



## Financial Services

<b>Prepared for</b>	Council-in-Budget Committee	<b>Report No.</b>	CBC-07-2016
<b>Agenda Date</b>	January 27, 2016	<b>File No.</b>	230101

### Subject

**2016 GENERAL LEVY OPERATING BUDGET**

### Recommendations

#### PART 1

**That** Council approves the following Supplementary Base Budget funding for 2016, subject of previous reports/resolutions:

- 1.1 Capital Reserves strategic investment increase for \$600,000
- 1.2 Road Refurbishing Reserves strategic investment increase for \$200,000
- 1.3 Downtown Core Area Community Improvement Plan (CIP) grant program increase for \$30,000
- 1.4 Emerald Ash Borer tree removal increase for \$200,000
- 1.5 Tree planting increase for \$40,000
- 1.6 Volunteer firefighter training rate increase for \$50,000
- 1.7 Canada Day fireworks contribution of \$10,000, and further

#### PART 2

**That** Council approves the following Supplementary One-Time funding for 2016, subject of previous reports/resolutions:

- 2.1 Habitat for Humanity grant for \$26,962
- 2.2 Roads Refurbishing Reserves allocation of OMPF funding of \$403,100, and further

#### PART 3

**That** Council approves the following Supplementary Base Budget new funding for 2016:

- 3.1 Roads crews wages and benefits for \$62,000
- 3.2 Parks winter casual wages and benefits for \$25,698, and further

#### PART 4

**That** Council approves the following Supplementary One-Time new funding for 2016:

- 4.1 Physician recruitment Operating Reserve increase of \$35,000
- 4.2 Fire Department operational review for \$15,000
- 4.3 Niagara Blvd - Cycle Route expansion contribution for \$100,000

- 4.4 Battle of Ridgeway 150<sup>th</sup> anniversary event of \$55,958
- 4.5 Women's Place of South Niagara Inc. grant of \$5,000
- 4.6 Ridgeway BIA tree pit irrigation of \$1,557, and further

**PART 5**

**That** Council approves the following grants for 2016:

- 5.1 Fort Erie Lions Senior Citizens complex in the amount of \$22,750
- 5.2 BIA watering in the amount of \$28,000
- 5.3 Beachcombers Seniors Complex in the amount of \$10,500
- 5.4 Fort Erie Horticultural Society in the amount of \$1,000
- 5.5 Community Events Grants in the amount of \$24,350
- 5.6 EDTC in the amount of \$648,852
- 5.7 Fort Erie Public Library in the amount of \$1,478,087, and further

**PART 6**

**That** Council approves the following Business Improvement Area (BIA) levies for 2016:

- 6.1 Bridgeburg Station BIA Levy of \$41,000
- 6.2 Ridgeway BIA Levy of \$35,000
- 6.3 Crystal Beach BIA Levy of \$9,931, and further

**PART 7**

**That** Council approves the Town's General Levy of \$ [REDACTED] comprised of base budget of \$23,110,534 and supplementary budget of \$ [REDACTED] and directs staff to submit the related By-law for approval on February 22, 2016, and further

**PART 8**

**That** Council excludes capital asset amortization of \$5,922,200 from the 2016 General Levy Operating Budget.

**Relation to Council's 2015-2018 Corporate Strategic Plan**

Priority: Various as identified on individual supplementary request forms  
 Goal: Various  
 Initiative: Various

**List of Stakeholders**

- Mayor & Council
- Town of Fort Erie Ratepayers
- Municipal Staff
- Boards and Committees
- Business Improvement Areas (BIA)
- Community Groups
- Fort Erie Public Library Board
- Economic Development & Tourism Corporation (EDTC)
- Fort Erie Live Racing Consortium (FELRC)

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Approved by:

*Original signed*Tom Kuchyt, CET  
Chief Administrative Officer

## **Purpose of Report**

The purpose of this report is to approve the 2016 Operating Budget and Multi-Year Financial Plan. The report also satisfies other *Municipal Act* and regulatory requirements such as approving BIA levy increases and the exclusion of amortization expenses from the budget. Amortization is the process of allocating the cost of assets over their useful life.

Council's Strategic Plan for 2015 to 2018 was adopted following the 2015 budget and is built on a) A Prosperous and Growing Community, b) Effective, Sustainable Infrastructure, and c) Strong Customer Service, Relationships and Communications. Budget impacts of specific strategic initiatives have been included where available and the plan will continue to be developed to further identify financial requirements.

