

COMMITTEE REPORT: FINANCE AND ADMINISTRATION COMMITTEE

MEETING DATE: May 18, 2010
LOCATION: The Blue Mountains Committee Room
PREPARED BY: Stephen Keast, Administrative Assistant

A. Recommendations**1. 2010 Tax Policy – County of Grey, FIS.10.31**

THAT Council receive Staff Report FIS.10.31 “2010 Tax Policy – County of Grey” for information purposes, **unanimously Carried.**

2. HST – Revenue Implications, FIS.10.37

THAT Council receive Staff Report FIS.10.37 “HST – Revenue Implications”, for information purposes, **unanimously Carried.**

3. Recommended 2009 Year-end Transfers, FIS.10.38

THAT Council receive Staff Report FIS.10.38 “Recommended 2009 Year-end Transfers” and approve the recommendation contained therein, being the transfer to and from Reserves and Reserve Funds as itemized in Schedule “A”, attached to this Report, **unanimously Carried.**

4. New Town Hall Budget Update, SRB.10.13

THAT Council receive Staff Report SRB.10.13 with respect to “New Town Hall Budget Update”, **unanimously Carried.**

5. 2009 Unaudited Financial Statements

THAT Council receive the 2009 Unaudited Financial Statements for information purposes, **unanimously Carried.**

B. Deputations/Presentations

B.1 Kathy Lennox, Chair, 2010 Relay for Life Event, Canadian Cancer Society, D.1

C. Staff Reports

- C.1** FIS.10.31, 2010 Tax Policy – County of Grey
- C.2** FIS.10.37, HST – Revenue Implications
- C.3** FIS.10.38, Recommended 2009 Year-end Transfers
- C.4** SRB.10.13, New Town Hall Budget Update
- C.5** 2009 Unaudited Financial Statements

D. Correspondence

D.1 Canadian Cancer Society, "Relay for Life", Sponsorship Opportunity

D.2 The Blue Mountains Chamber of Commerce, "Jazz by the Bay", Request for Fee Exemption

E. Next Meeting Date

June 15, 2010

STAFF REPORT: Financial & Information Services

REPORT TO: Finance and Administration
Committee
MEETING DATE: May 18, 2010
REPORT NO.: FIS.10.31
SUBJECT: 2010 Tax Policy – County of Grey
PREPARED BY: Ruth Prince, Manager of Revenue

A. Recommendations

THAT Council receive Staff Report FIS.10.31 “2010 Tax Policy – County of Grey” for information purposes.

B. Background

Municipal Councils are required to make a number of tax policy decisions annually. Even if there are no changes, tax ratios must be established each year and since tax ratios directly impact the tax rates, the ratios have to be set before the tax rate by-law can be adopted. The setting of tax policy is the responsibility of the upper tier municipality.

Kevin Wepler, Director of Finance for the County of Grey, presented Report FR-FP-14-10 to the Grey County Finance and Personnel Committee on February 9, 2010. The purpose of the Report was to provide the Finance and Personnel Committee with background information and advice to enable the County of Grey to establish tax policies for 2010. The 2010 recommendation was to maintain the status quo from 2009.

The Blue Mountains’ Staff was able to take part in discussions held with Grey County finance officers and concur with the recommendations contained in the Grey County Report.

Recommendations summarized:

- 1. Tax Capping** – In 2005, the Ministry of Finance introduced a number of optional tools to modify the mandatory limits and alter the amount of tax protection. In 2009, two new optional tools were used to permanently exclude properties from the capping program once they reach or crossed over their Current Value Assessment (CVA) tax destination.
- 2. Tax Ratios** – Tax ratios determine the relative tax burden on each property class compared to the residential class. Tax ratios show how the tax rate for a property class compares with the residential rate. If a property class has a ratio of 2, then it is taxed twice the rate of the residential class. In 2009, the commercial tax ratio applied to taxable commercial assessment was set at 1.306940. This means that a commercial property tax owner would pay 1.306940 times the amount of property tax paid by an owner with taxable residential assessment. Tax ratios are for municipal tax setting purposes only (Town and County). The 2010 tax ratios will remain the same as the 2009.
- 3. Tax rates** – This section references the County budget and tax rates.
- 4. Tax Reductions for Mandated Subclasses of Vacant Lands/Units** – Continue to use the legal default reductions of 30% for commercial and 35% for industrial vacant lands/unit in 2010.

5. **Tax Reductions for Farmland Awaiting Development Subclasses** – Leave the Type 1 at a rate of 25% and the Type 4 at up to 100% of the zoned class rate
6. **Lower for New Construction Properties** – Leave the threshold at the 100% minimum tax level and all new commercial, industrial and multi-residential property class construction is taxed on their full CVA value.
7. **Optional Classes of Property** – The only optional class at this time is OT, Resort Condominium, referring to certain properties previously classed as commercial and that meet the certain criteria as set out in Regulation 213/05. At this time there does not appear to be any need to add any other optional property classes.
8. **Tax Relief for Low Income Seniors/Low Income Disabled Persons** – Continue with the existing policy of tax relief as provided in By-law 3886-2001 which defines tax relief as a re-assessment-related tax increase in excess of \$500. (property owner allowed to defer payment of that calculated increase)

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability.

D. Environmental Impacts

None

E. Budget Impact

None

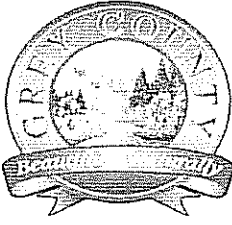
F. Attached

1. Corporation of the County of Grey Committee Report FR-FP-14-10

Respectfully submitted,

Ruth Prince, Manager of Revenue

For more information, please contact:
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*CORPORATION OF THE
COUNTY OF GREY*

COMMITTEE REPORT
FR-FP-14-10

TO: Kevin Eccles, Chair and
Members of the Finance and Personnel Committee

FROM: Kevin Wepler, Director of Finance

MEETING DATE: February 9, 2010

PURPOSE: The purpose of this report is to provide the Finance and Personnel Committee with background and advice to enable the County to establish tax policies for the year 2010.

