

# TOWN OF FORT FRANCES

## Administration & Finance Executive Committee

### AGENDA - Tuesday, May 3, 2016

#### MEETING - Committee Room

Session # 30

Page

- 1 **Call to Order**
- 2 **Non-agenda items identified to be considered later in this meeting, both in-camera and in open meeting.**
- 3 **Disclosure of pecuniary interest and the general nature thereof**
- 4 **Approval of Previous Committee Minutes**
  - 4.1 Tuesday, April 19, 2016 Meeting Minutes 3 - 4
- 5 **In-Camera**
- 6 **Items Referred from Council**
- 7 **New Business**
  - 7.1 Crossroute Forest 2007-2017 Forest Management Plan Open House 5 - 8
  - 7.2 Ontario Regulation 284/09 - Budget Matters 9 - 14
  - 7.3 2016 Capping Parameters 15 - 18
  - 7.4 Councillor Wendy Brunetta Registration Reimbursement 19 - 21
  - 7.5 2015 Child Care Audited Statement of Revenue & Expenses 22 - 28
- 8 **Non-agenda Items**
- 9 **Outstanding Items**
  - 9.1 Couchiching First Nations Water & Sewer Agreement
  - 9.2 Elected Officials Remuneration By-Law No. 02/10-C Review (Fall)
- 10 **Information**
  - 10.1 Ministry of Finance Update of Property Tax Decisions for the 2016 Taxation Year 29 - 34
  - 10.2 2016 Overall Levy Changes With Education Tax Rate Reduction 35 - 36
- 11 **Adjourn / Next Meeting Date**

11.1 Next Meeting Date: Tuesday, May 17, 2016

## TOWN OF FORT FRANCES

### MINUTES

SESSION NO. #29

April 19, 2016

The meeting of Administration & Finance Executive Committee of the Town of Fort Frances was held in the Committee Room on Tuesday, April 19, 2016 from 12:00 p.m.

PRESENT: Councillor Ken Perry, Councillor Paul Ryan and Councillor Wendy Brunetta

ALSO PRESENT: Mark McCaig, CAO, Dawn Galusha, Deputy Treasurer, Patrick Briere, By-Law Enforcement Officer, and Aaron Petrin, Human Resources Manager

REGRETS: Mayor Roy Avis

#### **1. Call to Order**

#### **2. Non-agenda items identified to be considered later in this meeting, both in-camera and in open meeting.**

2.1 Policy Review- Suggestion Awards Program (Policy 3.14)

2.2 Financial Literacy Course report by Councillor Wendy Brunetta

#### **3. Disclosure of pecuniary interest and the general nature thereof**

#### **4. Approval of Previous Committee Minutes**

4.1 The Committee considered the following resolution:

Brunetta/Ryan: That the minutes of the previous meeting held on Tuesday, April 5, 2016 be approved as presented. CARRIED

#### **5. In-Camera**

#### **6. Items Referred from Council**

6.1 Northwestern Hockey Camp Canada Request- The Committee agreed with the recommendation of the Community Services Executive Committee to approve a rate of \$110.00/hour plus HST for ice rental fees for Northwestern Hockey Camp Canada for their 2016 summer hockey school at Memorial Sports Centre as requested.

#### **7. New Business**

7.1 P.O.A. Audited Financial Statement as at December 31, 2015- The Committee recommended the acceptance of the Provincial Offences- Fort Frances Court Services Area Trust Fund audited financials for the year ended December 31, 2015.

7.2 O.P.P. Lease Agreement Audited Financial Statement as at December 31, 2015- The Committee recommended the acceptance of the O.P.P. Office Lease Agreement audited financials for the year ended December 31, 2015.

7.3 Policy Review- Cell Phone Use (Policy 3.25)- The Committee recommended approval of the changes specified by the JHSC.

7.4 Policy Review- Health & Safety Enforcement & Discipline (Policy 5.28)- The Committee recommended approval of the changes specified by the JHSC.

#### **8. Non-agenda Items**

- 8.1 Policy Review- Suggestion Awards Program (Policy 3.14)- The Committee recommended removing this policy altogether.
- 8.2 Financial Literacy Course Report- Councillor Wendy Brunetta provided an overview of the course.

**9. Outstanding Items**

- 9.1 Couchiching First Nations Water & Sewer Agreement
- 9.2 Elected Officials Remuneration By-Law No. 02/10-C Review (Fall)

**10. Information**

- 10.1 General Fund, Water & Sewer Funds & Capital Fund Financial Statements as at March 31, 2016
- 10.2 Administration & Finance Stats as at March 31, 2016
- 10.3 Municipal Tax Advisory Group re: Canadian Tire Appeals Update

**11. Adjourn / Next Meeting Date**

- 11.1 Tuesday, May 3, 2016

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Executive Committee Chair

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M. McCaig, CAO



April 29, 2016

REPORT TO: Administration and Finance Executive Committee

FROM: Mark McCaig, CAO

SUBJECT: Crossroute Forest 2007-2017 Forest Management Plan Open House

On the April 25<sup>th</sup> Council agenda, there was an informational item regarding the Crossroute Forest. During some informal discussion, I advised Mayor and Council that I would attend the information session on April 27<sup>th</sup> at the Copper River Inn and report back with the details. I also understand that Mayor Avis attended the session as well so he could provide details too.

The session was an informal setting with printed materials and storyboards set up to explain what was taking place. I had the opportunity to speak with Mr. Phil Brown from RW Forestry, a firm engaged by Resolute Forest Products. I asked Mr. Brown to give me an overview of the issue at hand.

Mr. Brown advised that Resolute is waiting on a Forest Inventory (FRI) in order to complete a new Forest Management Plan (FMP). Resolute's current FMP expires at the end of this year. The FRI is needed to complete a new plan and in the absence of this information, Resolute can file a contingency plan for as many as 3 years. This informational session was regarding the Contingency Plan that is proposed for the Crossroute Forest for the period 2017-2020.

Mr. Brown advised me that the FRI is a very important piece needed for the development of a FMP. The FRI contains an abundance of information related to the stands within the area, eco sites within the forest, types of land, ponds, streams, types of trees within each stand, etc. The map with the FRI shows every piece of land within the area and is essential for harvesting decisions.