## **Background**

The General Levy budget consolidates the 2016 operating requirements of the following:

- Town departments, corporations and boards such as the EDTC, Public Library and Business Improvement Areas,
- Committees such as Communities-in-Bloom, Senior Citizens, Accessibility Advisory, and
- Other community grants.

The budget planning and timetable Report No. CS-17-2015 identified 2016 forecast budget drivers, including changes in grant funding, wages and benefits, vacancy rebates and volunteer firefighter training/response rates. These items were estimated with a 0.38% increase in the base budget. Since that time, staff has confirmed additional requirements and opportunities and further scrutinized costs and commitments and the impact of these items and other base budget changes results in a decrease to the levy of 0.37%. The items driving the changes are described below and itemized in Appendix "1" with the impact on the levy and on the median household.

## **Analysis**

### **BASE BUDGET**

The following budget discussion and impacts refer to the impact on Town tax levy only.

#### Revenues

Overall, at the budget planning stage, non-tax revenues were anticipated to decrease \$99,559, however the following changes provide for an increase in revenues of \$444,077 with a total reduction to the levy of 1.49%.

The Town continues to be eligible for the Assessment Equalization Grant portion of the Ontario Municipal Partnership Fund (OMPF). This was received for the first time in 2014

and increased \$179,500 in 2015 and increases a further \$403,100 in 2016 to \$921,900. This funding is not guaranteed from year to year.

The Town's allocation of Provincial Gas Tax funding, which assists with existing transit contract costs, was announced as a \$6,268 increase.

As noted in Report No. CBC-06-2016 the budget for tax write-offs was the subject of a Council strategy in 2015 to address the historically low amount and included commitments of \$42,000 and \$41,000 for 2016 and 2017 respectively. For 2016, additional vacancy rebates funding of \$20,000 is also proposed to reflect actual eligible rebates provided to commercial and industrial properties in recent years.

Past trends support a decrease in facility rental revenues of \$11,000 and increases to permit and planning fee revenue of \$44,902.

Other revenue decreases related to other fees and non-tax revenue total \$36,752.

The Business Improvement Area Board budgets have no impact on the General Levy as they are funded through a separate tax levy on the downtown businesses and their own fundraising efforts. The Crystal Beach BIA is requesting a decrease in their Levy from \$15,000 to \$9,931 which was approved by the Board at their AGM.

### Expenses

Debt charges are increasing by \$34,716 for increases in principal and interest costs associated with projected new LED Street Lighting Replacement program debt.

Overall wages and benefits are budgeted to increase by \$383,805. The increase is in accordance with wage rate changes from the current collective agreement and is also subject to statutory deduction rate increases. Premiums for health care benefit costs have also increased and are subject to a year-end charge or credit based on actual experience. The recently completed organizational review has the potential to identify corporate savings and reallocations of resources.

The Town is still paying supplemental insurance assessment costs from past years to its previous provider, OMEX. One of the two assessments expired in 2015 and the annual \$50,966 is no longer payable. 50% of the supplemental costs are being funded by the Self-Insurance Reserve Fund to mitigate the impact.

As described in the 2016 Capital Budget Report No. CBC-01-2016 the addition of new assets brings with it additional operating costs as well additional cost for the replacement of the assets which is not currently provided for in Town infrastructure gap calculations. The impacts were itemized in Appendix "3" of the above report. Operating expenses (e.g., casual wages, materials and supplies) are increasing by \$5,216 and transfers to reserves, based on amortization, are increasing \$22,368, exclusive of the impact of the projects that were not approved.

The Town has a statutory obligation to conduct a bi-annual bridge inspection. The inspection was conducted in 2015 for \$40,000. To smooth the biannually budget impact,

an annual \$25,000 reserve contribution to the Road Reserve has been established to fund this requirement. This results in a \$15,000 budget decrease for 2016.

Planning consultant costs are increasing by \$32,500 for 2016 related to the toad permit for the implementation of the Bay Beach Master Plan and ongoing efforts to remove Environmental Conservation overlays on industrial lands, increasing their desirability for industrial development.

Aside from the specific increases described above, the Town's other base materials and services have increased \$430,090, which is 1.85% of the levy and includes areas such as the rising cost of utilities and insurance.

Total grants and partnership programs are decreasing by \$228,786 which is largely the result of \$250,000 in Theatre funding that was offset as a transfer from the prior year's surplus. The Fort Erie Public Library base budget grant increase request is \$27,829 and the EDTC base budget grant increase request is \$9,155.

