

2023 Levy Budget

December 7, 2022



Agenda

- ☐ Recommendation
- ☐ Tax and Capital Impacts
- ☐ Highlights
- ☐ Risks
- ☐ Inflation and City Growth
- ☐ Process
- ☐ Comparisons
- ☐ Borrowing Outlook
- ☐ Levy Summary
- ☐ Department Summaries
- ☐ Risks
- ☐ Looking Forward
- ☐ Thank You
- ☐ Recommendation



In preparing the 2023 Levy Budget, 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 the Corporate Service Department, Financial Services Division, Report No. 2022-245 Subject: 2023 Levy Budget, **BE RECEIVED**; and

That the sustainability and working capital reserve funds be funded, up to the Reserve Fund policy target, as outlined in Report No. 2022-245; and

That \$2,000,000 resulting from contractual settlement related to a previous sale of land, as outlined in Report 2022-245 be transferred to the infrastructure reserve.

That the 2023 Levy Budget as outlined in Report No. 2022-245, **BE APPROVED**.



Tax and Capital Impacts



Levy

2.94% (51% related to the Capital and related Project Budget and 49% related to the Operating Budget) on the blended tax rate or **\$114** increase to the average residential property valued at **\$212,035**.

Note: The Levy figure forecasts 0.5% assessment growth that at the time of presenting this budget has been achieved per MPAC's database.

Highlights

- Supports on-going operational improvements within departments (see departmental presentations)
- People investment to support the continued re-activating of Roselawn (\$216,800 representing 6,587 additional hours)
- Enhanced Community Improvement Funding (CIP) from \$115,000 to \$172,500 to encourage redevelopment and support growth
 - CIP review and update to be presented for approval in the first trimester of 2023
- Support for electric vehicle charging, \$20,000
- Community grants budget increased by 20% to \$43,200
- Community events budget increased to 1/3 of 1% (0.0033%) of the Levy
 - Look to expand past civic holidays by partnering with the Business Improvement Areas (BIAs) and community organizations
- We thank the YMCA for their expanded hours starting January 2, 2023 - Saturday until 9pm and opening Sunday 7am to 9pm (this will be a trial basis until April 30, 2023)
- 51% of the tax impact supports the Capital and Related Project Budget
- No new debt is proposed...Levy debt will be paid down by \$744,000 to \$14.8 million



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Risks to the Budget

Actual events and results can be substantially different from what is expected or implied as a result of risk, uncertainties, and other factors, many of which are beyond our control, including, but not limited to:

- Changes to legislation, including rules and regulation
 - i.e. Bill 39, Better Municipal Governance Act, 2022 was introduced subsequent to the development of this budget and is still being reviewed at the time of printing this presentation
- Decisions of other levels of government
 - i.e. Ministry of the Environment, Conservation and Parks
 - i.e. the Bereavement Authority of Ontario
- Economic weakness or other unforeseen factors impacting changes in past patterns of facility and service usage and/or goods purchased by users and customers
- Inflation advancing more than anticipated – note inflation was budgeted differently for different expenses ranging from 0% to the 35% range (fuel costs increased 70% over 2 years)
- Interest rates declining which impact investment income
- Poor weather impacting attendance at Nickel Beach or events such as Canal Days
- Higher precipitation and lake levels compared to 2022 increasing inflow and infiltration or changing water usage
- Unexpected changes or usage in infrastructure
- Unbudgeted and/or unexpected changes in needs or wants of residents resulting in Council approved changes in service levels or goods and service offerings
- A resurgence in COVID-19 or other epidemics, pandemics or other public health crisis event



