

Finance & Administration Committee Meeting

Council Chambers
Pembroke, Ontario
January 22, 2020
9:00 a.m.

1. Call to Order:

Present:

Councillor Jacyno, Vice Chair
Mayor LeMay
Deputy Mayor Gervais
Councillor Lafreniere
Councillor Reavie
Councillor Abdallah

Regrets:

Councillor Plummer

Also Present:

Terry Lapierre, Chief Administrative Officer/Clerk
Angela Lochtie, Treasurer/Deputy Clerk
LeeAnn McIntyre, Former Treasurer/Deputy Clerk
Brian Lewis, Manager of Operations
Colleen Sauriol, Manager of Planning & Building
Ron Conroy, Manager of Parks and Recreation
Dan Herback, Fire Chief
Diane Schofield, Deputy Treasurer
Ashley Perrier, Administrative Accounting Clerk

The Chair called the meeting to order at 9:00 a.m.

2. Opening Remarks

Mayor Lemay started the meeting with a discussion about modernization, efficiency and funding from the province. Chair Jacyno discussed the Robert's Rules of Order. Ms. McIntyre reviewed the agenda for the day, the critical path and the pending deadlines.

3. Assessment Growth

Ms. McIntyre provided a handout which was downloaded from Online Property Tax Analysis (OPTA) that illustrates the 2019 growth or loss by property class. The assessment growth will raise \$144,087 more in tax dollars bringing the notional levy up to \$20,890,278; anything over this amount is considered a levy increase.

4. Tax Ratio Analysis

Ms. McIntyre reviewed two Tax Ratio scenarios for discussion:

- A Start Ratio scenario which provides the most stability for all classes in that there is no change from 2019 and no shifts between classes.
- A Revenue Neutral Ratio scenario where the ratios are adjusted so that the same dollars are raised in each class as in 2019, creating shifts between the classes.

Motion:

Moved by Councillor Lafreniere

Seconded by Councillor Abdallah

That the "Start Ratio" scenario be accepted and approved for 2020.

Carried

5. Review Contents of Budget Package

Ms. McIntyre confirmed the contents of the budget package that committee members received in advance of today's meeting, which included the following operating budgets: General Fund, Water and Sewer, Pembroke Public Library, and PBI. Also included within the packages were Capital Requests, Reserve and Reserve Fund Schedules, and a Long Term Debt Continuity Schedule.

6. Review Budget Summary & Review Operating Budget

Ms. McIntyre reviewed the Budget Summary handout.

Ms. McIntyre reviewed the 2020 Operations Budgets. For the road resurfacing budget the following item was noted:

- \$629,000 was placed in the Roads Resurfacing budget and includes a number of projects for the Committee's consideration to choose from. The projects listed total more than is allocated; Committee must remove \$140,000 or increase the budget.

Motion:

Moved by Councillor Abdallah

Seconded by Deputy Mayor Gervais

That the 2020 budgets for Carmody Street (Eganville to School Limits) in the amount of \$230,000, Francis Street (Pulverize/Pave McGee to Boundary) in the amount of \$75,000, Hunter Street (Strip/Granular/Pave Mackay to Cecelia) in the amount of \$100,500, O'Brien Street North (Pulverize/Pave Alfred Street East to Pembroke Street) in the amount of \$60,000, O'Brien Street North (Pulverize/Pave Herbert Street to Alfred Street East) in the amount of \$60,000, Thompson Street Top Lift (in progress) in the amount of \$20,000 be accepted and approved and Blakely Street Sidewalk in the amount of \$140,000 be removed.

Carried

The roads snow removal budget was raised.

Motion:

Moved by Councillor Abdallah

Seconded by Deputy Mayor Gervais

That the 2020 Snow Removal contract budget be increased by \$30,000 for a Windrow Removal Program.

Carried

The discussion continued:

- \$92,010 is budgeted to be transferred to Waste Management Reserve which will put the city in a better position to deal with upcoming transition to producers to be responsible for recyclables.
- No increase to garbage collection & disposal fees or Ottawa Valley Waste Recovery (OVWR) fee; remaining at \$158 & \$65 respectively.

7. Review Sewer Budget

Ms. McIntyre presented the 2020 Sewer Budget, and the following items were noted:

- Explained that this budget must be self funded; can't have a surplus or deficit.
- Includes wages for a new operator position to do locates, with cost split with the water budget.
- \$92,400 budgeted to be transferred to the Plant Reserve.
- Revenues in the sewer budget reflect an increase in the sewer charge of 5.2% for flat rates users and a rate increase of 6.9% for metered customers.
- The Capital financing allocation from the sewer fund is \$1,794,593.

