an enhanced level of roadwork unless otherwise directed by Council.

The 2010 allocation has been included in the City's two year road construction program for the years 2009 and 2010.

Casino Revenue – Hospital Contribution

The City receives 5% of the gross slot revenues from the Sault Ste. Marie Charity Casino.

A Council resolution passed on March 8, 1999 committed casino revenues to fund six additional Police Officers and one new Fire Prevention Officer.

On September 11, 2000, Council passed a resolution to annually contribute \$1,000,000 from casino revenue and \$1,100,000 from an additional tax levy for the construction of a new hospital facility based on the estimated cost of \$175 million. The funds are held in a Hospital Reserve Fund.

On February 11, 2002, City Council approved a Doctor Recruitment Plan with \$353,220 being allocated from casino revenue. All future casino revenue surpluses are to be allocated to a reserve for Doctor Recruitment subject to an annual review at budget time.

On July 7, 2003, Council passed a resolution to increase the City commitment to \$29.5 million with funding completed in 2014.

Summary of Casino Revenues

<u>Revenue</u>	<u>Police and Fire Costs</u>	<u>Doctor Recruitment</u>	<u>Hospital</u>	<u>Other</u>	<u>Total Revenue</u>
1999	234,563		509,101	39,568	783,232
2000	292,709		1,000,000		1,292,709
2001	258,015	353,220	1,000,000		1,611,235
2002	278,456	631,731	1,000,000	15,956	1,926,143
2003	304,774	611,161	1,000,000		1,915,935
2004	314,436	555,915	1,000,000		1,870,351
2005	334,167	242,911	1,000,000		1,577,078
2006	355,020	100,899	1,000,000		1,455,919
2007	383,643	146,564	1,000,000		1,530,207
2008	403,527	113,513	1,000,000		1,517,040
2009	423,554	48,745	1,000,000		1,472,299
Total	<u>\$ 3,582,864</u>	<u>\$ 2,804,659</u>	<u>\$ 10,509,101</u>	<u>\$ 55,524</u>	<u>\$ 16,952,148</u>

Hospital Levy

2001	\$ 1,100,000
2002	1,100,000
2003	1,100,000
2004	1,100,000
2005	1,100,000
2006	1,100,000
2007	1,100,000
2008	1,100,000
2009	<u>1,100,000</u>
Total Hospital Levy	<u>9,900,000</u>
Total Casino and Hospital Levy	\$ 20,409,101

Interest earned on Reserve to 2007	1,534,554	
Interest earned in 2007	639,939	
Interest earned in 2008	462,437	
Interest earned in 2009	<u>125,926</u>	
Total Interest Earned	2,762,856	
Allocated to 2008 Doctor Recruiting	(430,000)	
Allocated to 2009 Doctor Recruiting	<u>(56,265)</u>	<u>2,276,591</u>
Subtotal Reserve		\$ 22,685,692

Application of Hospital Donation

SAH access road 2005	(15,556)	
SAH access road 2006	(458,523)	
SAH access road 2007	(674,389)	
SAH access road 2008	(38,398)	
SAH access road 2008	<u>(10,073)</u>	
Total SAH access road	(1,196,939)	
SAH Building Permit	<u>(1,627,210)</u>	<u>(2,824,149)</u>
Reserve Total December 31, 2009		\$ <u>19,861,543</u>

The 2010 Doctor Recruitment budget is recommended to be funded from both casino proceeds and interest from the Hospital Reserve Fund.

On September 25, 2006, City Council approved a contract with Mid Canada Construction for the construction of an access road. On April 30, 2007 City Council approved the payment from the hospital reserve for the hospital building permit.

Structure of City Hospital Contribution

Casino Revenue of \$1,000,000 to the end of 2013	\$ 14,509,101
Hospital levy of \$1,100,000 to 2013 with part payment in 2014	<u>14,993,000</u>
Total Hospital Contribution	\$ <u>29,502,101</u>

At December 31, 2009, the City has accumulated \$20,409,101 or 69% of the total contribution of \$29,502,101 and expended \$2,814,076 for the access road and building permit.

Tax Capping

Municipalities rely on the Ontario Property Tax Analysis System (OPTA) for tax billing calculations and tax analysis.

In accordance with the Province's tax reform legislation, tax capping applies to properties in the commercial, industrial and multi-residential tax classes. Municipal budget impacts are allowed to flow through under the program in addition to the 10% tax protection on assessment increases.

The tax capping program is funded by those taxpayers who experience tax decreases within each tax class, which is assigned a claw-back percentage required to fund the cap. This claw-back is calculated through the provincially sponsored On-line Property Tax Analysis (OPTA) interactive internet database.

Staff recommends no changes to the 2010 tax capping options as compared to 2009.

- **Tax capping be maintained at 10%.**
- **Tax capping threshold of plus and minus \$250 be maintained to exempt those properties in this range from the tax capping formula.**
- **New construction or new to the class properties be set at 100%.**

The goal of these policies is to reduce the number of taxpayers exposed to tax capping. Our objective is to move as many taxpayers to a full current value assessment as possible and minimize the number of taxpayers that have their tax reductions clawed back due to tax capping.

Assessment

The Province of Ontario implemented a property reassessment in 2009 based on a valuation date of January 1, 2008. The assessment increases will be phased in over four years based on a 25% phase in per year.

Overall assessment increased 7.88% in 2010 based on a four year phase-in (Appendix H). Residential assessment increased by 8.49% while large industrial assessments increased by 4.19%.

2010 Assessment Increase

	<u>Growth</u>	<u>Re-Assessment</u>	<u>Total</u>
Residential/ Multi-residential	20,286,872	236,161,119	256,447,991
Commercial	9,507,948	26,325,388	35,833,336
Industrial	5,555,295	965,944	6,521,239
Other	<u>235,667</u>	<u>792,017</u>	<u>1,027,684</u>
Total	35,585,782	264,244,468	299,830,250
Percentage	12%	88%	100%

Assessment growth accounted for 12% of the 2010 assessment increase while the balance was related to the four year phase-in of assessment increases.

Of the 7.88% assessment increase, .93% relates to growth.

Based on 2009 tax rates, the growth assessment generated approximately \$987,000 of revenue as listed in Appendix I.

Net Impact of Assessment Growth

Net Assessment Growth	\$ 987,000
OMPH Assessment Reduction	<u>721,000</u>
Net Assessment Growth	\$ 266,000

Tax Policy Options – Revenue Neutral Tax Ratios

Revenue neutral tax ratios are the tax ratios that if adopted by a municipality would reverse the tax shifts caused by the reassessment. They would ensure that each property class generates or yields the same amount of tax revenue after a reassessment as it did before the reassessment.

In the 2008 reassessment, the residential class increased by 32.99%, commercial increased by 18.10% and the industrial class decreased by 3.26%. Under reassessment, increases are phased in over 4 years while decreases are applied immediately.

While the City's assessment base has increased due to reassessment, this does not result in an increase in the overall property tax revenue received.

Those properties for which the increase of assessment value is greater than the average will generally be subject to a property tax increase, while those with an increase less than the average will generally be subject to a decrease in the tax bill from the effect of reassessment.

A tax shift occurs when a property tax class experiences overall valuation increases more than another property tax class, this reallocates a greater burden of taxes from one class to another.

Municipalities are allowed to protect residential taxpayers from shifts in the tax burden by resetting the tax ratios.

Tax ratios represent the amount of taxation to be borne by each property class in relation to the residential class. The ratios reflect how the tax rate of a property class compares to the residential tax rate, with the residential class tax ratio being equal to one.

A tax ratio adjustment is required to mitigate shifts in taxation resulting from the reassessment of properties in order to restore the relative proportion of taxes collected from each property class to the level prior to reassessment.

To protect tax classes other than residential, the Province has set a range of fairness for tax ratios that once they exceed this amount, then only a maximum of 50% of the increased tax levy can be passed onto this class, transferring this tax burden to all other classes.

With the revenue neutral tax ratios, the industrial class would be subject to the above levy restriction. After review with City staff and MTE Consultants in 2009, we recommend the revenue neutral tax ratios for all classes to maximize the benefit to the residential tax class. This policy was followed in 2009 and we recommend that tax neutral ratios be continued in 2010.

The attached Appendix J and J.1 summarizes the result of using revenue neutral tax rates in 2010.

Education Tax Rates

The residential education tax rates as set by the Province were reduced from the 2009 level of .00252 to the 2010 rate of .00241.

The commercial and industrial rates have been reduced as listed in Appendix K and K.1.

The total 2009 education levy was 22,462,516 and is estimated to be reduced to 19,126,658 or 15%.

Commercial education tax levy will be reduced by approximately 25% while the large industrial sector will be reduced by 34%. These increases will not be repeated in future years.

Investment Policy

The attached Appendix L is a list of investments held at yearend 2009 as required by the City's investment policy. The investments relate to funds held in the Perpetual Care Trust Fund.

Economic Diversification Fund

A summary of the 2009 Economic Development Fund appears in Appendix M along with commitments on the 2010 EDF fund.

The 2010 budget includes an allocation of \$500,000 for a 2010 Economic Diversification Fund of which \$149,966 has been allocated resulting in a remaining balance of \$350,034 to be allocated by Council.

On August 13, 2009, Council allocated \$250,000 from previously unspent EDF funds for the Huron Central Railway project. In addition to this commitment, there still remains \$131,669.26 to be allocated from past years EDF funds.

P.U.C. Interest Payment

The City and PUC will revise the current capital structure of the PUC that will result in the continuation of revenue and interest payments to the City in the amount of \$2,540,000 per year.

Doctor Recruitment

The Doctor Recruitment Program for 2010 is estimated at the 2009 approval of \$464,850.

In 2009, the share of Casino proceeds allocated to Doctor Recruitment was \$48,745. Due to increases in other commitments of casino proceeds, staff recommends the interest on the Hospital Reserve fund the Doctor Recruitment along with any net proceeds from casino revenues.

If net casino proceeds are available, they will be allocated to finance the Doctor Recruitment program and Interest on the Hospital Reserve will fund the balance.

Staff recommends funding the Doctor Recruitment Program from the following sources.

Casino Proceeds	\$ 0
Interest on Hospital Reserve	<u>464,850</u>
Total	\$ 464,850

Staff recommends the interest from the Hospital Reserve Fund be dedicated to the Doctor Recruitment Program. The value of the unallocated interest at December 31, 2009 was \$2,276,591. The allocation of interest will generate funding for approximately 4 years at current assumptions.

The allocation of Hospital Reserve Fund interest to the Doctor Recruitment Program will not impact the hospital donation and will allow the program to be funded without a direct impact on the tax levy.

2009 Surplus

The total surplus for 2009 was \$493,729 as compared to the 2008 surplus of \$774,722. A financial summary by department is attached in Appendix N.

Summary

The submitted budget reflects a status quo delivery of municipal services with a tax rate reduction of 2.23% resulting in an average tax increase of \$112.54.

The business community will benefit from the substantial reductions in education taxes. Nearly 88% of the Commercial/Industrial Property Tax Payers will experience a tax decrease.

Staff met to reduce the tax rate and recommend the following revenue increases to generate an additional \$1 million.

1.	Interest on Taxes increase from 1% to 1.25% per month. Most municipalities use the higher rate. This is a penalty rate and can be avoided with prompt payment of taxes.	\$ 255,000
2.	Increase NSF and Tax Certificate Rates	\$ 15,000
3.	Charge the Building Division rent in the Civic Centre Centre and utilize funds in the Building Permit Fee Reserve if required. The fund balance is \$1,881,000.	\$ 100,000
4.	Set a policy that the Cemetery Division will have a zero cost on the tax levy. Profits from sale of services that are transferred to the cemetery reserve would be partially maintained in the operating budget with the goal of eliminating general taxpayers subsidizing cemetery operations.	\$ 110,000
5.	The sewer surcharge funds all costs relating to the construction, maintenance and operation of our sewage system. Sludge from the sewage plants are transferred to the landfill site free of charge. There is approximately 10,000 tonnes per year sent to the landfill free of charge. We are recommending a fee to compensate the City for the use of the landfill site.	\$ 500,000
6.	Increase marriage licence fee	\$ 8,000
7.	To be identified	<u>\$ 12,000</u>
	Total	<u>\$1,000,000</u>

With the above changes the tax rates would be reduced by 3.24% resulting in an average household increase of \$88.12.

The proposed tax rates are recommended to maintain our operations at current levels.

I would also recommend that the City avoid any new financial commitments or projects in 2010.

In 2014 our hospital commitment of \$2.1 million along with our \$1.1 million contribution to the Davey home will expire. This will provide an opportunity to address any new financial commitments.

In my opinion we have exhausted all major revenue sources to reduce the tax levy and further tax levy reductions require a reduction of services.

The City has benefited since 2004 by the formula under the Ontario Municipal Partnership Fund (OMPF). With the increase in our assessments, the Provincial formula has reduced our grants with the result that local taxpayers must carry a greater share of operating costs. Our reliance on this grant makes our financial position sensitive to changes in formulas.

The uploading of Provincial social service costs has been offset by reduced grants. We received assistance when it was required and now that the costs are eliminated, our assistance is also eliminated.

Property assessment growth has offset OMPF grant reductions.

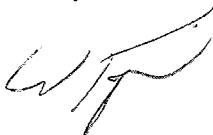
In conclusion, the tax rates including the \$1 million revenue increase be approved to maintain services at the current level.

Recommendations

Listed below is a summary of staff budget recommendations.

1. Staff recommends funding of \$464,850 for the Doctor Recruitment Program from both casino proceeds and the interest accumulated in the Hospital Reserve Fund.
2. Staff recommends no changes to the 2010 tax capping options as compared to 2009.
 - Tax capping be maintained at 10%.
 - Tax capping threshold of plus and minus \$250 be maintained to exempt those properties in this range from the tax capping formula.
 - New construction or new to the class properties be maintained at 100%.
3. Staff recommends the surplus of \$493,729 be utilized as revenue for the 2010 budget to reduce the tax levy.
4. Staff recommends the annual surplus in the DSSAB be phased out and any future City share of the surplus be paid separately to the City.
5. Staff recommends the adoption of revenue neutral tax ratios.

Respectfully submitted,



W. Freiburger, CMA
Commissioner of Finance and Treasurer

WF/kl
attachments

DSSAB BUDGET COMPARISON

City Share	2008 Budget	2007 Budget	2008/2007 Variance	2008 Budget	2009 Budget	2008/2009 Variance	2010 Budget	2009 Budget	2010/2009 Variance
Income Mtce	2,384,100	2,478,000	- 93,900	2,384,100	2,843,260	459,160	2,757,962	2,843,260	- 85,298
National Child Care Benefit	441,500	486,750	- 45,250	441,500	-	- 441,500	-	-	-
OW Administration and Program	2,368,776	2,256,985	111,791	2,368,776	2,348,559	- 20,217	2,499,230	2,348,559	150,671
OCBS	88,300	-	88,300	88,300	-	- 88,300	-	-	-
SAR	-	-	-	-	735,919	735,919	735,919	735,919	-
ODSP	7,905,349	7,721,342	184,007	7,905,349	7,019,850	- 885,499	3,717,430	7,019,850	- 3,302,420
Benefits	224,370	1,730,087	- 1,505,717	224,370	177,130	- 47,240	190,481	177,130	13,351
OW Additional Programs	70,265	67,512	2,753	70,265	71,925	1,660	40,066	71,925	- 31,859
Community Childcare Program	773,702	775,455	- 1,753	773,702	773,711	9	773,711	773,711	-
Community Childcare PE	3,113	3,120	- 7	3,113	3,113	-	3,113	3,113	-
Community Childcare Administration	166,521	166,632	- 111	166,521	166,521	-	166,521	166,521	-
Community Childcare ELCC	76,578	76,818	- 240	76,578	76,578	-	76,578	76,578	-
Community Childcare OW LEAP	38,675	38,763	- 88	38,675	38,675	-	38,675	38,675	-
Community Childcare Oth/BS UN	83,333	83,522	- 189	83,333	83,333	-	83,333	83,333	-
Land Ambulance	1,632,866	1,531,435	101,431	1,632,866	1,754,768	121,902	1,756,472	1,754,768	1,704
Land Ambulance Other	-	134,078	- 134,078	-	-	-	-	-	-
Public Housing	3,541,594	3,047,856	493,738	3,541,594	3,761,134	219,540	3,960,047	3,761,134	198,913
Housing Programs	3,240,407	3,491,082	- 250,675	3,240,407	3,133,100	- 107,307	3,220,442	3,133,100	87,342
DSSAB Executive	151,390	151,733	- 343	151,390	155,805	4,415	163,624	155,805	7,819
	<u>23,190,839</u>	<u>24,241,170</u>	<u>- 1,050,331</u>	<u>23,190,839</u>	<u>23,143,381</u>	<u>- 47,458</u>	<u>20,183,604</u>	<u>23,143,381</u>	<u>- 2,959,777</u>
Previous year surplus	- 2,701,222	- 1,787,991	- 913,231	- 2,701,222	- 786,130	1,915,092	- 503,072	- 786,130	283,058
Levy	20,489,617	22,453,179	- 1,963,562	20,489,617	22,357,251	1,867,634	19,680,532	22,357,251	- 2,676,719

**Ontario Municipal Partnership Fund (OMPF)
2010 Allocation Notice**


City of Sault Ste Marie

80101

2010 Highlights for the City of Sault Ste Marie

- The City of Sault Ste Marie will benefit from the phased upload of Ontario Disability Support Program (ODSP) and Ontario Works (OW) benefit costs commencing in 2010. This builds on the province's previous uploads of Ontario Drug Benefits (ODB) and the administration component of ODSP.
- The estimated total benefit of 2010 provincial uploads for the City is \$8,612,200.
- The City of Sault Ste Marie's 2010 combined benefit of OMPF and provincial uploads totals \$30,425,800.
- This exceeds 2004 CRF payments by \$8,977,800 and the 95% transitional assistance guarantee by \$1,426,700.

