

Request for Decision United Townships of Head, Clara & Maria Council

Type of Decision									
Meeting Date	Friday, October 17, 2014				Report Date	Tuesday, October-14-14			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed
#17/10/14/1202 – Allocation of 2013 Audited Surplus									

Subject:

Council direction for the allocation of the 2013 audited surplus.

RECOMMENDATION:

That the 2013 audited surplus be segregated for use as transition funding for increased costs resulting from provincial downloads and cuts to transfer payments.

WHEREAS an audited surplus for 2013 resulted in over \$60,000 of which \$43,000 was comprised of HST rebates due to increased spending for the hall expansion and will not normally be repeated;

AND WHEREAS recent announced and planned cuts to provincial funding along with increased fees for services will result in increased costs for the municipality over the next 3-4 years;

THEREFORE BE IT RESOLVED THAT the Council of the United Townships of Head, Clara & Maria does hereby agree to allocate \$60,000 to a "Transition Reserve" to be segregated to offset transfer payment reductions and increased costs of policing being down loaded from the province.

BACKGROUND/EXECUTIVE SUMMARY:

Pretty self-explanatory. Provincial transfer payments from the Ontario Municipal Partnership Fund and the Power Dam Payment Program will reduce revenues for HCM for 2015 and beyond. OPP costs will increase however; other increases will offset the total effect on revenues.

We also need to consider assessment phase in (which we only know until 2017); growth, which we do not know at all; and special funding (which we know until 2017).

Each provincial and federal budget will alter the following picture. The changes recommended allow HCM greater flexibility in meeting these unknowns.

Year	Power Dam Payments Decrease	Ontario Provincial Police Increase	Ontario Municipal Partnership Fund Decrease	Assessment Phase In Increase	Special Funding Increase	Total Effect
2014						
2015	3,387	14,320	11,960	13,451	25,000	+\$8,784
2016	10,725	28,641	21,528	26,902	25,000	-\$8,992
2017	24,837	42,961	31,139	40,353	25,000	-\$33,583
2018	24,837	50,358	?	?	?	?

Options/Discussion:

Council may decide to allocate this audited surplus in any manner it so desires. It is recommended that the funds be segregated to offset increased downloading from the province. Although the federal government is on track to meet its budget predications by 2015 and may increase payments to the province that may trickle down to municipalities, the province still has a way to go. It would be prudent to be prepared.

Financial Considerations/Budget Impact:

This option would have the least impact on the budget for the next 3-4 years. If the estimated surpluses were further added to this reserve in 2015, 2016 the shortfall anticipated for 2016 caused by these cuts would be further reduced.

Policy Impact:

As per past practise of reserving funds for known and unknown increases in costs to avoid debt and tax increases.

Others Consulted:

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk