

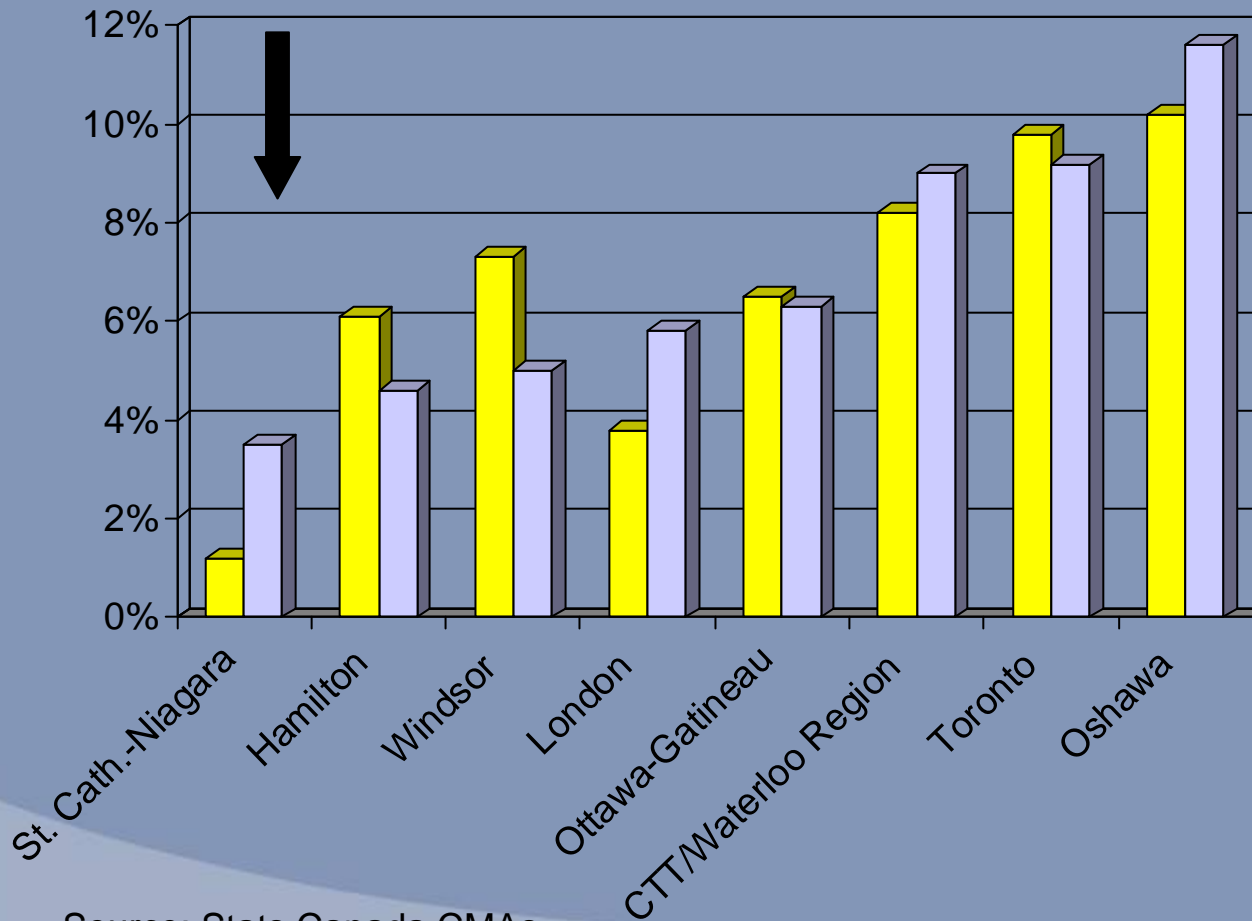
# Budget Guidance 2009 *BRCOTW July 24, 2008*