A. Sum of OMPF Grant Components	\$23,813,600
1. Social Programs Grant	
a. Assessment Threshold Component	\$8,670,700
b. Income Threshold Component	-
2. Equalization Grant	
a. Assessment Equalization Component	\$9,215,100
b. Farmland and Managed Forest Component	-
3. Northern and Rural Communities Grant	
a. Rural Communities Component	-
b. Northern Communities Component	\$7,927,800
c. Northern and Rural Social Programs Component	-
d. Stabilization Component	-
4. Police Services Grant	-
B. Transitional Assistance	-
C. Total 2010 OMPF Funding (Line A + Line B)	\$23,813,600
D. Combined Benefit of 2010 OMPF Funding Plus Social Assistance Benefits Program Uploads	\$30,425,800
1. Total 2010 OMPF Funding (Equal to Line C)	\$23,813,600
2. Ontario Drug Benefit (Uploaded in 2008)	\$1,670,700
3. Ontario Disability Support Program - Administration Component (Uploaded in 2009)	\$1,191,200
4. Ontario Disability Support Program - Benefits Component (Phased Upload Begins in 2010)	\$3,654,800
5. Ontario Works - Benefits Component (Phased Upload Begins in 2010)	\$95,500
E. Other Ongoing Provincial Support	\$3,475,100
1. 2010 Estimated Public Health Net Benefit	\$2,309,900
2. 2010 Estimated Provincial Gas Tax Revenue	\$1,165,200
F. Key OMPF Data Inputs	2010 Release
1. Total Municipal Social Program Costs	\$14,821,504
2. Households	33,735
3. Total Assessment per Household	\$154,881
4. Policing Costs per Household	\$632
5. Rural and Small Community Measure	9.6%
6. Total Household Income	\$1,986,846,840

Issued: December 2009

**Ontario Municipal Partnership Fund (OMPF)
2010 Allocation Notice**

City of Sault Ste Marie



80101

2010 OMPF Allocation Notice - Line Item Descriptions

A	Total 2010 OMPF Grant Components.
A1 to A4	The OMPF grants are described in detail in the OMPF technical guide – this document can be found on the Ministry of Finance's website at: http://www.fin.gov.on.ca/en/budget/ompf/
B	Transitional assistance guarantees that in 2010, eligible municipalities will receive a minimum of 95 per cent of the support they received through the combined benefit of OMPF and provincial uploads in 2009. Your municipality's 2010 combined benefit of the uploads and the OMPF is already high enough to exceed the guarantee threshold. As a result, your municipality does not require transitional assistance for 2010. See the enclosed Transitional Assistance Calculation Insert for further details.
C	Sum of 2010 OMPF grant components.
D1	Equal to line C.
D2	Estimated municipal benefit in 2010 of the upload of the Ontario Drug Benefit Program (incorporating 2009 cost shares). Further information will be provided with the Social Programs Cost Report.
D3	Estimated municipal benefit in 2010 of the upload of Ontario Disability Support Program Administration (incorporating 2009 cost shares). Further information will be provided with the Social Programs Cost Report.
D4	Estimated municipal benefit in 2010 of the upload of Ontario Disability Support Program Benefits (incorporating 2009 cost shares). Further information will be provided with the Social Programs Cost Report.
D5	Estimated municipal benefit in 2010 of the upload of Ontario Works Benefits (incorporating 2009 cost shares). Further information will be provided with the Social Programs Cost Report.
E1	The projected municipal benefit of the Province's 75% share of Public Health funding is relative to its 50% share in 2004. Actual municipal savings may not correspond with the Allocation Notice due to budget approvals made by the local Boards of Health. Municipalities may provide additional funding beyond their obligated cost share. This additional funding is not included in the calculation of the "Estimated Public Health Net Benefit".
E2	Estimated provincial gas tax revenue in 2010 based on the municipality's funding through the provincial gas tax program.
F1	Refers to the costs that municipalities are responsible for under existing cost-sharing arrangements with the Province. Includes municipal costs for Ontario Works, Ontario Disability Support Program Benefits, Child Care, Social Housing and the reinvestment of National Child Benefit Savings. Costs have been adjusted to reflect the phased provincial uploads of Ontario Disability Support Program and Ontario Works benefits
F3	Refers to the total assessment for a municipality weighted by the tax ratio for each class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households.
F4	Refers to the projected 2010 eligible police costs per household.
F5	Represents the proportion of a municipality's population that resides in rural areas or small communities.
F6	Refers to the total household income for all residents of the municipality.

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of \$100.

Appendix C

Ontario Municipal Partnership Grant 2009/2010 Comparison

Sault Ste. Marie

	2010	2009	Increase (Decrease)	
Social Program Grant	6,670,700	10,283,500	(3,612,800)	
Equalization Grant	9,215,100	9,683,800	(468,700)	
Northern and Rural Communities	7,927,800	7,916,000	11,800	
Grants Payable	23,813,600	27,883,300	(4,069,700)	
Total Assessment per Household	154,881	142,108	12,773	9.0%
Total Assessment	5,224,910,535	4,786,907,980	438,002,555	9.2%

Program Change Detail

Social Program Grant

Assessment per Household	154,881	142,108		9.0%
Total Households	33,735	33,685		0.1%
Assessment for calculation purposes	5,224,910,535	4,786,907,980		
Social Service costs as % of assessment	0.156%	0.165%		-5.5%
Assessment municipalities allocate to social services	8,150,860	7,898,398	252,462	
Estimated social service costs	14,821,504	18,181,867	3,360,363	
	6,670,644	10,283,469	(3,612,825)	
Round Off - Reported Provincial Social Program Grant			(3,612,800)	
ODSP net upload per DSSAB			3,740,000	
OW - Income program upload			96,600	
			3,836,600	
City share of DSSAB 88.30%			3,387,718	
Estimated Social Services reduction per OMPF				3,360,363 27,355

Equalization Grant

Assessment per Household	154,881	142,108	12,773	9.0%
Provincial average assessment per Household	213,000	202,000	11,000	5.4%
Difference in City and Provincial average assessment	58,119	59,892	(1,773)	-3.0%
Total Households	33,735	33,685		0.1%
Total Assessment subject to grant	1,960,644,465	2,017,462,020		
Divide by 10,000	196,064	201,746		
Provincial Subsidy per \$10,000 of assessment	47	48		-2.1%
Equalization Grant	9,215,029	9,683,818	(468,789)	-4.8%
Round Off - Reported Provincial Equalization Grant	9,215,100	9,683,800	(468,700)	-4.8%
Northern and Rural Communities	50 additional homes at \$235 per home		11,800	

Comparison with Other Northern Ontario Municipalities

	2010	2009	Increase (Decrease)	
Timmins	153,375	141,394	11,981	8.5%
Thunder Bay	173,812	170,148	3,664	2.2%
Greater Sudbury	185,754	164,473	21,281	12.9%
North Bay	195,853	184,447	11,406	6.2%

**STANDARD
& POOR'S**

RATINGS DIRECT

January 15, 2009

Research Update:

**City of Sault Ste. Marie Rating
Raised To 'A' From 'A-' On Low
Debt Burden; Outlook Stable**

Primary Credit Analyst:

Bhavini Patel, CFA, Toronto (1) 416-507-2558; bhavini_patel@standardandpoors.com

Secondary Credit Analyst:

Stephen Ogilvie, Toronto (1) 416-507-2524; stephen_ogilvie@standardandpoors.com

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Research Update:

City of Sault Ste. Marie Rating Raised To 'A' From 'A-' On Low Debt Burden; Outlook Stable

Rationale

On Jan. 15, 2009, Standard & Poor's Ratings Services raised its long-term issuer credit rating on City of Sault Ste. Marie, in the Province of Ontario (AA/Stable/A-1+), to 'A' from 'A-'. The outlook is stable.

The rating on Sault Ste. Marie reflects, in our view, the city's very low debt burden, a long track record of strong operating performance, and notably strong support from senior levels of government. The city's relatively limited economic diversity somewhat mitigates these strengths, in our opinion.

Sault Ste. Marie's very low debt burden bolsters its financial profile, in our view. Direct debt represented about 17.1% of operating revenue (Standard & Poor's-adjusted) at year end 2007, reflecting a moderate increase compared with year-end 2006 (12.7%). Netting off cash and liquid investments, in 2007, net debt amounted to about negative 9.2% of operating revenue. Sault Ste. Marie has maintained a near-net creditor position in the past several years. With the bulk of major capital projects complete, we expect minimal debt issuance in the near term, resulting in a steady decline in debt levels and maintenance of a modest net creditor position in the next two years.

The city has maintained a long track record of what we believe are strong budgetary performances, which has allowed it to build up reserves ahead of capital expenditures and mitigate debt issuance with pay-as-you-go financing. For the year ended Dec. 31, 2007, operating surplus represented about 16.6% of operating revenue, modestly lower than the five-year average of 16.1%. But largely inflating the five-year average is an unprecedented surplus at year-end 2006 (21.6%), largely from additional conditional operational grants from the province. On an after-capital expenditure basis, the city's operating balance represented 5.03% of total revenues at year end 2007, reflecting a modest improvement compared to the previous year at 4.2%. Standard & Poor's expects budgetary performance to remain at historical levels in the near term.

Another of Sault Ste. Marie's principal credit strengths is the strong support it receives from senior levels of government, particularly the province. The city has received about C\$20 million-C\$25 million annually in unconditional provincial grants in the past five years. Its total transfers as a percentage of total revenues stood at about 30.1% at fiscal year-end 2007, well above the average and median for Canadian municipalities. Tangible evidence can be seen in the substantial provincial government funding the city received in recent years for key capital expenditure projects such as a sewage treatment facility upgrade and a multipurpose arena.

In our opinion, mitigating these strengths are considerably limited economic diversity and prospects. Sault Ste. Marie depends highly, both in terms of employment and taxable assessment base, on the mature steel and

cyclical pulp and paper industries. Moreover, the city's relative remoteness limits its medium-term growth prospects. Nevertheless, officials have made some headway in diversifying the city's economic base. It has modestly shifted from a primarily manufacturing-based economy to a more serviced-based one, particularly in the alternative energy, tourism, education, alternative energy, and multimodal transportation sectors. In addition, we expect construction on a new regional hospital to finish soon, further enhancing the city's economic prospects.

Outlook

The stable outlook reflects Standard & Poor's expectation that Sault Ste. Marie will maintain its solid financial profile through maintaining low debt levels, strong operating performance, at least average liquidity and continued support from higher levels of government. In addition, we expect that the city will continue with its progress to diversify its economy. Despite this progress, given its relatively weaker economic profile compared to other rated Canadian municipalities, a positive rating action is unlikely within the rating horizon. Conversely, significant weakening in any of the supportive elements could put downward pressure on the rating.

Ratings List

Rating Raised

	To	From
Sault Ste. Marie (City of)		
Issuer credit rating	A/Stable/--	A-/Positive/--

Ratings information is available to subscribers of RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. It can also be found on Standard & Poor's public Web site at www.standardandpoors.com; select your preferred country or region, then Ratings in the left navigation bar, followed by Find a Rating. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4017.

The Corporation of the City of Sault Ste. Marie

Summary of Debt By Function

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Roadways	3,107,100	1,733,487	761,746	155,000	0	0	0	0	0	0	0
Recreation - John Rhodes Centre	6,469,922	5,675,995	4,860,300	4,025,619	3,276,685	3,051,257	2,807,636	2,544,351	2,259,818	1,952,320	1,620,005
Industrial Land Development - NOHFC	1,152,270	1,152,270	1,152,270	1,152,270	1,152,270	1,152,270	1,152,270	1,152,270	1,152,270	1,152,270	0
Davey Home	7,600,000	6,805,000	5,975,000	5,105,000	4,190,000	3,225,000	2,210,000	1,135,000	0	0	0
Essar Centre		11,220,000	10,626,973	10,002,988	9,346,428	8,655,593	7,928,693	7,163,847	6,359,072	5,512,285	4,621,292
										0	0
Total City Debt Issued to Date	18,329,293	26,586,752	23,376,289	20,440,876	17,965,383	16,084,120	14,098,599	11,995,468	9,771,160	8,616,875	6,241,297
PUC Water Utility Debt to Finance Water Operations \$5.2 million for 10 years						4,991,261	4,559,588	4,108,271	3,636,417	3,143,090	2,627,313
Infrastructure Program - \$5.1 million West End Centre/Hub Trail/Recreation Grant						4,895,275	4,471,904	4,029,266	3,566,486	3,082,646	2,576,788
Total Debt	18,329,293	26,586,752	23,376,289	20,440,876	17,965,383	25,970,656	23,130,091	20,133,005	16,974,063	14,842,611	11,445,398
Per Capital based on a population of 75,000	244	354	312	273	240	346	308	268	226	198	153

Notes - PUC debt and interest costs are fully recoverable from PUC water revenues.

Other Possible Debt Issues

Gateway site land purchase \$2 million

The City is currently undertaking a Environmental Assessment relating to the future disposal of waste at the landfill site due to the site limitations.

The total debt of \$20,440,876 in 2009 is composed as follows;
77% debentures, 8% Provincial/NOHFC loans and, 15% leases.

