

# **CITY OF PORT COLBORNE**



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## **OPERATING AND CAPITAL BUDGET**

**January 26, 2016**

# CITY OF PORT COLBORNE

## Agenda

- Sources of revenue
- Operating Levy Summary
- Ontario Municipal Partnership Fund
- Unfinanced Requests and Funding
- Capital Funds Available
- Capital Projects and Funding
- Forecast of Debentures
- Funding Options
- Residential Property Tax Comparison

# CITY OF PORT COLBORNE

## Current Sources of Revenue

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

# CITY OF PORT COLBORNE

## 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

# CITY OF PORT COLBORNE

## Operating Levy Summary

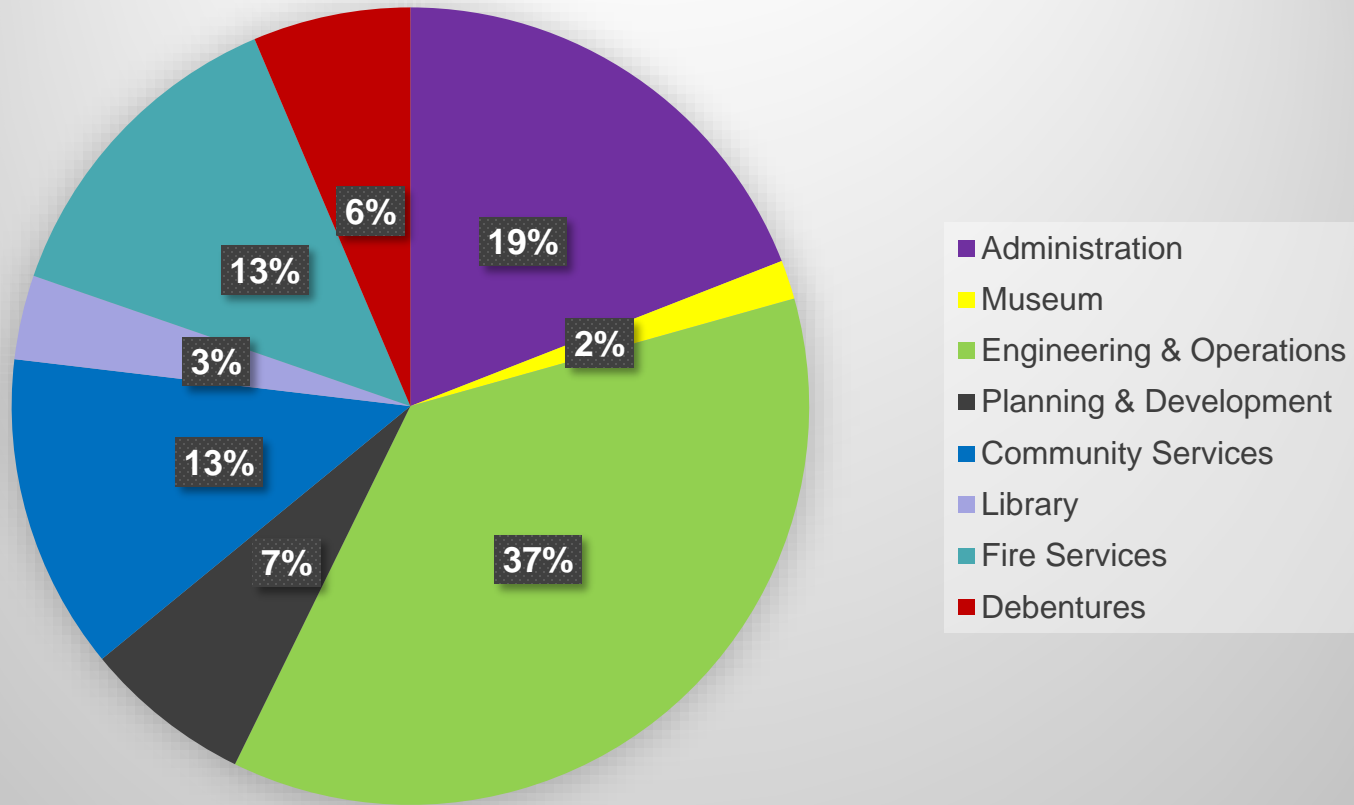
- Base budget increase – 2.49%
- Capital budget increase – 1.05%
- Debt payment increase – 0.15%

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- Base levy, Capital levy & Debt – 3.69%
- Loss of revenues – 0.42%
- Proposed 2016 Tax Levy Increase – 4.11%

# CITY OF PORT COLBORNE

## 2016 Expenditures as % of Budget



# CITY OF PORT COLBORNE


## OMPF Funding



➤ 2016 Funding	\$2,772,100
• Operating levy	\$2,345,900
• One time requests	\$ 140,000
• Capital projects	\$ 286,200

# CITY OF PORT COLBORNE

## Unfinanced Requests & Funding

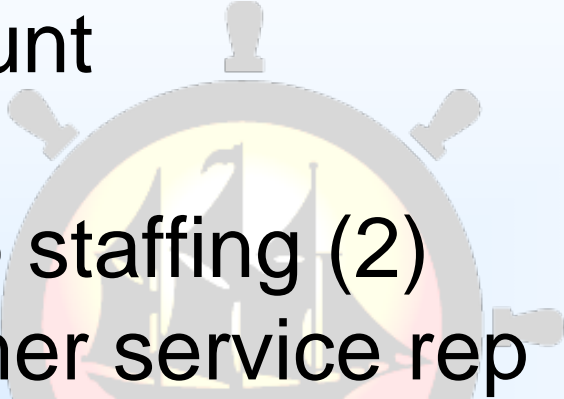


➤ Total Requests	\$1,192,750
• OMPF funding	\$ 140,000
• Reserve funds	\$ 297,500
• Increased revenue	\$ 15,000
• Hydro funds	\$ 88,000
(\$53,000 unallocated)	
• Deferred funding	\$ 529,750
• Potential levy increase	\$ 122,500



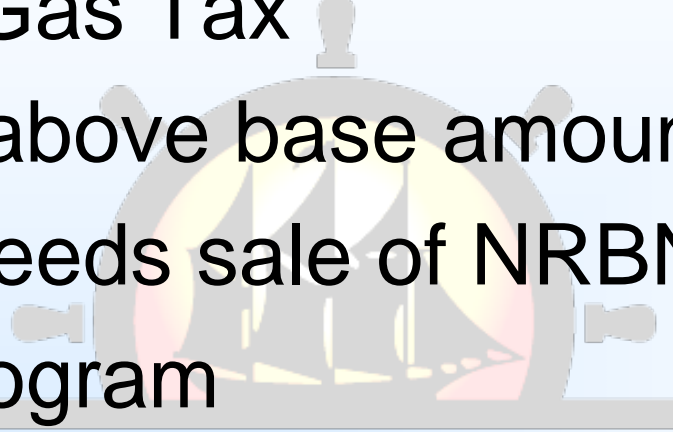
# CITY OF PORT COLBORNE

## Potential Levy Increase

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- Total Amount \$ 122,500
  - Parks Temp staffing (2) \$ 44,000
  - Vale customer service rep \$ 18,500
  - Roselawn box office P/T \$ 10,000
  - Marina capital reserve \$ 50,000
- Potential levy increase – from 4.11% to 4.97%

# CITY OF PORT COLBORNE

## CAPITAL FUNDS AVAILABLE




➤ Federal Gas Tax	\$ 560,148
➤ OMPF ( above base amount)	\$ 426,200
➤ Net Proceeds sale of NRBN	\$6,257,443
➤ Grant Program	\$ 775,000
➤ Capital Levy – 1%	\$ 150,000
➤ Development Charges	\$ 400,000
➤ Matured Debentures	\$ 256,115
➤ Future Matured Debentures	

# Depreciation Deficit based on Historical Cost and Time Lifecycle

<b>Total Depreciation (tax levy supported), 2014</b>	<b><u>\$4,254,240</u></b>
Operating levy for depreciation	\$1,555,260
Library levy for depreciation	\$35,000
OCIF Funding	\$96,592
Federal Gas Tax	<u>\$560,148</u>
2016 Depreciation Funding	<u>\$2,247,000</u>
<b>NET DEPRECIATION DEFICIT (47%)</b>	<b><u>\$2,007,240</u></b>

