
Committee Members

Councillor J. Baker, Chair
Councillor L. Journal
Councillor J. Fullarton
Mayor D. Henderson,
Ex-Officio

Areas of Responsibility:

Finance

Clerk's Office

Human Resources

Legal

Joint Services Committee

Safe Communities

Coalition

Volunteer Awards

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CONSENT AGENDA

MOTION TO MOVE INTO CLOSED SESSION

Pursuant to Section 239(2)(e):

litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.

To Sandy Seale,

Please find attached a new proposal for Council's consideration. I have included as many details as possible and would ask to be put as a delegate at the next appropriate meetings. This would include Operations or Finance next week and as a delegate the following week at City Council. Please contact me if you have any further questions.

Sandy could you please attach my original letter sent to the Operations Committee back in May. Thanks

Jason MacDonald

To the City of Brockville,

As directed by the Operations Committee, I have consulted with the Parks and Recreation Department and various stakeholders to report back to council my business plan to proceed with my proposed summer company project. This will be a concession stand at the Brockville Civitan Skatepark. This business is a venture between me and the Leeds and Grenville Small Enterprise Bureau and the Summer Company program.

This letter will serve to outline my plan for "Big Snack's" concession stand at the Brockville Civitan Skate Park. I will be using one of DBIA's winter skating rink sheds as a store front. This is approximately an 8' x 10' framed building. Rob Hunter has confirmed that I may use the equipment from the DBIA pending proof of insurance. All costs to float in shed and remove will be at my expense. I will also be removing all my own refuse and recyclables from the site.

I will be looking to operate between the hours 10:00 am to 9:00 pm daily from June 15th, 2009 to August 31st, 2009, with breaks and setup and tear down as needed. I have extended these hours to allow me to employ another returning student who will help me in the day to day operation of the company and be getting experience for her future college course. I will be offering an assortment of carbonated beverages, fruit juice, water, chocolate bars, chips, candy and gum. All the items being offered are pre packaged and require no preparation from myself. I have spoken to and received requirements from the Health Unit(in writing) to facilitate my needs. This includes having cleaning supplies on site for surfaces, wet naps for cleaning hands and a source of potable water. I feel I can adequately meet these requirements.

I have spoken to Vineyard Grill, who currently have the contract for concessions at the Memorial Centre and we have made an agreement that I may operate on the grounds except for the dog shows held at the centre and ball tournaments at Goldie Christopher.

At the onset of the venture I will be relying on ice to chill my drinks and hope this will be enough for my clients. If my requirements exceed the power of ice I have spoken with Valerie Harvey with regards to using a small generator to power a fridge to be supplied by Coca Cola. Now all this talk of power must be garnering some concern so I have spoken with Greg Healey from the B.F.D and the department has told me that they will require an ABC fire extinguisher to be onsite. I have priced this and will have at the stand. I have written confirmation from the B.F.D. regarding my proposal

Lastly there is the portion of insurance/liability and rent. I have received a quote from State Farm to have \$2 million dollars of liability coverage, \$2500 damage and \$2500 fire/theft protection. I have amended the policy to include the City of Brockville as an additional insured. I have consulted with Parks and Recreation and agreed to pay rent in the amount of \$100 dollars per month or part thereof.

I hope I have met all of Council's needs in this letter and would ask that if anyone has any questions to please feel free to contact me anytime at 613-349-6074. I am very excited about this opportunity and hope that the experience will benefit my staff and I in our future education goals being met. Thank you very much in advance for your consideration.

Jason MacDonald

Attached: Original letter presented to Operations Committee on May 20th, 2009

PHONE: 613.345.1401
FAX: 613.345.1402
WEBSITE: www.fordelectric.ca

820 Stewart Blvd.
Brockville, ON
K6V 5T4

Ford Electric (Brockville) Company Limited

Proven Quality Since 1919
ELECTRICAL CONTRACTORS AND SUPPLIES

June 9th, 2009

ATTN: Jason MacDonald
Memorial Centre Skate Park
Brockville, ON
(W) 613-349-6074
JMacdonald75@cogeco.ca

Re: New underground feed for canteen @ Skate Park.

Please accept this as our price for the supply, installation and electrical safety inspection of the following items.

- New 30 amp 125/250V underground feed for skate park
- Trenching and sand for teck cable
- 4X4 outdoor post for outdoor feed junction box
- SOW cable from junction box to canteen panel
- Connection in existing panel in memorial centre reception hall area

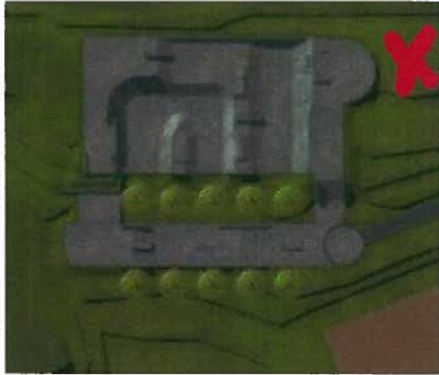
Our price is **\$1995.00 GST extra (nineteen hundred and ninety five dollars plus GST).**

Price Valid for 15 days.

Not included: extras
New sub panel for memorial centre
Grass seed for trench area

Ford Electric (Brockville) Ltd. prides itself in using only top quality products for every job we do and we take pride in giving you a neat and safe finished product. ***You will not be disappointed in our workmanship, we guarantee it.*** We truly appreciate this opportunity to be of service and we thank you for your interest in **Ford Electric Ltd.**

Kind Regards,
David Bouwers
Ford Electric (Brockville) Co. Ltd.
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This is a picture of the Brockville Civitan Skatepark. It includes the second phase as well. We currently have the top portion of the drawing at the park.

The site where I would like to place my concession stand is in the top right corner of the image. Marked by an X. I will be using a surplus hut from the DBIA.

It is approximately 45M from the east wall of the Memorial Centre. There is a utility room with electrical panels here.

I have spent some time with Ford Electric and re-worked the quote to save as much as possible. I am asking the city to consider investing in this expense. It would amount to \$_____. Attached is the quote for your consideration. This power is necessary for me to be successful and will benefit the city by:

- Having a source of power there for future lighting requirements
- Allowing a business like mine or one to take over in the future and maintain service to the park
- Ample power outdoors for any outdoor events such as skate shows, concerts, etc.

If unable to obtain power I do not feel I will be able to proceed with my venture. The recommendation to use ice blocks or ice chips is cost prohibitive in numerous ways. I would need to purchase bags or blocks every day. The blocks alone would take up most of the cooler space so I could not cool many drinks at one time. I would then have to bring my stock home or somewhere to store every night to keep it cold. The alternative is bringing ice there at night and again at more cost. I will have some chocolate bars and they will melt in the heat. I can keep them in a fridge if there was power. I will be willing to pay for the power or work to have it incorporated into the \$100 already being charged.

To ease some concerns. This capital expense will not be removed when I leave the business and will be available for other uses down the road as mentioned above. A future benefit to the City.

I plan to have a commercial fridge supplied by Coca-Cola, another fridge freezer combo, a stereo, the existing light in the hut, an outlet used for my laptop to track business transactions, and an outlet used to plug in cell phone when necessary to charge. I have been told that it would not be more than \$25 dollars a month worth of hydro drawn but would be open to suggestion from council on how they would recover usage of the power.

Future benefits of having this power line being brought outside, was mentioned for lighting. This would be good for the skate park and as well as the east wall of the memorial centre where people walk (ball players) after turning out the lights at 9:00 and 10:30, and it is dark, they walk to their cars in darkness. Lights on timers set to go off at 11:00 would signal end of use and most would be finished from baseball as well.

Attached: Original Letter to City, Second Letter to City, Original Ford Electric Quote, New Ford Electric Quote, Points to Consider Document

POINTS TO CONSIDER FOR APPROVING BIG SNACKS

- **POWER SUPPLY**
 - Generator will cost \$1500 plus gas daily to operate
 - Ice could cost in excess of \$15 dollars a day
 - Draw of power with proposed equipment would be no more than \$25/month
 - Drinks as well as chocolate could remain cool for customers enjoyment
 - Would allow for music to be played and an atmosphere created
 - Possible future site for lighting of skate park
 - Lighting of east wall could be accomplished here as well (hazard for ball players)
 - Better vantage point for surveillance camera placement
 - Power for DVR system to record surveillance feed
 - Availability to charge cell phone for emergency use as outlined in proposal
 - Justification for rental charge being applied by City
 - Power will allow business to operate generating a profit
 - Power there for future activities such as skate show, concerts, etc.
- **BENEFITS OF BIG SNACKS**
 - On site Standard First Aid trained staff
 - Cell phone will be there to call for EMS if required
 - Mature presence that would deter negative behaviour
 - Brockville's youth get appropriately targeted service for their needs

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Re: New underground feed for canteen @ Skate Park.

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- Connection in existing panel in memorial centre reception hall area

Our price is **\$1,195.00 GST extra (eleven hundred and ninety five dollars plus GST).**

Price Valid for 15 days.

Not included: extras
New sub panel for memorial centre

Ford Electric (Brockville) Ltd. prides itself in using only top quality products for every job we do and we take pride in giving you a neat and safe finished product. ***You will not be disappointed in our workmanship, we guarantee it.*** We truly appreciate this opportunity to be of service and we thank you for your interest in **Ford Electric Ltd.**

Kind Regards,
David Bouwers
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To the City of Brockville,

Good day, my name is Jason MacDonald. I am a returning student about to embark on a business administration diploma through Algonquin College. I have found the Summer Company program and am very interested at trying my hand as a business owner/operator.

The business I would like to open is a small concession stand similar to the ones found at the new skating rink at Hardy Park. My concession stand would service a different location though. I would like to be located at the Brockville Civitan Skatepark. I feel this would be a great addition to the park and here is why:

1. There is no regular concession stand operating providing drinks and snacks to the skaters.
2. There is no supervision at the park to deter vandals or prevent violence.
3. As a nursing student I could act as a first responder with Standard Level First Aid and CPR. As well there would be an emergency phone on site.
4. There would be a mature presence at the park able to mediate between younger kids wandering over from baseball games and the regular park users.
5. A livelier site could be attained with the addition of music being played from the stand.
6. Volunteer opportunities may become available for youths to complete Ministry of Education mandated hours for O.S.S.D.

I truly believe that there are a number of benefits to this stand and feel that it would provide comfort to those parents with younger children who would like to use the park. I am currently looking into existing concession stand contracts within the Memorial Centre to find out if I can operate at the Park.

My only requirements for the project may be the use of power from the memorial centre if possible. I will be constructing the hut from funds in the summer company start up account. I will stock the stand from a local retailer (Ritchies) and with the City's permission may be able to incorporate the use of a hot dog cart.

My hours of operation will be mainly day time. I would like to be open from about 11 AM to 7 PM, 7 days a week. Obviously budgetary constraints may not allow for this but it is the goal.

I would like to thank the Council in advance for their consideration of this proposal. Feel free to contact me with any questions you may have at either 613-349-6074 or jmacdonald75@cogeco.ca

Jason MacDonald

June 9, 2009

REPORT TO FINANCE & ADMINISTRATION COMMITTEE – JUNE 17, 2009

**2009-083-06
2009 TAX RATIO OPTIONS
FILE: F22-42D**

**D. CYR
DIRECTOR OF FINANCE
M. MCDONALD
FINANCIAL ADMINISTRATIVE ANALYST
D. SMITH, TAX COLLECTOR**

RECOMMENDATION

That Council authorize the tax ratios for all classes as per the attached schedule for the 2009 tax year; and

That Council authorize the By-law to set the tax ratios for all classes for 2009. [Attachment #5 to Report 2009-083-06].

PURPOSE

As per Section 308 of the Municipal Act, Council must authorize a by-law each year to establish the tax ratios for that year for the municipality.

BACKGROUND

The municipal portion of the tax rate of each property class is set in relation to the residential class. The residential ratio is always 1. If the commercial municipal tax rate is twice that of the residential, then the commercial ratio is 2. For 2008 the City of Brockville's commercial ratio was 1.9785 times the residential rate.

In 1998 when assessment and taxation reform was introduced, the Province provided transition tax ratios. The initial ratio was a reflection of the tax burden of each property class prior to tax reform. It kept the taxes expected from each class "status quo". Since 2009 is a reassessment year, the Province is allowing municipalities to introduce new transition ratios to avoid tax shifts due to reassessment.

Single tier municipalities and upper tier municipalities have the ability to change tax ratios. A change in the ratio of any property class will shift the tax burden borne by all property classes.

ANALYSIS

The City can choose to introduce new transition ratios to neutralize the effects caused by reassessment. Attachment #1 to Report 2009-083-06 is a table that shows the class shift if the ratios remain the same as 2008, and the revenue neutral ratios and related class shift. It is extremely important to note that adopting the neutral ratios will

bring our commercial and industrial ratios above the Provincial average. If these classes are above the provincial average there would be levy restrictions placed against these classes. This means that only 50 percent of any municipal increase could be passed along to these classes. For instance, if the City levied a 2 percent increase only 1 percent of this increase could be applied to the commercial and industrial classes; the balance of the levy increase would have to be collected from the other classes.

A new property tax class of "new multi-residential", with a ratio of 1 (the same as residential) was established September 25, 2007. This class was adopted in support of the New Canada-Ontario Affordable Housing Program. At this time there are no properties in this class.

At the same time, Council agreed to review the "regular" multi-residential property class annually and phase in a ratio reduction over several years that would bring the existing multi-residential properties from a ratio of 1.85 (the 2007 ratio) to 1. In 2008 the multi-residential ratio was reduced to 1.8.

Attachment #2 to Report 2009-083-06 illustrates the effect on the municipal tax rates, both notional and actual, and total taxes (municipal and education) by changes to the ratio for the multi-residential property tax class.

At this time Brockville is below the Provincial average (as defined by the Ministry of Finance) for the commercial property class but we are just below. The Provincial average is 1.98 whereas the City of Brockville is 1.9785 or .075% below the average. A reduction in this ratio would assist Brockville in being more competitive with other municipalities.

Attachment #3 to Report 2009-083-06 illustrates the effect on the municipal tax rates, both notional and actual and total taxes (municipal and education) by changes to the ratio for the commercial property tax class.

Attachment #4 to Report 2009-083-06 is a combination of adjustments to both the multi-residential and commercial tax rates.

Effect on Comparison of Tax Rates for Comparative Ontario Municipalities

Attachment #5 to Report 2009-083-06 is a comparison of 2008 tax rates for Ontario municipalities, which has previously been presented to Council. Please note that a 2009 analysis is not yet available but will be reported to Council later in the year.

Based upon the eleven comparative municipalities established by Council, Brockville's rankings per property class for 2008 versus if the ratios for the multi-residential and commercial classes are each reduced by 1% is shown in the chart below.

| Tax Class | 2008 Ranking out of 11 Comparative Municipalities (lowest to highest) | Est. Ranking if Reduce Ratios for Multi-Residential and Commercial Classes by 1% (lowest to highest) |
|-----------------------|--|---|
| Residential | 6 th | 6 th |
| Multi-Residential | 3 rd | 2 nd |
| Commercial – Occupied | 8 th | 6 th |
| Industrial – Occupied | 4 th | 4 th |

Effect on Joint Services Costs

As many of the formulas for Joint Services Costs (JSC) use weighted assessments, the reduction in the tax ratios will assist in reducing the City's JSC – depending upon what, if any, adjustments the partner municipalities do to their own tax ratios.

FINANCIAL CONSIDERATIONS

The Provincial Government has decreased the education tax rates for all property classes in 2009. They have also lowered the new construction rates (introduced in 2008) from 1.6% to 1.52%. These reductions in the education rate along with the assessment growth for Brockville will help to mitigate any tax shift cause by municipal tax ratio changes.

There is no financial consideration to the City of Brockville's budget. The same amount of taxes will be collected but shifted from one class to another.

CONCLUSION

The tax ratio is one of the components necessary for setting the annual tax rate. The Province has given single tier municipalities some input into determining their tax ratios. This allows individual municipalities the flexibility they need to influence the impacts of reassessment being attentive of the provincial rules with regards to levy restrictions and tax shifts as well as to be economically competitive.



D. Smith, Revenue Accountant

M. McDonald, Financial Administrative Analyst

D. Cyr, Director of Finance

B. Casselman, City Manager

2009 Tax Ratios--Tax Shifts Caused by Reassessment

| Property Classes | | # of Properties | Current Ratios | Tax Shift @ Current Ratio | Revenue Neutral Ratio | Tax Shift @ Neutral Ratio | |
|--------------------------|----|--------------------|-------------------|---------------------------------|-----------------------------|---------------------------------|--|
| Residential | x | 7,821 | 1.000000 | 93,030 | 1 | 15 | |
| Farm | x | 4 | 0.250000 | (12) | 0.25 | (16) | |
| Managed Forests | x | 1 | 0.250000 | 3 | 0.25 | 3 | |
| Multi-Residential | | 84 | 1.800000 | (11,544) | 1.821132 | (1) | |
| Commercial | xx | 521 | 1.978500 | (36,029) | 2.002533 | 4,444 | |
| Commercial Vacant/Excess | xx | 78 | 1.384950 | (5,317) | 1.401773 | (4,445) | |
| Industrial | xx | 40 | 2.627561 | (39,359) | 2.694677 | (1,476) | |
| Industrial Vacant/Excess | xx | 43 | 1.707915 | 695 | 1.75154 | 1,475 | |
| Pipelines | | 4 | 1.813224 | (1,467) | 1.84444 | - | |
| | | 8,596 | | | | | |

WARNING
A change to revenue neutral ratios would put our commercial & industrial classes over the Provincial average. These classes would then be subject to levy restrictions.

x the ratio cannot be changed on these classes

xx In 2003 municipal ratios reduced and successfully petitioned province to match our reductions for education rates. Rates declined by 9.04% and 43.93% and resulted in tax savings to commercial and industrial representing \$4.15 million

Comparison of Reducing Tax ratio for the Multi-residential Property class

| <u>1.80 Multi-Residential Tax Ratio (No Change)</u> | | | | | |
|---|--|--|---|--|--------------------|
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 5.27 | -1.95 | \$ 1,624.36 | \$ 1,585.84 | \$ (38.52) -2.37% |
| Multi-Residential | 5.27 | -1.95 | \$ 2,712.64 | \$ 2,652.91 | \$ (59.73) -2.20% |
| Commercial | 5.27 | -1.95 | \$ 4,929.21 | \$ 4,777.86 | \$ (151.35) -3.07% |
| Industrial | 5.27 | -1.95 | \$ 5,846.99 | \$ 5,690.50 | \$ (156.49) -2.68% |
| <u>1.782 Multi-Residential Tax Ratio (Decrease in ratio 1%)</u> | | | | | |
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 5.35 | -1.87 | \$ 1,624.36 | \$ 1,586.92 | \$ (37.44) -2.3% |
| Multi-Residential | 4.3 | -2.85 | \$ 2,712.64 | \$ 2,630.84 | \$ (81.80) -3.02% |
| Commercial | 5.35 | -1.87 | \$ 4,929.21 | \$ 4,780.01 | \$ (149.20) -3.03% |
| Industrial | 5.35 | -1.87 | \$ 5,846.99 | \$ 5,693.35 | \$ (153.64) -2.63% |
| <u>1.71 Multi-Residential Tax Ratio (Decrease in ratio 5%)</u> | | | | | |
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 5.7 | -1.55 | \$ 1,624.36 | \$ 1,591.29 | \$ (33.07) -2.04% |
| Multi-Residential | 0.41 | -6.47 | \$ 2,712.64 | \$ 2,542.18 | \$ (170.46) -6.28% |
| Commercial | 5.7 | -1.55 | \$ 4,929.21 | \$ 4,788.64 | \$ (140.57) -2.85% |
| Industrial | 5.7 | -1.55 | \$ 5,846.99 | \$ 5,704.81 | \$ (142.18) -2.43% |