The above cost increases are offset by a reduction in the budget of \$391,109 (1.69% of the levy) due to the elimination of several one-time items included in the 2015 budget as listed on Appendix "1" such as the by-election, Communities-in-Bloom competition, organizational review, and the Racetrack grant.

## **SUPPLEMENTARY BUDGET**

The budget includes several requests and recommendations made by staff and others for additional funding. These requests are not part of the current base budget and are deemed supplementary budget requests. Each is documented on a "Supplementary Budget Request" form that describes the request and benefit. All forms are provided to Council in Tab 8 of the budget binder.

The Supplementary Budget is divided into two categories:

- a) Subject of previous reports/resolutions: this category is where explanation and analysis was previously vetted with Council by way of a staff administrative report, with recommendations deferred to the 2016 Budget. The administrative report is referenced with each item.
- b) New requests for Council consideration: these requests include supporting documentation to Council in order to make informed decisions regarding the requests.

The following is a listing of items in category (a) totaling \$1,560,062 or a 6.73% increase to the Levy (PART 1 and PART 2 of the cover page):

- Capital Reserve - strategic investment – Report No. CS-25-1-12
- Capital Reserve - Road Refurbishing – Report No. CS-25-1-12
- Downtown Core Area CIP grant program – Report No. CDS-76-2015
- Emerald Ash Borer tree removal – Report No. IS-30-2015
- Tree planting – Report No. IS-30-2015
- Volunteer firefighter training rates – Report No. CAO-24-2015
- Canada Day fireworks – June 8, 2015 Council memo

- Habitat for Humanity grant – Report No. CDS-63-2015
- Capital Reserve - Road Refurbishing (OMPF funding) – Report No. CS-25-1-12

The following is a listing of items in category (b) totalling \$300,213 or a 1.29% increase to the Levy (PART 3 and PART 4 of the cover page):

- Wages and benefits for Roads crews
- Wages and benefits for Parks winter casual
- Physician recruitment – Operating Reserve increase
- Fire Department operational review
- Niagara Boulevard - Cycle Route expansion
- Battle of Ridgeway 150<sup>th</sup> Anniversary event
- Women's Place of South Niagara Inc. grant
- Ridgeway BIA tree pit irrigation

There are various risks and opportunities to be considered for 2016 that may alter the tax impact as presented but cannot be reasonably estimated at this time to be included in the budget. They are as follows:

- OMPF funding for years beyond 2016 is not confirmed. Amounts are established each year by the Province. If an amount equivalent to 2016 is not realized in future years it will have a negative impact on the levy in the future.
- Significant commercial assessment appeals are still outstanding which may need to be financed from the Rate Stabilization Reserve.
- Canadian Motor Speedway (CMS) construction may impact Engineering, Building, and Planning staff resources. The Town may need to support these areas with short term/casual staff.
- Similar to other municipalities, the Town's Asset Management Plan (AMP) identified a significant infrastructure gap that cannot be funded without a significant impact on taxpayers. The current strategic allocation of \$500,000 will continue and will be monitored and reported on in upcoming reports. The Province continues to call for Asset Management Plans that have a financial strategy to fund any gap and future provincial funding may be impacted by the Town's commitment to this strategy.
- The Town's agreement to contribute to the new DSBN Greater Fort Erie Secondary School (GFESS) Theatre is limited to \$1.5 million and is expected to be offset by community fundraising efforts. The Town will fund the related reserve up to the maximum share of the contingent amount with available Levy surplus funds, but any excess funds will be returned to general operating reserves once the final liability is determined.
- Interest rate fluctuations have the ability to affect both investment income earnings as well as debt charges. The Town will be incurring debt in 2016 upon completion of the LED Street Light replacement program.
- Certain legal matters involving the Town remain before the courts and financial exposure beyond insurance coverage presents a risk that continues to be monitored.

## **Financial/Staffing Implications**

### Summary of Budget Impact

The adjusted base budget results in a 0.37% budget decrease. This decrease, after nominal assessment growth, is 0.62% or a 0.85% decrease for the median Fort Erie household assessment.

All discussion to this point has related to Town of Fort Erie taxes. For the 2016 median household, assessed at 181,835, the combined impact of Town, Regional (based on the approved Levy and Waste budget) and Provincial Education taxes (not yet available, assuming no rate change) is a 0.67% decrease equal to \$1.48 per month. These impacts are illustrated in the following table.

