



Department: Community and Corporate Services
Division: Corporate Services

**APPROVED BY
COUNCIL**

Report Number: 2013- 9

Date: March 25, 2013

MAR 25 2013

SUBJECT: 2013 Budget

**A. GRIGG
CITY CLERK
CITY OF PORT COLBORNE**

1) PURPOSE:

This report is presented to Council for adoption and approval of the 2013 Operating and Capital Budget.

2) HISTORY, BACKGROUND, COUNCIL POLICY, PRACTICES

Budget deliberations commenced for the year 2013 with an overview presentation to the Committee of the Whole of Council on January 21, 2013. The budget was reviewed and discussed in great detail by the Committee for consideration of the operating and capital portions of the budget on January 22, February 5, and finalized on February 26, 2013.

The budget requirements for 2013 were very demanding with some difficult decisions being made by the Committee to arrive at a local municipal net tax levy requirement increase of 4.72%. Decisions were made regarding levels of service, new services, operating expenditures, capital projects and financing.

During the 2012 budget, the 2013 operating budget levy increase was projected to be 4.2% for operating cost increases and new debt charges from 2012 projects approved to be debentured. The 2013 initial department operating budget was presented with a 4.35% operating levy increase including new debt charges. Staff further reviewed the budget and proposed cost reductions amounting \$202,500 or a reduction of 1.59%. Further operating cost reductions net of assessment growth revenue amounting \$127,655 was proposed to reduce the levy increase to 1.81%. This is a net levy of \$12,931,797 which is an increase of \$230,256 over the 2012 levy.

Council approved in 2012 to a minimum 10 year plan to annually increase the Capital Amortization (levy) amount by \$100,000. Continuation of this plan would increase the existing capital levy of \$1,085,800 for the next nine years to a total of \$1,985,800, together with the continuation of the Federal Gas Tax funds program of \$500,000 annually; a total of \$2,485,800 would be available for capital projects. While still short of the required \$3,500,000 in amortization to replace capital assets, this helps reduce the capital infrastructure deficit to fund existing capital assets. The 2013 capital levy has been increased by \$104,000 to an amount of \$1,189,800. The capital levy plus \$500,000 from Federal Gas Tax Funds for the Roads Program provides a total of \$1,689,800 for capital projects in 2013. This adds 0.82% to the tax levy increase.

The unfortunate problem that affected the budget in 2013 was unexpected costs and a loss of revenues amounting to \$255,550 which increases the levy by 2.01%. The City has loss of revenues amounting \$215,550 which adds 1.70% to the levy and the City has taken over derelict buildings which must be demolished for \$40,000 and adds another 0.31% for the total increase of 2.01%.

Council reviewed the listing of unfinanced requests and after deliberation, with the addition of two specific items, being the Wyldewood Road water supply issue and potential funding to the Tourism Association, the overall levy for 2013 is \$13,300,560 (Operating levy of \$12,110,760 and Capital levy of \$1,189,800). This amounts to an increase of \$599,019 (Operating levy of \$495,019 and Capital levy of \$104,000) over 2012 or a 4.72% levy increase.

The above information is presented as 2013 Operating Levy Summary attached to this report.

The blended increase to the average assessed residential home of \$169,650 with the draft Regional and Education tax, amounts to approximately \$40 or a 1.43% increase.

Council reviewed staff's recommendations for capital projects to be funded from capital amortization (included in the base levy requisition) and reserve funds. With some changes and additions the total amount of capital projects amounts to \$1,926,300. This is funded through the capital levy of \$1,189,800, Federal Gas Tax funds of \$570,000 and reserve funds of \$166,500.

Council considered options regarding the replacement of the Marina Fuel Tanks and approved to debenture \$100,000 to replace the existing tanks. The debenture cost to be funded through an increase in fuel cost margins. Future reports will be brought to Council on this project detailing costs and for long term borrowing to finance the project.

A further report will be presented to Council to review the City's debt capacity and the effect of any future debentures for major capital projects such as the Operations Centre, Downtown CIP, Waterfront CIP, Industrial Lands CIP and Storm Sewers to approve in principle a Debenture Financing schedule.