RECOMMENDATION

THAT the Finance and Personnel Committee receive Report FR-FP-14-10 and approve the recommendations as set out in this report;

AND THAT the Finance and Personnel Committee instruct the Director of Finance to prepare the necessary By-laws for Council's consideration and approval.

BACKGROUND

The purpose of this report is to provide County Council with the background and advice to enable the County to establish tax policies that effect how the County of Grey apportions the tax burden by property class, as well as between the nine local municipalities.

It is also the responsibility of the upper tier to pass By-laws relating to tax policy decisions. In preparation for this report a meeting was held on January 29, 2010, with Local Municipal Treasurers and Staff to receive their input and endorsement for the items covered in this report.

FR-FP-14-10

Date: February 9, 2010

Status: February 9, 2010 - Report received and recommendations contained therein approved (Motion FP47-10); March 2, 2010 – Council adopted the February 9, 2010 minutes and recommendations contained therein, as amended, (Motion FP 47-10)

1. TAX CAPPING

In 2005 the Province introduced a number of optional tools that can be used to modify the mandatory limits and alter the amount of tax protection provided, as well as the rate at which these business properties are moved to their full Current Value Assessment (CVA) tax level.

Beginning in 2009, the Province provided municipalities with even further autonomy over their capping programs by making two new optional tools available. Municipalities will now be able to institute measures to exclude certain properties from the capping program once they: (i) reach their CVA destination, or (ii) cross over it.

In 2009, the Local Treasurers reviewed these exclusion options and recommended that the County, beginning in 2009, implement these two options to permanently exclude properties from the capping program once they reach their CVA tax destination or crossed over it.

For 2010, Municipal Tax Equity Consultants (MTE) will be preparing a Proforma Capping Analysis for the Local Treasurers to review, and from this analysis, a recommendation on tax capping tools and capping cost recover will be prepared and brought to the Finance and Personnel Committee for its consideration.

2. TAX RATIOS

County Council establishes the relative tax burden of each property class by setting tax ratios. Property tax ratios determine how a property class municipal tax rate compares with the residential tax rate which is equal to 1.0. For instance, if the tax rate for the commercial class is 2, a commercial property would pay twice the amount of municipal property tax as a similar valued residential property. The Province established prescribed tax ratios and the "Ranges of Fairness" for municipalities. The County can maintain the prescribed tax ratios, or adjust tax ratios closer to or within the "Ranges of Fairness".

In 2009 municipalities were able to adopt class-neutral transition ratios to mitigate inter-class tax shifts resulting from the 2008 phased-in reassessment. This permitted municipalities to increase the tax ratio of one or more business property classes to the extent necessary to maintain existing municipal tax burdens between residential and business classes.

Although 2010 is not a reassessment year, updates in assessment values are being made as part of the four year phase-in, with 2010 being year two of the phase-in. In order to mitigate the inter-class tax shifts associated with the reassessment phase-in, the County would need to increase the tax ratio of one or more Business property classes in order to prevent the tax shift onto the Residential property class as a result of the latest reassessment.

The reason for the shift in tax dollars onto the Residential property class is simply the case of the Residential property class property values appreciating at a much higher rate than those properties in the Business classes.

By retaining existing 2009 Tax Ratios and applying these ratios to the new assessment values, a shift in taxation to the Residential class of \$64,982 occurs and most other property classes would see an overall reduction in the amount of taxation. This shift in taxation is demonstrated in Column 10 on the attached spreadsheet (Recalculating Tax Ratios for Complete Revenue Neutrality by Property Class) as compared to the tax shift if Council decided to adopt new Revenue-Neutral Ratios for Multi-Residential, Commercial, Industrial, and Pipelines where a tax shift of \$64,404 to the Residential Class would be prevented as a result of reassessment as demonstrated in Column 11.

In 2006, the County decided to approve of the use of tax ratios, revenue-neutral by class. There was much debate on the use of increasing tax ratios on the business classes in that this was seen as not being "business friendly" and therefore would not encourage businesses to relocate or remain in Grey County. In 2009, the County decided not to adjust tax ratios and permitted a shift to the Residential class of \$123,431 in taxation to occur.

The Province has yet to make a decision for 2010 in regards to availability of this flexibility for municipalities in 2010. However in considering the use of tax ratios, revenue-neutral by class, it was decided that for 2010 the use of tax ratios, revenue-neutral by class, not be used and that the tax ratios for 2010 remain as adopted for 2009.

The Recommendation for the Finance and Personnel Committee is that the County of Grey adopt the 2009 year's actual tax ratios for use in setting the 2010 tax rates.

3. TAX RATES

The 2010 Draft Budget is to be distributed to Council on March 2, 2010, for review by Committee of the Whole on March 9, 2010.

The Recommendation for Finance and Personnel Committee is to direct the Director of Finance to prepare a general rating by-law, for 2010 Tax Rates, subject to the approval of the 2010 budget by County Council.

FR-FP-14-10

Date: February 9, 2010

Status: February 9, 2010 - Report received and recommendations contained therein approved (Motion FP47-10); March 2, 2010 – Council adopted the February 9, 2010 minutes and recommendations contained therein, as amended, (Motion FP 47-10)

4. TAX REDUCTIONS FOR MANDATED SUBCLASSES OF VACANT LANDS/UNITS

The legal default reduction of 30% for commercial and 35% for industrial property classes have been used by the County and the alternative to having two rates is to set a uniform discount rate for both classes anywhere between 30% and 35%.

The Recommendation for Finance and Personnel Committee is that the County of Grey continue to use the legal default reductions of 30% for commercial and 35% for industrial vacant lands/units in 2010.

5. TAX REDUCTIONS FOR FARMLAND AWAITING DEVELOPMENT SUBCLASSES

Two categories of Farmland awaiting development are possible:

- I. Type 1 with subdivision registered, may be taxed at between 25% - 75% of the residential tax rate;
- II. Type 4 with building permit issued, may be taxed at up to 100% of zoned class rate.

