



Municipal Finance Orientation

MUNICIPAL FINANCE

- Budget
- Capital Plan / Asset Management
- Debt Management
- Reserve Management

MUNICIPAL BUDGET

Legislated Budget Requirements Municipal Act, 2001

- There is a legal requirement under section 290(1) of the Municipal Act, 2001 that Council adopt estimates of all sums required during the coming year for the purposes of the municipality
- Exception: in a year following an election year, must be prepared only in the current year (2019 must be approved in 2019)
- Municipal budgets must be balanced under Section 290(2) meaning that estimated revenues are equal to the estimated expenditures

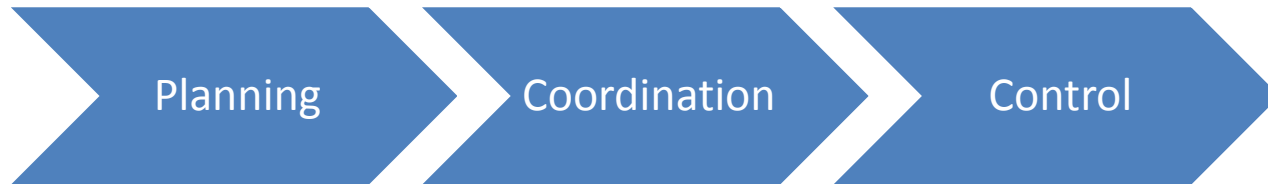
2018 BUDGET BREAKDOWN

- 2018 Operating budget: \$7.26 million
- 2018 Capital budget: \$2.40 million
- Expenditures were financed by:
 - Taxes \$5.40 million
 - Government Grants \$1.20 million
 - User fees \$0.66 million
 - Reserve Fund transfers \$1.86 million
 - Long term borrowing \$0.14 million
 - Other sources \$0.40 million

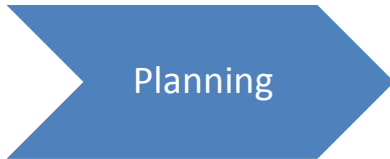
BUDGET PROCESS

- Department heads prepare budget based on previous year budget to actual and current needs.
- Department heads meet with the CAO and Treasurer to assess the budget and look at alternate service levels.
- Budget book and summary report is prepared for Council.
- Budget revisions based on Council's guidance and desired level of service.
- Capital budget will be presented before operating budget.
- Budget by-law adopted.
- Implementation of annual budget and monitoring by department heads with support from Finance department.

ELEMENTS OF BUDGETING



ELEMENTS OF BUDGETING



- Determination of services or functions that the municipality must provide
- Includes decisions such as:
 - Strategic Plan
 - Asset Management Plan
 - Needs studies (roads, guiderails, bridges)
 - Official Plan
 - Development Charge Background Study
 - Bylaws and resolutions of Council

ELEMENTS OF BUDGETING



Coordination

- Review of municipal budget drivers
- Review of budget estimates
- Evaluation of individual budget elements
- Final consideration of a draft budget for eventual approval
- Council approval

ELEMENTS OF BUDGETING

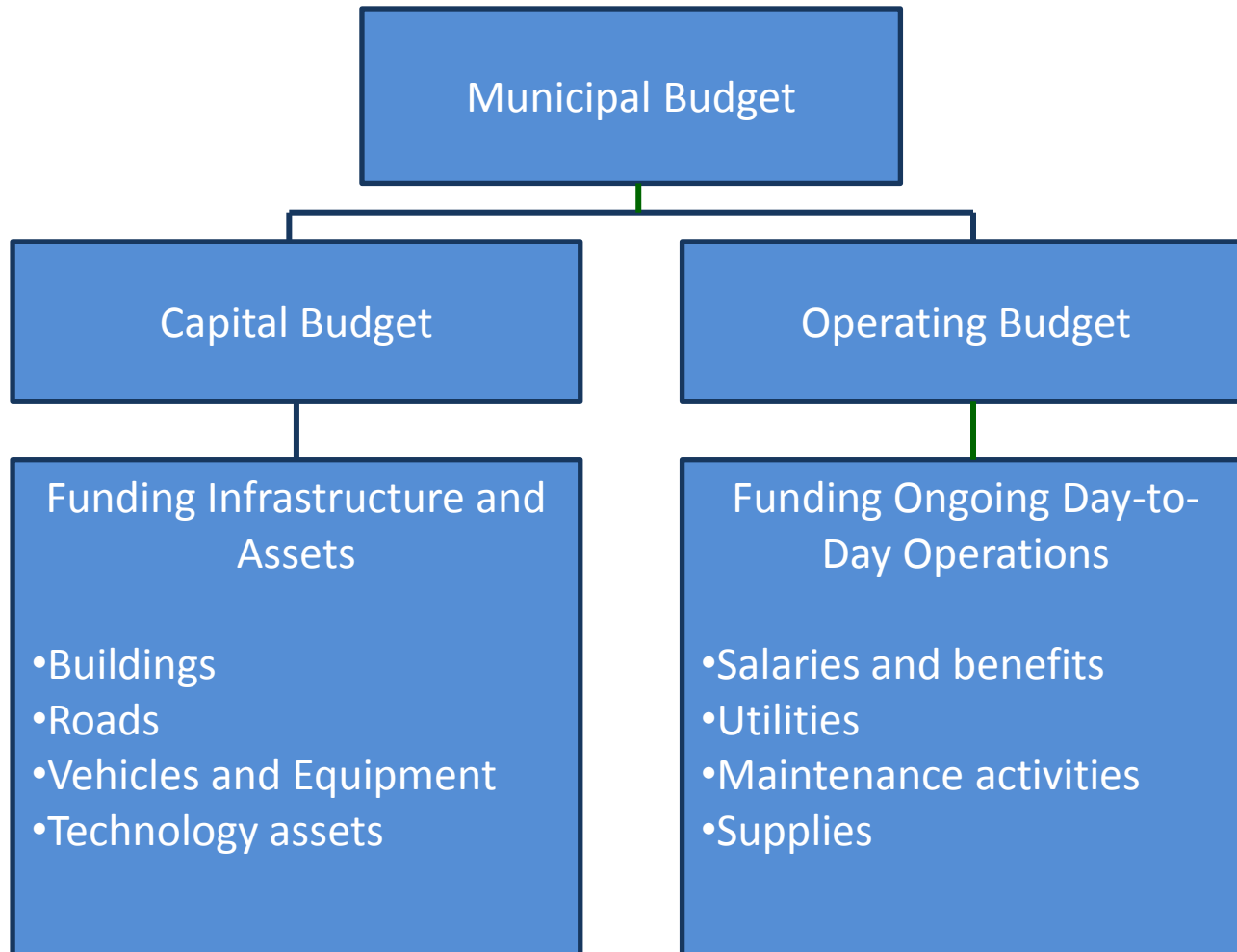


- Regular review of monthly variances
- Action if necessary on monthly variances
- Use of annual budget as:
 - Operations guide
 - Financial plan
 - Policy document

BUDGET PROCESS



BUDGET COMPONENTS



BUDGET COMPONENTS (cont.)

