

**City of Port Colborne
Special Committee of the Whole Meeting 04-18
Minutes**

Date: March 5, 2018

Time: 5:30 p.m.

Place: Council Chambers, Municipal Offices, 66 Charlotte Street, Port Colborne

Members Present: R. Bodner, Councillor
B. Butters, Councillor
F. Danch, Councillor (6:30pm arrival)
A. Desmarais, Councillor
Y. Doucet, Councillor
D. Elliott, Councillor
J. Maloney, Mayor (presiding officer)
J. Mayne, Councillor

Absent: B. Kenny, Councillor (due to a prior commitment)

Staff Present: D. Aquilina, Director of Planning and Development
T. Cartwright, Fire Chief
M. Graybiel, General Foreman Parks
A. Grigg, Director of Community and Economic Development
J. Huppunen, Manager of Engineering
S. Luey, Chief Administrative Officer
M. Minor, Marina Supervisor
L. Nelson, Administrative Assistant to DCS (minutes)
S. Therrien, Director of Library Services
P. Peyton, Superintendent
S. Powell Baswick, Director/Curator, Port Colborne Historical and Marine Museum
P. Senese, Director of Corporate Services (DCS)
S. Shypowskyj, Manager of Projects and Design

Also in attendance were interested citizens.

1. Call to Order:

Mayor Maloney called the meeting to order.

2. Introduction of Addendum Items:

Nil.

3. Confirmation of Agenda:

Moved by Councillor R. Bodner
Seconded by Councillor Y. Doucet

That the agenda dated March 5, 2018 be confirmed, as circulated.
CARRIED.

4. Disclosures of Interest:

Nil.

5. Delegations:

- (a) **Mario Madia, Vice President of Finance, Cathyann White, Vice President of Health, Fitness and Aquatics, on behalf of the YMCA of Niagara and Sharon Schilz, Centre Manager, Port Colborne YMCA regarding a request for funding**

Mario Madia, Cathyann White and Sharon Schilz were in attendance to request funding for the Port Colborne YMCA. Mr. Madia provided a presentation as attached.

The funding request is due to a budgeted deficit of approximately \$47,912 with the main contributing factor being Bill 148, which increased the minimum wage 21% from \$11.60 to \$14.00 an hour. The YMCA requested the City help offset the deficit with funding of \$22,118 which represents 50% of the projected deficit less a prior year surplus of \$1,838.

6. Items for Consideration:

- 1. Chief Administrative Officer, Report No. 2018-32, Subject: Advertising Opportunities at the Vale Health & Wellness Centre**

The Director of Corporate Services stated that the City has opportunities for increased revenues with Council direction on the sale of advertising at the Vale Health & Wellness Centre. The Director noted that it can be an undertaking by staff, or by hiring a third party that can undertake and manage all advertising at Vale Health & Wellness Centre.

The Director added that an advertising policy and package can be developed for Council which will include naming rights to rinks, sponsor names and which will draw on new revenue for the City. Advertising specifications can be reviewed by Council prior to passing and any other details added to the policy based on Council approval.

Moved by Councillor Y. Doucet
Seconded by Councillor D. Elliott

That the administration of the advertising program at the Vale Health & Wellness Centre be undertaken and managed by City staff; and

That the Chief Administrative Officer be directed to prepare an advertising policy and develop an advertising package for the Vale Health & Wellness Centre that includes dasher (rink) board advertising, wall space advertising boards and decals; and

That the fee schedule for advertising sales be amended to include market rate pricing and the authority for staff to leverage advertising sales based on volume or client request, and that the above be incorporated into the new consolidated Fees and Charges By-law.

That staff be directed to provide examples of advertising at other facilities.

CARRIED.

2. Corporate Services, Finance Division, Report No. 2018-30, Subject: Consolidated Fees and Charges By-law

The Director of Corporate Services presented the report for Council approval.

Moved by Councillor D. Elliott
Seconded by Councillor R. Bodner

That the Consolidated Fees and Charges By-law attached to Corporate Services Department, Finance Division report 2018-30 be approved; and

That the Mayor and City Clerk be authorized to execute the appropriate By-law.

