



Department: Community and Corporate Services  
Division: Corporate Services

**APPROVED BY  
COUNCIL**

Report Number: 2012- 8

Date: February 27, 2012

**FEB 27 2012**

SUBJECT: 2012 Budget

**A. GRIGG**

CITY CLERK  
CITY OF PORT COLBORNE

**1) PURPOSE:**

This report is presented to Council for adoption and approval of the 2012 Operating and Capital Budget.

**2) HISTORY, BACKGROUND, COUNCIL POLICY, PRACTICES**

Budget deliberations commenced for the year 2012 with an overview presentation to the Committee of the Whole of Council on November 23, 2011. The budget was reviewed and discussed in great detail by the Committee for consideration of the operating and capital portions of the budget on December 5 and 13, 2011, January 23, 2012 and finalized on January 30, 2012.

The budget requirements for 2012 were very demanding with some difficult decisions being made by the Committee to arrive at a local municipal net tax levy requirement increase of 3.95%. Decisions were made regarding levels of service, new services, operating expenditures, capital projects and financing.

Staff initially presented to Council an operating budget with a 4.46% increase in net levy requirement being an increase of \$544,526 to a total local municipal net tax requirement of \$12,763,466. Staff recommended that Council strongly consider a minimum 10 year plan to increase the Capital Amortization amount by \$100,000 this year and each year thereafter for the next ten years. This plan would add \$1,000,000 to the existing capital levy of \$1,485,000 for a total of \$2,485,000, which while still short of the required \$3,200,000 in amortization to replace capital assets, helps reduce the capital infrastructure deficit to fund existing capital assets. In addition, it was recommended for Council to consider a minimum amount of \$200,000 be added to the levy for the requests/initiatives that continue to be required on an annual basis. In the past, these types of requests were funded from the hydro funds which are no longer available. The recommended increases were being requested by staff to be reviewed in conjunction with the Services Audit Review to determine any future savings in levels of services.

Council reviewed the listing of unfinanced requests and after deliberation of the items; various amounts were added to the levy budget amounting to \$296,000 plus \$100,791 for capital amortization. The levy requisition increased to 7.70% over 2011. Council reviewed staff's recommendations for capital projects to be funded from capital amortization (included in the base levy requisition) and made some changes for a total amount of capital projects of \$1,585,800. Council reviewed the Listing and Classification of Services as part of the Services Audit Review.

As it was announced recently that the Federal Gas Tax funding to municipalities will continue as permanent funding, the use of the Federal Gas Tax funds were reviewed and considered to fund Roads construction in the future. It was proposed that Council debenture \$500,000 in 2012 for Roads and reduce the capital levy by \$500,000. The Roads budget remains the same at \$900,000 and the cost of the debenture will be taken out of the existing Roads budget in 2013 with no impact on the tax levy. This reduced the tax levy requirement for 2012 to a levy increase of 3.61%. The above proposal maintains the funding for Roads, reduces the 2012 levy requisition, has permanent funding available for future capital projects from the Federal Gas Tax funds and allows for 2 years until the full dividends from Port Colborne Fibre Inc. become available for future projects.

With the recent announcement of the provincial funding through the Ontario Municipal Partnership Fund that the City would receive \$62,900 less in funding, the levy increased to 4.11%. Council reduced this increase to 4.06% and directed staff to consider further budget cuts.

Senior staff met and was prepared to present a combination of revenue increases and expenditure reductions which reduced the increase to 3.65% but upon review of budget items staff had to add \$50,000 to the street lighting budget for hydro. The cost for 2011 amounted to \$320,000 and the budget accounted for only \$270,000. In order to bring the levy increase to below 4%, staff further reviewed revenues and proposed a net reduction in expenditures of \$13,711 as listed on the schedule "Levy Funding Details" for a net levy requisition of \$12,701,541 or 3.95% increase over 2011's net levy of \$12,218,940. The net levy for 2012 includes \$1,085,800 for capital funding (plus \$500,000 debenture for Roads) of amortization and \$11,615,741 for general operations and services.

