

**Minutes - The Blue Mountains Special Meeting of Council**



**MEETING DATE:** January 19, 2011  
**LOCATION:** BVCC, Hall 2  
**PREPARED BY:** Corrina Giles, Town Clerk

**A. Call to Order**

- Mayor Anderson called the meeting to order with all members in attendance
- Also in attendance was Acting Chief Administrative Officer and Director of Engineering & Public Works Reg Russwurm, Director of Planning and Building David Finbow, Communications and Economic Development Coordinator Lisa Kidd, Director of Finance Rob Cummings, Director of Recreation Shawn Everitt, Manager of Water and Wastewater Services John Caswell, Manager of Human Resources Tracey McKenna, Manager of Revenue Ruth Prince, Capital Accountant Darcy Chapman, Chief Librarian Carol Cooley, Fire Chief Ron Doherty, Training Officer/CEMC Steve Conn, Deputy Fire Chief AJ Lake and Director of Special Projects Peter Tollefsen
- Approval of Agenda:  
  
Moved by: R.J. Gamble                      Seconded by: John McKean  
  
THAT the Agenda of January 19, 2011 be adopted as circulated, including any revisions to be made, Carried.
- No member declared a pecuniary interest with any matter as listed on the Agenda

**B. 2011 Budget Deputations/Presentations**

Mayor Anderson welcomed Council and Staff, then turned the meeting over to Director of Financial and Information Services, Rob Cummings.

Rob then spoke reviewing the process of budget review.

1. Overviews and Summaries
  2. Local Tax Related Summaries
- Overall
  - By Expense Group by Department

Rob reviewed the overview noting a 3 year operating budget and five year capital budget has been prepared.

Rob noted the 2011 base budget proposes a 2% increase, 2012 proposes a 6.9% increase and 4.3% in 2013.

Rob then noted there are over 100 projects in the capital budget.

Rob then spoke regarding The Ontario Municipal Partnership Fund (“OMPF”) and noted he is waiting for information on the amount of the 2011 grant, but noted he expects the same amount as last year.

Rob reviewed other services that receive funding from the Town. Rob reviewed the assumptions over the next three years and net development growth in units.

Rob noted the Town has a surplus in 2010 of approximately \$80,000 to \$110,000.

Rob noted the budget proposes a 2% COLA increase for Town Staff in 2011 with 1% being paid in January and the other 1% in July.

Rob then reviewed the proposed overall tax levy change in 2011, 2012 and 2013.

Councillor Gamble then spoke noting the average assessment increased by 4.5% each year over the last five years, confirming the public should be made aware of this.

Rob then reviewed the property tax levels and 2010 property tax by level of government.

Councillor Halos spoke asking that 2011 to 2013 be added to page 6 "Annual Property Taxes for a home valued at \$300,000" for comparison.

Rob then reviewed the municipal comparison of 2010 taxes compared with neighbouring municipalities, then reviewing the historical percentage change in water and wastewater rates. Rob confirmed that water and wastewater rates were higher in the past and identified legislation that will affect prevailing water charges.

Joe then questioned if water and wastewater charges cover the costs associated with water and wastewater, Rob replying that only the water and wastewater users pay for water and wastewater. Rob noted charging for consumption generally reduces consumption.

Rob then compared water and wastewater rates to neighbouring municipalities, Duncan replying that the Town is in a good position as far as growth and our current treatment systems.

Rob then reviewed the Local Tax Related Summary noting there are many issues included in the 2% proposed tax increase, including salaries and rising insurance costs.

Rob noted the Public Security Accounting Board ("PSAB") has required that depreciation expenses must be included in the budget, further noting that \$5,360,000 is proposed in 2011.

Rob then reviewed the 2011 Expanded Tax Budget Summary and salaries for 2011, 2012 and 2013 identifying the proposed positions in 2011.

Deputy Mayor McKinlay then spoke questioning what is included in "Personnel health and safety", Rob replying boots, safety glasses, etc.

Councillor Gamble spoke questioning the increase in salaries included in BVCC budget, Rob replying the reallocation of salaries, including parks and trails, and Tomahawk, further noting he will provide a breakdown of the salaries.

Bob then questioned the reason for the increase of 10% per year at the library, Chief Librarian Carol Cooley replying the increase in 2012 and 2013 is related to the travelling library/bookmobile and staffing for that unit.

Rob then noted there is a very limited change in operating, with 1% increase in 2011.

Councillor Halos spoke referencing the communications budget, noting this value seems high and questioned where cost savings can be realized, Rob replying that Staff are currently reviewing the costs associated with advertising in various departments.

Rob then reviewed the training and travel costs, financial expenses noting this sum includes grants and loans to the medical clinic and does not include insurance.

Rob then explained interfunctional transfers as it relates to Human Resources, finance and payroll.

Rob then reviewed noteworthy expenses including a 14% increase in hydro costs, and 11% increase in insurance.