Comparison of Reducing Tax ratio for the Commercial Property class

| <u>1.9785 Commercial Tax Ratio (No Change)</u> | | | | | |
|---|--|--|---|--|--------------------|
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 5.27 | -1.95 | \$ 1,624.36 | \$ 1,585.84 | \$ (38.52) -2.37% |
| Multi-Residential | 5.27 | -1.95 | \$ 2,712.64 | \$ 2,652.91 | \$ (59.73) -2.20% |
| Commercial | 5.27 | -1.95 | \$ 4,929.21 | \$ 4,777.86 | \$ (151.35) -3.07% |
| Industrial | 5.27 | -1.95 | \$ 5,846.99 | \$ 5,690.50 | \$ (156.49) -2.68% |
| <u>1.98715 Commercial Tax Ratio (Decrease in ratio 1%)</u> | | | | | |
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 5.54 | -1.69 | \$ 1,624.36 | \$ 1,589.32 | \$ (35.04) -2.16% |
| Multi-Residential | 5.54 | -1.69 | \$ 2,712.64 | \$ 2,659.18 | \$ (53.46) -1.97% |
| Commercial | 4.49 | -2.68 | \$ 4,929.21 | \$ 4,758.29 | \$ (170.92) -3.47% |
| Industrial | 5.54 | -1.69 | \$ 5,846.99 | \$ 5,699.65 | \$ (147.34) -2.52% |
| <u>1.879575 Commercial Tax Ratio (Decrease in ratio 5%)</u> | | | | | |
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 6.66 | -0.66 | \$ 1,624.36 | \$ 1,603.43 | \$ (20.93) -1.29% |
| Multi-Residential | 6.66 | -0.66 | \$ 2,712.64 | \$ 2,684.58 | \$ (28.06) -1.03% |
| Commercial | 1.32 | -5.62 | \$ 4,929.21 | \$ 4,678.98 | \$ (250.23) -5.08% |
| Industrial | 6.66 | -0.66 | \$ 5,846.99 | \$ 5,736.73 | \$ (110.26) -1.89% |

Comparison of Reducing Tax Ratio for the Multi-Residential and Commercial Property classes

| 1.80 Multi-Residential and 1.9785 Commercial Tax Ratio (No Change) | | | | | |
|---|--|--|---|--|--------------------|
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 5.27 | -1.95 | \$ 1,624.36 | \$ 1,585.84 | \$ (38.52) -2.37% |
| Multi-Residential | 5.27 | -1.95 | \$ 2,712.64 | \$ 2,652.91 | \$ (59.73) -2.20% |
| Commercial | 5.27 | -1.95 | \$ 4,929.21 | \$ 4,777.86 | \$ (151.35) -3.07% |
| Industrial | 5.27 | -1.95 | \$ 5,846.99 | \$ 5,690.50 | \$ (156.49) -2.68% |
| 1.782 Multi-Residential and 1.958715 Commercial Tax Ratio (Decrease in ratio 1%) | | | | | |
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 5.63 | -1.61 | \$ 1,624.36 | \$ 1,590.41 | \$ (33.95) -2.09% |
| Multi-Residential | 4.57 | -2.6 | \$ 2,712.64 | \$ 2,637.05 | \$ (75.59) -2.79% |
| Commercial | 4.57 | -2.6 | \$ 4,929.21 | \$ 4,760.43 | \$ (168.78) -3.42% |
| Industrial | 5.63 | -1.61 | \$ 5,846.99 | \$ 5,702.52 | \$ (144.47) -2.47% |
| 1.782 Multi-Residential and 1.94882250 Commercial Tax Ratio (Decrease in ratio 1% Multi-Res and 1.5% Commercial) | | | | | |
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 5.77 | -1.48 | \$ 1,624.36 | \$ 1,609.03 | \$ (15.33) -0.94% |
| Multi-Residential | 4.71 | -2.47 | \$ 2,712.64 | \$ 2,572.52 | \$ (140.12) -5.17% |
| Commercial | 4.18 | -2.96 | \$ 4,929.21 | \$ 4,689.49 | \$ (239.72) -4.86% |
| Industrial | 5.77 | -1.48 | \$ 5,846.99 | \$ 5,751.43 | \$ (95.56) -1.63% |
| 1.71 Multi-Residential and 1.879575 Commercial Tax Ratio (Decrease in ratio 5%) | | | | | |
| | Notional Percentage change in mun tax rate between 2008 & 2009 | Actual Percentage change in mun tax rate between 2008 & 2009 | 2008 Actual municipal & school taxes per 100,000 | 2009 Potential municipal & school taxes per 100,000 | Difference |
| Residential | 7.1 | -0.66 | \$ 1,624.36 | \$ 1,609.03 | \$ (15.33) -0.94% |
| Multi-Residential | 1.74 | -0.66 | \$ 2,712.64 | \$ 2,572.52 | \$ (140.12) -5.17% |
| Commercial | 1.74 | -5.62 | \$ 4,929.21 | \$ 4,689.49 | \$ (239.72) -4.86% |
| Industrial | 7.1 | -0.66 | \$ 5,846.99 | \$ 5,751.43 | \$ (95.56) -1.63% |

THE CORPORATION OF THE CITY OF BROCKVILLE

By-law Number

By-law to Set Tax Ratios for the City of Brockville for the Year 2009

WHEREAS it is necessary for the Council of the City of Brockville, pursuant to the Municipal Act Section 308 to establish the tax ratios for 2009 for the City of Brockville;

AND WHEREAS the tax ratios determine the relative amount of taxation to be borne by each property class;

AND WHEREAS the property classes have been prescribed by the Minister of Finance under the Assessment Act as amended by Bill 140, the Continued Protection for Property Tax Payers Act, 2000 and Regulations thereto;

AND WHEREAS the City of Brockville has deemed it expedient not to adopt optional classes as part of the Province's originally suggested tools;

AND WHEREAS the City of Brockville has adopted the mainline classes of Residential/Farm class, Multi-Residential class, Commercial class, Industrial class, Pipelines class, Farmlands class and Managed Forest class

AND established the New Multi-Residential Property class as part of its Affordable Housing Program

NOW THEREFORE be it enacted that:

1. The ratios for these classes be adopted as follows:
 - a) the residential/farm property class is 1.000000
 - b) the new multi-residential property class is 1.000000
 - b) the multi-residential property class is 1.782000
 - c) the commercial property class is 1.958715
 - d) the industrial property class is 2.627561
 - e) the pipelines property class is 1.813224
 - f) the farmlands property class is 0.250000
 - g) the managed forest property class is 0.250000

2. That the ratios for the sub classes as shown on the assessment roll be adopted at the ratios as follows:
 - a) the commercial office building property class is 1.958715
 - b) the commercial shopping centre property is 1.958715
 - c) the parking lot property class is 1.958715
 - d) the large industrial property class is 2.627561
3. For the purposes of this By-Law the tax ratio for
 - a) vacant land, vacant units and excess land subclasses, which are commercial property, is 70% of the commercial property class tax ratio (1.371101);
 - b) vacant land, vacant units and excess land subclasses which are industrial property, is 65% of the industrial property class tax ratio (1.707915);
 - c) the industrial property class includes all large industrial property.
4. This By-Law shall come into force and take effect immediately following third reading.

Given under the Seal of the
Corporation of the City of Brockville
and passed this Day of June, 2008

MAYOR

CLERK

COMPARISON OF 2008 TAX RATES FOR ONTARIO MUNICIPALITIES

| Municipality | Residential/ Farm | Multi- Residential | Farmlands | Managed Forests | Commercial Occupied | Commercial Vacant | Industrial Occupied | Industrial Vacant | Large Industrial | Large Ind Vacant | Pipelines |
|--------------|----------------------|-----------------------|------------|--------------------|------------------------|----------------------|------------------------|----------------------|---------------------|---------------------|------------|
| Pembroke | 0.02051708 | 0.03613078 | 0.00512928 | | 0.05641955 | 0.03949369 | 0.10338022 | 0.06719714 | | | 0.03894843 |
| Cornwall | 0.02000288 | 0.04342889 | 0.00264000 | | 0.05816370 | 0.04071459 | 0.07488500 | 0.04867525 | 0.07488500 | 0.04867525 | 0.04472956 |
| Belleville | 0.01793154 | 0.04102424 | 0.00448289 | 0.00448289 | 0.05057972 | 0.03540580 | 0.06632821 | 0.04304112 | | 0.03492697 | |
| Smiths Falls | 0.01784449 | 0.03382137 | 0.00446112 | | 0.05152140 | 0.03606498 | 0.06621710 | 0.05063660 | 0.07790246 | 0.05063660 | 0.03880864 |
| Prescott | 0.01751994 | 0.02942389 | 0.00437998 | 0.00437998 | 0.04772235 | 0.03340564 | 0.06853421 | 0.04454723 | | | 0.03677285 |
| St Thomas | 0.01636065 | 0.03692384 | 0.00409016 | 0.00409016 | 0.04632777 | 0.03242944 | 0.05664009 | 0.03681606 | 0.06806258 | 0.04424068 | 0.02759263 |
| Brockville | 0.01624356 | 0.02712641 | 0.00406089 | 0.00406089 | 0.04929212 | 0.03450448 | 0.05846992 | 0.03800546 | 0.05846992 | 0.03800546 | 0.04067137 |
| Kingston | 0.01579080 | 0.03735567 | 0.00390440 | 0.00390440 | 0.04542651 | 0.03179855 | 0.06067911 | 0.03944142 | | | 0.03310134 |
| Owen Sound | 0.01568305 | 0.03710461 | 0.00392076 | | 0.04819904 | 0.02398819 | 0.05374734 | 0.03493576 | 0.09277255 | 0.06030217 | 0.06241498 |
| Stratford | 0.01455482 | 0.02830334 | 0.00363871 | | 0.04708146 | 0.03295702 | 0.06674240 | 0.04338256 | | | 0.03202130 |
| Gananoque | 0.01441170 | 0.02501800 | 0.00360293 | 0.00360293 | 0.03779137 | 0.03079898 | 0.06523622 | 0.04240360 | | | 0.03299599 |
| Quinte West | 0.01381070 | 0.02643360 | 0.00345270 | 0.00345270 | 0.03605370 | 0.02523760 | 0.05174910 | 0.03363690 | 0.05531830 | 0.03595690 | 0.02597410 |

Note: Data sorted by Residential rate and includes Education Rates.

JUNE 10, 2009

REPORT TO FINANCE & ADMINISTRATION – JUNE 16, 2009

**2009-091-06
ENERGY AUDIT
IMPLEMENTATION STRATEGY**

**D. CYR, DIRECTOR
FINANCE
L. WHITE
BUDGET OFFICER
BOB CASSELMAN
CITY MANAGER**

RECOMMENDATION

THAT the Energy Audit Implementation Strategy as outlined in Report #2009-091-06 be approved; and

THAT Council approve additional funding of \$350,000 from the Federal Gas Tax for energy retrofits.

PURPOSE

The purpose of this report is to provide Council with a summary of the recently completed building/energy audits and to seek approval of an implementation strategy and the required funding of \$350,000 including project management/design specifications.

BACKGROUND

In 2008, building and energy audits were completed for the City's municipal facilities as outlined in the Building Management Plan shown as per Attachment #1 to Report 2009-091-06.

Attachment #2 to Report 2009-091-06 provides a summary of prioritized projects resultant from the energy audits.

The 2009 Capital Budget included a \$1.5 million allocation to energy retrofits allocated as follows:

| | |
|---------------------|----------------|
| Landfill Solar Farm | \$800,000 |
| LED Street Lights | 500,000 |
| Building Retrofit | <u>200,000</u> |
| Total | \$1.5 Million |

The funding source for each of these projects is Federal Gas Tax.

Given that the Arts Centre is undergoing a significant upgrade through the Project Encore Program, the entire allocation of building retrofit funding of \$200,000 will be utilized to replace the HVAC system at the Arts Centre. The annual operational savings associated with this work is estimated to be \$17,000.

During the 2009 budget the City estimated reduced utility costs of \$50,000 due to energy-efficient retrofits. In order to achieve this goal a further allocation of gas tax funding will be required.

Staff intends to implement the recommendations of the Energy Audit report as attached.

FINANCIAL IMPLICATIONS

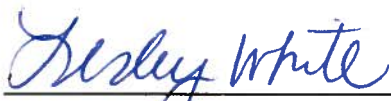
Attachment #3 to Report #2009-091-06 provides a summary of federal gas tax funding to the City of Brockville between 2007-2013. A further allocation of \$350,000 is required to fund the additional energy retrofit projects outlined above. Annual operating savings are estimated to be \$64,869 with an estimated payback period of 4.5 years.

The \$350,000 will provide funding for the \$292,000 noted on Attachment #2 to Report #2009-091-06, a \$30,000 emergency allocation toward a new HVAC unit at the Police Station with the remaining \$28,000 for project management and design specifications.

Staff will seek any grants available for energy retrofits and the payback period will be less if funding is received.

CONCLUSION

In order to meet budget targets for energy retrofit savings, a further allocation of federal gas tax funding is required. The continual investment in energy retrofit projects will assist the City in achieving its strategic goal of fiscal and environmental sustainability.



L. White Budget Officer



D. Cyr, Director of Finance



B. Casselman, City Manager

Schedule 1 to Report #2009-091-06

City of Brockville
Building Management Plan

| Building | Project | Estimated Cost 2008-2012 | Estimated Cost 2013-2017 | Completed | To be completed in 2009 | Notes |
|----------------|--|-----------------------------|-----------------------------|-----------|----------------------------|--|
| City Hall | | | | | | |
| | Upgrade window units with programmable thermostats | 15,300 | | | | Energy audit notes current window heating/cooling units should be programmable. |
| | Lighting | 21,350 | | | | |
| | Sprinkler system | 90,000 | | | | |
| | Replace windows | 152,000 | | | | Although this item is not mentioned in the building audit, the Energy Audit notes expected energy savings of \$17,000/yr |
| | Total City Hall | 126,650 | - | | | |
| Arts Centre | | | | | | |
| | Roof | 60,000 | | | ✓ | \$60,000 budgeted in 2009, Investing in Ontario |
| | Repointing Fly Tower | 20,000 | | | | |
| | Loading ramp reconfiguration | 50,000 | | | | \$15,000 budgeted in 2009 |
| | Washroom retrofit | 15,000 | | | ✓ | |
| | Canteen - replace/upgrade | 40,000 | | | | |
| | Review exits and doors | 5,000 | | | | |
| | Floors/walls retrofit 2nd floor | | 15,000 | | | |
| | Replace windows | | 10,000 | | | |
| | Sprinkler | 40,000 | | | | \$200,000 budget in 2009, Federal Gas Tax Funding source to be determined. |
| | HVAC | 200,000 | | | ✓ | |
| | Increase electrical service | 50,000 | | | ✓ | |
| | Lighting retrofit | 8,875 | | | | |
| | Fire alarm system | | 35,000 | | | |
| | Total Arts Centre | 488,875 | 60,000 | | 325,000 | |
| Police Station | | | | | | |
| | Roof | 305,000 | | | ✓ | \$305,000 budgeted in 2009, Investing in Ontario |
| | Repairs to Firing Range | 20,000 | | | | |
| | Parking lot | | 100,000 | | | |
| | Flooring | | 10,000 | | | |
| | Lighting retrofit | 45,000 | | | | |
| | HVAC | | 44,500 | | | |
| | Ventilation | | 25,000 | | | |
| | Emergency Generator | | 75,000 | | | |
| | Total Police Station | 370,000 | 254,500 | | 305,000 | |

| Building | Project | Estimated Cost 2008-2012 | Estimated Cost 2013-2017 | Completed | To be completed in 2009 | Notes |
|-----------------|--|--------------------------|--------------------------|---------------|-------------------------|---|
| Fire Station #2 | Exterior walls repoint | 10,000 | | | ✓ | \$10,000 budgeted in 2009 in BMMP |
| | Review stairs to tower | 5,000 | | | | |
| | Replace ceiling tiles | 5,000 | | | | |
| | Parking lot | | 30,000 | | | |
| | Lighting retrofit | 35,000 | | | | |
| | Fire alarm system | 25,000 | | | | |
| | Total Fire Station #2 | 80,000 | 30,000 | | 10,000 | |
| Fire Station #1 | Replace windows of Annex | 5,000 | | | ✓ | \$5,000 budgeted in 2009 through BMMP |
| | Barrier-free access to FP | | | | | |
| | New railing in tower | 5,000 | | | | |
| | Carpet and tile in office | 5,000 | | | | |
| | Repoint/recaulk walls and windows | | 10,000 | | | |
| | HVAC - back bay | 12,500 | | | | |
| | HVAC - replace baseboards in office with HVAC system | 15,000 | | | | |
| | Ventilation study | 2,000 | | | ✓ | |
| | Ventilation retrofit | 12,000 | | | | |
| | Emergency generator - add one | 90,000 | | | | |
| | Lighting retrofit | 25,000 | | ✓ | | |
| | Fire alarm system | 20,000 | | | | |
| | Total Fire Station #1 | 191,500 | 10,000 | 25,000 | 7,000 | Cost shared by City and Hydro One Powerblitz Program |
| GWMC | Replace windows/doors | 20,000 | | | | Expected energy savings due to new programmable baseboard heaters estimated a .3 year payback GWMC is heated by forced air gas system in some areas and by electric baseboard heat in others. Replace with new programmable units |
| | Repoint walls | 5,000 | 10,000 | | | |
| | New flooring | 10,000 | 10,000 | | | |
| | Life safety study | 10,000 | | | | |
| | Barrier-free doors | | | | | |
| | Barrier-free washroom | 20,000 | | | | |
| | Washroom fixture replacement | 8,000 | | | | |
| | Baseboard heaters replaced with new programmable units | 3,650 | | | | |
| | Upgrade HVAC system | 106,500 | | | | |
| | Window air conditioning | 3,000 | | | | |
| | Replace emergency generator | 125,000 | | | | |
| | Lighting retrofit | 60,000 | | ✓ | | |
| | Total GWMC | 371,150 | 20,000 | 60,000 | | Project completed in 2008, 2008 Capital Budget |

City of Brockville
Building Management Plan

| Building | Project | Estimated Cost 2008-2012 | Estimated Cost 2013-2017 | Completed | To be completed in 2009 | Notes |
|-----------------|--|--------------------------|--------------------------|---------------|-------------------------|--|
| Library | Roof | 5,000 | 40,000 | | ✓ | \$5,000 budget in 2009, Investing in Ontario |
| | Repainting, repainting | 5,000 | | | | |
| | Carpet/flooring | | 10,000 | | | |
| | Replace ceiling tile | | 1,000 | | | |
| | Replace Siporex ceiling | 5,000 | | | | |
| | Elevator - tactile plates | 1,000 | | | | |
| Museum | HVAC System | | 45,000 | | | Cost shared by City and Hydro One Powerblitz Program |
| | Lighting | | 42,500 | | | |
| | Total Library | 16,000 | 138,500 | | 5,000 | |
| | Repoint walls | 5,000 | | | | |
| | Repairs required to sinking floor | 15,000 | | | | |
| | Review railing in display area and upgrade | 10,000 | | | | |
| | Lighting retrofit | 20,000 | | ✓ | | |
| | Fire alarm system | 4,000 | | | | |
| | Storm service repair | | 5,000 | | | |
| | Total Museum | 54,000 | 5,000 | 20,000 | | |
| Memorial Centre | Roof | 165,000 | | | ✓ | \$165,000 budgeted in 2009, Investing in Ontario |
| | Repoint walls | 5,000 | | | | |
| | Parking lot | | 40,000 | | | |
| | Flooring in hall | | 20,000 | | | |
| | Seat replacement in arena | | 200,000 | | | |
| | HVAC - change rooms, hall, offices | 55,000 | | | | |
| | HVAC - perimeter rooms | | 25,000 | | | |
| | Electric heaters | 5,000 | | | | |
| | Ventilation | | 30,000 | | | |
| | Lighting retrofit - throughout | 33,825 | | | | |
| | Lighting retrofit - Ice pad | 24,700 | | | | |
| | Emergency lighting | 10,000 | | | | |
| | Fire alarm system | | 30,000 | | | |
| | Total Memorial Centre | 298,525 | 345,000 | | 165,000 | |
| | | | | | | Estimated energy savings from HVAC in Community Hall \$4,150 alone |
| | | | | | | Estimated energy savings of \$11,000/yr |

