

# **CITY OF PORT COLBORNE**



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## **OPERATING AND CAPITAL BUDGET**

**March 5, 2018**

# CITY OF PORT COLBORNE

## Agenda

- Sources of revenue
- Operating Levy Summary
- Unfinanced Requests and Funding
- Blended Tax Summary

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- Capital Funds Available
- Capital Levy Projects and Funding
- Debt Reserves
- Current Debt Update
- Residential Property Tax Comparison

# CITY OF PORT COLBORNE

## Current Sources of Revenue

- Tax Levy –Operating & Capital
- User Fees
- Grant Program (Hydro Funds Invested)
- Ontario Municipal Partnership Funds
- Ontario Community Infrastructure Fund
- Ontario Main St Revitalization Initiative
- Debentures for capital projects
- Federal Gas Tax Revenues
- Reserves & Reserve Funds

# CITY OF PORT COLBORNE

## Additional Revenue Sources

- New assessment growth – very limited
- Increase in user fees – 2%
- Capital charge on user fees - % or \$
- Net proceeds from NRBN sale to be leveraged with other government funding
- Area surcharge for new projects financed by debentures – Storm Sewers
- Increase in capital tax levy – 1.25% annually
- Tax room – Region & Education
- Matured debentures for capital projects

# CITY OF PORT COLBORNE

## Ontario Municipal Partnership Fund

- 2017 Funding \$2,800,100
- 2018 Funding \$2,786,200

### Funding Applied to:

- Operating levy \$2,345,900
- One time requests \$ 440,300

# CITY OF PORT COLBORNE

## New Operations Centre Funding Options

Goal	Debenture Levy for \$739,094	Lessen impact on ratepayers
Option	Spread increase over 2016, 2017, 2018 and 2019	\$365,000 levied in 2016 \$130,000 levied in 2017 \$244,094 remain to be levied
Funding 1	Increase levy for 2018	\$244,094
Funding 2	Spread levy increase over 2018 and 2019	\$130,000-2018 \$114,094 - 2019 \$122,047 each of 2018 & 2019
	Use of Tax Room Available -overall tax increase at 2%-3%	Dependant on other tax levy additions and decrease to Education and Region tax rate

# CITY OF PORT COLBORNE

## Operating Levy Summary

- Base budget increase – 2.84% (2.69%-2017)
- Loss of revenues – 0.43% (0.20%-2017)
  
- 2018 Base Tax Levy Increase – 3.27%
  
- 2017 Base Tax Levy Increase – 2.89%  
(3.32%-2016)

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

# CITY OF PORT COLBORNE

## Operating Levy Summary


- 2018 Base Tax Levy Increase – 3.27%  
(2.89%-2017)
- Capital budget increase – 1.25% (0.98%-2017)
- Ops Centre (debenture) – 0.81% (0.85%-2017)
- Proposed 2018 Tax Levy Increase – 5.33%  
(4.72%-2017)

Additional staff requests – \$201,677 or 1.25% increase



# CITY OF PORT COLBORNE


## Unfinanced Requests & Funding



➤ Total Requests	\$1,747,669
• OMPF funding	\$ 440,300
• Reserve funds	\$ 464,349
• Other/Grants	\$ 211,250
• Deferred funding	\$ 100,093
• Annual Capital Levy	\$ 200,000
• Operations Centre Debt	\$ 130,000
• Potential levy increase	\$ 201,677

# CITY OF PORT COLBORNE

## Potential Levy Increase



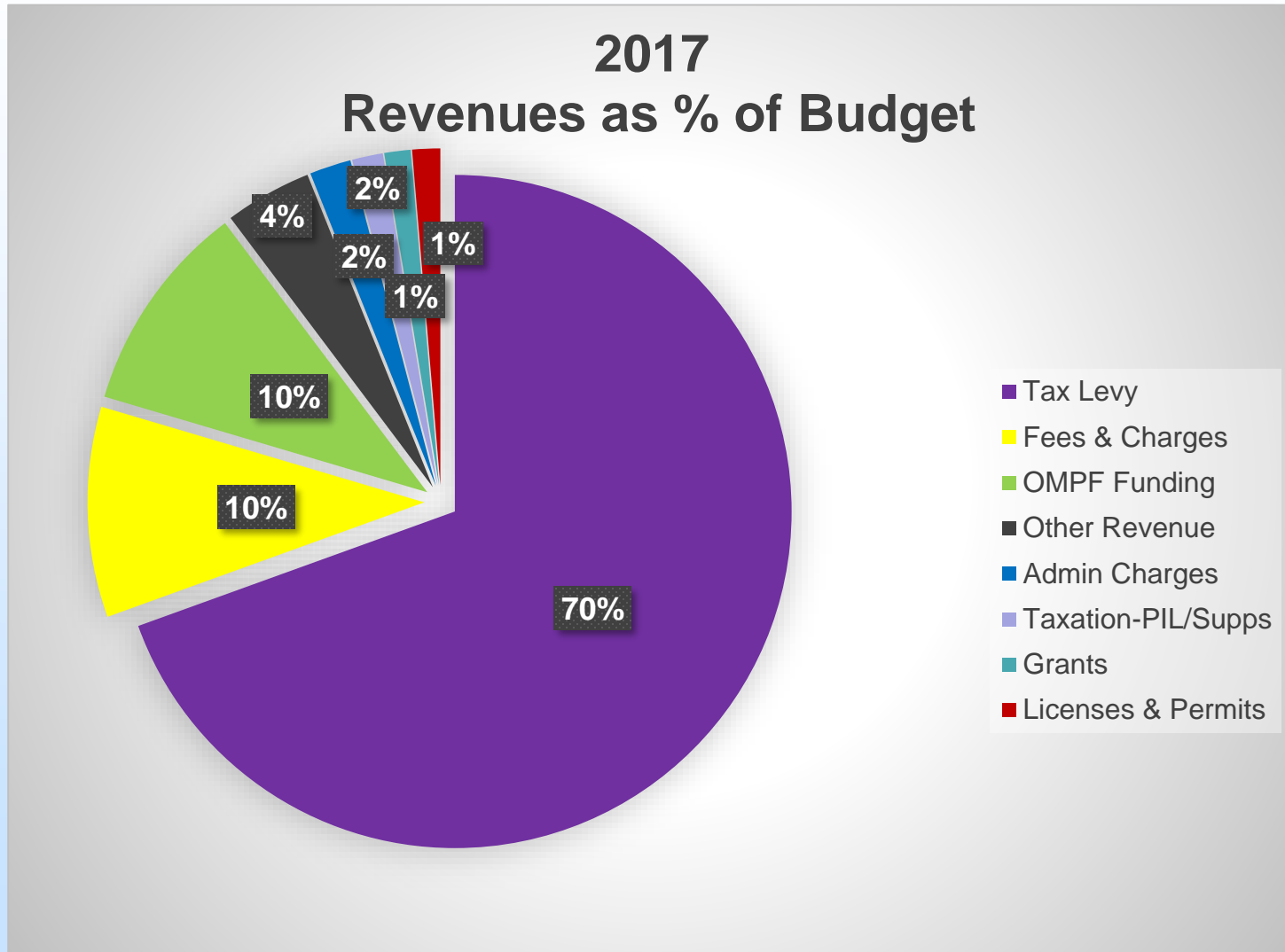
➤ Total Amount	\$ 201,677
• East/West Trail Maintenance	\$ 50,000
• Tree Trimming/Removal	\$ 20,000
• Staffing Part Time	\$ 85,188
• Staff Development	\$ 6,000
• Winter Operations	\$ 14,445
• Canal Days Festival	\$ ???
• Physician Recruitment	\$ 10,000
• Other Operations	\$ 16,044
➤ Potential levy increase – from 5.33% to 6.58%	