CARRIED.

7. Presentation:

(a) Peter Senese, Director of Corporate Services, providing an overview of the 2018 draft budget.

The following additional materials were provided to Council: Budget presentation, YMCA presentation and letter from the Port Colborne Feline Initiative.

The Director of Corporate Services provided a PowerPoint presentation (a copy of the presentation is attached) regarding the draft 2018 operating and capital budget. A copy of the draft 2018 budget is available on the City's website.

The Director provided a summary of the memorandum dated February 21, 2018 titled "2018 Budget" (the covering page of the 2018 budget package) and advised that it was anticipated that an overall budget increase of 4% to 5% would be projected. Departments were requested to bring forth a base level of service budget with inflationary increase at approximately 2% for base operations.

The Director stated that the 2018 budget is presented with a 3.27% operating levy increase for the base level of service, which includes some cost reductions and increased revenues. The budget proposes a capital levy increase of \$200,000 or 1.25%, and the second of three years increase for the Operations Centre debenture amounting \$130,000 or 0.81% which increases the total levy to 5.33% including operations, capital and debenture increases. The overall blended tax increase with Region and education taxes, is reduced to 1.78%.

The Director noted that this does not necessarily translate into a tax increase to the ratepayer. The overall tax is dependent on a properties assessment and the Region/School tax rates, which the City has no control over.

The Director informed that the only potential change may be a proposed change in Regional Tax Policy regarding tax ratios which provides for tax distribution among the tax classes.

The Director recommended to review the budget in detail at the next budget meeting of March 6, 2018.

8. Adjournment:

Moved by Councillor F. Danch
Seconded by Councillor D. Elliott

That the Council meeting be adjourned at approximately 7:45 p.m.

CARRIED.

PS/ln

CITY OF PORT COLBORNE

OPERATING AND CAPITAL BUDGET

March 5, 2018

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CITY OF PORT COLBORNE

Agenda

- Sources of revenue
- Operating Levy Summary
- Unfinanced Requests and Funding
- Blended Tax Summary
- Capital Funds Available
- Capital Levy Projects and Funding
- Debt Reserves
- Current Debt Update
- Residential Property Tax Comparison

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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

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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

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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

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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

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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

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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

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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

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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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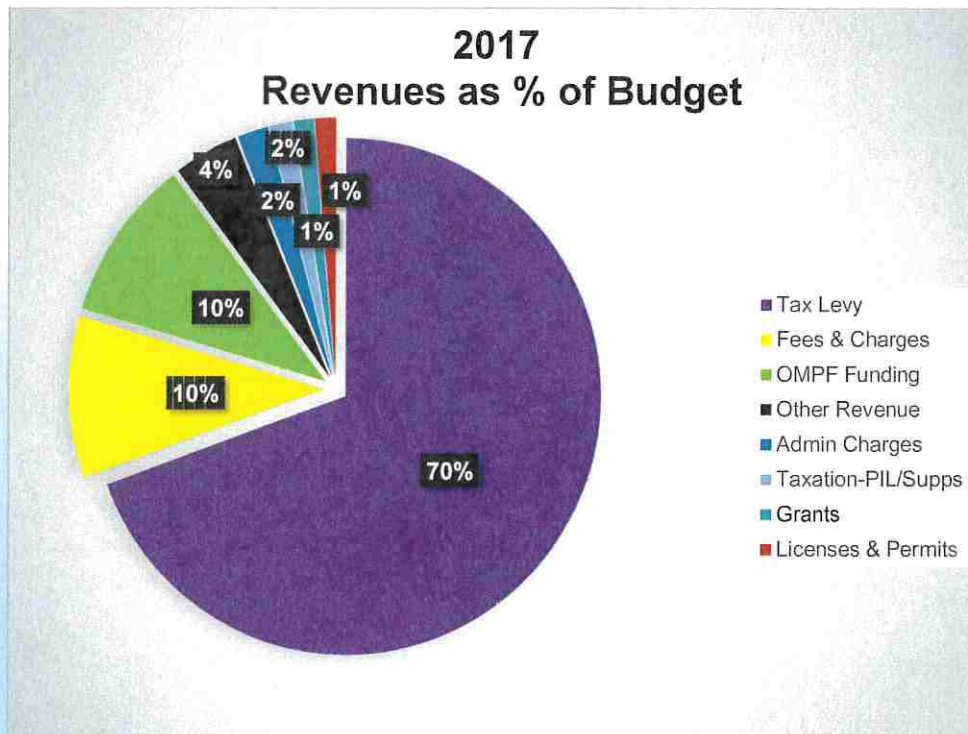
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Blended Tax Summary