City of Brockville
Building Management Plan

Schedule 1 to Report #2009-091-06

| Building | Project | Estimated Cost 2008-2012 | Estimated Cost 2013-2017 | Completed | To be completed in 2009 | Notes |
|-----------------------------------|--|--|--------------------------|-----------|-------------------------|-------|
| Youth Arena | New doors | 10,000 | | | | |
| | Fix power supply | 50,000 | | | | |
| | Repaint and caulk | 10,000 | | | | |
| | Replace light standard | 10,000 | | | | |
| | Lobby rubber flooring | 5,000 | | | | |
| | Barrier-free access | 15,000 | | | | |
| | Replace acoustic tiles in offices | 10,000 | | | | |
| | Replace thermal liner | | 50,000 | | | |
| | Doors and hardware | 5,000 | | | | |
| | Replace toilet partitions | 10,000 | | | | |
| | Bleachers - railing not to code | | 50,000 | | | |
| | Replace fixtures in washrooms | 16,000 | | | | |
| | Building should be sprinklered | 75,000 | | | | |
| | Electric heaters in changerooms should be replaced | 30,000 | | | | |
| | Timekeepers area has no heat | 3,500 | | | | |
| | Washroom ventilation | 11,500 | | | | |
| | Lighting retrofit | 8,200 | | | | |
| Lighting retrofit - Icepad | | 11,700 | | | | |
| Total Youth Arena | | 280,900 | 100,000 | | | |
| | | Estimated energy savings of \$3,150/yr from lights of ice pad | | | | |
| Gymnastics Club | Barrier-free access | 10,000 | | | | |
| | Repaint walls | | 5,000 | | | |
| | Carpet and tile | | 10,000 | | | |
| | New ceiling tiles | | 10,000 | | | |
| | HVAC system | 5,000 | | | | |
| | Ventilation | 3,250 | | | | |
| | Lighting | 16,000 | | | | |
| | Exit and emergency lighting | 1,800 | | | | |
| | Total Gymnastics Club | 36,050 | 25,000 | | | |

City of Brockville
Building Management Plan

Schedule 1 to Report #2009-091-06

| Building | Project | Estimated Cost 2008-2012 | Estimated Cost 2013-2017 | Completed | To be completed in 2009 | Notes |
|--------------------|-----------------------------------|--------------------------------|--------------------------------|--------------|-------------------------------|--|
| James Auld Bldg. | New shingle roof | 10,000 | | | | |
| | Doors | 2,000 | | | | |
| | Repaint walls | 2,000 | | | | |
| | Tighten bolts - structural | 5,000 | | | | |
| | New flooring | | 15,000 | | | |
| | New counters, vanity, etc. | | 10,000 | | | |
| | HVAC | 9,000 | | | | |
| | Electric baseboard/heaters | 4,500 | | | | |
| | Ventilation | 3,500 | | | | |
| | General lighting retrofit | 7,500 | | ✓ | | Cost shared by City and Hydro One Powerblitz Program |
| | Emergency lighting and exit light | 2,000 | | | | |
| | Total James Auld Bldg. | 45,500 | 25,000 | 7,500 | | |
| Rotary Field House | Barrier free access doors | 5,000 | | | | |
| | Repaint/recaulking | 2,000 | | | | |
| | New rubber tiles | | 15,000 | | | |
| | Lighting retrofit | | 6,250 | ✓ | | Cost shared by City and Hydro One Powerblitz Program |
| | Total Rotary Field House | 7,000 | 21,250 | 6,250 | | |
| Airport Terminal | Barrier free access doors | 5,000 | | | | |
| | Retrofit interior | | 20,000 | | | |
| | Complete retrofit of HVAC syste | 12,000 | | | | |
| | Lighting retrofit | 3,750 | | | | |
| | Exit and emergency lighting | 1,000 | | | | |
| | Total Airport Terminal | 21,750 | 20,000 | | | |

| Building | Project | Estimated Cost 2008-2012 | Estimated Cost 2013-2017 | Completed | To be completed in 2009 | Notes |
|-------------------|--|--------------------------------|--------------------------------|-------------------|-------------------------------|--|
| Cemetery Building | Roof | 20,000 | | | | |
| | Replace siding on works bldg. | 20,000 | | | | |
| | Barrier free access | 5,000 | | | | |
| | Interior - floor | | 4,000 | | | |
| | Chapel - repoint walls | 2,000 | | | | |
| | Interior - misc. structural repairs | 2,000 | | | | |
| | Interior office floor - works bldg | | 4,000 | | | |
| | New ceiling - works bldg. | | 4,000 | | | |
| | Chapel - replace roof | | 5,000 | | | |
| | Chapel - damproofing exterior | | 10,000 | | | |
| | HVAC ventilation | 2,500 | | | | |
| | Lighting retrofit | 5,000 | | | | |
| Water Treatment | Emergency and exit lightings | 1,500 | | | | Cost shared by City and Hydro One Powerblitz Program |
| | Total Cemetery Building | 58,000 | 27,000 | 5,000 | | |
| | Load rolling for electric heaters | 4,500 | | | | |
| | Occupancy sensor control for lighting | 2,500 | | | | |
| | Hi-lift pump re-sequencing and VSD for 200 HP Pump | 100,000 | | | | |
| | Lighting retrofit | 3,000 | | | | |
| | Water-source Heat Pump for Domestic Hot Water and Facility Space Heating | 85,000 | | | | |
| | | 195,000 | - | - | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | Total estimated costs of all building | \$ 2,640,900 | \$ 1,081,250 | \$ 123,750 | \$ 817,000 | |

Notes:
Projects also identified in the Energy Audit are shown in bold.

Lighting retrofits should be completed by 2012 as the standard fluorescent tube currently used in many buildings will be replaced by energy-efficient product.
The estimated value of lighting projects is: \$ 270,900

Payback periods on lighting projects vary depending on the estimated hours the lights are on each day. Victoria Hall has an estimated 2 year payback period while the arenas have a 9 year payback period.



Summary of Estimated Savings for the City of Brockville Energy Audit

| Retrofit Item | Capital Cost (\$) | Expected Savings (\$/year) | Average Payback Period (years) | Carbon Savings (kg/year) | Notes |
|------------------------------------|-------------------|----------------------------|--------------------------------|--------------------------|---|
| Victoria Building | | | | | |
| Fluorescent lighting | \$21,350 | \$8,000 | 2.7 | 21,000 | This recommendation is subject to change based on the individual areas within the building that are being assessed. The values provided within this summary are the average values calculated for the total areas considered. All T12 bulbs and ballasts are recommended to be retrofitted and some fixtures are suggested to be replaced. Costs and savings vary according to the area and is dependent on the amount of time the lighting system is utilized and the specific retrofit that has been recommended. |
| Incandescent Lighting | \$120 | \$155 | 0.75 | 1,500 | Each bulb is suggested to be replaced with a 13 W compact fluorescent bulb. |
| Halogen Lighting | \$105 | \$45 | 2.3 | 405 | Replacement of each bulb with a 5 W cold cathode micro compact fluorescent lamp is recommended. |
| Heating and Cooling Units | \$15,300 | \$2,600 | 5.9 | 16,200 | The values outlined in this summary are provided for the replacement of an individual PTAC unit. It is recommended that each PTAC unit be retrofitted with a more efficient, properly sized, programmable unit. It is further recommended that certain areas employing these units do not require the capacity of the current system and should be retrofitted with a properly sized unit based on the area in which it will be used. |
| Windows | \$152,000 | \$17,325 | 8.8 | 106,650 | Many of the windows in the Victoria Building are old, single paned, wooden framed windows with aluminum storm windows on the outside. Alternatives were presented and cost analyzed based on quotes provided by window experts and the data which they provided for the windows was customized to this situation. It is recommended that each single paned glass window be replaced with the <i>Hubbard and Co. Heritage Restoration and Construction</i> suggested alternative of custom aluminum clad wood windows to replicate the original sash and maintain the original heritage structure. |
| Gord Watts Municipal Centre | | | | | |
| Window Air Conditioning | \$3,000 | \$1,000 | 3.0 | 6,505 | It is recommended that the cooling units be replaced with an energy saving unit with electronic controls that include an on/off timer, an energy saver mode, auto restart, and a digital temperature adjustment. This analysis was performed for a total of 12 units being replaced with more efficient, properly sized, programmable unit used 25% of the time due to the anticipated use and proper programming. |
| Baseboard Heaters | \$3,650 | \$10,800 | 0.3 | 70,800 | It is recommended that the baseboard heaters in use in the office and administration areas be retrofitted with units that employ a programmable thermostat. The estimated savings for replacing the units with programmable system has been provided for an assumed two (2) units per area/office for 10 offices (total of 20 units) |

Cambium Environmental Inc.



Summary of Estimated Savings for the City of Brockville Energy Audit

| Retrofit Item | Capital Cost (\$) | Expected Savings (\$/year) | Average Payback Period (years) | Carbon Savings (kg/year) | Notes |
|---|----------------------|----------------------------------|---|--------------------------------|---|
| Brockville Memorial Civic Centre | | | | | |
| Fluorescent Lighting | \$24,500 | \$2,550 | 9.7 | 9,000 | This recommendation is subject to change based on the individual areas within the building that are being assessed. The values provided within this summary are the average values calculated for the total areas considered. All T12 bulbs and ballasts are recommended to be retrofitted and some fixtures are suggested to be replaced. Cost and savings vary according to the area and is dependent on the amount of time the lighting system is utilized and the specific retrofit that has been recommended. |
| Community Centre Lighting | \$9,325 | \$800 | 11.7 | 2,000 | It is recommended that the current T12 2 bulb system be retrofitted with a kit that will alter the system such that a single T8 bulb will be utilized in a new fixture and maintain 87% of the current light levels. |
| Metal Halide Lighting | \$24,700 | \$11,844 | 2.1 | 20,675 | Replace probe start fixtures and bulbs with 24 750 W and 15 320 W pulse start metal halide units. |
| Community Centre HVAC unit | \$10,150 | \$4,150 | 2.4 | 22,400 | Replacement with more efficient, properly sized programmable unit used 25% less than the current system is recommended. |
| Centennial Youth Arena | | | | | |
| Fluorescent Lighting | \$8,200 | \$950 | 8.7 | 4,400 | This recommendation is subject to change based on the individual areas within the building that are being assessed. The values provided within this summary are the average values calculated for the total areas considered. All T12 bulbs and ballasts are recommended to be retrofitted and some fixtures are suggested to be replaced. Cost and savings vary according to the area and is dependent on the amount of time the lighting system is utilized and the specific retrofit that has been recommended. |
| Metal Halide Lighting | \$11,700 | \$3,150 | 3.7 | 14,500 | Replace probe start 1000 W fixtures and bulbs with 18 750 W and remove the existing 250 W fixtures. |
| Brockville Arts Centre | | | | | |
| Fluorescent Lighting | \$8,875 | \$1,500 | 6.0 | 5,500 | This recommendation is subject to change based on the individual areas within the building that are being assessed. The values provided within this summary are the average values calculated for the total areas considered. All T12 bulbs and ballasts are recommended to be retrofitted and some fixtures are suggested to be replaced. Cost and savings vary according to the area and is dependent on the amount of time the lighting system is utilized and the specific retrofit that has been recommended. |
| Total | \$292,975 | \$64,869 | 4.52 | 301,535 | |

Federal Gas Tax Funding

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Beginning Balance | 853,909 | 1,452,353 | 1,297,763 | 522,552 | 1,373,347 | 2,224,141 | 3,074,936 |
| Federal Funding | 555,670 | 694,541 | 1,389,082 | 1,350,795 | 1,350,795 | 1,350,795 | 1,350,795 |
| Interest Earned | 42,774 | 38,424 | | | | | |
| | 1,452,353 | 2,185,318 | 2,686,844 | 1,873,347 | 2,724,141 | 3,574,936 | 4,425,731 |

Proposed Projects to Utilize Funding**Capital Projects**

North Augusta Road Overpass -- Phase 2 of 2
Louis / Norton Reconstruction
- William Street Easterly (Tax Portion)
Asphalt
Gord Watts Municipal Centre Lighting Upgrade
LED Lighting
Landfill Solar Project
Energy Retrofits
Official Plan Update
ERP

Building Maintenance

Centennial Youth Arena

Hummicon Replacement
Victoria Building Roof Repairs
Estimated Project Costs

Available Funds

| | | | | | | | |
|------------------|------------------|----------------|------------------|------------------|------------------|------------------|---------|
| | 41,944 | | | | | | |
| - | 887,555 | 2,164,292 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| 1,452,353 | 1,297,763 | 522,552 | 1,373,347 | 2,224,141 | 3,074,936 | 3,925,731 | |

June 9, 2009

REPORT TO THE FINANCE & ADMINISTRATION COMMITTEE – JUNE 16, 2009

**2009-092-06
2009 CAPPING AND
THRESHOLD OPTIONS
FILE: F22-50**

**D. CYR
DIRECTOR OF FINANCE
L. FERGUSON
SUPERVISOR OF ACCOUNTING SERVICES
M. MCDONALD
FINANCIAL ADMINISTRATIVE ANALYST
D. SMITH, TAX COLLECTOR**

RECOMMENDATION:

THAT Council adopt the following measures for the 2009 tax year:

1. **THAT** the cost of mandatory capping for the multi-residential and commercial classes continue to be revenue-neutral; self-financing within the property class; and
2. **THAT** the cost of the mandatory capping for the industrial class that is above the self-financing limit be added to the 2009 levy;
3. **THAT** the capping percentage for the multi-residential and commercial classes remain at 5% of the previous years annualized taxes; and
4. **THAT** the capping percentage for the industrial class be set at 10% of the previous years annualized taxes; and
5. **THAT** the threshold change option be continued at \$150 for multi-residential and commercial classes; and
6. **THAT** the industrial class threshold be \$250; and
7. **THAT** when a property reaches full current value assessment it is removed from the capping/clawback system; and

THAT Council authorize the By-law to adopt the 2009 Capping Options for the Protected Property Classes [Attachment #1 to Report 2009-092-06].

PURPOSE

As per Section 329.1 of the Municipal Act and accompanying regulations, Council must authorize a by-law each year to establish the capping percentage and threshold for the protected classes.

BACKGROUND

In December 1998, the Provincial government passed Bill 79, The Fairness for Property Taxpayers Act. This Act, commonly known as 10-5-5, retroactively capped 1998 assessment related increases at 10% over 1997 levels in the commercial, industrial and multi-residential classes. Future increases were also capped at an additional 5% for 1999 and 5% for 2000.

Municipalities can determine how the capping program is to be financed through either

- (a) Self-financing within each property class, that is clawing back assessment related decreases on properties to pay for assessment related increases; or
- (b) To add the expense of the capping program onto the budget.

In the past, Brockville has chosen the self financing option.

In 2001, the Province passed Bill 140, the Continued Protection for Property Taxpayers Act. This continued the legislation of Bill 79 and limited the property tax increases to 5% per year until full current value assessment (CVA) is attained in each municipality.

As part of the 2004 Provincial budget process, legislation for 2005 tax years and beyond was authorized in Bill 83. This Bill allows municipalities more flexibility in the capping tools they choose to use for the protected classes.

Capping options currently available to municipalities include:

1. To continue with the current 5% increase of the prior year's annualized taxes
2. To increase the capped amount from 5% up to a maximum of 10% of the prior year's annualized taxes.
3. In addition, municipalities can impose a threshold. If the capped taxes are within \$1 to \$250 (as determined by municipality) of CVA taxes the property is taxed at CVA

These tools may be used on their own or in combination. They may also be applied differently to each of the protected tax classes. The options can change annually.

ANALYSIS

Capping

One ratepayer's gain is always at the expense of an offsetting ratepayer in regard to the capping options. A move toward full CVA is the ultimate goal. Full current value assessment allows the true value of the property, which is determined by MPAC, to set

the taxes and does not continue the protection (cap) of some at the cost of others (clawback).

However, there are several items to consider:

1. If an insufficiency in a property class is created by changing the cap it will impact the budget.
2. Each class can be treated individually however, whenever possible, it is less confusing for taxpayers and staff if the capping is applied to all classes in the same manner.
3. Commencing in 2009, the processing of reassessments has changed. For all property classes, assessment increases will be phased in over a four year period and assessment decreases will take effect immediately.
4. The Introduction of New Property Classes
 - a. The City of Brockville has adopted the New Multi-residential class for new construction which has a ratio of 1 – the same as residential.
 - b. The Province has created tax classes for new construction properties in the commercial, shopping centre, office building, industrial and large industrial classes. This is in conjunction with the introduction of lower education rates to encourage growth in these economic areas.

The impact on the budget has been reduced as much as possible by increasing the capping percentage on the industrial class to the maximum of 10%. It is recommended for the other classes that the “default” percentage of 5% be approved. This is the same percentage that has been used in previous years. [Attachment #2 to Report 2009-092-06]

Threshold

In addition to capping percentages, the Municipality may pass a by-law to move capped properties whose revised taxes falls within \$250 (or a lower specified amount) of current value assessment to full CVA.

Threshold changes allow some property owners who were previously being clawed back to retain more of their dollars but it lessens the buffer of those facing higher increases. For each person that could benefit by the introduction of thresholds, another will be at a disadvantage.

For the multi-residential and commercial class no change is recommended in the \$150 threshold but for the industrial class due to an insufficiency in the self-financing it is recommended that the threshold be changed to \$250.

Current Value Assessment


Beginning in 2009, Ontario regulation 160/09 provides municipalities with the option to remove properties from the clawback and capping system as soon as they reach full current value assessment. This will allow all properties to reach full CVA and when there is reassessment the previous years' tools (capping, threshold, ratio) used by the municipality are not negated.

FINANCIAL CONSIDERATIONS

The industrial class has an insufficiency. The impact on the budget has been mitigated by increasing the capping and threshold amounts for the industrial class only, however, there is still an amount of \$296 that cannot be eliminated and must be added to the 2009 levy.

CONCLUSION

Capping and thresholds are another component necessary for setting the annual tax rate. The Province has allowed municipalities flexibility in the use of these tools. With properties coming to full current value assessment it is hoped that in the next few years, barring any massive changes in legislation, that capping will become unnecessary.



D. Smith, Revenue Accountant



M. McDonald, Financial
Administrative Analyst



L. Ferguson,
Supervisor of Accounting Services



D. Cyr, Director of Finance



B. Casselman, City Manager

THE CORPORATION OF THE CITY OF BROCKVILLE

By-Law Number xxx-2009

By-law to adopt the 2009 Capping option for the Protected Property Classes

WHEREAS the Province of Ontario introduced property tax capping options for 2005 and future years in the 2004 Ontario Budget;

AND WHEREAS it is necessary for the Council of the City of Brockville pursuant to Section 329.1 of the Municipal Act and accompanying regulations to establish a Capping threshold for The Protected Property Classes of Commercial, Industrial and Multi-Residential property classes;

NOW THEREFORE be it enacted that:

The 2009 annual cap for commercial and multi-residential classes will be set at 5% (five percent) of the previous year's annualized taxes.

AND that the 2009 annual cap for the industrial class will be set at 10% (ten percent) of the previous year's annualized taxes.

AND that in the commercial and multi-residential classes that the CVA Threshold for capped properties whose 2009 revised taxes fall within \$150.00 of the current years' CVA tax will be moved to full current value assessment;

AND that in the industrial class that the CVA Threshold for capped properties whose 2009 revised taxes fall within \$250.00 of the current years' CVA tax will be moved to full current value assessment;

AND that in the commercial and multi-residential classes that the CVA Threshold for clawed back properties whose 2009 revised taxes fall within the \$150.00 of the current years' CVA tax will be moved to full current value assessment.

AND that in the industrial class that the CVA Threshold for clawed back properties whose 2009 revised taxes fall within the \$250.00 of the current years' CVA tax will be moved to full current value assessment.

AND that any insufficiency in the self-financing cap shall be added to the 2009 levy;

AND that when a property in the protected classes of commercial, industrial or multi-residential class reach full current value assessment (CVA) it is removed from the capping and clawback system.

AND this by-law shall come into force and take effect immediately following third reading.

