

MINUTES
COMMITTEE OF THE WHOLE - ADMINISTRATION & FINANCE
BUDGET MEETING #5
THURSDAY, MARCH 7, 2019
6:30 PM
SPENCERVILLE MUNICIPAL OFFICE

Present: Mayor Sayeau, Chair
Deputy Mayor Deschamps
Councillor Cameron
Councillor Dillabough
Councillor Hunter
Dave Robertson, Advisory Member

Regrets: Jack Bradley, Advisory Member

Staff: Dave Grant, Director of Operations, Acting CAO
Melanie Stubbs, Treasurer
Brian Moore, Fire Chief
Mike Spencer, Manager of Parks, Recreation & Facilities
Rebecca Williams, Deputy Clerk

1. Call to Order

Mayor Sayeau called the meeting to order at 6:30 pm.

2. Approval of Agenda

Moved by: H. Cameron seconded by: T. Deschamps that the agenda be approved as amended to add item 5f) Facility Operator Position.

Carried

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

4. Delegations & Presentations

a) Draft Budget #5 Presentation – Treasurer

The Treasurer presented the Draft Budget #5 information to Committee and summarized the following: trends in the total residential tax rates in the Township from 2006 to 2018, outline of areas within the Township where property owners saw increases and decreases in the MPAC assessed property value, how the provincial education tax has impacted the overall tax rate since 2009, percentage of residential properties with no change in assessment and how properties with no change in assessment would have zero change in the annual tax

payment if 0% tax rate increase, explained the minimal effect of a possible municipal tax rate increase on a residential property, how decreases in funding has resulted in an increase to the operational budget from 2018, review of draft capital summary, list of proposed capital projects with three decisions needing to be made, and budget objectives for the current meeting. It was noted that a 0% increase in the tax rate shifts the entire burden of operational and capital increases to the properties with a phased-in and growth-related assessment, while properties with no change in assessment will receive a decrease in taxes due to the potential decrease in the provincial education tax rate

b) Library Budget

Mr. East, Chair of the Library Board presented Committee with the Library Boards draft 2019 budget. It was noted that the Library is requesting \$105,500 in municipal grant, the same amount as granted in 2018. There was a general discussion with respect to the suggested reorganization of the Library structure, specifically the CEO position. It was noted that the Library Board has decided to reduce the CEO hours to 10 hours per week and then the remaining 10 hours would be distributed to other library assistants and student pages. Mr. East noted that the Library Board will be looking to hire a student page to assist at the Spencerville branch, similar to the position currently in the Cardinal branch.

Committee briefly discussed various options for the future to better optimize the library and positions, including possible amalgamation of surrounding municipality CEO position to be shared, disposal of old library building(s) if able to purchase a new building to centralize library, and how the reduction in CEO hours has only resulted in a budget reduction of \$800. It was noted that due to the other 10 hours per week being disbursed to other positions it has only slightly decreased the overall salary budget.

5. Action/Information Items – 2019 Budget

a) Draft Budget Summary Overview

Committee reviewed the budget summary report and noted that the Township will receive the same amount in 2019 for OMPF funding, however the amount may decrease in 2020. There was a brief discussion with respect to County Council, specifically noting that budget was passed with a 0% tax increase.

Staff outlined the changes to the budget summary, specifically; the increase in insurance costs of \$10,000, additional \$10,000 revenue from the OCLIF and an increase to the annual sewer charges for Township facilities by \$3,050, decrease in funding from FCM of \$50,000 for the asset management program, and a decrease of arena donation of \$19,000 from the Port of Johnstown. It was noted that due to the above listed changes, the total current operating expenses are \$153,435.00 which equates to 2.57%.

Members noted the increase of \$163,000 from the 2018 budget to 2018 actuals and briefly discussed if the increase will continue to be reflected in 2019 and future years. It was noted that the current summary report highlighted that the Township will have a \$339,235 deficit in 2019 if the Committee does not make some decisions with respect to budget items. Members debated if Committee should consider a 0% municipal tax increase for 2019 as a dividend to the tax payers as a result from the increase in commercial growth. Members noted that a 0% increase would not benefit the Township in the long run and would just push off a tax increase to the coming years. It was noted that if Committee agrees to a 0% increase then only 56.3% of the residential properties will support the shift in the operational and capital budget increases. Members noted that the discussion of a municipal tax increase will be further discussed in the future, once decisions are made with respect to the rest of the agenda items.

b) Fire Rescue Truck

Committee reviewed the updated report and confirmed that the intent is to combine the equipment of van 1 and truck 8 into a single unit which would result in only requiring one vehicle for the 2019 budget. Members enquired if Committee can expect to see another truck request for the 2020 budget. It was noted that the fire department will be reviewing the new fire response model to determine if additional trucks are needed.

