

***Time For Real Fiscal Discipline***

**Hitting The Brakes On Tax Increases**

**2015 Budget**

A Submission By  
Paul Pagnuelo  
To  
The Committee of the Whole  
Town of Cobourg

April 23, 2015

## **INDEX**

	<b>Page(s)</b>
The Author	1
Executive Summary	2-3
Invitation for Comment	4
Introduction	4-5
Demographics	5
2015 Fiscal Highlights	5-7
County and Education Property Taxes	7
2015 Public Sector Salary Disclosure	7
Staffing Levels	7
CPI, New Assessment Growth and Tax Increase Policy Target	7-8
2015 Operating Budget – Individual Components	8-24
2015 Capital Budget	24-25
Reserve Accounts	25
Long-Term Debt	25-26
Northam Industrial Park and Holdco	26-27
Other Considerations	27-28
Budget vs. 2014 Actual Comparisons	Appendix 1
Cobourg Staffing Levels 2011 - 2013	Appendix 2
Cobourg Long-Term Debt	Appendix 3

## The Author

My wife and I moved to Cobourg in the summer of 2009 and we are pleased and honoured to call Cobourg home.

I retired in 2008 following a distinguished 43 year career with Bank of Montreal.

My early years with BMO involved numerous branch positions and postings. I subsequently transferred into very diverse disciplines including divisional and credit administration, loan portfolio analysis, legislation and government, risk management policy and the Canadian payments system. From 1994 until my retirement, I was Senior Manager and Policy Advisor responsible for providing counsel to senior executives and through the Canadian Bankers Association and the Canadian Payments Association, negotiating strategic policy initiatives with financial institutions and government.

Following my retirement, I acted as a consultant and expert witness to one of Canada's leading business law firms, conducted detailed research and analysis and provided expert opinion, advice and recommendations on wire transfers and anti-money laundering practices and legislation involving a major international case.

After moving to Cobourg, I served for four year as a Director and Treasurer for a small Condominium Corporation in town.

From March 2009 until November 2012, I served as a Director and Treasurer for a large Homeowners Association in Florida and on the Board of Managers for its real estate brokerage subsidiary.

In the 1990s, I served in a voluntary capacity as the Ontario spokesperson for the Canadian Taxpayers Federation (CTF), Canada's largest non-partisan taxpayer advocacy group and until recently was a member of the CTF's board of directors.

In 1989 I was President of the Toronto-Peterborough-Havelock Passenger Association, we responded responsibly to the federal government's cancellation of VIA Rail service. We commissioned a feasibility study on establishing a private sector commuter rail network. The project was derailed when the Ontario government announced, the day before the positive results of our study were released, that it was extending GO service to four of the five proposed lines.

I received CTF's *Taxfighter of the Year Award* and am the proud recipient of the Queen's Jubilee Medal.

I ran unsuccessfully as a candidate for Cobourg's Deputy Mayor in the 2014 municipal election and am committed to do what I can as a citizen in rebuilding Cobourg's economic prosperity so it can be restored to the great community that it can be.

My wife Marilyn and I have been married for thirty-eight years and have two children. Daughter Stephanie lives in London and son Matthew in Calgary.

## Executive Summary

Continued pressure on the Town's taxpayers with annual increases in the Operating Budget such as proposed this year, along with the magnitude of Capital Projects and Debt Financing over the next three years and tax increases at the County level will all culminate in a fiscal train wreck in the not too distant future.

There is no easy solution but the reality is that the current pace of increased spending, debt and taxes is not sustainable.

I have attempted in this brief, in the short timeframe available, to analyze all the data and to provide a number of observations and recommendations for Council's consideration. These include:

- The need for a policy decision to limit the overall tax increase to the amount of new assessment growth.
- A discussion of whether the baseline for the 2015 Budget should be the 2014 Budget or the 2014 Actuals. My findings indicate that for the most part 2014 Actuals, which generally are lower, are not being considered and 2015 numbers are often an extension of the 2014 Budget.
- The Budget can be reduced by baselining to 2014 Actuals.
- The Growth and Cumulative Annual Growth Rate (CAGR) of Revenue and Expenses between 2012-2015.
- County Tax increases are adding pressure to Cobourg taxpayers.
- The 2015 Public Sector Salary Disclosure for the Town of Cobourg reveals that 31 employees are now earning \$100,000 or more in salaries and taxable benefits. All but four are Police or Fire uniformed officers.
- The growth in staffing levels cannot continue. Between 2010-2013 (the latest data available), the number of employees has grown by 61. Nine full-time, 22 part-time and 30 seasonal.
- The Consumer Price Index (CPI) has increased by 1.20% (March 2014 - March 2015) compared to an overall proposed tax increase of 4%.
- A detailed line-by-line examination of the 2015 Operating Budget for all Functions/Activities, including observations on significant increases in salaries, wages and benefits in comparison to 2014 Actuals and recommendations on specific line items that should be scaled back to 2014 Actuals.
- The need to rank in terms of criticality and priority each of the Capital Projects over the next three years.
- A recommendation to provide not only more detail on Reserve accounts but to consider a more prudent approach replacing the need for long term borrowing

through annual contributions to a pooled Reserve Fund on a fully funded basis to cover Capital replacement and maintenance costs over the useful life of each of the Town's assets.

- An examination of the Town's long-term debt history reported in the Budget documents as \$10,144,409 in 2013 (latest data available) compared to the Financial Information Return which shows a total of \$16,843,974, a difference of \$6,699,565.
- It's time to peel back the onion so Cobourg's taxpayers are no longer kept in the dark about the inner workings and finances of the Town of Cobourg Holdings Inc. and Northam Industrial Park, both of which the Town owns.
- Other considerations.

## **Invitation for Comment**

On April 16, 2015 Deputy Mayor John Henderson released a preliminary version of the 2015 Operating and Capital Budgets on the Town's website.

The full budget review is scheduled for April 23, 2015 at 1 p.m. with final approval by Council at its Regular Council Meeting on April 27, 2015, which makes it difficult to provide comprehensive, detailed public input within such a short period of time.

In his covering letter, Deputy Mayor John Henderson noted "This year is a particularly challenging one from a budgetary perspective for The Town of Cobourg. There are a number of current factors which in combination present upward pressure on the municipal levy.

The economy is still at a fragile state in its path to recovery. Businesses and citizens in town are experiencing challenging times. Your Council is mindful of its obligation to maintain the level and quality of services and facilities while ensuring that Cobourg remains affordable to its citizens. This Council will need to work diligently to find that balance that meets the needs of the entire community."

## **Introduction**

The key to getting "*Our Feel Good*" Town feeling good about itself once again is to overcome the barriers that have contributed to the decline of our local economy. We need to replace our lost commercial and industrial jobs, revitalize our historic downtown and spur new residential growth. Political leadership must be anchored in sound financial leadership. That means introducing a new culture of fiscal discipline and ending our past history of overspending and overtaxing.

Citizens and businesses continue to express a serious concern with the level of taxation in Cobourg and at the County level. Our new Council has the opportunity to begin the journey towards achieving a competitive tax base when it considers the 2015 Operating and Capital Budgets.

The challenges that Council will be faced with over the next week won't be easy ones but it is imperative to the Town's future success that a proper balance be struck. There are a number of new funding requests and the total expenses Council will be reviewing are \$677,599 or 3.07% higher than last year's budget and \$969,701 or 4.46% over 2014 actuals.

The purpose of this brief is to set out areas where expenses and revenues need close examination and a policy direction that should be given to staff, which for the first time could result in a flatlining of the tax burden excluding new assessment growth.

I wish to commend the Deputy Mayor for his commitment to openness and the positive step forward by providing the public with the line by line detail in the budget package posted online.

I wish all of Council well in your deliberations and trust that my submission will provide some helpful input.

