

2019 Draft Budget Highlights



Sarnia: The Place You Want to be!

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BUDGET

The budget is our plan to manage your money and other funding we receive to deliver the services important to you, your family and our community.

The budget is based on 5 Fiscal Fitness Pillars in the *Financial Policy Statement* adopted by Council in 2005.

5 Fiscal Fitness Pillars



Reduce Debt



Increase Reserves and Reserve Funds



Maintain Affordable Service Levels



Infrastructure Renewal



Maintain Reasonable Tax Rates

Our goal is to align the budget with the Mission, Values, Vision and 4 Strategic Priorities within the City's [Corporate Strategic Plan 2017-2020](#).



CORPORATE STRATEGIC PRIORITIES - 2017-2020

#1: Economic Innovation

Support revitalization and growth.

- Invest in infrastructure needed to revitalize the City and support growth
- Create a business-friendly environment
- Collaborate with stakeholder networks to attract and retain new business, industry and institutional services
- Collaborate with stakeholders to encourage land development

#2: High Quality of Life & Caring for all Citizens

Be a safe, healthy and accessible community.

- Promote safe and affordable housing alternatives
- Improve quality of life assets and amenities
- Continue on the path to accessibility
- Continue to build our relationship with Aamjiwnaang First Nation

#3: Responsible Financial Management

Align City services and capital investment with citizen expectations and ability to pay.

- Maintain reasonable tax rates
- Aggressively manage our assets
- Foster financial stability
- Grow and diversify revenues

#4: Corporate Excellence & Leadership

Focus on open and transparent government. Develop employees. Deliver service excellence.

- Improve both internal and external communications
- Improve service delivery effectiveness and efficiency
- Focus on people and culture
- Establish a culture of continuous improvement

BUDGET PROCESS

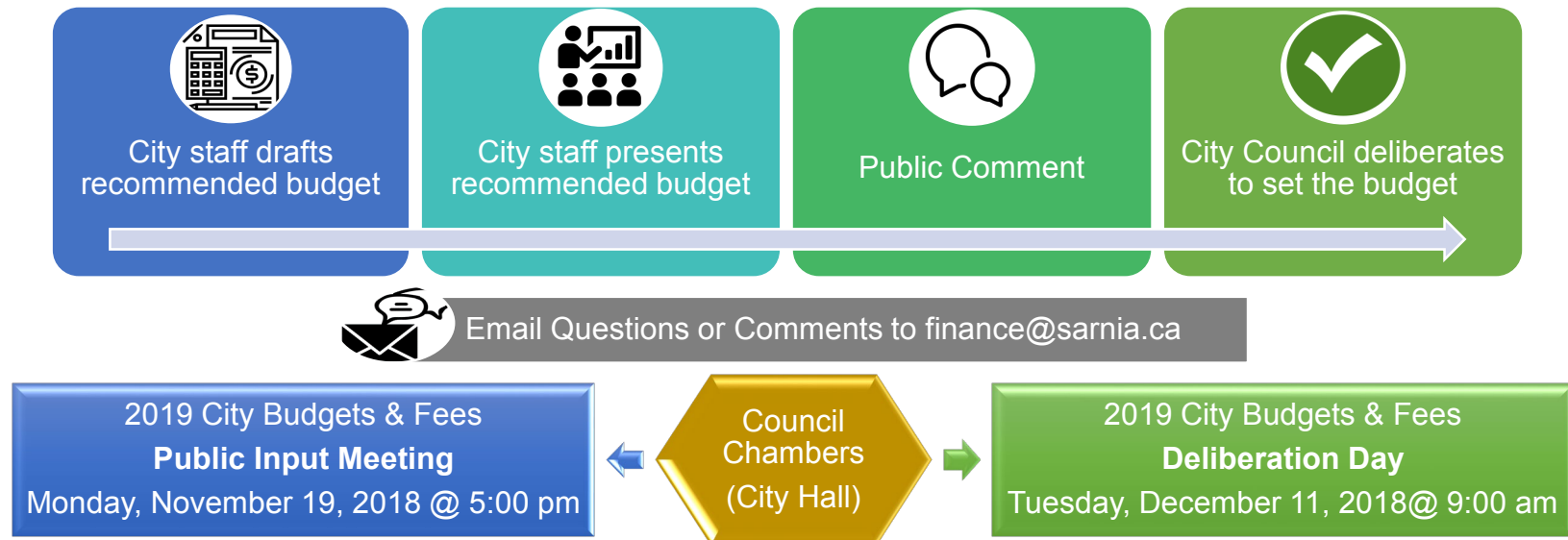
Sarnia's budget is first proposed by City staff to deliver the services and programs that our community values.

Once a recommended budget has been set by City staff, it is made public and presented to Council. Council and the community then have time to review and comment.

To help guide Council regarding the budget, City Council will hold a Public Input and Grants Session on Monday, November 19, 2018 in the Council Chambers of Sarnia City Hall at 5:00 pm. Any citizen, group, or organization who wishes to make a presentation on the 2019 Budget is requested to notify the City Clerk's office on or before noon, Wednesday, November 14, 2018.

Those wishing to address Council at the Public Input and Grants Session Meeting in regards to the proposed draft budget, and who have not previously registered with the Clerk, will be given an opportunity to register with staff up to 15 minutes prior to the start of the meeting and will be limited to a maximum of 5 minutes.

On December 11, 2018, Council will consider all aspects of the budget and aim to approve a budget that takes into account the City's *5 Fiscal Fitness Pillars*.



340 Business Licenses
 153 Lottery Licenses
 449 Marriage Licenses
 50 Marriage Ceremonies
 1,182 Burial Permits
 71 Media Releases
 19 MFIPPA Requests
 25 Council Meetings
 17 Live Web Streamed Council Meetings
 17 Council Meeting Highlights




\$107M+ Development Applications Reviewed & Approved
 96 Zoning & Compliance Certificates
 17 Home Occupations Permits
 110 Planning Applications
 28 Pre-Application Meetings
 592 Building Permits
 6,588 By-Law Complaints
 9,228 Parking Violations



 3,722 followers
 567,700 impressions

 3,695 likes
 2,788,506 impressions

 846 followers

91 Documents Registered
 77 Property Searches
 225 Notaries



SARNIA



1.28M Passengers
 22 Conventional Buses
 13 Conventional Routes
 31,700 Car-A-Van Passengers
 7 Care-A-Vans
 602 Bus Stops
 52 Bus Shelters (8 Solar)



40,298 Tax Bills Issued
 1,910 Tax Certificates
 24 Proposals
 21 Quotations

THINGS WE DO

live work play



496 km of Watermains
 336 km of Sanitary Sewer
 293 km of Storm Sewer
 51 km of Forcemains
 100 Watermain Breaks
 130 Service Repairs
 5,716 Service Locates
 488 Water On/Off



2 Public Works Centres
 2 Wastewater Treatment Facilities
 439 km of Roads
 27 Bridges
 81 Traffic Lights
 6,700 Street Lights

15 Hectares of Beach/Waterfront
 50 kms of Trails and Pathways
 1,200 acres of Parkland
 200+ Recreational Programs
 4 Community Centres
 3 Arenas, 5 Ice Surfaces
 16 Ball Diamonds
 32 Soccer Fields
 2 Football/Rugby Fields
 26 Tennis Courts
 30 Shelters/Gazebos
 2 Greenhouses
 90,000 Municipal Trees
 800 Trees Planted
 33,000 sq. m of Gardens

2,478 Arrests
 24,346 Calls for Service
 21,488 Calls to 911
 4,963 R.I.D.E Vehicle Checks
 44 Impaired Driving Charges
 1,437 Motor Vehicle Accidents
 2,272 Provincial Offences



