



**Corporate Services Department  
Finance Division**

**Report Number: 2018-47**

**Date: April 9, 2018**

**SUBJECT: 2018 Operating/Capital Budget**

**1) PURPOSE**

This report seeks Council's approval to adopt the 2018 Operating and Capital Budget.

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

Deliberations for the City's 2018 budget commenced with Council receiving the budget package and an overview presentation to the Committee of the Whole of Council on March 5, 2018. The budget was reviewed and discussed in detail by the Committee for consideration of the operating and capital portions of the budget on March 6 and approved on March 14, 2018.

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% for base operations. In 2018, staff projected an operating budget increase of 2% to 3% plus the annual capital levy increase of \$200,000 (1.25%) and Operations Centre debenture levy of \$130,000 (0.81%) for an estimated overall levy increase of 4% to 5%.

The 2018 operating budget was presented with a 3.27% operating levy increase for the base level of service, which includes some cost reductions and increased revenues. With the annual capital levy increase of \$200,000 (1.25%), the levy increase amounts to 4.52%. 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 (0.81%) in each of 2017, 2018 and 2019. The proposed levy increase was 5.33%. After consideration of staff's new budget requests, Council approved additional staffing and services amounting to \$223,658 as detailed below. Therefore, the final budget proposed has a 6.72% overall levy increase amounting to \$1,078,061, including the annual capital levy increase and additional new debt charges. See attached Schedule B – 2018 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 \$ 6,000
- Part Time staffing \$ 64,773
- Tree Removal (increased current budget of \$130,000) \$ 20,000
- Operations (increased service level) \$ 50,885
- Trails Maintenance \$ 50,000
- Physician Recruitment \$ 10,000
- Transit \$ 22,000

With the above increases to the budget, the City's net overall levy for 2018 is \$17,116,395 (operating levy of \$15,176,135 and capital levy of \$1,940,260). This amounts to an increase of \$1,078,061 over 2017 or a 6.72% levy increase as per Schedules A and B. With the phased in reassessment increase of properties, the estimated City property tax increase would be 5.62% (includes a 1% tax class shift) on an average assessed home valued at \$185,605 or approximately \$83. The combined tax increase with the estimated Region and Education taxes would be 2.46% or approximately \$74, as approved by the Committee of Council.

At the time of writing this report, the Region had not finalized the tax policies and tax class ratios for 2018 (these are subject to change).

The Ontario Municipal Partnership Fund (OMPF) announced that Port Colborne receives \$440,300 over the 2013 base allocation. This is \$13,900 less than in 2017. 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 2017 of \$2,345,900. Committee approved the expenditure of the additional OMPF funds for one-time projects amounting to \$440,300.

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 and 2017. Continuation of this plan from 2013 to 2017 provided a total capital levy amounting to \$1,740,260. Committee approved an amount for \$200,000 in 2018, which represents a 1.25% increase on the levy to keep up with inflation. The total capital levy for 2018 amounts to \$1,940,260.

As the City is eligible to receive \$586,822 in 2018 from the Federal Gas Tax funds program and funding from the Ontario Community Infrastructure Fund (OCIF) of \$259,755 (increased from \$182,945 in 2017); a total of \$2,692,015 is available for capital projects. While still short of the required \$4,151,470 in amortization to replace capital assets, this helps reduce the capital infrastructure deficit to fund existing capital assets to approximately \$1,459,455. To meet this deficit, Council should continue to levy \$200,000 each year over the next 7 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, grants and reserve funds (see Schedules G and H). The total amount of capital replacement projects amounts to \$3,654,607. This is funded through the capital levy of \$1,773,852, allocation of Federal Gas Tax funds of \$622,000 for Roads, OCIF funds of \$129,755 for Roads, grants and reserve funds for various projects.

After detailed discussions on many issues presented, the following were approved for 2018 as per the attached schedules:

- Total operating expenditures of \$25,202,379.
- Total operating revenues/fees/reserves/OMPF of \$8,085,984.
- Net operating levy increase of \$878,061 from 2017 operating levy of \$14,298,074 to

- \$15,176,135 in 2018, including \$130,000 for the new Operations Centre debenture.
- Capital levy increase of \$200,000 from \$1,740,260 in 2017 to \$1,940,260.
- Capital expenditures of \$3,654,607 funded from Capital levy amortization of \$1,773,852 (included in net tax levy), Federal Gas Tax funds of \$622,000 (from the 2018 allocation of \$586,822 and previous funds), OCIF funds of \$129,755, grants for \$197,500 and reserve funds of \$931,500.
- Total net tax levy amounts to \$17,116,395 (operating \$15,176,135 and capital \$1,940,260).
- Municipal net tax levy increase is 6.72%.
- Tax rate increase of 2.82%.
- Overall estimated blended property tax increase is 2.46% or \$74 to average residential property with assessed value of \$185,605 (subject to changes in Regional Tax Policy and Tax Class Ratios).
- Approval of projects to be financed from Federal Gas Tax Funds.
- Approval of expenditures to be financed from reserves amounting to \$3,357,330.
- Approval of funds to be transferred into reserves amounting to \$1,258,972.

