

AGENDA

BUDGET MEETING OF CITY COUNCIL

2012 04 02 DEFERRED TO APRIL 11, 2012

5:30 P.M.

COUNCIL CHAMBERS

1. **Yearend Reserve Transfers**

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

Mover: Councillor L. Turco

Seconder: Councillor P. Mick

Resolved that the report of the Commissioner of Finance and Treasurer dated 2012 04 02 concerning Yearend Transfers to Reserves be accepted and the recommendations contained therein be approved.

2. **Ontario Regulation 284/09**

A report of the Manager of Finance and Audits is attached for the consideration of Council.

Mover: Councillor L. Turco

Seconder: Councillor B. Watkins

Resolved that the report of the Manager of Finance and Audits dated 2012 04 02 concerning Ontario Regulation 284/09 be received as information.

3. **2012 Budget**

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

Mover: Councillor R. Niro

Seconder: Councillor B. Watkins

Resolved that City Council now proceed into the Committee of the Whole to consider the following matter referred to it for consideration – 2012 Budget Deliberations.

Mover: Councillor L. Turco

Seconder: Councillor P. Mick

Resolved that the Committee of the Whole Council now rise and report on the matter referred to it by City Council – 2012 Budget Deliberations.

4.

Adjournment

Mover: Councillor R. Niro

Seconder: Councillor B. Watkins

Resolved that this Council shall now adjourn.

Shelley J. Schell, CA
Manager of
Finance and Audits



Finance Department

2012 04 02

Mayor Debbie Amaroso and
Members of City Council

RE: ONTARIO REGULATION 284/09

PURPOSE

This report is presented in accordance with Ontario Regulation 284/09.

BACKGROUND

Ontario Regulation 284/09 allows municipalities to exclude amortization expenses, post-employment benefit expenses, solid waste landfill closure and post-closure expenses from the annual budget. If municipalities do not budget for these expenses a report is to be submitted to Council with respect to the exclusions.

ANALYSIS

The effect of the excluded expenses from the City's budget is as follows:

- 1) Amortization is the asset cost allocated to the periods in which it is used. It is partially funded by reserve and capital transfers included in the levy. This allows for current and future asset replacement. A capital allocation is provided in the operating budget to fund capital road construction/improvement, capital equipment replacement and sanitary sewer capital repairs.
- 2) Post employment benefits are based upon an actuarial valuation. The City budgets for the current year actual cost in the operating budget. These costs will fluctuate based upon the average age of our workers.
- 3) The landfill closure and post closure costs are being partially funded through a reserve transfer included in the levy. This will be evaluated each year at budget. Future costs will be levied as required. The City has a net reserve of \$8.3 million available for these expenses as of December 31, 2011.

IMPACT

The effect of excluding these expenses in the budget is an increase in the City's accumulation net surplus. Attached to this report is a schedule outlining the effect of each of the excluded expenses.

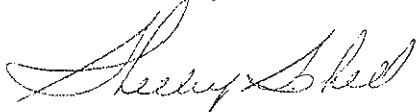
STRATEGIC PLAN

Not applicable

RECOMMENDATION

The report re: Ontario Regulation 284/09 be approved for the budget year 2012.

Respectfully submitted,



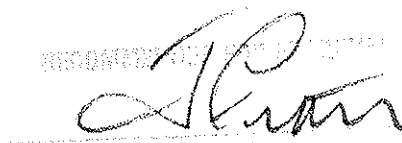
Shelley J. Schell, CA
Manager of Finance and Audits

Recommended for approval,



W. Freiburger, CMA
Commissioner of Finance and Treasurer

attachment



Joseph M. Schell
Chief Auditor and Clerk

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Ontario Regulation 284/09: Budget Restatement
Year ended December 31, 2012

Amortization:

Amortization estimate for 2012	\$ (15,200,000)
Capital Fund Revenues not included in budget	4,600,000
Reserve/Capital Fund transfers included in budget	<u>17,155,220</u>
Increase to 2012 accumulated net revenue	<u>6,555,220</u>

Landfill Closure/Post Closure Expenses:

Increase to Landfill Closure Liability	\$ (404,660)
Reserve transfer included in budget	<u>1,749,050</u>
Increase to 2012 accumulated net revenue	<u>1,344,390</u>

Post Employment Benefits Expense:

Decrease to 2012 accumulated net revenue	<u>(1,810,247)</u>
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Total increase/(decrease) on accumulated net revenue

6,089,363

William Freiburger, CMA
Commissioner of Finance
and Treasurer

Finance Department



2012 04 02

Mayor Debbie Amaroso and
Members of City Council

Re: Yearend Reserve Transfers

Attached is a list of recommended 2011 yearend transfers to reserves as prepared by Shelley Schell, CA, Manager of Finance and Audits.

Included on the list is the 2011 yearend reserve balance after the transfer.

Recommendation

That the report of the Commissioner of Finance and Treasurer concerning 2011 yearend transfers to reserves be received and the recommendations contained therein be approved.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "W. Freiburger".

W. Freiburger, CMA
Commissioner of Finance and Treasurer

WF/kl
attachment

CORPORATION OF THE CITY OF SAULT STE. MARIE
RESERVE TRANSFERS TO BE APPROVED BY COUNCIL
DECEMBER 31, 2011

<u>Details</u>	<u>From Reserve</u>	<u>To Reserve</u>
	<u>\$</u>	<u>\$</u>
Miscellaneous Construction Carryover		
2011 projects to be completed in 2012		69,493.55
WECCI funding for project carryover		18,750.00
Asbestos Abatement Reserve		
2011 budget carryover		32,275.00
Computer Software Reserve		
2011 budget carryover re: Police payroll implementation		30,000.00
Celebrate 100! Reserve		
2011 budget carryover to 2012		19,900.00
Conference & Special Events Reserve		
2011 budget carryover to 2012		12,500.00
Total	-	182,918.55
net		182,918.55