34,761 Single & Multi-Family Households for Waste Pickup
 4,412 Tonnes of Compostable Material Collected

5 Fire Stations
 2,899 Responses
 6,498 Public Education Interactions
 500 Fire Prevention Inspections
 194 Motor Vehicle Collisions



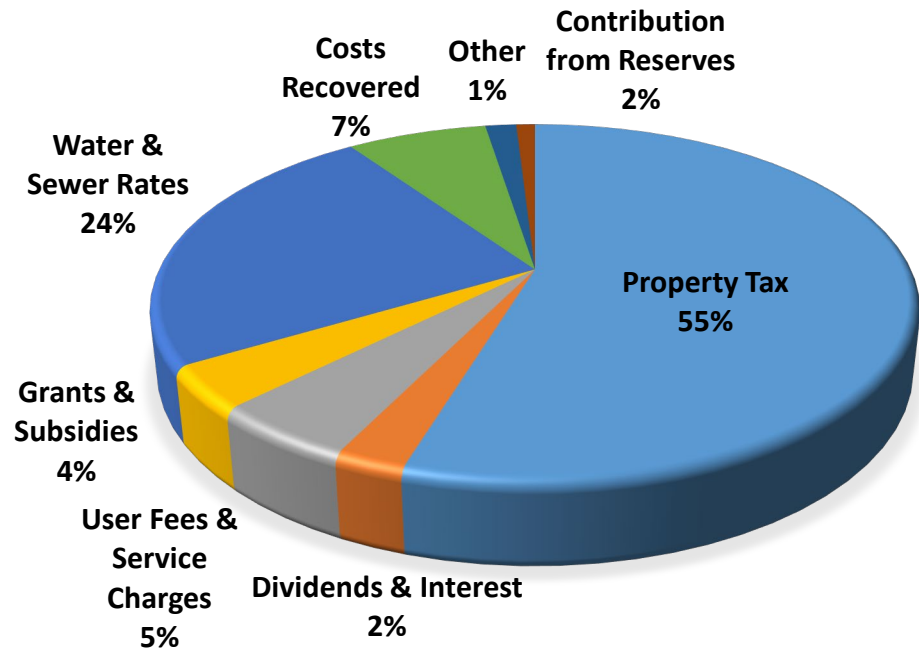
WHERE DOES THE MONEY COME FROM?

Revenue Sources



- User fees
 - Transit fares
 - Licence fees
 - Recreation programs
 - Contracts

- Property taxes
- Water/sewer rates
- Investment income
- Senior government grants
- Development charges
- Reserve funds

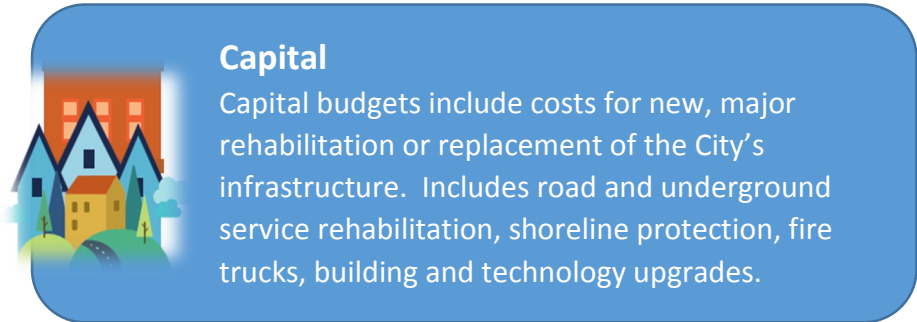


WHERE DOES THE MONEY GO?



Operating

Operating budgets include the day-to-day activities needed to provide City services. Includes expenditures such as wages, service contracts, supplies, equipment, insurance, and utilities and revenues such as tax and user fees.

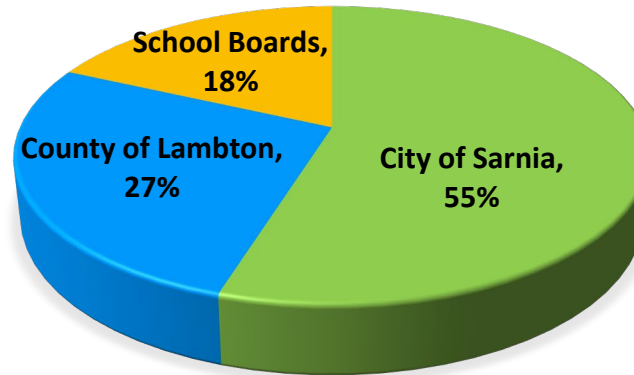


Capital

Capital budgets include costs for new, major rehabilitation or replacement of the City's infrastructure. Includes road and underground service rehabilitation, shoreline protection, fire trucks, building and technology upgrades.

PROPERTY TAXATION – WHERE DOES IT GO?

The City of Sarnia is part of a two-tier municipality, where our residents receive one tax bill to cover the total cost of services provided by the City, County and School Boards. The County of Lambton is the “upper tier” and the City of Sarnia is the “lower tier”. Here is how your tax bill is split:



SUMMARY OF PUBLIC SERVICES AND WHO PROVIDES THEM...

- Parks & Trails, Arenas & Sports Fields
 - Recreation Centres, Programs & Events
 - Solid Waste Collection, Recycling & Compost
 - Maintaining Local Roads/Bridges
 - Building Permitting, Land Use Planning
 - Fire & Rescue Services
 - Police & Emergency Management Services
 - Public Transit
 - Tax Collection
 - Business & Marriage Licencing
 - Water & Wastewater
 - Stormwater Management & Drainage
- City of Sarnia**

- Emergency Medical Services
 - Housing Services
 - Public Health
 - Social & Family Services
 - Maintaining County Roads/Bridges
 - Long Term Care
 - Child Care & Children Services
 - Provincial Offences Administration
 - Libraries, Museums & Cultural Services
 - Septic & Plumbing Permits
 - Solid Waste Management
 - Economic Development & Tourism through SLEP/Tourism Sarnia Lambton
- County of Lambton**

- Elementary Education
 - Secondary Education
- School Boards**

HOW IS THE CITY'S BUDGET STRUCTURED?

There are various components of the budget that Council reviews and approves.

1. **Operating Budget:** Includes all of the day-to-day activities of the City needed to provide services.

The operating budget is broken down into 5 main categories:

- a. General Levy – Includes all City department budgets except Conventional Transit, Water and Sewer.
- b. Police Budget - Included in the General Levy, but follows a different approval process regulated by the Police Services Act. The Police Services Board reviews and approves the detailed budget; City Council does not have the authority to approve/disapprove specific estimates. City Council establishes the overall budget allocated to Police Services.
- c. Transit Levy – The Conventional bus system has a separate budget. Only property owners within 450m of the transit routes pay these costs.
- d. Water Rates – Costs associated with providing municipal water services, including the Lambton Area Water Supply System, are separated to determine how to set water rates. These are broken into a monthly fee based on water meter size and a variable fee based on the water used.
- e. Sewer Rates – Costs associated with providing municipal storm and sanitary sewer services are separated to determine how to set the sewer percentage added to water bills.

2. **Capital Budget:** Includes costs for new assets, major rehabilitation, or replacement of the City's infrastructure, such as road and underground service rehabilitation, storm/sanitary sewer separation, arena upgrades, shoreline protection, streetlight upgrading, a new fire hall, fire trucks, or buses.