2008-12-01

BMA

# Population Growth

■ Percent Change 1996-2001    □ Percent Change 2001-2006



Population growth is a sign of economic strength

While lowest in the survey of comparators, Niagara's population between 2001-2006 increased at a faster pace than in the prior 5 year period

Source: Stats Canada CMAs

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# Employment Growth 2003-2008

Census Metropolitan Area	2003	2008	% Change 2003-2008
Waterloo Region	235,800	268,678	13.6%
Oshawa	171,800	191,098	11.0%
London	220,000	244,228	10.8%
Toronto	2,676,900	2,902,563	8.3%
Windsor	161,400	173,105	7.5%
Hamilton	363,900	377,883	3.8%
St. Catharines-Niagara	195,900	200,200	3.5%
<b>Average</b>			<b>8.3</b>

Source: Stats Canada, 2003, 2006, FP Canadian Demographics 2008

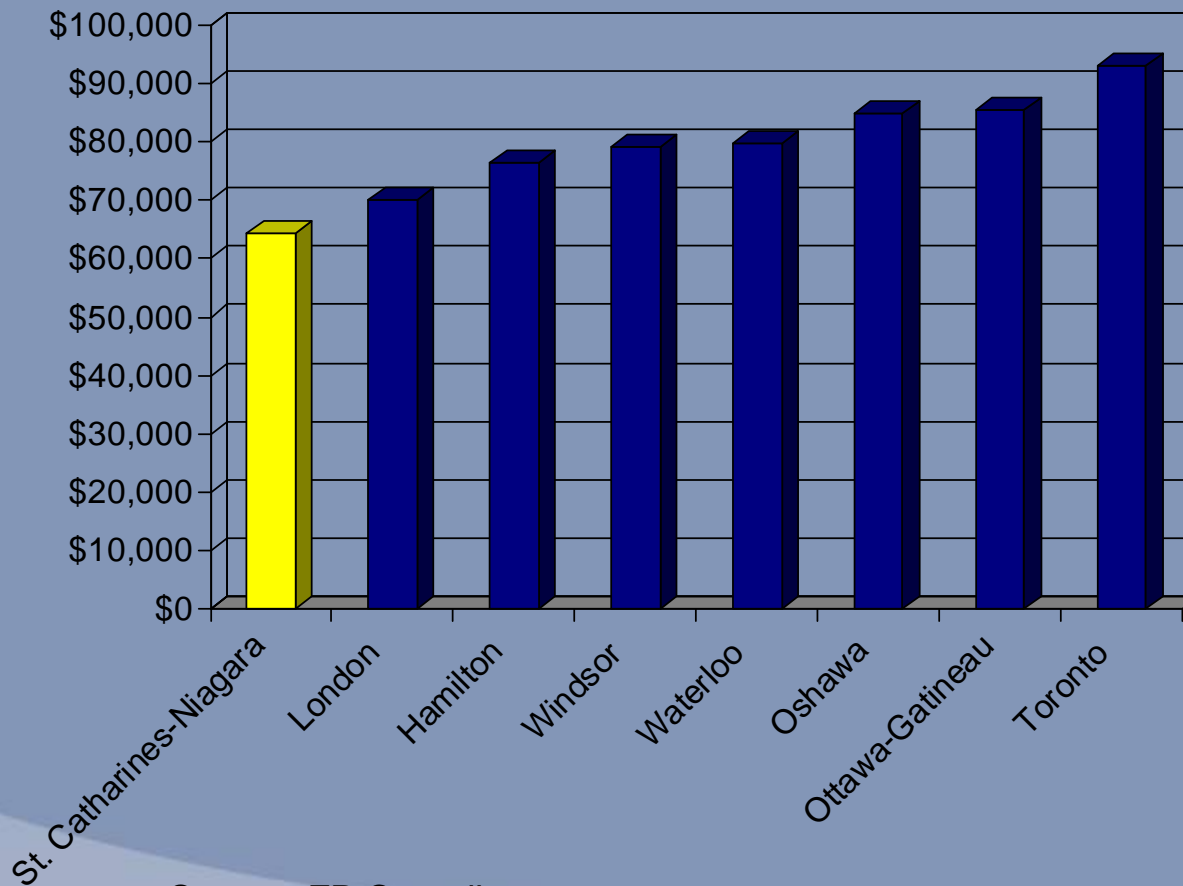
# Employment News

- This prospect for slower employment growth and the deterioration in the outlook for the United States will probably cause a further slowdown in manufacturing
- In turn, this will lead to a more serious pullback in cross-border travel and decreased demand for accommodation and leisure industry services

(Source – Reed Construction Data News, April 2008)

- Stats Canada reports that St.Catharines –Niagara unemployment jumped to 7.2% in May (compared to 6.6% in April)

# Average Household Income



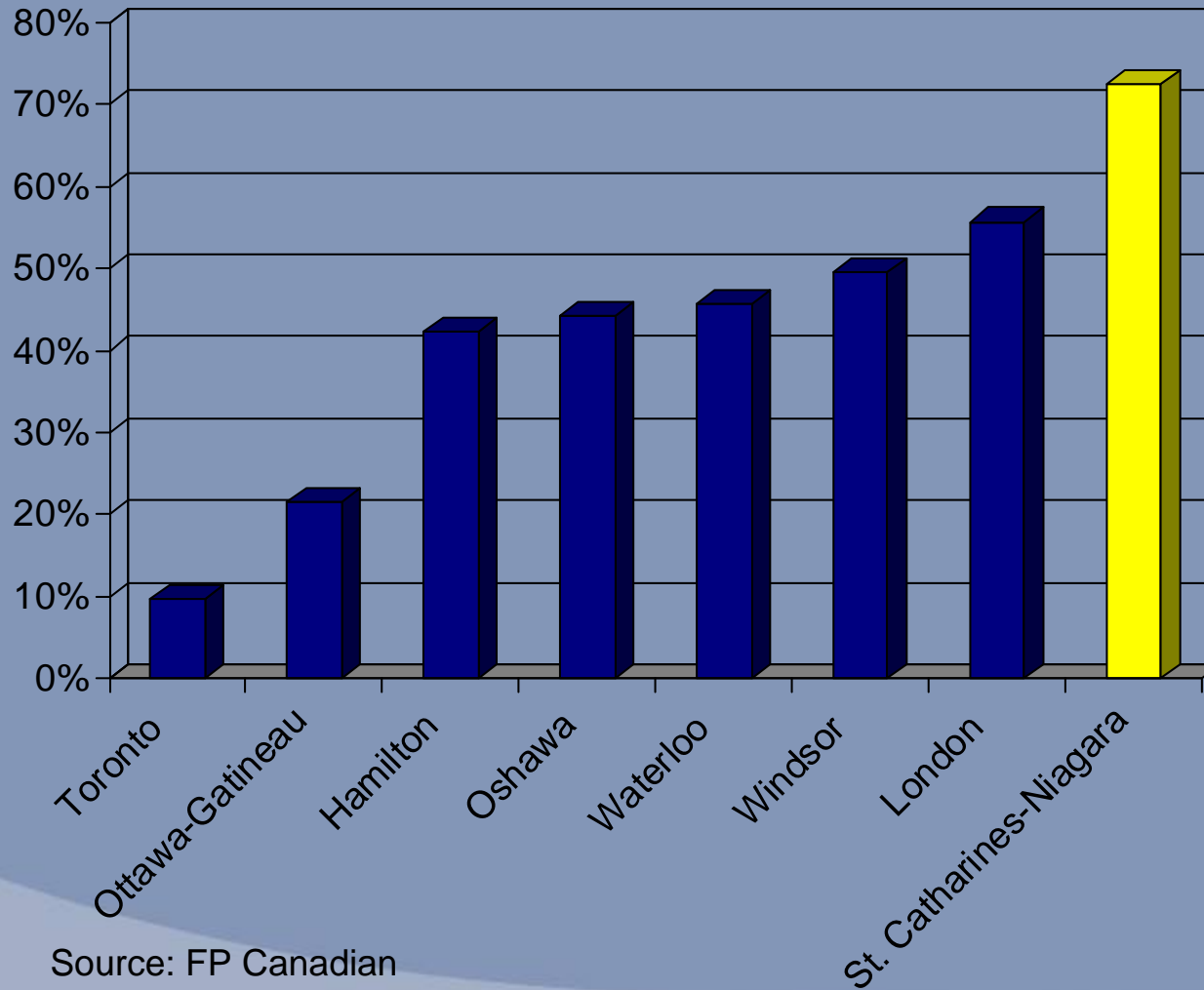
Lower average incomes and a higher share of seniors contribute to Niagara's lower than average household incomes

