

## **AGENDA**

### **BUDGET MEETING OF CITY COUNCIL**

**2009 05 13**

**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 F. Fata

Seconder - Councillor S. Myers

*Resolved that the report of the Commissioner of Finance and Treasurer dated 2009 05 13 concerning Yearend Transfers to Reserves be accepted and the recommendations contained therein be approved.*

**2. 2009 Tax Capping Options**

A report of the City Tax Collector is attached for the consideration of Council. The relevant By-laws 2009-95 and 2009-97 are listed under Item 4 of the Agenda and will be read with all other by-laws listed under that item.

**3. 2009 Budget**

The reports of the Chief Administrative Officer and the Commissioner of Finance and Treasurer are attached for the consideration of Council.

Mover - Councillor D. Celetti

Seconder - Councillor S. Myers

*Resolved that City Council now proceed into the Committee of the Whole to consider the following matter referred to it for consideration – 2009 Budget Deliberations.*

Mover - Councillor D. Celetti

Seconder - Councillor S. Myers

*Resolved that the Committee of the Whole Council now rise and report on the matter referred to it by City Council – 2009 Budget Deliberations.*

4. **Consideration and Passing of By-laws**

By-laws before Council for THREE readings which do not require more than a simple majority.

**TAXES**

- (a) 2009-95 A by-law to adopt optional tools for the purposes of administering limits for the commercial, industrial and multi-residential Property Classes.
- (b) 2009-97 A by-law to provide for the adoption of recovery percentages for the 2009 taxation year.

A report from the City Tax Collector is on the agenda.

5. **Adjournment**

Mover - Councillor D. Celetti

Seconder - Councillor S. Myers

Resolved that this Council shall now adjourn.

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**ACTING MAYOR**

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**CLERK**

**William Freiburger, CMA**  
Commissioner of Finance  
and Treasurer

**Finance Department**



2009 05 13

Mayor John Rowswell and  
Members of City Council

**Re: Yearend Reserve Transfers**

Attached is a list of recommended 2008 yearend transfers to reserves as prepared by Shelley Schell, CA, Manager of Finance and Audits.

Included on the list is the 2008 yearend reserve balance after the transfer.

**RECOMMENDATION**

Council approve the 2008 yearend transfers to reserve as presented.

Respectfully submitted,

A handwritten signature of W. Freiburger, CMA.

W. Freiburger, CMA  
Commissioner of Finance and Treasurer

WF/kl

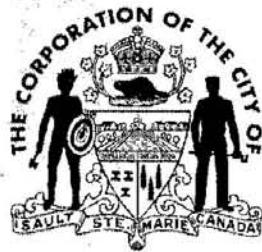
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*[Signature]*  
RECOMMENDED FOR APPROVAL  
Joseph M. Fratesi  
Chief Administrative Officer

CORPORATION OF THE CITY OF SAULT STE. MARIE  
 RESERVE TRANSFERS TO BE APPROVED BY COUNCIL  
 DECEMBER 31, 2008

<u>Details</u>	<u>From Reserve</u>	<u>To Reserve</u>
	\$	\$
<b>Cemetery Reserve</b>		
Equipment for cemetery	1,780.92	
Excess costs for ground maintenance	12,318.53	
<b>Parking Reserve</b>		
Parking lot resurfacing (excess over budget)	7,780.10	
<b>Fire Capital Equipment Reserve</b>		
Buyout of lease on 2006 Ford Taurus	10,800.00	
<b>Transit Equipment Reserve</b>		
Proceeds from sale of equipment		3,000.00
<b>Engineering Equipment Reserve</b>		
Balance for camera truck	11,676.75	
<b>Facilities Maintenance Reserve</b>		
Excess costs for elevator replacement	22,638.79	
<b>OMERS Premium Reduction Reserve</b>		
OMERS support fund contribution not in budget	5,434.00	
<b>Seawall Study Reserve</b>		
2008 misc construction project deferred to 2009		15,000.00
<b>EA North/Sackville/GNR Reserve</b>		
2008 misc construction project deferred to 2009		25,000.00
<b>Waste Disposal Site Reserve</b>		
Excess costs for 5 additional monitoring wells	19,827.46	
<b>Green Committee Reserve</b>		
2008 Unspent budget		197,110.02
<b>Community Development Fund</b>		
2008 allocation (committed not spent)	60,000.00	
Excess commitment	4,750.00	
Resolution 6(8)(a) Sept 22/08 Safe Communities Village	20,000.00	
Resolution 6(8)(a) Dec 15/08 Innovation Centre-Youth Crime	29,750.00	
Resolution 5(o) Dec 1/08 American Wind Symphony Tour	15,000.00	
	<u>64,750.00</u>	
<b>PUC Study</b>		
Excess funds	6,893.39	
<b>Daycare Grants Reserve</b>		
2008 unspent grants	19,449.36	
2008 expenditures from previous years grants	19,827.81	
<b>CIP Electrical Reserve</b>		
Funding for electrical grants not spent	97,377.50	
	Total	112,084.36 428,580.27
	net	<u>316,495.91</u>
<b>Council Travel</b>		
2008 unspent Mayor and Council travel	21,364.53	

Peter A. Liepa, A.I.M.A.  
City Tax Collector  
759-5269



Tax & Licence Division  
Finance Department

2009 05 13

Mayor John Rowswell  
And Members of City Council

**RE: 2009 Tax Capping Options**

Pursuant to Section 329.1(1) of the Municipal Act, 2001 a municipality may pass a bylaw by April 30<sup>th</sup> (which has been extended to June 30<sup>th</sup> this year due to re-assessment) in the current tax year for the purpose of implementing tax capping options over and above 5 per cent.

The intent of the legislation is to allow properties in the Commercial, Industrial and Multi-Residential tax classes to achieve Current Value Assessment (CVA) tax, therefore reducing the burden of tax capping.

In 2005 By-law 2005-90 was passed to allow for the implementation of a 10 per cent cap with a capping threshold of plus or minus \$250.00.

**Staff once again recommends that 10%, +/-\$250 threshold be approved for 2009.**

This will allow for the majority of capped properties to reach CVA level taxation in 2009.

In addition to the tax capping options, Section 331 of the Municipal Act, 2001 allows for Commercial, Industrial and Multi-residential properties that are newly constructed or that have been considered as new to the class to be taxed at an average level of taxation no higher than that of up to six comparable properties.

It is recommended that any properties considered being new construction or new to the class for the 2009 tax year be at a rate of 100% of CVA taxes.

A by-law appears elsewhere in the agenda for the approval of council.

Yours truly,

P. A. Liepa  
City Tax Collector

Recommended for Approval:

W. Freiburger  
Commissioner of Finance and Treasurer

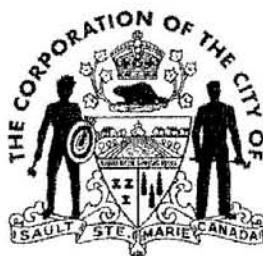
RECOMMENDED FOR APPROVAL

Joseph M. Fratesi

Chief Administrative Officer

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



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2009 05 11

Acting Mayor Bryan Hayes  
and Members of City Council

**RE: 2009 BUDGET**

Dear Council:

We are pleased to submit to you the 2009 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 2008 allocations, save and except for wage increases negotiated/awarded or anticipated, as well as benefit cost increases. Staff continued to very mindful of the fairly significant factors, currently at play in our community, not the least of which is the struggling world economy.

**2009 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 the next four years. The average residential increase for 2009 is 8%, and this will be repeated in the next of the three 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 2009, our total assessment increased by 7.81%. However, a shifting in the burden among assessment classes, did not produce any new net revenue for the City. Staff and Council have already made a commitment to the residential taxpayers of this community that they did not intend to take advantage of the new residential assessments, using the existing tax rate. A commitment to lowering the tax rate, to

at least in part, to offset these assessment increases was made and is kept in this budget, as the **urban residential tax rate is actually reduced.**

Council is 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. Later in this report, there is a discussion of an option known as "revenue neutral tax ratios" which can assist to mitigate against this shift to residential taxpayers.

### **2009 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 2009 have increased by \$3,294,201 or only 2.04%. Revenues, excluding the tax levy, have actually decreased by \$1,064,153 or 1.31%. This loss of more than \$1 million in revenue is primarily as a result of the **reduction in the OMPF grant** from the Province for 2009. Our grant is **\$952,300 less** than the 2008 amount. This reduction was expected as a result of the Provincial government announcing that it would upload the Ontario Disability Support Program and the Ontario Drug Benefit Program. The DSSAB levy to the City has offsetting reductions because of this.

The expenditures have increased because the 2009 budget carries an increase of about \$2.2 million under "contingencies". Amongst other things, included in this provision, are the wage increases for Police and Fire (including 3/6/9 provisions), which have already been settled and for anticipated wage increases for all other work groups who currently are in negotiations.

Also included on the expenditure side of the budget is **an increase in the DSSAB levy of \$1,867,635**. Although the DSSAB budget reflects a reduction because of the previously mentioned Provincial uploads, there are increases in the costs of social programs to be delivered, largely due to recent changes in our economy. As well, there is a significantly smaller previous year's surplus available to be applied to the 2009 levy, compared to what was applied in 2008. Council will recall that the DSSAB levy to the City was reduced by a total of \$1.963 million in 2008 compared to the 2007 levy. This is one of the major reasons causing us difficulty going into the 2009 budget. It is Treasury staff's intent to work with DSSAB to attempt to stabilize the annual levy without regard to any previous year's surplus.

**These three factors, DSSAB levy, reduction in the OMPF grant, and "contingencies" (wages, etc.),** when calculated with no other changes to the 2008 operating levels, create an increase in the municipal levy of 5.42 % or a 3.4% increase in the total tax levy after the education rates are factored in. As shown in the calculations prepared by the Treasurer and the Manager of Budgets, the average urban residential tax increase would be about 6.20%, an amount that staff deems unacceptable and which staff expects Council will find unacceptable.

## **Revenue Neutral Tax Ratios**

The City of Sudbury was faced with a similar dilemma this year. They too, experienced an increase in residential assessment, that was far greater than the increases in the industrial/commercial classes. After looking at options and on the recommendation of its staff, the Sudbury Council opted to impose "**revenue neutral tax ratios**" to lessen the impact of the shifting of the tax base onto residential property owners.

Our City Council has the option of applying a neutral transition ratio to the industrial/large industrial class only, or it can choose to apply revenue neutral ratios across all tax classes. It is staff's recommendation that Council choose the latter, which has the affect of keeping the property tax burden per class at the same proportionate level as the 2008 taxation year. This process mitigates the shifting value of the assessment base.

Using the revenue neutral ratios, significantly changes how the City calculates property taxes and adds to the complexity of the calculations. This option appears only to be available for 2009 and staff, therefore recommends that Council along with the Greater City of Sudbury petitions the Province to provide any legislative changes which will allow for revenue neutral tax ratios for the next several years (at least to the end of this re-assessment cycle, to the end of 2012).

As mentioned earlier, City Council in Sudbury approved the adoption of revenue tax ratios as a method of avoiding the transfer of undue tax burden to residential taxpayers. Their circumstances are similar to ours in Sault Ste. Marie and we are, therefore recommending a similar move. This option would, in fact, **reduce the increase for the average homeowner in Sault Ste. Marie from 6.20% to 4.33%**, which is similar to the 4.5% increase imposed in Sudbury. Council should take note that in fact, **the tax rate is actually decreased by 3.4%**.

## **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, last year, agree to adjustments in both the PWT and CSD budgets because of this. No such requests are being made this year.

As a matter of fact, in view of the difficulty of this year's budget, **staff is 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**

On the capital side, much work continues to be done as we maintain and **improve the City's infrastructure**. The City continues to take significant pride in recently completed projects such as the new Regional Emergency Response Centre, the Essar Centre, East End Sewage Treatment Plant, the Pim Street CSO tank and the City's Waterfront Walkway extension through Clergue Park and extending to Bay Street. We have reconstructed many of our main streets. We will continue, as recently approved by Council, in 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:

- Trunk Road improvements
- McNabb/South Market extension and reconstruction
- Shannon Road reconstruction
- Third Line extension
- John Street reconstruction
- 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 to the above mentioned roadwork, we are also hoping to receive approval of the three projects which we have submitted under the Economic Infrastructure Stimulus Program and the one project submitted under Build Canada – Intake II. These include the **new multi-use municipal complex at the McMeeken Centre site, extension of our hub trail including the downtown waterfront walkway and the Fort Creek trail, the new Algoma Public Health building and the extension of Pine Street**. These projects, to be built over the next two years, have a total value of about **\$54 million**, with the City's share already approved by Council.

### **"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. The list of capital

purchases/ projects being now requested is significant and 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. Of particular interest and included in our recommendations for 2009, are some very important items such as:

Transit:

- One heavy duty Low-floor Bus: \$320,000 (continuing replacement program)
- New Para-bus: \$46,000
- Transit Garage Heating System: \$45,000

Fire Services:

- Cascade Breathing Apparatus Replacement System: \$35,500
- Boat Trailer: \$7,000

Public Works:

- Traffic Controllers: \$50,000
- Sackville Garage Modification: \$25,000
- Strathclair Park Lighting: \$25,000
- Electrical System Review: \$12,000
- Inventory Control System: \$ 9,000

Community Services:

- Waterfront Boardwalk Deck Replacement: \$30,000
- Bellevue Park Duck Pond Re-design: \$25,000
- Bellevue Park Green House Boiler: \$20,000
- John Rhodes Centre Dehumification System: \$19,000
- Museum Repairs: \$ 7,500

**Capital from Reserves**

In addition to the \$800,000 Capital from Current allocation, there are **other capital items which are recommended to be covered in 2009**, using funds that have already been set aside into reserve (for specific purposes). These include:

- Two new Fire Trucks: \$1,170,000
- Transit Garage New Roof: \$ 220,000
- Main Library Upgrades: \$ 200,000
- Civic Centre Air Handlers: \$ 200,000
- Cemeteries Upgrades: \$ 150,000
- Computer Software Upgrades: \$ 125,000
- Parking Meter Upgrades: \$ 75,000
- Strathclair Park Lighting: \$ 55,000
- Asbestos Removal Program: \$ 40,000
- Transit Garage New Repair Equipment: \$ 40,000
- Completion of Skate Board Park: \$ 39,000

## Use of Reserves

Council will note that in 2008, 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, as is shown above.

## 2008 Surplus

Turning to the surplus from the 2008 budget, the **adjusted year-end surplus stands at about \$774,722**. For the last ten years, the Treasurer has been recommending that we move towards reducing our reliance on the previous year's surplus as revenue in the current year's budget. We have now accomplished this and we continue to recommend that these surplus funds be allocated for 'one-time' only expenditures or be dedicated to a reserve account for future Council approved projects or expenses.

For 2009, we strongly recommend that **\$700,000 of this surplus be allocated to a "contingency reserve" account** to be made available to assist in paying for any 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. This would be similar to what Council approved in last year's budget.

We recommend that the balance of **\$74,722** be set aside in reserve to meet Council's commitment to assist in hosting the **2010 Scott's Tournament of Hearts National Curling Championship** to be held in Sault Ste. Marie next February.

## 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. Although casino revenue, which the City receives is starting to increase again, it is not at a point where funds for the work of the Committee can be identified from this source, alone. Approximately \$100,000 is available as surplus casino funds. A further \$100,000 is in the Physician Recruitment reserve representing returned and unspent funds from previous years. The balance of **\$264,850 is required to meet the budget** which has been presented to Council for the current year's operation.

Rather than add this amount to the levy, staff strongly recommends, as it did in 2008, that 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 purpose. It is expected 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 the new hospital will be near completion. It is recommended that this approach, adopted in 2008 be repeated again this year, using the sum of **\$264,850 from the interest account for funds on reserve for the new Sault Area Hospital.**

## **SUMMARY AND RECOMMENDATIONS**

The Senior Management Team believes that the 2009 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 compares very favourably with other cities in Northern Ontario. The taxes paid by the average homeowner are quite low by comparison (I have attached a comparison chart which was prepared by the City of Timmins and which was part of their 2009 budget presentation. These figures were taken from a Province wide survey done by the consulting firm of BMA). 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 half-way through construction. 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 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 should be completely paid off over the next couple of years. 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 for our share of four very exciting Infrastructure Stimulus projects which we hope to undertake soon in partnership with the Federal and Provincial governments.

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.

The budget as presented and recommended by the senior management team (including the application of revenue neutral ratios) results in a **4.33% increase** for the urban residential tax class. A residential property, previously assessed at \$100,000 and now assessed at \$108,000 (which represents the assessed value of an **average home in Sault Ste. Marie**), will experience a tax increase of **approximately \$ 94.41 with the total tax burden increasing from \$2,179.25 to \$2,273.66.**

Council is reminded that if it wishes to add further items into this budget, every \$100,000 of spending increases the tax rate by about .11% ( \$950,000 representing 1% increase).

## Comparison to other Northern Ontario Cities

As we present this budget to City Council, we have the benefit of information on what other cities in Northern Ontario have done by way of their budgets. The following appeared to be the 2008 as well as the 2009 increases for the average homeowner in the five Northern Ontario major cities:

<b>City</b>	<b>2008 Increase and Average Home Municipal Taxes(Estimated)</b>	<b>2009 Increase and Average Home Municipal Taxes (Estimated)</b>
Sudbury	5.10%	(\$2370)
Thunder Bay	2.72%	(\$2855)
North Bay	2.10%	(\$2762)
Timmins	3.94%	(\$2579)
Sault Ste. Marie	1.73%	(\$2179)

## Conclusion

As can be seen from the chart above and the attachment referred to earlier in my report, 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 2009 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,



Joe Fratesi  
Chief Administrative Officer

JMF:bb  
Attach.

**William Freiburger, CMA**  
Commissioner of Finance  
and Treasurer



**Finance Department**

2009 05 13

Mayor John Rowswell  
and Members of City Council

**Re: 2009 Budget**

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This report will highlight a number of important budget issues for 2009.

**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. To reduce the City share of the DSSAB levy, the Province should extend Current Value Assessment to all properties in the Sault North area. The City provides administrative services to the DSSAB on a contract basis.

In 2008, the Province uploaded the Ontario Drug Benefit program. In 2009, the Province will upload the Ontario Disability Support Program Administration costs valued at \$1,191,200.

2009 DSSAB Levy	\$ 22,357,252
2008 DSSAB Levy	<u>20,489,617</u>
2009 DSSAB increase from 2008	\$ <u>1,867,635</u>

In the 2008 budget, the City received a one time refund of \$1,036,250 from the DSSAB for ambulance operations and staff recommended the funds be used for one time funding of capital projects.

This allocation must now be added back to the DSSAB levy since the one time refund was included in the reduced 2008 DSSAB levy.

2009 DSSAB Levy	\$ 22,357,252
2008 DSSAB Levy	<u>20,489,617</u>
Total DSSAB Levy increase	1,867,635
Less 2008 one time DSSAB reduction used for capital	<u>1,036,250</u>
2009 DSSAB Levy net increase	\$ <u>831,385</u>

The Province reduced the grant to the City under the Ontario Municipal Partnership Fund (OMPF) grant due to the uploading of the Ontario Disability Support Program administration costs valued at approximately \$1,000,000.

The DSSAB costs were reduced by a comparable amount but were offset by increased income maintenance, public housing and child benefit costs. The DDSAB share of income maintenance programs are budgeted to increase from an actual of 2,763,600 in 2008 to 3,220,000 in 2009.

The gross DSSAB budget has remained constant from 2009 to 2008.

	<u>Budget</u>	<u>Actual</u>	<u>Surplus</u>
2009	\$ 26,209,945		
2008	26,263,690	25,373,396	890,294
2007	27,391,150	24,338,087	3,053,063
Levy Adjustment		6,078	6,078
Ambulance Refund			<u>(1,036,250)</u>
Net 2007 Surplus			\$ 2,022,891

The reduction in surplus from 2007 to 2008 increased the net levy by approximately \$1.1 million. The budgets have been reduced and the actual costs are increasing resulting in a reduced surplus and a higher net levy.

**Staff recommends the annual surplus in the DSSAB be phased out and any future surpluses be paid separately to the City.**

#### **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 is 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.

A detailed OMPF grant calculation is listed below for information.

***Highlights of 2008 OMPF Grant for Sault Ste. Marie***

2009 OMPF Allocation	\$ 27,883,300
2008 OMPF Allocation	<u>28,835,600</u>
Decrease Allocation for 2009	\$ <u>952,300</u>

Social Program Grant	\$ 10,283,500	Projected 2009 based on 2008 social service costs. Housing based on 2002 devolved cost.
Equalization Grant	9,683,800	Based on total average household assessments under \$202,000.
Northern Communities Grant	<u>7,916,000</u>	Based on \$235 per household.
Total	<u>\$ 27,883,300</u>	

Attached in Appendix A is the 2009 Provincial Allocation OMPF grant.