Inflation Environment



Industrial Product Price Index

9.0%

Annualized September 2022*

Consumer Price Index

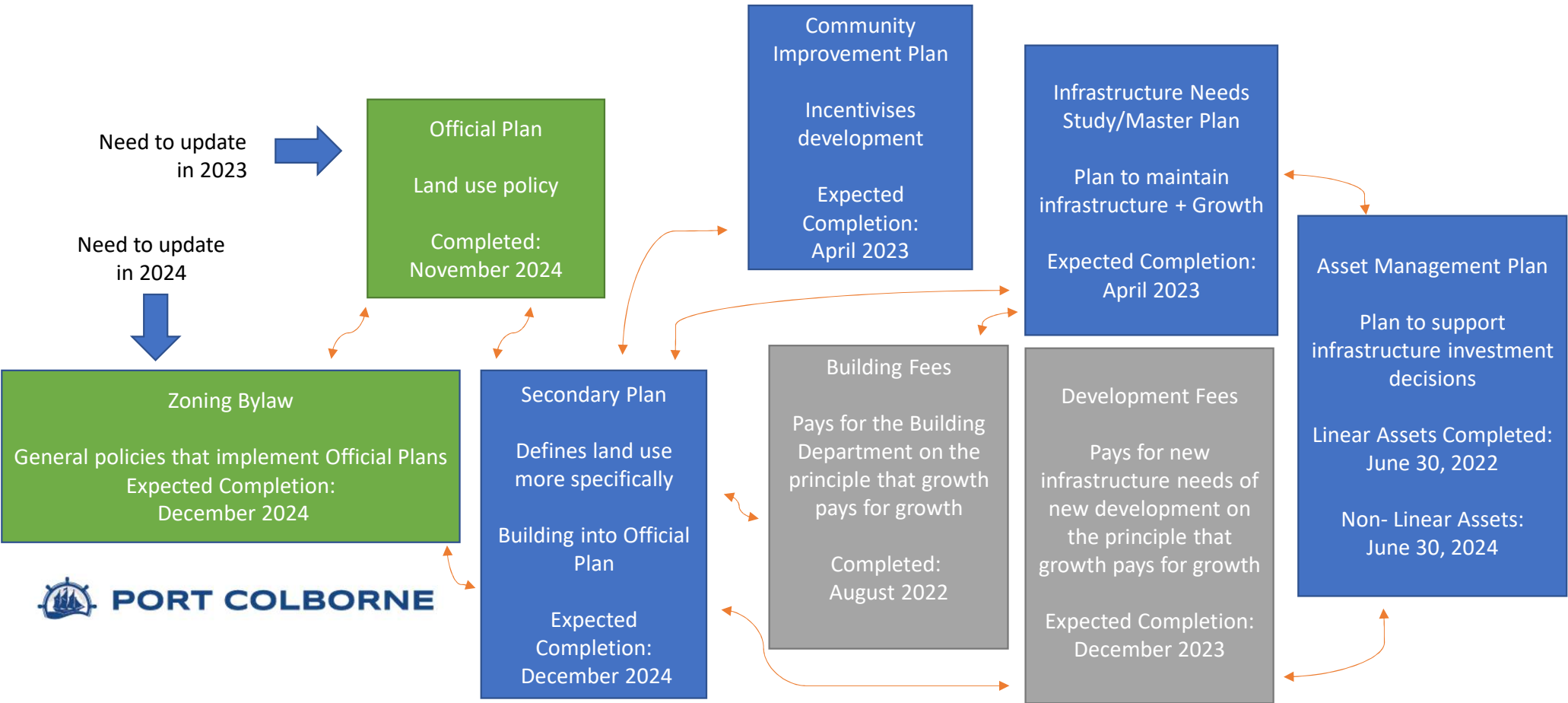
6.9%

Annualized September 2022*





Preparing for Growth



Process



Developed through a process that obtained both Council and Staff input.

	Capital	Levy	Rate
Final to Financial Services	September 1st	October 6th	October 6th
Final Senior Leadership Review	September 15th	November 15th	November 15th
Budget Committee Package	November 23rd	November 23rd	November 23rd
Committee of the Whole Budget Meeting	December 7th	December 7th	December 7th
Council Approval	December 13th	December 13th	December 13th



Process

Department Updates to Council annually

CAO (2022-77), April 26, 2022

Public Works (2022-93), May 10, 2022

Museum (2022-114), May 24, 2022

Community Safety & Enforcement (2022-75), June 14, 2022

Corporate Services & Recreation (2022-142), July 12, 2022

Legislative Services (2022-197), August 23, 2022

Library (2022-201), September 13, 2022



Vision/Mission/Values



Vision Statement:

A vision statement expresses an organization's desires for the future. This is our vision statement:

A vibrant waterfront community embracing growth for future generations

Mission Statement:

A mission statement expresses the immediate goals of an organization, clearly and concisely. This is our mission statement:

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

Corporate Values:

Corporate Values are guiding principles and beliefs supported by everyone in an organization so that they can work toward common goals in a cohesive and positive way. These are our 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



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Strategic Pillars

Revisiting Trimester 1



Community Pillars

These pillars are areas that directly benefit our residents, businesses, and visitors.

1. Service and Simplicity - Quality and Innovative Delivery of Customer Services
2. Attracting Business Investment and Tourists to Port Colborne
3. City-Wide Investment in Infrastructure and Recreational/Cultural Spaces

Corporate Pillars

These pillars are the day-to-day practices, processes, and governance that Council and staff are focused on to ensure maximum value and benefit for our residents.

1. Value: Financial Management to Achieve Financial Sustainability
2. People: Supporting and Investing in Human Capital
3. Governance: Communications, Engagement, and Decision-Making



Themes - Focus

Economic Prosperity

Environmental Sustainability

Welcoming and livable community

Increase and enhance housing options

Competitive Advantage

- People
- Processes – getting to simple (moving towards)
- Community – Connecting
- Location

- Service Levels
- Growth – Achieve Economies of Scale
- Impact of leading a reduction in the Infrastructure Deficit



Comparison: Property Taxes

	CVA	Niagara Region	City	Education	Total	
City of Port Colborne (ALL)	\$212,031	\$1,483	\$2,079	\$324	\$3,886	+ \$127 Storm
City of Port Colborne (Standard)	198,886	1,391	1,950	304	3,645	+ \$127 Storm
Average Local Area Municipality (LAMs) (Standard)	296,089	1,962	1,745	453	4,161	

Weighted average using Niagara Region tax policy report CSD 8-2022 and online property tax calculator



Comparison: Property Taxes

	Residential	Commercial	Industrial	Farmland	Pipeline
Port Colborne	78.0%	11.0%	9.5%	0.7%	0.8%
LAMs	80.3%	14.0%	4.1%	0.9%	0.7%

