

THE CORPORATION OF THE TOWNSHIP OF HORTON

Finance Committee Meeting

October 17, 2013

There was a Meeting of the Finance Committee held in the Municipal Council Chamber on Thursday October 17, 2013. Present was Chair Don Eady and Councillor Jamey Larone. Staff present was Jennifer Barr, Finance Manager and Mackie McLaren, CAO/Clerk.

1. CALL TO ORDER

Chair Eady called the meeting to order at 2:10 p.m.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest from Members of the Committee or Staff.

3. OPP MEETING – NOVEMBER 4, 2013 BANCROFT 12:30 PM TO 4:30 PM

Jennifer Barr reported on an upcoming meeting in Bancroft on the proposed OPP billing model. The Committee authorized Chair Eady and Ms. Barr to attend.

4. 2014 BUDGET PROCESS, ASSET MANAGEMENT PLAN AND LONG TERM FINANCIAL PLAN

Ms. Barr noted that Council will provide their direction on Asset Management at the Special Council Meeting to be held tomorrow October 18. She asked that once this is completed that we proceed with the draft 2014 Municipal Budget and give working papers and direction to each Chair and Manager. Jennifer also asked if the Finance Committee wanted to meet with the other Council Members first in a Committee of the Whole before it is presented to the Departments. Chair Eady suggested that the draft did not have to go to the Committee of the Whole yet. The process should start with the Chairs/Managers, then to Committees and eventually to the Committee of the Whole after the Finance Committee has reviewed the returned drafts from Committees.

Councillor Larone said the Township had a large tax increase last year, we should hold the rate this coming year. There was a brief discussion about the costs in the level of service information provided to the Joint Public Works Committee and Council on October 11. Jennifer Barr said when the Asset Plan is adopted with the Level of Service it will become a guideline as we can't have double digit taxes increases that would be required to meet the level of service requirements.

Ms. Barr requested direction from Finance Committee to the Departments/Committees. She suggested starting with the 2013 budget and add a 2% COLA increase, remove items from the draft budget that have been completed, 2% increase in reserves and utilities. Councillor Larone said there are wish list items that now could be off the table due to the Asset Management Plan. He said he doesn't mind seeing the Committees wish lists within reason, but Finance needs to give direction on what to include in the Committee/Department draft. Mayor Eady agreed, we know 2% COLA and 2% reserves. He noted that every year each Department comes back with large lists. He suggested the Committee pre-populate the 2% line items and review the document again before it goes to the Committee Chairs and Managers.

Ms. Barr noted that because of the huge infrastructure debt, the Committees will have to keep the service costs the same as 2013. They can move money within

their budget or provide an explanation for a line item that is larger than 2%. She said she would pre-populate the wages, reserves, utilities, debt and remove onetime items completed in the 2013 budget etc. and leave the rest for the Committees. The Committee would be asked to stay within the 2013 Department Budget totals.

Mayor Eady recommended that if the Recreation Department comes in with a year-end surplus that it be put into the Community Centre Building reserve.

Ms. Barr asked if the Chairs and Managers of each Department would be invited to attend a Finance Committee Meeting to review and explain their budget. Mayor Eady suggested the Finance Committee should receive the draft Department budgets first and see if there are items that require explanations.

The Committee Members authorized Jennifer Barr to proceed as discussed and present her work on the draft budget to the Finance Committee for a quick review before it goes to the Chairs and Managers.

5. COUNCIL REMUNERATION

The Committee agreed that discussion of the method of calculating Council's remuneration (from per meeting to a yearly stipend) be considered at an upcoming Committee of the Whole Meeting. Date has not yet been determined.

6. COMMUNITY HALL EXPANSION – BUDGET OVERAGES

Jennifer Barr presented a worksheet she had prepared on expenses to construct the Community Hall expansion. Currently our approved operating budget is \$101,722 and we are currently slightly over the approved budget. She asked how the municipality finances the overruns which we know are coming.

Councillor Larone said he believes that Ms. Barr needs to express this to the Building Sub-Committee. We need to know their plan to fund the costs over the \$100,000 Council approval. He noted that we never had a "take off cost" so we don't know what the overages are to the approved commitment. Ms. Barr noted that she only has authority to pay bills up to the approved Council limit.

The Committee Members agreed to meet with the Building Sub-Committee Chair as soon as possible and suggested 3:00 p.m. on October 18, 2013 following the Special Council Meeting on the Level of Service and Asset Management Plan.

7. FEES AND CHARGES – ANNUAL REVIEW

Jennifer Barr requested the Committee's authority to circulate the current fees and charges to each Committee/Department so they can review and make recommendations for changes. The Committee Members agreed.