3. **Reserves Budget:** Reserves assist in long term planning, so there is money to replace infrastructure now, and in the future. Reserves also assist in minimizing tax fluctuations due to unanticipated expenditures and revenue shortfalls. The Reserves Budget includes expected inflows and outflows for spending from reserves. Currently, we generally spend what we add to reserves. This does not provide

the City with financial flexibility to respond to unexpected demands and address all of our infrastructure needs.

- 4. **Fees for Services:** Includes the fees to be paid for by only those that use a service. Some examples are marriage or business licenses, bus passes, water meter removal, notary, fire inspections, special event bookings, sports fields, ice rentals, parking, site plan agreements, building permits, dog licences, garbage tags, replacement blue boxes, marriage ceremonies, and recreation program fees.

PROPOSED 2019 BUDGETS – EXPENDITURES

First, we will look at the City’s total expenditures; this is everything the City spends money on. Expenditures are higher than what is collected through property taxes. Other projected revenues make up the difference to determine what is required in property tax to create a balanced budget.

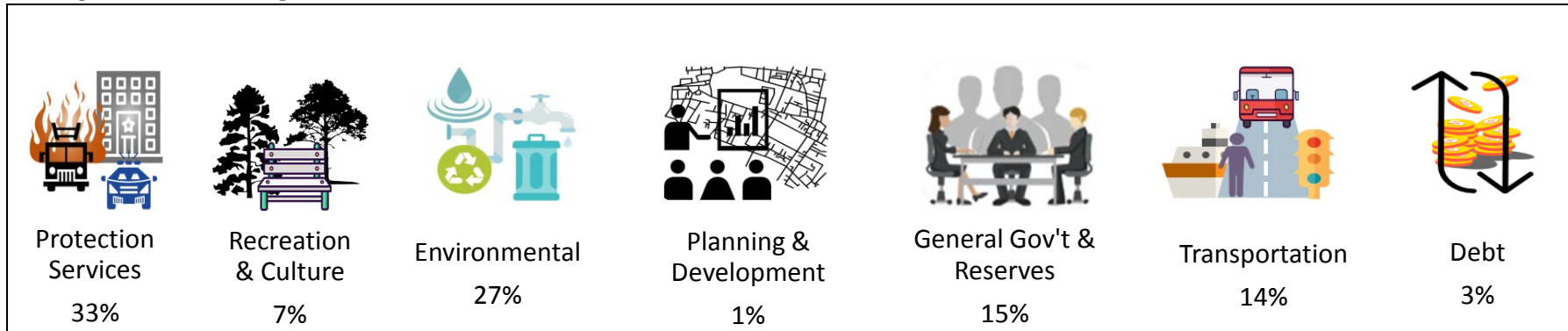


2019 Draft Budget Expenditures	2019 Draft Expenditures	2018 Approved Expenditures	Change \$	% Change
General Operating	77,294,625	75,270,719*	2,023,906	2.69%
Police Services	26,254,896	25,491,171	763,725	3.00%
Transit Area	6,517,660	6,373,218	144,442	2.27%
Water	16,682,128	16,053,297	628,831	3.92%
Sewer	18,452,353	17,808,275	644,078	3.62%
Total Expenditures	\$145,201,662	\$140,996,680*	\$4,204,982	2.98%

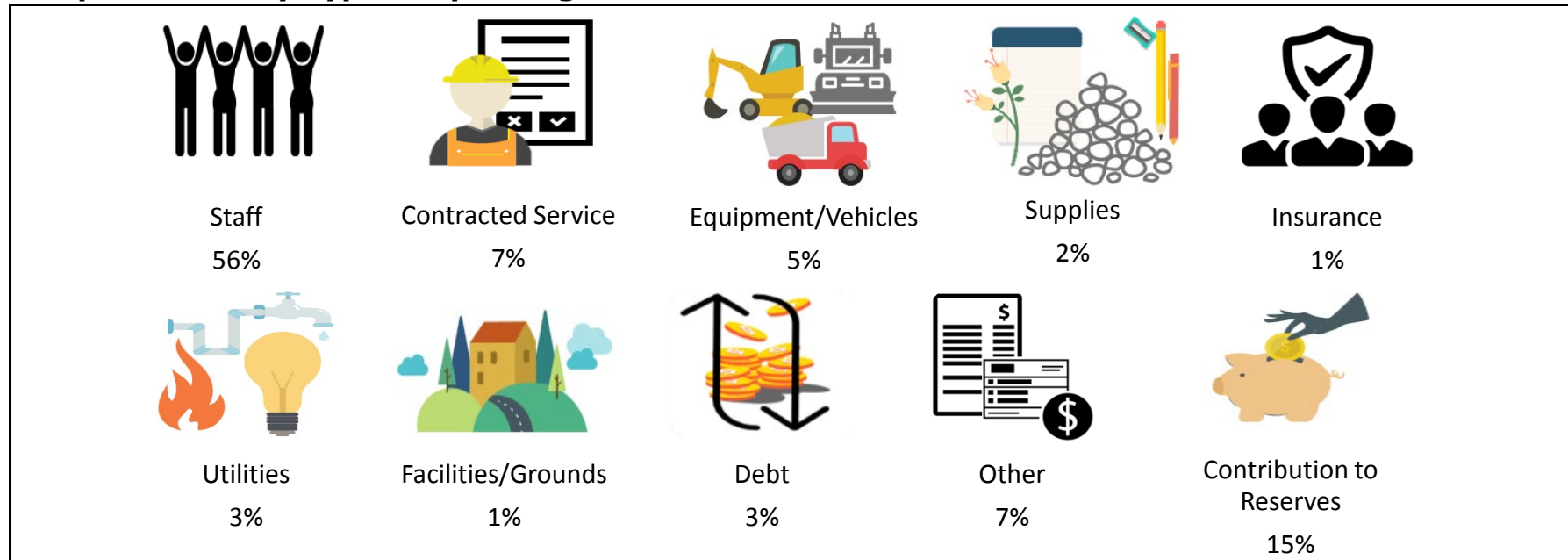
*2019 Operating Budget includes the full costs for maintaining fleet vehicles; previously this was included in the Reserves Budget. To allow comparison, the 2018 Expenditure total has been shown as \$140,996,680 (\$139,596,680+\$1,400,000)

Let's break the City's expenditure dollars out two different ways to help explain how this money is spent.

Expenditures by Service Area:

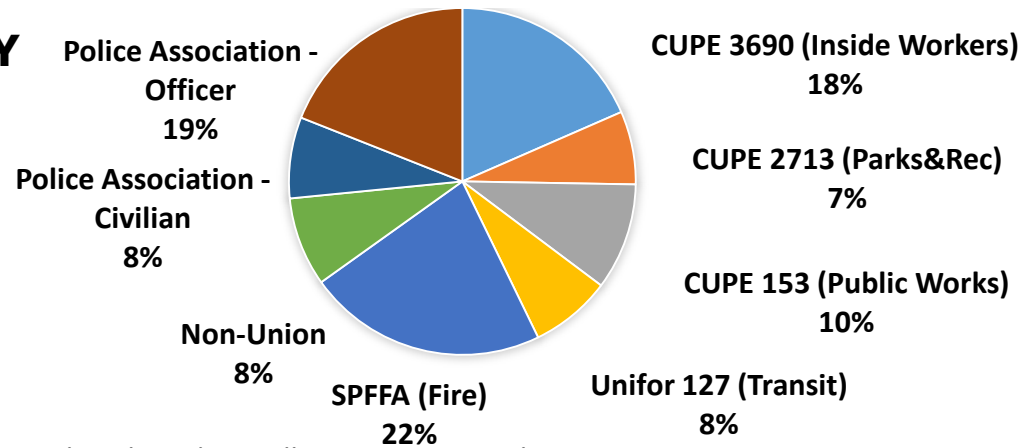


Expenditures by Type of Spending:



2019 DRAFT STAFF SUMMARY

A large part of what the City spends is for the people that provide the services. Staff costs include wages and benefits. City staff are represented by the following unions and associations: CUPE 3690, CUPE 2713, CUPE 153, Unifor 127, Sarnia Professional Firefighters Association, and Sarnia Police Association.