The Recommendation for Finance and Personnel Committee is that the County of Grey shall leave the Type 1 at a tax rate of 25% and the Type 4 is to be taxed at up to 100% of the zoned class rate.

6. LOWER LIMIT FOR NEW CONSTRUCTION PROPERTIES

As part of the 2004 Provincial Budget, Municipalities were able to place a lower limit, or floor, on the starting tax level eligible to new construction properties in the commercial, industrial and multi-residential property classes. A lower limit of up to 100% may be set for properties that become eligible within the 2010 taxation year. When a limit is employed the test for setting the tax level on new construction properties will become the lower of the CVA tax, the average level of the comparable supplied by Municipal Property Assessment Corporation (MPAC), or the floor if the level of comparables falls below that level. Municipalities have the option of increasing these limits based on the following schedule:

- 2005 – 70% Minimum Tax Level
- 2006 – 80% Minimum Tax Level
- 2007 – 90% Minimum Tax Level
- 2008 – 100% Minimum Tax Level
- 2009 – 100% Minimum Tax Level

The Recommendation for Finance and Personnel Committee is that the County of Grey set the threshold for 2010 new construction, as was done in 2009, at the 100% minimum tax level and all new commercial, industrial and multi-residential property class construction be taxed on their full CVA value.

7. OPTIONAL CLASSES OF PROPERTY

The County of Grey in 2005 established a Resort Condominium property class. The benefit to eligible property owners of property in this new class is found in one of the new regulations, 213/05, which amends the Education Act and establishes the annual tax rate for the new property class as the rate set out for Residential property.

In the meeting that was held with the Local Treasurers and Staff, discussion took place in regards to the possibility of creating a new Multi-Residential Tax Class in order to help stimulate new growth. The County has currently begun the process of having a Housing Study completed. This Study is to identify a housing profile for the County and provide an action plan on how to ensure an appropriate level of diverse housing stock is maintained throughout the County. This Study is also to identify strategies to deal effectively with social and affordable housing needs and issues throughout Grey County.

Therefore, until this study is completed and strategies are identified and endorsed by Council, no new optional property classes are being recommended at this time.

No Action Required.

Respectfully Submitted

Kevin Weppler
Director of Finance

Date: February 9, 2010

Attachment – Recalculating Tax Ratios for Complete Revenue Neutrality by
Property Class – Using 2010 Assessment Values with Phase-In

FR-FP-14-10

Date: February 9, 2010

Status: February 9, 2010 - Report received and recommendations contained therein approved (Motion FP47-10);l March 2, 2010 – Council adopted the February 9, 2010 minutes and recommendations contained therein, as amended, (Motion FP 47-10)

RECALCULATING TAX RATIOS FOR COMPLETE REVENUE NEUTRALITY BY PROPERTY CLASS
AND COMPARING TO TAX DISTRIBUTION WITH NO CHANGE TO CURRENT TAX RATIOS - USING 2010 ASSESSMENT VALUES WITH PHASE-IN

Column	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Property Class	Matched Year-End 2009 CVA	2010 CVA	2009 Starting Tax Ratios	2009 General Tax Rates	2010 Under Starting Rates	2010 CVA Weighted by Request Based Ratios	2009 Ratio Weighted CVA	Request- Based 2010 Rates	Revenue Under Request- Based Ratios	Reassess. Related TAX SHIFT OLD RATIOS	Request- Based TAX SHIFT NEW RATIOS	
1 Residential	8,514,225,501	8,968,802,855	1.000000	0.445453%	0.423594%	8,968,802,855	8,968,802,855	0.422630%	\$37,928,873	\$37,991,277	\$37,904,847	-\$22,026
2 Multi-residential	157,570,087	165,742,983	1.441197	0.641985%	0.610482%	238,868,290	238,868,290	0.609071%	\$1,011,576	\$1,011,831	\$1,009,492	-\$2,085
3 New multi-residential	0	0	0.000000	0.000000%	0.000000%	0	0	0.000000%	\$0	\$0	\$0	\$0
4 Commercial	707,262,452	743,250,204	1.308751	0.582180%	0.553611%	988,239,593	971,383,421	0.561837%	\$4,117,541	\$4,114,718	\$4,176,597	\$59,056
4a Comm. Res. Condos	192,389,023	192,602,115	1.000000	0.445453%	0.423594%	192,602,115	192,602,115	0.422630%	\$866,814	\$815,850	\$813,994	-\$42,819
5 Industrial	110,339,192	113,045,540	1.859187	0.827734%	0.787116%	217,524,941	210,059,753	0.813235%	\$913,315	\$889,800	\$919,326	\$23,515
6 Pipeline	29,187,688	30,232,460	0.921964	0.403958%	0.384135%	27,873,240	27,416,246	0.389550%	\$117,906	\$116,133	\$117,801	-\$105
7 Farm	918,599,875	970,175,484	0.250000	0.111363%	0.105696%	242,543,871	242,543,871	0.105657%	\$1,022,938	\$1,027,400	\$1,025,063	\$4,462
8 Managed Forest	43,015,955	45,285,176	0.250000	0.111363%	0.105696%	11,321,294	11,321,294	0.105657%	\$47,904	\$47,956	\$47,847	-\$57
Totals	10,672,539,573	11,229,136,817				10,687,767,414	10,862,997,845		\$46,014,956	\$46,014,956	\$46,014,956	\$0

Comments:
By retaining existing 2009 Tax Ratios and applying to new assessment values a shift in taxation, as shown in Column 10, to the Residential Class of \$64,404 occurs and most other property classes gain, change is the result of unequal assessment appreciation

Column Notes:

- 2010 starting ratios (column 6a of worksheet 1).
- Revenue neutral ratios (column 6 of worksheet 1).
- Municipality determines ratios between 2009 starting tax ratios (column 1) and the revenue neutral ratios (column 2).
- Single-tier or upper-tier general municipal tax rates including any 2009 levy increase under the levy restriction (column 3 or worksheet 1).
- Row 1 residential rate is the sum of column 4 in worksheet 1 divided by the sum of the starting 2010 ratio-weighted 2010 CVA.
For rows 2 to 8, take column 5 row 1 and multiply by the respective rows in column 1.
- Row 1 residential rate is the sum of column 4 in worksheet 1 divided by the sum of the 2010 CVA weighted by the request-based ratios (column 3).
For rows 2 to 8, take column 5 row 1 and multiply by the respective rows in column 3.
- Annualized year-end taxes (column 4 of worksheet 1).
- Product of respective rows in column 5 multiplied by the respective 2010 CVA (column 2 of worksheet 1).
- Product of respective rows in column 6 multiplied by the respective 2010 CVA (column 2 of worksheet 1).
- For each row, take the difference between the respective rows in columns 8 and 7.
- The sum of column 10 should equal zero. Resort Condominiums will not in 2010 due to Ratio to Ratio to be equal to that of the Residential Class and thus no revenue neutral ratio.
- For each row, take the difference between the respective rows in columns 9 and 7.
- The sum of column 11 should equal zero. Resort Condominiums will not in 2010 due to Ratio to Ratio to be equal to that of the Residential Class and thus no revenue neutral ratio.

Note:

A requested ratio should not result in a municipal tax increase on any class where the class was facing either a reassessment-related tax decrease or no change under the 2010 starting ratios.
A requested ratio should not result in a municipal tax increase greater than a reassessment-related tax increase that would have been incurred under the 2010 starting ratios.

FR-FP-14-10

Date: February 9, 2010

Status: February 9, 2010 - Report received and recommendations contained therein approved (Motion FP47-10); March 2, 2010 – Council adopted the February 9, 2010 minutes and recommendations contained therein, as amended, (Motion FP 47-10)

STAFF REPORT: Financial and Information Services

REPORT TO: Finance and Administration
MEETING DATE: May 18, 2010
REPORT NO.: FIS.10.37
SUBJECT: HST – Revenue Implications
PREPARED BY: Ruth Prince, Manager of Revenue

A. Recommendations

THAT Council receive Staff Report FIS.10.37 “HST – Revenue Implications”, for information purposes.

B. Background

Legislation to enact the Harmonized Sales Tax (HST) has been passed by the Governments of Canada and Ontario. The HST will be applied on most supplies of goods and services made in Ontario at a rate of 13%, consisting of the 5% Federal portion and an 8% Provincial portion. The HST will generally utilize the same regulations and rules currently applying to the Federal GST system. Therefore, the majority of goods and services that are currently subject to the 5% GST (prior to July 1, 2010) will become HST applicable at 13% after July 1, 2010.

Transitional rules are required to determine which tax – the existing Retail Sales Tax or the Ontario component of HST – would apply to transactions that straddle the July 1, 2010 implementation date for the HST. An important transitional date for HST is May 1, 2010. HST is due on consideration due or paid after May 1, 2010 and before July 1, 2010 for property and services provided after July 1, 2010.

The impact of HST and the transition rule for The Blue Mountains are discussed in the following revenue areas:

Recreation Fees and Charges – Recreation fees and charges will all be subject to the HST. Currently, fees such as ice rental, community hall rental and athletic field rental are charged GST (5%) but after July 1, 2010, an additional 8% provincial portion will be added. For example, we currently charge \$123.30 (\$117.50 + \$5.80 GST) per hour for prime time ice rental. After July 1st the cost per hour will be \$132.70 (\$117.50 + \$15.20 HST). Any hall bookings, ice rentals or athletic field rentals that are booked after May 1st for services provided after July 1, 2010 will be charged HST.

Harbour User Fees – Harbour fees and charges are subject to HST, however the seasonal mooring fees for 2010 only included 5% GST since all fees were paid before May 1, 2010. Transient rates and off season land storage will be charged HST after July 1, 2010. For 2011, seasonal mooring fees will be charged HST.

Water and Wastewater Rates – Water and Wastewater rates are exempt from GST and therefore exempt from HST.

Cemetery Fees – Currently all cemetery fees (lots and internment charges) are subject to GST only and as such after July 1, 2010 these fees will be subject to HST.

Fire Fees and Charges – The supply of fire protection services is an exempt supply of goods and services for GST and therefore will **not** be subject to HST. This includes Fire Department response to non-emergency activation of a Fire Alarm/Early Warning system and emergency response services.

Building Permits & Licensing – The supply of licences and permits is an exempt supply of goods and services for GST when the supply is made by a municipality and therefore will **not** be subject to HST.

The Town's financial software has been updated to accommodate the HST. Staff will continue to monitor the revenue implications of HST for any changes that may occur.

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability and providing a strong, well managed municipal government.

D. Environmental Impacts

None

E. Budget Impact

There is no budget impact with the implementation of HST as it relates to revenue. The HST will be charged accordingly and remitted to the Canada Revenue Agency.

F. Attached

None

Respectfully submitted,

Ruth Prince,

For more information, please contact:

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519-599-3131 x228

STAFF REPORT: Financial & Information Services

REPORT TO: Finance & Administration
MEETING DATE: May 18, 2010
REPORT NO.: FIS.10.38
SUBJECT: Recommended 2009 Year-end Transfers
PREPARED BY: Darcy Chapman, Capital Accountant

A. Recommendations

THAT Council receive Staff Report FIS.10.38 "Recommended 2009 Year-end Transfers" and approve the recommendation contained therein, being the transfer to and from Reserves and Reserve Funds as itemized in Schedule "A", attached to this Report.

B. Background

The Town has substantially completed the fiscal year close for 2009. There remain closing entries / year-end transfers to complete the year-end procedures. These entries are shown in Schedule "A", attached hereto.

The recommended 2009 transfers to and from reserves and reserve funds have been compiled based on the 2009 net position of the Town's operating departments, and after budgeted transfers to and from reserves were posted. In some cases, tax dollars were raised to fund capital expenditures that were not made in 2009 and the money will be transferred to a reserve in order to be taken into revenue or used in future years when the capital project occurs. In other cases, such as with water distribution or wastewater collection budgets, the surplus/deficit was lower or higher than budgeted, requiring the transfer to reserve of an amount different than that budgeted (utility user fee related transfers do not affect the property tax related surplus talked about elsewhere in this report). The recommendations are based on factors such as future departmental needs and 2010 budget requirements.