Comparison: Revenue / Expenses

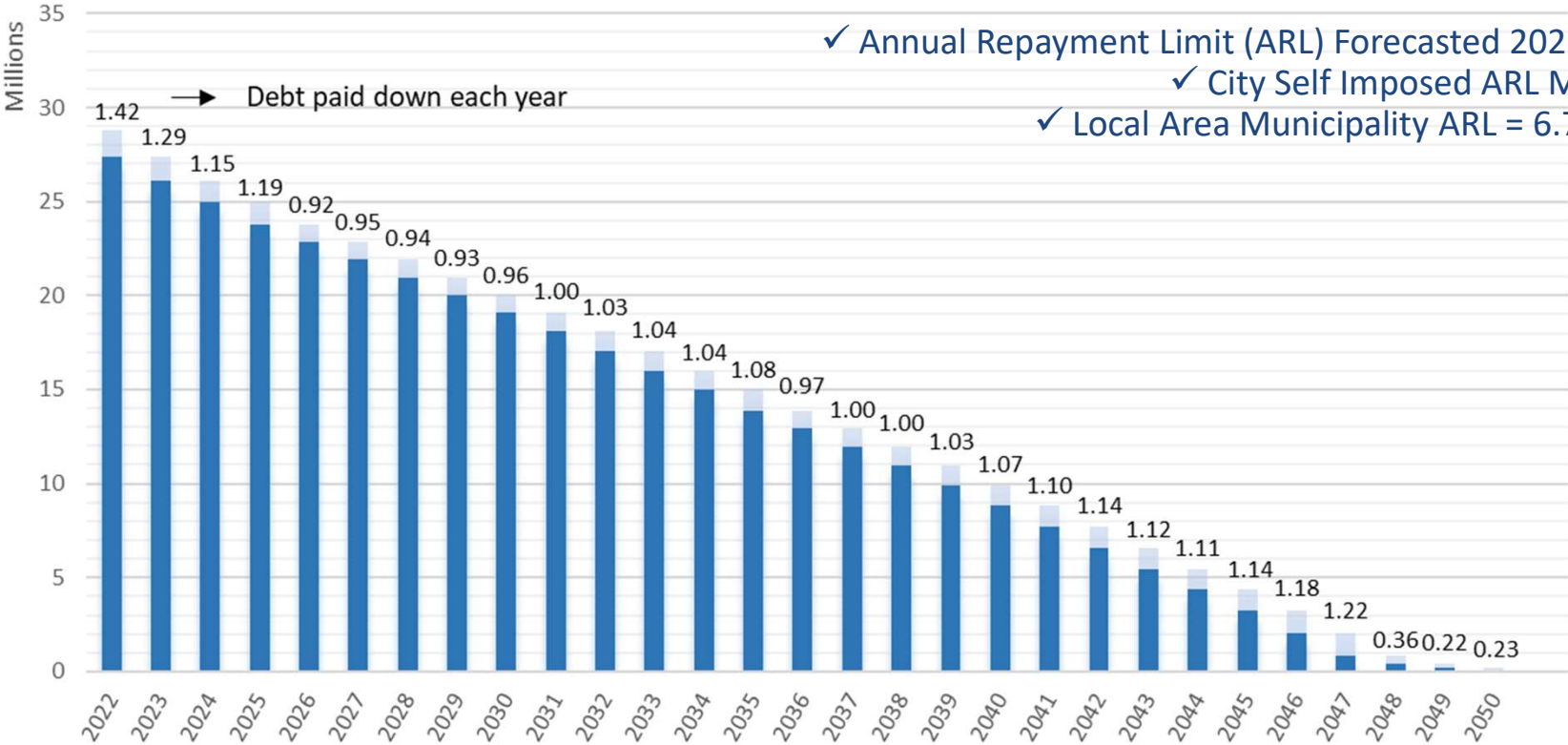


Revenue	Property Taxes	Grants	User Fees/Rate	Other	
Port Colborne	49.7%	12.1%	33.4%	4.8%	Due to wastewater & Self-sustaining entities
LAMs	45.0%	11.0%	27.3%	16.7%	Other entities
Expenses	Salary	Interest Expense	Environmental Operations	Operations	
Port Colborne	46.8%	2.8%	24.3%	26.1%	
LAMs	50.3%	1.8%	22.4%	25.5%	

Used local municipalities' most recently available FIRs



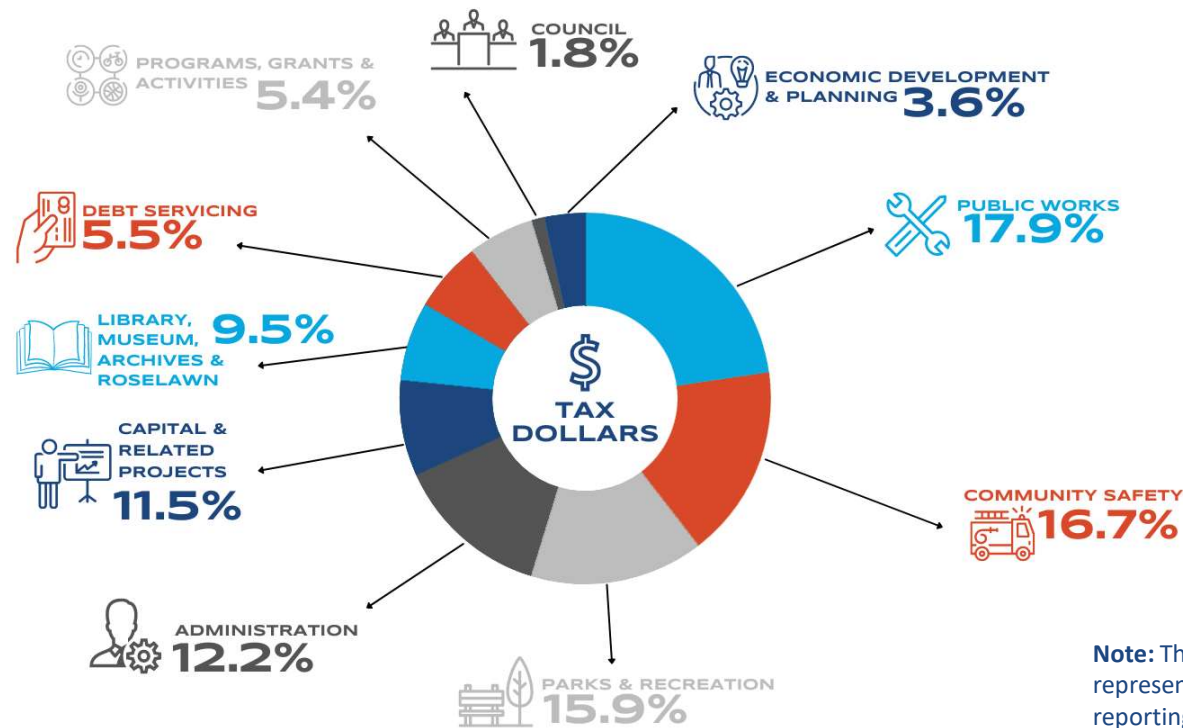
Debt Outlook



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What tax dollars support ...



Note: The groups above were developed to better represent activities/functions of the City rather than reporting hierarchy within budgetary departments. Allocations in 2023 were further refined to better represent costs of each activity/function.

Levy Summary ...



