

THE CORPORATION OF THE TOWNSHIP OF HORTON

Finance Committee

April 6, 2011

There was a meeting of the Finance Committee held in the Municipal Council Chambers on Wednesday April 6, 2011. Present were Co-Chairs, Don Eady and Jamey Larone. Staff present was Jennifer Barr Acting Treasurer and CAO/Clerk Mackie McLaren.

1. CALL TO ORDER

Mayor Eady called the meeting to order at 9:35 A.M.

2. DECLARATION OF PECUNIARY INTEREST

There was no declaration of Pecuniary Interest by members of the committee or staff.

3. 2011 DRAFT BUDGET

Ms. Barr presented a report on the 2010 Capital Budget Actual as of December 31 and 2011 Capital Budget Financing Draft Spreadsheet. She also presented copies of the Reserve and Reserve Fund Balances at December 31 and that are projected for 2011. The 2010 Capital Budget Actual as of December 31 set out what is to be financed for the Municipal Office Expansion, Garden of Eden Road, Rink Change Room and Rink Roof capital projects.

She noted that the term Unfinanced means that taxes have not been raised to pay off the loans. The Committee members discussed the need for monthly reporting of Capital Projects at Council Meetings and at the Committee Level. It was agreed that the actual figures should be available mid-month for the committee meetings, while recognizing that the information will be one month old at the council meeting. This way the managers will be better able to respond to monetary questions from Committee Members and Council Members. The Committee discussed the need for Regular Quarterly Finance Committee meetings with all Council Members present. Historically Finance Committee met to deal with the budget and did not meet again until the commencement of the next year's budget discussions.

Ms. Barr reviewed the 2011 Capital Budget Financing. Debentures could be issued as of July 2011. Payment would be due on a semi-annual basis and not due until January 1, 2012. Ms. Barr reports in the Capital Financing that there is \$ 881,837.55 of total debt and she is cash flowing the repayment on the ten year amortization. Mayor Eady asked if we could pay this amount off quicker with lump sum payments before the end of the term. The Annual Cost of Principal would be \$123,456.00 The CAO/Clerk was requested to contact OSIFA to see if there is flexibility in debenturing so that we could make more than the minimum payments when the amounts are debentured.

Councillor Larone asked what the Township's goal was with reserves and the debt based on \$1.3 million in local taxation. Mayor Eady reviewed our reserve funds that he set up with Council ten years ago. Ms. Barr said that now with Asset Management we need to build reserve accounts based on Capital Forecasts and amortization requirements. This information will not be available for this budget so she suggests we continue with 2011 as previous. The information will be available this fall for the review of the 2012 budget.

Direction was given by the Committee Members on the Capital Financing and on Reserve Spreadsheets. Ms. Barr asked if there were any changes to the 2011 Draft Reserve Budgets. Jamey Larone suggested that there should be \$5000.00 set up for future

improvements to the change room and \$3000.00 should be set up annually for Municipal Office and Council Chamber improvements over the years. He added that there should be new operating costs for furnace maintenance in the Operating Budget.

Mayor Eady informed the committee that council has forwarded the staff request for a \$4500.00 Drug Card Benefit for review and recommendation. Councillor Larone questioned the turnaround time now for reimbursement of Health Benefits from Manulife. Jennifer Barr said ten days mailing and four day's for direct deposit. Mayor Eady asked if an employee who doesn't use the benefits could request cash value for the cost of the benefit which is approximately \$350.00 per employee. Jennifer Barr says no, they choose to accept the benefit or not. Mayor Eady said that this benefit is a benefit that could be reflected in the annual increase in 2011 that the employees would get. Mayor Eady asked Jennifer Barr to analyze the Health Benefit costs particularly if a Health Spending Account would be beneficial to the budget for Council. It is beneficial for the staff as fewer premiums are paid.

Ms. Barr suggested that as the County will be reviewing the job descriptions in the coming months and that we should wait to consider this benefit request until that time. The Committee Members agreed. Mayor Eady asked Jennifer to provide a listing of the benefits that the council members receive.

4. NEXT MEETING

The Committee agreed that the next meeting would be April 21st at 9:00 A.M.

5. ADJOURNNMENT

Moved by Jamey Larone, seconded by Jennifer Barr

That this Committee Meeting be now adjourned at 12:00 noon.

Chair

CAO/Clerk