

CITY OF PORT COLBORNE



OPERATING AND CAPITAL BUDGET

February 1, 2017

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Agenda

- Sources of revenue
- Operating Levy Summary
- Ontario Municipal Partnership Fund
- Unfinanced Requests and Funding
- Capital Funds Available
- Capital Projects and Funding
- Current Debt Update
- 2016/2017 Debentures
- Capital Projects and Debentures

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Current Sources of Revenue

- Tax Levy –Operating & Capital
- User Fees
- Grant Program (Hydro Funds Invested)
- Ontario Municipal Partnership Funds
- Debentures for capital projects
- Federal Gas Tax Revenues
- Reserves & Reserve Funds
- Provincial OCIF Program

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Additional Revenue Sources

- New assessment growth – very limited
- Increase in user fees
- Capital charge on user fees - % or \$
- Net proceeds from NRBN sale
- Area surcharge for new projects financed by debentures – Storm Sewers
- Increase in capital tax levy – 1% annually
- Tax room – Region & Education
- Matured debentures for capital projects

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Operating Levy Summary

- Base budget increase – 2.25%
 - Capital budget increase – 0.98%
 - Loss of revenues – 0.20%
-
- Proposed 2017 Tax Levy Increase – 3.43%
 - Proposed 2016 Tax Levy Increase – 4.11%

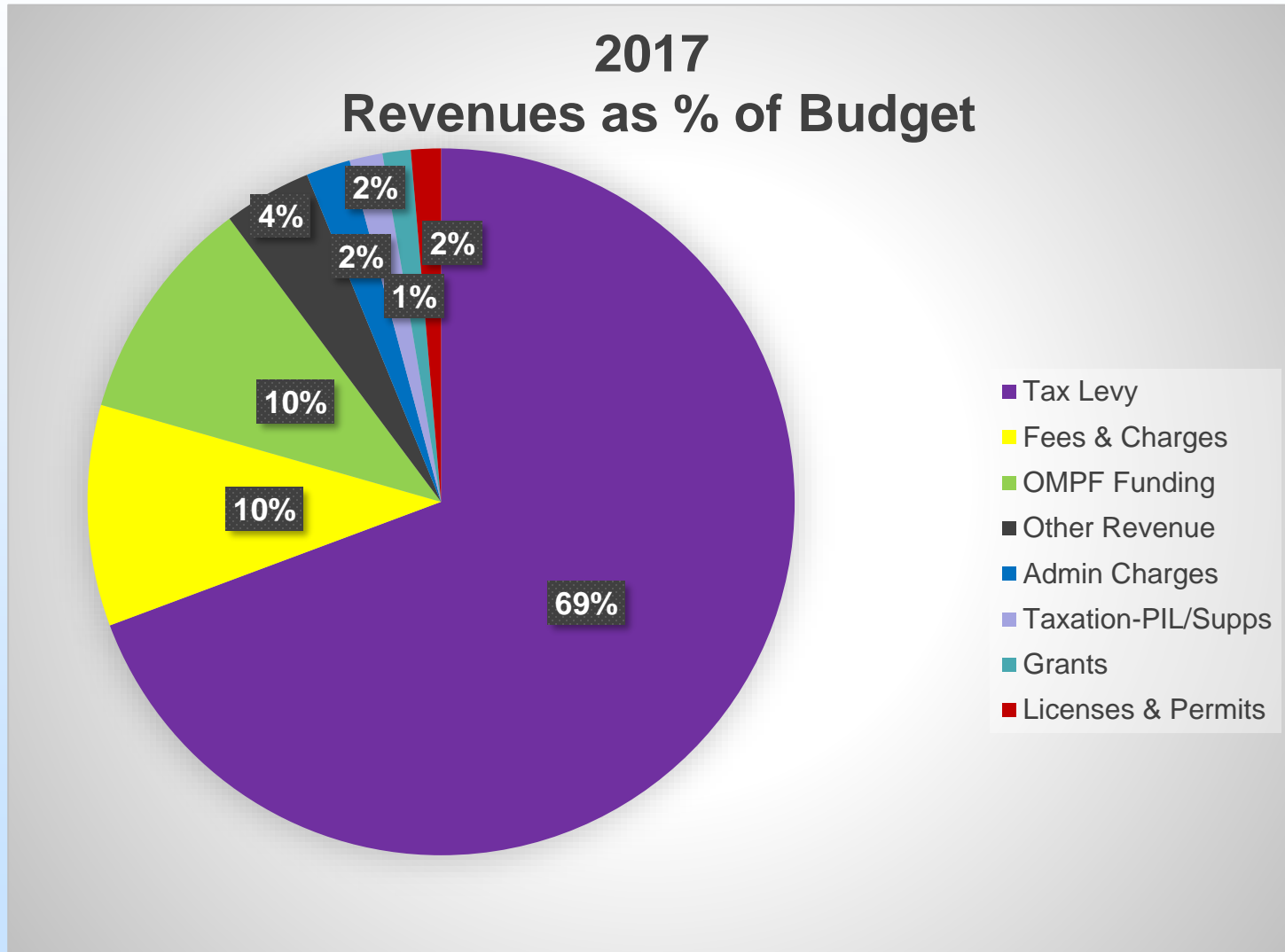
Note: Above Levy Increases prior to any additions for debentures or new requests/initiatives