8. SCANNING OF DOCUMENTS

Jennifer Barr informed the Committee that a number of municipalities are having their old records scanned and digitized. The township has been contacted by a company from Napanee who is currently working with the Towns of Renfrew. We have received a quote and it would be work that would take several years to complete. The Members suggested that we include the first phase of the work in the 2014 draft budget.

9. INSURANCE – BUILDING VALUATION FROM INSPECTIONS BY INSURANCE COMPANY

The CAO/Clerk reviewed information received from MIS insurance company on the valuation of all our building assets for fire insurance purposes. Several of these valuations were very high. He reported on his discussions with the

company and they agreed that if the Committee agreed, the values would be reduced for the 2014 premium calculation. Copies of the inspection values and the revised values are attached.

Moved by Jamey Larone, Seconded by Don Eady

That the Finance Committee recommends Council accept the revised building values for the 2014 Insurance program.

Carried

10. CLOSED MEETING INVESTIGATOR

Jennifer Barr reviewed the LAS quote of \$330.00 for a retainer for 2014 and 2015. We had appointed LAS to act as Horton's Closed Meeting Investigator when the Municipal Act was amended to require such an appointment. Ms. Barr said there was an option to contract with a local municipal expert who has no retainer. The Committee Members requested that staff investigate the Municipal expert's hourly rate for investigation.

11. SIGNING OFFICERS FOR BANKING

Jennifer Barr informed the Committee Members that the former Treasurer/Deputy Clerk is still shown as a signing authority on the Township's bank account. It wasn't removed when the Finance Manager was added to the authority. A resolution from Council is required to remove the authority. In the meantime the bank has a notation on file.

Moved by Jamey Larone, Seconded by Don Eady that Finance Committee recommend to Council that they amend the bank signing authority to include either the Finance Manager or the CAO/Clerk and either the Mayor or Acting Deputy Mayor.

Carried

12. ANNUAL RESERVE REPORT

Jennifer Barr requested an opportunity to brief Mayor Eady in November on the reserve report to direct any department surplus.

13. RETENTION BY-LAW

Jennifer Barr informed the Committee Members that work was started on a new office filing system this past summer and part of that change is a new record retention by-law to replace the current by-law passed in 1988 which is outdated. More information will be presented at a future Committee Meeting.

14. PROCUREMENT BY-LAW

Jennifer Barr informed the Committee Members that we have had a draft version of an updated Procurement By-law for a number of months and we need to set a date to proceed with the review of the draft. Mayor Eady noted that the County of Renfrew has recently passed a new policy. This policy contains a new concept of "Standing Offers" which is a tender process based on a number of years with a total dollar amount or volume.

15. INFORMATION ITEMS

- 2013 Tax Rate Summary Information for all lower tier municipalities

Jennifer Barr presented a report she received from the County of Renfrew listing all the tax rates for the lower tier municipalities in the County. She will put a copy in each Council Member's mailbox at the municipal office.

- 2014 Budget

Mayor Eady recapped the information discussed in agenda item 4 – *2014 Budget Process*. He requested that the Finance Manager provide a preliminary draft of the 2014 budget to the Finance Committee for their review before it is forwarded to the Chairs and Managers. The Committee Members agreed to meet on Monday October 28, 2013 at 9 am to discuss this information that will be provided. The discussion will be a “line by line” review by the Finance Committee Members to start the 2014 budget process.

16. ADJOURNMENT

Moved by Jamey Larone, Seconded by Don Eady that this Committee meeting be adjourned at 3:50 p.m.

Carried

CHAIR

CAO/Clerk

CORPORATION OF THE TOWNSHIP OF HORTON
BASIS FOR PREMIUM FOR PROPERTY INSURANCE
 Policy No. JLTSPS-022
 Policy Period: January 1, 2013 to January 1, 2014
 Estimated Replacement Cost-2013
 As at: October 2, 2012