Type of Budget	Description	What residents see	Primary Funding Sources
Capital	<ul style="list-style-type: none"> Identifies the capital requirements for both growth and maintaining existing infrastructure Used to build or revitalize assets that will last for more than one year 	<ul style="list-style-type: none"> Streetlights Fire stations and fire service vehicles Arena and facilities Road repair and renewal Bridge repair and renewal Walkway repairs 	<ul style="list-style-type: none"> Property taxes Reserves Development charges Debts and grants
Operating	<ul style="list-style-type: none"> Provides the necessary resources to deliver programs and services to meet the needs of Wainfleet's community 	<ul style="list-style-type: none"> Fire and protection services Snow plowing and salting/sanding Ash tree removal, brush clearing and grass mowing Ditching, grading and gravel resurfacing Recreation services (Arena, Parks, Sports fields) Library programs 	<ul style="list-style-type: none"> Property taxes User fees

THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Revenues	
	Fees and Charges
	Grants
	Reserves and Investments*
	Financing (Debt)**
	Property taxes
Expenses	
	Assets and Infrastructure
	Operations
	Financing (Debt Servicing)
	Other

Notes:

*Reserves and investments = property taxes/fees collected in the past

** Financing = property taxes to be collected in the future

THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Municipalities are able to recover costs for a range of activities through fees and charges (outlined in Section 391 of the *Municipal Act*):

- Facility use charges
- Licenses and Permits
- Fines
- Development Charges

Some fees are structured through legislated documents (development charges), some are based on the capacity of the marketplace (facility user fees and rentals), and some are driven by the values of the community (children's programming)

Revenues	
	Fees and Charges
	Grants
	Reserves and Investments
	Financing (Debt)
	Property taxes
Expenses	
	Assets and Infrastructure
	Operations
	Financing (Debt Servicing)
	Other

THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Municipalities have historically received a mix of grants, transfers, and other contributions from upper levels of Government, including:

- Payment in Lieu of Taxes –payments made to municipalities for federal, provincial, and related agency properties
- Unconditional Grants and Subsidies –ie. Ontario Municipal Partnership Fund –provided with no set usage parameters and no repayment conditions
- Conditional Grants –i.e. Federal Gas Tax – provided with specific spending parameters and could be required to be repaid
- Capital Grants –project specific with significant conditions

Revenues	
	Fees and Charges
	Grants
	Reserves and Investments
	Financing (Debt)
	Property taxes
Expenses	
	Assets and Infrastructure
	Operations
	Financing (Debt Servicing)
	Other



THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Funds from grants, subsidies and transfers from other levels of government have been historically declining for several years, forcing municipalities to consider other revenue sources or service cuts.

Revenues	
	Fees and Charges
←	Grants
	Reserves and Investments
	Financing (Debt)
	Property taxes
Expenses	
	Assets and Infrastructure
	Operations
	Financing (Debt Servicing)
	Other

THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Reserves

Reserves can include:

- Surplus funds saved for a future time (i.e. Capital reserves, contingency reserve)
- Savings towards future large capital needs (i.e. Special capital reserves)
- Funds from external sources

Funds derived from charge back systems (i.e. development charges, Parkland dedication, Gas tax) that will be used to fund either operations or capital as part of the system

Revenues	
	Fees and Charges
	Grants
Discretionary ←	Reserves and Investments
	Financing (Debt)
	Property taxes
Expenses	
	Assets and Infrastructure
	Operations
Obligatory	Financing (Debt Servicing)
	Other

THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Reserves

Healthy discretionary reserves serve as the “savings account” for the municipality, allowing:

- Funds for unplanned or emergency expenses
- Cash reserve to smooth periods of low cash inflows
- Accumulating funds for large infrastructure projects in the future

Obligatory reserves support structured financing arrangements such as development charges.

Revenues	
	Fees and Charges
	Grants
←	Reserves and Investments
	Financing (Debt)
	Property taxes
Expenses	
	Assets and Infrastructure
	Operations
	Financing (Debt Servicing)
	Other

THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Investments

Municipalities can invest existing funds to create additional cash flow to offset operations.

Financial Investments –

- Reserve funds not required immediately can be invested into risk-free financial investments (Bonds, Bank-notes, etc) –for example, Federal Gas Tax funds not required for immediate use can be invested, investment income can be used to offset any municipal expenses
- Special funds can be invested to create investment proceeds for operating or capital needs (i.e. Donations, Endowments funds, proceeds from asset disposals)

Revenues	
	Fees and Charges
	Grants
←	Reserves and Investments
	Financing (Debt)
	Property taxes
Expenses	
	Assets and Infrastructure
	Operations
	Financing (Debt Servicing)
	Other

THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Non-Financial Investments (Assets and Business) –

- Although every asset in a municipality is an investment, specific assets can be acquired or business ventures can be undertaken with a primary focus of generating income to offset operating and capital expenses
- Examples include power distribution and generation, telecommunications partnerships, land development, facility rentals, etc.

Revenues	
	Fees and Charges
	Grants
←	Reserves and Investments
	Financing (Debt)
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Expenses	
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	Other

THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

The *Municipal Act* allows a municipality to raise debt only for **capital** needs, not to fund operating shortfalls.

The *Municipal Act* further limits the amount of debt that a municipality can take on, known as the “Annual Repayment Limit (ARL)”. The ARL calculation is 25% of a municipalities “own source revenues”; this means that a municipality’s annual debt servicing (principal plus interest) cannot exceed 25% of its total revenues less any external funds (i.e. Grants, transfers, etc).

The Township’s ARL for 2018 was \$1,437,368.

Revenues	
	Fees and Charges
	Grants
	Reserves and Investments
←	Financing (Debt)
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Expenses	
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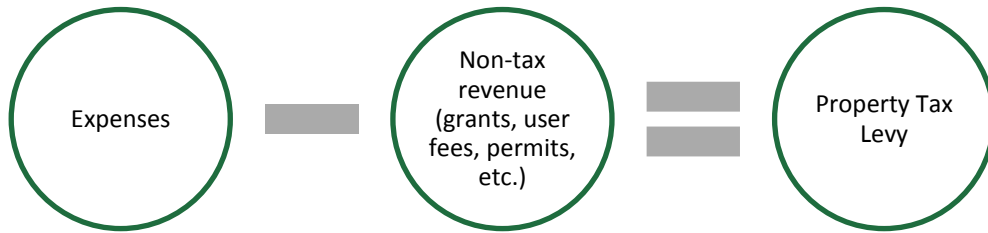
THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS

Municipalities usually raise debt by issuing debentures, which is a medium to long term debt instrument issued by a company for a fixed-rate of interest and a fixed term.

Most municipalities issue debentures through Infrastructure Ontario, which secures debt for municipalities in larger volumes and offers significantly lower fixed interest rates than banks or other lenders.

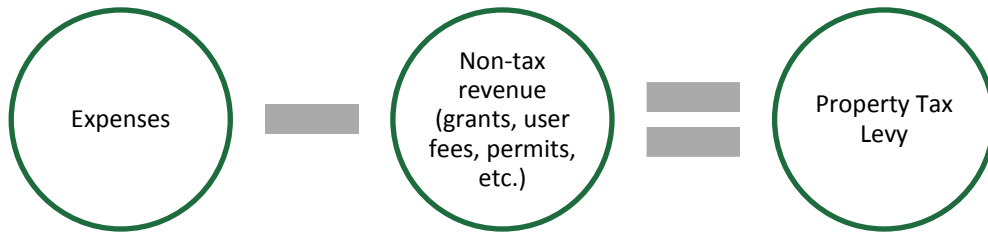
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THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS



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THE MUNICIPAL BUDGET AS A SIMPLE STATEMENT OF OPERATIONS



The Challenge:

Rationalize expenses related to services and the needs of the community.