C. The Blue Mountains' Strategic Plan

Providing a strong, well managed municipal government

D. Environmental Impacts

Supporting environmentally sound decisions

E. Budget Impact

The total property tax related recommended transfers **from** Reserves & Reserve Funds amount to \$292,149.04. Transfers of significance are:

- \$224,797.60 from Human Resources Reserve for OMERS costs
- \$24,344.63 from Library Non Growth for the 10% share of the land purchase for the Library's future expansion

The total property tax related recommended transfers **to** Reserves & Reserve Funds amount to \$842,500. Transfers of significance are:

- \$500,000 to the Town Working Capital Reserve from the 2009 Surplus
- \$177,500 in year over year roll-overs for such projects as Cemetery and Fire Department management software, the landfill expansion, BVCC refrigeration replacement and other small projects
- \$65,000 to the Human Resources Reserve to fund OMERS and an additional transfer from the General Reserve of \$50,000
- \$75,000 to set up a Winter Control reserve from 2009 surplus funds

The total recommended transfers **from** Development Charge Reserve Funds amount to \$271,705.35. Transfers of significance are:

- \$219,101.65 from the Library DC's for the land purchase
- \$25,116.93 from Roads DC's for the Jozo Weider Blvd holdback

The total **user fee** related recommended transfers **from** Reserves & Reserve Funds amount to \$441,145.77. Transfers of significance are:

- \$120,893.77 from Water Reserve Fund to fund the Water Department 2009 operating deficit

The total **user fee** related recommended transfers **to** Reserves & Reserve Funds amount to \$191,824.51. Transfers of significance are:

- \$163,560 in year over year roll-overs for such projects as the Elma Street Water Main and Sewer Trunk Replacement and other small projects.
- \$50,587 in net transfers to Wastewater Reserve Funds
- \$9,724.53 to Harbour Reserves from the 2009 surplus

F. Attached

1. Schedule "A" – 2009 Reserve and Reserve Fund Transfers – Non-budgeted

Respectfully submitted,

Signature

For more information, please contact:

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519-599-3131 x274

Schedule "A" – 2009 Reserve and Reserve Fund Transfers – Non-budgeted

Non Budgeted Contributions from General Reserves & Reserve Funds (Transfers to Capital/Operating)

1-124-0000-31001	Reserves - General
\$ 2,076.19	Funding of EDO/HR Office Furniture purchases

1-124-0000-31003	Reserves - Workers Compensation
\$ 14,252.21	Fund WSIB Adjustments from 2009

1-124-00000-31008	Reserves - Human Resources
\$ 224,797.60	Fund OMERS Pension omission costs

1-650-0000-31001	Reserves - LE Shore Memorial Library
\$ 7,065.38	Funding of Book purchases from 2006 Provincial Funding

1-650-0000-31020	Reserves - Library NON GROWTH
\$ 24,344.63	Fund 10% share of Land purchase for future expansion

1-311-0000-31001	Reserves - Clarksburg Parking
\$ 6,822.26	Lions Park Improvements - Parking & Hydro

1-611-0000-31020	Reserves - Parks & Rec NON GROWTH
\$ 2,790.77	Funding of Multi Use Recreation Feasibility Study completed in 2009

4-611-0000-32003	Parkland Dedication Reserve Fund
\$ 5,000.00	Fund purchase of Clarksburg Trail Head Land acquisition

4-415-0000-32001	Blue Mountain Water Reserve Fund
\$ 120,893.77	Fund operating revenue shortfall for water system

1-432-0000-31001	Blue Mountain Wastewater Rate Stabilization Reserve
\$ 325,833.51	Fund operating revenue shortfall for wastewater system

Non Budgeted Contributions from Development Charge Reserve Funds (Transfers to Capital)

4-308-0000-33003	Roads & Related DC Fund
\$ 27,486.77	Funding of Final Holdback for Jozo Wieder Blvd Phase 2 Road Construction

4-611-0000-33001	Parks & Recreation DC Fund
\$ 25,116.93	Funding of Multi Use Recreation Feasibility Study completed in 2009

4-650-0000-33001	Library DC Fund
\$ 219,101.65	Funding of Library Land Purchase for future Expansion

Non Budgeted Contributions To Reserves & Reserve Funds (Transfers from Operating/Capital)

1-124-0000-31010	Reserves - Year Over Year Rollovers
\$ 25,000.00	Cemetery Management Software
\$ 25,000.00	Fire Department Management Software
\$ 20,000.00	Building Department PDA Purchases
\$ 50,000.00	Landfill Expansion
\$ 4,000.00	Green House Reduction Guide
\$ 80,000.00	Elma Street Watermain Replacement
\$ 75,000.00	Elma Street Sewer Trunk Replacement
\$ 19,500.00	BVCC Building Upgrades - Lighting
\$ 24,000.00	BVCC Refrigeration Replacement
\$ 10,000.00	Housing Strategy
\$ 8,560.00	By-law Department Truck Purchase - Insurance Proceeds

1-124-0000-30900	Reserves - Working Capital
\$ 500,000.00	Transfer of 2009 Surplus to reserve

1-210-0000-31003	Reserves - Fire Fight Equipment Replacement
\$ 25,000.00	Fire Fighter Equipment Replacement unspent funds into reserve for use in future years

1-124-0000-31008	Reserves - Human Resources
\$ 65,000.00	Reserve Contribution for funding of OMERS costs

1-241-0000-31001	Reserves - Building Department
\$ 12,500.00	Building Department Truck Purchase - Insurance Proceeds

1-308-0000-31004	Reserves - Winter Control
\$ 75,000.00	Set Up Winter Control reserve from unspent funds in 2009

1-631-0000-31001	Reserves - Harbour
\$ 9,724.53	Transfer of 2009 Surplus to reserves

1-840-0000-31001	Reserves - Business Improvement Association
\$ 6,089.98	Transfer of 2009 Surplus to reserves

4-421-0000-32001	The Blue Mountains Sewer Reserve Fund
\$ 376,441.36	Transfer of 2009 Surplus to reserves

STAFF REPORT: PLANNING & BUILDING SERVICES

REPORT TO: Finance & Administration Committee
MEETING DATE: May 18, 2010
REPORT NO.: SRB.10.13
SUBJECT: New Town Hall Budget Update
PREPARED BY: David Finbow, Director, Planning & Building Services

A. Recommendations

THAT Council receive Staff Report SRB.10.13 with respect to “New Town Hall Budget Update”.

B. Background

The purpose of this Report is to provide Council with an update on the budget related to the New Town Hall.

Project Budget:

The 2010 Approved Budget includes the following as it relates to the New Town Hall Project Budget:

2010 New Town Hall Project Budget

Item	Description	Budget
1	Land Acquisition (32 & 40 Bridge St E & ORC Lands)	\$850,000
2	Demolition, Soils Removal, Enviro. Consultant, Engineered Fill	\$605,000
3	Design Services (Architects & Engineers)	\$540,000
4	Est. Construction Cost incl FFE, Site Works & Contingency	\$6.318 million
5	External Parking Lot Development	\$85,000
6	Moving Costs	\$50,000
	TOTAL	\$8.448 million

Funding:

Funding for the New Town Hall Project is comprised of the following:

2010 New Town Hall Project Funding

Item	Description	Amount
1	Infrastructure Stimulus Fund	\$4.6 million
2	Capital Reserves	\$1.93 million
3	Development Charges	\$376,000
4.	Debt & User Fees	\$1,542 million
	TOTAL	\$8.448 million

Grants & Loans:

1. The Town has received a Grant Commitment of \$4.6 million from the Infrastructure Stimulus Fund. The Town has now received \$501,846 of this Grant. It is noted that a condition of this Grant is that work be substantially complete by March 31, 2011. Construction is now underway and we do not anticipate any difficulty with meeting this date.
2. The Town has recently received confirmation from the Federation of Canadian Municipalities Green Municipal Fund that our Energy Application was successful. The Grant Commitment is \$330,000 and the Loan Commitment is \$3.3 million (with same being at 1.5% below the Bank of Canada Bond Rate). Upon the building being complete, and it is demonstrated by the Town that the building has achieved the energy efficiency results contained in our application, the Loan and Grant will become available.
3. The Town has also submitted a "High Performance New Construction Program" application related to expected modelled energy savings. This program provides for incentives based on the expected energy savings. In the Town's instance, the incentive applied for is \$9,900.

In the instance of items 2 and 3, it is noted that to able to demonstrate the energy savings as per the modelling submitted as part of our applications, the Town will need to extend the services of our LEED Consultant to include post occupancy commissioning, thermography, measurement/verification and indoor air quality testing. It is expected that these additional consulting costs will be in the range of \$60,000. Given this, approximately \$280,000 of the Grant money related to Energy will be available to offset construction costs.

In total, \$4,939,900 in Grant money has been sourced for the project (58.5% of the Project Costs) as well as significant savings will be realised in terms of the committed loan. Town staff will continue to pursue other Grants as they become known and/or available.

Pre-construction Cost Estimate:

As noted previously, the estimated construction cost for the New Town Hall, excluding land acquisition, demolition, removal of contaminates, engineered fill, environmental design, consulting, external parking lot development and moving, was set at \$6.318 million during the 2010 Budget Process. The pre-construction cost estimate for the New Town hall developed in March 2010 by the Town's Construction Manager was \$6.116 million (exclusive of fixtures, furniture and equipment). Below is the status of the project based on the various components tendered and awarded to-date:

ITEM	DESCRIPTION	BUDGET AMOUNT	AWARDED BID (GST/HST Extra)
1	Piling	\$500,000	\$468,500
2	Foundations/Structural Slabs	\$624,373	\$272,220
3	Structural Steel	\$439,500	\$308,000
4	Reinforcing Steel	\$84,600	\$83,916
5	Precast Slabs	\$71,670	\$47,975
6	Concrete Decks & Topping	\$41,751	\$23,045
7	Elevator	\$90,000	\$59,368
	TOTAL	\$1,857,894	\$1,263,026

Summary:

As noted above, the project is currently \$594,868 under budget however I note that the two most significant cost related items of this project, being the mechanical and electrical, have yet to be awarded. The pre-construction cost estimates for the mechanical and electrical are \$890,655 and \$325,710 respectively.

C. The Blue Mountains' Strategic Plan

“Providing a strong, well managed municipal government.” & “Addressing the Town’s infrastructure needs.”

D. Environmental Impacts

New Town Hall Energy Efficiency

Annual Energy Usage	Baseline Building	Modeled New Town Hall
Elec (kWh):	506,000	348,000
Gas (ekWh):	359,000	9,000
CO2 Emitted (tonnes)	140	60

The Town’s commitment to constructing an energy efficient and LEED Certified building demonstrates significant environmental leadership and will be a demonstrable project re sustainable design.

E. Budget Impact

On budget.