Mr. Brown indicated to me that the contingency plan would have few changes from the current FMP. The intent was to continue in the same fashion until a new FMP was in place. A new FMP would be for another ten year term (2020-2030).

I asked Mr. Brown if there was any plan to amalgamate the Sapawe and Crossroute Forests. He indicated to me that when developing an FMP, reducing red tape is always desirable. He further indicated that fewer management units translate to lower costs and an amalgamation would help achieve that.

Upon leaving the session, I put myself on the mailing list and indicated that the Town would like to be notified of future sessions and developments.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Mark McCaig".

Mark McCaig  
CAO

MM/kl





APRIL 12, 2016

## Review

### Crossroute Forest 2007-2017 Forest Management Plan Review of Proposed Operations for the Contingency Plan 2017-2020: Information Centre

Resolute FP Canada Inc., the Ontario Ministry of Natural Resources and Forestry (MNRF), the Fort Frances Natural Resources Advisory Committee (NRAC), and the Atikokan Resources Management Advisory Committee (RMAC) invite you to an information centre to help develop the 2017-2020 Contingency Plan for the **Crossroute Forest**.

#### Why is a Contingency Plan Required?

The Contingency Plan is required to enable the implementation of forest operations until a new Forest Management Plan (2020-2030) is completed and approved. You will have the opportunity to review and comment on the proposed areas identified for harvest, renewal and tending operations and as well as proposed road locations and conditions for the three year contingency plan. You will also have an opportunity to contribute to the background information to be used in planning.

#### How to Get Involved

To facilitate your review, an information centre will be held at the following locations from 4:00pm to 7:00pm on the following days and locations:

##### Tuesday, April 26th

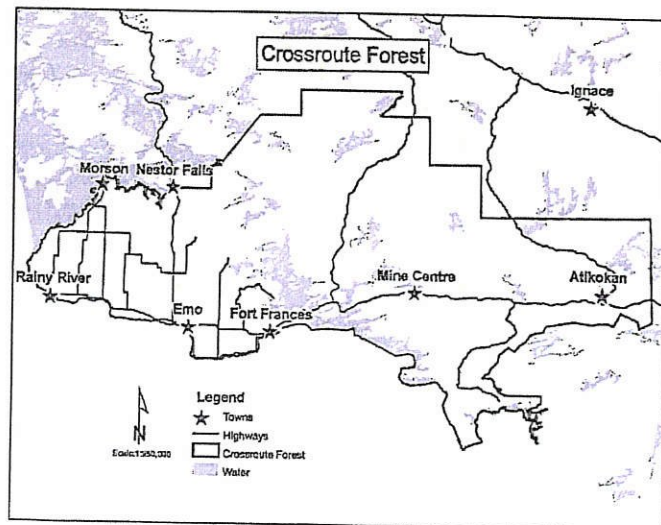
Nestor Falls Community Hall  
11 Mortimer Rd, Nestor Falls, ON

##### Wednesday, April 27th

Copper River Inn  
700 Steward St., Fort Frances, ON

##### Thursday, April 28th

The Royal Canadian Legion Hall  
115 O'Brien St., Atikokan ON



A summary map showing proposed areas for harvest, renewal and tending operations as well as the proposed road corridors will be available at the information centre or upon request. The information and maps available at the information centre will also be available for review and comments at the Resolute FP Canada Inc. office in the Couchiching Healing Centre in Fort Frances and at the MNRF Fort Frances District office and the Atikokan Area Office, by appointment during normal office hours for a period of 30 days from **April 26 to May 26, 2016**. Comments must be received by Philip Cooze at the MNRF Fort Frances District office or Beau Johnson at the Resolute FP Canada Inc. office, by **May 26, 2016**.

Meetings with planning team representatives, the Fort Frances NRAC or the Atikokan RMAC can be requested at any time during the planning process. Reasonable opportunities to meet planning team members during non-business hours will be provided upon request. If you require more information or wish to discuss your interests and concerns with a planning team member, please contact one of the individuals listed below:

Philip Cooze R.P.F.  
Management Forester  
Ministry of Natural Resources & Forestry  
922 Scott St.  
Fort Frances ON P9A1J4  
807-274-8639  
philip.cooze@ontario.ca

Beau Johnson R.P.F.  
Plan Author  
Resolute FP Canada Inc.  
2001 Neebing Ave.  
Thunder Bay ON P7E6S3  
807-475-2030  
Beau.Johnson@resolutefp.com

During the planning process there is an opportunity to make a written request to seek resolution of issues with the plan author, the MNRF District Manager or the Regional Director using a process described in the *Forest Management Planning Manual (2009)*.

### Stay Involved

The tentative scheduled date for submission of the Draft Contingency Plan is **July 2016**. There will be two more formal opportunities for you to be involved. These opportunities are tentatively scheduled as follows:

**Stage 2 – Review of Draft Contingency Plan - August 2016**

**Stage 3 – Approved Contingency Plan Inspection - November 2016**

The Ministry of Natural Resources and Forestry is collecting your personal information and comments under the authority of the *Crown Forest Sustainability Act*. Any personal information you provide (address, name, telephone, etc.) will be protected in accordance with the *Freedom of Information and Protection of Privacy Act*; however, your comments will become part of the public consultation process and may be shared with the general public. Your personal information may be used by the Ministry of Natural Resources and Forestry to send you further information related to this forest management planning exercise. If you have questions about the use of your personal information, please contact Leanne Mose at 807-274-8658.

Sincerely,



Greg Chapman  
District Manager, Fort Frances  
Ministry of Natural Resources and Forestry



**TO:** Administration & Finance Executive Committee  
**FROM:** Laurie Witherspoon, Treasurer  
**DATE:** April 28, 2016  
**SUBJECT:** Ontario Regulation 284/09 – Budget Matters

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## **BACKGROUND**

The Town of Fort Frances is required under the Ontario Regulation 284/09 (O. Reg. 284/09) to report on whether amortization expenses, post employment benefits and solid waste landfill closure and post-closure expenses are included in the budget. The purpose of this report is to explain Ontario Regulation 284/09 and illustrate the impact on the 2016 budget had all of these expenses been included.

