

Finance & Administration Committee Meeting

Council Chambers
Pembroke, Ontario
January 22, 2019
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
LeeAnn McIntyre, 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/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 PBIA. Also included within the packages were Capital Requests, Reserve and Reserve Fund Schedules, and a Long Term Debt Continuity Schedule.

3. Tax Ratio Analysis

Ms. McIntyre prepared three Tax Ratio scenarios for discussion and reviewed them with Committee. Was asked to provide a fourth option, modelling that of County. Ms. McIntyre to provide later in the meeting.

4. Review Budget Summary & Review Operating Budget

Ms. McIntyre provided a new budget summary handout, reflecting changes made after the budget package was sent to Committee January 11, 2019. The following items were noted:

- \$205,000 contingency added to budget for potential loss of OMPF funding.
- \$219,303 debenture repayment for Fire Hall.
- \$67,945 increase in Traffic Control budget due to formula error in spreadsheet.
- \$95,000 reduced for labour costs in the Parks and Recreation budget.
- Total deficit beginning budget process is \$1,700,000.

Ms. McIntyre reviewed the 2019 Operating Budgets. The following items were noted:

- Includes notional Levy of \$20,346,190.
- Council Honorarium includes a 1.78% Cost of Living Adjustment increase as well as increase to offset the loss of the one third income tax exemption.
- There is a \$230,000 provision for budget variances of which \$205,000 is for potential loss in Ontario Municipal Partnership Fund (OMPF).
- \$1,200,000 in Capital funding is included in keeping with previous budgets.
- Includes \$200,000 for the purchase of 411 Pembroke Street West with \$200,000 from 2018 surplus to pay for it.
- Increase of \$299,000 for Ontario Community Infrastructure Funding (OCIF).
- Reduction of \$72,000 in Federal Gas Tax funding.
- Budget estimates have been included for maintenance, heat, hydro, etc. for new Fire Hall.
- Fire Department Capital items of new Pumper Truck, Jaws of Life, and Self Contained Breathing Apparatus are included and funded by Fire Apparatus Reserve.
- Maintained 2018 budget of \$453,000 for court security grant for 2019 as the notification of the amount has not been received yet.
- The OPP contract amount has increased by \$103,000, or 2.69% and includes a provision for salary increases of 1.97%. The cost per property is \$616.46, which is \$16.07 more than 2018.
- Increase of \$42,000 for animal control services, as per agreement between Society for the Prevention of Cruelty to Animals (SPCA) and the City.

- Parking Authority was disbanded this year and maintenance of the parking lots has been moved into the Bylaw Enforcement section of the budget, as well as all revenue generated from parking enforcement, meters and permits.
- \$25,000 is included for a transfer to the Parking Lot reserves to prepare for the future parking lot improvements.
- Bylaw Enforcement section will no longer have the benefit of the cost sharing arrangement from Parking Authority to offset payroll costs associated with parking related tasks, and this results in an increase of over \$90,000.
- Budget was allocated for a new Asset Management position; requires approval by Council.
- Changes have been made at the Ottawa Valley Waste Recovery Centre and we will now be required to pay tipping fees for recyclables.
- A reduction was made in the garbage fee from \$167.00 to \$158.00 per property.
- \$296,000 allocated for the Township of Laurentian Valley recreation surcharge, however subject to change when final 2018 figures are in.
- \$50,000 included for Comprehensive Zoning bylaw which is required this year under the Planning Act.
- \$75,000 has been allocated for the Community Improvement Plan.
- Economic Development budget reflects an allocation of \$75,000 for Community Improvement Plan (CIP), a new section for Communications with a budget of \$33,000, and capital and non-recurring items of \$30,000 for entrance sign, \$25,000 for Council Chambers sound system, and \$25,000 for an economic development website as recommended by Pembroke Economic Development Advisory Committee (PEDAC).

Motion:

Moved by Councillor Reavie

Seconded by Councillor Lafreniere

That the Council Chamber sound system of \$25,000 be deferred until next year to allow for the potential of an accessibility grant to cover partial costs.

Withdrawn

The discussion continued:

- \$172,000 increase in the cost shared services provided by the County based on County estimates as their budget process is not complete. \$21,000 of this increase is for the improvement of cell phone coverage across the County by the Eastern Ontario Regional Network but is only a portion of the estimated \$77,000-\$114,000 to be paid over 4 years and requires the City's commitment to be included.

5. Review Tax Ratio Alternative C

Ms. McIntyre brought forward the Alternative “C” Tax Ratio Analysis, modelling the County.

Motion:

Moved by Deputy Mayor Gervais

Seconded by Councillor Reavie

THAT the discussion of the 2019 Tax Ratio’s be tabled until after review of the Water, Sewer and Capital budgets.

Carried

6. Review Sewer Budget

Ms. McIntyre presented the 2019 Sewer Budget, and the following items were noted:

- Explained that this budget must be self funded; can’t have a surplus or deficit.
- An increase of \$138,000 for the debenture payment for construction of the McGee Lift Station.
- The Pollution Control Plant includes an increased cost for sludge disposal of \$35,000 due to the digester project, a \$200,000 transfer to the plant reserves and \$104,000 for capital and non-recurring items.
- Includes \$25,000 to purchase pumps for Water Purification Plant and Riverside Park lift stations.
- The capital financing allocation from the sewer fund is \$1,495,143.
- To adopt the sewer budget as is, sewer rates would need to increase by 2.5%, attributable to the McGee Lift Station debenture. This means an increase in sewer rates of an additional \$17.35 per unit.
- If the Capital budget for sewer is adopted as presented, the rates would need to be increased by 5% which represents an increase of \$34.70 per unit.