Joe then questioned the 189% increase at Tomahawk, Rob replying this may be related to the Tomahawk building, but noted he will confirm this and will report back to Council.

Rob then reviewed vehicle expenses. Duncan questioned the Police Services Budget of \$7500, Rob replying this relates to the leases on two ATVs.

Rob then reviewed professional fees noting these fees include consulting, legal, professional fees and contract services (i.e. winter maintenance).

Rob then reviewed the organics processing study, landfill site and site maintenance. Acting CAO and Director of Engineering and Public Works Reg Russwurm spoke referencing a reduction in fees for landfill site maintenance in 2012 as the contractor will maintain the waste when mining is taking place at the landfill. Reg further noted the fees may increase in 2013 when the mining is complete.

Joe then questioned the landfill expenditure of \$500,000 in 2012, Reg replying this is for debt recovery. Capital Accountant Darcy Chapman spoke noting the consultant has prepared a proposal to the Ministry of the Environment, noting this could affect taxation for some time, further noting the \$500,000 is the preferred solution in the draft report as it will provide 20 years of life at the landfill. Darcy further noted there has been no public input at this time as to which direction we are headed, this is the reason it is included in the 2012 budget, noting until the process is furthered, options will include whether to expand the landfill or truck the waste and possibly postpone the closure of the landfill.

Darcy then noted trucking the leachate for 20 years includes a 30 year liability for the current landfill site. Darcy noted mining the landfill is the preferred route and noted the Ministry of the Environment has generally accepted mining.

Rob then reviewed the grants and loan of \$85,000 to the medical clinic.

Rob then reviewed tax supported expenses.

Rob reviewed the grants and estimated budget surpluses from the previous year.

Rob reviewed the water and wastewater budget reviewing the 2011 water rates calculation noting an increase of 3% in 2011, 2% in 2012 and 2% in 2013.

Rob then reviewed the non-user rate revenues.

Joe questioned if all residents have water meters, Manager of Water and Wastewater Services John Caswell replying yes.

Rob then reviewed the water and wastewater rates calculation noting a 0% change over the next three years.

John Caswell spoke noting most of the leachate income comes from the Simcoe area to the Craighleith Wastewater Treatment Plant.

Rob then spoke regarding the 2011 proposed operating budget, expenses by function.

Joe spoke noting he would like to see the Administration operating budget reduced, Rob replying that Administration includes Council, CAO/Clerks, Communications and Economic Development, Corporate Administration, Human Resources and Financial Services, further noting he will prepare a more accurate chart with complete information as it relates to administration.

### 3. Capital Project Summary

Capital Accountant Darcy Chapman spoke reviewing the 2011 Capital Program and noted the total capital spending for 2011 is \$9,000,000 and noted Council needs to be aware that some burden will be realized and identified projects that could be cut if that is Council's wish.

Joe then spoke questioning the 2011 Capital Program, specifically IT, noting the columns do not add up, Darcy replying IT is subject to interfunctional transfers as it supports all departments in the municipality.

Darcy then noted the revenue fund from operations, in 2011 is \$1,014,145 and is projected to be \$2,047,610 in 2015.

Joe then questioned the high costs of I-Services, Rob replying that the Town has 125 computers, 5 servers, the Fire Department and Library Services computers, further noting there is a four year cycle for computers. Rob noted this cost includes printers and programming for computers.

Darcy then reviewed the funds and analysis and the money coming in and out of reserves noting the Town is in a great position and then reviewed the five year projection for development charges. Darcy then noted separate development charges have to be set up for different reserves to comply with legislation. Darcy noted the Town is catching up at this time with three large projects in the near term, water and wastewater plant expansion, Ravenna Public Works expansion, Bookmobile with associated books and equipment.

Joe then questioned if development charges are collected when the plan is registered, Darcy replying yes. David then spoke noting then the subdivision is created a portion of the development charges are paid for, ie. soft services.

John then spoke questioning the 50 units included in the background study at Castle Glen in 2012, Darcy replying it is unlikely that the 50 units will proceed, further noting the 50 units have not been included in the calculation. John then spoke noting there should be a disclaimer that the calculation does not include Castle Glen.

Michael then spoke noting Staff should not be overly optimistic on assumptions, Darcy replying noting this is correct and referenced the background study.

Darcy then reviewed the discretionary and obligatory funds budget in 2010 to 2015.

Darcy then reviewed the reserves in interest bearing accounts, noting no by-law is required for shorter term projects.

Joe then spoke noting healthy reserves is important for the Town, further noting development charges are not controllable and are based on estimates. Joe then noted that the public wants the Town to think about planning and that the Town needs to have money in the bank.

Rob then spoke regarding a legal reserve and noted legal fees would come from working capital. Darcy then noted the Town is in a good position as it relates to our neighbours.