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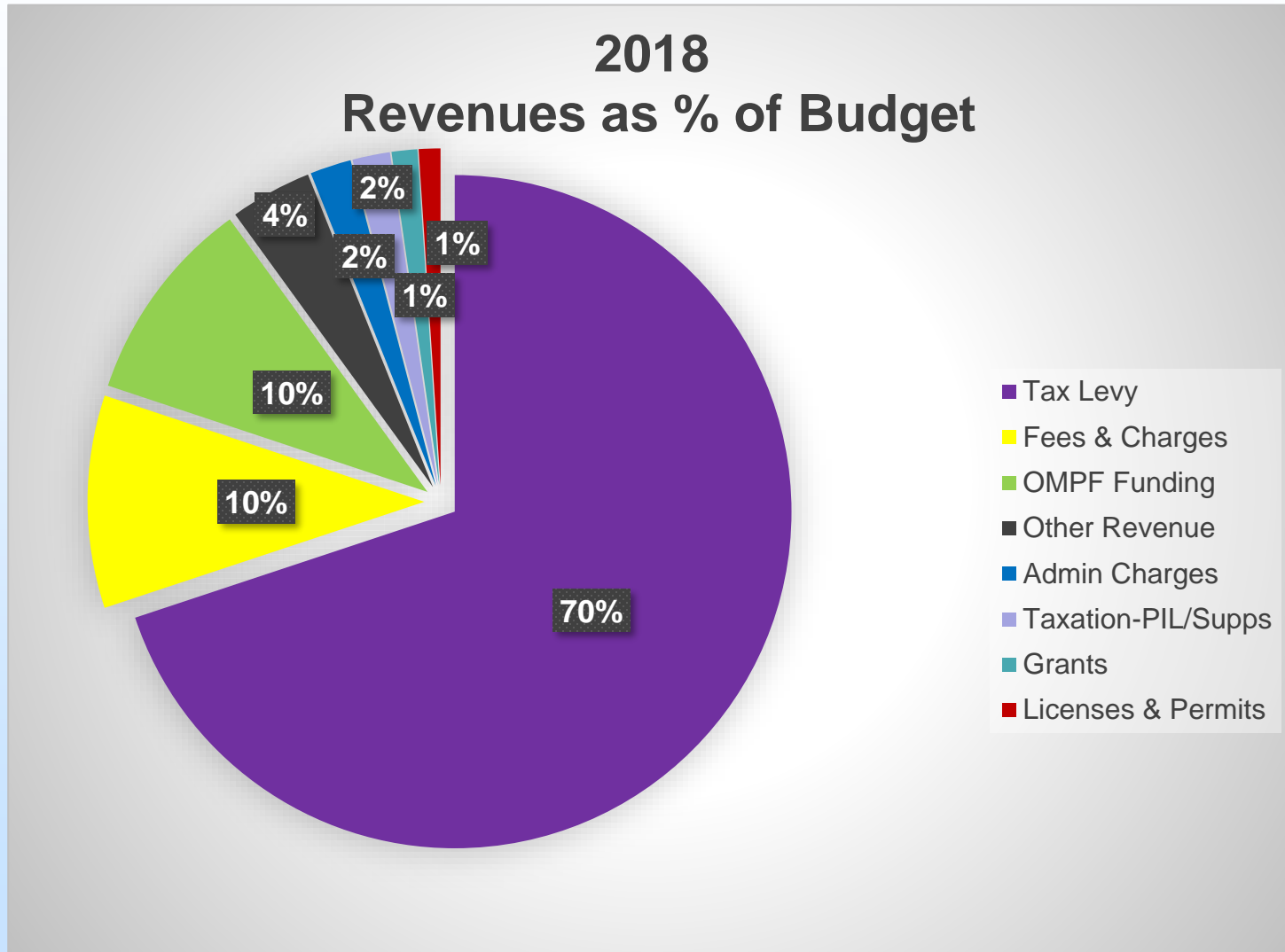
## Blended Tax Summary