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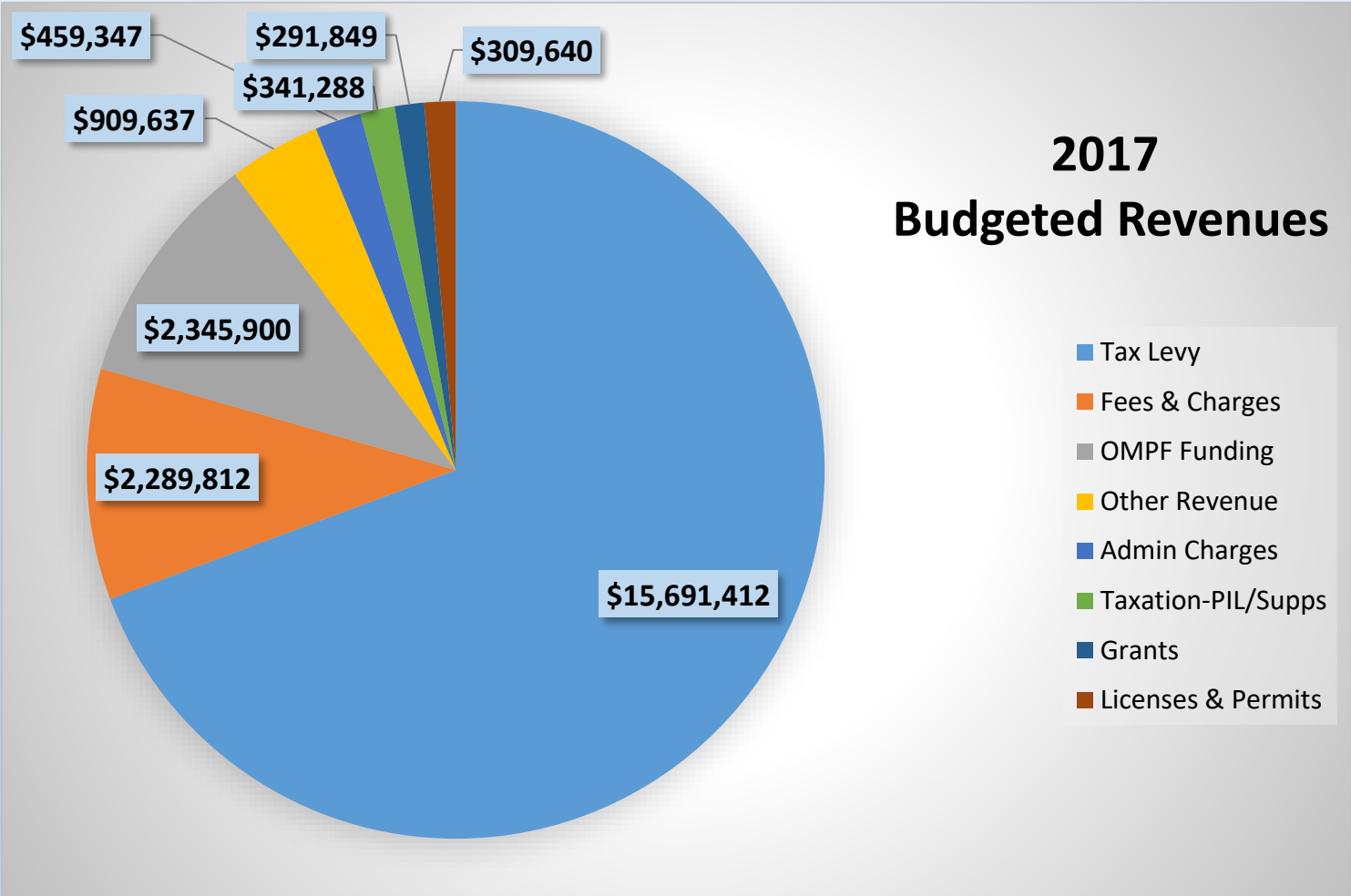
Operating Levy Summary