Maximize and balance the use of non-tax revenues, while still maintaining a financially solvent Township.

Achieve a property tax levy that funds the balance of the Township's expenses while keeping property taxes at a level that ensures growth, prosperity, and community investment.

FINANCIAL REPORTING TO THE PUBLIC

Annual Financial Statements

Required to be published within 60 days of receipt under section 295(1) of the *Municipal Act, 2001*

Financial Information Return (FIR)

- The main document used by the Province to collect financial information from municipalities
- Due by May 31st each year
- Used to calculate grants from the Province, develop policies and programs, and to respond to requests for financial and statistical information

BUDGET vs. FINANCIAL STATEMENTS

- There is a disconnect between the budget used for raising the funds needed by a municipality and the operating results reported in the financial statements
- The financial statements must follow PSAB's accounting standards
- Differences will be noted from such things as transfers to and from reserves. These are included in the budget, but PSAB's rules consider them neither revenues or expenses

THE PROPERTY TAX SYSTEM

THE ROLE OF TAXATION

- In Canada, as in virtually all modern states, most public goods and public expenditures are funded by raising taxes
- The more diverse the economy, the more complex a tax regime must be to access or tap into the various economic pools that will contribute to the total revenue of a state
- *Unlike other forms of taxation which are linked to income (income tax) or spending (sales tax) –the property tax is directly linked to a person's wealth –as measured by the estimated market value of any property that they own*

PROPERTY TAX PRINCIPLES

1. **Administration:** That is simple, efficient, cost effective and easily understood by taxpayers
2. **Accountability and Transparency:** Tax policies should be clear and there should be a direct relationship between taxes raised and local expenditures/services delivered (transparency)
3. **Neutrality:** It should not affect the way property owners use property or incent behaviour to avoid the tax
4. **Stability:** It should be a reliable and stable revenue for the municipality; the property tax is “non-elastic”; it should also be predictable for taxpayers
5. **Fairness:** It should achieve both horizontal and vertical equity principles
 - i. Horizontal equity; equal treatment -identical properties should be taxed similarly
 - ii. Vertical equity; unequal treatment –properties with higher values should pay more

CURRENT VALUE SYSTEM IN ONTARIO

- The Ontario system of property tax is based on assessing a property's "current value".
- "Current value" is the amount of money that the fee simple transaction would realize if sold on the open market at arm's length by a willing seller to a willing buyer .
- Property is assessed on the current use of the property and not its potential use.
- In estimating value, the assessor utilizes valuation approaches appropriate to specific property types and uses that are steeped in widely accepted appraisal theory.
- If the assessments that result are accurate and uniform, the equity principle will be satisfied.

TAX TERMINOLOGY

Tax Ratios

- The ratio that the tax for a property class must be in relation to the residential class tax rate (the tax ratio for the residential class is 1.00)
- Municipalities are limited by transition ratios and tax ratios range of fairness

Transition Ratios

- Prescribed by the Minister of Finance, used in certain circumstances (i.e. addition of a new tax class)

Range of Fairness

- Target levels of taxation prescribed by the Province for each property class
- Generally, a municipality cannot move its tax ratios away from the ranges of fairness
- The Minister of Finance has prescribed exceptions

Reduced Rates for Farm and Managed Forests Classes

- These classes are taxed at 25% of the residential rate
- Upper tier and Single tier municipalities can further reduce the farm property class to below 25%
- The Region of Niagara has not reduced the rate further

GOVERNMENT CONTRIBUTIONS

Payment in Lieu of Taxes (PIL's)

- Payments made by provincial and federal governments on certain properties that are exempt from property taxation because it is owned by those governments (i.e. Canada Post, LCBO, MTO etc.)
- They are calculated based on the assessment of land or based on a set amount (i.e. hospitals, universities and correctional institutions are calculated based on \$75 per bed, student or inmate)
- In 2018, PIL's accounted for \$14,283 of the tax levy

Grants and Subsidies

- Contributions made by provincial or federal governments to help a municipality meet costs of delivering services to residents
 - Conditional –for a specific program or service
 - Unconditional –can be used to pay for expenses as council decides
 - OMPF –389 municipalities shared \$510 million in unconditional funding in 2018. The Township's portion was \$525,000.

PROPERTY TAX SYSTEM STAKEHOLDERS

Provincial Government	<ul style="list-style-type: none">• Establish broad systemic policies and principles• Prescribe administrative details for the assessment and taxation of property• Set tax rates for education purposes
Municipal Property Assessment Corporation (MPAC)	<ul style="list-style-type: none">• Establish specific assessment practices and standards• Assign, update and defend property specific assessment values (current value assessment)
Municipal	<ul style="list-style-type: none">• Determine local revenue requirements• Set local tax policy within allowable parameters• Levy and collect municipal and provincial education property taxes
Taxpayer	<ul style="list-style-type: none">• Supply the property tax revenue• Systemic feedback in reaction to general and specific practices and/or outcomes• Drive market values
Assessment Review Board (ARB)	<ul style="list-style-type: none">• Adjudicates disputes and conflicts within the assessment and property tax system• Plays an interpretive role

MUNICIPAL PROPERTY ASSESSMENT CORPORATION

1. MPAC is responsible for assessing all real property in Ontario
2. MPAC's primary responsibility is to estimate the current value assessment (CVA) of property to serve as the basis of assessment, and to classify properties according to their use, for each of the over four million properties in Ontario
3. Current values are provided to municipalities on annual assessment rolls

MUNICIPAL PROPERTY ASSESSMENT CORPORATION

Responsibilities:

1. Prepare the assessment roll
2. Value and classify all property
3. Calculate/administer the assessment phase-in program
4. Handle taxpayer enquiries related to the assessment function and current value assessments
5. Process Requests for Reconsideration (RfR)
6. Defend assessment appeals before the ARB (based on MPAC's interests, not municipal interests)
7. Conduct municipal enumerations and maintain school support lists

MUNICIPAL PROPERTY ASSESSMENT CORPORATION

MPAC is NOT Responsible for:

