

2024 Trimester 1 Presentation

July 23, 2024



Agenda

- Recommendation
- Vision/Mission/Values
- Strategic Pillars
- Levy
- Rate
- Capital and Related Projects
- Debt Management
- Looking Forward
- Thank You
- Recommendation



In preparing this presentation, certain assumptions and estimates are necessary. They are based on information available to staff at the time. Actual results will vary although as regulated through the Municipal Act, a balanced budget is required.

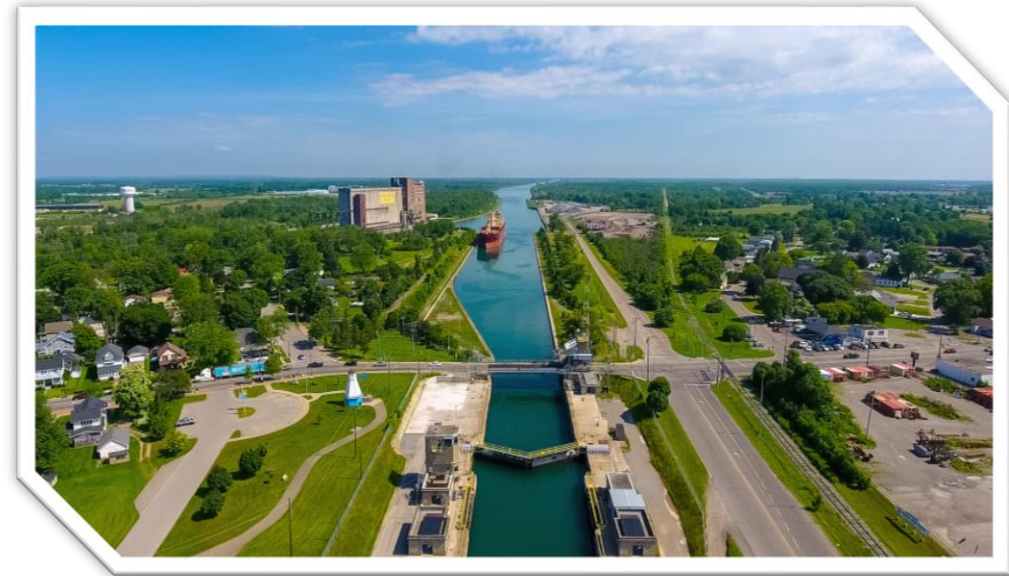


Recommendation

That Corporate Services Department Report 2024-107 be received for information; and

That the recommended transfers to and from the City's capital close-out account and related reserves as outlined in Appendix B of Corporate Services Report 2024-107 be approved; and

That the recommended reserve and capital and related project transferred as outlined in the financial section of Corporate Service Report 2024-107 be approved.



Vision, Mission & Corporate Values

Vision Statement:

A healthy and vibrant waterfront community embracing growth for future generations.

Mission Statement:

To provide an exceptional small-town experience in a big way.

Corporate Values

- **Integrity** – We interact with others ethically and honourably
- **Respect** – We treat each other with empathy and understanding
- **Inclusion** – We welcome everyone
- **Responsibility** – We make tomorrow better
- **Collaboration** – We are better together



Alignment with the Strategic Plan



**Environment &
Climate Change**



**Welcoming,
Livable &
Healthy
Community**



**Economic
Prosperity**



**Increased
Housing Options**



**Sustainable &
Resilient
Infrastructure**

PEOPLE  **SIMPLE**  **VALUE**  **CUSTOMER**

Levy



| Levy | Forecast | Budget | Net |
|---------------------------------|------------------|------------------|------------------|
| Revenue | 38,733,219 | 36,375,365 | 2,357,854 |
| Personnel Expense | (16,704,500) | (16,704,500) | - |
| Operating Expense | (15,101,480) | (15,051,480) | (50,000) |
| Surplus before Transfers | 6,927,239 | 4,619,385 | 2,307,854 |
| Transfer (to)/from Capital | (11,544,846) | (6,168,881) | (5,375,965) |
| Transfer (to)/from Reserves | (2,108,120) | (1,821,538) | (286,582) |
| Transfer (to)/from Funds | 6,725,727 | 3,371,034 | 3,354,693 |
| Surplus/(Deficit) | - | - | - |