Appendix F

The Corporation of the City of Sault Ste. Marie Development Charges

December 31, 2009

	<u>Sewer Charge</u>	<u>Parkland Charge</u>	<u>Lot Severence Charge</u>	<u>Total</u>
Balance January 1, 2009	332,503.55	0.00	5,121.06	337,624.61
Development charges received	0.00	0.00	0.00	0.00
Development charges refunded or allocated to other services	0.00	0.00	0.00	0.00
Interest	2,543.86	0.00	39.18	2,583.04
Balance December 31, 2009	335,047.41	0.00	5,160.24	340,207.65

City of Sault Ste. Marie

2009/10 Capital Works Summary (two construction seasons)

PROJECTED COSTS FOR 2009/2010

April 14, 2010														
Project	2008 Capital as approved by Council*	2009 Federal Gas Tax	2009 Capital Budget*	2010 Federal Gas Tax	2010 Capital Budget*	2009/10 Sewer Surcharge (Sanitary)	2009/10 Urban Only (Storm)	Remaining Revoked C-Link grant	Municipal Infrastructure Grant MIII	COMRIF	Build Canada Funding	Total City Costs including funding	Project Budget	Variance
Shannon			\$ 1,866		\$ 1,015,512	\$ 566,538	\$ 1,461,979		\$ 1,393,266			\$ 4,439,161	\$ 5,800,000	\$ 1,360,839
McNabb/Southmarket	\$ 1,577,042	\$ 976,244	\$ -	\$ 923,756		\$ 336,189				\$ 2,920,000		\$ 6,733,231	\$ 7,250,000	\$ 516,769
Third Line Extension	\$ 1,300,000			\$ 3,308,350	\$ 1,012,307	\$ 541,165	\$ -		\$ 1,100,000		\$ 7,100,000	\$ 14,361,822	\$ 14,000,000	\$ 361,822
Connecting Link			\$ 620,721		\$ 703,500							\$ 1,324,221	\$ 1,000,000	\$ 324,221
Revoked Connecting Link - Wellington Street		\$ 2,865,009	\$ -	\$ 204,991	\$ 153,251	\$ 519,238	\$ 789,934	\$ 500,000				\$ 5,032,423	\$ 4,500,000	\$ 532,423
Sussex Road Bridge			\$ 455,120		\$ 64,880							\$ 520,000	\$ 400,000	\$ 120,000
Bennett Creek Culvert at Third Line			\$ 303,792		\$ 16,208							\$ 320,000	\$ 375,000	\$ 55,000
Bridges	\$ 400,000		\$ 930,609		\$ 845,391							\$ 2,176,000	\$ 1,700,000	\$ 476,000
Hub Trail			\$ -		\$ 1,364,369							\$ 1,364,369	\$ 1,515,000	\$ 150,631
Cultural Heritage Study (Archaeological Assessment)			\$ -		\$ 50,000							\$ 50,000	\$ 50,000	\$ -
John St (Wellington to Conmee)					Must be deferred							\$ -	\$ -	\$ -
Southmarket (Boundary to Chambers)					\$ 1,200,000	\$ 190,000	\$ 306,250					\$ 1,696,250	\$ 1,900,000	\$ 203,750
Borron Av (Fauquier to Summit)		\$ 711,970		\$ 160,962	\$ -	\$ 269,276	\$ 475,599					\$ 1,617,807	\$ 1,500,000	\$ 117,807
Pine Street (Northern to 2nd)	Must be started before Feb 2011 when EA expires													\$ -
														\$ -
Totals	\$ 3,277,042	\$ 4,553,223	\$ 2,312,108	\$ 4,598,059	\$ 6,425,418	\$ 2,422,406	\$ 3,033,762	\$ 500,000	\$ 2,493,266	\$ 2,920,000	\$ 7,100,000	\$ 39,635,284	\$ 39,990,000	\$ 354,716
2009 Actual						\$ 1,618,291	\$ 2,328,522							
2010 Est						\$ 804,115	\$ 705,240							
Notes: - This table excludes costs paid by the PUC and GST														
- Shannon includes remainder of MIII funding														
- \$1.97M storm on Third Line covered by Build Canada														
* capital budgets include the gas tax														
Tendered and underway or complete														

City of Sault Ste. Marie

Finance Department

Comparison of 2009 and 2010 Property Assessment

<u>Category</u>	<u>Assessment for 2009</u>	<u>Assessment for 2010</u>	<u>\$ Change</u>	<u>% Change</u>
Residential & Farm	2,892,327,546	3,137,790,695	245,463,149	8.49
Multi-Residential	173,304,495	184,289,337	10,984,842	6.34
Commercial - Occupied	411,383,671	422,319,203	10,935,532	2.66
Commercial - New Construction	8,973,250	24,785,801	15,812,551	176.22
Commercial - Excess Land	3,012,745	3,230,443	217,698	7.23
Commercial - Vacant Land	10,200,575	11,144,601	944,026	9.25
General Rate Only (International Bridge)	1,400,000	1,400,000	0	0.00
Shopping Centres	112,634,875	120,295,225	7,660,350	6.80
Shopping - Excess Land	0	0	0	0.00
Office Buildings	8,236,024	8,456,653	220,629	2.68
Office Bldg - Excess Land	0	0	0	0.00
Parking Lots	1,596,750	1,639,300	42,550	2.66
Industrial - Occupied	30,098,836	29,566,046	(532,790)	(1.77)
Industrial - New Construction	0	1,382,964	1,382,964	100.00
Industrial - Excess Land	431,000	415,436	(15,564)	(3.61)
Industrial - Vacant Land	2,922,973	3,224,015	301,042	10.30
Large Industrial - Occupied	126,768,233	132,084,509	5,316,276	4.19
Lg Industrial - Excess Land	2,790,302	2,859,613	69,311	2.48
Pipeline	18,639,500	19,379,327	739,827	3.97
Farmland	1,492,633	1,473,037	(19,596)	(1.31)
Managed Forests	<u>928,756</u>	<u>1,236,209</u>	<u>307,453</u>	<u>33.10</u>
	3,807,142,164	4,106,972,414	299,830,250	7.88

Assessment figures based on the Annual Returned Roll

**CITY OF SAULT STE MARIE
2009 VS 2010 COMPARATIVE TOTAL PHASED IN
ASSESSMENT**

PROPERTY CLASS	RTC/ RTQ	2009 Phased-In Assessment Roll As Returned	2009 Phased-In Assessment Roll at Year End	Growth Increase (Decrease)	Equivalent Taxes 2009 General Rates	Equivalent Taxes 2009 Urban Rates
TAXABLE						
1 - RESIDENTIAL & FARM	RT	2,892,267,296	2,915,679,655	23,412,359	\$406,955.50	\$427,376.46
FULL SHARED	RH	60,250	60,250	-	\$0.00	\$0.00
2 - MULTI-RESIDENTIAL	MT	173,304,495	170,179,008	(3,125,487)	-\$69,252.48	-\$57,053.61
3 - COMMERCIAL (OCCUPIED)	CT	409,799,796	406,029,406	(3,770,390)	-\$115,021.82	-\$120,793.61
NEW CONSTRUCTION COMMERCIAL	XT	8,973,250	24,009,698	15,036,448	\$458,711.05	\$481,729.15
EXCESS LAND	CU	3,012,745	3,011,745	(1,000)	-\$22.56	-\$22.43
VACANT LAND	CX	10,133,575	9,278,926	(854,649)	-\$19,280.83	-\$20,248.34
FULL SHARED	CH	1,583,875	1,583,875	-	\$0.00	\$0.00
TAXABLE VACANT LAND SHARED PIL	CJ	67,000	67,000	-	\$0.00	\$0.00
GENERAL RATE ONLY	CM	1,400,000	1,400,000	-	\$0.00	\$0.00
3a SHOPPING CENTRES (OCCUPIED)	ST	112,634,875	111,725,914	(908,961)	-\$29,436.51	-\$30,913.63
3b OFFICE BUILDINGS (OCCUPIED)	DT	8,236,024	8,236,024	-	\$0.00	\$0.00
3c PARKING LOTS	GT	1,596,750	1,603,250	6,500	\$146.64	\$154.00
4 - INDUSTRIAL (OCCUPIED)	IT	26,737,211	25,730,880	(1,006,331)	-\$37,628.50	-\$39,547.76
NEW CONSTRUCTION INDUSTRIAL	JT	-	1,348,946	1,348,946	\$50,439.48	\$53,012.17
EXCESS LAND	IU	431,000	408,160	(22,840)	-\$555.12	-\$583.43
VACANT LAND	IX	2,865,973	2,921,223	55,250	\$1,342.83	\$1,411.32
FULL SHARED	IH	3,361,625	3,330,625	(31,000)	-\$1,159.14	-\$1,218.27
TAXABLE VACANT LAND SHARED PIL	IJ	57,000	145,000	88,000	\$2,114.68	\$2,247.90
4a- LARGE INDUSTRIAL (OCCUPIED)	LT	126,768,233	131,921,833	5,153,600	\$274,585.30	\$288,590.67
EXCESS LAND	LU	2,790,302	2,759,972	(30,330)	-\$1,050.39	-\$1,103.97
5 - PIPELINE	PT	18,639,500	18,761,990	122,490	\$3,339.41	\$3,506.98
6 - FARMLANDS	FT	1,492,633	1,404,404	(88,229)	-\$393.09	-\$402.64
7 - MANAGED FORESTS	TT	928,756	1,130,162	201,406	\$897.32	\$919.13
TOTAL TAXABLE		3,807,142,164	3,842,727,946	35,585,782	\$924,731.79	\$987,060.12

Appendix J

Based on a \$88,038,918 Levy		2010 Starting Ratios	
		vs	
		2010 Revenue Neutral Ratios	
Tax Class	2010 Municipal Levy Starting Ratios	2010 Municipal Levy Rev Neutral Ratios	Difference
Residential	55,997,547.27	55,218,092.68	(779,454.59)
Multi-Residential	4,214,453.62	4,129,700.38	(84,753.24)
Commercial	13,325,755.55	13,549,275.76	223,520.21
Commercial-Excess Land	70,915.23	72,104.74	1,189.51
Commercial-Vacant land	221,598.23	225,315.25	3,717.02
New Commercial Constuction	780,441.53	793,532.14	13,090.61
General Rate Only	44,082.42	44,821.83	739.41
Shopping Centres	4,020,988.96	4,088,433.77	67,444.81
Office Buildings	388,912.88	395,436.20	6,523.32
Parking Lots	38,171.56	38,811.83	640.27
Industrial	1,099,476.79	1,169,311.13	69,834.34
New Industrial Construction	51,903.70	55,197.05	3,293.35
Industrial Vacant and Excess Land	88,490.15	94,107.02	5,616.87
Large Industrial	7,063,660.08	7,511,857.43	448,197.35
Large Industrial Vacant and Excess Land	99,402.81	105,710.06	6,307.25
Pipelines	521,447.68	535,703.58	14,255.90
Farm	6,338.99	6,250.78	(88.21)
Managed Forest	5,330.55	5,256.37	(74.18)
Totals	88,038,918.00	88,038,918.00	

Appendix J.1

	Tax Ratio Summary		
Tax Class	2009 Actual Tax Ratios	2010 Starting Ratios	2010 Revenue Neutral Ratios
Residential	1.000000	1.000000	1.000000
Multi-Residential	1.274723	1.274716	1.266714
Commercial	1.755061	1.755054	1.809683
Commercial-Excess Land	1.288543	1.228538	1.266778
Commercial-Vacant land	1.297885	1.297880	1.338279
New Commercial Constuction	1.755061	1.755054	1.809683
General Rate Only	1.755061	1.755054	1.809683
Shopping Centres	1.863114	1.863106	1.921098
Office Buildings	2.563355	2.563344	2.643132
Parking Lots	1.297885	1.297880	1.338279
Industrial	2.186565	2.151168	2.304900
New Industrial Construction	2.186565	2.151168	2.304900
Industrial Vacant and Excess Land	1.421267	1.398259	1.498185
Large Industrial	3.115681	3.065242	3.284298
Large Industrial Vacant and Excess Land	2.025192	1.992408	2.134795
Pipelines	1.568439	1.568431	1.634048
Farm	0.250000	0.250000	0.250000
Managed Forest	0.250000	0.250000	0.250000

Appendix K

	2009 Education Tax Levy			
	vs			
	2010 Education Tax Levy			
Tax Class	2009 Education Levy	2010 Education Levy	Difference	Percentage Change
Residential	7,288,665.00	7,562,076.00	273,411.00	3.75%
Multi-Residential	436,727.00	444,137.00	7,410.00	1.70%
Commercial	8,116,641.00	6,062,292.00	(2,054,349.00)	-25.31%
Commercial-Excess Land	41,609.00	32,337.00	(9,272.00)	-22.28%
Commercial-Vacant land	155,049.00	136,241.00	(18,808.00)	-12.13%
New Commercial Constuction	136,393.00	354,437.00	218,044.00	159.86%
General Rate Only	-	-	-	
Shopping Centres	2,229,977.00	1,720,222.00	(509,755.00)	-22.86%
Office Buildings	164,720.00	120,930.00	(43,790.00)	-26.58%
Parking Lots	24,271.00	23,442.00	(829.00)	-3.42%
Industrial	617,185.00	422,795.00	(194,390.00)	-31.50%
New Industrial Construction	-	19,776.00	19,776.00	
Industrial Vacant and Excess Land	44,704.00	33,828.00	(10,876.00)	-24.33%
Large Industrial	2,852,285.00	1,888,808.00	(963,477.00)	-33.78%
Large Industrial Vacant and Excess Land	40,808.00	26,580.00	(14,228.00)	-34.87%
Pipelines	311,957.00	277,124.00	(34,833.00)	-11.17%
Farm	940.00	888.00	(52.00)	-5.53%
Managed Forest	585.00	745.00	160.00	27.35%
Totals	22,462,516.00	19,126,658.00	(3,335,858.00)	

Appendix K.1

	2009 Education Tax Rates		
	vs		
	2010 Education Tax Rates		
	2009	2010	Percentage
Tax	Education	Education	Change
Class	Rate	Rate	
Residential	0.00252000	0.00241000	-4.37%
Multi-Residential	0.00252000	0.00241000	-4.37%
Commercial	0.01973010	0.01430000	-27.52%
Commercial-Excess Land	0.01381107	0.01001000	-27.52%
Commercial-Vacant land	0.00252000	0.00241000	-4.37%
New Commercial Constuction	0.01520000	0.01430000	-5.92%
Shopping Centres	0.01979828	0.01430000	-27.77%
Office Buildings	0.02000000	0.01430000	-28.50%
Parking Lots	0.01520000	0.01430000	-5.92%
Industrial	0.02050528	0.01430000	-30.26%
New Industrial Construction	0.01520000	0.01430000	-5.92%
Industrial Vacant and Excess Land	0.01332843	0.00929500	-30.26%
Large Industrial	0.02250000	0.01430000	-36.44%
Large Industrial Vacant and Excess Land	0.01462500	0.00929500	-36.44%
Pipelines	0.01673634	0.01430000	-14.56%
Farm	0.00252000	0.00241000	-4.37%
Managed Forest	0.00252000	0.00241000	-4.37%

**CANADIAN DOLLAR
ACCOUNT STATEMENT**

Your Account Number: 615-14269-1-0

ASSET REVIEW

(Exchange rate 1USD = 1.052 CAD as of DEC. 31, 2009)

SECURITY SYMBOL	QUANTITY/ SEGREGATED	MKT. PRICE	BOOK VALUE	MARKET VALUE
FIXED INCOME				
CPN PROVINCE OF BRITISH COLUMBIA BOOK ENTRY ONLY DUE 02/23/2010 YTM AT PURCHASE DATE 4.620%	138,779 138,779	99.940	104,403.44	\$138,695.73
RES PROVINCE OF ONTARIO BOOK ENTRY ONLY DUE 11/19/2010 YTM AT PURCHASE DATE 3.830%	148,000 148,000	99.330	132,563.60	\$147,008.40
CANADA HOUSING TRUST NO.1 CDA MTGE BOND SER-13 DUE 03/15/2011 4.050% MS 15	150,000 150,000	103.723	150,197.23	\$157,365.39 ¹
BANK OF MONTREAL ADVISORS ADVAN. GIC - ANNUAL DUE 09/20/2011 4.300%	95,000 95,000	100.000	95,000.00	\$96,141.56 ¹
RES PROVINCE OF ONTARIO DUE 12/02/2011 YTM AT PURCHASE DATE 3.820%	115,361 115,361	96.320	94,999.78	\$111,115.72
PRN CITY OF EDMONTON (THE) BK ENT STRIP GENERIC PRIN DUE 02/13/2012 YTM AT PURCHASE DATE 3.930%	83,248 83,248	95.443	67,639.00	\$79,454.39
ONTARIO SAVINGS BONDS STEP-UP ANNUAL SER 2007 4.00%, 4.20%,4.40%,4.60%,4.95% DUE 06/21/2012 4.400%	75,400 75,400	101.800	76,154.00	\$78,511.44 ¹
CPN PROVINCE OF BRITISH COLUMBIA DUE 12/18/2012 YTM AT PURCHASE DATE 4.000%	82,000 82,000	92.780	67,371.20	\$76,079.60
CPN PROVINCE OF BRITISH COLUMBIABOOK ENTRY ONLY DUE 05/19/2013 YTM AT PURCHASE DATE 4.200%	200,000 200,000	90.880	160,020.00	\$181,760.00
ONTARIO SAVINGS BOND STEPUP 2.60%-4.00% SER 2008 ANNUAL DUE 06/21/2013 2.800%	95,800 95,800	100.200	96,049.00	\$97,409.97 ¹
CPN PROVINCE OF ONTARIO BOOK ENTRY ONLY DUE 11/03/2013 YTM AT PURCHASE DATE 4.030%	121,500 121,500	89.140	91,768.95	\$108,305.10

- CONTINUED ON NEXT PAGE -



RBC
Dominion
Securities

CANADIAN DOLLAR ACCOUNT STATEMENT

**DEC. 31
2009**

Your Account Number: 615-14269-1-0

ASSET REVIEW

(Exchange rate 1USD = 1.052 CAD as of DEC. 31, 2009)

