



The Municipal Corporation of the
Town of Fort Erie

Council-in-Budget Committee Meeting #3 Agenda

Wednesday, January 22, 2020 - 6:00 PM

Council Chambers

Page

1. **Call to Order**
2. **Roll Call**
3. **Announcements/Addenda**
4. **Declarations of Pecuniary Interest**
5. **Boards and Committees**

(A) Presentations

- (a) Craig Shufelt, CEO, Fort Erie Public Library
(PowerPoint Presentation)
- (b) Jonathan Janzen, Director, Corporate Services
(PowerPoint Presentation)

(B) Reports

5 - 8 **CBC-04-2020** Library 2020 Operating Budget

Recommendation:

That: Council receives for information purposes Report No. CBC-04-2020 regarding the Fort Erie Public Library Board 2020 Budget request as set out in Appendix "1" and to be incorporated into the consolidated General Levy Operating Budget.

[CBC-04-2020 - 2020 Library Budget combined](#)

6. Departmental Operating Budgets

(A) Reports

9 - 14 **CBC-05-2020** Analysis of the 2019 Assessment for the
2020 Taxation Year

Recommendation:

That: Council receives Report No. CBC-05-2020 regarding the analysis of the 2019 assessment for the 2020 taxation year for information purposes.

[CBC-05-2020 - Analysis of 2019 Assessment for the 2020 Taxation Year](#)

15 - 29

CBC-06-2020 2020 General Levy Operating Budget

Recommendation:

PART 1

That: Council approves the following Supplementary Base Budget funding for 2020, subject of previous reports/resolutions:

1. \$262,276 for Capital Reserves - matured debt
2. \$200,000 for Capital Reserves - Industrial land development
3. \$83,945 for Junior Planner wages and benefits
4. \$89,045 for Deputy Chief Building Official wages and benefits
5. \$30,000 for Wayfinding program.

PART 2

That: Council approves the following Supplementary One-Time funding for 2020,

subject of previous reports/resolutions:

1. \$200,000 for Emerald Ash Borer tree removal funded by the Emergency Management Reserve
2. \$50,000 for Black Creek and Douglastown Third Egress Study funded by the General Levy Rate Stabilization (GLRS) Reserve
3. \$100,000 for Rural Speed Limit and Traffic Calming Study funded by the GLRS Reserve
4. \$30,000 for Parks Capital work plan consultant funded by the GLRS Reserve
5. \$65,000 for International Communities-in-Bloom competition funded by the GLRS Reserve
6. \$200,000 for Capital Reserves - Industrial land development funded by the GLRS Reserve.

PART 3

That: Council approves the following Supplementary Base Budget new funding requests for 2020:

1. \$32,006 for Facilities Maintenance Technician wages and benefits

2. \$67,946 for Parks service level enhancements.

PART 4

That: Council approves the following Supplementary One-Time new funding requests for 2020:

1. \$20,000 for Driveway Snow Windrow Clearing pilot program funded by the GLRS Reserve
2. \$80,000 for Infrastructure Services workflow study funded by the GLRS Reserve
3. \$30,000 for EJ Freeland Community Centre fundraising funded by the GLRS Reserve.

PART 5

That: Council approves the following grants for 2020:

1. \$24,750 for Fort Erie Lions Senior Citizens complex
2. \$34,000 for business area watering
3. \$19,235 for Beachcombers Seniors Complex
4. \$1,000 for Fort Erie Horticultural Society
5. \$41,900 for Community events
6. \$1,579,518 for Fort Erie Public Library.

PART 6

That: Council approves the following Business Improvement Area (BIA) levies for 2020:

1. \$41,000 for BridgeburgStation BIA Levy
2. \$35,000 for Ridgeway BIA Levy
3. \$15,000 for Crystal Beach BIA Levy.

PART 7

That: Council amends the balance of the 2020 Capital Budget of \$8,424,785 as per Appendix "2" to Report No. CBC-01-2020 to be \$8,669,785 to include the following:

1. 2020 Storm Sewer Repairs (STRM20) for \$100,000 with funding from the Storm Refurbishing Reserve
2. 2020 Town-wide CCTV Inspection & Flushing (TVST20) for \$145,000 with funding from the Storm Refurbishing Reserve.

PART 8

That: Council approves the Town's General Levy of \$28,503,498 comprised of base budget of \$27,738,280 and supplementary budget of \$765,218, and approves the 2020 Capital Budget of \$8,669,785 and directs staff to submit the related By-law for approval.

PART 9

That: Council excludes capital asset amortization of \$6,106,600 from the 2020 General Levy Operating Budget.

[CBC-06-2020 - 2020 Levy Operating Budget combined](#)

7. Date of Next Meeting

(a) Wednesday, January 29, 2020 (if required)

8. Adjournment



Corporate Services

Prepared for	Council-in-Budget Committee	Report No.	CBC-04-2020
Agenda Date	January 22, 2020	File No.	230101

Subject
LIBRARY 2020 OPERATING BUDGET

Recommendations
THAT Council receives for information purposes Report No. CBC-04-2020 regarding the Fort Erie Public Library Board 2020 Budget request as set out in Appendix "1" and to be incorporated into the consolidated General Levy Operating Budget.

Relation to Council's 2018-2022 Corporate Strategic Plan
Priority: Various

List of Stakeholders
<ul style="list-style-type: none">• Mayor & Council• Town of Fort Erie Ratepayers• Users of Town of Fort Erie services• Fort Erie Public Library Board

Prepared by:	Approved by:
<i>Original Signed</i>	<i>Original Signed</i>
Jonathan Janzen, CPA, CA Director, Corporate Services	Tom Kuchyt, C.E.T. Chief Administrative Officer

Purpose of Report

The purpose of this report is to provide Council with the 2020 operating budget for the Fort Erie Public Library Board that will be presented by the Board and Library staff on January 22, 2020. The grant request will be incorporated into the consolidated operating budget and considered as part of the General Levy Operating Budget.

Analysis

The Library base budget grant request as approved by the Library Board is \$1,566,818 and is summarized in Appendix "1". This is a \$36,554 or 2.4% increase over the 2019 grant of \$1,530,264 and represents 5.7% of the Town's General Levy.

The request is \$5,919 lower than the 2020 forecast used in the analysis of Report No. CS-09-2019, 2020 Budget Planning and Timetable. The detailed Library budget is provided for Council review in Tab 9 of Council's budget binder.

Financial/Staffing Implications and AODA Considerations

The following is a summary of the net levy impact of the 2020 base budget request:

	2020 Grant Request	2019 Grant Approved	\$ Increase	% Increase	% of Levy
Library base budget	\$1,566,818	\$1,530,264	\$36,554	2.4%	5.7%

The Library's base budget request of \$1,566,818 is increased by the capital contribution of \$45,000 from the Development Charges Reserve for material and furnishings and is reduced by information technology and insurance services provided by and retained by the Town in the amount of \$32,300 for a total payment of \$1,579,518. Note that the 2019 Budget approved a one-time supplementary amount of \$312,460 for Centennial Branch renovations that was funded by the General Levy Rate Stabilization Reserve and excluded from the base amounts above.