**Table 1 – Budget impact on Median Household**

	<b>2015 Median bill (CVA=179,715)</b>	<b>2016 Median bill (CVA=181,835)</b>	<b>% change</b>	<b>\$ change per month</b>
Town	\$1,119.10	\$1,109.54	-0.85%	(\$0.80)
Region	\$1,198.48	\$1,186.15	-1.03%	(\$1.02)
Education	\$350.44	\$354.58	1.18%	\$0.34
<b>TOTAL</b>	<b>\$2,668.02</b>	<b>\$2,650.27</b>	<b>-0.67%</b>	<b>(\$1.48)</b>

Note: "CVA" = Current Value Assessment

The impact associated with Supplementary Budget items is reported in Appendix "2".

### Staffing Implications

The Town has 129 full-time equivalent employees, which includes 2 permanent part-time employees. Included in 2015 was the addition of a full-time Corporate Communications Coordinator which was to be funded through adjustments related to the Organizational Review.

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. Requests are also included in 2016 to address some of these services.

### Ontario Regulation 284/09

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 \$1.2 million less than annual amortization therefore the Town's accumulated surplus is less than that required under full accrual accounting. This means that the Town is using the economic benefit of its capital assets at a rate faster than it is in investing in capital assets on an annual basis.



**Table 2 – Reserve Contributions in comparison to Amortization (exclusive of Supplementary Budget request)**

	<b>2016 General Levy</b>	<b>2015 General Levy</b>	<b>2014 General Levy</b>
Capital Reserve Contribution	\$4,750,067	\$4,291,543	\$3,754,235
Amortization	\$5,922,200	\$5,909,430	\$5,865,580
Surplus/(deficit)	(\$1,172,133)	(\$1,617,887)	(\$2,111,345)

Another part of this regulation is the need to include in the budget post-employment benefit costs. The 2016 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 2016 is \$22,000. The future liability is estimated at \$371,600 as reported in the Town's 2014 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. 90-2015 adopted Council's 2015-2018 Corporate Strategic Plan.

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

By-law No.89-09 established policies with respect to the accounting for Tangible Capital Assets.

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**

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 scheduled to be presented to Regional Council February 25, 2016.

#### **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 decrease of 0.37% before assessment and a decrease of 0.62% after assessment growth.

The supplementary budget puts forward \$1.86 million in additional items for Council consideration. The requests provide the strategic opportunities to:

- Address the infrastructure gap through planned, responsible financing with increased capital reserve funding.
- Leverage partnership opportunities with the Region and others through the Niagara cycle route and also engage local business in growth opportunities through the enhanced CIP.
- Invest resources in staff training through the volunteer firefighter rate increases.
- Share resources with community partners through contributions to Canada Day fireworks and Habitat for Humanity.
- Increase organizational performance through the Fire Department operational review.
- Expand service to the public by enhancing physician recruitment, Emerald Ash Borer tree removal and replacement, a Battle of Ridgeway 150<sup>th</sup> Anniversary event, and additional staffing for parks and roads.

Supplemental items are to be considered by Council and in total have a potential to increase the General Levy by 8.02% for an overall total increase of 7.40% after assessment growth. This would represent a total tax bill increase for the median household of 2.69%.

**Attachments**

Appendix "1" – 2016 General Levy Base Budget Analysis

Appendix "2" – 2016 General Levy Supplementary Budget Analysis

Appendix "3" – 2016 Budget and Forecast

**APPENDIX "1" TO ADMINISTRATIVE REPORT NO. CBC-07-2016  
CORPORATION OF THE TOWN OF FORT ERIE  
2016 GENERAL LEVY BASE BUDGET ANALYSIS**