Accounting standards and reporting requirements changed dramatically in 2009, the most significant change being the introduction of tangible capital asset accounting. The accounting standards, however, do not require that budgets be prepared on the same basis. The Town of Fort Frances, like most municipalities, continues to prepare budgets based on the traditional cash basis.

For 2011 and subsequent years, the municipality or local board shall before adopting a budget for that year that excludes from their estimated budget expense costs related to amortization expenses, post employment benefit expenses and solid waste landfill closure and post-closure expenses shall prepare a report about the excluded expenses and adopt the report by resolution.

The regulation requires that the report contain information regarding:

- 1) An estimate of the change in the accumulated surplus of the municipality to the end of the year resulting from the exclusion of any of those expenses; and
- 2) An analysis of the estimated impact of the exclusion of any of those expenses on the future tangible capital asset funding requirements of the municipality.

## **Financial Impact**

The Town of Fort Frances developed its 2016 Operating Budget excluding only amortization. The budget this year includes annual post-employment benefits for fire fighters and solid waste landfill closure and post-closure expenses.

- 1) The 2016 Operating Budget does not include expense for the amortization of its tangible capital assets estimated in the sum of \$3,860,000 as shown in ***Schedule 3*** attached to this report. However, the Capital budget includes Contributions from Reserve Funds in the amount of \$ 5,396,214.00 (\$6,281,462 less FGT \$876,304 + Donation from Cemetery Reserve Fund of \$8,944) for capital asset replacement as shown in ***Schedule 2*** attached to this report.
- 2) The 2016 Operating Budget includes the estimated cost of the post employment benefit expenses incurred in the current year for any retirees resulting from the 2011 firefighter arbitration award. The Town engages Morneau Shepell to provide a post-retirement non-pension benefits actuary report providing an accounting valuation. The post-retirement liability continues to be an unfunded liability.
- 3) The 2016 Operating budget includes the current year expense for landfill closure and post-closure expense, which is estimated at \$28,464. In 2012 EBA Engineering Consultants Ltd. completed a review of our landfill to determine the remaining life of the permitted landfill footprint and provided an update of the closure and post closure liabilities for the site. The Post Landfill Closure Reserve Fund as at December 31, 2015 was \$479,511.11 and estimated to have a closing balance of \$544,995.97 at December 31, 2016.

***Schedule 1*** to this report provides an analysis of the impact on the 2016 Budget with the inclusion of the above noted expenses.

**2016 BUDGET  
PSAB 3150 RECONCILIATION**

***Schedule 1***

**Revenues**

General Operating	\$21,604,520
Water Operating	2,681,685
Sewer Operating	2,430,115
Capital	12,164,941
	<hr/> 38,881,261
Less	
Transfers to Capital from other Funds <sup>1</sup>	(6,272,518)
Transfers to Capital from other Funds <sup>1</sup> (In-Kind Services)	(22,580)
Transfers to Operating from other Funds <sup>1</sup>	(242,003)
Federal Gas Tax Recognized from Deferred Revenue	876,304
Prior Year's Surplus	0
Proceeds from Long-Term Debt <sup>2</sup>	0
Total Revenues	<hr/> <hr/> \$33,220,464

**Expenses**

General Operating	\$21,604,520
Water Operating	2,681,685
Sewer Operating	2,430,115
Capital	12,164,941
	<hr/> 38,881,261
Less	
Transfers from Operating to other (Reserve) Funds <sup>3</sup>	1,437,893
Transfer from Water & Sewer to other Funds <sup>3</sup>	17,981
Prior Year's Deficit	
Capital Expenses	(12,164,941)
Debt Principal Repayments <sup>4</sup>	645,371
Total Expenses	<hr/> <hr/> \$28,817,565

Annual Surplus, before exclusion \$4,402,899

**Excluded Expenses**

Amortization of Tangible Capital Assets	3,860,000
Post Employment Benefits	0
Solid Waste Landfill Closure & Post-closure Expenses	0
Total Excluded exclusions	<hr/> <hr/> \$3,860,000

**Annual Surplus, after excluded Expenses \$542,899**

**NOTES**

<sup>1</sup> Transfers from other funds represents transfers from Reserve Funds for Expenditures and is not considered a revenue source under accrual accounting

<sup>2</sup> Proceeds from debenture issued is a debt financing decision and is considered a liability and not a revenue source under accrual accounting

<sup>3</sup>Transfers to other funds represents contributions to reserves and is not considered an expense under accrual accounting

<sup>4</sup>Debt principal repayments are considered repayments of long-term liabilities and are not an expense under accrual accounting