Staff and Councillors' proposed a number of Unfinanced Requests amounting to \$1,147,020 and capital projects amounting to \$2,509,700. Requests were reviewed by the Committee and it approved expenditures to be funded through various methods from reserve funds, partnerships, debt or added to the net levy as detailed in the attached 2012 Budget Worksheet Summary schedule. The capital projects were reviewed by the Committee and approved, many projects to be funded from the budgeted capital levy, debt and reserves/reserve funds as detailed in the attached Funding Capital Amortization schedule.

Capital projects discussed by the Committee which will require future long term borrowing include a Fire Rescue vehicle, Drains construction and Roads construction. The Parking Pay & Display Machines recommendation was deferred by Council pending a further report. Future reports will be brought to Council on each of these projects detailing costs and for long term borrowing to finance each project. Council did approve in principle the attached Debenture Financing schedule.

After detailed discussions on many issues presented, the following were approved for 2012 as per the attached schedules:

- Total operating expenditures of \$18,009,846
- Capital expenditures of \$1,085,800 for future capital amortization (included in tax levy)
- Total operating revenues/fees of \$6,394,105
- Net tax levy increase of \$482,601 to an amount of \$12,701,541
- Municipal net tax levy increase is 3.95%
- Residential tax rate decrease of 0.71% from 2011
- Approval of capital projects in the amount of \$300,000 for Fire Rescue vehicle and \$206,000 (city portion) for drains construction
- Approval to debenture for Roads construction amounting to \$500,000
- Approval of capital projects to be funded through debenture financing ranging from 10 to 30 years amortization (as per Debenture Financing schedule)
- Approval of projects to be financed from Federal Gas Tax Funds
- Approval of expenditures to be financed from reserves amounting to \$258,517
- Approval of funds to be transferred into reserves amounting to \$37,000

In addition, Council provided the following direction to staff:

- A future report will be brought to Council on each of the major capital projects detailing costs and to confirm the amount required for long term borrowing to finance each project.
- A future report will be brought to Council regarding the Parking Pay & Display Machines as this item was deferred for further consultation and information.

### **3) STAFF COMMENTS AND DISCUSSIONS**

The 2012 budget estimates for the operations and capital are presented to Council for adoption based on discussions and approvals of the Committee of the Whole of Council.

The 2012 budget estimates will be approved by by-law in accordance with Section 290(1) of the Municipal Act, 2001, as amended.

Staff advises that a net levy requirement increase of \$482,601 represents a 3.95% increase to the City levy. This provides for a slight decrease to the residential tax rate of 0.71% from 0.00725379 to 0.00720204 for 2012. With an approximate increase to assessed property values of 5% (being the 4<sup>th</sup> year of the assessment phasing program), the annual increase to the average residential homeowner with an assessment of \$168,735 amounts to approximately \$49.55.

The final tax rates for the City will be reported to Council and a by-law prepared in conjunction with the final tax rates for the Region and School Boards. The Regional tax rates (including education rates) and ratios/policy are approved by Regional Council. With this, a report would be presented to Council to pass all tax rates.

## Ontario Regulation 284/09 – Budget

Historically, municipal budgets have been developed on a cash requirement basis, including the funding of capital projects. Audit requirements have changed to require municipalities to report their tangible capital assets on the balance sheet and amortize the assets over their expected useful life. This results in the financial statements being prepared under the accrual basis of accounting, similar to most private corporations. The new accounting standards, however, do not require that municipal budgets be prepared on the same basis. We recommend that the City of Port Colborne continue to prepare budgets on the traditional cash requirement basis, as has been done for 2010, 2011 and also 2012.

Ontario Regulation 284/09 states that: “In preparing the budget for a year, a municipality or local board may exclude from the estimated expenses described in paragraph 3 of subsection 290(2) of the Municipal Act all or a portion of the following: Amortization expenses and Post-employment benefits expenses.”