Staff was made aware that the Storm Sewer Designs which were approved in 2011 and completed in 2012 and funded through \$150,000 of Federal Gas Tax funds cannot be funded in this manner as there are no current plans to construct and complete the Storm Sewer projects. Therefore, staff is recommending that these projects be funded by transferring \$150,000 from the 2013 capital levy from the roads projects and that the roads use the Federal Gas Tax funds in 2013. There is no effect on the 2013 tax levy as funds are only being reallocated.

After detailed discussions on many issues presented, the following were approved for 2013 as per the attached schedules:

- Total operating expenditures of \$18,640,514
- Capital expenditures of \$1,926,300 from capital amortization (included in net tax levy \$1,189,800), Federal Gas Tax funds of \$570,000 and reserve funds of \$166,500.
- Total operating revenues/fees/reserves of \$6,529,754
- Net Operating levy increase of \$495,019 to an amount of \$12,110,760
- Capital levy increase of \$104,000 to an amount of \$1,189,800
- Municipal net tax levy increase is 4.72%

- Residential tax rate increase of 2.34% from 2012
- Approval of the replacement of Marina Fuel Tanks in the amount of \$100,000 to be debentured
- Approval of projects to be financed from Federal Gas Tax Funds
- Approval of expenditures to be financed from reserves amounting to \$557,147
- Approval of funds to be transferred into reserves amounting to \$42,000
- Approval of the transfer of \$150,000 funding from the capital levy for roads to finance the Storm Sewer Designs and that the \$150,000 Federal Gas Tax funds be allocated to the roads program

In addition,

- 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.

3) STAFF COMMENTS AND DISCUSSIONS

The 2013 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 2013 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 \$599,019 represents a 4.72% increase to the City levy. With the reassessment values of properties and the levy increase the residential tax rate will increase by 2.34% from 0.00720204 to 0.00737087 for 2013. With the 2013 reassessment increase to assessed property values (being the 1st year of the assessment phasing program), the annual blended tax increase to the average residential homeowner with an assessment of \$169,650 amounts to approximately \$39.65 or a 1.43% increase.

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 to 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 2013 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 \$3,500,000 and a portion is excluded as a cost in the 2013 budget. Included in the budget are the cash requirements of \$1,689,800 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 \$1,810,200 is not budgeted.

The present value of post employment expenses are estimated at \$130,000 and are excluded as a cost in the 2013 budget. The budget contains \$295,000 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 2013 year as per the Municipal Act.

b) Other Options

- Council may change and establish new budget estimates
- The proposed 2013 budget for operating and capital purposes establishes the City's spending requirements for this year. There is a 4.72% tax levy increase and with the phase in of reassessment in 2013 the tax rate has increased by 2.34% from the 2012 level. A residential property with an average home reassessed at \$169,650 will have an increase to the City portion of their tax bill of approximately \$32.63 in 2013, which includes \$3.96 due to reassessment. The blended tax increase is approximately \$39.65 or a 1.43% increase.

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 2013

7) RECOMMENDATION

1. That Council, in compliance with Ontario regulation 284/09, hereby confirms and approves that the 2013 budget was developed using the cash basis and has excluded the following accrual expenses: a portion of the amortization expense which amounts to approximately \$1,810,200 and the full amount of post employment benefits expense which amounts to approximately \$130,000.
2. That the Council of the City of Port Colborne approves the 2013 Budget as presented.
3. That Council adopt the attached by-law for the estimates for all sums required for the operations for the year 2013

8) SIGNATURES

Prepared on March 10, 2013 by:



Peter Senese
Director of Community and Corporate
Services

Reviewed and Respectfully Submitted:



Robert J. Heil
Chief Administrative Officer

2013 BUDGET WORKSHEET SUMMARY

PROPOSED LEVY
Final Levy

13,411,002 5.59%
13,300,560 4.72%

levy increase

	Defer Funding	LEVY FUNDING	Fed Gas Tax	Reserve Funds	Description
UNFINANCED REQUESTS					
Museum	2,600	2,600			1812-2012 Anniversary project
	4,359	4,359			Educ Programmer-increase by 280 hrs
	13,222	13,222			Registrar-increase by 850 hrs
	1,327	1,327			Reception-increase by 85 hrs
	5,782	5,782			Heritage Archives-increase by 282 hrs
Fire Dept	47,000	47,000		47,000	Sick Leave Retirement Payouts
	5,000	5,000			Education materials/equipment
	3,000,000	3,000,000			Industrial Park Servicing plan
Planning/Building	2,200	2,200		2,200	Heritage Port Colborne Committee
	5,000	5,000		5,000	Heritage Port Colborne Committee
	30,000	30,000			Official Plan-OMB
Community Services	3,500	3,500		3,500	Leisure Guide
	3,500	3,500		3,500	Communities in Bloom
Engineering	18,000	18,000		18,000	Speed Limit Review Study-urban
	27,000	27,000		27,000	Road Network Safety Review-urban
	8,000	8,000		8,000	Wyldewood Road Water Supply
Marina	15,000	15,000		15,000	East docks/Storage yard
	10,000	10,000			Dock Condition study
Parks	36,000	36,000			Sub Foreman
	20,000	20,000		20,000	Ash tree and stump removal
	5,665	5,665		5,665	Students-one additional week
Public Works					One additional student
	1,008	1,008		1,008	Students-one additional week
	5,000	5,000		5,000	Promotional DVD
Tourism	2,000	2,000		2,000	Niagara Food & Wine show
	9,213	9,213		9,213	Tourism Association
Economic Development	1,000	1,000		1,000	Sponsor of Highway H2O conference
	3,700	3,700		3,700	Residential Dev/Relocation Guide/Mkt
	3,000	3,000		3,000	National Confectioners Assoc Conf.
Physician Recruitment	10,000	10,000		10,000	Incentive program
Transit	29,000	29,000		29,000	extended services-Saturday/Evenings
					Promenade-snow removal sidewalks
Council requests					Sidewalks snow removal
					Skatepark-extended washroom hours
					BIA costs
Goderich Elevators	86,000	86,000			net amount to reserves
net levy reductions		(127,655)			per schedule
Total Expenditures	3,413,076	150,663		84,200	
TOTAL LEVY		13,300,560	4.72%		levy increase

**CITY OF PORT COLBORNE
2013 OPERATING LEVY SUMMARY**

2012 Tax Levy			12,701,541	
Operating Costs	3.85%	488,911		
New Debenture Costs-2012 projects	0.50%	63,500		
Cost Reductions	-1.59%	<u>(202,500)</u>	<u>349,911</u>	
Previously Proposed Operating Levy			13,051,452	2.75%
Wyldewood Rd water supply			8,000	
Proposed operating reductions net of revenue			<u>(127,655)</u>	
Revised Operating Levy			12,931,797	1.81%
Capital Levy Increase			104,000	0.82%
<u>Other Unexpected Costs</u>				
Property Site clean up/demo (see list in memo)	0.31%	40,000		
Loss of revenues	1.70%	<u>215,550</u>	<u>255,550</u>	2.01%
Proposed 2013 Tax Levy			13,291,347	4.64%
Addition				
Tourism Association			<u>9,213</u>	
Proposed 2013 Tax Levy with addition			<u><u>13,300,560</u></u>	4.72%

CITY OF PORT COLBORNE
LEVY FUNDING DETAILS
2013

				Levy Increase
Levy Requirement for 2012			<u>12,701,541</u>	
Net Levy Requirement for 2013			13,411,002	5.59%
Wyldeewood Rd water supply			<u>8,000</u>	
			13,419,002	
Expenditure Reductions	Budgeted	Proposed	Reduction	
Energy Audit	20,000	10,000	(10,000)	
- cost savings				
Fire Equipment	70,000	60,000	(10,000)	
- equip purchases in capital levy				
Storm Sewer Flushing	50,000	30,000	(20,000)	
- \$20,000 in reserve				
Traffic signs	6,000	3,000	(3,000)	
- ave cost \$3,000				
Trillium Crossings	5,000	3,000	(2,000)	
- ave cost \$3,000				
WSIB Claims Mgmt	4,655	2,500	(2,155)	
- ave cost \$2,500				
Lorraine Bay Study	5,000	0	(5,000)	
- funded in 2012				
Staff Development	13,000	6,000	(7,000)	
- various depts				
WSIB Savings			(13,500)	
	<u>173,655</u>	<u>114,500</u>	(72,655)	
Increased Revenue				
Assessment Growth			(50,000)	
Wharfage revenue			(5,000)	
			<u>(55,000)</u>	
			<u>(127,655)</u>	
Proposed Net Levy Requirement			<u>13,291,347</u>	4.64%

