



**Community & Corporate Services Department
Corporate Services Division**

Report Number: 2017-45

Date: March 13, 2017

SUBJECT: 2017 Operating/Capital Budget

1) PURPOSE:

This report is presented to Council for adoption and approval of the 2017 Operating and Capital Budget.

2) HISTORY, BACKGROUND, COUNCIL POLICY, PRACTICES

Budget deliberations commenced for the year 2017 with Council receiving the budget package and an overview presentation to the Committee of the Whole of Council on February 1, 2017. The budget was reviewed and discussed in detail by the Committee for consideration of the operating and capital portions of the budget on February 6th, February 8th and approved on February 16, 2017.

As it was anticipated that an overall budget increase of 4% would be projected, departments were requested to bring forth a base level of service budget with inflationary increase at approximately 2.0% for base operations. In 2017, staff projected an operating budget increase of 2% to 3% plus the annual capital levy increase of \$150,000 (1.00%) for an estimated overall levy increase of 3% to 4%.

The 2017 operating budget was presented with a 2.45% operating levy increase for the base level of service, which includes some cost reductions and increased revenues. With the annual capital levy increase of \$150,000 (0.98%), the levy increase amounts to 3.43%. With unexpected increases to utility costs, specifically hydro, an additional \$146,600 (0.96%) was added to the budget. With regard to the new Operations Centre debt, Council approved the funding of the remaining amount of the debenture over a 3-year period for \$130,000 in each of 2017, 2018 and 2019. In addition, Council and staff reduced the budget by \$208,629 through the review of budgeted items and not reducing the level of services. After consideration of staff's new budget requests, Council approved additional staffing and services amounting to \$128,951. Therefore, the final budget proposed has a 4.71% overall levy increase amounting to \$721,546, including the annual capital levy increase and additional new debt charges. See attached Schedule B – 2017 Operating Levy Summary.

Discussions between the Committee and staff regarding levels of service, staffing requirements, new services, operating expenditures, capital projects and financing, were considered along with numerous requests from staff.

Council reviewed the listing of unfinanced requests and after deliberation approved the following to be funded from the tax levy:

- Staff Development \$ 7,500
- Ditching (increased current budget of \$149,000) \$ 51,000
- Tree Removal (increased current budget of \$102,000) \$ 28,000
- New Operations Centre Debenture \$ 130,000

• Temp staff Winter Works Parks (over 2 years)	\$ 11,465
• Bethel Community Centre grant increased	\$ 500
• Sherkston Community Centre grant increased	\$ 500
• Marina/Vale Centre Customer Service staff (shared)	\$ 8,324
• Museum part-time staff	\$ 10,662
• CIP Incentives (increased current budget of \$53,000)	\$ 11,000
• Utilities	\$ 146,600
• Reductions net of Revenues	\$(208,629)

With the above increases and reductions to the budget, the City's net overall levy for 2017 is \$16,038,334 (operating levy of \$14,298,074 and capital levy of \$1,740,260). This amounts to an increase of \$721,546 over 2016 or a 4.71% levy increase as per Schedules A and B. With the phased in reassessment increase of properties, the estimated City property tax increase would be 5.76% (includes a 1% tax class shift) on an average assessed home valued at \$180,679 or approximately \$80.00. The combined tax increase with the estimated Region and estimated Education taxes would be 3.19% or approximately \$93.00, as approved by the Committee of Council.

At the time of writing this report, the Province has not yet provided the Education tax rates and the Region has not finalized the tax policies and tax class ratios for 2017 (these are subject to change).

Some continued good news this year regarding the Ontario Municipal Partnership Fund (OMPF) is the announcement that Port Colborne receives \$454,200 over the 2013 base allocation. This is \$28,000 more than in 2016. With such funding being very volatile, staff recommended, with Committee approval, that the increase be applied to fund one-time expenditures, new capital projects and/or the unfunded capital (levy) amortization. As per Schedule E, the amount allocated to the operating levy budget remains at the same level as 2016 of \$2,345,900. Committee approved the expenditure of the additional OMPF funds for one-time projects amounting to \$287,320 and new capital projects amounting to \$166,880.

In 2012, Council approved a minimum 10-year plan to annually increase the Capital (Levy) Amortization amount by \$100,000 and \$150,000 in 2016. Continuation of this plan from 2013 to 2016 provided a total capital levy amounting to \$1,590,260. Committee approved this amount for \$150,000 in 2017, which represents a 1% increase on the levy to keep up with inflation. The total capital levy for 2017 amounts to \$1,740,260.

As the City is eligible to receive \$560,148 in 2017 from the Federal Gas Tax funds program and funding from the Ontario Community Infrastructure Fund (OCIF) of \$182,945 (increased from \$96,592 in 2016); a total of \$2,483,353 is available for capital projects. While still short of the required \$4,222,161 in amortization to replace capital assets, this helps reduce the capital infrastructure deficit to fund existing capital assets to approximately \$1,738,808. To meet this deficit, Council should levy \$193,200 each year over the next 9 years to the capital levy.

Council reviewed staff's recommendations for capital replacement projects to be funded from the capital levy (amortization) (included in the base levy requisition), Federal Gas Tax Funds, OCIF funds, OMPF funds and reserve funds (see Schedules G and H).

The total amount of capital replacement projects amounts to \$4,260,985. This is funded through the capital levy of \$1,740,260, allocation of Federal Gas Tax funds of \$567,500 for Roads and Sidewalk Replacement and \$50,000 for LED lighting at Roselawn, OCIF funds of \$96,592 for Roads and \$86,353 for other projects, debenture for \$360,000 for Marina Boat Lift, OMPF funds and reserve funds for various projects.