Under Ontario Regulation 284/09, to continue budgeting on the cash basis, the municipality shall, before adopting a budget for the year that excludes any of the expenses for amortization or post-employment benefits, report on the excluded expenses and adopt, by resolution, that the 2012 budget has excluded the following non-cash expenses:

- Amortization expenses of tangible capital assets
- Post employment benefit expenses

As described previously in this report, amortization expenses are estimated to be approximately \$3,200,000 and a portion is excluded as a cost in the 2012 budget. Included in the budget are the cash requirements of \$1,585,800 for capital funding of amortization to fund the purchase of tangible capital assets. The cash requirements for funding the purchase of new assets are lower than the historical amortization expense and, therefore, the difference of \$1,614,200 is not budgeted.

The present value of post employment expenses are estimated at \$160,000 and are excluded as a cost in the 2012 budget. The budget contains \$272,500 for the current year's post employment benefit expense for the retired employees eligible for this expense.

#### **4) OPTIONS AND FINANCIAL CONSIDERATIONS:**

##### **a) Do nothing.**

This is not an option as budget estimates must be provided and approved by Council for the 2012 year as per the Municipal Act.

**b) Other Options**

- Council may change and establish new budget estimates
- The proposed 2012 budget for operating and capital purposes establishes the City's spending requirements for this year. There is a 3.95% tax levy increase and with the phase in of reassessment in 2012 the tax rate has decreased by 0.71% from the 2010 level. A residential property with an average home reassessed at \$168,735 (approximately 5% greater than last year at \$160,700) will have an increase to the City portion of their tax bill of approximately \$49.55 in 2012.

**5) COMPLIANCE WITH STRATEGIC PLAN INITIATIVES**

Not applicable

**6) ATTACHMENTS**

- Budget document with schedules
- By-law to Adopt the Estimates for the City of Port Colborne for its Own Operations for the year 2012

**7) RECOMMENDATION**

1. That Council, in compliance with Ontario regulation 284/09, hereby confirms and approves that the 2012 budget was developed using the cash basis and has excluded the following accrual expenses: a portion of the amortization expense which amounts to approximately \$1,614,200 and the full amount of post employment benefits expense which amounts to approximately \$160,000.
2. That the Council of the City of Port Colborne approves the 2012 Budget as presented.
3. That Council adopt the attached by-law for the estimates for all sums required for the operations for the year 2012

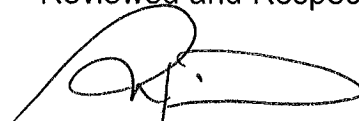
**8) SIGNATURES**

Prepared on February 10, 2012 by:



Peter Senese  
Director of Community and Corporate  
Services

Reviewed and Respectfully Submitted:



Robert J. Heil  
Chief Administrative Officer

**THE CORPORATION OF THE CITY OF PORT COLBORNE**

**BY-LAW NO. \_\_\_\_\_**

**BEING A BY-LAW TO ADOPT THE ESTIMATES  
FOR THE CITY OF PORT COLBORNE  
FOR ITS OWN OPERATIONS  
FOR THE YEAR 2012**

**WHEREAS** Section 290 of The Municipal Act, 2001, as amended, provides that Council shall in each year prepare and adopt estimates of all sums required during the year for the purposes of the municipality; and

**WHEREAS** it is necessary for the Council of the Corporation of the City of Port Colborne to raise for the year 2012 certain sums; and

**WHEREAS** the Council deems it necessary to comply with Ontario Regulation 284/09, regarding budgeting using the cash basis and excluding accrued amortization and post employment benefits expenses; and

**WHEREAS** the Council of the Corporation of the City of Port Colborne during its budget deliberations considered and accepted the estimates and requirements of the municipality for the year 2012.

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY  
OF PORT COLBORNE ENACTS AS FOLLOWS:**

1. (a) (i) That the 2012 budget was developed using the cash basis and has excluded the following accrual expenses: a portion of the amortization expense which amounts to approximately \$1,614,200 and the full amount of post employment benefits expense which amounts to approximately \$160,000.
- (ii) That the estimates set out in Department of Community and Corporate Services, Corporate Services Division Report No. 2012-8, attached hereto and forming part of this By-law, be adopted.
- (iii) That the summary of 2012 budget estimates on Schedule "A" be adopted.

(b) That the estimates to be raised by levy on Schedule "A" be adopted.

**READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS  
27TH DAY OF FEBRUARY, 2012.**

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Vance Badawey  
MAYOR

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Ashley Grigg  
CITY CLERK

SCHEDULE "A"

2012 BUDGET

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Operations	6,394,105	18,009,846
Capital (Levy Funded)		1,085,800
Capital (Debt Funded)	1,006,000	1,006,000
	<hr/>	<hr/>
	7,400,105	20,101,646

Tax Levy

General Operation	12,701,541
Business Improvement Area-Downtown	20,000
Business Improvement Area-Main Street	10,000





CITY OF PORT COLBORNE  
LEVY FUNDING DETAILS  
2012

					Levy Increase
Levy Requirement for 2011				<u>12,218,940</u>	
Net Levy Requirement-Jan 23 2012				12,715,252	4.06%
<b>Expenditure Reductions</b>	Budgeted	Proposed	Reduction		
Council					
Councillors conferences	10,000	8,000	(2,000)		
Town crier	2,300	500	<u>(1,800)</u>	(3,800)	
CAO					
Travel	4,517	3,517	(1,000)		
Physician Recruitment Incentives	10,000	-	(10,000)		
Corp services				(10,000)	
Airport commission	17,990	15,160	(2,830)		
Fire				(2,830)	
Dispatch	62,400	60,069	(2,331)		
Hydrant Rental	1,000	-	<u>(1,000)</u>	(3,331)	
Public Works					
DDB expenses	2,050	1,000	(1,050)		
Tree replacement	6,000	3,000	<u>(3,000)</u>	(4,050)	
Engineering					
bridge inspections	10,000	5,000	(5,000)		
Street Lighting	270,000	320,000	<u>50,000</u>	45,000	
Community Services					
photocopy	550	2,050	1,500		
				1,500	
	<u>396,807</u>	<u>418,296</u>		<u>21,489</u>	
<b>Increased Revenue</b>					
Prov Gas Tax-Transit	(78,600)	(85,300)	(6,700)		
Tax Arrears Cert	(18,500)	(20,000)	(1,500)		
Burial Permits	(3,500)	(4,500)	(1,000)		
Commissioner Fees	(1,300)	(2,300)	(1,000)		
Provincial Offences Revenues	(30,000)	(35,000)	(5,000)		
Penalty/Interest on taxes	(330,000)	(340,000)	(10,000)		
Supplementary taxes	(55,000)	(65,000)	(10,000)		
	<u>(516,900)</u>	<u>(552,100)</u>		<u>(35,200)</u>	
				<u>(13,711)</u>	
Proposed Net Levy Requirement				<u>12,701,541</u>	3.95%

**CITY OF PORT COLBORNE  
INITIAL 2012 LEVY SUMMARY**

**2011 Tax Levy**

12,218,940

**New Revenues**

Ministry of Natural resources	(5,000)	
Planning revenue	(16,000)	
User Fee Increases	(12,100)	
	<u>-0.27%</u>	<u>-33,100</u>

**Loss of Revenues**

Suppl/PIL taxes	38,170	
Roselawn	20,000	
TK Arena	130,000	
TK Arena-direct costs	(138,000)	
Pool revenue	19,500	
	<u>0.57%</u>	<u>69,670</u>

**Non Controllable Costs**

Salaries/Wages/Benefits	2.24%	273,884	
Utilities/Telephone	-0.03%	(3,693)	
Convention Centre Sponsorship	0.05%	6,000	
Insurance/claims	0.13%	16,000	
Health & Safety	0.06%	7,400	
Debentures	-0.05%	(6,156)	
Health&Wellness Centre	0.25%	30,000	
Library	0.12%	14,262	
			<u>337,697</u>

**Other Costs**

Staff Development	11,090	
Special Events	30,000	
Operations	42,890	
Contract Services	38,325	
Other	20,487	
Repairs/Maintenance/Materials	27,467	
	<u>1.39%</u>	<u>170,259</u>