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 City will receive \$10,283,500 under the Social Program Grant. We expect as the uploading occurs and our costs are lowered, the Social Program Grant will be reduced. The Social Program Grant is a conditional grant based on our high social service costs and relatively low assessment base.

#### 2009 Budget Process

The City has utilized a global budget allocation system for several years. Departments were asked to submit a 2009 budget based on the approved 2008 allocation. Additional requests are included in a list of supplementary items.

The City website was open for public input for the 2009 Budget.

#### Surplus included in the Budget as Revenue

It has been a past practice to use surplus as a source of 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	0

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 2008 is \$774,722 subject to final audit adjustments.

***Staff recommends the 2008 surplus of \$700,000 be allocated to a contingency reserve for assessment appeals, wages or other unforeseen items, and \$74,722 be allocated to fund the Scott Tournament of Hearts National Curling Championship.***

### **Contributions from Reserves included in the Budget as Revenue**

As with surplus, our plan is to phase out the use of 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 to phase out the use of reserves as a source of revenue, we recommend the reserve contribution for 2009 be \$0.**

<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 estimated	430,000	(Doctor Recruitment / Cemetery)

### **Long Term Debt**

The City issued a debenture for \$11,220,000 to finance the Essar Centre in 2007.

2008 Net Long Term Liabilities	\$ 23,376,288
2007 Net Long Term Liabilities	<u>26,586,752</u>
Net Decrease in Long Term Liabilities	\$ <u>3,210,464</u>

*Total Year End Debt*

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 \$23,274,424.

The estimated remaining City cost for the Sewer Diversion Program is \$2,900,000 which includes the East End Sewage Treatment Plant, the Pim Street CSO tank and the SCADA project. The staff plan is to finance these costs in 2009 from the sewer surcharge and therefore, no additional debt will be issued.

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

**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.

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

The City will participate in an Infrastructure Program that requires a municipal contribution. Staff recommends 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.

The recommendation of a debt issue is opposite to the advice provided to Council for several years where staff had suggested a pay as you go strategy. The Federal/Provincial stimulus plans provide a unique opportunity to complete projects that are important to the community.

A \$5.1 million debt issue in 2011, if required, would maintain the City's debt position at a ten year average of approximately \$23,274,000.

#### Local Share of Infrastructure Funding

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

On December 15, 2008, Council approved a request from the Sault Ste. Marie Public Utilities Commission to borrow up to \$2,500,000 for short and long term purposes relating to water operations. At December 31, 2008 no funds were borrowed. The purpose of the debt is to fund the construction of water infrastructure related to the City's road construction program.

**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 Force main	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	53,729,204
Pim Street CSO Tank	
Actual costs to date	3,749,716
Estimated cost to complete	<u>350,284</u>
	4,100,000
Total Expense Sewer Diversion Project	<u>\$ 74,581,207</u>

**Revenues**

OSTAR – Provincial 33.3% of Total	\$ 24,431,253
Maximum \$24,552,806	
OSTAR – Federal 33.3% of Original Project	<u>20,181,333</u>
	\$ 44,612,586

**City Funding Sources**

Sewer Surcharge – Funding to December 31, 2007	24,582,204
Apartment Sewer Reserve Fund	1,091,040
Sewage Plant Reserve Fund	<u>2,510,488</u>
	28,183,732
Total Funding required in future years from Sewer Surcharge	<u>1,784,889</u>
	29,968,621
Total Revenue Sewer Diversion Project	<u>\$ 74,581,207</u>

**COMRIF – Scada Monitoring System**

Estimated Project Cost	\$ 3,900,000
COMRIF Funding	<u>(2,600,000)</u>
Net City Cost - Sewer Surcharge	1,300,000
Total financing required	
Sewer Diversion Program	<u>1,784,889</u>
Total future funding from Sewer Surcharge	\$ <u>3,084,889</u>

Additional Engineering costs will be required in 2009. We expect the \$3.2 million will be sufficient to fund any additional charges to complete the project in 2009.

Future Financing from Sewer Surcharge –

Sewer Surcharge 2009	\$ <u>3,200,000</u>
----------------------	---------------------

**Staff recommends allocating \$3.2 million of sewer surcharge in 2009 be allocated to finance the remaining balance of the 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	2008 Total	\$ 23,845,669
Reserve Funds	2007 Total	<u>21,761,599</u>
Increase in 2007		\$ <u>2,084,070</u>

Reserves	2008 Total	\$ 21,594,297
Reserves	2007 Total	<u>24,631,779</u>
Decrease in 2008		\$ <u>3,037,482</u>

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

The major reason for the reduction in reserves was a \$5.6 million reduction in the reserve for connecting links. The majority of funds were spent in 2008 for the construction of Wellington Street and Trunk Road.

The largest increase in the reserve funds was attributed to the \$2.1 million contribution to the Hospital Reserve Fund.

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

The attached Appendix D 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 2008 to 2017 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.

### 2009 Sanitary Sewer Budget

Small Pumping Station Upgrades	\$ 25,000
Annual Road Reconstruction Projects	1,830,000
Summit Sanitary Repair	140,000
Roger Sanitary Repair	50,000
Remote Flusher	35,000
Sanitary Sewer Maintenance costs in City budget - Bill 175	1,265,000
Repairs to Sewage Treatment Plants	500,000
Operating costs paid to PUC for Sewage Plants	3,500,000
West End Plant Capital Upgrade Study	50,000
Haviland Crescent Sewer Repair	200,000
Sewer Diversion Project Capital Contribution	<u>3,200,000</u>
Total 2009 Sewer Surcharge Revenue	\$ <u>10,795,000</u>

<u>2008 Sanitary Sewer Budget</u>	<u>Budget</u>	<u>Actual</u>
Generators for Small Pumping Stations - included below	\$ 75,000	6,613
Annual Road Reconstruction Projects	1,449,000	1,679,821
Sanitary Sewer Maintenance costs in City budget - Bill 175	1,300,000	1,073,633
Repairs to Sewage Treatment Plants	500,000	484,538
Operating costs paid to PUC for Sewage Plants	3,400,000	3,400,180
Odor Control Queen Street – Feb 11/08	50,000	30,295
Capital request for Sewer Repair Shop – PWT	95,000	50,503
Sewer Diversion Project Capital Contribution	<u>3,900,000</u>	<u>3,900,000</u>
Total	<u>\$ 10,769,000</u>	<u>10,625,583</u>
Funding from Previous Years Revenue		(369,000)
Total Sewer Surcharge Revenue		<u>\$ 10,400,000</u>

Other Funding required in 2009

Odor Control Queen Street	\$ 20,000
Infiltration Elimination Study from 2008	85,000
Biosolids Study	<u>15,000</u>
Total	\$ 120,000

**3. 2008 Actual Road Construction Costs**

<u>2008 Costs</u>	<u>Budget</u>	<u>2008 Actual</u>	<u>Cost to Complete</u>	<u>Total Estimated Cost</u>	<u>Surplus ( Deficit ) Variance</u>
Shannon–Margaret/Wellington	\$ 3,034,000	2,017,050	817,000	2,834,050	199,950
Retta–Mark/Wellington	1,176,000	1,293,912	300,000	1,593,912	(417,912)
Franklin–WallaceT/Henrietta	1,053,000	1,001,605	80,000	1,081,605	(28,605)
Korah–Moss/Cooper	0	716,213	10,000	726,213	(726,213)
Connecting Link	500,000	203,536	250,000	453,536	46,464
Northern Avenue Crossing	400,000	285,929	0	285,929	114,071
Third Line Extension	1,353,500	348,977	951,023	1,300,000	53,500
Storm Water Investigative Study	200,000	0	100,000	100,000	100,000
McNabb–South Market Extension allocated to future construction	1,000,000	75,648	814,352	890,000	110,000
Total	\$ 8,716,500	5,942,870	3,322,375	9,265,245	(548,745)
Budget Adjustment – Korah	620,000	0	0	0	620,000
	\$ 9,336,500	5,942,870	3,322,375	9,265,245	71,255

The City received a grant of \$2,950,000 from the Province in 2008 for the Construction of Shannon Road.

Engineering presented a report to Council on June 9, 2008 and allocated funding to cover the over expenditure on Retta, Franklin and Korah Road plus an allocation of \$1,700,000 for bridges and \$358,000 for the Hub Trail.

Of the \$1,700,000 allocated to bridges, only 161,192 was spent and the balance remains in the capital fund for expenditure in 2009.

#### **4. 2009 Road Construction Program**

**Engineering presented a two year construction plan for the 2009/2010 construction season. Once the project list has been tendered and prices known, the plan can be revised.**

City Financing –

2009 Federal Gas Tax	\$ 4,845,766
2008 Capital Levy – Overall	4,555,333
2008 Capital Levy – Urban only	<u>1,665,000</u>
Total	11,066,099
Sewer Surcharge	<u>1,830,000</u>
Total	\$ 12,896,099

At the meeting of May 29, 2006, City Council was advised of the list of revoked connecting link roads and the receipt of \$9 million from the Province as compensation.

Opening Balance	\$ 9,000,000
2007 Actual Costs	<u>1,922,812</u>
2007 Yearend Balance	7,077,188

2007 Projects to be completed in 2008 –

Wellington – Trunk/Simpson	
Trunk–Black/Wellington	
Lyons–Wellington/Patrick	(2,286,136)
Estimated cost to complete in 2009	(100,000)

Budget to complete was \$2,310,000

2008 Connecting Link

Wellington–Trunk to Simpson	
Roadway and Storm	(3,391,247)
Estimated cost to complete in 2009	<u>(585,088)</u>
Project budget was \$4,545,000 and is expected to be on budget. An additional \$533,000 was financed by the Sewer Surcharge.	(3,976,335)

Balance of Connecting Link Reserve Unallocated \$ 714,717

The \$500,000 of the Connecting Link Reserve will be allocated to future work on Wellington Street reconstruction.

### **5. MTO Site Development for Fire Services**

On December 11, 2006 Council approved the building renovation of the former MTO site to replace the previous #4 Firehall.

Actual Expenditures	\$ 3,968,402
Less Ministry of Health share	<u>(1,271,987)</u>
Net City Cost	\$ <u>2,696,415</u>

Revenues	
NOHFC Grant	\$ 1,000,000
MTO Site Reserve	658,162
2007 Capital Allocation	311,290
2008 Capital Allocation	356,963
Sale of #4 Firehall	260,000
DSSAB Contribution	100,000
Ministry of Community Safety	<u>10,000</u>
Total Revenues earned in 2007	\$ <u>2,696,415</u>

#### **MTO Site Summary**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Additional approvals	\$ 131,365	0	131,365
Cost to complete	0	0	0
Original Budget	<u>2,300,000</u>	2,696,415	(396,415)
Total	\$ <u>2,431,365</u>	2,696,415	(265,050)

#### Revenues

City MTO Site Reserve	\$ 658,162	658,162	0
Provincial Funding	0	1,010,000	1,010,000
DSSAB Funding	0	100,000	100,000
Sale of #4 Firehall	250,000	260,000	10,000
Other City Funding	131,365	0	(131,365)
Other City Funding	<u>1,391,838</u>	668,253	(723,585)
Total Revenues	\$ <u>2,431,365</u>	2,696,415	265,050

This project is completed.

**6. Waterfront Walkway – Clergue Park**

Waterfront Walkway Reserve	\$ 715,372
2006 Budget Allocation for Trail Development	100,000
2007 Budget Allocation for Trail Development	100,000
EDF Fund Allocation 2006	64,281
5% Subdividers Reserve Fund	<u>0</u>
Total City Share	979,653
Northern Ontario Heritage Fund	1,000,000
Donations – Brookfield	144,000
PUC Donation	8,105
Lions Club Donation	3,980
Ministry of Health Promotions – part of Hub Trail Grant	<u>83,600</u>
Total Revised Budget	<u>\$ 2,219,338</u>
Total costs to date	\$ 2,219,338
Estimated cost to complete - flags	<u>50,000</u>
Total Estimated Project Cost	<u>\$ 2,269,338</u>

The budget for the project was \$2,395,367 and was completed in 2008.

**Federal Gas Tax**

In 2005 the Federal Government announced a Gas Tax Program for eligible infrastructure. The grant was based on a population of 74,566 for Sault Ste. Marie from 2001 Statscan data.

	<u>Total</u>	<u>Per Capita</u>	<u>Cents/Litre</u>
Year 2005 – 2006	\$ 1,453,989.65	19.50	1.5
Year 2006 – 2007	1,453,989.65	19.50	1.5
Year 2007 – 2008	1,938,436.40	26.00	2.0
Year 2008 – 2009	2,422,883.15	32.49	2.5
Year 2009 – 2010	<u>4,845,766.29</u>	64.99	3.0
Total	<u>\$ 12,115,065.14</u>		

The above allocations are fixed and will not change due to population or gas prices.

On December 23, 2008, the Federal Government announced the continuation of the Federal Gas Tax for four years from 2010 to 2014.

As per Appendix E, the City will receive \$4,610,800.96 each year from four years beginning in 2010.

**The 2008 Federal Gas Tax allocation is recommended for road construction projects.**

### 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
<b>Total</b>	<b>\$ 3,159,310</b>	<b>\$ 2,755,914</b>	<b>\$ 9,509,101</b>	<b>\$ 55,524</b>	<b>\$ 15,479,849</b>

### 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
<b>Total Hospital Levy</b>	<b><u>8,800,000</u></b>
<b>Total Casino and Hospital Levy</b>	<b>\$ 18,309,101</b>

Interest Earned on Reserve to 2007	1,534,554
Interest Earned in 2007	639,939
Interest Earned in 2008	<u>462,437</u>
Total Interest Earned	2,636,930
Allocated to 2008 Doctor Recruiting	( 430,000) <u>2,206,930</u>
Subtotal Reserve	\$ 20,516,031

**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	<u>( 38,398)</u>
Total SAH access road	(1,186,866)
SAH Building Permit	<u>(1,627,210)</u> <u>(2,814,076)</u>
Reserve Total December 31, 2008	<u>\$ 17,701,955</u>

**The 2009 Doctor Recruitment budget 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 \$1,054,475 for the construction of an access road. There will be additional engineering costs for the project. Sault Area Hospital agreed that the cost of the access road would be deducted from the City's donation.

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, 2008, the City has accumulated \$18,309,101 or 62% of the total contribution of \$29,502,101 and expended \$2,814,076 for the access road and building permit. When the hospital is completed in 2010, the City will have accumulated \$22,509,101 or 76% of the total hospital contribution.

## **Tax Capping**

Most 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 2009 tax capping options as compared to 2008.**

- **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 7.81% in 2009 based on a phase-in (Appendix F). Residential assessment increased by 9.33% but was offset by a 3.76% reduction in large industrial assessment. Commercial assessment increased by .93% and industrial decreased by 12.77%.

On a weighted assessment basis, overall assessments increased by 6.75% due to the higher residential and multi-residential assessments (Appendix G and H).

The 2008 tax roll was based on a January 1, 2005 assessment valuation.

Appendix I projects assessment increases expected for each of the following three years.

Under the reassessment, the Province must now prove the assessments are correct. It may take a year before all appeals are adjudicated to determine the revised assessment base for 2010 to 2012.

### 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 current 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, we recommend the revenue neutral tax ratios for all classes to maximize the benefit to the residential tax class.

The attached Appendix J has three schedules that summarize the result of using revenue neutral tax rates.

Revenue neutral tax ratios would reduce the tax levy on the residential class by \$1,089,240. The impact on the Industrial tax class is an additional \$577,400 but overall the industrial tax class would receive a total tax reduction of \$763,271.

### **Education Tax Rates**

The Province reduced the residential education tax rate to .00252 from .00264 resulting in a 4.55% decrease. Other significant education tax reductions in Appendix K occurred in the office building class, 32.51%, shopping centres, 8.08% and the large industrial class, 22.99%.

### **Investment Policy**

The attached Appendix L is a list of investments held at yearend 2008 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 2008 Economic Development Fund appears in Appendix M along with commitments on the 2009 EDF fund.

The 2009 budget includes an allocation of \$500,000 for a 2009 Economic Diversification Fund of which \$167,667 has been allocated resulting in a remaining balance of \$332,333 to be allocated by Council.

Staff reviewed previous years Economic Development Fund allocations with the Economic Development Corporation and declared the following funds available for allocation by Council.

#### **Summary**

2008 EDF	\$ 204,391	Includes \$49,333 from 2008 and \$155,058 from 2005
2007 EDF	31,500	
2006 EDF	<u>18,485</u>	
Total	\$ 254,376	

**Staff recommend \$254,376 of prior year EDF fund allocations be distributed by Council for new projects.**

### **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 presented a request to City Council for \$464,850.

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

Casino Proceeds	\$ 100,000
Doctor Recruitment Reserve	100,000
Interest on Hospital Reserve	<u>264,850</u>
Total	\$ 464,850

Staff have reviewed the balance in the Doctor Recruitment Reserve to determine what funds can be reallocated.

Staff recommends the interest from the Hospital Reserve Fund be dedicated to the Doctor Recruitment Program. The value of the interest at December 31, 2008 was \$2,206,930. This fund is expected to be paid out in 2010 when the hospital is completed. 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. This funding source has the potential to provide several years of financing for the Doctor Recruitment Program.

### **2008 Surplus**

The 2008 year end audit indicates a surplus of \$774,722 subject to any final year end adjustments.

No reserve provisions have been made for future assessment appeals, wage issues including WSIB.

The following is a list of major budget variances for 2008. The attached financial summary by department is attached in Appendix N.

Savings occurred throughout the organization.

<u>Item</u>	<u>Variance Surplus/(Deficit)</u>
Winter Control	(1,279,349)
Tax Revenue - Supplementary	515,703
Bank Interest	426,366
Police	463,788

## **RECOMMENDATIONS**

Listed below is a summary of staff budget recommendations.

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

Casino Proceed	\$ 100,000
Doctor Recruitment Reserve	100,000
Interest on Hospital Reserve	<u>264,850</u>
Total	\$ 464,850

2. The 2008 Federal Gas Tax allocation is recommended for road construction projects.
3. Staff recommends no changes to the 2009 tax capping options as compared to 2008.
  - 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%.
4. Staff recommends \$254,376 of prior year EDF fund allocations be distributed by Council for new projects.
5. Staff recommends allocating \$3.2 million of Sewer Surcharge in 2009 be allocated to finance the remaining balance of the project.
6. Staff recommends that \$700,000 of the surplus be allocated to a reserve for contingencies for such items as assessment appeals, wages or other unforeseen items and the balance of \$74,722 be allocated to fund the Scott's Tournament of Hearts National Curling Championship.
7. Staff recommends the annual surplus in the DSSAB be phased out and any future surpluses be paid separately to the City.
8. Staff recommends the adoption of revenue neutral tax ratios.

Respectfully submitted,

W. Freiburger, CMA  
Commissioner of Finance and Treasurer

WF/kl  
attachments

RECOMMENDED FOR APPROVAL

  
Joseph M. Fratesi  
Chief Administrative Officer



**Ontario Municipal Partnership Fund (OMPF)**  
**2009 Allocation Notice (see enclosed insert)**

City of Sault Ste Marie

80101

**2009 Highlights for the City of Sault Ste Marie**

- For the City of Sault Ste Marie the Combined Benefit of its 2009 OMPF Funding plus Social Programs Upload total \$30,683,400.
- This exceeds the Announced March 2007 OMPF by \$4,279,500.

