



CORPORATE SERVICES DEPT

2017 PROPOSED BUDGET REPORT

Public input release

Executive Summary

- **SOURCES OF REVENUE and CHANGES SUMMARIZED AS FOLLOWS:**

| | 2016 BUDGET | | 2017 BUDGET | | CHANGE FROM PRIOR YEAR |
|--|----------------------------|--------------------|----------------------------|--|-----------------------------------|
| Taxation Revenues | 6,272,806 | 47.0% | \$6,505,806 | | \$233,000 |
| Government Transfers & Funding | 3,661,336 | 27.5% | \$3,605,802 | | (\$55,534) |
| User fees and other revenues (includes rental facilities \$355K) | 2,357,810 | 17.8% | \$2,469,318 | | \$111,508 |
| Transfers from Affiliates (CTS, NOW Inc. , Water/Sewer) | 845,000 | 6.3% | \$425,000 | | \$(420,000) |
| Reserves/prior year surplus | 186,369 | 1.4% | 33,000 | | \$(153,369) |
| <u>Total Revenues</u> <i>Excludes Education Levy</i> | <u>\$13,323,321</u> | <u>100%</u> | <u>\$13,038,926</u> | | <u>\$(284,395)</u> |
| See Attachment A – Details | | | | | |

- Average Residential Tax Increase of 3%, generates additional tax revenues of \$183,000. Balance of additional tax revenues is from prior years' assessment base growth.

- **REQUIREMENT (EXPENDITURE) and CHANGES SUMMARIZED AS FOLLOWS:**

| | 2016 BUDGET | 2017 BUDGET | CHANGE FROM PRIOR YEAR |
|--|----------------------------|----------------------------|---------------------------------------|
| Operating Expenses | \$12,741,324 | \$12,284,277 | \$(457,047) |
| Infrastructure Re-investment (Debt Repayment, Capital Levy, Reserves) | 650,947 | \$823,600 | \$172,653 |
| <u>Total Requirements</u> <i>Excludes Education Levy</i> | <u>\$13,323,321</u> | <u>\$13,038,927</u> | <u>\$(284,395)</u> |
| See Appendix A – Details | | | |

- **CAPITAL BUDGET RECAP**

| | 2016 BUDGET | | 2017 BUDGET | |
|---|---------------------------|-------------|----------------------------|--------------|
| TOTAL APPROVED CAPITAL EXPENDITURE (includes projects approved and started in prior years but still active in upcoming year) | <u>\$7,306,343</u> | | <u>\$11,658,218</u> | |
| See Appendix B - Details | | | | |
| <u>Funded by:</u> | | | | |
| Federal Gas Tax | 720,606 | 9.8% | 687,882 | 5.9% |
| Provincial Gas Tax | 68,763 | 1% | 0 | |
| OCIF (new dedicated annual funding by province) | 94,890 | 1.3% | 161,968 | 1.4% |
| Other government funding | 5,445,984 | 74.5% | 8,042,127 | 69.0% |
| Use of affiliates contribution for capital | 100,000 | 1.4% | 0 | |
| Reserves | 320,000 | 4.7% | <u>258,000</u> | <u>2.2%</u> |
| Tax Levy designated for Capital/transfer from operating revenues | 95,000 | 1.3% | <u>110,000</u> | <u>.9%</u> |
| TOTAL Capital Funded | <u>\$6,845,243</u> | 93.6% | <u>\$9,259,977</u> | 79.4% |
| Balance to be financed with Long Term Debt | <u>\$461,100</u> | <u>6.4%</u> | <u>\$2,398,241</u> | <u>20.6%</u> |
| | | | | |

NOTABLE CHANGES

REVENUES

- Decrease in Affiliate Contributions used in funding municipal operating costs – (\$300,000)
- Included proposed Tax Rate Increase for 2017 of 3%, generating an additional \$183,000 in revenues. An additional \$50,000 is derived from growth assessment in 2016
- Draft Municipal Budget included a reduction to Provincial Funding of \$18,000 or 0.7%. Allocation has recently been release and our 2017 allocation is actually reduced by \$59,300 or 2.2%(2016 allocation = \$2,718,600, 2017 allocation = \$2,658,700). Therefore budget still needs to address \$41K expected shortfall.
- 2017 Budget includes use of \$30,000 from Tax Rate Stabilization reserve (2016 budget was able to benefit from a 2015 forecast surplus carried forward of \$100,000)

