

Finance & Administration Committee Meeting

Council Chambers
PEMBROKE, Ontario
January 26th, 2017
10:36 a.m.

A meeting of the Finance & Administration Committee was held today with Deputy Mayor Gervais presiding and all members in attendance. Staff members present were Terry Lapierre, Chief Administrative Officer/Clerk; LeeAnn McIntyre, Treasurer/Deputy Clerk, Doug Sitland, Manager of Operations; Colleen Sauriol, Manager of Planning & Building; Ron Conroy, Manager of Recreation, Culture & Tourism; Dan Herback, Fire Chief; Diane Schofield, Deputy Treasurer and Michael Quinn, Administrative Accounting Clerk. Also in attendance was Heather Sutherland, PBIA Manager; Karthi Rajamani, Pembroke Public Library CEO, and Keith Watt, Pembroke Public Library Board Chairman.

Item #1: Review of Library Budget

Karthi Rajamani discussed changes in the Library budget. Changes included a decrease in budget resulting from a decrease in staff hours, a successful grant application for the summer student. Ms. Rajamani also anticipated that there would be no increases in grants. The Treasurer/Deputy Clerk added that she accounted for a budget increase as usage figures were not available when the 2016 budget was adopted, leaving a balance for the City for 2016 of \$30,000. Presently the Library has a deficit from pay equity which is being shared between the City of Pembroke and the Township of Laurentian Valley.

- Councillor Plummer inquired about the varying costs relating to purchase of books. Mr. Watt stated that previous years saw a decrease in available funds for operating expenses to free up funds for pay equity but now that pay equity has been addressed the library is able to allocate more funding to books.

Item #2: Review of PBIA Budget

Heather Sutherland gave an overview of the PBIA budget to those present. Ms. Sutherland stated there was a slight increase in the budget however the budget is mainly status quo allowing the PBIA to operate as they have in the past.

- Councillor Lafreniere expressed her surprise at the reduction of assessment value downtown given the recent improvements that have been made. The Treasurer/Deputy Clerk stated that not all improvements increase assessment as the methodology used by MPAC for most commercial property is based on the income approach. The Treasurer/Deputy Clerk also stated that there is a delay between the

improvements and when the City receives supplemental assessment and that the PBIA levy is billed for properties in the area

- Councillor Lafreniere spoke to putting an end to vacancy rebates as she believes that will help to encourage landlords to find tenants for their buildings rather than leaving empty storefronts. The Treasurer/Deputy Clerk informed her that lobbying has been done to the province to change vacancy rebate criteria and that the City participated. The Province is expected to pass legislation allowing municipalities to make changes to the Vacancy Rebate Program in the community and staff are waiting on further details.

Item #3: PBIA Rates

- PBIA Rates are increasing and will be coming forward in a by-law

Item #4: Water Rate Comparisons

The Treasurer/Deputy Clerk reported to the committee on the cost of water and sewer services in the City of Pembroke compared to the municipalities of Arnprior, Brockville, Renfrew, Smith's Falls, Ottawa and Petawawa. The findings of the comparison showed that the City of Pembroke's water and sewer rates were less expensive than the other municipalities with the exception of Petawawa.

- Mayor LeMay voiced his concern over raising rates again, saying that he wished to come back to the topic once the committee had gone over the Rate Impact Review
- Councillor Scott expressed a desire to advertise the rate comparison
- Councillor Lafreniere inquired as to why the Petawawa rates were so much lower. Mr. Lapierre believes that it is because servicing newer suburbs has a lower cost, the cost to purchase the plant was extremely low as it came from the Federal Government after the construction of the base, and also because Petawawa has less people using the water and sewer service. The Treasurer/Deputy Clerk also pointed out that the City does provide water and sewer services to other municipalities

Item #5: Changes in Budget

- Reduce Taxation budget to \$(19,725,872)
- Reduce Council Honorarium by \$7,907
- Reduce Provision for Budget Variances by \$25,000 in the Financial Budget
- Reduce Contingency Fund by \$50,000 in the Financial Budget
- Increase Library Board expense by \$83,691 in the Financial Budget
- Reduce Tax Interest Revenue by \$20,000 in the Administration Budget
- Reduce Photocopier Charges by \$600 in the Administration Budget
- Reduce Stationary & Printing by \$2,000 in the Administration Budget
- Reduce Equipment by \$1,000 in the Administration Budget
- Reduce Miscellaneous Revenue by \$4,000 in the O.P.P. Budget
- Reduce County Shared Services budget by \$158,000