<b>A. Sum of OMPF Grant Components</b>	<b>\$27,883,300</b>
1. Social Programs Grant	
a. Assessment Threshold Component	\$10,263,500
b. Income Threshold Component	-
2. Equalization Grant	
a. Assessment Equalization Component	\$9,683,800
b. Farmland and Managed Forest Component	-
3. Northern and Rural Communities Grant	
a. Rural Communities Component	-
b. Northern Communities Component	\$7,916,000
c. Northern and Rural Social Programs Component	-
d. Stabilization Component	-
4. Police Services Grant	-
<b>B. Special One-Time Assistance (Line B1 less Line B2)</b>	<b>-</b>
1. OMPF 2009 Combined Benefit Stable Funding Guarantee	\$23,761,900
2. Sum of 2009 OMPF Grant Components (Line A)	\$27,883,300
<b>C. Total 2009 OMPF Funding (Line A + Line B)</b>	<b>\$27,883,300</b>
<b>D. Combined Benefit of 2009 OMPF Funding plus Social Programs Upload</b>	<b>\$30,683,400</b>
1. Total 2009 OMPF Funding (Line C)	\$27,883,300
2. Estimated 2009 Municipal Benefit from the ODB Upload	\$1,608,900
3. Estimated 2009 Municipal Benefit from the ODSP Administration Upload	\$1,191,200
<b>E. Grant Allocation and Social Programs Upload Summary</b>	
	<b>Funding Allocation</b>
1. 2004 CRF Payments	\$21,448,000
2. Total Announced March 2007 OMPF Funding	\$26,403,900
3. Combined Benefit of 2009 OMPF Funding + Social Programs Upload (Line D)	\$30,683,400
	<b>Funding Increase Over 2007</b>
	<b>Funding Increase Over 2004</b>
	<b>\$4,955,900</b>
	<b>\$9,235,400</b>
<b>F. Other Ongoing Provincial Support</b>	<b>\$3,545,700</b>
1. 2009 Estimated Public Health Net Benefit	\$2,374,600
2. 2009 Estimated Provincial Gas Tax Revenue	\$1,171,100
<b>G. Key OMPF Data Inputs</b>	<b>2009 Release</b>
1. Total Municipal Social Program Costs	\$18,181,867
2. Households	33,685
3. Total Assessment per Household	\$142,108
4. Policing Costs per Household	\$622
5. Rural and Small Community Measure	9.6%
6. Total Household Income	\$1,986,846,840

Issued: December 15, 2008

**Ontario Municipal Partnership Fund (OMPF)**  
**2009 Allocation Notice**

**City of Sault Ste Marie**



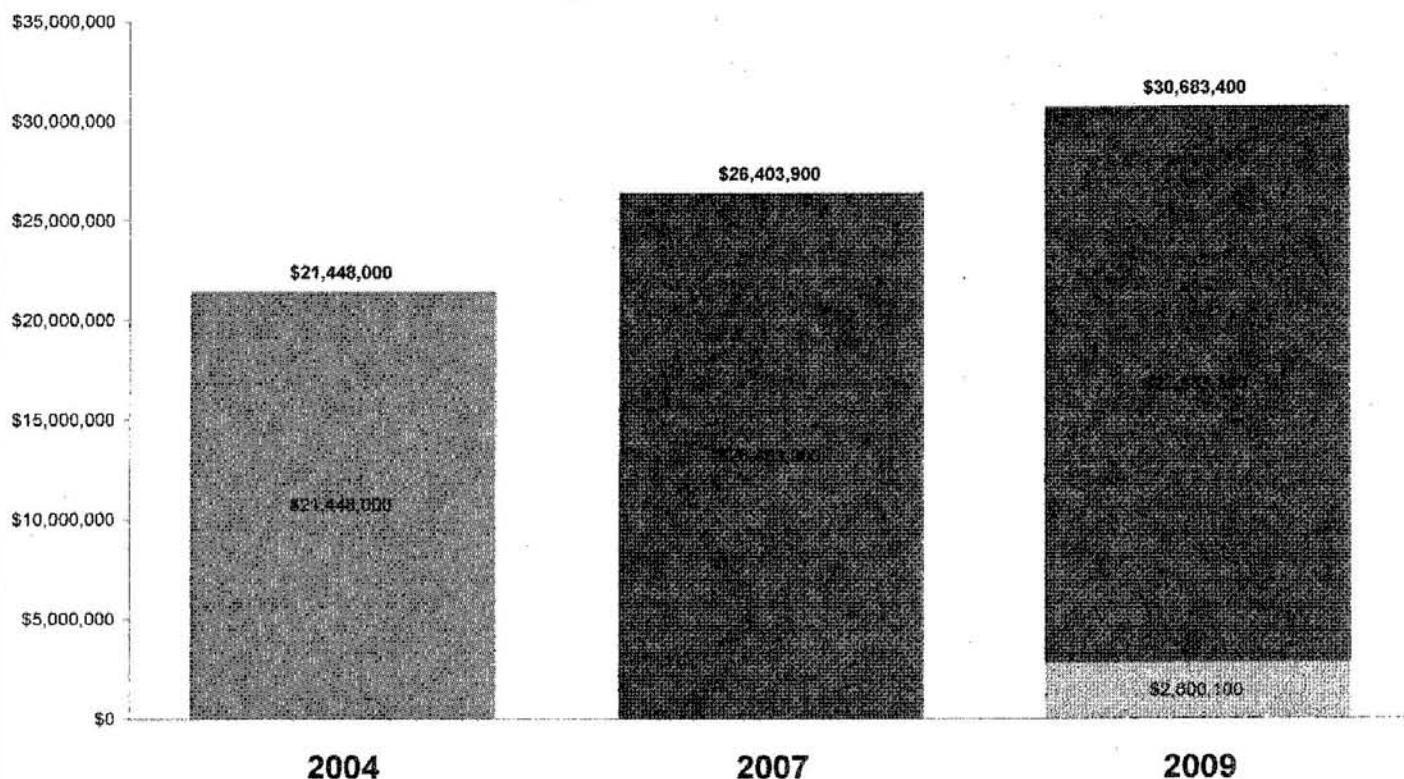
80101

**2009 OMPF Allocation Notice - Line Item Descriptions**

A	Total 2009 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: <a href="http://www.fin.gov.on.ca/english/budget/ompf/">http://www.fin.gov.on.ca/english/budget/ompf/</a>
B	Municipalities projected to see a lower Combined Benefit in 2009 compared to the Announced March 2007 OMPF are eligible for Special One-Time Assistance.
B1	The amount of OMPF funding guaranteed to the municipality as outlined in the 2009 Combined Benefit Stable Funding Guarantee Notice on November 14th 2008.
B2	Equal to line A.
C	Sum of the 2009 OMPF Grant Components and Special One-Time Assistance.
D1	Equal to line C.
D2	Estimated municipal benefit in 2009 of the upload of the Ontario Drug Benefit Program. Further information will be provided with the Social Programs Cost Report.
D3	Estimated municipal benefit in 2009 of the upload of Ontario Disability Support Program Administration (incorporating 2008 cost shares). Further information will be provided with the Social Programs Cost Report.
E	Grant Allocation and Social Programs Upload Summary for 2004, Announced 2007, and 2009.
F1	The projected municipal benefit of the Province's 75% share of Public Health funding relative to its 50% share in 2004. This five-year cumulative funding increase assumes that the growth rate for public health unit budgets in 2008 is repeated in 2009. Actual municipal savings may vary based on public health unit budget approvals.
F2	Estimated provincial gas tax revenue in 2009 based on the municipality's funding through the provincial gas tax program announced on December 17th, 2007.
G1	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.
G3	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.
G4	Refers to the projected 2009 eligible police costs per household.
G5	Represents the proportion of a municipality's population that resides in rural areas or small communities.
G6	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.*

**Grant Allocation and Social Programs Upload Summary for  
the City of Sault Ste Marie**



**Chart Data**

	2004	2007	2009
CRF Payments	\$21,448,000	-	-
OMPF Funding	-	\$26,403,900	\$27,883,300
Additional Funding Provided	-	-	-
2009 Benefit of Social Programs Upload	-	-	\$2,800,100
<b>Total</b>	<b>\$21,448,000</b>	<b>\$26,403,900</b>	<b>\$30,683,400</b>

**Data Sources:**

- 2004 CRF Payments (2009 Allocation Notice Line E1)
- 2007 March Announced OMPF (2009 Allocation Notice Line E2)
- 2007 Additional Funding (2007 March Announced OMPF Line B)
- 2009 Additional Funding (2009 Allocation Notice Line B)
- 2009 OMPF (2009 Allocation Notice Line C)
- 2009 Social Programs Upload (2009 Allocation Notice Line D2 + Line D3)

**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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Rationale

Outlook

Ratings List

## **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

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

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](http://www.ratingsdirect.com). It can also be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://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

February 28, 2009	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Roadways	3,107,100	1,733,487	761,746	155,000	0	0	0	0	0	0	0	0	0	0
Recreation - John Rhodes Centre	6,469,922	5,675,995	4,880,300	4,025,619	3,276,685	3,051,257	2,807,636	2,544,351	2,259,818	1,952,320	1,620,005	1,260,869	873,748	453,302
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	0	0	0	0	0	0	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	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	3,683,785	2,697,337	1,659,392
										0	0	0	0	0
Total City Debt	18,329,293	26,586,752	23,376,289	20,440,876	17,965,383	16,084,120	14,098,599	10,843,198	8,618,890	7,464,605	6,241,297	4,944,654	3,571,085	2,112,694
PUC Water Utility Debt				2,500,000	2,301,818	2,093,602	1,874,846	1,645,015	1,403,549	1,149,859	883,326	603,300	309,097	
Total Debt	18,329,293	26,586,752	23,376,289	22,940,876	20,267,201	18,177,722	15,973,445	12,488,213	10,022,439	8,614,464	7,124,823	5,547,954	3,880,182	2,112,694
Per Capital based on a population of 75,000	244	354	312	306	270	242	213	167	134	115	96	74	52	28

PUC is expected to issue debt to finance water infrastructure related to the City's road construction program over the next two years.

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 \$23,376,288 in 2008 is composed as follows:  
76% debentures, 10% Provincial/NOHFC loans, 12% leases and 2% bank loans.

## Appendix D

**CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**Development Charges**

**December 31, 2008**

	<u>Sewer Charge</u>	<u>Parkland Charge</u>	<u>Lot Severance Charge</u>	<u>Total</u>
Balance January 1, 2008	319,284.23	94,055.40	4,916.64	418,256.27
Development charges received	0.00	0.00	0.00	0.00
Development charges refunded or allocated to other services	0.00	(94,055.40)	0.00	(94,055.40)
Interest	<u>13,219.32</u>	0.00	204.42	13,423.74
<b>Balance December 31, 2008</b>	<b><u>332,503.55</u></b>	<b><u>0.00</u></b>	<b><u>5,121.06</u></b>	<b><u>337,624.61</u></b>



200 University Ave, Suite 801  
Toronto, ON M5H 3C6  
Tel.: (416) 971-9856 | Fax: (416) 971-6191  
E-mail: amo@amo.on.ca

**ALERT**

## MEMBER COMMUNICATION

ALERT N°: 08/065

To the attention of the Clerk and Council  
December 23, 2008

FOR MORE INFORMATION CONTACT:  
Judy Dezell, AMO Manager Federal Gas Tax  
(416) 971-9856 ext 306

### Federal Gas Tax - Four Year Extension Funding Announced

#### Issue:

Annual funding of \$746 million in Federal Gas Tax Funding for 2010 to 2014 announced today.

#### Background:

AMO, the Government of Canada, the Government of Ontario and the City of Toronto have successfully completed negotiation of the extension of the Federal Gas Tax Fund schedule of payments to March 31, 2014. This secures four more years of predictable, long-term funding for Ontario municipalities that will help to address pressing infrastructure needs. The funding allocation of per capita remains in place, but the population data has been updated to the 2006 Census. Infrastructure Canada's news release can be accessed by [clicking here](#).

AMO will not amend the existing Municipal Funding Agreement (MFA) between AMO and each municipality until we complete the program evaluation that is currently underway. We anticipate being in a better position in late 2009 to amend the MFA.

In the interim, we recognize that municipalities are in the midst of undertaking 2009 municipal budgets and have sent to each municipality confirmation of allocation for the four additional years. Allocations are also on AMO's website – [click here](#). This announcement fulfills the Government of Canada's 2007 budget commitment to extend the funding. The next step, likely in 2010, is to negotiate an agreement framework for permanency of the funding – which is a commitment of the federal 2008 budget.

#### Action:

Letter from AMO confirming each municipality's allocation has been sent out.

*This information is available in the Policy Issues section of the AMO website at [www.amo.on.ca](http://www.amo.on.ca).*



# City of Sault Ste. Marie

*Finance Department*

## Comparison of 2008 and 2009 Property Assessment

<u>Category</u>	<u>Assessment for 2008</u>	<u>Assessment for 2009</u>	<u>\$ Change</u>	<u>% Change</u>
Residential & Farm	2,645,558,584	2,892,327,546	246,768,962	9.33
Multi-Residential	159,917,955	173,304,495	13,386,540	8.37
Commercial - Occupied	407,590,732	411,383,671	3,792,939	0.93
Commercial - New Construction	0	8,973,250	8,973,250	100.00
Commercial - Excess Land	2,759,935	3,012,745	252,810	9.16
Commercial - Vacant Land	10,078,000	10,200,575	122,575	1.22
General Rate Only (International Bridge)	1,438,000	1,400,000	(38,000)	(2.64)
Shopping Centres	101,329,090	112,634,875	11,305,785	11.16
Shopping - Excess Land	0	0	0	0.00
Office Buildings	8,293,955	8,236,024	(57,931)	(0.70)
Office Bldg - Excess Land	0	0	0	0.00
Parking Lots	1,691,000	1,596,750	(94,250)	(5.57)
Industrial - Occupied	34,505,395	30,098,836	(4,406,559)	(12.77)
Industrial - Excess Land	511,013	431,000	(80,013)	(15.66)
Industrial - Vacant Land	2,641,930	2,922,973	281,043	10.64
Large Industrial - Occupied	131,724,444	126,768,233	(4,956,211)	(3.76)
Lg Industrial - Excess Land	2,752,498	2,790,302	37,804	1.37
Pipeline	17,983,000	18,639,500	656,500	3.65
Farmland	1,606,144	1,492,633	(113,511)	(7.07)
Managed Forests	900,130	928,756	28,626	3.18
	<b>3,531,281,805</b>	<b>3,807,142,164</b>	<b>275,860,359</b>	<b>7.81</b>





## 2008-2012 Estimated Net Assessment Growth and Value Changes

### Sault Ste Marie C, 5761

RTC	\$ Change						% Change					
	2008 Net Assessment Growth	2009 Value/Equity Change	2010 Value/Equity Change	2011 Value/Equity Change	2012 Value/Equity Change	2009-2012 Value/Equity Change	2008 Net Growth	2009 Value/Equity	2010 Value/Equity	2011 Value/Equity	2012 Value/Equity	2009-2012 Value/Equity
<b>Taxable</b>												
R	28,632,022	218,136,940	221,373,870	221,373,848	221,373,821	882,258,479	1.08%	8.16%	7.65%	7.11%	6.64%	32.99%
M	-655,035	14,081,575	14,202,001	14,202,003	14,202,001	56,687,580	-0.43%	8.84%	8.19%	7.57%	7.04%	35.60%
C	-4,510,765	8,641,069	17,515,677	17,515,625	17,515,609	61,188,000	-1.07%	2.07%	4.11%	3.95%	3.80%	14.66%
X	8,709,000	264,250	264,250	264,250	264,250	1,057,000	3.03%	2.94%	2.86%	2.78%	12.14%	
S	2,691,050	8,614,735	8,614,730	8,614,735	8,614,730	34,458,930	2.66%	8.28%	7.65%	7.10%	6.63%	33.13%
D	-260,890	202,959	220,629	220,629	220,628	864,845	-3.15%	2.53%	2.68%	2.61%	2.54%	10.77%
G	-95,800	1,550	36,050	36,050	36,050	109,700	-5.67%	0.10%	2.26%	2.21%	2.16%	8.88%
I	-752,428	-3,453,101	723,169	723,162	723,160	-1,283,810	-2.00%	-6.36%	2.16%	2.12%	2.07%	-3.48%
L	187,573	-5,105,980	263,406	263,407	263,405	-4,315,762	0.14%	-3.79%	0.20%	0.20%	0.20%	-3.20%
P	43,000	613,500	613,500	613,500	613,500	2,454,000	0.24%	3.40%	3.29%	3.19%	3.09%	13.61%
F	-121,300	7,789	72,590	72,588	72,589	225,556	-7.55%	0.52%	4.66%	4.64%	4.43%	15.19%
T	-48,980	77,606	89,315	89,315	89,314	345,550	-5.44%	9.12%	9.62%	8.77%	8.07%	40.60%
<b>Commercial Total</b>	<b>6,532,595</b>	<b>17,724,583</b>	<b>26,651,336</b>	<b>26,651,289</b>	<b>26,651,267</b>	<b>97,678,475</b>	<b>1.23%</b>	<b>3.28%</b>	<b>4.78%</b>	<b>4.56%</b>	<b>4.36%</b>	<b>18.10%</b>
<b>Industrial Total</b>	<b>-564,855</b>	<b>-8,559,081</b>	<b>986,675</b>	<b>986,569</b>	<b>986,565</b>	<b>-5,599,372</b>	<b>-0.33%</b>	<b>-4.99%</b>	<b>0.61%</b>	<b>0.60%</b>	<b>0.50%</b>	<b>-3.26%</b>
<b>Total Taxable</b>	<b>33,777,447</b>	<b>242,082,912</b>	<b>263,989,187</b>	<b>263,989,112</b>	<b>263,989,057</b>	<b>1,034,050,268</b>	<b>0.96%</b>	<b>6.79%</b>	<b>6.93%</b>	<b>6.48%</b>	<b>6.09%</b>	<b>29.01%</b>

**R** – Residential  
**M** – Multi-Residential  
**C** – Commercial  
**X** – New Commercial  
**S** – Shopping Centres  
**D** – Office Buildings

**G** – Parking Lots  
**I** – Industrial  
**L** – Large Industrial  
**P** – Pipeline  
**F** – Farmland  
**T** – Managed Forests

	<b>2008 Starting Ratios</b>		
	<b>vs</b>		
	<b>2009 Revenue Neutral Ratios</b>		
Tax Class	2008 Tax Levy vs (2008 Tax Ratios)	2008 Tax Levy vs 2009 Tax Levy Revenue Neutral Ratios	Dollar Change
Residential	4,318,495.95	3,229,255.80	(1,089,240.15)
Multi-Residential	289,901.46	179,359.92	(110,541.54)
Commercial	(196,068.30)	168,087.09	364,155.39
Commercial-Excess Land	7,234.37	9,097.00	1,862.63
Commercial-Vacant land	3,182.76	9,864.57	6,681.81
New Commercial Constuction	420,297.40	428,253.29	7,955.89
General Rate Only	(1,782.50)	(541.23)	1,241.27
Shopping Centres	383,756.05	489,770.40	106,014.35
Office Buildings	(88,630.94)	(77,965.51)	10,665.43
Parking Lots	(3,930.76)	(2,883.81)	1,046.95
Industrial	(264,015.05)	(168,897.31)	95,117.74
Industrial Vacant and Excess Land	6,454.48	13,392.01	6,937.53
Large Industrial	(1,340,671.70)	(763,271.50)	577,400.20
Large Industrial Vacant and Excess Land	(11,375.84)	(3,114.86)	8,260.98
Pipelines	12,959.47	25,619.11	12,659.64
Farm	(704.96)	(839.25)	(134.29)
Managed Forest	84.22	0.39	(83.83)
<b>Totals</b>	<b>3,535,186.11</b>	<b>3,535,186.11</b>	<b>(0.00)</b>

		2008 Approved Property Tax Levy							
		vs							
		2009 Property Tax Level Using 2008 Starting Ratios							
Tax Class		2008 Municipal	2008 Education	Total	2008 Starting Ratios	2009 Municipal	2009 Education	Total Revenue	Difference
		Levy	Levy	2008 Levy		Levy	Levy	Starting Ratios	
Residential		50,377,891.00	6,984,275.00	57,362,166.00	1.000000	54,391,996.54	7,288,665.41	61,680,661.95	4,318,495.95
Multi-Residential		3,929,073.00	422,183.00	4,351,256.00	1.282901	4,204,430.13	436,727.33	4,641,157.46	289,901.46
Commercial		13,034,274.00	8,270,163.00	21,304,437.00	1.673000	12,991,727.73	8,116,640.97	21,108,368.70	(196,068.30)
Commercial-Excess Land		61,605.00	39,200.00	100,805.00	1.171100	66,430.14	41,609.23	108,039.37	7,234.37
Commercial-Vacant land		238,338.00	151,929.00	390,267.00	1.237200	238,401.02	155,048.74	393,449.76	3,182.76
New Commercial Constuction		-	-	-	1.673000	283,904.00	136,393.40	420,297.40	420,297.40
General Rate Only		46,077.00	-	46,077.00	1.673000	44,294.50	-	44,294.50	(1,782.50)
Shopping Centres		3,446,684.00	2,182,583.00	5,629,267.00	1.776000	3,783,046.26	2,229,976.79	6,013,023.05	383,756.05
Office Buildings		388,148.00	245,792.00	633,940.00	2.443500	380,588.58	164,720.48	545,309.06	(88,630.94)
Parking Lots		40,069.00	25,492.00	65,561.00	1.237200	37,359.64	24,270.60	61,630.24	(3,930.76)
Industrial		1,259,432.00	707,543.00	1,966,975.00	1.925100	1,085,774.89	617,185.06	1,702,959.95	(264,015.05)
Industrial Vacant and Excess Land		75,309.00	42,024.00	117,333.00	1.251315	79,084.29	44,703.19	123,787.48	6,454.48
Large Industrial		6,920,458.00	3,848,776.00	10,769,234.00	2.743114	6,576,277.06	2,852,285.24	9,428,562.30	(1,340,671.70)
Large Industrial Vacant and Excess Land		93,997.00	52,275.00	146,272.00	1.783024	94,087.99	40,808.17	134,896.16	(11,375.84)
Pipelines		491,291.00	311,796.00	803,087.00	1.499600	504,089.46	311,957.01	816,046.47	12,959.47
Farm		7,337.00	1,060.00	8,397.00	0.250000	6,751.68	940.36	7,692.04	(704.96)
Managed Forest		4,120.00	594.00	4,714.00	0.250000	4,213.10	585.12	4,798.22	84.22
Totals		80,414,103.00	23,285,685.00	103,699,788.00		84,772,457.01	22,462,517.10	107,234,974.11	3,535,186.11