8. Review of 2020 Water Budget

Ms. McIntyre presented the 2020 Water Budget. A discussion was held and the following items were noted:

- Explained that this budget must be self funded; can't have a surplus or deficit.
- Includes a provision for transfers to the Water Plant Reserve of \$200,000 and another \$200,000 to the Water Tower Reserve.
- Reflects an increase in lead testing budget of \$92,200 due to the elimination of City's provincial exemption for lead testing, resulting in increased costs for lab testing, advertising, courier, etc.
- The Water budget reflects a 5.7% rate increase for flat rate users and a 9.8% rate increase for metered customers.
- Capital financing allocation from the Water Fund is \$732,308.

9. Presentation – Water/Sewer Rate Analysis

Ms. Lochtie presented a Water/Sewer Rate Analysis review in PowerPoint.

10. Review of Operating Budget

Ms. McIntyre continued her review of the 2020 Operating Budgets. The following items were noted:

- Includes notional Levy for 2020 of \$20,890,279.
- Taxation budget includes \$70,000 for supplementary billings and \$270,000 for write offs, charitable rebates and vacancy rebates. Vacancy rebates for 2019 vacant units, will be processed in 2020 and reduced to 20%.
- Net taxation revenue is \$20,859,200.

- \$1,200,000 in Capital funding is included in keeping with previous budgets and Ontario Community Infrastructure Fund (OCIF) funds will also be transferred to Capital.
- Ontario Municipal Partnership Fund (OMPF) funding is confirmed to be \$1,559,400 and the Ontario Community Infrastructure Fund (OCIF) is \$699,639.
- Federal Gas Tax is \$842,255, the same as last year.
- 2019 Tax arrears are below \$2,000,000.
- \$10,000 has been included for a feasibility study of the former Fire Hall to determine what would be involved to remove 3 garage bays and develop parking in the space.
- \$50,000 added for property taxes for new Fire Hall, offset by taxation revenues.
- The OPP contract decreased by \$41,129 to \$4,241,282 in 2020.
- Bylaw Enforcement budget includes \$5,683 of the Cannabis Legalization grant, to offset expected costs.
- Parking Revenues has been reduced by 50% to reflect Council's decision to offer 2-hour free parking on a trial basis in the downtown core for the first 6 months of 2020.
- Committee requested to have a Reserve set up for the Aquatic Centre and a separate line be included in the Capital budget.
- Parks and Marina 2019 revenues were down due to the flooding.
- Laurentian Valley contribution has been increased to \$390,000 based on preliminary year end projections.
- Two new accounts were created under the Recreation Programs section for Youth and Seniors programming, \$10,000 each.

Motion:

Moved by Councillor Abdallah

Seconded by Councillor Lafreniere

That the Special Events Production budget be reduced from \$50,000 to \$43,000 and Youth and Seniors programming budgets be increased in the amount of \$3,500 each.

Yea: Mayor LeMay, Councillor Reavie, Councillor Abdallah, Councillor Lafreniere, Deputy Mayor Gervais

Nays: Chair Jacyno

Carried

The discussion continued:

- \$161,500 in Capital and non-recurring includes \$50,000 for a Facility Rate/Non Resident Fee review and \$80,000 for an Active Living MasterPlan.

Motion:

Moved by Councillor Lafreniere

Seconded by Councillor Abdallah

That the Facility Rate/Non-Resident Fee Review of \$50,000 be removed from the budget.

Carried

The discussion continued:

- \$50,000 has been allocated to the Community Improvement Plan (CIP).
- The 2020 Budget includes \$90,399 increase in the cost shared services provided by County. Based on County estimates this equates to an overall increase of 2.65%.

12. Reserves & Reserve Funds Budget

Ms. McIntyre presented the 2020 Reserves & Reserve Funds Budget.

Motion:

Moved by Deputy Mayor Gervais

Seconded by Councillor Lafreniere

That \$25,000 be transferred from the Community Improvement Plan (CIP) Reserve to finance 2020 applications for CIP.

Yea: Mayor LeMay, Chair Jacyno, Councillor Reavie, Councillor Abdallah, Councillor Lafreniere, Deputy Mayor Gervais

Carried

13. Annual Debt Continuity

Ms. McIntyre went through the handout line by line.

14. Adjournment

Motion:

Moved by Councillor Reavie

Seconded by Deputy Mayor Gervais

That the January 22, 2019 meeting of the Finance & Administration Committee adjourn at 3:43 p.m.

Carried