# CITY OF PORT COLBORNE

## Capital Levy Projects & Funding



➤ Total Project Estimated Cost	\$2,703,302
• Capital Levy	\$1,590,260
• Reserve funds	\$ 247,100
• Federal Gas Tax	\$ 588,000
• OCIF Grant	\$ 96,592
• Deferred funding	\$ 181,350

# CITY OF PORT COLBORNE

## New Capital Projects & Funding



➤ Total Project Estimated Cost	\$ 709,000
• OMPF Funds	\$ 286,200
• Reserve funds	\$ 112,000
• Sponsorship opportunity	\$ 2,500
• Deferred funding	\$ 308,300

# City of Port Colborne

## Debenture Guidelines

### Annual Repayment Limit

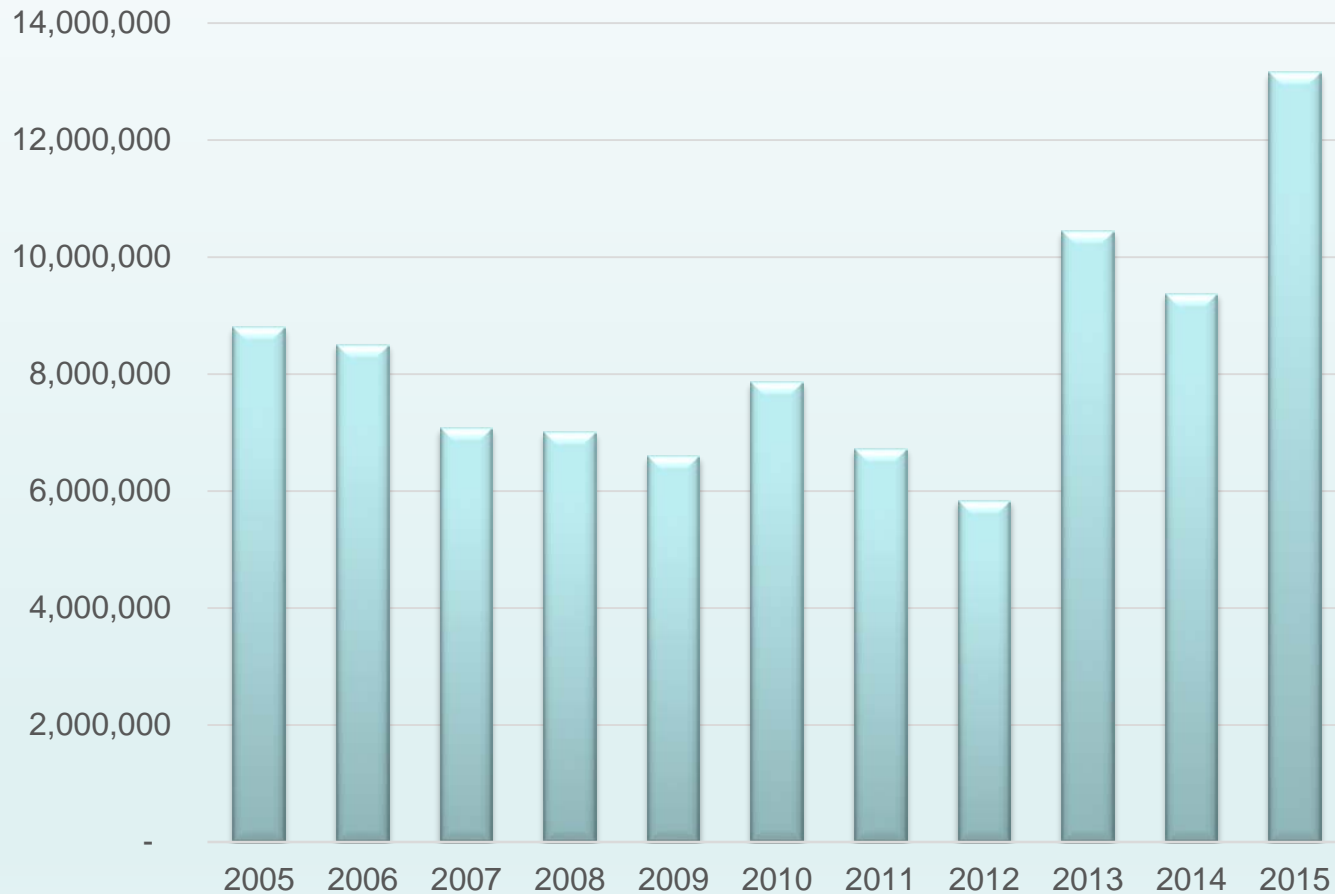
- Provincial Repayment Limit \$5,089,301  
( 25% of Revenues)
- City Repayment Limit \$4,071,441  
( 20% of Revenues)
- Current Debt Charges \$1,884,324
- City Available Debt Payt Limit \$2,187,117
- Prov Available Debt Payt Limit \$3,204,977