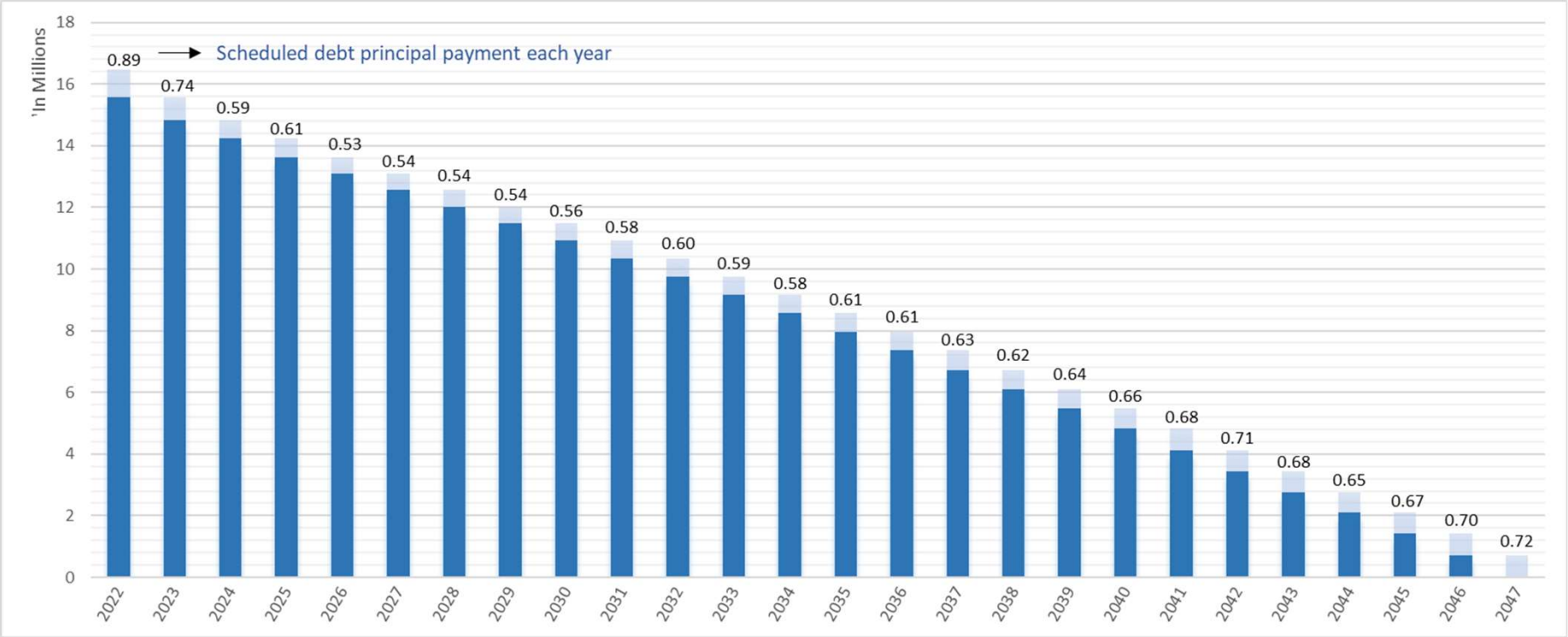
Statement of Operations

	Budget		Forecast 2022	Change from Budget		Change from Forecast	
	2023	2022		\$	%	\$	%
Revenue	34,072,299	31,056,129	35,643,379	3,016,170	9.7%	(1,571,080)	(4.4%)
Personnel Expenses	16,146,800	15,504,750	15,380,330	642,050	4.1%	766,470	5.0%
Operating Expenses	13,677,871	13,443,468	14,084,842	234,403	1.7%	(406,972)	(2.9%)
Total Expenses	29,824,671	28,948,218	29,465,172	876,453	3.0%	359,498	1.2%
Surplus/(Deficit) Before Allocations	4,247,628	2,107,911	6,178,207	2,139,717	101.5%	(1,930,579)	(31.2%)
Allocations (To)/From Departments	-	-	-	-		-	
Surplus/(Deficit) After Allocations	4,247,628	2,107,911	6,178,207	2,139,717	101.5%	(1,930,579)	(31.2%)
Transfer To/(From) Capital	7,054,300	3,932,143	5,647,245	3,122,157	79.4%	1,407,055	24.9%
Transfer To/(From) Reserve	890,578	(450)	2,668,943	891,028		(1,778,365)	(66.6%)
Transfer To/(From) Rate	(3,697,250)	(1,823,782)	(2,512,396)	(1,873,468)	102.7%	(1,184,854)	47.2%
Surplus/(Deficit)	(0)	-	374,415	-	0%	(374,415)	(100.0%)

IF realized ... potential to fund Infrastructure Reserve



Debt Outlook - Levy



Revenue

Some Salient Changes from Prior Year Budget



Item	Change	Comments
	\$	
Drainage Revenue	98,700	Primary driver, Excavator charge - funds transferred to reserve
Grants - Other	237,415	Primary driver, TPN (\$100,000 capital project; almost \$100,000 Canal Days) - capital is transferred to capital budget
Grants - Provincial	524,557	Ontario Municipal Partnership Fund (\$42,500); Ontario Community Infrastructure Fund (OCIF) [\$482,057] - OCIF transferred to capital budget
Investment Income	655,000	Bank of Canada increased from 0.25% to 3.75%, approximately 40% budgeted as transfer to reserve and reserve funds as it relates to reserves and reserve funds
Sales	117,700	Primarily Canal Days and changes to recommended user fee changes in the Cemetery Division
MAT Tax	90,000	Supports tourism initiatives, NSCTA, Canal Days, Fishing Tournaments
Payment-in-lieu	(72,400)	Adjust budget to forecast
Penalty and Interest	(50,500)	Improved collections
Property taxes	1,312,511	Blended tax rate is estimated at 2.94% after accounting for assessment growth
	2,912,983	



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* Revenue highlighted represent those impacting the levy, self sustaining entities (SSE) are not highlighted.



Personnel

Levy	Budget 2023				Budget 2022*			
	FTE	Headcount	Headcount x- students	Regular Schedule Hours	FTE	Headcount	Headcount x- students	Regular Schedule Hours
CAO	2.00	2	2	3,640	2.00	2	2	3,640
Strategic Planning & Economic Development	3.69	5	3	6,720	4.65	6	4	8,470
Marketing & Communications	2.69	4	2	4,900	2.60	4	2	4,830
Corporate Services	23.38	26	22	42,560	22.75	27	21	41,402
Recreation	23.71	40	14	43,790	22.88	45	14	43,595
Council	9.00	9	9	∞	9.00	9	9	∞
Crossing Guards	9.34	19	19	16,990	9.34	19	19	16,990
Community Safety	20.79	22	22	42,562	21.59	25	22	44,032
Library	8.71	13	13	15,860	8.71	13	13	15,860
Museum, Archives, Roselawn	8.93	12	10	16,250	6.09	11	9	9,663
Legislative Services	12.35	13	12	22,470	12.65	14	12	23,030
Public Works	52.87	69	53	106,930	57.10	69	55	112,400
Total	177.46	234	181	322,672	179.36	244.00	182	323,912
					* Adjusted from the 2022 budget document to breakout Recreation and adjust Library headcount to actual (no change in budget year over year. error in prior calculation – where			
Budget 2022	179.36	244.00	182	323,912				
Year over Year Change	(1.90)	(10)	(1)	(1,240)				

