

ADDENDUM

REGULAR MEETING OF CITY COUNCIL

2010 04 12

4:30 P.M.

PART ONE – CONSENT AGENDA

3. APPROVE ADDENDUM AS PRESENTED

Mover - Councillor L. Turco

Seconder - Councillor B. Hayes

Resolved that the Addendum for the 2010 04 12 City Council meeting as presented be approved.

5. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES

(dd) 2010 Budget

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

Mover - Councillor L. Turco

Seconder - Councillor B. Hayes

Resolved that the report of the Commissioner of Finance & Treasurer dated 2010 04 12 concerning 2010 Budget be received as information.

(ee) An email from the CAO to City Council concerning request from Polish Canadian Community is attached for the information of Council.

6. REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES

6. (3) ENGINEERING

(a) Mover - Councillor S. Myers

Seconder - Councillor T. Sheehan

Whereas Mayor Rowswell is on record as stating due to professional reasons, he is unable to sign contract 2010-1E concerning Hub Trail Construction – Fort Creek Conservation Area; and

Whereas the contract documents were signed in March by the Acting Mayor in the month of March prior to the matter coming back to City Council on April 12; Therefore Be It Resolved that a new signature page be prepared for the immediate signature of April Acting Mayor Pat Mick.

7.

**UNFINISHED BUSINESS, NOTICE OF MOTIONS AND RESOLUTIONS
PLACED ON AGENDA BY MEMBERS OF COUNCIL**

(h) Mover L. Turco
Second S. Butland

Whereas the city of Sault Ste. Marie and in particular, Sault Ste. Marie's Polish community made up of more than 100 families, is deeply saddened by the plane crash Saturday that killed the eastern European country's president and many of its highest ranking officials;

Whereas the plane's occupants were on their way to a ceremony marking the 70th anniversary of the Katyn massacre, which occurred in April of 1940 when Russian troops took 22,000 captured Polish soldiers, civilians, and police officers to the Katyn Forest in Russia where they were killed;

Whereas the Country of Poland has declared a week of mourning to express the country's profound sadness in their loss;

Whereas a book of condolences is available today (Monday) at St. Andrew Bobola Polish Catholic Church and a mass will be held this evening at 7 p.m. The book of condolences will be brought to City Hall to allow citizens of Sault Ste. Marie to express their sympathy between Tuesday, April 13th until Friday, April 16th after which it will be sent to Poland;

Whereas Poland is recognized as one of the founding nations of Sault Ste. Marie, Ontario and the country's flag flies proudly with 24 other founding nations;

Whereas, in recognition of Poland's profound loss, the City of Sault Ste. Marie has lowered our flags and Poland's flag out of respect of the profound loss during this time from today to Wednesday, April 14;

Therefore, the City of Sault Ste. Marie offers its condolences to the people of Poland and families of the Polish Canadian Community in Sault Ste. Marie.

5(dd)

William Freiburger, CMA
Commissioner of Finance
and Treasurer



Finance Department

2010 04 12

Mayor John Rowsell and
Members of City Council

Re: 2010 Budget

Please find attached background information prepared by Mr. Scott McLellan, Manager of Budgets and Revenue concerning major issues relating to the 2010 budget.

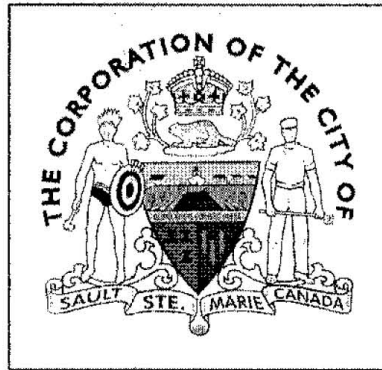
We have received education tax rates from the Province, the levy from the Sault Ste. Marie District Social Services Administration Board and completed our 2009 yearend.

This report is provided for the information of Council.

Respectfully submitted,

W. Freiburger, CMA
Commissioner of Finance and Treasurer

WF/kl
attachment



CORPORATION OF THE CITY OF SAULT STE. MARIE

2010 BUDGET - COUNCIL UPDATE

*Prepared by : Scott McLellan
Manager of Budgets & Revenue
12 April 2010*

SCOPE : This report is intended as information for Council on the status of the 2010 Budget.

WAGES & BENEFITS : The following adjustments in Wages and Benefits will be included in the 2010 Budget. The adjustments are based on Collective Agreements and announced increases in benefits. When implemented these items will have an impact on the budget of approximately \$ 2,600,000.

Total Wages and Benefits in the 2010 Budget (excluding Library Board and prior to the adjustments noted below) are approximately \$ 78,570,000, Fire/EMS and Police represent approximately 42 % of this total.

Salaries for Fire and Police have been increased by 3.50 % while salaries for all other groups (including the Library Board) are increased by 2.50%. There also wage and benefit annualization adjustments for Fire (excluding EMS) and Police of over \$ 800,000 for staffing changes, progression through the salary grid, related benefit adjustments and for the 3,6,9 agreements. These adjustments are included in the department's requested 2010 Budget.

Temporary Salaries have been increased by 2.50 %. There are provisions for the impact of the minimum wage increase provided in the Community Centres budgets.

