

Councillor McKean noted he is in line with Bob with the matters being brought forward later on in this agenda with the water and wastewater cost to the ratepayers, next it will be roads, all numbers are going up with the gas already at \$1.50 per litre, groceries and other items will follow. John suggested the matter be addressed at the next Finance and Administration Committee meeting for further discussion and let this Council decide a limit at that time.

Reg Russwurm, Acting CAO noted the \$500,000 program is not money directly out of Town pocket. The Town also has the opportunity to phase in the program. It is deferred revenue fed in over a period of time.

Deputy Mayor Duncan McKinlay questioned if the \$500,000 is an overall cap or is it for each program. Reg advised to an overall cap and the reason for the cap is to ensure municipalities do not over extend themselves, but if too low there will be no tool to work with.

Councillor Halos complemented the work, public input, good planning for a long term Plan, good aspect with a lot of money spent to date. Joe also addressed concern of having to send back money received by the Ministry that was received to implement a CIP. Joe further noted he trusts the past Council and public and trusting the Plan will provide future Council the tools needed and incentives to defer tax.

Councillor Martin commented his preference is to eliminate \$500,000 and can live with the Plan, but would prefer to remove Program 5 "Revitalization Tax Increment Grant" entirely from the Plan.

Reg advised the program in front of the public is a significant change and may want to get advice from the MMAH, to determine if the \$500,000 is for one program or cap for the overall projects.

Reg suggested looking into Council's concerns with the Ministry and be brought back to the next Finance and Administration Committee meeting for further review. Councillor Ardiel to agrees with changing the wording and the deletion of Program 5, but would like further clarification brought forward no later than 2:00 pm tomorrow for the F&A Committee.

Council concurred to direct Staff to get answers to the following: 1) maximum grant limit of \$500,000, to be per project, 2) if two applications would cost the municipality \$1,000,000 or is it capped/limited to a maximum of \$500,000, 3) possibility to lower the maximum grant limit to \$125,000 or \$150,000, 4) possible to eliminate Program #5 entirely and still have a viable CIP, 5) if changes are made to the CIP does the process start over for instance, pre-consult, public meeting etc, or can the changes be made now, pass the by-law to adopt and circulate Notice of Adoption.

Ellen then noted the matter will be directed to the Finance and Administration Committee meeting on April 19, 2011 for further discussion and hope that tomorrow provides good clear guidance.

Ellen questioned if there is a time limit with the Ministry. Peter advised to the Notice of Adoption to be within 15 days.

B. Presentations

B.1 Meghan Boyd, Water and Wastewater Compliance and Efficiency Coordinator

Re: Overview of Drinking Water Quality Management Standard

Mayor Anderson welcomed Meghan Boyd to the Council meeting. Meghan then provided an overview of the Drinking Water Quality Management Standard (DWQMS) presentation.

Councillor Halos questioned the process for private water taking and the requirements with filling water in the plastic bottles.

Meghan advised the regulations falls outside of the DWQMS regulations and the scope of permit to take water. John Caswell further advised private companies are not subjected to the same constringent controls and are nowhere near the restricted guidelines to what the Town are subjected to.

Ellen thanked Meghan for her presentation. Meghan also thanked Council for their time.

C. Staff Reports as circulated

C.1 Asset Management Plan, FIS.11.10

C.1.A The Blue Mountains Asset Management Plan – Summary Sheet

Mayor Anderson welcomed Darcy Chapman, Capital Accountant to the Council meeting.

Darcy Chapman, noted all three parts of the presentation are combined to be presented/discussed as the agenda items are associated with one another.

Darcy then provided an overview of the Asset Management Plan (AMP). Darcy noted the importance to have an AMP in place allows for the maintenance, upgrading and the operating of our physical assets in a cost effective manner. Darcy further noted by Council implementing an AMP provides the Town with a decision making tool to analyze new demands and deliver fiscally responsible options in an environmentally sustainable framework that supports preserving our quality of life.

Reg Russwurm advised that Darcy has provided a bench mark to start and the next step involves field assessment of sewers, water mains, fire hydrants, roads, along with all Town infrastructures, to determine a more accurate assessment as soil conditions vary in different area that will deteriorate infrastructure quicker than other areas.