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

The 2018 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 2018 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 \$1,078,061 represents a 6.72% increase to the City levy, which includes \$524,403 in operating costs, an additional \$130,000 for the new Operations Centre debenture, an additional \$200,000 to the capital levy requirement and \$223,658 in approved staffing and services. With the reassessment values of properties, assessment growth and the levy increase, the residential tax rate will increase by 2.82% from 0.00818373 to 0.00841417.

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 \$34,333 be raised in 2018 (\$33,660 – 2017) and the Main St. BIA has requested a levy of \$10,000 in 2018 (\$10,000 – 2017).

#### 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 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 2017.

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 2018 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 \$4,151,470 and a portion is excluded as a cost in the 2018 budget. Included in the budget are the cash requirements of \$2,692,015 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 \$1,459,455 is not budgeted.

The present value of post-employment obligations are estimated at \$5,941,300 with annual net benefit expense estimated at \$525,000 and are excluded as a cost in the 2018 budget. The budget contains \$307,000 for the current year's post-employment benefit expense for the retired employees eligible for this expense. The difference of \$218,000 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 2018 year as per the Municipal Act.

##### **b) Other Options**

Council may change and establish new budget estimates.

The proposed 2018 budget for operating and capital purposes establishes the City's spending requirements for this year. The 2018 operating budget was presented with a 3.27% operating levy increase of \$524,403 for the base level of service. With the annual capital levy increase of \$200,000 (1.25%), increased debenture payment for the Operations Centre of \$130,000 (0.81%), with additional staffing/services of \$223,658, the budget proposed a 6.72% overall levy increase amounting to \$1,078,061. With the above increases, the City's net overall levy for 2017 is \$17,116,395 (Operating levy of \$15,176,135 and Capital levy of \$1,940,260). This amounts to an increase of \$1,078,061 over 2017 or a 6.72% levy increase. The combined tax increase with the estimated

Region and Education taxes would be 2.46% or approximately \$74.00, as approved by the Committee of Council.

**5) COMPLIANCE WITH STRATEGIC PLAN INITIATIVES**

Not applicable.

**6) ATTACHMENTS**

- Schedule A - 2018 Budget Worksheet Summary
- Schedule B - 2018 Operating Levy Summary
- Schedule C - Ontario Municipal Partnership Fund (OMPF)
- Schedule D - Federal Gas Tax Revenues
- Schedule E - Funds Transferred to Capital Projects (Capital Levy)
- Schedule F - Funding out of Reserves and Reserve Funds
- Schedule G - Transfers into Reserves
- Schedule H - Estimated Residential Property Tax Burden Comparison

**7) RECOMMENDATION**

That in compliance with Ontario regulation 284/09, Council confirms that the 2018 budget was developed using the cash basis and has excluded the following accrual expenses: a portion of the amortization expense which amounts to approximately \$1,459,455 and the amount of post-employment benefits expense which amounts to approximately \$218,000; and

That the 2018 Budget be approved as presented; and

That the by-law for the budget estimates for all sums required for the operations for the year 2018 be adopted.

**8) SIGNATURES**

Prepared on March 25, 2018 by:



Peter Senese  
Director of Corporate Services

Reviewed and respectfully submitted by:



C. Scott Luey  
Chief Administrative Officer

**CITY OF PORT COLBORNE**  
**2018 BUDGET WORKSHEET SUMMARY**

**SCHEDULE A**

	2017 Levy	16,038,334	4.71%					
Staff PROPOSED LEVY				\$ 16,892,737	5.33%			
CURRENT PROPOSED LEVY				\$ 17,116,395	6.72%	levy increase		
Note-\$161,000 = 1% levy increase								
		Cost	OMPF Funds	LEVY FUNDING	Reserve Funds	Other/ Grants	Defer Funding	Description
<b>UNFINANCED REQUESTS</b>								
Human Resources	Consultant	\$10,000	\$10,000					Employee Engagement Survey Follow Up - Phase 2
Human Resources	Coop Student	\$6,300	\$6,300					work term of 400 hours in fall/winter months
CAO	Corporate Accessibility Compliance	\$5,000			\$5,000			website audit/training/accessibility plan update-Accessibility reserve
CAO	Live Streaming Council Meetings	\$3,000	\$3,000	\$7,800				pilot project
CAO	Performance Mgmt Training	\$11,000			\$11,000			Performance Appraisals
CAO	Coaching and Training	\$24,500	\$24,500					
CAO	CUPE Job Evaluation	\$30,000	\$30,000					review for internal/pay equity and market rates
Health & Safety	Bill 168 Workplace Risk Assessments	\$10,000	\$5,000		\$5,000			assessments of 2 locations annually-health & safety reserve
Health & Safety	Working Mind Training Courses	\$11,225	\$11,225					24 managers and 72 staff attendees
Corp Services-Clerks Div	Records Mgmt & Retention System	\$80,000			\$80,000			phased in over 2016/2017 for 2018/2019 implementation
Corp Services-Finance Div	Asset Management	\$48,750			\$25,000	\$ 23,750	In Levy	Provide and update Comprehensive AMP
Corp Services-Finance Div	Capital Asset/Budget Supervisor-sal & ben	\$83,705				\$ 80,000	\$3,705	2018/2019 initiative to implement and manage AMP with capital budgeting
								Available funding from OCIF max \$80,000
Fire Dept	Fire Safety Initiative	\$20,000	\$20,000					Smoke and Carbon Monoxide Alarm Program
Fire Dept	Summer Student	\$9,400		\$9,400				16 weeks
Engineering	Pavement Marking	\$6,140		\$6,140				increase current budget from \$43,860 - two markings Spring and Fall
Engineering	Facility Maintenance Study	\$75,500			\$75,500			OMPF 2015
Engineering	OGRA Training Courses	\$3,000		\$3,000				increase staff development to \$5,000
Engineering	Renewable Passive Energy Generation	\$15,000	\$15,000					consultant required to investigate feasibility of installing at Operations Centre
Operations	Tree Trimming/Removal/Replacement	\$20,000		\$20,000				increase current budget from \$130,000 to \$150,000
Operations	Tree Trimming Equip Rental	\$9,600			\$9,600			8 week rental-tractor with arm mower-cut on rural and clay roads
Operations	Inventory & Asset Tracking Software	\$22,000				\$22,000	FCM grant	
Operations	WorkOrders & Equip Maint Software	\$60,000				\$10,000	FCM grant	annual maintenance fee \$7500
						\$50,000	OCIF grant	
Operations	Stone Repairs on roads and shoulders	\$7,500		\$7,500				increase from \$32,500 for shouldering and stone road repairs in rural area
Operations	Snow Ploughing Equipment Rental	\$54,000			\$54,000			rent 2 loaders for one snow route-city operator
Operations	Snow Poughing Contractor Changes	\$5,133		\$5,133				increase to \$37,000 - 5 yr agreement (100 hr/season min guarantee)
Operations	Sanding Contractor Changes	\$9,312		\$9,312				increase to \$30,000 - 5 yr agreement (100 hr/season min guarantee)
Operations	Building/Yard Materials	\$2,404				\$2,404		increase to \$9,000 - addl costs on move to new Operations Centre
Operations	Public Works Staff Development	\$3,000		\$3,000				Municipal Equip Operator Assoc Technology events
Operations	Drainage Works-City portion of costs	\$110,586	\$100,586			\$10,000		Zavitz Drain/Sherkston North and East & West Trail Branch Drains
Operations	Drainage Works-City portion of costs	\$90,093				\$90,093		Young and Hopf-Wagner Drains-2019 construction
Parks Division	Temp Summer Staff -3 staff	\$17,550		\$5,850		\$11,700		council approved 1 staff extended from 19 to 24 weeks
Parks Division	Temp Winter Works - Addl 10 weeks	\$12,000		\$12,000				20 week term during winter months 1/2 levied 2017, 1/2 2018 budget
Parks Division	East/West Trail	\$100,000	\$50,000	\$50,000				tree removal/planting/asphalt/signage/painting/culvert barriers