% LEVY INCREASE	AVE RESIDENTIAL BLENDED TAX INCREASE	WITH POTENTIAL CHANGE TO TAX RATIOS
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	

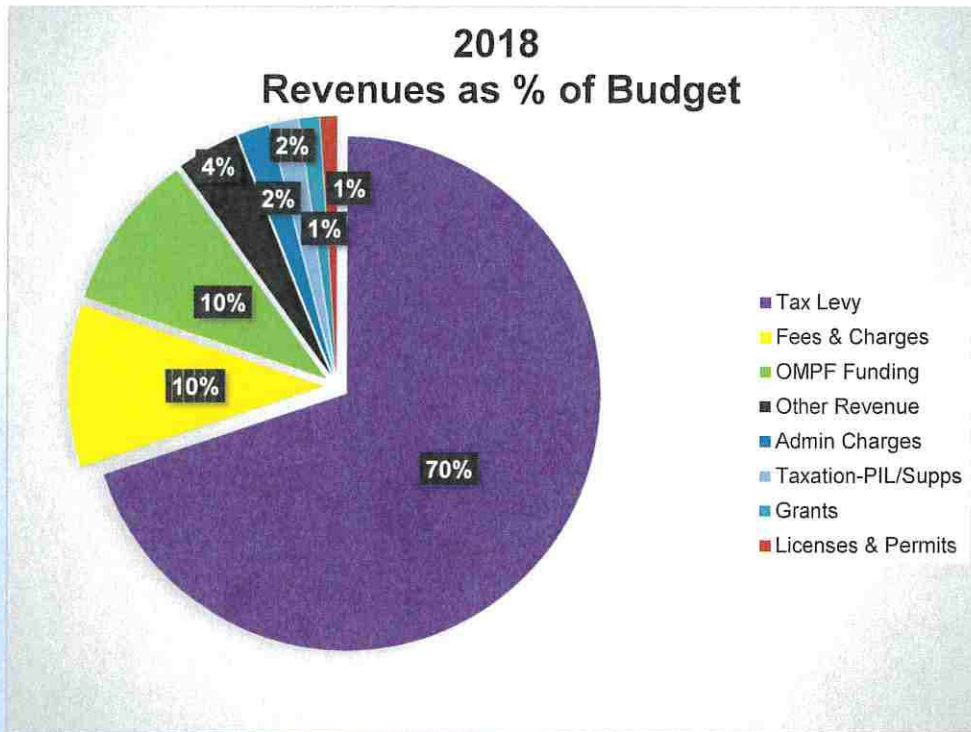
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