After detailed discussions on many issues presented, the following were approved for 2017 as per the attached schedules:

- Total operating expenditures of \$22,428,667.
- Total operating revenues/fees/reserves/OMPF of \$8,130,593.
- Net operating levy increase of \$571,546 from 2016 operating levy of \$13,726,528 to \$14,298,074 in 2017, including \$130,000 for the new Operations Centre debenture.
- Capital levy increase of \$150,000 from \$1,590,260 in 2016 to \$1,740,260.
- Capital expenditures of \$4,260,985 funded from Capital levy amortization of \$1,740,260 (included in net tax levy), Federal Gas Tax funds of \$617,500 (from the 2017 allocation of \$560,148 and previous funds), OCIF funds of \$182,945, OMPF funds of \$181,880, grants for \$296,500, debenture for \$360,000 and reserve funds of \$881,900.
- Total net tax levy amounts to \$16,038,334 (operating \$14,298,074 and capital \$1,740,260).
- Municipal net tax levy increase is 4.71%.
- Tax rate increase of 3.43%.
- Overall estimated blended property tax increase is 3.19% or \$93 to average residential property with assessed value of \$180,679 (subject to changes in Regional Tax Policy, Tax Class Ratios and Education Tax Rates).
- Approval of projects to be financed from Federal Gas Tax Funds.
- Approval of expenditures to be financed from reserves amounting to \$2,404,952.
- Approval of funds to be transferred into reserves amounting to \$1,802,671.

3) STAFF COMMENTS AND DISCUSSIONS

The 2017 budget estimates for operations and capital are presented to Council for adoption based on discussions and approvals of the Committee of the Whole of Council. The 2017 budget estimates must 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 \$721,546 represents a 4.71% increase to the City levy, which includes an additional \$130,000 for the new Operations Centre debenture. With the reassessment values of properties, assessment growth and the levy increase, the residential tax rate will increase by 3.43% from 0.00790976 to 0.00818142 and the commercial tax rate from 0.01391011 to 0.01438784 from 2016 to 2017.

The final tax rates for the City will be provided to Council in a later report 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 tax class ratios/tax policy are yet to be approved by Regional Council. The report will be presented to Council to pass all tax rates.

In addition, the Downtown BIA has requested a levy of \$33,660 be raised in 2017 (\$33,000 – 2016) and the Main St. BIA has requested a levy of \$10,000 in 2017 (\$10,000 – 2016).

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. Staff recommend that the City of Port Colborne continue to prepare budgets on the traditional cash requirement basis, as has been done for 2010 to 2016.

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 2017 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 \$4,222,161 and a portion is excluded as a cost in the 2017 budget. Included in the budget are the cash requirements of \$2,483,353 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 \$1,738,808 is not budgeted.

The present value of post-employment obligations are estimated at \$5,754,000 with annual net benefit expense estimated at \$512,000 and are excluded as a cost in the 2017 budget. The budget contains \$313,000 for the current year’s post-employment benefit expense for the retired employees eligible for this expense. The difference of \$199,000 is not budgeted.

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 2017 year as per the Municipal Act.

b) Other Options

Council may change and establish new budget estimates.

The proposed 2017 budget for operating and capital purposes establishes the City's spending requirements for this year. The 2017 operating budget was presented with a 2.45% operating levy increase for the base level of service. With the annual capital levy increase of \$150,000 (0.98%), increased debenture payment for the Operations Centre of \$130,000 (0.85%), increased utility costs of \$146,600 (0.96%), additional staffing/services of \$128,951 and expense reductions net of revenue increases of \$208,629, the budget proposed a 4.71% overall levy increase amounting to \$721,546. With the above increases, the City's net overall levy for 2017 is \$16,038,334 (Operating levy of \$14,298,074 and Capital levy of \$1,740,260). This amounts to an increase of \$721,546 over 2016 or a 4.71% levy increase.

5) COMPLIANCE WITH STRATEGIC PLAN INITIATIVES

Not applicable.

6) ATTACHMENTS

- Schedule A – 2017 Budget Worksheet Summary
- Schedule B – 2017 Operating Levy Summary
- Schedule C – Budget Reductions Net of Revenues
- Schedule D – Budget Increases
- Schedule E - Ontario Municipal Partnership Fund (OMPF)
- Schedule F – Federal Gas Tax Revenues
- Schedule G – Funds Transferred to Capital Projects (Capital Levy)
- Schedule H – Funds Transferred to Capital Projects (OMPF Funds)
- Schedule I – Funding out of Reserves and Reserve Funds
- Schedule J – Transfer into Reserves
- Schedule K – Estimated Residential Property Tax Burden Comparison

7) RECOMMENDATION

That it be confirmed and approved that in compliance with Ontario regulation 284/09, the 2017 budget was developed using the cash basis and has excluded the following accrual expenses: a portion of the amortization expense which amounts to approximately \$1,738,808 and the amount of post-employment benefits expense which amounts to approximately \$199,000.

That the 2017 Budget be approved as presented.

That the by-law for the budget estimates for all sums required for the operations for the year 2017 be adopted.