* Pie chart based on Full Time Active Employees

Expressed in Full Time Equivalents (FTE)	Full Time Proposed Changes	Part Time Proposed Changes	Student Proposed Changes	Proposed 2019 Full Time	Proposed 2019 Part Time	Proposed 2019 Student
Corporate Services	-1.00	-0.18		14.50		1.41
Legal/Property/Risk				8.50		0.33
Finance		-1.66	0.66	31.00		1.99
Fire	-2.00	0.80		124.00	0.80	
Emergency	0.25			1.25		
Engineering				15.00	2.00	1.83
Public Works		1.00	2.33	97.00	4.80	8.00
Transit				54.00	4.58	
Parks & Rec		0.11		53.00	13.11	18.60
Develp'mt & Standards	2.00	-0.50		23.00	1.50	1.00
Total without Police	-0.75	-0.43	2.99	421.25	26.79	33.16
Police				155.00	9.93	
Total with Police	-0.75	-0.43	2.99	576.25	36.72	33.16

*FTE depends on the total hours worked in a year, for example 3 students working 4 months each is equivalent to one FTE

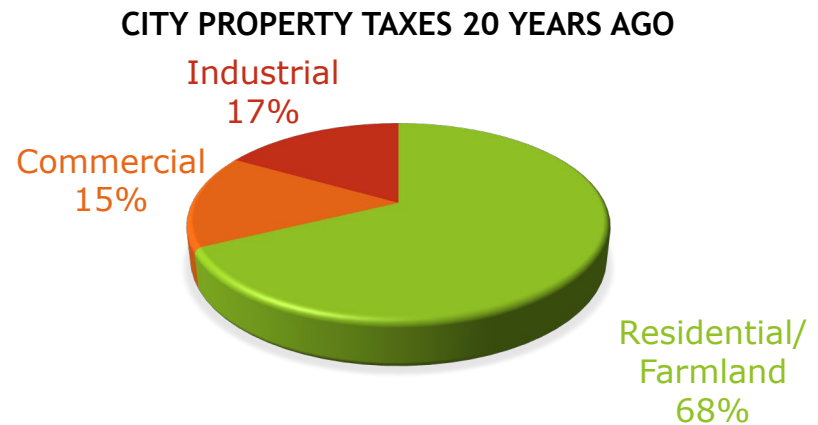
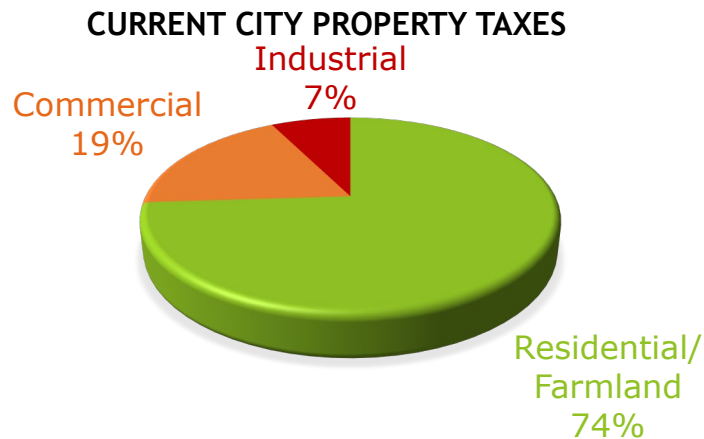
TOTAL AMOUNT TO BE COLLECTED THROUGH TAXATION AND RATES

Property tax and water/sewer rates are the City’s largest source of revenue. Property tax is the number that “balances” the budget, so only the amount the City budgets to spend, less other revenue, are collected as property tax. An increase to the City’s total assessment does not result in the City collecting more tax. When costs to provide services go up, property taxes go up, or service levels must go down.

TAXATION	2019 Draft Budget	2018 Approved Budget	Difference	Change %
General Operating	50,279,468	48,303,126	1,976,342	4.09%
Police Services	23,853,954	23,170,836	683,118	2.95%
General Taxation	\$74,133,422	\$71,473,962	\$2,659,460	3.72%
Transit Area	4,014,058	3,869,616	144,442	3.73%
Total Taxation	\$78,147,480	\$75,343,578	\$2,803,902	3.72%

RATES	2019 Draft Budget	2018 Approved Budget	Difference	Change %
Water	16,476,009	15,969,221	506,788	3.17%
Sewer	18,229,353	17,585,275	644,078	3.66%
Total Rates	\$34,705,362	\$33,554,496	\$1,150,866	3.43%

Property taxes are shared between various types of property. These charts show how residential properties now share a larger portion of the total property taxes than twenty years ago.



WHAT DOES THIS PROPOSED PROPERTY TAX INCREASE MEAN TO SARNIA'S RESIDENTIAL PROPERTY OWNERS?

The amount of property tax revenue that is approved by City Council is spread between property owners based on assessment value. Assessment is the amount you should be able to sell your property for. This chart shows the recent Residential Assessments for the various types of Residential properties in Sarnia.

Residential Assessments	Property Count	Median Value	Average Value
Residence valued at \$100K		100,000	
Single Family Detached	20,331	193,250	213,349
Link Home	159	168,250	180,648
Freehold Rowhouse	329	98,500	162,177
Semi-Detached	1,127	125,500	139,571
Single Family on Water	378	868,250	928,949
Condominium	2,421	122,500	145,469
	24,745	\$ 190,000	\$ 220,563

Based on MPAC 2017 Municipal Change Profile – City of Sarnia

Based on these residential values, the proposed increase is broken down between the general tax, which applies to everyone, and the conventional transit tax, which is charged only to those within the conventional transit service area.