**CITY OF PORT COLBORNE**  
**2018 BUDGET WORKSHEET SUMMARY**

**SCHEDULE A**

	2017 Levy	16,038,334	4.71%					
Staff PROPOSED LEVY				\$ 16,892,737	5.33%			
CURRENT PROPOSED LEVY				\$ 17,116,395	6.72%	levy increase		
Note-\$161,000 = 1% levy increase								
		Cost	OMPF Funds	LEVY FUNDING	Reserve Funds	Other/ Grants	Defer Funding	Description
Community Services	VHWC - Summer Camp Program	\$24,800				\$20,500	\$4,300	potential grant for \$20,500 and program fees to cover costs
Community Services	Grant Application-Celebrate Ontario 2018	\$10,000	\$10,000					Canal Days Grant consultant wrote grant
Community Services	Canal Days Sponsorship Program	\$20,000	\$20,000					40th Annual sponsor engagement
Community Services	Parks&Recreation Master Plan	\$70,000			\$70,000			OMPF 2015
Communications & Marketing	Social Media Monitoring Program	\$4,320	\$4,320					Shared program with 5 Cities
Community Services	Canal Days	\$40,000	\$40,000					increase entertainment for 40th Annual
Community Services	Canal Days	\$15,000		\$15,000				increased costs due to relocation of concert area
Community Services	Berkley Cdn Fishing Championship	\$25,000	\$25,000					as approved by Council
Community Services	Niag Healthy Kids Community Challenge	\$1,000	\$1,000					as approved by Council
Community Services	Canada Day Celebrations	\$15,000	\$10,000			\$5,000		Sponsorship
Marina	One Seasonal Maintenance staff	\$14,600		\$14,600				increase 24 to 40 hrs and additional 4 weeks
Marina	Seasonal Administrative staff	\$11,725		\$11,725				reduce one student and add a seasonal admin for 35 weeks
Marina	Clerical/Customer Service - 1/2 staff	\$4,662		\$4,662				Apr to Sept-6 months part time 24 hrs per week -600 hrs
<b>Vale Health &amp; Wellness Centre</b>	Customer Service Rep - 1/2 staff	\$4,662		\$4,662				Oct to March-6 months part time 24 hrs/week - 600 hrs after hours
Museum	Receptionist increased hours-50 hours	\$837		\$837				increased hrs from 750 to 800 for admin/customer service-deferred 2017
Museum	Archives Assistant	\$1,037		\$1,037				new in 2017 @ 210 hrs - request addl 50 hrs for year round service
Library	additional 100 part time hours	\$2,110				\$2,110		dev chg reserve for books-realloc books exp to wages
Economic Development	New Corporate and Tourism Branding	\$10,000			\$10,000			branding and design work
Economic Development	Industrial Land clearing	\$60,000			\$60,000			Invertose Drive 23 acres cleared over 3 years-\$20,000/year (3rd of 3 years)
Economic Development	Active Transportation Needs Assessment	\$10,000			\$10,000			study transportation network including bike friendly community designation
By-law Division	Bylaw Enforcement Summer Student	\$9,200				\$9,200		increased revenue to cover the cost
By-law Division	School Crossing Guard Rover	\$15,725					\$15,725	not approved by Council
Building Division	New Inspection Software and Hardware	\$46,500			\$46,500			MobilINSPECT provides handheld technology for field inspections/reporting
Physician Recruitment	reserve shortfall	\$10,000		\$10,000				Comm recommends \$10,000 annually
Physician Recruitment	future recruitment	\$35,000	\$35,000					Comm recommends to support potential new physician for 2018
YMCA	Request additional funding-see memo	\$22,118	\$19,369		\$2,749			discuss with YMCA to review costs & revenues to mitigate deficit
Fort Erie Resolution	YWCA/Niagara Region - \$5,000	not supported						Anti-Human Trafficking Program
Welland Transit	Service Agreement Renewal Apr 1 2018	\$44,250		\$22,000	\$22,250			Potential Increase in cost - \$59,000 x 9/12 months
New Operations Centre	Debenture							\$130,000 - \$390,000 spread over 3 years 2017, 2018, 2019
Annual Capital Levy	Future Capital Amortization							\$200,000
<b>Total Expenditures</b>		<b>\$1,503,244</b>	<b>\$440,300</b>	<b>\$223,658</b>	<b>\$486,599</b>	<b>\$222,560</b>	<b>\$137,927</b>	
<b>TOTAL LEVY</b>				<b>\$ 17,116,395</b>	<b>6.72%</b>			levy increase

**CITY OF PORT COLBORNE  
2018 OPERATING LEVY SUMMARY**

**SCHEDULE B**

<b>2017 Tax Levy</b>		16,038,334	
<u>Operations</u>			
Salaries/Wages/Benefits	3.34%	535,859	
Utilities/Telephone	0.18%	28,330	
Library	0.11%	17,749	
Other net costs	1.34%	215,287	
 New revenues	 -2.12%	 <u>(340,356)</u>	
		<u>456,869</u>	2.85%
 <b>2018 Operating Levy</b>		 16,495,203	
<u>Other Costs</u>			
Debentures	-0.01%	<u>(993)</u>	
		<u>(993)</u>	-0.01%
		16,494,210	2.84%
<u>Other Unexpected Costs</u>			
Loss of Revenues	0.43%	<u>68,527</u>	
		<u>68,527</u>	0.43%
 <b>Proposed 2018 Tax Levy</b>		 16,562,737	3.27%
Capital Amortization-PSAB		200,000	1.25%
Funding New Operations Centre		130,000	0.81%
-remaining debenture		<u>114,094</u>	
 <b>Proposed 2018 Tax Levy/Capital/Debt</b>		 16,892,737	5.33%
 Additional staffing/services		 <u>223,658</u>	
 <b>Proposed 2018 Tax Levy</b>		 <u><u>17,116,395</u></u>	6.72%