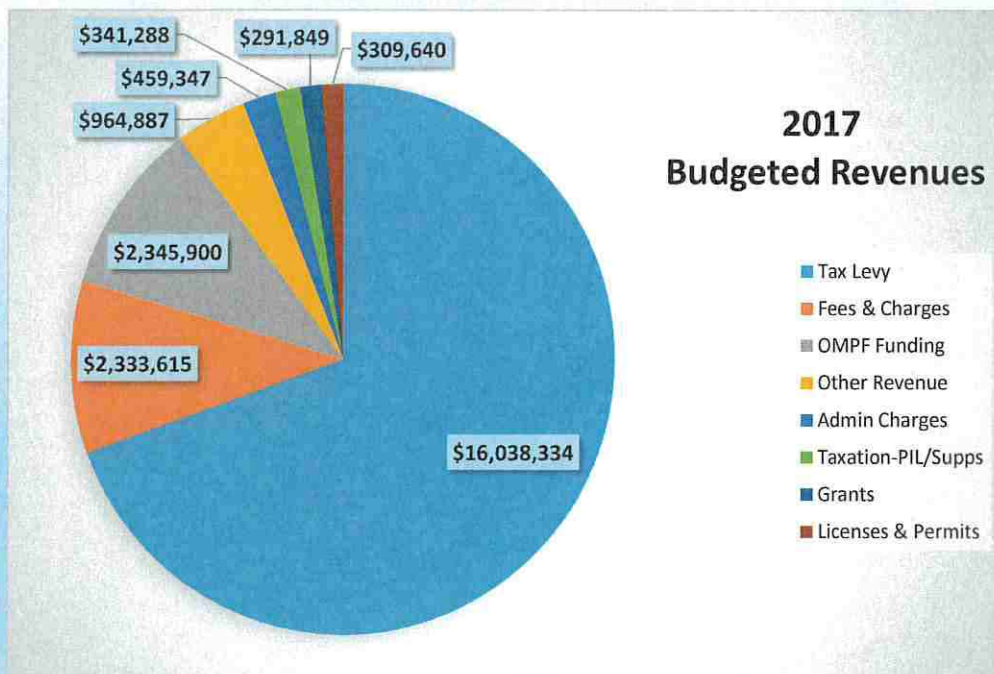
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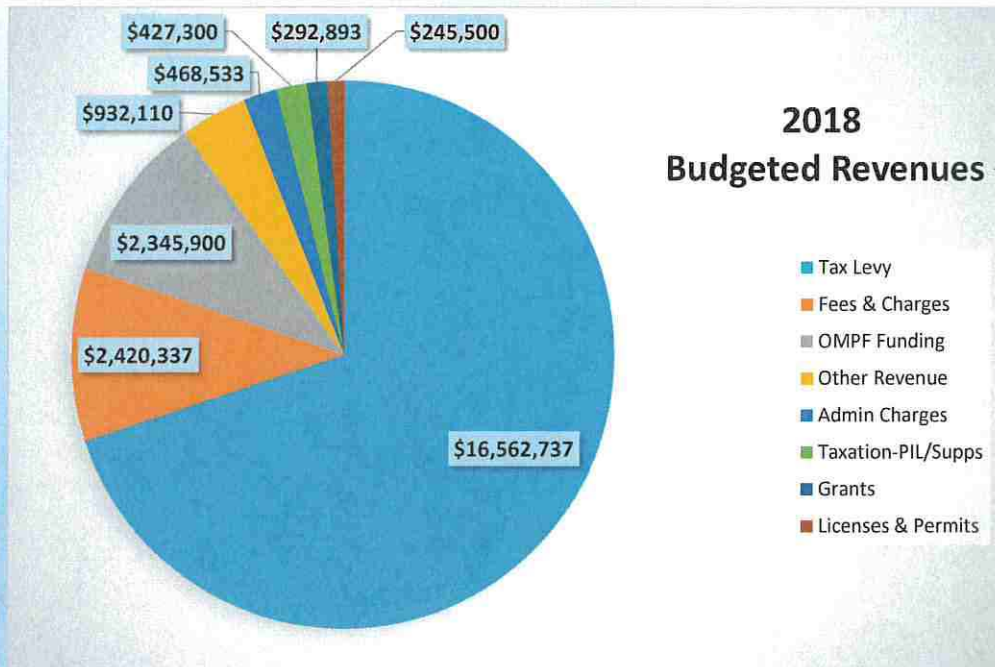
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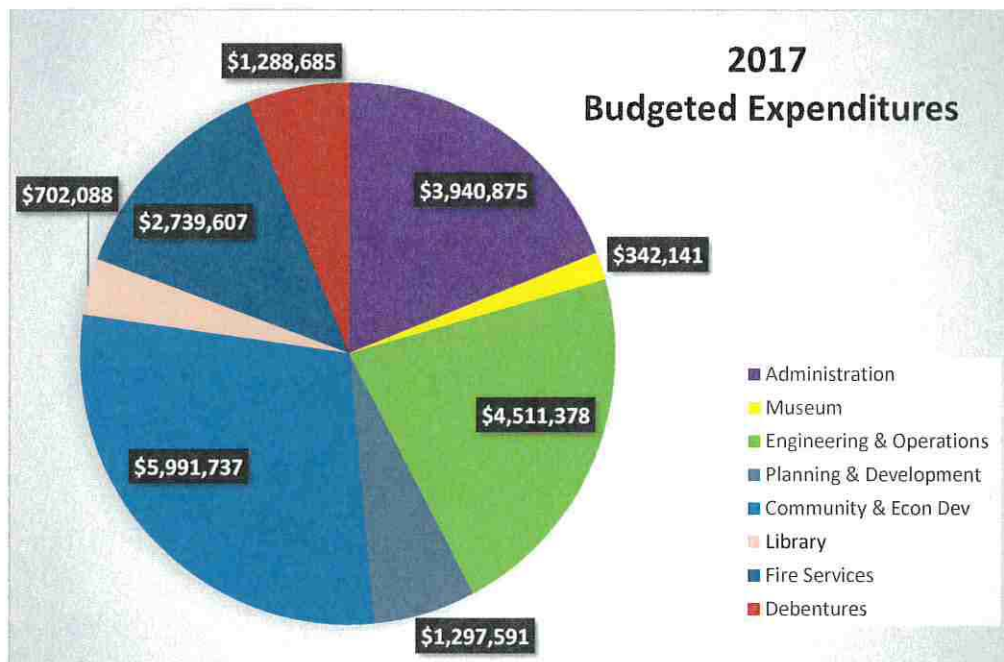