## Demographics

(Source: Canada Census 2011; Statistics Canada)

- Population: 18,519.
- Private Dwellings: 8,541.
- In Cobourg, 69.4% of census families were married couples in 2011, while 13.1% were common-law-couples and 17.5% were lone-parent families.
- The median after-tax income of economic families in Cobourg in 2010 was \$63,888, the median for couple families was \$69,206 and for lone-parent families, \$41,790. For persons not in economic families (persons living alone or with non relatives only), the median after-tax income was \$29,141.

These compare to the medians in Ontario of \$71,128 for after-tax family income of all economic families, \$76,951 for couple families, \$44,398 for lone-parent families and \$27,319 for persons living alone or without relatives.

- Age Profile:

Under 24	30.0%
25-64	48.9%
65+	21.1%

In 2011, the median age in Cobourg was 49.6 years. In comparison, the median age of Ontario was 40.4 years.

## 2015 Fiscal Highlights

### **Baseline – Budget vs. Actual**

The preliminary 2015 Budget provides a percentage variance column comparing Department requests to the previous year's budget and not actual expenditures. This raises the question of whether the baseline (starting point) should be the previous year's budget or actuals or a combination of the two.

In the absence of periodic zero based budgeting or organizational efficiency studies, proposed budget revenues and expenses should be examined in the context of both the previous year's Budget and Actuals. This is extremely important, particularly as detail at the Committee and Function/Activity level is analyzed.

Appendix 1 sets out important differences when examining the two.

For example, at the macro level:

- Total Revenue for 2015 is \$677,599 or 3.07% higher when compared to the 2014 Budget but is \$913,923 or 4.19% higher when compared to 2014 Actuals.
- The 2015 Mill Rate is 3.99% higher when compared to the 2014 Budget but 3.93% higher when compared to 2014 Actuals.
- The total of Net Operating Costs is \$999,383 or 4.89% higher when compared to the 2014 Budget but is \$1,293,272 or 6.42% higher when compared to 2014 Actuals.
- Total Expenses (Net Operating, Debt Charges and Capital Levy) are \$677,599 or 3.07 higher when compared to the 2014 Budget but are \$969,701 or 4.46% higher when compared to 2014 Actuals.

Examples at the Committee level are:

- Total Expenses for Parks and Recreation are \$22,927 or 0.89% higher when compared to the 2014 Budget but are \$175,089 or 7.22% higher when compared to 2014 Actuals.
- Net Operating Costs for Public Works are \$167,468 or 4.14% higher when compared to the 2014 Budget but are \$148,812 or 3.42% *lower* when compared to 2014 Actuals.
- Total Expenses for Police Services (excluding Business Services) are \$146,336 or 2.47% higher when compared to the 2014 Budget but are \$1,513 or 0.02% higher when compared to 2014 Actuals.
- Net Operating Costs for General Government are \$238,911 or 8.22% higher when compared to the 2014 Budget but are \$311,768 or 11% higher when compared to 2014 Actuals.

## **Operating Revenue**

### **Growth and Cumulative Annual Growth Rate (CAGR)**

<b>2012-2015</b>	<b>% Growth</b>	<b>CAGR</b>
Direct Control Revenue	(13.7%)	(4.8%)
Municipal Levy	11.9%	3.8%
Total Revenue	10.3%	3.3%

## **Operating Expenses**

### **Ranked by Highest Growth and Cumulative Annual Growth Rate (CAGR)**

<b>2012-2015</b>	<b>% Growth</b>	<b>CAGR</b>	<b>% of Total 2015</b>
General Government	30.5%	9.23%	13%
Parks & Recreation	28.0%	8.6%	11%
Planning & Development	25.0%	7.7%	4%
Culture & Community	22.4%	7.0%	5%
Public Works	19.7%	6.2%	19%
<b>2012-2015</b>	<b>% Growth</b>	<b>CAGR</b>	<b>% of Total</b>



			<b>2015</b>
Other	13.3%	4.2%	1%
Protection Services	11.2%	3.6%	15%
Police	4.5%	1.5%	26%
Debt Servicing	(39.0%)	(15.2%)	4%
Capital Levy	(44.0%)	(17.6%)	2%
Total Expenditure	10.3%	3.3%	

## **County and Education Property Taxes**

Council needs to be mindful that the same taxpayers are being asked to fund three levels of government through the property tax system.

While Town Council can only be held responsible for managing the portion under its direct control, the Town through the Mayor does have a say in the portion related to County expenditures.

The County's 10 year Plan requires annual increases beyond 2.5% after assessment growth and Cobourg taxpayers currently fund about \$12 million or 25% of the total tax levy.

## **2015 Public Sector Salary Disclosure**

The most recent published report indicates that in 2014 (2015 Public Disclosure Report), 31 or 20% of the Town of Cobourg's 152 full-time employees (as at December 31, 2013) received salaries and taxable benefits of \$100,000 or more. This is an increase of four from the year previous. All but four were employed by Police or Fire Services.

16 were uniform officers in Police Services. This represents 53% of 2013 full-time uniform officers in Police Services.

11 were uniform officers in Fire Services. This represents 85% of 2013 full-time uniform officers in Fire Services.

## **Staffing Levels**

The growth in staffing levels cannot continue. Between 2010 - 2013 (the latest data available), the number of employees has grown by 61. Nine full-time, 22 part-time and 30 seasonal.

Appendix 2 provides further detail, including at the County level.

## **CPI, New Assessment Growth and Tax Increase Policy Target**

Page 1 of the 2015 Operating Budget attempts to blunt the overall increase in taxes by making a distinction between the impact on prior existing assessment vs. that of new assessment growth. No matter how one slices and dices it, the proposed 2015 Operating Budget calls for a 4% tax increase based on a comparison to the 2014 Budget.

This compares to a 1.20% increase in the Canadian Consumer Price Index (CPI) (March 2014 – March 2015), as calculated by the Bank of Canada. The Consumer Price Index (CPI) provides a broad measure of the cost of living in Canada. While there are other ways to measure price changes, the CPI is the most important indicator because of its widespread use.<sup>1</sup>

If growth in expenditures and the resulting impact on the tax levy had been held to the rate of inflation, new assessment growth would have resulted in an overall tax *decrease* of 0.7%. So much for the claim that we need new assessment growth to reduce taxes! The proposed budget shows that it's simply being used as a cash cow to spend more rather than offset the rate of inflation.

As a policy matter, in order to keep spending and taxes in check, Council should consider restricting any new expenditures in the Operating Budget beyond the rate of inflation to the difference between the CPI and new assessment growth rates

By limiting the growth in expenses for 2015 to 1.90% (the ratio of new assessment growth to the proposed overall tax increase of 4%, Council should be targeting a reduction in overall proposed spending of \$435,299. Appendix 1 sets out the impact by Committee, including if any reduction in the Police Services Budget is determined to be untouchable.

## **2015 Operating Budget – Individual Components**

- **Revenue Sources**

- Tax Cancellations of \$225,000 appear to be understated in light of 2014 Actuals.
- Penalty and Interest on taxes at \$625,000 appear to be understated in light of 2014 Actuals.
- What assurances are there that Other grants in Lieu are achievable given 2014 Actuals.
- In 2014 surplus revenue was zero.

- **General Government**

- Council

- Salaries, wages and benefits account for a 3.5% increase over 2014 Actuals. above the CPI.
    - Hold the line to 2014 Actuals.on:

---

<sup>1</sup> Bank of Canada Backgrounder The Consumer Price Index

- Advertising and Promotion. Certain items should be moved to overall Community Grants budget.
  - Memberships and Subscriptions.
  - Receptions.
  - Presentations.
  - Meals and refreshments.
  - Conferences and Conventions.
- Move sponsorships under Promotional/Public Relations to overall Community Grants budget.

#### Administration Communications Department

- Salaries, wages and benefits account for a 2.5% increase over 2014 Actuals; above the CPI.
- Printing - Employee yearbook appears to be an entirely discretionary project. Delete.
- Training and Courses – Don't understand why the Town should be paying for "teaching" a course elsewhere.
- Conferences and Conventions – discretionary. Delete.