	General Levy Budget	% Impact on General Levy Budget	% Impact on Local Tax Bill for Median Household	% Impact on Total Tax Bill for Median Household	\$ Impact on Total Tax Bill for Median Household per month
	(1)	(2)	(3)	(4)	(5)
<b>2015 GENERAL LEVY</b>	\$ 23,195,234				
<b>2015 Assessment Growth</b>		<b>(0.25%)</b>	<b>(0.23%)</b>	<b>(0.40%)</b>	\$ <b>(0.89)</b>
<b>BASE BUDGET</b>					
<b>Revenue (increases)/decreases</b>					
OMPFF additional funding	\$ (403,100)	(1.74%)			
Increase in Provincial Gas Tax for transit	\$ (6,268)	(0.03%)			
Increase in tax write-offs & vacancy rebates	\$ 62,000	0.27%			
Decrease in facility rentals	\$ 11,000	0.05%			
Increase in building permit & planning fee revenue	\$ (44,902)	(0.19%)			
Other revenues	\$ 36,752	0.16%			
	\$ (344,518)	(1.48%)			
<b>Expense increases/(decreases)</b>					
Debt principal & interest charges	\$ 34,716	0.15%			
Wages & Benefits	\$ 383,805	1.65%			
Insurance: OMEX supplemental assessment expiry	\$ (50,966)	(0.22%)			
2016 Capital Budget additions (operating)	\$ 5,216	0.02%			
2016 Capital Budget additions (replacement reserves)	\$ 22,368	0.10%			
Bi-annual structure condition assessment	\$ (15,000)	(0.06%)			
Increase in Planning consultants	\$ 32,500	0.14%			
Base budget expenditure increases	\$ 430,090	1.85%			
Grants & partnership programs	\$ (228,786)	(0.99%)			
Fort Erie Public Library grant	\$ 27,829	0.12%			
Fort Erie EDTC grant	\$ 9,155	0.04%			
	\$ 650,927	2.80%			
<b>2015 One-time items removed</b>					
By-election (By-law No. 12-2015)	\$ (40,609)	(0.18%)			
Fort Erie Waterfront Strategy	\$ (75,000)	(0.32%)			
Fort Erie Waterfront Strategy - DC & Parkland Reserve	\$ 75,000	0.32%			
Communities-in-Bloom: International competition	\$ (18,000)	(0.08%)			
DSBN GFESS theatre contribution	\$ (250,000)	(1.08%)			
DSBN GFESS theatre - General Levy Rate					
Stabilization Reserve funding	\$ 250,000	1.08%			
Accessibility Advisory Committee Parapan Community	\$ (5,000)	(0.02%)			
Third-party review of management/non-union salaries	\$ (25,000)	(0.11%)			
Third-party organizational review	\$ (40,000)	(0.17%)			
Kinsmen pool operating assistance	\$ (10,000)	(0.04%)			
Kinsmen pool operating assistance - Facilities	\$ 10,000	0.04%			
Fort Erie Live Racing Consortium (FELRC) grant - net	\$ (250,000)	(1.08%)			
Niagara Community Foundation	\$ (12,500)	(0.05%)			
	\$ (391,109)	(1.69%)			
<b>TOTAL Base Budget Increase</b>	\$ <b>(84,700)</b>	<b>(0.37%)</b>	<b>(0.62%)</b>	<b>(0.27%)</b>	\$ <b>(0.59)</b>
<b>2016 GENERAL LEVY BASE</b>	\$ <b>23,110,534</b>	<b>(0.62%)</b>	<b>(0.85%)</b>	<b>(0.67%)</b>	\$ <b>(1.48)</b>

**APPENDIX "2" TO ADMINISTRATIVE REPORT NO. CBC-07-2016  
CORPORATION OF THE TOWN OF FORT ERIE  
2016 GENERAL LEVY SUPPLEMENTARY BUDGET ANALYSIS**

