

THE CORPORATION OF THE TOWNSHIP OF HORTON

FINANCE COMMITTEE

January 12, 2009

There was a meeting of the Finance Committee held in the Horton Community Centre on Monday January 12, 2009. All members of Council were present. Staff present were Linda Novossiltzeff Treasurer/Deputy Clerk and Mackie McLaren CAO/Clerk.

1. CALL TO ORDER

Chair Hall called the meeting to order at 4:00 p.m.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of pecuniary interest expressed by members of Council.

3. 2009 BUDGET REVIEW

Reserve Budget –

Councillor Eady;s proposal to use Reserves rather than borrow funds

Councillor Eady presented information on a proposal to use our own reserves to cover the cost of the Office Expansion and the Rink Change Rooms. The savings between the interest to borrow the money and the interest not earned, because \$300,000 is not in the bank account is approximately \$10,000 per year. He proposes that we use the working capital in reserves which total \$306,000, leaving the other individual reserves intact for their purposes.

Councillor Eady reviewed what the effect would be on each individual reserve. He presented a comparison of reserve funds held by neighbouring municipalities, noting that there reserve funds do not include any monies set aside for road work. Councillor Eady obtained these reserve totals by contacting neighbouring municipalities, noting that the ideal amount of reserves is \$300 per resident, in 2008 we were at \$220 per resident.

Councillor Bennett asked if these municipalities were in a borrowing position as well ? Councillor Eady said he did not ask this question but did not think so.

Chair Hall asked for comments from the Council Members on a projected bottom line tax increase.

Councillor Kingsbury noted it is going to be a hard year for taxpayers because of the economy.

Councillor Bennett said he does not know how we are going to collect any taxes this year because of the economy.

Chair Hall summarized the presentation of Councillor Eady that we would use the reserve funds rather than borrow. If we get into a pinch we may need to borrow in the future.

Mayor Johnston noted that we would have to borrow if we are approved on our Build Canada Grant application to cover our one-third share, as we will not have any reserves left to do that project.

Chair Hall again asked for a percentage increase that staff can work with.

Councillor Eady suggested 3% Horton share, 1% overall.

Councillor Kingsbury suggested 1.5% overall.

Staff was directed to prepare a comparison of the Horton Tax increase with the County and School Board numbers combined to see where we are with the bottom line.

4. OTHER BUSINESS

Tax Arrears Interest – Renfrew Golf Club

Linda Novossiltzeff informed the Committee that the Renfrew Golf club has been awarded a major reassessment back to 2004. She noted that there are some outstanding taxes with penalties due. She asked for the Committee's input into the late payment charges – recommending that they not be cancelled.

During the discussion the CAO/Clerk said that taxes are due when invoiced and any unpaid taxes collect penalty and interest, credits are dealt with after the fact. Council agreed that interest would not be cancelled.

Options on 2009 Insurance Program

Chair Hall referred to the January 6, 2009 Council Meeting at which Council discussed an option to increase the Council Sick and Health Benefit package, increasing from \$5,000 to \$10,000 for a cost of \$308 per year. After discussion Council agreed not to pick up this option.

5. NEXT MEETING

The Committee agreed to meet on Monday January 26, 2009 at 4:00 p.m. in the Horton Community Centre.

6. CONFIRMING RESOLUTION

Moved by Dave Bennett, seconded by Don Eady

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.

7. ADJOURNMENT

Moved by Bob Johnston, seconded by Bob Kingsbury

That this Finance Committee Meeting be adjourned at 5:12 p.m.

Carried.

Chair

CAO/Clerk