#### Clerks Department

- Salaries, wages and benefits account for a 7.6% increase over 2014 Actuals; above the CPI. How long is Policy Clerk contract for?
- Hold the line to 2014 Actuals on:
  - Advertising and Promotion.
  - Membership and Subscriptions.
  - Training and Courses.
  - Travel expenses.
  - Meals and Refreshments.
  - Conferences and Conventions

#### Finance

- Hold the line to 2014 Actuals on:
  - Advertising and Promotion
  - Printing.
  - Travel expenses.
  - Meals and Refreshments.
  - Conferences and Conventions
- Consider e-billing of tax bills to reduce postage costs.

### Information Technologies

- Salaries, wages and benefits account for a 6.7% increase over 2014 Actuals; above the CPI.
- Hold the line to 2014 Actuals on:
  - Telephone and Answering service.
  - Printing.
  - Training and Courses
  - Travel Expenses.
  - Support Contract.
- It's noted that Information Tech monitors six phone systems. Would it not make sense to migrate to one system?

### Admin Building Victoria Hall

- Salaries, wages and benefits account for a 4.9% increase over 2014 Actuals; above the CPI. This includes a doubling of footwear expense over 2014 Actuals.
- Hold the line to 2014 Actuals on:
  - Advertising and Promotion.
  - Heat.
  - Utilities.
  - Building Maintenance.
  - Custodial/Cleaning Supplies.
  - System contracts and Repairs.
  - Property Maintenance and Improvements.
  - Vehicle maintenance and Repair.
  - Library Maintenance.

### Financial

- What is reason for increasing Transfer to Reserve - Contingency from 2014 actual?

### Personnel

- Salaries, wages and benefits account for a 12.5% increase over 2014 Actuals over 2014 Actuals; above the CPI. This includes an increase in clothing over 2014 Actuals. Should latter not be cross charged to appropriate Departments?
- Do both the HR Officer and Assistant need to attend the Ontario Municipal HR Association Conference in Spring 2015?

- Is the new \$1,500 expense of Receptions – Retirements a necessary expense? Not a private sector practice.
- Question appropriateness of new expense for Meals & Refreshments and Wellness Committee lunch & learn sessions.

- **Police Services**

It is recognized that Council has no control over these costs.

- **Protection Services**

Fire

- Salaries, wages and benefits account for a 2.6% increase over 2014 Actuals; above the CPI. Includes a cleaning allowance, which should be scaled back to 2014 Actuals.
- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Memberships and Subscriptions + \$750.
  - Car Allowance.
  - Legal Fees + \$2,500.
  - Liability Insurance. Is quoted cost higher than 2014 Actual?
  - Conferences and Conventions.
  - Building Maintenance.
  - Custodial/Cleaning Supplies.

Building Department

- Salaries, wages and benefits account for a 20% increase over 2014 Actuals; above the CPI. Includes a footwear allowance, which should be scaled back to 2014 Actuals.
- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Telephone Expenses.
  - Advertising Promotions.
  - Printing.
  - Car Allowance.
  - Conferences and Conventions.
  - Vehicle maintenance.
  - Gasoline.
- Reduce Training and Courses by 50%.

### By-law Department

- Hold the line to 2014 Actuals on:
  - Footwear.
  - Office Equipment Maintenance.
  - Advertising Promotions.
  - Conferences and Conventions.

### Joint Animal Control

- Hold the line to 2014 Actuals on:
  - Postage.
  - Contracts – Animal Control
  - Contracts – Tag seller.
  - Contracts – Provincial Offences Courts Cost.

### Emergency Management

- Salaries, wages and benefits account for a 13.2% increase over 2014 Actuals; above the CPI.
- Hold the line to 2014 Actuals on
  - Office Supplies.
  - Equipment Purchases.
  - Telephone.
  - Advertising.
  - Printing.
  - Photocopier Expense.
  - Memberships and Subscriptions.
  - Training.
  - Meals and Refreshments.
  - Conferences.

### By-Law Enforcement Service

- Hold the line to 2014 Actuals on
  - Office Supplies.
  - Advertising. And Promotions.
  - Training and Courses.
- Reduce Printing costs to \$250.

### Communications Centre

- Reduce by 50%::

- Telephone Maintenance and Repairs.
- Communication Equipment Repairs.
- Hold the line to 2014 Actuals on
  - Training & Courses.
- **Public Works**
  - Engineering Administration
    - Salaries, wages and benefits account for a 21.5% increase over 2014 Actuals; above the CP
    - Hold the line to 2014 Actuals on
      - Office Equipment Purchase.
      - Photocopy Expense Accessibility
      - Postage and Couriers.
      - Memberships and Subscriptions.
      - .Travel Expense.
      - SP – Downtown Xmas Lights.
    - Reduce by 50%::
      - Training and Courses

#### GIS Department

- Salaries, wages and benefits account for a 11.8% increase over 2014 Actuals; above the CP
- Hold the line to 2014 Actuals on
  - Software Purchase /Maintenance.
  - Printing.
  - Training & Courses.
  - Mileage.

#### Roads/Sewers

- Hold the line to 2014 Actuals on
  - Office Equipment Purchase.
  - Telephone & Answering Service.
  - Communications Equipment
  - Communications Equipment Repairs.
  - Advertising.
  - Courses and Conferences.

### Bridges and Culverts

- Salaries, wages and benefits account for a 20.5% increase over 2014 Actuals; above the CP.
- Reduce by 50%:
  - Equipment Rentals.
  - Other Operating Materials.

### Roadside Weeds and Grass

- Salaries, wages and benefits account for a 160.5% increase over 2014 Actuals; above the CP

### Forestry Services

- Salaries, wages and benefits account for a 6.3% increase over 2014 Actuals; above the CP.
- No justification provided for \$50,000 Contracts – Tree Maintenance.
- Agree with justification of special projects.

### Storm Drain System

- Salaries, wages and benefits account for a 16.3% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Equipment rentals.
  - Contracts.

### MTCE Roadside Debris and Litter Pickup and sweeping

No comment.

### MTCE Pavement Repairs

- Hold the line to 2014 Actuals on:
  - Other Operating materials.

### Winter Maintenance

- Salaries, wages and benefits account for a 6.5% increase over 2014 Actuals; above the CP.
- No justification provided for \$37,742 increase over 2014 Actuals for Equipment Rentals.



### Safety Devices, Information Traffic Control

- Hold the line to 2014 Actuals on:
  - Other Equipment Maintenance & Repairs.
  - Utilities.

### Sidewalks

- Salaries, wages and benefits account for a 20.7% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Other Equipment Maintenance & Repairs
  - Equipment Rentals.
  - Contracts.
  - Other Operating materials

### Crossing Guards

No comment.

### Street Lighting

- Hold the line to 2014 Actuals on:
  - Utilities.
- No justification given as to why debenture repayment would be higher than 2014 Actuals.

### Transit

- Salaries, wages and benefits account for a 188.1% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Advertising and Promotion.
  - Printing
  - Training and Courses.
  - Liability Insurance.
- It's noted that the number of rides decreased in 2004 by 2.95% and that passenger revenue fell short of Budget by \$8,671.

- Overall, transit's net cost subsidized by taxpayers was \$57,477 higher than Budget. While this is projected to improve by \$27,775 over the 2014 actuals, consideration should be given to a further fare increase to offset the increased cost over the 2014 Budget.
- It should be noted that 80.6% of 2015 transit costs will be funded by taxpayers:

Cobourg Taxpayers	58.7%
Provincial Subsidy (i.e. provincial taxpayers)	21.9%
Passengers	19.1%
Bench Advertising	0.3%

### Parking on Lots

This activity sets out the maintenance costs of off street parking lots. While the proposed 2015 Budget shows a total cost of \$110,100, it's not clear why this activity is not part of Parking Admin and Enforcement below.