8) SIGNATURES

Prepared on March 6, 2017 by:



Peter Senese
Director of Community & Corporate Services

Reviewed and Respectfully Submitted:



C. Scott Luey
Chief Administrative Officer

**CITY OF PORT COLBORNE
2017 BUDGET WORKSHEET SUMMARY**

SCHEDULE A

Staff PROPOSED LEVY	\$ 15,841,412	3.43%	
CURRENT PROPOSED LEVY	\$ 16,038,334	4.71%	levy increase

Note-\$154,000 = 1% levy increase

		Defer Funding	LEVY FUNDING	OMPF Funds	Reserve Funds	Other Funding	Description
	Available Funds for one time expenditures			\$ -		\$ -	one time funds from phys recruit savings
UNFINANCED REQUESTS							
Human Resources	staff development		\$15,000	\$7,500			annual corporate leadership training
CAO	Organization Review-consultant		\$25,000	one time	\$25,000		
CAO	Corporate Accessibility Compliance		\$5,000			\$5,000	website audit/training/accessibility plan update
CAO	Salary contingency-job evaluations		\$91,000		\$91,000		
CAO	Employee Performance Appraisal Packag		\$11,000		\$11,000		including training
Health & Safety	Bill 168 Workplace Risk Assessments		\$10,000		\$5,000	\$5,000	assessments of 2 locations annually
Council	Winter Operations			staff update			resources for intersection snow removal/sidewalk clearing/other measures
Council	487 Northland Ave			denied-refer to grant committee			Zoning Bylaw Amendment Refund Fees \$3,500
Corp Serv-Clerks Division	Records Mgmt & Retention System		\$80,000		\$40,000	\$40,000	phase in over two years 2016/2017 for 2017 implementation
Corp Serv-Finance Division	Asset Management		\$25,000			\$25,000	Provide and update Comprehensive AMP
Fire Dept	2 new Volunteer Fire Fighters		\$10,000	fund from 2016		\$10,000	Cost of Recruiting and Equipping-\$5,000 each
Engineering	Ditching		\$51,000	levy	\$51,000		increase current budget from \$149,000 to \$200,000
Engineering	Pavement Marking		\$7,000	fund from 2016		\$7,000	increase current budget from \$43,000 - two markings Spring and Fall
Engineering	Facility Maintenance Study		\$75,500			\$75,500	OMPF 2015
Public Works	Tree Trimming/Removal/Replacement		\$48,000	\$20,000	\$28,000		increase current budget from \$102,000 to \$130,000
Public Works	Catch Basins		\$4,000	one time	\$4,000		increase current budget from \$16,000 to \$20,000
Public Works	Obsolete Inventory		\$8,000	\$8,000			one time expense
Parks Division	Arena Attendant/Maintenance VHWC		\$67,921	\$67,921			full time wages plus benefits \$67,921
Parks Division	Temp Winter Works - 1 Staff		\$22,930	\$11,465	\$11,465		20 week term during winter months - 1/2 2017 1/2 2018
Community Services	Bethel Community Centre Grant		\$1,000	\$500	\$500		budgeted \$7,500-increasing utility/maint costs
Community Services	Sherkston Community Centre Grant		\$1,000	\$500	\$500		budgeted \$7,500-increasing utility/maint costs
Community Services	Parks&Recreation Master Plan		\$70,000			\$70,000	OMPF 2015
Community Services	Part time Roselawn Box Office Staff		\$5,000	\$5,000			add'l 300 hrs (currently 700 hrs) phased in over 2016/2017
Community Services	Social Media Monitoring Program		\$4,320	one time	\$4,320		Shared program with 5 Cities
Community Services	Canal Days		\$48,000	one time	\$2,000	\$46,000	increase entertainment and ships budget(from phys recruit reserve)
Community Services	Berkley Cdn Fishing Championship		\$15,000		\$15,000		as approved by Council
Marina	capital reserves		\$25,000	\$25,000			budgeted surplus to Marina capital reserves -\$50,000 to \$75,000 annually
Marina	Dock Infrastructure Review		\$37,000		\$27,000	\$10,000	Comprehensive inspection/audit of docks-2016 RFQ
Marina	Dredging of marina area		\$100,000		\$100,000		Reserves \$50,000 plus LES Grant \$50,000
Marina	Clerical/Customer Service - 1/2 staff		\$8,325	\$4,163	\$4,162		Apr to Sept-6 months part time 24 hrs per week -600 hrs
Vale Centre	Customer Service Rep - 1/2 staff		\$8,325	\$4,163	\$4,162		Oct to March-6 months part time 24 hrs/week - 600 hrs after hours
Vale Centre	Ticket Cashier/Rec Program Monitor		\$16,650	\$16,650			one add'l part time staff - 24 hrs/week - currently one P/T staff
Museum	Canada Day 150 Celebration		\$15,500		\$15,500		Matching funds to \$22,800 Canada 150 Fund Grant
Museum	Receptionist increased hours		\$6,465	\$865	\$5,600		increased hrs from 400 to 800 for admin/customer service-350 hrs approved
Museum	Tea Room Assistants - 2 staff		\$5,062	levy	\$5,062		2 students-June to Sept-400 hrs to assist Museum Auxiliary
Museum	Archives Assistant - 1 staff		\$4,196	approved		\$4,196	Assist P/T staff in programming/rentals to increase revenue
Library	additional 100 part time hours		\$1,466	\$1,466			current budget at 2100 part time hours

**CITY OF PORT COLBORNE
2017 BUDGET WORKSHEET SUMMARY**

SCHEDULE A

Staff PROPOSED LEVY \$ 15,841,412 3.43%
 CURRENT PROPOSED LEVY \$ 16,038,334 4.71% levy increase
 Note-\$154,000 = 1% levy increase