Given under the Seal of the
Corporation of the City of Brockville
and passed this day of June, 2008

MAYOR

CLERK

Comparison of Capping Alternatives and Thresholds

| | 5% Cap No Threshold Exclude Prop that have reached CVA Reduce MT and CT Ratio by 1% | 5% Cap \$150 Threshold Exclude Prop that have reached CVA Reduce MT and CT Ratio by 1% | 5% Cap \$150 Threshold Exclude Prop that have reached CVA Reduce MT Ratio by 1% CT Ratio no change | 5% Cap \$150 Threshold Exclude Prop that have reached CVA No Change in Ratios | 5% Cap for CT & MT 10% Cap for IT \$150 Threshold for CT & MT \$250 Threshold for IT Exclude Prop that have reached CVA Reduce MT and CT Ratio by 1% |
|--|--|---|---|--|---|
| Multi-Residential | | | | | |
| Properties requiring Cap (credit) | 2 | 2 | 2 | 2 | 2 |
| Properties requiring Clawback (increase) | 18 | 3 | 3 | 6 | 3 |
| Properties at full Current Value Assess | 64 | 79 | 79 | 76 | 79 |
| TOTAL | 84 | 84 | 84 | 84 | 84 |
| Net Class Impact Positive | | \$ | 110.00 | \$ | 62.00 |
| Commercial | | | | | |
| Properties requiring Cap (credit) | 90 | 85 | 86 | 86 | 85 |
| Properties requiring Clawback (increase) | 84 | 69 | 69 | 69 | 71 |
| Properties at full Current Value Assess | 347 | 367 | 366 | 366 | 365 |
| TOTAL | 521 | 521 | 521 | 521 | 521 |
| Industrial | | | | | |
| Properties requiring Cap (credit) | 2 | 2 | 2 | 2 | 1 |
| Properties requiring Clawback (increase) | - | - | - | - | - |
| Properties at full Current Value Assess | 38 | 38 | 38 | 38 | 39 |
| TOTAL | 40 | 40 | 40 | 40 | 40 |
| Net Class Impact (insufficiency) | \$ (546.00) | \$ (546.00) | \$ (540.00) | \$ (538.00) | \$ (296.00) |

Definitions

INSUFFICIENCY

There is a deficit in the cost of the capping within the class. This cost would be covered within the budget.

POSITIVE

The clawback is more than the cost of capping within the class. This would be included as a revenue item in the budget.

THRESHOLD

If an account is within the set dollar amount of current value assessment the property is removed from the capping and clawback system.
Threshold for all classes last year \$150

JUNE 9, 2009

REPORT TO FINANCE & ADMINISTRATION – JUNE 16, 2009

**2009-095-06
INFRASTRUCTURE STIMULUS FUND
FINANCING STRATEGY**

**D. CYR, DIRECTOR
FINANCE
C. COSGROVE
DIRECTOR OPERATIONS
BOB CASSELMAN
CITY MANAGER**

RECOMMENDATION

THAT Council approve the financing strategy outlined in report 2009-092-06 in support of the municipal portion of the Build Canada Fund – Intake 2 (BCF-Intake 2) and Infrastructure Stimulus Fund.

PURPOSE

The purpose of this report is to apprise Council of the recent BCF-Intake 2/Infrastructure Stimulus Fund funding announcements and determine funding sources for the municipal portion.

BACKGROUND

The City of Brockville was successful in securing BCF-Intake 2 funding in support of the 2010 Canada 55+ Senior Games. The Federal/Provincial governments will provide \$283,000 of the \$425,000 total project cost.

The City of Brockville submitted three applications for funding under the Infrastructure Stimulus Fund for the following projects:

- | | | |
|----|---|---------------|
| 1. | Street Light Replacement | \$1.5 Million |
| 2. | Building/Energy Retrofit | \$1.5 Million |
| 3. | Sewer Separation Project (Jessie & George Streets) | \$1.5 Million |

The sewer separation project was funded in the combined (Federal/Provincial) amount of \$1 Million.

FINANCIAL IMPLICATIONS

There are a variety of funding sources that the City might consider to finance the municipal portion of the aforementioned projects. It is recommended that the following financing strategy be adopted by Council.

1. BCF-Intake 2
2010 Canada 55+ Senior Games

| | |
|------------|----------------|
| Municipal* | \$141,667 |
| Federal | 141,666 |
| Provincial | <u>141,667</u> |
| Total | \$425,000 |

* Municipal portion – reallocation of 2009 capital funds.

2. Infrastructure Stimulus Fund
Sewer Separation Project

| | |
|-------------|----------------|
| Federal | \$500,000 |
| Provincial | 500,000 |
| Municipal * | <u>500,000</u> |
| Total | \$1.5 Million |

* Municipal portion – Federal Gas Tax \$250,000
Water/Wastewater Funds \$250,000

CONCLUSION

The ongoing separation of the City's sanitary and storm sewers will both reduce our operational costs and free up precious capacity at the Water Pollution Control Centre.

Financing the municipal portion of the two grant applications will allow staff to proceed with the implementation of the projects.



D. Cyr, Director of Finance



C. Cosgrove, Director of Operations



B. Casselman, City Manager

June 10, 2009

REPORT TO FINANCE & ADMINISTRATION COMMITTEE – June 17, 2009

**2009-097-06
2008 BUDGET AND YEAR-END
FINANCIAL STATEMENTS
FILE: F03-05 & F10-01**

**D. CYR
DIRECTOR OF FINANCE
L FERGUSON
SUPERVISOR OF ACCOUNTING
SERVICES**

RECOMMENDATION

THAT Audited Financial Statements and Treasurer's information pertaining to the 2008 Year-End Financial Position be received [Attachment 1 to Report 2009-097-06]; and

THAT expenses beyond the initial 2008 budget and mitigated within the surplus be ratified; and

THAT the Audited Financial Statements for the Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville be received [Attachment 2 to Report 2009-097-06]; and

THAT the Audited Statements for Corporation of the City of Brockville Trust Funds be received [Attachment 3 to Report 2009-097-06];

PURPOSE

To report to Council the final audited statements for the City of Brockville, for the year ended December 31, 2008, including the audited financial statements of the Board of Management, Downtown Business Improvement Area and the City Trust Funds.

BACKGROUND

As outlined in the Municipal Act:

Section 294.1... "A municipality shall, for each fiscal year, prepare annual financial statements for the municipality in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants."

Section 295.1... "within 60 days after receiving the audited financial statements of the municipality for the previous year, the Treasurer of the municipality, (a) shall publish in a newspaper having general circulation in the municipality, a copy of the audited financial statements, the notes to the financial statements, the auditor's report and the tax rate

information for the current and previous year as contained in the financial review, or, (b) a notice that a copy will be made available at no cost to the tax payer or resident upon request."

The Finance and Administration Committee monitored the budget process throughout the year by reviewing the Variance Analysis reports. The total of the activities for 2008 were managed within the total budget and the fiscal policy accounts. The corporate-wide Variance Analysis was provided with the December 31, 2008 Interim Treasurers Report (Report 2009-027-02) on February 17th, 2009.

ANALYSIS / FINANCIAL IMPLICATIONS

Operating Fund

The current fund ended the year with a surplus of \$167,347 that is now being transferred to the Fiscal Policy Reserve.

Explanations of the change in the 2008 surplus/deficit from the December interim report of \$21,153 deficit to year-end surplus of \$167,347 are as follows:

- Corporate Finance – an adjustment to the Allowance for Doubtful accounts provided a surplus of \$167,000 that was not identified on the interim report.
- Fire – additional revenues of \$26,700 were accrued for dispatch services based on 2008 expenses per the agreement with Prescott and United Counties.

Fiscal Policy Reserve

As a result of the year-end surplus and other transactions, the balance of the Fiscal Policy Reserve at December 31, 2008 was \$1,680,460.

Pursuant to subsequent transactions and other planned commitments the usable balance of this reserve at the date of June 8, 2009 is \$1,104,211.

Capital Fund

The Capital Fund, with respect to those capital projects that have been completed and closed will be presented to Council in a separate report.

Water and Wastewater Rate Administration

The year end deficit for the Water Rate Administration was \$35,290. The variance noted on the December interim report was a deficit of \$37,442.

The year end deficit for the Wastewater Rate Administration was \$192,309. The variance

noted on the December interim report was a projected deficit \$139,924, a difference of \$52,385. Explanations for the change in the variance are as follows:

- The operation of the main plant reflected a deficit of \$34,971 which was \$12,984 lower than was originally reported on the interim report.
- There was an expense for bad debt write-offs of \$70,817 that was not reflected on the interim report.
- The interim report did not reflect the surplus contributed from the Capital budget from savings on fleet purchases and the Front Avenue project of \$12,770.

Tax Collections

The City has continued its good collection record with respect to taxes levied. The percentage of tax levies receivable has increased slightly from 3.87% in 2007 to 3.97% in 2008. The following chart illustrates the outstanding taxes for the City at December 31, 2008 compared to December 31, 2007.

| | At December 31, 2008 | | At December 31, 2007 | |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Amount | % to Total Outstanding | Amount | % to Total Outstanding |
| of Current Year's Taxes | \$885,914 | 60.19% | \$931,751 | 60.48% |
| of Previous Year's Taxes | 452,799 | 30.77% | 432,349 | 28.07% |
| of 3 years + Prior | 117,782 | 8.00% | 44,098 | 2.86% |
| of Penalties & Interest | 15,295 | 1.04% | 132,297 | 8.59% |
| | \$1,471,790 | 100.00% | \$1,540,495 | 100.00% |
| | | | | |
| % of current Year's Levy + o/s arrears | | <u>3.97%</u> | | <u>3.87%</u> |

Investments

At year-end, the outstanding investments in City of Brockville debentures were \$356,892 (Hydro Funds). The Trust Fund has \$32,338 in the Scotia Trust Mutual Funds.

Accounting Practices

The City's budgeting and accounting system continues to be integrated and centralized with respect to monitoring and reporting on variances, purchasing standards, fiscal accounting and financial planning. All Boards and Committees, except for the Library, use the City's process. These integrations allow for efficiencies in process as well as cost. As well, the ability to provide common standards and value of reporting on a regular basis to

Council, Board Directors and Department Heads is enhanced.

Mr. Alvin Bennett, the City's Auditor, will be available at the meeting to answer any questions with respect to the audit of the Financial Statements.

POLICY IMPLICATIONS


There are no policy implications at this time.

CONCLUSION

As per the Municipal Act these reports will be made available to the public on the City website, or by hard copy if requested.



D. Cyr, Director of Finance



L. Ferguson, Supervisor of Accounting
Services



B. Casselman, City Manager

Consolidated Financial Statements of

CORPORATION OF THE CITY OF BROCKVILLE

Year ended December 31, 2008

| | |
|--|--------|
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AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
Corporation of the City of Brockville

We have audited the consolidated statement of financial position of the Corporation of the City of Brockville as at December 31, 2008 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2008 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Brockville, Canada

May 13, 2009

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Statement of Financial Position

December 31, 2008, with comparative figures for 2007

| | 2008 | 2007 |
|--|------------------------|------------------------|
| Assets | | |
| Financial assets: | | |
| Cash | \$ 24,419,214 | \$ 23,172,797 |
| Taxes receivable | 1,676,155 | 1,607,858 |
| Accounts receivable | 2,201,151 | 2,678,461 |
| Investment in own debentures | 356,892 | 419,000 |
| | <u>28,653,412</u> | <u>27,878,116</u> |
| Liabilities: | | |
| Accounts payable and accrued liabilities | 4,055,668 | 5,388,366 |
| Accrued interest on long-term liabilities | 294,662 | 306,880 |
| Deferred revenue - obligatory reserve funds (note 2) | 2,209,794 | 2,929,906 |
| Other deferred revenues | 2,680,804 | 240,785 |
| Employee future benefits (note 3) | 4,256,578 | 4,129,593 |
| Solid waste landfill closure and post-closure liabilities (note 4) | 3,370,000 | 3,250,000 |
| Net long-term liabilities (note 5) | <u>26,614,208</u> | <u>28,148,888</u> |
| | <u>43,481,714</u> | <u>44,394,418</u> |
| Net financial liabilities | (14,828,302) | (16,516,302) |
| Inventories of supplies | 568,279 | 543,958 |
| Prepaid expenses | 771,652 | 386,240 |
| Net liabilities | <u>\$ (13,488,371)</u> | <u>\$ (15,586,104)</u> |
| Municipal Position | | |
| Fund balances: | | |
| Water, waste water and library surpluses (note 6) | \$ 3,993,846 | \$ 4,265,096 |
| Capital fund (note 7) | 4,421,521 | 2,641,425 |
| Reserves (Schedule of Reserves and Reserve Funds) | 2,789,526 | 2,994,771 |
| Reserve funds (Schedule of Reserves and Reserve Funds) | <u>9,842,184</u> | <u>10,347,965</u> |
| | <u>21,047,077</u> | <u>20,249,257</u> |
| Amounts to be recovered (note 8): | | |
| From future revenues | (33,492,260) | (34,292,649) |
| From capital and reserve funds | <u>(1,043,188)</u> | <u>(1,542,712)</u> |
| | <u>(34,535,448)</u> | <u>(35,835,361)</u> |
| Commitments (note 9) | | |
| Contingencies (notes 5(a) and 10) | | |
| Net municipal position | <u>\$ (13,488,371)</u> | <u>\$ (15,586,104)</u> |

The accompanying schedules and notes are an integral part of these financial statements.

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Statement of Financial Activities

Year ended December 31, 2008, with comparative figures for 2007

| | Budget 2008 (unaudited) | Actual 2008 | Actual 2007 |
|---|-------------------------------|----------------|----------------|
| Revenues: | | | |
| Property taxation | \$ 26,103,093 | \$ 26,237,833 | \$ 25,015,073 |
| Taxation from other governments | 434,049 | 424,862 | 409,005 |
| User charges | 10,617,147 | 11,033,931 | 10,935,054 |
| Charges to other municipalities | 828,659 | 1,046,994 | 829,202 |
| Government grants | 6,643,920 | 5,465,648 | 3,721,819 |
| Contributions from developers | 870,000 | 870,000 | 49,780 |
| Penalties and interest on taxes | 260,000 | 300,330 | 246,448 |
| Investment income | 372,575 | 813,364 | 1,101,344 |
| Donations | 60,600 | 355,369 | 193,281 |
| Sale of property and equipment | - | 1,252 | 1,420 |
| Sale of History of Brockville book | - | 7,557 | 18,492 |
| Recovery of expenditures and miscellaneous | 397,907 | 283,714 | 379,515 |
| | 46,587,950 | 46,840,854 | 42,900,433 |
| Expenditures: | | | |
| Current operations (Schedule) | 38,859,232 | 39,882,649 | 37,520,069 |
| Capital operations (Schedule) | 7,809,262 | 4,860,472 | 5,880,165 |
| | 46,668,494 | 44,743,121 | 43,400,234 |
| Excess of expenditures over revenues | (80,544) | 2,097,733 | (499,801) |
| Proceeds from debenture issues | 231,060 | 456,060 | 2,648,728 |
| Principal payments on long-term liabilities | - | (1,990,740) | (1,887,799) |
| Decrease in accrued interest on long-term liabilities | - | (12,218) | (6,497) |
| Increase in employee future benefits | - | 126,985 | 95,592 |
| Increase (decrease) in solid waste landfill closure And post-closure liabilities | - | 120,000 | (810,000) |
| Increase (decrease) in fund balances | \$ 150,516 | 797,820 | (459,777) |
| Fund balances, beginning of year | | 20,249,257 | 20,709,034 |
| Fund balances, end of year | | \$ 21,047,077 | \$ 20,249,257 |

The accompanying schedules and notes are an integral part of these financial statements.

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Schedule of Current Operations

Year ended December 31, 2008, with comparative figures for 2007

| | Budget 2008 (unaudited) | Actual 2008 | Actual 2007 |
|--|-------------------------------|---------------------|---------------------|
| Revenues: | | | |
| Property taxation | \$ 26,103,093 | \$ 26,237,833 | \$ 25,015,073 |
| Taxation from other governments | 434,049 | 424,862 | 409,005 |
| User charges | 10,617,147 | 11,033,931 | 10,935,054 |
| Charges to other municipalities | 828,659 | 1,046,994 | 829,202 |
| Government grants | 3,228,808 | 3,688,877 | 3,431,891 |
| Penalties and interest on taxes | 260,000 | 300,330 | 246,448 |
| Investment income | 372,575 | 335,306 | 434,731 |
| Donations | 60,600 | 128,294 | 95,238 |
| Sale of property and equipment | - | - | 500 |
| Recovery of expenditures and miscellaneous | 397,907 | 263,418 | 369,515 |
| | 42,302,838 | 43,459,845 | 41,766,657 |
| Expenditures: | | | |
| General government | 3,375,040 | 3,054,627 | 3,306,000 |
| Protection to persons and property | 10,885,854 | 11,450,933 | 10,622,932 |
| Transportation services | 3,155,720 | 3,524,036 | 3,026,511 |
| Environmental services | 7,863,418 | 8,322,460 | 6,919,603 |
| Health services | 1,517,571 | 1,546,333 | 1,442,022 |
| Social and family services | 5,747,413 | 5,632,659 | 6,112,918 |
| Social housing | 708,143 | 691,353 | 679,633 |
| Library | 651,980 | 723,532 | 708,037 |
| Other recreation and cultural services | 2,828,620 | 3,153,178 | 3,186,978 |
| Planning and development | 2,125,473 | 1,783,538 | 1,515,435 |
| | 38,859,232 | 39,882,649 | 37,520,069 |
| Excess of revenues over expenditures | 3,443,606 | 3,577,196 | 4,246,588 |
| Transfers from other funds | - | 2,028,829 | 2,354,120 |
| Transfers to other funds, including \$167,347 (2007 - \$780,979) of surplus transferred to the fiscal policy reserve (note 6(b)) | - | (4,121,302) | (3,743,176) |
| Principal payments on long-term liabilities | - | (1,990,740) | (1,887,799) |
| Decrease in accrued interest on long-term liabilities | - | (12,218) | (6,497) |
| Increase in employee future benefits | - | 126,985 | 95,592 |
| Increase (decrease) in solid waste landfill post-closure liabilities | - | 120,000 | (590,000) |
| Increase (decrease) in current fund balance | \$ 3,443,606 | (271,250) | 468,828 |
| Current fund balance, beginning of year | | 4,265,096 | 3,796,268 |
| Current fund balance, end of year | | \$ 3,993,846 | \$ 4,265,096 |

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Schedule of Capital Operations

Year ended December 31, 2008, with comparative figures for 2007

| | Budget 2008 (unaudited) | Actual 2008 | Actual 2007 |
|--|-------------------------------|----------------|----------------|
| Revenues: | | | |
| Government grants | \$ 3,415,112 | \$ 1,776,771 | \$ 289,928 |
| Contributions from developers | 870,000 | 870,000 | 49,780 |
| Investment income | - | 141,445 | 200,874 |
| Donations | - | 227,075 | 98,043 |
| Sale of property and equipment | - | 1,252 | 920 |
| Sale of History of Brockville book | - | 7,557 | 18,492 |
| Miscellaneous | - | 20,296 | 10,000 |
| | 4,285,112 | 3,044,396 | 668,037 |
| Expenditures: | | | |
| General government | 432,450 | 413,224 | 854,267 |
| Protection to persons and property | 78,307 | 129,659 | 200,543 |
| Transportation services | 1,864,139 | 1,392,485 | 1,914,864 |
| Environmental services | 5,111,707 | 2,565,015 | 1,061,687 |
| Health services | 8,034 | 13,424 | - |
| Library | 17,500 | 7,952 | 2,181 |
| Other recreation and cultural services | 292,925 | 264,847 | 750,180 |
| Planning and development | 4,200 | 6,349 | 14,895 |
| St. Lawrence Lodge | - | 67,517 | 1,081,548 |
| | 7,809,262 | 4,860,472 | 5,880,165 |
| Excess of expenditures over revenues | (3,524,150) | (1,816,076) | (5,212,128) |
| Proceeds from debenture issues | 231,060 | 456,060 | 2,648,728 |
| Transfers from other funds | 3,509,264 | 3,274,482 | 2,845,919 |
| Transfers to other funds | - | (134,370) | (110,633) |
| Decrease in solid waste landfill closure liabilities | - | - | (220,000) |
| Increase (decrease) in capital fund balance | \$ 216,174 | 1,780,096 | (48,114) |
| Capital fund balance, beginning of year | | 2,641,425 | 2,689,539 |
| Capital fund balance, end of year | | \$ 4,421,521 | \$ 2,641,425 |

