

THE CORPORATION OF THE TOWNSHIP OF HORTON

Committee of the Whole Meeting

January 30, 2014

There was a Meeting of the Committee of the Whole of Council held in the Municipal Council Chamber on Thursday January 30. Present was Mayor Don Eady and Councillors Bob Kingsbury, Glen Campbell, Jamey Larone and Margaret Whyte. Staff present was Jennifer Barr - Finance Manager, Janet Collins – Public Works Manager and Mackie McLaren, CAO/Clerk.

1. CALL TO ORDER

Mayor Eady called the Meeting to Order at 1:00 p.m.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest by Members of Council or Staff.

3. REPORT FROM DAVID BENNETT ON COMMUNITY CENTRE EXPANSION PROJECT

Dave Bennett informed Council that the project is moving along quite well. Volunteer training is being held tonight. The insulation, vapour barrier and drywall on the ceiling will be installed by the end of the day today. He noted that there was a change in plans to reuse the plywood on the wall being removed to put on the ceiling over the stage but it did not come off well and is only 3/8" which is not strong enough. He has purchased and installed 3/4" plywood.

Mayor Eady asked if the steel beam that will be over the stage once the former outside wall comes down will be covered in wood. Mr. Bennett said yes.

Dave Bennett informed Council what he personally and his company put into the construction to date which amounts to over \$9,000 in donated labour from his company. He said he was concerned with Council's reaction to his plans and his work. Councillors Larone and Campbell responded to Mr. Bennett's comments. After discussion, Councillors Larone and Campbell agreed to a weekly meeting with Mr. Bennett on site at the Community Centre to follow-up on the construction. The day chosen for the meeting was Mondays at 4:30 p.m.

Councillor Larone informed Dave Bennett that he would be attending the safety training being held this evening.

Dave Bennett noted that the Finance Manager has supplied an up to date costing on the project for the Members review.

4. STAFF PRESENTATION OF DRAFT 2014 MUNICIPAL BUDGET

The CAO/Clerk and Finance Manager presented a power point presentation to the Council Members which included comments and options on the following topics:

- Asset Management and Long Term Financial Strategies

The CAO/Clerk informed Council that just as the budget is a financial management tool; our new Asset Management Plan is also a financial management tool. In addition, the province is placing more emphasizes on long term financial planning. He pointed out that as a financial tool, the budget cannot always be about the bottom line percentage increase. We have a requirement to raise sufficient funds to meet the obligations of the Corporation to ensure our core services are met.

- Budget process
- Future impacts
- Tax Rate impact – 3 scenarios
- Thomson Road scenario
- Reserve Budget review
- Capital Budget review, and
- Lot Development Fund review.

The individual department draft budget worksheets were included in the presentation package.

Jennifer Barr, Finance Manager pointed out the following scenarios, which are over the 2013 levy and include the Municipal, County and Education tax rates based on \$203,700 which is an approximate average assessment of a residence in Horton in 2014:

- 3% tax rate increase = \$ 1.02 total tax increase
- 4.5% tax rate increase = \$16.36 total tax increase and
- 6.82% tax rate increase = \$40.39 total tax increase.

Mayor Eady informed Council that the County tax rate has dropped giving us approximately 1.5% tax room without increasing the taxes. He noted that Education tax rates have dropped as well. Councillor Whyte asked why the County rates have dropped. Mayor Eady said partly because of the Provincial upload of \$683,000 of services the County no longer has to operate. Increased assessment growth is also part of this reason.

Mayor Eady asked what additional taxes would be raised in going from 4.5% to 6.82%. Jennifer Barr said \$41,186 for Horton.

Jennifer Barr pointed out that she has charged the Building Department salary for additional front office staff support. Mayor Eady asked if this was going far enough as Planning Committee members deal with building issues, could their meeting fees be recovered from building permit fee surplus, likewise administrative salary from CAO/Clerk etc. Ms. Barr agreed to look into it. Mayor Eady suggested that the budget be reviewed for this situation and possibly \$15,000 could be found for Infrastructure.

Mayor Eady asked if there was a benefit to proceed with the tender for the brush cutter head now rather than wait until the budget was passed. He suggested that it would work better in the spring before the leaves are on the brush. Council agreed to bring forward a resolution to proceed and call a tender for the brush cutter head.

Ms. Barr pointed out several budget line items that could be reduced, which Council considered and accepted with some amendments.

Mayor Eady spoke about the new Recreation User Fee agreement with the Town of Renfrew. He pointed out that under this agreement, there will be a 20% extra fee for registration of several recreational programs that the Town runs themselves and approximately 20 people from Horton have registered for these program in the past. He asked if he would have Council's support to approach the Town of Renfrew to increase the payment in the agreement by \$500 per year so these registrations are without the extra registration fee. He received the verbal support of the Council Members.

Mayor Eady noted that the Consumer Price Index for 2013 was .91%. In recent years we have been awarding a COLA increase of 2% per year and the CPI has always been below this %. Jennifer Barr noted that the calculations in the draft budget are at a 2% COLA. Council asked Jennifer Barr to calculate what a 1% COLA would save.

- Thomson Road Construction

Ms. Barr informed the Members that the Public Works Committee requested that she show the most money she could allocate to start the capital road works required on Thomson Road. She pointed out in the presentation that she could come up with \$241,593, which includes some Development Fee monies. She cautioned Council with using these funds as in the end only 9% of the road construction costs can be recovered from Development Fees. She suggested that the \$41,186 available if the tax rate % increased to 6.82% could be used rather than Development fees at this time. She added that this \$41,186 can be moved around from road infrastructure to reserves etc.

- Future Impacts

Jennifer Barr informed Council of the proposed OPP Billing Model which will increase our levy by 14% in 2015. Road infrastructure deficiencies identified in the Road Needs Study component of the Asset Management Plan will have to be funded, and in 2015 we will have the Asset Management Plan completed for the buildings which may indicate the need to fund deficiencies.

Mayor Eady reviewed the draft OPP Billing Model. The proposal is based on households rather than assessment. Another issue coming down from the Province is potential retraining requirements of Building Inspectors.

Councillor Larone commented that we seem to have some room for each Department that we didn't have 2 or 3 years ago.

5. NEXT STEPS

Jennifer Barr suggested that Council needed to:

- Carefully select the levy increase scenario they wished to recommend,
- Set a date for the public budget meeting, and
- Draft the tax rate by-law

Mayor Eady asked Jennifer Barr to carry out the changes to the draft documents discussed at this meeting. The next meeting will not be until all Council Members are back from their winter vacations. Jennifer Barr asked each Member to individually review the draft budget line by line and to contact her if they have any questions.

Mayor Eady said he appreciated the work of Staff and Committee members in coming back with realistic budget proposals. Minor tweaking is all that is needed.

Councillor Larone asked if Ms. Barr anticipates tax arrears will start to climb. Jennifer Barr said the strongly worded letters went out yesterday to a number of property owners who are 3 years or more in arrears. This included 3 larger commercial properties. Tax arrears could increase by 1%.

6. ADJOURNMENT

Moved by Margaret Whyte, Seconded by Jamey Larone that this Committee of the Whole Meeting be adjourned at 3:37 p.m.

Carried