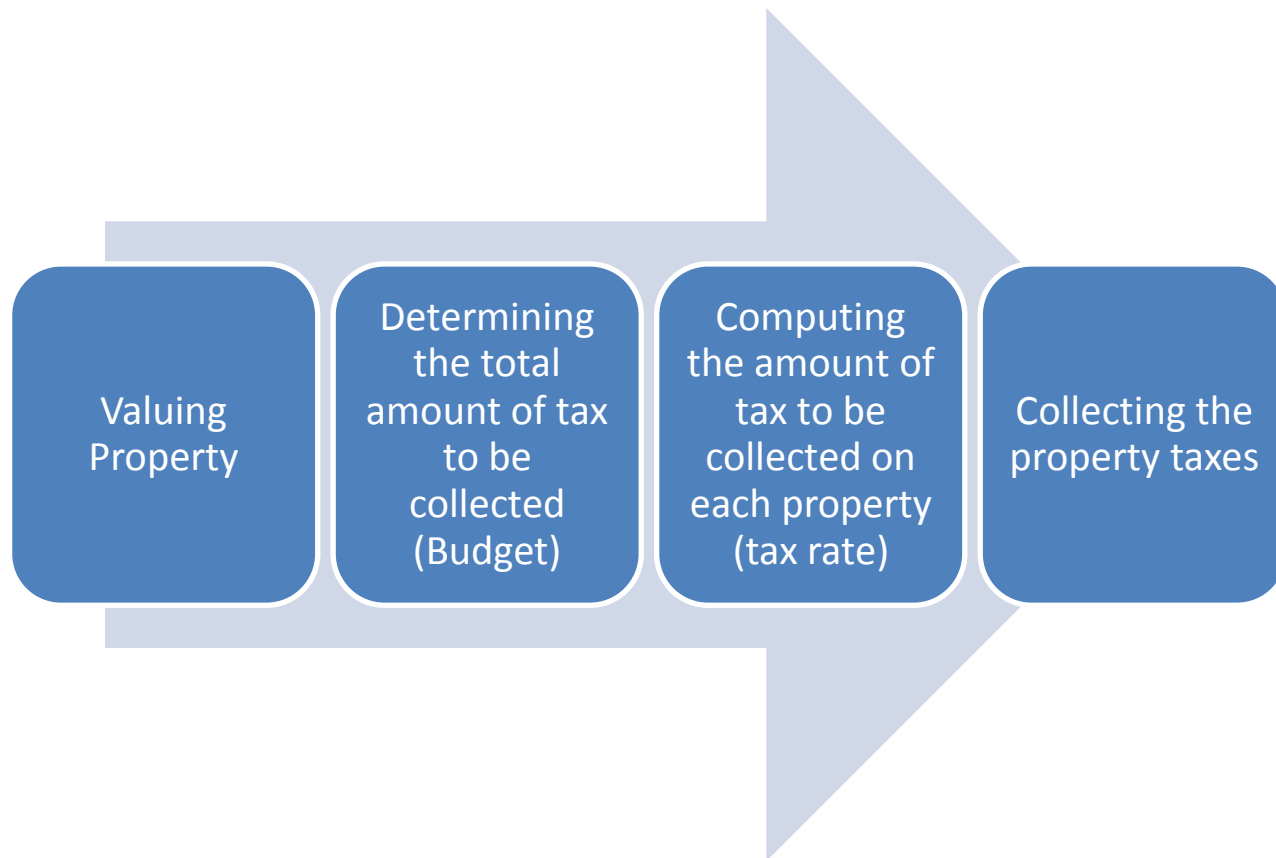
1. Determining assessment policy
2. Establishing tax policy
3. Intervening or getting involved in business related to property tax administration or tax collection
4. The administration of the appeal process
5. Representing municipalities before the ARB

ASSESSMENT REVIEW BOARD

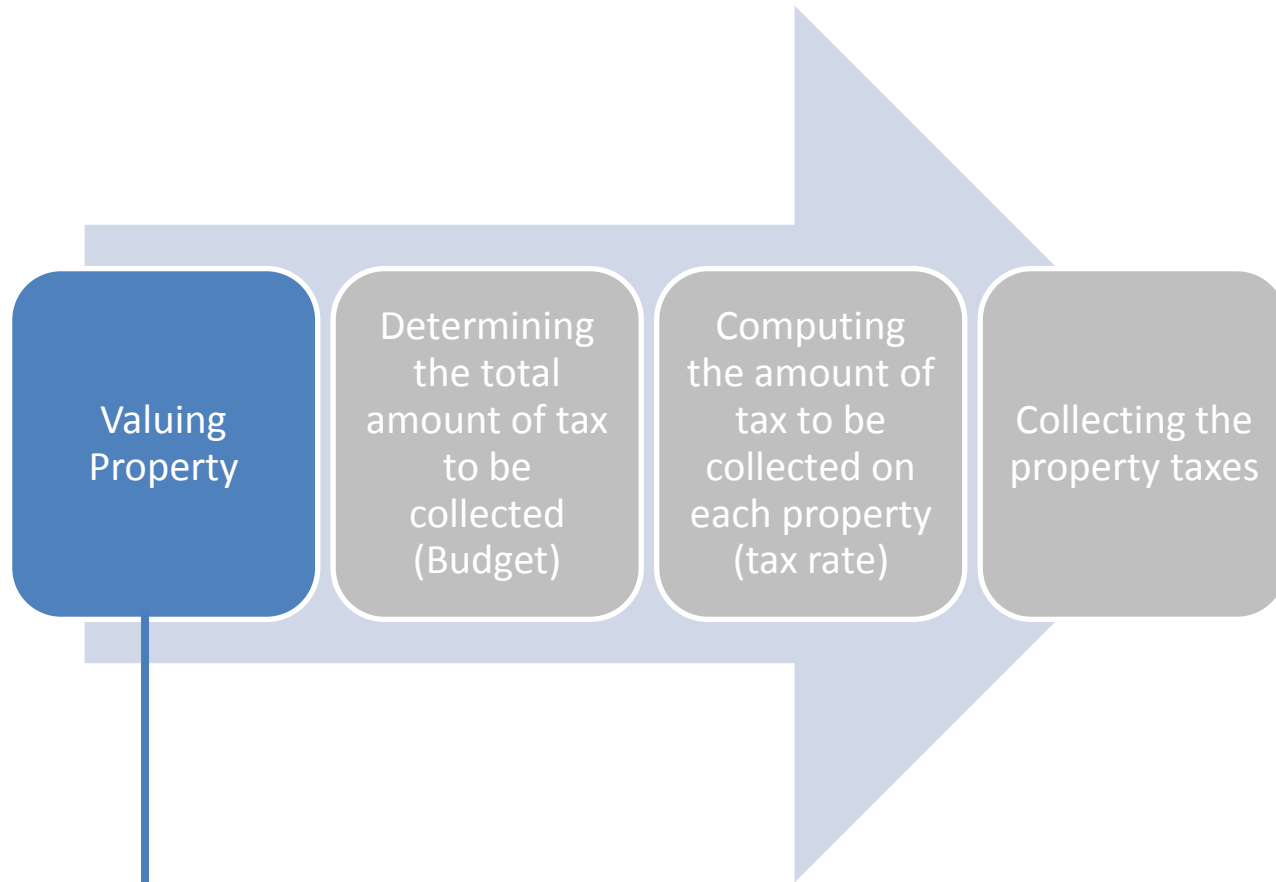
1. The ARB is the adjudicative body responsible for hearing property assessment appeals
2. It has the authority to change an assessed value or a property classification, and to interpret statutes and regulations related to these purposes
3. The Board's decisions are final and binding except on questions of law, which can be further appealed to the Ontario Court (General Division) Superior Court of Justice if the Court grants leave to do so
4. Board's activities are governed by the *Assessment Review Board Act* and the *Board's Rules of Practices and Procedure*

MUNICIPAL PROPERTY TAX

The tax paid on a property is based on:

