

THE CORPORATION OF THE TOWNSHIP OF BROCK

BEAVERTON-THORAH COMMUNITY CENTRE

FINANCE COMMITTEE

SESSION SEVEN

WEDNESDAY, MAY 24, 2006

The Seventh Meeting of the Finance Committee of the Township of Brock, in the Regional Municipality of Durham, was held on Wednesday, May 24, 2006, at the Beaverton-Thorah Community Centre.

Members present:	Mayor:	Keith Shier
	Regional Councillor:	Larry O'Connor
	Councillors:	Karen Windatt
		John Grant
		Reg Starr
		Debbie Bath
		Allan Simpson

Staff Members present:	Clerk-Administrator George S. Graham (recording the minutes)
	Deputy Clerk-Administrator Thomas G. Gettinby
	Clerk-Stenographer Susan Creighton
	Treasurer Michael Legge
	Director of Public Works Judy Avery
	Chief Building Official Joe Bonura

I. CALL TO ORDER

Chair Reg Starr called the meeting to order at 7:00 p.m. Chair Starr welcomed those in attendance and proceeded to introduce members of the Finance Committee and those members of staff in attendance.

II. PURPOSE

2006 Annual Operating and Capital Budget
Corporation of the Township of Brock

CHAIR REG STARR OUTLINED THE FOLLOWING POINTS FOR THE BENEFIT OF THOSE IN ATTENDANCE:

1. The purpose of this public meeting is to obtain public input with respect to the Draft 2006 Annual Operating and Capital Budget for the Corporation of the Township of Brock.
2. There will be no decisions made with respect to the adoption of the budget at this meeting.
3. The Township of Brock Finance Committee will consider all input received at tonight's meeting prior to the formal adoption of the Annual Operating and Capital Budget for 2006.
4. It is intended that a by-law to adopt the Annual Operating and Capital Budget for 2006 will be enacted by Council at their meeting to be held on Monday, June 12, 2006, commencing at 7:00 p.m.
5. **CHAIR REG STARR CALLED UPON THE TREASURER TO PROVIDE A SHORT PRESENTATION AS TO THE CONTENTS OF THE DRAFT ANNUAL OPERATING AND CAPITAL BUDGET FOR 2006 TO THOSE MEMBERS OF THE PUBLIC WHO ARE IN ATTENDANCE AT THE MEETING.**

Treasurer Michael Legge provided a short presentation to summarize the current 2006 Municipal Budget and to highlight some of the more significant projects which the municipality plans to undertake this year. His presentation is as follows:

SLIDE 2: 2006 ESTIMATED TAX LEVY

- As you can see on our first slide, with the budget as it stands now, an amount of \$16,615,000 will be levied from the property owners in Brock Township for 2006

- Of this total, the municipal share, the portion that **this** Council and Staff are responsible for totals \$5,587,000
- This represents 33.6% of the total levy
- The remaining \$11,000,000 will be distributed to the Region of Durham and Local School Boards to support their needs

SLIDE 3: 2006 TAX LEVY BREAKDOWN

- The Region is responsible for the largest share of your property taxes, with just over 45 cents of every tax dollar levied going towards Regional Needs
- 21.2 cents of each tax dollar is forwarded to the local school boards for their needs
- The area shown here in red , the remaining 33.6 cents, represents the municipal portion, and this will be the main focus of the remainder of this presentation

SLIDE 4: MUNICIPAL PORTION OF TAX LEVY

- Here we see how the municipal levy has been calculated
- With total expenditures of \$12,774,000 and estimated revenues (excluding the tax levy) of \$7,156,000 we come down to a Municipal Tax Levy of \$5,587,000
- You will note that there has been noticeable increases in both capital expenditures and revenue estimates for 2006
- The short answer as to why we see such increases in the numbers, is simply that we have managed to obtain grants and other one-time funding that will allow us to complete additional capital projects over the next few years
- As we review the slides to follow, you will see a more detailed breakdown of these numbers and see where and why these increases are occurring
- Please note that the municipal levy increase is at 4.16% and with assessment growth of 1.2% factored in, this will translate to a 2.96% impact to the tax payers

SLIDE 5: BUDGETED OPERATING EXPENDITURES

- This is a breakdown of the municipality's operating expense budget
- Under General Administration you will note a drop in operating costs for 2006 – this is the result of transfers to reserves that occurred in 2005 that have not repeated themselves in 2006
- The increase in our Protection to Persons & Property operating budget is mainly attributable to the increase in emergency medical assist calls that our Fire Department is now responding to
- The increase in Environmental Services costs is directly related to increased tipping fees at the Regional Landfill site and a resulting increase in roadside dumping that is occurring in our township
- The bulk of the increase in Recreation and Cultural Services operating costs are for Library Services with the majority of this increase being offset by increased provincial funding

SLIDE 6: GRAPH OF 2006 OPERATING EXPENDITURES

- In graphic form, you can see how the operational budget is distributed amongst the various departments
- With the bulk of our operational costs being spent on transportation, recreation & culture and general administration