2008 Approved Property Tax Levy								
vs								
2009 Revenue Neutral Tax Levy								
Tax Class	2008 Municipal Levy	2008 Education Levy	Total 2008 Levy Starting Ratios	Revenue Neutral Ratios	2009 Municipal Levy	2009 Education Levy	Total 2009 Levy Revenue Neutral Ratios	Difference
Residential	50,377,891.00	6,984,275.00	57,362,166.00	1.000000	53,302,756.39	7,288,665.41	60,591,421.80	3,229,255.80
Multi-Residential	3,929,073.00	422,183.00	4,351,256.00	1.274723	4,093,888.59	436,727.33	4,530,615.92	179,359.92
Commercial	13,034,274.00	8,270,163.00	21,304,437.00	1.755063	13,355,883.12	8,116,640.97	21,472,524.09	168,087.09
Commercial-Excess Land	61,605.00	39,200.00	100,805.00	1.228544	68,292.77	41,609.23	109,902.00	9,097.00
Commercial-Vacant land	238,338.00	151,929.00	390,267.00	1.297887	245,082.83	155,048.74	400,131.57	9,864.57
New Commercial Constuction	-	-	-	1.755063	291,859.89	136,393.40	428,253.29	428,253.29
General Rate Only	46,077.00	-	46,077.00	1.755063	45,535.77	-	45,535.77	(541.23)
Shopping Centres	3,446,684.00	2,182,583.00	5,629,267.00	1.863116	3,889,060.61	2,229,976.79	6,119,037.40	489,770.40
Office Buildings	388,148.00	245,792.00	633,940.00	2.563358	391,254.01	164,720.48	555,974.49	(77,965.51)
Parking Lots	40,069.00	25,492.00	65,561.00	1.297887	38,406.59	24,270.60	62,677.19	(2,883.81)
Industrial	1,259,432.00	707,543.00	1,966,975.00	2.186567	1,180,892.63	617,185.06	1,798,077.69	(168,897.31)
Industrial Vacant and Excess Land	75,309.00	42,024.00	117,333.00	1.421268	86,021.82	44,703.19	130,725.01	13,392.01
Large Industrial	6,920,458.00	3,848,776.00	10,769,234.00	3.115683	7,153,677.26	2,852,285.24	10,005,962.50	(763,271.50)
Large Industrial Vacant and Excess Land	93,997.00	52,275.00	146,272.00	2.025194	102,348.97	40,808.17	143,157.14	(3,114.86)
Pipelines	491,291.00	311,796.00	803,087.00	1.568439	516,749.10	311,957.01	828,706.11	25,619.11
Farm	7,337.00	1,060.00	8,397.00	0.250000	6,617.39	940.36	7,557.75	(839.25)
Managed Forest	4,120.00	594.00	4,714.00	0.250000	4,129.27	585.12	4,714.39	0.39
<b>Totals</b>	<b>80,414,103.00</b>	<b>23,285,685.00</b>	<b>103,699,788.00</b>		<b>84,772,457.01</b>	<b>22,462,517.10</b>	<b>107,234,974.11</b>	<b>3,535,186.11</b>

2008 and 2009 Education Taxes

PROPERTY CLASS	RTC/ RTQ	2009	2008	Increase/ Decrease	Percentage Change
		Education Tax rates	Education Tax Rates		
1 - RESIDENTIAL & FARM	RT	0.00252000	0.00264000	(0.00012)	-4.55%
2 - MULTI-RESIDENTIAL	MT	0.00252000	0.00264000	(0.00012)	-4.55%
3 - COMMERCIAL (OCCUPIED)	CT	0.01973010	0.02020904	(0.00048)	-2.37%
EXCESS LAND	CU	0.01381107	0.01420325	(0.00039)	-2.76%
VACANT LAND	CX	0.01507534	0.01520000	(0.00012)	-0.82%
GENERAL RATE ONLY	CM			-	
New Construction					
3a SHOPPING CENTRES (OCCUPIED)	ST	0.01979828	0.02153955	(0.00122)	-8.08%
EXCESS LAND	SU	0.01385880	0.01507769	(0.00122)	-8.08%
3b OFFICE BUILDINGS (OCCUPIED)	DT	0.02000000	0.02963508	(0.00964)	-32.51%
EXCESS LAND	DU	0.01400000	0.02074456	(0.00674)	-32.51%
3c PARKING LOTS	GT	0.01520000	0.01507534	0.00012	0.83%
4 - INDUSTRIAL (OCCUPIED)	IT	0.02050528	0.02050528	-	-
EXCESS LAND	IU	0.01332843	0.01332843	-	-
VACANT LAND	IX	0.01332843	0.01332843	-	-
	IH			-	
4a- LARGE INDUSTRIAL (OCCUPIED)	LT	0.02250000	0.02921839	(0.00672)	-22.99%
EXCESS LAND	LU	0.01462500	0.01899195	(0.00437)	-22.99%
5 - PIPELINE	PT			-	
6 - FARMLANDS	FT	0.00063000	0.00066000	(0.00003)	-4.55%
7 - MANAGED FORESTS	TT	0.00063000	0.00066000	(0.00003)	-4.55%
OVERALL TOTAL					

**CANADIAN DOLLAR  
ACCOUNT STATEMENT**

**DEC. 31  
2008**

Your Account Number: 615-14269-1-0

**Appendix L**

**ASSET REVIEW**

( Exchange rate 1USD = 1.2189 CAD as of DEC. 31, 2008 )				
SECURITY SYMBOL	QUANTITY/ SEGREGATED	MKT. PRICE	BOOK VALUE	MARKET VALUE
<b>FIXED INCOME</b>				
FARM CREDIT CANADA MED TERM NOTE DUE 06/01/2009 4.500% JD 01	80,000 80,000	101.482	80,715.20	\$81,481.49
RES PROVINCE OF B C DUE 12/01/2009 YTM AT PURCHASE DATE 4.050%	50,000 50,000	98.690	46,335.00	\$49,345.00
CPN PROVINCE OF BRITISH COLUMBIA BOOK ENTRY ONLY DUE 02/23/2010 YTM AT PURCHASE DATE 4.620%	138,779 138,779	98.060	104,403.44	\$136,086.69
RES PROVINCE OF ONTARIO BOOK ENTRY ONLY DUE 11/19/2010 YTM AT PURCHASE DATE 3.830%	148,000 148,000	96.390	132,563.60	\$142,657.20
CANADA HOUSING TRUST NO.1 CDA MTGE BOND SER-13 DUE 03/15/2011 4.050% MS 15	150,000 150,000	105.429	150,197.23	\$159,924.39
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
RES PROVINCE OF ONTARIO DUE 12/02/2011 YTM AT PURCHASE DATE 3.820%	115,361 115,361	92.610	94,999.78	\$106,835.82
PRN CITY OF EDMONTON (THE) BK ENT STRIP GENERIC PRIN DUE 02/13/2012 YTM AT PURCHASE DATE 3.930%	83,248 83,248	91.579	67,639.00	\$76,237.69
ONTARIO SAVINGS BONDS STEP-UP ANNUAL SER 2007 4.00%, 4.20%,4.40%,4.60%,4.95% DUE 06/21/2012 4.200%	75,400	100.500	76,154.00	\$77,451.50
CPN PROVINCE OF BRITISH COLUMBIA DUE 12/18/2012 YTM AT PURCHASE DATE 4.000%	82,000 82,000	88.910	67,371.20	\$72,906.20
CPN PROVINCE OF BRITISH COLUMBIA BOOK ENTRY ONLY DUE 05/19/2013 YTM AT PURCHASE DATE 4.200%	200,000 200,000	86.380	160,020.00	\$172,760.00



RBC  
Dominion  
Securities

**CANADIAN DOLLAR  
ACCOUNT STATEMENT**

**DEC. 31**

**2008**

Your Account Number: 615-14269-1-0 3 of 6

**ASSET REVIEW**

( Exchange rate 1USD = 1.2189 CAD as of DEC. 31, 2008 )

	<b>SECURITY SYMBOL</b>	<b>QUANTITY/ SEGREGATED</b>	<b>MKT. PRICE</b>	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>
ONTARIO SAVINGS BOND STEPUP 2.60%-4.00% SER 2008		46,000	99.500	46,000.00	\$46,402.40
ANNUAL DUE 06/21/2013 2.60%					
CPN PROVINCE OF ONTARIO BOOK ENTRY ONLY		121,500	85.030	91,768.95	\$103,311.45
DUE 11/03/2013		121,500			
YTM AT PURCHASE DATE 4.030%					
CPN PROV OF BRITISH COLUMBIA		108,806	84.980	84,999.24	\$92,463.34
DUE 11/30/2013		108,806			
YTM AT PURCHASE DATE 4.260%					
CPN PROVINCE OF ONTARIO DUE 05/03/2014		110,203	82.310	84,371.41	\$90,708.09
YTM AT PURCHASE DATE 4.300%		110,203			
CPN PROVINCE OF ONTARIO BOOK ENTRY ONLY		78,782	79.890	55,950.97	\$62,938.94
DUE 12/02/2014		78,782			
YTM AT PURCHASE DATE 4.710%					
ONTARIO SAVINGS BOND VAR RATE SER 2008 ANNUAL		72,600	99.700	72,600.00	\$73,054.00
DUE 06/21/2015 1.750%		72,600			
<b>Total Value of Fixed Income</b>				<b>1,511,089.02</b>	<b>\$1,640,705.76</b>

Ontario Grow Bonds \$500,000.00

0158623 -11114

## Appendix M

**CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**ECONOMIC DIVERSIFICATION FUND 2008 (RESERVE ACCT 10-000-0000-3753)**  
 Actual to December 31, 2008

	Date	Allocation	Projection	Actual
Total Economic Diversification Fund	2008 Budget	500,000.00	500,000.00	500,000.00
Remaining funds from 2005 EDF		255,058.33	255,058.33	255,058.33
		<u>755,058.33</u>	<u>755,058.33</u>	<u>755,058.33</u>

**2005 remaining project:**

Multi-Modal Marketing Initiative (EDC)	25-Apr-05	100,000.00	40,000.00	26,250.65
				5,453.89
				1,634.66
			10,000.00	9,100.00
			50,000.00	50,000.00

**Allocation by Council**

Community Development Plan (3yr project)	Apr 16/07	95,000.00	95,000.00	269.74
New Airport Carrier	14-May-07	12,000.00	12,000.00	
Searchmont Ski Association loan guarantee (3 years)	Dec 10/07	100,000.00	100,000.00	
Algoma University Independence	Jan 28/08	66,667.00	66,667.00	66,667.00
Multimodal Task Force	Feb 25/08	50,000.00	50,000.00	13,416.00
<del>Lock Tours Canada loan</del>	<del>Apr 28/08</del>	<del>60,000.00</del>	<del>60,000.00</del>	
Science Enterprise Algoma (seA) Sustainable Biomass Production	Jul 21/08	67,000.00	67,000.00	67,000.00

Subtotal	<u>550,667.00</u>	<u>490,667.00</u>	<u>239,791.94</u>
Total	<u>204,391.33</u>	<u>264,391.33</u>	<u>515,266.39</u>

available funds

**Future EDF commitments:**

		2009	2010	2011
Community Development Plan (3yr project)	04/16/07	95,000.00		
New Airport Carrier	14-May-07	6,000.00		
Algoma University Independence	28-Jan-08	66,667.00	66,666.00	
		<u>167,667.00</u>	<u>66,666.00</u>	-

**CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**ECONOMIC DIVERSIFICATION FUND 2007 (RESERVE ACCT 10-000-0000-3707)**  
Actual to December 31, 2008

	Date	Allocation	Projection	Actual
Total Economic Diversification Fund	2007 Budget	500,000.00	500,000.00	500,000.00
<b>Allocation by Council</b>				
Norgoma funding	10-Apr-07	10,000.00	10,000.00	10,000.00
Sault Finnish Nordic Ski Club	10-Apr-07	7,500.00	7,500.00	7,500.00
Community Development Plan (3yr project)	04/16/07	95,000.00	95,000.00	5,000.00
				90,000.00
Bonifero Mill Works Rail Siding Loan	04/30/07	60,000.00	51,000.00	
New Airport Carrier	14-May-07	24,000.00	24,000.00	
Development SSM funding	25-Jun-07	246,000.00	246,000.00	136,324.98
				109,675.02
Science Enterprise Algoma -partnership with invasive species research institute	13-Nov-07	35,000.00	35,000.00	35,000.00
Subtotal		477,500.00	468,500.00	393,500.00
Total		22,500.00	31,500.00	106,500.00
			available funds	

**CORPORATION OF THE CITY OF SAULT STE. MARIE****ECONOMIC DIVERSIFICATION FUND 2006 (RESERVE ACCT 10-000-000-3706)**

Actuals to: December 31, 2008

	Date	Allocation	Projection	Actual
Total Economic Diversification Fund	2006 Budget	1,000,000.00	1,000,000.00	1,000,000.00
Transfer remaining balance of 2002 fund		16,275.39	16,275.39	16,275.39
		<u>1,016,275.39</u>	<u>1,016,275.39</u>	<u>1,016,275.39</u>

**Allocation by Council**

Bridging loan to EDC re: Flakeboard expansion (interest on loan funded from EDF, see 2005 file)	26-Sep-05	55,000.00	55,000.00	23,051.59
Gateway Project additional costs	03-Nov-05	300,000.00	280,000.00	11,899.89
			20,000.00	5,122.50
				<u>12,341.94</u>
Multi-Module Task Force Contract (KPMG)	20-Feb-06	165,000.00	157,965.00	160,281.68
				<u>9,554.40</u>
Direct Mail Campaign (Tourism SSM)	26-Jun-06	22,000.00	22,000.00	22,000.00
Wake Up a Winner Community Challenge	10-Jul-06	6,000.00	6,000.00	6,000.00
Sault Finnish Nordic Ski Club	28-Aug-06	7,500.00	7,500.00	7,500.00
Waterfront Walkway	25-Sep-06	200,000.00	200,000.00	64,280.82
Development SSM funding seA (2007 funding for 3 projects)	16-Oct-06	136,325.00	136,325.00	136,324.98
Algoma Conservatory Choir	29-Jan-07	60,000.00	60,000.00	60,000.00
FONOM conference	13-Feb-07	25,000.00	25,000.00	25,000.00
	26-Feb-07	8,000.00	8,000.00	2,228.00
				<u>2,012.46</u>
Web Portal	12-Mar-07	20,000.00	20,000.00	
Subtotal		<u>1,004,825.00</u>	<u>997,790.00</u>	<u>547,598.26</u>
Total		<u>11,450.39</u>	<u>18,485.39</u>	<u>468,677.13</u>

available funds

**Appendix N****The Corporation of the City of Sault Ste. Marie****Net (Revenue) Expenditures****For the twelve months ending December 31, 2008**

<u>Page</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
A	Mayor and Council	693,789	697,510	3,721	0.5%
B	Chief Administrative Officer	314,256	313,855	(401)	-0.1%
C	Human Resources	1,253,295	1,255,800	2,505	0.2%
D	City Clerk	847,491	880,085	32,594	3.7%
E	Finance Department	5,663,790	5,938,325	274,535	4.6%
F	Legal Department	(332,065)	37,185	369,250	993.0%
G	Fire Services	10,824,870	10,645,475	(179,395)	-1.7%
H	Police	19,075,112	19,538,900	463,788	2.4%
I	Social Services	20,614,566	20,593,620	(20,946)	-0.1%
J	Engineering and Planning	10,515,110	10,572,940	57,830	0.5%
K	Public Works & Transportation	30,067,835	27,969,298	(2,098,537)	-7.5%
L	Community Services	3,783,475	4,106,105	322,630	7.9%
M	Public Health Unit - Levy Board	1,979,375	1,979,375	-	0.0%
N	Outside Agencies	3,819,499	3,840,370	20,871	0.5%
O	Outside Agencies - Other	2,430,773	2,575,420	144,647	5.6%
P	Economic Development Fund	497,498	500,000	2,502	0.5%
Q	Corporate Financials	(123,265,789)	(121,977,164)	1,288,625	-1.1%
R	Capital & Debenture Levy	10,442,399	10,532,901	90,502	0.9%
S	Education Levy	0	-	(0)	0.0%
		<u>(774,722)</u>	<u>-</u>	<u>774,722</u>	

The Corporation of the City of Sault Ste. Marie

Total Revenues

For the twelve months ending December 31, 2008

Page		Actual	Budget	Revenue Variance	%
A	Mayor and Council	-	-	-	
B	Chief Administrative Officer	(966)	-	966	
C	Human Resources	(7,501)	-	7,501	
D	City Clerk	(59,300)	(42,730)	16,570	-38.8%
E	Finance Department	(518,550)	(394,830)	123,720	-31.3%
F	Legal Department	(2,907,302)	(2,471,790)	435,512	-17.6%
G	Fire Services	(3,557,642)	(3,508,435)	49,207	-1.4%
H	Police	(1,506,918)	(1,273,850)	233,068	-18.3%
I	Social Services	(7,912,157)	(8,236,670)	(324,513)	3.9%
J	Engineering and Planning	(1,555,810)	(3,258,930)	(1,703,120)	52.3%
K	Public Works & Transportation	(9,760,142)	(7,670,035)	2,090,107	-27.3%
L	Community Services	(5,387,134)	(4,792,820)	594,314	-12.4%
M	Public Health Unit - Levy Board	-	-	-	
N	Outside Agencies	(4,216)	-	4,216	
O	Outside Agencies - Other	-	-	-	
P	Economic Development Fund	(925,524)	-	925,524	
Q	Corporate Financials	(133,710,629)	(133,092,727)	617,902	-0.5%
R	Capital & Debenture Levy	(305,786)	(215,000)	90,786	-42.2%
S	Education Levy	(23,450,960)	(23,285,685)	165,275	-0.7%
		(191,570,537)	(188,243,502)	3,327,035	-1.8%

The Corporation of the City of Sault Ste. Marie

Total Expenditures

For the twelve months ending December 31, 2008

<u>Page</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
A	Mayor and Council	693,789	697,510	3,721	0.53%
B	Chief Administrative Officer	315,222	313,855	(1,367)	-0.44%
C	Human Resources	1,260,796	1,255,800	(4,996)	-0.40%
D	City Clerk	906,791	922,815	16,024	1.74%
E	Finance Department	6,182,341	6,333,155	150,814	2.38%
F	Legal Department	2,575,238	2,508,975	(66,263)	-2.64%
G	Fire Services	14,382,512	14,153,910	(228,602)	-1.62%
H	Police	20,582,029	20,812,750	230,721	1.11%
I	Social Services	28,526,723	28,830,290	303,567	1.05%
J	Engineering and Planning	12,070,920	13,831,870	1,760,950	12.73%
K	Public Works & Transportation	39,827,976	35,639,333	(4,188,643)	-11.75%
L	Community Services	9,170,609	8,898,925	(271,684)	-3.05%
M	Public Health Unit - Levy Board	1,979,375	1,979,375	-	0.00%
N	Outside Agencies	3,823,715	3,840,370	16,655	0.43%
O	Outside Agencies - Other	2,430,773	2,575,420	144,647	5.62%
P	Economic Development Fund	1,423,022	500,000	(923,022)	-184.60%
Q	Corporate Financials	10,444,840	11,115,563	670,723	6.03%
R	Capital & Debenture Levy	10,748,185	10,747,901	(284)	0.00%
S	Education Levy	23,450,960	23,285,685	(165,275)	-0.71%
		190,795,815	188,243,502	(2,552,313)	-1.36%