# City of Port Colborne

## New Long Term Borrowing

- City Available Debt Payt Limit \$2,187,117
- The maximum long term borrowing available at current rates is:
  - \$18,700,000 on 10 Year debenture
  - \$30,000,000 on 20 Year debenture
  - \$38,000,000 on 30 Year debenture
- Emergency Debt Room (Provincial to City)
  - \$1,000,000 Limit or \$7,800,000 debt

# City of Port Colborne Debt as at December 31





# CITY OF PORT COLBORNE

## Forecast of Debentures

Project	Amount	Annual Repayment	2016 Levy	2017 Levy	2018 Levy
Operation Centre design	800,000	43,000	21,500	21,500	
Employ Lands design	450,000	30,500	15,250	15,250	
Oper Centre-construct loan	5,000,000		30,000		
Oper Centre-construction	12,000,000	647,000	300,000	347,000	
Oper Centre-construction			220,000	220,000	210,000
Fire Vehicle-balloon pay't	346,000	72,000	54,000		

# CITY OF PORT COLBORNE

## Potential Debentures

Project	Amount	Annual Repayment	2017 Levy	2018/2019 Levy	Note
Nickel Area Storm Sewer-30 yrs	5,500,000	300,000	Storm Sewer fees		
Employ Lands Servicing-30 yrs	8,000,000	430,000		153,000	Matured Debenture
Fire Hall (Rural) -20 yrs	1,500,000	100,000			Matured Debenture
Note: Matured Debenture available in 2019 of \$377,000					

# CITY OF PORT COLBORNE

## Funding Options

Goal	Levy for \$650,000	Lessen impact on ratepayers
Option 1	Spread increase over 2016, 2017 and 2018	Approx. 220,000 per year
Option 2	Spread increase over 2016 and 2017	\$300,000 in 2016 and \$350,000 in 2017
Funding 1	Use of Tax Room Available -overall tax increase set at 2% -potential \$230,000 to \$352,500	Dependant on other tax levy additions and potential decrease Education tax rate
Funding 2	Use of Capital Levy Increase plus portion of Tax Room \$110,000 to \$150,000 each	Dependant on same above items and reduced capital spending \$110,000 to \$150,000
Funding 3	Use of \$60,000 matured debt funding Main St CIP with combination of Funding 2 above	Extends the repayment period of Main St CIP by 2 years

# CITY OF PORT COLBORNE

## Residential Property Tax Comparison

<b>Tax Levy Increase</b>	<b><u>\$588,605</u></b>	<b><u>4.11%</u></b>	<b><u>\$711,105</u></b>	<b><u>4.97%</u></b>	<b><u>\$941,105</u></b>	<b><u>6.58%</u></b>
Increase in tax revenue			\$122,500		\$352,500	
<b>Estimated Tax Changes</b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
City	37.77	2.89	48.82	3.74	69.58	5.33
Region-Gen	(11.26)	(1.10)	(11.26)	(1.10)	(11.26)	(1.10)
Region-Waste Mgmt	(5.01)	(2.95)	(5.01)	(2.95)	(5.01)	(2.95)
Education	3.37	1.00	3.37	1.00	3.37	1.00
<b>Total Increase</b>	<b>\$24.86</b>	<b>0.88%</b>	<b>\$35.92</b>	<b>1.26%</b>	<b>\$56.67</b>	<b>1.99%</b>