	General Levy Budget	% Impact on General Levy Budget	% Impact on Local Tax Bill for Median Household	% Impact on Total Tax Bill for Median Household	\$ Impact on Total Tax Bill for Median Household per month
	(1)	(2)	(3)	(4)	(5)
<b>2016 GENERAL LEVY BASE</b>	\$ 23,110,534	(0.62%)	(0.85%)	(0.67%)	\$ (1.48)
<b>SUPPLEMENTARY BUDGET - (a) Requests subject of previous reports/resolutions</b>					
<b>Additions to base budget (PART 1)</b>					
Capital Reserve increase - strategic investment	\$ 600,000	2.59%	2.58%	1.08%	\$ 2.40
Capital Reserve increase - Road Refurbishing	\$ 200,000	0.86%	0.86%	0.36%	\$ 0.80
Downtown Core Area CIP grant programs	\$ 30,000	0.13%	0.13%	0.05%	\$ 0.12
Emerald Ash Borer tree removal	\$ 200,000	0.86%	0.86%	0.36%	\$ 0.80
Tree planting	\$ 40,000	0.17%	0.17%	0.07%	\$ 0.16
Volunteer firefighter training rate increases	\$ 50,000	0.22%	0.21%	0.09%	\$ 0.20
Canada Day fireworks	\$ 10,000	0.04%	0.04%	0.02%	\$ 0.04
	\$ 1,130,000	4.87%	4.85%	2.04%	\$ 4.53
<b>Addition of one-time items (PART 2)</b>					
Habitat for Humanity grant	\$ 26,962	0.12%	0.12%	0.05%	\$ 0.11
Capital Reserve increase - Road Refurbishing (OMPF funding)	\$ 403,100	1.74%	1.73%	0.73%	\$ 1.61
	\$ 430,062	1.86%	1.85%	0.77%	\$ 1.72
<b>(a) TOTAL</b>	\$ 1,560,062	6.73%	6.70%	2.81%	\$ 6.25
<b>SUPPLEMENTARY BUDGET - (b) New requests for Council consideration</b>					
<b>Additions to base budget (PART 3)</b>					
Wages: Roads crews	\$ 62,000	0.27%	0.27%	0.11%	\$ 0.25
Wages: Parks winter casual	\$ 25,698	0.11%	0.11%	0.05%	\$ 0.10
	\$ 87,698	0.38%	0.38%	0.16%	\$ 0.35
<b>Addition of one-time items (PART 4)</b>					
Physician recruitment - Operating Reserve increase	\$ 35,000	0.15%	0.15%	0.06%	\$ 0.14
Fire Department operational review	\$ 15,000	0.06%	0.06%	0.03%	\$ 0.06
Niagara Blvd - Cycle Route expansion	\$ 100,000	0.43%	0.43%	0.18%	\$ 0.40
Battle of Ridgeway 150th Anniversary event	\$ 55,958	0.24%	0.24%	0.10%	\$ 0.22
Women's Place of South Niagara Inc. grant	\$ 5,000	0.02%	0.02%	0.01%	\$ 0.02
Ridgeway BIA - tree pit irrigation	\$ 1,557	0.01%	0.01%	0.00%	\$ 0.01
	\$ 212,515	0.91%	0.91%	0.38%	\$ 0.85
<b>(b) TOTAL</b>	\$ 300,213	1.29%	1.29%	0.54%	\$ 1.20
<b>TOTAL SUPPLEMENTARY</b>	\$ 1,860,275	8.02%	7.99%	3.35%	\$ 7.45
<b>TOTAL GENERAL LEVY INCLUDING SUPPLEMENTARY</b>	\$ 24,970,809	7.40%	7.14%	2.69%	\$ 5.97