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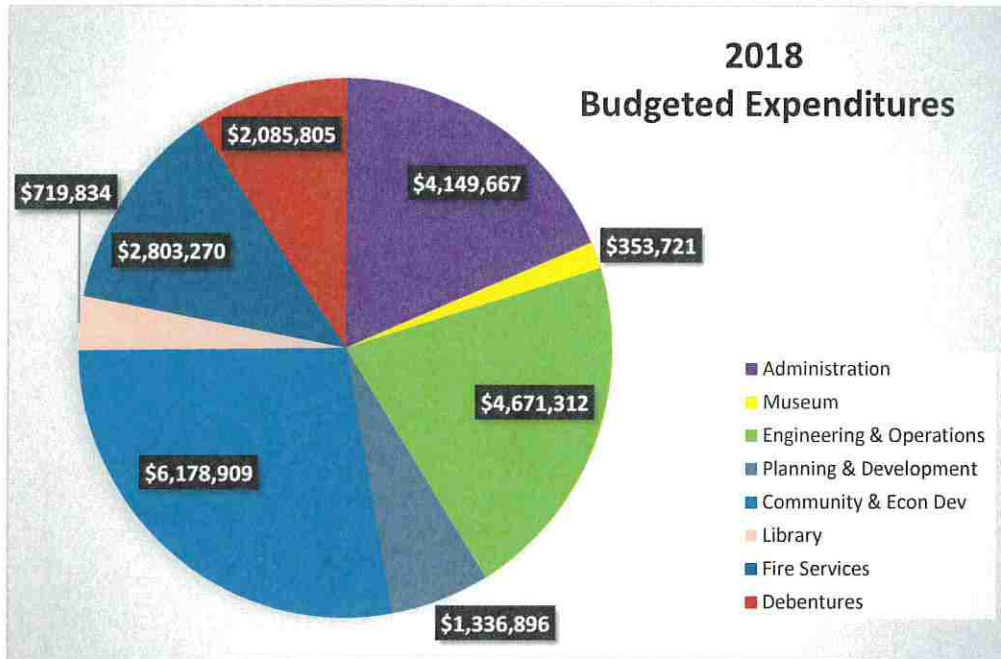
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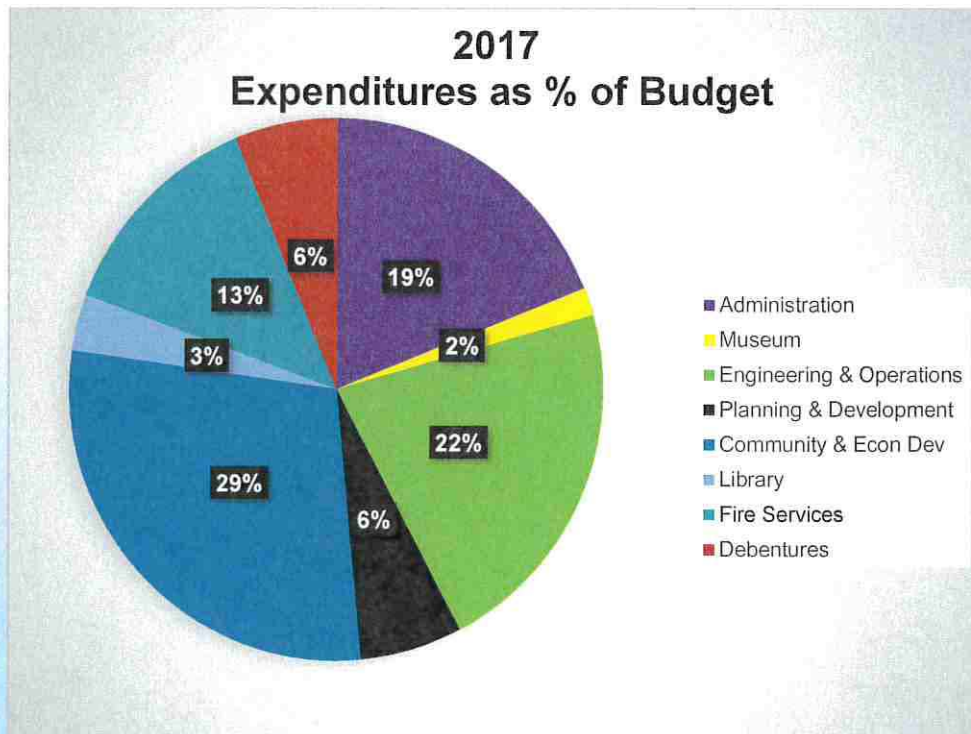


