

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



**MEETING DATE:** March 30, 2011  
**LOCATION:** L.E. Shore Library  
**PREPARED BY:** Krista Royal, Deputy Clerk

**A. Call to Order**

- Mayor Anderson called the meeting to order with all members in attendance
- Also in attendance was Acting CAO Reg Russwurm, Communications and Economic Development Coordinator Lisa Kidd, Manager of Human Resources Tracey McKenna, Director of Finance Robert Cummings, Manager of Accounting & Budgets/Deputy Treasurer, Director of Recreation Shawn Everitt, Manager of Water and Wastewater Services John Caswell, Chief Librarian Carol Cooley, Fire Chief Ron Doherty, Director of Special Projects Peter Tollefsen, and Administrative Assistant Serena Wilgress
- Council then paused for a moment of Personal Prayer or Reflection.
- Approval of Agenda:  

Moved by: R. J. Gamble                      Seconded by: Gail Ardiel

THAT the Agenda of March 30, 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 Presentations**

Mayor Anderson welcomed Council and Staff. Ellen then addressed Council advising that over the last week, she has had the opportunity to discuss with each member of Council, individually, their thoughts on our budget process to date, and the next steps to be considered to move the 2011 budget forward.

Ellen then advised that at this time, she would like to offer her sincere thanks to each member of Council, for their time and dedication invested in this process. Ellen noted it is clearly indicative of Council's commitment to fiscal responsibility and the residents of this Town.

Ellen also thanked Staff for their continued support of this process and the extent to which they have made themselves available to prepare this budget, and to answer questions from members of Council and the Community.

Ellen noted through those discussions with Council, three suggestions were made as to the way in which Council should consider moving forward with this budget review process.

The first suggestion was to strike a Working Group comprised of members of Council, to review service delivery by department for the 2011 year, in addition to a review of services considered within the 3-year operating and 5-year capital budgets.

This working group would in-turn provide Council with two or three options for the budget to be adopted. Taking into consideration the amount of meetings already scheduled for this spring, this procedure could take up to two months to complete, although this is difficult to estimate. Through this process, it would be important to schedule meetings during the day with Staff, to avoid overtime costs.

Ellen noted, the second suggestion was to pass the budget as presented and in the future give further and closer consideration to building more reserves in an effort to ensure the Town's financial sustainability.

Ellen noted the third suggestion was to pass the 2011 budget as presented, but give further consideration to the 2012 and 2013 operating budget, and 5-year capital budget. It was suggested that these budgets be reviewed by Council, or an appointed Committee of Council (i.e. Finance and Administration Committee). The Committee would then provide Council with options for adopting the next year's 2012 operating budget and the 3-year operating and 5-year capital budgets.

Ellen then noted that, with respect to what might be an acceptable budget increase, opinions ranged from 0% to 3%, or more.

Ellen further noted, in closing, we all come from different places and bring with us different values and beliefs. This is why this Council operates in a very positive and effective way.

Ellen then turned the meeting over to Director of Financial and Information Technology, Robert Cummings.

Robert then reviewed a presentation prepared for Council with updates from the last budget meeting. Robert noted the increase in insurance costs and utility costs are reflected in the presentation. Robert advised that an overall savings in office supplies because of the Town's Purchasing Policy and group purchasing at the Provincial level has realized savings of \$10,500 in the 2011 budget.

Robert then advised that Human Resources had planned to conduct an Organizational Cultural Survey in 2011, but noted this survey has been pulled from the budget as time will not permit survey being completed this year. Robert noted removing the cost of the survey from the 2011 budget realized an additional savings of \$3,500, bringing the budget increase to 2.68%.

Councillor Martin then spoke noting concern with the need to change the approach of the budget process. Michael noted a task force of at least three members of Council should be formed to meet with Staff to determine the increases from 2010 to 2011 and bring forward options for review and debate by Council. Michael further referenced the concern of the economy and noted there should not be an increase in the tax rate.

Councillor Ardiel spoke noted she has dealt with budget process for many years, concerned with the proposed 3% increase and the effect on seniors with pensions, level of service and additional costs to the rate payers during these economic times. Gail further noted she agrees to form a task force that will benefit in reviewing every level of service item by item to reduce the proposed tax rate.

Deputy Mayor McKinlay then noted the wishes of Council to form a task force, noting the budget before us has two schemes, increase Environmental Farm Plan and Charitable Donations by \$3,000 each then by reducing the Special Events by \$15,000.

