

Finance Committee Meeting

January 31, 2011

There was a Meeting of the Finance Committee held in the Municipal Council Chambers on Tuesday, January 31, 2012. Present were Co-Chairs Don Eady and Councillor Jamey Larone. Staff present was Jennifer Barr, Finance Manager and Mackie McLaren, CAO/Clerk.

1. CALL TO ORDER

Mayor Eady called the Meeting to Order at 8:35 a.m.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest by members of the Committee or Staff present.

3. DELEGATION – Ray Puhalski

Ray Puhalski was present to discuss questions he had emailed to Mayor Eady on the Financial Statements and debt. Mayor Eady provided copies of the email correspondence between Mr. Puhalski and himself, and started to review them for the Committee. Mr. Puhalski asked several new questions which Mayor Eady said he wasn't prepared with the answers to those questions, and recommended that Mr. Puhalski meet directly with the Finance Manager with these new questions. Mr. Puhalski agreed to do so.

Mr. Puhalski requested a copy of the meeting report required under the Council Remuneration By-law and he was given a copy. Mr. Puhalski left the meeting.

4. MINUTES OF DECEMBER 13, 2011 COMMITTEE MEETING

Mayor Eady reviewed the December 13th Finance Committee Meeting minutes with the Committee Members and staff.

5. FEES AND CHARGES

The Finance Manager presented copies of Councillor Kingsbury's comments on the proposed fees and charges changes. The Members reviewed the comments and agreed with some of the changes but not others. After completion of the review the Finance Manager was directed to prepare the draft by-law and proceed with the required Public Meeting. The CAO/Clerk noted that it was too late to advertise the public meeting during the February 7th Council Meeting. Unless there was a special council meeting called for the public meeting later in February, it could not be held until the March 6th Council Meeting due to public notice requirements.

6. MUNICIPAL LANDS

The CAO/Clerk reported that at the December 13th Committee Meeting, he was requested to research the possibility of securing a registered right of way to provide legal access to the property on Service Road that was deemed to be the Township's after a tax sale failed to attract any bidders. He noted that physically the lot fronts onto Service Road but legally it does not have title to use the private road as access. The Committee received a copy of correspondence the CAO/Clerk wrote to the owner of the property that contains the right of way asking to negotiate a right of way. No response has been received yet.

7. **2012 PROPOSED BUDGET**

Jennifer Barr, Finance Manger presented the Members with a copy of the draft budget that had received input from the individual Committees.

A. Reserves and Reserve Funds

The Committee reviewed the Reserves and Reserve Funds Budget spreadsheet for the years 2012 to 2017. The Finance Manger pointed out that a full 10 year capital forecast will be carried out and presented during 2012. The capital items in this spreadsheet are what is anticipated by the managers. Some of the larger costs are based on past replacement cycles.

The report indicated the opening balance of each reserve as of January 1, 2012 along with the funds added and utilized each year. The projections indicated that all reserve accounts would have sufficient reserves to meet the anticipated needs with the exception of Roads. If a good used grader was purchased in 2014 (estimated at \$200K) and the standard 10 year replacement of a tandem snow plough truck in 2016 took place (estimated at \$200K), a \$93,289.36 shortfall could be anticipated. The Finance Manger pointed out that there is no estimation of trade in values of the current grader and plough truck included in the spreadsheet, which would reduce the cost to purchase the equipment. The Members noted that the replacement of the grader has options i.e. spend \$50,000 on our grader to add additional life to the machine to delay the purchase of a newer grader.

The Finance Manager also included a report on the Gas Tax Reserve Fund for the same time frame.

B. Lot Development Funds

Jennifer Barr presented a Statement of Lot Development Funds for 2012 to 2016. She pointed out that the revenue shown for the years is an estimate of 15 new homes and/or severances approved with interest during each year. She advised that the current Lot Development By-law expires in May 2013 and Council will need to start the study for a new by-law this fall.

C. 2012 Capital Financing

Jennifer Barr presented the proposed Capital Budget/Financing Report. This report sets out the current unfinanced at \$680,459.52 of which \$505,095.00 is construction loans and \$175,364.52 is self financed.

The spread sheet sets out information under the headings: Opening Unfinanced, 2012 Budget, Taxation, Fees/Charges and Donations, Development Charges, Grants, Reserves, Closing Unfinanced and Annual Loan Payment. Based on the projection of 10 year repayment, \$70,549 principle payments will be budgeted each year which reduces the debt to \$52,304 at December 31 2020. The spreadsheet also sets out 15 year and 20 year principle and interest costs. Finally the spreadsheet shows the fundraising efforts of the Recreation Committee who have committed to fundraising \$100,000 towards the Rink Roof debt. To date they have raised \$18,968.17 reducing the debt to \$81,031.83. These amounts are included in the debt numbers set out above.

The Committee recessed for a lunch break at 12:45 pm returning at 1:15 pm with the same people present.

D. Detailed review of 2012 Proposed Budget

Jennifer Barr presented the draft Operating Revenue and Expenditure Budget which had been prepared by each Committee. The initial draft had been reviewed by this Committee on December 13, 2011 and reviewed again by each Committee following that meeting. Council Members had also received a copy of the draft budget package to review.

The Committee Members and staff reviewed the draft line by line. Several changes were made to the draft.

Mayor Eady informed the Members that the County will have a lower tax rate in 2012 which will give tax room to the Township. He suggested that the Committee's goal would be a 3 to 3.5% overall increase which includes the Township, County and Education tax rates. The Members agreed with this goal.

The Members and staff discussed a date for a full day budget review meeting with all Council Members. The date suggested was Thursday February 16, 2012 at 8:30 a.m. The CAO/Clerk was requested to confirm this date with the other three Council Members.

The Finance Manager was asked to have a tax rate comparison of this draft budget prepared for this upcoming meeting.

8. CONFIRMING RESOLUTION

Moved by Jennifer Barr, Seconded by Jamey Larone that the Committee pass this confirming resolution to cover any actions or directions given during the open portion of this Committee Meeting which are minor in nature and which were not set out in By-law or Resolution.

Carried.

9. ADJOURNMENT

Moved by Jamey Larone Seconded by Jennifer Barr
That this Committee Meeting be adjourned at 5:00 p.m.

Carried.

CHAIR

CAO/Clerk