<b>% LEVY INCREASE</b>	<b>AVE RESIDENTIAL BLENDED TAX INCREASE</b>	<b>WITH POTENTIAL CHANGE TO TAX RATIOS</b>
2018 – 3.27%	0.78% OR \$24	
2018 – 5.33%	1.78% OR \$54	2.03% OR \$61
2018 – 6.58%	2.39% OR \$72	2.64% OR \$80
2017 – 4.72%	2.99% OR \$87	
2016 – 7.08%	1.79% OR \$51	

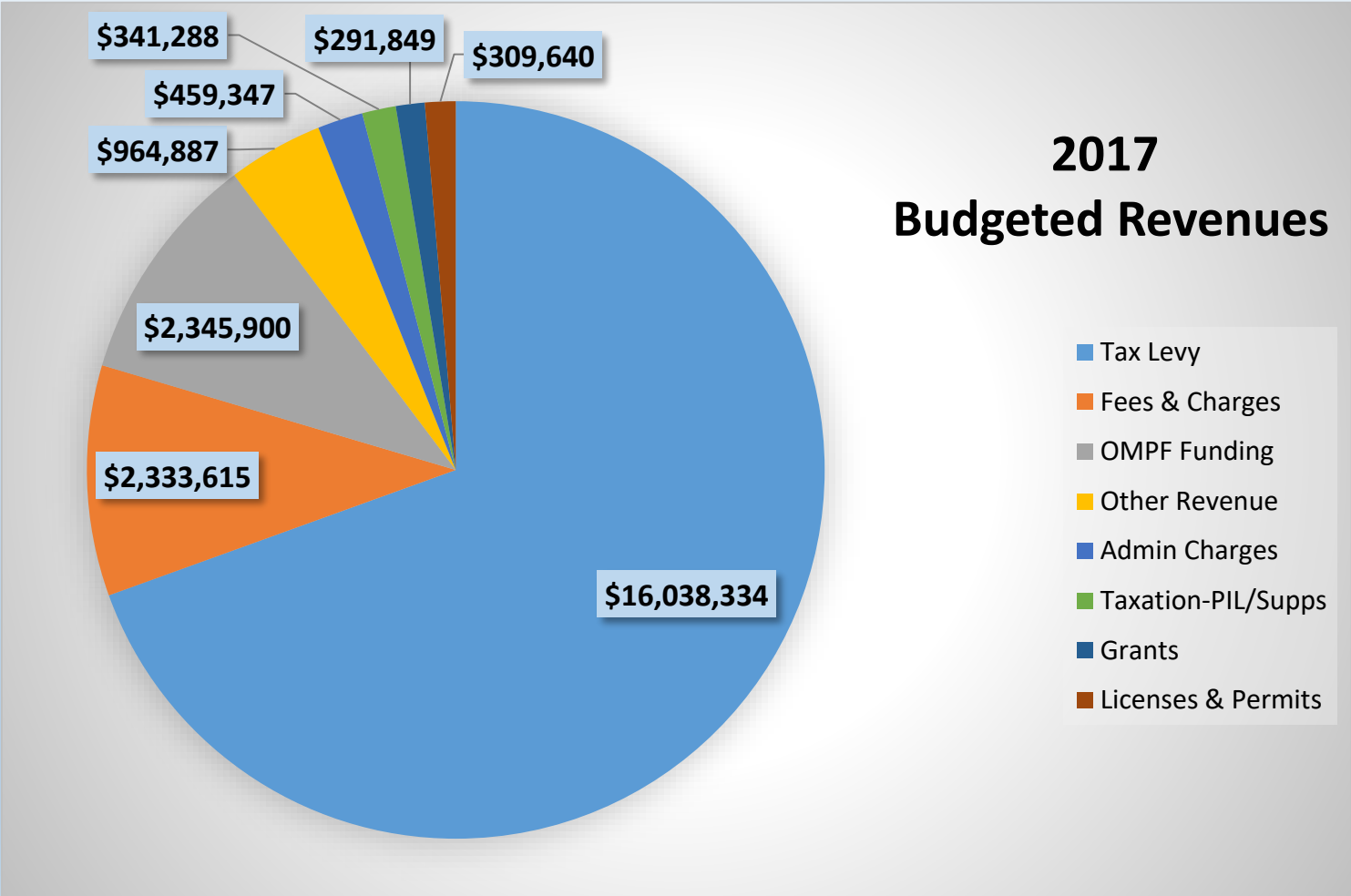
