

## EXECUTIVE SUMMARY

The 2010 Budget Discussion Document presents the proposed 2010 Operating and Capital Budgets for the Town of Oakville. The document represents the outcome of the 2010 staff budget process, presenting the Budget recommended by staff, for the review and approval of the Budget Committee and Council.

Under the Municipal Act, municipalities are required to adopt a balanced budget. To offset the impact of declining revenues the Town began to restrain departmental budgets in April 2009. This action has helped ensure the Town has remained in a sound financial position, and is well equipped to face the current economic conditions.

The Town's strong financial position is indicated by its net financial asset position. The Town's most recent financial statements show that assets exceed liabilities by \$197.1 million – an increase of \$16.1 million over 2007. The Town's financial assets totaled \$388.9 million at December 31, 2008, an increase of \$23.5 million over 2007.

The 2010 budget continues to focus on restraint to ensure the Town's strong financial position is maintained and our residents continue to receive the programs and services they value. The proposed budget results in a total tax increase of 2.1% including the anticipated increases in the Region's tax budget and Education Rates. Performance Based Program Based (PB2)

methodology has been used to identify where levels of service might be changed to further cut spending and reduce the tax levy impact. To ensure a reasonable tax increase Council directed staff to reduce the base budget increase to 6.5% and defer any service enhancements or new services to 2012. As well, to provide further options for a lower tax increase, staff was directed to prepare reduction options to reduce the tax levy increase to 2.5%.

The 2010 Budget is the fourth and final budget in the current term of Council. The staff recommendations in this Budget continue the implementation of Council's strategic priorities. Over the past three budgets, Council has provided additional resources for tree planting and road maintenance and has dedicated more resources to maintaining and enhancing town parks and trails. Council has also implemented improved service standards for transit, snow removal and fire services, and funded new facilities including Joshua's Creek and North Park Quad arenas, a new Bronte Youth Centre and a library for Clearview residents. This budget continues to provide resources for the redevelopment of Queen Elizabeth Park into a unique new arts, recreation and community facility. Finally, the town is paying a one-third share of the cost to build the new transit facility that was approved under federal-provincial infrastructure funding.

The 2010 Budget is the Town's third budget prepared using a Performance Based Program Based budgeting (PB2) methodology. PB2 focuses on programs rather than departments and traditional line item budgeting. Emphasis is on the allocation of

resources to programs based on desired outcomes and measurement of actual program results against expected outcomes. The 2010 Budget includes PB2 performance measures for all Town programs.

The 2010 Budget process began in February 2009 with the election of the Budget Committee Chair. A presentation of the budget process and a forecast for the 2010 Budget took place in June 2009. Based on this forecast the following guidelines were established by Council:

1. That the guideline for staff development of the Base Budget be set at 6.5% including the 1% Capital Levy and Local Infrastructure Levy;
2. That given the pressures on the operating budget no new requests be identified by staff for 2010 and 2011 and funding for new legislated or service level requirements be funded through reallocations in the base budget or deferred to 2012;
3. That staff be directed to maintain cost recovery ratios, maximize existing fees and identify new fees where possible;
4. That in order for Council to consider and evaluate the implications of a tax rate increase lower than currently forecast, staff be directed to prepare decision packages based on programs and services defined in

PB2 to reduce the base budget from 6.5% to 2.5%;

5. That in preparing the decision packages staff focus on PB2 program reductions considering council priorities, the results of the citizen's survey and public consultation;
6. That staff update the long term financial forecast of capital needs focusing on capital needs in 2019 with only minor adjustments to the 2010 – 2018 forecast recently approved by Council.

In order to achieve the base budget guideline of 6.5% base budget reductions of \$3 million were required. To meet this target staff were asked to reduce their base budget by 2%. Through July and August, in consultation with Finance, program managers prepared and submitted detailed business plans and budgets to justify the current base budget and meet the required reductions. Additionally, in accordance with the budget guidelines each program manager identified possible reduction scenarios.

The program business plans and resulting program budgets are based on achieving the priorities in the Town's strategic plan. The business plans include a detailed budget for 2010 and a forecast by program and service for 2011 and 2012. Business plans for each program provide information on the purpose of each program, define existing service levels and identify strategic initiatives linked to the Town's

strategic plan. As well PB2 performance measures have been identified for all Town programs.

Due to the numerous demands on the Town's programs and services, the total budget spending requests submitted by program areas exceeded the guidelines established by Council. Throughout September the Finance department worked with the Chief Administrative Officer (CAO) and Commissioners to formulate a strategy to bring forth a fiscally responsible budget that meets the guidelines established by Council. Non-tax revenues were also reviewed to ensure cost recovery ratios were maintained as the citizen survey indicated that residents prefer user fee increases over tax increases. Additionally, as instructed in the budget guidelines, a list of possible budget reductions to reduce the base budget increase to 2.5% was developed for the consideration of the Budget Committee.

Given the pressures on the 2010 budget the guidelines stipulated no new requests for 2010 and 2011. For 2012 program managers have identified program growth and service needs. These requests are included in the program business plans and detailed sheets providing a description of the request and how it aligns with Council's strategic priorities is included in Appendix 1. As no new requests are being brought forward for 2010 or 2011 many of these requests represent pent up demand for services. They will be reviewed in future budgets by the CAO and Commissioners giving careful consideration to Councils' priorities,

the citizen survey and asset management requirements.

In developing the 2010 budget a number of key challenges had to be addressed:

- New development activity has slowed considerably. This impacts Planning, Building and Development Services revenues. While costs have been reduced, there is a significant revenue shortfall which is being offset by transfers from reserves and base budget reductions throughout Town programs, to mitigate the impact on the tax rate.
- Municipal inflationary pressures are considerably higher than the general rate of inflation.
- Many of the Town's supplies are construction materials and supplies and are impacted by commodity prices. The inflation rate for construction materials is currently in the 4% to 5% range.
- The Town's personnel costs are driven largely by union settlements that provide annual wage increases, movement through salary ranges and negotiated benefit coverage. This results in personnel costs increasing at almost 5%.
- In 2009, a substantial number of new programs were implemented and new capital infrastructure constructed. The new programs have annualized costs which impact 2010 and the new infrastructure needs to be operated and maintained. These items add 2.1% to the tax levy.

- Significant future infrastructure costs. A 1% capital levy will help ensure funds are available for renewal of existing infrastructure as well as fund the financing gap for new infrastructure that is created by restrictions on development charges.
- Transit revenues have been reduced to reflect lower than expected ridership levels. The 2009 revenue budget assumed ridership growth of 12.5% based on normal growth in the transit system and the service enhancements being introduced. With ridership levels remaining flat in 2009 and ridership growth during 2010 expected to be lower than estimated in previous years, the revenue budget for transit has been reduced. This reduction adds 0.5% to the tax levy.

To offset some of these challenges, the CAO and Commissioners have recommended reductions to the base budget. These are items that were identified by program managers in accordance with the budget guidelines and do not impact service levels. Cost recovery ratios have been maintained for programs supported by user fees where possible. Also offsetting these challenges, the Town's assessment base has increased by 1%, providing additional tax revenue thereby reducing the tax increase required to meet the above noted challenges.

Table 1 presents a summary of the total tax impact of the proposed budget, including the anticipated increases in the Region's tax budget and

Education rates. The costs and tax impact associated with each item is outlined below.

## **PROPOSED BASE BUDGET**

### **Inflationary Pressures:**

Inflationary pressures on the Town's base budget requires an increase of 4.2% in the Town's tax rate; and an increase of 1.5% on the overall tax bill or an increase of \$15.38 dollars on each \$100,000 of assessment. The inflationary impacts provide for the Town's personnel costs which are driven by collective agreements with the Town's four unions. These contracts provide for annual cost of living increases, as well as movement through salary grids and negotiated benefit coverage. The Town typically negotiates longer term contracts to ensure stability of increases. As well many of the materials and supplies that the Town provides are construction related. The cost increases in construction materials has averaged 4.5% over the last year. The proposed budget also includes a significant increase for hydro costs related to streetlighting. Due to regulatory requirements Oakville Hydro went through a rebasing process which increased rates for streetlighting while reducing rates for residential users.

**Table 1 - Total Tax Impact of 2010 Budget**

Purpose	Share of Tax Bill	Increase	Impact on Total Bill	\$ Increase per \$100,000 of Assessment
<b>Town of Oakville</b>				
Inflationary Impacts		4.20%	1.50%	\$15.38
Annualized Impact of 2009 New Programs		1.02%	0.37%	\$3.73
Capital Driven Operating Costs for new Infrastructure		1.08%	0.39%	\$3.95
Budget Reductions recommended by EMT		-2.00%	-0.72%	(\$7.32)
Assessment Growth		-1.00%	-0.36%	(\$3.66)
<b>Total Base Operating Budget</b>		<b>3.30%</b>	<b>1.18%</b>	<b>\$12.08</b>
Capital Levy		1.00%	0.36%	\$3.66
New Requests		0.00%	0.00%	\$0.00
<b>Tax Impact Town Operating Budget</b>	35.8%	<b>4.30%</b>	<b>1.54%</b>	<b>\$15.74</b>
<b>Tax Shift from Region to Town*</b>	35.8%	1.07%	0.38%	\$3.92
<b>Total Town of Oakville Tax Impact*</b>	35.8%	5.37%	1.92%	\$19.66
<b>Region of Halton Tax Impact*</b>	39.6%	0.45%	0.18%	\$1.82
<b>Education**</b>	24.6%	0.00%	0.00%	\$0.00
<b>Total</b>			<b>2.10%</b>	<b>\$21.48</b>

\*Region of Halton increase before tax shift would be 1.45% or \$5.87 per \$100,000 of assessment.

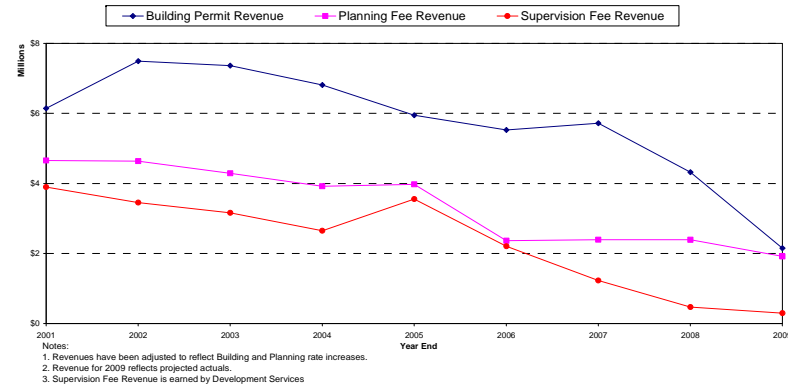
\*While shown separately the tax shift has no impact on the taxpayer.

\*\*Prior to any tax shift impacts

## Impact of Reduction in New Development

Development activity in the Town has slowed significantly over the last few years. This has had a significant impact on the Planning, Building and Development Services Programs. The Building Services and Development Services Programs are intended to be fully self supporting from fees from development, with no tax levy funding. Fluctuations in Building revenues previously were offset by transfers from the Building Enterprise Reserve, however, this reserve was exhausted in early 2009. A large portion of the Planning program, for the processing of planning applications, is also intended to be self supporting. However, as the following chart shows, revenues have been declining significantly over the last few years. However, our costs do not decline at the same rate

as revenue. To mitigate the reduction in revenue, over \$2.3 million in savings has been taken in these programs through planned gapping but there is still a significant shortfall. Therefore, in 2010 approximately \$2.4 million is being transferred from the Tax Stabilization Reserve to offset the revenue shortfall.



The remaining \$2.2 million is being funded through the tax levy. While sufficient Tax Stabilization Reserves exist in 2010 and 2011, this is not sustainable in the longer term. Therefore the tax stabilization support in 2011 is reduced to \$1.2 million and phased out completely in 2012. Revenues over this period are expected to increase as the economy recovers and new development in North Oakville begins. By 2012, the tax levy support in Planning and Development Services is reduced to \$2.3 million and Building Services will begin to repay the tax stabilization reserve.

### **Annualized Impact of New Programs Approved in 2009**

As a part of the 2009 Budget new programs and enhanced service levels were approved. Most of these services were approved as of July 1<sup>st</sup>, and therefore the 2009 Budget included only a half year of the program costs. Therefore there is an impact on the 2010 Budget to provide for a full year of program costs. The total cost of these items requires an increase totaling \$1.2 million. This results in an increase of 1.02% in the Town's tax rate, and an increase of 0.37% on the overall tax bill or an increase of \$3.73 per \$100,000 of assessment.

### **Capital Driven Operating Costs for New Infrastructure**

The construction of new infrastructure and additions to the Town fleet of equipment and vehicles has an impact on operating costs. The cost to operate the new infrastructure or vehicles requires an increase in the Town's base budget of \$1.26 million in 2010. This includes the impact of the opening of the Quad Pad Arena in North Park in the fall of 2010; new parks; new playgrounds and splash pads; and new roads within new subdivisions. This results in an increase of 1.08% in the Town's tax rate, and an increase of 0.39% on the overall tax bill or an increase of \$3.95 per \$100,000 of assessment.

### **Budget Reductions to Base Budget**

To offset the tax levy impact of declining development related revenues, program managers were asked to find reductions in their base budgets totaling 2%. These reductions total \$2.3 million and include both expenditure reductions and revenue increases. They reduce the Town's tax rate by 2%, a decrease of 0.72% on the overall tax bill or \$7.32 per \$100,000 of assessment. As this was to be an interim measure many of these reductions are one time and return to the base in 2011. To achieve the 2% reduction a total of \$636,900 (7.3 FTE's) in planned gapping and reductions to part-time staff has been budgeted, new or increased revenues of \$653,100 have been identified and reductions to materials and purchased services totaling \$1,045,700 have been included in the 2010 base. The gapping budgeted to achieve the 2% base budget reductions is in addition to the 27 positions gapped in 2009.