- Proposed 2017 Tax Levy Increase – 3.43%
 - Utilities increase – 1.12%
 - Oper. Centre (debenture balance) – 1.86%
 - Additional staff requests – 2.54%
- Potential 2017 Tax Levy Increase – 8.95%

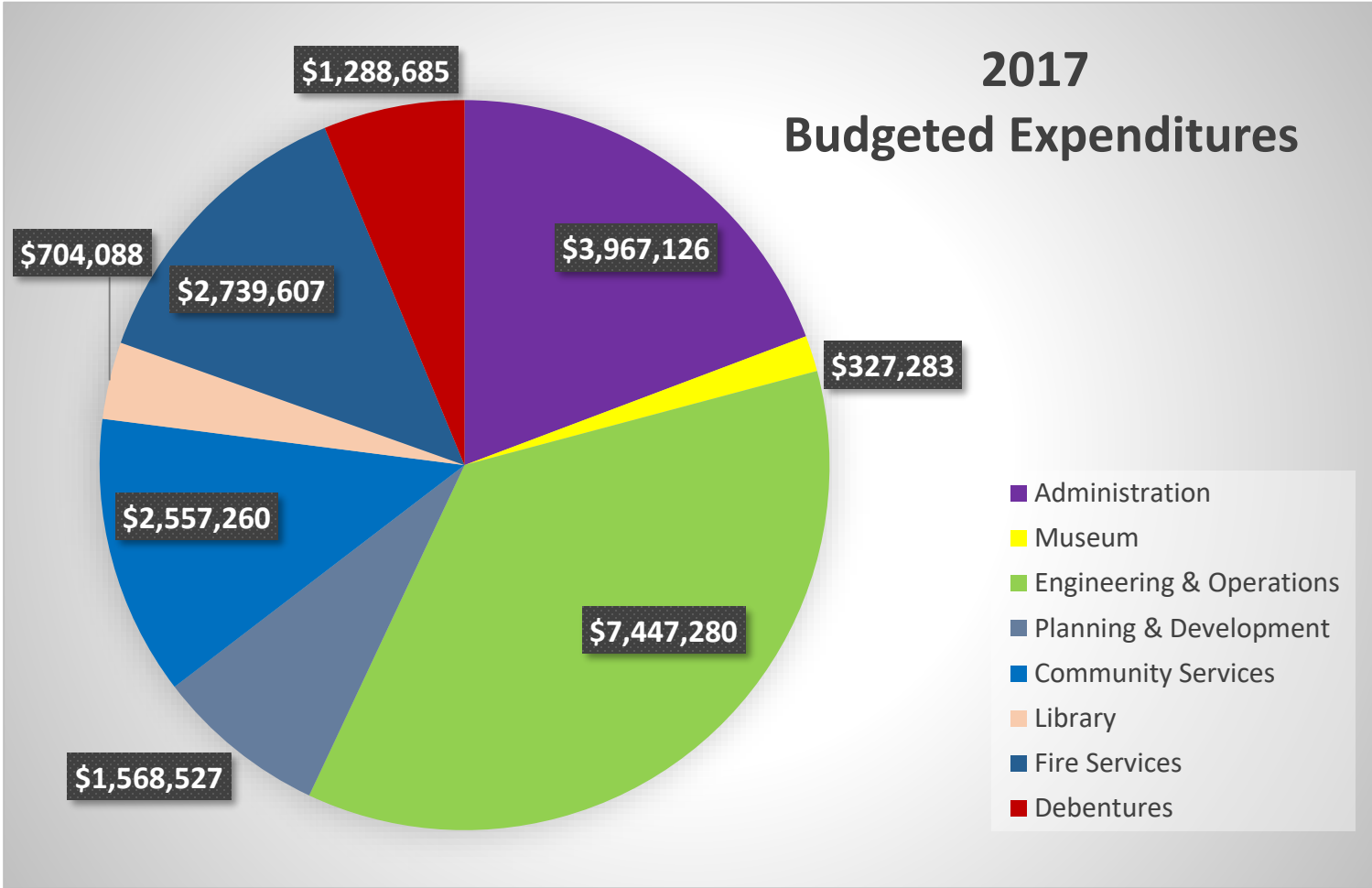
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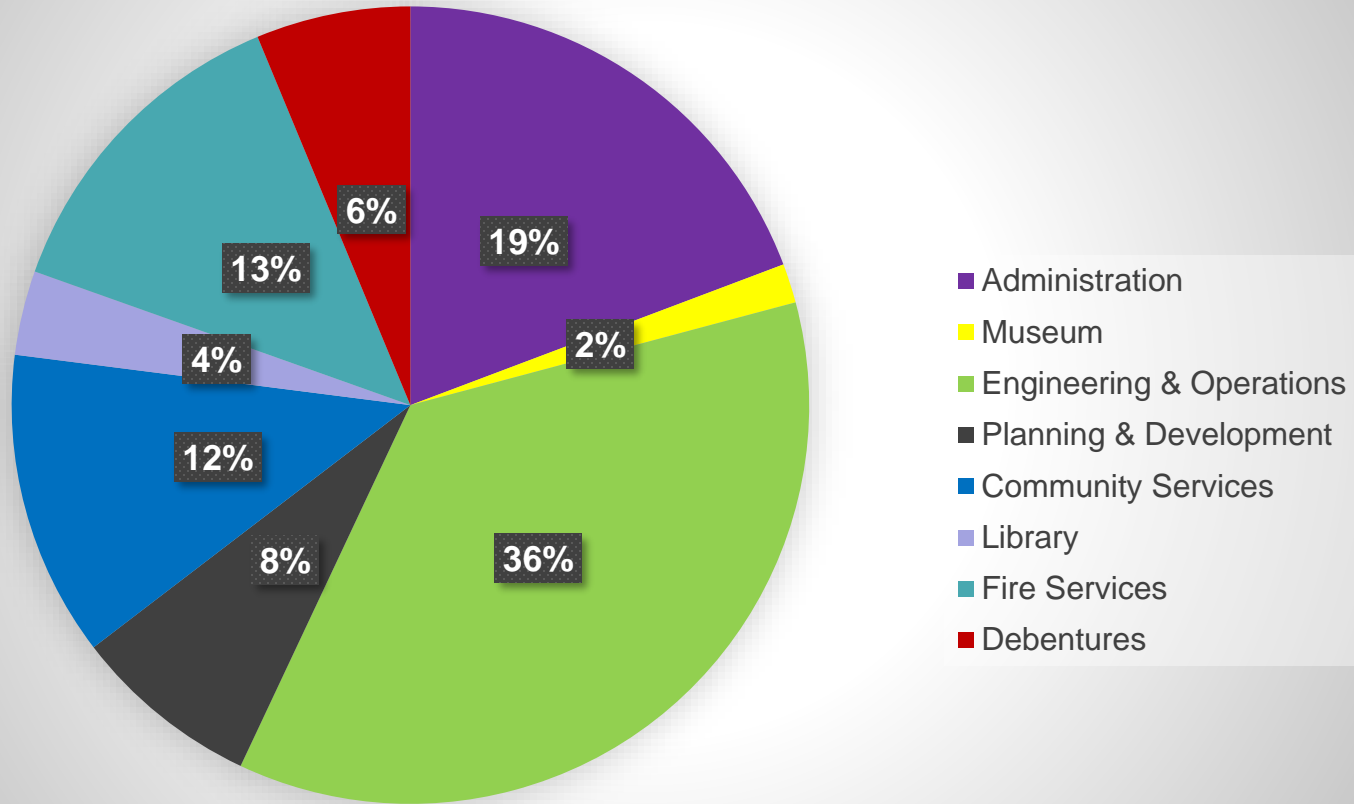