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

**SCHEDULE C**

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ontario Municipal Partnership Fund	2,377,100	2,438,600	2,446,900	2,384,000	2,345,900	2,345,900	2,345,900	2,345,900	2,345,900
Ontario Municipal Partnership Fund - New	61,500	8,300	(62,900)	(38,100)	247,300	341,800	426,200	454,200	440,300
	2,438,600	2,446,900	2,384,000	2,345,900	2,593,200	2,687,700	2,772,100	2,800,100	2,786,200
Funds applied to tax levy	2,438,600	2,446,900	2,384,000	2,345,900	2,345,900	2,345,900	2,345,900	2,345,900	2,345,900
Funds applied to levy during budget									
	0	0	0	0	247,300	341,800	426,200	454,200	440,300
- Tax Appeal Outstanding									
Recommended allocation of OMPF									
- one time projects					(133,000)	(203,000)	(140,000)	(287,320)	(440,300)
- new capital projects					(114,300)	(138,800)	(286,200)	(166,880)	
Funds Available	0	0	0	0	0	0	0	0	0

**Recommendation**

- staff recommend that the OMPF funding at the 2017 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 \$440,300 be applied to fund the unfunded capital amortization or one time expenditures (new capital or initiatives)

**CITY OF PORT COLBORNE  
FEDERAL GAS TAX REVENUES  
2018**

**SCHEDULE D**

Available in Reserve Fund at Dec 31 2015		275,386
<b>2016 Funds Available</b>		<b>560,148</b>
Projects to be completed (Reserve Fund)		
- Roads	(585,585)	
- Traffic Signals	(104,552)	
- Traffic Signals (unspent funds from other projects)	(58,814)	(748,951)
- Unexpended funds		86,583
Interest		3,441
		90,024
Available in Reserve Fund at Dec 31 2016		90,024
Balance in Reserve		
- Facility LED Lighting	50,000	
- Unallocated funds	40,024	
		90,024
<b>2017 Funds Available</b>		<b>560,148</b>
		650,172
- Roads	(538,000)	
- Sidewalk Replacement (Lakeshore Road West)	(29,500)	
		(567,500)
- Unexpended funds		82,672
Interest (Estimated)		3,000
<b>2018 Funds Available</b>		<b>586,822</b>
		672,494
- Roads	(622,000)	
- Facility LED Lighting	(50,000)	
		(672,000)
		494

**CITY OF PORT COLBORNE  
2018 BUDGET  
FUNDING CAPITAL AMORTIZATION  
FUNDS TRANSFERRED TO CAPITAL PROJECTS**

**SCHEDULE E**

Traditional Allocation of Budgeted Capital Funds	2017 budget	2018 Est Cost	Capital Levy Funds	Reserve Funds	Grant Funds	Defer Funding
<b>Capital Replacement Requests</b>						
Sidewalk Replacements	95,000	100,000	100,000			
Road Resurfacing Program	1,030,000	1,130,810	379,055		751,755	Fed Gas Tax \$622,000 OCIF \$129,755
Road Resurfacing Program	(634,592)					
Road Resurfacing Program	34,566	34,567	34,567			debenture cost for roads
Traffic Signals		10,000	4,000		6,000	Main St Revitalization Initiative Fund
Pedestrian Crossing		45,000			45,000	Main St Revitalization Initiative Fund
Vehicles and Equipment	272,750	335,000	335,000			
Museum	6,000	6,000	6,000			funding year 3 of 4 years
Museum	10,000	10,000	10,000			museum lump sum \$15,000 each year
Museum	10,000	10,000	10,000			Year 3 - \$10,000/yr for 3 yrs plus Fundraising over 5 years
Museum		25,000	10,000		15,000	
Museum		10,000	10,000			
Museum/Library		15,000		15,000		Security for the grounds-\$5,000Library res/\$7,000 cultural res
Library	35,000	35,000	35,000			per library capital budget
Library		15,000	15,000			
IT	59,200	60,400	60,400			
IT		3,000	3,000			
IT		2,000	2,000			Secure acces to the IT servers and equipment
IT		3,500		3,500		
IT		5,000	5,000			
IT		3,000	3,000			
Communications & Marketing		5,150	5,150			SCALA Systems Software
Corporate Services	155,000	23,700	23,700			Virtual City Hall - Citizen Self-Service Suite
Community & Econ Development		7,500	7,500			1st year of 4 yr commitment to Sport Tourism Capital Reserve - \$30,000
Roselawn Centre		47,680		47,680		AGCO required for licensed venue-match current heritage fencing
Facility Maintenance	100,000	100,000	100,000			
Facility Maintenance		11,285	11,285			
Facility Maintenance		31,200		31,200		pending roof tender
Facility Maintenance		24,500	24,500			siding complete/skirting replaced/deck structure and boards replaced
Facility Maintenance	17,400	17,400		17,400		replace south side large older pavilion roof - metal roof
Facility Maintenance	16,500	16,500		16,500		replace old band shell roof with original cedar shingles
Facility Maintenance	15,000	30,000		30,000		fund over two years 2016 and 2017 (requires assessment)
Facility Maintenance		23,000		23,000		replace 400 watt metal halide to beacon LED-energy/maint savings
Facility Maintenance		50,000	25,000		25,000	change all T5 light tubes to LED light tubes-payback in 6 months
Facility Maintenance		21,535	21,535			
Facility Maintenance		5,000	5,000			electrical surges have damaged electronic equipment
Facility Maintenance		25,000	25,000			City Hall, Marina, Bethel & Sherkston Community Centres
Facility Maintenance		12,000		12,000		new flashing-leaking into the attic
Facility Maintenance		22,000		22,000		Roof Repairs-front upper metal roof in poor condition-replace with shingles
Facility Maintenance		25,000		25,000		Roof Repairs-lower full roof replacement on south side
Facility Maintenance		4,000		4,000		AODA Compliance for accessibility and security