These items are summarized in the Budget Reduction Section of the Budget Discussion Document. It is important to note that these reductions eliminated any surplus spending capacity in program budgets so any further reduction in the base budget will result in cuts to existing programs or services.

### **Assessment Growth**

New development within the Town results in an increase in the Town's assessment base. New assessment generates additional tax revenue without an increase in the Town's tax rate. In June staff had

estimated assessment growth would total 1.0%, due to the considerable decline in new development activity. Based on information received to date from MPAC this estimate is in line with the growth expected when the roll is returned in early December. It should be noted that this level of assessment growth is considerably lower than growth experienced in recent years. Staff anticipates that assessment growth will only be in the 1% to 1.5% range over the next two years until the impact of development in North Oakville begins to increase the Town's assessment base.

### **Total Base Budget Increase**

The total increase in the Town's proposed Base Budget as shown in Table 1 is 3.3%. In June the base budget forecast prepared by staff showed an increase of 4.43%. This projection assumed base budget reductions totaling 2.55% would be found. The total base budget increase in the proposed budget not only met the required reductions but exceeded them resulting in a proposed budget increase of 1.13% below the forecast prepared by staff in June. This is a significant accomplishment considering the many challenges impacting the Town's base budget. The total increase in the base budget has an impact on the total tax bill of 1.18% or \$12.08 per \$100,000 of assessment.

### **CAPITAL LEVY**

The Town implemented a one percent capital levy in 1996. This program recognized that the Town

needed to set aside additional funding to pay for both the replacement of aging infrastructure as well as demands for new infrastructure, including recreational and other facilities. A capital levy policy is considered a best practice in municipal financing. The Town has completed the inventorying of its assets in compliance with PSAB 3150. This will provide the Town with information regarding the actual size of its infrastructure gap. The capital levy provides an increasing source of funding to address this gap, although it is likely not sufficient to eliminate it. The capital levy has a 1% impact on the Town's tax rate and 0.36% impact on the total tax rate or \$3.66 per \$100,000 of assessment.

Changes to the capital levy would require changes to the proposed 2010 Capital Budget and long-term forecast.

### **NEW/ENHANCED PROGRAMS AND SERVICES**

Every year the Town faces demands for new programs and services. New residents expect the same services as existing residents, and existing and new residents desire new programs and enhanced service levels. In addition, requests for new programs or services may be the result of legislative requirements or to address health and safety concerns. However, in establishing the 2010 budget guidelines, it was recognized that slower growth and economic conditions were putting pressure on the Town's Budget. Therefore, Council's guideline directed no new requests be identified by staff for 2010 or 2011. Funding for legislated or service level requirements

are funded through reallocations in the base budget or deferred until 2012.

In addition to Council identified requests during the 2009 Budget process for consideration in 2010, during the course of 2009, items have been referred to the Budget Committee for consideration. These items have been identified later in this document however, they have not been included in the staff recommended Budget.

**TAX SHIFT FOR LOCAL INFRASTRUCTURE FUNDING**

In its 2007 Provincial Budget, the Province of Ontario approved the phase out of the GTA Pooling for Social Services. The phase out will take place over a seven year period and by 2013 the total reduction in taxes within the Region of Halton will be \$41.2 million.

The tax room created by the phase out is being shared between the region and local municipalities to address infrastructure renewals needs. The region is retaining 50% of the tax room and the local municipalities are sharing the remaining 50% based on their weighted assessment. This will generate \$69.7 million in new capital infrastructure funding for Oakville by 2018. However, this results in a tax shift from the Region to the local municipalities, which has no impact on the property taxpayer. Table 1 shows the tax shift. While a dollar impact is shown, prior to the shift this amount would have been included in the Region’s tax levy requirement, increasing the 0.45% shown on Table

1 to 1.45%, and the impact per \$100,000 of assessment to \$5.87. As a result of the tax shift this amount will now be included in the Town’s tax rate.

**TOTAL RECOMMENDED 2010 BUDGET**

In total, the proposed 2010 budget being presented to Budget Committee will result in an overall increase in property taxes of 2.1%, including the Town, Region and Education taxes as shown in Table 1. Table 2 summarizes this impact per \$100,000 of assessment before and after the tax shift and illustrates that the tax shift has no impact on the taxpayer. The total combined increase for Town, Region and Education purposes is \$21.48 per year per \$100,000 of assessment value. A home assessed at \$400,000 will pay an additional \$86 per year or \$1.65 per week.

Table 2

Taxes Billed Per \$100,000 of Assessment				
	2010 Taxes Before Tax Shift	\$ Change Over 2009	2010 Taxes Restated for Tax Shift	\$ Change Over 2009
Oakville	\$374	\$16	\$378	\$20
Region	\$413	\$6	\$410	\$2
Education	\$257	\$0	\$257	\$0
<b>Total</b>	<b>\$1,044</b>	<b>\$21</b>	<b>\$1,044</b>	<b>\$21</b>
<b>Per \$400,000 of Assessment</b>	<b>\$4,176</b>	<b>\$86</b>	<b>\$4,176</b>	<b>\$86</b>

**2011 AND 2012 FORECAST**

The Budget Document also includes a forecast of the 2011 and 2012 operating budgets, incorporating

inflation-related expenditure increases and the increased operating costs resulting from capital projects undertaken in 2010 and 2011. Due to the uncertainty in current economic conditions and the impact this will have on projected growth and service needs, no new requests have been recommended for 2011 and 2012 at this time. However, program managers have identified program growth and service needs for 2012 so that Budget Committee and the public are fully informed of the future pressures on the Town's Budget.

These pressures total \$3.9 million in 2012. Table 3 presents the forecast increase in the total tax rate for the Town's Base Budget and projected Education and Regional tax requirements. The forecast increase in 2011 for the Town Base Budget and capital Levy is 6.68% and the overall tax increase is forecast at 4.26% or \$44.46 per \$100,000 of assessment. For 2012, the Town's increase is forecast at 4.18% and the overall tax increase at 3.22% or \$35.08 per \$100,000 of assessment.

**Table 3  
Overall Tax Impact**

	2010 Budget	2011 Budget	2012 Budget
Inflationary Impacts	4.20%	4.65%	2.49%
Budget Reductions Approved By EMT	-2.00%	0.00%	0.00%
Annualized Cost of New Services Approved in Prior Year	1.02%	0.00%	0.00%
Capital Driven Operating Costs for New Infrastructure	1.08%	2.03%	2.19%
Assessment Growth	-1.00%	-1.00%	-1.50%
<b>Total Base Operating Budget</b>	<b>3.30%</b>	<b>5.68%</b>	<b>3.18%</b>
Capital Levy	1.00%	1.00%	1.00%
<b>Total Base Budget</b>	<b>4.30%</b>	<b>6.68%</b>	<b>4.18%</b>
Recommended New Requests	0.00%	0%	0%
<b>Total Town Budget</b>	<b>4.30%</b>	<b>6.68%</b>	<b>4.18%</b>
Province of Ontario	0%	0%	0%
Region of Halton (1)	0.45%	3.80%	3.50%
Tax Shift from Region to Town	1.07%	1.01%	0.95%
<b>Overall Tax Bill Impact (%) (2)</b>	<b>2.10%</b>	<b>4.26%</b>	<b>3.22%</b>
<b>Overall Tax Bill Impact (\$'s per \$100,000 of assessment) (3)</b>	<b>\$21.48</b>	<b>\$44.46</b>	<b>\$35.08</b>

(1) Based on Region's forecast in 2010 Budget

(2) Total Tax Bill is 39.6% Region, 35.8% Town, 24.6% Education

(3) Exclusive of reassessment impacts

## BUDGET REDUCTION OPTIONS

As part of the budget guidelines staff was directed to develop budget reduction options to reduce the base budget increase to 2.5%, including the 1% capital levy. To meet this guideline staff developed a list of reduction options totaling \$3.2 million. These options have been presented in six groupings. The first group is options which result in a change in service levels, the second option is the elimination of service, the third option reflects reductions to asset management/risk management, the fourth option is the elimination of grants and subsidies, the fifth option presents reduction in community outreach and education and the sixth and final option identifies new revenue sources. These items are listed on Table 11,

on page E-21. A detailed explanation of each reduction option has been provided in Section 2 of the Budget Discussion Document. Each option will be presented during the staff presentations of program budgets.

### **CHANGES TO FUTURE BUDGET PROCESSES**

As a result of the changes required to the Town's financial statements under PSAB 3150 the provincial government has introduced changes to the Municipal Act, 2001 relating to budgeting. With the introduction of Ontario Regulation 284/09 municipalities are not required to budget for amortization expenses, post-employment benefits or solid waste landfill closure and post-closure expenses. However for 2011 and subsequent years before adopting the budget for the year, if any of the above noted expenses are excluded, the municipality must prepare a report about the excluded expenses and adopt the report by resolution. For the 2010 budget if the municipality intends to adopt or has adopted a budget excluding any of the expenses noted above, the municipality must within sixty days of receiving the audited financial statements for 2009, prepare a report about the excluded expenses and adopt the report by resolution. The 2010 budget presented in the Budget Discussion Document excludes both amortization expenses and post-employment benefits expenses. As a lower tier municipality not responsible for solid waste landfill those expenses do not affect our budget. Staff will be preparing a

report next spring in compliance with Regulation 284/09 outlining the excluded expenses.

### **2010 BUDGET COMMITTEE PROCESS**

The recommendations included in this book reflect the direction to date provided by Council through its Budget Committee. The budget process over the next three weeks provides the Committee with the opportunity to provide further direction and request additional information from staff. The following meetings have been scheduled for the review of the 2010 Budget

- November 5th
  - Distribution of Budget Document and Overview Presentation
- November 9<sup>th</sup> and 10<sup>th</sup>
  - Staff Presentations
- November 12<sup>th</sup>, 17<sup>th</sup>, and 18<sup>th</sup>
  - Public Delegations & Deliberations
- November 25<sup>th</sup>
  - Deliberations & Approval
- Council Approval – November 30

## **Overview of the Budget Discussion Book**

The Budget Discussion Document presents the details for the 2010 Operating and Capital Budgets for all Town programs. Each program section in this book contains:

1. A business plan, which describes the program, identifies key accomplishments in 2009 and strategic initiatives for 2010 to 2012. For each service within the program, the services are described, service levels defined and key performance indicators are identified.
2. The program budget and the budget for each service, including preliminary year to date actuals for 2009, the 2009 Budget and the 2010 Base Budget. A forecast of the 2011 and 2012 Budgets is also provided.
3. 2012 Identified Program Growth and Service Needs
4. A summary of the 2010 Capital Budget, if required.

The following section provides the highlights and an overview of the 2010 Operating and Capital Budget.

## **HIGHLIGHTS OF THE PROPOSED 2010 BUDGET**

### **Program Based Performance Based Budget**

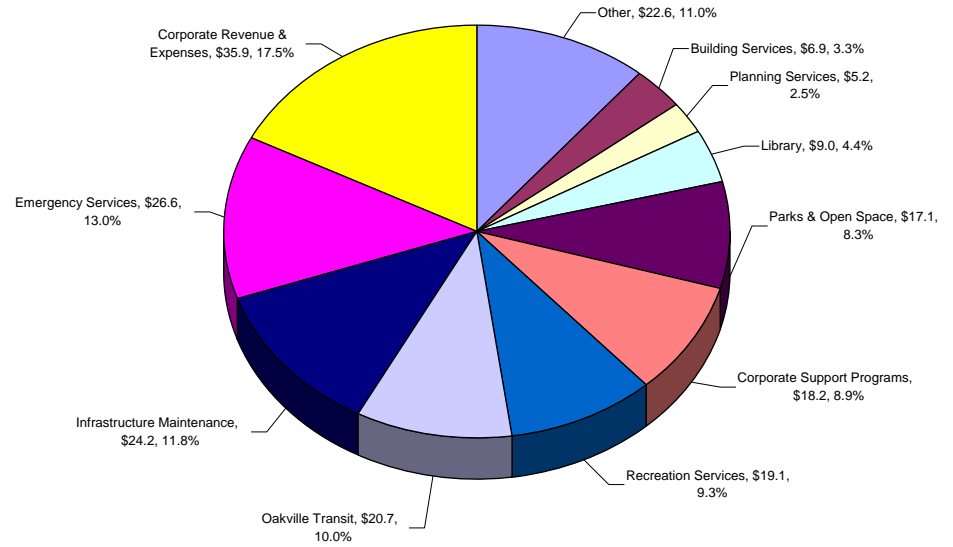
The 2010 Budget is the third Town Budget to be prepared using the Performance Based Program Based Budgeting (PB2) methodology. The 2010 Budget and the forecasts for 2011 and 2012 focus on programs, and the services within each program, rather than departments and line item expenditures. In preparing the 2010 Budget and 2011 and 2012 forecasts, emphasis is on allocating resources to programs based on the goals and objectives to be achieved by program. A key component of PB2 is the development of performance indicators to measure how well the program is meeting its objectives. For 2010 detailed measures have been developed for all Town programs. The program business plans and resulting program budgets are based on achieving the priorities in the Town's strategic plan and each new initiative identified in the budget is tied to a strategic objective. Business plans for each program provide information on the purpose of each program and service within the program, define existing service levels, and new requests identify the resulting impact on service levels.

### **Total 2010 Program Operating Expenditures**

The gross expenditures proposed in the 2010 operating budget total \$205.5 million for the Town's 26 programs. This is an increase of \$9 million over 2009 expenditures. The largest program is Emergency Services at \$26.6 million or 13% of the Town Budget.