Canada Pension Plan has been increased by 2.10 % in accordance with increases implemented by the Federal Government.

Employment Insurance has been increased by 2.15 % in accordance with increases implemented by the Federal Government.

Employer Health Tax increases by 3.50 % for Fire and Police and by 2.50% for all other groups.

OMERS premiums are driven by the salary increase and by premium increases. OMERS for Fire and Police has been increased by 6.05 % while all other groups are increased by 4.25%.

Monthly premiums for Health Care increase by 4.00 %, Dental by 7.00 %, Long Term Disability by 15.00 % and Group Insurance by 20.00 %.

The City is essentially self-insured for W,S.I.B. coverage and a 2.50 % increase has been included in the budget.

Increases of 2.50 % have been provided to the following Outside Agencies, Economic Development Corporation, Conservation Authority, Humane Society, Sault Museum and Art Gallery of Algoma.

ASSESSMENT : The Assessment value increased from \$ 3,807,142,164 in 2009 to \$ 4,106,972,414 in 2010, an increase of \$ 299,830,250 or 7.88%. Less than one percent of this assessment increase is due to growth. The increase is largely attributable to Re-assessment. As Council is aware, 2010 is the second year of a four year phase in. The trend of larger increases in the Residential component will continue in 2011 and 2012.

TAX RATES : Taxes Rates for the 2010 Budget will be based on Revenue Neutral Taxation Ratios. These ratios are necessary to avoid shifting a larger percentage of the tax burden on to the residential ratepayers. As noted above, the shifting of the Tax burden to Residential Rate Payers will continue in 2011 and 2012. For each \$ 1,000,000 change in the Budget Levy there will be a 1.00 % change in the Urban Residential Property Tax Rate.

SURPLUS : The Surplus from 2009 Operations is not known at the time. Contrary to staff's advice in the 2009 Budget, \$ 500,000 of Surplus was used to reduce the 2009 Levy. Without a corresponding amount for the 2010 Budget this loss in revenue will result in approximately a 0.50 % Tax Increase.

OMPF (Ontario Municipal Partnership Fund) : The 2010 Grant Allocation has been announced as \$ 23,813,600 which is reduction of \$4,069,700 or 14.60 %. In their grant statement the Province indicates they have uploaded Social Service costs and that their grant reduction will be offset by reductions in the DSSAB (District Social Services Administration Board) Budget. The DSSAB Levy for 2010 provides a reduction of \$ 2,676,720. City staff have reviewed the DSSAB Budget and feel it is fair and reasonable. This leaves the City with a shortfall of \$ 1,392,980 between the OMPF Grant reduction and the reduction of the DSSAB Levy. The shortfall can not be entirely attributed to the difference between the OMPF Grant and the DSSAB

as the Province also factors in Assessment changes. The current formula essentially takes away a large portion of the value of our Assessment growth.

EDUCATION TAX RATES : The Provincial Education Tax Rates were recently announced. There are decreases in all categories which are helpful in reducing the Property Tax increases, however, the reduction in the Education Rates does not completely offset the losses in the OMPF grant.

ITEMS IMPACTING ON THE LEVY : Essentially, the main components to the 2010 Levy change include the large reduction in the OMPF (Provincial Municipal Partnership Grant), the Contingencies Provision of \$ 2,600,000. additional wage and benefit adjustments in the submitted Fire and Police budgets, the DSSAB Levy change as well as the \$ 500,000 of Surplus used in 2009 to lower the levy. These items alone represent a Property Tax increase of nearly 5.00 % before any Supplementary items are considered.

HARMONIZED SALES TAX (HST) : The HST will be implemented on July 1, 2010. Further analysis of the impact of this change in taxation will be provided at a later date.

SYNOPSIS : There are several factors driving the 2010 Tax Rates. On a Budget to Budget basis the Urban Residential Tax rate will actually decline, the Average Property will see an increase in their Assessment and it may be difficult to mitigate the Assessment increase in relation to items such as Wage and Benefit adjustments and OMPF funding reductions.

Respectfully submitted



Scott McLellan
Manager of Budgets & Revenue

5(ee)

Malcolm White

From: Bianca Berlingieri
Sent: April 12, 2010 11:44 AM
To: City Councilors
Cc: Malcolm White; Don Dzama; Don Scott; Elizabeth Rossnagel; Irene Saric; Joe Cain; John Rowswell; Kathy Fisher; Marcel Provenzano; Roger Caron
Subject: Request from Polish Canadian Community

Mayor & City Council:

We have worked with the Polish Canadian community in their request to lower our flags in recognition of the tragic death of Lech Kaczynski, President of Poland. Canadian and Poles together are mourning his death, his wife Maria's death and at least 95 others including Parliamentarians, Senators, Secretaries of State, Priests, Diplomats, the Central Bank Governor, the Olympic Committee President and Chiefs of the Army. This tragedy occurred while travelling to Russia to commemorate the 70th anniversary of the Katyn Massacre. The crash occurred in Smolensk, Russia.

In observance of this terrible tragedy, our flags will be flown at half mast today, April 12th thru to Wednesday, April 14th.

Thank you,
Joe Fratesi

Bianca Berlingieri
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