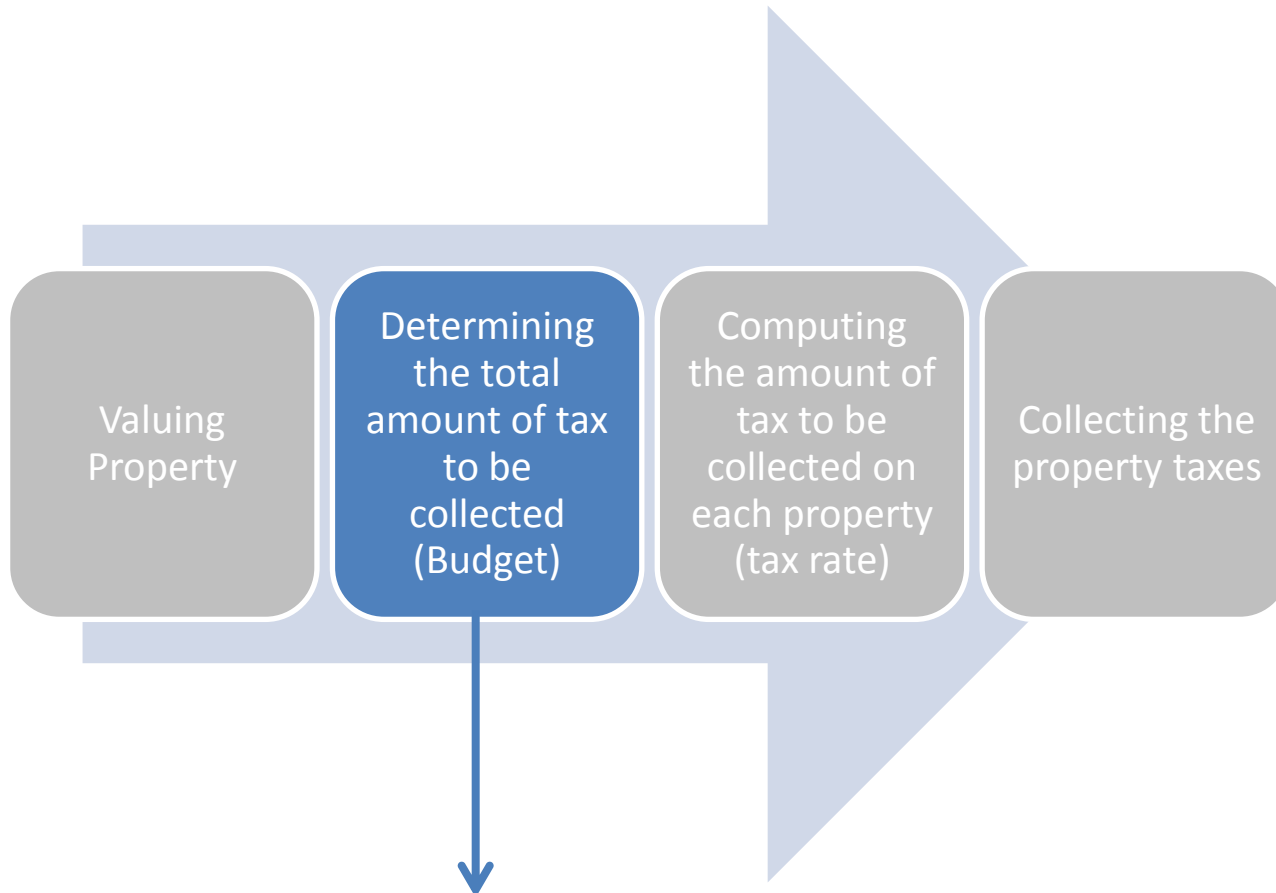


MUNICIPAL PROPERTY TAX



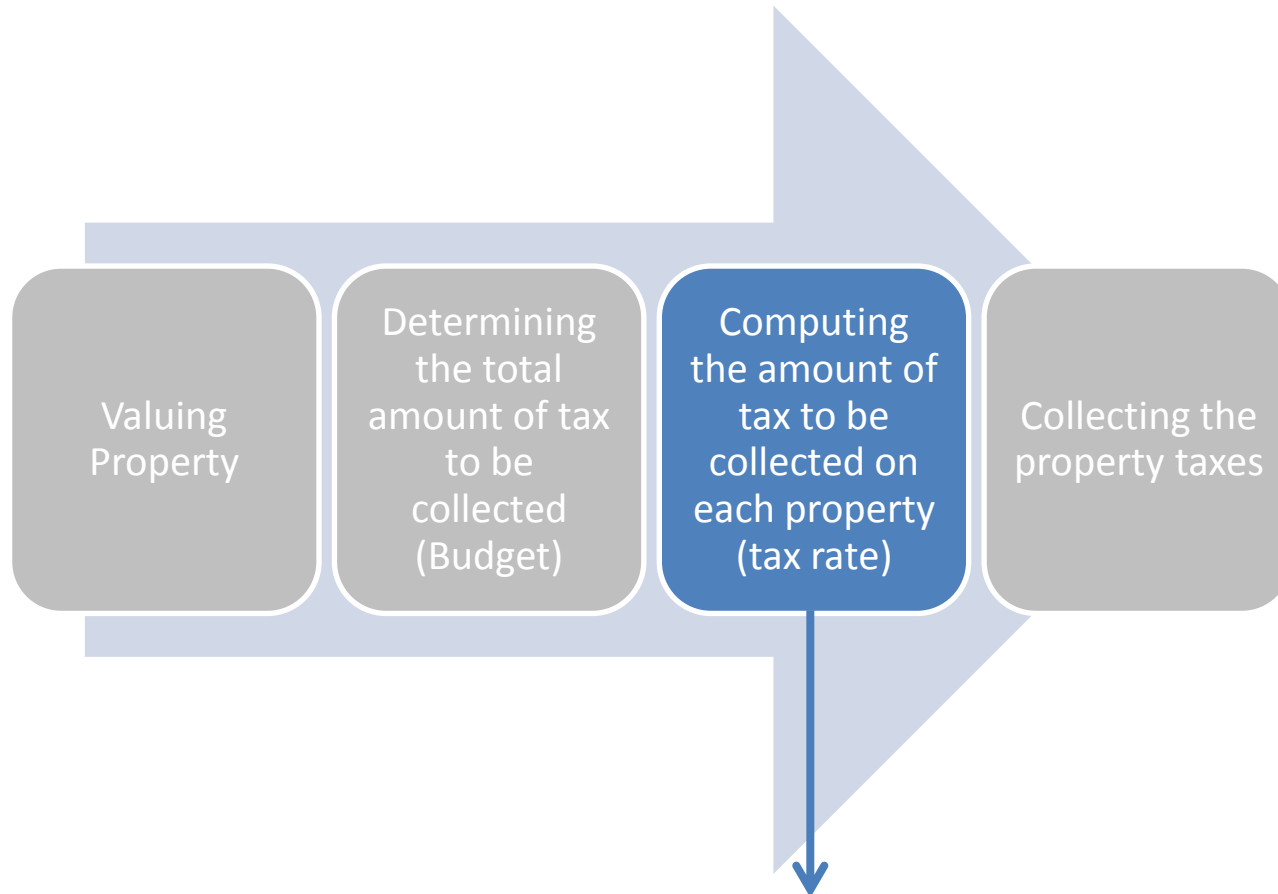
Valuing property is the responsibility of MPAC

