

Town of Ingersoll

2011 Budget

May 3, 2011

2011 Budget Summary

- Current 2011 Operating Budget is \$14,400,000, an increase of \$338,500 from the 2010 budget or an increase in the Residential Tax Rate for municipal purposes of 5.4%.
- The Current 2011 Capital Budget represents a decrease of \$25,500 in the net levy requirement or 0.26% over the 2010 Capital Budget.
- Council recognizes the three Infrastructure Stimulus Projects;
1) King St W 2) Clark Rd E 3) Wonham St N
that were approved in 2010 and the impact on the Town to finance our 1/3 share, therefore we need to slowdown and catch our breath.

2011 Budget Overview

*So how did we arrive at an increase of 5.4%
in the Residential Tax Rate?*

Uncontrollable Budget Items:

- 1. Reduced OMPF Funding 1.2% or \$109,000
- 2. Increased OPP Contract 1.4% or \$128,303
- 3. Inflation – CPI increase net impact 1.5% or \$143,000
- 4. New debt in 2011 for Infrastructure Stimulus Fund (ISF) project re King Street W 1.4% or \$130,000 annually for next 15 years

2011 Draft Budget – Overview

Uncontrollable Budget Items *continued*:

- 5. Benefit Premiums increase by 8% based upon claims experience \$34,000 or 0.4% levy

- 6. Insurance Premiums increase by 5% for 2011 – \$7,500 or 0.1% levy

- 7. Union Contracts negotiated 3% wage increase having an impact of \$30,000 on the 2011 budget or 0.3% on levy.

2011 Draft Budget – Overview

Controllable Items:

- 1. Non Union Salary and Wage increase remain the same as 2010 at 2% – \$94,122 or 1% on levy
- 2. Eliminated the operational reliance on Rate Stabilization Reserve by \$150,000 (2010) or 1.6%
- 3. Eliminated the reliance on Land Sales as a source of revenue to offset levy, a reduction of \$200,000 or 2.1%
- 4. Eliminate reliance on Supplementary Tax revenue, a reduction of \$55,000 or 0.6% over 2010 budget to better reflect previous years actual

2011 Draft Budget – Overview

Controllable Items *continued*:

- 5. Reduce the OPP PSU credit by \$120,000 or 1.3% to \$30,000 due to the uncertainty as demonstrated in previous years

- 6. 2010 Year End Deficit (\$67,000) (*unaudited*) or 0.7% on the 2011 Levy
Note : This Represents 0.5% on a \$14M Budget

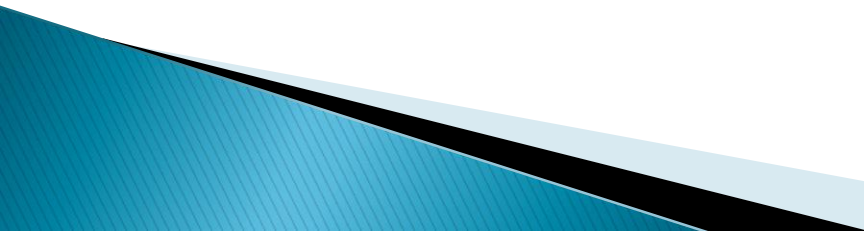
- 7. Actual 2011 ERTH dividend has been announced in the amount of \$187,500 and is included in 2011 budget (Note: 2010 Budget \$100,000 Actual \$0.00 / 2009 Budget \$100,000 Actual \$0.00)

2011 Draft Budget – Overview

Controllable Items *continued*:

- 8. Tax Refunds & Abatements budget increased by \$40,000 to \$120,000 (2010 Actual \$170,000)

 - 9. Net Increase in Reserves \$530,000
Transfer from Operating \$890,000 / Transfer to Capital (\$360,000)

 - 10. Grants to Voluntary Organizations reduced by \$28,000 or 0.3% on the levy (primarily due to new requests) to \$82,525
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Impact on Residential Taxpayer

- The impact of a 5.4% increase on the Municipal Residential Tax Rate for an average residential assessment of \$205,000 will be a net overall increase of \$26.94 when combined with the County and Educational tax rates
- This net increase of \$26.94 represents a 0.8% increase over 2010 or \$2.25 per month on a Residential property (excluding assessment increases)
- Most Residential properties will realize a higher increase than \$26.94 due to the 3rd Yr “Phase In” of the CVA (Current Value Assessment) introduced in 2009. Higher Tax increases will primarily be a result of “Increased Assessment” not a tax rate increase

Impact on Average Residential Value

	Assessment	Municipal	County	Education	Tax Levy
Average residence 2011	205,000	\$1,648.66	\$989.20	\$473.55	\$3,111.41
Average residence 2010	205,000	\$1,564.13	\$1,028.29	\$494.05	\$3,086.47
	Net Levy Increase 2011	\$84.53	-\$39.09	-\$20.50	\$24.94
		5.4%	-3.8%	-4.1%	0.8%

- Municipality has no control over assessment or assessed values.
- Questions or Appeals on Property Assessment need to be directed to Regional Assessment Office (MPAC) in London at **1-866-2966-722**.
- Appeals must be filed by March 31st of following year

THE END