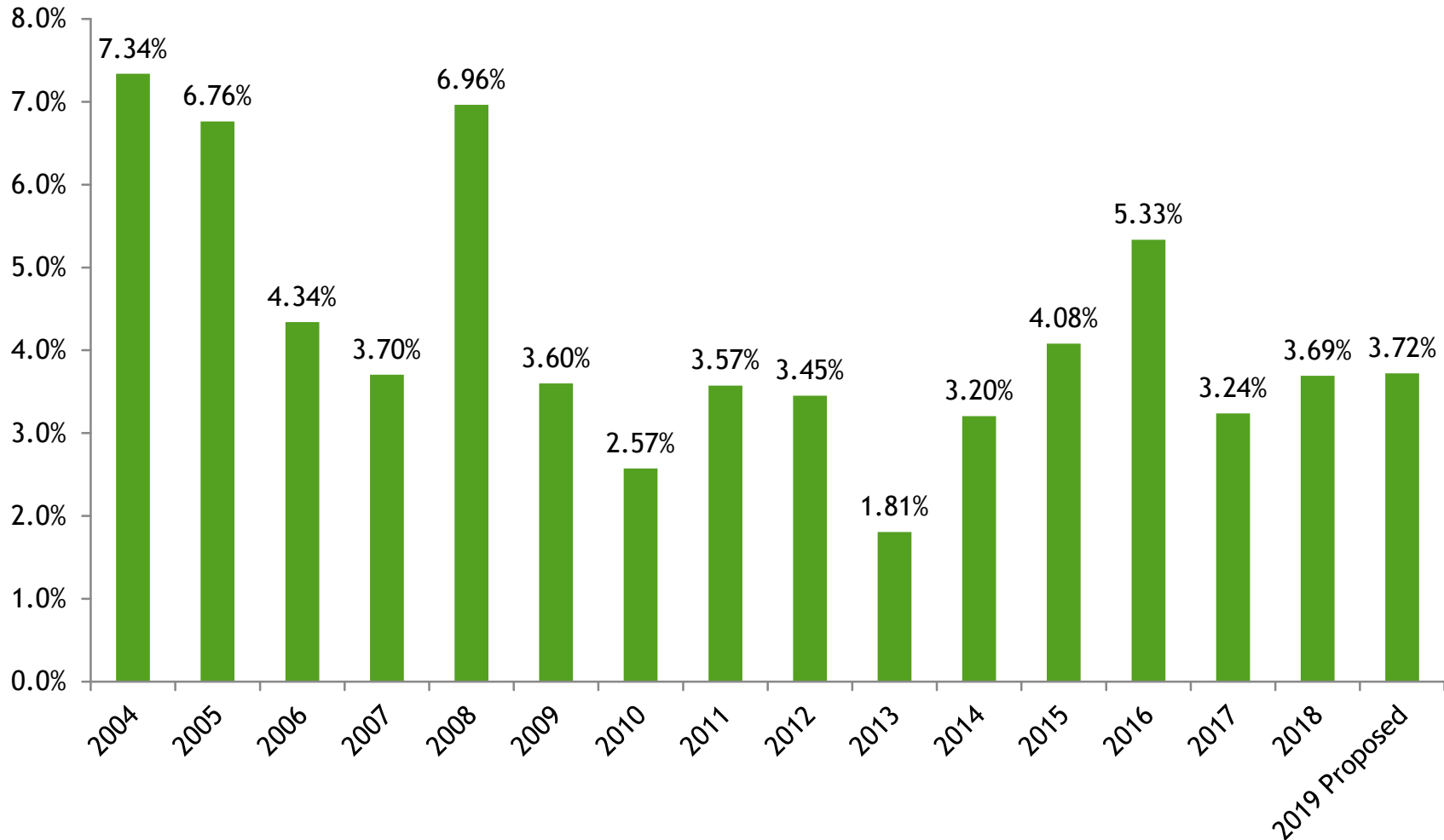
City Portion of Property Tax	2018 City Tax	Proposed Increase (General Tax)	Proposed Increase (Transit Tax)	2019 Proposed City Tax
Residence valued at \$100K	\$911	\$32	\$2	\$945
Single Family Detached	\$1,761	\$62	\$4	\$1,827
Link Home	\$1,533	\$54	\$4	\$1,591
Freehold Rowhouse	\$898	\$31	\$3	\$932
Semi-Detached	\$1,144	\$40	\$3	\$1,187
Single Family on Water	\$7,912	\$277	\$19	\$8,208
Condominium	\$1,116	\$39	\$3	\$1,158
Proposed Increase - CITY Portion Only				3.72%

Assumes No Real Assessment Growth, Based on 2017 City of Sarnia Median Value

PROPERTY TAX CHANGE COMPARISON

Now, just focusing on what the City retains in property taxes (General Tax + Transit), how does this proposed property tax increase compare to the actual increase in previous years?

Property Tax Changes : City Portion (General & Transit)



WHAT ARE THE KEY THINGS CAUSING THE PROPOSED INCREASE TO PROPERTY TAXES/RATES?

The chart below shows the key areas of increased spending or reduced revenue anticipated for 2019.

Staffing Costs - Wages & Benefit contractual increases & changes to staffing	688,002	0.96%
Police Budget - As approved by Police Services Board	683,118	0.96%
Recycling & Compost – New Contract cost increase/education/revenue reduction	985,981	1.38%
Garbage – New Contract as of July '19	75,870	0.11%
Election – Contribution to Reserve over 4 year period (for 2022 Election)	65,000	0.09%
Revenue increase – Bluewater Power Dividend & income from investments	(421,835)	-0.59%
Minimum Maintenance Standards O. Reg 366/18 – Snow removal requirements	175,000	0.24%
Increased Contribution to Reserves to fund Capital Projects	161,000	0.23%
All other changes combined	247,324	0.35%
Proposed Increase - General Taxation	\$2,659,460	3.72%

Staffing Costs - Wages & Benefit contractual increases & changes to staffing	176,915	4.57%
Insurance	(15,232)	-0.39%
All other changes combined	(17,241)	-0.45%
Proposed Increase - Transit Taxation	\$144,442	3.73%

Staffing Costs - Wages & Benefit contractual increases & changes to staffing	279,890	0.83%
Contributions to Reserves for Capital Projects	675,000	2.01%
LAWSS (Lambton Area Water Supply System) - City of Sarnia share	208,118	0.62%
Contract Expense for billing, meter reading/maintenance/installation	74,707	0.22%
Landfill Monitoring previously funded through reserve, reserve now depleted	30,000	0.09%
Purchased Services due to aging infrastructure	50,000	0.15%
One-time Reduction in UV System Supplies	(65,915)	-0.20%
All other changes combined	(100,934)	-0.30%
Proposed Increase to Water & Sewer User Rates	\$1,150,866	3.43%

- a positive change represents an increase to levy/rates
- a negative change represents a decrease to levy/rates

WHAT DOES THE CITY'S PROPOSED INCREASE MEAN FOR MY TOTAL TAX BILL?

As a part of a two-tier municipality, property taxes are collected by the City of Sarnia for the County of Lambton and the Ministry of Education. For the Residential homeowner located in the transit area, this chart shows the estimated change to your total tax bill. It is estimated using the most recent median residential assessment values. The County of Lambton and the School Boards have a separate budgeting process from the City, and their changes will not be finalized until early 2019. This chart is shown now for an estimate only. It will change based on the approved budgets and any real assessment growth.