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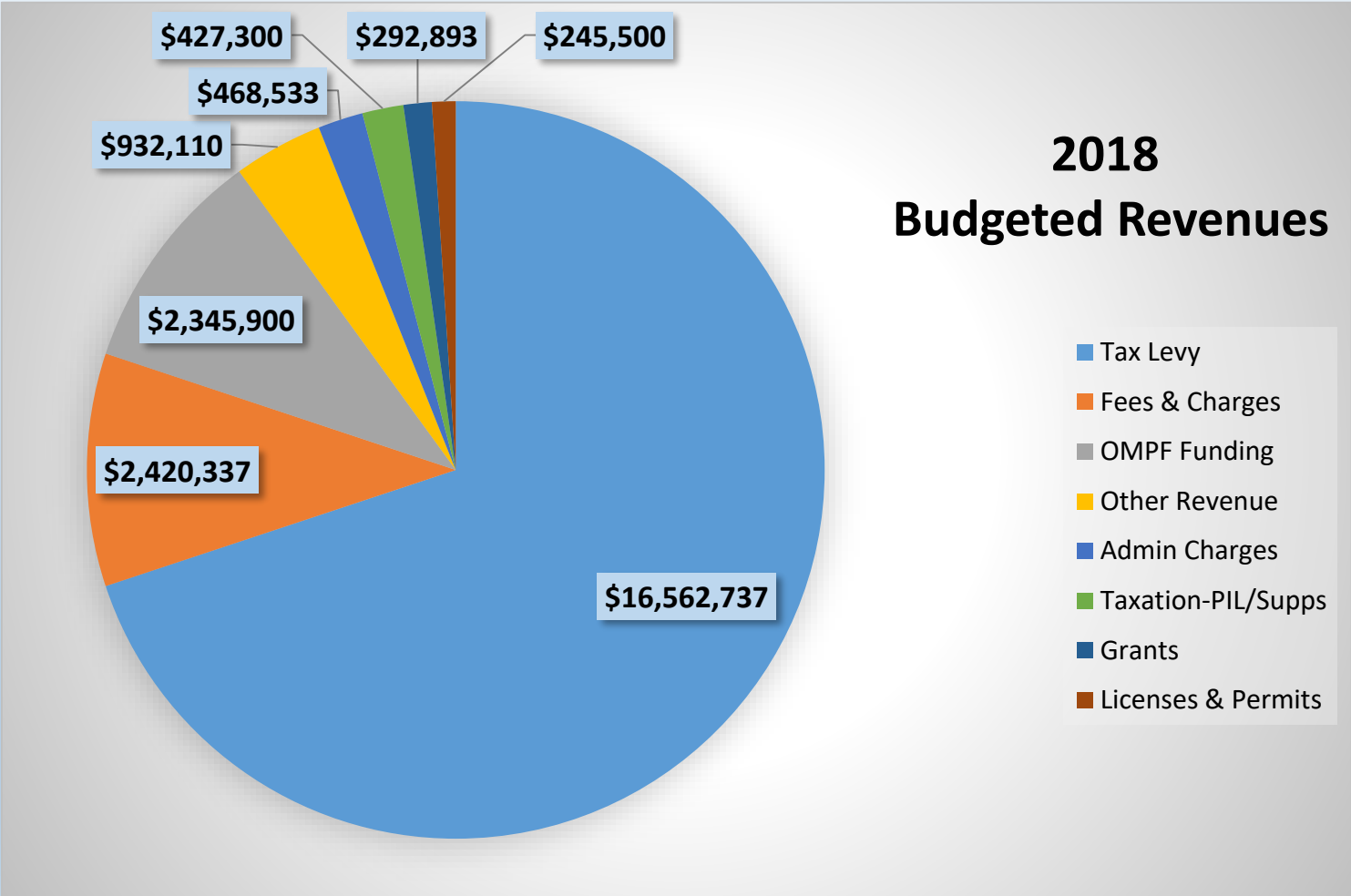
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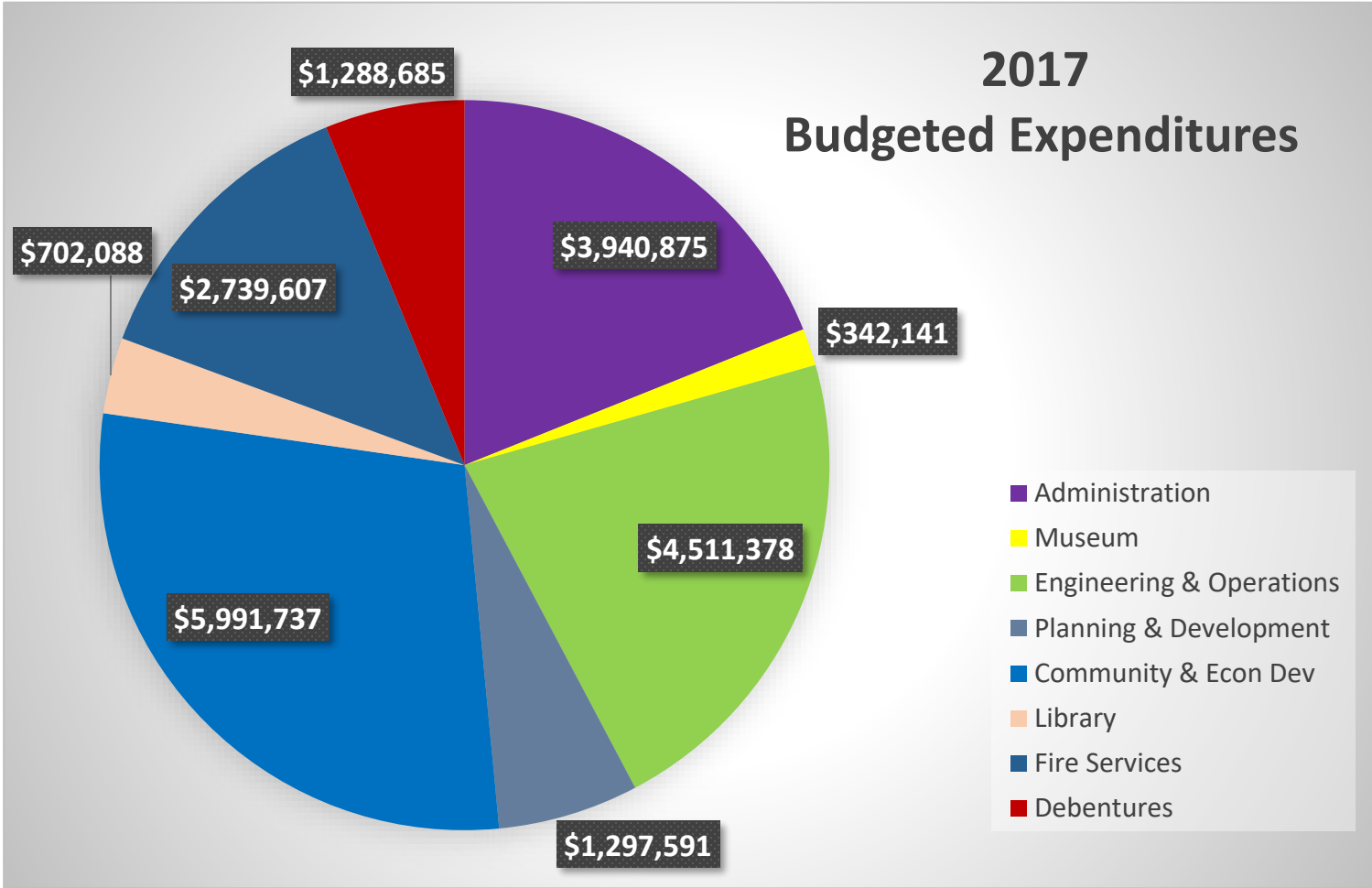
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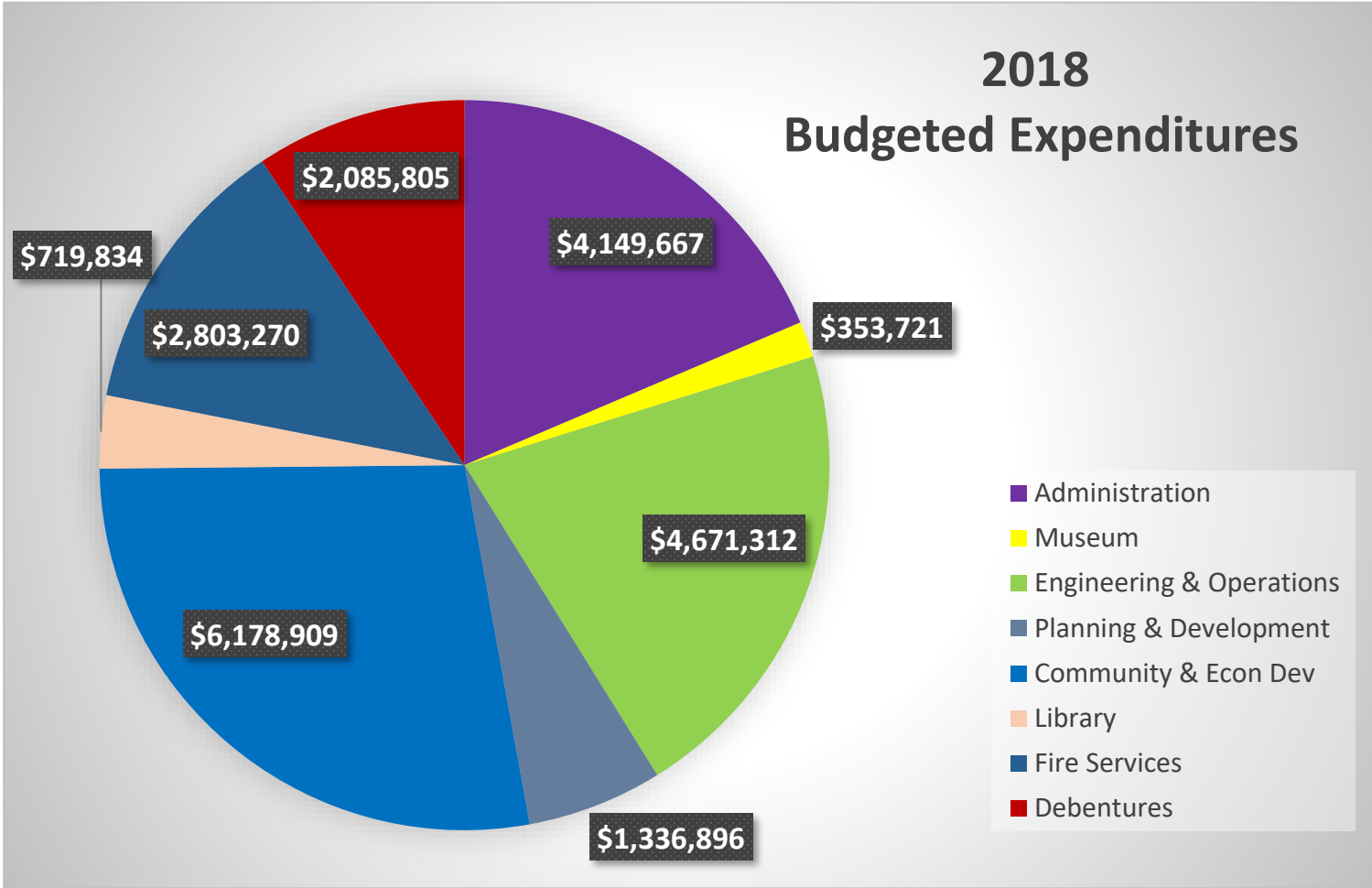