Councillor Martin noted this Plan doesn't match how municipality operates. Historically, the Town borrows money to do the work at the time we need it. Deputy Mayor Duncan McKinlay then noted we can't work how we have in the past, Council needs to change the way we live and work as this is how he reads the Plan presented.

Darcy advised Justice O'Connor required each system be sustainable. Council must have a Plan in place and be sustainable as every community has the same regulations. The minimum is to have a 6 year plan, fully sustainable with enough revenue from user fees to not ask other levels of government for money.

Councillor Gamble addressed concern with the current people paying double for the same project. Bob further wants emphasis on the wording in the recommendation to best management practices and financial constraints to be bolded.

Moved by: Duncan McKinlay Seconded by: Gail Ardiel

THAT Council receive Staff Report FIS.11.10 "Asset Management Plan"; and,

THAT Council adopt the plan as an input into the annual budget process necessary to facilitate Council in their decision making process: and,

THAT the Asset Management Strategies as attached be updated from time to time in accordance with changes to best management practices, technology, financial constraints and the outcome of asset condition assessments.

Robert Cummings, Director of Financial and Information Services noted Agenda Item C.2 paragraph (b) the wording “accelerated” needs to be added and should now read “utilizing accelerated moderate rate”.

Council then took a 5 minute recess.

Deputy Mayor Duncan McKinlay in speaking to the motion at face value, consider the next step to having a Public Open House presented as accelerated rate, compile comments from public input and advise the public to the most reasonable way to approach the matter.

Councillor Ardiel in speaking to the motion advised the recommendation should specify a specific date to read May 10th, 2011.

Councillor Gamble then speaking to the motion, he would like to remove item #3, #9, and #10 from the proposed recommendation. Bob advised he has difficulty accepting these options with the rates as determined by Council, he does not want to burden future members of Council and to disfavour future generations on today’s decisions.

Moved by: R.J. Gamble Seconded by: Michael Martin

THAT the recommendation contained in Staff Report FIS.11.11be amended to remove item #3, #9, and #10.

In speaking to the motion, Duncan then spoke noting if these items are taken out of the motion Council is missing the point of logistics, the long term commitment, and the need to understand the life cycle of the infrastructure and prepare to replace it, not ignore it.

Councillor McKean then spoke that he is not in favour of amending #9 and #10. John advised that a camera can be placed in the pipe to determine where the pipe needs to be repaired and fix only the damaged area. John further advised the Town has the tools to ensure infrastructure is working at its maximum capacity.

Reg Russwurm advised the Plan is based on a paper exercise and an ongoing assessment by using cameras and other means will be done to truth the paper assessment. If no breaks are seen, the main would not need to be replaced.

John McKean further suggested if part of the pipe system will last 10 years, the road would not be paved to then tear it back up to replace the pipe.

Darcy advised the Plan is specific to water, current condition of the pipe and with this Asset Management Plan it now provides direction, although a paper exercise, just because the Plan says it needs to be replaced doesn’t mean it will be replaced without further investigations out in the field.

Bob then spoke he is not in favour of the wording of the motion to “commit” perhaps replace the word to “discretionary”.

Council then voted on the amended motion, Lost.

Councillor Halos commented that it is great to hear current Staff understand the AMP, but who knows in 20 years that the Staff at that time, will only be going by the document. Perhaps the wording “as necessary” be added for more flexibility. Darcy then referenced paragraph (a) with the wording “following framework” which is what we want Staff to bring back to Council.

Mayor Anderson then noted once the Plan is circulated to the Ministry, if Council wishes to make an amendment, Council can address the matter later. Joe questioned could this be done without a public meeting. Darcy then advised there is no requirement to involve having a public meeting, but can circulate changes by way of an email blast or inserts in the utility bills to be proactive with the process.

Michael questioned paragraph (a) with the wording “preparation of the legislated Financial Plan” is noted in Agenda Item C.3. Darcy noted to a 3 year minimum requirement, Staff has no difficulty bringing updates to the Ministry every three years. Duncan then commented that it makes sense to make the public aware of what has been done.

Darcy advised that the decision is ultimately Council’s and Staff require direction from Council of what scenario to be decided in order to develop a Financial Plan. Reg further noted endorsement is needed by Council at the public meeting on May 9th.

Darcy then spoke that a Public Information Centre will be held on April 30th to answer questions and receive comments. Darcy commented that he hopes the majority of Council will attend the public meeting. Staff will let Council know the comments received from the meeting. The Plan needs to be endorsed by Council on May 9th in order to make the May 10th deadline with the Ministry.