# Appendix "3" to Administrative Report No. CBC-07-2016

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## CORPORATION OF THE TOWN OF FORT ERIE 2016 BUDGET AND FORECAST

	2015 YTD Actuals	2015 Approved Budget	2016 Budget	2017 Forecast	2018 Forecast
<b>Revenue</b>					
General Levy	(23,020,917)	(23,153,234)	(22,996,534)	(23,509,199)	(23,765,774)
BIA Levies	(89,813)	(91,000)	(85,931)	(91,300)	(91,200)
Payments in Lieu of Taxes	(240,166)	(237,050)	(239,421)	(241,816)	(244,235)
Donations	(27,523)	(7,000)	(5,000)	(7,000)	(7,000)
Fine Revenue	(156,671)	(136,131)	(141,791)	(142,591)	(143,491)
Gaming Revenues	(178,234)	(156,100)	(163,100)	(178,100)	(178,100)
Grants	(962,570)	(1,029,744)	(1,357,825)	(983,712)	(683,712)
Interest & Penalties	(944,650)	(896,500)	(892,950)	(897,800)	(902,600)
Sale of land, buildings and equipment	(44,923)	(45,000)	(40,000)	(40,000)	(40,000)
User Fees	(2,487,835)	(1,821,345)	(1,867,920)	(1,885,575)	(1,908,955)
Miscellaneous other revenues	(147,498)	(84,000)	(126,450)	(126,681)	(127,481)
<b>Total Revenue</b>	<b>(28,300,800)</b>	<b>(27,657,104)</b>	<b>(27,916,922)</b>	<b>(28,103,774)</b>	<b>(28,092,548)</b>
<b>Expenses</b>					
Wages & Benefits	11,397,115	11,700,260	12,084,065	12,345,166	12,610,001
Materials & Services	7,603,954	8,541,122	8,492,109	8,312,337	8,195,964
Debt Interest Charges	169,366	169,366	182,658	180,398	151,314
Grants	2,756,727	2,942,999	2,488,077	2,767,429	3,315,736
Partnership Programs	125,250	78,650	79,270	83,770	82,770
<b>Total Expenses</b>	<b>22,052,412</b>	<b>23,432,397</b>	<b>23,326,179</b>	<b>23,689,100</b>	<b>24,355,785</b>
<b>NET BEFORE FINANCING AND TRANSFERS</b>	<b>6,248,388</b>	<b>4,224,707</b>	<b>4,590,743</b>	<b>4,414,674</b>	<b>3,736,763</b>
<b>FINANCING &amp; TRANSFERS</b>					
<b>Interdepartmental transfers</b>					
Fleet Related Charges	(317,967)	(308,402)	(324,241)	(328,562)	(333,682)
Allocation of Gaming Revenues	0	0	0	0	0
Program Support Charges	(449,058)	(449,058)	(450,640)	(460,858)	(454,414)
<b>Total Interdepartmental transfers</b>	<b>(767,025)</b>	<b>(757,460)</b>	<b>(774,881)</b>	<b>(789,420)</b>	<b>(788,096)</b>
<b>Debt principal (advances)/repayments</b>	<b>623,846</b>	<b>623,846</b>	<b>645,270</b>	<b>862,877</b>	<b>754,820</b>
<b>Reserve and Capital Fund Transfers</b>					
Transfers from reserves	(382,806)	(548,250)	(208,587)	(691,850)	(1,222,528)
Transfers to reserves	5,235,713	4,997,543	5,043,067	5,043,067	5,043,067
Transfers Development Chgs Reserve	0	(77,500)	(100,000)	(10,000)	(50,500)
<b>Total Reserve and Capital Fund Transfers</b>	<b>4,852,907</b>	<b>4,371,793</b>	<b>4,734,480</b>	<b>4,341,217</b>	<b>3,770,039</b>
<b>NET FINANCING &amp; TRANSFERS</b>	<b>4,709,728</b>	<b>4,238,179</b>	<b>4,604,869</b>	<b>4,414,674</b>	<b>3,736,763</b>
<b>(SURPLUS)/DEFICIT CARRYFORWARD</b>					
General (surplus) deficit	(33,232)	(13,472)	(14,126)	0	0
<b>Total (SURPLUS)/DEFICIT CARRYFORWARD</b>	<b>(33,232)</b>	<b>(13,472)</b>	<b>(14,126)</b>	<b>0</b>	<b>0</b>
<b>DEPARTMENT NET REVENUE /( EXPENDITURE)</b>	<b>1,571,892</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Appendix "3" to Administrative Report No. CBC-07-2016

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## CORPORATION OF THE TOWN OF FORT ERIE 2016 BUDGET AND FORECAST

	2015 YTD Actuals	2015 Approved Budget	2016 Budget	2017 Forecast	2018 Forecast
<b>Reconciliation to Accrual Basis</b>					
Reserve and Capital Fund Transfers					
Transfers from reserves	(382,806)	(548,250)	(208,587)	(691,850)	(1,222,528)
Transfers to reserves	5,235,713	4,997,543	5,043,067	5,043,067	5,043,067
Transfers Development Chgs Reserve	0	(77,500)	(100,000)	(10,000)	(50,500)
<b>Total Reserve and Capital Fund Transfers</b>	<b>4,852,907</b>	<b>4,371,793</b>	<b>4,734,480</b>	<b>4,341,217</b>	<b>3,770,039</b>
Debt principal (advances)/repayments					
Repayment of Debt	623,846	623,846	645,270	862,877	754,820
<b>Total Debt principal (advances)/repayments</b>	<b>623,846</b>	<b>623,846</b>	<b>645,270</b>	<b>862,877</b>	<b>754,820</b>
Accrual Entries					
Amortization	(5,428,013)	(5,909,430)	(5,922,200)	(5,922,200)	(5,922,200)
Write-off on Disposal	(139,433)	0	0	0	0
<b>Total Accrual Entries</b>	<b>(5,567,446)</b>	<b>(5,909,430)</b>	<b>(5,922,200)</b>	<b>(5,922,200)</b>	<b>(5,922,200)</b>
<b>ACCRUAL BASIS SURPLUS/(DEFICIT)</b>	<b>1,481,199</b>	<b>(913,791)</b>	<b>(542,450)</b>	<b>(718,106)</b>	<b>(1,397,341)</b>