			Defer Funding	LEVY FUNDING	OMPF Funds	Reserve Funds	Other Funding	
								Description
Economic Development	New Corporate and Tourism Branding	\$10,000				\$10,000		branding and design work
Economic Development	Industrial Land clearing	\$40,000				\$40,000		Invertose Drive 23 acres cleared over 3 years-\$20,000/year (2nd of 3 years)
Economic Development	Economic Development Strategy	\$55,000			\$22,500			recommended from Econ. Develop. Advisory Comm.
Economic Development	Economic Development Strategy						\$ 32,500	Potential RED Program grant for 50% \$27,500 plus \$5,000 from Region
Engineering	Survey GPS Equipment	\$15,000			\$15,000			Fund \$15,000 from OMPF savings on Econ Dev Strategy
Economic Development	Active Transportation Needs Assessment	\$10,000			\$10,000			study transportation network including bike friendly community designation
Planning	Community Improvement Plan Incentives	\$22,000	\$11,000	\$11,000				increase the CIP Incentives program to \$75,000 (budget is \$53,000)
By-law Division	Summer Student	\$7,800	\$7,800					assist with increased complaints, monitor beach parking, canal days etc
Building & By-law Div	Building/Property Inspector	\$75,712	\$75,712					Shared full time staff position utilized by both Divisions-increased revenues
Staff Reductions	Reductions net of revenues	(61,526)		(61,526)				
Council Reductions								
Feb 6 2017	Transfers to Reserves applied to levy			(64,600)				
	Contract Services			(2,670)				
	Materials			(9,000)				
	Consulting			(1,000)				
	Repairs & Maintenance			(24,786)				
	Vehicle Fuel	(112,056)		(10,000)				
Feb 8 2017	Staff Development-Engineering			(1,190)				
	Airport Commission			(13,000)				
	Transfer from reserves-Committees			(13,857)				
	Flavours Event-Cancelled	(35,047)		(7,000)				
Utilities	Hydro	\$137,000		\$137,000				
	Natural Gas	\$4,600		\$4,600				
	Water	\$5,000		\$5,000				
New Operations Centre	Debenture	\$130,000		\$130,000				\$390,000 spread over 3 years 2017, 2018, 2019
Total Expenditures		<u>\$1,232,142</u>	<u>\$267,705</u>	<u>\$196,922</u>	<u>\$287,320</u>	<u>\$380,500</u>	<u>\$99,696</u>	
TOTAL LEVY				<u>\$ 16,038,334</u>				levy increase

**CITY OF PORT COLBORNE
2017 OPERATING LEVY SUMMARY**

SCHEDULE B

2016 Tax Levy		15,316,788	
<u>Operations</u>			
Salaries/Wages/Benefits	1.72%	263,821	
Utilities/Telephone	0.43%	66,123	
Library	0.11%	17,398	
Other net costs	1.28%	196,393	
New revenues	-1.30%	<u>(199,608)</u>	
		<u>344,127</u>	2.25%
		15,660,915	
Debentures		297	0.00%
Loss of Revenues		<u>30,200</u>	0.20%
Proposed 2017 Operating Tax Levy		15,691,412	2.45%
Capital Amortization-PSAB		<u>150,000</u>	0.98%
Proposed 2017 Tax Levy plus Capital		15,841,412	3.43%
Utility increases			
- Hydro		137,000	
- Natural Gas		4,600	
- Water		<u>5,000</u>	
		<u>146,600</u>	0.96%
Proposed 2017 Tax Levy/Capital/Utilities		15,988,012	4.38%
Funding New Operations Centre-debenture over 3 years		<u>130,000</u>	0.85%
Proposed 2017 Tax Levy/Capital/Utilities/Debt		16,118,012	5.23%
Budget reductions net of revenues		(208,629)	
Additional staffing/services		<u>128,951</u>	
Proposed 2017 Tax Levy		<u><u>16,038,334</u></u>	4.71%

CITY OF PORT COLBORNE
2017 Budget Reductions Net of Revenues

SCHEDULE C

	Description	Reductions
Revenues		
Museum	Auxillary Donation	5,000
Library	Book Sales	1,000
Corp Services	Wharfage-Goderich	3,000
Corp Services	Tax Certificates	1,000
Corp Services	WSIB Savings	7,000
Parks	Permit Fees	2,000
Expenditure Reductions		
Library	Electronic Resources	1,000
Councillors	Travel	339
Councillors	Telephone	627
Physician Recruitment	Travel	1,000
Physician Recruitment	Telephone	500
Physician Recruitment	Student Accommodation	500
CAO	Tuition Fees	500
IT	Telephone	500
IT	Computer programs/maint	1,000
HR	Legal fees	1,000
EDO	Postage	700
Strategic Projects	Telephone	785
Corp Services	Office Supplies	1,000
Corp Services	Advertising	1,000
Corp Services	Tax Write Offs	5,000
Public Works	Clothing	998
Public Works	advertising	558
Public Works	Vehicle Fuel	3,000
Engineering	Clothing	1,000
Engineering	Travel	946
Engineering	Office Supplies	1,000
Engineering	Telephone	2,000
Engineering	Engineering Fees	1,316
Engineering	Contract Services	1,063
Facility Energy Audit	Miscellaneous	568
Community Services	Travel	1,172
Community Services	Contract Services	1,170
Community Services	Octoberfest Event	3,100
Roselawn	Telephone	595
Roselawn	Advertising	595
Soccer Complex	Materials	2,704
Parks Safety	Materials	590
Nickel Beach	Repairs & Maint	1,000
Building	Vehicle Gas	200
public works	Repairs & Maint	3,500

