

**MINUTES
COMMITTEE OF THE WHOLE –
PUBLIC WORKS, ENVIRONMENTAL SERVICES & FACILITIES
MONDAY, NOVEMBER 21, 2016
6:30 PM
SPENCERVILLE MUNICIPAL OFFICE**

Present: Councillor Michael Barrett, Chair
Mayor Pat Sayeau
Deputy Mayor Peggy Taylor
Councillor Karie Smail
Councillor Gerry Morrell
Hugh Cameron, Non-voting Advisory Member
Mark Packwood, Non-voting Advisory Member

Staff: Debra McKinstry, CAO/Clerk
Dave Grant, Director of Operations
Mike Spencer, Manager of Parks, Recreation & Facilities
Melanie Stubbs, Treasurer
Rebecca Williams, Deputy Clerk

1. Call to Order

Councillor Barrett called the meeting to order at 6:30 p.m.

2. Approval of Agenda

Moved by: G. Morrell seconded by: K. Smail that Committee approves the agenda as presented.

Carried

3. Disclosure of Pecuniary Interest & the General Nature Thereof – None

4. Business Arising from Previous Public Works, Environmental Services & Facilities Committee Minutes (if any)

Members enquired about a follow-up between staff and the Johnstown ATV Club to determine road access requirements. It was noted that the Johnstown ATV Club came as a delegation to County Council requesting access to Limerick Forest trails and that only club members be granted access to the Limerick Forest trails.

Members enquired about the vacant lot repurposing project in Cardinal at the corner of Dundas St S and if there was an update with respect to the Jones Rail project.

5. Delegations & Presentations

a) Ross Markell – IFRS for Port of Johnstown

Mr. Markell, CKDM LLP, was present to brief Committee on the benefits and requirements to transition from PSAB to IFRS financial reporting for the Port of Johnstown. Mr. Markell noted that by the Port of Johnstown reporting under PSAB as consolidated with the Township, it drastically distorts the Township's financial statements. It was noted that by incorporating the Port of Johnstown with the Township's consolidated statements for Ministry review, it makes the Township appear to have substantially more assets than it actually does. Mr. Markell commented on the need for the Port of Johnstown to transition to IFRS, which is widely used for government business enterprises (GBE), similar to Rideau St. Lawrence Utilities.

Mr. Markell noted that if the Port of Johnstown was to be considered and treated as a GBE then it would only appear as a single line item, similar to Rideau St. Lawrence, on the Township's consolidated financial statements that are sent to the Ministry. It was noted that the 2014 bylaw began the process of separating duties of the Port of Johnstown from the Township, and with a new terms of reference by-law being presented for consideration at the Port Management Committee on November 23 to add two external members, the exception to continue reporting under PSAB is no longer a viable option. If the new terms of reference by-law is passed at Council then there would be the need to file the Port of Johnstown financial statements under IFRS as it would then be considered a GBE.

It was highlighted that transitioning to IFRS would no longer distort the financial statements of the Township and it would be shown as an investment for the Township. It was noted that before PSAB was introduced the Port of Johnstown financial statements were reported to the Ministry separately from the Township. Members discussed the difference in costs with respect to accounting and auditing, noting that the initial transition would be at a slightly higher cost of services. Mr. Markell noted that IFRS accounting is a best practice among both public and private ports in the area. Members briefly discussed how the Ministry views the Township's consolidated statements and if the Ministry prefers IFRS or PSAB when reviewing the Port of Johnstown financial statements.

Committee thanked Mr. Markell for the information.

6. Discussion Items – None

7. Action/Information Items

a) Recreation Fee Schedule Update

Members reviewed the Recreation Fee Schedule Update, noting the difference in revenue with a 3% versus 6% increase to ice rentals. Members asked for clarification with respect to the charge for prime time and non-prime time ice rental to non-residents. Members briefly discussed how the charge for non-resident ice rental is implemented and who or what teams would be considered as non-resident. It was noted that last year was the first year the Township has included a non-resident ice rental rate. Members debated if hockey teams within Leeds and Grenville should be charged the non-resident ice rental rate, even if some team members are from the Township. It was noted that the non-resident rate is focused towards adult hockey ice rental fees.