SECURITY SYMBOL	QUANTITY/ SEGREGATED	MKT. PRICE	BOOK VALUE	MARKET VALUE
CPN PROV OF BRITISH COLUMBIA DUE 11/30/2013 YTM AT PURCHASE DATE 4.260%	108,806 108,806	89.010	84,999.24	\$96,848.22
CPN PROVINCE OF ONTARIO DUE 05/03/2014 YTM AT PURCHASE DATE 4.300%	110,203 110,203	87.060	84,371.41	\$95,942.73
ONTARIO SAVINGS BONDS VARIABLE RATE ANNUAL SER 2007 DUE 06/21/2014 1.000%	75,200 75,200	99.800	75,200.00	\$75,447.24 ¹
ONTARIO SAVINGS BOND STEPUP SER 2009 ANNUAL 0.75,1.50,2.50,3.50,4.50% DUE 06/21/2014 .750%	1,118,900 1,118,900	100.000	1,118,914.79	\$1,123,328.94 ¹
ONTARIO SAVINGS BOND STEPUP SER 2009 COMPOUND 0.75,1.50,2.50,3.50,4.50% DUE 06/21/2014 .750%	350,000 350,000	100.210	350,000.00	\$350,735.00
CPN PROVINCE OF ONTARIO BOOK ENTRY ONLY DUE 12/02/2014 YTM AT PURCHASE DATE 4.710%	78,782 78,782	84.720	55,950.97	\$66,744.11
ONTARIO SAVINGS BOND VAR RATE SER 2008 ANNUAL DUE 06/21/2015 1.000%	41,600 41,600	99.800	41,600.00	\$41,736.77 ¹
CPN PROVINCE OF ONTARIO GLOBAL BOOK ENTRY DUE 08/07/2016 YTM AT PURCHASE DATE 4.030%	132,399 132,399	76.340	100,000.96	\$101,073.40
Total Value of Fixed Income			3,047,203.57	\$3,223,703.71

Northern Ontario Grow Bond

500,000.00

Appendix M

CORPORATION OF THE CITY OF SAULT STE. MARIE

ECONOMIC DIVERSIFICATION FUND 2009 (RESERVE ACCT 10-000-0000-3709)

Actual to December 31, 2009

	Date	Allocation	Projection	Actual
Total Economic Diversification Fund	2009 Budget	500,000.00	500,000.00	500,000.00
Community Development Plan (3yr project)	04/16/07	95,000.00	95,000.00	
New Airport Carrier	14-May-07	6,000.00	6,000.00	
Algoma University independence	28-Jan-08	66,667.00	66,667.00	66,667.00
Sault College \$250,000	11-May-09	83,300.00	83,300.00	
Algoma University- Algoma Games for Health (AGH)	27-Jul-09	50,000.00	50,000.00	50,000.00
Sault Ste.Marie Innovation Centre - Biofuel Co-operative	27-Jul-09	30,000.00	30,000.00	
Flin Longfellow	13-Oct-09	25,000.00	25,000.00	25,000.00
2012 CARHA Hockey World Cup	25-Jan-10	100,000.00	100,000.00	
		455,967.00	455,967.00	141,667.00
Total		44,033.00	44,033.00	358,333.00



available funds

FUTURE EDF COMMITMENTS:

		2010	2011	2012
Algoma University independence	28-Jan-08	66,666.00		
Sault College \$250000 (2009-2011)	11-May-09	83,300.00	83,300.00	
		149,966.00	83,300.00	-

The Corporation of the City of Sault Ste. Marie

Net (Revenue) Expenditures

For the year ending December 31, 2009

Page		Actual	Budget	Variance	%
A	Mayor and Council	621,418	673,985	52,567	7.8%
B	Chief Administrative Officer	319,175	322,880	3,705	1.1%
C	Human Resources	1,255,744	1,250,630	(5,114)	-0.4%
D	City Clerk	840,618	891,025	50,407	5.7%
E	Finance Department	5,447,129	6,077,213	630,084	10.4%
F	Legal Department	(233,083)	137,050	370,133	270.1%
G	Fire Services	11,338,959	11,315,275	(23,684)	-0.2%
H	Police	20,046,203	20,018,805	(27,398)	-0.1%
I	Social Services	22,405,604	22,461,255	55,651	0.2%
J	Engineering and Planning	10,800,653	10,716,510	(84,143)	-0.8%
K	Public Works & Transportation	30,688,739	28,898,362	(1,790,377)	-6.2%
L	Community Services	4,344,866	4,344,125	(741)	0.0%
M	Public Health Unit - Levy Board	1,979,377	1,979,375	(2)	0.0%
N	Outside Agencies	3,988,768	4,002,917	14,149	0.4%
O	Outside Agencies - Other	2,500,038	2,567,340	67,302	2.6%
P	Economic Development Fund	493,940	500,000	6,060	1.2%
Q	Corporate Financials	(127,299,460)	(126,276,622)	1,022,838	-0.8%
R	Capital & Debenture Levy	9,967,581	10,119,875	152,294	1.5%
S	Education Levy	(0)	-	0	0.0%
		(493,729.35)	-	493,729	

The Corporation of the City of Sault Ste. Marie

Total Revenues

For the year ending December 31, 2009

Page		Actual	Revenue Budget	Variance	%
A	Mayor and Council	(44,750)	-	-	
B	Chief Administrative Officer	(840)	-	840	
C	Human Resources	(70,984)	(27,500)	43,484	-158.1%
D	City Clerk	(66,559)	(42,730)	23,829	-55.8%
E	Finance Department	(632,675)	(406,960)	225,715	-55.5%
F	Legal Department	(2,936,696)	(2,576,700)	359,996	-14.0%
G	Fire Services	(3,765,415)	(3,638,060)	127,355	-3.5%
H	Police	(2,069,740)	(1,251,550)	818,190	-65.4%
I	Social Services	(7,556,131)	(8,198,550)	(642,419)	7.8%
J	Engineering and Planning	(1,265,478)	(839,550)	425,928	-50.7%
K	Public Works & Transportation	(12,898,824)	(11,657,385)	1,241,439	-10.6%
L	Community Services	(5,021,330)	(4,834,925)	186,405	-3.9%
M	Public Health Unit - Levy Board	-	-	-	
N	Outside Agencies	(39,183)	-	39,183	
O	Outside Agencies - Other	-	-	-	
P	Economic Development Fund	(2,669,318)	-	2,669,318	
Q	Corporate Financials	(135,620,020)	(136,288,662)	(668,642)	0.5%
R	Capital & Debenture Levy	(361,264)	(3,430,905)	(3,069,641)	89.5%
S	Education Levy	(22,674,931)	(22,462,516)	212,415	-0.9%
		(197,694,139)	(195,655,993)	1,993,396	-1.0%

The Corporation of the City of Sault Ste. Marie

Total Expenditures

For the year ending December 31, 2009

<u>Page</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
A	Mayor and Council	666,168	673,985	7,817
B	Chief Administrative Officer	320,015	322,880	2,865
C	Human Resources	1,326,728	1,278,130	(48,598)
D	City Clerk	907,177	933,755	26,578
E	Finance Department	6,079,805	6,484,173	404,368
F	Legal Department	2,703,613	2,713,750	10,137
G	Fire Services	15,104,374	14,953,335	(151,039)
H	Police	22,115,943	21,270,355	(845,588)
I	Social Services	29,961,735	30,659,805	698,070
J	Engineering and Planning	12,066,131	11,556,060	(510,071)
K	Public Works & Transportation	43,587,563	40,555,747	(3,031,816)
L	Community Services	9,366,196	9,179,050	(187,146)
M	Public Health Unit - Levy Board	1,979,377	1,979,375	(2)
N	Outside Agencies	4,027,951	4,002,917	(25,034)
O	Outside Agencies - Other	2,500,038	2,567,340	67,302
P	Economic Development Fund	3,163,259	500,000	(2,663,259)
Q	Corporate Financials	8,320,560	10,012,040	1,691,480
R	Capital & Debenture Levy	10,328,845	13,550,780	3,221,935
S	Education Levy	22,674,931	22,462,516	(212,415)
		<u>197,200,409</u>	<u>195,655,993</u>	<u>(1,544,416)</u>

City of Sault Ste Marie
CURRENT FUND
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Taxation	(\$109,284,361.34)	(\$108,866,131.00)	\$418,230.34	(0.38%)
Payment in Lieu of taxes	(4,439,667.44)	(\$4,386,395.00)	\$53,272.44	(1.21%)
Fees and user charges	(37,598,921.88)	(\$38,246,115.00)	(\$647,193.12)	1.69%
Government grants	(33,086,801.38)	(\$32,725,160.00)	\$361,641.38	(1.11%)
Investment income	(4,434,567.77)	(\$4,090,000.00)	\$344,567.77	(8.42%)
Contribution from own funds	(2,018,891.03)	(\$803,655.00)	\$1,215,236.03	(151.21%)
Other income	(6,056,205.43)	(\$5,763,815.00)	\$292,390.43	(5.07%)
Prior year surplus	(774,722.45)	(\$774,722.00)	\$0.45	0.00%
	<u>(197,694,138.72)</u>	<u>(\$195,655,993.00)</u>	<u>\$2,038,145.72</u>	<u>(1.04%)</u>
EXPENDITURES				
Salaries	62,779,737.91	\$62,157,695.00	(\$622,042.91)	(1.00%)
Benefits	14,800,908.31	\$14,415,585.00	(\$385,323.31)	(2.67%)
Travel and training	450,799.16	\$743,865.00	\$293,065.84	39.40%
Vehicle allowance, maintenance	7,689,077.33	\$7,704,686.00	\$15,608.67	0.20%
Utilities and Fuel	6,425,134.69	\$6,612,780.00	\$187,645.31	2.84%
Operating supplies and services	9,697,837.04	\$5,945,557.00	(\$3,752,280.04)	(63.11%)
Maintenance and repairs	2,092,712.96	\$1,932,105.00	(\$160,607.96)	(8.31%)
Program expenses	147,941.35	\$82,950.00	(\$64,991.35)	(78.35%)
Goods for resale	568,718.35	\$622,425.00	\$53,706.65	8.63%
Rents and leases	368,393.00	\$799,780.00	\$431,387.00	53.94%
Taxes and licenses	1,782,503.00	\$1,728,185.00	(\$54,318.00)	(3.14%)
Financial expenses	1,963,629.82	\$2,503,803.00	\$540,173.18	21.57%
Contracted services	9,470,063.24	\$9,327,079.00	(\$142,984.24)	(1.53%)
Grants to others	53,736,647.15	\$53,362,463.00	(\$374,184.15)	(0.70%)
Long term debt	10,328,845.00	\$13,550,780.00	\$3,221,935.00	23.78%
Transfer to own funds	14,302,745.06	\$13,421,595.00	(\$881,150.06)	(6.57%)
Capital expense	1,123,705.89	\$744,660.00	(\$379,045.89)	(50.90%)
Less: recoverable costs	(528,989.90)	\$0.00	\$528,989.90	0.00%
	<u>197,200,409.36</u>	<u>\$195,655,993.00</u>	<u>(\$1,544,416.36)</u>	<u>(0.79%)</u>
NET (REVENUE)/EXPENDITURE	(493,729.36)	\$0.00	\$493,729.36	0.00%

A

City of Sault Ste Marie
MAYOR & COUNCIL
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Contribution from own funds	(\$44,750.00)	\$0.00	\$44,750.00	0.00%
	<u>(44,750.00)</u>	<u>\$0.00</u>	<u>\$44,750.00</u>	<u>0.00%</u>
EXPENDITURES				
Salaries	409,065.18	\$412,525.00	\$3,459.82	0.84%
Benefits	49,274.30	\$44,585.00	(\$4,689.30)	(10.52%)
Travel and training	31,651.09	\$66,785.00	\$35,133.91	52.61%
Vehicle allowance, maintenance	30,777.48	\$32,690.00	\$1,912.52	5.85%
Operating supplies and services	55,241.89	\$61,050.00	\$5,808.11	9.51%
Maintenance and repairs		\$250.00	\$250.00	100.00%
Contracted services	8,357.60	\$6,100.00	(\$2,257.60)	(37.01%)
Grants to others	81,800.42	\$50,000.00	(\$31,800.42)	(63.60%)
	<u>666,167.96</u>	<u>\$673,985.00</u>	<u>\$7,817.04</u>	<u>1.16%</u>
NET (REVENUE)/EXPENDITURE	621,417.96	\$673,985.00	\$52,567.04	7.80%

B

City of Sault Ste Marie
CHIEF ADMIN OFFICER
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Government grants	(\$840.00)	\$0.00	\$840.00	0.00%
	<u>(\$840.00)</u>	<u>\$0.00</u>	<u>\$840.00</u>	<u>0.00%</u>
EXPENDITURES				
Salaries	251,802.06	\$253,305.00	\$1,502.94	0.59%
Benefits	49,197.34	\$41,750.00	(\$7,447.34)	(17.84%)
Travel and training	2,137.15	\$11,000.00	\$8,862.85	80.57%
Vehicle allowance, maintenance	4,015.88	\$4,160.00	\$144.12	3.46%
Operating supplies and services	12,600.21	\$11,815.00	(\$785.21)	(6.65%)
Maintenance and repairs		\$150.00	\$150.00	100.00%
Contracted services	165.88	\$200.00	\$34.12	17.06%
Capital expense	96.12	\$500.00	\$403.88	80.78%
	<u>320,014.64</u>	<u>\$322,880.00</u>	<u>\$2,865.36</u>	<u>0.89%</u>
NET (REVENUE)/EXPENDITURE	319,174.64	\$322,880.00	\$3,705.36	1.15%

C

City of Sault Ste Marie
HUMAN RESOURCES DEPARTMENT
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Government grants	(\$26,081.55)	(\$27,500.00)	(\$1,418.45)	5.16%
Contribution from own funds	(44,902.23)	\$0.00	\$44,902.23	0.00%
	<u>(70,983.78)</u>	<u>(\$27,500.00)</u>	<u>\$43,483.78</u>	<u>(158.12%)</u>
EXPENDITURES				
Salaries	582,940.98	\$591,370.00	\$8,429.02	1.43%
Benefits	383,854.46	\$442,670.00	\$58,815.54	13.29%
Travel and training	42,786.92	\$51,165.00	\$8,378.08	16.37%
Vehicle allowance, maintenance	697.38	\$1,500.00	\$802.62	53.51%
Operating supplies and services	84,310.55	\$57,940.00	(\$26,370.55)	(45.51%)
Maintenance and repairs	2,017.22	\$5,000.00	\$2,982.78	59.66%
Contracted services	222,300.35	\$116,985.00	(\$105,315.35)	(90.02%)
Capital expense	7,819.86	\$11,500.00	\$3,680.14	32.00%
	<u>1,326,727.72</u>	<u>\$1,278,130.00</u>	<u>(\$48,597.72)</u>	<u>(3.80%)</u>
NET (REVENUE)/EXPENDITURE	1,255,743.94	\$1,250,630.00	(\$5,113.94)	(0.41%)

D

City of Sault Ste Marie
CLERK'S DEPARTMENT
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$38,040.00)	(\$40,000.00)	(\$1,960.00)	4.90%
Government grants	(27,560.88)	\$0.00	\$27,560.88	0.00%
Other income	(958.60)	(\$2,730.00)	(\$1,771.40)	64.89%
	<u>(66,559.48)</u>	<u>(\$42,730.00)</u>	<u>\$23,829.48</u>	<u>(55.77%)</u>
EXPENDITURES				
Salaries	522,331.85	\$509,890.00	(\$12,441.85)	(2.44%)
Benefits	106,507.85	\$108,690.00	\$2,182.15	2.01%
Travel and training	3,673.15	\$6,120.00	\$2,446.85	39.98%
Vehicle allowance, maintenance	598.38	\$550.00	(\$48.38)	(8.80%)
Operating supplies and services	108,437.42	\$96,355.00	(\$12,082.42)	(12.54%)
Maintenance and repairs	356.30	\$1,400.00	\$1,043.70	74.55%
Goods for resale	19,200.00	\$19,200.00	\$0.00	0.00%
Rents and leases	4,845.15	\$10,000.00	\$5,154.85	51.55%
Financial expenses	682.11	\$0.00	(\$682.11)	0.00%
Contracted services	77,599.77	\$115,050.00	\$37,450.23	32.55%
Grants to others	1,851.92	\$2,000.00	\$148.08	7.40%
Transfer to own funds	60,148.08	\$60,000.00	(\$148.08)	(0.25%)
Capital expense	945.43	\$4,500.00	\$3,554.57	78.99%
	<u>907,177.41</u>	<u>\$933,755.00</u>	<u>\$26,577.59</u>	<u>2.85%</u>
NET (REVENUE)/EXPENDITURE	840,617.93	\$891,025.00	\$50,407.07	5.66%