61,526

CITY OF PORT COLBORNE
2017 Budget Reductions Net of Revenues

SCHEDULE C

	Description	Reductions	
Expense Reductions			
Transfers to Reserves			
- Transit		15,000	
- Building		42,000	
- Goderich telecommunications revenue		7,600	
- Phys Recruit alloc to Reserve	\$77,000 - \$46,000 to one time expend - \$31,000 allocated to reserve		
Contract Services			
- Animal Shelter		1,500	
- Community Services		1,170	
Materials			
- Ditching		500	
- Debris Cleaning		500	
- Curb Maint		500	
- Equip Operations		5,000	
- Downtown BIA		2,000	
- Safety		500	
Consulting			
- Facility Energy Audit		1,000	
Repairs & Maintenance			
- Skate Park		2,000	
- Humberstone Hall		400	
- Parks		12,000	
- East Trail		500	
- Cemeteries		1,000	
- Nickel Beach		1,000	
- Works Yard		5,696	
- Boat Ramp		1,190	
- Ice Box Facility		1,000	
Vehicle Fuel		10,000	
			112,056
Expense Reductions			
Transfers from Reserves			
- Environmental Initiatives		6,120	
- Accessibility Committee		2,127	
- Seniors Advisory committee		2,127	
- Mayors Youth Advisory committee		1,063	
- Heritage LACAC		2,420	
Staff Development - Engineering		1,190	
Airport Commission	EA \$65,000 x 20% share	13,000	
Flavours Event	Cancelled	7,000	
		35,047	
			208,629

CITY OF PORT COLBORNE

Budget Increases

2017

SCHEDULE D

	Description	Budget Increases	
Human Resources	staff development	7,500	annual corporate leadership training
Engineering	Ditching	51,000	increase current budget from \$149,000 to \$200,000
Public Works	Tree Trimming/Removal/Replacement	28,000	increase current budget from \$102,000 to \$130,000
Parks Division	Temp Winter Works - 1 Staff	11,465	10 week term during winter months - fall 2017
Community Services	Bethel Community Centre Grant	500	budgeted \$7,500-increasing utility/maint costs
Community Services	Sherkston Community Centre Grant	500	budgeted \$7,500-increasing utility/maint costs
Marina	Clerical/Customer Service - 1/2 staff	4,162	Apr to Sept-6 months part time 24 hrs per week -300 hrs
Vale Health & Wellness Centre	Customer Service Rep - 1/2 staff	4,162	Oct to March-6 months part time 24 hrs/week - 300 hrs
Museum	Receptionist increased hours	5,600	increased hrs from 400 to 750 for admin/customer service
Museum	Tea Room Assistants - 2 staff	5,062	2 students-June to Sept-400 hrs to assist Museum Auxiliary
Planning	Community Improvement Plan Incentives	<u>11,000</u>	CIP Incentives program increased to \$64,000
		<u><u>128,951</u></u>	

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

SCHEDULE E

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Ontario Municipal Partnership Fund	1,718,315	1,718,315	2,377,100	2,438,600	2,446,900	2,384,000	2,345,900	2,345,900	2,345,900	2,345,900
Ontario Municipal Partnership Fund - New	552,800	658,785	61,500	8,300	(62,900)	(38,100)	247,300	341,800	426,200	454,200
	2,271,115	2,377,100	2,438,600	2,446,900	2,384,000	2,345,900	2,593,200	2,687,700	2,772,100	2,800,100
Funds applied to tax levy	1,718,315	1,778,315	2,438,600	2,446,900	2,384,000	2,345,900	2,345,900	2,345,900	2,345,900	2,345,900
Funds applied to levy during budget		504,618								
	552,800	94,167	0	0	0	0	247,300	341,800	426,200	454,200
- Tax Appeal Outstanding										
Recommended allocation of OMPF										
- one time projects							(133,000)	(203,000)	(140,000)	(287,320)
- new capital projects							(114,300)	(138,800)	(286,200)	(166,880)
Funds Available	552,800	94,167	0	0	0	0	0	0	0	0

Recommendation

- staff recommend that the OMPF funding at the 2016 level of \$2,345,900 be applied to the general operations budget as grant revenue for its intended purpose of assessment equalization
- staff recommend that the increased OMPF funding of \$454,200 be applied to fund the unfunded capital amortization or one time expenditures (new capital or initiatives)

**CITY OF PORT COLBORNE
FEDERAL GAS TAX REVENUES
2017**

SCHEDULE F

Available in Reserve Fund at Dec 31 2015	275,386	
Projects to be completed (Reserve Fund)		
- Traffic Signals	104,552	
- Traffic Signals (unspent funds from other projects)	<u>50,627</u>	155,179
		2016 project
- Unexpended funds		120,207
2016 Funds Available		<u>560,148</u>
		680,355
- Roads	538,000	
- Roselawn Theatre LED Lighting	<u>50,000</u>	588,000
		2016 project outstanding
- Unexpended funds		92,355
2017 Funds Available		<u>560,148</u>
		652,503
- Roads	538,000	
- Sidewalk Replacement (Lakeshore Road West)	<u>29,500</u>	567,500
- Unexpended funds		<u><u>85,003</u></u>