**CITY OF PORT COLBORNE
2013 OPERATING LEVY SUMMARY**

2012 Tax Levy		12,701,541	
<u>Operating Costs</u>			
Salaries/Wages/Benefits	2.05%	259,874	
Utilities/Insurance/Debentures	0.31%	38,811	
Library	0.11%	13,969	
Other net costs	0.25%	31,226	
Vale Health & Wellness Centre	1.02%	129,958	
Parks-Summer Temp staff	0.47%	59,373	
New revenues	-0.35%	<u>(44,300)</u>	
		<u>488,911</u>	3.85%
2013 Operating Levy		13,190,452	
 <u>New Debenture Costs-2012 projects</u>			
Projected 2012 projects annual payment		150,000	
Drain Debenture-project not complete		(23,000)	
Debenture costs-one semiannual pay in 2013		<u>(63,500)</u>	0.50%
Operating Levy plus new debt costs		13,253,952	4.35%
 <u>Cost Reductions</u>			
Street Light hydro charges		(80,000)	
Life Insurance benefit premiums		(60,000)	
Tourism CoOrdinator (not replaced)		<u>(62,500)</u>	
		<u>(202,500)</u>	-1.59%
Revised Operating Levy		13,051,452	2.75%
 <u>Other Costs</u>			
Capital Amortization-PSAB		104,000	0.82%
 <u>Other Unexpected Costs</u>			
Property Site clean up/demo (see list in memo)	0.31%	40,000	
Loss of revenues	1.70%	<u>215,550</u>	
		<u>255,550</u>	2.01%
Proposed 2013 Tax Levy		<u>13,411,002</u>	<u>5.59%</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	2,384,000
Ontario Municipal Partnership Fund - New				552,800	658,785	61,500	8,300	(62,900)	(38,100)
	1,846,430	1,593,238	1,718,315	2,271,115	2,377,100	2,438,600	2,446,900	2,384,000	2,345,900
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	2,345,900
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	0
2007 Funding Required									
- Tax Appeal Outstanding			-170,000	0	0	0	0	0	0
Funds Available			<u>672,609</u>	<u>552,800</u>	<u>94,167</u>	0	0	0	0

Recommendation

staff recommend that the OMPF funding \$2,345,900 be applied to the general operations budget as grant revenue for its intended purpose of assessment equalization

**2013 BUDGET
PROPERTY TAXES ON
EVERY \$10,000 ASSESSMENT**

with regional draft rates and 2012 tax ratios

	2013	2012	\$ Change	% Change
City	73.709	72.020	1.69	2.34%
Region - general (draft)	59.902	59.335	0.57	0.96%
Region - waste mgmt (draft)	10.641	10.193	0.45	4.40%
Education	21.200	22.100	-0.90	-4.07%
	<u>165.452</u>	<u>163.649</u>	<u>1.80</u>	<u>1.10%</u>

**** with 4.72% levy increase \$599,019**

ESTIMATES OF TAX CHANGES

	2013	2012	\$ Change	% Increase
Assessment				
169,097		2767.25		
169,650	2806.90		39.65	1.43%