Emergency Services includes the Town's Fire Service. The next major program area is Infrastructure Maintenance at \$24.2 million or 11.8% of total expenditures. This program provides for the maintenance of Town roads, storm sewers and traffic infrastructure. Oakville Transit totals \$20.7 million or 10% of total expenditures. Recreation Services totals \$19.1 million or 9.3% of expenditures and provides for the operation of the Town's indoor recreation facilities, delivery of indoor and outdoor recreation programs and facility rentals. It also includes the 2010 impact of the North Oakville Quad Pad scheduled to open in the fall of 2010. Corporate Support Programs total \$18.2 million or 8.9% and is the combined total of the Human Resource, Finance, Information Systems + Solutions, Communications, Internal Audit, Strategy and Policy Development, Legal, ServiceOakville and Executive Management Programs, which are key to the ongoing operation of the Town's front line programs and service delivery. The charts on page E-12 and E-13 detail the Town's total expenditures by program area.

**Table 4**  
**2010 Operating Budget by Program, \$205.5 Million\***



\*includes local infrastructure levy

**Table 5**

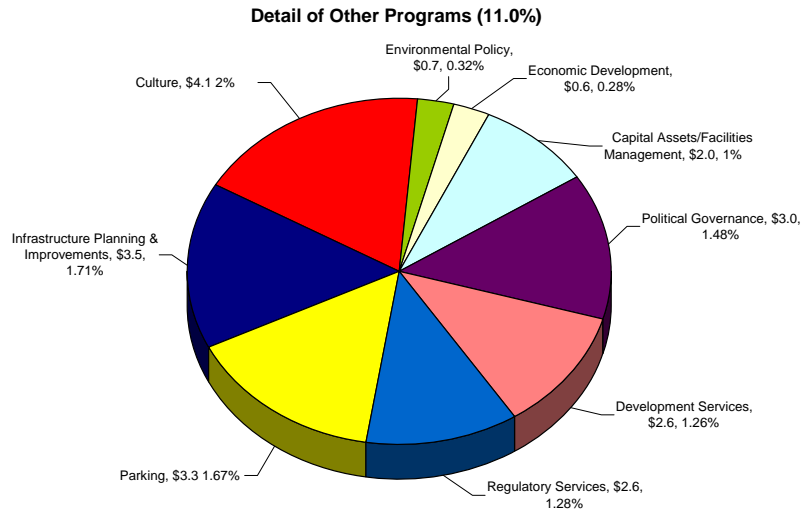


Table 14, on page E-24 sets out the Town's 2010 Operating Budget by Program, and also provides comparisons to the 2009 Budget. The Table highlights the components of the 2010 Budget, showing the Base Budget by Program, the new requests by Program and the resulting recommended 2010 Program Budget. The forecast Budget for 2011 and 2012 are shown on Table 16 on page E-26.

**Operating Expenditures By Cost Component**

The chart on page E-14 (Table 6) shows the Town's total Operating Budget expenditures by cost component. The details are provided on Table 15 on page E-25. Salaries and benefits account for 51.6% or \$106.1 million of the operating budget.

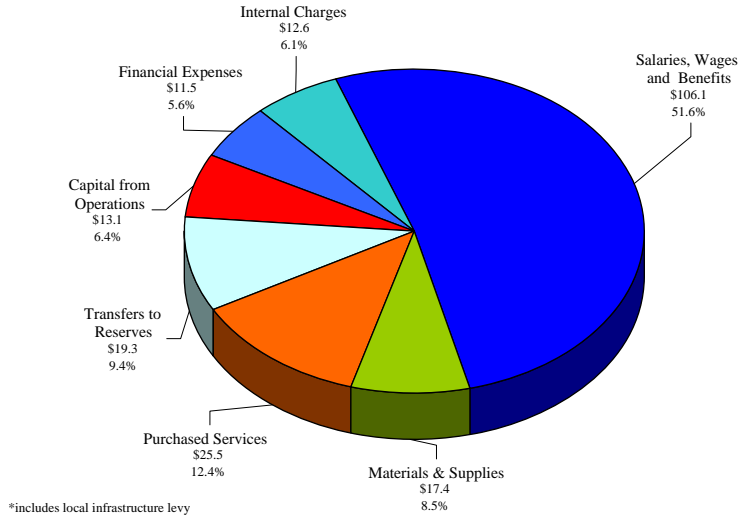
Purchased services comprise 12.4% of the budget and materials and supplies, 8.5%. Transfers to reserves, including the transfer to the Local Infrastructure Funding Reserve from the tax shift from the Region, provisions for future replacement of vehicles and equipment and transfers to the tax stabilization reserve, account for 9.4% of expenditures. Capital from Operating includes the funding transferred to the capital budget of \$12.9 million plus minor capital provisions of \$0.26 million for a total of \$13.1 million or 6.4% of expenditures.

Expenditures have increased by \$8.9 million over 2009. The largest contributor to this increase is Salaries and Benefit costs which have increased by \$3.4 million. Negotiated wage settlements with the Town's unions, salary adjustments for non-union staff, movement through salary grids, increased contributions to OMERS and benefit costs, and the annualized cost of new positions approved in the 2009 budget account for \$5.4 million. This increase has been partially offset by a budget reduction for gapped positions.

The balance of the expenditure increase in 2010 is due to the increased cost of materials and supplies and purchased services due to inflation and growth in service needs, the increase in the Capital Levy and the inclusion of the Local Infrastructure Funding Tax Shift that previously was part of the Region of Halton's Budget.

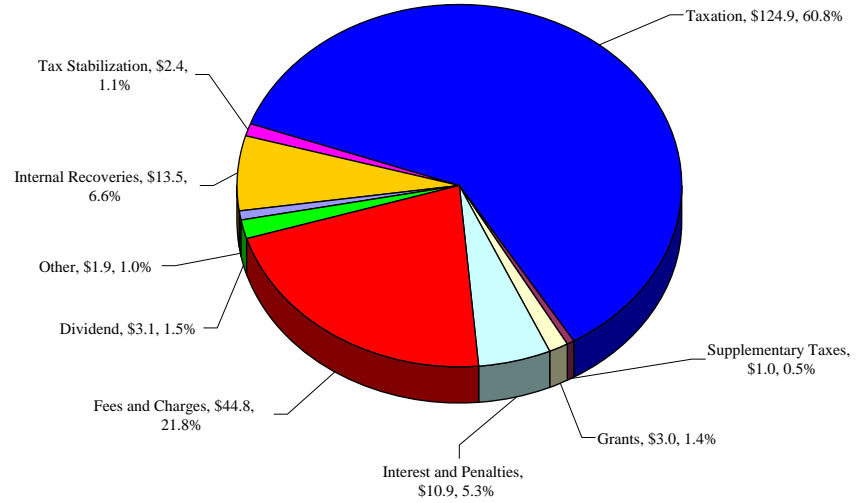
**Table 6**

**Total Operating Expenditures by Cost Component  
\$ 205.5 Million\***



**Table 7**

**2010 Operating Budget by Funding Source, \$205.5 Million**



**Total 2010 Operating Revenues**

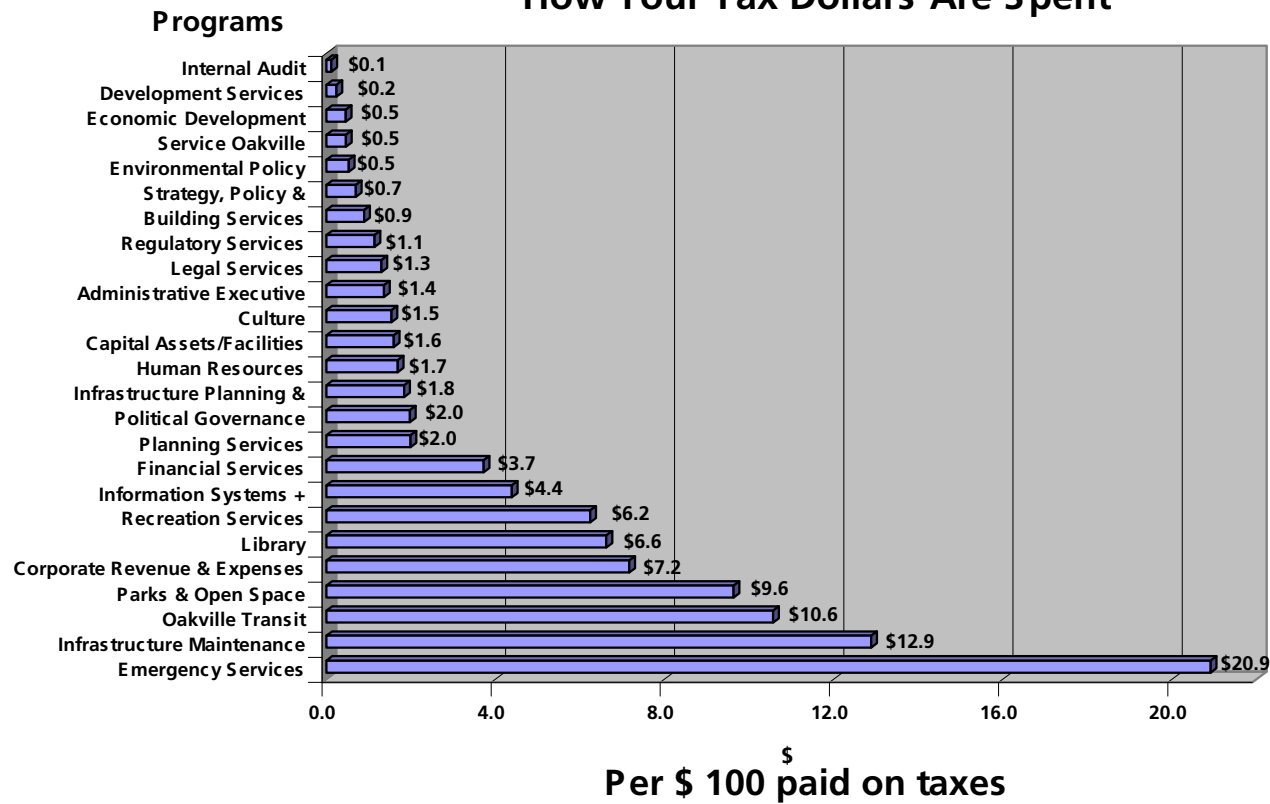
Table 7 shown above illustrates the funding sources for the 2010 Operating Budget. Taxation revenues provide 60.8% (2009 – 60%) of the funding. The increase is due to the tax shift from the Region for the local infrastructure funding. Fees and charges are the next largest source of funding at \$44.8 million or 21.8% (2008 - 23%). Included in the fees and charges are increases to maintain cost recovery ratios for all programs. However, development activity has declined substantially, so while a fee increase has been assumed for Planning, Building and Development Services, volumes have declined resulting in the reduction of total fee revenue as

source of Budget funding. The reduction in fee revenue for Planning, Building and Development Services is being financed by transfers from the Tax Stabilization Reserve of \$2.4 million in 2010, or 1.1% of total revenue and 2.2 million from the tax levy. In previous years, revenue shortfalls in Building have been met from the Building Enterprise Reserve however this reserve does not have sufficient funding to offset the shortfall in revenues in 2010. Transit revenues have also been reduced to reflect reduced growth in ridership. This has reduced the cost recovery ratio in Transit. Interest income and penalties and interest on taxes provide 5.3% or \$10.9 million in revenue. A dividend from Oakville Hydro of \$3.1 million has been included and represents approximately 1.5% of operating revenues. The details supporting this chart are found in Table 18 on page E-28.

### **2010 Tax Levy Requirement**

The total 2010 tax levy requirement to support Town programs is \$124.9 million and is shown by program in Table 15 on page E-25. The chart below shows how much of each tax dollar is spent on specific Town programs. The allocation of tax dollars to programs differs from the allocation of gross expenditures as many of the Town's departments are supported partially or entirely from user fees. The largest share of the tax dollar is spent on Emergency Services followed by Infrastructure Maintenance, Parks and Open Space, and Oakville Transit.

**Table 8**  
**How Your Tax Dollars Are Spent**



## **OVERVIEW OF 2010 OPERATING BUDGET**

The following pages provide a summary of the overall Town Budget. An explanation is provided for changes in the base budget by program and by expenditure and revenue type; the Capital Levy and requests identified by Council for consideration in 2010.

### **BASE BUDGET CHANGE**

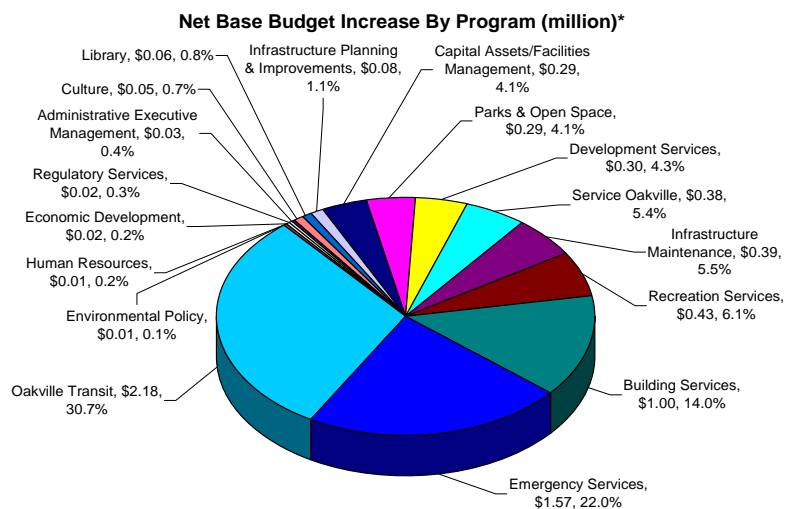
The 2010 Base Budget provides for the same level of service as provided in 2009 and excludes the local infrastructure funding and the 1% capital levy. The 2010 Base Budget tax levy requirement totals \$122.5 million. This is an increase of \$5 million or 4.3% before assessment growth, and 3.3% after assessment growth over the 2009 Budget. In June, a forecast of the 2010 Base Budget was presented to Budget Committee. The forecast increase at that time was 4.4% based on assessment growth of 1.0% and reductions required to offset the shortfall in development related revenue of 2.55%. The recommended Base Budget is 1.1% below the forecast, largely as a result of development related revenues higher than anticipated and base budget reductions put forward by program managers to offset the revenue shortfall. While the increase of 3.3% is greater than the general rate of inflation, the costs of most municipal goods and services have increased by a rate much greater than inflation. Maintaining tax increases for existing base budget services is prudent, as an increase below the level

of cost increases would require reductions in services or significant future increases to make up for lost purchasing power.