**CITY OF PORT COLBORNE
2017 BUDGET
FUNDING CAPITAL AMORTIZATION
FUNDS TRANSFERRED TO CAPITAL PROJECTS**

SCHEDULE G

Traditional Allocation of Budgeted Capital Funds	2016 budget	2017 Est Cost	Capital Levy Funds	Reserve Funds	Grant Funds	Defer Funding	
Capital Replacement Requests							
Sidewalk Replacements	85,000	95,000	95,000				
Sidewalk Replacements		29,500			29,500		Fed Gas Tax
Road Resurfacing Program	990,000	1,030,000	395,408		634,592		Fed Gas Tax \$538,000 OCIF \$96,592
	(634,592)						
	100,000						Detailed Safety Assessment Report
	34,552	34,566	34,566				debuture cost for roads
Museum		6,000	6,000				funding year 2 of 4 years
Museum		10,000	10,000				museum lump sum \$15,000 each year
Museum		5,000					
IT		47,000	59,200	59,200			
IT			7,000	7,000			
Corporate Services		5,000	5,000	5,000			funding year 5 of 5 years
Corporate Services		145,000	300,000	155,000	145,000		Funding over two years for \$300,000 estimated cost
Corporate Services			8,836	8,836			
Library		35,000	35,000	35,000			per library capital budget
Vehicles and Equipment		275,000	272,750	272,750			
Vehicles and Equipment		25,000	27,250	27,250			replace Van #318 plus accessories
Vehicles and Equipment			25,000			25,000	required if new position is approved by Council
Vehicles and Equipment			35,000	35,000			replace 2005 Dodge Ram with Crew Cab Short Box truck
Roselawn Centre	75,200	490,000	100,000		130,200	190,000	Canada 150-\$140,000 Friends of Roselawn-\$50,000
(Funding from Roselawn capital reserve of \$100,000 from 2015)					25,000		repair Block A-upper metal gutters & flashing restoration
					15,000		replace Mansard shingles/flash to arched dormers
Roselawn Centre	1,800				1,800		metal capping
Roselawn Centre		8,000			8,000		coating
Roselawn Centre		5,000			5,000		cabinets/stainless steel counters
Roselawn Centre		5,000			5,000		
Roselawn Centre					5,000		
Roselawn Centre					5,000		replace 5 casement windows in hallway-deteriorated wood
Roselawn Centre			50,000			50,000	Retrofit LED lighting with potential grant-Fed Gas Tax \$50,000
Roselawn Centre			??			??	remove asphalt/replace with decorative paving stone/gravel for drainage
Roselawn Centre			15,000			15,000	Design/structure for accessibility of entrance and restrooms and ramps
Marina		9,000	9,000	9,000			funding year 5 of 5 years
Marina		30,000					per Roofing Consultants report
Marina		12,000		12,000			replace old pedestals - 10 units @ \$1,200
Marina			12,000	12,000			replace walkway lights with LED energy efficient lighting
Marina			10,000	10,000			replace 5 canopies @ \$2,000/picnic dock - 10 years old
Marina			20,000	20,000			add 4 Outdoor Access Points for better signal to entire docks
Marina			360,000	matured debenture 15yr \$30,000			replace inherited travel lift with more reliable heavier lift
Marina			3,500	fund from operations			install new wall & door to separate new boiler/hot water tank with storage
Marina			10,000	10,000			replace for restaurant dining side-13 yrs old require heat exchanger
Marina			17,500	17,500			replace old pump out requiring ongoing repairs with larger capacity
Marina			1,500		1,500		weed harvester attachments to collect weeds
Marina			15,000		15,000		Concrete required between the ramps existing concrete slabs

**CITY OF PORT COLBORNE
2017 BUDGET
FUNDING CAPITAL AMORTIZATION
FUNDS TRANSFERRED TO CAPITAL PROJECTS**

SCHEDULE G

		2016	2017	Capital Levy	Reserve	Grant	Defer	
		budget	Est Cost	Funds	Funds	Funds	Funding	
Traditional Allocation of Budgeted Capital Funds								
Public Works	Solar Flashing Beacons		8,000	8,000				for new sign installs and safety issues as per Council direction
Public Works	New Operations Centre-file cabinets for storage area		29,000	15,500	13,500			32 lateral file cabinets for relocated files and storage
Public Works	New Operations Centre-Mechanics Fleet Shop		76,000	76,000				Sand Blast Unit \$4,000 & 6 Portable Hoist Units \$72,000
Parks	new solar park lighting (funding Parks reserve)	9,000	45,000		45,000			9,000 each for 5 parks-2 in 2013-1 in 2014/2015/2016
Parks	Lions Field Roof Replacement-metal panels	31,200	31,200		31,200			pending roof tender
Parks	Centennial Park Playground replacement	69,000						constructed in 2000/2001. may not meet CSA guidelines
Parks	Rose Shymanski Park		73,200	73,200				playground replacement
Parks	Humberstone Centennial Park		17,400	17,400				replace south side large older pavilion roof - metal roof
Parks	HH Knoll Park		16,500	16,500				replace old band shell roof with original cedar shingles
Parks	HH Knoll Park - Asphalt Pathways		28,000	28,000				\$19,500 east/west hilltop path & \$8,500 north/south west side path
Park Sports Field Bleachers	Phase replacement over 3 years-1st at Westside Fields	6,200	28,550	10,350	18,200			Vimy Complex \$6,200 -2016 / Lannan complex \$10,350 -2017
Tennis Courts	Court Resurface and top coat		60,000		60,000			Fund from Facility Reserve
Ice Box Facility	Steel roof and gutter replacement	15,000	30,000	15,000	15,000			fund over two years 2016 and 2017 (requires assessment)
Engineering/Parks	Public Transit Infrastructure Fund Program		193,000	96,500		96,500		upgrade/refurbish existing network of trails as approved by Council
Vale Health&Wellness centre	Pool Lighting		23,000		23,000			replace 400 watt metal halide to beacon LED-energy/maint savings
Vale Health&Wellness centre	Mechanical Components for future replacement		20,000		20,000			Back up condensor pump/cooling tower pump/shaft&bearing assembly
Sherkston Community Centre	Roof Repairs	7,500	7,500		7,500			new flashing-leaking into the attic
Sherkston Community Centre	unfunded renovations	5,000	5,000	5,000				funding year 2 of 4 years
Bethel Community Centre	Roof Repairs-front upper metal roof in poor condition		22,000		22,000			replace with shingles
Bethel Community Centre	Roof Repairs-lower full roof replacement on south side	25,000	25,000		25,000			option-repairs only to south side to buy a couple years - \$2,000
Bethel Community Centre	Replace Main access door	8,500	8,500		8,500			AODA Compliance for accessibility and security
City Hall	replace portions of carpeting	10,000	10,000	10,000				
City Hall	Generator automatic transfer switch upgrade		44,000	44,000				
Economic Development	Humberstone Hall Windows	4,300						see memo for explanation
Fire Dept	bunker gear replacement	21,600	20,000	20,000				reglazing of 3 windows
Fire Dept	Fire Inspection Program - Tablet	3,500						10 sets @ \$1,800 each
Fire Dept	Communication Upgrades	20,000	20,000	20,000				Conduct inspections in the field
Fire Dept	Annual Fire Equipment	10,000	10,000	10,000				reserve for communication radio equipment upgrades
Fire Dept	Office Furniture and Computer Upgrades	4,500						replace fire and safety equipment
Fire Dept	New Master Stream Foam Nozzles	5,000						replace one work station, 2 chairs, one desk top computer
Fire Dept	Pagers		4,000	4,000				new technology to apply large volume of foam
Fire Dept	Lockers for Station		8,000	8,000				upgrade and replace 6 pagers
Fire Dept	Trailer for HazMat/Decon		8,000	8,000				new larger lockers required for clothing/equipment separation
Fire Dept	Fire Station Roof	30,000	30,000	30,000				storage and transportation of decontamination equipment
Animal Shelter	fencing	4,000						
Animal Shelter	New ground and wall sign		2,500	2,500				new dog run on south side-cost shared with Humane Society
OMPF Funds				(114,200)				
Capital Reserve								
	Total Budgeted Capital Funds	1,590,260	3,908,952	1,740,260	650,400	1,000,592	40,000	
	Future Capital Amortization			(150,000)				
	Funds Available in Library capital levy			(35,000)				
	Funds Available in capital levy			(1,555,260)				
	(Unallocated capital funding)			-				