EXPENSES

LABOUR

- \$110K Increase to Labour Costs annual inflationary cost of living adjustments.
- No new positions
- Administration – “one time” retirement costs = increase of \$45K (long term service recognition and accrued vacation payout – was originally \$90K in Draft budget but will defer ½ to 2018)
-

NON LABOUR

- (\$250K) Reduction in Policing Costs as a result of new funding formula
- Contributions to events/others included in the 2017 budget are as follows:
 - Seniors Clubs Grant – no change from 2016, included in 2017 budget at \$20K for both designated groups
 - Special Events – no change = \$30K
 - Fireworks- no change = \$10K
- Economic Development – 2017 Annual NET Budget of \$247K, compared to 2016 - \$167K. 2017 budget proposal was initially \$347K but reduced due to affordability issues.

INFRASTRUCTURE RE-INVESTMENT COSTS

- Increase of \$172K, Represents annual debt servicing costs (Loan payments) on new long term debt of approximately \$2.4 Million. See Capital Budget- HOW FUNDED – Financing column for details of project included.

Other Budget Balancing changes as directed by Council:

- Directed 1% expenditure cuts/deferrals to CORE Service Departments (General Government, Municipal Operations and Protective Services)
- Directed 2% expenditure cuts/deferrals to DISCRETIONARY Service Departments (Recreation, Library, Daycare, Polar Bear Habitat)
- Requested review of all user fees to generate an additional \$50K in annual revenues

END OF REPORT

**CORPORATION OF THE TOWN OF COCHRANE
2017 BUDGET**

PUBLIC INPUT STAGE

ATTACHMENT "A" to FINAL BUDGET REPORT

REQUIREMENTS (EXPENDITURES)

excluding depreciation, water/sewer and CTS, also interest on LTD segregated on separate line)

| | 2016 BUDGET | |
|---|------------------------------------|---------------------------------|
| | excluding education levy pass thru | As a % of Total Operating Costs |
| GENERAL GOVERNMENT (Council & Administration) | \$ 1,679,137 | 12.6% |
| FIRE, BY-LAW ENFORCEMENT AND PLANNING | \$ 632,077 | 4.7% |
| POLICING COSTS | \$ 1,696,471 | 12.7% |
| RECREATION AND CULTURAL SERVICES (Recreation,Library and Polar Bear Habitat) | \$ 2,646,389 | 19.9% |
| TOWN CONTRIBUTION TO POLAR BEAR HABITAT | \$ 300,000 | 2.3% |
| TRANSPORTATION/ROADS | \$ 2,032,020 | 15.3% |
| ENVIRONMENTAL (Waste and Recycling) | \$ 709,262 | 5.3% |
| HEALTH SERVICES(PHU, Land Ambulance, Cemeteries) | \$ 540,000 | 4.1% |
| SOCIAL AND FAMILY SERVICES (DAYCARE) | \$ 1,106,996 | 8.3% |
| SOCIAL AND FAMILY SERVICES (CDSSAB) | \$ 709,221 | 5.3% |
| ECONOMIC DEVELOPMENT | \$ 167,532 | 1.3% |
| FACILITIES/OTHER | \$ 289,539 | 2.2% |
| Interest on Infrastructure Investment Debt | \$ 244,680 | 1.8% |
| Infrastructure Investment \$ - DEBT REPAYMENT, CAPITAL LEVY, RESERVES | \$ 638,947 | 4.8% |
| adjustments - full accrual budgeting to revenue requirements | \$ (68,950) | -0.5% |
| TOTAL | \$ 13,323,321 | 100.0% |

