

**Non-Program
2009 Budget Document**

Non-program estimates consist of corporate expenses and revenues that are not directly attributable to any individual service program, but do impact the overall tax requirement and increased supplemental tax estimates for 2009.

Section I. Existing Services and Service Levels:

The non-program accounts reflect the impacts attributable to the phasing out of previous years tax rate management initiatives, supplemental assessment revenues and corporate reserve adequacy initiatives.

Key Non-Program initiatives in 2008 included:

Capital Investment Plan

In 2008 the first phase of the corporate Capital Investment Plan was completed. This is a multi-year initiative to address the under-funding of the Region’s 10 year tax funded capital plan by increasing contributions to reserves by an amount equal to 1 per cent of the tax levy annually. Contributions to capital reserves were increased by \$7 million at the corporate level through the 2008 budget process. These funds were then reallocated to program areas to begin to alleviate specific areas of long term capital under-funding.

Section II. Resources to Deliver 2008 Services:

Current \$'000	2007 Actual	2008 Budget	2008 Projection	2008 Variance Surplus/(Deficit)
Total Expenditures	\$61,471	\$53,211	\$53,211	\$0
Total Revenue	\$59,462	\$47,130	\$50,130	\$3,000
Net Cost	\$2,009	\$6,081	\$3,081	\$3,000
FTE	0.0	0.0	0.0	0.0

2008 Budget:

Through the 2008 budget process, Non-Program operated with a net current budget of \$6.1 million.

2008 Projection:

Staff forecast to complete the year in a surplus of \$3 million, and a net expenditure of \$3.1 million. This is primarily due to higher than forecasted supplemental taxation revenues.

Section III. Performance Measurement/Benchmarking:

There are no benchmarks and performance measures for non-program activities.

Section IV. 2009 Base Pressures:

Annualization/Other:

A base reduction of \$1.8 million is possible due to the elimination of the non-program contingencies included in the technical adjustments authorized with the passing of the final 2008 regional tax levy by-law.

Section V. Cost Mitigation Through Efficiencies and Recoveries:

Efficiencies and recoveries have no projected impact on the 2009 non-program budget.

Section VI. Challenges and Emerging Trends:

The need to maintain the sustainability of the Regions 10 year capital will continue to be a challenge over the coming years.

Any potential slowdown in new development could also impact the level of supplemental taxation that the Region receives.

Section VII. 2009 Program Pressures – Current:

Subsidy Changes:

The 2008 budget estimates include an increase of \$16.1 million in expected Federal Gas Tax subsidies and a \$15.6 million related draws from reserves, for a combined increase in revenue of \$31.7 million. These amounts are completely offset by increased contributions to reserves (as required by AMO) in the amount of \$16.1 million and transfers to the local municipalities of \$15.6 million, for a combined increase in expenditures of \$31.7 million. The resultant net impact on the Regions tax levy is nil.

Other Pressures:

The 2009 budget includes a \$3.1 million pressure for the phasing out of tax rate management initiatives that were previously authorized by Council. The pressure in 2009 represents the final impact of the phase out program.

A \$7.3 million budget pressure is included for the second year of the Capital Investment Plan. This plan is intended to address the long term under funding of the tax supported 10 year capital plan. This is being accomplished by a series of increases in the amount that is contributed to reserves from the tax base over a 10 year period. The annual increase is to be approximately 1 per cent of the tax levy. 2009 is the second year in the 10 year plan.

Section VIII. 2009 Program Pressures – Capital:

There is no capital plan associated with non-program.

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Section IX. 2009 Summary:

Budget Summary \$'000s	2008 Budget	2008 Projection	2009 Proposed	2010 Forecast	2011 Forecast
Current Budget – Total Expenditures	\$53,211	\$53,211	\$92,009	\$99,126	\$106,508
Current Budget – Total Revenue	\$47,130	\$50,130	\$77,289	\$77,289	\$77,289
Current Budget – Net Cost	\$6,081	\$3,081	\$14,720	\$21,837	\$29,219
FTE	0.0	0.0	0.0	0.0	0.0
Capital Carry Forward from prior year			\$0	\$0	\$0
New Capital			\$0	\$0	\$0
Total Capital Available			\$0	\$0	\$0
Forecasted Capital Spending			\$0	\$0	\$0

Future Outlook:

2010 and 2011 Current Budget:

The forecast for the Non-Program in 2010 and 2011 is based on the assumption that the next phases of the Capital Investment Plan proceed as planned and there is no material change in the level of supplemental taxation received in coming years.

2009 \$14.7 million
 2010 \$21.8 million
 2011 \$29.2 million

Service Level Contract for 2009:

Resources:

The 2009 Current Budget for Non-Program has a total value of \$92.0 million and a net value of \$14.7 million. This represents an increase in tax requirements of \$8.6 million in 2009.

Section X. Pressures not included in 2009 Budget

Externally driven changes such as in the legislative framework that the Region operates in, and the potential for changes in growth levels in the coming years, will continue to impact the organizations budget in the Non-Program area.

Appendices:

Appendix I 2009 Current Pressures

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APPENDIX I
NON PROGRAM
2009 CURRENT PRESSURES (\$'000)

	Non-Program		
	Total Expenditures	Total Revenue	Net Cost
2008 Revised Cost of Service	53,211	47,130	6,081
Annualizations/Other - Section IV			
Non program contingencies and technical adjustments	(177)	1,584	(1,761)
<i>Subtotal</i>	<i>(177)</i>	<i>1,584</i>	<i>(1,761)</i>
Cost of Living Increase/Inflation - Section IV			
No impact in 2009	-	-	-
<i>Subtotal</i>	<i>-</i>	<i>-</i>	<i>-</i>
Efficiencies - Section V			
No impact in 2009	-	-	-
<i>Subtotal</i>	<i>-</i>	<i>-</i>	<i>-</i>
Recoveries - Section V			
No impact in 2009	-	-	-
<i>Subtotal</i>	<i>-</i>	<i>-</i>	<i>-</i>
2009 Base Changes	(177)	1,584	(1,761)
Growth - Section VII			
No impact in 2009	-	-	-
<i>Subtotal</i>	<i>-</i>	<i>-</i>	<i>-</i>
Service Demand - Section VII			
No impact in 2009	-	-	-
<i>Subtotal</i>	<i>-</i>	<i>-</i>	<i>-</i>
Subsidy and Fee Changes - Section VII			
Federal Gas Tax (Increased recoveries and transfer to reserve)	31,675	31,675	-
<i>Subtotal</i>	<i>31,675</i>	<i>31,675</i>	<i>-</i>
Other - Section VII			
Phasing of previous council decisions	-	(3,100)	3,100
Capital Investment Plan	7,300	-	7,300
<i>Subtotal</i>	<i>7,300</i>	<i>(3,100)</i>	<i>10,400</i>
2009 New Pressures	38,975	28,575	10,400
Total 2009 Pressures	38,798	30,159	8,639
2009 Recommended Cost of Service	92,009	77,289	14,720