Item #6: Rate Comparison

- 17% of the City's levy goes toward the County shared services

- The Treasurer/Deputy Clerk kept education rates the same as last year as they have not been set yet however they have been going down over the past few years
- Rates will increase even if there is no change in assessment, an increase of \$70 for a home assessed at \$183,000
- Average assessment has been increased by .41%
- If the City needs to raise \$60,000 to cover a deficit the combined increase would be \$146 per year
- Councillor Plummer questioned what would have to be done to bring the tax rate increase down to zero. He suggested removing \$440,000 from the capital budget by not undertaking the D'Arcy Street, Broadview Drive, and Dunlop Street projects, instead doing them at a later date
- Councillor Lafreniere asked for clarification on the Summary figure of \$1,506,311, the Treasurer/Deputy Clerk stated that amount was the capital funding coming from the revenue fund
- The Treasurer/Deputy Clerk believes that she will be able to reduce the overall budget by \$60,000 by reducing costs in some areas
- The Treasurer/Deputy Clerk voiced her concern over the level of capital and how that affects the City's reserves. Depleting reserves to finance capital is troublesome because the reserves are difficult to build back up. The Treasurer/Deputy Clerk is also concerned about the amount of roads projects on the go, why budget for them and raise the levy if we cannot complete them?
- The Treasurer/Deputy Clerk decided to decrease the Corporate IT from \$75,000 to \$55,000
- Councillor Lafreniere agreed with the Treasurer/Deputy Clerk's statement on the amount of roadwork being done, questioned whether or not it was necessary. Councillor Lafreniere also proposed waiting to see what was being contributed to the Sens' Rink from the Senator's organization and defended the resurfacing of the Rotary Park tennis courts
- Mayor LeMay agreed with Councillor Plummer regarding the removal of the three roads projects and asked the Treasurer/Deputy Clerk if she could provide the committee with a revised version of the capital budget after she removed the three roads projects
- Councillor Scott believes the City should trim the roads projects and if there is any money left over after the audit then it could perhaps be placed back into the proposed roads projects
- Deputy Mayor Gervais voiced concern over using a surplus for more road projects as there it doesn't address the current lack of General Capital reserves, Councillor Scott agreed

MOTION: Moved by Councillor Reavie
 Seconded by Councillor Plummer
 THAT the Committee move into closed session

CARRIED

MOTION: Moved by Councillor Reavie

Seconded by Councillor McCann
THAT the Committee return to open session

CARRIED

The Chair advised that there is nothing to report from Caucus meeting

- The Treasurer/Deputy Clerk presented the committee with the revised proposed rate after eliminating the three roads projects from the capital budget which would reduce it by \$440,000. The Treasurer/Deputy Clerk believes that this amount would allow the City to undertake the remaining projects while having minimal impact on the ratepayers. A reduction of the capital budget by \$550,000 was also proposed however the Treasurer/Deputy Clerk doubts its achievability and also stated that it would require cutting more projects than initially proposed. She also pointed out that this route would mean a 0% levy increase which can be problematic in the future as more money would need to be raised to make up for the years with no levy increase. This issue is further compounded by the fact that assessment growth is slow so the amount that can be levied as already been stunted. Therefore, the Treasurer/Deputy Clerk does not recommend reducing the budget by \$550,000 and recommends instead reducing the budget by \$440,000. Councillor Scott spoke to his experience in the past with 0% increases of levies, saying it was highly unpopular when the City needed to increase the levy down the road to recoup lost money. Recommends steering clear of it

MOTION: Moved by Councillor Plummer
Seconded by Councillor Scott
THAT the Capital Budget be amended by removing the Broadview Drive, D'Arcy Street, and Dunlop Street projects thereby reducing the Capital Budget by \$440,000

CARRIED

- The Treasurer/Deputy Clerk informed the committee that the province has not provided the 2017 education rates as of yet and the City will not adopt tax rates at a later date. Informs that motions are needed so staff can proceed with projects and that By-laws will need to be passed to adopt budgets
- Councillor Lafreniere asked for clarification on the status of a grant and what it meant for the Victoria Street project. The Treasurer/Deputy Clerk informed her that without the grant the City will instead use funds set aside for it to complete the Indian River Bridge project. However, if the City receives the grant then it will go ahead with both the Victoria Street project and the Indian River Bridge project, but the bridge project be financed through a debenture

MOTION: Moved by Mayor LeMay
Seconded by Councillor Scott

THAT the staff be permitted to move forward with Capital Projects as outlined in the final Draft of the Capital Budget

CARRIED

MOTION: Moved by Councillor Plummer
Seconded by Councillor Lafreniere
THAT the garbage collection fee be increased from \$165 to \$167 for 2017

CARRIED

MOTION: Moved by Councillor Scott
Seconded by Councillor McCann
THAT the water rate be increased by 5% for 2017 as of January 1st, 2017

CARRIED

MOTION: Moved by Councillor Reavie
Seconded by Councillor Plummer
THAT the sewer rate be increased by 5% for 2017 as of January 1st, 2017

CARRIED

MOTION: Moved by Councillor Scott
Seconded by Councillor Reavie
THAT the Draft 3 Capital Budget be approved for the year 2017

CARRIED

MOTION: Moved by Councillor Lafreniere
Seconded by Councillor McCann
THAT the proposed 2017 tax levy of \$19,973,957 be approved

CARRIED

MOTION: Moved by Councillor Reavie
Seconded by Councillor McCann
THAT the proposed 2017 Pembroke Public Library budget be approved

CARRIED

MOTION: Moved by Mayor LeMay
Seconded by Councillor Lafreniere
THAT the proposed 2017 PBIA budget be approved

CARRIED

MOTION: Moved by Councillor Lafreniere
Seconded by Councillor Plummer
THAT the proposed 2017 Parking Authority budget be approved

CARRIED

- The Treasurer/Deputy Clerk advised that staff will prepare the final budget and present to Council for formal adoption on February 21st, 2017

Item #7: Motion to Adjourn

MOTION: Moved by Councillor Plummer
Seconded by Councillor Scott
THAT the meeting be adjourned at 1:25pm

CARRIED