* Adjusted from the 2022 budget document to breakout Recreation and adjust Library headcount to actual (no change in budget year over year, error in prior calculation – whereas part-time people were treated as 0.5 instead of 1)



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Personnel

Some Salient Changes from Prior Year Budget

- Salary & Wages - \$733,651 or 6.4%
 - Negotiated and approved wages, contracts, and changes in positions
- Benefits – (\$91,601) or 2.3%
 - Excluding change in accounting/budget practice to reflect previously budgeted reserve transfer for future employee liabilities the increase was \$308,399 or 7.8%
 - Increase reflects Canada pension plan, employment insurance, employer health tax, health and dental, Ontario Municipal Employees Retirement System (OMERS), expanded OMERS benefits to part-time employees, Workplace Safety & Insurance Board (WSIB)

Action: HR continues to work with Council on employee liabilities

Operating Expenses

Some Salient Changes from Prior Year Budget

Item	Change	Comments
	\$	
Auto - Fuel	97,630	The 2 year budget increase ≈ 70% ≈ 2 year gas price increase
Allowance reassessment	45,026	Increases allowance to 1% Levy
Canal Days	223,800	Reflects actual costs. While costs increasing the Levy budget impact is budgeted \$25,000 lower
Community Events	33,900	1/3 of 1% of the Levy
Community Improvement Program (CIP)	57,500	Increase to support new CIP coming 2023
Computer Software	101,000	Data and security, HR system
Contracts - Fleet Maintenance	98,500	Primary driver, Fire Department fleet
Contracts - Transportation	92,400	Brush/Tree Trimming 23,800; Grass Mowing/Spray 18,800; Pavement Marketing 18,000; Ditching 17,000; Traffic Signals 15,000; Snow Ploughing 12,800; Sanding/Salting 10,900; Offset reduction of sidewalk maintenance by 23,900 due to 100% increase in sidewalk capital budget
Equipment - Rentals	(200,000)	Purchased Front Loader and Grader
Insurance	142,309	New insurance contract
Subject Matter Experts - Consulting	37,000	Economic Development, Information Technology
Subject Matter Experts - Legal	50,000	Support risk management
Training, development, and travel	44,880	Review together ≈ 3 percent salary and benefits
Transit Upload	(323,000)	Funded 157,600 from reserves
Utility - Hydro	(231,165)	Savings from VHCW adjustments
	269,780	

Action: Financial Services to end of Trimester 1, Current contract ends December 31, 2023

Transfer to Capital and Related Projects



Capital	\$
Grants	1,731,649
Levy*	2,676,451
Museum & Roselawn (86,000 from Levy*)	127,000
Library (160,000 from Levy*)	199,500
Rates	2,311,700
Reserves (40,000 from Canal Days; 32,000 to Cemetery from Levy*)	8,000
	7,054,300

* Levy funds \$2,922,451 in Capital and Related Projects



Transfer to/(from) Reserves

Reserve	\$
Canal Days (Capital project)	(40,000)
Beach (Operations due to SME)	(18,957)
Building inspection (fund operations)	(90,195)
Cemetery (future Capital)	32,000
Drainage (future work)	85,000
Encumbrances (Physician recruitment)	(37,500)
Future Liabilities	400,000
Investments on Reserve and Reserve Funds	320,600
Municipal Election (2026)	40,000
Repayment of Excavator Internal Loan	99,630
Repayment of Marina Internal Loan	100,000
	890,578



Transfer to/from Rate and Related Entities

Capital	\$	
Transfer from Rates for borrowing costs	895,481	Rate \$4,490,910
Transfer from Rates for capital	2,311,700	
Transfer from Rates for certain administrative support, facility, fleet, and insurance	1,283,729	
Transfer to Niagara South Coast Tourism Corporation (NSCTA) (55,000 Levy; 45,000 MAT)	-100,000	NSCTA \$55,000
Transfer from NSCTA for personnel time	55,000	
Transfer to Library (Levy funded)	-1,075,860	Library \$748,660
Transfer from Library for capital (160,000 of this is funded through the Levy transfer)	199,500	
Transfer from Library for facilities and insurance	127,700	
	3,697,250	

Some Salient Changes from Prior Year Budget

- Rate capital funding now flows through Levy to Capital and Related Project Budget.
- Rate administrative support charged back includes marketing and communication, corporate services, and public works.
- Seeing NSCTA and the library this way is new. As they are separate entities they have been separated from the Levy.



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Levy Summary ...

Departmental Net Budgets

	Budget		Forecast 2022	Change from Budget	
	2023	2022		\$	%
Global	21,395,623	20,720,310	20,119,869	675,313	3.3%
Programs, Grants and Activities (PGA)	(1,416,063)	(1,432,354)	(1,399,685)	16,291	(1.1%)
Boards and Commissions	(2,200,477)	(1,633,219)	(1,652,368)	(567,258)	34.7%
Council	(464,888)	(362,997)	(334,659)	(101,891)	28.1%
CAO	(1,201,853)	(1,159,962)	(1,229,222)	(41,891)	3.6%
Corporate Services	(2,130,221)	(1,703,813)	(1,752,314)	(426,408)	25.0%
Recreation	(2,013,482)	(2,102,619)	(1,882,799)	89,138	(4.2%)
Legislative Services	(785,247)	(796,928)	(796,500)	11,681	(1.5%)
Community Safety	(4,364,958)	(4,229,895)	(3,989,938)	(135,062)	3.2%
Public Works	(6,818,435)	(7,298,522)	(6,707,970)	480,086	(6.6%)
Surplus/(Deficit)	-	-	374,415	(0)	

Department Net
Increase:
\$124,347



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Programs, Grants, and Activities (PGA)