544,526 4.46%

**Initial Proposed 2012 Tax Levy**

12,763,466 4.46%

**CITY OF PORT COLBORNE  
2012 BUDGET  
FUNDING CAPITAL AMORTIZATION  
FUNDS TRANSFERRED TO CAPITAL PROJECTS**

**Traditional Allocation of Budgeted Capital Funds**

**Capital Replacement Requests**

	2011 budget	2012 Est Cost	Capital Levy Funds	Reserve Funds	Debt	Defer Funding
Sidewalk Replacements	75,000	75,000	75,000			
Road Resurfacing Program	900,000	900,000	400,000		500,000	
Museum	28,000					
Computers	47,500	48,000	48,000			
Library	50,000	50,000	35,000			15,000 per library capital budget
Parking Pay/Display machine	8,000	9,000	9,000			\$8,000 in reserve from 2010
Equipment	261,000	300,000	300,000			
Facility Conservation	61,000					
Fire Dept		9,500	9,500			
		10,800	10,800			
		300,000			300,000	up to \$300,000 debenture
Parks Playground Equipment		150,000	50,000			partnerships/grants
HH Knoll Park		8,000	8,000			
Animal Shelter		18,500				18,500
Trail Maintenance						\$100,000 in reserve from 2010
Capital Reserve	54,509					

**Total Budgeted Capital Funds**

1,485,009

**New Capital Requests**

West St Washroom Facility		30,000				30,000 defer to Downtown CIP
Downtown		28,500				28,500 defer to Downtown CIP/BIA partnership
Museum		5,000	5,000			replenish Heritage Archives Reserve-4 yrs
		5,000	5,000			Archives specialized equipment
		10,000	5,000			5,000 school house roof/tea room painting
Museum/Library		15,000				15,000 Phase 2 of shelving
Park Fitness Centre		30,000				30,000 security cameras
Parks-Winterized water chamber		28,700				28,700
Parks		3,500				3,500 partnerships/grants
East Village/Victoria Park		35,000				35,000
		3,000				3,000 defer to East Waterfront CIP
		23,700				23,700 defer to East Waterfront CIP
		?				? \$20,800 replace OR \$4,000 renovate
		5,000				5,000 defer to East Waterfront CIP
		?				? per memo
East Village Action Committee		20,000	20,000			
T A Lannan Complex		39,500	39,500			
Engineering		87,000				87,000 4 road areas
		90,000				90,000 Lakeshore Road West
Council Request		19,000	19,000			
		25,000	25,000			approved by Council-well cost est \$5,000
		107,000		52,000		33,000 from capital reserve
		21,000	22,000			various locations-7 @ \$3,000 each
		<u>2,509,700</u>	<u>1,085,800</u>	<u>52,000</u>	<u>800,000</u>	<u>538,900</u>
Total New Capital Requests						
Future Capital Amortization			(100,791)			
Funds Available in capital levy			(1,485,009)			
Reduction to net levy requirements			(500,000)			

Debt allocated to Roads-future Fed gas tax funds

**CITY OF PORT COLBORNE**  
**CAPITAL PROJECTS**  
**2011 to 2015**

	2011	2012	2013	2014	2015	Funding/Comments	Annual Debt Charge	Financed By
Operations Centre - fuel tanks	160,000					2012 Debenture - 10 yrs	included w/design	Tax Levy 2013
Operations Centre - design	800,000					2012 Debenture - 10 yrs	124,236	Tax Levy 2013
Operations centre - Construction			5,700,000			2013 Debenture - 30 yrs	414,099	Tax Levy 2014
Skateboard Park - option 1	500,000					2012 Debenture - 10 yrs	64,706	Tax Levy 2013
- option 2	700,000						90,589	
Fire Vehicles						Debenture - 15 yrs @6%	30,889	Tax levy 2013
- Tanker		300,000				Debenture - 15 yrs @6%	38,611	Tax levy 2016
- Engine 2					375,000			
Drains Construction		206,000				2012 Debenture - 10 yrs	26,659	Tax Levy 2013
Parking Pay & Display Machines		120,000				2012 Debenture - 10 yrs	15,530	parking revenues-no impact on tax levy
Storm Sewers						See information below		
Downtown CIP						in progress		
Waterfront Development CIP						in progress		
Roselawn Improvements						report provided - 2010	deferred	long term improvements req'd
Industrial Park - lands/services						report provided - 2010	deferred	future debentures
Sanitary Sewers			1,550,000			Debenture - 10 yrs	200,590	Sewer budget existing capital funds existing capital funds
Sanitary Sewers				490,000				
Water			1,000,000			Debenture - 10 yrs	129,413	Water Budget existing capital funds existing capital funds
Water	450,000	100,000	400,000	656,000				
	<u>2,610,000</u>	<u>726,000</u>	<u>8,650,000</u>	<u>1,146,000</u>	<u>375,000</u>			
Storm Sewers						no funding available without debentures or grants		Designs done in 2010/2011
- Rosemount	3,800,000							
- Clark St Area	6,000,000							
- Steele/Killaly St W Area	4,750,000							