The tax impact of the increase in the Town's Base budget of 3.3% has an impact on the overall tax bill of 1.18% or \$12.08 per \$100,000 of assessment.

Program spending at the base budget level reflects the costs to deliver the same level of service as the previous years. Increases in program spending and resulting tax levy requirements are driven by the costs of the materials and supplies, contracted and other purchased services as well as labour costs resulting from union contracts. Changes in revenue from user fees and other sources also impact the tax requirement. Approximately 50% of the increase is due to two program areas. Oakville Transit accounts for 29% of the increase due to the annualization of service enhancements approved in 2009, a reduction in fare revenue to reflect lower ridership levels and the elimination of revenue received from GO Transit for storage of buses. Emergency Services accounts for 21% of the increase as a result of the annualization of 12 firefighters hired in September 2009 and negotiated wage settlements. The following chart shows the allocation of the increase in the tax requirement for the base budget.

**Table 9**



Not shown on the chart are Planning Services, IS&S, Political Governance, Financial Services, Parking, Strategy, Policy & Communications, Internal Audit and Legal Services which combine for a 5.99% (\$448,000) decrease of the net base budget

The base Budget gross expenditures have increased by \$6.5 million (exclusive of the Local Infrastructure funding and Capital Levy). This increase in expenditure is due to an increase of \$3.4 million in salary and benefit costs. As noted earlier, personnel costs account for 52% of the Town's overall expenditures. The increase in 2010 reflects the salaries, wages and benefits for Town employees based on labour Agreements with the Town's CUPE employees, Fire Association, and Transit union as well as movement through salary grids, salary adjustments for non-union staff, increased contributions to OMERS and benefit costs, and the annualized cost of new positions approved in the 2009 budget.

Materials and Supplies include expenditures for utilities, fuel, office supplies, construction and other materials. The increase of \$861,100 is largely due to the increased costs of utilities as a result of the Quad Pad Arena in North Park opening in 2010 and increased hydro costs for streetlights.

Purchased Services includes costs for items such as communication, contracted services, professional fees, training & development, insurance and printing. Purchased Service expenditures have increased by \$0.5 million due to inflationary pressures.

Minor Capital and Transfers to reserves includes transfers to reserves for future expenditures, e.g. equipment replacement, and funds to support the current year's capital budget. Other expenditures include internal charges and recoveries, debt repayments and miscellaneous other costs. Both of these expenditure items are relatively unchanged from 2009.

The increase in expenditures is offset by an increase in revenues of \$1.5 million. Activity revenue has increased by \$1.3 million. Activity Revenue includes items such as Recreation and Culture user fees, Transit fares, and Planning application fees. The increase is due to increases in fees to maintain cost recovery ratios, partially offset by the reduction in Transit revenue and Planning, Building and Development Services fees. Internal recoveries have increased as a result of Development Services moving to an enterprise model where all costs both

direct and indirect relating to the subdivision process are charged to the program and the corresponding internal recovery is budgeted corporately. Other revenue has decreased due to a reduction in supplementary tax revenue.

The 2010 Base Budget includes a dividend payment of \$3.1 million from Oakville Hydro, equal to the amount budgeted and received in 2009.

Supplementary tax revenue has been reduced by \$1 million in the 2010 Base Budget. The 2009 budget for supplementary tax revenue was \$2 million and was based on the ten year average of supplementary tax revenue received. However, with the decline in planning application and building permit revenue experienced in 2009 and the forecast reduction in assessment growth, staff does not anticipate supplementary tax revenue will meet the 10 year average in 2010. As a result the budget has been reduced to \$1 million. To offset the tax levy impact of the reduction, the transfer to the tax stabilization reserve normally budgeted to protect against possible fluctuations in the supplementary tax revenue has been eliminated for 2010.

### **THE CAPITAL LEVY**

The 2010 Budget includes an amount of \$1,174,400 or 1% on the tax rate for the capital levy. This is in addition to the base budget increase of 3.3% (after assessment growth), and brings the budget tax increase to 4.3%. The 2010 Budget

forecast presented to the Budget Committee in June 2009 included the 1% for the capital levy, bringing the total forecast increase to 5.4%, before considering the increased costs for any new requests due to growth or service level changes.

The capital levy has been a Town policy since 1996. By adding 1% annually to the tax rate for capital the Town generates a growing source of funding to deal with the Town's infrastructure needs. Many municipalities have implemented capital infrastructure levies to address their infrastructure gaps. It is considered a prudent and "best practice" financial policy. The Long Term Financial Forecast includes the capital levy as a key assumption, which generates a major source of funding for the ten year Capital Plan. Any change to the capital levy policy would require changes in the long term forecast.

The 1% capital levy has an impact on the overall tax bill of 0.36% or \$3.66 per \$100,000 of assessment.

### **NEW REQUESTS**

The demand for new programs and services is continuing to grow. Every year the Town must identify the costs to provide programs and services to its newest residents, while also responding to demands for new programs and services from current residents. In addition, requests for new programs or services may be the result of legislative requirements or to address health and safety concerns.

In light of the pressures on the 2010 Budget due to slower growth and economic conditions Council's guideline directed that no new requests be identified by staff for 2010 or 2011. Funding for legislated or service level requirements are funded through reallocations in the base budget or deferred until 2012.

Council identified requests during the 2009 Budget process for consideration in 2010. As well, during the course of 2009, items have been referred to the Budget Committee for consideration. These are included in section 2 of the Budget Discussion Document. Table 10 is a list of items identified by Council for the consideration of the Budget Committee. Further detail is provided on Table 19 on page E-28. These items have not been included in the staff recommended Budget.

**Table 10**

2010 Council Identified Needs		
	2010 Impact	Annualized Impact
<b>2010 Identified Needs</b>		
REC-2010 Two New Youth Centres	296,600	259,200
<b>Total Requests</b>	<b>296,600</b>	<b>259,200</b>

As noted earlier, development activity has slowed considerably. However, if the release of allocation in North Oakville results in an increase in applications, additional staff may be required. These staff would be largely funded from planning and development fees. At the present time it is not anticipated that these resources will be required in 2010; however, should development activity occur

faster than anticipated, staff will bring forward a report in 2010 to recommend the additional resources required.

**BUDGET REDUCTION OPTIONS**

As part of the budget guidelines staff was directed to develop budget reduction options to reduce the base budget increase to 2.5%, including the 1% Capital Levy and Local Infrastructure Levy. The actual recommended base budget increase, including the Capital Levy and Infrastructure Levy is 5.37%. Therefore, to meet the guideline staff would be required to develop a list of reduction options totaling \$3.3 million. The CAO and Commissioners have developed a number of options with a total value of \$3.2 million, or 2.7%. These options have been presented in six groupings. The first group is options which result in a change in service levels, the second option is the elimination of service, the third option reflects reductions to asset management/risk management, the fourth option is the elimination of grants and subsidies, the fifth option presents reduction in community outreach and education and the sixth and final option identifies new revenue sources. These items are summarized on Table 11, and on Table 21. A detailed explanation of each reduction option has been provided in Section 2 of the Budget Discussion Document. The explanations identify various options and identify the impact on service levels. Each option will be presented during the staff presentations of program budgets.

**Table 11 Budget Reduction Decision Packages**

**Change in Service Level**

Program	Service	Activity	Description	2010 Impact
Infrastructure Maintenance	Crossing Guards		Reduction of staffed locations (meeting less than 10% of warrants)	(18,800)
	Roadside Environmental Maintenance	Litter Control	Reduce litter & debris pick up	(44,500)
		Graffiti Abatement	Eliminate contracted removal service	(28,400)
	Winter Control Maintenance	Winter Control - Sidewalks	Eliminate residential sidewalk plowing	(60,000)
Planning Services	Heritage Planning		Delay Heritage district plans	(40,000)
	Long Range Planning		Slow down long range planning	(97,900)
Economic Development	Economic Development		Eliminate marketing and research function	(75,400)
Oakville Transit	Transit Operations	Conventional Transit	Elimination of routes 18 and 25	(146,000)
			Elimination of Stat Holiday Service	(138,900)
			Reduce Sunday Service Hours	(136,600)
			Reduce Saturday Service Hours	(127,500)
Library Services	Library Branches/ Services & Collections	Branch Hours	Reduction of Service Hours at White Oaks Branch by 24 hours per week.	(200,000)
Library Services	Library Branches/ Services & Collections	Branch Hours	Close Friday mornings all year, extend summer hours into June and September.	(124,000)
Parks and Open Space	Parks Maintenance	Parkland Mowing and Sports Field Maintenance	Reduce Grass Cutting Frequency	(228,000)
			Reduce Grass Cutting on Road Boulevards	(45,000)
		Sanitation Services	Litter and Graffiti	(19,000)
<b>TOTAL</b>				<b>(1,530,000)</b>

**Elimination of Service**

Program	Service	Activity	Description	2010 Impact
Parks and Open Space	Parks Maintenance	Parkland Mowing and Sports Field Maintenance	Eliminate Utility Corridor Mowing	(20,000)
			Eliminate Enhanced Cutting on non irrigated sports fields	(35,000)
		Horticulture	Eliminate Floral Beds in Designated Parks	(173,800)
Infrastructure Maintenance	Roadside Environmental Maintenance	Graffiti Abatement	Eliminate remainder of graffiti removal operation	(57,800)
Recreation Services	Recreation Programs	Aquatics	Close all outdoor Pools	(239,400)
	Youth Services	Graffiti	Elimination of Urban Art Program	(25,000)
<b>TOTAL</b>				<b>(551,000)</b>

**Reduction of Asset Management/Risk Management**

Program	Service	Activity	Description	2010 Impact
Infrastructure Maintenance	Road Infrastructure Repairs & Maintenance	Asphalt patching, curb repairs, crack filling	Reduce asphalt patching by 30%, curb repairs by 30% and crack filling by 33%	(91,700)
	Roadside Environmental Maintenance	Sidewalk repairs	Reduce sidewalk repairs by 30%	(75,000)
	Water Resource Maintenance	Manhole and catchbasin repairs	Reduce manhole & catchbasin repairs by 33%	(37,500)
	Traffic Control Device Maintenance	Pavement Markings	Reduce second (fall) application to very high priority locations only	(66,000)
Infrastructure Planning & Improvements	Stormwater Management	Stormwater infrastructure improvements	Reduction in stormwater outflow monitoring by 50%	(40,800)
Parks and Open Space	Parks Maintenance	Parkland Mowing and Sports Field Maintenance	Reduction in Sports Field Fertilization	(65,000)
	Forestry		Reduction in contract services for woodlot maintenance	(50,000)
<b>TOTAL</b>				<b>(426,000)</b>

**Elimination of Grants and Subsidies**

Program	Service	Activity	Description	2010 Impact
Cultural Services	Oakville Galleries		Eliminate funding for Galleries	(369,400)
Recreation Services	Support Services	Community Development Funding	Elimination of Sports Development Grant	(25,000)
Infrastructure Planning & Improvements	Road Corridor Management		Eliminate grant to BIA's for Special Event Road Closures	(14,500)
<b>TOTAL</b>				<b>(408,900)</b>

**Community Outreach & Education**

Program	Service	Activity	Description	2010 Impact
Recreation Services	Support Services	Special Events	Reduction in financial support to community events.	(17,500)
Political Governance	Mayor & Council	Mayor & Council	Reduce budgeted spending on newsletters	(30,000)
	Council & Committee Service	Council & Committee Service	Reduce the number of Committee, Council & Citizen meetings	(60,000)
Infrastructure Maintenance	Roadside Environmental Maintenance	Litter Control	Eliminate litter awareness initiatives	(8,700)
Environmental Policy	Environmental Services		Eliminate community outreach & education programs	(71,800)
<b>TOTAL</b>				<b>(188,000)</b>

**New Revenue Sources**

Program	Service	Activity	Description	2010 Impact
Parks and Open Space	Parks Maintenance	User Fees	Increase User Fees for Use of Sports Fields by \$1 per hour	(50,000)
Recreation Services	Recreation Programs	Children's Programs	Increase Rates for Summer Sizzlers by 25% - Summer Sizzler fees are currently below market	(25,000)
<b>TOTAL</b>				<b>(75,000)</b>
<b>TOTAL REDUCTION OPTIONS</b>				<b>(3,178,900)</b>

## FORECAST FOR 2011 AND 2012

The Budget Document also includes a forecast of the 2011 and 2012 operating budgets, incorporating inflation related expenditure increases and the increased operating costs resulting from capital projects undertaken in 2010 and 2011. Due to the uncertainty of economic conditions the CAO and Commissioners have not recommended any new requests for these years. The forecast increase in these years is 6.7% in 2011 and 4.2% in 2012, for Base Budget purposes only, excluding the impact of the tax shift from the Region for Local Infrastructure Funding. These increases are largely due to new infrastructure constructed as part of the 2010 and 2011 Capital Budgets, most significantly the new Transit Facility, the Quad Pad Arena and QE Park. Table 12 shows the total Base Budget Increase for 2010, 2011 and 2012 by cost driver.