CITY OF PORT COLBORNE
2013 BUDGET
FUNDING CAPITAL AMORTIZATION
FUNDS TRANSFERRED TO CAPITAL PROJECTS

	2012 budget	2013 Est Cost	Capital Levy Funds	Reserve Funds	Fed Gas Tax	Defer Funding
Traditional Allocation of Budgeted Capital Funds						
Capital Replacement Requests						
Sidewalk Replacements	75,000	75,000	75,000			
Annual allocation						
Queen St Sidewalk	19,000				70,000	Fed Gas Tax Funds
Sidewalks		88,000	18,000			
Killay St West		32,000	32,000			Fed Gas Tax Funds
Lions Field parallel parking		900,000	250,000		500,000	Tsf from Storm Sewer Designs
Annual allocation		17,600	17,600		150,000	debernture cost for roads
Road Resurfacing Program		5,000	5,000			funding year 2 of 4 years
3 storm sewers designed in 2011/2012		5,000	150,000			museum lump sum \$15,000 each year
Storm Sewer Designs		5,000	5,000			
Museum		5,000	5,000			
replenish Heritage Archives Reserve-4 yrs		5,000	5,000			
Archives specialized equipment		48,000	48,000			
school house roof/tea room painting		5,000	5,000			
Furnace Repair/Upgrade		35,000	35,000			funding year 1 of 5 years
Annual allocation		300,000	300,000			per library capital budget
Computers		25,000				possible works vehicle to replace
Financial Server						4 options-range \$85,000 to \$280,000
Library						min stds
Parking Pay/Display machine						move to capital levy-review for capital improvements
Vehicles and Equipment						funding year 1 of 5 years
Marina						
Van replacement						
Fuel Tank replacement						debernture \$100,000
Fuel Piping replacement						
Dock Condition study						
Weed Harvester		9,000	10,000			
Irrigation water service			9,000			
Storage Barn facility	20,000					
Asphalt pathway repairs	39,500					
drinking water system		35,000	35,000			
Tennis Courts	25,000					
front entrance/bus shelter		30,000	15,000			15,000
replace inside front doors	22,000					2012-85,000 from reserves
replace portions of carpeting		7,000	7,000			
door security swipe pads		10,000	10,000			
front entrance hand rails		6,500	6,500			3 x 1,500 plus manual override 2,000
back doors replacement		14,000	14,000			unfunded in 2012
bunker gear replacement		7,500	7,500			
air bottle replacement	9,500					
replace 91 engine with Rescue Unit	10,800					
Melissa's Memorial playground	300,000					
Retaining wall replacement	50,000					2012 debernture
Spray pad pump house	8,000					50,000 from 2012 plus dev chg reserves
roof and siding		24,000	24,000			3 projects required
windows/shed/signs		18,500				defered in 2012
Decorative city entrance signs		9,500				repairs from reserve funds for shelter
Hamlet signs (8)		16,000				defered 2012 - \$4,000 each - 4 entrances
Traffic Signal		4,000				defered in 2012
Capital Reserve		205,000				King at Clarence rebuild/2014 Fed Gas Tax
		20,000	20,000			
Total Budgeted Capital Funds	<u>1,885,800</u>					

New Capital Requests

Fire Dept	Communications Equipment	7,000		fire equip reserves	
Downtown	replacement of Town Clock	25,000	7,000	remove & defer to CIP	25,000
Museum	Building equip/repairs	10,000	10,000	roofing/flooring/accessibility ramps	
	Heritage Resource building	15,000		Phase 2 of shelving-deferred 2012	15,000
Museum/Library	cultural block library/museum	15,000	15,000	security cameras deferred 2012	
Parks	new solar park lighting	35,000	14,000	7,000 each for 5 parks-deferred 2012	21,000
Oakwood Park	Pavilion	38,000			38,000
East Village/Victoria Park	Phase 1	3,000	2,000	deferred 2012 to East Waterfront CIP	3,000
	Phase 2	23,700		hydroseeding	
	Pathway	20,800		deferred 2012 to East Waterfront CIP	23,700
	Phase 3	5,000		to replace OR \$4,000 renovate deferred 2012	20,800
East Village Action Committee	Various enhancements	?		deferred 2012 to East Waterfront CIP	5,000
Engineering	New sidewalk	90,000		per memo-deferred 2012	?
Tourism	Brochure Racks	15,000		Lakeshore Road West-deferred in 2012	90,000
Council Request	walkway east canal to skatepark	75,000		Ont Trillium Grant denied	15,000
				asphalt/with curbs \$119,000	?

<u>2,480,300</u>	<u>1,189,800</u>	<u>166,500</u>	<u>720,000</u>	<u>495,000</u>
	(104,000)			
	<u>(1,085,800)</u>			

NOTE: Amortization for the City's capital assets amounts to \$3,500,000 of which the City levys \$1,200,000 and allocates Federal Gas Tax funds of \$500,000. The total allocation for capital amounts to \$1,700,000 with a shortfall in covering capital amortization in the amount of \$1,800,000.