Members suggested that \$70,000 be placed in reserves and then consider purchasing the truck in 2020. It was noted that if the Township tendered for the truck in 2019 than a more accurate cost would be available for the 2020 budget review. Members suggested that Committee review requirements and specifications of the truck tender to confirm and justify total cost of truck. It was noted that if the tender document is prepared in 2019, the Township would not likely receive the truck until towards the end of 2020 or early 2021.

Moved by: H. Cameron seconded by: T. Deschamps that Committee recommends that Council budget to transfer \$70,000 to the Fire Department vehicle reserve in 2019 towards the purchase of a rescue unit in 2020.

Carried

c) Public Works Truck #1

Committee reviewed the report and noted that the cost of the vehicle should be taken out of capital and placed in operating. Members suggested that the \$14,000 be taken out of capital so it doesn't draw on the reserve at a monthly rate to pay for the vehicle. Member suggested that the \$14,000 be used up front to pay down a portion of the vehicle and finance the remainder of the vehicle cost with 0% interest.

Committee briefly discussed the procurement method, specifically their desire to have a tender document prepared rather than an RFQ. It was noted that the purchase price is under the \$50,000 limit as per the procurement policy and does not require additional approval from Council. Members confirmed that any tenders or RFQ documents are available on the Township website. It was noted that the old truck will be declared as surplus to the needs of the Township and sold.

There was consensus from Committee to direct staff to prepare a tender document with the required specifications and noting the following: that a 0% financing package is required, no down payment, and be no more than 42 months.

Moved by: H. Cameron seconded by: J. Hunter that Committee recommends that Council direct staff to transfer the \$14,000, that was dedicated and placed into reserves for the purchase of a new pick-up truck, be now transferred to the purchase of a new snow plow as previously directed in pre-budget approval.

Carried

d) Excavator Options

Committee reviewed the report and asked for clarification with respect to the annual number of hours the excavator is used vs the accumulated hours. It was noted that in 2018 the excavator was in use for 715 hours. Committee discussed the pros and cons of buying the current unit to then be declared surplus and sold versus buying the unit and keeping it in the fleet. It was noted that if the Township were to give the current unit back to the company there could be additional charges incurred to repair the unit before the company is able to release it.

Members discussed the option to buy the unit and continue to use it, specifically touching upon the approximate annual cost for repairs and maintenance. It was noted that a leased unit has a maintenance package with it, which covered a large portion of the repairs each year. Members confirmed that once the excavator is bought out the maintenance package cannot be extended after the lease. There was a brief discussion with respect to the possibility of adjacent municipalities borrowing or renting the excavator with an operator being supplied and also not purchasing the excavator and renting a unit as needed. Members noted that the Township is not in the business of renting equipment out for a profit and competing with private businesses.

Moved by: T. Deschamps seconded by: J. Hunter that Committee recommends that Council:

1. Exercise the option to purchase the 2012 Volvo excavator; and
2. Use reserves to cover final buyout cost of the \$99,000; and
3. Continue to operate the excavator unit within the Township fleet.

Carried

e) CBO Scheduling

It was noted that in accordance with the Township hiring policy one to two members of Council may be involved in the hiring process of senior management positions. Mayor Sayeau and Councillor Cameron noted that they would be available to be on the interview team.

f) Facility Operator Position

Members noted that they have received various calls from members of the public with respect to the advertisement methods used by the Township when new positions are made available. It was noted that the ad was available on the Township website and social media and was then shared by a number of different job boards and social media followers. It was noted that the ad was not placed in the local newspaper, and that staff will place an ad in the local newspaper for future job positions.

Members requested the following information: where the ad was posted, how long the ad was posted, list of qualifications included on the post, number of applicants, number of applicants interviewed, who was on the interview panel and to review the hiring policy. It was noted that due to confidentiality requirements, some of the requested information cannot be supplied to Committee during a public meeting. It was noted that the applicant's identity and their information must remain confidential and as such is only reviewed by the hiring team. Members noted their concern with respect to receiving additional information due to the public's view of possible political interference during the hiring process of staff. Members requested that the hiring policy be reviewed at the March Administration and Finance meeting.

6. Question Period

The following questions/comments were raised:

- Teeny Tiny Summit Event – April 4. Will be circulated through council correspondence and sent to members of the various community groups

7. Closed Session – None

8. Adjournment

Moved by: T. Deschamps seconded by: S. Dillabough that Committee does now adjourn at 9:05 pm.

Carried

These minutes were approved in open Council this 25th day of March, 2019.



Chair



Deputy Clerk