Note: 2011 capital projects for the Operations Centre and Skateboard Park were approved in principle subject to further reports to Council for detailed costing and long term borrowing

CITY OF PORT COLBORNE  
DEBENTURE FINANCING  
INFRASTRUCTURE ONTARIO LOAN PROGRAM

AMOUNT		10 YEARS	20 YEARS	30 YEARS	40 YEARS
	<b>2012 Debenture Issue</b>	2.69%	3.43%	3.74%	3.85%
\$960,000	Operations Centre (30 years)				
	Annual Cost	110,130	66,726	53,510	47,236
	Levy % Increase	0.90%	0.55%	0.44%	0.39%
	Total Interest cost	\$141,300	\$374,520	\$645,300	\$929,440
\$700,000	Skatepark (20 years)				
	Annual Cost	80,304	48,654	39,018	34,442
	Levy % Increase	0.66%	0.40%	0.32%	0.28%
	Total Interest cost	\$103,040	\$273,080	\$470,540	\$677,680
\$300,000	Fire Vehicle (20 years)				
	Annual Cost	34,416	20,852	16,722	14,760
	Levy % Increase	0.28%	0.17%	0.14%	0.12%
	Total Interest cost	\$44,160	\$117,040	\$201,660	\$290,400
\$206,000	Drain Construction-City Cost (10 years)				
	Annual Cost	23,632	14,318	11,482	10,136
	Levy % Increase	0.19%	0.12%	0.09%	0.08%
	Total Interest cost	\$30,320	\$80,360	\$138,460	\$199,440
	<b>Total Levy Increase for debt in 2013</b>	<b><u>146,648</u></b>			
		<b><u>1.20%</u></b>			
	<b>Estimated operating increase in 2013 (no debt)</b>	<b><u>3.00%</u></b>			
	<b>Total Estimated levy increase 2013</b>	<b><u>4.20%</u></b>	<b>(debt plus operating)</b>		
\$500,000	Roads (20 years)				
	Annual Cost	57,360	34,754	27,870	24,602
	Levy % Increase	0.47%	0.28%	0.23%	0.20%
	Total Interest cost	\$73,600	\$195,080	\$336,100	\$484,080
	<b>Cost to be recovered from Roads capital budget-no impact on tax levy</b>				
\$3,000,000	Health & Wellness Centre Sponsorships				
	Annual Cost (10 years)	344,158	208,520	167,218	147,612
	Levy % Increase	2.82%	1.71%	1.37%	1.21%
	Total Interest cost	\$441,580	\$1,170,400	\$2,016,540	\$2,904,480
	<b>Require \$3,500,000 in sponsorship funds to pay debenture-no impact on tax levy</b>				
\$120,000	Parking Pay & Display (deferred for further report to Council)				
	Annual Cost (10 years)	13,766	8,340		
	Levy % Increase	0.11%	0.07%		
	Total Interest cost	\$17,660	\$46,800		
	<b>Cost to be recovered from increased revenue and maint budget-no impact on tax levy</b>				
	<b>2013 Debenture Issue affecting 2014 budget</b>				
\$5,700,000	Operations Centre (30 years)				
	Annual Cost	653,900	396,190	317,714	280,462
	Levy % Increase	5.36%	3.25%	2.61%	2.30%
	Total Interest cost	\$839,000	\$2,223,800	\$3,831,420	\$5,518,480