The base budget forecast periods are proposed to increase 2.2% in 2021 to \$1,601,818 and 2.2% in 2022 to \$1,636,842.

Policies Affecting Proposal

By-law No. 124-2019 adopted Council's 2018-2022 Corporate Strategic Plan.

Budget By-law No. 127-09, as amended governs preparation of the budget.

Comments from Relevant Departments/Community and Corporate Partners

The Library Board approved the 2020 Budget request at their November 19, 2019 meeting. Library staff will make a presentation to Council on January 22, 2020.

Communicating Results

Information about the 2020 Library Budget will be communicated to residents together with the General Levy Budget media release and updates on Social Media. The information may be added in the Town's e-Newsletter and on the website.

Alternatives

Council may wish to approve an amount different than what was requested by the Library Board.

Conclusion

That the attached 2020 Operating Budget and Forecast Library budget be included in the Town's consolidated 2020 Operating Budget to be considered January 22, 2020.

Attachments

Appendix "1" – Library 2020 Budget Report

Appendix "1" to Administrative Report No. CBC-04-2020

Run Date: 1/6/20 11:08 AM

**CORPORATION OF THE TOWN OF FORT ERIE
2020 BUDGET REPORT**

	2019 YTD Actuals	2019 Approved Budget	2020 Budget	2021 Forecast	2022 Forecast
Expenses					
Grants	1,857,724	1,857,724	1,579,518	1,612,015	1,644,302
Total Expenses	1,857,724	1,857,724	1,579,518	1,612,015	1,644,302
NET BEFORE FINANCING AND TRANSFERS	(1,857,724)	(1,857,724)	(1,579,518)	(1,612,015)	(1,644,302)
FINANCING & TRANSFERS					
Interdepartmental transfers					
Program Support Charges	30,000	30,000	32,300	34,803	37,540
Total Interdepartmental transfers	30,000	30,000	32,300	34,803	37,540
Reserve and Capital Fund Transfers					
Transfers from reserves	(312,460)	(312,460)	0	0	0
Transfers Development Chgs Reserve	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Total Reserve and Capital Fund Transfers	(357,460)	(357,460)	(45,000)	(45,000)	(45,000)
NET FINANCING & TRANSFERS	(327,460)	(327,460)	(12,700)	(10,197)	(7,460)
(SURPLUS)/DEFICIT CARRYFORWARD	0	0	0	0	0
DEPARTMENT NET REVENUE /(EXPENDITURE)	(1,530,264)	(1,530,264)	(1,566,818)	(1,601,818)	(1,636,842)
Reconciliation to Accrual Basis					
Reserve and Capital Fund Transfers					
Transfers from reserves	(312,460)	(312,460)	0	0	0
Total Reserve and Capital Fund Transfers	(312,460)	(312,460)	0	0	0
ACCRUAL BASIS SURPLUS/(DEFICIT)	(1,842,724)	(1,842,724)	(1,566,818)	(1,601,818)	(1,636,842)



Corporate Services

Prepared for	Council-in-Budget Committee	Report No.	CBC-05-2020
Agenda Date	January 22, 2020	File No.	230101

Subject
ANALYSIS OF THE 2019 ASSESSMENT FOR THE 2020 TAXATION YEAR

Recommendations
THAT Council receives Report No. CBC-05-2020 regarding the analysis of the 2019 assessment for the 2020 taxation year for information purposes.

Relation to Council's 2018-2022 Corporate Strategic Plan
Priority: Not applicable

List of Stakeholders
<ul style="list-style-type: none">• Mayor & Council• Staff of the Corporation of the Town of Fort Erie• Town of Fort Erie Ratepayers

Prepared by:	Submitted by:	Approved by:
<i>Original signed</i>	<i>Original signed</i>	<i>Original signed</i>
Gillian Corney Manager, Revenue & Collections	Jonathan Janzen, CPA, CA Director, Corporate Services	Tom Kuchyt, CET Chief Administrative Officer

Purpose of Report

The purpose of this report is to analyze the 2019 assessment roll for the Town and the related 2020 property taxation impacts.

Analysis

The Municipal Property Assessment Corporation (MPAC) is a not-for-profit corporation funded by all Ontario municipalities. Their job is to classify properties and assess their values. In December of each year, MPAC delivers every municipality the assessment roll that will be used to calculate the next year's property tax rates and apportion the tax levy to individual property owners. Town staff analyzes the roll for reasonableness, accuracy, assessment related increases and assessment growth increases.

The following analysis has been prepared to distinguish the local impact of changes in:

- Assessment growth and losses which impact municipal revenue.
- Phased-in assessment growth that affects the overall distribution of the tax burden among property types and classes.

Financial/Staffing and Accessibility (AODA) Implications

Assessment Growth Analysis During 2019

Assessment growth occurs during the taxation year as a result of construction of new homes and businesses and renovations/improvements to existing properties within the municipality. These increases are offset by assessment reductions that occur as the result of appeals of assessed values by property owners. These types of increases are a source of additional property tax revenue for future years.

Supplementary and omitted tax bills (e.g., new construction, additions, renovations) issued during 2019 generated additional Town revenue. Supplementary tax revenues from new assessment amounted to \$326,198 and omitted tax revenues based on new assessment from 2017 and 2018 amounted to \$123,979 for a total of \$450,177. The 2019 budget included \$525,000 for this, resulting in a deficit of \$74,823.

Write-offs through appeals and Request for Reconsiderations offset new Town revenue received from assessment growth. As shown in Table 1, write-offs were budgeted at \$301,500. Actual adjustments processed in 2019 reduced Town revenue by \$232,486 resulting in a surplus of \$69,014. Actual supplementary tax revenues exceeded tax write-offs and adjustments by \$217,691 (\$450,177 less \$232,486) for 2019.

Table 1

	Budget	Actual	Fav/(Unfav) Variance
Supplementary	(\$525,000)	(\$450,177)	(\$74,823)
Write-offs	301,500	232,486	69,014
Total	(\$223,500)	(\$217,691)	(\$5,809)

The overall 2019 assessment growth is 59.5 million or 1.57%. Table 2 below reports the differences in the assessment roll as it was returned on January 1, 2019 and the final 2019 assessment roll as at December 31, 2019. This reports growth and excludes phase-in assessment increases.

Table 2

Property Class	Assessed Values for 2019 Tax Levy Jan 1st 2019	Assessed Values for 2019 Year End Dec 31st 2019	Net Assessment Growth	% Assessment Growth
Residential	3,359,238,920	3,418,434,527	59,195,607	1.76%
Multi Residential	39,708,066	39,806,166	98,100	0.25%
Commercial	262,949,157	264,518,812	1,569,655	0.60%
Industrial	48,923,650	47,934,143	(989,507)	-2.02%
Farm & Forest	55,318,076	54,906,907	(411,169)	-0.74%
Pipeline	15,117,375	15,152,559	35,184	0.23%
Total	3,781,255,244	3,840,753,114	59,497,870	1.57%

Assessment growth in the residential property class was 59.2 million mainly due to an increase in the number of households of 95 in 2019. This residential growth is net of approximately 78 assessment requests for reconsideration for the 2016 re-assessment that were processed in 2019 and reduced assessment in this class by 11.7 million. The industrial property class had an overall assessment decrease of 1.0 million while the commercial property class assessment saw a 1.6 million increase in assessed value.