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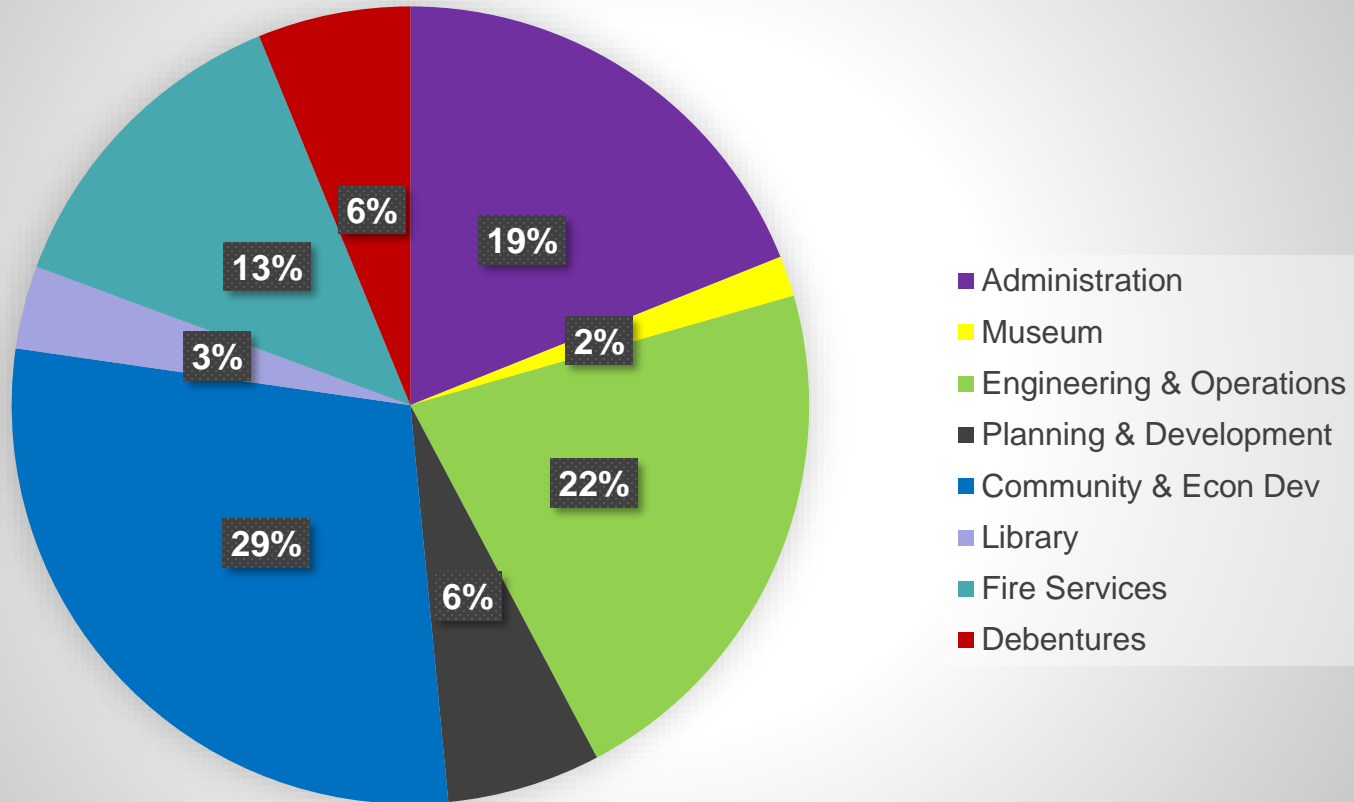