SOURCES OF REVENUES

Where the money comes from

| | | |
|--|----------------------|---------------|
| TAX LEVIES | \$ 6,272,806 | 47.1% |
| PROVINCIAL FUNDING (Ontario Municipal Partnership Fund) | \$ 2,718,600 | 20.4% |
| USER FEES AND CHARGES | \$ 1,883,964 | 14.1% |
| OTHER GOVERNMENT GRANTS AND SUBSIDIES | \$ 942,736 | 7.1% |
| CONTRIBUTIONS FROM AFFILIATES (CTS, NOW Inc, etc) | \$ 845,000 | 6.3% |
| TRANSFER FROM RESERVES | \$ 186,369 | 1.4% |
| FACILITIES | \$ 355,846 | 2.7% |
| OTHER | \$ 118,000 | 0.9% |
| TOTAL | \$ 13,323,321 | 100.0% |

2017 BUDGET - DEPRECIATION

| | |
|---|---------------------|
| GENERAL GOVERNMENT (Council & Administration) | \$ 70,000 |
| RENTAL FACILITY - NATIONAL GROCERS BUILDING | \$ 28,000 |
| FIRE, BY-LAW ENFORCEMENT AND PLANNING | \$ 100,000 |
| RECREATION AND CULTURAL SERVICES (Recreation,Library and Polar Bear Habitat) | \$ 740,000 |
| TRANSPORTATION/ROADS | \$ 1,150,000 |
| ENVIRONMENTAL (Waste and Recycling) | \$ 70,000 |
| SOCIAL AND FAMILY SERVICES (DAYCARE) | \$ 17,000 |
| TOTAL DEPRECIATION - TOWN OPERATIONS - excluding Water/Sewer | \$ 2,175,000 |

2017 PROPOSED BUDGET

| As a % of Total Operating Costs | excluding education levy pass thru | Education Levy | including education levy pass thru |
|---------------------------------|------------------------------------|---------------------|------------------------------------|
| 11.9% | \$ 1,548,544 | | |
| 4.9% | \$ 643,531 | | |
| 11.0% | \$ 1,440,475 | | |
| 19.5% | \$ 2,538,519 | | |
| 2.2% | \$ 286,000 | | |
| 16.6% | \$ 2,159,736 | | |
| 5.3% | \$ 697,517 | | |
| 4.3% | \$ 555,598 | | |
| 8.7% | \$ 1,139,099 | | |
| 5.6% | \$ 730,498 | | |
| 1.9% | \$ 247,631 | | |
| 0.5% | \$ 66,000 | | |
| 2.4% | \$ 311,129 | | |
| 5.7% | \$ 743,600 | | |
| -0.5% | \$ (68,950) | | |
| 100.0% | \$ 13,038,927 | \$ 1,180,000 | \$ 14,218,927 |

| | |
|---------------|----------------------|
| 49.9% | \$ 6,505,806 |
| 20.7% | \$ 2,700,000 |
| 14.7% | \$ 1,922,320 |
| 6.9% | \$ 905,802 |
| 3.3% | \$ 425,000 |
| 0.3% | \$ 33,000 |
| 3.3% | \$ 428,999 |
| 0.9% | \$ 118,000 |
| 100.0% | \$ 13,038,927 |

| |
|---------------------|
| \$ 70,000 |
| \$ 37,500 |
| \$ 100,000 |
| \$ 815,000 |
| \$ 1,200,000 |
| \$ 100,000 |
| \$ 12,500 |
| \$ 2,335,000 |

| \$ Change from Prior Years Budget | % Change from Prior Years Budget |
|-----------------------------------|----------------------------------|
| \$ (130,593) | -7.8% |
| \$ 11,454 | 1.8% |
| \$ (255,996) | -15.1% |
| \$ (107,870) | -4.1% |
| \$ (14,000) | -4.7% |
| \$ 127,716 | 6.3% |
| \$ (11,745) | -1.7% |
| \$ 15,598 | 2.9% |
| \$ 32,103 | 2.9% |
| \$ 21,277 | 3.0% |
| \$ 80,099 | 47.8% |
| \$ (223,539) | -77.2% |
| \$ 66,449 | 27.2% |
| \$ 104,653 | 16.4% |
| \$ - | 0.0% |
| \$ (284,394) | -2.1% |

| | |
|---------------------|--------------|
| \$ 233,000 | 3.7% |
| \$ (18,600) | -0.7% |
| \$ 38,356 | 2.0% |
| \$ (36,934) | -3.9% |
| \$ (420,000) | -49.7% |
| \$ (153,369) | -82.3% |
| \$ 73,153 | 20.6% |
| \$ - | 0.0% |
| \$ (284,393) | -2.1% |