E

City of Sault Ste Marie
FINANCE DEPARTMENT
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$292,318.34)	(\$303,625.00)	(\$11,306.66)	3.72%
Government grants	(217,582.00)	\$0.00	\$217,582.00	0.00%
Contribution from own funds	(31,251.89)	\$0.00	\$31,251.89	0.00%
Other income	(91,523.07)	(\$103,335.00)	(\$11,811.93)	11.43%
	<u>(632,675.30)</u>	<u>(\$406,960.00)</u>	<u>\$225,715.30</u>	<u>(55.46%)</u>
EXPENDITURES				
Salaries	2,640,923.57	\$2,602,685.00	(\$38,238.57)	(1.47%)
Benefits	517,351.23	\$535,930.00	\$18,578.77	3.47%
Travel and training	13,263.72	\$10,500.00	(\$2,763.72)	(26.32%)
Vehicle allowance, maintenance	787.08	\$1,625.00	\$837.92	51.56%
Operating supplies and services	245,957.94	\$244,300.00	(\$1,657.94)	(0.68%)
Maintenance and repairs	402,997.28	\$439,200.00	\$36,202.72	8.24%
Financial expenses	1,940,054.86	\$2,461,508.00	\$521,453.14	21.18%
Contracted services	114,452.32	\$71,240.00	(\$43,212.32)	(60.66%)
Transfer to own funds	50,036.84	\$0.00	(\$50,036.84)	0.00%
Capital expense	153,979.69	\$117,185.00	(\$36,794.69)	(31.40%)
	<u>6,079,804.53</u>	<u>\$6,484,173.00</u>	<u>\$404,368.47</u>	<u>6.24%</u>
NET (REVENUE)/EXPENDITURE	5,447,129.23	\$6,077,213.00	\$630,083.77	10.37%

E.1

City of Sault Ste Marie
FINANCE DEPT
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$292,318.34)	(\$303,625.00)	(\$11,306.66)	3.72%
Government grants	(217,582.00)	\$0.00	\$217,582.00	0.00%
Contribution from own funds	(28,001.89)	\$0.00	\$28,001.89	0.00%
Other income	(91,523.07)	(\$103,335.00)	(\$11,811.93)	11.43%
	<u>(629,425.30)</u>	<u>(\$406,960.00)</u>	<u>\$222,465.30</u>	<u>(54.67%)</u>
EXPENDITURES				
Salaries	2,640,923.57	\$2,602,685.00	(\$38,238.57)	(1.47%)
Benefits	517,351.23	\$535,930.00	\$18,578.77	3.47%
Travel and training	13,263.72	\$10,500.00	(\$2,763.72)	(26.32%)
Vehicle allowance, maintenance	787.08	\$1,625.00	\$837.92	51.56%
Operating supplies and services	228,134.99	\$219,300.00	(\$8,834.99)	(4.03%)
Maintenance and repairs	402,997.28	\$439,200.00	\$36,202.72	8.24%
Financial expenses	16,786.04	\$0.00	(\$16,786.04)	0.00%
Contracted services	41,507.32	\$23,240.00	(\$18,267.32)	(78.60%)
Transfer to own funds	50,036.84	\$0.00	(\$50,036.84)	0.00%
Capital expense	153,979.69	\$117,185.00	(\$36,794.69)	(31.40%)
	<u>4,065,767.76</u>	<u>\$3,949,665.00</u>	<u>(\$116,102.76)</u>	<u>(2.94%)</u>
NET (REVENUE)/EXPENDITURE	3,436,342.46	\$3,542,705.00	\$106,362.54	3.00%

E. 2

City of Sault Ste Marie
FINANCE - OTHER
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Contribution from own funds	(\$3,250.00)	\$0.00	\$3,250.00	0.00%
	<u>(3,250.00)</u>	<u>\$0.00</u>	<u>\$3,250.00</u>	<u>0.00%</u>
EXPENDITURES				
Operating supplies and services	17,822.95	\$25,000.00	\$7,177.05	28.71%
Financial expenses	1,923,268.82	\$2,461,508.00	\$538,239.18	21.87%
Contracted services	72,945.00	\$48,000.00	(\$24,945.00)	(51.97%)
	<u>2,014,036.77</u>	<u>\$2,534,508.00</u>	<u>\$520,471.23</u>	<u>20.54%</u>
NET (REVENUE)/EXPENDITURE	2,010,786.77	\$2,534,508.00	\$523,721.23	20.66%

F

City of Sault Ste Marie
LEGAL DEPARTMENT
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$2,900,234.52)	(\$2,576,700.00)	\$323,534.52	(12.56%)
Investment income	(36,267.75)	\$0.00	\$36,267.75	0.00%
Other income	(193.35)	\$0.00	\$193.35	0.00%
	<u>(2,936,695.62)</u>	<u>(\$2,576,700.00)</u>	<u>\$359,995.62</u>	<u>(13.97%)</u>
EXPENDITURES				
Salaries	732,204.92	\$684,030.00	(\$48,174.92)	(7.04%)
Benefits	115,939.83	\$125,505.00	\$9,565.17	7.62%
Travel and training	10,023.88	\$17,000.00	\$6,976.12	41.04%
Vehicle allowance, maintenance		\$2,040.00	\$2,040.00	100.00%
Operating supplies and services	47,054.08	\$82,320.00	\$35,265.92	42.84%
Maintenance and repairs	8,004.10	\$12,080.00	\$4,075.90	33.74%
Rents and leases	3,682.84	\$13,700.00	\$10,017.16	73.12%
Taxes and licenses	1,343,994.32	\$1,283,825.00	(\$60,169.32)	(4.69%)
Contracted services	245,062.25	\$210,050.00	(\$35,012.25)	(16.67%)
Transfer to own funds	194,767.66	\$276,000.00	\$81,232.34	29.43%
Capital expense	2,878.99	\$7,200.00	\$4,321.01	60.01%
	<u>2,703,612.87</u>	<u>\$2,713,750.00</u>	<u>\$10,137.13</u>	<u>0.37%</u>
NET (REVENUE)/EXPENDITURE	(233,082.75)	\$137,050.00	\$370,132.75	270.07%

F. 1

City of Sault Ste Marie
LEGAL DEPARTMENTAL
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$1,611,793.22)	(\$1,498,700.00)	\$113,093.22	(7.55%)
Other income	(193.35)	\$0.00	\$193.35	0.00%
	<u>(1,611,986.57)</u>	<u>(\$1,498,700.00)</u>	<u>\$113,286.57</u>	<u>(7.56%)</u>
EXPENDITURES				
Salaries	424,462.86	\$403,030.00	(\$21,432.86)	(5.32%)
Benefits	69,070.69	\$75,110.00	\$6,039.31	8.04%
Travel and training	4,392.55	\$4,700.00	\$307.45	6.54%
Vehicle allowance, maintenance		\$1,040.00	\$1,040.00	100.00%
Operating supplies and services	26,255.58	\$21,340.00	(\$4,915.58)	(23.03%)
Maintenance and repairs	8,004.10	\$11,430.00	\$3,425.90	29.97%
Rents and leases	(4,420.64)	\$1,000.00	\$5,420.64	542.06%
Taxes and licenses	58,903.21	\$56,200.00	(\$2,703.21)	(4.81%)
Contracted services	26,824.55	\$27,350.00	\$525.45	1.92%
Transfer to own funds	194,767.66	\$276,000.00	\$81,232.34	29.43%
Capital expense	1,884.54	\$500.00	(\$1,384.54)	(276.91%)
	<u>810,145.10</u>	<u>\$877,700.00</u>	<u>\$67,554.90</u>	<u>7.70%</u>
NET (REVENUE)/EXPENDITURE	(801,841.47)	(\$621,000.00)	\$180,841.47	(29.12%)

F. 2

City of Sault Ste Marie
LEGAL - INSURANCE
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
EXPENDITURES				
Taxes and licenses	\$1,285,091.11	\$1,227,625.00	(\$57,466.11)	(4.68%)
	1,285,091.11	\$1,227,625.00	(\$57,466.11)	(4.68%)
NET (REVENUE)/EXPENDITURE	1,285,091.11	\$1,227,625.00	(\$57,466.11)	(4.68%)

F. 3

City of Sault Ste Marie
LEGAL - PROVINCIAL OFFENCES
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$1,288,441.30)	(\$1,078,000.00)	\$210,441.30	(19.52%)
Investment income	(36,267.75)	\$0.00	\$36,267.75	0.00%
	<u>(1,324,709.05)</u>	<u>(\$1,078,000.00)</u>	<u>\$246,709.05</u>	<u>(22.89%)</u>
EXPENDITURES				
Salaries	307,742.06	\$281,000.00	(\$26,742.06)	(9.52%)
Benefits	46,869.14	\$50,395.00	\$3,525.86	7.00%
Travel and training	5,631.33	\$12,300.00	\$6,668.67	54.22%
Vehicle allowance, maintenance		\$1,000.00	\$1,000.00	100.00%
Operating supplies and services	20,798.50	\$60,980.00	\$40,181.50	65.89%
Maintenance and repairs		\$650.00	\$650.00	100.00%
Rents and leases	8,103.48	\$12,700.00	\$4,596.52	36.19%
Contracted services	218,237.70	\$182,700.00	(\$35,537.70)	(19.45%)
Capital expense	994.45	\$6,700.00	\$5,705.55	85.16%
	<u>608,376.66</u>	<u>\$608,425.00</u>	<u>\$48.34</u>	<u>0.01%</u>
NET (REVENUE)/EXPENDITURE	(716,332.39)	(\$469,575.00)	\$246,757.39	(52.55%)

G

City of Sault Ste Marie
FIRE SERVICES
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$3,763,975.01)	(\$3,638,060.00)	\$125,915.01	(3.46%)
Government grants	(840.00)	\$0.00	\$840.00	0.00%
Other income	(600.00)	\$0.00	\$600.00	0.00%
	<u>(3,765,415.01)</u>	<u>(\$3,638,060.00)</u>	<u>\$127,355.01</u>	<u>(3.50%)</u>
EXPENDITURES				
Salaries	11,082,164.85	\$11,177,500.00	\$95,335.15	0.85%
Benefits	2,555,613.11	\$2,497,505.00	(\$58,108.11)	(2.33%)
Travel and training	26,413.71	\$43,570.00	\$17,156.29	39.38%
Vehicle allowance, maintenance	211,401.91	\$138,190.00	(\$73,211.91)	(52.98%)
Utilities and Fuel	246,197.62	\$253,405.00	\$7,207.38	2.84%
Operating supplies and services	328,163.30	\$388,705.00	\$60,541.70	15.58%
Maintenance and repairs	86,642.83	\$65,840.00	(\$20,802.83)	(31.60%)
Rents and leases	2,429.04	\$2,500.00	\$70.96	2.84%
Taxes and licenses	50,717.00	\$50,750.00	\$33.00	0.07%
Contracted services	72,927.24	\$53,150.00	(\$19,777.24)	(37.21%)
Transfer to own funds	420,194.75	\$252,500.00	(\$167,694.75)	(66.41%)
Capital expense	21,508.65	\$29,720.00	\$8,211.35	27.63%
	<u>15,104,374.01</u>	<u>\$14,953,335.00</u>	<u>(\$151,039.01)</u>	<u>(1.01%)</u>
NET (REVENUE)/EXPENDITURE	11,338,959.00	\$11,315,275.00	(\$23,684.00)	(0.21%)

H

City of Sault Ste Marie
POLICE SERVICES
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$360,655.82)	(\$272,050.00)	\$88,605.82	(32.57%)
Government grants	(1,215,843.78)	(\$979,500.00)	\$236,343.78	(24.13%)
Contribution from own funds	(493,240.23)	\$0.00	\$493,240.23	0.00%
	<u>(2,069,739.83)</u>	<u>(\$1,251,550.00)</u>	<u>\$818,189.83</u>	<u>(65.37%)</u>
EXPENDITURES				
Salaries	15,398,223.67	\$15,175,835.00	(\$222,388.67)	(1.47%)
Benefits	3,174,997.39	\$2,906,930.00	(\$268,067.39)	(9.22%)
Travel and training	200,321.75	\$334,455.00	\$134,133.25	40.11%
Vehicle allowance, maintenance	565,313.74	\$598,215.00	\$32,901.26	5.50%
Utilities and Fuel	313,464.83	\$356,415.00	\$42,950.17	12.05%
Operating supplies and services	607,337.07	\$599,910.00	(\$7,427.07)	(1.24%)
Maintenance and repairs	306,526.12	\$249,825.00	(\$56,701.12)	(22.70%)
Rents and leases	82,972.46	\$115,000.00	\$32,027.54	27.85%
Taxes and licenses	30,000.00	\$30,900.00	\$900.00	2.91%
Financial expenses	463.95	\$0.00	(\$463.95)	0.00%
Contracted services	470,498.55	\$434,830.00	(\$35,668.55)	(8.20%)
Transfer to own funds	165,000.00	\$165,000.00	\$0.00	0.00%
Capital expense	800,823.42	\$303,040.00	(\$497,783.42)	(164.26%)
	<u>22,115,942.95</u>	<u>\$21,270,355.00</u>	<u>(\$845,587.95)</u>	<u>(3.98%)</u>
NET (REVENUE)/EXPENDITURE	20,046,203.12	\$20,018,805.00	(\$27,398.12)	(0.14%)

I

City of Sault Ste Marie
SOCIAL SERVICES DEPARTMENT
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$7,309,791.40)	(\$8,198,550.00)	(\$888,758.60)	10.84%
Government grants	(246,339.75)	\$0.00	\$246,339.75	0.00%
	<u>(7,556,131.15)</u>	<u>(\$8,198,550.00)</u>	<u>(\$642,418.85)</u>	<u>7.84%</u>
EXPENDITURES				
Salaries	5,356,424.14	\$5,479,915.00	\$123,490.86	2.25%
Benefits	1,322,540.85	\$1,351,695.00	\$29,154.15	2.16%
Travel and training	31,344.70	\$104,100.00	\$72,755.30	69.89%
Vehicle allowance, maintenance	37,150.60	\$39,350.00	\$2,199.40	5.59%
Utilities and Fuel	20,194.63	\$30,000.00	\$9,805.37	32.68%
Operating supplies and services	270,702.19	\$334,310.00	\$63,607.81	19.03%
Maintenance and repairs	24,397.82	\$19,100.00	(\$5,297.82)	(27.74%)
Rents and leases	254,369.49	\$635,500.00	\$381,130.51	59.97%
Financial expenses	105.00	\$0.00	(\$105.00)	0.00%
Contracted services	73,997.33	\$179,780.00	\$105,782.67	58.84%
Grants to others	22,514,148.25	\$22,357,255.00	(\$156,893.25)	(0.70%)
Transfer to own funds	23,327.53	\$0.00	(\$23,327.53)	0.00%
Capital expense	33,032.78	\$128,800.00	\$95,767.22	74.35%
	<u>29,961,735.31</u>	<u>\$30,659,805.00</u>	<u>\$698,069.69</u>	<u>2.28%</u>
NET (REVENUE)/EXPENDITURE	22,405,604.16	\$22,461,255.00	\$55,650.84	0.25%

I. 1

City of Sault Ste Marie
SOCIAL SERVICES OPERATIONS
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$95,591.16)	(\$120,995.00)	(\$25,403.84)	21.00%
Government grants	(241,299.75)	\$0.00	\$241,299.75	0.00%
	<u>(336,890.91)</u>	<u>(\$120,995.00)</u>	<u>\$215,895.91</u>	<u>(178.43%)</u>
EXPENDITURES				
Salaries	85,554.85	\$78,190.00	(\$7,364.85)	(9.42%)
Benefits	20,933.40	\$17,275.00	(\$3,658.40)	(21.18%)
Travel and training	2,828.11	\$4,500.00	\$1,671.89	37.15%
Vehicle allowance, maintenance	16.87	\$250.00	\$233.13	93.25%
Operating supplies and services	80,570.84	\$104,530.00	\$23,959.16	22.92%
Contracted services	16,355.92	\$15,250.00	(\$1,105.92)	(7.25%)
Grants to others	22,514,148.25	\$22,357,255.00	(\$156,893.25)	(0.70%)
Transfer to own funds	23,327.53	\$0.00	(\$23,327.53)	0.00%
Capital expense	9,980.08	\$5,000.00	(\$4,980.08)	(99.60%)
	<u>22,753,715.85</u>	<u>\$22,582,250.00</u>	<u>(\$171,465.85)</u>	<u>(0.76%)</u>
NET (REVENUE)/EXPENDITURE	22,416,824.94	\$22,461,255.00	\$44,430.06	0.20%

I. 2

City of Sault Ste Marie
DSSAB CONTRACTED SERVICES
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$7,214,200.24)	(\$8,077,555.00)	(\$863,354.76)	10.69%
Government grants	(5,040.00)	\$0.00	\$5,040.00	0.00%
	<u>(7,219,240.24)</u>	<u>(\$8,077,555.00)</u>	<u>(\$858,314.76)</u>	<u>10.63%</u>
EXPENDITURES				
Salaries	5,270,869.29	\$5,401,725.00	\$130,855.71	2.42%
Benefits	1,301,607.45	\$1,334,420.00	\$32,812.55	2.46%
Travel and training	28,516.59	\$99,600.00	\$71,083.41	71.37%
Vehicle allowance, maintenance	37,133.73	\$39,100.00	\$1,966.27	5.03%
Utilities and Fuel	20,194.63	\$30,000.00	\$9,805.37	32.68%
Operating supplies and services	190,131.35	\$229,780.00	\$39,648.65	17.26%
Maintenance and repairs	24,397.82	\$19,100.00	(\$5,297.82)	(27.74%)
Rents and leases	254,369.49	\$635,500.00	\$381,130.51	59.97%
Financial expenses	105.00	\$0.00	(\$105.00)	0.00%
Contracted services	57,641.41	\$164,530.00	\$106,888.59	64.97%
Capital expense	23,052.70	\$123,800.00	\$100,747.30	81.38%
	<u>7,208,019.46</u>	<u>\$8,077,555.00</u>	<u>\$869,535.54</u>	<u>10.76%</u>
NET (REVENUE)/EXPENDITURE	(11,220.78)	\$0.00	\$11,220.78	0.00%