Some Salient Changes from Prior Year Budget

- Community EV Charging \$20,000 ↑
 - New program – Public Private Partnership
- Community Improvement Program (CIP) \$57,500 ↑
 - Total available is \$172,500 for CIP
- Grant commitments \$10,600 ↑
 - Recreational Committee - Bethel - \$ 8,300
 - Recreational Committee - Sherkston - \$ 8,300
 - French Golden Age Centre - \$10,000
 - Port Colborne Social & Recreation Center - \$10,000
 - Other Groups - \$2,000 (up \$400)
 - Memory Clinic - \$3,000 (moved from Physician Recruitment)
 - Grant Committee - \$43,200 (up \$7,200 or 20%)
 - Hospice Niagara- \$30,000 (2021, 2022, 2023)
 - Pathstone - \$20,000
- Community Events – Program Supplies \$33,900 ↑
 - Expand community past “Civic celebrations”
- Transit \$165,700 ↓
 - Moved to Niagara Region transit system



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Total PGA Budget

\$1,416,063

Airport	Outdoor Vendors
Animal Control	Physician Recruitment
Canal Days	Residential Rebates
Community EV	Lighthouse
Charging	SportsFest
CIP Incentives	Transit
Civic Celebrations	
Community Grants	
COVID-19	
Crossing Guards	
Fishing Tournament Grants	
Goderich Elevator	
Municipal Election	

Boards and Committees



Some Salient Changes from Prior Year Budget

- Archives, Museum, Roselawn – People, Capital, Facilities 428,496 ↑
 - People investment of \$216,800
 - Capital budget contribution from \$0 to \$86,000
 - New facility allocation model reflects facility costs of \$182,860, increasing from \$93,100
- Library – Capital \$115,000 ↑
 - Elevator capital budget. This increases the capital budget contribution from \$45,000 to \$160,000.

Action: Review and Re-establish multi-year capital plans with Boards

Total Boards and Committees

\$2,200,477

Library
Archives
Museum
Roselawn
Niagara South Coast
Committees

Note: The budget consolidates all capital funding except for Boards given the multi-layer approval process



Departments

Some Salient Changes from Prior Year Budget

- Net Departmental budget increases are \$124,347 on the levy
- This was made possible as a result of organizational changes that were done in consultation with Council.
- The movement of staff between divisions to streamline responsibilities and improve service levels makes comparing year over year by division complicated.
- Recommended changes to cemetery user fees are reflected here. Effective January 1, 2023
 - Impact is maintenance reimbursement increases from 27,400 to 69,400 for a change of 42,700. Full reimbursement would be approximately \$100,000. Additional discussion under Cemetery slides to follow.
- Recommended changes to arena fees effective for May 1, 2023.
 - See next slide.

Total Boards and Committees

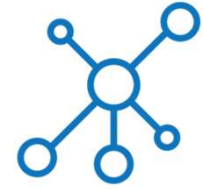
\$17,779,084

Council
CAO
Corporate Services
Recreation
Legislative Services
Community Safety
Public Works

Note: The budget consolidates all capital funding except for Boards given the multi-layer approval process



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Departments

	Youth Rates		Adult Rates	
	Prime	Non-Prime	Prime	Non-Prime
Port Colborne (2022)	\$131.85	\$80.55	\$197.35	\$141.59
LAM Average (2022)	\$144.26	\$87.11	\$198.73	\$118.25
	(\$12.41)	(\$6.56)	(\$1.39)	\$23.35
LAM High (2022)	\$187.65	\$103.65	\$223.36	\$136.28
Port Colborne (Recommended for 2023)	\$146.90	\$88.50	\$223.36	\$136.28
	11.4%	9.9%	13.2%	-3.9%

Some Salient Considerations

Note: HST is charged on the above fees

- Recommended changes to arena fees effective for May 1, 2023.
- Since September 2018 the fees have only increased 2.5%. Historically the City has done a larger increase every three years
- The new fees will not increase the revenue line in the budget. Through historical review it was noted the former Parks and Recreation department increased the budget a couple years ago without increasing the rink rate at that time.
- Budgeted fees at the recommended rates are \$505,000 which compares to direct personnel costs for arena and cleaning attendants of \$560,000.



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SSE: Sugarloaf Marina

Year in Review

- ✓ Staffing changes brought increased structure to the Marina
- ✓ New summer student training and management program realized more consistent and enhanced upkeep and cleanliness of grounds and facility
- ✓ The Main building entranceway upgrades and clean up was completed
- ✓ We recycled 6 boats, 4 more to recycle, 7-8 we are working on liens with the potential to move to sale.
- ✓ New garbage bins installed as a continued effort to clean-up the Marina
- ✓ A questionnaire is going out to boaters, this will be before the end of season in future years.
- ✓ As travel options opened and as COVID cases reduced, seasonal boaters were down approximately 5%.
- ✓ Marina will break even with a new repayment schedule on outstanding capital loan (future slide)

Initial Planning Thoughts Going Forward

- ✓ **Dredging application** – needs Ministry approval (likely will require a future report to Council)
- ✓ Staffing changes have been made for **significantly enhanced weed trimming** to reduce weeds within the Marina next year.
- ✓ Lighting is being added for safety (3 new poles) and parking lot lights are being changed out to LED
- ✓ Planned cameras and security system update in 2023. Putting on hold boat storage parking on King Street to accommodate funding.
- ✓ Leaking roof in Marina building(s) being investigated. Some funds available from other previously approved projects that will be recommended for close out.
- ✓ Looking at an RFP for a Public Private Partnership (PPP) on usage of the Marina store – core Marina products are being sold in the main building.
- ✓ User fee changes proposed in the 9% to 15% range. The lower fee will require an earlier sign-up and payment.
- ✓ New User fees being proposed, including a workplace passport for those running a business (still no accommodation rentals allowed) and certain fines and penalties.



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SSE: Sugarloaf Marina

Some Salient Changes from Prior Year Budget

- Budgeted revenue is basically flat but up from the forecast of \$1,288,200
- The reserve and additional capital budget for 2023 is zero at this point.
- The prior reserve and loan are recommended to be combined for a forecasted year-end loan balance of \$795,125.
 - The 2023 budget forecasts reducing this balance by \$100,000.
 - This balance is anticipated to fluctuate as capital needs arise and surplus/deficits realized.
 - Interest is charged, budgeted, and paid to the levy on this loan balance.
 - A loan/line of credit for a business such as this is common. This loan balance is a function of capital additions to date, not operational impacts.