TOWN OF COCHRANE 2017 PROPOSED CAPITAL BUDGET

ATTACHMENT "B" to FINAL BUDGET REPORT

CAPITAL EXPENDITURE

PLANNING/BUILDING/RENTALS

| | |
|---|------------------|
| LAND - Sportsman (deferred from priior years) | \$ 35,000 |
| FACILITIES - National Grocers building - replace 2 furnaces | \$ 22,000 |
| TOTAL | \$ 57,000 |

PUBLIC WORKS (MUNCIPAL OPERATIONS)

| | |
|--|-------------|
| TRANS - ROADS - Sidewalks - replacement | \$100,000 |
| TRANS - ROADS - Rural Gravel lifts | \$250,000 |
| TRANS - ROADS - Asphalt replacement - 5th St from 11th to Genier Rd | \$1,700,000 |
| TRANS - Culvert repair 5th ave hill - | \$75,000 |
| TRANS-AIRPORT - Crack Sealing | \$108,000 |
| HEALTH/CEMETARIES - Columbarium (2 - 1 at each site) | \$80,000 |
| TRANS- PUBLIC TRANSPORTATION -Bus | \$110,000 |
| TRANS - FLEET - 1/2 tonne truck (replacement) | \$25,000 |
| TRANS - FLEET - Excavator for cemetaries (small shovel) - new | \$20,000 |
| TRANS - FLEET - Wheeled Excavator (new piece - for ditching/culverts,etc) | \$300,000 |
| TRANS - FLEET/EQUIP - Sander Box for TR15-01 | \$30,000 |
| TRANS - EQUIP - Hoist (replacement) | \$30,000 |
| TRANS - EQUIP - Scan Tools for Mechanic/LabScope | \$14,000 |
| TRANS - FACILITIES - Multimodal Phase 2 | \$1,600,000 |

Bike Infrastrucure Project (Bike Lanes/Trails)

TOTAL PUBLIC WORKS

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| | | 2017 | | | | | | | |
|--|----------------------------|---------------------------------------|--------------|--------------|--------------------|-----------------|---------------------------------------|------------|-------------------------|
| | | HOW PAID FOR | | | | | | | |
| | | Funding Notes | RESERVES | GAS TAX | FORMULA BASED OCIF | SPECIAL FUNDING | OWN SOURCE ANNUAL \$ (\$95K and CT\$) | FINANCED | BALANCE UNACCOUNTED for |
| | Total by Department | >>Available>>> | | \$ 733,472 | \$ 161,968 | | \$ 117,000 | | |
| | Detail | | | | | | | | |
| | | Fund from current year revenues | | | | | \$ 22,000 | \$ 35,000 | \$ - |
| | | | \$ - | \$ - | \$ - | \$ - | \$ 22,000 | \$ 35,000 | \$ - |
| | | Fed Gas Tax | | \$ 100,000 | | | | | \$ - |
| | | Fed Gas Tax | | \$ 190,532 | \$ 59,468 | | | | \$ - |
| | | OCIF Top Up - if approved by Ministry | | \$ 100,000 | | \$ 1,600,000 | | | \$ - |
| | | OCIF | | | \$ 75,000 | | | | \$ - |
| | | Airport Reserves | \$ 108,000 | | | | | | \$ - |
| | | | | | | | \$ 80,000 | | \$ - |
| | | | | | | \$ 110,000 | | | \$ - |
| | | | | | | | | \$ 25,000 | \$ - |
| | | | | | | | | \$ 20,000 | \$ - |
| | | 50% from Water Reserves | \$ 150,000 | | | | | \$ 150,000 | \$ - |
| | | | | | | | | \$ 30,000 | \$ - |
| | | | | | | | | \$ 30,000 | \$ - |
| | | | | | | | \$ 14,000 | | \$ - |
| | | | | \$ 100,000 | | \$ 1,500,000 | | | \$ - |
| | | | | \$ 36,100 | | \$ 163,900 | | | \$ - |
| | | | \$ 258,000 | \$ 526,632 | \$ 134,468 | \$ 3,373,900 | \$ 14,000 | \$ 335,000 | \$ - |
| | | | \$ 4,642,000 | \$ 4,642,000 | | | | | |