Members enquired about the addition of a \$50 + HST for parties and events at the arenas. It was noted that groups would only be charged the \$50 rate if they are bringing in their own food (potluck, pizza party etc.), which could have been purchased at the canteen, as well as help to cover clean-up costs. Members noted that the Public Skating rate should not increase, especially when the previous year the public skating was free due to a grant. Members enquired about the rate to rent the pavilion in Cardinal. It was noted that there is no charge to rent the pavilion, however the group must book the pavilion to ensure it is available.

Members confirmed that staff will contact the local hockey and figure skating organizations to make them aware of the coming rate increase. It was the consensus of Committee that a financial report with respect to the arena canteens be brought forward in January.

Committee noted that the Manager of Parks, Recreation & Facilities was recently honoured at the Canadian Tire Centre as Volunteer of the Year for his dedication to Minor Hockey.

Moved by: P. Sayeau seconded by: P. Taylor that Committee recommends that Council repeal by-law 2014-31 as amended and pass a new by-law to adopt the Recreation Fee Schedule with a 3% increase to the Prime Time, Spring and Summer ice rentals.

Carried

b) Pre-Budget Presentation - Capital

The Treasurer provided the 2017 Pre-Budget Capital Presentation, noting with the new asset management plan in place, it is essential to look at the capital needs over a broader time frame in order to understand what projects are on the horizon. The Public Works Reserve Balance was shown as an example where in 2012 the reserve was sitting just below \$2,000,000, while by 2016 it's sitting below \$500,000 due to the Township drawing from the reserve to complete projects.

The Treasurer provided a list of 2017 draft budget items for consideration for Committee to review. Committee asked for clarification with respect to the priority ranking system, noting that “mandated/critical” items have been identified as required items that have been included in the draft budget. It was noted that a 1% tax increase equates to approximately \$45,000 for the 2017 budget year.

Members reviewed the summary of capital projects that need to be considered for the budget. Those that are not included in the budget will be included in the 10 year capital forecast. Members noted that the 2017 proposed capital budget is \$1,745,723.00, which would just meet the threshold to complete the capital projects. Members asked for clarification with respect to the public works capital projects list, and the reason behind the increase to the storm sewer capital.

The blended debt/reserve fund approach was reviewed by Committee, noting that more projects would be completed, while also increasing reserves over time and maintaining a consistent levy increase each year. Members debated if debt financing would be beneficial for the Township, and how it may affect the reserves. Members noted that the Township could also increase the tax rate or reduce capital projects to build up the reserves. Members reviewed the reserve fund schedule and operating forecast which reflects new debt payments and the percentage increase in the tax levy that would be required.

c) Low Lift Reserve to Reserve Fund

Moved by: K. Smail seconded by: P. Taylor that Committee recommends that Council approves the transfer of \$150,000.00 from the Environmental Services – Low Lift Reserve to the Raw Water Supply System Reserve Fund.

Carried

d) Transfer Station Update

Members highlighted that the Transfer Site costs were well below the estimated \$87,000.00 with the project totaling \$47,625.74. Members confirmed that the site has proper snow removal equipment available.

e) ODWQMS 3rd Party Audit

The Director of Operations summarized the ODWQMS 3rd Party Audit Report, noting that the auditing company performs an onsite audit once every 3 years, with the second and third year being completed by a “satellite” audit which includes a full day conference call. Members noted that there were three opportunities for improvements identified in the report. It was noted that the opportunities for improvements would only come before Committee as recommendations if they directly apply to the Township’s systems.

f) Renewal of 3rd Party Auditing Service – ODWQMS

Members confirmed that the \$6,800 cost for the 3rd Party Audit service has not changed since 2012. Members enquired if a recommendation would be coming forward for Council approval. It was noted that the \$6,800 cost was budgeted and within the staff spending limit, as outlined in the procurement policy, and therefore Council approval was not required.

g) Cardinal Water & Sewer Rates

i) Cardinal Wastewater

It was highlighted that one of the goals that asset management aims to achieve is to ensure that the infrastructure services are delivered at a sustainable and affordable level to residents. It was noted that if the Township continues as is then it would be harder to maintain and keep the system sustainable. Members discussed the current wastewater system, when it was installed and when it will need to be replaced. Members noted that a 5% increase would not cover the costs associated with future replacement of the current system, but that any rate increase would be beneficial. It was suggested to increase the rate by 10% and earmark a portion to be placed in the reserves.