MUNICIPAL PROPERTY TAX



Amount of tax to be collected = Expenses – Non-tax Revenues

MUNICIPAL PROPERTY TAX



This is the tax rate. Total tax to be collected / Total assessment value

MUNICIPAL PROPERTY TAX

The Tax Levy and Tax Rates

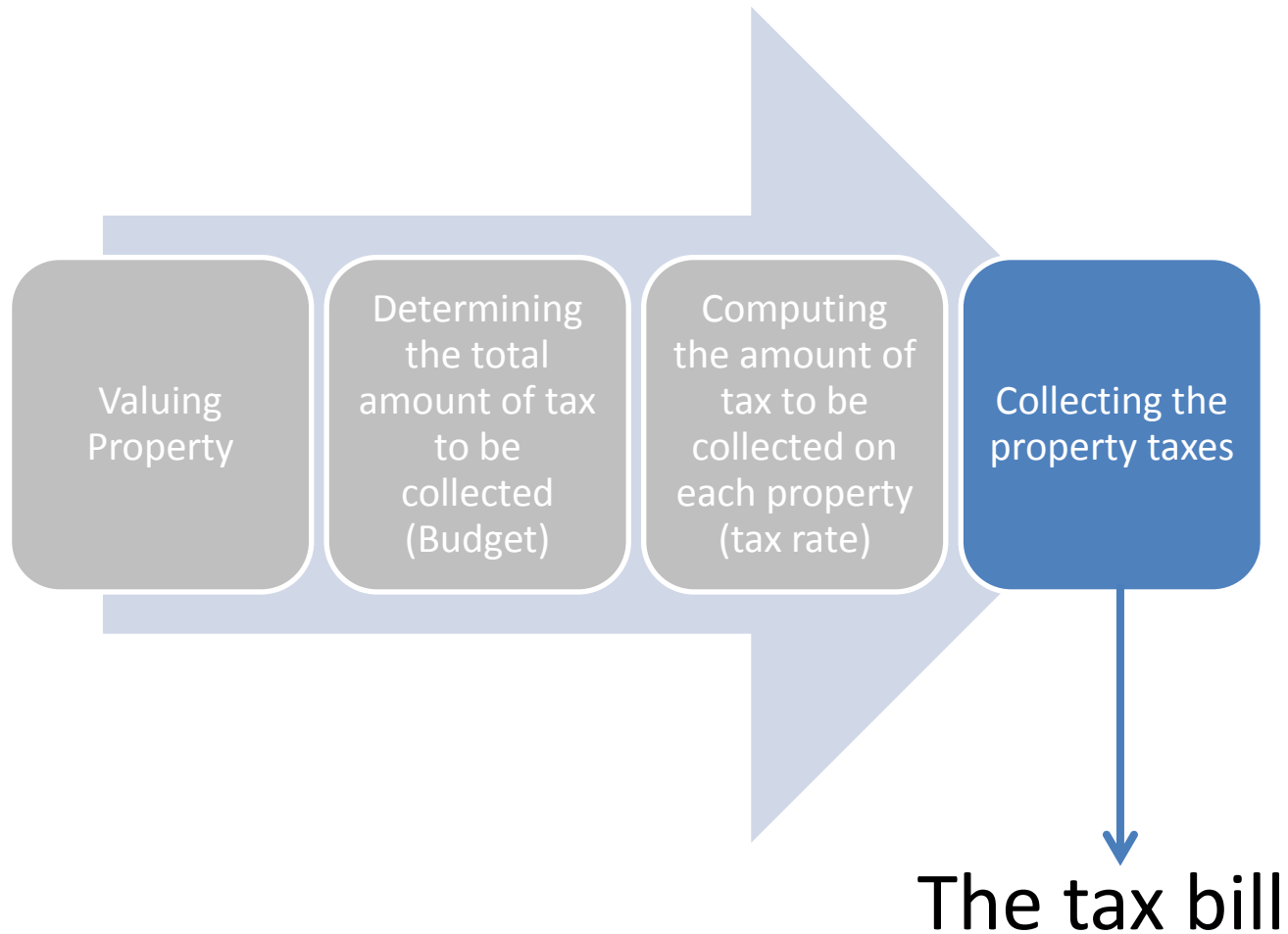
- The tax rate is a relationship between the tax levy and the total assessment for the municipality
- The annual levy amount is divided by the total assessment to give the tax rate

MUNICIPAL PROPERTY TAX

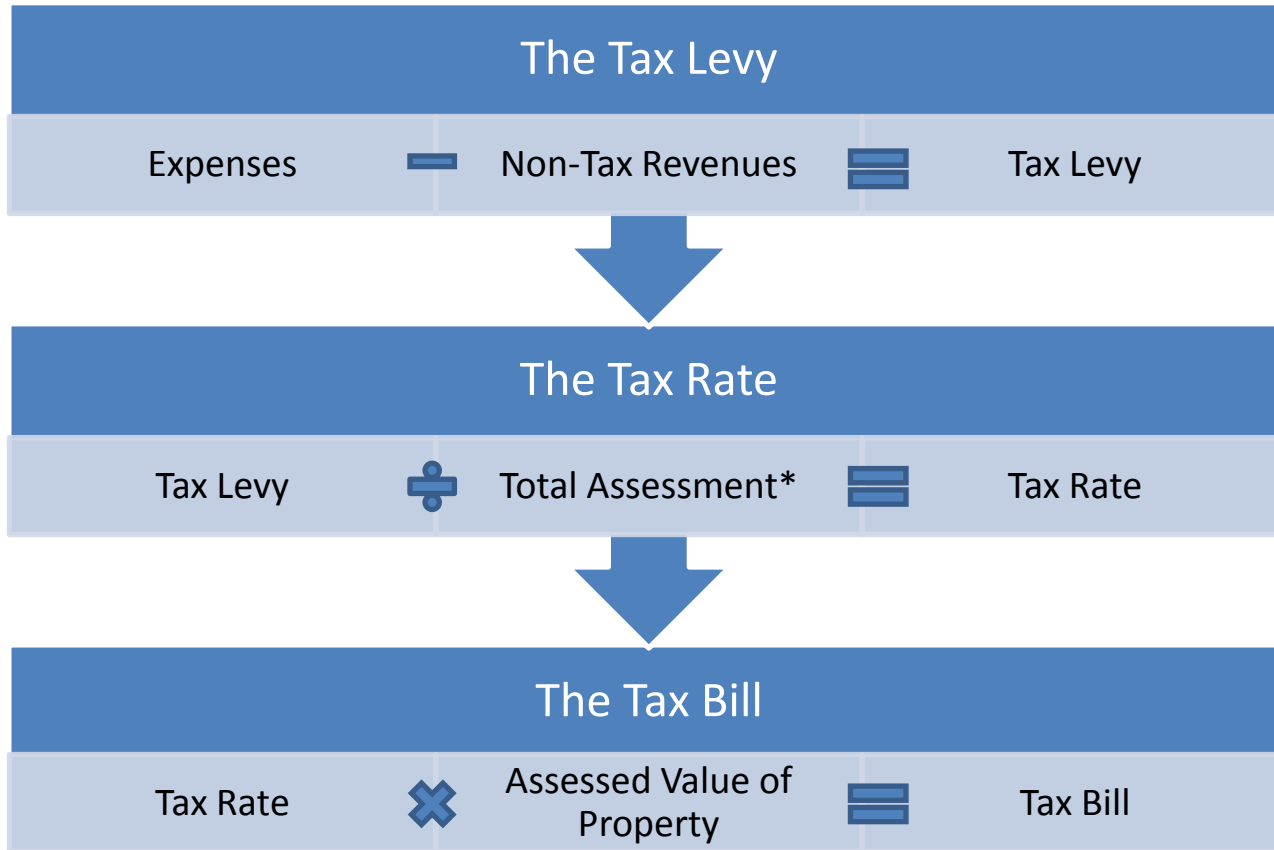
The Tax Levy and Tax Rates

- In Ontario, the tax system is structured so that a residential property bears a lower tax burden than non-residential properties
- This is achieved through a system of variable tax rates which favour residential and farm property over other non-residential classes
- Ontario uses tax ratios to achieve its variable tax rate system
 - The tax rate for each class is expressed as a ratio in relation to the residential property class, with the residential class being 1.
 - Assessment for each class is therefore “weighted” based on the tax ratio.