| Building - Principal Use | Hydrant within 500' (insert H) | Constr. | Building 2013 | Valuation # | February 2013 Valuation | Valuation Address | Contents & Equip 2013 | Total | Date Added | |
|--|--------------------------------|--------------------------------|---------------|-------------|-------------------------|---------------------|-----------------------|-----------|--------------------|---------------------|
| Community Centre, 1005 Castleford Rd., Concession 5 | No | Wood Frame | 681,440 | *7 | 1,045,600 | 1053 Castleford Rd. | 67,559 | 749,000 | | |
| Community Centre- Rink Change Room Building | No | Wood Frame steel siding | 191,227 | 8 | 426,600 | 1053 Castleford Rd. | 64,896 | 256,123 | Jan 1/09 | inc cts Jan 1/11 |
| Rink Shelter- Steel Roof over outdoor ice - 1005 Castleford Rd | No | Steel Butler Building | 348,708 | 9 | 991,500 | 1053 Castleford Rd. | 64,896 | 413,604 | 1-Feb-10 | add cts Jan 1/11 |
| Fire Hall, L-14/15, C-4, 2253 Johnston Rd. | No | Block and Steel, wood addition | 408,483 | 2 | 519,400 | | 134,504 | 542,987 | | |
| Municipal Offices, L-14/15, C-6 2253 Johnston Rd. | No | Brick | 300,037 | 1 | 358,100 | | 116,988 | 417,023 | | |
| Municipal Office addition | No | Wood Frame Brick/siding | 236,221 | | | | 11,699 | 247,920 | Jan 1/09 | |
| Equipment Depot, L- 14, C-4, 2253 Johnston Rd. | No | Concrete with Steel siding | 452,598 | 3 | 401,400 | Reduce? | 930,176 | 1,382,774 | cts added Nov 9/10 | |
| Salt Dome L-14, C-4, 2253 Johnston Rd. | No | Wood Frame | 190,702 | 5 | 253,900 | | 10,816 | 201,518 | cts added Jan 1/11 | |
| Lime Stabilization of Septage Building | NO | Wood Frame steel siding | 22,947 | | | | 5,849 | 28,797 | Jan 1/09 | |
| Pole Shed L - 14, C - 4, 2253 Johnston Rd. | No | Wood | 63,567 | 6 | 47,900 | | 16,224 | 79,791 | cts added Jan 1/11 | |
| TOTAL | | | 2,895,931 | | | | 1,423,606 | 4,319,536 | | |
| NOT ON PPS BUT ON VALUATION | | | | | | | | | | |
| Generator Building-2253 Johnston Rd | | | ADD? | 4 | 10,300 | | | | | |
| DELETED | | | | | | | | | Date Added | Date Deleted |
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CORPORATION OF THE TOWNSHIP OF HORTON
BASIS FOR PREMIUM FOR PROPERTY INSURANCE
 Policy No.JLTSPS-022
 Policy Period: January 1, 2014 to January 1, 2015
 Replacement Cost-per 2013 inspection
 As at: September 19, 2013

| Building - Principal Use | Hydrant within 500' (Insert H) | Constr. | Building 2014 | Contents & Equip 2014 | Total | Date Added | | |
|---|--------------------------------|--------------------------------|------------------|-----------------------|------------------|---|--------------------|---------------------|
| Community Centre, 1005 Castleford Rd., Concession 5 | No | Wood Frame | 1,045,600 | 70,262 | 1,115,862 | inc from 681k to 1.045k per 2013 inspection | | |
| Community Centre- Rink Change Room Building | No | Wood Frame steel siding | 215,105 | 67,492 | 282,597 | Jan 1/09 + ann.inc 4% infl | inc cts Jan 1/11 | |
| Rink Shelter- Steel Roof over outdoor ice - 1005 Castleford Rd | No | Steel Butler Building | 362,656 | 67,492 | 430,148 | 2/1/2010 +ann.inc 4% inflation | add cts Jan 1/11 | |
| Fire Hall, L-14/15, C-4, 2253 Johnston Rd. | No | Block and Steel, wood addition | 519,400 | 139,885 | 659,285 | 2014 inc-per inspection | | |
| Municipal Offices, and addition (2009) L-14/15, C-6 2253 Johnston Rd. | No | Brick/siding | 356,100 | 133,832 | 489,932 | 2014-comb with Jan 2009 addition | | |
| Equipment Depot, L- 14, C-4, 2253 Johnston Rd. | No | Concrete with Steel siding | 401,400 | 967,383 | 1,368,783 | 2014-reduce per inspection | cts added Nov 9/10 | |
| Salt Dome L-14, C-4, 2253 Johnston Rd. | No | Wood Frame | 253,900 | 11,249 | 265,149 | 2014 inc-per inspection | cts added Jan 1/11 | |
| Lime Stablization of Septage Building | No | Wood Frame steel siding | | 6,083 | 6,083 | Add Jan 1/09 | | |
| Pole Shed L - 14, C - 4, 2253 Johnston Rd. | No | Wood | 47,900 | 16,873 | 64,773 | 2014-reduce per inspection | cts added Jan 1/11 | |
| Generator Building -2253 Johnston Road | No | Wood Frame steel siding | 10,300 | | 10,300 | Add Jan 2014 per inspection | | |
| TOTAL | | | 3,212,361 | 1,480,550 | 4,692,911 | | | |
| DELETED ITEMS | | | | | | | Date Added | Date Deleted |
| | | | | | | | | |

MIS Municipal Insurance Services Ltd.
 10/25/2013