Table 12

Forecast Budget Increase

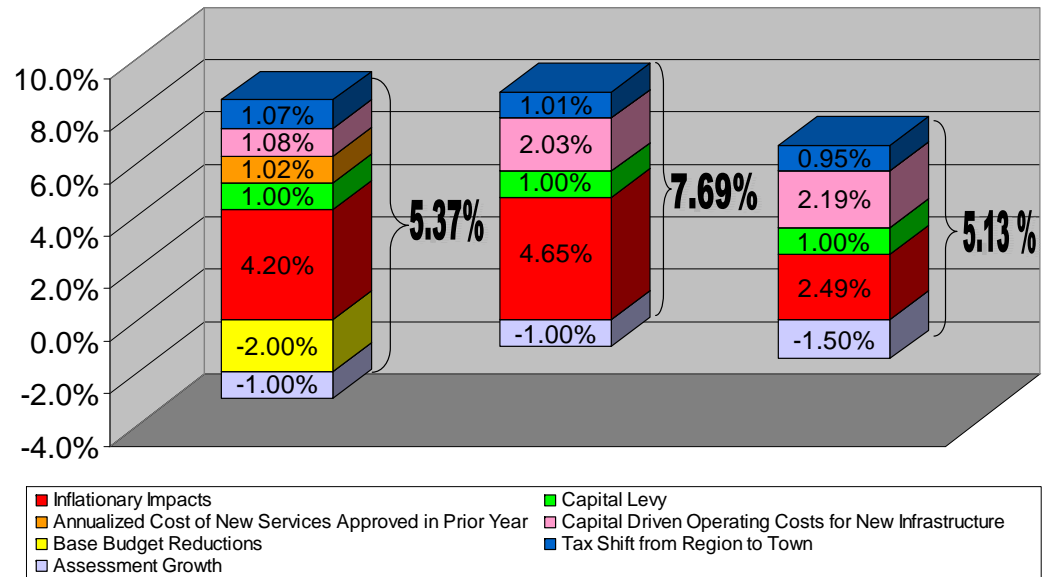


Table 13 shows the overall tax impact in 2011 and 2012, for the Town's Base Budget and the forecast increases in the Region of Halton and Education tax requirements.

**Table 13**  
Overall Tax Impact

	2010 Budget	2011 Budget	2012 Budget
Inflationary Impacts	4.20%	4.65%	2.49%
Budget Reductions Approved By EMT	-2.00%	0.00%	0.00%
Annualized Cost of New Services Approved in Prior Year	1.02%	0.00%	0.00%
Capital Driven Operating Costs for New Infrastructure	1.08%	2.03%	2.19%
Assessment Growth	-1.00%	-1.00%	-1.50%
<b>Total Base Operating Budget</b>	<b>3.30%</b>	<b>5.68%</b>	<b>3.18%</b>
Capital Levy	1.00%	1.00%	1.00%
<b>Total Base Budget</b>	<b>4.30%</b>	<b>6.68%</b>	<b>4.18%</b>
Recommended New Requests	0.00%	0%	0%
<b>Total Town Budget</b>	<b>4.30%</b>	<b>6.68%</b>	<b>4.18%</b>
Province of Ontario	0%	0%	0%
Region of Halton (1)	0.45%	3.80%	3.50%
Tax Shift from Region to Town	1.07%	1.01%	0.95%
<b>Overall Tax Bill Impact (%) (2)</b>	<b>2.10%</b>	<b>4.26%</b>	<b>3.22%</b>
<b>Overall Tax Bill Impact (\$'s per \$100,000 of assessment) (3)</b>	<b>\$21.48</b>	<b>\$44.46</b>	<b>\$35.08</b>

(1) Based on Region's forecast in 2010 Budget

(2) Total Tax Bill is 39.6% Region, 35.8% Town, 24.6% Education

(3) Exclusive of reassessment impacts

**Table 14**

## 2010 Operating Budget by Program

	2009	2009	2010	Base	2010	2010	2009 - 2010
	2009	YTD	Base	Budget	2010	2010	2009 - 2010
	Budget	Actuals	Budget	Change (%)	Requested	Requested	Change
					Adjustments	Budget	(%)
<b>EXPENDITURE BY PROGRAM</b>							
Political Governance	2,591,000	1,856,484	3,039,000	17.3%	0	3,039,000	17.3%
Administrative Executive Management	1,733,300	1,301,909	1,762,100	1.7%	0	1,762,100	1.7%
Internal Audit	146,300	117,358	149,700	2.3%	0	149,700	2.3%
Service Oakville	205,900	243	589,200	186.2%	0	589,200	186.2%
Strategy, Policy & Communications	865,100	851,454	868,100	0.3%	0	868,100	0.3%
Human Resources	2,125,400	1,393,136	2,117,900	-0.4%	0	2,117,900	-0.4%
Regulatory Services	2,676,800	1,919,226	2,631,500	-1.7%	0	2,631,500	-1.7%
Financial Services	4,946,100	3,899,237	5,026,300	1.6%	0	5,026,300	1.6%
Environmental Policy	660,400	426,579	666,300	0.9%	0	666,300	0.9%
Legal Services	1,734,700	1,772,649	2,125,500	22.5%	0	2,125,500	22.5%
Information Systems + Solutions	5,676,600	4,436,899	5,609,100	-1.2%	0	5,609,100	-1.2%
Capital Assets	1,927,200	1,589,479	2,043,900	6.1%	0	2,043,900	6.1%
Emergency Services	25,001,700	18,890,908	26,627,100	6.5%	0	26,627,100	6.5%
Recreation Services	17,833,800	13,509,984	19,124,300	7.2%	0	19,124,300	7.2%
Culture	3,953,800	3,182,170	4,060,700	2.7%	0	4,060,700	2.7%
Library	8,904,600	6,954,045	9,006,700	1.1%	0	9,006,700	1.1%
Parks & Open Space	16,605,300	12,602,780	17,119,600	3.1%	0	17,119,600	3.1%
Infrastructure Maintenance	23,586,200	16,203,287	24,197,800	2.6%	0	24,197,800	2.6%
Infrastructure Planning & Improvements	3,442,500	2,403,402	3,520,500	2.3%	0	3,520,500	2.3%
Parking	3,332,600	2,657,445	3,429,100	2.9%	0	3,429,100	2.9%
Oakville Transit	19,294,700	14,527,879	20,675,200	7.2%	0	20,675,200	7.2%
Economic Development	607,000	471,837	577,100	-4.9%	0	577,100	-4.9%
Building Services	7,438,400	5,234,876	6,850,400	-7.9%	0	6,850,400	-7.9%
Planning Services	5,373,500	3,645,270	5,206,800	-3.1%	0	5,206,800	-3.1%
Development Services	2,324,000	1,459,852	2,592,000	11.5%	0	2,592,000	11.5%
Corporate Revenue & Expenses	33,510,400	27,892,219	34,613,300	3.3%	0	34,613,300	3.3%
<b>Total EXPENDITURE BY PROGRAM</b>	<b>196,497,300</b>	<b>149,200,607</b>	<b>204,229,200</b>	<b>3.9%</b>	<b>0</b>	<b>204,229,200</b>	<b>3.9%</b>
<b>REVENUES</b>							
Activity Revenue	40,923,800	28,368,000	42,227,300	3.2%	0	42,227,300	3.2%
Internal Recoveries	12,862,000	8,271,243	13,515,200	5.1%	0	13,515,200	5.1%
Grants	1,051,500	815,036	1,094,000	4.0%	0	1,094,000	4.0%
Other Revenue	24,222,100	17,249,332	23,731,200	-2.0%	0	23,731,200	-2.0%
<b>Total Revenues</b>	<b>79,059,400</b>	<b>54,703,611</b>	<b>80,567,700</b>	<b>1.9%</b>	<b>0</b>	<b>80,567,700</b>	<b>1.9%</b>
<b>Tax Levy Requirement</b>	<b>117,437,900</b>	<b>94,496,996</b>	<b>123,661,500</b>	<b>5.3%</b>	<b>0</b>	<b>123,661,500</b>	<b>5.3%</b>
<b>Assessment Growth</b>							<b>1.0%</b>
<b>Tax Levy Requirement</b>							<b>4.3%</b>
<b>Local Infrastructure Funding Levy</b>			<b>1,255,400</b>			<b>1,255,400</b>	
<b>Total Tax Levy Requirement</b>	<b>117,437,900</b>	<b>94,496,996</b>	<b>124,916,900</b>	<b>6.4%</b>	<b>0</b>	<b>124,916,900</b>	<b>5.4%</b>

**Table 15**  
**2010 Operating Budget – Tax Levy by Program**

	2009 Budget	2009 YTD Actuals	2010 Base Budget	Base Budget Change (%)	2010 Requested Adjustments	2010 Requested Budget	2009 - 2010 Change (%)
<b>TAX LEVY BY PROGRAM</b>							
Political Governance	2,591,000	1,856,484	2,466,500	-4.8%	0	2,466,500	-4.8%
Administrative Executive Management	1,673,300	1,256,909	1,702,100	1.7%	0	1,702,100	1.7%
Internal Audit	146,300	117,358	149,700	2.3%	0	149,700	2.3%
Service Oakville	196,100	243	579,400	195.5%	0	579,400	195.5%
Strategy, Policy & Communications	865,100	844,729	868,100	0.3%	0	868,100	0.3%
Human Resources	2,102,100	1,373,943	2,114,600	0.6%	0	2,114,600	0.6%
Regulatory Services	1,400,500	944,323	1,423,100	1.6%	0	1,423,100	1.6%
Financial Services	4,693,300	3,685,805	4,651,900	-0.9%	0	4,651,900	-0.9%
Environmental Policy	660,400	426,579	666,300	0.9%	0	666,300	0.9%
Legal Services	1,623,300	1,635,569	1,628,100	0.3%	0	1,628,100	0.3%
Information Systems + Solutions	5,626,100	4,357,840	5,481,300	-2.6%	0	5,481,300	-2.6%
Capital Assets	1,701,400	1,229,620	1,995,100	17.3%	0	1,995,100	17.3%
Emergency Services	24,554,600	18,650,347	26,122,500	6.4%	0	26,122,500	6.4%
Recreation Services	7,363,000	5,793,730	7,796,500	5.9%	0	7,796,500	5.9%
Culture	1,877,300	1,636,813	1,926,000	2.6%	0	1,926,000	2.6%
Library	8,215,100	6,270,653	8,275,300	0.7%	0	8,275,300	0.7%
Parks & Open Space	11,735,700	8,499,647	12,029,900	2.5%	0	12,029,900	2.5%
Infrastructure Maintenance	15,706,300	10,503,087	16,098,800	2.5%	0	16,098,800	2.5%
Infrastructure Planning & Improvements	2,228,300	1,711,233	2,303,900	3.4%	0	2,303,900	3.4%
Parking	0	358,163	0	0.0%	0	0	0.0%
Oakville Transit	11,012,000	9,728,552	13,196,800	19.8%	0	13,196,800	19.8%
Economic Development	562,000	434,377	577,100	2.7%	0	577,100	2.7%
Building Services	123,200	1,642,786	1,119,500	808.7%	0	1,119,500	808.7%
Planning Services	2,640,000	1,710,804	2,491,500	-5.6%	0	2,491,500	-5.6%
Development Services	0	(420,182)	303,200	0.0%	0	303,200	0.0%
Corporate Revenue & Expenses	8,141,500	10,247,584	8,949,700	9.9%	0	8,949,700	9.9%
<b>Total TAX LEVY BY PROGRAM</b>	<b>117,437,900</b>	<b>94,496,996</b>	<b>124,916,900</b>	<b>6.4%</b>	<b>0</b>	<b>124,916,900</b>	<b>6.4%</b>
<b>Gross Expenditures by Type</b>							
Salaries, Wages, Benefits	102,641,400	78,725,532	106,079,600	3.3%	0	106,079,600	3.3%
Materials & Supplies	16,431,100	11,328,208	17,292,200	5.2%	0	17,292,200	5.2%
Purchased Services	24,979,200	16,497,807	25,525,100	2.2%	0	25,525,100	2.2%
Internal Charges	12,057,500	7,696,130	12,632,600	4.8%	0	12,632,600	4.8%
Other Expenditures	10,216,300	8,383,690	11,546,600	13.0%	0	11,546,600	13.0%
Minor Capital & Transfer to Reserves	30,171,800	26,569,240	32,408,500	7.4%	0	32,408,500	7.4%
<b>Gross Operating Expenditures</b>	<b>196,497,300</b>	<b>149,200,607</b>	<b>205,484,600</b>	<b>4.6%</b>	<b>0</b>	<b>205,484,600</b>	<b>4.6%</b>