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Schedule of Reserves and Reserve Funds

Year ended December 31, 2008, with comparative figures for 2007

| | 2008 | 2007 |
|---|---------------|---------------|
| Investment income | \$ 336,613 | \$ 465,739 |
| Transfers from other funds | 2,152,793 | 2,338,725 |
| Transfers to other funds | (3,200,432) | (3,684,955) |
| Decrease in reserves and reserve fund balances | (711,026) | (880,491) |
| Reserves and reserve funds, beginning of year | 13,342,736 | 14,223,227 |
| Reserve and reserve funds, end of year | \$ 12,631,710 | \$ 13,342,736 |
| Consisting of: | | |
| Reserves: | | |
| Working capital | \$ 430,373 | \$ 430,373 |
| Fiscal policy (to reduce future taxation) | 1,680,460 | 2,317,520 |
| Projects deferred to the following year | 678,693 | 246,878 |
| | 2,789,526 | 2,994,771 |
| Reserve funds: | | |
| Landfill site | 642,114 | 816,507 |
| Specific reserve funds for acquisition of capital assets | 821,674 | 770,331 |
| Specific reserve funds to provide for future operating expenditures | 1,201,832 | 1,187,455 |
| Repayment of debt | 515 | 499 |
| Parking facilities | 323,537 | 264,330 |
| Hydro One proceeds management | 6,852,512 | 7,308,843 |
| | 9,842,184 | 10,347,965 |
| | \$ 12,631,710 | \$ 13,342,736 |

CORPORATION OF THE CITY OF BROCKVILLE

Consolidated Statement of Changes in Financial Position

Year ended December 31, 2008, with comparative figures for 2007

| | 2008 | 2007 |
|--|---------------|---------------|
| Cash provided by (used for): | | |
| Operations: | | |
| Excess of revenue over expenditures (expenditures over revenues) | \$ 2,097,733 | \$ (499,801) |
| Increase in taxes receivable | (68,297) | (187,844) |
| Decrease in accounts receivable | 477,310 | 77,634 |
| Increase (decrease) in accounts payable and accrued liabilities | (1,332,698) | 577,876 |
| Decrease in accrued interest on long-term liabilities | (12,218) | (6,497) |
| Increase in deferred revenues | 1,719,907 | 649,464 |
| Increase in employee future benefits | 126,985 | 95,592 |
| Increase (decrease) in solid waste landfill closure and post-closure liabilities | 120,000 | (810,000) |
| Decrease (increase) in inventories of supplies | (24,321) | 33,925 |
| Decrease (increase) in prepaid expenses | (385,412) | 53,703 |
| | 2,718,989 | (15,948) |
| Financing: | | |
| Net proceeds from debentures | 456,060 | 2,648,728 |
| Principal payments on long-term liabilities | (1,928,632) | (1,852,799) |
| | (1,472,572) | 795,929 |
| Increase in cash | 1,246,417 | 779,981 |
| Cash, beginning of year | 23,172,797 | 22,392,816 |
| Cash, end of year | \$ 24,419,214 | \$ 23,172,797 |
| Non-cash investing and financing activities: | | |
| Principal payments on own debentures | \$ 62,108 | \$ 35,000 |

The accompanying schedules and notes are an integral part of these financial statements.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

The Corporation of the City of Brockville is a municipality in the Province of Ontario. It conducts its operations under the direction of its elected Council, guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. Significant accounting policies:

(a) General:

The consolidated financial statements of the City are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(b) Reporting entity:

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the municipal Council and which are owned or controlled by the City.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

(c) Fund accounting:

These statements reflect the assets, liabilities, revenues and expenditures of the current fund, capital fund, reserves and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

Trust funds and their related operations administered by the City are not included in the financial statements but are reported separately.

(d) Capital assets:

Expenditures made on capital assets are reported as capital expenditures on the statement of financial activities in the year incurred.

(e) Revenue recognition:

Property tax billings are prepared by the City based on an assessment roll prepared by Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. Any supplementary billing adjustment made necessary by assessment appeals submitted by the ratepayers and changes to assessed value reflecting new construction are recognized in the year they are determined.

Government transfers are recognized as revenue in the year in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligible criteria have been met, and reasonable estimates of the amounts can be made.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

1. Significant accounting policies (continued)

(e) Revenue recognition (continued):

User charges and fees, with the exception of development charges, are recognized as revenue in the year the goods and services are provided.

Development charges and payments in lieu of parkland and funding received under public transit and gasoline tax programs are received under the authority of provincial legislation and the City's by-laws, and the use of these funds is restricted to applicable capital expenditures. These charges are recorded as deferred revenue and included in municipal revenues in the year that they are applied to qualifying capital expenditures.

Investment income earned on development charges and parkland reserve funds is recorded as deferred revenue (obligatory reserve funds) and included in municipal revenues in the year that they are applied to qualifying capital expenditures. Other investment income is reported in revenue in the period earned.

(f) Vacation pay:

Vacation pay is accrued for all employees as entitlement to these payments is earned in accordance with the City's benefit plan for vacation.

(g) Employee future benefits:

The City accrues its obligations under employee benefit plans as the employees render the services necessary to earn non-pension post-retirement benefits. The cost of such benefits earned by the employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of the retirement ages of employees and expected health care costs.

Actuarial valuations are prepared every three years, or more often at the discretion of management. In the years between valuations, an extrapolation is used to compute the expected accrued benefits obligation and related expenditures.

Actuarial gains or losses over 10% of the accrued benefit obligation at the beginning of the fiscal year are amortized on a straight-line basis over the average remaining service period of active employees.

The City also accrues its obligations for post-employment benefits when an event that obligates the City occurs such as parental and short-term sick leaves.

(h) Solid waste landfill closure and post-closure liabilities:

The costs of closing the solid waste landfill site and post-closure costs related to the site are accrued as the site's capacity is used.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

2. Deferred revenue – obligatory reserve funds:

Public sector accounting principles require that obligatory reserve funds are reported as deferred revenue as provincial legislation or agreements restrict how these funds may be used. The balances in the obligatory reserve funds of the City are summarized as follows:

| | 2008 | 2007 |
|---------------------------------|--------------|--------------|
| Development charges | \$ 732,725 | \$ 1,390,946 |
| Parkland | 273 | 265 |
| | 732,998 | 1,391,211 |
| Provincial public transit funds | 36,292 | 35,157 |
| Federal public transit funds | 8,759 | 17,884 |
| | 45,051 | 53,041 |
| Provincial gasoline tax | 122,619 | 33,301 |
| Federal gasoline tax | 1,309,126 | 1,452,353 |
| | 1,431,745 | 1,485,654 |
| | \$ 2,209,794 | \$ 2,929,906 |

3. Employee future benefits:

Employee future benefits consist of the following:

| | 2008 | 2007 |
|--|--------------|--------------|
| Post-retirement medical and life insurance (note 3(a)) | \$ 3,307,747 | \$ 3,255,481 |
| Unused sick leave (note 3(b)) | 741,323 | 671,684 |
| Self-funded pension (note 3(c)) | 12,304 | 20,002 |
| Workplace Safety and Insurance Board costs (note 3(d)) | 195,204 | 182,426 |
| | \$ 4,256,578 | \$ 4,129,593 |

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

3. Employee future benefits (continued):

- (a) The City has defined benefit plans providing post-retirement medical and life insurance benefits covering substantially all retirees and employees.

An actuarial valuation was prepared as at December 31, 2005 and extrapolated forward to compute the obligations at December 31, 2008. The significant actuarial assumptions adopted in measuring the City's accrued employee future benefits liabilities are as follows:

| | 2008 | 2007 |
|-------------------------------|------|------|
| Discount rate | 5.5% | 5.5% |
| Rate of compensation increase | 3.5% | 3.5% |

The assumed medical cost trend rate at December 31, 2008 was 9.10% decreasing to 5.0% by 2016 (2007 – 9.35% decreasing to 5%).

The estimates and assumptions used in 2008 may change significantly with the next detailed valuation.

Information about the City's defined contribution post-retirement benefit plans is as follows:

| | 2008 | 2007 |
|---|--------------|--------------|
| Accrued benefits obligation, beginning of year | \$ 2,683,538 | \$ 2,587,739 |
| Current service cost | 111,038 | 105,750 |
| Interest on accrued benefits | 149,259 | 143,911 |
| Benefits payments | (130,073) | (128,733) |
| Actuarial gain arising from updates to membership data | (31,482) | (25,129) |
| Accrued benefits obligation, end of year | 2,782,280 | 2,683,538 |
| Unamortized actuarial gains | 525,467 | 571,943 |
| Accrued employee future benefits liability, end of year | \$ 3,307,747 | \$ 3,255,481 |

The actuarial gains are being amortized over 12 year periods.

An amount of \$401,074 (2007 - \$379,086) has been accumulated towards this liability and is included in reserve funds.

- (b) Some employees of the City can accumulate unused sick leave and may become entitled to a cash payment when they leave the City's employment.

Significant actuarial assumptions adopted in measuring the City's accrued benefits under this plan are similar to those listed in (a) above.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

3. Employee future benefits (continued):

(b) Information about the City's sick leave benefit plans is as follows:

| | 2008 | 2007 |
|---|------------|------------|
| Accrued benefits obligation, beginning of year | \$ 671,684 | \$ 611,448 |
| Current service cost, interest on accrued benefits and actuarial gain | 72,551 | 67,264 |
| Benefits payments | (2,912) | (7,028) |
| Accrued benefits obligation, end of year | \$ 741,323 | \$ 671,684 |

An amount of \$152,445 (2007 - \$115,920) has been accumulated towards this liability and is included in reserve funds.

(c) The City has recorded a liability of \$12,304 (2007 - \$20,002) for the estimated liability of a self-funded pension program for certain former employees.

(d) The Workplace Safety and Insurance Board has estimated future benefits costs related to workplace injuries to be \$195,204 (2007 - \$182,426).

4. Solid waste landfill closure and post-closure liabilities:

The City ceased to operate its solid waste landfill site on December 31, 2000, but is required to complete certain closure procedures and to conduct post-closure procedures.

The main components of the closure plan are final capping, completing construction of a gas odour control system and landscaping. The post-closure care will involve surface water and ground water monitoring, venting gas, monitoring and providing water.

The recorded liabilities are the present value of future cash flows associated with the closure and post-closure costs, discounted using an average long-term borrowing rate of 5.0% and an annual inflation rate of 2.0%. The estimated undiscounted future cash flows associated with post-closure care for a 25 year period are \$5,640,000, of which \$3,050,000 will be recognized in future years.

| | 2008 | 2007 |
|-------------------------------------|--------------|--------------|
| Estimated costs to complete closure | \$ 320,000 | \$ 320,000 |
| Recorded post-closure costs | 3,050,000 | 2,930,000 |
| | \$ 3,370,000 | \$ 3,250,000 |

At December 31, 2008 \$232,952 (2007 - \$224,766) has been accumulated in the capital fund for these liabilities.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

5. Net long-term liabilities:

- (a) The net long-term liabilities reported on the Consolidated Balance Sheet are made up of the following:

| | 2008 | 2007 |
|---|----------------------|----------------------|
| Total long-term liabilities incurred by the City | \$ 38,165,185 | \$ 40,135,648 |
| Less amounts assumed by other municipalities with respect to St. Lawrence Lodge | (11,550,977) | (11,986,760) |
| | <u>\$ 26,614,208</u> | <u>\$ 28,148,888</u> |

Included in total long-term liabilities are global debentures totaling \$29,066,375 (2007 - \$30,162,969) issued during 2004 and 2005 with respect to St. Lawrence Lodge. They include direct obligations of the City in respect of the principal amount and also include distinct joint and several obligations of the Corporation of the City of Brockville and each of the United Counties of Leeds and Grenville, the Town of Prescott and the Town of Gananoque ("participating municipalities").

The joint and several obligations of the three municipalities amount to \$11,550,977 (2007 - \$11,986,760). As the participating municipalities have assumed responsibility for repayment of these obligations they have been deducted from the City's net-long term liabilities.

The City is contingently liable for the long-term liabilities assumed by the participating municipalities.

- (b) Principal is due on net long-term liabilities as follows:

| | |
|------------|----------------------|
| 2009 | \$ 2,117,775 |
| 2010 | 2,223,591 |
| 2011 | 2,234,974 |
| 2012 | 1,926,048 |
| 2013 | 2,015,942 |
| Thereafter | 16,095,878 |
| | <u>\$ 26,614,208</u> |

- (c) Interest rates on the debentures range from 2.69% to 6.8% (4.71% to 5.606% on the global debentures with respect to St. Lawrence Lodge) payable semi-annually. Interest on long-term liabilities amounted to \$1,343,383 (2007 - \$1,342,828).
- (d) The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

6. Current fund balance:

(a) The fund balance is made up of the following:

| | 2008 | 2007 |
|--|---------------------|---------------------|
| To be applied to operations of the water treatment and distribution system | \$ 2,379,815 | \$ 2,415,105 |
| To be applied to operations of the waste water treatment system | 1,584,997 | 1,780,306 |
| To be applied to operations of the library board | 29,034 | 69,685 |
| | <u>\$ 3,993,846</u> | <u>\$ 4,265,096</u> |

(b) In accordance with by-law 142-91 adopted in 1991 and ratified by the budget by-law of the current year, the City transferred its surplus, other than that of the library board and water and waste water treatment system, to the fiscal policy reserve. The transfer amounted to \$167,347 (2007 - \$780,979)

Had this transfer not been made, the current fund balance would have been \$4,161,193 (2007 - \$5,046,075).

7. Capital fund balance:

The fund balance is made up of the following:

| | 2008 | 2007 |
|---|---------------------|---------------------|
| Funds available for acquisition of capital assets: | | |
| Projects in progress | \$ 4,535,376 | \$ 3,076,990 |
| Completed projects | 63,768 | 71,217 |
| Acquisition of capital assets to be recovered from: | | |
| Taxation and user rates | (177,623) | (267,482) |
| Issue of long-term liabilities | - | (239,300) |
| | <u>\$ 4,421,521</u> | <u>\$ 2,641,425</u> |

8. Amounts to be recovered:

Amounts to be recovered are as follows:

| | 2008 | 2007 |
|---|----------------------|----------------------|
| Accrued interest on long-term liabilities | \$ 294,662 | \$ 306,880 |
| Employee future benefits | 4,256,578 | 4,129,593 |
| Solid waste landfill closure and post-closure liabilities | 3,370,000 | 3,250,000 |
| Net long-term liabilities | 26,614,208 | 28,148,888 |
| | <u>\$ 34,535,448</u> | <u>\$ 35,835,361</u> |

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

9. Commitments:

- (a) The City has entered into a contract for waste removal through to 2010. In May 2006 the agreement was amended, effective July 1, 2006, to provide a price adjustment based on diesel fuel prices. The estimated annual cost of the amended contract is \$687,000.
- (b) The City has agreed to contribute \$1.5 million towards the construction of a destination tourist site to be called the Maritime Discovery Centre. The City has also agreed to contribute \$150,000 annually to the operation of the Maritime Discovery Centre in addition to in-kind contributions of insurance and water charges.

10. Contingencies:

The nature of the City's activities is such that there is usually litigation pending or in prospect at any time. Management is of the opinion that the City has valid defenses and appropriate insurance coverage in place for claims for damages and related costs.

At December 31, 2008 there are three claims seeking punitive damages which aggregate to \$10,500,000 and which are not covered by insurance. Management is of the opinion that these claims are without substantial merit and accordingly has made no provision for them.

In addition the City owns various properties that have previously been used in commercial activities and is subject to environmental laws and regulation with regard to these properties. Provisions have been made where it is probable that liabilities will be incurred and where such liabilities can be reasonably estimated.

Further costs, if any, that may arise will be accounted for in the year that they are identified.

11. Pension agreement:

Substantially all of the employees of the City are members of the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined benefit pension plan. The plan specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay.

Contributions to the plan made during the year by the City on behalf of its employees amounted to \$1,134,994 (2007 - \$1,036,286).

The most recent actuarial valuation was at December 31, 2008 and the December 31, 2008 financial statements of OMERS report net assets of \$43 billion and an actuarial funding deficit of \$279 million.

12. Trust funds:

Trust funds administered by the City amounting to \$1,043,569 (2007 - \$1,024,044) have not been included in the consolidated statement of financial position nor have their financial activities been included in the consolidated statement of financial activities.

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

13. Public sector salary disclosure:

Under the Public Sector Salary Disclosure Act, 1996 the City is required to disclose the name, position, salary and taxable benefits of employees with annual salaries of \$100,000 or more.

For 2008 the employees who met the requirements for disclosure were as follows:

| <u>Name</u> | <u>Position</u> | <u>Salary</u> | <u>Taxable Benefits</u> |
|--------------------|--|---------------|-------------------------|
| John Manoll | Police Chief | \$ 142,925 | \$ 1,195 |
| Robert Casselman | City Manager | \$ 141,595 | \$ 1,276 |
| David Morgan | Director, Parks Recreation | \$ 132,643 | \$ 726 |
| Adrian Geraghty | Deputy Police Chief | \$ 130,586 | \$ 1,092 |
| Lee MacArthur | Deputy Police Chief | \$ 127,300 | \$ 1,087 |
| Conal Cosgrove | Director, Operations | \$ 120,456 | \$ 1,069 |
| Harry Jones | Fire Chief | \$ 106,855 | \$ 926 |
| Shawn Bergferd | 1 st Class Police Constable | \$ 104,967 | \$ 652 |
| Robert Ferguson | 1 st Class Police Constable | \$ 103,999 | \$ 707 |
| John Inglis | Fire Captain | \$ 102,922 | \$ 765 |
| Garry Dunklin | 1 st Class Police Constable | \$ 102,541 | \$ 461 |
| Gregory Watt | Fire Captain | \$ 102,425 | \$ 765 |
| Keith Fleury | 1 st Class Police Constable | \$ 101,840 | \$ 657 |
| Peter Buell | Police Sergeant | \$ 101,387 | \$ 787 |
| D. Thomas Fournier | Investigator 1 | \$ 100,594 | \$ 765 |
| Mark Noonan | Investigator 1 | \$ 100,422 | \$ 747 |
| Christopher Dwyre | Deputy Fire Chief | \$ 100,197 | \$ 863 |

CORPORATION OF THE CITY OF BROCKVILLE

Notes to Consolidated Financial Statements

Year ended December 31, 2008

14. Expenditures by object:

The following is a summary of the expenditures by object:

| | 2008 | 2007 |
|---------------------------------------|----------------------|----------------------|
| Current expenditures: | | |
| Salaries, wages and benefits | \$ 20,745,856 | \$ 19,077,381 |
| Interest on long-term liabilities | 1,331,166 | 1,336,330 |
| Materials and supplies | 5,842,318 | 5,283,280 |
| Contracted services | 5,067,901 | 4,567,540 |
| Rents and financial | 32,103 | 26,608 |
| Transfer payments | 6,863,305 | 7,228,930 |
| | \$ 39,882,649 | \$ 37,520,069 |
| Capital expenditures: | | |
| Salaries, wages and benefits | \$ 73,465 | \$ 76,660 |
| Materials and supplies | 99,817 | 91,580 |
| Contracted services | 3,643,975 | 3,715,055 |
| Vehicle, equipment and land purchases | 1,025,282 | 1,927,482 |
| Interest | 17,933 | 69,388 |
| | \$ 4,860,472 | \$ 5,880,165 |

15. Financial instruments:

The City's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities and net long-term liabilities.

Management estimates that the fair value of the net long-term liabilities does not differ materially from the carrying value. Due to their nature or capacity for prompt liquidation, the fair values of the other financial instruments approximate their carrying values.

The City invests its cash with one or more Canadian Schedule I Banks.

Provision is made for losses on collection of accounts receivable, when Management determines it is necessary.