7. Review Pembroke Public Library Budget

Karthi Rajamani discussed the past performance of the Library and the 2019 budget figures. A discussion was held and the following items were noted:

- The total request is \$562,232 towards operating plus \$17,000 for Capital, for a total of \$579,232 for the 2019 budget, an increase of \$16,927 over 2018 budget.

Motion:

Moved by Councillor Lafreniere

Seconded by Deputy Mayor Gervais

That the Pembroke Public Library be provided with \$527,305 towards the 2019 Library budget for operating costs.

Carried

Motion:

Moved by Councillor Lafreniere

Seconded by Councillor Abadallah

That the Pembroke Public Library be provided with \$17,000 towards the 2019 Library budget for Capital costs.

Carried**8. Review Pembroke Business Improvement Area (PBIA Budget)**

Ms. McIntyre presented the 2019 PBIA budget. A discussion was held and the following items were noted:

- PBIA levy has increased by \$1,542, from \$190,090 to \$191,632.
- PBIA rates have been decreased by 0.52%.

Motion:

Moved by Mayor LeMay

Seconded by Councillor Abdallah

That the Pembroke Business Improvement Area's Budget be adopted as presented.

Carried**9. Review of Water Budget**

Ms. McIntyre presented the 2019 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.
- The Water Purification Plant includes an increase of \$77,000 for water treatment chemicals. A transfer to the water plant reserve and water tower reserve of \$200,000 each, and \$57,200 for capital non-recurring items.
- The Capital financing allocation from the water fund is \$713,604.
- No increase factored in for water rates however in order to maintain this we would need to remove \$1,088,000 from the water Capital budget. Or we can increase the rates by 29% and approve all capital. Each increase of 1% to water rates raises \$37,325 and costs the ratepayer \$4.36 for a single unit. (5% increase raises \$186,625 and costs \$21.80)

10. Reserves & Reserve Funds Budget

Ms. McIntyre presented the 2019 Reserves & Reserve Funds Budget.

11. Annual Debt Continuity

Ms. McIntyre went through handout line by line.

12. Review of Capital Budget

Ms. McIntyre provided a handout of the 2019 Capital budget – draft one and reviewed the items line by line.

Motion:

Moved by Councillor Lafreniere

Seconded by Councillor Abdallah

That the PACC Chiller Replacement in the amount of \$65,000, PACC Parking Lot in the amount of \$30,000, PMC Activity Room Sliding Door Replacement in the amount of \$22,400, PMC Parking Lot Improvements in the amount of \$40,000 and PMC Plant Upgrades in the amount of \$30,000 be approved as presented and that the PMC Rooftop in the amount of \$50,000, PMC Upper Entrance Lobby Floor in the amount of \$15,000 and PMC Upper Level Siding & Lower Level Roofing in the amount of \$360,000 be removed.

Carried

Motion:

Moved by Councillor Lafreniere

Seconded by Councillor Reavie

That Quarry Site Security be reduced to \$37,500 in budget this year and the remainder be carried forward to 2020 budget.

Carried

Motion:

Moved by Mayor LeMay

Seconded by Councillor Reavie

That Traffic Control Lights (Advance Turn) of \$60,000 be removed from the budget.

Carried

Motion:

Moved by Councillor Lafreniere

Seconded by Mayor LeMay

That Tree Dump Replacement of \$80,000 be removed from the budget.

Carried

Motion:

Moved by Councillor Lafreniere

Seconded by Councillor Reavie

That \$898,500 be removed from Foster Fraser Bridge from the 2019 budget and retain the carry forward amount of \$71,475 for design.

Carried

Motion:

Moved by Councillor Lafreniere

Seconded by Mayor LeMay

That the amount of \$175,000 be approved for Muskrat River Dam.

Carried

Motion:

Moved by Councillor Lafreniere

Seconded by Mayor LeMay

That Nelson Street Phase 1 Construction project (Maple Avenue to Cecelia Street) of \$1,674,673 be removed from the budget.

Carried

Motion:

Moved by Councillor Abdallah

Seconded by Mayor LeMay

That the sidewalk installation on Pembroke Street West in the amount of \$40,000 be approved.

Carried

Motion:

Moved by Mayor LeMay

Seconded by Councillor Reavie

That the Transportation Planning Origin Destination Study of \$25,000 and the Cockburn Parking Lot (paving) of \$75,000 remain in the budget.

Carried

Motion:

Moved by Councillor Abdallah

Seconded by Councillor Reavie

That the Victoria Street Project in the amount of \$3,015,547 be approved.

Carried

The discussion continued:

- Mr. Lewis provided a report regarding options for sidewalks on Everett Street.
 - Option 1 - Sidewalk on south side of Everett (700metres) \$200,000
 - Option 2 – Option 1 including storm sewers \$440,000

- Option 3 – Paved shoulder instead of sidewalk \$50,000

Motion:

Moved by Councillor Lafreniere

Seconded by Councillor Reavie

That a paved shoulder be put on Everett Street in the amount of \$50,000 in conjunction with operating & maintenance shave & pave project on Everett Street.

Carried

13. Adjournment

Motion:

Moved by Councillor Reavie

Seconded by Councillor Abdallah

That the January 22, 2019 meeting of the Finance & Administration Committee adjourn at 4:05 p.m.

Carried