Gross Expenditures include transfer to  
Infrastructure Levy Reserve

**Table 16**  
**2011-2012 Operating Budget by Program**

	2010 Requested Budget	2011 Preliminary Base Budget	Base Budget Change (%)	2011 Requested Adjustments	2011 Forecast Requested Budget	2010-2011 Change (%)	2012 Forecast Base Budget	2012 Requested Adjustments	2012 Forecast Requested Budget	2011-2012 Change (%)
<b>EXPENDITURE BY PROGRAM</b>										
Political Governance	3,039,000	2,613,400	-14.0%	0	2,613,400	-14.0	2,667,700	0	2,667,700	2.1
Administrative Executive Management	1,762,100	1,801,400	2.2%	0	1,801,400	2.2	1,848,200	0	1,848,200	2.6
Internal Audit	149,700	153,600	2.6%	0	153,600	2.6	158,200	0	158,200	3.0
Service Oakville	589,200	601,300	2.1%	0	601,300	2.1	615,900	0	615,900	2.4
Strategy, Policy & Communications	868,100	888,500	2.3%	0	888,500	2.3	912,600	0	912,600	2.7
Human Resources	2,117,900	2,202,800	4.0%	0	2,202,800	4.0	2,251,400	0	2,251,400	2.2
Regulatory Services	2,631,500	2,683,400	2.0%	0	2,683,400	2.0	2,737,000	0	2,737,000	2.0
Financial Services	5,026,300	5,205,000	3.6%	0	5,205,000	3.6	5,350,200	0	5,350,200	2.8
Environmental Policy	666,300	678,200	1.8%	0	678,200	1.8	693,700	0	693,700	2.3
Legal Services	2,125,500	2,045,700	-3.8%	0	2,045,700	-3.8	2,343,700	0	2,343,700	14.6
Information Systems + Solutions	5,609,100	6,019,200	7.3%	0	6,019,200	7.3	6,305,000	0	6,305,000	4.7
Capital Assets	2,043,900	2,288,100	11.9%	0	2,288,100	11.9	2,338,800	0	2,338,800	2.2
Emergency Services	26,627,100	27,680,400	4.0%	0	27,680,400	4.0	28,591,900	0	28,591,900	3.3
Recreation Services	19,124,300	22,094,700	15.5%	0	22,094,700	15.5	25,181,900	0	25,181,900	14.0
Culture	4,060,700	4,132,100	1.8%	0	4,132,100	1.8	4,204,800	0	4,204,800	1.8
Library	9,006,700	9,434,600	4.8%	0	9,434,600	4.8	9,946,800	0	9,946,800	5.4
Parks & Open Space	17,119,600	17,828,300	4.1%	0	17,828,300	4.1	18,620,100	0	18,620,100	4.4
Infrastructure Maintenance	24,197,800	25,367,400	4.8%	0	25,367,400	4.8	26,506,700	0	26,506,700	4.5
Infrastructure Planning & Improvements	3,520,500	3,654,100	3.8%	0	3,654,100	3.8	3,750,900	0	3,750,900	2.6
Parking	3,429,100	3,429,100	0.0%	0	3,429,100	0.0	3,429,100	0	3,429,100	0.0
Oakville Transit	20,675,200	21,874,800	5.8%	0	21,874,800	5.8	23,072,900	0	23,072,900	5.5
Economic Development	577,100	565,700	-2.0%	0	565,700	-2.0	540,500	0	540,500	-4.5
Building Services	6,850,400	7,369,300	7.6%	0	7,369,300	7.6	7,697,200	0	7,697,200	4.4
Planning Services	5,206,800	5,769,200	10.8%	0	5,769,200	10.8	5,739,400	0	5,739,400	-0.5
Development Services	2,592,000	2,936,800	13.3%	0	2,936,800	13.3	3,102,400	0	3,102,400	5.6
Corporate Revenue & Expenses	34,613,300	35,872,700	10.9%	0	35,872,700	3.6	38,371,700	0	38,371,700	7.0
<b>Total EXPENDITURE BY PROGRAM</b>	<b>204,229,200</b>	<b>215,189,800</b>	<b>6.6%</b>	<b>0</b>	<b>215,189,800</b>	<b>5.4</b>	<b>226,978,700</b>	<b>0</b>	<b>226,978,700</b>	<b>5.5</b>
<b>REVENUES</b>										
Activity Revenue	42,227,300	45,203,400	7.0%	0	45,203,400	7.0	49,126,300	0	49,126,300	8.7
Internal Recoveries	13,515,200	13,844,600	2.4%	0	13,844,600	2.4	14,056,500	0	14,056,500	1.5
Grants	1,094,000	1,094,000	0.0%	0	1,094,000	0.0	1,094,000	0	1,094,000	0.0
Other Revenue	23,731,200	21,863,800	-7.9%	0	21,863,800	-7.9	21,860,900	0	21,860,900	-0.0
<b>Total Revenues</b>	<b>80,567,700</b>	<b>82,005,800</b>	<b>1.8%</b>	<b>0</b>	<b>82,005,800</b>	<b>1.8</b>	<b>86,137,700</b>	<b>0</b>	<b>86,137,700</b>	<b>5.0</b>
<b>Tax Levy Requirement</b>	<b>123,661,500</b>	<b>133,184,000</b>	<b>9.7%</b>	<b>0</b>	<b>133,184,000</b>	<b>7.7</b>	<b>140,841,000</b>	<b>0</b>	<b>140,841,000</b>	<b>5.7</b>
<b>Assessment Growth</b>						<b>1.0</b>				<b>1.5</b>
<b>Tax Levy Requirement</b>						<b>6.7</b>				<b>4.2</b>
Local Infrastructure Funding Levy	1,255,400	2,510,800			2,510,800		3,766,200		3,766,200	
<b>Total Tax Levy Requirement</b>	<b>124,916,900</b>	<b>135,694,800</b>	<b>8.6</b>		<b>135,694,800</b>	<b>7.7</b>	<b>144,607,200</b>		<b>144,607,200</b>	<b>5.1</b>

**Table 17**  
**2011 - 2012 Operating Budget – Tax Levy by Program**

	2010 Requested Budget	2011 Preliminary Base Budget	Base Budget Change (%)	2011 Requested Adjustments	2011 Forecast Requested Budget	2010-2011 Change (%)	2012 Forecast Base Budget	2012 Requested Adjustments	2012 Forecast Requested Budget	2011-2012 Change (%)
<b>TAX LEVY BY PROGRAM</b>										
Political Governance	2,466,500	2,613,400	6.0%	0	2,613,400	6.0	2,667,700	0	2,667,700	2.1
Administrative Executive Management	1,702,100	1,741,400	2.3%	0	1,741,400	2.3	1,788,200	0	1,788,200	2.7
Internal Audit	149,700	153,600	2.6%	0	153,600	2.6	158,200	0	158,200	3.0
Service Oakville	579,400	591,500	2.1%	0	591,500	2.1	606,100	0	606,100	2.5
Strategy, Policy & Communications	868,100	888,500	2.3%	0	888,500	2.3	912,600	0	912,600	2.7
Human Resources	2,114,600	2,199,500	4.0%	0	2,199,500	4.0	2,248,100	0	2,248,100	2.2
Regulatory Services	1,423,100	1,462,000	2.7%	0	1,462,000	2.7	1,515,600	0	1,515,600	3.7
Financial Services	4,651,900	4,830,600	3.8%	0	4,830,600	3.8	4,975,800	0	4,975,800	3.0
Environmental Policy	666,300	678,200	1.8%	0	678,200	1.8	693,700	0	693,700	2.3
Legal Services	1,628,100	1,798,300	10.5%	0	1,798,300	10.5	2,096,300	0	2,096,300	16.6
Information Systems + Solutions	5,481,300	5,891,400	7.5%	0	5,891,400	7.5	6,177,200	0	6,177,200	4.9
Capital Assets	1,995,100	2,239,300	12.2%	0	2,239,300	12.2	2,290,000	0	2,290,000	2.3
Emergency Services	26,122,500	27,175,800	4.0%	0	27,175,800	4.0	28,087,300	0	28,087,300	3.4
Recreation Services	7,796,500	9,064,800	16.3%	0	9,064,800	16.3	11,166,900	0	11,166,900	23.2
Culture	1,926,000	1,997,400	3.7%	0	1,997,400	3.7	2,070,100	0	2,070,100	3.6
Library	8,275,300	8,703,200	5.2%	0	8,703,200	5.2	9,215,400	0	9,215,400	5.9
Parks & Open Space	12,029,900	12,539,200	4.2%	0	12,539,200	4.2	13,178,000	0	13,178,000	5.1
Infrastructure Maintenance	16,098,800	17,120,100	6.3%	0	17,120,100	6.3	18,086,900	0	18,086,900	5.6
Infrastructure Planning & Improvements	2,303,900	2,403,700	4.3%	0	2,403,700	4.3	2,481,500	0	2,481,500	3.2
Parking	0	0		0	0		0	0	0	
Oakville Transit	13,196,800	14,443,200	9.4%	0	14,443,200	9.4	15,488,700	0	15,488,700	7.2
Economic Development	577,100	565,700	-2.0%	0	565,700	-2.0	540,500	0	540,500	-4.5
Building Services	1,119,500	1,216,600	8.7%	0	1,216,600	8.7	127,900	0	127,900	-89.5
Planning Services	2,491,500	3,179,300	27.6%	0	3,179,300	27.6	3,306,200	0	3,306,200	4.0
Development Services	303,200	806,000	165.8%	0	806,000	165.8	764,400	0	764,400	-5.2
Corporate Revenue & Expenses	8,949,700	11,392,100	27.3%	0	11,392,100	27.3	13,963,900	0	13,963,900	22.6
<b>Total TAX LEVY BY PROGRAM</b>	<b>124,916,900</b>	<b>135,694,800</b>	<b>8.6%</b>	<b>0</b>	<b>135,694,800</b>	<b>8.6</b>	<b>144,607,200</b>	<b>0</b>	<b>144,607,200</b>	<b>6.6</b>
<b>Gross Expenditures by Type</b>										
Salaries, Wages, Benefits	106,079,600	111,379,800	5.0%	0	111,379,800	5.0	116,428,000	0	116,428,000	4.5
Materials & Supplies	17,292,200	18,845,100	9.0%	0	18,845,100	9.0	20,345,400	0	20,345,400	8.0
Purchased Services	25,525,100	26,090,000	2.2%	0	26,090,000	2.2	26,992,300	0	26,992,300	3.5
Internal Charges	12,632,600	12,945,200	2.5%	0	12,945,200	2.5	13,134,800	0	13,134,800	1.5
Other Expenditures	11,546,600	11,862,800	2.7%	0	11,862,800	2.7	12,184,800	0	12,184,800	2.7
Minor Capital & Transfer to Reserves	32,408,500	36,577,700	12.9%	0	36,577,700	12.9	41,659,600	0	41,659,600	13.9
<b>Gross Operating Expenditures</b>	<b>205,484,600</b>	<b>217,700,600</b>	<b>5.9%</b>	<b>0</b>	<b>217,700,600</b>	<b>5.9</b>	<b>230,744,900</b>	<b>0</b>	<b>230,744,900</b>	<b>6.0</b>
<b>Gross Expenditures include transfer to Infrastructure Levy Reserve</b>										

**Table 18  
Town Revenue Operating Budget Summary**

	2009 Budget	2009 Actuals- Projection	2010 Base Budget	Base Budget Change (%)	Requested 2010 Adjustments	2010 Requested Budget	% Change 2009/2010	Forecast 2011 Budget	Forecast 2012 Budget
<b>SOURCES OF REVENUE</b>									
Corporate Revenue									
Taxation	117,437,900	117,437,985	124,916,900	6.4%	0	124,916,900	6.4%	135,694,800	144,491,000
Supplementary Taxes	2,000,000	1,396,164	1,000,000	-50.0%	0	1,000,000	-50.0%	1,000,000	2,000,000
Local Improvement Collections	22,500	25,509	22,500	0.0%	0	22,500	0.0%	22,500	22,500
Payments in Lieu of Taxes	2,403,000	2,300,172	2,653,000	10.4%	0	2,653,000	10.4%	2,653,000	2,653,000
General Provincial Grants	305,000	228,750	305,000	0.0%	0	305,000	0.0%	305,000	305,000
Income from Investments	3,742,800	3,223,805	3,742,800	0.0%	0	3,742,800	0.0%	3,742,800	3,742,800
POA Halton Court Fines	530,000	282,318	530,000	0.0%	0	530,000	0.0%	530,000	530,000
Tax Penalty & Interest	2,430,000	2,526,496	2,430,000	0.0%	0	2,430,000	0.0%	2,430,000	2,430,000
Oakville Hydro Revenue	8,491,000	4,249,472	9,274,500	9.2%	0	9,274,500	9.2%	9,274,500	9,274,500
Subdivision Agreement Fees	407,300	0	0	-100.0%	0	0	-100.0%	0	0
Other Service Fees	1,400	0	1,400	0.0%	0	1,400	0.0%	1,400	1,400
Fund Balance and Transfer	500,000	120,039	500,000	0.0%	0	500,000	0.0%	500,000	500,000
<b>Total Corporate Revenue</b>	<b>138,270,900</b>	<b>131,790,710</b>	<b>145,376,100</b>	<b>5.1%</b>	<b>0</b>	<b>145,376,100</b>	<b>5.1%</b>	<b>156,154,000</b>	<b>165,950,200</b>
<b>Departmental Revenue</b>	<b>45,364,400</b>	<b>32,931,098</b>	<b>46,593,300</b>	<b>2.7%</b>	<b>0</b>	<b>46,593,300</b>	<b>2.7%</b>	<b>47,702,000</b>	<b>50,622,000</b>
<b>Internal Recoveries</b>	<b>12,862,000</b>	<b>8,324,691</b>	<b>13,515,200</b>	<b>5.1%</b>	<b>0</b>	<b>13,515,200</b>	<b>5.1%</b>	<b>13,844,600</b>	<b>14,056,500</b>
<b>TOTAL REVENUE</b>	<b>196,497,300</b>	<b>173,046,499</b>	<b>205,484,600</b>	<b>4.6%</b>	<b>0</b>	<b>205,484,600</b>	<b>4.6%</b>	<b>217,700,600</b>	<b>230,628,700</b>