The tax rate and Town's proportionate share for each property class determines the amount of taxation revenue that is generated by the assessment growth. The increase in 2019 tax revenue from assessment growth for all property classes, as reported on the December 31, 2019 roll is \$409,861. Table 3 below shows the share of assessment growth revenue over the various property classes.

Table 3

Property Class	2019 Town Tax Rate	Assessment Growth	Town Revenue Share of Growth
Residential	0.682707%	59,195,607	\$ 404,133
Multi Residential	1.344932%	98,100	\$ 1,319
Commercial	1.184428%	1,569,655	\$ 20,564
Industrial	1.795519%	(989,507)	\$ (15,862)
Farm & Forest	0.170677%	(411,169)	\$ (702)
Pipeline	1.162035%	35,184	\$ 409
Total		59,497,870	\$ 409,861
2019 Tax Levy			\$ 27,613,905
Assessment Growth Revenue as a % 2019 Tax Levy			1.48%

Re-Assessment Analysis

2020 is the last year of the 2016 re-assessment. Property values have been phased in over the four-year period 2017 to 2020 for all properties in Ontario and used a valuation date of January 1, 2016. These valuations are intended to reflect the real estate market as at that date. The average increase in the Fort Erie residential property class for the four-year period is 6.59%. The average increased phased-in assessment for 2020 is 2.24% for the residential property class. In the initial year of the re-assessment, 2017, the residential class had a 0.59% decrease in assessment as reduction adjustments are made in the first year (2017) while increases are phased in over the four years.

The regional average residential property class increase for the four-year period is 14.91%, and the provincial average residential property class increase is 22.35%.

The median single family detached house in Fort Erie is assessed at \$200,300 for 2020 compared to \$195,900 for the 2019 tax year. This is a \$4,400 increase or 2.24%.

Table 4 below shows the difference between the 2019 year-end assessment roll and the new 2016 phased-in assessment roll for 2020 taxation.

Table 4

Property Class	Assessed Values for 2019 Year End Dec 31st 2019	Assessed Values for 2020 Tax Year Jan 1st 2020	2020 Phased-in assessment Increases	2020 Phased-in assessment % Increases
Residential	3,418,434,527	3,494,888,672	76,454,145	2.24%
Multi Residential	39,806,166	40,097,200	291,034	0.73%
Commercial	264,518,812	271,177,709	6,658,897	2.52%
Industrial	47,934,143	48,751,191	817,048	1.70%
Farm & Forest	54,906,907	57,440,800	2,533,893	4.61%
Pipeline	15,152,559	15,504,000	351,441	2.32%
Total	3,840,753,114	3,927,859,572	87,106,458	2.27%

Re-assessment increases do not result in additional tax revenue but can shift the tax burden amongst the various property classes. Table 5 below uses the 2019 tax levy calculated using the December 31, 2019 assessment roll to demonstrate the tax burden shifts inclusive of assessment growth.

Table 5

Property Class	2019 Actual Tax Levy Dec 31, 2019	2020 Revenue Neutral Levy	Tax Shifts Between Property Classes
Residential	\$ 23,337,892	\$ 23,341,592	\$ 3,700
Multi Residential	\$ 535,366	\$ 527,567	\$ (7,799)
Commercial	\$ 3,044,818	\$ 3,053,148	\$ 8,330
Industrial	\$ 835,900	\$ 829,304	\$ (6,596)
Farm & Forests	\$ 93,714	\$ 95,908	\$ 2,194
Pipelines	\$ 176,078	\$ 176,249	\$ 171
Total Tax Levy	\$ 28,023,768	\$ 28,023,768	\$ -

Due to the assessment growth and the tax burden shift between property tax classes, the median residential household will see a 0.03% increase in the local tax portion of their tax bill. This is the equivalent of \$0.34 per year.

The majority of the tax burden shift to the residential property class during 2019 is the result of new construction with an increased number of households to share the burden.

In 2017 the tax burden shift onto the residential property class was \$305,775 due to it being the first year of the 2016 re-assessment and the decreased valuation of the commercial and industrial property classes for the four-year cycle. The residential tax shift is significantly less than the prior three years but is expected to have a larger shift in 2021 due to the 2020 reassessment.

The property classes are also impacted by re-assessment shifts at the Regional and Provincial level. Since Town re-assessment increases are lower than both Regional and Provincial increases Fort Erie residents will benefit from lower increases relative to Regional and Provincial averages.

2020 Tax Adjustment Forecast

Potential Growth

At the end of 2019, there were 2018 and 2019 building permits not yet processed by MPAC worth an increase in assessment of approximately 1.2 million in commercial construction for renovations and upgrades to existing properties. These properties, once the facilities are completed and occupied, could bring the Town an additional estimated \$7,000 of annual tax revenue.

There were also building permits not yet processed for the same period for residential construction worth 120 million. This new construction could bring additional assessment growth with estimated annual revenues of \$435,000. The Town's internal procedures and monitoring of MPAC data adds new assessment to the roll as quickly as possible. Total estimated revenue potential for all growth could be as high as \$442,000, which would not be expected until the third quarter of 2020. \$425,000 has been included in the proposed 2020 General Levy Budget but cannot be relied on for forecast periods.

Tax Adjustments

There is still one multi-residential appeal dating back to the 2012 re-assessment for the tax years 2013 to 2016. Staff expects that this appeal will be finalized during 2020 resulting in significant tax write-offs.

The 2020 tax year is the fourth and final year of the 2016 re-assessment. MPAC focused on the residential Requests for Reconsideration (RfRs) in 2017 and less complex RfRs for commercial and industrial properties during 2018. As at year-end 2019 there are still eleven commercial and six industrial outstanding appeals with respect to the 2016 re-assessment for the tax years 2017 to 2020.

Under the new Rules of Practice and Procedures for the Assessment Review Board (ARB) the remaining commercial, industrial and multi-residential appeals were scheduled for commencement dates in the years 2019 to 2020. These appeals are complex and potential losses are difficult to estimate, an appeal can take up to two years to complete. Settlement of these multi-year appeals will result in one-time in-year adjustment for these years. These adjustments are mitigated by allowances that have been included in prior year's statements.

The total 2020 tax write-off budget will be \$295,500. The \$6,000 reduction from the 2019 budget is due to a phasing out of vacancy rebates.

The 2019 actual tax write-offs as a percentage of the Town's general levy was 0.84% but averages 1.40% over the past ten years. The Region generally budgets 1.7% of its levy for these purposes.