**Schedule 2**

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**2016 RESERVE FUNDS**

Account Name	G/L Account #	Reserve Fund Balance as at December 31, 2015	%	Estimated Interest Earned	Interest from FFCC Loan Payments	Contributions to Reserve Funds	Reserve Fund Contributions to Capital	Estimated Reserve Fund Balance as at December 31, 2016
Handi-Transit MTO Gas Tax	R-L60-0809-0000	49,948.92	0.366%	915.92	31.14		(40,000.00)	10,895.99
Children's Complex Projects	R-L60-0811-0000	114,171.39	0.837%	2,093.59	71.18			116,336.16
Daycare/Toy Library Donations	R-L60-0812-0000	2,615.94	0.019%	47.97	1.63			2,665.54
Parks & Cemeteries Projects	R-L60-0823-0000	45,639.63	0.335%	836.90	28.45			46,504.99
Public Library & Technology Centre	R-L60-0827-0000	220,872.96	1.620%	4,050.20	137.71			225,060.86
Sister Kennedy Centre Projects	R-L60-0832-0000	20,811.85	0.153%	381.63	12.98			21,206.46
Post Landfill Closure	R-L60-0851-0000	479,511.11	3.517%	8,792.90	298.96	56,393.00		544,995.97
Waterworks & Sanitary Sewer	R-L60-0860-0000	6,369,407.04	46.719%	116,797.24	3,971.11		(3,495,154.00)	2,995,021.39
Watermeter Replacement	R-L60-0870-0000	56,304.24	0.413%	1,032.46	35.10	17,981.00		75,352.81
Townshend Theatre	R-L60-0871-0000	91,420.38	0.671%	1,676.40	57.00	6,500.00		99,653.77
Corporate Vehicles/Equipment	R-L60-0874-0000	1,334,121.43	9.786%	24,464.08	831.78	150,000.00	(700,414.00)	809,003.29
Corporate Building	R-L60-0875-0000	1,075,278.74	7.887%	19,717.63	670.40	475,000.00	(129,905.00)	1,440,761.77
Corp. Projects Reserve	R-L60-0876-0000	1,947,018.24	14.281%	35,702.91	1,213.90	550,000.00	(1,000,741.00)	1,533,194.05
Corporate Contingency	R-L60-0877-0000	1,147,484.43	8.417%	21,041.68	715.42	200,000.00		1,369,241.53
Federal Gas Tax Reserve	R-L60-0878-0000	441,363.94	3.237%	8,093.39	275.18	483,532.25	(876,304.00)	56,960.75
Tax Rate Stabilization Reserve	R-L60-0880-0000	237,500.17	1.742%	4,355.09	148.07	(242,003.34)		0.00
Sub-total		13,633,470.41	100.00%	250,000.00	8,500.00	1,697,402.91	(6,242,518.00)	9,346,855.32
								-
Library Building	R-L61-0828-0000	357,901.56					(30,000.00)	327,901.56
		13,991,371.97		250,000.00	8,500.00	1,697,402.91	(6,272,518.00)	9,674,756.88
Cemeteries Reserve Fund							(8,944)	
							(6,281,462)	
Clinic Financing Loan		444,444.00						377,780.28
Solar Panel Project Loan		175,707.63						148,300.26
Federal Gas Tax		441,363.94						56,960.75
Corporate Reserve Funds		5,925,370.60						5,468,378.96
Library/Technology Reserve Funds		578,774.52						552,962.42
Waterworks/Sanitary Sewer Reserves		6,425,711.28						3,070,374.20
		13,991,371.97						9,674,756.88

## Reserve Funds Allocation

Page 2 of 2

2016	Corporate Vehicles/Equip	Corporate Buildings	Corporate Projects	Sister Kennedy Centre	Library & Tech Centre	MTO Gas Tax	Federal Gas Tax	Water & Sewer	Cemetery Reserve Funds	TOTAL
Gen Government			110,000							110,000
Corporate - Honeywell			17,855							17,855
Fire			40,425							40,425
Police Services Board			10,000							10,000
PW Building/General	8,000	37,405	27,290							72,695
PW Lg Equipment	558,414									558,414
PW Sm Vehicles										0
Roads			25,000					708,272		733,272
Connecting Link			4,526				472,268			476,794
Sidewalks							404,036			404,036
Streetlight Poles			16,200							16,200
Airport			60,000							60,000
Parks/Cemetery	54,000								8,944	62,944
Waste Management			13,255							13,255
Children's Complex	35,000									35,000
Handi-van	45,000					40,000				85,000
Memorial Sports Centre		27,500	106,900							134,400
Recreation			112,000							112,000
Sunny Cove			8,000							8,000
Library & Technology					30,000					30,000
Museum										0
Sorting Gap Marina										0
Planning & Development			2,290							2,290
Animal Shelter										0
Civic Centre		65,000	327,000							392,000
Market Square Project			120,000							120,000
Sanitary Sewer Projects								2,459,752		2,459,752
Waterworks Projects								327,130		327,130
<b>Totals</b>	<b>700,414</b>	<b>129,905</b>	<b>1,000,741</b>	<b>0</b>	<b>30,000</b>	<b>40,000</b>	<b>876,304</b>	<b>3,495,154</b>	<b>8,944</b>	<b>6,281,462</b>

### Schedule 3

#### Amortization Budget

Department	Budget Distribution 2014 Amortization	Actual 2014 Amortization	Budget Distribution 2015 Amortization	Un-Audited Actual 2015 Amortization	Budget Distribution 2016 Amortization
General Government	118,800	123,387.22	120,000	122,504.73	125,000
Fire	48,000	37,769.15	38,000	39,565.37	40,000
Protective Inspection/Control	4,300	4,358.98	6,000	6,128.59	10,000
PW Admin/Buildings & Yards	12,500	10,765.54	35,000	11,767.36	12,500
Roads - Paved	1,215,000	1,208,211.86	1,220,000	1,225,488.23	1,240,000
Roads - Unpaved	43,000	40,524.88	43,000	46,208.95	47,000
Roads Structures	25,000	24,619.39	25,000	23,922.64	25,000
Roads - Winter Control	30,000	22,129.33	30,000	28,570.13	30,000
Sidewalks	235,000	230,921.13	235,000	232,585.02	235,000
Handi Transit	40,300	11,914.66	12,000	11,914.66	14,500
StreetLighting	110,000	102,546.76	110,000	104,676.98	107,500
Air Transportation	64,000	55,899.26	67,000	64,843.55	67,000
Urban Storm Sewer	155,000	156,691.41	160,000	161,513.63	165,000
Rural Storm Sewer	4,500	2,185.46	2,500	2,185.46	2,300
Waste Disposal	0	0.00	0	0.00	0
Waste Diversion (Recycling)	17,500	6,759.48	15,000	9,717.50	16,000
Cemeteries	12,000	9,267.64	12,000	9,267.64	12,000
Social & Family Serv	65,000	68,060.39	68,000	69,488.76	70,000
Parks	45,500	45,152.25	45,000	46,830.48	48,000
Recreation	285,000	276,923.95	280,000	281,627.48	285,000
Library	190,000	189,956.63	190,000	174,978.80	175,000
Cultural Services	85,000	81,636.97	80,000	81,894.20	82,000
Planning & Development	150	40.14	80	20.05	50
Building Inspection Services	0	99.76	200	199.52	200
Sanitary Sewer Collection	210,000	178,654.47	190,000	183,193.71	190,000
Sanitary Sewer Treatment Plant	295,000	279,891.60	281,220	278,413.39	281,220
Water Treatment Distribution	325,000	293,564.44	300,000	301,056.31	305,000
Water Treatment Plant	270,000	254,730.32	260,000	270,653.27	274,730
	3,905,550	3,716,663.07	3,825,000	3,789,216.41	3,860,000



**To:** Administration & Finance Executive Committee  
**FROM:** Laurie Witherspoon, Treasurer  
**DATE:** April 28, 2016  
**Subject:** 2016 Capping Parameters for Capped Properties

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## **BACKGROUND**

In accordance with s. 329.1 of the *Municipal Act*, a single tier municipality may pass a by-law to implement one or more of the capping parameters provided for each of the capped property classes (commercial, industrial and multi-residential).