MUNICIPAL PROPERTY TAX



MUNICIPAL PROPERTY TAX

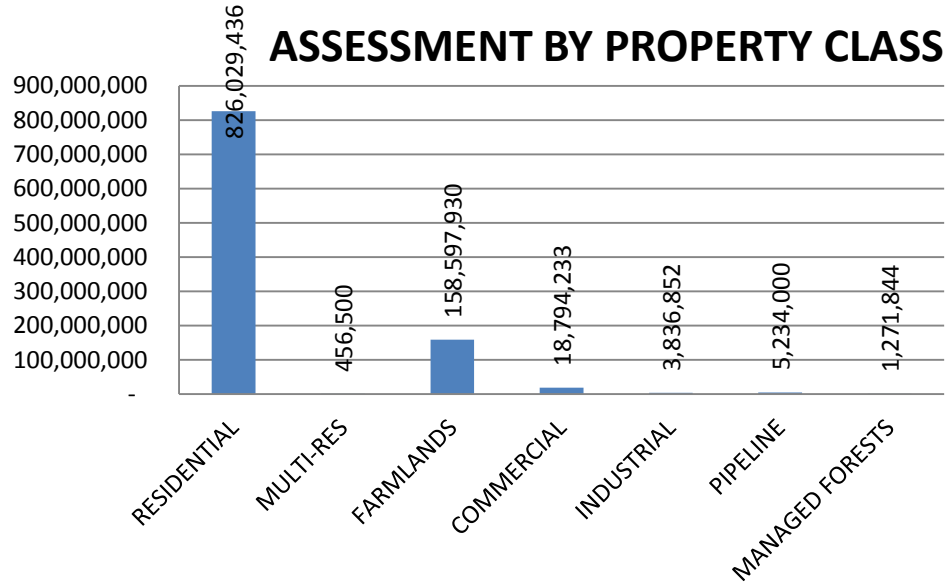


* Weighted assessment (tax ratios)

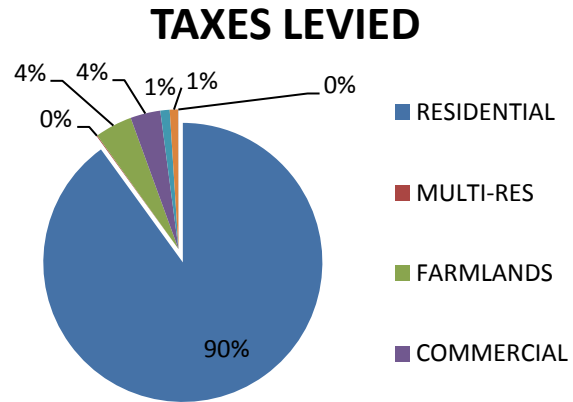
ASSESSMENT AND TAX BILLING

2018 Total
Assessment Base:
\$1,053,824,224

Exempt
Assessment:
\$38,079,279



- The finance department prints approximately 3,780 bills during each of the interim and final tax billing cycles. In addition, supplementary and omitted assessments are generally received 3-7 times per year for tax billing purposes.



DEVELOPMENT CHARGES

Purpose:

- To recover some of the capital costs associated with residential and non-residential growth within the Township
- These capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. Internal roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act

DEVELOPMENT CHARGES

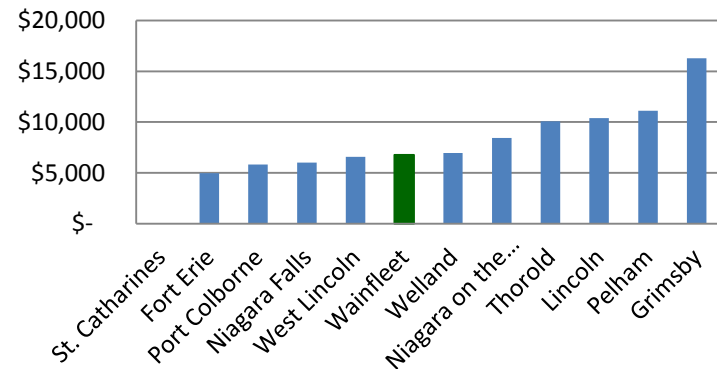
DC bylaw:

- Passed 2016, expires 2021

DEVELOPMENT CHARGES

- Limited types of projects on which we can spend these reserves
- Township's by-law was reviewed in detail and passed in 2016 and will now remain in effect for 5 years, therefore it is due for renewal in 2021.
- 50% of DCs
- Schedule of DC rate comparisons to those of our neighbours show that our rates are competitive.

Residential Development Charges



Municipality	Residential	Per sq ft	
		Commercial	Industrial
Fort Erie	\$ 4,980	\$ 1.74	\$ -
Grimsby	\$ 16,288	\$ 3.14	\$ 7.04
Lincoln	\$ 10,385	\$ 5.32	\$ 5.32
Niagara Falls	\$ 5,996	\$ 1.52	\$ 1.52
Niagara on the Lake	\$ 8,443	\$ 5.51	\$ 5.51
Pelham	\$ 11,097	\$ 1.96	\$ 1.96
Port Colborne	\$ 5,817	\$ 1.52	\$ 1.52
St. Catharines	\$ -	\$ -	\$ -
Thorold	\$ 10,080	\$ 4.22	\$ 4.22
Wainfleet	\$ 6,769	\$ 3.35	\$ 3.35
Welland	\$ 6,956	\$ 5.32	\$ 5.32
West Lincoln	\$ 6,567	\$ 0.94	\$ 0.94

ASSET MANAGEMENT PLANNING

- The process of making coordinated decisions regarding the building, operating, maintaining, renewing, replacing, and disposing of infrastructure assets
- Need to consider the municipality's infrastructure assets and objectives, current and proposed levels of infrastructure service and life-cycle of the assets and then develop a financial strategy
- Legislation requirements (came into force January 1, 2018) include a 6 year phased in approach (from 2019 to 2024)
- The Township adopted an asset management plan in 2013
- Staff is currently in the process of updating the asset management plan with the assistance of a consultant

ASSET MANAGEMENT PLANNING

Timeline

- **July 1, 2019** –A strategic asset management policy must be developed
- **July 1, 2021** –A phase one asset management plan must be developed that identifies current levels of service for core infrastructure assets
- **July 1, 2023** –The phase two plan builds on the phase one plan to include current levels of service for all remaining infrastructure assets
- **July 1, 2024** –The phase three plan is the final plan that builds on phase one and two and must include the proposed levels of service for all infrastructure assets, as well as a life-cycle management strategy and financial strategy with respect to the assets

DEBT MANAGEMENT

- Generally, a municipality may not commit more than 25% of its total own-purpose revenues to service long-term debt without first obtaining permission from the Local Planning Appeal Tribunal (LPAT)
- The limit is referred to as the Annual Repayment Limit (ARL)
- The ministry calculates the ARL annually using data submitted in the Financial Information Return (FIR)
- Prior to Council authorizing new debt, the Treasurer is required to update the ministry-determined limit to ensure that there is capacity

DEBT MANAGEMENT PHILOSOPHY

- Debt practices should be responsive and fair to the needs of both current and future taxpayers and will be reflective of the lifecycle of the asset.
- The term of borrowing will not extend beyond the life of the asset.
- Decisions will take into consideration the recommendations of various Council approved plans, such as the Strategic Plan, Official Plan, Recreation Master Plan, Fire Master Plan or any other Council approved plan.
- Development Charge debt will be guided by the *Development Charges Act, 1997* or other applicable legislation as it arises.