Duncan then suggested if there are any problems that Staff/Council hears, to deal with the matter and allow further engagement with the public.

Council then voted on the original motion as amended as follows:

THAT Council receive Staff Report FIS.11.11 “20 Year Capital Plan – Water Division”;

AND THAT the following actions be taken;

a) the following framework be adopted to guide staff in the completion of the 20 Year Water Financial Plan and the preparation of the legislated Financial Plan by May 10th 2011:

1. growth pays for growth,
2. pay-as-you-go for operating and routine lifecycle expenditures,
3. strive for inter-generational equity to avoid burdening future generations in order to benefit current rate payers,
4. use debt to smooth out cash requirements for large infrequent lifecycle or system improvement projects,
5. build reserve funds to provide cash for emergency repairs and/or moderate cash requirements for intermittent medium sized projects,
6. use reserve funds to balance annual revenue fluctuations resulting from demand fluctuations,
7. set rates to achieve financial sustainability in the “near” term (target year is 2018),
8. address cash requirements for new legislation driven improvements at the time that they are known and use reserve funds or debt as appropriate,
9. commit to lifecycle infrastructure renewal needs irrespective of water usage trends since pipe deterioration is generally insensitive to the amount of water consumed,
10. commit to lifecycle infrastructure renewal needs since it is less expensive to renew infrastructure that is approaching the end of its useful life than to attempt to maintain and repair it;

b) the financial model **BE ADOPTED** utilizing accelerated moderate rate increases (Scenario #4) as the preferred long term planning tool to ensure sustainability of the water supply system while continuing to close the infrastructure gap, it **BEING NOTED THAT** the model will be used to monitor progress and updated and reviewed on a regular basis as input data is refined;

c) it **BEING NOTED THAT**, budgets will be approved annually by Town Council, Carried.

C.3 Municipal Drinking Water License Financial Plan, FIS.11.15

C.3.A The Blue Mountains Water Financial Plan Community Summary Sheet

Moved by: Duncan McKinlay Seconded by: Gail Ardiel

THAT Council receive Staff Report FIS.11.15 “Municipal Drinking Water License Financial Plan” for information purposes; and,

THAT Council direct staff to conduct a Public Information Centre to inform the water users of the “Municipal Drinking Water License Financial Plan”.

Darcy Chapman advised that the three reports presented work together. Darcy presented to Council an overview of The Blue Mountains Water Financial Plan.

Councillor Ardiel questioned the date expected for completion is noted as early 2012, but do we know the exact date. Darcy advised the date is not established in the Plan, because the financial plan needs to be reviewed by the MMAH before approved.

Councillor Martin questioned if Asset Management Plan presented includes water, sewer and roads. Darcy advised the Plan that presented before Council only covers the assets of the Water Department.

Reg Russwurm thanked the efforts of Staff, Darcy Chapman, Meghan Boyd, John Caswell, Robert Cummings and the teamwork involved to get this data/documentation coordinated in time to meet the required deadline.

Councillor McKean questioned if the Plan in place is part of Capital Management. Darcy advised most municipalities have plans in place; 50-100 years with the use of Consultants. Darcy further advised Staff have ownership to this Plan presented to Council as it is Town specific, prepared and presented by Staff for endorsement by Council.

Michael noted the Plan is to the benefit of Staff with significant work involved in preparing the Plan. Deputy Mayor Duncan McKinlay further noted the biggest unknown is changes in Provincial Regulations to advocate on our behalf. Reg further advised the Ontario Water Works Association and Association Municipalities of Ontario have a lot of involvement with the Board and liaison with the Ministry of Environment to form a good group that watch and understand the impact on municipalities.

Darcy advised the data built by Town Staff now can be utilized by other organizations. Ellen complimented on a job well done by our Staff and appreciate the efforts involved.

Council then voted on the motion, Carried.

C.4 Reconsideration - Community Improvement Plan

C.4 Agenda Item was dealt with as the first agenda item for Council discussion.

D. Adjournment

Moved by: Michael Martin Seconded by: R.J. Gamble

THAT this meeting does now adjourn at 10:35 p.m.

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Ellen Anderson, Mayor

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Krista Royal, Deputy Clerk