**CITY OF PORT COLBORNE  
2018 BUDGET  
FUNDING CAPITAL AMORTIZATION  
FUNDS TRANSFERRED TO CAPITAL PROJECTS**

**SCHEDULE E**

<b>Traditional Allocation of Budgeted Capital Funds</b>		2017	2018	Capital Levy	Reserve	Grant	Defer	
		budget	Est Cost	Funds	Funds	Funds	Funding	
Engineering	GIS Technician - computer and monitors		5,400	5,400				
Engineering	Facility Maintenance staff computer hardware		5,000	5,000				
Engineering	Pleasant Beach Waste Collection Enclosures		7,000	7,000				
Engineering/Parks	Public Transit Infrastructure Fund Program	96,500	193,000		96,500	96,500		security cameras & installation \$4,000 / enclosure roof \$3,000
Parks	new solar park lighting (funding Parks reserve)		45,000		45,000			upgrade/refurbish existing network of trails as approved by Council 9,000 each for 5 parks-2 in 2013-1 in 2014/2015/2016
Parks	Emergency Park signs		2,500	2,500				bilingual emergency park signs and installation
Parks	Sunset Park		75,000	75,000				playground replacement
Parks	HH Knoll Park		15,000	15,000				replace wooden retaining wall with block/replace wooden stairs
Parks	Rose Shymanski Park	73,200	73,200		73,200			playground replacement
Parks	HH Knoll Park - Asphalt Pathways	28,000	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	10,350	28,550		28,550			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
Nickel beach	Accessible & Portable Matting - \$18,000			???				provides access for wheelchairs/strollers/pedestrians
Nickel beach	Mobile Beach Wheelchairs		15,000	15,000				\$3,000 each x 5 wheelchairs
Nickel beach	Water Supply and Washroom Upgrades		50,000	50,000				Future Washroom/Changeroom Upgrades to reserve
Marina	Fire Extinguisher Cabinets for docks		2,660	2,660				existing extinguishers are not enclosed
Marina	Lighting to Picnic Dock on East Main		3,500	3,500				install feeder cable/plugs/lighting/switch
Marina	Hydro Pedestals	12,000	15,000	15,000				replace old pedestals - 10 units @ \$1,500
Marina	Chains and Anchors on Docks 1 to 6		65,000	65,000				inspect and replace
Marina	Fencing-600 feet 8ft height		11,600	11,600				additional storage area in parking lot
Marina	Walkway Lights along West Main Run	12,000	12,000		12,000			replace walkway lights with LED energy efficient lighting
Marina	Boat Launch Ramp		15,000		15,000			Concrete required between the ramps existing concrete slabs
Marina	Canoe/Kayak Racks		4,500		4,500			expanding services as source of revenue
Marina	Dredging of marina area		300,000	100,000	200,000			includes \$50,000 in 2018 budget
Vale Health&Wellness centre	Sports Wall of Fame		2,500	2,500				seed money to update/enhance plaques
Vale Health&Wellness centre	2 - 70" monitors for promotion and tournament stats		10,000			10,000		donation from Golden Puck Hockey over 2 years
Vale Health&Wellness centre	Security Cameras		9,600		9,600			4 new security cameras for areas of high risk not monitored
Vale Health&Wellness centre	Rink 1 Removable Stairs		23,000	23,000				to accommodate rec programming in summer months
Sherkston Community Centre	unfunded renovations	5,000	5,000	5,000				funding year 3 of 4 years
City Hall	replace portions of carpeting	10,000	10,000	10,000				
City Hall	Generator automatic transfer switch upgrade	44,000	44,000		44,000			see memo for explanation
Fire Dept	bunker gear replacement	20,000	11,000	11,000				replace 5 sets @ \$2,200 each
Fire Dept	Annual Fire Equipment	10,000	25,000	25,000				replace fire and safety equipment
Fire Dept	Fire Fighting Helmets		8,000	8,000				replace 10 helmets @ \$800 each
Fire Dept	Fire Computer Program Software		12,000	12,000				includes annual maintenance fee
Fire Dept	Hose and Nozzle Replacements		20,000	20,000				Hose \$15,000 Nozzles \$5,000
Fire Dept	Fire Station Upgrades		14,000	14,000				carpets/painting/appliances/dorms/chairs/tables
Fire Dept	Communication Upgrades	20,000	35,000		35,000			communication radio equipment upgrades
Fire Dept	Major Capital Expenditures Report 2017-142		1,310,000				1,310,000	Use of maturing debenture payments-\$307,000 available 2019
Niagara Central Airport Council	Share of Repairs to Runways and Taxiways		32,870		32,870			Reserve Fund - \$45,000
	Downtown CIP		???					Waiting for Grant Opportunity