F. Addendums

N/A

David Finbow
Director, Planning & Building Services



**THE CORPORATION OF THE TOWN OF
THE BLUE MOUNTAINS**

**2009 UNAUDITED FINANCIAL STATEMENTS
(amounts subject to change)**

Town of The Blue Mountains
Consolidated Statement of Financial Position

December 31 **2009** **2008**

Assets and Liabilities

Financial Assets

Cash	4,524,996	14,475,685
Temporary investments	8,323,927	10,180,482
Taxes receivables	4,601,212	4,231,203
Trade and other receivables	7,417,191	4,510,654
Long-term receivables	3,480,291	2,007,671
Other	75,870	27,778
	28,423,487	35,433,474

Liabilities

Accounts payable and accrued liabilities	8,609,743	11,553,834
Solid waste closure and post-closure liabilities	1,142,130	1,049,746
Deferred revenue	2,288,037	4,059,998
Net long-term liabilities	4,416,509	5,013,639
	16,456,419	21,677,217
Net financial assets	11,967,068	13,756,256

Municipal Position

Municipal Position		
Current fund	197,595	296,029
Capital fund	(6,878,350)	(3,782,625)
Reserves and reserve funds	24,242,855	23,342,630
	17,562,100	19,856,034
Amounts to be recovered	(5,595,032)	(6,099,778)
	11,967,068	13,756,256

Town of The Blue Mountains
Schedule of Current Fund Operations

For the year ended December 31	2009	2009	2008
	Budget	Actual	Actual
Revenue			
Taxation	9,572,609	9,872,239	9,375,024
User Fees	6,792,498	6,513,878	6,538,654
Canada grants	236,250	189,980	8,016
Ontario grants	1,970,275	2,121,140	1,806,533
Municipal grants	11,000	21,734	55,452
Other Income	1,381,210	1,303,379	1,409,389
Transfers from (to) obligatory reserve funds	480,800	170,152	6,078
	-----	-----	-----
	20,444,642	20,192,502	19,199,146
	-----	-----	-----
Expenditures			
General Government	2,842,754	2,916,224	2,736,211
Protection Services	4,184,097	3,982,701	3,962,711
Transportation Services	2,993,585	2,648,462	2,478,636
Environmental Services	4,295,232	4,282,657	3,987,491
Health Services	95,433	131,240	113,868
Recreation and Cultural Services	1,970,780	2,028,388	1,889,003
Planning and Development	1,404,653	1,119,168	908,711
	-----	-----	-----
	17,786,534	17,108,840	16,076,632
	-----	-----	-----
Net revenues for the year	2,658,108	3,083,662	3,122,514
	-----	-----	-----
Financing and transfers			
Change in solid waste landfill liability	0	92,384	107,584
Change in unfunded vacation pay	0	2,488	(6,982)
Transfers to capital fund operations	(2,152,606)	(1,078,181)	(1,598,124)
Transfers to reserves and reserve funds	(829,699)	(2,198,787)	(2,043,968)
	-----	-----	-----
	(2,982,305)	(3,182,096)	(3,541,489)
	-----	-----	-----
Change in fund balance for the year	(324,197)	(98,434)	(418,975)
Current Fund, beginning of the year	296,029	296,029	715,001
Current Fund, end of the year	(28,168)	197,595	296,026
ANALYZED			
		2009	2008
General Taxation		886,427	577,698
Recreation		68,840	68,840
Cemetery		(115,637)	(36,516)
Building Inspection		(642,035)	(313,993)
		-----	-----
		197,594.52	296,029.00

Town of The Blue Mountains
Schedule of Capital Fund Operations

For the year ended December 31	2009 Budget	2009 Actual	2008 Actual
Revenue			
Canada Grants	273,000	734,406	84,968
Ontario Grants	2,765,352	1,657,187	213,732
Municipal Grants	0	5,000	83,453
Prepaid Special Charges	3,187,418	3,219,583	1,874,915
Other	294,835	47,829	13,090
Obligatory reserve fund revenue recognized	5,272,741	2,591,118	7,601,559
	-----	-----	-----
	11,793,346	8,255,123	9,871,717
	-----	-----	-----
Expenditures			
General Government	3,373,180	977,676	470,076
Protection Services	996,928	760,145	771,453
Transportation Services	5,615,050	3,081,955	2,410,645
Environmental Services	11,777,921	6,494,207	4,502,790
Health Services	26,470	0	0
Recreation and Cultural Services	2,031,013	1,563,195	1,407,103
Planning and Development	155,133	12,977	166,222
	-----	-----	-----
	23,975,695	12,890,154	9,728,289
	-----	-----	-----
Net revenues (expenditures) for the year	(12,182,349)	(4,635,030)	143,429
	-----	-----	-----
Financing and transfers			
New debt issued	3,102,213	0	0
Debt principal repayments	0	(589,581)	(589,581)
Transfers from current fund operations	2,152,606	1,078,181	1,598,123
Transfers from reserves and reserve funds	6,859,707	1,050,706	2,012,096
	-----	-----	-----
	12,114,526	1,539,306	3,020,638
	-----	-----	-----
Change in fund balance for the year	(67,823)	(3,095,725)	3,164,066
Capital fund, beginning of the year	(3,782,625)	(3,782,625)	(6,946,691)
Capital fund, end of the year	(3,850,448)	(6,878,350)	(3,782,625)

Town of The Blue Mountains
Schedule of Current Fund Operations
for Water and Wastewater

User Rates Summary
Water and Wastewater Services Summary
December 31

	2009 Budget	2009 Actual	2008 Actual
Revenue			
User Rate Billings	5,245,209	5,120,705	4,906,239
Reserve Revenue	175,000	37,977	295,379
Interest and Investment	0	24,060	14,179
Fee and Charges	24,036	21,537	24,389
Total Revenue	5,444,245	5,204,278	5,240,186
Expenses			
Salaries, Wages & Benefits	1,260,665	1,243,436	1,224,127
Administrative Expenses	17,760	16,940	35,552
Operating Expenses	448,725	554,065	379,575
Communications	83,325	97,534	82,611
Training Related	23,300	21,955	17,569
Personnel	12,650	13,706	10,815
Utilities	383,900	369,195	362,197
Equipment Related	267,145	244,796	358,519
Vehicle Related	53,850	58,511	56,786
Professional Fees	215,105	81,171	56,594
Financial Expenses	129,801	223,720	213,364
Premises and Site	37,050	44,281	35,692
Other	0	336	60
Total Expenses	2,933,276	2,969,645	2,833,461
Transfers			
Transfers to Capital and Operating Programs	987,805	572,158	607,893
Transfers to Reserves and Reserve Funds	975,001	1,145,019	1,612,463
Interfunctional Transfer	548,162	587,760	452,439
Total Transfers	2,510,969	2,304,937	2,672,795
Total Transfer and Expenses	5,444,244	5,274,582	5,506,256
Net Position	0	-70,304	-266,070
SUMMARY Surplus/Deficit			
Wastewater System		50,587	16,000
Water System		(120,891)	(282,071)
		(70,304)	(266,071)



D.1

Bluewater Unit
163 - 8th Street East
Owen Sound, Ontario
N4K 1K9
Telephone: (519) 376-6011
Facsimile: (519) 376-0942

March 17, 2010

RECEIVED
APR 27 2010

To whom it may concern:

Relay For Life ... there is no finish line until we find a cure.