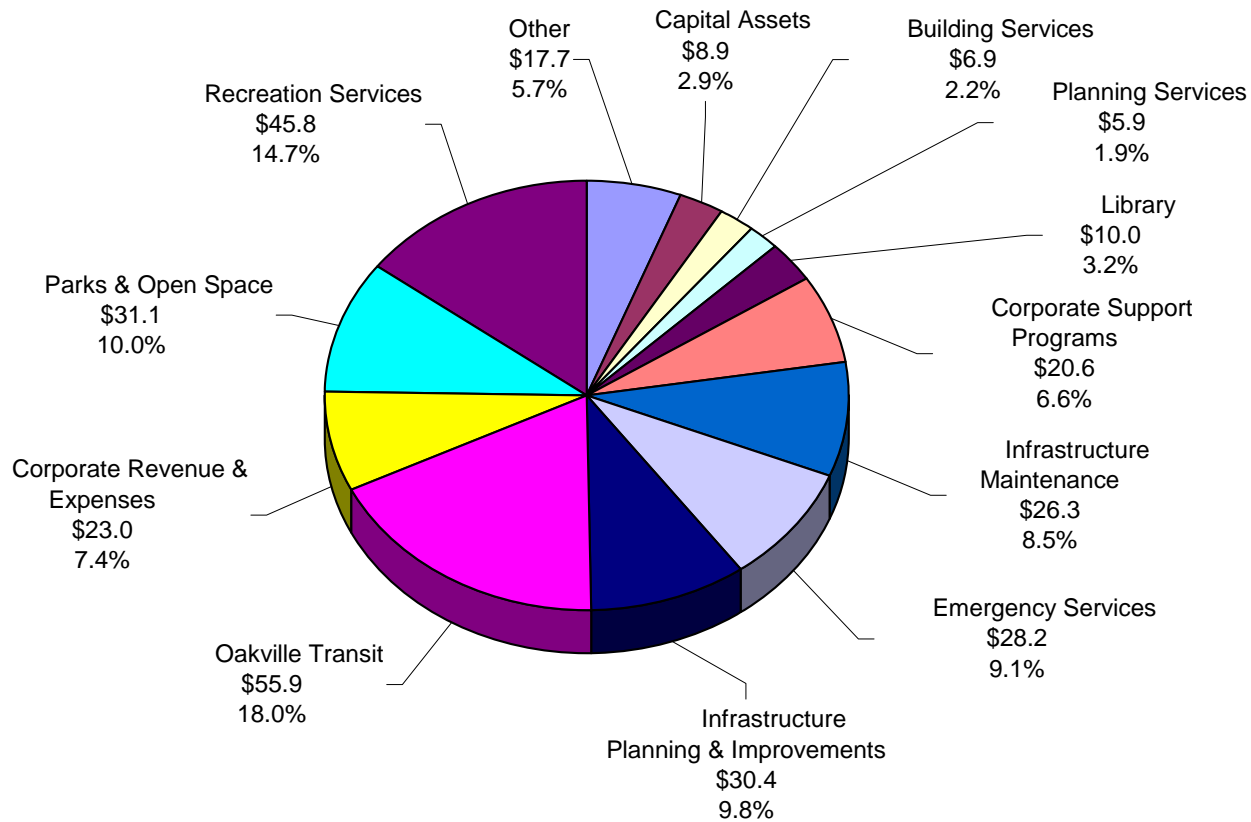
**Table 19**

2010 Council Identified Needs										
	FTEs Full Time	FTEs Part Time	2010 One Time	2010 Growth	2010 Service Level Change	2010 New Service	2010 Impact	2011 Impact	2012 Impact	Annualized Impact
2010 Identified Needs										
REC-2010 Two New Youth Centres	2.0	1.4	102,000	0	194,600	0	296,600	64,600	0	259,200
<b>Total Requests</b>	<b>2.0</b>	<b>1.4</b>	<b>102,000</b>	<b>0</b>	<b>194,600</b>	<b>0</b>	<b>296,600</b>	<b>64,600</b>	<b>0</b>	<b>259,200</b>

## 2010 TOTAL EXPENDITURES

The Table on the following page sets out the 2010 expenditure needs for all programs for both operating and capital. Total combined gross spending in 2010 is projected at \$310.7 million. The following chart shows the major areas of spending for the combined operating and capital programs.

### 2010 Capital & Operating Expenditures



Other includes Political Governance, Development Services, Regulatory Services, Environmental Policy, Culture, Parking and Economic

**Table 20**

**Town Summary Budgeted Expenditure and Revenue by Program (Operating & Capital)**

	2009		2009	2010		2010	2010	2010
	Gross Expenditures	2009 Revenue	Net Expenditures	Gross Expenditures	2010 Revenue	Net Expenditures	Capital Expenditures	Capital + Operating Expenditures
Department								
Programs								
Political Governance	2,591,000	0	2,591,000	3,039,000	(572,500)	2,466,500	0	3,039,000
Administrative Executive Management	1,733,300	(60,000)	1,673,300	1,762,100	(60,000)	1,702,100	0	1,762,100
Internal Audit	146,300	0	146,300	149,700	0	149,700	0	149,700
Service Oakville	205,900	(9,800)	196,100	589,200	(9,800)	579,400	0	589,200
Strategy, Policy & Communications	865,100	0	865,100	868,100	0	868,100	0	868,100
Human Resources	2,125,400	(23,300)	2,102,100	2,117,900	(3,300)	2,114,600	0	2,117,900
Regulatory Services	2,676,800	(1,276,300)	1,400,500	2,631,500	(1,208,400)	1,423,100	0	2,631,500
Financial Services	4,946,100	(252,800)	4,693,300	5,026,300	(374,400)	4,651,900	300,000	5,326,300
Environmental Policy	660,400	0	660,400	666,300	0	666,300	50,000	716,300
Legal Services	1,734,700	(111,400)	1,623,300	2,125,500	(497,400)	1,628,100	0	2,125,500
Information Systems + Solutions	5,676,600	(50,500)	5,626,100	5,609,100	(127,800)	5,481,300	2,045,000	7,654,100
Capital Assets	1,927,200	(225,800)	1,701,400	2,043,900	(48,800)	1,995,100	6,889,000	8,932,900
Emergency Services	25,001,700	(447,100)	24,554,600	26,627,100	(504,600)	26,122,500	1,575,000	28,202,100
Recreation Services	17,833,800	(10,470,800)	7,363,000	19,124,300	(11,327,800)	7,796,500	26,677,600	45,801,900
Culture	3,953,800	(2,076,500)	1,877,300	4,060,700	(2,134,700)	1,926,000	281,500	4,342,200
Library	8,904,600	(689,500)	8,215,100	9,006,700	(731,400)	8,275,300	1,030,000	10,036,700
Parks & Open Space	16,605,300	(4,869,600)	11,735,700	17,119,600	(5,089,700)	12,029,900	14,026,200	31,145,800
Infrastructure Maintenance	23,586,200	(7,879,900)	15,706,300	24,197,800	(8,099,000)	16,098,800	2,128,000	26,325,800
Infrastructure Planning & Improvements	3,442,500	(1,214,200)	2,228,300	3,520,500	(1,216,600)	2,303,900	26,877,600	30,398,100
Parking	3,332,600	(3,332,600)	0	3,429,100	(3,429,100)	0	115,000	3,544,100
Oakville Transit	19,294,700	(8,282,700)	11,012,000	20,675,200	(7,478,400)	13,196,800	35,266,000	55,941,200
Economic Development	607,000	(45,000)	562,000	577,100	0	577,100	0	577,100
Building Services	7,438,400	(7,315,200)	123,200	6,850,400	(5,730,900)	1,119,500	0	6,850,400
Planning Services	5,373,500	(2,733,500)	2,640,000	5,206,800	(2,715,300)	2,491,500	658,400	5,865,200
Development Services	2,324,000	(2,324,000)	0	2,592,000	(2,288,800)	303,200	120,000	2,712,000
Corporate Revenue & Expenses	33,510,400	(4,535,900)	28,974,500	35,868,700	(6,459,800)	29,408,900	0	35,868,700
	<b>196,497,300</b>	<b>(58,226,400)</b>	<b>138,270,900</b>	<b>205,484,600</b>	<b>(60,108,500)</b>	<b>145,376,100</b>	<b>118,039,300</b>	<b>323,523,900</b>
Less Operating and Capital Overlap	<b>(11,375,000)</b>			<b>(12,873,600)</b>				<b>(12,873,600)</b>
	<b>185,122,300</b>	<b>(58,226,400)</b>	<b>138,270,900</b>	<b>192,611,000</b>	<b>(60,108,500)</b>	<b>145,376,100</b>	<b>118,039,300</b>	<b>310,650,300</b>
Town Revenue			<b>126,895,900</b>			<b>132,502,500</b>		

## 2010 CAPITAL BUDGET AND FINANCING SUMMARY BY PROGRAM

COMMISSION/PROGRAM	Gross Cost	PROGRAM SPECIFIC FINANCING					Total Pr. Specific Financing	CORPORATE FINANCING					Total Corporate Financing	Total Proposed Financing
		Development Charges	Equipment Reserves	Gas Tax Funding	Other Reserves	Grants and Other Revenues		Local Infrastructure Reserve	Capital Reserve	Operating Contribution	Long Term Financing			
<b>GENERAL GOVERNMENT</b>														
Financial Services	300,000								300,000			300,000	300,000	
<b>Total GENERAL GOVERNMENT</b>	<b>300,000</b>								<b>300,000</b>			<b>300,000</b>	<b>300,000</b>	
<b>CORPORATE SERVICES</b>														
Capital Assets	6,889,000			1,324,000			1,324,000	342,400	1,148,000	4,074,600		5,565,000	6,889,000	
Information Systems & Solutions	2,045,000			125,000			125,000	365,000	1,310,000	245,000		1,920,000	2,045,000	
<b>Total CORPORATE SERVICES</b>	<b>8,934,000</b>			<b>1,449,000</b>			<b>1,449,000</b>	<b>707,400</b>	<b>2,458,000</b>	<b>4,319,600</b>		<b>7,485,000</b>	<b>8,934,000</b>	
<b>COMMUNITY SERVICES</b>														
Parks and Open Space	14,026,200	2,969,000	530,900		2,081,700	2,048,300	7,629,900	1,565,700		2,830,600	2,000,000	6,396,300	14,026,200	
Emergency Services	1,575,000	25,000	1,275,000				1,300,000			275,000		275,000	1,575,000	
Recreation	26,677,600	19,238,700			5,319,700	1,177,000	25,735,400	472,200	350,000	120,000		942,200	26,677,600	
Cultural Services	281,500				25,000		25,000	237,400		19,100		256,500	281,500	
Oakville Public Library	1,030,000	679,500					679,500		300,500	50,000		350,500	1,030,000	
<b>Total COMMUNITY SERVICES</b>	<b>43,590,300</b>	<b>22,912,200</b>	<b>1,805,900</b>		<b>7,426,400</b>	<b>3,225,300</b>	<b>35,369,800</b>	<b>2,275,300</b>	<b>650,500</b>	<b>3,294,700</b>	<b>2,000,000</b>	<b>8,220,500</b>	<b>43,590,300</b>	
<b>INFRASTRUCTURE &amp; TRANSP. SERVICES</b>														
Infrastructure Maintenance	2,128,000	760,500	862,000				1,622,500	385,000	74,500	46,000		505,500	2,128,000	
Infrastructure Planning and Improvements	26,877,600	16,843,900		2,050,000	83,000	152,120	19,129,020	1,580,000	1,228,280	4,940,300		7,748,580	26,877,600	
Parking	115,000						0			115,000		115,000	115,000	
Oakville Transit	35,266,000	103,500	2,067,530	7,562,900	1,857,470	20,124,600	31,716,000			150,000	3,400,000	3,550,000	35,266,000	
Environmental Policy	50,000			50,000			50,000					50,000	50,000	
<b>Total INFRASTRUCTURE &amp; TRANSP. SERVICES</b>	<b>64,436,600</b>	<b>17,707,900</b>	<b>2,929,530</b>	<b>9,662,900</b>	<b>1,940,470</b>	<b>20,276,720</b>	<b>52,517,520</b>	<b>1,965,000</b>	<b>1,302,780</b>	<b>5,251,300</b>	<b>3,400,000</b>	<b>11,919,080</b>	<b>64,436,600</b>	
<b>PLANNING, DEV &amp; BLDNG SERVICES</b>														
Planning Services	658,400	453,300					453,300		205,100			205,100	658,400	
Development Services	120,000	82,100					82,100		29,900	8,000		37,900	120,000	
<b>Total PLANNING, DEV &amp; BLDNG SERVICES</b>	<b>778,400</b>	<b>535,400</b>					<b>535,400</b>		<b>235,000</b>	<b>8,000</b>		<b>243,000</b>	<b>778,400</b>	
<b>TOTAL</b>	<b>\$ 118,039,300</b>	<b>\$ 41,155,500</b>	<b>\$ 4,735,430</b>	<b>\$ 11,111,900</b>	<b>\$ 9,366,870</b>	<b>\$ 23,502,020</b>	<b>\$ 89,871,720</b>	<b>\$ 4,947,700</b>	<b>\$ 4,946,280</b>	<b>\$ 12,873,600</b>	<b>\$ 5,400,000</b>	<b>\$ 28,167,580</b>	<b>\$ 118,039,300</b>	
Percentage of Total		34.9%	4.0%	9.4%	7.9%	19.9%	76.1%	4.2%	4.2%	10.9%	4.6%	23.9%	100.0%	

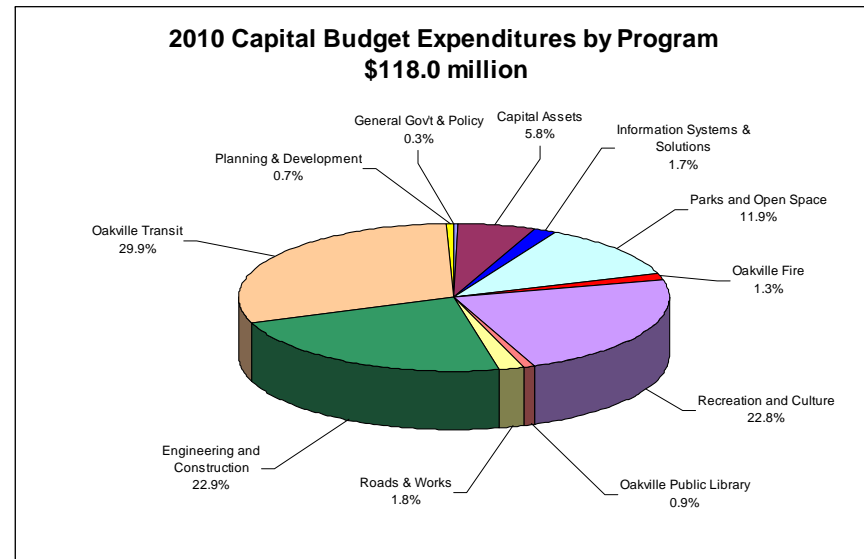
## THE 2010 CAPITAL BUDGET

As illustrated above, the total recommended 2010 capital budget includes expenditures of \$118.0 million. This represents an increase of \$32.7 million over the 2010 forecast included in the 2009 Budget Book. This increase is primarily due to new projects added or accelerated as a result of recent Government funding approved as part of the Infrastructure Stimulus and Recreation Infrastructure Canada (RInC) grant programs. Under these programs 66.6% of total project costs will be provided by Federal/Provincial Infrastructure Stimulus funding and 33.4% to be provided by Town sources. Therefore, of the \$32.7 million increase \$22.0 million will be funded by stimulus grants. Detailed project information is contained in 2010 Capital Budget and 10-year Financial Forecast Document.