NOTE: Amortization for the City's operations capital assets amounts to \$4,222,161 of which the City levys \$1,740,260 plus OCIF Funds of \$182,945 and allocates Federal Gas Tax funds of \$560,148. The total allocation for capital amounts to \$2,483,353 with a shortfall in covering capital amortization in the amount of \$1,738,808.

**CITY OF PORT COLBORNE
2017 BUDGET
FUNDING CAPITAL AMORTIZATION
FUNDS TRANSFERRED TO CAPITAL PROJECTS**

SCHEDULE H

	2016 budget	2017 Est Cost	OMPF Funds	Reserve Funds	Grant Funds	Defer Funding	
New Capital Requests							
Vale Health&Wellness centre		7,000		7,000			VHWC Reserve - deferred in 2014
Vale Health&Wellness centre		35,000		35,000			VHWC Reserve - deferred in 2014
Vale Health&Wellness centre		2,500				2,500	seed money to update/enhance plaques
Vale Health&Wellness centre		10,000			10,000		donation from Golden Puck Hockey over 2 years
Vale Health&Wellness centre		9,600	9,600				4 new security cameras for areas of high risk not monitored
Museum	5,700						Phase 2 of shelving-deferred 2012
Museum	10,000	10,000	10,000				Year 2 - \$10,000/yr for 3 yrs plus Fundraising over 5 years
Museum	5,000	5,000	5,000				
Museum/Library		15,000	3,000	12,000			Security for the grounds-\$5,000Library res/\$7,000 cultural res
Economic Development	2,500	2,700	2,700				located in downtown area includes repair stand/tools/air pump
IT		3,500	3,500				
Nickel beach	3,000	3,000		3,000			
Nickel beach		18,000	-			18,000	provides access for wheelchairs/strollers/pedestrians
Roselawn Centre	10,000						POE security switch/cablng/commercial access/mthly internet service
Roselawn Centre		49,680	47,680			2,000	AGCO required for licensed venue-match current heritage fencing
Roselawn Centre		6,774				6,774	enhance theatre to black out sides/back for smaller audiences
Community Services		2,500				2,500	bilingual emergency park signs and installation
Community Services		12,000				12,000	Divide meeting area from office area
Sherkston Community Centre		1,500				1,500	
Bethel Community Centre		1,500				1,500	
Engineering		20,000	20,000				
Engineering		225,000				225,000	debenture city cost with full projects
Engineering	10,000						
Engineering	2,000						laptop for on site reporting
Engineering	100,000						\$100,000 to \$296,000 (Vale Reserve-proceeds from sale West Arena)
Marina	10,000	8,000	8,000				additional storage area in parking lot
Marina	12,500	9,000	9,000				additional cameras for parking lot/storage facility/under restaurant deck
Marina		27,000				27,000	secure winter storage for equipment currently stored in open area
Marina	16,000						Boat Storage/fuel dock area
Marina		16,000	-			16,000	requires investigation of costing and grants
Marina		10,000				10,000	expand existing dock system in lagoon - 30'x6' section
Marina		4,500		4,500			expanding services as source of revenue
Council Request	12,000						\$1,200 per potted tree
Niagara Central Airport		50,000	20,000	30,000			2015-\$30,000 in reserve
Capital reserve			553				
Total New Capital Requests	198,700	564,754	139,033	91,500	10,000	324,774	
OCIF Funds Available			(86,353)				
OMPF Funds Available for capital			(52,680)				
(Unallocated capital funding)			-				

NOTE: Amortization for the City's operations capital assets amounts to \$4,222,161 of which the City levys \$1,740,260 plus OCIF Funds of \$182,945 and allocates Federal Gas Tax funds of \$560,148. The total allocation for capital amounts to \$2,483,353 with a shortfall in covering capital amortization in the amount of \$1,738,808.