### Parking Admin and Enforcement

- This activity sets out the cost of enforcing parking By-laws, as well as related revenue. It does not include Parking on Lots or the actual cost
  - Although not shown, net revenue to the Town is \$110,100, after providing for a transfer to Reserves of \$83,360 and a transfer to Parks (not clear why) of \$101,400.
  - Salaries, wages and benefits account for a 12.9% increase over 2014 Actuals; above the CP.
  - Hold the line to 2014 Actuals on:
    - Office Supplies.
    - Memberships and Subscriptions.
    - Training and Courses.
    - Bank Service Charges (presumably this relates to coin handling).
    - Other Equipment Maintenance and Repairs.
- **Environmental**

### Storm Sewers

- Unclear why \$6,000 is being budgeted for 2015 for Building Maintenance when 2014 actuals were zero.
- Hold the line to 2014 Actuals on:
  - Utilities.

### Garbage Collection

- No justification provided on increase of \$3,745 or 68.9% increase over 2014 Actuals for Special Contracts or, for that matter, what this line item represents.

- **Social and Family Services**

Some background history on why the Town funds realty taxes for St. Peter's Court under agreements expiring in 2015 and 2017 would be helpful.

- **Parks and Recreational Facilities**

#### Parks Administration

- Salaries, wages and benefits account for a 5.0% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Telephone and Answering Service.
  - Advertising and Promotion.
  - Memberships and Subscriptions.
  - Training and Courses.
  - Liability Insurance

#### Horticulture

- Hold the line to 2014 Actuals on:
  - Ecology Garden Maintenance.

#### Parks Maintenance

- Salaries, wages and benefits account for a 6.6% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Utilities.
  - Building Maintenance.
  - Signs.
  - Cleaning Maintenance.
  - Property Improvement.
- Dog Park rent of \$18,400 is being allocated to this activity for the first year. This is not an expense that taxpayers should be burdened with, as not all users of the Dog Park are Cobourg residents and all associated costs should be recovered through dog tag revenues or other user fees.

### Parks Athletic Facilities

- Salaries, wages and benefits account for a 9.8% increase over 2014 Actuals; above the CP.

### Parks Turf Maintenance

- Salaries, wages and benefits account for a 10% increase over 2014 Actuals; above the CP.

### Centennial Pool

No comment.

### Outdoor Rink

- Hold the line to 2014 Actuals on:
  - Other Equipment Purchases.
  - Setup/teardown.

### Marina

- No explanation given for drop of \$49,480 in 2015 revenue for Yearly Fees and Winter Storage from 2014 Actuals.
- Marina Brochure Advertising of \$2,600 is the same as the 2014 Budget but 2014 Actuals were only \$330. What assurance is there that this year's budget can be achieved?
- Salaries, wages and benefits account for a 3.4% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Training and Courses.
  - Travel Expense.
  - Conferences and Conventions.
  - Heat.
  - Utilities.
  - Building Maintenance.
  - Garbage Removal.
  - Custodial/Cleaning Supplies.
  - Security Contract.

### Dredging

- Actual 2014 Dredging revenue was short of budget by \$122,910.

- In 2014 Net Costs of the Dredging operation were \$34,574 and break-even as the Budget suggested.
- In 2015 revenue and expenses are both projected at \$50,000 each a sharp decline from the 2014 Budget of \$212,180. No explanation is given.
- There is no explanation why the cost of dredging Cobourg's Harbour is not cross allocated to the Marina (the marina budget shows no related expense).
- In order to break even in 2015, it's noted that a transfer from Reserves of \$13,320 will be necessary.

### Tourist Park

- No explanation is given as to why 2015 revenues are expected to be \$14,594 lower than 2014 Actuals.
- Salaries, wages and benefits account for a 137.5% increase over 2014 Actuals; above the CP. Does all or part of the increase relate to allocation of the Waterfront Supervisor's wage? If so, is this the first year of the allocation?
- 2014 Performance Data (page 197) does not match 2014 actual revenues shown on page 195.
- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Telephone and Answering Services.
  - Printing.
  - Liability Insurance.
  - Training.
  - Building Maintenance.
  - Garbage Removal.
  - Custodial/Cleaning Supplies.
  - Electrical Repairs.
  - Plumbing Repairs.
  - Other Equipment Purchases.
  - Other Equipment Maintenance and Repairs.
  - Contracts Security.

### Beach Washrooms

- Hold the line to 2014 Actuals on:
  - Utilities.
  - Building Maintenance.
  - Cleaning Supplies.
  - Cleaning Contract.

### Walkway

- Salaries, wages and benefits account for a 77% increase over 2014 Actuals; above the CP.
- Fully agree with Pergola repairs. Long overdue.

### Furnace Street Arenas

- Salaries, wages and benefits account for a 13.6% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Electrical Repairs.
  - Plumbing Repairs.
  - Equipment Rentals.

### Community Centre

- Net cost to Town of \$815,811 in 2015 is \$178,832 higher than 2014 Actuals.
- Salaries, wages and benefits account for an 18.3% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Instructors Fees.
  - Telephone and Answering Service.
  - Photocopier.
  - Postage and Couriers.
  - Memberships and Subscriptions.
  - Building Maintenance. Did transfer of Maintenance Contingency to this lone item occur this year? Is it necessary to past actual experience?
  - Garbage Removal.
  - Electrical Repairs.
  - Plumbing Repairs.
  - Building Maintenance Contracts.
  - Property Maintenance.
  - Systems Maintenance and Repairs.
  - Vehicle Maintenance and Repairs.
  - Gasoline.
  - Other Equipment Purchases.
  - Other Equipment Maintenance and Repairs.
  - Special Events General.

### Seniors Activity Centre

- Salaries, wages and benefits account for a 60.3% increase over 2014 Actuals; above the CP
- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Programme Costs – Supplies.
  - Telephone and internet Services.
  - Advertising and Promotions.
  - Travel Expense.
  - Conferences and Conventions.
  - Utilities.
  - Repair and Maintenance.
- Why are 2015 Membership Fees projected to decline by \$2,007 over 2014 Actuals?

### Legion Fields

- If Cobourg and Port Hope baseball have amalgamated, is any portion of Net Costs are funded by Port Hope?
- 2015 Revenues are equal to those in the 2014 Budget. However, 2014 Actuals were \$5,306 lower than budgeted.

### Fitness Centre

No explanation given as to increase in 2014 Actual and 2015 Budget over 2014 Budget.

## ● **Culture and Community**

### Concert Band

No comments.

### Market Building

2015 Revenues are equal to those in the 2014 Budget. However, 2014 Actuals were \$1,270 lower than budgeted.

### Art Gallery

Should be shown as part of Organizational Grants.

### Concert Hall Facilities

- Performance Data refers to 2010 and appears to be out of date.
- Actual Net Costs in 2014 were \$26,499 higher than Budget. What assurance is there that an increase in Revenues of \$22,090 over 2014 Actuals is achievable?
- Hold the line to 2014 Actuals on:
  - Telephone - Cellular.
  - Training and Courses.
  - Travel Expenses.
  - Other Maintenance and Repairs.
- Unclear why Postage costs have increased by \$4,790 over 2014 Actuals.

### Community Grants

No additional grants should be approved until a Grants Policy has been established by Council.

### Civic Awards Committee

No comment.

### Special Events

- Salaries, wages and benefits account for a 4% increase over 2014 Actuals; above the CP
- Hold the line to 2014 Actuals on:
  - Training and Courses.
  - Travel Expense.
  - Conferences and Conventions.

### Library

No explanation given as to why total costs (excluding \$17,000 in new snow removal costs) are increasing over 2014 Actuals.

## • **Planning and Residential**

### Planning

- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Telephone Expenses.



- Photocopier Expenses.
- Postage and Couriers.
- Memberships and Subscriptions.
- Training & Courses.
- Consultant Fees.