Policies Affecting Proposal

By-law No. 124-2019 adopted Council's 2018-2022 Corporate Strategic Plan.

Budget By-law No. 127-09, as amended, governs preparation of the budget.

Comments from Relevant Departments/Community and Corporate Partners

MPAC carries out its activities in accordance with the provisions of:

- The Assessment Act
- The Education Act
- The Municipal Act

Communicating Results

MPAC communicates directly with property owners with annual Property Assessment Notices if valuation changes are made during the four-year cycle of the re-assessment.

Alternatives

N/a

Conclusion

Tax rates are established using the assessment roll information as supplied by MPAC for 2020 in December 2019. The related supplementary revenue and write-offs are subject to many variables. Quarterly variance reporting will advise Council of the adequacy of these estimates and any recommendation to use the General Levy Rate Stabilization Reserve to mitigate possible shortfalls.



Prepared for	Council-in-Budget Committee	Report No.	CBC-06-2020
Agenda Date	January 22, 2020	File No.	230101

Subject
2020 GENERAL LEVY OPERATING BUDGET

Recommendations
PART 1
<u>That</u> Council approves the following Supplementary Base Budget funding for 2020, subject of previous reports/resolutions: <ul style="list-style-type: none">1.1 \$262,276 for Capital Reserves - matured debt1.2 \$200,000 for Capital Reserves - Industrial land development1.3 \$83,945 for Junior Planner wages and benefits1.4 \$89,045 for Deputy Chief Building Official wages and benefits1.5 \$30,000 for Wayfinding program.
PART 2
<u>That</u> Council approves the following Supplementary One-Time funding for 2020, subject of previous reports/resolutions: <ul style="list-style-type: none">2.1 \$200,000 for Emerald Ash Borer tree removal funded by the Emergency Management Reserve2.2 \$50,000 for Black Creek and Douglastown Third Egress Study funded by the General Levy Rate Stabilization (GLRS) Reserve2.3 \$100,000 for Rural Speed Limit and Traffic Calming Study funded by the GLRS Reserve2.4 \$30,000 for Parks Capital work plan consultant funded by the GLRS Reserve2.5 \$65,000 for International Communities-in-Bloom competition funded by the GLRS Reserve2.6 \$200,000 for Capital Reserves - Industrial land development funded by the GLRS Reserve.
PART 3
<u>That</u> Council approves the following Supplementary Base Budget new funding requests for 2020: <ul style="list-style-type: none">3.1 \$32,006 for Facilities Maintenance Technician wages and benefits3.2 \$67,946 for Parks service level enhancements.
PART 4
<u>That</u> Council approves the following Supplementary One-Time new funding requests for 2020:

- 4.1 \$20,000 for Driveway Snow Windrow Clearing pilot program funded by the GLRS Reserve
- 4.2 \$80,000 for Infrastructure Services workflow study funded by the GLRS Reserve
- 4.3 \$30,000 for EJ Freeland Community Centre fundraising funded by the GLRS Reserve.

PART 5**That**

Council approves the following grants for 2020:

- 5.1 \$24,750 for Fort Erie Lions Senior Citizens complex
- 5.2 \$34,000 for business area watering
- 5.3 \$19,235 for Beachcombers Seniors Complex
- 5.4 \$1,000 for Fort Erie Horticultural Society
- 5.5 \$41,900 for Community events
- 5.6 \$1,579,518 for Fort Erie Public Library.

PART 6**That**

Council approves the following 2020 Business Improvement Area (BIA) levies:

- 6.1 \$41,000 for Bridgeburg Station BIA Levy
- 6.2 \$35,000 for Ridgeway BIA Levy
- 6.3 \$15,000 for Crystal Beach BIA Levy.

PART 7**That**

Council amends the balance of the 2020 Capital Budget of \$8,424,785 as per Appendix "2" to Report No. CBC-01-2020 to be \$8,669,785 to include the following:

- 7.1 2020 Storm Sewer Repairs (STRM20) for \$100,000 with funding from the Storm Refurbishing Reserve
- 7.2 2020 Town-wide CCTV Inspection & Flushing (TVST20) for \$145,000 with funding from the Storm Refurbishing Reserve.

PART 8**That**

Council approves the Town's General Levy of \$28,503,498 comprised of base budget of \$27,738,280 and supplementary budget of \$765,218, and approves the 2020 Capital Budget of \$8,669,785 and directs staff to submit the related By-law for approval.

PART 9**That**

Council excludes capital asset amortization of \$6,106,600 from the 2020 General Levy Operating Budget.

Relation to Council's 2018-2022 Corporate Strategic Plan

<p>Priority: Various including those identified on individual supplementary request forms Goal: Various Initiative: Various</p>

List of Stakeholders

- | |
|---|
| <ul style="list-style-type: none"> • Mayor & Council • Town of Fort Erie Ratepayers • Municipal Staff • Boards and Committees • Business Improvement Areas (BIA) • Community Groups • Fort Erie Public Library Board |
|---|

Prepared by:	Approved by:
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<i>Original signed</i>	<i>Original signed</i>
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Jonathan Janzen, CPA, CA Director, Corporate Services	Tom Kuchyt, CET Chief Administrative Officer
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Purpose of Report

The purpose of this report is to approve the 2020 Operating Budget and Multi-Year Financial Plan and amend the 2020 Capital Budget. The report also satisfies *Municipal Act* and regulatory requirements such as approving BIA levy increases and excluding amortization expenses from the budget. Budget impacts relating to specific initiatives of Council's Strategic Plan for 2018 to 2022 have been included where available.

Background

The General Levy budget consolidates the 2020 operating requirements of:

- Town departments including Economic Development and Tourism Services (EDTS), corporations and boards such as Fort Erie Public Library and BIAs,
- Committees such as Senior Citizens and Accessibility Advisory, and
- Other community grants.

The budget planning and timetable Report No. CS-09-2019 identified 2020 forecast base budget drivers that were estimated with a 1.54% increase. Since that time, staff has confirmed opportunities and further scrutinized costs and commitments. The impact of these items and other base budget changes results in a revised decrease to the base of 1.23% which are described below and itemized in Appendix "1".

Analysis

BASE BUDGET

Base budget adjustments result in a 0.25% increase. After assessment growth, the net change is a 1.23% decrease. The following comments refer to Town levy impacts only.

Revenues

Overall non-tax revenues are anticipated to increase \$584,075 with a total reduction to the levy of 2.10% due primarily to the following areas.

The Town will receive provincial funding in a few key areas. The Town continues to be eligible for the Assessment Equalization Grant portion of the Ontario Municipal Partnership Fund (OMPF). Grant details were announced in October and will increase a further \$26,900 in 2020 to \$1,610,600 which is \$111,100 higher than the 2019 Budget due to the 2019 announcement timing. This funding is not guaranteed from year to year. The base budget relies on only \$805,300 or 50% of this grant and the remaining portion has been transferred to the GLRS Reserve to be used for current and future one-time needs. The 2020 supplementary budget proposes to use \$575,000 of these funds.