Councillor Gamble noted at the last Finance and Administration Committee, Tomahawk had \$70,000 for operational costs and \$80,000 for construction of a new building. Bob further noted the costs should come from Development Charges and not taxation, which would give a reduction of \$76,000 in taxation.

Director of Recreation Shawn Everitt spoke noting the barn needs to be replaced and the existing shed that stores pesticides, seeds and the lawn tractor which also has an area for Staff. Both buildings have been deemed a Health and Safety concern. Shawn noted a need for some enclosure at the golf course along with hydro services. Shawn further noted through discussions with Darcy Chapman, Capital Accountant that the replacement costs of the existing buildings could not be funded by Development Charges.

Councillor Halos then noted that Staff has been advised to find efficiencies and continue throughout the year. Joe then commended Staff for their efforts in finding efficiencies.

Councillor McKean then expressed concern with delaying the budget too much, noting currently good pricing is available by Contractors, and noted a delay in passing the budget may result in additional costs and jobs may not be completed in time.

Duncan then concurred with Councillor McKean if service levels are addressed Committee by Committee the delay in passing the budget could result in losing any savings by increased construction costs.

Mayor Anderson summarized Council's discussion at this time, noting a 2.6% increase or less, Councillor McKean noted concern with the 2011 budget not getting approved and the concern of not getting tenders out.

Moved by: Duncan McKinlay                      Seconded by: Joe Halos

THAT Council approve a budget tax rate at 3% or less including the following revisions; increasing \$15,000 to donations, \$3,000 to Environmental Farm Plan and reducing Special Events to \$9,000.

Councillor Martin in speaking to the motion, noted it is in appropriate review of items and what the impact would be, concern with not addressing ratepayers, feels Council has not done their job, need to go into detail of the budget and furthermore the range needs to be somewhere less than 3%. Michael then noted he has concerns with proceeding with this approach.

Council continued to discuss issues and concerns with the current 3% budget and the overall process.

Council then voted on the motion, LOST.

Council then reviewed the letters circulated in detail from various groups and concerned residents with the impact of the budget cuts and how it would affect their level of service within the community and in comparison with the inflation rate.

Councillor McKean questioned if the budget is to be passed tonight would it require a public meeting. Robert Cummings advised the budget process to date has met the statute requirements for public meetings.

Moved by: Duncan McKinlay                      Seconded by: Joe Halos

THAT Staff is to bring back to Council a By-law to adopt the estimates of all sums required for 2011 for own purposes with a 2.7% increase to include the addition of \$10,000 to Charitable Donations Category.

In speaking to the Motion, Councillor Halos suggested setting the 2011 budget and to continue to move forward, keeping in mind the need to save money each day.

Councillor Martin then spoke referencing what was originally proposed and failed and if preparing a budget by-law is premature without knowing the impact. Michael noted the public should have another opportunity to comment on the budget.

Deputy Mayor McKinlay then noted it is not his intent to not involve the community, further noting public meetings have been scheduled, letters have been received from the public and comments have been reviewed and heard by Council. Duncan further noted he is concerned with delaying the budget presented.

Deputy Treasurer Elizabeth Thompson summarized the \$10,000 increase in Grants and Donations, reduction of \$15,000 to Special Events results would result in a budget increase of 2.85%. Robert Cummings then advised the additional \$10,000 with the efficiencies brought forward would bring the budget increase to 2.75% which includes savings from the telephone system.

Councillor Martin then called for a recorded vote:

Councillor Ardiel		Nay
Councillor Gamble		Nay
Councillor Halos	Yay	
Councillor Martin		Nay
Councillor McKean	Yay	
Deputy Mayor McKinlay	Yay	
Mayor Anderson	Yay	

The Motion Carried.

Reg Russwurm questioned how task force would proceed.

Moved by: Duncan McKinlay                      Seconded by: R. J. Gamble

THAT each Standing Committee in charge of departmental functions proceed with a comprehensive review of level of service and report back to Council by August 1, 2011, Carried.

Duncan advised that as Chair to the Infrastructure & Recreation Committee he will meet with the Committee members and work out a plan to review the service levels and bring a report back to Council for review.

#### **D. Staff Reports as circulated**

2011 Draft Budget Binders as previously circulated

#### **E. Next Meeting Date/Adjournment**

Moved by: John McKean                      Seconded by: Joe Halos

THAT this Council does now adjourn at 8:48 p.m. to meet again April 11, 2011, 7:00 pm, L.E. Shore Library, or at the call of the Chair, Carried.

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Ellen Anderson, Mayor

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Krista Royal, Deputy Clerk