16. Tangible capital assets:

Effective January 1, 2009 the City will be required to report tangible capital assets on the statement of financial position under section PS 3150 of the CICA Handbook.

When PS 3150 is implemented, tangible assets will be recorded at cost. Contributed tangible capital assets will be recorded as fair value at the date of contribution. Repairs and maintenance costs will continue to be charged to expense. Betterments which extend the estimated life of an asset will be capitalized. When a capital asset no longer contributes to the City's ability to provide services, its carrying amount will be written down to its residual value.

The City is in the process of compiling the information needed to comply with the new reporting requirement.

Financial Statements of

**THE BOARD OF MANAGEMENT,
DOWNTOWN BUSINESS IMPROVEMENT
AREA OF THE CORPORATION OF THE
CITY OF BROCKVILLE**

Year ended December 31, 2008

Draft

AUDITORS' REPORT

To the Board Members, Members of Council and Ratepayers
Downtown Business Improvement Area of the Corporation of the City of Brockville

We have audited the statement of financial position of the Board of Management, Downtown Business Improvement Area of the Corporation of the City of Brockville as at December 31, 2008 and the statements of financial activities, changes in fund balances and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2008 and the results of its operations and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Brockville, Canada

May 13, 2009

THE BOARD OF MANAGEMENT, DOWNTOWN BUSINESS IMPROVEMENT AREA OF THE CORPORATION OF THE CITY OF BROCKVILLE

Statement of Financial Position

December 31, 2008, with comparative figures for 2007

| | 2008 | 2007 |
|---|------------------|------------------|
| Financial assets | | |
| Cash | \$ 32,108 | \$ 15,094 |
| Receivable from City of Brockville | - | 16,137 |
| | \$ 32,108 | \$ 31,231 |
| Fund balances | | |
| Payable to City of Brockville | \$ 24,299 | \$ - |
| Reserve fund set aside by council for downtown beautification | 7,809 | 31,231 |
| | \$ 32,108 | \$ 31,231 |

Statement of Financial Activities

Year ended December 31, 2008, with comparative figures for 2007

| | Budget (unaudited) | 2008 | 2007 Actual |
|--|-----------------------|--------------------|------------------|
| Revenues: | | | |
| Taxation | \$ 207,036 | \$ 208,044 | \$ 195,172 |
| Parking levy | 34,000 | 34,000 | 34,000 |
| Government grants | 7,482 | 120 | 15,665 |
| User charges | 2,000 | 30,296 | 170 |
| Interest | 585 | 878 | 757 |
| Donations | - | 10,988 | - |
| | 251,103 | 284,326 | 245,764 |
| Expenditures: | | | |
| Salaries and benefits | 76,210 | 74,841 | 62,949 |
| Materials, supplies and services | 135,808 | 219,074 | 126,548 |
| Transfer to City of Brockville | 38,500 | 13,833 | 43,373 |
| | 250,518 | 307,748 | 232,870 |
| Excess of revenues over expenditures (expenditures over revenues) | \$ 585 | \$ (23,422) | \$ 12,894 |

The accompanying notes are an integral part of this financial statement.

THE BOARD OF MANAGEMENT, DOWNTOWN BUSINESS IMPROVEMENT AREA OF THE CORPORATION OF THE CITY OF BROCKVILLE

Statement of Changes in Fund Balances

Year ended December 31, 2008, with comparative figures for 2007

| | Operating Fund | Reserve Fund | 2008 | 2007 Total |
|--|-------------------|-----------------|-----------|---------------|
| Balance, beginning of year | \$ - | \$ 31,231 | \$ 31,231 | \$ 18,337 |
| Excess of revenues over expenditures (expenditures over revenues) | (24,300) | 878 | (23,422) | 12,894 |
| Net appropriations from reserve fund | 24,300 | (24,300) | - | - |
| Balance, end of year | \$ - | \$ 7,809 | \$ 7,809 | \$ 31,231 |

Statement of Changes in Financial Position

Year ended December 31, 2008, with comparative figures for 2007

| | 2008 | 2007 |
|--|-------------|-----------|
| Cash provided by (used for): | | |
| Operations: | | |
| Excess of revenues over expenditures (expenditures over revenues) | \$ (23,422) | \$ 12,894 |
| Changes in non-cash operating working capital: | | |
| Decrease (increase) in receivable from City of Brockville | 16,137 | (15,130) |
| Increase in payable to City of Brockville | 24,299 | - |
| Increase (decrease) in cash | 17,014 | (2,236) |
| Cash, beginning of year | 15,094 | 17,330 |
| Cash, end of year | \$ 32,108 | \$ 15,094 |

The accompanying notes are an integral part of this financial statement.

THE BOARD OF MANAGEMENT, DOWNTOWN BUSINESS IMPROVEMENT AREA OF THE CORPORATION OF THE CITY OF BROCKVILLE

Notes to Financial Statements

Year ended December 31, 2008

1. Basis of presentation and accounting:

The Board of Management, Downtown Business Improvement Area is a Board of the Corporation of the City of Brockville. The Board's consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Fund accounting:

These statements reflect the assets, liabilities, revenue and expenditures of the operating and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance in the statement of changes in fund balances.

(b) Revenue recognition:

Property tax billings are prepared by the City based on an assessment roll prepared by Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. Any supplementary billing adjustment made necessary by assessment appeals submitted by the ratepayers and changes to assessed value reflecting new construction will be recognized in the year they are determined.

Government grants are recognized as revenue in the year in which the events giving rise to the grant occur providing the grants are authorized, all eligible criteria have been met and reasonable estimates can be made.

User charges and fees are recognized as revenue in the year the services are provided.

(c) Capital assets:

The historical cost and accumulated depreciation of capital assets are not reported in the statement of financial position. Capital assets are reported as expenditure in the consolidated statement of operations in the year of acquisition.

2. Commitment:

The Board has a commitment to repay the City of Brockville for capital expenditures funded from the Fiscal Policy Reserve. The annual amounts to be repaid are as follows:

| | Downtown Beautification for Wreaths | Hardy Park Outdoor Skating Park | Total |
|------|---|---------------------------------------|------------------|
| 2009 | \$ 4,500 | \$ 6,000 | \$ 10,500 |
| 2010 | - | 6,000 | 6,000 |
| 2011 | - | 6,000 | 6,000 |
| 2012 | - | 6,000 | 6,000 |
| 2013 | - | 6,000 | 6,000 |
| | <u>\$ 4,500</u> | <u>\$ 30,000</u> | <u>\$ 34,500</u> |

Financial Statements of

**CORPORATION OF THE
CITY OF BROCKVILLE
TRUST FUNDS**

Year ended December 31, 2008

DRAFT

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
Corporation of the City of Brockville

We have audited the balance sheet of the trust funds of the Corporation of the City of Brockville as at December 31, 2008 and the statement of continuity of trust funds for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of the City as at December 31, 2008 and the continuity of trust funds for the year then ended in accordance with Canadian accounting principles disclosed in note 1 to the financial statements.

Chartered Accountants, Licensed Public Accountants

Brockville, Canada

May 13, 2009

CORPORATION OF THE CITY OF BROCKVILLE

TRUST FUNDS

Statement of Continuity

Year ended December 31, 2008, with comparative figures for 2007

| | Cemeteries Perpetual Care | C. Babcock | Deferred Interments | St. Lawrence Lodge Partners Trust | 2008 Total | 2007 Total |
|---|---------------------------------|---------------|------------------------|--|---------------|---------------|
| Balance, beginning of year: | | | | | | |
| As previously reported | \$ 836,662 | \$ 1,779 | \$ - | \$ 175,141 | \$1,013,582 | \$1,089,730 |
| Adjustment for prior year deferred interments (note 3) | - | - | 40,204 | - | 40,204 | - |
| As restated | 836,662 | 1,779 | 40,204 | 175,141 | 1,053,786 | 1,089,730 |
| Capital receipts | 18,058 | - | 3,800 | - | 21,858 | 17,845 |
| Partners' contributions | - | - | - | 337,207 | 337,207 | 336,277 |
| Investment income | 15,952 | 55 | 1,217 | 5,957 | 23,181 | 47,965 |
| | 34,010 | 55 | 5,017 | 343,164 | 382,246 | 402,087 |
| | 870,672 | 1,834 | 45,221 | 518,305 | 1,436,032 | 1,491,817 |
| Expenditures | 45,396 | - | 1,050 | 346,923 | 393,369 | 478,235 |
| Balance, end of year | \$ 825,276 | \$ 1,834 | \$ 44,171 | \$ 171,382 | \$1,042,663 | \$1,013,582 |

Balance Sheet

December 31, 2008, with comparative for 2007

| | Cemeteries Perpetual Care | C. Babcock | Deferred Interments | St. Lawrence Lodge Partners Trust | 2008 Total | 2007 Total |
|---|---------------------------------|---------------|------------------------|--|---------------|---------------|
| Assets | | | | | | |
| Cash | \$ 793,844 | \$ 1,834 | \$ 44,171 | \$ 115,181 | \$ 955,030 | \$ 943,990 |
| Receivable from revenue fund of the City of Brockville | - | - | - | 56,201 | 56,201 | 2,066 |
| Investments | 32,338 | - | - | - | 32,338 | 77,988 |
| | \$ 826,182 | \$ 1,834 | \$ 44,171 | \$ 171,382 | \$1,043,569 | \$1,024,044 |
| Liabilities | | | | | | |
| Payable to revenue fund of the City of Brockville | \$ 906 | \$ - | \$ - | \$ - | \$ 906 | \$ 10,462 |
| Balance | | | | | | |
| Capital | 779,545 | 500 | 44,171 | 171,382 | 995,598 | 937,128 |
| Income | 45,731 | 1,334 | - | - | 47,065 | 76,454 |
| | 825,276 | 1,834 | 44,171 | 171,382 | 1,042,663 | 1,013,582 |
| | \$ 826,182 | \$ 1,834 | \$ 44,171 | \$ 171,382 | \$1,043,569 | \$1,024,044 |

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE CITY OF BROCKVILLE

TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2008

1. Basis of accounting:

- (i) Capital receipts are reported on the cash basis of accounting.
- (ii) Expenditures and investment income are reported on the accrual basis of accounting.

2. Investments:

Investments are recorded at fair market value.

3. Deferred interments:

Deferred interments had previously been reported as a liability in the consolidated financial statements of the City of Brockville. During 2008 it was determined that the deposits are held in trust and should be reported as a trust fund.

The opening balance of the funds has been increased by \$40,204 which represents accumulated deferred interments of \$35,875 and accumulated interest of \$4,329.

June 8, 2009

REPORT TO FINANCE AND ADMINISTRATION COMMITTEE – JUNE 16, 2009

2009-098-06

CAPITAL PROJECTS

SURPLUS &/OR DEFICIT BALANCE

D.CYR

DIRECTOR OF FINANCE

L. FERGUSON

SUPERVISOR OF ACCOUNTING SERVICES

C. WARD

TREASURY OFFICER – CAPITAL AND RESERVES

RECOMMENDED

THAT Council receives and ratifies the expenditures and surplus balances of the Capital projects that have been completed as at December 31, 2008, in the **net surplus amount of \$129,577.02**. [Attachment 1 to Report # 2009-098-06];

AND THAT the net surplus of \$129,577.02, after distribution to the closed projects with deficits, be allocated as follows:

| | |
|---|---------------------|
| Surplus back to the Fleet Replacement Reserve Fund | \$ 77,899.10 |
| Surplus back to the Water Rate Fund | 5,689.58 |
| Deficit to be funded from the Water Rate Fund Surplus | (2,682.93) |
| Surplus back to the Wastewater Rate Fund | 12,770.15 |
| Surplus back to the Parkland Equipment Reserve Fund | 33,954.00 |
| Surplus to the Capital Fiscal Management Reserve (CFMR) | 12,408.42 |
| Deficits to be funded from Surplus transfer to CFMR: | |
| 2008 Minor Capital projects: | |
| Repair/Replacement of Opticom | (1,296.36) |
| Interest on CRCA | (39.46) |
| Court House Green – 175 th Anniversary | (9,125.48) |
| | <u>\$129,577.02</u> |

PURPOSE

The intent of this report is to allow Council the opportunity to review and ratify the expenditures which occurred in the Capital fund during the fiscal year of 2008. As well, this report seeks Council's authorization to transfer the net surplus funds from the Capital projects to be closed to the Water Fund, Wastewater Fund or reserve funds from which the funds were allocated. For the projects which did not receive funding from the Water Fund, Wastewater Fund or a particular reserve fund, it is requested that Council authorize the transfer of the surplus to the Capital Fiscal Management Reserve.

BACKGROUND

Each year, as part of the Corporation's annual Capital financial accounting review, completed projects are evaluated and closed. Deficits or surpluses from each project are amalgamated in order to identify the overall amount of remaining funds. This year, a net surplus of \$129,577.02 has been identified during this review.

ANALYSIS / OPTIONS

The transfer of surplus funds from the Capital projects to be closed to the Water Fund, Wastewater Fund or other contributing reserve funds increases the balances in the separate funds, thereby enhancing their interest earning potential. As a result, it allows the funds to have more monies in which Council can draw upon to fund future projects if they wish.

As well, by transferring the surplus funds from Capital projects that did not receive funding from separate funds to the Capital Fiscal Management Reserve, it allows this reserve to have a sufficient balance to not only fund the St. Lawrence College commitment, but to also fund any unexpected expenditures that may occur in the Capital fund.

POLICY IMPLICATIONS


Staff requires the authorization of Council to transfer monies into the Water Fund, Wastewater Fund or a reserve fund.

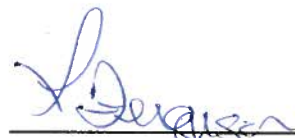
FINANCIAL CONSIDERATIONS

Attached to this report [Attachment 2 to Report 2009-098-06] is a copy of the Capital Fiscal Management Reserve which after the recommended allocation above would have a balance of \$63,768.13. Please note that in 2005 Council committed \$38,000 (of which \$19,000 is still payable) to St. Lawrence College over a six year period commencing in 2006.

CONCLUSION

Many of the Capital projects to be closed received funding from one or more funds. It is proposed that the surplus from these projects be returned to the fund which contributed the initial funding. Where the funding was not obtained from the Water Fund, Wastewater Fund or a reserve fund, it is proposed that the surplus funds be transferred to the Capital Fiscal Management Reserve.


C. Ward
Treasury Officer – Reserves and Capital


L. Ferguson
Supervisor of Accounting Services


D. Cyr, Director of Finance


B. Casselman, City Manager

SUMMARY OF CAPITAL FUND PROJECTS
As at December 31, 2008

| | TOTAL | | CARRIED FORWARD | | CLOSED OUT | |
|---|---------------------------------|-------------------------------|---------------------------------|-------------------------------------|---------------------------------|-------------------------------|
| | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus |
| General Government | (99,020.58) | 730,608.39 | (97,684.76) | 627,083.02 | (1,335.82) | 103,525.37 |
| Protection to Persons & Property | 0.00 | 41,462.72 | 0.00 | 41,462.72 | 0.00 | 0.00 |
| Transportation | 0.00 | 539,601.06 | 0.00 | 534,359.18 | 0.00 | 5,241.88 |
| Environment | (22,313.95) | 1,589,429.75 | (19,631.02) | 1,589,429.75 | (2,682.93) | 0.00 |
| Parks | (69,433.06) | 1,446,859.08 | (60,307.58) | 1,412,905.08 | (9,125.48) | 33,954.00 |
| Planning and Development | 0.00 | 330,136.57 | 0.00 | 330,136.57 | 0.00 | 0.00 |
| Totals | (190,767.59) | 4,678,097.57 | (177,623.36) | 4,535,376.32 | (13,144.23) | 142,721.25 |
| Net | | | | | | |
| | | | | 4,357,752.96 | Net | 129,577.02 |
| Total 2008 Capital Surplus: 4,487,329.98 | | | | | | |
| | | | | Transfer from other Capital Project | | \$0.00 |
| | | | | Return to Reserve Funds | | \$111,853.10 |
| | | | | to Capital Fiscal Policy Reserve | | \$1,947.12 |
| | | | | Return to Water Fund | | \$3,006.65 |
| | | | | Return to Sewer Fund | | \$12,770.15 |
| | | | | | | <u>\$129,577.02</u> |

**GENERAL GOVERNMENT
CAPITAL FUND PROJECTS
As at December 31, 2008**

| Year First Introduced to Capital Budget | PROJECT DESCRIPTION | TOTAL | | CARRIED FORWARD | | CLOSE OUT | |
|---|--|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus |
| 2004 (5 Years) | C1010-BMAC Brockville Munic. Access Advisory | | 118,083.24 | | 118,083.24 | | |
| 1996 (Annual) | C1010-BMMP Building/Equipment Maint. Mgmt Pgm. | | 143,571.97 | | 143,571.97 | | |
| Ongoing | C1010-BOOK History of Brockville Book | (76,824.36) | | (76,824.36) | | | |
| 1995 (Annual) | C1010-FPRP Fleet - Administration | | 207,140.79 | | 116,023.84 | | 91,116.95 |
| 2008 | C1010-GISE GIS - Engineering | (16,588.99) | | (16,588.99) | | | |
| 2008 | C1010-GWLU GWMC Lighting Upgrade | (4,271.41) | | (4,271.41) | | | |
| 1998 (Annual) | C1010-ICSU Corporate Systems Upgrade | | 189,151.85 | | 189,151.85 | | |
| 1998 (Annual) | C1010-INSE Computer Replacement System | | 24,617.02 | | 24,617.02 | | |
| Ongoing | C1040-CS99 Contributed Surplus | | 0.00 | | 0.00 | | 810.29 |
| 2004 | C1040-MC04 2004 Minor Capital | | 810.29 | | 0.00 | | 3,600.04 |
| 2006 | C1040-MC06 2006 Minor Capital | | 9,586.46 | | 5,986.42 | | 1,186.68 |
| 2007 | C1040-MC07 2007 Minor Capital | | 14,063.75 | | 12,877.07 | | 6,811.41 |
| | C1040-MC08 2008 Minor Capital | (1,335.82) | 23,583.02 | | 16,771.61 | (1,335.82) | |
| | | (99,020.58) | 730,608.39 | (97,684.76) | 627,083.02 | (1,335.82) | 103,525.37 |

GENERAL GOVERNMENT - PROJECT DESCRIPTION

PROTECTION TO PERSONS & PROPERTY
CAPITAL FUND PROJECTS
As at December 31, 2008

| | Year First Introduced to Capital Budget | TOTAL | | CARRIED FORWARD | | CLOSE OUT | |
|------------|---|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus |
| C2110-FHR1 | Fire Hall Renovations #1 | | 41,462.72 | | 41,462.72 | | |
| | 2000 (4 Phases) | | 41,462.72 | | 41,462.72 | | |
| | | 0.00 | 41,462.72 | 0.00 | 41,462.72 | 0.00 | 0.00 |

**TRANSPORTATION SERVICES
CAPITAL FUND PROJECTS
As at December 31, 2008**

| | Year First Introduced to Capital Budget | TOTAL | | CARRIED FORWARD | | CLOSE OUT | |
|--|---|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus |
| C3011-ACPM | 1998 (Annual) | | 4,904.77 | | 4,904.77 | | |
| C3011-BDW1 | 1995 | | 108,074.01 | | 108,074.01 | | |
| C3011-BTPS | 2008 | | 75,609.21 | | 75,609.21 | | |
| C3011-CNIM | 2007 | | 42,993.88 | | 42,993.88 | | |
| C3011-EN58 | | | 5,659.57 | | 5,659.57 | | |
| C3011-FROT | 2007 | | 8,884.54 | | 3,642.66 | | 5,241.88 |
| C3011-KW04 | 2004 | | 20,546.85 | | 20,546.85 | | |
| C3011-LOUS | 2006 | | 12,808.17 | | 12,808.17 | | |
| C3011-PENG | 2004 | | 26,965.60 | | 26,965.60 | | |
| C3011-PKDL | 2004 | | 202,432.17 | | 202,432.17 | | |
| C3011-RAIL | 2006 | | 3,138.49 | | 3,138.49 | | |
| C3041-MTRS | 2007 | | 27,583.80 | | 27,583.80 | | |
| C3140-SHEL | 2007 | | 0.00 | | 0.00 | | |
| Asphalt Concrete Program | | | | | | | |
| Bridge Deck Waterproofing Pgm. | | | | | | | |
| Transportation Planning Study | | | | | | | |
| CN Railway Crossing Improvements | | | | | | | |
| Railway Fencing: CNR Lands | | | | | | | |
| Front Avenue Reconstruction - Tracks to Park | | | | | | | |
| King St. W. Reconstruction | | | | | | | |
| Louis Street Reconstruction | | | | | | | |
| Pre-Engineering Services | | | | | | | |
| Parkdale Ave Realignment | | | | | | | |
| Park St. railway crossing | | | | | | | |
| Municipal Parking Meters | | | | | | | |
| Transit Shelters | | | | | | | |
| | | 0.00 | 539,601.06 | 0.00 | 534,359.18 | 0.00 | 5,241.88 |