The Town received \$44,139 in Ontario Cannabis Legalization Implementation Fund (OCLIF) payments in 2019 to help with implementation costs of recreational cannabis legalization. The province announced that additional funding will become available if Ontario's portion of the federal excise duty on recreational cannabis over the first two years of legalization exceeds \$100 million. In this case, the province will provide 50% of

the surplus to those municipalities that did not opt-out as of January 22, 2019, such as Fort Erie. The Ministry of Finance will connect with AMO on this commitment after the first two years of legalization are completed in 2020 but, in the meanwhile, no amount has been included in the base budget.

Regional Community Improvement Program (CIP) revenue is anticipated to be reduced \$43,672 based on new policies at the Region on their reimbursement of program costs. With Crystal Beach CIP anticipated in 2020 and the Region not willing to add any more areas to CIP funding, the full burden of incentives will be placed on the Town. It is anticipated that several businesses will want to participate in the incentive programs in Crystal Beach as well as throughout Fort Erie.

The Town receives an annual licence fee disbursement under the Aggregate Resources Act and was notified in September that the lower tier municipal portion of the fee was doubled from \$0.06/tonne to \$0.12/tonne. The estimated \$40,000 increase in revenue has been included in the 2020 budget and has been proposed to be transferred to the Road Refurbishing Reserve as the intent of the fee sharing arrangement was to assist municipalities with road maintenance.

The province had previously announced that the current 2 cents per litre Provincial Gas Tax funding would increase in 2020 and reach 4 cents by 2022. The new government cancelled this planned increase and the 2019 funding of \$287,173 has been maintained for 2020 and allocated to support transit operations.

Anticipated revenue from building and planning fees are increased from 2019 by \$39,050 based on the continuing volume of work the department has experienced over the past 4 years. It is anticipated to continue into 2020 and beyond.

Council received Report No. IS-44-2019 December 2, 2019 which summarized budget impacts in Table 2. For 2020, parking revenues have increased \$65,000 and beach admissions \$285,000. The related expenses are noted below.

The budget for supplemental tax revenues is estimated to have a net increase of \$50,000. This is an increase of the base reliance to \$425,000 and reduced by an offsetting transfer to the GLRS reserve of \$100,000 as the amount is not expected to be sustainable and therefore places reliance at the five-year historical average. Report No. CBC-05-2020 provides the context for these revenues related to the timing of MPAC processing building permits.

The Business Improvement Area budgets have no impact on the General Levy as they are funded by a separate tax levy on the businesses and their own fundraising efforts. All BIA levy requests are the same as 2019 and are approved by the respective boards.

All other non-tax revenue increases (e.g., facility rentals, grants) total \$81,736.

Expenses

Debt charges are decreasing \$264,185 for reductions in principal and interest costs associated with existing debt. Of this amount, \$262,276 is maturing debt and, in

accordance with the Town's Reserve Policy, is proposed to be reallocated to annual capital reserve contributions as detailed in the supplementary request form.

Total existing wages and benefits are budgeted to increase \$314,629 in accordance with wage rate changes including the current union collective agreement which was entered early in 2017 and expires December 2020. The amount includes statutory deduction rate increases, health care benefit cost increases, and savings related to a reduction in the WSIB rate. Amounts related to Bay Beach operations are approximately \$113,500. EDTS wages & expenses are included in a separate line so as to compare total levy impact of the transition from EDTC to EDTS.

Capital Budget Report No. CBC-01-2020 noted capital reserve transfer increases of \$151,740 for inflation. The report also noted operating costs of new assets and additional amounts for the replacement of those assets which are not provided for in Town infrastructure gap calculations. The impacts were itemized in Appendix "3" of the above report. Levy Operating expenses (e.g., casual wages, materials and supplies) are increasing by \$98,266 with the largest driver being transit assets. Transfers to reserves, based on amortization, are increasing \$99,735. These are prudent investments that allow the Town to plan for long-term needs at the time the asset is acquired.

The Town procured insurance services through Report No. CS-22-2018 and changed providers January 1, 2019. Negotiated changes for 2020 resulted in an increase of \$42,500 that includes new cyber risk and fraudulently induced payment coverages.

The 2019 Budget approved items that had 2020 phased-in effects such as full-year wage impacts for 2019 supplementary approvals totaling \$77,437 and \$15,000 for storm water management facility sediment cleanout.

The current conventional transit agreement is expiring in September 2020 as noted in Report No. IS-33-2019. Budgeted expense increases, net of Inter-Municipal Transit cost reductions, are \$198,199 and include a general increase in operating costs and another increase to reflect that the transit provider will not be keeping ridership revenue. An increase in Town revenue is in the budget however the amounts don't offset as the provider has stated they overestimated revenue and are losing money on the operation.

All other base materials and services (e.g., utilities, contracts, studies, winter control), net of related reserve funding reductions, result in a decrease of \$215,706.

Grants and partnership programs are increasing \$36,860. The Fort Erie Public Library base budget grant increase request is \$34,254, net of Town support services.

Report No. CAO-23-2019 described the EDTC governance transition to EDTS for 2020, including estimated budget impacts. The work plan has been updated, including plans for a physical relocation in 2020. For the 2020 budget, overall savings net of one-time transition costs are \$87,225. A separate EDTS report or presentation has not been included due to the corporate consolidation of the service and 2019 results may still be reported and considered by Council separately in future.

SUPPLEMENTARY BUDGET

The budget includes several requests made by staff and others for additional funding. These requests are not part of the current base budget and are deemed supplementary due to the nature of the item. Each is documented with a “Supplementary Budget Request” form that describes the purpose and benefit which is provided to Council in Tab 8 of the budget binder. As described above, all one-time costs have been proposed with funding from the GLRS which annually receives a 50% portion of OMPF revenues.

The Supplementary Budget is divided into two categories:

- a) Subject of previous reports/resolutions: this category is where explanation and analysis was previously communicated with Council (e.g., staff administrative report), with recommendations deferred to the 2020 Budget.
- b) New requests for Council consideration: these requests include supporting documentation to Council in order to make informed decisions.