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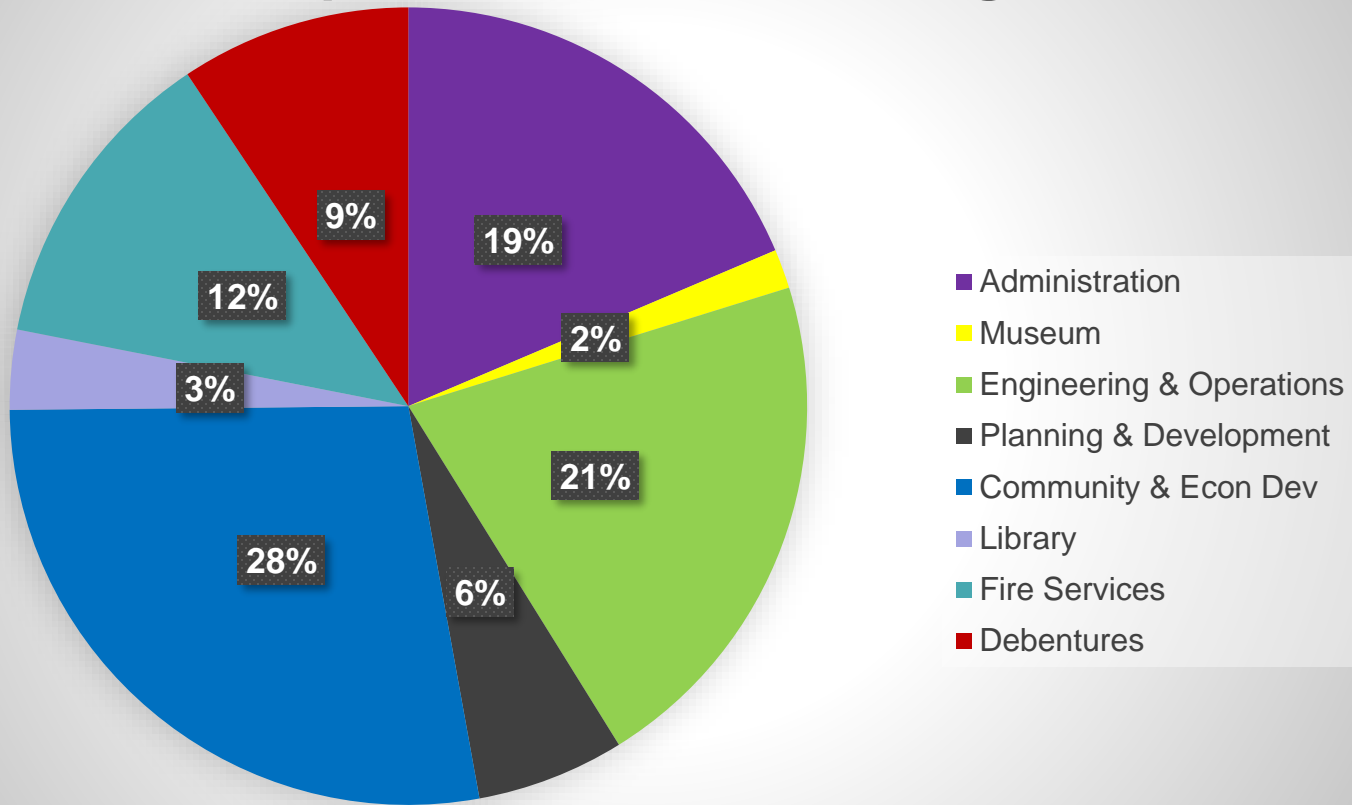
# CITY OF PORT COLBORNE