The following charts and tables outline the major areas of expenditure and the financing sources to support these expenditures.

As shown in the graph, the Transit program has the largest capital expenditures in 2010 totaling \$35.3 million or 29.9% of the total Capital Budget. Of the \$35.3 million in transit expenditures, \$30.7 million relates to the commencement of the construction phase of the new Transit Facility as a result of the Infrastructure Stimulus funding. This project was originally forecasted to be constructed over the years 2012-2014 in the 2009 capital forecast. The second

largest program is Engineering and Construction representing 22.9% of total expenditures at \$27.0 million followed by Recreation and Culture at 22.8% with \$26.9 million. Finally, Parks and Open Space 2010 expenditures total \$14.0 million (11.9%) of which, \$2.6 million has been included to incorporate all weather turf at Bronte Athletic and North Park sports fields as a result of the RInC infrastructure stimulus funding approval. A third project to Rehabilitate Kinoak Arena in the amount of \$0.5 million was also approved as part of the RInC stimulus program which has been added to the 2010 Recreation capital budget.



The following table outlines the highest dollar value projects included in the 2010 Capital budget.

**Top 10 Largest Capital Projects**  
(\$ Millions)

Program	Project	2010 Budget
Transit	54200704 New Transit Facility Incl. Parking Ops	\$ 30.7
Recreation	46310804 Quad Pad Arena - (Design/Build)	13.3
Recreation	46600702 QEP Centre Design and Development	12.0
Engineering	53310610 NorthServiceRd-Invicta to Joshuas Creek	6.5
Engineering	53310906 Speers Rd- Bronte Rd to Procor	4.0
Engineering	53330901 Hot Mix Paving Program	3.2
Engineering	53310608 Mid Town & QEW Crossing	3.1
Transit	54411001 Replacement Buses	3.0
Engineering	53310703 Kerr St Widening & Grade Separation	2.8
Capital Assets	42100811 Acquisition of Police Building	2.5
<b>TOTAL</b>		<b>\$ 81.1</b>

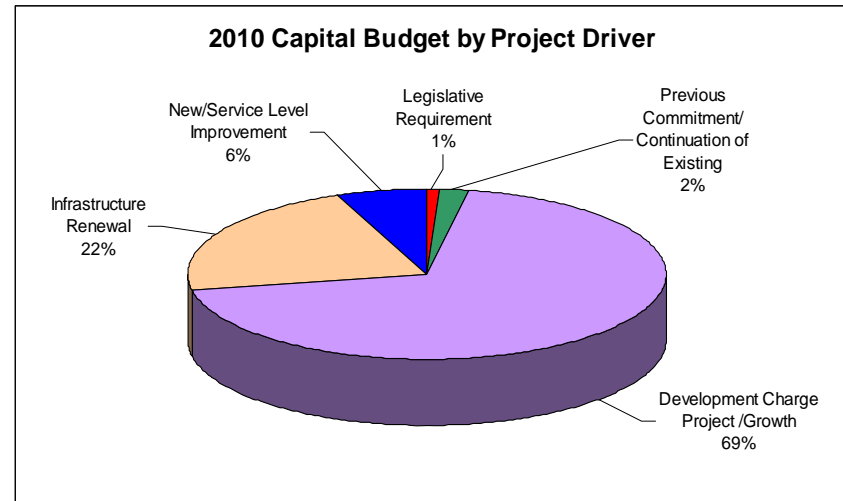
The above projects represent 68.6% of the total 2010 capital budget

As part of the Capital Budget process, staff ranked projects by type of program, to assist in determining which projects should be recommended. The categories used are as follows:

- Legislated requirement
- Committed projects or continuation of an existing project
- Growth related projects
- Infrastructure Renewal
- New projects

Legislated requirements refer to projects that must be completed to meet statutory or mandated initiatives, and are the highest priority for funding. Committed projects or continuation of existing projects represent previous priorities approved by Council and are considered the second highest priority for funding. Growth related projects are considered next as they are largely funded from development charges. The fourth category is infrastructure renewal, undertaken to maintain the existing infrastructure in a good state of repair. The last category represents new projects that have not previously been presented to Council.

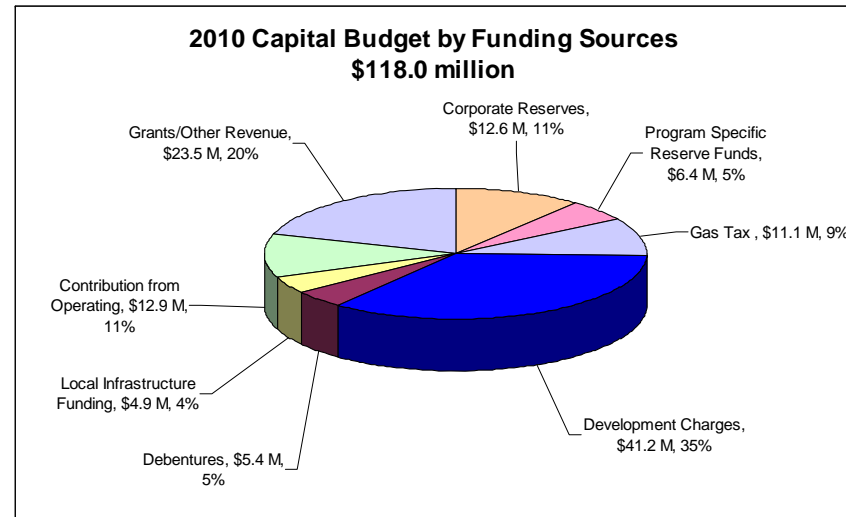
The chart below shows the allocation of the 2010 Capital Budget by these categories.



This illustrates that a significant portion of the budget is driven by Growth as Development/Growth related projects account for 69% of the total 2010 Capital Budget, whereby Infrastructure Renewal projects account for 22%. In addition, New/Service Level Improvement projects make up for 6% of the Capital Budget, Previous Commitments 2% and Legislative Requirements 1%.

Financing of the 2010 Capital Budget is provided by several different funding sources. As shown in this next chart the largest source of financing is Development Charges, which accounts for 35% of total funding at \$41.2 million. The next largest source is Grant and Other Revenues with \$23.5 million or 20% of over all project funding. As noted earlier, \$22.0 million in Provincial/Federal funding will be provided to support projects approved recently under the Infrastructure Stimulus and RInC programs. Other external sources of funding include Gas Tax Funding which accounts for \$11.1 million (9%) and Program Specific Reserve Funds with \$6.4 million (5%). The program specific reserve funds consist of the Parkland (cash in lieu of parkland deposits), Investing in Ontario grant funding and Ontario Bus Replacement program funds.

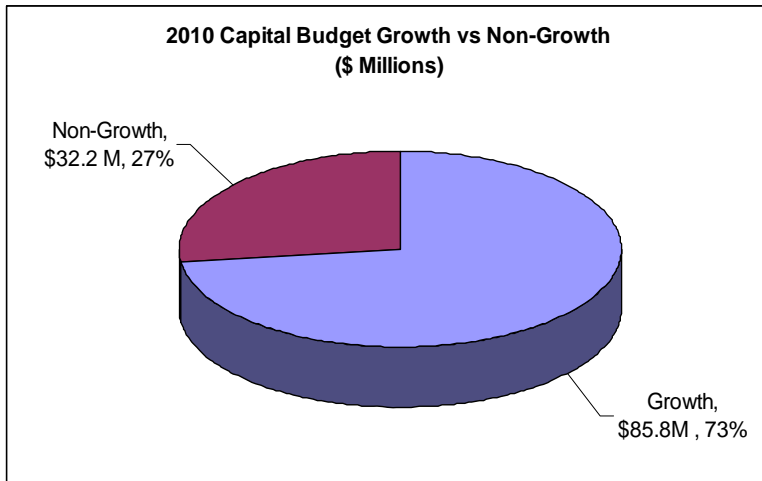
Corporate financing contributions include transfers from the operating budget totaling \$12.9 million (11%), transfers from corporate reserves \$12.6 million (11%) which consist primarily of equipment reserves and the general capital reserve and transfer from Local Infrastructure reserve at \$4.9 million (4%).



Finally, Debt financing is proposed at \$5.4 million (5%) of which \$3.4 million is required to help fund the Town's 33.3% share of the new Transit Facility and \$2.0 million to long-term finance the Oakville Harbour dredge which is required in 2010.

### Overview of Growth and Non-growth Capital

The following chart depicts projects recommended in the 2010 budget classified into growth and non-growth capital needs. The capital program is generally fairly equally split between non-growth and growth, although this can vary in any given year due to significant projects that may be implemented any given year.

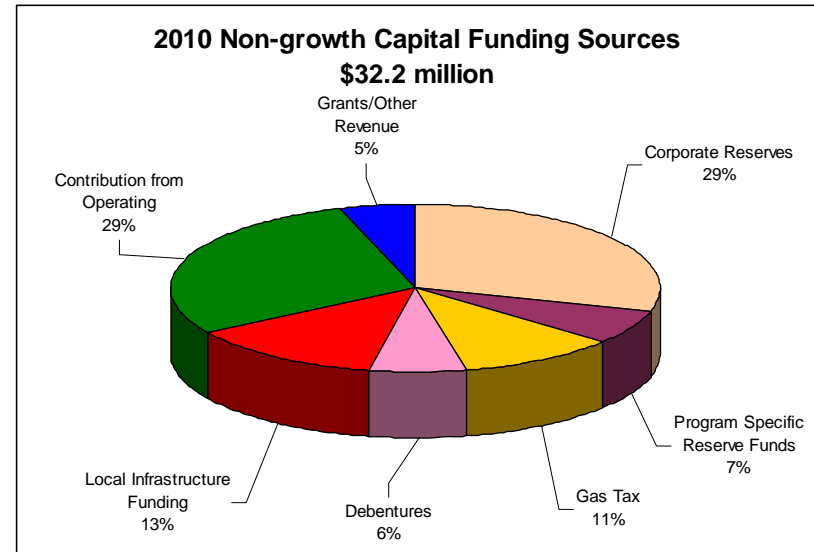


The non-growth capital needs of the Town consist predominantly of maintenance of existing infrastructure. These projects are funded from reserve and reserve fund contributions, property tax or the issuing of debentures. Various studies and financial models are utilized to determine the timing of these expenditures.

The Town will continue to undertake necessary studies to ensure the future capital forecasts are reflective of the need to keep our assets in a good state of repair. The implementation of capital asset accounting and asset management will greatly assist the Town in identifying its future infrastructure needs. Total non-growth expenditures in 2010 are \$32.2 million or 27%.

As illustrated in the next graph, financing of the 2010 non-growth capital program is primarily provided by contributions from operating and corporate reserves each representing 29% of the total financing. Other

significant sources of non-growth project financing are Local Infrastructure funding at 13% and gas tax funding at 11%. Debenture financing is used as a last source or for self supporting services such as Harbours and Parking.



2010 Growth capital requirements account for \$85.8 million or 73% of the total capital budget and represents the needs determined through the approved 2009 Development Charges study. These are projects required as a result of growth and consist of various services and programs such as new Transit Facilities and Buses, New Parks, New Recreation Facilities and additional Road Infrastructure. In 2010, the size of growth program is higher due to the inclusion of \$30.7 million to begin construction of the new Transit Facility.

The 2010 growth program is primarily funded by Town wide Development Charges representing 47% of total funding. The second largest source of financing is Grants and Other revenues at 26%. This is largely due to the 2/3<sup>rd</sup> share of the new Transit Facility which is being provided by Infrastructure Stimulus funding. The balance of funding is from contributions from corporate sources, program specific reserve funds and gas tax funds. These sources represent the financing required as a result of the 10% mandatory discount for soft services, any benefit to existing residents when expanding services (i.e. Road widenings) and the legislative calculation based on historic service levels.