The following is a listing of items in category (a) totaling \$665,266 or a 2.40% increase to the Levy (PART 1 and PART 2 of the cover page) net of proposed reserve funding:

- Capital Reserves – matured debt [Report No. CS-25-1-12]
- Capital Reserves – Industrial land development [Report No. CAO-03-2020]
- Wages and benefits for Junior Planner [Report No. PDS-51-2019]
- Wages and benefits for Deputy Chief Building Official [Report No. PDS-51-2019]
- Wayfinding program [Report No. IS-20-2019]
- Emerald Ash Borer tree removal [Report No. IS-42-2019 and CS-07-2019]
- Black Creek and Douglastown Third Egress Study [July 15, 2019 motion #11b]
- Rural Speed Limit and Traffic Calming Study [August 26, 2019 motion #11b]
- Parks Capital work plan consultant [November 6, 2019 request]
- International Communities-in-Bloom competition [December 9, 2019 presentation]
- Capital Reserves – Industrial land development [Report No. CAO-03-2020]

The following is a listing of items in category (b) totalling \$99,952 or a 0.36% increase to the Levy (PART 3 and PART 4 of the cover page) net of proposed reserve funding:

- Wages and benefits for Facilities Maintenance Technician
- Parks service level enhancements
- Driveway snow windrow clearing program
- Infrastructure Services workflow study
- EJ Freeland Community Centre fundraising

There are numerous locations across Town that have been identified with deficiencies to sections of the storm sewer network and require extensive assessment to develop the appropriate rehabilitation approach. This work has been excluded from the supplementary budget as it results in specific construction works to be completed and is therefore considered capital in nature. Capital project STRM20 is proposed to amend the 2020 Capital Budget by \$100,000 with funding from the Storm Refurbishing Reserve and the related worksheet is included in Council’s package. Capital project TVST20 is proposed to amend the 2020 Capital Budget by \$145,000 with funding from the Storm Refurbishing Reserve and the related worksheet is included in Council’s package.

There are numerous storm systems across Town that have been identified as having deficiencies to sections of the storm sewer network. The project would assess and develop the appropriate rehabilitation approach and complete construction works.

Various risks and opportunities to be considered for 2020 may alter the tax impact but cannot be reasonably estimated so as to be included in the budget are as follows:

- OMPF funding for years beyond 2020 is unconfirmed. Amounts are established each year by the Province and earlier comments indicated that future years will be “focused on the Northern and rural municipalities that need this funding the most” which are not components the Town receives.
- The Town’s Asset Management Plan (AMP) has indicated that levy-funded capital supports target levels of service in all areas except storm capital. The \$500,000 increase proposed in prior years will be discontinued but subsequent analysis or master servicing plan studies may reveal additional requirements. The Town adopted a new Asset Management policy and strategy in 2019 and continues to monitor and benchmark capital reserve levels provincially.
- Report No. CS-09-2019 referenced the most current Consumer Price Index (CPI) for budget guidance which was 2.1% for July 2019. Rates fluctuated since July to a most recent rate of 1.9% but inflationary pressures will change.
- The Town’s agreement to fund the Greater Fort Erie Secondary School Theatre is limited to \$1.5 million and was reduced by community fundraising to \$1.0 million. The Town funded the contingent amount based on confirmed fundraising receipts and any excess funds will be repurposed once any final liability is determined.
- Interest rate fluctuations have the ability to affect both investment income earnings as well as debt charges, although new debt is not anticipated until 2021.
- The Municipal Information Network provided good national commentary in its *Perspectives* magazine (Issue 5, page 5) that “Canadian cities face many challenges - changing demographics, increased income inequality, increasingly complex expenditure demands, deteriorating infrastructure, and so on. These challenges have increased over the last few decades, yet the revenues available to cities to meet those challenges have remained largely the same - property taxes, user fees, and transfers from federal and provincial governments.”
- Legal matters involving the Town may have financial exposure beyond insurance coverage and present a risk that continues to be monitored.

Financial/Staffing and Accessibility (AODA) Implications

Summary of Budget Impact

The above discussion relates to Fort Erie taxes. The adjusted base budget decrease of 1.23%, when presented for the median Fort Erie household assessed at 200,300, is a decrease of 1.19%. The combined impact of Town, Region (using draft rates based on proposed 5.8% levy budget increase and 9.8% waste budget increase) and Provincial Education taxes (draft rates) is a 1.21% increase equal to \$2.91 per month and is summarized in the following table.

Table 1 – Budget impact of Base changes on Median Household

	2019 Median bill (CVA=195,900)	2020 Median bill (CVA=200,300)	% change	\$ change per month
Town	\$1,337.42	\$1,321.58	(1.18%)	(\$1.32)
Region	\$1,238.95	\$1,298.71	4.82%	\$4.98
Education	\$315.40	\$306.46	2.83%	(\$0.75)
TOTAL	\$2,891.77	\$2,926.75	1.21%	\$2.91

Note: Supplementary Budget impacts are excluded above and reported in Appendix “2”

Staffing Implications

The Town has 145 full-time equivalent employees, which includes 4 permanent part-time employees. Any changes for 2020 are identified in supplementary budget requests.

In general, services are supplemented through the use of casual, relief and student employees who are employed for varying amounts of time throughout the year mainly to supplement seasonal operations in Parks, Arenas and Winter Control.

Ontario Regulation 284/09

Amortization is the process of allocating the cost of assets over their useful life. Ontario Regulation 284/09 requires that, where amortization is excluded from a budget, a municipality report to Council an estimate of the change in the accumulated surplus resulting from the exclusion and an analysis of the estimated impact of the exclusion on the future tangible capital asset funding requirement of the municipality.

The current General Levy allocation to reserves is \$7.4 million which exceeds annual amortization of \$6.1 million. Therefore the Town’s accumulated surplus is greater than that required under full accrual accounting. This means that the annual investment in capital assets is greater than the economic benefit of capital assets based on historical cost. This is considered a minimum measure and a gap still exists to optimal funding.

Another part of this regulation is the need to include the budget post-employment benefit costs. The 2020 budget includes the annual cost of post-employment benefits paid to eligible employees entitled to medical coverage from the time they retire to the age of 65 for which the Town pays half the annual premium. This annual cost for 2020 is \$13,000. The future liability is estimated at \$583,300 as reported in the Town’s 2018 financial statements. The reconciliation at the bottom of Appendix “3” shows the change in accumulated surplus from the cash basis to accrual basis of accounting.

Policies Affecting Proposal

By-law No. 124-2019 adopted Council’s 2018-2022 Corporate Strategic Plan.

Budget By-law No. 127-09, as amended, governs preparation of the budget.

By-law No.89-09 established policies to account for Tangible Capital Assets.

By-law No. 78-2019 adopted an Asset Management Policy.

By-law No. 93-12, as amended, adopted the Reserve Policy that identifies the targets and strategies to be incorporated into the budget preparation.

Ontario Regulation 284/09 requires municipalities to report on whether they are budgeting for amortization and post-employment benefits and the impact of that choice.

Comments from Relevant Departments/Community and Corporate Partners

The budget has been prepared in collaboration with the CAO, Directors and senior staff.

Supporting documentation for Boards and Committee is provided for Council's reference in Tab 7 of the Budget Binder.

The Niagara Region tax rate by-laws are expected to be presented to Regional Council in April 2020 following consideration of tax policy, ratios and tax capping reports.

Communicating Results

Information about the 2020 Budget will be communicated to residents through media releases and social media updates. It also includes the use of a webpage dedicated to the 2020 Budget planning processes (i.e., overview and how to get involved) and key information in the Town's eNewsletter. An FAQ document will also be developed to assist Council and residents in efficiently dealing with common questions.

The Annual Budget Book is published following the approval of the various budgets and the Annual Financial Report and is posted online.