Capping parameters consist of the following:

- Increase 10% of annualized taxes
- Increase 10% CVA tax increase
- Utilize up to \$500 increase and/or decrease threshold to move to CVA based taxes
- Minimum tax level for new to class construction properties eligible for 6 comparables (1.e. 70% for 2005, 80% for 2006, 90% for 2007 and 100% for 2008 and beyond)
- Exclude properties previously at CVA
- Exit the Capping Program immediately for eligible tax classes or phase-out capping over 4 years if all properties in the class are within 50% of CVA tax

Any of the above referenced capping parameters may be used on their own or in combination with other options and can be applied differently to each capped class. If a by-law is not passed under section 329.1 then only 5% of the previous year's annualized tax limit would be allowed. From 2006 through to 2015 the capping parameters approved were revenue neutral within each property class, 10% increase of annualized tax limit based on previous year's annualized taxes and minimum tax level of 100% for new to class construction properties.

The "Stay at CVA Tax" and "Cross CVA Tax" option gives consideration whether to include or to exclude properties that were at CVA Tax in the previous year, to include or exclude properties that would cross over CVA tax from capped to clawed back or to include or exclude properties that would cross over CVA tax from clawed back to capped for each property class.

OPTA has implemented new Business Property Tax Capping options for 2016. Municipalities can now utilize a CVA tax increase up to 10% (instead of 5%) and utilize \$500 thresholds (instead of \$250) for increasing and/or decreasing properties in order to get to CVA tax quicker. Where eligible, a municipality can now exit the capping program immediately (either no properties or no capped properties in the class) or Phase out of the capping program in 4 years if all properties in the class are within 50% of CVA tax. The Multi-Residential and Commercial classes are eligible to exit the capping program immediately.

As indicated in the OPTA 2016 Capping Summary Analysis Reports three (3) properties are subject to capping, 2 properties are protected by the annualized tax limit and 1 property that will be clawed back leaving a Net Impact shortfall of \$1,716. An amount of \$1,800 has been included in the Tax Capping line item in the Administration & Finance 2016 Operating budget.

## **RECOMMENDATION**

Administration recommends approval of the following 2016 capping parameters:

1. That revenue neutral shall be maintained within the Industrial class.
2. That the annual limit on capping for the Industrial class will be a 10 per cent increase of the annualized tax limit based on the previous year's annualized taxes.
3. That the annual limit for the Industrial class will be a 10 per cent increase of the prior year CVA tax limit.
4. That there shall be a minimum tax level of 100% for properties eligible for New Construction or New to Class in 2016.
5. That properties that were at CVA Tax in 2015 or that would cross over CVA Tax in 2016 be excluded from capping.
6. That the Multi-Residential and Commercial classes be exited immediately for the Capping Program.
7. Further, that the authorizing capping parameters by-law and the percentage by which tax decreases are limited by-law be prepared.

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## 2016 Capping Summary Analysis Report using Actual Rates

### Fort Frances Town, 5912

Capping Report	Frequency Distribution Report	Back to Capping Options		
		Multi-residential	Commercial	Industrial
Capping Parameters				
Annualized Tax Limit				10.00%
Prior Year CVA Tax Limit				10.00%
CVA Tax Threshold - Increases				\$0
CVA Tax Threshold - Decreasers				\$0
Exclude Properties Previously at CVA Tax				Yes
Exclude Properties that Move from Capped to Clawed Back				Yes
Exclude Properties that Move from Clawed Back to Capped				Yes
Exit capping immediately	Yes	Yes	Yes	Not Eligible
Capping phase-out	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Capping Clawback and Retained Percentages				
Clawback Percentage				100.0000%
Retained Percentage				0.0000%
Total				100.0000%
Total Tax Adjustment				
Capped Properties				-\$3,086
Clawback Properties				\$1,360
Net Class Impact/Shortfall				-\$1,726

<< Expand

Expand >>

Category	Properties	2015 Annualized Taxes	2016 CVA Taxes Without Adjustments	2016 CVA Taxes Before Levy Change	2016 Capping Adjustment	2016 Overall Levy Change Adjustment	Threshold or Phase-Out Adj	Revised 2016 Tax	Tax Adjustment for 2016 \$ Amount	% of CVA Taxes
Multi-residential										
At CVA Tax due to Exclude Options:										
CVA Tax-Class is Excluded from Capping	19	592,955	600,664	592,101	0	0	0	600,664	0	0.00%
Commercial										
At CVA Tax due to Exclude Options:										
CVA Tax-Class is Excluded from Capping	272	3,017,002	3,032,702	2,985,637	0	0	0	3,032,702	0	0.00%
Industrial										
Capped/Protected by CVA Tax Limit	2	1,649	5,203	5,123	435	32	0	2,117	-3,086	-59.31%
Tax Above CVA Tax due to Clawback	2	26,142	25,189	24,803	0	407	0	26,549	1,360	5.40%
Total Subject to Capping	4	27,791	30,392	29,926	435	440	0	28,666	-1,726	-5.68%
	7	0	4,984	4,908	0	0	0	4,984	0	0.00%