#### Committee of Adjustment

- Salaries, wages and benefits account for an 8.1% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Memberships and Subscriptions.
  - Training & Courses – Conferences.
  - Travel Expense.

#### Committee for Art in Public Spaces

No comment.

#### Cobourg Heritage Committee

- Salaries, wages and benefits account for an 8.9% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Plaques.
  - Advertising and Promotions.
  - Photocopier.
  - Postage.
  - Memberships and Subscriptions.
  - Training & Courses.
  - Heritage Consultant.

### • **Commercial and Economic Development**

#### Henley Arcade

No comment.

#### Second Street Fire Hall

No comment.

#### Economic Development

- Salaries, wages and benefits account for a 5% increase over 2014 Actuals; above the CP.

- Hold the line to 2014 Actuals on:
  - Telephone and Answering Service.
  - Memberships and Subscriptions.
  - Training & Courses.
  - Conferences and Conventions.
  - Utilities.
  
- It should be noted that the Performance Data does not provide any historical data on the number of new businesses and jobs brought to Town as a direct result of the Department's work.

### Tourism

- Salaries, wages and benefits account for a 2.7% increase over 2014 Actuals; above the CP.
- Hold the line to 2014 Actuals on:
  - Office Supplies.
  - Office Equipment Purchases.
  - Telephone and Answering Service.
  - Advertising and Promotions.
  - Photocopier Expense.
  - Memberships and Subscriptions.
  - Training & Courses.
  - Travel Expenses.
  - Conferences and Conventions
  
- It should be noted that the Performance Data does not provide any historical data on the number of visitors to Tourism kiosks, mailings to or emails/phone calls from potential tourists or the value added benefit of the Summer Ambassadors.

## **2015 Capital Budget**

The 2015-2017 Capital Budget totals \$13.5 Million over the next three years. This will add \$454,916 to the annual tax levy in the current year, \$1,878,383 in 2016 and \$1,890,767 in 2017, accounting for the bulk of an 8.75% increase in the 2016 tax levy.

Presumably the remaining \$9.3 Million will be financed through new debt, Reserves, Development Charges or user fees. This is at odds with the potential new debt in 2016 and 2017 totaling \$12,400,000 shown on page 11 of the presentation.

The Capital Budget does not specifically include the proposed Public Works/Parks Joint Facility at Building 7 other than a \$150,000 Public Works Building contingency, although the long-term debt shown on page 11 of the presentation

identifies potential new debt of \$3,900,000 in 2016 for the facility, higher than the most recent proposal of \$3.75 Million.

All of the identified Capital Projects over the next three years need to be ranked in terms of criticality and priority.

## **Reserve Accounts**

Nowhere in any of the Budget documents is there a breakdown of Reserve Accounts by Department and specific function, including the Development Charges Reserve Fund. It would be useful information for both Council and the public to have a schedule that lays out the Reserves by Department and specific component.

A more prudent approach in place of long term borrowing would be annual contributions to a pooled Reserve Fund on a fully funded basis to cover Capital replacement and maintenance costs over the useful life of each of the Town's assets. This would result in annual interest revenue instead of expense and would provide a much clearer and more realistic cost of running the Town.

## **Long-Term Debt**

Page 11 of the Committee of the Whole 2015 Preliminary Budget presentation shows total long-term debt from 2007-2015. However, there is a substantial difference between the long-term debt numbers shown and Schedule 74A of the Financial Information Return (FIF).

Appendix 3 is a breakdown of total long-term debt from 2002-2013 as reported on the FIF schedule 74A. As an example, using the 2013 numbers which is the latest FIF data available, the Budget presentation shows a number of \$10,144,409, whereas Schedule 74A shows a total of \$16,843,974, a difference of \$6,699,565. On October 14, 2014 the Town's Director of Corporate Services said to me by email "Remember that of the 16.8 figure, approx 5 is the remaining balance on Northam Park which will be paid in full in 3.5 years while approx 4 relates to the CCC which is being funded from Development Charges. Of the remaining 7 a portion is being funded from sewer rates."

What is being presented as the long-term debt history should reflect the complete debt picture and not an abridged version that understates the true picture regardless of repayment source. Council should be provided with an explanation on why there is this difference.

Page 9 of the same presentation shows that 46% of the 2014 Capital Projects totaling \$9,544,477 or \$4,390,459 was funded by new debt. In contrast, page 11 of the presentation shows that long-term debt grew from \$10,144,409 in 2013 to \$11,061,474 in 2014, an increase of \$917,065. While this may be a timing issue, again the Director of Corporate Services confirmed to me last October that "I can confirm no new long term debt has or will be added in 2014." Again, clarification should be sought.

One further discrepancy, albeit a minor one is the total amount of the 2014 Capital Budget. The 2014 Capital Budget document shows a total of \$9,535,977 whereas page 11 of the 2015 COW presentation shows \$9,544,477.

Page 11 of the presentation also notes potential new debt in 2016 and 2017 totaling \$12,400,000, an increase of 141.88% over the projected 2015 debt reported on the page. While there is no specific indication of the annual debt servicing costs (principal and interest) related to this new debt and the degree to which it will increase the annual tax levy in the years ahead, debt servicing costs are shown to decrease to \$604,200 in 2016 and zero in 2017, which can't be correct.

It should be noted that debt financing is deferred taxation. As it is an intergeneration tax to be paid by future taxpayers, it amounts to taxation without representation.

### **Northam Industrial Park and Town of Cobourg Holdings, Inc (Holdco)**

It's time to peel back the onion so Cobourg's taxpayers are no longer kept in the dark about the inner workings and finances of the Town of Cobourg Holdings Inc. and Northam Industrial Park, both of which the Town owns.

According to LUSI's website [www.lusi.on.ca](http://www.lusi.on.ca):

"Town Of Cobourg Holdings Inc. is the parent company to the Lakefront Group of Companies which consists of:

- Lakefront Utility Services Inc. (LUSI) - provides water services to Cobourg, Grafton and Colborne.
- Cobourg Networks Inc. (CNI) – provides internet services over a fibre optic network to industry and business in Cobourg.
- Lakefront Utilities Inc. (LUI) – distributes electricity in Cobourg and Colborne.

Lakefront Utility Services Inc. (LUSI) is our services company which employs the staff that provide services to the subsidiary companies of the Town of Cobourg Holdings Inc. These companies include:

- Lakefront Utilities Inc., the Local Distribution Company that delivers electricity to the residents of Cobourg and Colborne
- Cobourg Networks Inc., which provides internet and fibre optic cable servicing to business and industry in Cobourg

In addition, LUSI provides Water Treatment and Water Distribution services for Cobourg, Colborne and Grafton.

LUSI is a subsidiary of the Town of Cobourg Holdings Inc. which is owned by the Town of Cobourg, who is the majority shareholder, with the Township of Cramahe being a minor shareholder. LUSI is governed by a Board of three Directors appointed by the parent company, Town of Cobourg Holdings Inc."

Town of Cobourg Holdings Inc. has a five member Board of Directors, chaired by Mayor Gil Brocanier. LUSI, LUI and CNI each have their own separate three member Board of Directors.

The last consolidated Financial Statements for Town of Cobourg Holdings Inc. (Holdco) that appeared on its website were for the year ending December 31, 2006 – eight years ago. Currently, the Financial Tab contains no dated information.

According to the Town of Cobourg's 2013 Audited Financial Statements, the Town has a 99.9% interest in the Town of Cobourg Holdings. The Statements show Holdco revenue of \$31,569,142 and expenses of \$30,986,421 resulting in net income of \$582,741.

A look at the Town of Cobourg's 2013 Financial Information Return filed with the Ministry of Municipal Affairs shows revenue of \$8,038,465 for wastewater collection/conveyance, wastewater treatment and disposal, and water treatment and expenses (including allocation of program support) of \$8,520,642, which also includes \$69,144 for solid waste collection and disposal.