Forecasted Differences:

Revenue:

- \$180,000, net in investment income
- \$130,000 related to penalties and interest
 - Note this is not because delinquency of payment is increasing but that they are not falling as anticipated
- Grants
 - Canadian Community Benefit Fund (CCBF) (former Gas Tax) \$49,263
 - Ontario Community Improvement Fund (OCIF) \$155,391
 - Ontario Tourism Growth Program (TGP) \$250,000
 - Southwest Ontario Development Fund \$1,500,000
- Reductions
 - Celebrate Canada Grant was cut from \$15,000 to \$8,000 a reduction of \$7,000
 - Ontario Municipal Partnership Fund (OMPF) was cut from \$2,611,500 to \$2,591,700 a reduction of \$19,800

Transfers to Capital subject to report approval:

- Electricity for EV Charging stations \$66,618

Transfer (to)/from Reserves subject to report approval:

- Subject matter expert reserve \$56,082
- Working capital reserve \$160,500



Rate



| Rate | Forecast | Budget | Net |
|---------------------------------|------------------|------------------|-------------|
| Revenue | 16,559,613 | 16,559,613 | - |
| Personnel Expense | (983,800) | (983,800) | - |
| Operating Expense | (9,421,879) | (9,421,879) | - |
| Surplus before Transfers | 6,153,934 | 6,153,934 | - |
| Transfer (to)/from Reserves | 1,393,393 | (1,961,300) | 3,354,693 |
| Transfer (to)/from Funds | (7,547,327) | (4,192,634) | (3,354,693) |
| Surplus/(Deficit) | - | - | - |

Forecasted Differences:

Transfer (to)/from Reserves:

- To fund approved Infrastructure Needs Study projects \$3,354,693

Transfer (to)/from Funds:

- To fund approved Infrastructure Needs Study projects \$3,354,693 ... this transfers the funds to the capital flow through accounts (which flow through the Levy) ... then to the Capital and Related Project Budget.

Capital and Related Projects



| Department | Open Projects At the beginning of 2024 | 2024 Capital Budget | Projects Approved in T1 | Total Open Projects for 2024 T1 | Projects Completed/Closed out | Open Projects - At the end of 2024 T1 | Closeout Percentage |
|--|--|---------------------|-------------------------|---------------------------------|-------------------------------|---------------------------------------|---------------------|
| Global CLT | 3 | | | 3 | (1) | 2 | 33.3% |
| Development | 4 | 1 | 1 | 6 | (1) | 5 | 20.0% |
| Communications | 3 | | | 3 | | 3 | 0.0% |
| Corporate Services | 5 | 4 | | 9 | (2) | 7 | 40.0% |
| Community Safety | 1 | 2 | | 3 | | 3 | 0.0% |
| Planning | 2 | | | 2 | | 2 | 0.0% |
| Library | 1 | 5 | | 6 | | 6 | 0.0% |
| Museum + Roselawn | 6 | 6 | | 12 | (2) | 10 | 33.3% |
| Self-sustaining Entities | 3 | 2 | | 5 | | 5 | 0.0% |
| Public Works | 34 | 11 | | 45 | (10) | 35 | 29.4% |
| Rates (Water, Wastewater, Storm Sewer) | 15 | 2 | 12 | 29 | (1) | 28 | 3.7% |
| Total | 77 | 33 | 13 | 123 | (17) | 106 | 18.9% |





Capital and Related Projects

| Department | 2023 T2 | 2023 T3 | Multi-Year Project | Open Projects - At the end of 2024 T1 |
|--------------------------|-----------|-----------|--------------------|---------------------------------------|
| Global | | 1 | 1 | 2 |
| Development | 1 | 3 | 1 | 5 |
| Communications | 1 | 2 | | 3 |
| Corporate Services | 1 | 2 | 4 | 7 |
| Community Safety | | 1 | 2 | 3 |
| Planning | | 1 | 1 | 2 |
| Library | | 2 | 4 | 6 |
| Museum + Roselawn | 1 | 9 | | 10 |
| Self-sustaining Entities | 1 | 3 | 1 | 5 |
| Public Works | 4 | 22 | 9 | 35 |
| Rates | 3 | 12 | 13 | 28 |
| Total | 12 | 58 | 36 | 106 |

66% of open projects are expected to be completed by year end.