TOWN OF COCHRANE 2017 PROPOSED CAPITAL BUDGET

ATTACHMENT "B" to FINAL BUDGET REPORT

PUBLIC WORKS - ENVIRONMENTAL - SOLID WASTE

| | | 2017 HOW PAID FOR | | | | | | | |
|---|------------------------|----------------------|----------|---------|-----------------------|-----------------|---|------------|----------------------------|
| | | Funding Notes | RESERVES | GAS TAX | FORMULA BASED OCIF | SPECIAL FUNDING | OWN SOURCE ANNUAL \$ (\$95K and CT\$) | FINANCED | BALANCE UNACCOUNTED for |
| Detail | Total by Department | | | | | | | | |
| ENV - SOLID WASTE - FLEET - Replace Waste and Recycling Truck | \$300,000 | | | | | | | \$ 300,000 | \$ - |
| ENV -SOLID WASTE - FACILTIES - Replace DUMP Shack | \$20,000 | | | | | | | \$ 20,000 | \$ - |
| TOTAL | \$320,000 | | | | | | | \$ 320,000 | \$ - |

RECREATION

| Detail | Total by Department | | | | | | | | |
|--|------------------------|--------------------|--|--|--|-----------|-----------|-----------|------|
| THEC-ARENA - Ice Rink Controllers (replacement) | 48,887 | Save on Energy OPA | | | | \$ 9,977 | | \$ 38,910 | \$ - |
| THEC-ARENA - Oil Separator (replacement) | 17,000 | | | | | \$ 17,000 | | \$ - | \$ - |
| THEC - FACILITY - Upgrade Electrical Service (could be operating) | 7,000 | | | | | \$ 7,000 | | \$ - | \$ - |
| THEC - FACILITY - Canopy structure over entrance | 20,000 | | | | | | | \$ 20,000 | \$ - |
| THEC - FACILITY - Security System (deferred from 2015 and 2016) | 20,000 | | | | | | | \$ 20,000 | \$ - |
| THEC - FITNESS - Equipment (new and replacement) | 5,000 | | | | | | \$ 5,000 | | \$ - |
| THEC - FACILITY - Scheduling Software | 10,000 | | | | | | \$ 10,000 | | \$ - |
| TOTAL | 127,887 | | | | | \$ 9,977 | \$ 39,000 | \$ 78,910 | \$ - |

POLAR BEAR HABITAT - 2017 CAPITAL

| Detail | Total by Department | Funding Notes | Funding/Reserve \$ | | | | | | Net to be recovered through tax levy/financing |
|--|---------------------|---------------|--------------------|--|--|--|-----------|-----------|--|
| EQUIP - Ozone System (instead of 2016 budgeted and deferred chemical room) | \$ 30,000 | | | | | | | \$ 30,000 | \$ - |
| ADMIN EQUIP- Point of Sale System | \$ 10,000 | | | | | | \$ 10,000 | | \$ - |
| HERITAGE VILLAGE - Games and Activities Stations | \$ 5,000 | | | | | | \$ 5,000 | | \$ - |
| TOTAL | 45,000 | | | | | | \$ 15,000 | \$ 30,000 | \$ - |

PROTECTION SERVICES (Fire, Building, Bylaw)

| Detail | Total by Department | | | | | | | | |
|--|---------------------|--|--|--|--|--|--|------------|------|
| FLEET - replace 1/2 ton truck | \$ 32,000 | | | | | | | \$ 32,000 | \$ - |
| FLEET - replace Unit 8 Chassis - reinstall coach | \$ 91,000 | | | | | | | \$ 91,000 | \$ - |
| FLEET - ATV - All Terrain Vehicle (Originally in PBH request, PPS will give PBG its ATV unit and replace) | \$ 10,000 | | | | | | | \$ 10,000 | \$ - |
| TOTAL | \$ 133,000 | | | | | | | \$ 133,000 | \$ - |