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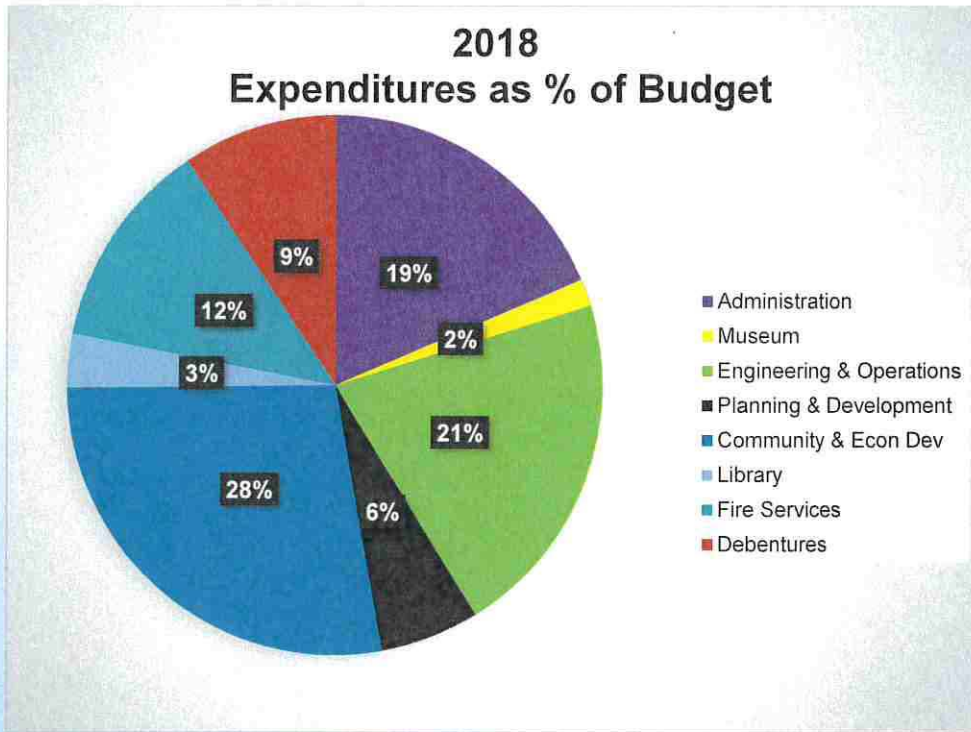
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CITY OF PORT COLBORNE Capital Funds Available