<b>New Construction/Class, 100% Min Tax Level</b>										
<b>At CVA Tax due to Exclude Options:</b>										
<b>Excluded, Previously CVA Tax</b>	38	1,201,074	902,754	889,169	0	0	0	902,754	0	0.00%
<b>Total Excluded</b>	38	1,201,074	902,754	889,169	0	0	0	902,754	0	0.00%
<b>Class Total</b>	49	1,228,865	938,131	924,003	435	440	0	936,405	-1,726	-0.18%
<b>Total All Classes</b>										
<b>Capped/Protected by CVA Tax Limit</b>	2	1,649	5,203	5,123	435	32	0	2,117	-3,086	-59.31%
<b>Tax Above CVA Tax due to Clawback</b>	2	26,142	25,189	24,803	0	407	0	26,549	1,360	5.40%
<b>Total Subject to Capping</b>	4	27,791	30,392	29,926	435	440	0	28,666	-1,726	-5.68%
<b>New Construction/Class, 100% Min Tax Level</b>	7	0	4,984	4,908	0	0	0	4,984	0	0.00%
<b>At CVA Tax due to Exclude Options:</b>										
<b>Excluded, Previously CVA Tax</b>	38	1,201,074	902,754	889,169	0	0	0	902,754	0	0.00%
<b>CVA Tax-Class is Excluded from Capping</b>	291	3,609,957	3,633,366	3,577,738	0	0	0	3,633,366	0	0.00%
<b>Total Excluded</b>	329	4,811,031	4,536,120	4,466,907	0	0	0	4,536,120	0	0.00%
<b>Grand Total</b>	340	4,838,823	4,571,496	4,501,741	435	440	0	4,569,770	-1,726	-0.04%

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**To:** Administration & Finance Executive Committee  
**FROM:** Laurie Witherspoon, Treasurer  
**DATE:** April 28, 2016  
**Subject:** Councillor Wendy Brunetta – Registration Reimbursement

---

**BACKGROUND**

Attached is a copy of the Town of Fort Frances Schedule “B” Expense Statement – the amount of \$200.01 for reimbursement of Municipal Councillor Financial Literacy registration costs as submitted by Councillor Wendy Brunetta (see the attached receipt).



**TOWN OF FORT FRANCES - SCHEDULE "B"**  
**TRAVEL EXPENSE STATEMENT**

1.	Attendee	Wendy Brunelle								
2.	Conference/Seminar Attended	Municipal Councillor Financial Literacy								
	Location (Facility and City)	FF Public Library (on-line)								
	Dates	April 14/16								
3.		Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Total	
	Accommodation									
	Transportation									
	Breakfast									
	Lunch									
	Dinner									
	Per Diem									
	Other - Registration									
4.	Prepaid Expenses	Registration		Air Travel		Other		Total		
		\$ 200.01						200.01		
5.	Town Used Vehicle	Yes	No	Reason					Total	
	Mileage Claimed	KM x \$0.47 =								
6.	Approved					Total Expenses				200.01
						Advance Received				0
						Balance Claimed				200.01
						Balance Refunded				

**The agenda must be attached to process payment**

In claiming the above amounts, I certify that the expenses have been incurred on behalf of the Town, that the means of transportation were the most economical, with due regard to convenience, and that the expenditures were made in the exercise of my duties. NB – a valid and detailed receipt must accompany hotel Visa slips.

April 19/16  
Date

Wendy Brunelle  
Employee Signature

Date

Supervisor Signature

Date

Division Manager Signature

Date	Treasurer	A / P	Cashier



**Order #19**

Order Date: April 14, 2016

Status: Complete

Total: \$200.01

**Billing Address**

Wendy Brunetta  
Email: [wendyb7@shaw.ca](mailto:wendyb7@shaw.ca)  
Phone: 8072745323  
Fax: 807-274-8479  
Town of Fort Frances  
320 Portage Avenue  
Fort Frances, Ontario P9A3P9  
Canada

**Payment Method:** Credit Card  
Payment Status: Paid

**Products(s)**

SKU	Name	Price	Quantity	Total
MCFL	Municipal Councillor Financial Literacy	\$177.00	1	\$177.00

**Sub-Total:** \$177.00  
**Tax:** \$23.01  
**Total:** \$200.01

**To:** Administration & Finance Executive Committee  
**FROM:** Dawn Galusha, Deputy Treasurer  
**DATE:** April 29, 2016  
**SUBJECT:** 2015 Child Care – Audited Statement of Revenue & Expenses

---

## **BACKGROUND**

Attached is the audited Statement of Revenue and Expenses for the Town of Fort Frances Child Care Programs for the year ended December 13, 2015 as provided by BDO Canada.

The audited Statement of Revenue and Expenses is a requirement of the Rainy River District Social Services Area Board for Child Care funding.

**Town of Fort Frances**  
**Child Care Department**  
For the year ended December 31, 2015

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<b>Independent Auditor's Report</b>	<b>2</b>
<b>Financial Information</b>	
Statement of Revenue and Expenses	3
<b>Notes to Statement of Revenue and Expenses</b>	<b>5</b>

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## Independent Auditor's Report on Statement of Revenue and Expenses

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### To the Council of the Town of Fort Frances

We have audited the accompanying Statement of Revenue and Expenses for the Town of Fort Frances - Child Care Department for the year ended December 31, 2015, and notes, comprising the significant accounting policy and other explanatory information. The Statement of Revenue and Expenses has been prepared by management based on the basis of accounting described in the significant accounting policy attached to the Statement of Revenue and Expenses.

### Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement of Revenue and Expenses in accordance with the basis of accounting described in the significant accounting policy attached to the Statement, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Statement of Revenue and Expenses based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial information in the Statement of Revenue and Expenses for the Town of Fort Frances - Child Care Department for the year ended December 31, 2015, is prepared, in all material respects, in accordance with the basis of accounting described in the significant accounting policy attached to the Statement of Revenue and Expenses.

### Basis of Accounting

Without modifying our opinion, we draw attention to the significant accounting policy attached to the Statement of Revenue and Expenses (Note 1) which describes the basis of accounting. The Statement of Revenue and Expenses is prepared to assist the Town of Fort Frances to meet the requirements of the Rainy River District Social Services Administration Board. As a result, the financial information may not be suitable for another purpose.