Members asked for clarification with respect to the calculations in Table 4: Monthly Fixed Service Charge 2016 vs 2017 Scenarios. It was noted that currently for 2016 the fixed charge is \$24.18 and with a 3% increase would result in a monthly increase of \$0.73 (annually \$8.76) and the fixed charge would increase to \$24.91. Members noted that the rate increase would affect residents, but due to the lower volume usage and the projected capital expenditures required for the wastewater system in the next few years, the increase is necessary.

Members noted that the 2017 draft budget includes \$514,236.00 for the Cardinal sewer revenue with the 3% rate increase, with the total operating expenses of \$457,000.00. It was noted that the Adelaide St. pump station well, sewer main relining from Walker to Waddell St, and the UV unit replacement are all necessary projects to be completed in 2017. Committee highlighted the concern of the County Rd 2 project awaiting OCIF funding, noting that if the Township did receive the OCIF grant that the Township would still need to complete the project in the near future. Members requested the staff return to the Committee for a recommendation with respect to a decision on the revenue source for the municipal portion of the OCIF application if successful.

Moved by: P. Sayeau seconded by: K. Smail that Committee recommends that Council:

1. Adopt a 3% increase in the monthly fixed service charge; and
2. Direct staff to prepare final by-law for Council approval.

Carried

ii) Cardinal Water

Committee noted that the current recommend has been brought forward in order for the Township to be able to implement the rate increase in time for January 1, 2017. Members discussed the reason behind a 1% rate increase to the Cardinal water system, as it is less costly to maintain and operate compared to the wastewater system.

Moved by: K. Smail seconded by: G. Morrell that Committee recommends that Council:

1. Adopt a 1% increase in the monthly fixed service charge; and
2. Direct staff to prepare the final by-law for Council approval.

Carried

h) Spencerville Sewer Rate

Members discussed the 2% rate increase, noting that it would result in a slight increase in the transfer to reserve in 2017. Members noted that the change in ratio of expenditure to 81% directed to operating and 19% directed toward capital/transfer to reserves would result in the reserves growing from \$182,584 in 2016 to \$451,714 by 2026.

Moved by: P. Sayeau seconded by: G. Morrell that Committee recommends that Council:

1. Adopt a 2% annual increase in domestic unit service charge; and
2. Direct staff to prepare the final by-law for Council approval.

Carried

Moved by: P. Sayeau seconded by: P. Taylor to extend the meeting past 10pm.

Carried

8. Councillor Inquiries/Notices of Motion

Deputy Mayor Taylor enquired if the Recreation Coordinator would be able to take direction and suggestions from the Recreation Advisory Committee to include with the programming. Deputy Mayor Taylor requested that the Recreation Fee Schedule updates be brought forward to the Recreation Advisory Committee for review and feedback. Committee consensus was to request a facilities condition report at the January meeting. Committee discussed when the Christmas tree will be erected in the Cardinal Square.

9. Mayor's Report – None

10. Question Period – None

11. Closed Session

Moved by: G. Morrell seconded by: P. Sayeau that Committee of the Whole – Public Works, Environmental Services & Facilities proceeds into closed session at 10:00 pm in order to address a matter pertaining to:

- Personal matters about an identifiable individual, including municipal or local board employees; Specifically: Community Development Coordinator position
- A proposed or pending acquisition or disposition of land for municipal or local board purposes; Specifically: Industrial Park & Minutes of Closed Session of September 20, 2016

Carried

Committee recessed for 5 minutes to clear the chamber.

Moved by: P. Taylor seconded by: K. Smail that the closed meeting does now adjourn and the open meeting of Committee of the Whole – Public Works, Environmental Services & Facilities does now resume at 10:30 pm.

Carried

Moved by: P. Sayeau seconded by: G. Morrell that Committee receives and approved the minutes of closed session of September 20, 2016.

Carried

Moved by: K. Smail seconded by: G. Morrell that Committee recommends that Council approve the reclassification of the Community Development Coordinator position from Level 3 to Level 4 on the Job Classification Schedule B of by-law 2015-22.

Carried

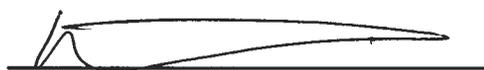
Councillor Barrett reported that Committee made a recommendation to Council, received and approved the minutes of September 20, 2016 and directed staff to continue negotiations for the pending land acquisition.

12. Adjournment

Moved by: K. Smail seconded by: G. Morrell that Committee does now adjourn at 10:33 pm.

Carried

These minutes were approved in open Council this 28th day of November, 2016.



Chair



Deputy Clerk