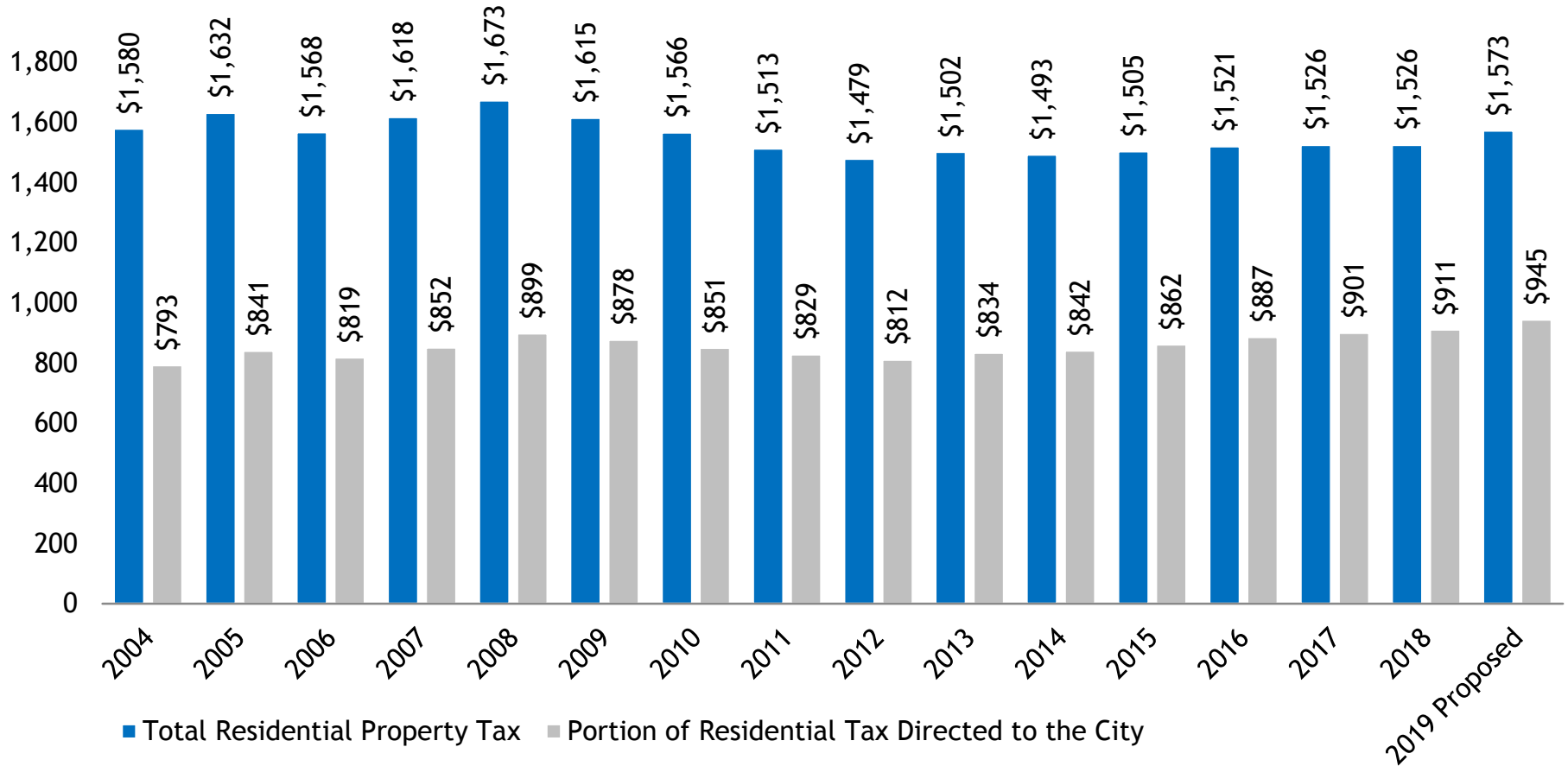
Total Property Tax Estimate	2018 Total Tax Bill	Proposed Increase City	Estimated Increase Lambton County and School Boards	2019 Estimated Total Tax Bill
Residence valued at \$100K	\$1,526	\$34	\$13	\$1,573
Single Family Detached	\$2,948	\$66	\$26	\$3,040
Link Home	\$2,567	\$57	\$22	\$2,646
Freehold Rowhouse	\$1,503	\$35	\$13	\$1,550
Semi-Detached	\$1,915	\$43	\$17	\$1,974
Single Family on Water	\$13,245	\$296	\$116	\$13,657
Condominium	\$1,869	\$42	\$16	\$1,927
Estimated Increase on Total Property Tax Bill				3.10%

Residential information has been shown, but property taxes are shared by all property owners; this includes all property classes, such as residential, multi-residential, farm, commercial, and industrial. Heavily regulated by the Province, the County of Lambton sets policy to determine what portion of taxes each property class throughout the County pays. As the total tax collected is based on the approved budget, any change to this policy shifts tax liability from one property class to another, but the total amount collected stays the same.

HOW DOES THIS COMPARE TO HISTORICAL PROPERTY TAXES?

This chart shows the historical cost for a residential property assessed at \$100,000 for comparison. The dark bars show the total of taxes collected, and the lighter bars include the taxes used by the City. To compare, if your home is assessed at \$300,000, you would triple these numbers.

Property Tax Dollars paid for a Residence Assessed at \$100,000



*Proposed property tax includes an estimate of County of Lambton and Education taxes. They will not be finalized until Spring 2019.

CAPITAL BUDGET – INFRASTRUCTURE PLANNING

The Capital Budget includes costs for the major rehabilitation or replacement of the city’s infrastructure (assets) that provide a long term benefit. A key element to a sustainable capital program is the ability to compare competing needs and priorities across the City.

Our Capital Budget is funded through Federal and Provincial Grants, Other Grants, and Reserve Funds. The “Pay-as-you-Go” approach has been used for a number of years, eliminating new debt to pay for Capital projects. When loans expire, the dollars previously used to pay principle and interest, are now placed in reserves to pay for capital projects.

Maintaining municipal infrastructure is vital to achieving our vision “Sarnia – the place you want to be!” Our Asset Management Plan (AMP) is used to optimize our assets and help prioritize infrastructure needs. Currently, the AMP includes only our Core Linear infrastructure including water, sewer, drainage, and road networks. Work continues to add all assets to the AMP, with completion planned for the end of 2021.

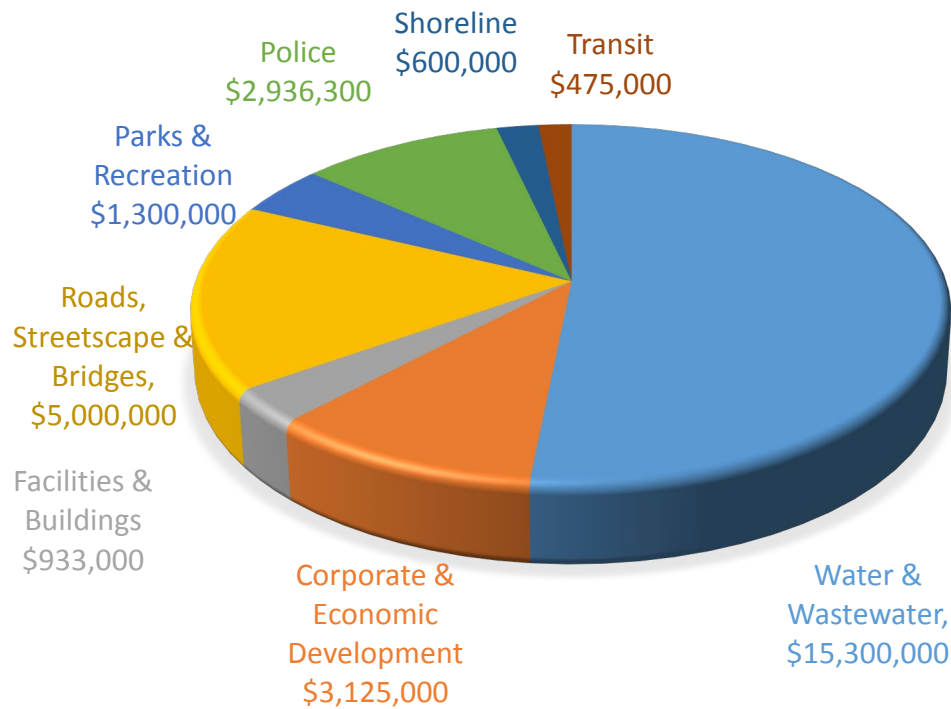
In the AMP our infrastructure is rated based on its condition and performance. Once an asset reaches a point where it is rated as “very poor condition”, it is providing minimum service to the citizens and its estimated life expectancy is less than a year. At that point, it is added to the “infrastructure backlog”. The chart below shows an estimated cost of the “Infrastructure Backlog” provided to Council.