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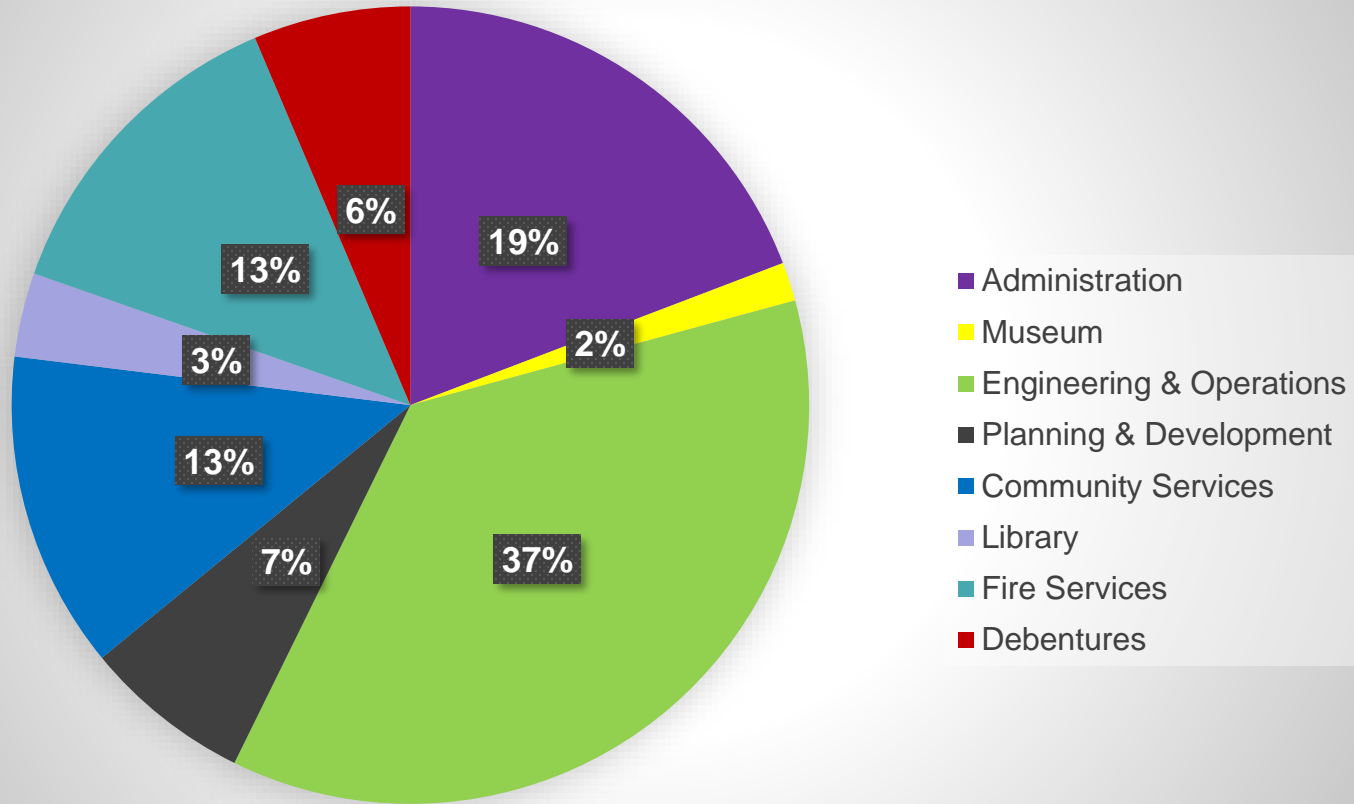
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2017
Expenditures as % of Budget