We also have Northam industrial Park, which the Town owns with annual revenues of \$4.5 million and expenses of \$3.9 million.

We do know that Council has jurisdiction over LUSI because in December 2014 it approved an increase in water and sewer rates. However, the degree and frequency of financial reporting to Council and the extent of Council's involvement and oversight of the Town of Cobourg Holdings Inc. and Northam Industrial Park appears to be minimal at best, if not almost non-existent.

## **Other Considerations**

- Think strategically in light of limited financial resources. Consider local demographics and other property tax burdens imposed on local residents and businesses by the County and provincial governments,
- Complete a painstaking review of the programs and services the Town is offering and pare back to the core services that municipal governments should be responsible for.
- Scrap programs and services that have lost relevance or have nothing to do with the delivery of basic municipal services.
- Reduce and where possible eliminate all discretionary spending on items such as travel, conferences, receptions, meals and entertainment.
- Justify and prioritize the existence and importance of every service and program and the staff to support them.

- Control salary and benefit costs. In 2014, 20% of the Town's 2013 full-time workforce earned salaries and taxable benefits of \$100,000 or more. This is simply unsustainable on an ongoing basis.
- At a minimum, freeze total employee numbers and reduce overall count through retirements and resignations. Cut the fat in the bureaucracy that has been allowed to grow year after year without question.
- Identify all services and programs that can be put out to competitive bid. There should be no sacred cows.
- The Town should not expand the Marina but should instead raise rates so operating and future capital replacement costs are self-funding.
- All costs for the off leash Dog Park should be offset through dog tag fees and other user fees and not through the municipal levy.
- The \$3,900,000 possible new debt for the proposed Public Works/Parks joint facility at Building 7 on Northam Industrial Park requires further analysis and justification.
- Eliminate or at least significantly reduce the use of consultants. If staff is not qualified to develop studies on particular issues, draw on the expertise of our community. There are many qualified retirees from diverse backgrounds who would be willing to volunteer their expertise.
- Learn to say no to special interests. It is not the responsibility of municipal taxpayers to be all things to all people.
- Do not rush the budget review process. A thorough and proper review by Council will require far more than three hours set aside at the Committee of the Whole meeting on April 23rd.

## **Appendix 1**

### **Budget vs. Actual Comparisons**

	2014		2015	Actual vs. Budget - B/(W)		Proposed to 2014 Budget		Proposed to 2014 Actual		New vs. Existing		Ratio of % Inc.
	Budget	Actual		\$	%	\$	%	\$	%	Inc. funded By	%	
<b>Revenue</b>												
Total Revenue	22,047,647	21,811,323	22,725,246	(236,324)	-1.07%	677,599	3.07%	913,923	4.19%			
Mill Rate	20,785,347	20,798,569	21,615,646	13,222	0.06%	830,299	3.99%	817,077	3.93%			
Existing Assessment	20,563,847	20,563,847	21,220,646	0	0.00%	656,799	3.19%	656,799	3.19%	435,299	52.43%	2.09%
New Assessment Growth*	221,500	234,722	395,000	13,222	5.97%	173,500	78.33%	160,278	68.28%	395,000	47.57%	1.90%
Total	20,785,347	20,798,569	21,615,646	13,222	0.06%	830,299	3.99%	817,077	3.93%	830,299	100.00%	3.99%

\* Assumes difference of \$13,222 between 2014 Budget and Actual Reported on 2015 Budget Revenue Summary was funded by additional new assessment growth and not existing assessment



		2014		2015	Actual vs. Budget B/(W)		Proposed to 2014 Budget Inc/(Dec)		Proposed to 2014 Actual Inc/(Dec)	
		Budget	Actual		\$	%	\$	%	\$	%
<b>Expenses Net</b>										
<b>General Govt</b>	<b>Net Operating</b>	2,906,641	2,833,784	3,145,552	72,857	2.51%	238,911	8.22%	311,768	11.00%
	<b>Debt Chgs.</b>	54,000	53,266	0	734	1.36%	(54,000)	-100.00%	(53,266)	-100.00%
	<b>Sub-Total</b>	2,960,641	2,887,050	3,145,552	73,591	2.49%	184,911	6.25%	258,502	8.95%
	<b>Capital</b>	69,500	69,500	95,000	0	0.00%	25,500	36.69%	25,500	36.69%
	<b>Total</b>	3,030,141	2,956,550	3,240,552	73,591	2.43%	210,411	6.94%	284,002	9.61%
	<b>% of Total</b>	13.74%	13.59%	14.26%						
	<b>% of Total Inc.</b>						31.05%		29.29%	
	<b>% of Total Ex. Police</b>						39.61%			
	<b>\$ to Reduce to 1.9% Overall Inc.</b>						135,171			
	<b>Add'l \$ if Police Unchanged</b>						37,233			
	<b>Total \$ Reduction if Police Unchanged</b>						172,404			
<b>Police</b>	<b>Net Operating</b>	5,742,288	5,887,111	5,843,624	(144,823)	-2.52%	101,336	1.76%	(43,487)	-0.74%
	<b>Debt Chgs.</b>	152,500	152,500	137,500	0	0.00%	(15,000)	-9.84%	(15,000)	-9.84%
	<b>Sub-Total</b>	5,894,788	6,039,611	5,981,124	(144,823)	-2.46%	86,336	1.46%	(58,487)	-0.97%
	<b>Capital</b>	32,000	32,000	92,000	0	0.00%	60,000	187.50%	60,000	187.50%
	<b>Total</b>	5,926,788	6,071,611	6,073,124	(144,823)	-2.44%	146,336	2.47%	1,513	0.02%
	<b>% of Total</b>	26.88%	27.91%	26.72%						
	<b>% of Total Inc.</b>						21.60%		0.16%	
	<b>\$ to Reduce to 1.9% Overall Inc.</b>						94,008			
<b>Police Business Services</b>	<b>Net Operating</b>	0	(525,940)	0	525,940	0.00%	0	0.00%	525,940	-100.00%
	<b>Debt Chgs.</b>									
	<b>Sub-Total</b>	0	(525,940)	0	525,940	0.00%	0	0.00%	525,940	-100.00%
	<b>Capital</b>									
	<b>Total</b>	0	(525,940)	0	525,940	0.00%	0	0.00%	525,940	-100.00%
	<b>% of Total</b>	0.00%	-2.42%	0.00%						
	<b>% of Total Inc.</b>						0.00%		54.24%	
	<b>\$ to Reduce to 1.9% Overall Inc.</b>									
	<b>Inc.</b>						0			