Please accept this letter as introduction to Kathy Lennox, Chair of the 2010 *Relay For Life*- Town of Blue Mountains.

Relay For Life, an overnight, non-competitive relay that honours and celebrates cancer survivors, has become the signature fundraising event of the Canadian Cancer Society. Last summer, communities across Canada united in the fight against cancer for a night of fun, friendship and fundraising with incredible results. Exceeding our every expectation and surpassing our goal, 60,000 people participated in 104 *Relay For Life* community events across Ontario, raising more than \$17 million for cancer research and community support programs. This success could not have been achieved without the support of our generous national, provincial and local sponsors.

Donations in cash/Kind up to \$1,000 for corporate sponsorship.

The Canadian Cancer Society is eagerly anticipating our 2010 *Relay For Life*. It promises to be another growth year for the event, with over 300 events across the country planned to date.

This series of events hold excellent potential for Supporting Sponsors.

Sponsorship of *Relay For Life* offers the opportunity to:

- Associate the Sponsor with the most highly regarded health charity in Canada
- Enhance brand image and raise the Sponsor's profile in the community
- Involve Sponsors' employees, members and their families in a team building exercise for a great cause
- Join in the fight against cancer and demonstrate support for those living with cancer and their families

The Canadian Cancer Society has developed fruitful partnerships with many local, provincial and national companies and groups, and I look forward to delivering similar results for new Sponsors.

Relay For Life continues to bring communities together and to inspire us to continue in the fight against cancer. The Survivor, Luminary and Fight Back Ceremonies each have a unique meaning, contributing to a powerful message of courage and hope. We hope you will join us at the event and take part in this incredible event.

Relay For Life has proven to be a remarkable successful fundraising event for the Canadian Cancer Society, and the support of our sponsors is essential to this success – we cannot do it without them. Thank you for your sponsorship and your support.

Together, let's make cancer history.

Sincerely,

Anne Marie Watson

Anne Marie Watson, Manager
Bluewater Unit, Canadian Cancer Society
(519) 376-6011 x 3231
awatson@ontario.cancer.ca

Relay for Life - Canadian Cancer Society

When: third Friday of July -7 pm to 7 am

Where: track at Beaver Valley Community School, Thornbury, The Blue Mountains

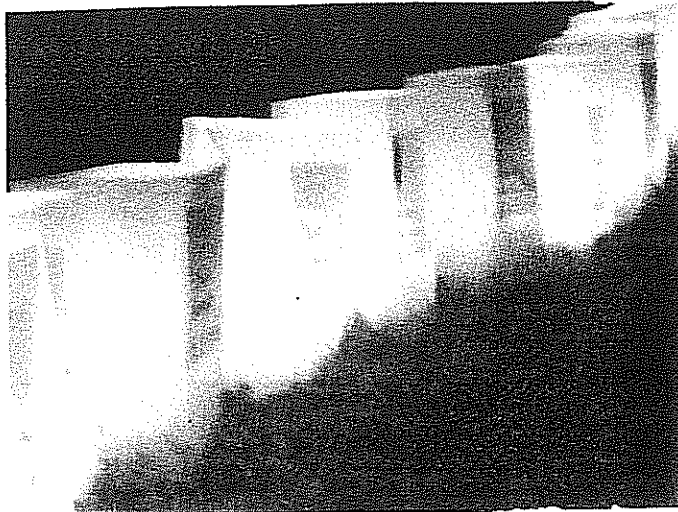
Why: to raise funds to help beat cancer

What is it? Team members take turns walking around the track for 12 hours in a non-competitive relay.

Let's all:

Celebrate: Cancer survivors join together to walk the first lap of the relay. It is known as the **Survivor's Victory Lap**. What a **celebration** it is to see so many participants who are survivors of this disease!

Remember: This is a time to remember loved ones and their fight against cancer. For \$5 anyone may purchase a luminary.



Luminaries are candles that are put in special bags that have the name of the person to be remembered. That name is a special person who has survived cancer or lost a battle to cancer. The luminaries are placed around the track and are lit in a ceremony about 10pm.

This is an absolutely moving sight and one in which everyone can participate.

Fight Back: How? – Be a team Captain. Get at least 8 people to participate

- Be a participant. Join a team and get pledges. The average person needs to raise at least \$100.
- Be a Volunteer. Donate your time to one of the many tasks that make this event a success.
- Be a sponsor. Donate money and/or services to this worthwhile event.

Contact **Kathy Lennox** 519 599-6902 or
The Canadian Cancer Society at
1 888 939- 3333 www.cancer.ca/relay
for more information



**The Blue Mountains
Chamber of Commerce**

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APR 16 2010

TOWN OF THE BLUE MOUNTAINS

April 13, 2010

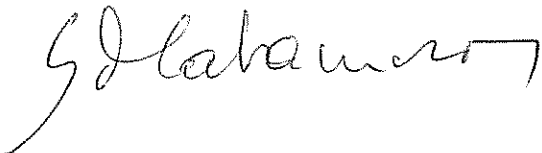
Mr. Shawn Everitt
Director of Recreation
The Blue Mountains
26 Bridge Street
Thornbury, ON N0H 2P0

Dear Shawn,

This letter is to request that the Chamber of Commerce Jazz by the Bay event be exempted from the \$25.00 fee for use of the Bayview Park Pavilion. Jazz by the Bay is a non-profit community event sponsored in part by the Town of The Blue Mountains.

Thank you for your kind consideration of this request.

Yours truly,



George Matamoros