**City of Sault Ste Marie  
CURRENT FUND**  
For the Twelve Months Ending December 31, 2008

Department	YTD	YTD	<b>Variance</b>
	Actual	Budget	
<b>REVENUE</b>			
Taxation	(\$106,700,942.82)	(\$106,019,964.00)	\$680,978.82
Payment in Lieu of taxes	(4,337,053.21)	(\$4,378,695.00)	(\$41,641.79)
Fees and user charges	(38,709,258.04)	(\$37,093,395.00)	\$1,615,863.04
Government grants	(31,751,418.55)	(\$33,673,260.00)	(\$1,921,841.45)
Investment income	(4,875,678.01)	(\$4,090,000.00)	\$785,678.01
Contribution from own funds	(2,180,815.39)	(\$660,000.00)	\$1,520,815.39
Other income	(2,451,218.96)	(\$1,764,035.00)	\$687,183.96
Prior year surplus	(564,152.47)	(\$564,153.00)	(\$0.53)
	<b>(191,570,537.45)</b>	<b>(\$188,243,502.00)</b>	<b>\$3,327,035.45</b>
<b>EXPENDITURES</b>			
Salaries	59,887,466.66	\$60,016,140.00	\$128,673.34
Benefits	13,814,681.46	\$13,932,155.00	\$117,473.54
Travel and training	528,091.10	\$753,075.00	\$224,983.90
Election	(584.25)	\$0.00	\$584.25
Vehicle allowance, maintenance and repairs	3,678,596.93	\$3,679,131.00	\$534.07
Inventory variances	98,522.82	\$5,764.00	(\$92,758.82)
Utilities and Fuel	7,236,362.76	\$6,629,365.00	(\$606,997.76)
Operating supplies and services.	4,926,535.93	\$4,636,789.00	(\$289,746.93)
Maintenance and repairs	2,071,622.22	\$1,870,620.00	(\$201,002.22)
Program expenses	127,970.53	\$82,950.00	(\$45,020.53)
Goods for resale	713,877.69	\$622,425.00	(\$91,452.69)
Rents and leases	731,804.12	\$753,280.00	\$21,475.88
Taxes and licenses	1,747,358.68	\$1,573,810.00	(\$173,548.68)
Financial expenses	2,154,177.76	\$2,562,605.00	\$408,427.24
Contracted services	10,861,414.97	\$10,747,869.00	(\$113,545.97)
Grants to others	52,496,820.15	\$52,203,430.00	(\$293,390.15)
Long term debt	10,748,184.99	\$10,747,901.00	(\$283.99)
Transfer to own funds	18,138,642.17	\$16,732,413.00	(\$1,406,229.17)
Capital expense	946,719.58	\$693,780.00	(\$252,939.58)
Less: recoverable costs	(112,451.27)	\$0.00	\$112,451.27
	<b>190,795,815.00</b>	<b>\$188,243,502.00</b>	<b>(\$2,552,313.00)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>(774,722.45)</b>	<b>\$0.00</b>	<b>\$774,722.45</b>

A

City of Sault Ste Marie  
MAYOR & COUNCIL  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
<hr/>			
<b>EXPENDITURES</b>			
Salaries	\$397,628.50	\$398,615.00	\$986.50
Benefits	46,988.90	\$42,820.00	(\$4,168.90)
Travel and training	42,884.47	\$66,785.00	\$23,900.53
Vehicle allowance, maintenance and repairs	30,060.89	\$31,890.00	\$1,829.11
Operating supplies and services	42,698.95	\$54,210.00	\$11,511.05
Maintenance and repairs		\$250.00	\$250.00
Contracted services	16,603.82	\$12,940.00	(\$3,663.82)
Grants to others	30,000.00	\$90,000.00	\$60,000.00
Transfer to own funds	86,114.53		(\$86,114.53)
Capital expense	808.87		(\$808.87)
	<hr/> <b>693,788.93</b>	<b>\$697,510.00</b>	<b>\$3,721.07</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>693,788.93</b>	<b>\$697,510.00</b>	<b>\$3,721.07</b>

Major Variance Explanation

Unspent Travel transferred to reserve	21,364.53
Council special funds to reserve for expenditure in 2009	64,750.00
	<hr/> <b>86,114.53</b>

City of Sault Ste Marie  
CHIEF ADMIN OFFICER  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Government grants	(\$966.00)	\$0.00	\$966.00
	<u>(966.00)</u>	<u>\$0.00</u>	<u>\$966.00</u>
<b>EXPENDITURES</b>			
Salaries	243,535.74	\$245,930.00	\$2,394.26
Benefits	47,149.69	\$40,100.00	(\$7,049.69)
Travel and training	3,666.58	\$11,000.00	\$7,333.42
Vehicle allowance, maintenance and repairs	3,922.30	\$4,160.00	\$237.70
Operating supplies and services	12,996.48	\$8,525.00	(\$4,471.48)
Maintenance and repairs	3,552.56	\$150.00	\$150.00
Contracted services	398.52	\$3,490.00	(\$62.56)
Capital expense	315,221.87	\$500.00	\$101.48
	<u>314,255.87</u>	<u>\$313,855.00</u>	<u>(\$1,366.87)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>314,255.87</b>	<b>\$313,855.00</b>	<b>(\$400.87)</b>

C  
 City of Sault Ste Marie  
 HUMAN RESOURCES DEPARTMENT  
 For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Government grants	(\$2,067.20)	\$0.00	\$2,067.20
Contribution from own funds	(5,434.00)	\$0.00	\$5,434.00
	<u>(7,501.20)</u>	<u>\$0.00</u>	<u>\$7,501.20</u>
<b>EXPENDITURES</b>			
Salaries	562,463.70	\$552,030.00	(\$10,433.70)
Benefits	381,001.79	\$463,680.00	\$82,678.21
Travel and training	49,373.02	\$51,165.00	\$1,791.98
Vehicle allowance, maintenance and repairs	590.92	\$1,500.00	\$909.08
Operating supplies and services	49,388.73	\$53,140.00	\$3,751.27
Maintenance and repairs		\$1,000.00	\$1,000.00
Contracted services	209,375.76	\$121,785.00	(\$87,590.76)
Capital expense	8,602.10	\$11,500.00	\$2,897.90
	<u>1,260,796.02</u>	<u>\$1,255,800.00</u>	<u>(\$4,996.02)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>1,253,294.82</b>	<b>\$1,255,800.00</b>	<b>\$2,505.18</b>

City of Sault Ste Marie  
CLERK'S DEPARTMENT  
For the Twelve Months Ending December 31, 2008

D

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$40,300.00)	(\$40,000.00)	\$300.00
Government grants	(14,285.32)	\$0.00	\$14,285.32
Contribution from own funds	(3,916.01)	\$0.00	\$3,916.01
Other income	(799.00)	(\$2,730.00)	(\$1,931.00)
	<b>(59,300.33)</b>	<b>(\$42,730.00)</b>	<b>\$16,570.33</b>
<b>EXPENDITURES</b>			
Salaries	509,350.41	\$495,050.00	(\$14,300.41)
Benefits	106,817.73	\$104,590.00	(\$2,227.73)
Travel and training	4,453.96	\$6,120.00	\$1,666.04
Election	(584.25)	\$0.00	\$584.25
Vehicle allowance, maintenance and repairs	494.28	\$550.00	\$55.72
Operating supplies and services	87,263.62	\$86,650.00	(\$613.62)
Maintenance and repairs	3,377.93	\$1,400.00	(\$1,977.93)
Goods for resale	19,200.00	\$19,200.00	\$0.00
Rents and leases	5,635.54	\$10,000.00	\$4,364.46
Financial expenses	390.48	\$0.00	(\$390.48)
Contracted services	105,930.46	\$132,755.00	\$26,824.54
Grants to others	3,903.55	\$2,000.00	(\$1,903.55)
Transfer to own funds	60,000.00	\$60,000.00	\$0.00
Capital expense	557.18	\$4,500.00	\$3,942.82
	<b>906,790.89</b>	<b>\$922,815.00</b>	<b>\$16,024.11</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>847,490.56</b>	<b>\$880,085.00</b>	<b>\$32,594.44</b>

E

City of Sault Ste Marie  
FINANCE DEPARTMENT  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$278,158.96)	(\$287,625.00)	(\$9,466.04)
Government grants	(2,164.40)		\$2,164.40
Contribution from own funds	(134,772.44)		\$134,772.44
Other income	(103,454.50)	(\$107,205.00)	(\$3,750.50)
	<u>(518,550.30)</u>	<u>(\$394,830.00)</u>	<u>\$123,720.30</u>
<b>EXPENDITURES</b>			
Salaries	2,563,877.04	\$2,523,055.00	(\$40,822.04)
Benefits	534,546.15	\$517,310.00	(\$17,236.15)
Travel and training	5,406.15	\$10,500.00	\$5,093.85
Vehicle allowance, maintenance and repairs	1,020.58	\$1,520.00	\$499.42
Operating supplies and services	83,377.87	\$113,035.00	\$29,657.13
Maintenance and repairs	389,443.93	\$438,060.00	\$48,616.07
Financial expenses	2,108,675.18	\$2,416,310.00	\$307,634.82
Contracted services	217,532.20	\$210,165.00	(\$7,367.20)
Transfer to own funds	150,951.00		(\$150,951.00)
Capital expense	127,510.47	\$103,200.00	(\$24,310.47)
	<u>6,182,340.57</u>	<u>\$6,333,155.00</u>	<u>\$150,814.43</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>5,663,790.27</b>	<b>\$5,938,325.00</b>	<b>\$274,534.73</b>

Major Variance Explanation

Finance Operations	3,944
Charity/Vacancy/ Heritage rebates	98,298
Interest Charges/US exchange	121,500
Assessment appeals funding	49,395
	<u>273,137</u>

City of Sault Ste Marie  
FINANCE - OTHER  
For the Twelve Months Ending December 31, 2008

*E. 1*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Contribution from own funds	(\$46,893.39)	\$0.00	\$46,893.39
	<u>(46,893.39)</u>	<u>\$0.00</u>	<u>\$46,893.39</u>
<b>EXPENDITURES</b>			
Operating supplies and services	19,413.55	\$25,000.00	\$5,586.45
Financial expenses	2,147,677.44	\$2,416,310.00	\$268,632.56
Contracted services	98,522.00	\$48,000.00	(\$50,522.00)
	<u>2,265,612.99</u>	<u>\$2,489,310.00</u>	<u>\$223,697.01</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>2,218,719.60</b>	<b>\$2,489,310.00</b>	<b>\$270,590.40</b>

City of Sault Ste Marie  
FINANCE DEPT  
For the Twelve Months Ending December 31, 2008

**E.2**

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$278,158.96)	(\$287,625.00)	(\$9,466.04)
Government grants	(2,164.40)	\$0.00	\$2,164.40
Contribution from own funds	(87,879.05)	\$0.00	\$87,879.05
Other income	(103,454.50)	(\$107,205.00)	(\$3,750.50)
	<b>(471,656.91)</b>	<b>(\$394,830.00)</b>	<b>\$76,826.91</b>
<b>EXPENDITURES</b>			
Salaries	2,563,877.04	\$2,523,055.00	(\$40,822.04)
Benefits	534,546.15	\$517,310.00	(\$17,236.15)
Travel and training	5,406.15	\$10,500.00	\$5,093.85
Vehicle allowance, maintenance and repairs	1,020.58	\$1,520.00	\$499.42
Operating supplies and services	63,964.32	\$88,035.00	\$24,070.68
Maintenance and repairs	389,443.93	\$438,060.00	\$48,616.07
Financial expenses	(39,002.26)	\$0.00	\$39,002.26
Contracted services	119,010.20	\$162,165.00	\$43,154.80
Transfer to own funds	150,951.00	\$0.00	(\$150,951.00)
Capital expense	127,510.47	\$103,200.00	(\$24,310.47)
	<b>3,916,727.58</b>	<b>\$3,843,845.00</b>	<b>(\$72,882.58)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>3,445,070.67</b>	<b>\$3,449,015.00</b>	<b>\$3,944.33</b>

F

City of Sault Ste Marie  
LEGAL DEPARTMENT  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$2,715,723.12)	(\$2,471,790.00)	\$243,933.12
Government grants	(19,610.84)		\$19,610.84
Investment income	(171,260.66)		\$171,260.66
Other income	(707.84)		\$707.84
	<u>(2,907,302.46)</u>	<u>(\$2,471,790.00)</u>	<u>\$435,512.46</u>
<b>EXPENDITURES</b>			
Salaries	663,011.54	\$664,120.00	\$1,108.46
Benefits	126,304.07	\$120,765.00	(\$5,539.07)
Travel and training	12,901.58	\$17,000.00	\$4,098.42
Vehicle allowance, maintenance and repairs	56,184.30	\$2,040.00	\$2,040.00
Operating supplies and services	6,684.27	\$65,050.00	\$8,865.70
Maintenance and repairs	6,984.35	\$12,080.00	\$5,395.73
Rents and leases	1,279,362.33	\$13,700.00	\$6,715.65
Taxes and licenses	257,039.98	\$1,123,700.00	(\$155,662.33)
Contracted services	159,054.88	\$207,320.00	(\$49,719.98)
Transfer to own funds	7,710.53	\$276,000.00	\$116,945.12
Capital expense	<u>7,710.53</u>	<u>\$7,200.00</u>	<u>(\$510.53)</u>
	<u>2,575,237.83</u>	<u>\$2,508,975.00</u>	<u>(\$66,262.83)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>(332,064.63)</b>	<b>\$37,185.00</b>	<b>\$369,249.63</b>

Explanation of Major Variances

Insurance	(175,119)
Bear Revenue	18,724
POA	208,039
City Building Rentals - New Fire Hall and OW building	347,183
	<u>398,827</u>

City of Sault Ste Marie  
LEGAL DEPARTMENTAL  
For the Twelve Months Ending December 31, 2008

F. I

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$1,599,132.31)	(\$1,413,790.00)	\$185,342.31
Government grants	(887.00)	\$0.00	\$887.00
Other income	(707.84)	\$0.00	\$707.84
	<b>(1,600,727.15)</b>	<b>(\$1,413,790.00)</b>	<b>\$186,937.15</b>
<b>EXPENDITURES</b>			
Salaries	404,238.23	\$391,295.00	(\$12,943.23)
Benefits	75,198.33	\$72,315.00	(\$2,883.33)
Travel and training	4,347.96	\$4,700.00	\$352.04
Vehicle allowance, maintenance and repairs		\$1,040.00	\$1,040.00
Operating supplies and services	18,094.02	\$16,800.00	(\$1,294.02)
Maintenance and repairs	4,494.00	\$11,430.00	\$6,936.00
Rents and leases	(4,436.55)	\$1,000.00	\$5,436.55
Taxes and licenses	36,742.87	\$56,200.00	\$19,457.13
Contracted services	34,616.51	\$31,890.00	(\$2,726.51)
Transfer to own funds	159,054.88	\$276,000.00	\$116,945.12
Capital expense	150.98	\$500.00	\$349.02
	<b>732,501.23</b>	<b>\$863,170.00</b>	<b>\$130,668.77</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>(868,225.92)</b>	<b>(\$550,620.00)</b>	<b>\$317,605.92</b>

F.2

City of Sault Ste Marie  
LEGAL - OTHER  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Government grants	(\$18,723.84)	\$0.00	\$18,723.84
	(18,723.84)	\$0.00	\$18,723.84
<b>EXPENDITURES</b>			
<b>NET (REVENUE)/EXPENDITURE</b>	<b>(18,723.84)</b>	<b>\$0.00</b>	<b>\$18,723.84</b>

F. 3

City of Sault Ste Marie  
LEGAL - INSURANCE  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
<b>EXPENDITURES</b>			
Taxes and licenses	\$1,242,619.46	\$1,067,500.00	(\$175,119.46)
	<u>1,242,619.46</u>	<u>\$1,067,500.00</u>	<u>(\$175,119.46)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>1,242,619.46</b>	<b>\$1,067,500.00</b>	<b>(\$175,119.46)</b>

City of Sault Ste Marie  
LEGAL - PROVINCIAL OFFENCES  
For the Twelve Months Ending December 31, 2008

F. 4

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$1,116,590.81)	(\$1,058,000.00)	\$58,590.81
Investment income	<u>(171,260.66)</u>	<u>\$0.00</u>	<u>\$171,260.66</u>
	<u>(1,287,851.47)</u>	<u>(\$1,058,000.00)</u>	<u>\$229,851.47</u>
<b>EXPENDITURES</b>			
Salaries	258,773.31	\$272,825.00	\$14,051.69
Benefits	51,105.74	\$48,450.00	(\$2,655.74)
Travel and training	8,553.62	\$12,300.00	\$3,746.38
Vehicle allowance, maintenance and repairs	\$1,000.00	\$1,000.00	\$0.00
Operating supplies and services	38,090.28	\$48,250.00	\$10,159.72
Maintenance and repairs	2,190.27	\$650.00	(\$1,540.27)
Rents and leases	11,420.90	\$12,700.00	\$1,279.10
Contracted services	222,423.47	\$175,430.00	(\$46,993.47)
Capital expense	7,559.55	\$6,700.00	(\$859.55)
	<u>600,117.14</u>	<u>\$578,305.00</u>	<u>(\$21,812.14)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>(687,734.33)</b>	<b>(\$479,695.00)</b>	<b>\$208,039.33</b>

City of Sault Ste Marie  
FIRE SERVICES  
For the Twelve Months Ending December 31, 2008

G

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$3,534,048.96)	(\$3,508,435.00)	\$25,613.96
Government grants	(1,049.00)	\$0.00	\$1,049.00
Contribution from own funds	(20,800.00)	\$0.00	\$20,800.00
Other income	(1,744.26)	\$0.00	\$1,744.26
	<b>(3,557,642.22)</b>	<b>(\$3,508,435.00)</b>	<b>\$49,207.22</b>
<b>EXPENDITURES</b>			
Salaries	10,700,159.69	\$10,497,975.00	(\$202,184.69)
Benefits	2,313,468.58	\$2,408,135.00	\$94,666.42
Travel and training	22,543.20	\$50,265.00	\$27,721.80
Vehicle allowance, maintenance and repairs	153,419.49	\$173,995.00	\$20,575.51
Utilities and Fuel	272,577.58	\$253,750.00	(\$18,827.58)
Operating supplies and services	295,804.33	\$291,255.00	(\$4,549.33)
Maintenance and repairs	85,132.03	\$50,220.00	(\$34,912.03)
Rents and leases	2,429.04	\$2,500.00	\$70.96
Taxes and licenses	48,461.30	\$56,500.00	\$8,038.70
Contracted services	83,547.17	\$90,625.00	\$7,077.83
Transfer to own funds	379,317.69	\$252,500.00	(\$126,817.69)
Capital expense	25,651.93	\$26,190.00	\$538.07
	<b>14,382,512.03</b>	<b>\$14,153,910.00</b>	<b>(\$228,602.03)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>10,824,869.81</b>	<b>\$10,645,475.00</b>	<b>(\$179,394.81)</b>

City of Sault Ste Marie  
FIRE DEPARTMENTAL  
For the Twelve Months Ending December 31, 2008

G. 1

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$237,361.29)	(\$115,400.00)	\$121,961.29
Government grants	(1,049.00)	\$0.00	\$1,049.00
Contribution from own funds	(20,800.00)	\$0.00	\$20,800.00
Other income	(1,744.26)	\$0.00	\$1,744.26
	<b>(260,954.55)</b>	<b>(\$115,400.00)</b>	<b>\$145,554.55</b>
<b>EXPENDITURES</b>			
Salaries	8,283,702.20	\$8,042,070.00	(\$241,632.20)
Benefits	1,791,996.07	\$1,821,940.00	\$29,943.93
Travel and training	20,751.14	\$38,965.00	\$18,213.86
Vehicle allowance, maintenance and repairs	89,821.71	\$82,215.00	(\$7,606.71)
Utilities and Fuel	222,880.37	\$211,525.00	(\$11,355.37)
Operating supplies and services	137,737.54	\$177,925.00	\$40,187.46
Maintenance and repairs	85,132.03	\$50,220.00	(\$34,912.03)
Contracted services	46,847.28	\$57,325.00	\$10,477.72
Transfer to own funds	379,317.69	\$252,500.00	(\$126,817.69)
Capital expense	25,651.93	\$26,190.00	\$538.07
	<b>11,083,837.96</b>	<b>\$10,760,875.00</b>	<b>(\$322,962.96)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>10,822,883.41</b>	<b>\$10,645,475.00</b>	<b>(\$177,408.41)</b>

City of Sault Ste Marie  
FIRE SERVICES - EMS  
For the Twelve Months Ending December 31, 2008

**G. 2**

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$3,296,687.67)	(\$3,393,035.00)	(\$96,347.33)
	<u>(3,296,687.67)</u>	<u>(\$3,393,035.00)</u>	<u>(\$96,347.33)</u>
<b>EXPENDITURES</b>			
Salaries	2,416,457.49	\$2,455,905.00	\$39,447.51
Benefits	521,472.51	\$586,195.00	\$64,722.49
Travel and training	1,792.06	\$11,300.00	\$9,507.94
Vehicle allowance, maintenance and repairs	63,597.78	\$91,780.00	\$28,182.22
Utilities and Fuel	49,697.21	\$42,225.00	(\$7,472.21)
Operating supplies and services	158,066.79	\$113,330.00	(\$44,736.79)
Rents and leases	2,429.04	\$2,500.00	\$70.96
Taxes and licenses	48,461.30	\$56,500.00	\$8,038.70
Contracted services	36,699.89	\$33,300.00	(\$3,399.89)
	<u>3,298,674.07</u>	<u>\$3,393,035.00</u>	<u>\$94,360.93</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>1,986.40</b>	<b>\$0.00</b>	<b>(\$1,986.40)</b>

City of Sault Ste Marie  
POLICE SERVICES  
For the Twelve Months Ending December 31, 2008