**CITY OF PORT COLBORNE
FEDERAL GAS TAX REVENUES
2013**

2008/2009 Funds (net of Charlotte St project costs)	204,896	
2009 Funds	<u>599,499</u>	
	804,395	
2009 Projects		
- Vehicle Replacements	350,000	completed 2010
- Michener Road Concrete Box Culvert	50,000	completed 2009
- Snider Road Drainage Basins	40,000	completed 2009
- Eagle Marsh Drain @ Scholfield (East Wall)	25,000	2013
- Storm Sewer Designs (Clarke, Rosemount, Elm Areas)	<u>150,000</u>	completed 2011
	<u>615,000</u>	
	189,395	
2010 Funds	<u>570,524</u>	
	759,919	
2010 Projects		
Roads	80,000	completed 2010
New Sidewalks	35,000	completed 2010
Traffic Signals	320,000	completed 2 signals 2012
Storm Sewer Flushing Program	50,000	completed 2010
City Hall Renovations		
Front Vestibule	30,000	completed 2012
HVAC System	85,000	completed 2011
New Roof	<u>150,000</u>	completed 2010
	750,000	
	9,919	
2011 Funds	570,524	
2011 Projects		
- City Hall HVAC System (Council approved Jan 10/11)	50,000	completed 2011
- Storm Sewer Infrastructure Needs Study	<u>100,000</u>	2013
	430,443	
2012 Funds	<u>570,524</u>	
	1,000,967	
2012 Projects		
- Community Centre Project	<u>1,000,000</u>	2013
	967	
2013 Funds	<u>570,524</u>	
2013 Funds Available	<u><u>571,491</u></u>	Roads Projects/Killaly St Sidewalk

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

**CITY OF PORT COLBORNE
2013 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	40,000
Industrial Park Development Reserve	
Industrial Park Debenture	43,047
Planning Reserve	
Official Plan OMB (potential)	30,000
Storm sewer	
flushing	20,000
Employee Benefit Reserve	
Fire Dept Retirement Sick Leave	47,000
Heritage Reserve (LACAC)	
heritage projects	7,200
Federal Gas Tax Reserve	
Roads (replace Storm Sewer Design projects)	150,000
Parks Development Charges Reserve	
Melissa's Memorial Playground	100,000
Playground Reserve	
Melissa's Memorial Playground	50,000
Animal Shelter Reserve	
Windows/Shed/signs	9,500
Fire Equipment reserve	
Communciations Equipment	7,000
Staff Reserve	
Comm Services Programmer	8,400
Development Charges Reserve	
Library	5,000
	<u>557,147</u>

**TRANSFERS INTO RESERVES
INCLUDED IN TAX LEVY**

Elections	15,000
Drains Maintenance	22,000
Museum Replenish Hertiage Archives reserve	5,000
	<u>42,000</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)

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 2013**

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 2013 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 2013.

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

1. (a) (i) That the 2013 budget was developed using the cash basis and has excluded the following accrual expenses: a portion of the amortization expense which amounts to approximately \$1,810,200 and the full amount of post employment benefits expense which amounts to approximately \$130,000.
- (ii) That the estimates set out in Department of Community and Corporate Services, Corporate Services Division Report No. 2013-9, attached hereto and forming part of this By-law, be adopted.
- (iii) That the summary of 2013 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
25TH DAY OF MARCH, 2013.**

Vance Badawey
MAYOR

Ashley Grigg
CITY CLERK

SCHEDULE "A"

2013 BUDGET

	<u>REVENUE</u>	<u>EXPENDITURES</u>
General Operations	6,529,754	18,640,514
Capital (Levy Funded)	736,500	1,926,300
Capital (Debt Funded)	100,000	100,000
	<hr/>	<hr/>
	7,400,105	20,101,646

Tax Levy

General Operation	12,110,760
Capital	1,189,800
Business Improvement Area-Downtown	25,000
Business Improvement Area-Main Street	10,000