SLIDE 7: EXPENDITURE CATEGORY EXPLANATIONS

- To further clarify what is contained in each of our expense categories, here is a listing of the various departments contained in each category

GENERAL ADMINISTRATION

- Members of Council
- Clerk-Administrator's Department
- Treasurer's and Tax Departments
- Public Buildings & Property

PROTECTION TO PERSONS & PROPERTY

- Fire Department
- Building Department
- Canine Control & By-Law Enforcement Departments
- Health & Safety

TRANSPORTATION SERVICES

- Roads Department

	- Streetlighting / Sidewalks / Parking Lots
	- Traffic Control (Crossing Guards)
ENVIRONMENTAL SERVICES	- Garbage Collection (in Parks and on Main Streets)
HEALTH SERVICES	- Health Centres
	- Cemeteries
RECREATION & CULTURAL SERVICES	- Parks Department
	- Arenas / Community Centres & Halls
	- Public Libraries
	- Grants to Organizations
PLANNING & DEVELOPMENT	- Planning Department
	- Tourism & Economic Development
	- Committee Of Adjustment & Tile Drainage

SLIDE 8: BUDGETED CAPITAL EXPENDITURES

- Here we see a breakdown of the municipality's capital expenditure budget
- An overall increase of 15.29% in capital expenses has been budgeted for in 2006
- In General Administration, we are placing \$200,000 in capital reserves to prepare for badly needed masonry repairs on our 3 town halls that will occur over the next few years causing this capital expense category to increase
- Health Services capital costs are up, as capital improvements are required for the Beaverton-Thorah Health Centre this year
- Recreation & Cultural Capital Expenditures have increased in order to replace some aging ice plant equipment in our arenas and to make some required safety repairs in our harbours – fortunately the arena expenditures have been anticipated and for the last several years money has been built up in the reserves to offset these costs – in addition the federal government has agreed to fund 50% of the required harbour repairs

SLIDE 9: GRAPH OF 2006 CAPITAL EXPENDITURES

- In graphic form, you can see how the Capital Budget is distributed amongst the various departments
- The bulk of our capital budget is being spent on Transportation Services and Protection to Persons & Property; with Transportation at 59% and Protection to Persons at 23%

SLIDE 10: CAPITAL EXPENDITURE HIGHLIGHTS

- I will now highlight some of the more prominent capital projects we plan to undertake this year

CAPITAL EXPENDITURE HIGHLIGHTS**GENERAL ADMINISTRATION**

COUNCIL CHAMBERS - Installation of Sound System	\$30,000
BEAVERTON TOWN HALL - Renovate Washrooms / Carpeting / Flooring	\$33,000
SUNDERLAND TOWN HALL - Fascia / Eavestroughs / Clean-Out & Insulate Attic	\$31,000
BEAVERTON, CANNINGTON & SUNDERLAND TOWN HALLS - Reserve for Exterior Masonry Works and Repairs	\$200,000

PROTECTION TO PERSONS & PROPERTY

FIRE DEPARTMENT - (2) Rescue Vans - Beaverton + Cannington	\$320,000
FIRE DEPARTMENT - New Firehall (Sunderland)	\$800,000
CANINE CONTROL DEPARTMENT - Reserve for New Dog Pound / Shelter	\$100,000

TRANSPORTATION SERVICES

BRIDGE CONSTRUCTION - Argue Bridge No. 16 & Gibb's Bridge No. 18 (Conc.14Brock)	\$841,500
ROADS CONSTRUCTION - Re-Construction of Albert Street, Cannington	\$430,000
- includes curb, gutter, storm sewer, sidewalk - new school	
HARD TOP RESURFACING - Various Locations	\$225,000
GRAVEL RESURFACING - Various Locations	\$325,000
ROADS EQUIPMENT - 2006 Grader	\$300,000
PARKING LOTS - Reserve for Re-Construction of Beaverton Arena Parking Lot	\$105,000

HEALTH SERVICES

BEAVERTON-THORAH HEALTH CENTRE - Roof Replacement and New Flooring	\$54,000
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RECREATIONAL & CULTURAL SERVICES

THORAH ISLAND HARBOUR - Required Safety Repairs	\$60,000
BEAVERTON COMMUNITY CENTRE - Replace (2) Compressors for Ice Plant	\$75,000
SUNDERLAND MEMORIAL ARENA - Replace Condenser / Compressor for Ice Plant	\$90,000

SLIDE 11: BUDGETED REVENUES

- Here we have the breakdown of the revenue budget
- The top line is the revenue from the Tax Levy and, as shown earlier, it is at a 4.16% increase from last year
- Payments-in-Lieu represents taxation to other levels of governments
- One of the most considerable increases this is year is in Government Grants; additional funding through the COMRIF program, the Ontario Municipal Partnership Fund, MTO "Move Ontario" Funding and a share of Federal Gas Tax Revenues have allowed us to budget for additional capital projects to be completed over the next few years
- Other Revenue has increased from 2005 due to the sale of some surplus township lands and an anticipated increase in revenues at our community centres
- The Transfers from Reserves represents funds set aside in prior years for specific projects that we will be completing in 2006
- The Financing Revenue budgeted for in 2006 is for the New Firewall being constructed in Sunderland
- Special Area Charges represent Streetlight and Tile Drainage Charges added to the tax bills
- And the final line represents the surplus from the prior year