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2016
Expenditures as % of Budget



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OMPF Funding



➤ 2016 Funding	\$2,772,100
➤ 2017 Funding	\$2,800,100
• Operating levy	\$2,345,900
• One time requests	\$ 279,500
• Capital projects	\$ 174,700

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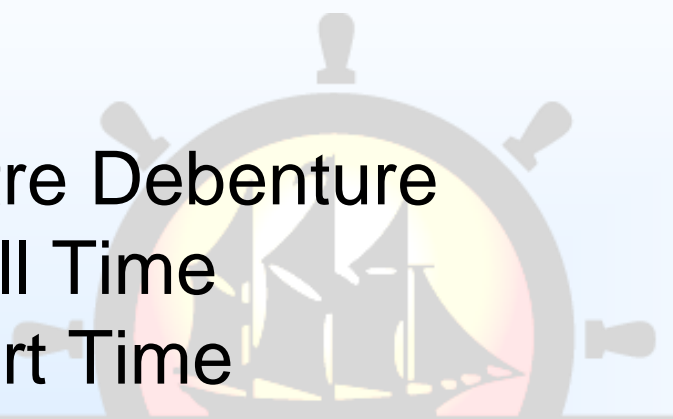
Unfinanced Requests & Funding



➤ Total Requests	\$1,657,838
• OMPF funding	\$ 279,500
• Reserve funds	\$ 520,566
• Increased revenue	\$ 4,196
• Deferred funding	\$ 8,000
• Potential levy increase	\$ 845,576

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Potential Levy Increase



➤ Total Amount	\$ 845,576
• Utilities	\$ 171,600
• Oper. Centre Debenture	\$ 285,000
• Staffing Full Time	\$ 80,633
• Staffing Part Time	\$ 82,023
• Marina capital reserve	\$ 25,000
• Staff Development	\$ 15,000
• Operations	\$ 110,000
• Canal Days Festival	\$ 48,000
• CIP Incentives	\$ 22,000
• Other	\$ 6,320
➤ Potential levy increase – from 3.43% to 8.95%	

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Capital Funds Available




➤ Federal Gas Tax	\$ 560,148
➤ OCIF	\$ 182,945
➤ OMPF	\$ 174,700
➤ Net Proceeds sale of NRBN	\$6,166,292
➤ Capital Levy	\$1,590,260
➤ Capital Levy – 1%	\$ 150,000
➤ Development Charges	\$ 173,000
➤ Matured Debentures	\$ 248,298
➤ Reserves and Reserve Funds	\$ 741,900
➤ Future Matured Debentures	
➤ Provincial/Federal Grants	

Depreciation Deficit based on Historical Cost and Time Lifecycle

Total Depreciation (tax levy supported), 2015	<u>\$4,222,161</u>
Capital levy for depreciation	\$1,705,260
Library levy for depreciation	\$35,000
OCIF Funding	\$182,945
Federal Gas Tax	<u>\$560,148</u>
2017 Depreciation Funding	<u>\$2,483,353</u>
2017 NET DEPRECIATION DEFICIT (41%)	<u>\$1,738,808</u>
2016 NET DEPRECIATION DEFICIT (47%)	<u>\$2,007,240</u>

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Capital Levy Projects & Funding



➤ Total Project Estimated Cost	\$3,908,952
• Capital Levy	\$1,740,260
• Reserve funds	\$ 650,400
• Federal Gas Tax	\$ 617,500
• OCIF Grant	\$ 96,592
• OMPF Funds	\$ 114,200
• Canada 150 Grant	\$ 190,000
• Public Transit Grant Program	\$ 96,500
• Debenture	\$ 360,000
• Deferred funding	\$ 43,500

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New Capital Projects & Funding



➤ Total Project Estimated Cost	\$ 544,754
• OMPF Funds	\$ 60,127
• OCIF Funds	\$ 86,353
• Reserve funds	\$ 91,500
• Donations/Grants	\$ 18,000
• Deferred funding	\$ 288,774

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Debenture Guidelines

Annual Repayment Limit

- Provincial Repayment Limit \$5,391,531
(25% of Revenues)
- City Repayment Limit \$4,313,225
(20% of Revenues)
- Current Debt Charges \$2,689,384
- City Available Debt Payt Limit \$1,623,841
- Prov Available Debt Payt Limit \$2,702,147

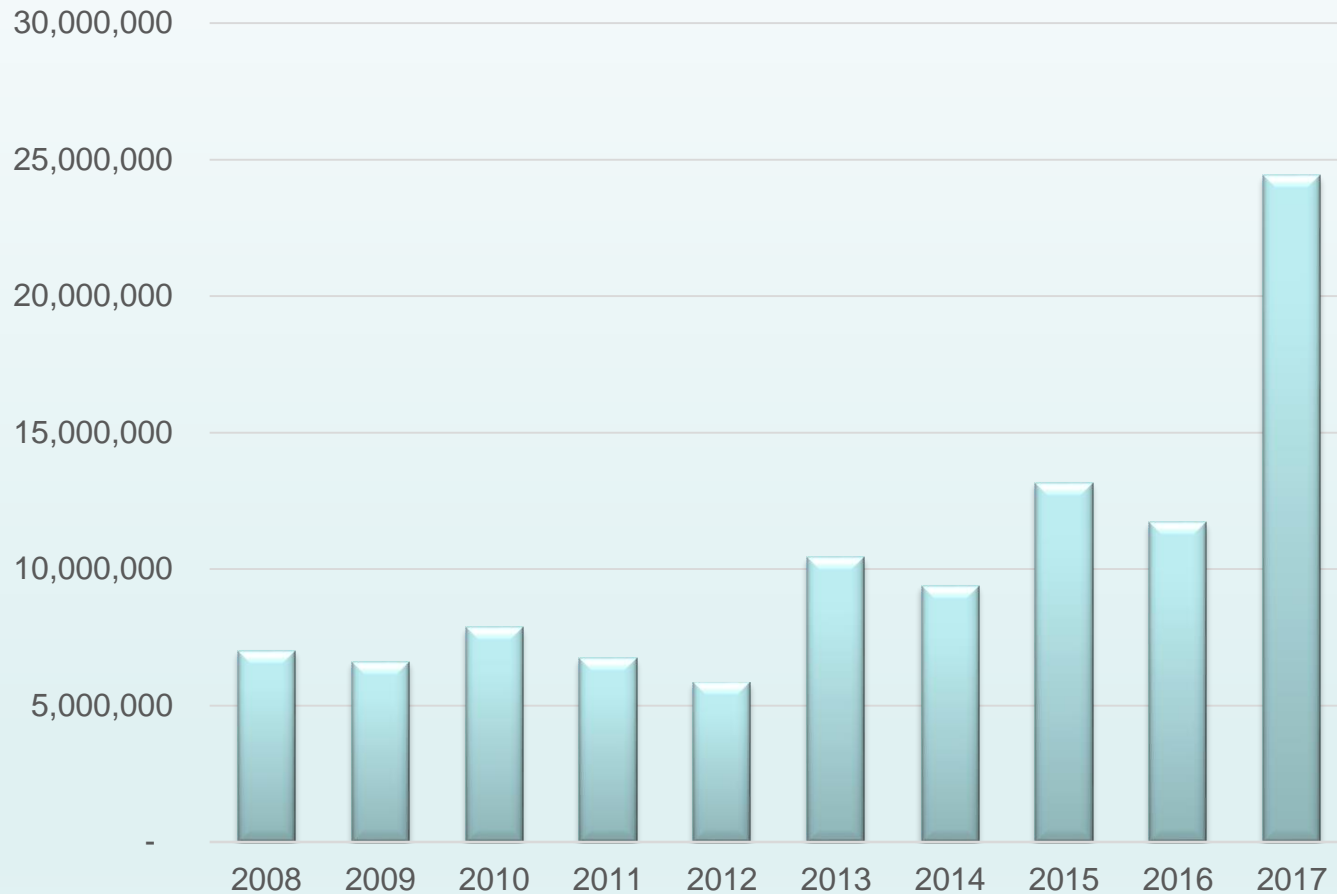
With 2016 approved debt to be issued in 2017