*BDO CANADA LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Fort Frances, Ontario  
April 27, 2016

# Town of Fort Frances Child Care Department Statement of Revenue and Expenses

For the year ended December 31

2015

## Revenue

Government transfers - operating	- Fort Frances Children's Complex	
	- Core service delivery (Note 2)	\$ 452,643
	- Fee subsidy (Note 2)	338,095
	- Capacity building (Note 2)	36,926
	- Provincial wage enhancement (Note 2)	19,541
	- Best start hub (Note 2)	107,629
	- Day care resource teacher (Note 2)	105,484
		<u>1,060,318</u>
Government transfers - capital	- Fort Frances Children's Complex	
	- Capital retrofit	10,317
	- Health and safety	3,536
	- Transformation	507
		<u>14,360</u>
User fees		<u>236,452</u>
<b>Total revenue</b>		<u><b>1,311,130</b></u>

## Operating Expenses

Fort Frances Children's Complex	
Advertising	844
Audit	967
Accounting and bookkeeping	27,100
Buildings and yard	51,876
Training and development	20,202
Equipment and leases	1,060
Events and activities	7,785
Food and meals	54,443
Insurance	2,740
Office supplies and expenses	5,611
Information technology	5,665
Repairs and maintenance	12,898
Teaching supplies	36,594
Memberships, licenses and extended school purchases	2,336
Salaries, wages and benefits	818,900
Vehicle expenses	811
	<u>\$ 1,049,832</u>

**Town of Fort Frances  
Child Care Department  
Statement of Revenue and Expenses  
(Continued)**

**For the year ended December 31**

**2015**

**Operating Expenses (continued)**

Carried forward	\$ 1,049,832
Best Start Hub	
Accounting and bookkeeping	3,100
Buildings and yard	16,171
Events and activities	2,861
Food and meals	541
Insurance	681
Office supplies and expenses	1,019
Telephone and internet	386
Repairs and maintenance	1,007
Teaching supplies	734
Memberships and licenses	98
Salaries, wages and benefits	80,653
Vehicle expenses	378
	<u>107,629</u>
Day Care Resource Teacher	
Accounting and bookkeeping	2,000
Training and development	1,466
Office supplies and expenses	147
Telephone and internet	717
Teaching supplies	3,936
Memberships and licenses	150
Salaries, wages and benefits	97,994
	<u>106,410</u>
<b>Total operating expenses</b>	<u>1,263,871</u>
Capital expenses capitalized for Town of Fort Frances accounting purposes	
Fort Frances Children's Complex	31,393
<b>Total department expenses</b>	<u>1,295,264</u>
<b>Excess of revenue over expenses</b>	<u>\$ 15,866</u>



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**Town of Fort Frances  
Child Care Department  
Notes to Statement of Revenue and Expenses**

**For the year ended December 31, 2015**

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**1. Significant Accounting Policy**

**Basis of Accounting**

The Statement of Revenue and Expenses has been prepared to comply with the financial accounting and reporting requirements of the Rainy River District Social Services Administration Board. The basis of accounting underlying the Statement of Revenue and Expenses are Canadian public sector accounting standards (PSAB). The Statement only includes those revenues and expenses related to the operation of the Town of Fort Frances Child Care Department. The Statement is in accordance with PSAB except for the following material departures as required by the financial accounting and reporting requirements of the Rainy River District Social Services Administration Board:

- a) Tangible capital asset additions capitalized by the Town of Fort Frances have been included on the Statement of Revenue and Expenses.
- b) Amortization expense related to the amortization of tangible capital assets has been excluded from the Statement of Revenue and Expenses.

**Town of Fort Frances  
Child Care Department  
Notes to Statement of Revenue and Expenses**

**For the year ended December 31, 2015**

**2. Schedule of Government Transfers**

	Core service delivery	Fee subsidy	Capacity building	Provincial wage enhancement	Best start hub	Day care resource teacher	Capital
Base funding	\$ 404,162	\$ 338,095	\$ -	\$ 20,394	\$ 118,286	\$ 104,018	\$ 14,360
Other funding	-	-	-	-	3,300	-	-
Deferred funding from prior years	48,481	-	36,926	-	-	1,466	-
Estimated recovery	-	-	-	(853)	(13,957)	-	-
Revenue reported on the statement of revenue and expenses	\$ 452,643	\$ 338,095	\$ 36,926	\$ 19,541	\$ 107,629	\$ 105,484	\$ 14,360

**Ministry of Finance**  
Provincial-Local  
Finance Division  
10<sup>th</sup> Floor  
777 Bay Street  
Toronto ON M5G 2C8  
Tel (416) 327-0264  
Fax (416) 325-7644

**Ministère des Finances**  
Division des relations provinciales-  
municipales en matière de finances  
10<sup>e</sup> étage  
777, rue Bay  
Toronto (Ontario) M5G 2C8  
Tél. : 416 327-0264  
Télec. : 416 325-7644



April 11, 2016

Dear Municipal Treasurer/Clerk-Treasurer,

I am writing to update you on a number of property tax decisions for the 2016 taxation year. These will all be implemented in regulation in the near future.

### **Business Property Tax Capping**

As noted in my letter dated November 19, 2015, the Province is providing municipalities with enhancements for additional flexibility in the business property tax capping program. The new flexibility measures will enable municipalities to adjust the program to best suit their local circumstances.

Beginning in 2016, municipalities now have additional flexibility to manage the business tax capping program by adjusting capping parameters to increase progress towards CVA level taxes:

<b>Capping Parameters</b>	<b>% of CVA Taxes</b>	<b>Threshold to Move to CVA</b>
Previous Maximum	5%	± \$250
New Maximum	10%	± \$500

Some municipalities will also have the option to exit or phase-out from the capping program, if doing so would have a limited impact on business properties. A municipality is eligible for a four-year phase-out from the capping program once it has no capped properties beyond 50% of CVA level taxes in a property class. Municipalities with no properties currently remaining in the capping program are eligible to exit the program immediately.

The adoption of these measures is a municipal decision and would be enacted through a municipal by-law.

As you know, the provincially-funded Online Property Tax Analysis (OPTA) system provides a number of tools and reports to assist municipalities with property-level tax analysis. OPTA will be updated to reflect the 2016 capping program enhancements this

week and will notify you as soon as these tools are available. The system allows municipalities to analyse the proposed measures in the context of their own local circumstances. Municipal staff are encouraged to use OPTA to examine the potential tax impacts for businesses when considering the proposed measures.

### **Tax Ratio Flexibility**

Municipalities will continue to be provided with tax ratio flexibility that has been provided in previous reassessment years. This will allow municipalities to avoid tax shifts that may occur between property classes as a result of phased-in reassessment impacts.