**ENVIRONMENTAL SERVICES
CAPITAL FUND PROJECTS
As at December 31, 2008**

| | Year First Introduced to Capital Budget | TOTAL | | CARRIED FORWARD | | CLOSE OUT | |
|------------|---|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus |
| C4030-BROC | 2008 | (19,631.02) | | (19,631.02) | | | |
| C4030-DEST | 2006 | | 49,958.40 | | 49,958.40 | | |
| C4030-EQMT | 2001 | | 2,103.98 | | 2,103.98 | | |
| C4030-FAWA | 2007 | (2,682.93) | | 0.00 | | (2,682.93) | |
| C4030-LAUR | 2004 | | 36,121.13 | | 36,121.13 | | |
| C4030-MABE | 2004 | | 37,497.00 | | 37,497.00 | | |
| C4030-SRVU | 2001 | | 45,913.94 | | 45,913.94 | | |
| C4030-WTPW | 2001(Ongoing) | | 522,021.98 | | 522,021.98 | | |
| C4030-Z3PA | 2007 | | 6,415.38 | | 6,415.38 | | |
| C4030-ZNE3 | 2001 | | 33,995.45 | | 33,995.45 | | |
| C4050-E360 | 1999 (Ongoing) | | 22,995.95 | | 22,995.95 | | |
| C4050-LFCL | 2004 | | 232,951.94 | | 232,951.94 | | |
| C4060-LLTS | 2008 | | 70,568.59 | | 70,568.59 | | |
| C4060-SIIA | 2008 | | 50,406.14 | | 50,406.14 | | |
| C4060-STEW | 2004 | | 77,941.07 | | 77,941.07 | | |
| C4060-WPCE | 2003 (Ongoing) | | 385,316.34 | | 385,316.34 | | |
| C4060-WPCU | 2003 | | 2,543.91 | | 2,543.91 | | |
| C4602-ETWN | 2005 | | 12,678.55 | | 12,678.55 | | |
| | | (22,313.95) | 1,589,429.75 | (19,631.02) | 1,589,429.75 | (2,682.93) | 0.00 |

**PARKS, RECREATION, CULTURE
CAPITAL FUND PROJECTS
As at December 31, 2008**

| | Year First Introduced to Capital Budget | | TOTAL | | CARRIED FORWARD | | CLOSE OUT | |
|------------|---|---------------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | | | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus |
| C7011-BRID | 2007 | Bridlewood - Community Park | | 31,463.21 | | 31,463.21 | | |
| C7011-CHGR | 2007 | Court House Green - 175th Anniversary | (9,125.48) | 0.00 | | | (9,125.48) | |
| C7011-DOGG | 2007 | Leash-free dog park | | 1,431.93 | | 1,431.93 | | |
| C7011-ENCR | 2008 | Project Encore | | 877,064.74 | | 877,064.74 | | |
| C7011-PATH | 1986 (20 Years) | Pedestrian Pathway Linkage | | 10,761.18 | | 10,761.18 | | |
| C7011-PEMP | 1996 (Annual) | Parkland Equipment Management Pgm. | | 138,272.48 | | 104,318.48 | | 33,954.00 |
| C7011-RTPN | 2005 | Repairs to Tunnel - North Portal | | 87,922.87 | | 87,922.87 | | |
| C7011-SKAT | 2005 | Skateboard Park | (60,307.58) | 0.00 | (60,307.58) | | | |
| C7011-STLP | 2006 | St. Lawrence Park - Design | | 16,841.56 | | 16,841.56 | | |
| C7011-TUNL | 2003 | Tunnel Tourism Project | | 192,382.31 | | 192,382.31 | | |
| C7011-WFPS | 2008 | Water Front Public Use Study | | 5,423.67 | | 5,423.67 | | |
| C7011-WSPD | 2004 | Water Street Park Development | | 85,295.13 | | 85,295.13 | | |
| | | | (69,433.06) | 1,446,859.08 | (60,307.58) | 1,412,905.08 | (9,125.48) | 33,954.00 |

**PLANNING AND DEVELOPMENT
CAPITAL FUND PROJECTS
As at December 31, 2008**

| | Year First Introduced to Capital Budget | TOTAL | | CARRIED FORWARD | | CLOSE OUT | |
|------------|---|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus | UNFINANCED (Deficit) | UNEXPENDED Surplus |
| C8030-SD02 | 1997 (Ongoing) | | 98,724.13 | | 98,724.13 | | |
| C8030-SD98 | Stormwater Subdivision | | 3,513.31 | | 3,513.31 | | |
| C8030-SD99 | Stormwater Mgmt. - Brockwoods | | 49,537.27 | | 49,537.27 | | |
| C8540-SLLR | Cont. to sidewalks | | 178,361.86 | | 178,361.86 | | |
| | St. Lawrence Lodge Redevelopment | | | | | | |
| | | 0.00 | 330,136.57 | 0.00 | 330,136.57 | 0.00 | 0.00 |

Analysis of Capital Accounts Closed at December 31, 2008

| | 2008 Budget | Carry Forward from Previous Year(s) Surplus/(Deficit) | 2008 Actual Revenues | 2008 Actual Expenses | Gross Surplus/(Deficit) | Amount to/(from) Contributing Reserve Funds, Water or Sewer Fund | Net Surplus/(Deficit) | |
|--------------------------|-------------|--|---------------------------|-------------------------|----------------------------|--|--------------------------|------|
| Accounts with Surpluses: | | | | | | | | |
| Finished Projects | | | | | | | | |
| C1010-FPRP | 91,116.95 | 0.00 | See open page for details | | 91,116.95 | 91,116.95 | 0.00 | |
| C1040-CS99 | 6,333.00 | 0.00 | 6,333.00 | (6,333.00) | 0.00 | 0.00 | 0.00 | |
| C1040-MC04 | 0.00 | 734.94 | 75.35 | 0.00 | 810.29 | 0.00 | 810.29 | |
| C1040-MC06 | 0.00 | 3,268.36 | 120.06 | 0.00 | 3,388.42 | 0.00 | 3,388.42 | |
| C1040-MC06 | 0.00 | 204.11 | 7.51 | 0.00 | 211.62 | 0.00 | 211.62 | |
| C1040-MC07 | 0.00 | 156.90 | 243.20 | 0.00 | 400.10 | 0.00 | 400.10 | |
| C1040-MC07 | 0.00 | 25,137.62 | 5,673.64 | (30,145.98) | 665.28 | 0.00 | 665.28 | |
| C1040-MC07 | 0.00 | 8.48 | 0.29 | 0.00 | 8.77 | 0.00 | 8.77 | |
| C1040-MC07 | 0.00 | (14,886.68) | 14,999.21 | 0.00 | 112.53 | 0.00 | 112.53 | |
| C1040-MC08 | 3,000.00 | 0.00 | 3,018.91 | (2,990.75) | 28.16 | 0.00 | 28.16 | |
| C1040-MC08 | 3,500.00 | 0.00 | 3,527.12 | (267.05) | 3,260.07 | 0.00 | 3,260.07 | |
| C1040-MC08 | 1,500.00 | 0.00 | 1,505.80 | (1,121.70) | 384.10 | 0.00 | 384.10 | |
| C1040-MC08 | 4,000.00 | 0.00 | 4,007.38 | (3,117.00) | 890.38 | 0.00 | 890.38 | |
| C1040-MC08 | 4,000.00 | 0.00 | 4,014.99 | (3,039.32) | 975.67 | 0.00 | 975.67 | |
| C1040-MC08 | 15,000.00 | 0.00 | 15,002.02 | (14,777.00) | 225.02 | 0.00 | 225.02 | |
| C1040-MC08 | 5,500.00 | 0.00 | 5,536.41 | (4,488.40) | 1,048.01 | 0.00 | 1,048.01 | |
| C3011-FROT | 0.00 | 5,676.12 | See open page for details | | 5,241.88 | 5,241.88 | 0.00 | |
| C3140-SHEL | 13,525.00 | 52.44 | 9,682.76 | (9,735.20) | 0.00 | 0.00 | 0.00 | |
| C7011-PEMP | 11,954.00 | 22,000.00 | See open page for details | | 33,954.00 | 33,954.00 | 0.00 | |
| Total Surpluses: | | | | | 142,721.25 | 130,312.83 | 12,408.42 | 0.00 |
| Accounts with Deficits | | | | | | | | |
| C1040-MC08 | 10,000.00 | 0.00 | 9,989.56 | (11,285.92) | (1,296.36) | 0.00 | (1,296.36) | |
| C1040-MC08 | 24,850.00 | 0.00 | 24,850.00 | (24,889.46) | (39.46) | 0.00 | (39.46) | |
| C7011-CHGR | 0.00 | (41,874.02) | 34,041.25 | (1,292.71) | (9,125.48) | 0.00 | (9,125.48) | |
| C4030-FAWA | 0.00 | 20,398.47 | 312.87 | (23,394.27) | (2,682.93) | (2,682.93) | 0.00 | |
| Total Deficits: | | | | | (13,144.23) | (2,682.93) | (10,461.30) | 0.00 |

Net Surplus available from Projects Closed December 31, 2008

129,577.02

Summary of Proposed Disposition of Net Surplus:

| | | |
|---|-------------------|------------|
| Net Surplus: | | 129,577.02 |
| To Capital Fiscal Management Reserve Fund | 1,947.12 | |
| To Capital Reserve Fund | 77,889.10 | |
| To Parkland Equipment Reserve Fund | 33,954.00 | |
| To Water Fund | 3,006.65 | |
| To Sewer Fund | 12,770.15 | |
| | <u>129,577.02</u> | |

Accounts Remaining Open
at December 31, 2008

| | | 2008 Budget | Carry Forward from Previous Year(s) Surplus/(Deficit) | 2008 Revenues | 2008 Expenses | Year End Balance Surplus/(Deficit) | Estimated Final Project Surplus/(Deficit) |
|--|--|--------------|--|------------------|----------------|---------------------------------------|---|
| Accounts with Unexpensed Financing: | | | | | | | |
| C1010-BMAC | Brockville Municipal Accessibility Comm. | 45,000.00 | 75,754.83 | 47,980.91 | (5,652.50) | 118,083.24 | |
| C1010-BMMP | Building/Equip Maint Program | 130,000.00 | 107,741.28 | 133,703.43 | (97,872.74) | 143,571.97 | |
| C1010-FPRP | Fleet Administration | 522,374.00 | 31,619.87 | 437,666.57 | (262,145.65) | 116,023.84 | * 1 |
| C1010-ICSU | Corporate Systems Upgrade | 228,750.00 | 124,062.43 | 230,764.04 | (165,674.62) | 189,151.85 | 91,116.95 |
| C1010-INSE | Computer Replacement | 123,800.00 | 24,285.01 | 124,151.98 | (123,819.97) | 24,617.02 | |
| C1040-MC06 | Telecommunications Redundancy | 0.00 | 3,824.19 | 140.48 | 0.00 | 3,964.67 | |
| C1040-MC06 | Victoria Hall Leasehold Improvements | 0.00 | 2,836.04 | 76.35 | (890.64) | 2,021.75 | |
| C1040-MC07 | Coin counting machine | 0.00 | 5,429.48 | 178.29 | 0.00 | 5,607.77 | |
| C1040-MC07 | Portable Photo ID | 0.00 | 7,038.20 | 231.10 | 0.00 | 7,269.30 | |
| C1040-MC08 | Traffic control and cabinet | 20,000.00 | 0.00 | 20,128.67 | (17,985.00) | 2,143.67 | |
| C1040-MC08 | Fulford Fountain | 15,000.00 | 0.00 | 15,117.26 | (489.32) | 14,627.94 | |
| C2110-FHR1 | Fire Hall Renovations - Phase 1 | 0.00 | 41,102.04 | 1,460.68 | (1,100.00) | 41,462.72 | |
| C3011-ACPM | 2008 Asphalt/Concrete Prg | 450,000.00 | 0.00 | 526,958.82 | (522,054.05) | 4,904.77 | |
| C3011-BDW1 | Bridge Deck Waterproofing | 640,000.00 | 288,937.44 | 446,239.44 | (627,102.87) | 108,074.01 | |
| C3011-BTPS | Brockville Transportation Study | 75,000.00 | 0.00 | 75,609.21 | 0.00 | 75,609.21 | |
| C3011-CNIM | CN Railway Crossing Improvement | 0.00 | (78,814.96) | 125,081.62 | (3,272.78) | 42,993.88 | |
| C3011-EN58 | Railway Fencing - CNR Lands | 0.00 | 6,440.97 | 223.60 | (1,005.00) | 5,659.57 | |
| C3011-FROT | Front Avenue Reconstruction - Tracks to Park | 0.00 | 9,318.78 | 325.76 | (760.00) | 3,642.66 | * 2 |
| C3011-KW04 | King St Reconstruction 2004 | 0.00 | 19,840.16 | 706.69 | 0.00 | 20,546.85 | 5,241.88 |
| C3011-LOUS | Louis Street Reconstruction | 0.00 | 56,583.68 | 423,403.22 | (467,178.73) | 12,808.17 | |
| C3011-PENG | Pre-Engineering Services | 0.00 | 11,436.40 | 15,529.20 | 0.00 | 26,965.60 | |
| C3011-PKDL | Parkdale Realignment | 0.00 | 195,469.67 | 6,962.50 | 0.00 | 202,432.17 | |
| C3011-RAIL | Park St. Railway Tunnel | 0.00 | 3,030.55 | 107.94 | 0.00 | 3,138.49 | |
| C3041-MTRS | Parking Meters | 4,100.00 | 34,288.07 | 5,331.73 | (12,036.00) | 27,583.80 | |
| C4030-DEST | Dechlorination Station Equipment | 0.00 | 50,473.62 | 1,664.85 | (2,180.07) | 49,958.40 | |
| C4030-EQMT | Water Equipment | 0.00 | 1,939.46 | 164.52 | 0.00 | 2,103.98 | |
| C4030-LAUR | Laurier Ave - Cathodic Protection | 0.00 | 34,878.78 | 1,242.35 | 0.00 | 36,121.13 | |
| C4030-MABE | Mabel Street | 0.00 | 36,207.31 | 1,289.69 | 0.00 | 37,497.00 | |
| C4030-SRVU | Water Service Upgrades | 0.00 | 44,334.76 | 1,579.18 | 0.00 | 45,913.94 | |
| C4030-WTPW | Water Treatment Plant Work | 412,000.00 | 281,050.39 | 460,004.09 | (219,032.50) | 522,021.98 | |
| C4030-Z3PA | Expansion Zone 3 Pressure Area | 0.00 | 12,542.86 | 295.11 | (6,422.59) | 6,415.38 | |
| C4030-ZNE3 | Zone III Pressure Zone | 0.00 | 76,837.29 | 1,572.13 | (44,413.97) | 33,995.45 | |
| C4050-E360 | Waste Management Study | 0.00 | 28,745.96 | 842.14 | (6,592.15) | 22,995.95 | |
| C4050-LFCL | Landfill Site Closure | 0.00 | 224,765.93 | 8,006.01 | 180.00 | 232,951.94 | |
| C4060-LLTS | Landfill Leachate Treatment System | 70,000.00 | 0.00 | 70,568.59 | 0.00 | 70,568.59 | |
| C4060-SIIA | Sewer inflow/infiltration analysis | 50,000.00 | 0.00 | 50,406.14 | 0.00 | 50,406.14 | |
| C4060-STEW | Stewart Blvd | 0.00 | 75,260.34 | 2,680.73 | 0.00 | 77,941.07 | |
| C4060-WPCE | WPCC Equipment | 483,500.00 | 116,942.46 | 494,216.51 | (225,842.63) | 385,316.34 | |
| C4060-WPCU | WPCP Upgrade | 3,580,000.00 | 47,227.52 | 1,197,632.24 | (1,242,315.85) | 2,543.91 | |
| C4602-ETWN | Elizabethtown Water Distribution | 0.00 | 12,242.48 | 436.07 | 0.00 | 12,678.55 | |
| C7011-BRID | Bridlewood Park | 0.00 | 30,381.06 | 1,082.15 | 0.00 | 31,463.21 | |
| C7011-DOGG | Leash Free Dog Park | 0.00 | 2,194.61 | 23,758.64 | (24,521.32) | 1,431.93 | |
| C7011-ENCR | Project ENCORE! | 800,000.00 | 0.00 | 934,941.85 | (57,877.11) | 877,064.74 | |
| C7011-PATH | Pedestrian Pathway Linkage | 0.00 | 9,922.75 | 935.18 | (96.75) | 10,761.18 | |
| C7011-PEMP | Parkland Equipment Mgmt Program | 77,363.00 | 81,635.86 | 80,286.72 | (23,650.10) | 104,318.48 | * 3 |
| C7011-RTNP | Repairs to Tunnel - North Portal | 0.00 | 93,964.51 | 2,983.36 | (9,025.00) | 87,922.87 | 33,954.00 |
| C7011-STLP | St. Lawrence Park design | 0.00 | 16,262.31 | 579.25 | 0.00 | 16,841.56 | |
| C7011-TUNL | Tunnel Tourism | 0.00 | 186,342.91 | 9,413.40 | (3,374.00) | 192,382.31 | |
| C7011-WFPS | Waterfront Public Use Study | 15,000.00 | 0.00 | 15,043.70 | (9,620.03) | 5,423.67 | |
| C7011-WSPD | Water Street Park Development | 0.00 | (23,369.09) | 116,452.97 | (7,788.75) | 85,295.13 | |
| C8030-SD02 | Bridlewood Subdivision | 0.00 | 95,328.59 | 3,395.54 | 0.00 | 98,724.13 | |
| C8060-SD98 | Stormwater Mgmt - Brockwoods | 0.00 | 3,392.47 | 120.84 | 0.00 | 3,513.31 | |
| C8030-SD99 | Contribution to Sidewalks | 0.00 | 47,833.47 | 1,703.80 | 0.00 | 49,537.27 | |
| C8540-SLLR | St Lawrence Lodge Renovations | 0.00 | 237,799.86 | 8,078.90 | (67,516.90) | 178,361.86 | |
| Total Unexpensed Financing: | | | | | | 4,535,376.32 | |

Accounts Remaining Open
at December 31, 2008

| | | 2008 Budget | Carry Forward from Previous Year(s) Surplus/(Deficit) | 2008 Revenues | 2008 Expenses | Year End Balance Surplus/(Deficit) | Estimated Final Project Surplus/(Deficit) |
|---|---------------------------|-------------|--|------------------|---------------|---------------------------------------|--|
| Accounts with Unfinanced Capital Outlay: | | | | | | | |
| C1010-BOOK | History of Brockville | 0 | (80,739.12) | 7,556.88 | (3,642.12) | (76,824.36) * 4 | Deficit to be offset from the sale of books |
| C1010-GISE | GIS - Engineering | 0 | 0.00 | 0.00 | (16,588.99) | (16,588.99) * 5 | Deficit to be offset by subsidy funds |
| C1010-GWLU | GWMC Lighting Upgrade | 60,000 | 0.00 | 60,150.49 | (64,421.90) | (4,271.41) * 6 | Deficit to be offset by subsidy funds |
| C4030-BROC | Brock Street Construction | 225,000 | 0.00 | 260,723.47 | (280,354.49) | (19,631.02) | |
| C7011-SKAT | Skateboard Park | 0 | (144,868.64) | 88,449.67 | (3,888.61) | (60,307.58) * 7 | Deficit to be offset by fundraising activities |
| Total Unfinanced Capital Outlay: | | | | | | (177,623.36) | |
| Net | | | | | | 4,357,752.96 | |

*1. Gross surplus for Fleet RF was \$207,140.79. \$116,023.84 will be carried forward while \$77,899.10 was transferred to the Fleet Reserve Fund , \$2,757.68 to the Water Fund and \$10,460.17 to the Sewer Fund.