City of Sault Ste Marie
ENGINEERING & PLANNING
For the Twelve Months Ending December 31, 2009

J

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$900,608.96)	(\$804,550.00)	\$96,058.96	(11.94%)
Government grants	(134,719.93)	(\$35,000.00)	\$99,719.93	(284.91%)
Contribution from own funds	(228,849.33)	\$0.00	\$228,849.33	0.00%
Other income	(1,300.00)	\$0.00	\$1,300.00	0.00%
	<u>(1,265,478.22)</u>	<u>(\$839,550.00)</u>	<u>\$425,928.22</u>	<u>(50.73%)</u>
EXPENDITURES				
Salaries	3,081,205.38	\$3,000,980.00	(\$80,225.38)	(2.67%)
Benefits	629,851.81	\$611,620.00	(\$18,231.81)	(2.98%)
Travel and training	37,341.31	\$38,100.00	\$758.69	1.99%
Vehicle allowance, maintenance	50,622.07	\$147,045.00	\$96,422.93	65.57%
Utilities and Fuel	2,451,279.75	\$2,400,350.00	(\$50,929.75)	(2.12%)
Operating supplies and services	163,457.06	\$168,300.00	\$4,842.94	2.88%
Maintenance and repairs	209,760.44	\$225,750.00	\$15,989.56	7.08%
Financial expenses	715.85	\$0.00	(\$715.85)	0.00%
Contracted services	4,365,805.83	\$4,890,215.00	\$524,409.17	10.72%
Grants to others	67,586.95	\$0.00	(\$67,586.95)	0.00%
Transfer to own funds	950,573.72	\$40,000.00	(\$910,573.72)	(2,276.43%)
Capital expense	57,931.07	\$33,700.00	(\$24,231.07)	(71.90%)
	<u>12,066,131.24</u>	<u>\$11,556,060.00</u>	<u>(\$510,071.24)</u>	<u>(4.41%)</u>
NET (REVENUE)/EXPENDITURE	10,800,653.02	\$10,716,510.00	(\$84,143.02)	(0.79%)

J. I

City of Sault Ste Marie
ENGINEERING
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$2,703.00)	(\$17,500.00)	(\$14,797.00)	84.55%
Government grants	(53,718.50)	(\$35,000.00)	\$18,718.50	(53.48%)
Contribution from own funds	(87,128.49)	\$0.00	\$87,128.49	0.00%
Other income	(1,000.00)	\$0.00	\$1,000.00	0.00%
	<u>(144,549.99)</u>	<u>(\$52,500.00)</u>	<u>\$92,049.99</u>	<u>(175.33%)</u>
EXPENDITURES				
Salaries	1,980,182.98	\$1,911,800.00	(\$68,382.98)	(3.58%)
Benefits	392,597.53	\$346,395.00	(\$46,202.53)	(13.34%)
Travel and training	6,720.84	\$6,500.00	(\$220.84)	(3.40%)
Vehicle allowance, maintenance	28,082.40	\$125,245.00	\$97,162.60	77.58%
Utilities and Fuel	345,255.07	\$325,705.00	(\$19,550.07)	(6.00%)
Operating supplies and services	112,600.71	\$112,385.00	(\$215.71)	(0.19%)
Maintenance and repairs	209,760.44	\$225,300.00	\$15,539.56	6.90%
Contracted services	552,453.08	\$416,315.00	(\$136,138.08)	(32.70%)
Transfer to own funds	105,573.72	\$40,000.00	(\$65,573.72)	(163.93%)
Capital expense	20,626.07	\$30,500.00	\$9,873.93	32.37%
	<u>3,753,852.84</u>	<u>\$3,540,145.00</u>	<u>(\$213,707.84)</u>	<u>(6.04%)</u>
NET (REVENUE)/EXPENDITURE	3,609,302.85	\$3,487,645.00	(\$121,657.85)	(3.49%)

J. 2

City of Sault Ste Marie
BUILDING PERMIT/INSPECTION
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$844,372.77)	(\$731,550.00)	\$112,822.77	(15.42%)
Contribution from own funds	(12,607.90)	\$0.00	\$12,607.90	0.00%
	<u>(856,980.67)</u>	<u>(\$731,550.00)</u>	<u>\$125,430.67</u>	<u>(17.15%)</u>
EXPENDITURES				
Salaries	654,088.01	\$645,605.00	(\$8,483.01)	(1.31%)
Benefits	140,174.56	\$148,745.00	\$8,570.44	5.76%
Travel and training	21,108.60	\$21,600.00	\$491.40	2.28%
Vehicle allowance, maintenance	22,184.39	\$21,000.00	(\$1,184.39)	(5.64%)
Operating supplies and services	30,170.04	\$32,520.00	\$2,349.96	7.23%
Financial expenses	715.85	\$0.00	(\$715.85)	0.00%
Capital expense	37,305.00	\$2,000.00	(\$35,305.00)	(1,765.25%)
	<u>905,746.45</u>	<u>\$871,470.00</u>	<u>(\$34,276.45)</u>	<u>(3.93%)</u>
NET (REVENUE)/EXPENDITURE	48,765.78	\$139,920.00	\$91,154.22	65.15%

J. 3

City of Sault Ste Marie
PLANNING
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$53,533.19)	(\$55,500.00)	(\$1,966.81)	3.54%
Government grants	(81,001.43)	\$0.00	\$81,001.43	0.00%
Contribution from own funds	(38,845.45)	\$0.00	\$38,845.45	0.00%
Other income	(300.00)	\$0.00	\$300.00	0.00%
	<u>(173,680.07)</u>	<u>(\$55,500.00)</u>	<u>\$118,180.07</u>	<u>(212.94%)</u>
EXPENDITURES				
Salaries	440,571.42	\$443,575.00	\$3,003.58	0.68%
Benefits	97,079.72	\$116,480.00	\$19,400.28	16.66%
Travel and training	9,511.87	\$10,000.00	\$488.13	4.88%
Vehicle allowance, maintenance	355.28	\$800.00	\$444.72	55.59%
Operating supplies and services	20,334.28	\$23,395.00	\$3,060.72	13.08%
Maintenance and repairs		\$450.00	\$450.00	100.00%
Contracted services	51,316.13	\$23,900.00	(\$27,416.13)	(114.71%)
Grants to others	67,586.95	\$0.00	(\$67,586.95)	0.00%
Capital expense		\$1,200.00	\$1,200.00	100.00%
	<u>686,755.65</u>	<u>\$619,800.00</u>	<u>(\$66,955.65)</u>	<u>(10.80%)</u>
NET (REVENUE)/EXPENDITURE	513,075.58	\$564,300.00	\$51,224.42	9.08%

City of Sault Ste Marie
ENGINEERING - OTHER
For the Twelve Months Ending December 31, 2009

J. 4

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Contribution from own funds	(\$90,267.49)	\$0.00	\$90,267.49	0.00%
	<u>(90,267.49)</u>	<u>\$0.00</u>	<u>\$90,267.49</u>	<u>0.00%</u>
EXPENDITURES				
Salaries	6,362.97	\$0.00	(\$6,362.97)	0.00%
Utilities and Fuel	2,106,024.68	\$2,074,645.00	(\$31,379.68)	(1.51%)
Operating supplies and services	352.03	\$0.00	(\$352.03)	0.00%
Contracted services	3,762,036.62	\$4,450,000.00	\$687,963.38	15.46%
Transfer to own funds	845,000.00	\$0.00	(\$845,000.00)	0.00%
	<u>6,719,776.30</u>	<u>\$6,524,645.00</u>	<u>(\$195,131.30)</u>	<u>(2.99%)</u>
NET (REVENUE)/EXPENDITURE	6,629,508.81	\$6,524,645.00	(\$104,863.81)	(1.61%)

K

City of Sault Ste Marie
PUBLIC WORKS & TRANSPORTATION
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$7,111,323.23)	(\$6,245,235.00)	\$866,088.23	(13.87%)
Government grants	(1,193,263.00)	(\$1,200,000.00)	(\$6,737.00)	0.56%
Contribution from own funds	(204,690.48)	(\$190,000.00)	\$14,690.48	(7.73%)
Other income	(4,389,547.75)	(\$4,022,150.00)	\$367,397.75	(9.13%)
	<u>(12,898,824.46)</u>	<u>(\$11,657,385.00)</u>	<u>\$1,241,439.46</u>	<u>(10.65%)</u>
EXPENDITURES				
Salaries	17,803,336.59	\$17,240,455.00	(\$562,881.59)	(3.26%)
Benefits	4,911,637.26	\$4,733,205.00	(\$178,432.26)	(3.77%)
Travel and training	38,624.29	\$44,670.00	\$6,045.71	13.53%
Vehicle allowance, maintenance and i	6,784,952.18	\$6,732,306.00	(\$52,646.18)	(0.78%)
Utilities and Fuel	2,201,007.27	\$2,400,325.00	\$199,317.73	8.30%
Operating supplies and services	4,429,412.71	\$2,834,842.00	(\$1,594,570.71)	(56.25%)
Maintenance and repairs	325,072.05	\$308,710.00	(\$16,362.05)	(5.30%)
Goods for resale		\$1,200.00	\$1,200.00	100.00%
Rents and leases	7,200.00	\$7,200.00		
Taxes and licenses	356,504.68	\$361,385.00	\$4,880.32	1.35%
Financial expenses	5,849.56	\$1,000.00	(\$4,849.56)	(484.96%)
Contracted services	3,629,826.77	\$3,056,759.00	(\$573,067.77)	(18.75%)
Transfer to own funds	3,573,446.73	\$2,775,395.00	(\$798,051.73)	(28.75%)
Capital expense	49,683.30	\$58,295.00	\$8,611.70	14.77%
Less: recoverable costs	(528,989.90)		\$528,989.90	
	<u>43,587,563.49</u>	<u>\$40,555,747.00</u>	<u>(\$3,031,816.49)</u>	<u>(7.48%)</u>
NET (REVENUE)/EXPENDITURE	30,688,739.03	\$28,898,362.00	(\$1,790,377.03)	(6.20%)

Summary of Major Variances

Transit Revenues	(245,826)
Transit Reserve Transfer not Included in 2009 Budget	(343,056)
Parks Operations	(122,973)
Parking Operations	209,560
Wages Benefits - PWT, Waste	(650,974)
Waste Disposal Revenues/Fees	412,735
Other Items	(183,579)
Supplies/Fuels	<u>(866,264)</u>
Total	(1,790,377)

The budget allocation between the Administration and Operations must be revised.

K.1

City of Sault Ste Marie
OPERATIONS DIVISION
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$58,686.47)	(\$67,800.00)	(\$9,113.53)	13.44%
	<u>(\$58,686.47)</u>	<u>(\$67,800.00)</u>	<u>(\$9,113.53)</u>	<u>13.44%</u>
EXPENDITURES				
Salaries	3,525,500.89	\$4,447,345.00	\$921,844.11	20.73%
Benefits	(25.69)		\$25.69	
Vehicle allowance, maintenance and	3,520,142.15	\$3,336,846.00	(\$183,296.15)	(5.49%)
Operating supplies and services	2,449,438.86	\$1,855,490.00	(\$593,948.86)	(32.01%)
Contracted services	519,713.40	\$236,349.00	(\$283,364.40)	(119.89%)
Capital expense	10,259.46		(\$10,259.46)	
Less: recoverable costs	(193,493.79)		\$193,493.79	
	<u>9,831,535.28</u>	<u>\$9,876,030.00</u>	<u>\$44,494.72</u>	<u>0.45%</u>
NET (REVENUE)/EXPENDITURE	9,772,848.81	\$9,808,230.00	\$35,381.19	0.36%

Summary	Roadways	(62,179.76)
	Offroadways	27,260.82
	Sidewalks	122,504.52
	Winter Control	(65,681.25)
	Sanitary Sewers	(25,252.27)
	Storm Sewers	<u>38,729.13</u>
		35,381.19

Notes:

The City is revising the method of allocating salaries, benefits and equipment. Past practice was to allocate wages past on a calculated average. We are now allocating on actuals. We are in the process of revising the allocation of budget funds within public works based on actual costs. There are major salary variances between administration and operations that will be revised in 2010

City of Sault Ste Marie
WINTER CONTROL
For the Twelve Months Ending December 31, 2009

K. J. J.

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$46,752.07)	(\$50,000.00)	(\$3,247.93)	6.50%
	<u>(46,752.07)</u>	<u>(\$50,000.00)</u>	<u>(\$3,247.93)</u>	<u>6.50%</u>
EXPENDITURES				
Salaries	1,675,468.80	\$1,859,450.00	\$183,981.20	9.89%
Benefits	(3.79)	\$0.00	\$3.79	0.00%
Vehicle allowance, maintenance	2,077,992.93	\$2,055,646.00	(\$22,346.93)	(1.09%)
Operating supplies and services	1,052,138.57	\$845,037.00	(\$207,101.57)	(24.51%)
Contracted services	222,306.52	\$14,249.00	(\$208,057.52)	(1,460.16%)
Capital expense	2,406.08	\$0.00	(\$2,406.08)	0.00%
Less: recoverable costs	(193,493.79)	\$0.00	\$193,493.79	0.00%
	<u>4,836,815.32</u>	<u>\$4,774,382.00</u>	<u>(\$62,433.32)</u>	<u>(1.31%)</u>
NET (REVENUE)/EXPENDITURE	4,790,063.25	\$4,724,382.00	(\$65,681.25)	(1.39%)

K.2

City of Sault Ste Marie
TRANSIT
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$2,351,250.32)	(\$2,585,720.00)	(\$234,469.68)	9.07%
Government grants	(1,166,243.00)	(\$1,200,000.00)	(\$33,757.00)	2.81%
Contribution from own funds	(20,007.34)		\$20,007.34	
Other income	(4,393.18)	(\$2,000.00)	\$2,393.18	(119.66%)
	<u>(3,541,893.84)</u>	<u>(\$3,787,720.00)</u>	<u>(\$245,826.16)</u>	<u>6.49%</u>
EXPENDITURES				
Salaries	4,254,287.16	\$4,308,000.00	\$53,712.84	1.25%
Benefits	1,421,440.93	\$1,418,790.00	(\$2,650.93)	(0.19%)
Travel and training	10,234.24	\$28,550.00	\$18,315.76	64.15%
Vehicle allowance, maintenance and i	417,410.47	\$699,745.00	\$282,334.53	40.35%
Utilities and Fuel	1,103,393.27	\$1,140,895.00	\$37,501.73	3.29%
Operating supplies and services	525,863.26	\$136,385.00	(\$389,478.26)	(285.57%)
Maintenance and repairs	190,476.46	\$173,900.00	(\$16,576.46)	(9.53%)
Goods for resale		\$1,200.00	\$1,200.00	100.00%
Taxes and licenses	224,685.64	\$253,895.00	\$29,209.36	11.50%
Financial expenses	2,691.10		(\$2,691.10)	
Contracted services	191,291.91	\$179,770.00	(\$11,521.91)	(6.41%)
Transfer to own funds	366,800.34		(\$366,800.34)	
Capital expense	7,352.51	\$16,895.00	\$9,542.49	56.48%
	<u>8,715,927.29</u>	<u>\$8,358,025.00</u>	<u>(\$357,902.29)</u>	<u>(4.28%)</u>
NET (REVENUE)/EXPENDITURE	5,174,033.45	\$4,570,305.00	(\$603,728.45)	(13.21%)
Summary				
	Revenue less than budget		(234,469.68)	
	Transfer of Provincial Gas Tax Revenue not included in 2009 Budget		(343,055.00)	
	Corrected in 2010			
	Other		<u>(26,203.77)</u>	
			<u><u>(603,728.45)</u></u>	

City of Sault Ste Marie
TRAFFIC & COMMUNICATIONS
For the Twelve Months Ending December 31, 2009