Darcy then spoke regarding the Town's working capital reserve and noted it has been depleted and should be used when there is a shortfall when taxes have not been received. Darcy noted the Town should have \$2.5M in the bank for reserves. Darcy then noted Council should try to build its reserves.

Darcy then reviewed long term debt analysis summary, debt by type, repayments by type and long term debt by revenue source. Darcy noted the Ministry of Municipal Affairs and Housing determines the maximum borrowing amount for the municipality based on our source revenues, taxation received and user rates, and then 25% of that calculation is allotted. Darcy noted currently the Town's debt limit is \$4.8M

Darcy then spoke noting the Town has \$20M in reserves and reserve funds and noted the Town's money is working well for the Town.

Gail then questioned how much is in reserves, Rob replying the projection is \$20M for 2011.

Joe spoke noting the Town should be careful in its spending, Darcy agreeing noting in 2012 the long term debt of \$8M is for the landfill and the Town Hall.

Bob then questioned the schedule for the landfill, Darcy replying that both expansions must be done at the same time, mining and expansion, further noting this is a two year process. Reg then spoke noting the landfill costs will be high, and confirmed the Town will have better information in the next while on options available at the landfill, Duncan replying that the landfill is a large future commitment, for capital or operational costs. Reg replying that the tipping fees could be increased in the future to offset costs.

Rob then reviewed the framework of projected staff requirements and referenced the full-time IS Coordinator position. Rob reviewed the external costs of an IS Coordinator and compared this cost to the budget impact if a full time position was created. Rob noted the budget impact would be \$20,000 versus having a contract person 7 hours per week. Mayor Anderson then spoke noting the service provided would be better if the position was a full time position.

Rob then referenced the Environmental Coordinator position moving from contract to full time. Joe questioned the duties of the Environmental Coordinator, Reg replying this position is sensitive to the environmental impact, greenhouse gases, solid waste diversion, Sustainable Path and ensuring the Path moves along. Reg noted there is a leadership role in this position.

Rob then reviewed the community events in 2011.

Rob then reviewed the grants and donation requests noting there were \$110,204.81 in asks for 2011 with \$40,000 in grant funding available.

Bob then referenced community events such as Peak to Shore and the \$5000 in the budget for this event, noting this event is a joint event with four other partners. Rob replied to Bob noting some of the Town's support is in kind, Shawn noting \$5000 is the Town's portion, and noted the amount could be slightly less.

Rob then asked that Council provide a maximum value of what they would like budgeted for community events in 2011.

Rob then reviewed roads and roads reserves.

#### 4. Enhancement Reports plus any additions members of Council wish to add

Rob spoke regarding the Enhancement Reports noting the items included on the Enhancement Report have not been included in the 2011 budget process and will be reviewed at the next meeting.

#### 5. Water and Wastewater Rates

Manager of Water and Wastewater John Caswell spoke regarding water and wastewater rates and the 2011 budget highlights and future budget highlights.

John then reviewed the long term financial plan for waterworks.

Reg then spoke regarding Lora Bay and the development as it relates to the water supply and reservoir.

Duncan then questioned the location of the referenced water service extensions, John replying at Wensley Drive.

Rob then spoke noting the overview is being reviewed and noted he is asking Council to provide a list of items they wish to review at the next budget meeting when stronger information can be provided to Council.

John then reviewed the 2011 wastewater budget highlights and future budget highlights.

Michael then spoke questioning what the plan is for the electricity generated if solar panels are installed at the Craigleith Wastewater Treatment Plan, John replying it would be sold back, further noting once the roof is inspected structurally, that an RFP would be sent out. John confirmed nothing is included in the budget at this time.

Darcy then spoke regarding the solar panel project at the Landfill and at the Town Hall and noted this is being funded by Gas Tax dollars.

Bob then spoke noting he is concerned with the solar project proceeding without Council reviewing the feasibility of the units and without knowing the productivity and experience of others. Reg replying more information will be provided to Council once known.

Gail then questioned who is responsible for conducting studies and questioned if there is a budget item for the study, John replying that he does not see this budget item as being excessive further noting the request for proposal will provide the costs. Ellen then spoke noting the feasibility study was approved in 2010 with respect to solar projects, Darcy confirming yes.

John then reviewed the water and wastewater 2011 budget highlights and future budget highlights.

Mayor Anderson then spoke concurring with Council that Council should contact Rob Cummings if they have issues with the budget documents. Rob replying there is a lot of information in the budget binders and confirmed that recalculation of the budget can be done at any time and be brought back to Council for further discussion at a Council Meeting.

### **C. Staff Reports as circulated**

2011 Draft Budget Binders as previously circulated

**D. Next Meeting Date/Adjournment**

Moved by: Joe Halos                      Seconded by: Gail Ardiel

THAT this Council does now adjourn at 10:47 p.m. to meet again at the call of the Chair, Carried.

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Ellen Anderson, Mayor

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Corrina Giles, Town Clerk