Average household income low, however ...

Source: FP Canadian Demographics 2008

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# % of Households – “Quiet Neighbours”



Incomes fall between \$30,000 and \$75,000

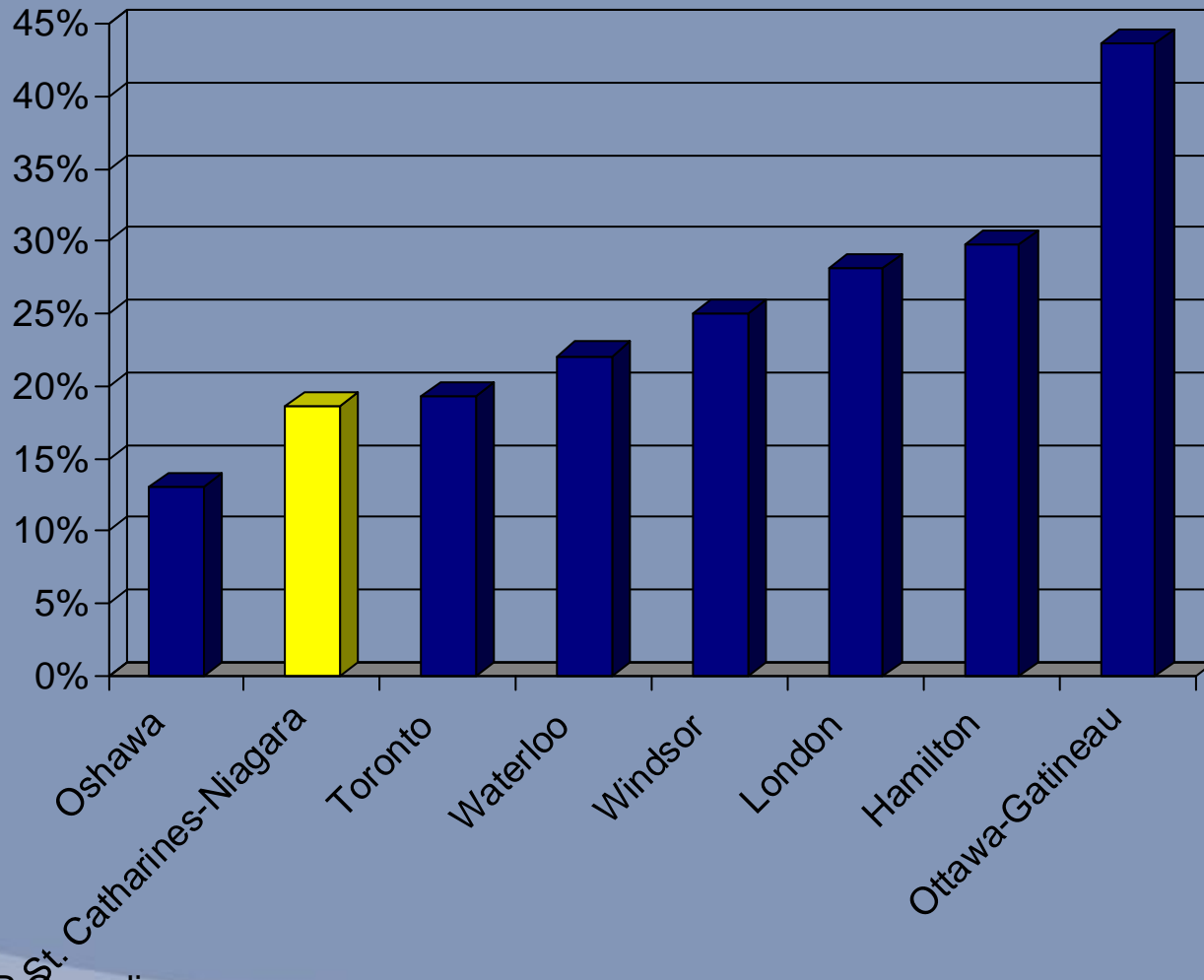
Overall net worth is half the national average