**CITY OF PORT COLBORNE
2017 BUDGET
FUNDING OUT OF RESERVES AND RESERVE FUNDS**

SCHEDULE I

Employee Benefits Reserve	Benefits	35,000	operations
Grants Reserve	Community Groups	19,000	operations
Heritage Reserve (LACAC)	heritage projects	3,300	operations
Heritage Reserve (LACAC)	operations	2,420	operations
Corporate Services	Continued update of Asset Mgmt Plan	6,709	operations
VHWC Sponsorship Reserve	VHWC Debenture	343,817	operations
Committees	Environmental/Accessibility/Seniors/MYAC	11,437	operations
Accessibility Reserve	website audit/training/accessibility plan update	5,000	one time
Marina	Comprehensive inspection/audit of docks-2016 RFQ	10,000	one time
Corporate Services	Records Mgmt & Retention System	40,000	one time
Corporate Services	Provide and update Comprehensive Asset Mgmt Plan	25,000	one time
Parks & Recreation Master Plan	Study	70,000	one time
Health & safety Reserve	assessments of 2 locations annually	5,000	one time
Economic Development	New Corporate and Tourism Branding	10,000	one time
Roads	Traffic Study	50,000	one time
Engineering	Facility Maintenance Study	75,500	one time
Federal Gas Tax Reserve	Roads	538,000	capital
Federal Gas Tax Reserve	Roselawn Theatre LED Lighting	50,000	capital
Federal Gas Tax Reserve	Lakeshore Road West Sidewalk Replacement	29,500	capital
Corporate Services	New Financial Software and Hardware	145,000	capital
Roselawn	Outside Building Renovations/Repairs	200,000	capital
Museum/Library	Security Cameras	12,000	capital
Industrial Reserve	Industrial lands clearing	40,000	capital
Public Works	New Operations Centre-file cabinets for storage area	13,500	capital
Main St CIP Reserve	Main St CIP unfinanced project (matured debentures)	210,869	capital
Marina	Dredging	100,000	capital
Marina	Boat Launch Ramp	15,000	capital
Vale Health&Wellness centre	Pool Lighting	23,000	capital
Vale Health&Wellness centre	Mechanical Components for future replacement	20,000	capital
Facility Reserve	Tennis courts	60,000	capital
Parks Reserve	Solar lighting in parks	45,000	capital
Parks Reserve	Lions Field/Ice Box/Sherkston/Bethel roof replacements	100,700	capital
Parks Reserve	Park Sports Field Bleachers	18,200	capital
VHWC Capital Reserve	Community Room upgrades	42,000	capital
Niagara Central Airport	Contingency Capital Reserve	30,000	capital

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)

2,404,952

**CITY OF PORT COLBORNE
2017 BUDGET
TRANSFERS INTO RESERVES**

SCHEDULE J

Elections	Annual contribution	25,000	required for 2018 election
Physician Recruitment	future recruitment	77,066	wage savings - \$46,000 allocated to one time expend
Goderich	Lease-Capital/Demolition Reserve	19,000	replenish reserve as approved by Council
Goderich	Capital contribution per lease agreement	85,000	as per agreement
Drains	Maintenance	22,911	annual portion of City cost
Marina	Capital	50,000	approved by Council in 2016-surplus to capital reserve
Marina	Unfunded capital (matured debentures)	31,169	matured debentures - allocate to mobile lift debenture
Debentures	New debt	44,260	matured debentures
Operations Centre	Debentures	365,000	approved by Council in 2016
Operations Centre	Debentures	130,000	approved by Council in 2017
Roselawn	Capital contribution-ticket sales	6,000	required for capital works
VHWC Sponsorship Reserve	Sponsorship contributions	149,000	capital
Federal Gas Tax Reserve	FGT Program	560,148	capital
Building Reserve	Surplus funds	21,000	
Main St CIP Reserve	Unfunded capital (matured debentures)	210,869	matured debentures
Planning	Development Charge Study	6,248	required for study done every 5 years
		<u>1,802,671</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
2017 BUDGET
ESTIMATED RESIDENTIAL PROPERTY TAX BURDEN COMPARISON**

SCHEDULE K

	Phased In Assessment change				Phased In Assessment change			
	2017	2016	\$ Change	% Change	2017	2016	\$ Change	% Change
City	81.814	79.098	2.72	3.43%	81.814	79.098	2.72	3.43%
Region - general	57.686	58.156	-0.47	-0.81%	57.686	58.156	-0.47	-0.81%
Region - waste mgmt	9.232	9.444	-0.21	-2.24%	9.232	9.444	-0.21	-2.24%
Education	18.800	18.800	0.00	0.00%	18.300	18.800	-0.50	-2.66%
	<u>167.532</u>	<u>165.498</u>	<u>2.03</u>	<u>1.23%</u>	<u>167.032</u>	<u>165.498</u>	<u>1.53</u>	<u>0.93%</u>

**** with 4.71% levy increase
no education rate change**

**** with 4.71% levy increase
with estimated reduced education rate**

ESTIMATES OF TAX CHANGES

	ESTIMATES OF TAX CHANGES				ESTIMATES OF TAX CHANGES			
	2017	2016	\$ Change	% Increase	2017	2016	\$ Change	% Increase
Assessment	180,679	176,711			180,679	176,711		
City	1,478.21	1,397.74	80.47	5.76%	1,478.21	1,397.74	80.47	5.76%
Region-general	1,042.26	1,027.69	14.57	1.42%	1,042.26	1,027.69	14.57	1.42%
Region-waste mgmt	166.80	166.88	-0.07	-0.04%	166.80	166.88	-0.07	-0.04%
Education	339.68	332.22	7.46	2.25%	330.64	332.22	-1.57	-0.47%
Total Tax Levy	3,026.95	2,924.52	102.43	3.50%	3,017.92	2,924.52	93.39	3.19%

Note: Regional tax policy changes and tax ratios same as 2016 and subject to change