H

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$366,227.05)	(\$291,550.00)	\$74,677.05
Government grants	(981,718.09)	(\$982,300.00)	(\$581.91)
Contribution from own funds	(158,972.42)	\$0.00	\$158,972.42
	<b>(1,506,917.56)</b>	<b>(\$1,273,850.00)</b>	<b>\$233,067.56</b>
<b>EXPENDITURES</b>			
Salaries	14,599,734.37	\$14,896,775.00	\$297,040.63
Benefits	2,868,914.22	\$2,812,530.00	(\$56,384.22)
Travel and training	239,584.30	\$336,775.00	\$97,190.70
Vehicle allowance, maintenance and repairs	505,971.72	\$569,520.00	\$63,548.28
Utilities and Fuel	360,585.54	\$334,000.00	(\$26,585.54)
Operating supplies and services	396,395.84	\$477,815.00	\$81,419.16
Maintenance and repairs	315,069.78	\$242,745.00	(\$72,324.78)
Rents and leases	82,282.57	\$83,000.00	\$717.43
Taxes and licenses	30,000.00	\$30,900.00	\$900.00
Financial expenses	245.45	\$0.00	(\$245.45)
Contracted services	571,594.55	\$563,025.00	(\$8,569.55)
Transfer to own funds	165,000.00	\$165,000.00	\$0.00
Capital expense	446,650.91	\$300,665.00	(\$145,985.91)
	<b>20,582,029.25</b>	<b>\$20,812,750.00</b>	<b>\$230,720.75</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>19,075,111.69</b>	<b>\$19,538,900.00</b>	<b>\$463,788.31</b>

I

**City of Sault Ste Marie**  
**SOCIAL SERVICES DEPARTMENT**  
For the Twelve Months Ending December 31, 2008

Department	<u>YTD</u> <u>Actual</u>	<u>YTD</u> <u>Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Fees and user charges	(\$7,653,799.42)	(\$8,211,170.00)	(\$557,370.58)
Government grants	(189,231.00)	(\$25,500.00)	\$163,731.00
Contribution from own funds	(66,449.89)	\$0.00	\$66,449.89
Other income	(2,676.36)	\$0.00	\$2,676.36
	<u>(7,912,156.67)</u>	<u>(\$8,236,670.00)</u>	<u>(\$324,513.33)</u>
<b>EXPENDITURES</b>			
Salaries	5,288,486.05	\$5,465,305.00	\$176,818.95
Benefits	1,297,807.84	\$1,338,425.00	\$40,617.16
Travel and training	67,041.88	\$104,600.00	\$37,558.12
Vehicle allowance, maintenance and repairs	36,758.67	\$36,500.00	(\$258.67)
Utilities and Fuel	24,168.67	\$29,000.00	\$4,831.33
Operating supplies and services	54,325.28	\$115,270.00	\$60,944.72
Maintenance and repairs	7,542.91	\$19,600.00	\$12,057.09
Rents and leases	620,479.24	\$625,000.00	\$4,520.76
Contracted services	430,271.41	\$527,970.00	\$97,698.59
Grants to others	20,647,017.50	\$20,489,620.00	(\$157,397.50)
Capital expense	52,823.33	\$79,000.00	\$26,176.67
	<u>28,526,722.78</u>	<u>\$28,830,290.00</u>	<u>\$303,567.22</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>20,614,566.11</b>	<b>\$20,593,620.00</b>	<b>(\$20,946.11)</b>

City of Sault Ste Marie  
SOCIAL SERVICES OPERATIONS  
For the Twelve Months Ending December 31, 2008

I . I

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$111,680.79)	(\$120,650.00)	(\$8,969.21)
Government grants	(178,115.00)	(\$25,500.00)	\$152,615.00
Contribution from own funds	(66,449.89)	\$0.00	\$66,449.89
Other income	(2,676.36)	\$0.00	\$2,676.36
	<b>(358,922.04)</b>	<b>(\$146,150.00)</b>	<b>\$212,772.04</b>
<b>EXPENDITURES</b>			
Salaries	85,390.75	\$75,915.00	(\$9,475.75)
Benefits	17,323.48	\$19,205.00	\$1,881.52
Travel and training	6,110.50	\$4,500.00	(\$1,610.50)
Vehicle allowance, maintenance and repairs	192.62	\$500.00	\$307.38
Operating supplies and services	6,275.83	\$13,150.00	\$6,874.17
Contracted services	188,726.75	\$106,380.00	(\$82,346.75)
Grants to others	20,647,017.50	\$20,489,620.00	(\$157,397.50)
Capital expense	12,962.57	\$5,000.00	(\$7,962.57)
	<b>20,964,000.00</b>	<b>\$20,714,270.00</b>	<b>(\$249,730.00)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>20,605,077.96</b>	<b>\$20,568,120.00</b>	<b>(\$36,957.96)</b>

City of Sault Ste Marie  
DSSAB CONTRACTED SERVICES  
For the Twelve Months Ending December 31, 2008

**I. 2**

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$7,542,118.63)	(\$8,090,520.00)	(\$548,401.37)
Government grants	(11,116.00)	\$0.00	\$11,116.00
	<u>(7,553,234.63)</u>	<u>(\$8,090,520.00)</u>	<u>(\$537,285.37)</u>
<b>EXPENDITURES</b>			
Salaries	5,203,095.30	\$5,389,390.00	\$186,294.70
Benefits	1,280,484.36	\$1,319,220.00	\$38,735.64
Travel and training	60,931.38	\$100,100.00	\$39,168.62
Vehicle allowance, maintenance and repairs	36,566.05	\$36,000.00	(\$566.05)
Utilities and Fuel	24,168.67	\$29,000.00	\$4,831.33
Operating supplies and services	48,049.45	\$102,120.00	\$54,070.55
Maintenance and repairs	7,542.91	\$19,600.00	\$12,057.09
Rents and leases	620,479.24	\$625,000.00	\$4,520.76
Contracted services	241,544.66	\$421,590.00	\$180,045.34
Capital expense	39,860.76	\$74,000.00	\$34,139.24
	<u>7,562,722.78</u>	<u>\$8,116,020.00</u>	<u>\$553,297.22</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>9,488.15</b>	<b>\$25,500.00</b>	<b>\$16,011.85</b>

J

**City of Sault Ste Marie**  
**ENGINEERING & PLANNING**  
 For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$1,153,833.26)	(\$806,050.00)	\$347,783.26
Government grants	(163,003.22)	(\$2,452,880.00)	(\$2,289,876.78)
Contribution from own funds	(90,269.74)		\$90,269.74
Other income	(148,704.00)		\$148,704.00
	<hr/>	<hr/>	<hr/>
	(1,555,810.22)	(\$3,258,930.00)	(\$1,703,119.78)
<b>EXPENDITURES</b>			
Salaries	2,964,992.22	\$2,791,550.00	(\$173,442.22)
Benefits	594,117.98	\$565,300.00	(\$28,817.98)
Travel and training	24,196.87	\$37,795.00	\$13,598.13
Vehicle allowance, maintenance and repairs	65,277.64	\$164,835.00	\$99,557.36
Utilities and Fuel	2,276,414.63	\$2,441,005.00	\$164,590.37
Operating supplies and services	110,256.27	\$114,785.00	\$4,528.73
Maintenance and repairs	259,917.61	\$224,750.00	(\$35,167.61)
Financial expenses	372.08		(\$372.08)
Contracted services	4,039,423.64	\$5,016,460.00	\$977,036.36
Grants to others	112,522.50		(\$112,522.50)
Transfer to own funds	1,554,129.31	\$2,422,880.00	\$868,750.69
Capital expense	69,299.17	\$52,510.00	(\$16,789.17)
	<hr/>	<hr/>	<hr/>
	12,070,919.92	\$13,831,870.00	\$1,760,950.08
<b>NET (REVENUE)/EXPENDITURE</b>	<b>10,515,109.70</b>	<b>\$10,572,940.00</b>	<b>\$57,830.30</b>

**Explanation of Major Variances**

Streetlighting	182,554
Planning Division	50,877
Building Services	(205,000)
	<hr/>
	28,431

City of Sault Ste Marie  
PLANNING  
For the Twelve Months Ending December 31, 2008

J. I

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$69,296.22)	(\$55,000.00)	\$14,296.22
Government grants	(117,769.74)	\$0.00	\$117,769.74
Contribution from own funds	(90,269.74)	\$0.00	\$90,269.74
Other income	<u>(100,000.00)</u>	<u>\$0.00</u>	<u>\$100,000.00</u>
	<u>(377,335.70)</u>	<u>(\$55,000.00)</u>	<u>\$322,335.70</u>
<b>EXPENDITURES</b>			
Salaries	446,455.42	\$425,360.00	(\$21,095.42)
Benefits	94,431.69	\$111,985.00	\$17,553.31
Travel and training	4,155.12	\$10,000.00	\$5,844.88
Vehicle allowance, maintenance and repairs	65.05	\$800.00	\$734.95
Operating supplies and services	20,906.83	\$17,630.00	(\$3,276.83)
Maintenance and repairs		\$450.00	\$450.00
Contracted services	91,772.63	\$29,400.00	(\$62,372.63)
Grants to others	112,522.50	\$0.00	(\$112,522.50)
Transfer to own funds	97,377.50	\$0.00	(\$97,377.50)
Capital expense	862.20	\$1,465.00	\$602.80
	<u>868,548.94</u>	<u>\$597,090.00</u>	<u>(\$271,458.94)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>491,213.24</b>	<b>\$542,090.00</b>	<b>\$50,876.76</b>

City of Sault Ste Marie  
BUILDING PERMIT/INSPECTION  
For the Twelve Months Ending December 31, 2008

J. 2

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$1,078,344.04)	(\$733,550.00)	\$344,794.04
	<u>(1,078,344.04)</u>	<u>(\$733,550.00)</u>	<u>\$344,794.04</u>
<b>EXPENDITURES</b>			
Salaries	590,919.95	\$574,630.00	(\$16,289.95)
Benefits	129,736.71	\$131,670.00	\$1,933.29
Travel and training	15,013.28	\$20,795.00	\$5,781.72
Vehicle allowance, maintenance and repairs	21,234.95	\$18,000.00	(\$3,234.95)
Operating supplies and services	17,769.36	\$19,205.00	\$1,435.64
Financial expenses	372.08	\$0.00	(\$372.08)
Contracted services	8,814.45	\$8,375.00	(\$439.45)
Transfer to own funds	352,187.71	\$0.00	(\$352,187.71)
Capital expense	5,159.54	\$600.00	(\$4,559.54)
	<u>1,141,208.03</u>	<u>\$773,275.00</u>	<u>(\$367,933.03)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>62,863.99</b>	<b>\$39,725.00</b>	<b>(\$23,138.99)</b>

City of Sault Ste Marie  
ENGINEERING  
For the Twelve Months Ending December 31, 2008

J. 3

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$6,193.00)	(\$17,500.00)	(\$11,307.00)
Government grants	(45,233.48)	(\$2,452,880.00)	(\$2,407,646.52)
Other income	<u>(48,704.00)</u>	<u>\$0.00</u>	<u>\$48,704.00</u>
	<u>(100,130.48)</u>	<u>(\$2,470,380.00)</u>	<u>(\$2,370,249.52)</u>
<b>EXPENDITURES</b>			
Salaries	1,906,804.33	\$1,791,560.00	(\$115,244.33)
Benefits	369,949.58	\$321,645.00	(\$48,304.58)
Travel and training	5,028.47	\$7,000.00	\$1,971.53
Vehicle allowance, maintenance and repairs	28,180.92	\$146,035.00	\$117,854.08
Utilities and Fuel	341,700.75	\$325,705.00	(\$15,995.75)
Operating supplies and services	60,067.37	\$77,950.00	\$17,882.63
Maintenance and repairs	259,917.61	\$224,300.00	(\$35,617.61)
Contracted services	456,861.68	\$528,685.00	\$71,823.32
Transfer to own funds	314,564.10	\$2,422,880.00	\$2,108,315.90
Capital expense	<u>55,363.46</u>	<u>\$50,445.00</u>	<u>(\$4,918.46)</u>
	<u>3,798,438.27</u>	<u>\$5,896,205.00</u>	<u>\$2,097,766.73</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>3,698,307.79</b>	<b>\$3,425,825.00</b>	<b>(\$272,482.79)</b>

City of Sault Ste Marie  
ENGINEERING - OTHER  
For the Twelve Months Ending December 31, 2008

J.4

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
<b>EXPENDITURES</b>			
Salaries	\$20,812.52	\$0.00	(\$20,812.52)
Vehicle allowance, maintenance and repairs	15,796.72	\$0.00	(\$15,796.72)
Utilities and Fuel	1,934,713.88	\$2,115,300.00	\$180,586.12
Operating supplies and services	11,512.71	\$0.00	(\$11,512.71)
Contracted services	3,481,974.88	\$4,450,000.00	\$968,025.12
Transfer to own funds	790,000.00	\$0.00	(\$790,000.00)
Capital expense	7,913.97	\$0.00	(\$7,913.97)
	<b>6,262,724.68</b>	<b>\$6,565,300.00</b>	<b>\$302,575.32</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>6,262,724.68</b>	<b>\$6,565,300.00</b>	<b>\$302,575.32</b>

K

**City of Sault Ste Marie**  
**PUBLIC WORKS & TRANSPORTATION**  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$7,972,442.76)	(\$6,261,535.00)	\$1,710,907.76
Government grants	(1,187,812.60)	(\$1,200,000.00)	(\$12,187.40)
Contribution from own funds	(445,146.69)	(\$190,000.00)	\$255,146.69
Other income	(154,739.60)	(\$18,500.00)	\$136,239.60
	<hr/>	<hr/>	<hr/>
	(9,760,141.65)	(\$7,670,035.00)	\$2,090,106.65
<b>EXPENDITURES</b>			
Salaries	16,649,980.61	\$16,654,305.00	\$4,324.39
Benefits	4,572,241.44	\$4,553,855.00	(\$18,386.44)
Travel and training	46,740.92	\$44,670.00	(\$2,070.92)
Vehicle allowance, maintenance and repairs	2,977,407.40	2,691,370.00	(286,037.40)
Utilities and Fuel	3,087,456.46	\$2,399,325.00	(\$688,131.46)
Operating supplies and services	3,304,036.37	\$2,692,434.00	(\$611,602.37)
Maintenance and repairs	359,255.14	\$287,885.00	(\$71,370.14)
Goods for resale		\$1,200.00	\$1,200.00
Rents and leases		\$7,200.00	\$7,200.00
Taxes and licenses	388,458.05	\$361,385.00	(\$27,073.05)
Financial expenses	5,035.47	\$101,000.00	\$95,964.53
Contracted services	3,721,130.99	\$3,111,014.00	(\$610,116.99)
Transfer to own funds	4,689,196.73	\$2,675,395.00	(\$2,013,801.73)
Capital expense	139,488.03	\$58,295.00	(\$81,193.03)
Less: recoverable costs	(112,451.27)		\$112,451.27
	<hr/>	<hr/>	<hr/>
	39,827,976.34	\$35,639,333.00	(\$4,188,643.34)
<b>NET (REVENUE)/EXPENDITURE</b>	<b>30,067,834.69</b>	<b>\$27,969,298.00</b>	<b>(\$2,098,536.69)</b>
<b>Explanation of Major Variances</b>			
Equipment credits - net revenue from allocation of equipment		372,305	
Traffic operations		147,749	
Transit operations - fuels and utilities		(533,920)	
Waste Management - salaries and vehicle costs		(279,706)	
Winter Control		(1,279,349)	
Parks		(70,138)	
Cemetery		97,691	
Administration - Unallocated wages		(626,432)	
Parking operations		183,811	
	<hr/>	<hr/>	<hr/>
	(1,987,990)		

K. I

City of Sault Ste Marie  
OPERATIONS DIVISION  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	<u>(\$44,714.14)</u>	<u>(\$67,500.00)</u>	<u>(\$22,785.86)</u>
	<u>(44,714.14)</u>	<u>(\$67,500.00)</u>	<u>(\$22,785.86)</u>
<b>EXPENDITURES</b>			
Salaries	4,099,398.48	\$4,317,985.00	\$218,586.52
Benefits	4,679.06		(\$4,679.06)
Vehicle allowance, maintenance and repairs	4,204,595.33	\$3,336,846.00	(\$867,749.33)
Operating supplies and services	2,121,406.18	\$1,855,486.00	(\$265,920.18)
Contracted services	535,437.49	\$236,349.00	(\$299,088.49)
Capital expense	14,251.85		(\$14,251.85)
Less: recoverable costs	<u>(78,853.34)</u>		<u>\$78,853.34</u>
	<u>10,900,915.05</u>	<u>\$9,746,666.00</u>	<u>(\$1,154,249.05)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>10,856,200.91</b>	<b>\$9,679,166.00</b>	<b>(\$1,177,034.91)</b>

**Explanation of Major Variances**

Winter Control - total cost ( 1,279,348.91 )

K.2

City of Sault Ste Marie  
WASTE MANAGEMENT CAPITAL  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
<b>EXPENDITURES</b>			
Capital expense	\$29,050.92	\$0.00	(\$29,050.92)
	<u>29,050.92</u>	<u>\$0.00</u>	<u>(\$29,050.92)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>29,050.92</b>	<b>\$0.00</b>	<b>(\$29,050.92)</b>

City of Sault Ste Marie  
WASTE MANAGEMENT  
For the Twelve Months Ending December 31, 2008

K.3

Department	YTD	YTD	Variance
	Actual	Budget	
<b>REVENUE</b>			
Fees and user charges	(\$3,881,638.57)	(\$2,550,000.00)	\$1,331,638.57
Contribution from own funds	(69,421.90)	\$0.00	\$69,421.90
Other income	(85,008.65)	\$0.00	\$85,008.65
	<b>(4,036,069.12)</b>	<b>(\$2,550,000.00)</b>	<b>\$1,486,069.12</b>
<b>EXPENDITURES</b>			
Salaries	1,018,130.65	\$780,365.00	(\$237,765.65)
Benefits	32,960.08	\$153,920.00	\$120,959.92
Vehicle allowance, maintenance and repairs	750,158.07	\$650,120.00	(\$100,038.07)
Utilities and Fuel	53,167.62	\$40,650.00	(\$12,517.62)
Operating supplies and services	86,347.74	\$35,840.00	(\$50,507.74)
Taxes and licenses	87,571.06	\$58,300.00	(\$29,271.06)
Financial expenses	1,622.77	\$0.00	(\$1,622.77)
Contracted services	2,237,687.13	\$2,240,730.00	\$3,042.87
Transfer to own funds	2,895,892.16	\$1,440,565.00	(\$1,455,327.16)
Capital expense	4,728.30	\$2,000.00	(\$2,728.30)
	<b>7,168,265.58</b>	<b>\$5,402,490.00</b>	<b>(\$1,765,775.58)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>3,132,196.46</b>	<b>\$2,852,490.00</b>	<b>(\$279,706.46)</b>

City of Sault Ste Marie  
BUILDINGS & EQUIPMENT  
For the Twelve Months Ending December 31, 2008

K.4

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Other income	(\$24,926.24)	\$0.00	\$24,926.24
	<u>(24,926.24)</u>	<u>\$0.00</u>	<u>\$24,926.24</u>
<b>EXPENDITURES</b>			
Salaries	742,481.69	\$820,205.00	\$77,723.31
Vehicle allowance, maintenance and repairs	(3,634,956.16)	(\$2,740,895.00)	\$894,061.16
Utilities and Fuel	990,892.76	\$685,855.00	(\$305,037.76)
Operating supplies and services	187,494.97	\$0.00	(\$187,494.97)
Contracted services	25,503.46	\$0.00	(\$25,503.46)
Transfer to own funds	1,340,590.00	\$1,234,830.00	(\$105,760.00)
Capital expense	609.12	\$0.00	(\$609.12)
	<u>(347,384.16)</u>	<u>(\$5.00)</u>	<u>\$347,379.16</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>(372,310.40)</b>	<b>(\$5.00)</b>	<b>\$372,305.40</b>

City of Sault Ste Marie  
ADMINISTRATION  
For the Twelve Months Ending December 31, 2008

*K.5*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Government grants	(\$247.00)	\$0.00	\$247.00
Other income	(4,759.06)	(\$16,500.00)	(\$11,740.94)
	<u>(5,006.06)</u>	<u>(\$16,500.00)</u>	<u>(\$11,493.94)</u>
<b>EXPENDITURES</b>			
Salaries	3,679,092.30	\$3,297,320.00	(\$381,772.30)
Benefits	2,534,703.29	\$2,383,335.00	(\$151,368.29)
Travel and training	12,150.69	\$10,550.00	(\$1,600.69)
Vehicle allowance, maintenance and repairs	253,323.14	\$146,525.00	(\$106,798.14)
Inventory variances	(92,629.33)	\$5,764.00	\$98,393.33
Utilities and Fuel	360,705.85	\$369,930.00	\$9,224.15
Operating supplies and services	284,956.72	\$212,352.00	(\$72,604.72)
Financial expenses		\$100,000.00	\$100,000.00
Contracted services	202,979.18	\$122,405.00	(\$80,574.18)
Transfer to own funds	12,359.83	\$0.00	(\$12,359.83)
Capital expense	50,877.61	\$35,400.00	(\$15,477.61)
	<u>7,298,519.28</u>	<u>\$6,683,581.00</u>	<u>(\$614,938.28)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>7,293,513.22</b>	<b>\$6,667,081.00</b>	<b>(\$626,432.22)</b>