**CITY OF PORT COLBORNE  
2018 BUDGET  
FUNDING CAPITAL AMORTIZATION  
FUNDS TRANSFERRED TO CAPITAL PROJECTS**

**SCHEDULE E**

<b>Traditional Allocation of Budgeted Capital Funds</b>	2017 budget	2018 Est Cost	Capital Levy Funds	Reserve Funds	Grant Funds	Defer Funding
Vehicles and Equipment	By-law Enforcement Division	27,250				
Vehicles and Equipment	Fire Dept	35,000				
IT	Council Chambers controller and cabling	7,000				
Corporate Services	Financial Server	5,000				completed 2017
Corporate Services	Cemetery Software	8,836				purchased 2017
Marina	Weed Harvester	9,000				completed 2017
Marina	Canopies on picnic docks	10,000				replace 5 canopies @ \$2,000/picnic dock - 10 years old
Marina	WIFI upgrades to docks	20,000				add 4 Outdoor Access Points for better signal to entire docks
Marina	HVAC Unit	10,000				replace for restaurant dining side-13 yrs old require heat exchanger
Marina	Pump Out Machine	17,500				replace old pump out requiring ongoing repairs with larger capacity
Marina	Quonset Hut-additional indoor storage					27,000 secure winter storage for equipment currently stored in open area
Marina	Potential Lagoon Fountain					16,000 requires investigation of costing and grants
Marina	Dock System-expand existing docks in lagoon					10,000 Funding from Conservation Club - 30'x6' section
Public Works	Solar Flashing Beacons	8,000				for new sign installs and safety issues as per Council direction
Public Works	New Operations Centre-file cabinets for storage area	15,500				32 lateral file cabinets for relocated files and storage
Public Works	New Operations Centre-Mechanics Fleet Shop	76,000				Sand Blast Unit \$4,000 & 6 Portable Hoist Units \$72,000
Fire Dept	Pagers	4,000				upgrade and replace 6 pagers
Fire Dept	Lockers for Station	8,000				new larger lockers required for clothing/equipment separation
Fire Dept	Trailer for HazMat/Decon	8,000				storage and transportation of decontamination equipment
Fire Dept	Fire Station Roof	30,000				completed 2017
Animal Shelter	New Ground and Wall signage	2,500				completed 2017
OMPF Funds		(124,200)				
Capital Reserve						
Total Budgeted Capital Funds		<u>1,740,260</u>				
		<u>5,017,607</u>	1,773,852	931,500	949,255	1,363,000
			(200,000)			
			(35,000)			3,654,607
			<u>(1,705,260)</u>			
			<u>(166,408)</u>			

**NOTE: Amortization for the City's operations capital assets amounts to \$4,151,470 of which the City levys \$1,940,260 plus OCIF Funds of \$129,755 and allocates Federal Gas Tax funds of \$622,000. The total allocation for capital amounts to \$2,692,015 with a shortfall in covering capital amortization in the amount of \$1,459,455. Based on the above annual increases to capital levy of \$200,000, the shortfall to amortization will take approximately 7 years to reach amortization costs.**