Alternatives

Appendix "2" includes the supplementary requests made by staff, Boards, Corporations and Committees. Council will individually consider the supplementary requests per the recommendations of this report.

Conclusion

The base budget continues the delivery of quality services with a general levy increase of 0.25% before assessment and a decrease of 1.23% after assessment growth.

The supplementary budget puts forward \$765,218 in additional levy impacts for Council consideration. The requests provide the strategic opportunities to:

- Prioritize sustainable infrastructure for the future by meeting levels of service and providing long-term financing planning to address capital reserve funding levels.
- Optimize health and social well-being to the public by expediting parks capital projects and enhancing parks service levels, driveway snow windrow clearing, traffic, storm water, wayfinding, and Emerald Ash Borer tree removal.

- Promote business, economic growth and employment opportunities by addressing staff needs in emerging and identified service areas and targeting industrial land development.

Supplementary items being considered by Council have a potential to increase the General Levy by 2.76% for an overall Town increase of **1.55%** after assessment growth. This would represent a **2.47% total** tax bill increase (including the Region and Education portions) for the median household.

Attachments

Appendix "1" – 2020 General Levy Base Budget Analysis

Appendix "2" – 2020 General Levy Supplementary Budget Analysis

Appendix "3" – 2020 Budget and Forecast

**Appendix "1" to Administrative Report No. CBC-06-2020
Corporation of the Town of Fort Erie
2020 General Levy Base Budget Analysis**

	General Levy Budget	% Impact on General Levy Budget	% Impact on Local Tax for Median Household	% Impact on Total Tax for Median Household	\$ Impact on Total Tax for Median Household per month
	(1)	(2)	(3)	(4)	(5)
2019 GENERAL LEVY	\$ 27,667,351				
2019 Assessment Impacts (Growth)		(1.48%)	0.03%	(0.13%)	\$ (0.30)
BASE BUDGET					
Revenue (increases)/decreases					
OMPf funding	\$ (111,100)	(0.40%)			
OCLIF funding	\$ 44,139	0.16%			
Regional CIP funding	\$ 43,672	0.16%			
Aggregate Resources Act licence fee	\$ (40,000)	(0.14%)			
Building inspection & planning fee revenue	\$ (39,050)	(0.14%)			
Parking revenue	\$ (65,000)	(0.23%)			
Beach admissions	\$ (285,000)	(1.03%)			
Tax supplementals	\$ (50,000)	(0.18%)			
Other revenues	\$ (81,736)	(0.30%)			
	\$ (584,075)	(2.10%)			
Expense increases/(decreases)					
Debt principal & interest charges	\$ (1,909)	(0.01%)			
Debt principal & interest charges - maturing debt	\$ (262,276)	(0.95%)			
Wages & benefits	\$ 314,629	1.14%			
Wages & benefits - Bay Beach	\$ 113,500	0.41%			
Capital Reserve contributions - inflationary increases	\$ 151,740	0.55%			
Capital Reserve contributions - Aggregate Act revenues	\$ 40,000	0.14%			
2020 Capital Budget additions (operating)	\$ 98,266	0.36%			
2020 Capital Budget additions (replacement reserves)	\$ 99,735	0.36%			
Insurance	\$ 42,500	0.15%			
2019 Supp base phase-in: Wages	\$ 77,437	0.28%			
2019 Supp base phase-in: Storm water management	\$ 15,000	0.05%			
Transit costs, net of Inter-municipal reductions	\$ 198,199	0.72%			
Other base expenses (e.g., materials & supplies)	\$ (215,706)	(0.78%)			
Grants & partnership programs	\$ 36,860	0.13%			
Fort Erie Public Library grant	\$ 34,254	0.12%			
Economic Development & Tourism services	\$ (87,225)	(0.32%)			
	\$ 655,004	2.35%			
TOTAL Base Budget Increase/(Decrease)	\$ 70,929	0.25%	(1.21%)	1.33%	\$ 3.22
2020 GENERAL LEVY BASE	\$ 27,738,280	(1.23%)	(1.18%)	1.21%	\$ 2.92

**Appendix "2" to Administrative Report No. CBC-06-2020
Corporation of the Town of Fort Erie
2020 General Levy Supplementary Budget Analysis**

	General Levy Budget	% Impact on General Levy Budget	% Impact on Local Tax for Median Household	% Impact on Total Tax for Median Household	\$ Impact on Total Tax for Median Household per month
	(1)	(2)	(3)	(4)	(5)
2020 GENERAL LEVY BASE	\$ 27,738,280	(1.23%)	(1.18%)	1.21%	\$ 2.92
SUPPLEMENTARY BUDGET - (a) Requests subject of previous reports/resolutions					
Additions to base budget (PART 1)					
Capital Reserves - matured debt	\$ 262,276	0.95%	0.94%	0.43%	\$ 1.04
Capital Reserves - Industrial land servicing	\$ 200,000	0.72%	0.71%	0.33%	\$ 0.80
Staffing: Junior Planner (PDS)	\$ 83,945	0.30%	0.30%	0.14%	\$ 0.33
Staffing: Deputy Chief Building Official (PDS)	\$ 89,045	0.32%	0.32%	0.15%	\$ 0.35
Wayfinding program	\$ 30,000	0.11%	0.11%	0.05%	\$ 0.12
	\$ 665,266	2.40%	2.37%	1.10%	\$ 2.65
Addition of one-time items (PART 2)					
Emerald Ash Borer tree removal	\$ 200,000	0.72%	0.71%	0.33%	\$ 0.80
Emerald Ash Borer tree removal - Emergency Management Reserve funding	\$ (200,000)	(0.72%)	(0.71%)	(0.33%)	\$ (0.80)
Black Creek / Douglastown Third Egress Study	\$ 50,000	0.18%	0.18%	0.08%	\$ 0.20
Black Creek / Douglastown Third Egress Study - GLRS Reserve funding	\$ (50,000)	(0.18%)	(0.18%)	(0.08%)	\$ (0.20)
Rural Speed Limit & Traffic Calming Study	\$ 100,000	0.36%	0.36%	0.17%	\$ 0.40
Rural Speed Limit & Traffic Calming Study - GLRS Reserve funding	\$ (100,000)	(0.36%)	(0.36%)	(0.17%)	\$ (0.40)
Parks Capital work plan consultant	\$ 30,000	0.11%	0.11%	0.05%	\$ 0.12
Parks Capital work plan consultant - GLRS Reserve funding	\$ (30,000)	(0.11%)	(0.11%)	(0.05%)	\$ (0.12)
International Communities-in-Bloom competition	\$ 65,000	0.23%	0.23%	0.11%	\$ 0.26
International Communities-in-Bloom competition - GLRS Reserve funding	\$ (65,000)	(0.23%)	(0.23%)	(0.11%)	\$ (0.26)
Industrial land servicing	\$ 200,000	0.72%	0.71%	0.33%	\$ 0.80
Industrial land servicing - GLRS Reserve funding	\$ (200,000)	(0.72%)	(0.71%)	(0.33%)	\$ (0.80)
	\$ -	0.00%	0.00%	0.00%	\$ -
(a) TOTAL	\$ 665,266	2.40%	2.37%	1.10%	\$ 2.65
SUPPLEMENTARY BUDGET - (b) New requests for Council consideration					
Additions to base budget (PART 3)					
Staffing: Casual Facilities Maintenance Technician conversion to full-time (IS)	\$ 32,006	0.12%	0.11%	0.05%	\$ 0.13
Parks service level enhancements	\$ 67,946	0.24%	0.24%	0.11%	\$ 0.27
	\$ 99,952	0.36%	0.36%	0.16%	\$ 0.40
Addition of one-time items (PART 4)					
Driveway Snow Windrow Clearing pilot program (2 yr)	\$ 20,000	0.07%	0.07%	0.03%	\$ 0.08
Driveway Snow Windrow Clearing pilot program (2 yr) - GLRS Reserve funding	\$ (20,000)	(0.07%)	(0.07%)	(0.03%)	\$ (0.08)
IS workflow study	\$ 80,000	0.29%	0.29%	0.13%	\$ 0.32
IS workflow study - GLRS Reserve funding	\$ (80,000)	(0.29%)	(0.29%)	(0.13%)	\$ (0.32)
EJ Freeland Community Centre (EJFCC) fundraising	\$ 30,000	0.11%	0.11%	0.05%	\$ 0.12
EJFCC fundraising - GLRS Reserve funding	\$ (30,000)	(0.11%)	(0.11%)	(0.05%)	\$ (0.12)
	\$ -	0.00%	0.00%	0.00%	\$ -
(b) TOTAL	\$ 99,952	0.36%	0.36%	0.16%	\$ 0.40
TOTAL SUPPLEMENTARY	\$ 765,218	2.76%	2.73%	1.26%	\$ 3.04
TOTAL GENERAL LEVY INCLUDING SUPPLEMENTARY	\$ 28,503,498	1.53%	1.55%	2.47%	\$ 5.96

