

C.2 Town Hall Reserve Fund, FIS.10.28

The Committee then dealt with the following Recommendation:

Moved by: Michael Martin Seconded by: John McGee

THAT Council receive Staff Report FIS.10.28, "Town Hall Reserve Fund"; and,

THAT Council authorize Staff to draft a By-law to implement a Town Hall Reserve Fund.

Rob then briefly reviewed the Report, noting it was part of an ongoing effort to consolidate reserve funds.

Michael then questioned the requirement for the fund, Rob noting the fund was meant to provide for future maintenance of the new Town Hall, Michael noting it may be more appropriate to use it like a sinking fund.

John then questioned if reserves had to be set up for all assets under the Tangible Capital Asset program, Rob noting not necessarily, rather an amortization schedule would be prepared.

Jon then questioned if each facility asset would have a reserve fund, Rob replying various facilities could be addressed by single funds, for example Recreation. Rob then clarified the Town Hall Reserve Fund was meant as an initial exercise in the reserve fund program.

Chair Gamble then noted concern with unfinanced capital projects and questioned if these could be addressed by reserves, Rob replying the unfinanced figure is now reduced to an acceptable level and should be eliminated in five years.

Bob then noted the Working Capital Reserve has been depleted recently and perhaps the proposed Reserve Fund could be used for funding unfinanced projects. Bob further noted concern with the Development Charge Reserve Fund and a significant obligation regarding the new OPP station could be considered for such a reserve.

Rob then noted the Town Hall Reserve Fund will be a first effort and funding for the Reserve will be considered during the budgetary process, Bob adding Council should try and live within the originally budgeted amount for the new Town Hall.

The Committee then voted on the Recommendation, Carried.

C.3 General Reserves Consolidation, FIS.10.29

The Committee then dealt with the following Recommendation:

Moved by: John McGee Seconded by: Michael Martin

THAT Council receive Staff Report FIS.10.29, "General Reserves Consolidation"; and,

THAT Council authorize Staff to proceed with the implementation of a single reserve named the General Administration Reserve for general administrative purposes.

Rob then reviewed the Report, noting it was proposed three existing reserves would be consolidated into one reserve for general administration purposes. Rob further noted some components of the existing reserves represent Human Resources functions and these will be included in an HR Reserve.

Rob then noted the new reserve will eventually be collapsed, John questioning if the consolidated fund is required, Rob replying it represented good accounting practices for 2009.

The Committee then voted on the Recommendation, Carried.

C.4 Quarterly Financial Reports – March, 2010, FIS.10.30

Rob then reviewed the Reports, noting the Committee had earlier directed that a Quarterly Report would be of greater value. Rob then noted two or three times per year that supplementary taxation is run will be reported.

Rob then reviewed Development Charge revenue, John noting a year end variance would be of value.

Chair Gamble then noted concern with a negative balance for some DC projects, for example the OPP station.

Rob then noted Landfill fees were ahead of Budget, with Building revenues up for the first quarter since 2006. Chair Gamble then noted there may have been a rush for permits prior to the Development Charge rate increase of April 1.

Rob then noted winter maintenance costs were below Budget following a less than severe winter season.

Rob then reviewed the new format Capital Project Reports for Plan 915, the new Town Hall and the Beaver River Trail.

Rob then reviewed FCM grant and loan funding for the new Town Hall project, Bob questioning if the loan was to move the project toward LEED Gold certification, John noting the grant funding was for energy practices, Bob questioning if the grant could be used to pay part of the project, John replying the grant funding would not lower the cost of the project but would pay for portions of the project as approved.

Bob then noted that may lower taxpayer exposure on the project.

John then noted the FCM loan rate at 2.6% would yield interest savings of \$900,000 over 20 years which could be partly applied to sustainability projects as well as the Town Hall.

Rob then reviewed the Revenue Fund and Water and Wastewater Summaries.

Rob then reviewed the 2010 Capital Program status, John questioning if a capital list could be prepared that would provide information to ratepayers on proposed capital projects and possible cost shares residents would be subject to, Rob noting Staff are currently working on correspondence to affected residents for projects that are 2 to 3 years out.

The Committee then dealt with the following Recommendation:

Moved by: John McGee Seconded by: Michael Martin

THAT Council receive Staff Report FIS.10.30, "Quarterly Financial Reports – March, 2010", for information purposes, Carried.

C.5 2009 Year-end Funding, FIS.10.32

Capital Accountant Darcy Chapman then attended the meeting and reviewed the Report and status of unfinanced projects, now reduced from \$11 million in 2006 to \$3.8 million ending 2008.

Darcy then reviewed unfinanced projects that could now be financed, as well as funding sources, adding these projects are not identified within the Five Year Capital Plan.

John then questioned why Castle Glen servicing would come from the Sewer Reserve Fund, Darcy clarifying the studies addressed general sewer design work that did not really Castle Glen residents.

The Committee then dealt with the following Recommendation:

Moved by: John McGee Seconded by: Michael Martin

THAT Council receive Staff Report FIS.10.32, "2009 Year-end Funding"; and,

THAT Council authorize Staff to proceed with the implementation of funding outstanding unfinanced capital expenses as outlined in the report, Carried.

C.6 Tangible Capital Asset Accounting Guidelines Policy, FIS.10.33

Ron then reviewed the Report, noting the Policy would address Town requirements related to PSAB 3150 Tangible Capital Asset implementation.

Rob then noted the Policy would apply to every Town asset subject to TCA requirements, with a cost for each asset quantified over the life of the asset.

John then questioned if Council would be trained on the difference in TCA accounting practices required for the budget process, Rob replying Staff have discussed such training but are still busy now in meeting TCA timelines.

Darcy then noted final statements are meant to now be comparable to the private sector but in fact the budget process will proceed as in the past, with the final TCA accounting being the final step.

Rob then noted statements of cash flow will be more critical in showing the relationship between cash flow and asset status.

Chair Gamble then questioned capitalization thresholds for assets such as furniture, Darcy noting assets can be pooled and then depreciated over time as part of the group or pool of assets.

Bob then suggested a threshold of \$10,000 versus \$2,500 would allow a pool of assets that would be easier to deal with by Staff.

Darcy then noted work on or replacement of an asset will still require individual consideration. Bob then questioned if any asset betterment or repair would increase the asset value, Rob noting that would be considered maintenance.

Darcy then clarified for example where a repair would extend the ten year life cycle of a vehicle, the extra years would be capitalized.

Bob then noted by increasing the threshold values there may be savings in employee time.

Michael then noted it may be useful to consult with other municipalities as to how high the threshold could be and what the benefits might be, Rob replying Staff have consulted with all municipalities in Grey and Bruce Counties and all Town Policies are regularly reviewed.