		2014		2015	Actual vs. Budget B/(W)		Proposed to 2014 Budget Inc/(Dec)		Proposed to 2014 Actual Inc/(Dec)	
		Budget	Actual		\$	%	\$	%	\$	%
<b>Other Protection Services</b>	<b>Net Operating</b>	<b>3,183,270</b>	<b>3,180,225</b>	<b>3,302,869</b>	<b>3,045</b>	<b>0.10%</b>	<b>119,599</b>	<b>3.76%</b>	<b>122,644</b>	<b>3.86%</b>
	<b>Debt Chgs.</b>									
	<b>Sub-Total</b>	<b>3,183,270</b>	<b>3,180,225</b>	<b>3,302,869</b>	<b>3,045</b>	<b>0.10%</b>	<b>119,599</b>	<b>3.76%</b>	<b>122,644</b>	<b>3.86%</b>
	<b>Capital</b>	<b>16,000</b>	<b>16,000</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>(16,000)</b>	<b>-100.00%</b>	<b>(16,000)</b>	<b>-100.00%</b>
	<b>Total</b>	<b>3,199,270</b>	<b>3,196,225</b>	<b>3,302,869</b>	<b>3,045</b>	<b>0.10%</b>	<b>103,599</b>	<b>3.24%</b>	<b>106,644</b>	<b>3.34%</b>
	<b>% of Total</b>	<b>14.51%</b>	<b>14.69%</b>	<b>14.53%</b>						
	<b>% of Total Inc.</b>						<b>15.29%</b>		<b>11.00%</b>	
	<b>% of Total Ex. Police</b>						<b>19.50%</b>			
	<b>\$ to Reduce to 1.9% Overall Inc.</b>						<b>66,553</b>			
	<b>Add'l \$ if Police Unchanged</b>						<b>18,332</b>			
<b>Total \$ Reduction if Police Unchanged</b>						<b>84,886</b>				
<b>Public Works</b>	<b>Net Operating</b>	<b>4,040,411</b>	<b>4,356,691</b>	<b>4,207,879</b>	<b>(316,280)</b>	<b>-7.83%</b>	<b>167,468</b>	<b>4.14%</b>	<b>(148,812)</b>	<b>-3.42%</b>
	<b>Debt Chgs.</b>	<b>505,700</b>	<b>506,050</b>	<b>436,200</b>	<b>(350)</b>	<b>-0.07%</b>	<b>(69,500)</b>	<b>-13.74%</b>	<b>(69,850)</b>	<b>-13.80%</b>
	<b>Sub-Total</b>	<b>4,546,111</b>	<b>4,862,741</b>	<b>4,644,079</b>	<b>(316,630)</b>	<b>-6.96%</b>	<b>97,968</b>	<b>2.15%</b>	<b>(218,662)</b>	<b>-4.50%</b>
	<b>Capital</b>	<b>326,000</b>	<b>326,000</b>	<b>219,000</b>	<b>0</b>	<b>0.00%</b>	<b>(107,000)</b>	<b>-32.82%</b>	<b>(107,000)</b>	<b>-32.82%</b>
	<b>Total</b>	<b>4,872,111</b>	<b>5,188,741</b>	<b>4,863,079</b>	<b>(316,630)</b>	<b>-6.50%</b>	<b>(9,032)</b>	<b>-0.19%</b>	<b>(325,662)</b>	<b>-6.28%</b>
	<b>% of Total</b>	<b>22.10%</b>	<b>23.85%</b>	<b>21.40%</b>						
	<b>% of Total Inc.</b>						<b>-1.33%</b>		<b>-33.58%</b>	
	<b>% of Total Ex. Police</b>						<b>-1.70%</b>			
	<b>\$ to Reduce to 1.9% Overall Inc.</b>						<b>(5,802)</b>			
	<b>Add'l \$ if Police Unchanged</b>						<b>(1,598)</b>			
<b>Total \$ Reduction if Police Unchanged</b>						<b>(7,401)</b>				

		2014		2015	Actual vs. Budget B/(W)		Proposed to 2014 Budget Inc/(Dec)		Proposed to 2014 Actual Inc/(Dec)	
		Budget	Actual		\$	%	\$	%	\$	%
<b>Environmental</b>	<b>Net Operating</b>	49,539	31,984	54,593	17,555	35.44%	5,054	10.20%	22,609	70.69%
	<b>Debt Chgs.</b>	250,500	250,500	283,500	0	0.00%	33,000	13.17%	33,000	13.17%
	<b>Sub-Total</b>	300,039	282,484	338,093	17,555	5.85%	38,054	12.68%	55,609	19.69%
	<b>Capital</b>									
	<b>Total</b>	300,039	282,484	338,093	17,555	5.85%	38,054	12.68%	55,609	19.69%
	<b>% of Total</b>	1.36%	1.30%	1.49%						
	<b>% of Total Inc.</b>						5.62%		5.73%	
	<b>% of Total Ex. Police</b>						7.16%			
	<b>\$ to Reduce to 1.9% Overall Inc.</b>						24,446			
	<b>Add'l \$ if Police Unchanged</b>						6,734			
	<b>Total \$ Reduction if Police Unchanged</b>					31,180				
<b>Social &amp; Family Svcs. Grants &amp; Transfers</b>	<b>Net Operating</b>	42,250	42,343	42,750	(93)	-0.22%	500	1.18%	407	0.96%
	<b>Debt Chgs.</b>									
	<b>Sub-Total</b>	42,250	42,343	42,750	(93)	-0.22%	500	1.18%	407	0.96%
	<b>Capital</b>									
	<b>Total</b>	42,250	42,343	42,750	(93)	-0.22%	500	1.18%	407	0.96%
	<b>% of Total</b>	0.19%	0.19%	0.19%						
	<b>% of Total Inc.</b>						0.07%		0.04%	
	<b>% of Total Ex. Police</b>						0.09%			
	<b>\$ to Reduce to 1.9% Overall Inc.</b>						321			
	<b>Add'l \$ if Police Unchanged</b>						88			
	<b>Total \$ Reduction if Police Unchanged</b>					410				

		2014		2015	Actual vs. Budget B/(W)		Proposed to 2014 Budget Inc/(Dec)		Proposed to 2014 Actual Inc/(Dec)	
		Budget	Actual		\$	%	\$	%	\$	%
Parks & Rec.	Net Operating	2,383,225	2,228,892	2,572,902	154,333	6.48%	189,677	7.96%	344,010	15.43%
	Debt Chgs.	113,500	115,671	0	(2,171)	-1.91%	(113,500)	-100.00%	(115,671)	-100.00%
	Sub-Total	2,496,725	2,344,563	2,572,902	152,162	6.09%	76,177	3.05%	228,339	9.74%
	Capital	80,000	80,000	26,750	0	0.00%	(53,250)	-66.56%	(53,250)	-66.56%
	Total	2,576,725	2,424,563	2,599,652	152,162	5.91%	22,927	0.89%	175,089	7.22%
	% of Total	11.69%	11.14%	11.44%						
	% of Total Inc.						3.38%		18.06%	
	% of Total Ex. Police						4.32%			
	\$ to Reduce to 1.9% Overall Inc.						14,729			
	Add'l \$ if Police Unchanged						4,057			
Total \$ Reduction if Police Unchanged						18,786				
Culture & Community Svcs.	Net Operating	1,155,887	1,161,604	1,227,397	(5,717)	-0.49%	71,510	6.19%	65,793	5.66%
	Debt Chgs.	(40,000)	(40,000)	(40,000)	0	0.00%	0	0.00%	0	0.00%
	Sub-Total	1,115,887	1,121,604	1,187,397	(5,717)	-0.51%	71,510	6.41%	65,793	5.87%
	Capital	48,200	48,200	42,166	0	0.00%	(6,034)	-12.52%	(6,034)	-12.52%
	Total	1,164,087	1,169,804	1,229,563	(5,717)	-0.49%	65,476	5.62%	59,759	5.11%
	% of Total	5.28%	5.38%	5.41%						
	% of Total Inc.						9.66%		6.16%	
	% of Total Ex. Police						12.32%			
	\$ to Reduce to 1.9% Overall Inc.						42,063			
	Add'l \$ if Police Unchanged						11,586			
Total \$ Reduction if Police Unchanged						53,649				

		2014		2015	Actual vs. Budget B/(W)		Proposed to 2014 Budget Inc/(Dec)		Proposed to 2014 Actual Inc/(Dec)	
		Budget	Actual		\$	%	\$	%	\$	%
Planning & Residential	Net Operating	376,695	441,598	444,615	(64,903)	-17.23%	67,920	18.03%	3,017	0.68%
	Debt Chgs.									
	Sub-Total	376,695	441,598	444,615	(64,903)	-17.23%	67,920	18.03%	3,017	0.68%
	Capital									
	Total	376,695	441,598	444,615	(64,903)	-17.23%	67,920	18.03%	3,017	0.68%
	% of Total	1.71%	2.03%	1.96%						
	% of Total Inc.						10.02%		0.31%	
	% of Total Ex. Police						12.78%			
	\$ to Reduce to 1.9% Overall Inc.						43,633			
	Add'l \$ if Police Unchanged						12,019			
Total \$ Reduction if Police Unchanged						55,651				
Comm & Economic Development	Net Operating	553,541	501,566	590,949	51,975	9.39%	37,408	6.76%	89,383	17.82%
	Debt Chgs.									
	Sub-Total	553,541	501,566	590,949	51,975	9.39%	37,408	6.76%	89,383	17.82%
	Capital	6,000	6,000	0	0	0.00%	(6,000)	-100.00%	(6,000)	-100.00%
	Total	559,541	507,566	590,949	51,975	9.29%	31,408	5.61%	83,383	16.43%
	% of Total	2.54%	2.33%	2.60%						
	% of Total Inc.						4.64%		8.60%	
	% of Total Ex. Police						5.91%			
	\$ to Reduce to 1.9% Overall Inc.						20,177			
	Add'l \$ if Police Unchanged									
Total \$ Reduction if Police Unchanged						20,177				