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New Long Term Borrowing

- City Available Debt Payt Limit \$1,623,841
- The maximum long term borrowing available at current rates is:
 - \$14,000,000 on 10 Year debenture
 - \$22,500,000 on 20 Year debenture
 - \$28,400,000 on 30 Year debenture
- Emergency Debt Room (Provincial to City)
 - \$1,078,300 Limit or \$8,332,300 debt

City of Port Colborne Debt as at December 31



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2016/2017 Debentures

Project	2017 Debenture	Annual Repayment	2016 Levy	2017 Levy	2018 Levy
Employ Lands design	450,000	31,300	31,300		
Oper Centre- soft costs/ construction	13,780,000	767,000	377,000	390,000	
Oper Centre- soft costs/ construction				195,000	195,000

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Funding Options

Goal	Levy for \$767,000	Lessen impact on ratepayers
Option	Spread increase over 2016, 2017 and 2018	\$377,000 levied in 2016 \$390,000 remain to be levied
Funding 1	Increase levy for 2017	\$390,000
Funding 2	Spread levy increase over 2017 and 2018	\$195,000 each of 2017 & 2018
Funding 3	Use of Tax Room Available -overall tax increase at 2%-3% -potential \$195,000 to \$390,000	Dependant on other tax levy additions and potential decrease to Education tax rate

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Capital Projects Ranking

Project Name/Description	Ranking
New Operations Centre	1
Nickel and Omer Area Sewersheds CSO Program	2
Roselawn Heritage Building	3
Elm Street Watermain Replacement	4
Site Servicing of East Side Employment Lands	5
Downtown CIP	6
Marina Dock Assessment and Repairs	7
Completion of East Waterfront CIP	8
Master Plan Study for Urban Area Storm Water System	9
Master Plan Study for Water Distribution System	10
Ward 4 Fire Protection	11
Remediation of Transport Canada Lands under SSRA	12
Culture Block Enhancements	13
Rail-on-Apron completion	14

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Potential Debentures

Project	Amount	Annual Repayment	2018 Levy	2019 Levy	Note
Nickel Area Storm Sewer (30 yrs)	3,550,000 to 5,400,000	198,000 to 300,600	Storm Sewer fees		
Employ Lands Servicing (30 yrs)	8,000,000	445,000		197,000	2020/2021 Matured Debenture 248,000
Downtown CIP-Phase 1 (30 yrs)	5,500,000	306,000		Matured Debenture	
Note: Matured Debenture available in 2019 of \$377,000 plus \$88,000 water					