K. 3

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Other income	(\$97,256.31)	\$0.00	\$97,256.31	0.00%
	<u>(97,256.31)</u>	<u>\$0.00</u>	<u>\$97,256.31</u>	<u>0.00%</u>
EXPENDITURES				
Salaries	689,675.04	\$574,185.00	(\$115,490.04)	(20.11%)
Benefits	1,043.81	\$0.00	(\$1,043.81)	0.00%
Travel and training	1,568.43	\$0.00	(\$1,568.43)	0.00%
Vehicle allowance, maintenance	122,171.10	\$121,995.00	(\$176.10)	(0.14%)
Utilities and Fuel	30,880.93	\$127,650.00	\$96,769.07	75.81%
Operating supplies and services	339,596.27	\$277,381.00	(\$62,215.27)	(22.43%)
Contracted services	188,757.93	\$85,000.00	(\$103,757.93)	(122.07%)
Capital expense	4,380.13	\$0.00	(\$4,380.13)	0.00%
Less: recoverable costs	(149.92)	\$0.00	\$149.92	0.00%
	<u>1,377,923.72</u>	<u>\$1,186,211.00</u>	<u>(\$191,712.72)</u>	<u>(16.16%)</u>
NET (REVENUE)/EXPENDITURE	1,280,667.41	\$1,186,211.00	(\$94,456.41)	(7.96%)

City of Sault Ste Marie
BUILDINGS & EQUIPMENT
For the Twelve Months Ending December 31, 2009

K.4

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Contribution from own funds	(\$32,733.81)	\$0.00	\$32,733.81	0.00%
Other income	(4,197,928.07)	(\$4,003,650.00)	\$194,278.07	(4.85%)
	<u>(4,230,661.88)</u>	<u>(\$4,003,650.00)</u>	<u>\$227,011.88</u>	<u>(5.67%)</u>
EXPENDITURES				
Salaries	816,328.91	\$1,289,335.00	\$473,006.09	36.69%
Benefits	445.51	\$0.00	(\$445.51)	0.00%
Vehicle allowance, maintenance	1,492,257.28	\$1,285,760.00	(\$206,497.28)	(16.06%)
Utilities and Fuel	804,301.14	\$928,135.00	\$123,833.86	13.34%
Operating supplies and services	348,589.07	\$108,100.00	(\$240,489.07)	(222.47%)
Taxes and licenses	20.00	\$0.00	(\$20.00)	0.00%
Contracted services	143,116.11	\$89,810.00	(\$53,306.11)	(59.35%)
Transfer to own funds	1,337,000.48	\$1,334,830.00	(\$2,170.48)	(0.16%)
Capital expense	24,145.94	\$34,400.00	\$10,254.06	29.81%
Less: recoverable costs	(25,000.00)	\$0.00	\$25,000.00	0.00%
	<u>4,941,204.44</u>	<u>\$5,070,370.00</u>	<u>\$129,165.56</u>	<u>2.55%</u>
NET (REVENUE)/EXPENDITURE	710,542.56	\$1,066,720.00	\$356,177.44	33.39%

City of Sault Ste Marie
WASTE MANAGEMENT
For the Twelve Months Ending December 31, 2009

K.5

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$3,211,355.38)	(\$2,550,000.00)	\$661,355.38	(25.94%)
Government grants	(1,330.00)	\$0.00	\$1,330.00	0.00%
Contribution from own funds	(40,000.00)	\$0.00	\$40,000.00	0.00%
Other income	(53,815.08)	\$0.00	\$53,815.08	0.00%
	<u>(3,306,500.46)</u>	<u>(\$2,550,000.00)</u>	<u>\$756,500.46</u>	<u>(29.67%)</u>
EXPENDITURES				
Salaries	978,680.89	\$803,750.00	(\$174,930.89)	(21.76%)
Benefits	33,428.92	\$160,250.00	\$126,821.08	79.14%
Vehicle allowance, maintenance	637,236.02	\$650,120.00	\$12,883.98	1.98%
Utilities and Fuel	101,948.39	\$40,650.00	(\$61,298.39)	(150.80%)
Operating supplies and services	95,778.83	\$35,840.00	(\$59,938.83)	(167.24%)
Maintenance and repairs	37,028.86	\$0.00	(\$37,028.86)	0.00%
Taxes and licenses	86,846.71	\$58,300.00	(\$28,546.71)	(48.97%)
Financial expenses	1,665.89	\$0.00	(\$1,665.89)	0.00%
Contracted services	2,353,826.17	\$2,293,630.00	(\$60,196.17)	(2.62%)
Transfer to own funds	1,517,916.61	\$1,440,565.00	(\$77,351.61)	(5.37%)
Capital expense	1,654.66	\$2,000.00	\$345.34	17.27%
	<u>5,846,011.95</u>	<u>\$5,485,105.00</u>	<u>(\$360,906.95)</u>	<u>(6.58%)</u>
NET (REVENUE)/EXPENDITURE	2,539,511.49	\$2,935,105.00	\$395,593.51	13.48%

City of Sault Ste Marie
PARKS OPERATIONS
For the Twelve Months Ending December 31, 2009

K. 6

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Government grants	(\$14,770.00)	\$0.00	\$14,770.00	0.00%
Contribution from own funds	(3,475.10)	\$0.00	\$3,475.10	0.00%
Other income	(10,858.37)	\$0.00	\$10,858.37	0.00%
	<u>(29,103.47)</u>	<u>\$0.00</u>	<u>\$29,103.47</u>	<u>0.00%</u>
EXPENDITURES				
Salaries	1,754,796.24	\$1,628,810.00	(\$125,986.24)	(7.73%)
Benefits	550,337.68	\$476,850.00	(\$73,487.68)	(15.41%)
Travel and training	10,435.82	\$1,570.00	(\$8,865.82)	(564.70%)
Vehicle allowance, maintenance	336,655.67	\$305,750.00	(\$30,905.67)	(10.11%)
Utilities and Fuel	58,225.66	\$64,765.00	\$6,539.34	10.10%
Operating supplies and services	389,846.52	\$240,485.00	(\$149,361.52)	(62.11%)
Taxes and licenses	517.57	\$1,600.00	\$1,082.43	67.65%
Contracted services	204,038.33	\$128,400.00	(\$75,638.33)	(58.91%)
Transfer to own funds	5,800.00	\$0.00	(\$5,800.00)	0.00%
Less: recoverable costs	<u>(310,346.19)</u>	<u>\$0.00</u>	<u>\$310,346.19</u>	<u>0.00%</u>
	<u>3,000,307.30</u>	<u>\$2,848,230.00</u>	<u>(\$152,077.30)</u>	<u>(5.34%)</u>
NET (REVENUE)/EXPENDITURE	2,971,203.83	\$2,848,230.00	(\$122,973.83)	(4.32%)

K. 7

City of Sault Ste Marie
CEMETERY OPERATIONS
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$1,083,231.40)	(\$722,550.00)	\$360,681.40	(49.92%)
Government grants	(9,240.00)	\$0.00	\$9,240.00	0.00%
Contribution from own funds	(108,474.23)	(\$190,000.00)	(\$81,525.77)	42.91%
	<u>(1,200,945.63)</u>	<u>(\$912,550.00)</u>	<u>\$288,395.63</u>	<u>(31.60%)</u>
EXPENDITURES				
Salaries	595,836.52	\$574,725.00	(\$21,111.52)	(3.67%)
Benefits	123,899.15	\$124,565.00	\$665.85	0.53%
Travel and training		\$1,000.00	\$1,000.00	100.00%
Vehicle allowance, maintenance	194,045.30	\$202,400.00	\$8,354.70	4.13%
Utilities and Fuel	85,613.79	\$79,500.00	(\$6,113.79)	(7.69%)
Operating supplies and services	38,484.67	\$35,395.00	(\$3,089.67)	(8.73%)
Maintenance and repairs		\$2,000.00	\$2,000.00	100.00%
Financial expenses	1,492.57	\$1,000.00	(\$492.57)	(49.26%)
Contracted services	12,242.49	\$26,450.00	\$14,207.51	53.71%
Transfer to own funds	295,708.00	\$0.00	(\$295,708.00)	0.00%
Capital expense	703.68	\$0.00	(\$703.68)	0.00%
	<u>1,348,026.17</u>	<u>\$1,047,035.00</u>	<u>(\$300,991.17)</u>	<u>(28.75%)</u>
NET (REVENUE)/EXPENDITURE	147,080.54	\$134,485.00	(\$12,595.54)	(9.37%)

K. 8

City of Sault Ste Marie
SCHOOL GUARDS
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
EXPENDITURES				
Salaries	\$223,497.12	\$235,520.00	\$12,022.88	5.10%
Benefits	16,866.52	\$16,340.00	(\$526.52)	(3.22%)
Travel and training	1,235.79	\$1,800.00	\$564.21	31.35%
Vehicle allowance, maintenance		\$900.00	\$900.00	100.00%
Operating supplies and services	1,292.64	\$0.00	(\$1,292.64)	0.00%
	<u>242,892.07</u>	<u>\$254,560.00</u>	<u>\$11,667.93</u>	<u>4.58%</u>
NET (REVENUE)/EXPENDITURE	242,892.07	\$254,560.00	\$11,667.93	4.58%

K. 9

City of Sault Ste Marie
PARKING
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$406,799.66)	(\$319,165.00)	\$87,634.66	(27.46%)
	<u>(406,799.66)</u>	<u>(\$319,165.00)</u>	<u>\$87,634.66</u>	<u>(27.46%)</u>
EXPENDITURES				
Salaries	338,864.14	\$406,490.00	\$67,625.86	16.64%
Benefits	51,843.03	\$62,735.00	\$10,891.97	17.36%
Travel and training	1,437.16	\$1,200.00	(\$237.16)	(19.76%)
Vehicle allowance, maintenance	22.38	\$5,270.00	\$5,247.62	99.58%
Utilities and Fuel	15,605.39	\$18,730.00	\$3,124.61	16.68%
Operating supplies and services	11,586.25	\$7,290.00	(\$4,296.25)	(58.93%)
Maintenance and repairs	97,566.73	\$132,810.00	\$35,243.27	26.54%
Rents and leases	7,200.00	\$7,200.00	\$0.00	0.00%
Taxes and licenses	44,434.76	\$47,590.00	\$3,155.24	6.63%
Contracted services	11,418.18	\$12,350.00	\$931.82	7.55%
Transfer to own funds	3,761.28	\$0.00	(\$3,761.28)	0.00%
Capital expense		\$4,000.00	\$4,000.00	100.00%
	<u>583,739.30</u>	<u>\$705,665.00</u>	<u>\$121,925.70</u>	<u>17.28%</u>
NET (REVENUE)/EXPENDITURE	176,939.64	\$386,500.00	\$209,560.36	54.22%

L

City of Sault Ste Marie
COMMUNITY SERVICES DEPARTMENT
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$4,570,197.41)	(\$4,642,345.00)	(\$72,147.59)	1.55%
Government grants	(310,460.43)	(\$176,980.00)	\$133,480.43	(75.42%)
Contribution from own funds	(35,024.28)	\$0.00	\$35,024.28	0.00%
Other income	(105,647.64)	(\$15,600.00)	\$90,047.64	(577.23%)
	<u>(5,021,329.76)</u>	<u>(\$4,834,925.00)</u>	<u>\$186,404.76</u>	<u>(3.86%)</u>
EXPENDITURES				
Salaries	4,918,786.28	\$5,028,505.00	\$109,718.72	2.18%
Benefits	863,759.67	\$910,860.00	\$47,100.33	5.17%
Travel and training	13,217.49	\$16,400.00	\$3,182.51	19.41%
Vehicle allowance, maintenance	2,760.63	\$7,015.00	\$4,254.37	60.65%
Utilities and Fuel	1,192,990.59	\$1,172,285.00	(\$20,705.59)	(1.77%)
Operating supplies and services	496,660.76	\$433,460.00	(\$63,200.76)	(14.58%)
Maintenance and repairs	726,938.80	\$604,800.00	(\$122,138.80)	(20.19%)
Program expenses	147,941.35	\$82,950.00	(\$64,991.35)	(78.35%)
Goods for resale	549,518.35	\$602,025.00	\$52,506.65	8.72%
Rents and leases	12,894.02	\$15,880.00	\$2,985.98	18.80%
Taxes and licenses	1,287.00	\$1,325.00	\$38.00	2.87%
Financial expenses	15,758.49	\$41,295.00	\$25,536.51	61.84%
Contracted services	161,201.63	\$173,220.00	\$12,018.37	6.94%
Grants to others	4,233.74	\$20,410.00	\$16,176.26	79.26%
Transfer to own funds	263,240.34	\$18,400.00	(\$244,840.34)	(1,330.65%)
Capital expense	(4,993.42)	\$50,220.00	\$55,213.42	109.94%
	<u>9,366,195.72</u>	<u>\$9,179,050.00</u>	<u>(\$187,145.72)</u>	<u>(2.04%)</u>
NET (REVENUE)/EXPENDITURE	4,344,865.96	\$4,344,125.00	(\$740.96)	(0.02%)

L. 1

City of Sault Ste Marie
COMMUNITY CENTRES
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$2,872,448.43)	(\$2,961,030.00)	(\$88,581.57)	2.99%
Government grants	(12,198.00)	\$0.00	\$12,198.00	0.00%
Other income	(87,705.83)	(\$15,000.00)	\$72,705.83	(484.71%)
	<u>(2,972,352.26)</u>	<u>(\$2,976,030.00)</u>	<u>(\$3,677.74)</u>	<u>0.12%</u>
EXPENDITURES				
Salaries	2,487,837.00	\$2,682,625.00	\$194,788.00	7.26%
Benefits	385,366.09	\$406,805.00	\$21,438.91	5.27%
Travel and training		\$4,700.00	\$4,700.00	100.00%
Vehicle allowance, maintenance	1,591.25	\$2,865.00	\$1,273.75	44.46%
Utilities and Fuel	1,062,724.80	\$1,047,445.00	(\$15,279.80)	(1.46%)
Operating supplies and services	185,496.60	\$216,180.00	\$30,683.40	14.19%
Maintenance and repairs	644,576.45	\$447,950.00	(\$196,626.45)	(43.89%)
Program expenses	147,941.35	\$82,950.00	(\$64,991.35)	(78.35%)
Goods for resale	452,766.85	\$494,675.00	\$41,908.15	8.47%
Financial expenses	10,082.28	\$36,410.00	\$26,327.72	72.31%
Contracted services	44,931.11	\$31,900.00	(\$13,031.11)	(40.85%)
Transfer to own funds	90,551.82	\$0.00	(\$90,551.82)	0.00%
Capital expense	17,710.12	\$36,200.00	\$18,489.88	51.08%
	<u>5,531,575.72</u>	<u>\$5,490,705.00</u>	<u>(\$40,870.72)</u>	<u>(0.74%)</u>
NET (REVENUE)/EXPENDITURE	2,559,223.46	\$2,514,675.00	(\$44,548.46)	(1.77%)

City of Sault Ste Marie
ESSAR CENTRE
For the Twelve Months Ending December 31, 2009

L.1.1

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$1,497,914.39)	(\$1,564,320.00)	(\$66,405.61)	4.25%
Government grants	(2,170.00)	\$0.00	\$2,170.00	0.00%
Other income	(77,891.81)	(\$9,000.00)	\$68,891.81	(765.46%)
	<u>(1,577,976.20)</u>	<u>(\$1,573,320.00)</u>	<u>\$4,656.20</u>	<u>(0.30%)</u>
EXPENDITURES				
Salaries	707,939.28	\$774,425.00	\$66,485.72	8.59%
Benefits	87,452.65	\$96,070.00	\$8,617.35	8.97%
Vehicle allowance, maintenance	386.33	\$0.00	(\$386.33)	0.00%
Utilities and Fuel	367,529.11	\$304,500.00	(\$63,029.11)	(20.70%)
Operating supplies and services	94,626.08	\$109,600.00	\$14,973.92	13.66%
Maintenance and repairs	243,878.10	\$194,745.00	(\$49,133.10)	(25.23%)
Program expenses	147,605.07	\$80,000.00	(\$67,605.07)	(84.51%)
Goods for resale	284,632.04	\$330,000.00	\$45,367.96	13.75%
Financial expenses	6,673.01	\$29,410.00	\$22,736.99	77.31%
Contracted services	33,624.23	\$22,000.00	(\$11,624.23)	(52.84%)
Transfer to own funds	70,051.21	\$0.00	(\$70,051.21)	0.00%
Capital expense	13,264.84	\$29,000.00	\$15,735.16	54.26%
	<u>2,057,661.95</u>	<u>\$1,969,750.00</u>	<u>(\$87,911.95)</u>	<u>(4.46%)</u>
NET (REVENUE)/EXPENDITURE	479,685.75	\$396,430.00	(\$83,255.75)	(21.00%)