Appendix "3" to Administrative Report No. CBC-06-2020

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**CORPORATION OF THE TOWN OF FORT ERIE
2020 BUDGET AND FORECAST**

	2019 YTD Actuals	2019 Approved Budget	2020 Budget	2021 Forecast	2022 Forecast
Revenue					
General Levy	(27,885,753)	(27,890,851)	(27,867,780)	(28,587,654)	(29,252,298)
BIA Levies	(56,322)	(91,000)	(91,000)	(91,000)	(91,000)
Payments in Lieu of Taxes	(275,120)	(280,335)	(275,120)	(275,120)	(275,120)
Donations	(39,667)	(4,600)	(10,600)	(10,600)	(10,600)
Fine Revenue	(270,503)	(172,109)	(250,600)	(250,600)	(250,600)
Gaming Revenues	(187,123)	(245,800)	(244,500)	(244,500)	(244,500)
Grants	(2,689,720)	(2,051,487)	(2,120,533)	(1,889,912)	(1,674,911)
Interest & Penalties	(1,337,640)	(1,358,500)	(1,362,000)	(1,361,685)	(1,361,363)
Sale of land, buildings and equipment	(1,134,083)	(85,000)	(115,000)	(115,000)	(115,000)
User Fees	(3,025,803)	(2,603,376)	(2,953,189)	(3,016,188)	(3,071,197)
Miscellaneous other revenues	(102,959)	(142,585)	(140,325)	(142,846)	(144,585)
Total Revenue	(37,004,693)	(34,925,643)	(35,430,647)	(35,985,105)	(36,491,174)
Expenses					
Wages & Benefits	13,577,394	13,967,290	14,752,037	15,023,354	15,381,364
Materials & Services	8,702,259	10,799,080	10,538,015	10,845,098	11,214,202
Debt Interest Charges	62,480	108,714	87,319	92,605	89,124
Grants	2,900,191	2,824,147	1,870,257	1,905,952	1,941,775
Partnership Programs	146,226	73,500	161,000	121,000	121,000
Total Expenses	25,388,550	27,772,731	27,408,628	27,988,009	28,747,465
NET BEFORE FINANCING AND TRANSFERS	11,616,143	7,152,912	8,022,019	7,997,096	7,743,709
FINANCING & TRANSFERS					
Interdepartmental transfers					
Fleet Related Charges	(272,452)	(341,312)	(356,323)	(358,486)	(365,202)
Allocation of Gaming Revenues	0	0	0	0	0
Program Support Charges	(513,284)	(513,284)	(557,977)	(569,972)	(590,172)
Total Interdepartmental transfers	(785,736)	(854,596)	(914,300)	(928,458)	(955,374)
Debt principal (advances)/repayments	788,614	788,614	545,824	558,740	697,269
Reserve and Capital Fund Transfers					
Transfers from reserves	(1,277,577)	(1,416,460)	(232,000)	(259,000)	(471,000)
Transfers to reserves	10,352,657	8,686,089	8,841,614	8,670,814	8,517,814
Transfers Development Chgs Reserve	(45,000)	(45,000)	(213,000)	(45,000)	(45,000)
Total Reserve and Capital Fund Transfers	9,030,080	7,224,629	8,396,614	8,366,814	8,001,814
NET FINANCING & TRANSFERS	9,032,958	7,158,647	8,028,138	7,997,096	7,743,709
(SURPLUS)/DEFICIT CARRYFORWARD					
General (surplus) deficit	(12,732)	(5,735)	(6,119)	0	0
Total (SURPLUS)/DEFICIT CARRYFORWARD	(12,732)	(5,735)	(6,119)	0	0
DEPARTMENT NET REVENUE /(EXPENDITURE)	2,595,917	0	0	0	0

CORPORATION OF THE TOWN OF FORT ERIE
2020 BUDGET AND FORECAST

	2019 YTD Actuals	2019 Approved Budget	2020 Budget	2021 Forecast	2022 Forecast
Reconciliation to Accrual Basis					
Reserve and Capital Fund Transfers					
Transfers from reserves	(1,277,577)	(1,416,460)	(232,000)	(259,000)	(471,000)
Transfers to reserves	10,352,657	8,686,089	8,841,614	8,670,814	8,517,814
Transfers Development Chgs Reserve	(45,000)	(45,000)	(213,000)	(45,000)	(45,000)
Total Reserve and Capital Fund Transfers	9,030,080	7,224,629	8,396,614	8,366,814	8,001,814
Debt principal (advances)/repayments	788,614	788,614	545,824	558,740	697,269
Accrual Entries					
Amortization	(3,053,327)	(6,033,400)	(6,106,600)	(6,106,600)	(6,106,600)
Write-off on Disposal	(197,191)	0	0	0	0
Total Accrual Entries	(3,250,518)	(6,033,400)	(6,106,600)	(6,106,600)	(6,106,600)
ACCRUAL BASIS SURPLUS/(DEFICIT)	9,164,093	1,979,843	2,835,838	2,818,954	2,592,483