**CITY OF PORT COLBORNE  
FEDERAL GAS TAX REVENUES  
2012**

<b>2008/2009 Funds (net of Charlotte St project costs)</b>		204,896
<b>2009 Funds</b>		599,499
		804,395
<b>2009 Projects</b>		
- Vehicle Replacements	350,000	
- Michener Road Concrete Box Culvert	50,000	
- Snider Road Drainage Basins	40,000	
- Eagle Marsh Drain @ Scholfield (East Wall)	25,000	
- Storm Sewer Designs (Clarke, Rosemount, Elm Areas)	150,000	
		615,000
		189,395
<b>2010 Funds</b>		570,524
		759,919
<b>2010 Projects</b>		
Roads	80,000	
New Sidewalks	35,000	
Traffic Signals	320,000	
Storm Sewer Flushing Program	50,000	
City Hall Renovations		
Front Vestibule	30,000	
HVAC System	85,000	
New Roof	150,000	
		750,000
		9,919
<b>2011 Funds</b>		570,524
<b>2011 Projects</b>		
- City Hall HVAC System (Council approved Jan 10/11)		50,000
- Storm Sewer Infrastructure Needs Study		100,000
		430,443
<b>2012 Funds</b>		570,524
		1,000,967
<b>2012 Projects</b>		
- Community Centre Project		1,000,000
		967
<b>2013 Funds</b>		570,524
<b>2013 Funds Available</b>		571,491

**Note: Federal Gas Tax Funds were announced to be permanent funding beyond 2014**

**CITY OF PORT COLBORNE  
2012 BUDGET  
FUNDING OUT OF RESERVES AND RESERVE FUNDS  
REDUCTION TO TAX LEVY**

Employee Benefits Reserve	
Human Resources	10,000
Pensioners Benefits	15,000
Green Shield Benefits	15,000
OMERS	38,000
Industrial Park Development Reserve	
Industrial Park Debenture	43,017
Planning Reserve	
Official Plan OMB (potential)	30,000
Transit Reserve	
City Hall front vestibule	15,000
Capital Reserve	
City Hall front vestibule	40,000
Parking Reserve	
Parking Machines	15,500
Museum Reserve	
1812 Anniversay project	20,000
Lorraine Bay Reserve	
Water Quality study	10,000
Development Charges Reserve	
Library	7,000
	<u>258,517</u>

**TRANSFERS INTO RESERVES  
INCLUDED IN TAX LEVY**

Elections	10,000
Drains Maintenance	22,000
Museum Replenish Hertiage Archives reserve	5,000
	<u>37,000</u>

Note: Under new PSAB accounting rules Reserves are now considered surplus funds although Council can continue to track funds for the specific projects as earmarked by Council as allocated surplus (formerly reserves)



**CITY OF PORT COLBORNE  
ONTARIO MUNICIPAL PARTNERSHIP FUND**

	2005	2006	2007	2008	2009	2010	2011	2012
Community Reinvestment Fund	359,000							
Ontario Municipal Partnership Fund	1,487,430	1,593,238	1,718,315	1,718,315	1,718,315	2,377,100	2,438,600	2,446,900
Ontario Municipal Partnership Fund - New				552,800	658,785	61,500	8,300	(62,900)
	1,846,430	1,593,238	1,718,315	2,271,115	2,377,100	2,438,600	2,446,900	2,384,000
Funds applied to tax levy	590,000	798,000	875,706	1,718,315	1,778,315	2,438,600	2,446,900	2,384,000
Funds applied to levy during budget					504,618			
	<u>1,256,430</u>	<u>795,238</u>	842,609	552,800	94,167	0	0	0
2007 Funding Required								
- Tax Appeal Outstanding			-170,000	0	0	0	0	0
Funds Available			<u>672,609</u>	<u>552,800</u>	<u>94,167</u>	0	0	0

**Recommendation**

staff recommend that the OMPF funding \$2,384,000 be applied to the general operations budget as grant revenue for its intended purpose of assessment equalization