L. 1. 2

City of Sault Ste Marie
JOHN RHODES COMMUNITY CENTRE
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$1,037,615.34)	(\$984,635.00)	\$52,980.34	(5.38%)
Government grants	(8,228.00)	\$0.00	\$8,228.00	0.00%
Other income	(9,814.02)	(\$5,900.00)	\$3,914.02	(66.34%)
	<u>(1,055,657.36)</u>	<u>(\$990,535.00)</u>	<u>\$65,122.36</u>	<u>(6.57%)</u>
EXPENDITURES				
Salaries	1,016,265.66	\$1,052,890.00	\$36,624.34	3.48%
Benefits	170,044.61	\$140,785.00	(\$29,259.61)	(20.78%)
Travel and training		\$4,700.00	\$4,700.00	100.00%
Vehicle allowance, maintenance		\$445.00	\$445.00	100.00%
Utilities and Fuel	620,094.38	\$681,380.00	\$61,285.62	8.99%
Operating supplies and services	66,398.09	\$52,450.00	(\$13,948.09)	(26.59%)
Maintenance and repairs	316,160.10	\$213,510.00	(\$102,650.10)	(48.08%)
Program expenses	218.35	\$2,250.00	\$2,031.65	90.30%
Goods for resale	67,619.23	\$57,520.00	(\$10,099.23)	(17.56%)
Financial expenses	4,390.90	\$5,450.00	\$1,059.10	19.43%
Contracted services	4,334.54	\$1,500.00	(\$2,834.54)	(188.97%)
Capital expense	4,445.28	\$2,200.00	(\$2,245.28)	(102.06%)
	<u>2,269,971.14</u>	<u>\$2,215,080.00</u>	<u>(\$54,891.14)</u>	<u>(2.48%)</u>
NET (REVENUE)/EXPENDITURE	1,214,313.78	\$1,224,545.00	\$10,231.22	0.84%

City of Sault Ste Marie
MCMEEEKEN
For the Twelve Months Ending December 31, 2009

L.1.3

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$142,233.75)	(\$156,295.00)	(\$14,061.25)	9.00%
Other income		(\$100.00)	(\$100.00)	100.00%
	<u>(142,233.75)</u>	<u>(\$156,395.00)</u>	<u>(\$14,161.25)</u>	<u>9.05%</u>
EXPENDITURES				
Salaries	95,867.03	\$118,995.00	\$23,127.97	19.44%
Benefits	2,545.50	\$41,450.00	\$38,904.50	93.86%
Vehicle allowance, maintenance		\$50.00	\$50.00	100.00%
Utilities and Fuel	67,029.58	\$52,560.00	(\$14,469.58)	(27.53%)
Operating supplies and services	1,142.53	\$2,220.00	\$1,077.47	48.53%
Maintenance and repairs	72,498.87	\$29,305.00	(\$43,193.87)	(147.39%)
Program expenses	117.93	\$700.00	\$582.07	83.15%
Goods for resale	10,485.10	\$11,600.00	\$1,114.90	9.61%
Financial expenses	(519.02)	\$300.00	\$819.02	273.01%
Contracted services		\$1,200.00	\$1,200.00	100.00%
Capital expense		\$2,000.00	\$2,000.00	100.00%
	<u>249,167.52</u>	<u>\$260,380.00</u>	<u>\$11,212.48</u>	<u>4.31%</u>
NET (REVENUE)/EXPENDITURE	106,933.77	\$103,985.00	(\$2,948.77)	(2.84%)

City of Sault Ste Marie
DAY CARE
For the Twelve Months Ending December 31, 2009

L. 2

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$1,354,418.37)	(\$1,320,750.00)	\$33,668.37	(2.55%)
Government grants	(840.00)	\$0.00	\$840.00	0.00%
Contribution from own funds	(15,424.43)	\$0.00	\$15,424.43	0.00%
	<u>(1,370,682.80)</u>	<u>(\$1,320,750.00)</u>	<u>\$49,932.80</u>	<u>(3.78%)</u>
EXPENDITURES				
Salaries	1,184,056.30	\$1,124,310.00	(\$59,746.30)	(5.31%)
Benefits	252,546.14	\$259,665.00	\$7,118.86	2.74%
Vehicle allowance, maintenance	527.27	\$700.00	\$172.73	24.68%
Utilities and Fuel	30,071.23	\$28,000.00	(\$2,071.23)	(7.40%)
Operating supplies and services	92,908.14	\$100,780.00	\$7,871.86	7.81%
Maintenance and repairs	7,861.50	\$26,510.00	\$18,648.50	70.35%
Taxes and licenses	820.00	\$820.00	\$0.00	0.00%
Financial expenses	2,143.16	\$920.00	(\$1,223.16)	(132.95%)
Contracted services	29,586.53	\$33,740.00	\$4,153.47	12.31%
Transfer to own funds	68,015.26	\$0.00	(\$68,015.26)	0.00%
Capital expense	(38,549.99)	\$2,490.00	\$41,039.99	1,648.19%
	<u>1,629,985.54</u>	<u>\$1,577,935.00</u>	<u>(\$52,050.54)</u>	<u>(3.30%)</u>
NET (REVENUE)/EXPENDITURE	259,302.74	\$257,185.00	(\$2,117.74)	(0.82%)

City of Sault Ste Marie
CSD ADMINISTRATION
For the Twelve Months Ending December 31, 2009

L. 3

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Government grants	(\$1,680.00)	\$0.00	\$1,680.00	0.00%
Other income	(5,000.00)	\$0.00	\$5,000.00	0.00%
	<u>(6,680.00)</u>	<u>\$0.00</u>	<u>\$6,680.00</u>	<u>0.00%</u>
EXPENDITURES				
Salaries	308,496.02	\$299,185.00	(\$9,311.02)	(3.11%)
Benefits	87,134.37	\$88,280.00	\$1,145.63	1.30%
Travel and training	11,678.18	\$9,500.00	(\$2,178.18)	(22.93%)
Vehicle allowance, maintenance	379.64	\$1,500.00	\$1,120.36	74.69%
Operating supplies and services	27,023.28	\$25,770.00	(\$1,253.28)	(4.86%)
Maintenance and repairs	214.92	\$1,000.00	\$785.08	78.51%
Financial expenses	56.16	\$0.00	(\$56.16)	0.00%
Contracted services	4,226.75	\$4,000.00	(\$226.75)	(5.67%)
Transfer to own funds	16,000.00	\$0.00	(\$16,000.00)	0.00%
Capital expense	1,959.12	\$740.00	(\$1,219.12)	(164.75%)
	<u>457,168.44</u>	<u>\$429,975.00</u>	<u>(\$27,193.44)</u>	<u>(6.32%)</u>
NET (REVENUE)/EXPENDITURE	450,488.44	\$429,975.00	(\$20,513.44)	(4.77%)

City of Sault Ste Marie
RECREATION & CULTURE
For the Twelve Months Ending December 31, 2009

L. 4

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$343,330.61)	(\$360,565.00)	(\$17,234.39)	4.78%
Government grants	(295,742.43)	(\$176,980.00)	\$118,762.43	(67.11%)
Contribution from own funds	(19,599.85)	\$0.00	\$19,599.85	0.00%
Other income	(12,941.81)	(\$600.00)	\$12,341.81	(2,056.97%)
	<u>(671,614.70)</u>	<u>(\$538,145.00)</u>	<u>\$133,469.70</u>	<u>(24.80%)</u>
EXPENDITURES				
Salaries	938,396.96	\$922,385.00	(\$16,011.96)	(1.74%)
Benefits	138,713.07	\$156,110.00	\$17,396.93	11.14%
Travel and training	1,539.31	\$2,200.00	\$660.69	30.03%
Vehicle allowance, maintenance	262.47	\$1,950.00	\$1,687.53	86.54%
Utilities and Fuel	100,194.56	\$96,840.00	(\$3,354.56)	(3.46%)
Operating supplies and services	191,232.74	\$90,730.00	(\$100,502.74)	(110.77%)
Maintenance and repairs	74,285.93	\$129,340.00	\$55,054.07	42.57%
Goods for resale	96,751.50	\$107,350.00	\$10,598.50	9.87%
Rents and leases	12,894.02	\$15,880.00	\$2,985.98	18.80%
Taxes and licenses	467.00	\$505.00	\$38.00	7.52%
Financial expenses	3,476.89	\$3,965.00	\$488.11	12.31%
Contracted services	82,457.24	\$103,580.00	\$21,122.76	20.39%
Grants to others	4,233.74	\$20,410.00	\$16,176.26	79.26%
Transfer to own funds	88,673.26	\$18,400.00	(\$70,273.26)	(381.92%)
Capital expense	13,887.33	\$10,790.00	(\$3,097.33)	(28.71%)
	<u>1,747,466.02</u>	<u>\$1,680,435.00</u>	<u>(\$67,031.02)</u>	<u>(3.99%)</u>
NET (REVENUE)/EXPENDITURE	1,075,851.32	\$1,142,290.00	\$66,438.68	5.82%

City of Sault Ste Marie
PUBLIC HEALTH OPERATIONS
For the Twelve Months Ending December 31, 2009

M

<u>Department</u>	<u>YTD</u> <u>Actual</u>	<u>YTD</u> <u>Budget</u>	<u>Variance</u>	<u>Percentage</u> <u>Budget-Rem</u>
REVENUE				
EXPENDITURES				
Grants to others	\$1,979,377.00	\$1,979,375.00	(\$2.00)	0.00%
	<u>1,979,377.00</u>	<u>\$1,979,375.00</u>	<u>(\$2.00)</u>	<u>0.00%</u>
NET (REVENUE)/EXPENDITURE	1,979,377.00	\$1,979,375.00	(\$2.00)	0.00%

City of Sault Ste Marie
OUTSIDE AGENCIES
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$3,232.00)		\$3,232.00	
Government grants	(35,950.70)		\$35,950.70	
	<u>(39,182.70)</u>		<u>\$39,182.70</u>	
EXPENDITURES				
Operating supplies and services	14,825.18		(\$14,825.18)	
Contracted services	5,754.69		(\$5,754.69)	
Grants to others	3,912,000.13	\$3,922,917.00	\$10,916.87	0.28%
Transfer to own funds	95,370.83	\$80,000.00	(\$15,370.83)	(19.21%)
	<u>4,027,950.83</u>	<u>\$4,002,917.00</u>	<u>(\$25,033.83)</u>	<u>(0.63%)</u>
NET (REVENUE)/EXPENDITURE	3,988,768.13	\$4,002,917.00	\$14,148.87	0.35%

This section includes the Library, Conservation Authority, Humane Society, Art Gallery, Sault Ste. Marie Museum, Bush Plane Museum.

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City of Sault Ste Marie
OUTSIDE AGENCIES - OTHER
For the Nine Months Ending September 30, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
Grants to others:				
QUEENSTOWN - BIA	139,927	161,000	21,073	13.09%
OUTSIDE AGENCIES - ECONOMIC - Grants to others	2,360,112	2,406,340	46,228	1.92%
Total Grants to others	2,500,038	2,567,340	67,302	2.62%
ECONOMIC DEVELOP CORPORATION - Grants to others	934,435	934,435	-	0.00%
COMMUNITY QUALITY INITIATIVE - Grants to others	40,000	40,000	-	0.00%
DESTINY SSM - Grants to others	30,000	30,000	-	0.00%
DEVELOPMENT SSM - Grants to others	246,000	246,000	-	0.00%
INNOVATION CENTRE - Grants to others	277,890	277,890	-	0.00%
TOURIST PROMOTION - Grants to others	168,656	168,455	(201)	-0.12%
RMH CALL CENTRE - Grants to others	663,131	709,560	46,429	6.54%
			-	
OUTSIDE AGENCIES - ECONOMIC - Grants to others	2,360,112	2,406,340	46,228	1.92%

RMH call centre expense variance offset in the Legal Department budget for budgeted revenues.

City of Sault Ste Marie
ECONOMIC DIVERSIFICATION PROJE
For the Twelve Months Ending December 31, 2009

P

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Fees and user charges	(\$200,000.00)	\$0.00	\$200,000.00	0.00%
Government grants	(1,702,919.36)	\$0.00	\$1,702,919.36	0.00%
Contribution from own funds	(765,894.78)	\$0.00	\$765,894.78	0.00%
Other income	(504.00)	\$0.00	\$504.00	0.00%
	<u>(2,669,318.14)</u>	<u>\$0.00</u>	<u>\$2,669,318.14</u>	<u>0.00%</u>
EXPENDITURES				
Operating supplies and services	2,663,258.61	\$500,000.00	(\$2,163,258.61)	(432.65%)
Transfer to own funds	500,000.00	\$0.00	(\$500,000.00)	0.00%
	<u>3,163,258.61</u>	<u>\$500,000.00</u>	<u>(\$2,663,258.61)</u>	<u>(532.65%)</u>
NET (REVENUE)/EXPENDITURE	493,940.47	\$500,000.00	\$6,059.53	1.21%

Q

City of Sault Ste Marie
CORPORATE - FINANCIALS
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Taxation	(\$86,609,429.88)	(\$86,125,590.00)	\$483,839.88	(0.56%)
Payment in Lieu of taxes	(4,439,667.44)	(\$4,386,395.00)	\$53,272.44	(1.21%)
Fees and user charges	(9,787,281.56)	(\$10,795,000.00)	(\$1,007,718.44)	9.34%
Government grants	(27,974,400.00)	(\$27,883,300.00)	\$91,100.00	(0.33%)
Investment income	(4,398,300.02)	(\$4,090,000.00)	\$308,300.02	(7.54%)
Contribution from own funds	(170,287.81)	(\$613,655.00)	(\$443,367.19)	72.25%
Other income	(1,465,931.02)	(\$1,620,000.00)	(\$154,068.98)	9.51%
Prior year surplus	(774,722.45)	(\$774,722.00)	\$0.45	(0.00%)
	<u>(135,620,020.18)</u>	<u>(\$136,288,662.00)</u>	<u>(\$668,641.82)</u>	<u>0.49%</u>
EXPENDITURES				
Salaries	328.44	\$700.00	\$371.56	53.08%
Benefits	120,383.21	\$104,640.00	(\$15,743.21)	(15.05%)
Operating supplies and services	170,418.07	\$132,250.00	(\$38,168.07)	(28.86%)
Contracted services	22,113.03	\$19,500.00	(\$2,613.03)	(13.40%)
Grants to others	678.83	\$650.00	(\$28.83)	(4.44%)
Transfer to own funds	8,006,638.58	\$9,754,300.00	\$1,747,661.42	17.92%
	<u>8,320,560.16</u>	<u>\$10,012,040.00</u>	<u>\$1,691,479.84</u>	<u>16.89%</u>
NET (REVENUE)/EXPENDITURE	(127,299,460.02)	(\$126,276,622.00)	\$1,022,838.02	(0.81%)

Notes

Supplementary/ Additional Tax Revenues	191,000
Interest on Taxes and Investment Income	308,300
Reserve Transfer for Second Line Project not required	138,430
Additional Ontario Municipal Partnership Fund for 2008	91,000
Local Improvement Revenue - budget in Capital Levy	292,720
Other major variances result from receipt and transfer of sewer surcharge revenues	
	<u>1,021,450</u>

City of Sault Ste Marie
CAPITAL LEVY & DEBENTURE DEBT
For the Twelve Months Ending December 31, 2009

R

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Taxation		(\$278,025.00)	(\$278,025.00)	100.00%
Fees and user charges	(361,263.63)	(\$730,000.00)	(\$368,736.37)	50.51%
Government grants		(\$2,422,880.00)	(\$2,422,880.00)	100.00%
	<u>(361,263.63)</u>	<u>(\$3,430,905.00)</u>	<u>(\$3,069,641.37)</u>	<u>89.47%</u>
EXPENDITURES				
Long term debt	10,328,845.00	\$13,550,780.00	\$3,221,935.00	23.78%
	<u>10,328,845.00</u>	<u>\$13,550,780.00</u>	<u>\$3,221,935.00</u>	<u>23.78%</u>
NET (REVENUE)/EXPENDITURE	9,967,581.37	\$10,119,875.00	\$152,293.63	1.50%

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City of Sault Ste Marie
EDUCATION REQUISITION
For the Twelve Months Ending December 31, 2009

Department	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem
REVENUE				
Taxation	(\$22,674,931.46)	(\$22,462,516.00)	\$212,415.46	(0.95%)
	<u>(\$22,674,931.46)</u>	<u>(\$22,462,516.00)</u>	<u>\$212,415.46</u>	<u>(0.95%)</u>
EXPENDITURES				
Grants to others	22,674,931.45	\$22,462,516.00	(\$212,415.45)	(0.95%)
	<u>22,674,931.45</u>	<u>\$22,462,516.00</u>	<u>(\$212,415.45)</u>	<u>(0.95%)</u>
NET (REVENUE)/EXPENDITURE	(0.01)	\$0.00	\$0.01	0.00%