2017  
Expenditures as % of Budget



# CITY OF PORT COLBORNE

2018  
Expenditures as % of Budget



# CITY OF PORT COLBORNE

## Capital Funds Available



➤ Federal Gas Tax - Roads	\$ 622,000
➤ Federal Gas Tax – Facility LED Lights	\$ 50,000
➤ Ontario Community Infrastructure Fund	\$ 259,755
➤ Ontario Main St Revitalization Fund	\$ 51,549
➤ Capital Levy	\$1,740,260
➤ Capital Levy Increase – 1.25%	\$ 200,000
➤ Development Charges	\$ 179,000
➤ Matured Debentures	\$ 261,408
➤ Reserves and Reserve Funds	\$ 931,500
➤ Net Proceeds sale of NRBN	\$6,130,000
➤ Future Matured Debentures	
➤ Provincial/Federal Grants	

# CITY OF PORT COLBORNE

## Other Provincial Grants

Ontario Community Infrastructure Fund - \$259,755  
Ontario Main St Revitalization Fund - \$ 51,549

### Funding Applied to:


- Roads \$129,755
- Capital Asset/Budget Supervisor \$ 80,000
- Work Orders/Equip Maint Software \$ 50,000
- Pedestrian Crosswalk (Clarence St) \$ 45,000
- Traffic Signals \$ 6,000
- Contingency \$ 549

# Depreciation Deficit based on Historical Cost and Time Lifecycle

<b>Total Depreciation (tax levy supported), 2016</b>	<b><u>\$4,151,470</u></b>
Capital levy for depreciation	\$1,905,260
Library levy for depreciation	\$35,000
OCIF Funding	\$129,755
Federal Gas Tax	<u>\$622,000</u>
2018 Depreciation Funding	<u>\$2,692,015</u>
<b>2018 NET DEPRECIATION DEFICIT (35%)</b>	<b><u>\$1,459,455</u></b>
<b>2017 NET DEPRECIATION DEFICIT (41%)</b>	<b><u>\$1,738,808</u></b>

# CITY OF PORT COLBORNE

## Capital Levy Projects & Funding




➤ Total Project Estimated Cost	\$5,010,107
• Capital Levy	\$1,940,260
• Reserve funds	\$ 931,500
• Federal Gas Tax	\$ 622,000
• OCIF Grant	\$ 129,755
• Main St Revitalization	\$ 51,000
• Other	\$ 50,000
• Public Transit Grant Program	\$ 96,500
• Deferred funding	\$1,363,000
• Capital Reserve	\$ (173,908)

# CITY OF PORT COLBORNE

## Debt Reserves Available

Debt Reserves as at December 31, 2017



• Operations Centre	\$741,152
• Street Lights	\$114,214
• General	\$ 96,338
• Marina	\$ 0
• Vale Centre	\$ 5,504
• Skate Park	\$ 35,065
 Total Funds	 \$992,273



# CITY OF PORT COLBORNE

## Debt Reserves Available

YEAR	BALANCE January 1st	NEW FUNDS	OPS CENTRE	STORM SEWER	EMPLOY MENT LANDS	MARINA	VALE CENTRE
2018	992,273	241,539	-114,094	-171,291	-30,692	-51,614	-343,816
2019	522,305	226,539			-30,692	-40,548	-343,816
2020	333,788	226,539			-30,692	-40,548	-343,816
2021	145,271	100,539			-30,692	-40,548	-343,816
2022	-169,246	88,539			-30,692	-40,548	-343,816
2023	-495,763	88,539			-30,692	-40,548	-171,908
2024	-650,372						

# CITY OF PORT COLBORNE

## Debt Reserves Available

Funding Required for Vale Centre Debt - \$650,372

YEAR	MATURED DEBT FUNDING	AMOUNT REQUIRED	CARRY OVER OF FUNDS
2020	2020 - \$ 69,000	\$ 0	\$69,000
2021	2020 - \$ 69,000 2021 - \$141,000 2021 - \$ 38,000	\$169,246	\$147,754
2022	2020 - \$ 69,000 2021 - \$141,000 2021 - \$ 38,000	\$326,517	\$69,237
2023	2020 - \$ 69,000 2021 - \$141,000 2021 - \$ 38,000	\$154,609	\$162,628

# CITY OF PORT COLBORNE

## Capital Projects Ranking

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

# City of Port Colborne

## Debenture Guidelines

### Annual Repayment Limit

- Provincial Repayment Limit \$5,926,209  
( 25% of Revenues)
- City Repayment Limit \$4,740,967  
( 20% of Revenues)
- Current Debt Charges \$2,461,878
- City Available Debt Payt Limit \$2,279,089
- Prov Available Debt Payt Limit \$3,464,331