City of Sault Ste Marie  
TRAFFIC & COMMUNICATIONS  
For the Twelve Months Ending December 31, 2008

*K.6*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Other income	(\$36,495.42)	\$0.00	\$36,495.42
	<u>(36,495.42)</u>	<u>\$0.00</u>	<u>\$36,495.42</u>
<b>EXPENDITURES</b>			
Salaries	656,931.18	\$786,205.00	\$129,273.82
Benefits	17,323.65	\$15,870.00	(\$1,453.65)
Travel and training		\$1,800.00	\$1,800.00
Vehicle allowance, maintenance and repairs	113,181.10	\$122,895.00	\$9,713.90
Inventory variances	11,793.47	\$0.00	(\$11,793.47)
Operating supplies and services	161,035.93	\$237,381.00	\$76,345.07
Contracted services	148,892.21	\$85,000.00	(\$63,892.21)
Capital expense	28,739.83	\$0.00	(\$28,739.83)
	<u>1,137,897.37</u>	<u>\$1,249,151.00</u>	<u>\$111,253.63</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>1,101,401.95</b>	<b>\$1,249,151.00</b>	<b>\$147,749.05</b>

City of Sault Ste Marie  
PARKS OPERATIONS  
For the Twelve Months Ending December 31, 2008

K.7

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Government grants	(\$4,097.60)	\$0.00	\$4,097.60
	<u>(4,097.60)</u>	<u>\$0.00</u>	<u>\$4,097.60</u>
<b>EXPENDITURES</b>			
Salaries	1,466,671.43	\$1,578,905.00	\$112,233.57
Benefits	521,796.26	\$459,865.00	(\$61,931.26)
Travel and training	18,288.41	\$1,570.00	(\$16,718.41)
Vehicle allowance, maintenance and repairs	316,014.26	\$305,750.00	(\$10,264.26)
Utilities and Fuel	65,585.79	\$64,765.00	(\$820.79)
Operating supplies and services	246,275.97	\$231,750.00	(\$14,525.97)
Taxes and licenses	1,035.14	\$1,600.00	\$564.86
Contracted services	247,002.57	\$133,720.00	(\$113,282.57)
Capital expense	3,088.79	\$0.00	(\$3,088.79)
Less: recoverable costs	(33,597.93)	\$0.00	\$33,597.93
	<u>2,852,160.69</u>	<u>\$2,777,925.00</u>	<u>(\$74,235.69)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>2,848,063.09</b>	<b>\$2,777,925.00</b>	<b>(\$70,138.09)</b>

City of Sault Ste Marie  
CEMETERY OPERATIONS  
For the Twelve Months Ending December 31, 2008

*K.8*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$1,252,115.03)	(\$702,550.00)	\$549,565.03
Government grants	(9,641.00)	\$0.00	\$9,641.00
Contribution from own funds	(258,491.79)	(\$190,000.00)	\$68,491.79
	<b>(1,520,247.82)</b>	<b>(\$892,550.00)</b>	<b>\$627,697.82</b>
<b>EXPENDITURES</b>			
Salaries	571,997.51	\$552,165.00	(\$19,832.51)
Benefits	119,688.88	\$119,975.00	\$286.12
Travel and training		\$1,000.00	\$1,000.00
Vehicle allowance, maintenance and repairs	212,628.76	\$179,350.00	(\$33,278.76)
Utilities and Fuel	96,253.48	\$78,500.00	(\$17,753.48)
Operating supplies and services	38,446.89	\$31,350.00	(\$7,096.89)
Maintenance and repairs	1,041.75	\$2,000.00	\$958.25
Financial expenses	328.88	\$1,000.00	\$671.12
Contracted services	94,057.39	\$60,350.00	(\$33,707.39)
Transfer to own funds	421,253.00	\$0.00	(\$421,253.00)
	<b>1,555,696.54</b>	<b>\$1,025,690.00</b>	<b>(\$530,006.54)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>35,448.72</b>	<b>\$133,140.00</b>	<b>\$97,691.28</b>

K. 9

City of Sault Ste Marie  
TRANSIT  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$2,793,975.02)	(\$2,941,485.00)	(\$147,509.98)
Government grants	(1,173,827.00)	(\$1,200,000.00)	(\$26,173.00)
Contribution from own funds	(117,233.00)		\$117,233.00
Other income	(3,550.23)	(\$2,000.00)	\$1,550.23
	<b>(4,088,585.25)</b>	<b>(\$4,143,485.00)</b>	<b>(\$54,899.75)</b>
 <b>EXPENDITURES</b>			
Salaries	4,415,277.37	\$4,521,155.00	\$105,877.63
Benefits	1,341,090.22	\$1,420,890.00	\$79,799.78
Travel and training	16,301.82	\$29,750.00	\$13,448.18
Vehicle allowance, maintenance and repairs	843,298.76	\$685,015.00	(\$158,283.76)
Utilities and Fuel	1,520,850.96	\$1,159,625.00	(\$361,225.96)
Operating supplies and services	178,071.97	\$88,275.00	(\$89,796.97)
Maintenance and repairs	358,213.39	\$285,885.00	(\$72,328.39)
Goods for resale		\$1,200.00	\$1,200.00
Rents and leases		\$7,200.00	\$7,200.00
Taxes and licenses	299,851.85	\$301,485.00	\$1,633.15
Financial expenses	3,083.82		(\$3,083.82)
Contracted services	229,571.56	\$232,460.00	\$2,888.44
Transfer to own funds	19,101.74		(\$19,101.74)
Capital expense	8,141.61	\$20,895.00	\$12,753.39
	<b>9,232,855.07</b>	<b>\$8,753,835.00</b>	<b>(\$479,020.07)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>5,144,269.82</b>	<b>\$4,610,350.00</b>	<b>(\$533,919.82)</b>

L  
 City of Sault Ste Marie  
 COMMUNITY SERVICES DEPARTMENT  
 For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$4,948,076.64)	(\$4,600,240.00)	\$347,836.64
Government grants	(254,236.63)	(\$176,980.00)	\$77,256.63
Contribution from own funds	(40,521.75)		\$40,521.75
Other income	(144,298.69)	(\$15,600.00)	\$128,698.69
	<b>(5,387,133.71)</b>	<b>(\$4,792,820.00)</b>	<b>\$594,313.71</b>
<b>EXPENDITURES</b>			
Salaries	4,743,986.97	\$4,830,730.00	\$86,743.03
Benefits	824,555.63	\$862,470.00	\$37,914.37
Travel and training	9,298.17	\$16,400.00	\$7,101.83
Vehicle allowance, maintenance and repairs	2,195.86	\$7,015.00	\$4,819.14
Utilities and Fuel	1,215,159.88	\$1,172,285.00	(\$42,874.88)
Operating supplies and services	373,815.52	\$354,220.00	(\$19,595.52)
Maintenance and repairs	645,198.62	\$592,480.00	(\$52,718.62)
Program expenses	127,970.53	\$82,950.00	(\$45,020.53)
Goods for resale	694,677.69	\$602,025.00	(\$92,652.69)
Rents and leases	13,993.38	\$11,880.00	(\$2,113.38)
Taxes and licenses	1,077.00	\$1,325.00	\$248.00
Financial expenses	39,459.10	\$45,295.00	\$5,835.90
Contracted services	261,435.05	\$230,820.00	(\$30,615.05)
Grants to others	12,557.32	\$20,410.00	\$7,852.68
Transfer to own funds	138,009.24	\$18,400.00	(\$119,609.24)
Capital expense	67,218.54	\$50,220.00	(\$16,998.54)
	<b>9,170,608.50</b>	<b>\$8,898,925.00</b>	<b>(\$271,683.50)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>3,783,474.79</b>	<b>\$4,106,105.00</b>	<b>\$322,630.21</b>

Explanation of Major Variances

Community Centres			
John Rhodes Centre		60,420	
McMeeken Centre		11,064	
Essar Centre		51,345	
Greco Pool		( 739 )	
Manzo Pool		5,729	127,819
Day Care Centres - Higher fee revenues			122,905
CSD Administration			22,983
Recreation & Culture		50,024	
Includes Roberta Bondar Park & Marina and Bellevue Park, Seniors Centre and Lock operations			323,731

City of Sault Ste Marie  
COMMUNITY CENTRES  
For the Twelve Months Ending December 31, 2008

*L.1*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$3,252,918.17)	(\$2,967,915.00)	\$285,003.17
Government grants	(1,008.00)	\$0.00	\$1,008.00
Other income	(136,047.53)	(\$15,000.00)	\$121,047.53
	<u>(3,389,973.70)</u>	<u>(\$2,982,915.00)</u>	<u>\$407,058.70</u>
<b>EXPENDITURES</b>			
Salaries	2,461,262.68	\$2,526,035.00	\$64,772.32
Benefits	374,957.44	\$378,105.00	\$3,147.56
Travel and training	553.76	\$4,700.00	\$4,146.24
Vehicle allowance, maintenance and repairs	1,221.33	\$2,865.00	\$1,643.67
Utilities and Fuel	1,095,990.45	\$1,047,445.00	(\$48,545.45)
Operating supplies and services	148,287.60	\$181,925.00	\$33,637.40
Maintenance and repairs	471,238.74	\$438,025.00	(\$33,213.74)
Program expenses	127,970.53	\$82,950.00	(\$45,020.53)
Goods for resale	595,239.56	\$476,675.00	(\$118,564.56)
Financial expenses	33,398.78	\$36,160.00	\$2,761.22
Contracted services	107,512.41	\$58,940.00	(\$48,572.41)
Transfer to own funds	105,907.97	\$0.00	(\$105,907.97)
Capital expense	26,024.87	\$35,400.00	\$9,375.13
	<u>5,549,566.12</u>	<u>\$5,269,225.00</u>	<u>(\$280,341.12)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>2,159,592.42</b>	<b>\$2,286,310.00</b>	<b>\$126,717.58</b>

City of Sault Ste Marie  
JOHN RHODES COMMUNITY CENTRE  
For the Twelve Months Ending December 31, 2008

*L.1.1*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$1,139,602.39)	(\$1,119,635.00)	\$19,967.39
Other income	(6,659.49)	(\$5,900.00)	\$759.49
	<u>(1,146,261.88)</u>	<u>(\$1,125,535.00)</u>	<u>\$20,726.88</u>
<b>EXPENDITURES</b>			
Salaries	974,606.19	\$1,064,050.00	\$89,443.81
Benefits	164,862.00	\$135,815.00	(\$29,047.00)
Travel and training	553.76	\$4,700.00	\$4,146.24
Vehicle allowance, maintenance and repairs	34.76	\$445.00	\$410.24
Utilities and Fuel	650,302.45	\$681,380.00	\$31,077.55
Operating supplies and services	52,252.75	\$48,430.00	(\$3,822.75)
Maintenance and repairs	212,217.97	\$213,510.00	\$1,292.03
Program expenses	4,552.15	\$2,250.00	(\$2,302.15)
Goods for resale	103,494.17	\$57,520.00	(\$45,974.17)
Financial expenses	4,337.58	\$5,450.00	\$1,112.42
Contracted services	8,960.17	\$5,520.00	(\$3,440.17)
Transfer to own funds	2,277.48	\$0.00	(\$2,277.48)
Capital expense	3,124.91	\$2,200.00	(\$924.91)
	<u>2,181,576.34</u>	<u>\$2,221,270.00</u>	<u>\$39,693.66</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>1,035,314.46</b>	<b>\$1,095,735.00</b>	<b>\$60,420.54</b>

City of Sault Ste Marie  
MCMEEKEN  
For the Twelve Months Ending December 31, 2008

*L.1.2*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$148,834.04)	(\$156,295.00)	(\$7,460.96)
Other income	(100.00)	(100.00)	(100.00)
	<b>(148,834.04)</b>	<b>(\$156,395.00)</b>	<b>(\$7,560.96)</b>
<b>EXPENDITURES</b>			
Salaries	102,012.16	\$113,380.00	\$11,367.84
Benefits	2,978.30	\$39,865.00	\$36,886.70
Vehicle allowance, maintenance and repairs	\$50.00	\$50.00	\$50.00
Utilities and Fuel	72,710.80	\$52,560.00	(\$20,150.80)
Operating supplies and services	81.00	\$1,460.00	\$1,379.00
Maintenance and repairs	41,768.36	\$29,305.00	(\$12,463.36)
Program expenses	\$700.00	\$700.00	\$700.00
Goods for resale	14,523.59	\$11,600.00	(\$2,923.59)
Financial expenses	(268.96)	\$300.00	\$568.96
Contracted services	749.41	\$1,960.00	\$1,210.59
Capital expense	\$2,000.00	\$2,000.00	\$2,000.00
	<b>234,554.66</b>	<b>\$253,180.00</b>	<b>\$18,625.34</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>85,720.62</b>	<b>\$96,785.00</b>	<b>\$11,064.38</b>

City of Sault Ste Marie  
ESSAR CENTRE  
For the Twelve Months Ending December 31, 2008

*L.1.3*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$1,773,343.09)	(\$1,549,025.00)	\$224,318.09
Government grants	(1,008.00)	\$0.00	\$1,008.00
Other income	<u>(129,388.04)</u>	<u>(\$9,000.00)</u>	<u>\$120,388.04</u>
	<u>(1,903,739.13)</u>	<u>(\$1,558,025.00)</u>	<u>\$345,714.13</u>
<b>EXPENDITURES</b>			
Salaries	764,846.82	\$726,895.00	(\$37,951.82)
Benefits	91,255.84	\$92,760.00	\$1,504.16
Vehicle allowance, maintenance and repairs	146.71	\$0.00	(\$146.71)
Utilities and Fuel	362,789.70	\$304,500.00	(\$58,289.70)
Operating supplies and services	66,980.03	\$109,600.00	\$42,619.97
Maintenance and repairs	205,235.47	\$184,820.00	(\$20,415.47)
Program expenses	123,418.38	\$80,000.00	(\$43,418.38)
Goods for resale	393,164.26	\$330,000.00	(\$63,164.26)
Financial expenses	30,223.95	\$29,410.00	(\$813.95)
Contracted services	66,304.23	\$22,000.00	(\$44,304.23)
Transfer to own funds	78,998.37	\$0.00	(\$78,998.37)
Capital expense	<u>19,990.77</u>	<u>\$29,000.00</u>	<u>\$9,009.23</u>
	<u>2,203,354.53</u>	<u>\$1,908,985.00</u>	<u>(\$294,369.53)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>299,615.40</b>	<b>\$350,960.00</b>	<b>\$51,344.60</b>

L.1.4

City of Sault Ste Marie  
GRECO POOL  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
<b>EXPENDITURES</b>			
Salaries	\$18,318.66	\$24,055.00	\$5,736.34
Utilities and Fuel	8,621.63	\$5,955.00	(\$2,666.63)
Operating supplies and services	5,402.18	\$4,260.00	(\$1,142.18)
Maintenance and repairs	5,835.82	\$4,625.00	(\$1,210.82)
Contracted services	374.72	\$355.00	(\$19.72)
Capital expense	1,436.18	\$0.00	(\$1,436.18)
	<b>39,989.19</b>	<b>\$39,250.00</b>	<b>(\$739.19)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>39,989.19</b>	<b>\$39,250.00</b>	<b>(\$739.19)</b>

City of Sault Ste Marie  
MANZO POOL  
For the Twelve Months Ending December 31, 2008

L.1.5

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
<b>EXPENDITURES</b>			
Salaries	\$6,621.20	\$9,490.00	\$2,868.80
Utilities and Fuel	1,565.87	\$3,050.00	\$1,484.13
Operating supplies and services	329.57	\$2,335.00	\$2,005.43
Maintenance and repairs	6,090.12	\$5,365.00	(\$725.12)
Contracted services	374.72	\$470.00	\$95.28
	<b>14,981.48</b>	<b>\$20,710.00</b>	<b>\$5,728.52</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>14,981.48</b>	<b>\$20,710.00</b>	<b>\$5,728.52</b>

City of Sault Ste Marie  
DAY CARE  
For the Twelve Months Ending December 31, 2008

L.2

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$1,353,714.29)	(\$1,242,260.00)	\$111,454.29
Government grants	(28,508.00)	\$0.00	\$28,508.00
Contribution from own funds	(19,827.81)	\$0.00	\$19,827.81
	<u>(1,402,050.10)</u>	<u>(\$1,242,260.00)</u>	<u>\$159,790.10</u>
<b>EXPENDITURES</b>			
Salaries	1,123,936.75	\$1,105,005.00	(\$18,931.75)
Benefits	238,725.45	\$249,410.00	\$10,684.55
Vehicle allowance, maintenance and repairs	386.37	\$700.00	\$313.63
Utilities and Fuel	25,355.76	\$28,000.00	\$2,644.24
Operating supplies and services	83,573.91	\$78,180.00	(\$5,393.91)
Maintenance and repairs	29,115.32	\$24,115.00	(\$5,000.32)
Taxes and licenses	820.00	\$820.00	\$0.00
Financial expenses	776.57	\$920.00	\$143.43
Contracted services	35,418.88	\$42,720.00	\$7,301.12
Transfer to own funds	19,449.36	\$0.00	(\$19,449.36)
Capital expense	11,686.62	\$2,490.00	(\$9,196.62)
	<u>1,569,244.99</u>	<u>\$1,532,360.00</u>	<u>(\$36,884.99)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>167,194.89</b>	<b>\$290,100.00</b>	<b>\$122,905.11</b>

City of Sault Ste Marie  
CSD ADMINISTRATION  
For the Twelve Months Ending December 31, 2008

L.3

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Government grants	(\$9,000.00)	\$0.00	\$9,000.00
	<u>(9,000.00)</u>	<u>\$0.00</u>	<u>\$9,000.00</u>
<b>EXPENDITURES</b>			
Salaries	284,228.43	\$290,480.00	\$6,251.57
Benefits	80,189.02	\$84,685.00	\$4,495.98
Travel and training	5,902.63	\$9,500.00	\$3,597.37
Vehicle allowance, maintenance and repairs	361.49	\$1,500.00	\$1,138.51
Operating supplies and services	15,242.44	\$16,970.00	\$1,727.56
Maintenance and repairs	1,322.59	\$1,000.00	\$1,000.00
Financial expenses	12,158.11	\$0.00	(\$1,322.59)
Contracted services	4,287.05	\$12,800.00	\$641.89
Capital expense	<u>4,287.05</u>	<u>\$740.00</u>	<u>(\$3,547.05)</u>
	<u>403,691.76</u>	<u>\$417,675.00</u>	<u>\$13,983.24</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>394,691.76</b>	<b>\$417,675.00</b>	<b>\$22,983.24</b>

City of Sault Ste Marie  
RECREATION & CULTURE  
For the Twelve Months Ending December 31, 2008

L.4

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$341,444.18)	(\$390,065.00)	(\$48,620.82)
Government grants	(215,720.63)	(\$176,980.00)	\$38,740.63
Contribution from own funds	(20,693.94)	\$0.00	\$20,693.94
Other income	(8,251.16)	(\$600.00)	\$7,651.16
	<b>(586,109.91)</b>	<b>(\$567,645.00)</b>	<b>\$18,464.91</b>
<b>EXPENDITURES</b>			
Salaries	874,559.11	\$909,210.00	\$34,650.89
Benefits	130,683.72	\$150,270.00	\$19,586.28
Travel and training	2,841.78	\$2,200.00	(\$641.78)
Vehicle allowance, maintenance and repairs	226.67	\$1,950.00	\$1,723.33
Utilities and Fuel	93,813.67	\$96,840.00	\$3,026.33
Operating supplies and services	126,711.57	\$77,145.00	(\$49,566.57)
Maintenance and repairs	144,844.56	\$129,340.00	(\$15,504.56)
Goods for resale	99,438.13	\$125,350.00	\$25,911.87
Rents and leases	13,993.38	\$11,880.00	(\$2,113.38)
Taxes and licenses	257.00	\$505.00	\$248.00
Financial expenses	3,961.16	\$8,215.00	\$4,253.84
Contracted services	106,345.65	\$116,360.00	\$10,014.35
Grants to others	12,557.32	\$20,410.00	\$7,852.68
Transfer to own funds	12,651.91	\$18,400.00	\$5,748.09
Capital expense	25,220.00	\$11,590.00	(\$13,630.00)
	<b>1,648,105.63</b>	<b>\$1,679,665.00</b>	<b>\$31,559.37</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>1,061,995.72</b>	<b>\$1,112,020.00</b>	<b>\$50,024.28</b>

City of Sault Ste Marie  
ROBERTA BONDAR PARK  
For the Twelve Months Ending December 31, 2008

