



## Terminology

**Contraction:** Reduction in services to reduce the general property tax revenue requirement.

**Net impact on tax:** The difference between department specific revenues less department expenditures results in a contribution or draw on general funding sources. Generally that funding source is taxation. Notes are provided where reserves, provisions, grants or other sources are anticipated.



## Terminology (cont'd)

**Four budgets were built, three will be discussed today:**

- Zero % scenario (scenario 1)
- Existing service level scenario (scenario 2)
- Management recommendation (scenario 4)



# Terminology

- **What does “zero %” mean and not mean?**
  - This is the change in the general property tax revenue needed in 2014 from that needed in 2013, with no adjustments for growth or non-market change;
  - This assumes the assessment base is unchanged as 2014 tax rolls are not yet available;
  - There is no consideration for how that tax requirement will be broken down to individual tax classes at this time;
  - With tax policy and legal caps, zero % may not translate to zero % to each tax class;
  - A further variable is that changes in property assessments may vary by property.



## Terminology (cont'd)

**What does “existing service level scenario” (scenario 2) refer to?**

- **This is the 2013 budget level**
  - Less:
    - All non-recurring initiatives or special projects and funding related thereto;
    - Any standard budget that is no longer required or historically under utilized.



## Terminology (cont'd)

- Plus:
  - Known or anticipated revenue changes;
  - Labour changes on existing and approved staffing levels;
  - Adjustments for known contractual changes:
    - RCMP, transit, leases, etc.;
    - Debt service on borrowing incurred, or budgeted to be incurred in 2013;
- This scenario maintains the 2013 level of contribution to capital and capital reserves.