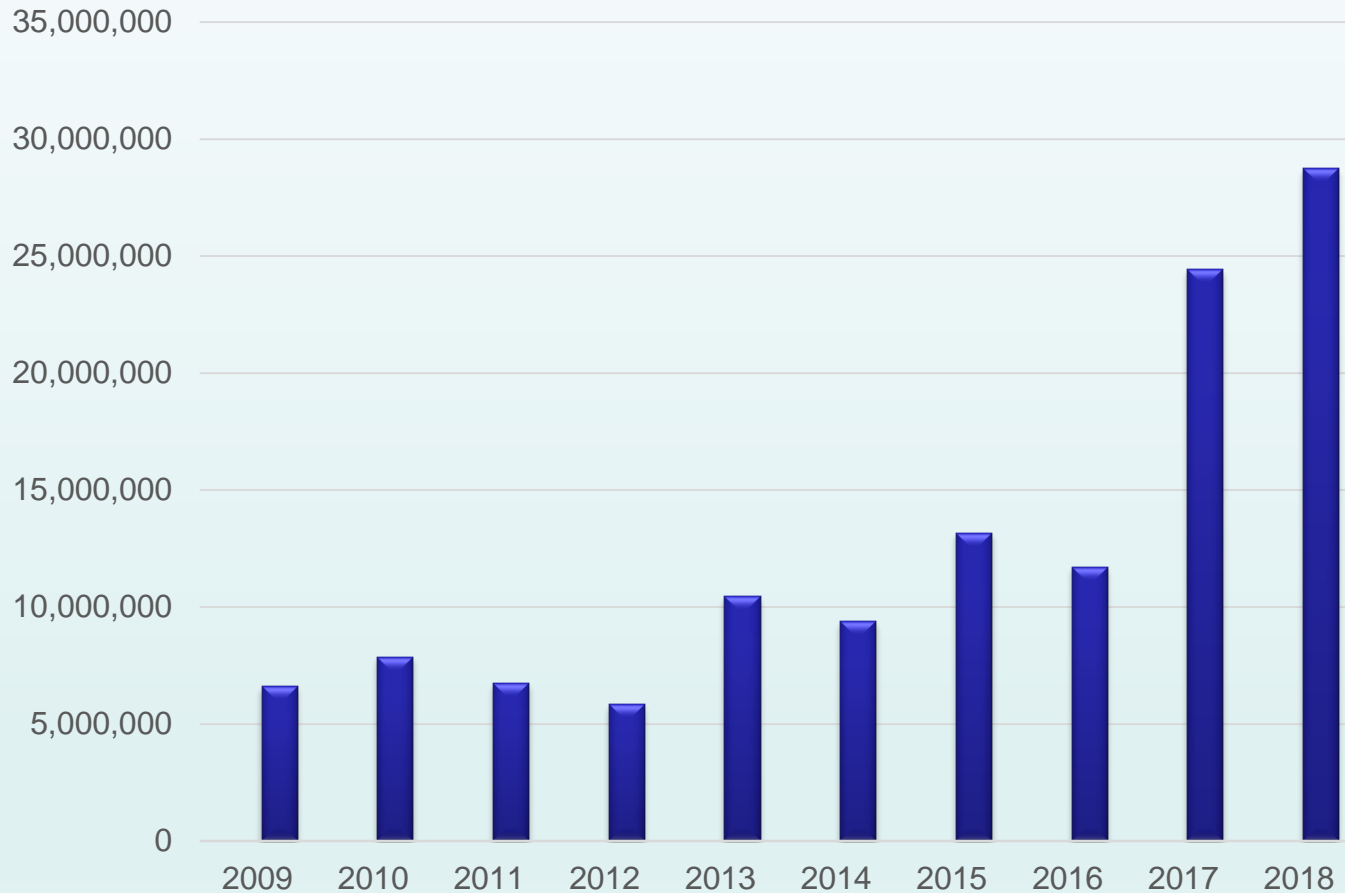
With 2017 approved debt issued in 2018

# City of Port Colborne

## New Long Term Borrowing

- City Available Debt Payt Limit \$2,279,089
- The maximum long term borrowing available at current rates is:
  - \$19,550,000 on 10 Year debenture
  - \$29,100,000 on 20 Year debenture
  - \$39,600,000 on 30 Year debenture
- Emergency Debt Room (Provincial to City)
  - \$1,185,242 Limit or \$9,240,000 debt

# City of Port Colborne Debt as at December 31



# CITY OF PORT COLBORNE

## Potential Debentures

Project	Amount	Annual Debt	Potential Levy	Note
<b>Employ Lands Servicing</b> (30 yrs) - may be a 2022/2023 build if matured debentures applied to Vale Debt in 2021 to 2023	8,000,000	445,000	2019 to 2022 - 129,000 or 32,250/year	2020/2021/2022 Matured Debenture 316,000
<b>Downtown CIP-Phase 1</b> (30 yrs) - capital reserve of \$6,130,000 and potential gov't grants	5,500,000	306,000		Matured Debenture in 2019 of \$377,000 - may be used for Fire capital requirements
				31

# CITY OF PORT COLBORNE

## Residential Property Tax Comparison

<b>Tax Levy Increase</b>	<b><u>\$524,403</u></b>	<b><u>3.27%</u></b>	<b><u>\$854,403</u></b>	<b><u>5.33%</u></b>	<b><u>\$1,056,080</u></b>	<b><u>6.58%</u></b>
Increase in tax revenue			\$330,000		\$201,677	
<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	32.57	2.20	62.68	4.24	81.08	5.48
Region-Gen	6.26	0.60	6.26	0.60	6.26	0.60
Region-Waste Mgmt	(7.34)	(4.40)	(7.34)	(4.40)	(7.34)	(4.40)
Education	(7.89)	(2.44)	(7.89)	(2.44)	(7.89)	(2.44)
<b>Total Increase</b>	<b>\$23.61</b>	<b>0.78%</b>	<b>\$53.72</b>	<b>1.78%</b>	<b>\$72.12</b>	<b>2.39%</b>
With tax ratio change			\$61.00	2.03%	\$80.00	2.64%