ASSET TYPE	2018	2019	2020	2021
Roads	24,912,548	27,590,168	37,121,229	43,704,979
Major Bridges & Culverts	21,805,126	22,375,988	22,938,903	23,501,658
Water Mains	80,159,722	81,291,983	82,006,142	82,666,904
Sanitary Sewers	83,662,469	94,905,734	102,151,838	107,514,294
Storm Sewers	102,920,296	112,558,713	123,836,763	134,933,539
Shoreline Protection	31,994,838	33,120,405	34,234,532	35,348,431
Corporate Facilities	9,701,924	15,674,738	21,499,505	23,563,840
Others	To be assessed	To be assessed	To be assessed	To be assessed
INFRASTRUCTURE BACKLOG	\$355,156,923	\$387,517,729	\$423,788,912	\$451,233,645

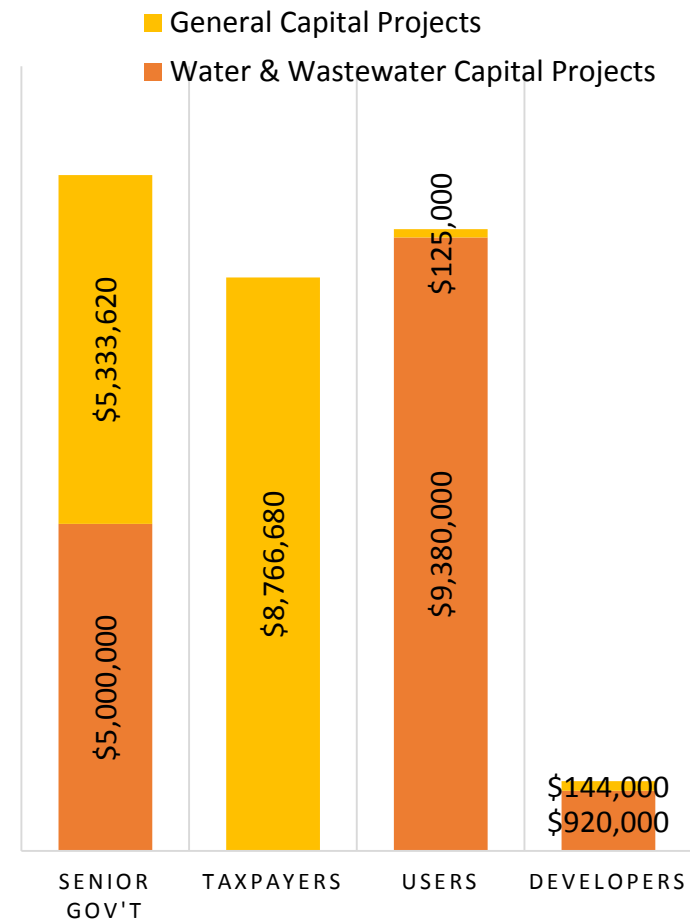
Currently only includes Core Linear Assets & Facilities, Source June 25, 2018 Asset Management update to Council

The City's revenues are not sufficient to meet the outstanding infrastructure needs or address the infrastructure backlog. The prioritization for infrastructure rehabilitation and replacement focuses on urgency, available resources, readiness to proceed, and affordability. The recommended capital spending by infrastructure category is shown in pie chart below, and a listing of recommended projects are included in Appendix 2. The bar chart shows where the money for the capital projects comes from. Note that based on the City's Fiscal Fitness Plan there is no new debt included.

2019 PROPOSED CAPITAL BUDGET \$29.7 MILLION



WHERE THE \$ COMES FROM



BUDGET HIGHLIGHTS

This highlight document provides a high-level overview of the budget process, aspects of the budget, and the proposed changes for 2019. Additional summary reports are included in the Appendices to provide citizens information for review in advance of the Public Input Session. The Public Input and Grants Session will be held on Monday, November 19, 2018 in the Council Chambers, Sarnia City Hall, at 5:00 p.m. Any citizen, group or organization who wishes to make a presentation on the 2019 Budget is requested to notify the City Clerk's office on, or before, noon on Wednesday, November 14, 2018.

You can watch video (live or recordings) of special Council meetings leading up to the Council Budget Deliberations scheduled for December 11, 2018 at 9:00 a.m. at <http://www.city.sarnia.on.ca/city-government/council-meetings/agendas-minutes-videos-and-non-agenda-mail>.

In preparation for the Budget process there are a number of presentations to Council; they are available on our website for your review. If you would like a more detailed look at all the numbers and background data that goes into the development of the proposed budgets, there are a number of detailed documents that will be available on our website after November 5, 2018 at <http://www.city.sarnia.on.ca/city-government/budget-and-financial-info/2018-budget>. These documents include:

2019 Draft Operating Budget	<ul style="list-style-type: none">•Summary of Taxation, Rates, Expenditures and Revenues•Summary by Department•Total Full Time Equivalent Staff Summary•Detailed Operating Budget (line by line) including explanations of changes
2019 Draft Capital & Reserves Budget	<ul style="list-style-type: none">•Capital Projects Summary and 10 Year Capital Plan•Detailed Project Descriptions•Reserve & Reserve Fund Revenues & Expenditures, & Projected Fund Balances
2019 Draft Fees for Services	<ul style="list-style-type: none">•Fees by Department (including description of user fees)
2019 Draft Supplementary Budget Information	<ul style="list-style-type: none">•City of Sarnia Financial Policy Statement•Municipal Grant Policy•Municipal Grant Summary and Submitted Applications

APPENDIX 1: 2019 DRAFT OPERATING BUDGET SUMMARY

Budget Area	2019 Draft Revenue	2019 Draft Expenses	2019 Net Expenses/ (Revenue)	2018 Approved Revenue	2018 Approved Expenses	2018 Net Expenses/ (Revenue)	2019 Proposed Change
General							
Taxation	(81,836,670)	1,712,457	(80,124,213)	(78,806,183)	1,706,457	(77,099,726)	(3,024,487)
Mayor & Council		321,404	321,404		316,364	316,364	5,040
CAO & General Municipal	-	9,739,811	9,739,811	(200,000)	9,249,075	9,049,075	690,736
Economic Development	-	181,628	181,628	(40,000)	284,279	244,279	(62,651)
Legal	(71,450)	653,472	582,022	(53,850)	640,720	586,870	(4,848)
Human Resources	(168,770)	1,099,831	931,061	(158,470)	999,975	841,505	89,556
Finance	(1,205,252)	4,449,669	3,244,417	(1,279,052)	4,368,830	3,089,778	154,639
City Clerk	(349,345)	790,855	441,510	(565,045)	926,042	360,997	80,513
Harbour	(1,180,286)	1,080,286	(100,000)	(1,089,102)	998,602	(90,500)	(9,500)
Properties	(138,600)	1,206,576	1,067,976	(104,000)	1,186,918	1,082,918	(14,942)
Emergency & Other	-	216,368	216,368	-	168,287	168,287	48,081
Fire	(175,215)	19,610,617	19,435,402	(175,347)	19,440,769	19,265,422	169,980
Engineering	(2,056,262)	4,473,132	2,416,870	(2,022,273)	4,444,082	2,421,809	(4,939)
Public Works	(4,908,048)	9,306,476	4,398,428	(3,455,079)	7,602,264	4,147,185	251,243
Waste Management	(1,143,480)	4,464,050	3,320,570	(1,284,480)	3,514,666	2,230,186	1,090,384
Specialized Transit	(230,199)	1,095,576	865,377	(230,099)	1,131,596	901,497	(36,120)
Parks & Sports Fields	(386,850)	4,190,168	3,803,318	(371,850)	4,083,104	3,711,254	92,064
Recreation Programs	(533,339)	1,142,658	609,319	(460,439)	988,950	528,511	80,808
Arenas	(2,608,785)	3,592,785	984,000	(2,637,285)	3,541,681	904,396	79,604
Pools	(74,300)	259,958	185,658	(80,300)	244,917	164,617	21,041
Parks & Rec Admin	(21,000)	417,696	396,696	(15,240)	397,561	382,321	14,375
Planning	(1,040,021)	1,031,271	(8,750)	(964,088)	955,907	(8,181)	(569)