➤ 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	

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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

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Depreciation Deficit based on Historical Cost and Time Lifecycle

Total Depreciation (tax levy supported), 2016	<u>\$4,151,470</u>
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>
 2018 NET DEPRECIATION DEFICIT (35%)	 <u>\$1,459,455</u>
2017 NET DEPRECIATION DEFICIT (41%)	<u>\$1,738,808</u>

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)

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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

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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						

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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

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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

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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

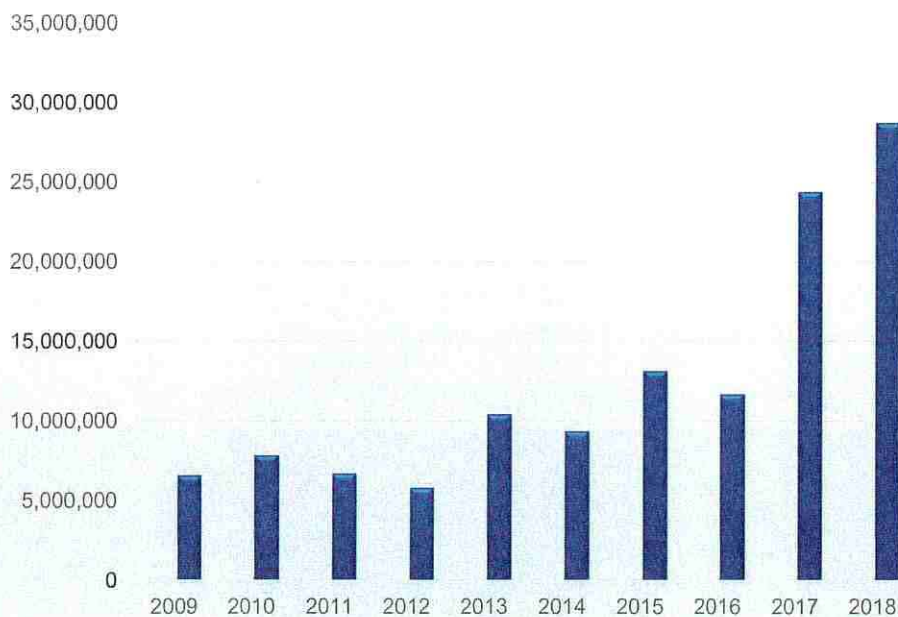
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City of Port Colborne New Long Term Borrowing

- 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

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City of Port Colborne Debt as at December 31



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Potential Debentures

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

CITY OF PORT COLBORNE

Residential Property Tax Comparison

Tax Levy Increase	<u>\$524,403</u>	<u>3.27%</u>	<u>\$854,403</u>	<u>5.33%</u>	<u>\$1,056,080</u>	<u>6.58%</u>
Increase in tax revenue			\$330,000		\$201,677	
Estimated Tax Changes	\$	%	\$	%	\$	%
	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
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)
Total Increase	\$23.61	0.78%	\$53.72	1.78%	\$72.12	2.39%
With tax ratio change			\$61.00	2.03%	\$80.00	2.64%