TOWN OF COCHRANE 2017 PROPOSED CAPITAL BUDGET

ATTACHMENT "B" to FINAL BUDGET REPORT

| | | 2017 | | | | | | | | |
|--|---------------------|--------------------------|--|------------|--------------------|-----------------|---------------------------------------|------------|-------------------------|------|
| | | HOW PAID FOR | | | | | | | | |
| | | Funding Notes | RESERVES | GAS TAX | FORMULA BASED OCIF | SPECIAL FUNDING | OWN SOURCE ANNUAL \$ (\$95K and CTSS) | FINANCED | BALANCE UNACCOUNTED for | |
| | Detail | Total by Department | | | | | | | | |
| SOCIAL AND FAMILY SERVICES | | | | | | | | | | |
| FACILITIES - Fenced play area | \$30,000 | | CDSSAB | | | | \$ 30,000 | | \$ - | |
| FACILITIES - Update Washroom Facilities | \$80,000 | | CDSSAB | | | | \$ 80,000 | | \$ - | |
| TOTAL | \$110,000 | \$110,000 | | \$ - | \$ - | \$ - | \$ 110,000 | \$ - | \$ - | |
| GENERAL GOVERNMENT | | | | | | | | | | |
| FACILITIES - replace windows | \$ 10,000 | | | | | | | \$ 10,000 | \$ - | |
| FACILITIES - front façade upgrade - siding, sign, flagpole | \$ 25,000 | | | | | | | \$ 25,000 | \$ - | |
| EQUIP - Server Replacement/Computer Needs | \$ 10,000 | | | | | | \$ 10,000 | | \$ - | |
| EQUIP - Relocate Town Servers to CTS | \$ 10,000 | | | | | | \$ 10,000 | | \$ - | |
| SOFTWARE - Asset Management Planning (used by WS too) | \$ 27,500 | | | | \$ 27,500 | | | | \$ - | |
| TOTAL | \$ 82,500 | \$ 82,500 | | \$ - | \$ - | \$ 27,500 | \$ - | \$ 20,000 | \$ 35,000 | |
| TOTAL 2017 BUDGETED CAPITAL EXPENDITURE - excludes prior year capital started in prior year and still ongoing | | \$ 5,517,387 | | \$ 258,000 | \$ 526,632 | \$ 161,968 | \$ 3,493,877 | \$ 110,000 | \$ 966,910 | \$ - |
| | | | | \$ | | | | | 5,517,387 | |
| | | | >>Available less used | \$ 206,840 | \$ - | | \$ 7,000 | | | |
| CAPITAL PROJECTS CARRYING FORWARD INTO 2017 (STARTED IN 2016) | | | | | | | | | | |
| Multi Modal - Rail 1 (25% done in 2016, so 75% estimated left for 2017) | \$ 1,072,500 | | | \$ 161,250 | | | \$ 911,250 | | \$ - | |
| Welcome Sign (deferred from 2016 budget - started late 2016) | \$ 60,000 | | | | | | \$ 60,000 | \$ - | | |
| Peninsula Project | \$ 2,000,000 | | NOHFC/FEDNOR \$1.5M, private partners \$500K | | | \$ 1,500,000 | | \$ 500,000 | \$ - | |
| TRANS - Railway St (Transferred from 2015 and 2016 budget) | \$ 3,008,331 | < 2017 Municipal portion | MIII | | | \$ 2,137,000 | | \$ 871,331 | \$ - | |
| TOTAL FROM CARRYFORWARD/MUTLI YEAR CAPITAL | \$ 6,140,831 | \$ 6,140,831 | | \$ - | \$ 161,250 | \$ - | \$ 4,548,250 | \$ - | \$ 1,431,331 | \$ - |
| | | \$ 11,658,218 | | \$ 258,000 | \$ 687,882 | \$ 161,968 | \$ 8,042,127 | \$ 110,000 | \$ 2,398,241 | \$ - |
| | | | | \$ | | | | | 11,658,218 | |