Majority of households fall in this category

Affordability issues

Source: FP Canadian Demographics 2008  
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# % of Households – > \$75,000



Source: FP Canadian  
Demographics 2008  
2008-12-01

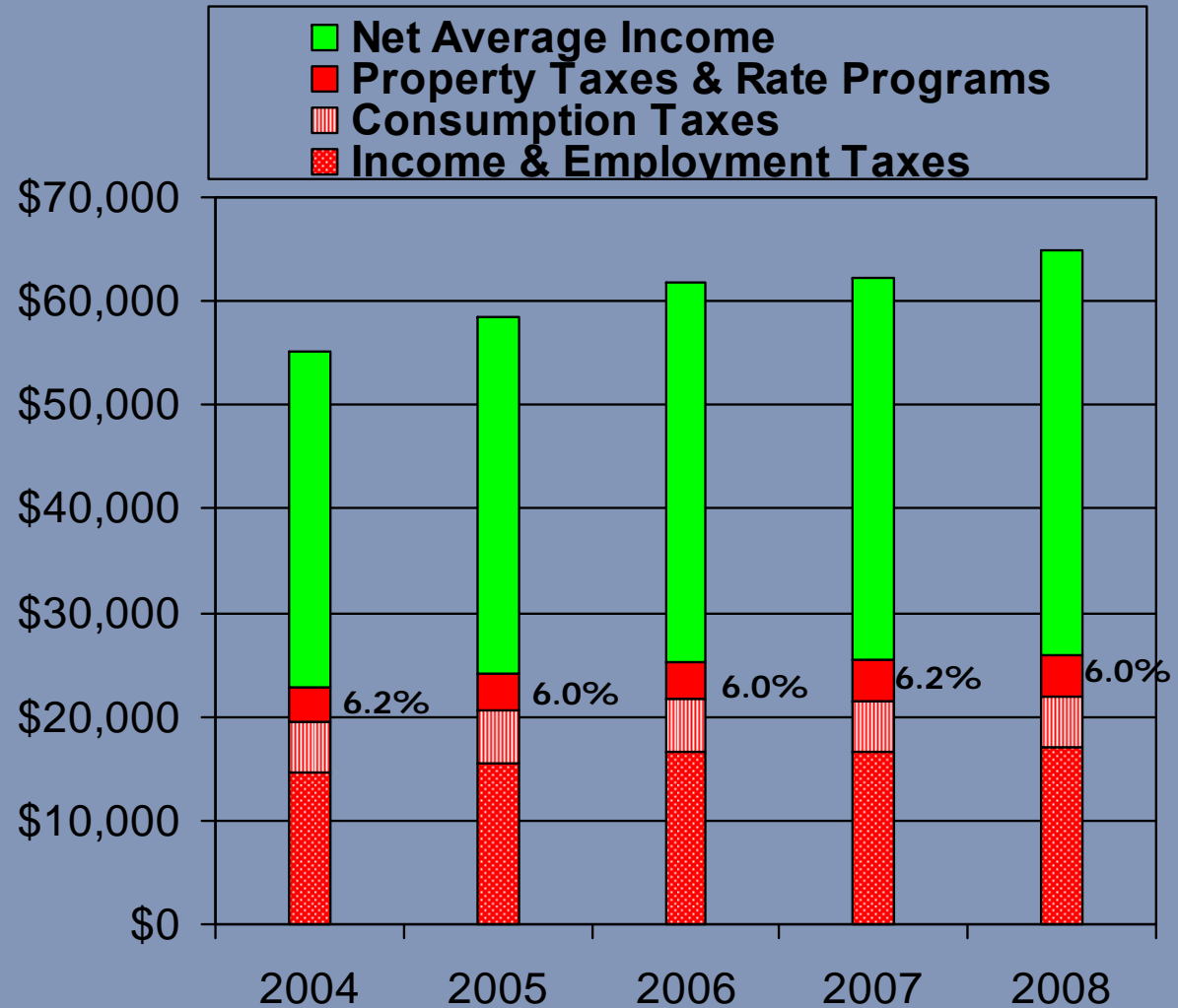
# Discretionary Income - % of HHI

Census Metropolitan Area	Average HH Income 2008	Discretionary Income 2008	% Discretionary
Toronto	93,200	23,586	25%