*L.4.1*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$33,109.71)	(\$61,750.00)	(\$28,640.29)
Contribution from own funds	(10,887.96)	\$0.00	\$10,887.96
	<u>(43,997.67)</u>	<u>(\$61,750.00)</u>	<u>(\$17,752.33)</u>
<b>EXPENDITURES</b>			
Salaries	55,750.97	\$75,850.00	\$20,099.03
Benefits	3,800.12	\$4,340.00	\$539.88
Utilities and Fuel	10,164.75	\$13,425.00	\$3,260.25
Operating supplies and services	6,120.32	\$6,490.00	\$369.68
Goods for resale	10,033.96	\$18,000.00	\$7,966.04
Financial expenses	172.75	\$250.00	\$77.25
Contracted services	46,413.68	\$49,645.00	\$3,231.32
Transfer to own funds		\$18,400.00	\$18,400.00
Capital expense	19,362.53	\$3,600.00	(\$15,762.53)
	<u>151,819.08</u>	<u>\$190,000.00</u>	<u>\$38,180.92</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>107,821.41</b>	<b>\$128,250.00</b>	<b>\$20,428.59</b>

City of Sault Ste Marie  
BELLEVUE PARK MARINA  
For the Twelve Months Ending December 31, 2008

*L.4.2*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$126,748.52)	(\$135,955.00)	(\$9,206.48)
Government grants	(1,401.60)	\$0.00	\$1,401.60
Other income	(42.02)	(\$150.00)	(\$107.98)
	<u>(128,192.14)</u>	<u>(\$136,105.00)</u>	<u>(\$7,912.86)</u>
<b>EXPENDITURES</b>			
Salaries	24,539.82	\$22,505.00	(\$2,034.82)
Benefits	2,018.58	\$1,935.00	(\$83.58)
Vehicle allowance, maintenance and repairs		\$250.00	\$250.00
Utilities and Fuel	10,981.35	\$10,350.00	(\$631.35)
Operating supplies and services	3,470.62	\$7,000.00	\$3,529.38
Maintenance and repairs	17,742.73	\$21,000.00	\$3,257.27
Goods for resale	55,531.15	\$59,250.00	\$3,718.85
Rents and leases	2,880.15	\$0.00	(\$2,880.15)
Taxes and licenses	41.00	\$215.00	\$174.00
Financial expenses	1,584.44	\$6,000.00	\$4,415.56
Contracted services	10,651.87	\$6,785.00	(\$3,866.87)
Capital expense	1,441.04	\$1,500.00	\$58.96
	<u>130,882.75</u>	<u>\$136,790.00</u>	<u>\$5,907.25</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>2,690.61</b>	<b>\$685.00</b>	<b>(\$2,005.61)</b>

City of Sault Ste Marie  
BONDAR MARINA  
For the Twelve Months Ending December 31, 2008

*L.4.3*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$64,814.17)	(\$87,860.00)	(\$23,045.83)
Government grants	(4,611.00)	\$0.00	\$4,611.00
Other income	(292.73)	(\$450.00)	(\$157.27)
	<u>(69,717.90)</u>	<u>(\$88,310.00)</u>	<u>(\$18,592.10)</u>
<b>EXPENDITURES</b>			
Salaries	26,546.25	\$21,985.00	(\$4,561.25)
Benefits	2,250.50	\$1,440.00	(\$810.50)
Utilities and Fuel	10,384.13	\$11,075.00	\$690.87
Operating supplies and services	872.35	\$1,700.00	\$827.65
Maintenance and repairs	6,696.54	\$7,895.00	\$1,198.46
Goods for resale	31,787.32	\$47,850.00	\$16,062.68
Taxes and licenses	216.00	\$290.00	\$74.00
Financial expenses	2,203.97	\$1,965.00	(\$238.97)
Contracted services	7,179.99	\$10,480.00	\$3,300.01
Capital expense	977.36	\$500.00	(\$477.36)
	<u>89,114.41</u>	<u>\$105,180.00</u>	<u>\$16,065.59</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>19,396.51</b>	<b>\$16,870.00</b>	<b>(\$2,526.51)</b>

City of Sault Ste Marie  
SENIORS DROP IN CENTRE  
For the Twelve Months Ending December 31, 2008

L.4.4

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$16,800.00)	(\$16,800.00)	\$0.00
Government grants	(27,526.00)	(\$26,600.00)	\$926.00
Contribution from own funds	(2,900.15)	\$0.00	\$2,900.15
	<b>(47,226.15)</b>	<b>(\$43,400.00)</b>	<b>\$3,826.15</b>
<b>EXPENDITURES</b>			
Salaries	189,498.86	\$191,720.00	\$2,221.14
Benefits	27,689.73	\$32,215.00	\$4,525.27
Vehicle allowance, maintenance and repairs		\$600.00	\$600.00
Utilities and Fuel	27,027.42	\$23,840.00	(\$3,187.42)
Operating supplies and services	13,842.96	\$16,215.00	\$2,372.04
Maintenance and repairs	25,055.63	\$19,915.00	(\$5,140.63)
Rents and leases	8,244.08	\$8,250.00	\$5.92
Contracted services	12,243.01	\$12,385.00	\$141.99
Capital expense	2,900.15	\$2,000.00	(\$900.15)
	<b>306,501.84</b>	<b>\$307,140.00</b>	<b>\$638.16</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>259,275.69</b>	<b>\$263,740.00</b>	<b>\$4,464.31</b>

City of Sault Ste Marie  
STEELTON SENIORS CENTRE  
For the Twelve Months Ending December 31, 2008

L.4.5

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Government grants	(\$26,602.00)	(\$26,600.00)	\$2.00
	<u>(26,602.00)</u>	<u>(\$26,600.00)</u>	<u>\$2.00</u>
<b>EXPENDITURES</b>			
Salaries	102,394.02	\$105,145.00	\$2,750.98
Benefits	16,483.17	\$18,190.00	\$1,706.83
Utilities and Fuel	15,976.41	\$15,355.00	(\$621.41)
Operating supplies and services	5,054.15	\$7,295.00	\$2,240.85
Maintenance and repairs	8,659.67	\$10,905.00	\$2,245.33
Contracted services	2,221.15	\$2,725.00	\$503.85
	<u>150,788.57</u>	<u>\$159,615.00</u>	<u>\$8,826.43</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>124,186.57</b>	<b>\$133,015.00</b>	<b>\$8,828.43</b>

City of Sault Ste Marie  
LOCKS OPERATIONS  
For the Twelve Months Ending December 31, 2008

L.4.6

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Government grants	(\$83,325.23)	(\$105,000.00)	(\$21,674.77)
	<u>(83,325.23)</u>	<u>(\$105,000.00)</u>	<u>(\$21,674.77)</u>
<b>EXPENDITURES</b>			
Salaries	58,418.47	\$76,665.00	\$18,246.53
Benefits	1,298.87	\$16,145.00	\$14,846.13
Travel and training	90.00	\$500.00	\$410.00
Utilities and Fuel	5,868.36	\$5,440.00	(\$428.36)
Operating supplies and services	4,231.95	\$2,250.00	(\$1,981.95)
Maintenance and repairs	75,228.99	\$54,075.00	(\$21,153.99)
Contracted services	1,476.78	\$9,005.00	\$7,528.22
Capital expense		\$565.00	\$565.00
	<u>146,613.42</u>	<u>\$164,645.00</u>	<u>\$18,031.58</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>63,288.19</b>	<b>\$59,645.00</b>	<b>(\$3,643.19)</b>

City of Sault Ste Marie  
HSB  
For the Twelve Months Ending December 31, 2008

*L.4.7*

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$27,854.51)	(\$30,100.00)	(\$2,245.49)
Government grants	(51,485.30)	(\$18,780.00)	\$32,705.30
	<u>(79,339.81)</u>	<u>(\$48,880.00)</u>	<u>\$30,459.81</u>
<b>EXPENDITURES</b>			
Salaries	145,104.31	\$111,260.00	(\$33,844.31)
Benefits	22,215.04	\$18,120.00	(\$4,095.04)
Travel and training	712.39	\$700.00	(\$12.39)
Vehicle allowance, maintenance and repairs	104.85	\$100.00	(\$4.85)
Utilities and Fuel	10,410.13	\$9,930.00	(\$480.13)
Operating supplies and services	29,861.75	\$11,830.00	(\$18,031.75)
Maintenance and repairs	11,461.00	\$14,200.00	\$2,739.00
Goods for resale	2,085.70	\$250.00	(\$1,835.70)
Contracted services	11,723.35	\$6,315.00	(\$5,408.35)
Grants to others	12,000.00	\$12,000.00	\$0.00
Transfer to own funds	6,877.96	\$0.00	(\$6,877.96)
Capital expense	538.92	\$675.00	\$136.08
	<u>253,095.40</u>	<u>\$185,380.00</u>	<u>(\$67,715.40)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>173,755.59</b>	<b>\$136,500.00</b>	<b>(\$37,255.59)</b>

M

City of Sault Ste Marie  
Algoma Public Health  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
REVENUE			
EXPENDITURES			
Grants to others	\$1,979,375.00	\$1,979,375.00	
	1,979,375.00	\$1,979,375.00	
NET (REVENUE)/EXPENDITURE	1,979,375.00	\$1,979,375.00	

City of Sault Ste Marie  
OUTSIDE AGENCIES  
For the Twelve Months Ending December 31, 2008

N

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	<u>(\$4,216.00)</u>	<u>\$4,216.00</u>	
	<u>(4,216.00)</u>	<u>\$4,216.00</u>	
<b>EXPENDITURES</b>			
Grants to others	3,738,039.52	\$3,760,370.00	\$22,330.48
Transfer to own funds	80,000.00	\$80,000.00	
	<u>3,818,039.52</u>	<u>\$3,840,370.00</u>	<u>\$22,330.48</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>3,813,823.52</b>	<b>\$3,840,370.00</b>	<b>\$26,546.48</b>

**Explanation of Major Variances**

Library Board	2,511,560	2,511,560	-
Conservation Authority	266,540	266,540	-
Humane Society	413,600	413,600	-
Art Gallery of Algoma	144,300	144,300	-
Sault Ste. Marie Museum	153,970	153,970	-
Bush Plane Museum	75,000	75,000	-
Safe Communities	40,000	40,000	-
Norgoma	15,000	15,000	-
Algoma University	40,000	40,000	-
Red Cross Grant	50,000	50,000	-
Pee Wee Arena	21,638	21,000	( 638 )
Memorial Exemption - Royal Canadian Legion	16,969	17,000	31
	<u>3,748,577</u>	<u>3,747,970</u>	<u>( 607 )</u>
Other Cultural grants including in this cost centre			

City of Sault Ste Marie  
 OUTSIDE AGENCIES - Economic Development  
 For the Twelve Months Ending December 31, 2008

O

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
<b>EXPENDITURES</b>			
Grants to others	\$2,430,772.59	\$2,575,420.00	\$144,647.41
	<u>2,430,772.59</u>	<u>\$2,575,420.00</u>	<u>\$144,647.41</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>2,430,772.59</b>	<b>\$2,575,420.00</b>	<b>\$144,647.41</b>
ECONOMIC DEVELOP CORPORATION - Grants to ot	948,515.00	\$948,515.00	
COMMUNITY QUALITY INITIATIVE - Grants to others	40,000.00	\$40,000.00	
DESTINY SSM - Grants to others	50,000.00	\$50,000.00	
DEVELOPMENT SSM - Grants to others	123,000.00	\$246,000.00	\$123,000.00
INNOVATION CENTRE - Grants to others	277,890.00	\$277,890.00	
TOURIST PROMOTION - Grants to others	168,656.00	\$168,455.00	(\$201.00)
RMH CALL CENTRE - Grants to others	663,130.68	\$709,560.00	\$46,429.32
Queenstown Association	<u>159,580.91</u>	<u>\$135,000.00</u>	<u>(\$24,580.91)</u>
	<u>2,430,772.59</u>	<u>2,575,420.00</u>	<u>144,647.41</u>

Development SSM adjusted to due mid year  
 funding change.

RMH call centre revenue offsets variance in the  
 Legal Department

City of Sault Ste Marie  
ECONOMIC DIVERSIFICATION PROJE  
For the Twelve Months Ending December 31, 2008

P

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$200,000.00)	\$0.00	\$200,000.00
Government grants	(26,341.40)	\$0.00	\$26,341.40
Contribution from own funds	(699,182.45)	\$0.00	\$699,182.45
	<b>(925,523.85)</b>	<b>\$0.00</b>	<b>\$925,523.85</b>
<b>EXPENDITURES</b>			
Contracted services	923,022.03	\$500,000.00	(\$423,022.03)
Transfer to own funds	500,000.00	\$0.00	(\$500,000.00)
	<b>1,423,022.03</b>	<b>\$500,000.00</b>	<b>(\$923,022.03)</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>497,498.18</b>	<b>\$500,000.00</b>	<b>\$2,501.82</b>

**City of Sault Ste Marie**  
**CORPORATE - FINANCIALS**  
**For the Twelve Months Ending December 31, 2008**

Q

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Taxation	(\$83,249,982.46)	(\$82,734,279.00)	\$515,703.46
Payment in Lieu of taxes	(4,337,053.21)	(\$4,378,695.00)	(\$41,641.79)
Fees and user charges	(9,536,646.29)	(\$10,400,000.00)	(\$863,353.71)
Government grants	(28,908,932.85)	(\$28,835,600.00)	\$73,332.85
Investment income	(4,704,417.35)	(\$4,090,000.00)	\$614,417.35
Contribution from own funds	(515,350.00)	(\$470,000.00)	\$45,350.00
Other income	(1,894,094.71)	(\$1,620,000.00)	\$274,094.71
Prior year surplus	(564,152.47)	(\$564,153.00)	(\$0.53)
	<b>(133,710,629.34)</b>	<b>(\$133,092,727.00)</b>	<b>\$617,902.34</b>
<b>EXPENDITURES</b>			
Salaries	259.82	\$700.00	\$440.18
Benefits	100,767.44	\$102,175.00	\$1,407.56
Operating supplies and services	59,992.37	\$210,400.00	\$150,407.63
Contracted services	20,955.35	\$19,500.00	(\$1,455.35)
Grants to others	85,996.51	\$550.00	(\$85,446.51)
Transfer to own funds	10,176,868.79	\$10,782,238.00	\$605,369.21
	<b>10,444,840.28</b>	<b>\$11,115,563.00</b>	<b>\$670,722.72</b>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>(123,265,789.06)</b>	<b>(\$121,977,164.00)</b>	<b>\$1,288,625.06</b>

**Major Explanation of Variances**

Taxes - Supplementary billings	515,703
Investment Income	426,366
Penalty Interest	182,228
Contingency Expenses	87,695
<b><u>1,211,992</u></b>	

R

**City of Sault Ste Marie  
CAPITAL LEVY & DEBENTURE DEBT  
For the Twelve Months Ending December 31, 2008**

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Fees and user charges	(\$305,785.58)	(\$215,000.00)	\$90,785.58
	<u>(305,785.58)</u>	<u>(\$215,000.00)</u>	<u>\$90,785.58</u>
<b>EXPENDITURES</b>			
Long term debt	10,748,184.99	\$10,747,901.00	(\$283.99)
	<u>10,748,184.99</u>	<u>\$10,747,901.00</u>	<u>(\$283.99)</u>
<b>NET (REVENUE)/EXPENDITURE</b>	<b>10,442,399.41</b>	<b>\$10,532,901.00</b>	<b>\$90,501.59</b>

S

**City of Sault Ste Marie**  
**EDUCATION REQUISITION**  
For the Twelve Months Ending December 31, 2008

Department	YTD Actual	YTD Budget	Variance
<b>REVENUE</b>			
Taxation	(\$23,450,960.36)	(\$23,285,685.00)	\$165,275.36
	(23,450,960.36)	(\$23,285,685.00)	\$165,275.36
<b>EXPENDITURES</b>			
Grants to others	23,450,960.42	\$23,285,685.00	(\$165,275.42)
	23,450,960.42	\$23,285,685.00	(\$165,275.42)
<b>NET (REVENUE)/EXPENDITURE</b>	<b>0.06</b>	<b>\$0.00</b>	<b>(\$0.06)</b>

## THE CORPORATION OF THE CITY OF SAULT STE. MARIE

## BY-LAW 2009-95

**TAXES:** (T.1.4) A by-law to adopt optional tools for the purposes of administering limits for the commercial, industrial and multi-residential Property Classes.

**WHEREAS** The Corporation of the City of Sault Ste. Marie (hereinafter referred to as "The Municipality" may, in accordance with Section 329.1 of the Municipal Act, 2001, S.O. 2001 c.25, as amended (hereinafter referred to as "The Act") modify the provisions and limits set out in Section 329 of The Act, with respect to the calculation of taxes for municipal and school purposes payable in respect of property in the commercial, industrial and multi-residential property class;

**AND WHEREAS** The Municipality must similarly modify the provisions and limits set out in Section 332 of The Act with respect to the "tenant cap" calculations;

**AND WHEREAS** this by-law shall only apply to properties in any of the commercial industrial and multi-residential property classes to which Part 1X of the Act applies;

**AND WHEREAS** for the purposes of this by-law the commercial classes shall be considered a single property class and the industrial classes shall be deemed to be a single property class;

**AND WHEREAS** "uncapped taxes" means, the taxes for municipal and school purposes that would be levied for the taxation year but for the application of Part 1X of The Act.

**AND WHEREAS** the Council may pass a by-law to apply any one or any combination of the following options:

- a. Increase the annual cap up to a maximum of 10% of last year's capped taxes; and/or
- b. Set an upper limit on annual increases at the greater of the amount calculated under (a) and up to 5% of the previous year's annualized CVA tax; and/or
- c. Up to a maximum \$250 threshold may be set for increasing properties, decreasing properties or both;

**AND WHEREAS** a by-law passed to adopt the provisions of Subsection 329.1 paragraphs 1 and 2 of the Act provides that such provisions shall also apply to Section 332 of The Act with respect to the "tenant cap" calculations;

**AND WHEREAS** the Council has reviewed the provisions of Section 329.1 of the Act and hereby deems it necessary and appropriate to adopt optional tools for the purpose of administering limits for the commercial, industrial and multi-residential property classes;

**NOW THEREFORE** the Council of the Corporation of the City of Sault Ste. Marie hereby enacts as follows:

1. **THAT** paragraphs 1, 2 and 3 of Subsection 329.1 (1) of the Act shall apply to the commercial, industrial and multi-residential property classes for 2009.
2. In determining the amount of taxes for municipal and school purposes for the year under Subsection 329(1) and the amount of the tenants cap under Subsection 332(5), ten per cent (10%) shall be used, instead of 5 per cent (5%) in:

**NOTICE**

THIS IS A DRAFT DOCUMENT. This document has not been enacted by City Council. It may not be enacted at all AND if enacted, it may not be in the form of the DRAFT copy.

CITY SOLICITOR

- (a) Determining the amount to be added under paragraph 2, Subsection 329(1), and
  - (b) Increasing under paragraph 2 of Subsection 332 (5) the amount calculated under Paragraph 1 of that Subsection.
3. The amount of the taxes for municipal and school purposes for a property for the taxation year shall be the amount of the uncapped taxes for the property for the year if the amount of the uncapped taxes exceeds the amount of the taxes for municipal and school purposes for the property for the taxation year as determined under Section 329, as modified under Section 329.1 of The Act and this by-law, by two-hundred and fifty dollars (\$250.00).
  4. The amount of the taxes for municipal and school purposes for a property for a taxation year shall be the amount of the uncapped taxes for the property for the year if the amount of the taxes for municipal and school purposes for the property for the taxation year as determined under Section 329, as modified under Section 329.1 of The Act and this by-law exceed the uncapped taxes, by two-hundred and fifty dollars (\$250.00) or less.

5. **EFFECTIVE DATE**

This by-law takes effect on the date of its final passing.

Read THREE times and PASSED in open Council this 11<sup>th</sup> day of May, 2009.

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ACTING MAYOR – BRYAN HAYES

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CITY CLERK – DONNA IRVING

dh Bylaws\2009\2009-95 – 2009 Tax Capping

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**

**BY-LAW 2009-97**

**TAXES:** (T.1.4.) being a by-law to provide for the adoption of recovery percentages for the 2009 taxation year.

WHEREAS Section 330 of The Municipal Act, 2001 S.O. 2001, c. 25 as amended provides that the Council of a local municipality may pass a by-law to establish recovery percentages for the 2009 Taxation Year.

Therefore the Council of the Corporation of the City of Sault Ste. Marie pursuant to the Municipal Act, as amended ENACTS as follows:

**1. RECOVERY PERCENTAGES**

The Municipal recovery percentages set out below are hereby adopted.

<u>Property Tax Class</u>	<u>Tax Recovery</u>	<u>Decrease Retained</u>
Commercial	22.2879 1.56%	77.7121%
Industrial	1.2853%	98.7147%
Multi-Residential	23.7403%	76.2597%

**2. EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

Read THREE times and PASSED in open Council this 11<sup>th</sup> day of May, 2009.

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ACTING MAYOR – BRYAN HAYES

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CITY CLERK – DONNA IRVING

DH INDEX\BYLAW INDEX\2009\2009-97 – TAX RECOVERY PERCENTAGES