Total Budgeted Revenue

\$1,408,500

Forecasted reserve transfer of \$NIL

This budget is
not funded by
the levy

Action: Separate Marina and Boat Launch budgets ... will reflect in Year End Reporting

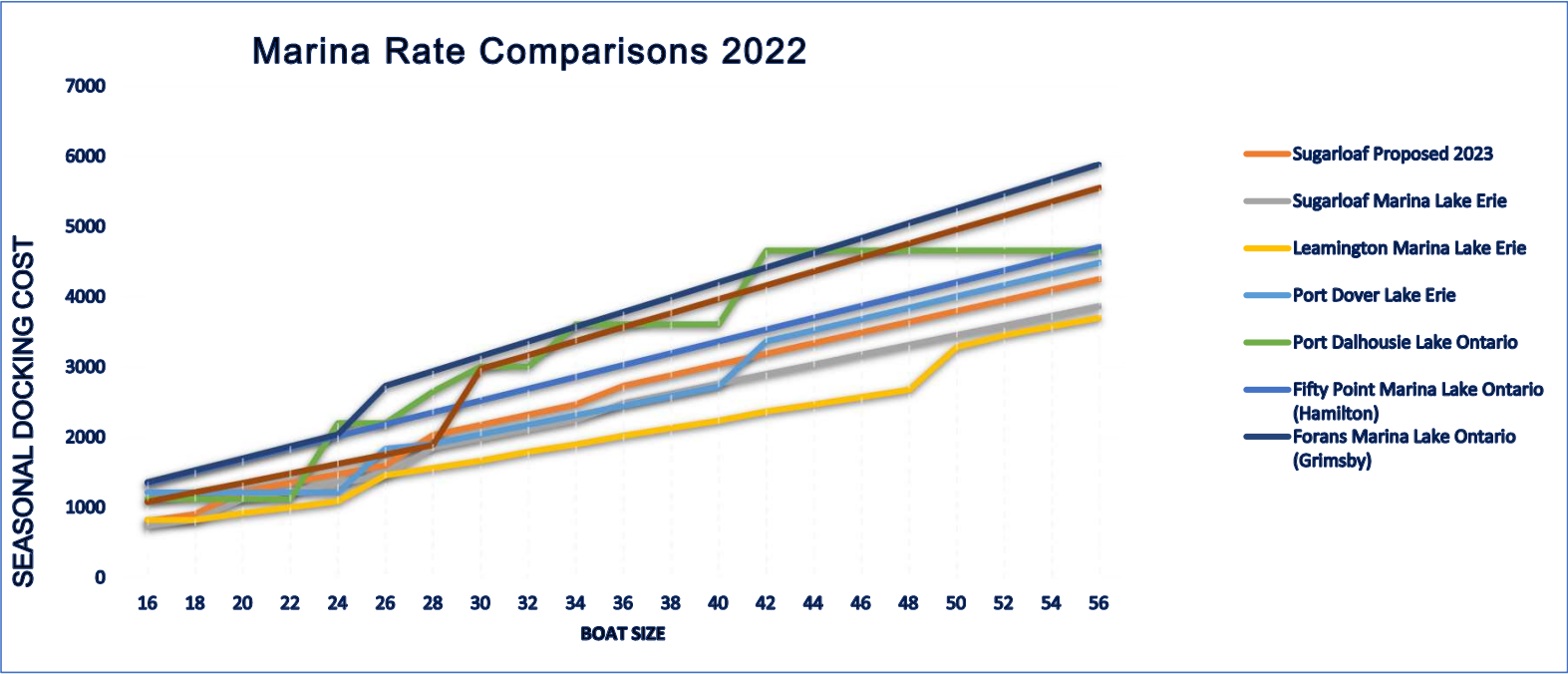


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SSE: Sugarloaf Marina

Fee Comparisons



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SSE: Beaches



Year in Review

- ✓ Limited capacity to 200 guests or less that pre-registered from outside Port Colborne.
- ✓ Users like the “pace” of the beach.
- ✓ Splashtown Niagara was well received.
- ✓ PORTicipate Pass continued to work well.
- ✓ Annual weekday/non-holiday pass went well. We sold 125 over the 100 goal.
- ✓ There were more “bad actors” noted on the beach this year related to music specifically.
- ✓ Amenities, specifically bathrooms requested at Nickel Beach. They are ready now – working with the Ministry of Environment for 2023.
- ✓ 2022 Forecasted surplus is \$29,665 vs. a budgeted transfer from reserve of \$750

Initial Planning Thoughts Going Forward

- ✓ Working with the Ministry of the Environment regarding beach usage in 2023.
- ✓ 2023 beach plan and budget remain consistent with prior year at this point.
- ✓ Planning to continue to limit capacity to 200 guests that pre-registered from outside Port Colborne.
- ✓ In 2023 pricing is recommended to remain constant but not be inclusive of HST.
- ✓ Planning to maintain beach policies and procedures, including staffing at Centennial-Cedar Bay.
- ✓ Penalties and fines for certain actions are being proposed in the user fee process. No revenue has been budgeted related to these proposed penalties and fines.
- ✓ Additional full-time staff involvement during peak operating times is planned and budgeted.



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SSE: Beaches

Some Salient Changes from Prior Year Budget

- Budgeted revenue is up \$17,000 over prior year budget and approximately \$60,000 from forecast.
- Budgeting more full-time staff involvement at the beach during peak times to support beach coordinator and students.
- Main budgetary change is \$50,000 for subject matter experts related to the Fowler Toad.

Total Budgeted Revenue

\$428,000

Forecasted transfer from reserves of \$18,957

This budget is
not funded by
the levy



PORT COLBORNE



SSE: Building

Some Salient Changes from Prior Year Budget

- Forecasting a reserve transfer of approximately \$21,400
- Allocations for certain overhead, facility, vehicle, etc. costs incurred by the levy are increasing by \$59,245 as these can now be calculated in the accounting system. Total allocation is \$140,845.
- New fees were approved by Council in 2022
 - The 2022 budget and forecast already reflected those fee increases.
 - The updated user fee by-law includes the newly approved fees.
- Reserve is forecasted at almost \$190,000 for the year ended December 31, 2022. Approximately \$90,000 is budgeted from the reserve in 2023.