### **Modified Levy Restriction**

Municipalities with property classes subject to the levy restriction will continue to have the flexibility to apply a municipal tax increase to those classes of up to 50% of any increase applied to the residential class. For instance, a municipality levying a 2 per cent increase in residential taxes could raise taxes on any restricted class by up to 1 per cent.

### **Property Tax Rate Calculation Adjustment**

Earlier this year, a number of municipalities, along with the Association of Municipalities of Ontario and other municipal associations, approached the Province requesting an adjustment to the annual notional property tax rate calculation. The concern expressed was that under the current calculation, some in-year assessment changes can result in lower than expected property tax revenues.

The notional property tax rate calculation, as prescribed in O. Reg. 73/03 under the *Municipal Act, 2001*, relies on the assessment information provided as part of the year-end assessment roll. The current calculation does not account for any subsequent in-year assessment changes, such as assessment appeals and requests for reconsideration, which may alter the assessment values over the course of the year. As a result, municipalities may receive less revenue than they have budgeted for.

In response to municipal requests, a technical adjustment to the provincially prescribed notional property tax rate calculation was announced in the 2016 Ontario Budget. This adjustment ensures that when calculating notional tax rates, municipalities and the Province are able to address any unintended effects due to specific in-year property assessment changes, such as assessment appeal losses.

Beginning in 2016, municipalities will have the option to adjust the year-end assessment used in the property tax rate calculation to offset changes resulting from certain in-year assessment changes, including assessment appeals and requests for reconsideration. This will allow municipalities to address unintended reductions in the property tax base that may occur as a result of these changes.

The adjustment will be implemented in regulation in the near future. In the meantime, the Province has worked to ensure that the option to adopt this adjustment will be available through the OPTA system this week. OPTA will notify you as soon as the system has been updated. This means that for municipalities who choose to adopt this option, the adjustment will be straightforward to implement. Since this is a municipal decision and the impact of applying the adjustment will vary each year and for each upper tier and single tier municipality, municipal staff are encouraged to use the tools and reports available on OPTA.

Any changes in revenue related to the adjustment will be shown on the property tax bill as part of the reassessment change.

### **Education Property Tax Rates**

To assist municipalities with their budget planning, the Ministry has attached residential and business education property tax rates for 2016 for your municipality.

As indicated in the 2016 Budget, the Province will also ensure the ongoing integrity of education property tax revenues. Therefore, the property tax rate calculation adjustment noted above will also be applied to education property tax rates beginning in 2016. As a result, the 2016 education property tax rates reflect an adjustment corresponding to current and historic in-year assessment changes such as assessment appeal losses.

#### Residential Education Property Tax Rates

For the 2016 tax year, the Province is continuing to reduce education property tax rates. The uniform residential education tax rate is 0.188%, reduced from the rate of 0.195% that applied to the 2015 taxation year.

#### Business Education Tax (BET) Rates

Your municipality's BET rates for 2016 are attached. The target BET rate and the annual BET ceiling rates will be reduced in 2016, as summarized in the following table.

Ceiling and Target BET Rates	Commercial Ceiling	Industrial Ceiling	Target
2015 Rates	1.43%	1.53%	1.19%
2016 Rates	1.40%	1.50%	1.18%

If you have any questions related to these decisions please contact Andrea Chow, Manager, Property Tax Policy Unit at 416-327-0252 or [Andrea.Chow@ontario.ca](mailto:Andrea.Chow@ontario.ca). Should you have any questions concerning the OPTA system, please contact the OPTA help desk at 416-591-1110 or 1-800-998-5739, ext 300.

We look forward to continuing to work in partnership with municipalities to ensure stability for Ontario's property tax system, while providing flexibility for municipalities in addressing their local circumstances.

Sincerely,

*Original signed by*

Allan Doheny  
Assistant Deputy Minister  
Provincial Local Finance Division



## 2016 Business Education Tax (BET) Rates

### Town of Fort Frances

Business Property Class	2016 BET Rate
Commercial	1.180000%
Industrial	1.180000%
Pipeline	1.180000%
New Construction - Commercial	1.180000%
New Construction - Industrial	1.180000%

## 2016 Business Education Tax (BET) Rates

### Town of Fort Frances

Optional Property Class	2016 BET Rate	2016 New Construction BET Rates
Commercial Residual	n/a	n/a
Office Building	n/a	n/a
Shopping Centre	n/a	n/a
Parking Lot	n/a	
Industrial Residual	1.180000%	1.180000%
Large Industrial	1.180000%	1.180000%

Note: n/a indicates there are no properties in this property class.



Online Property Tax Analysis



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[Tax Tools](#) | [See Parameters](#)

## Tax Tools, 2016 Overall Levy Changes

Using Actual rates on April 29, 2016 3:15PM EST.

Choose a class and **click OK**.

All

### Fort Frances Town, 5912

#### 2016 Notional Base Rates 2016 Rates Overall Levy Change

Residential	0.01817465	0.01842275	1.3651%
Multi-residential	0.04653419	0.04720712	1.4461%
Commercial	0.04386320	0.04455463	1.5763%
Industrial	0.05817093	0.05872781	0.9573%
Large Industrial	0.13104442	0.13214713	0.8415%
Pipelines	0.05407314	0.05491751	1.5615%
Farm	0.00454366	0.00460569	1.3652%




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## Tax Tools, 2016 Overall Levy Changes

Using OPTA calculated rates on March 31, 2016 4:44PM EST.

Assessment Data Filter Option Used: No Limits, Include PIL Properties, Tax Ratios Used:  
2016 Alternative Tax Ratios

Choose a class and click OK.

All  OK

### Fort Frances Town, 5912

	2016 Notional Base Rates	2016 Rates	Overall Levy Change
Residential	0.01629859	0.01654274	1.4980%
Multi-residential	0.04465813	0.04532711	1.4980%
Commercial	0.03227120	0.03275463	1.4980%
Industrial	0.04657893	0.04692781	0.7490%
Large Industrial	0.11945242	0.12034713	0.7490%
Pipelines	0.04248113	0.04311751	1.4980%
Farm	0.00407465	0.00413569	1.4980%

2016 Notional Rates

Close

Export to Excel

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