34% of open projects are multi-year projects.

Recommended Funding Transactions



- The following funding transactions are recommended (they have been reflected in the forecast):
 - Transfer to the working capital reserve to maintain a reserve balance consistent with the City's reserve policy. This amount is recommended at \$160,500.
 - Transfer to the subject matter experts reserve to maintain a reserve balance consistent with the City's reserve policy. This amount is recommended at \$56,082
 - Transfer to the Electric EV Charging project (see next slide). This amount is recommended at \$66,618.





Electric EV Charging Project

- The City is currently working with a company called Flo to bring EV charging stations to City properties.
- The City has applied for grant funding to support the project.
- The project has expanded to more sites to qualify for grant funding. While Flo will pay for the charging stations and operate them, including maintenance, the City needs to bring power to all locations. The City’s estimated for this project is approximately \$200,000 which could be offset by the grant application.

- Anticipated sites include →
- Current funding set aside is \$40,000 and this report / presentation proposes increasing that amount by \$66,618 to \$106,618. Should this funding and any grant obtained be insufficient to complete all locations, Staff will bring to Council a report requesting the use of the infrastructure reserve.

| Location | Quantity | Type |
|---------------------------------|-----------|---------|
| Nickel Beach | 2 | Level 2 |
| Centenial Park | 2 | Level 2 |
| City Hall | 4 | Level 2 |
| Market Square | 4 | Level 2 |
| West Street (towards Sugarloaf) | 2 | Level 2 |
| Roselawn | 2 | Level 2 |
| HH Knoll | 2 | Level 2 |
| Operations Centre | 4 | Level 2 |
| Firehall | 4 | Level 2 |
| VHWC | 2 | Level 3 |
| VHWC | 2 | Level 2 |
| Total | 30 | |

Reserves



| | 2023 Year End Balance | 2024 Approved Budget | 2024 In-Year Approved Transfers | 2024 Forecasted Interest Allocation | 2024 Forecasted Year-End Reserve Balance |
|---------------------------------------|-----------------------|----------------------|---------------------------------|-------------------------------------|--|
| Total Boards and Committees Reserves | 1,142,523 | 71,000 | - | 5,300 | 1,218,823 |
| Total Programs, Grants and Activities | 482,213 | 50,000 | - | - | 532,213 |
| Total Self-Sustaining Entities | (571,368) | 94,838 | - | (50,700) | (527,230) * |
| Total General Government | 9,396,051 | 478,700 | - | 99,900 | 9,974,651 |
| Total Capital | 8,235,162 | 3,968,817 | (3,354,693) | 381,500 | 9,230,786 |
| Total Reserves before WIP | 18,684,581 | 4,663,355 | (3,354,693) | 436,000 | 20,429,243 |