Oshawa	84,800	21,442	25%
Waterloo Region	79,800	19,992	25%
Windsor	64,300	19,761	31%
Hamilton	76,400	18,602	24%
London	70,100	16,968	24%
St. Catharines-Niagara	64,300	15,031	23%
<b>Average</b>	<b>76,128</b>	<b>19,340</b>	<b>25%</b>

Discretionary income after necessities such as food, lodging, clothing and transportation

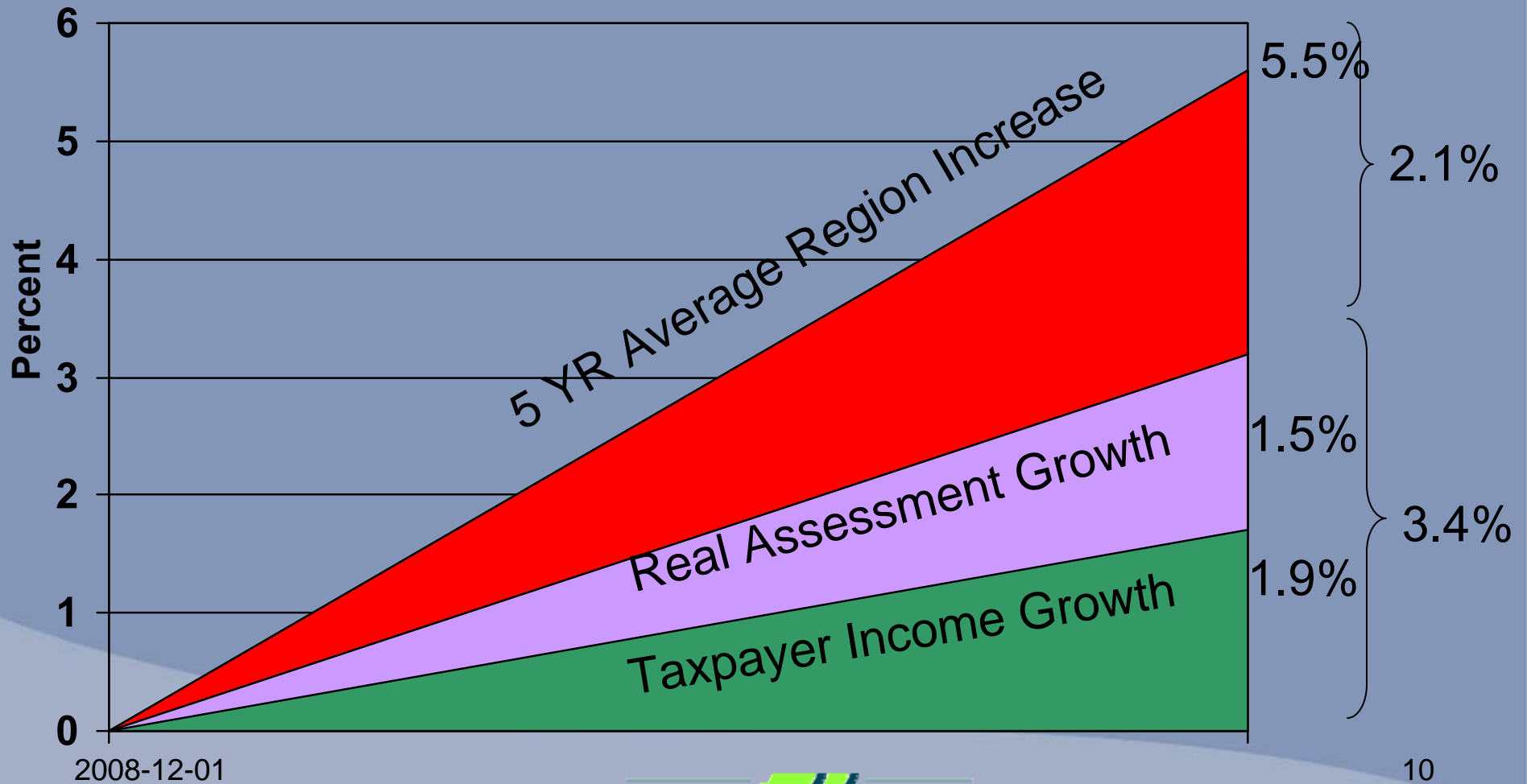
Source – FP Canadian  
Demographics, 2006, 2008  
2008-12-01