Budget Area	2019 Draft Revenue	2019 Draft Expenses	2019 Net Expenses/ (Revenue)	2018 Approved Revenue	2018 Approved Expenses	2018 Net Expenses/ (Revenue)	2019 Proposed Change
Building	(721,000)	721,000	-	(708,000)	708,000	-	-
By-Law Enforcement	(642,000)	1,243,911	601,911	(642,000)	1,285,077	643,077	(41,166)
Debt	(1,657,707)	3,170,148	1,512,441	(1,699,373)	3,527,955	1,828,582	(316,141)
Boards, Commissions	-	384,483	384,483	-	373,610	373,610	10,873
Other	-	738,339	738,339	-	785,031	785,031	(46,692)
Police Services	(2,400,942)	26,254,896	23,853,954	(2,320,335)	25,491,171	23,170,836	683,118
Total General Operating	(103,549,521)	103,549,521	-	(99,361,890)	99,361,890	-	-
Transit							
Taxation	(4,014,058)	70,300	(3,943,758)	(3,869,616)	70,300	(3,799,316)	(144,442)
Operations	(2,503,602)	6,447,360	3,943,758	(2,503,602)	6,302,918	3,799,316	144,442
Total Conventional Transit	(6,517,660)	6,517,660	-	(6,373,218)	6,373,218	-	-
Water & Sewer							
Water Administration	(16,561,488)	7,589,982	(8,971,506)	(16,053,297)	7,367,091	(8,686,206)	(285,300)
Water Distribution	(120,640)	9,092,146	8,971,506	-	8,686,206	8,686,206	285,300
Sewer Administration	(17,386,747)	2,465,780	(14,920,967)	(16,819,313)	2,423,453	(14,395,860)	(525,107)
Sanitary Sewers	-	6,547,169	6,547,169	-	6,069,096	6,069,096	478,073
Pump Stations	-	1,648,499	1,648,499	-	1,580,971	1,580,971	67,528
Sewage Treatment	(180,000)	6,905,299	6,725,299	(180,000)	6,925,793	6,745,793	(20,494)
Storm Sewer Maintenance	(885,606)	885,606	-	(808,962)	808,962	-	-
Total Water & Sewer	(35,134,481)	35,134,481	-	(33,861,572)	33,861,572	-	-

APPENDIX 2: 2019 PROPOSED CAPITAL PROJECTS

General	2019 Funding Recommendation
Information Technology Hardware Asset Lifecycle	180,000
Energy Efficiency	300,000
Infrastructure Assessment	200,000
City Hall Building Improvements	225,000
Oversized Load Corridor	1,285,000
Mission Park Parking Lot Redevelopment	160,000
120 Seaway Road Building Improvements	78,000
Sarnia Library Air Handlers, Cooling Tower & Plumbing	390,000
Lawrence House Wheelchair Ramp	90,000
Emergency Fire Apparatus - Heavy Water Tower & Platform (2020 order)	1,000,000
Arena Improvements	450,000
Sports & Recreation	710,000
Park Infrastructure	140,000
Care-a-Van Bus Replacement	185,000
Transit Maintenance Pit Replacement	290,000
Public Works Improvements	75,000
Compost Site Improvements	75,000
Road Resurfacing/Reconstruction	2,000,000
Rural Roads Rehabilitation	300,000
Rehabilitation - Various Structures (Bridges & Culverts)	1,000,000
Shoreline Protection	600,000
Donohue Bridge	1,500,000
Transportation Masterplan - Sidewalks & Bike Lanes	125,000
Streetscape Improvements at Various Locations	75,000

Water & Sewer	2019 Funding Recommendation
Sarnia Sewer Upgrade Project	7,500,000
Storm Water Management Facilities	200,000
Sewer Separation	2,000,000
Watermain, Sanitary & Storm Sewer Replacement - Various Locations	3,200,000
WPCC Improvements	100,000
WPCC Biosolids Improvements	600,000
Pump Station Improvements	500,000
Corrosive Prevention Program	1,200,000
Police Services	
Police Radio Communication System	2,761,300
911/Dispatch Stations	100,000
IT Equipment - Lifecycle Replacement	75,000
Total Recommended Capital Project Funding	\$29,669,300

APPENDIX 3: RESERVES AND RESERVE FUNDS

The City holds Reserves and Reserve Funds that are similar to your savings account; they ensure the City has funding for specific purposes or capital projects when needed. Some examples of different types are:

1. "Reserves" are set up by Council and cushion the impact that major expenditures have on property taxes. For example, Tax Stabilization Reserve or Operating Contingency Reserve.
2. "Reserve Funds" earn interest and have external restrictions for collection and use.
 - a. Obligatory (Restricted) – required for legislated or legal reasons. For example, Development Charges are collected from developers and can only be spent for very specific purposes.
 - b. Discretionary – created by Council By-Law, often based on an agreement or donation, for example Bluewater Gymnastics Reserve Fund, or YMCA Reserve Fund.

Below is a high-level summary of the expected beginning balances, revenue and spending, and forecasted ending balances for the City’s Reserves and Reserve Funds, and types of Inflows (contributions) and Outflows (commitments).

Reserve Type	Opening Balance Jan 2019	2019 Reserve Inflows	2019 Reserve Outflows	Ending Balance Dec 2019
Obligatory Reserve Funds	14,153,075	6,612,040	(7,804,406)	12,960,709
Discretionary Reserve Funds	6,280,128	6,596,802	(4,318,294)	8,558,636
Reserves	18,369,628	27,910,793	(27,225,982)	19,054,439
Reserves & Reserve Funds	\$38,802,831	\$ 41,119,635	\$(39,348,682)	\$40,573,784

Inflows		Outflows	
From Operating Budget	19,725,340	Capital Projects	(29,669,300)
Retired Debt	5,153,059	Equipment/Fleet Replacement	(1,572,000)
Senior Government Grants	11,855,512	Direct from Reserve Requests	(4,559,182)
Development Charges	500,000	To Operating Budget	(2,978,406)
Other	3,315,930	Other	-
Reserve Transfers	569,794	Reserve Transfers	(569,794)
	\$41,119,635		\$(39,348,682)

APPENDIX 4: PROPOSED WATER & SEWER RATES

Size of Meter	Monthly Water Distribution Charge	Size of Meter	Monthly Water Distribution Charge
5/8"	\$32.90	3"	\$688.60
3/4"	\$46.45	4"	\$1,075.97
1"	\$96.80	6"	\$2,236.63
1 1/2"	\$193.62	8"	\$4,303.16
2"	\$357.79	10"	\$7,128.31

Cents per Cubic Meter of Water Consumed	35.24
Sewer Surcharge (% of Water Distribution + Consumption Charge)	116.93%

Average Residential Water & Sewer Cost per Year - based on 200 m³ per year

	5/8" Water Meter	3/4" Water Meter
<i>Distribution per month</i>	\$32.90	\$46.45
<i>Water Used per month</i>	\$5.87	\$5.87
<i>Distribution + Use</i>	\$38.77	\$52.32
<i>Sewer Surcharge</i>	\$45.34	\$61.18
Total per Month	\$84.11	\$113.51
Average Cost per Year	\$1,009.33	\$1,362.06

NOTES:



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