Total Budgeted Revenue

\$450,000

Forecasted transfer from reserves of \$90,195

This budget is
not funded by
the levy



PORT COLBORNE



SSE: Cemetery

Some Salient Changes from Prior Year Budget

- Revenue increased \$44,200 over prior year.
- Budget considers the same activity year over year.
- Following substantial internal review of each cemetery process staff identified maintaining the cemeteries costs approximately \$100,000 with an annual capital requirement of approximately \$122,000.
- The user fee by-law proposes a new fee structure with higher fees.
- The fee structure provides for full cost recovery of new entrants.
- The fee structure provides the parks and recreation budget a transfer of \$69,400. This is being transferred there recognizing the approximate \$100,000 in annual maintenance costs plus administrative costs within that department. The current annual capital cost remains unfunded.

Total Budgeted Revenue

\$91,000

Budgeted reserve transfer of \$6,700

Trust ≈ \$380,000

For illustrative purposes the Trust would need to be north of \$5.6 million assuming an annualized 6% return and 2% inflation



PORT COLBORNE



SSE: Cemetery

Cemeteries	Term	2022 Fee	2023 Proposed Fee	2022 Comparator Fee Range
Opening and Closing Fees and Charges				
Regular Single Grave: Opening and Closing	Any Day of Week	\$969 - \$1,275	\$1,679	\$680 to \$1,536
Baby/Child Grave Opening and Closing (Resident)	Any Day of Week	\$357 to \$377	No Charge	\$399 to \$1,173
Cremation Openings	Any Day of Week	\$510 to \$680	\$788	\$399 to \$1,173
Columbarium Openings and Closing	Any Day of Week	\$250 to \$400	\$734	\$383 to \$678
Cemetery Services and Interment Rights Prices				
Columbarium, each crypt (includes perpetual care)	Any Row	\$1,377 to \$1,530	\$3,830	\$1,300 to \$2,182
Single Lot or Grave (includes perpetual care)	3.5' x 9.0'	\$1,377	\$3,989	\$1,048 to \$2,810
Single Lot or Grave plus Cornerstones (includes perpetual care)	3.5' x 9.0'	NEW	\$5,787	N/A
Cremation Lot (includes perpetual care)	2' x 2'	\$485	\$1,785	\$276 to \$1,994
Baby Lot (includes perpetual care)	Size determinant	\$357	No Charge	\$393 to \$1,100
Installation of footing foundation for marker or monument	Per cubic foot	\$40	\$50	\$29 to \$50
Perpetual care markers (owner supplied)	Flat stone on grade	\$50	\$100	\$50 to \$100
Perpetual care markers (owner supplied) <48" high	Marker above grade	\$100	\$200	\$100 to \$200
Perpetual care markers (owner supplied) >48" high	Marker above grade	\$200	\$400	\$200 to \$400
Disinter (opening fee plus actual cost to disinter)		\$969	\$1,479	\$1082 to \$2,000
Transfer Fee		\$26	\$117	\$83 to \$125
Columbarium plaque with full day/month/year of birth and passing		n/a	\$922	\$409 to \$1,309
Columbarium side plaque		n/a	\$592	
Prices above do not including cost of headstone and/or cornerstones or related and/or related installation - only on-going maintenance, unless otherwise stated.				



PORT COLBORNE

Pricing above are before HST

Pricing above was establishing using activity based costing and current legislation

Comparators above include: St Catharines, Niagara Falls, Welland, Wainfleet



Risks to the Budget

Actual events and results can be substantially different from what is expected or implied as a result of risk, uncertainties, and other factors, many of which are beyond our control, including, but not limited to:

- Changes to legislation, including rules and regulation
 - i.e. Bill 39, Better Municipal Governance Act, 2022 was introduced subsequent to the development of this budget and is still being reviewed at the time of printing this presentation
- Decisions of other levels of government
 - i.e. i.e. Ministry of the Environment, Conservation and Parks
 - i.e. the Bereavement Authority of Ontario
- Economic weakness or other unforeseen factors impacting changes in past patterns of facility and service usage and/or goods purchased by users and customers
- Inflation advancing more than anticipated – note inflation was budgeted differently for different expenses ranging from 0% to the 35% range (fuel costs increased 70% over 2 years)
- Interest rates declining which impacts investment income
- Poor weather impacting attendance at Nickel Beach or events such as Canal Days
- Higher precipitation and lake levels compared to 2022 increasing inflow and infiltration or changing water usage
- Unexpected changes or usage in infrastructure
- Unbudgeted and/or unexpected changes in needs or wants of residents resulting in Council approved changes in service levels or goods and service offerings
- A resurgence in COVID-19 or other epidemics, pandemics or other public health crisis event





Looking forward

- Updated actuarial review on post-retirement benefits
- Tendering insurance for the January 1, 2024 year (noting the market continues to be difficult / "hard")
- Reviewing the application of the Municipal Accommodation Tax (MAT)
- Perform service level reviews (Transportation, Parks, and Arena)
- Complete a fee framework (already completed review of main fees: Cemetery, Marina, Beach, Arena, Building, and Planning)
- Complete the final phase of the cost allocation project that is consistent with the Provincial Financial Information Return (FIR) guidelines to approximate full cost accounting for programs
- Continue the review of drainage, ditching, and storm sewer financial planning. Specifically reviewing their impact on the levy
- Continue to work on Key Performance Indicators (KPIs) and related benchmarks, where applicable
- Complete the Infrastructure Needs Assessment to support future capital and related project budgets
- Update the development charges by-law so growth pays for growth

Thank You



Recommendation

That the Corporate Service Department, Financial Services Division, Report No. 2022-245 Subject: 2023 Levy Budget, **BE RECEIVED**; and

That the sustainability and working capital reserve funds each be funded up to the Reserve Fund policy target as outlined in Report No. 2022-245; and

That \$2,000,000 resulting from contractual settlement related to a previous sale of land, as outlined in Report 2022-245 be transferred to the infrastructure reserve.

That the 2023 Levy Budget as outlined in Report No. 2022-245, **BE APPROVED**.