		2014		2015	Actual vs. Budget B/(W)		Proposed to 2014 Budget Inc/(Dec)		Proposed to 2014 Actual Inc/(Dec)	
		Budget	Actual		\$	%	\$	%	\$	%
<b>Total Operating</b>	<b>Net Operating</b>	20,433,747	20,139,858	21,433,130	293,889	1.44%	999,383	4.89%	1,293,272	6.42%
	<b>Debt Chgs.</b>	1,036,200	1,037,987	817,200	(1,787)	-0.17%	(219,000)	-21.13%	(220,787)	-21.27%
	<b>Sub-Total</b>	21,469,947	21,177,845	22,250,330	292,102	1.36%	780,383	3.63%	1,072,485	5.06%
<b>Capital Levy</b>	<b>Net Operating</b>									
	<b>Debt Chgs.</b>									
	<b>Sub-Total</b>									
	<b>Capital</b>	577,700	0	474,916	577,700	100.00%	(102,784)	-17.79%	474,916	0.00%
	<b>Total</b>	577,700	0	474,916	577,700	100.00%	(102,784)	-17.79%	474,916	0.00%
<b>Total Expense</b>	<b>Net Operating</b>	21,011,447	20,139,858	21,908,046	871,589	4.15%	896,599	4.27%	1,768,188	8.78%
	<b>Debt Chgs.</b>	1,036,200	1,037,987	817,200	(1,787)	-0.17%	(219,000)	-21.13%	(220,787)	-21.27%
	<b>Sub-Total</b>	21,469,947	21,177,845	22,250,330	292,102	1.36%	780,383	3.63%	1,072,485	5.06%
	<b>Capital</b>	577,700	0	474,916	577,700	100.00%	(102,784)	-17.79%	474,916	0.00%
	<b>Total</b>	44,095,294	42,355,690	45,450,492	1,739,604	3.95%	1,355,198	3.07%	3,094,802	7.31%
<b>Police Net Cost</b>	<b>Net Operating</b>	5,742,288	5,361,171	5,843,624	381,117	6.64%	101,336	1.76%	482,453	9.00%
	<b>Debt Chgs.</b>	152,500	152,500	137,500	0	0.00%	(15,000)	-9.84%	(15,000)	-9.84%
	<b>Sub-Total</b>	5,894,788	5,513,671	5,981,124	381,117	6.47%	86,336	1.46%	467,453	8.48%
	<b>Capital</b>	32,000	32,000	92,000	0	0.00%	60,000	187.50%	60,000	187.50%
	<b>Total</b>	5,926,788	5,545,671	6,073,124	381,117	6.43%	146,336	2.47%	527,453	9.51%
<b>Direct Control Net Cost</b>	<b>Net Operating</b>	14,691,459	14,778,687	15,589,506	(87,228)	-0.59%	898,047	6.11%	810,819	5.49%
	<b>Debt Chgs.</b>	883,700	885,487	679,700	(1,787)	-0.20%	(204,000)	-23.08%	(205,787)	-23.24%
	<b>Sub-Total</b>	15,575,159	15,664,174	16,269,206	(89,015)	-0.57%	694,047	4.46%	605,032	3.86%
	<b>Capital</b>	545,700	545,700	382,916	0	0.00%	(162,784)	-29.83%	(162,784)	-29.83%
	<b>Total</b>	16,120,859	16,209,874	16,652,122	(89,015)	-0.55%	531,263	3.30%	442,248	2.73%
	<b>% of Total Ex. Police</b>							100.00%		
	<b>Total \$ Reduction if Police Unchanged</b>							429,741		

	2014			Actual vs. Budget B/(W)		Proposed to 2014 Budget Inc/(Dec)		Proposed to 2014 Actual Inc/(Dec)	
	Budget	Actual	2015	\$	%	\$	%	\$	%
<b>Total</b>									
Net Operating	20,433,747	20,139,858	21,433,130	293,889	1.44%	999,383	4.89%	1,293,272	6.42%
Debt Chgs.	1,036,200	1,037,987	817,200	(1,787)	-0.17%	(219,000)	-21.13%	(220,787)	-21.27%
Sub-Total	21,469,947	21,177,845	22,250,330	292,102	1.36%	780,383	3.63%	1,072,485	5.06%
Capital	577,700	577,700	474,916	0	0.00%	(102,784)	-17.79%	(102,784)	-17.79%
<b>Total</b>	<b>22,047,647</b>	<b>21,755,545</b>	<b>22,725,246</b>	<b>292,102</b>	<b>1.32%</b>	<b>677,599</b>	<b>3.07%</b>	<b>969,701</b>	<b>4.46%</b>
% of Total	100.00%	100.00%	100.00%						
% of Total Inc.						100.00%		100.00%	
\$ to Reduce to 1.9% Overall Inc.						435,299			

## **Appendix 2**

### **2010 – 2013 Staffing levels**



Town of Cobourg	2013				2010				Inc/(Dec)			
	Full-Time	Part-Time	Seasonal	Total	Full-Time	Part-Time	Seasonal	Total	Full-Time	Part-Time	Seasonal	Total
<b>Administration</b>	20	3		23	16			16	4	3	0	7
<b>Fire</b>	17	23	0	40	17	16	0	33	0	7	0	7
Uniform	13	22		35	15	16		31	(2)	6	0	4
Civilian	4	1		5	2			2	2	1	0	3
<b>Police</b>	44	17	0	61	43	10	0	53	1	7	0	8
Uniform	30			30	30	10		40	0	(10)	0	(10)
Civilian	14	17		31	13			13	1	17	0	18
<b>Court Security</b>	1	18	0	19	2	20	0	22	(1)	(2)	0	(3)
Uniform		12		12	0	0		0	0	12	0	12
Civilian	1	6		7	2	20		22	(1)	(14)	0	(15)
<b>Public Works</b>	21		7	28	33		5	38	(12)	0	2	(10)
<b>Parks and Recreation</b>	22		42	64	14	0	20	34	8	0	22	30
<b>Libraries</b>												
<b>Planning</b>	8	1		9	8			8	0	1	0	1
<b>Other</b>	21	33	31	85	12	27	25	64	9	6	6	21
<b>Total</b>	<b>154</b>	<b>95</b>	<b>80</b>	<b>329</b>	<b>145</b>	<b>73</b>	<b>50</b>	<b>268</b>	<b>9</b>	<b>22</b>	<b>30</b>	<b>61</b>
									6%	23%	38%	19%
<b>County</b>	<b>315</b>	<b>178</b>	<b>23</b>	<b>516</b>	<b>306</b>	<b>184</b>	<b>27</b>	<b>517</b>				

Source: Financial Information Return Schedule 80

## **Appendix 3**

# **Cobourg Long-Term Debt History**

## **Financial Information Return**

## Cobourg Long-Term Debt History

<b>Year</b>	<b>\$</b>
2013	16,843,974
2012	14,588,637
2011	17,926,386
2010	21,160,236
2009	22,347,646
2008	22,753,459
2007	25,301,361
2006	23,794,550
2005	22,552,525
2004	23,066,016
2003	16,664,044
2002	1,668,236

Source: Financial Information Return Schedule 74A