*2. Gross surplus for C3011-FROT was \$8,884.54. \$3,642.66 will be carried forward while it is proposed to use \$2,682.93 of the water portion of the surplus to fund the deficit in C4030-FAWA, to transfer \$248.97 to the Water Fund and \$2,309.98 to the Sewer Fund.

*3. Gross surplus for the Parkland Equipment Reserve Fund is \$138,272.48. It is proposed that \$33,954 is returned to the Parkland Equipment Reserve Fund.

*4. Deficit to be offset from the sale of books

*5. Deficit to be offset by subsidy funds

*6. Deficit to be offset by subsidy funds

*7. Deficit to be offset by fundraising activities

CL410-FMR1-0918

RELEASE DATE: 11-Jun-09
PAGE 1 OF 1CAPITAL FUND FISCAL MANAGEMENT RESERVE FUND
AS AT December 31, 2008

| | | BUDGET | ACTUAL | | | | | | | | | | | | | | |
|---|-----------------------|---------------|--------|--------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|--|--|--|
| Imputed Interest Rates: Year: | 2.00% 2008 | 2.00% 2008 | | | | | | | | | | | | | | | |
| | CASH FLOW PROJECTION: | | | | | | | | | | | | | | | | |
| | 71,217 | 71,217.17 | 63,768 | 2009 | 2.00% 2010 | 2.00% 2011 | 2.00% 2012 | 2.00% 2013 | 2.00% 2014 | 2.00% 2015 | 2.00% 2016 | 2.00% 2017 | 2.00% 2018 | | | | |
| | | | | | 47,547 | 42,101 | 36,547 | 37,277 | 38,023 | 38,783 | 39,559 | 40,350 | 41,157 | | | | |
| ADD- PROJECTED REVENUES: Contribution from operating fund budget: 2008 Capital Surplus Deferred Revenue Investment income-from own funds: | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| | 0 | 11,072.60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| | | 13,883.25 | | | | | | | | | | | | | | | |
| | 1,361 | 2,620.22 | 1,102 | 888 | 779 | 731 | 746 | 760 | 776 | 791 | 807 | 823 | | | | | |
| TOTAL PLANNED REVENUES: | 1,361 | 27,576.07 | 1,102 | 888 | 779 | 731 | 746 | 760 | 776 | 791 | 807 | 823 | | | | | |
| TOTAL AVAILABLE: | 72,578 | 98,793.24 | 64,870 | 48,435 | 42,880 | 37,277 | 38,023 | 38,783 | 39,559 | 40,350 | 41,157 | 41,981 | | | | | |
| LESS- APPROVED EXPENDITURES: | | | | | | | | | | | | | | | | | |
| Temporary Borrowing for Book | | 2,847.83 | | | | | | | | | | | | | | | |
| Funding of Court House Green deficit | | 9,125.48 | | | | | | | | | | | | | | | |
| Funding of 2008 Minor Capital projects | | 16,718.80 | | | | | | | | | | | | | | | |
| St. Lawrence College Contribution | 6,333 | 6,333.00 | 6,333 | 6,333 | 6,333 | 6,333 | 0 | 0 | 0 | | | | | | | | |
| TOTAL APPROVED EXPENDITURES: | 6,333 | 35,025.11 | 17,323 | 6,333 | 6,333 | 6,333 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| BALANCE ON DECEMBER 31 | 66,245 | 63,768.13 | 47,547 | 42,101 | 36,547 | 37,277 | 38,023 | 38,783 | 39,559 | 40,350 | 41,157 | 41,981 | | | | | |

Attachment 2 to Report # 2009-098-06

JUNE 10, 2009

REPORT TO FINANCE & ADMINISTRATION COMMITTEE – JUNE 17, 2009

**2009-099-06
AUDIT FINDINGS REPORT
FILE: F03-06**

**D. CYR
DIRECTOR OF FINANCE**

RECOMMENDED

THAT the Finance & Administration Committee receive and review the Audit Findings Report and Independence Letter **[Attachment 1 to Report # 2009-099-06]**.

PURPOSE

To file the City Auditors Audit Findings Report and Independence Letter to the Finance and Administration Committee in conjunction with auditing requirements.

BACKGROUND

This report is required by generally accepted auditing standards to be filed directly by all Auditors to those designated by Council for having the responsibility for oversight on financial matters.

The scope and purpose is contained in the Auditor's Report.

CONCLUSION

Mr. Alvin Bennett, the City's Auditor, will be available at the meeting to answer any questions with respect to the Audit Findings Report.



D. Cyr
Director of Finance



B. Casselman
City Manager

The Corporation of the City of Brockville

Audit Findings Report to the Finance and Administration Committee

Year ended December 31, 2008

Contents

| | |
|--|----------|
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| <i>Responsibility of Management</i> | <i>3</i> |
| <i>Matters to be Reported</i> | <i>4</i> |
| <i>Current Accounting and Reporting Developments.....</i> | <i>7</i> |

PURPOSE OF THE REPORT

This Report is presented in order to assist members of the Finance and Administration Committee in carrying out their responsibilities with respect to their review and recommendation to Council for approval of the consolidated financial statements of The Corporation of the City of Brockville for the year ended December 31, 2008. This Report summarizes our significant findings arising from the audit and other matters which we believe should be brought to your attention. Accordingly, this Report is a by-product of the audit and is therefore a derivative communication. The audit would not necessarily identify all matters that may be of interest to the Finance Committee in fulfilling its responsibilities. This Report has been prepared solely for the use of the Finance Committee in discharging its responsibilities and should not be used for any other purposes. We disclaim any obligation to any third party who may rely upon this Report.

AUDIT SCOPE & RESPONSIBILITY OF BENNETT LEWIS MCMAHON STILLAR

Auditors' Report

We have completed our audit of the consolidated financial statements for the year ended December 31, 2008. Subject to completion of discussions with the Finance and Administration Committee and the approval of the consolidated financial statements by Council, we anticipate being in a position to sign the Auditors' Report appended to the draft consolidated financial statements. Our Auditors' Report will be dated May 13, 2009.

Our audit report will indicate that the consolidated financial statements present fairly in all material respects, the financial position, the results of operations and cash flows of the Municipality in accordance with Canadian generally accepted accounting principles.

Our audit of the financial statements was performed in accordance with Canadian generally accepted auditing standards, and was performed to obtain reasonable, rather than absolute, assurance whether the financial statements are free of material misstatement. Our audit included assessing the risk that the financial statements may contain material misstatements, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and their application, and assessing the significant estimates made by management.

AUDIT SCOPE & RESPONSIBILITY OF BENNETT LEWIS MCMAHON STILLAR (CONTINUED)

Independence

As external auditors of The Corporation of the City of Brockville, we are required to be independent in accordance with Canadian professional standards. These standards require that we disclose to the Finance and Administration Committee all relationships that, in our professional judgment, may reasonably be thought to bear on independence. We have addressed a letter to the Finance and Administration Committee dated June 10, 2009, which confirms that we are independent with respect to the Municipality within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of June 10, 2009. That letter is attached to this report.

We confirm that we are not presently aware of any relationship or non-audit services that would impair our independence for purposes of expressing an opinion on the financial statements.

RESPONSIBILITY OF MANAGEMENT

Preparation of financial statements

The preparation of the consolidated financial statements, including the accompanying notes, is the responsibility of management. This includes the preparation of the consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out by The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA).

Management is responsible for selecting the significant accounting policies used in the preparation of the consolidated financial statements, and for applying judgment in preparing accounting estimates contained in the consolidated financial statements, as well as for preparing or obtaining documentation supporting amounts and disclosures in the consolidated financial statements. In addition, management is responsible for assessing the impact of any misstatements detected during the preparation and audit of the consolidated financial statements, individually and in aggregate, on the fair presentation of amounts and disclosures contained in the consolidated financial statements and determining if such adjustments should be recorded.

Management's representations

The transactions and estimates reflected in the accounts and in the consolidated financial statements are within the direct control of management. Accordingly, the fairness of the representations made through the consolidated financial statements is an implicit and integral part of management's responsibility. Throughout the course of our audit, we obtain representations from management in the form of answers to our audit enquiries. We also obtained a formal representation letter from management at the conclusion of the audit.

MATTERS TO BE REPORTED

The Canadian Institute of Chartered Accountants has specified matters that should be brought to the attention of Finance Committees. The following summarizes the matters to be communicated.

Significant accounting principles and policies

Significant accounting principles and policies are disclosed in the notes to the consolidated financial statements. Within the context of the audit, management has represented to us that there have not been any material changes in the accounting principles and policies during the year. We have not noted any changes.

We have not noted any significant unusual transactions.

Management's judgments and accounting estimates

Management has the responsibility for applying judgment in preparing the accounting estimates and disclosures contained within the consolidated financial statements.

Significant accounting estimates made by management include the accruals for employee future benefits and solid waste landfill liabilities, approximating \$4,200,000 and \$3,400,000 respectively.

Subject to the consideration of the Finance and Administration Committee, we accept management's conclusions as to these estimates.

The City has received over \$2,000,000 under Federal Tax Revenue Program since 2006. During 2008 \$880,000 was applied to qualifying projects. As a result that amount was recorded as revenue in 2008, with the balance of the funds remaining in deferred revenue. We have reviewed the agreement for the Program and performed specified audit procedures to ensure that you are in compliance with the terms of the signed agreement.

Materiality

Our audit was planned with the objective of detecting misstatements that would be, individually or in the aggregate, quantitatively material to the consolidated financial statements taken as a whole. We also considered qualitative factors when evaluating the materiality of any uncorrected misstatements detected during our audit. Qualitative factors relevant to our consideration included, but were not limited to, the following:

- (a) the potential effect of the misstatement on trends;
- (b) a misstatement that changes individual components of net assets;
- (c) the significance of the financial statement item affected by the misstatement (e.g., a misstatement affecting recurring revenues or expenditures as contrasted to one involving a non-recurring charge or credit, such as an extraordinary item).

MATTERS TO BE REPORTED (CONTINUED)

Misstatements and significant audit adjustments

Misstatements represent audit findings for which we do not agree with the amount, classification, presentation or disclosure of items in the consolidated financial statements.

A misstatement may arise from an error or from fraud and other irregularities. An error refers to an unintentional misstatement in financial statements, including an omission of amount or disclosure. An error may involve:

- (a) a mistake in gathering or processing accounting data from which financial statements are prepared;
- (b) an incorrect accounting estimate arising from oversight or misinterpretation of facts; or
- (c) a mistake in the application of accounting principles relating to amount, classification, manner of presentation or disclosure.

Fraud and other irregularities refer to an intentional misstatement in financial statements, including an omission of amount or disclosure, or to a misstatement arising from theft of the entity's assets. Fraud also involves:

- (a) the use of deception such as manipulation, falsification or alteration of accounting records or documentation;
- (b) misrepresentation or intentional omission of events, transactions or other significant information; or
- (c) intentional misapplication of accounting principles relating to amount, classification, manner of presentation or disclosure.

In conducting our procedures, we may identify misstatements that require adjustments to the recorded amounts. These audit adjustments are discussed with management, who in consultation with us, determine if an adjustment should be recorded.

The misstatements that we identified have a net impact of a \$12,000 increase in current year revenue fund expenditures.

Management has represented to us that these misstatements, individually and in the aggregate are, in their judgment, not material to the consolidated financial statements.

Subject to the consideration of the Finance and Administration Committee, we are willing to accept management's opinion that the unrecorded misstatements, individually and in aggregate, are not significant to the consolidated financial statements.

MATTERS TO BE REPORTED (CONTINUED)

Weaknesses in internal controls

The responsibility for the design and maintenance of an appropriate system of internal controls to provide reasonable assurance that the accounting systems provide timely, accurate and reliable financial information and to safeguard the Municipality's assets, is part of management's overall responsibility for the day-to-day operations of the Municipality.

As auditors, we obtain a sufficient understanding of internal controls to plan the audit. This understanding includes knowledge about the design of policies and procedures and whether they have been implemented, but does not necessarily extend to evaluating the operating effectiveness of these policies and procedures. We only evaluate, and test, those internal controls on which we plan to rely during our audit. Our audit is not designed to allow us to provide an opinion on the systems of internal controls, nor should it be expected to.

No major control issues were noted during the course of the audit.

Illegal acts

Our inquiries of management and our testing of financial records did not reveal any illegal or possible illegal acts. You should realize however, that improper conduct is usually carefully, if not elaborately, concealed and consequently, the probability is not high that our regular audit work, however diligently performed, will bring it to light. Management has also provided us with a written representation that they are not aware of any illegal or possible illegal acts.

Consultation with other accountants

To our knowledge, management discussed no accounting or auditing matters with other accountants.

Information in the Annual Report

It is our understanding that the consolidated financial statements will be published on your web site.

Canadian generally accepted auditing standards require us to read the financial information contained in the annual report for consistency with the consolidated financial statements upon which we report.

We request that you advise us if you decide to publish an annual report, so that we can read the financial information.

MATTERS TO BE REPORTED (CONTINUED)

Difficulties

We did not encounter any serious difficulties in the performance of the audit. We received the full cooperation of management and employees of the Municipality and, to our knowledge, had complete access to the accounting records and other documents that we needed in order to carry out our audit. We have had no disagreements with management, and have resolved all auditing, accounting and presentation issues to our satisfaction.

Other matters

We are not aware of any other matters that require the attention of the Finance and Administration Committee before they approve the financial statements.

CURRENT ACCOUNTING AND REPORTING DEVELOPMENTS

We continually monitor the potential impact of new accounting pronouncements on the accounting practices of The Corporation of the City of Brockville. There are three matters we want to make you aware of.

1. The accounting policies for the public sector (in the CICA Handbook) will require governments to record capital assets in their financial statements by 2009. This is a significant project that has already been undertaken by Management.
2. Also for 2009 local governments will apply revised standard PS 1200, Financial Statement Presentation. This will result in significant changes in the way that you annual financial statements are presented.
3. There are a number of projects currently in progress by The Public Sector Accounting Board that may have implications to future financial reporting. They include projects that address financial instruments, additional disclosure regarding capital assets, environmental cleanup and tax revenues. We will continue to keep you updated regarding the progress of these studies.

Bennett Lewis McMahon Stillar

Chartered Accountants, Licensed Public Accountants

Brockville, Canada

June 10, 2009

The Finance & Administration Committee
Corporation of the City of Brockville
Box 5000
Brockville, ON K6V 5V1

June 10, 2009

Dear Finance Committee Members:

We have been engaged to audit the consolidated financial statements of the Corporation of the City of Brockville (the "Municipality") for the year ended December 31, 2008.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the Company and our firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Institute of Chartered Accountants of Ontario and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) economic dependence on a client; and
- (e) provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters.

We are not aware of any relationships between the Company and our firm that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred during the fiscal year referred to in the first paragraph of this letter and in the subsequent period to the date of this letter.

The total fees charged to the Municipality for audit services were \$39,000 and for non-audit services were \$6,250 during the period since our last communication on June 12, 2008.

Canadian generally accepted auditing standards require that we confirm our independence to the Finance and Administration Committee in the context of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario. Accordingly, we hereby confirm that we are independent with respect to the Municipality within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of the date of this letter.

This report is intended solely for the use of the Finance and Administration Committee, Council, management, and others within the Municipality and should not be used for any other purpose.

Please feel free to contact us if any member of the Finance and Administration Committee or Council has any questions regarding the matters discussed in this letter.

Yours very truly,



Bennett Lewis McMahon Stillar
Chartered Accountants
Brockville, Canada

June 11, 2009

REPORT TO FINANCE/ADMINISTRATION – JUNE 17, 2009

**2009- 100-06
BROCKVILLE ARTS CENTRE
HVAC RETROFIT FUNDING**

**B. CASSELMAN
CITY MANAGER
L. WHITE
BUDGET OFFICER**

RECOMMENDATION

THAT \$75,000 of the funds initially budgeted for roofing repairs in the Capital Budget be directed to the HVAC retrofit at the Brockville Arts Centre (BAC).

PURPOSE

To request Council approval to fund the additional money required for the retrofit to the HVAC system from the Capital Budget.

BACKGROUND

The 2009 Capital Budget contained \$200,000 to fund for energy retrofits corporate-wide to be determined by staff after the completion of the energy audit.

When the final Energy Audit report was completed in early 2009, it was determined that the first priority was the retrofit of the HVAC (Heating, Ventilation and Air Conditioning) system at the Arts Centre. It was incumbent upon the City to address the insufficiencies of the current HVAC system before Project Encore had completed the restoration of the interior of the building.

As the total costs of the HVAC retrofit project at the Arts Centre will be approximately \$265,000, the amount budgeted is insufficient.

The 2009 Capital Budget also contained \$565,000 for the roof repairs/replacements at the Brockville Arts Centre, Police Station, Library and Brockville Memorial Centre. The tender for these four projects came in \$125,000 under budget.

ANALYSIS

The \$200,000 budgeted for Energy Retrofits was intended to be directed to prioritized items resulting from the Energy Audit. It soon became clear that the top priority for those funds was the HVAC system at the BAC as Project Encore was renovating the interior and any HVAC retrofits would need to be completed prior to the renovations by Project Encore.

The HVAC system at the BAC was undersized and very inefficient as it would take days prior to a production to cool the theatre. There balcony area was always hot and front

rows of the orchestra seats were often too cold as the only vents in the theatre were blowing directly in that area.

Eastern Engineering was hired to provide their expertise in creating a new HVAC system that would ensure all patrons at the BAC would be comfortable while enjoying a performance.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL CONSIDERATIONS

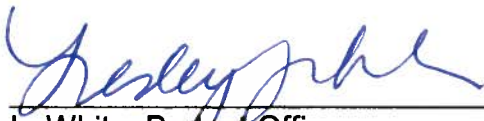
The \$200,000 allocated in the 2009 Capital Budget for Energy Retrofits was funded from Federal Gas Tax dollars. The \$565,000 allocated in the 2009 Capital Budget for the repair/replacement of four roofs was funded from the Investing in Ontario dollars.

Attachment 1 reflects the costs of the HVAC retrofit totalling to \$264,323. The attachment also includes a cost of \$8,343 for the retrofit of lighting at many of the City's smaller buildings that was completed through Hydro One's PowerBlitz program.

The City has also applied for the eco-Energy Grant and Enbridge for grants/rebates to offset the costs of the HVAC system. No funding has been received to date.

CONCLUSION


As over \$1.5 million is being spent on the interior of the BAC through Project Encore, it is important that the HVAC system be corrected prior to any interior renovations being completed.



L. White, Budget Officer



D. Cyr, Director of Finance



B. Casselman, City Manager

HVAC at the Arts Centre

| Description | | Estimated Cost | |
|--|--------------------------------|---------------------------|-------------------------|
| 1 HVAC Engineer Consultant fees | | \$ 18,000 | |
| 2 Upgrade power supply | Hydro One | 4,344 | |
| | Electrician | 17,725 | |
| 3 HVAC Mechanical | | 196,600 | |
| 4 Contractor to build bulkhead to accommodate new ducts | | 6,154 | |
| One quote received from D. Cadieux | | | |
| 5 Cost for extra roofing curbing | | 4,000 | |
| 6 Share excess scaffolding costs with Project Encore | | 5,000 | |
| 7 Telephone/computer data line realignment | | 8,000 | |
| 8 Life Safety study | | 4,500 | |
| | Total | | \$ 264,323 |
| 9 Powerblitz project to upgrade lighting in City buildings | | 8,343 | |
| | | | <u>8,343</u> |
| | Estimated total expense | | 272,666 |
| | Funds allocated in 2009 Budget | | <u>200,000</u> |
| | Anticipated shortfall | | <u><u>\$ 72,666</u></u> |