DEBENTURE BALANCES

Project	Year of Issuance	Year of Maturity	Interest Rate	Outstanding Balance
Airport capital projects	2017	2019	2.00%	\$ 6,119
Fire Truck	2013	2020	4.50%	\$ 40,000
Fire Tanker Truck	2018	2023	2.76%	\$ 250,000
Streetlights	2017	2020	2.00%	\$ 36,660
Leased equipment - photocopiers	2014	2019	various	\$ 6,034
Tile drain	2012	2021	6.00%	\$ 15,653
				<u>\$ 354,466</u>

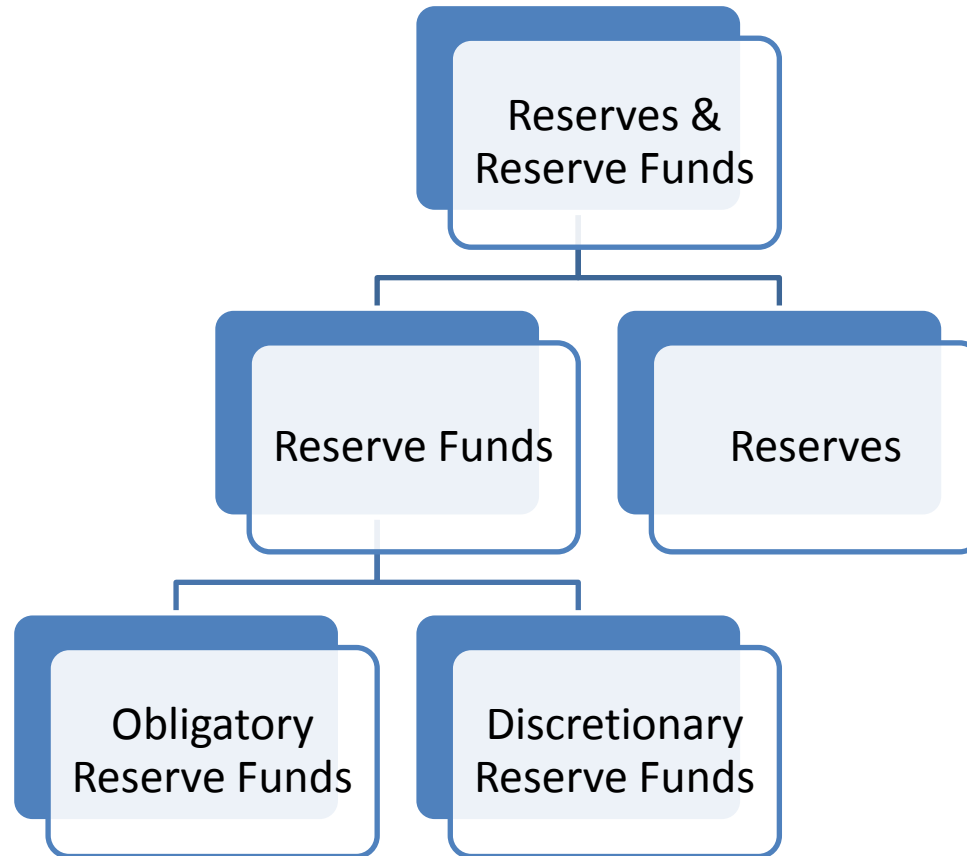
Annual Repayment Limit (ARL) - is the maximum amount that a municipality can pay in principal and interest payments in the year for long-term debt.

The Township's ARL for 2018 was \$1,437,368.

The ARL is calculated as 25% of net revenues less net debt charges.

Total Future Payments for Issued Debt			
Year	Principal	Interest	Total
2019	\$ 100,892	\$ 10,285	\$ 111,177
2020	\$ 95,042	\$ 7,281	\$ 102,323
2021	\$ 55,532	\$ 4,414	\$ 59,946
2022	\$ 51,000	\$ 2,833	\$ 53,833
2023	\$ 52,000	\$ 1,456	\$ 53,456
	<u>\$ 354,466</u>	<u>\$ 26,269</u>	<u>\$ 380,735</u>

RESERVE FUND MANAGEMENT



RESERVE FUND MANAGEMENT

Reserves

- Are an allocation of accumulated net revenue
- They are not associated with any specific asset
- They are generally used to mitigate the impact of fluctuations in operating costs and revenue
- Examples include reserves for elections, winter control

RESERVE FUND MANAGEMENT

Reserve Funds

- Are segregated and restricted to meet a specific purpose
- Monies set aside either by a by-law of the municipality or by the requirement of provincial legislation
 - Obligatory Reserve Funds
 - Are created whenever a **provincial statute** requires revenue received for special purposes to be segregated from the general revenues of the municipality
 - Can only be used for their prescribed purpose
 - Examples include Development Charges, Cash in Lieu of Parkland, Gas Tax
 - Discretionary Reserve Funds
 - Are established based on **council direction**, to finance future expenditures
 - Examples include equipment replacement

RESERVE FUND MANAGEMENT

Reserve Management Philosophy

- Long term financial sustainability will require saving for future capital asset lifecycle and replacement investments.
- Reserves should be used judiciously to manage debt levels. They may reduce the need to issue debt.
- Contributions to and draws from the reserves can be 'smoothed' to provide a predictable impact on the tax levy.
- Reserves can also protect municipalities against non-capital long term liabilities and external shocks.

RESERVE & RESERVE FUNDS

- Reserve and reserve funds are established by Council to assist with long term financial stability and financial planning.
- Funds are set aside to help offset future obligations and pressures.
- Funds are drawn upon to finance specific expenditures as designated by Council, to minimize tax rate fluctuations and to fund ongoing projects and programs.

	December 31, 2017	
<u>Reserves</u>		
Working Funds	\$	800,000
Insurance	\$	160,000
Infrastructure Levy	\$	770,803
Excavator	\$	114,800
Public Works (Equipment)	\$	577,176
Public Works (Winter Control)	\$	150,000
Emergency Reserve	\$	100,000
Building Permit	\$	85,876
Fire	\$	134,304
Fire Points	\$	107,118
Fire Donations Specific Purposes	\$	7,936
Library	\$	89,396
Election	\$	41,432
Capital Roads	\$	140,129
Planning	\$	110,000
General Reserve	\$	396,019
Capital WIP	\$	121,000
Airport	\$	1,131
Total Reserves	\$	<u>3,907,121</u>
<u>Reserve Funds (Obligatory)</u>		
Development Charges (All Funds)	\$	282,485
Parkland	\$	41,128
Total Reserve Funds	\$	<u>323,613</u>

CURRENT TRENDS, ISSUES and PROJECTS

- Trends
 - Reduced federal and provincial funding (gas tax, Ontario municipal partnership fund (OMPF))
 - Changes to financial reporting standards (Public Sector Accounting Board)
- Issues
 - Infrastructure gap
 - Rising costs of materials and services
 - Residential tax burden
- Projects
 - Asset management plan and policy
 - Increased/improved financial reporting
 - Developing Long term capital budget and strategy
 - Update financial policies and procedures