**CITY OF PORT COLBORNE  
2018 BUDGET**

**FUNDING OUT OF RESERVES AND RESERVE FUNDS**

**SCHEDULE F**

Employee Benefits Reserve	Benefits	35,000	operations
Grants Reserve	Community Groups	17,900	operations
Elections	2018 Elections	86,030	operations
General Debt Reserve	East Side Employment Lands-Servicing Design	30,692	operations
Heritage Reserve (LACAC)	heritage projects	4,100	operations
VHWC Sponsorship Reserve	VHWC Debenture	343,816	operations
Operations Centre Debt Reserve	Nickel Area Storm Sewers - one payment in 2018	149,909	operations
Transit Reserve	Operations	18,146	operations
Operations Centre Debt Reserve	Operations Centre - balance to be levied in 2019	114,094	operations
Marina Debt Reserve	Marina-Mobile Lift - one payment in 2018	20,274	operations
Physician Recruitment	Existing Commitment	33,000	one time
Accessibility Reserve	website audit/training/accessibility plan update	5,000	one time
CAO	Performance Mgmt Training	11,000	one time
Corporate Services	Records Mgmt & Retention System	80,000	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	Workplace risk assessments of 2 locations annually	5,000	one time
Economic Development	New Corporate and Tourism Branding	10,000	one time
Economic Development	Active Transportation Needs Assessment	10,000	one time
Engineering	Facility Maintenance Study	75,500	one time
Engineering/Parks	Public Transit Infrastructure Fund Program-trails	96,500	capital
Federal Gas Tax Reserve	Roads	622,000	capital
Federal Gas Tax Reserve	Facility LED Lighting	50,000	capital
Roselawn	Fencing of grounds	47,680	capital
Roselawn	Outside Building Infrastructure	250,000	capital
Museum/Library	Security Cameras	15,000	capital
Industrial Reserve	Industrial lands clearing	60,000	capital
Building Division	New Inspection Software and Hardware	46,500	capital
Public Works	Snow Ploughing Equipment Rental	54,000	capital
Public Works	Tree Trimming Equip Rental	9,600	capital
Main St CIP Reserve	Main St CIP unfinanced project (matured debentures)	210,869	capital
Marina	Dredging	200,000	capital
Marina	Boat Launch Ramp	15,000	capital
Marina	Walkway Lights along West Main Run	12,000	capital
Vale Health&Wellness centre	Pool Lighting	23,000	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	154,100	capital
Parks Reserve	Park Sports Field Bleachers	28,550	capital
Parks Reserve	HH Knoll Park - Asphalt Pathways	28,000	capital
Playground Equipment	Rose Shymanski Park	73,200	capital
City Hall	Generator automatic transfer switch upgrade	44,000	capital
Niagara Central Airport	Share of Repairs to Runways and Taxiways	32,870	capital
Fire Dept	Communication Upgrades	35,000	capital
		<u>3,357,330</u>	

**CITY OF PORT COLBORNE  
2018 BUDGET  
TRANSFERS INTO RESERVES**

**SCHEDULE G**

Elections	Annual contribution	25,000	required for 2018 election
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	23,369	annual portion of City cost
Marina	Capital	51,000	approved by Council in 2016-surplus to capital reserve
Marina Debt Reserve	Unfunded capital (matured debentures)	31,169	matured debentures - allocate to mobile lift debenture
Marina Debt Reserve	Boat Ramp matured debenture	12,963	matured debentures - allocate to mobile lift debenture
General Debt Reserve	New debt	44,407	matured debentures
Roselawn	Capital contribution-ticket sales	10,000	required for capital works
VHWC Debt Reserve	Sponsorship contributions	141,000	capital
Skatepark Debt Reserve	Sponsorship contributions	12,000	capital
Federal Gas Tax Reserve	FGT Program	586,822	capital
Main St CIP Reserve	Unfunded capital (matured debentures)	210,869	matured debentures
Planning	Development Charge Study	6,373	required for study done every 5 years
		<u>1,258,972</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  
2018 BUDGET**

**SCHEDULE H**

**ESTIMATED RESIDENTIAL PROPERTY TAX BURDEN COMPARISON**

	Phased In Assessment change			
	\$ 2018	\$ 2017	\$ Change	% Change
City	84.142	81.837	2.30	2.82%
Region - general	56.529	57.724	-1.19	-2.07%
Region - waste mgmt	8.595	9.235	-0.64	-6.93%
Education	17.000	17.900	-0.90	-5.03%
Tax Rate Change	166.265	166.696	-0.43	-0.26%

\*\* with 6.72% levy increase  
with reduced education rate

**ESTIMATES OF TAX CHANGES**

	\$ 2018	\$ 2017	\$ Change	% Increase
Average Residential Assessment	185,605	180,679		
City	1,561.71	1,478.62	83.09	5.62%
Region-general	1,049.21	1,042.95	6.26	0.60%
Region-waste mgmt	159.52	166.86	-7.34	-4.40%
Education	315.53	323.42	-7.89	-2.44%
Total Tax Levy	3,085.97	3,011.85	74.12	2.46%

**Note: Regional tax policy changes and tax ratios same as 2017 and subject to change  
Assessment increase of 2.73% in 2018**