# Typical Taxpayer Household

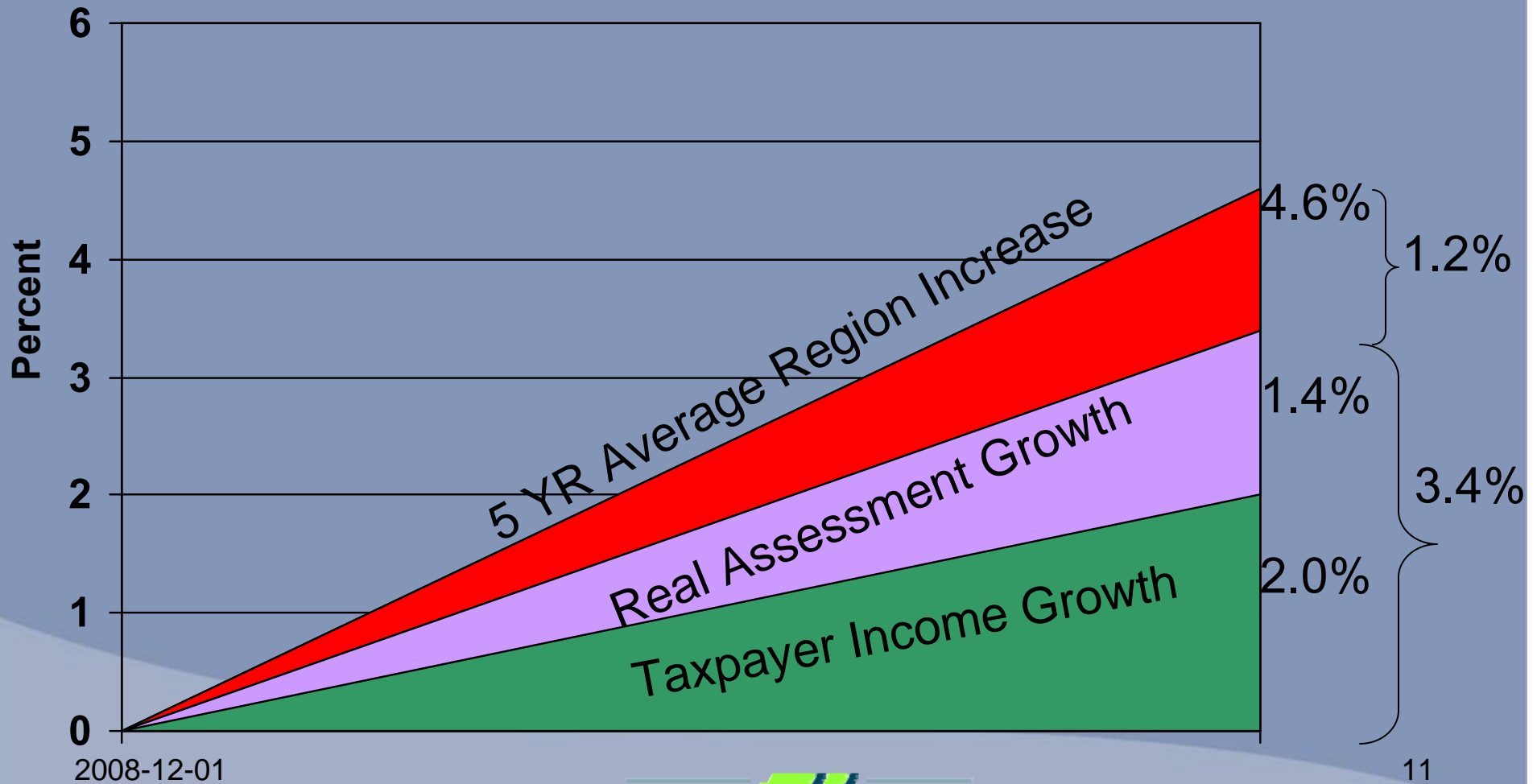


\*Source – Household income obtained from FP Canadian Financial Demographics  
2008-12-01

# Excess of Regional Annual Increase over Taxpayer Income Growth and Real Assessment Growth 2008



# Excess of Regional Annual Increase over Taxpayer Income Growth and Real Assessment Growth 2009



# Recommendation

**$\leq 3.4\%$**

- Levy \$9.3 million
- Rate Supported \$4.3 million
- Total \$13.6 million

# Allocation of 3.4% - Assumptions

- Regional Operations Envelopes 2.4%
- Uploading funds Downloading \$0.8M
- Pool for special circumstances \$2.2M
- Bow wave mitigation \$2.9M

# Allocation of 3.4% to Levy

• Operations	\$3.3 million
• CMT Pool	\$2.2 million
• Police	<u>\$3.8 million</u>
Total Levy allocation	<u>\$9.3 million</u>

# Implications of 2.4%

- Staffing
- Net Vs. Gross dollar Impacts
- Service Levels
- Productivity improvement

# Issues

- PMFSDR
  - Downloading > uploading?
- Capital Budget Strategy impact
  - Infrastructure
- Local economy
- Contingency plan
- Inflation worry

# Levers

- Ontario Municipal Partnership Fund
- Capital Budget Strategy
- Provincial / Municipal Review
- Development Charges
- Water & Wastewater Rate Making
- Assessment Growth/Economic Growth

# Next Steps

- Council guidance – 3.4%
- Budget preparation – 2.4%
- Business cases for “CMT pool” as required
- CMT decisions on CMT pool
- Monitoring of PMFSDR, ODSP uploading, OMPF funding, other levers
- Capital Budget Strategy
- September 25<sup>th</sup> status update to BRCOTW



2008-12-01

# Motion

- That the Budget Review Committee of the whole receive the presentation entitled Budget Guidance 2009; and
- That staff be directed to use as a guideline a rate less than or equal to 3.4%, for the preparation of 2009 Budgets.