* Loan with Sugarloaf Marina

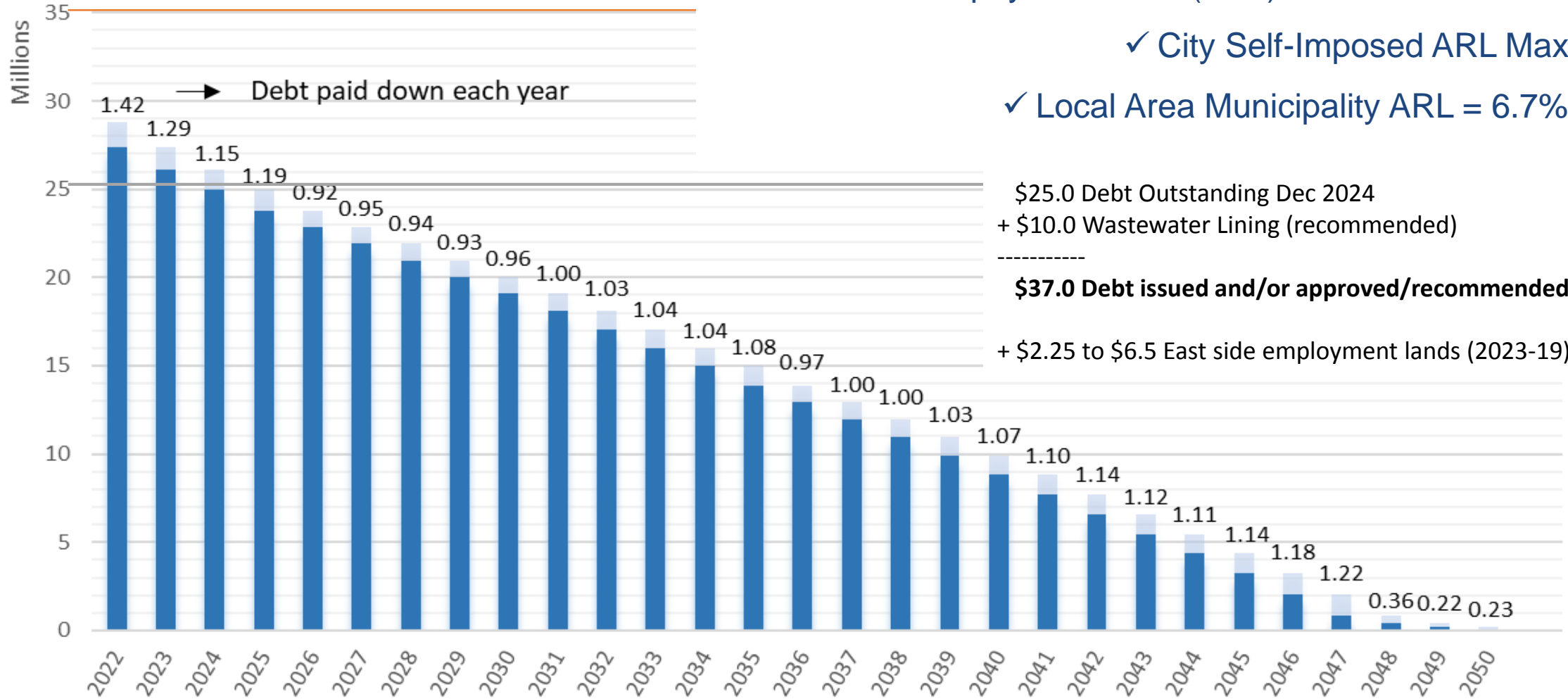
Debt Management



| ('000s in millions) | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| External Debt - Known | 26,123 | 24,968 | 23,777 | 22,859 | 21,912 | 20,971 |
| External Debt - Forecasted | | | 9,882 | 9,758 | 9,628 | 9,491 |
| Internal Financing | 2,319 | 2,074 | 1,853 | 1,753 | 1,653 | 1,553 |
| Total Borrowing (External & Internal) | 28,442 | 27,042 | 35,512 | 34,370 | 33,193 | 32,015 |
| Interest - Known | 878 | 841 | 805 | 767 | 736 | 705 |
| Interest - Forecasted | | | 397 | 391 | 385 | 378 |
| Principal - Known | 1,288 | 1,155 | 1,191 | 948 | 948 | 941 |
| Principal - Forecasted | | | 118 | 124 | 130 | 137 |
| External Borrowing Charges | 2,166 | 1,996 | 2,511 | 2,230 | 2,199 | 2,161 |
| Illustrative In-Year ARL* | 4.8% | 4.1% | 5.0% | 4.2% | 3.9% | 3.7% |
| City Self Imposed Max | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Provincial Imposed Max | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% |



Current Debt Position



✓ Annual Repayment Limit (ARL) Forecasted 2024 \leq 4.1%

✓ City Self-Imposed ARL Max = 15%

✓ Local Area Municipality ARL = 6.7% (2021)

Looking Forward



2025 budget key dates:

- October 16, 2024 – Capital, Levy, and User Fee Budget presentation ←
- October 22, 2024 - Approve Capital, Levy, and User Fee Budget at Council meeting
- November 20, 2024 - Rate Budget presentation
- November 26, 2024 - Approve Rate Budget at Council meeting

Combined into one meeting at direction of Council during the 2024 budget process

Trimester 2 Reporting is planned to be incorporated with the October 16, 2024 Capital, Levy, and User Fee Budget Presentation





Thank You



PORT COLBORNE

Recommendation

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