SLIDE 12: GRAPH OF 2006 REVENUES

- When you look at this information in graphic form, its no surprise that tax revenue is our biggest source of funds, making up 45% of our total revenues
- This percentage has not change from 2005 but is down from years prior to that when it represented well over 50% of our revenues
- Funding from both the federal and provincial government which almost disappeared in the late 90's has started to increase again – it now represents 17% of our total revenues - this is up from 13% in 2005 and 8% in 2004
- Our other main sources of Revenue in 2006 are Other Revenue and Transfer from Reserves

SLIDE 13: DOLLAR IMPACT TO RESIDENTIAL TAXPAYERS

- Our final 2 slides will show **the Dollar Impact to our Tax Payers**
- On an overall basis, including the tax rates from the Region of Durham and the School Boards, **Residential** Taxpayers will see a net increase of **4.79%** in the taxes they pay
- For people with an assessment of \$140,000 this translates into an increase of \$94.47
- For people with an assessment of \$180,000 this translates into an increase of \$121.46

- For people with an assessment of \$220,000 this translates into an increase of \$148.45
- Down below each of these calculations, you can see the municipal, regional and education portions of these increases

SLIDE 14: DOLLAR IMPACT TO FARMLAND PROPERTIES

- Our last slide tonight shows the overall Dollar Impact to Farmland Properties
- As a result of the Reduction in the Farm Tax Ratio that was approved at Regional Council in April 2005, there is a much lesser impact on the Farmland Properties in this Township
- In fact, the overall impact to Farmlands is actually a net **decrease** of **1.28%** in the taxes that they pay
- For Farmland Properties with an assessment of \$140,000, this means a reduction of \$5.99
- For Farmland Properties with an assessment of \$180,000, this means a reduction of \$7.70
- For Farmland Properties with an assessment of \$220,000, this means a reduction of \$9.41

Following the presentation, the Chair reiterated that this is a draft budget only, and that a further meeting will be held to consider the input received this evening. The purpose of this meeting is to obtain input, but not to debate any issues. Members of the committee will be available following the meeting to discuss matters with any members of the public who are present. Public input into the municipal budget process is important, this being the third consecutive year that a meeting of this nature has been held. Councillor Starr requested that those who speak come forward and identify themselves and limit their questions to one at a time.

5. CHAIR REG STARR OPENED THE MEETING TO THE PUBLIC TO RECEIVE INPUT, REQUESTING THE NAME AND ADDRESS OF THE INDIVIDUAL(S) SPEAKING.

Mr. Walter Schummer, 102 Peace Street, Cannington, enquired as to the amount in reserve that the municipality will have following adoption of the 2006 municipal budget and was advised by the Clerk-Administrator approximately \$6 million. Mr. Schummer commented that the municipality seems to consistently retain this dollar amount in our reserves and enquired whether it would be feasible to use some of the reserve funds in order that the tax rate not increase. He also enquired whether the Township of Brock itemizes each reserve allocation, advising that the Township of Uxbridge is very specific as to where their reserves are to be utilized. The Clerk-Administrator advised that municipal reserves are separately accounted for and although some reserves have some flexibility, the majority are very specific.

Treasurer Michael Legge commented he does not feel it is good financial planning to deplete reserves in order that the tax rate not increase, noting further that Brock's reserve information is detailed in their annual report. Mr. Schummer begged to differ with respect to the Treasurer's comments, advising that information pertaining to the use of reserve money is very specifically noted by the Township of Uxbridge.

The Clerk-Administrator advised that further detail in this regard will be a consideration.

Mr. Schummer commented that other Durham Region municipalities have 1/3 less in reserves and higher operating and capital costs to which the Clerk-Administrator advised that it could be a consideration of council to reduce reserves to create a 0% increase, however that Brock Township has 40-50 bridges that need to be replaced and that reserves for this purpose have been created. He further advised that the municipality has been fortunate to obtain funding through the COMRIF Program, Intakes 1 and 2 and that we have not had to draw on these reserves for such purposes at this time but will in future years.

Mr. Schummer advised he is in favour of reserve accounts if they are managed properly and that his concern is that there is no break down of how the reserve funds are being used.

The Clerk-Administrator explained that it is undecided as to whether or not reserve funds will be used for the new fire hall to be constructed in the Sunderland area of the municipality, however that in the next 2-5years a new Fire Department communications system will be required and reserve funds may be used in this instance. He advised

further that municipalities that have depleted their reserves have done so to keep the tax rate acceptable to their ratepayers, and are now paying the differences in their tax rate.

Mrs. Lisa Schummer, 102 Peace Street, Cannington, referenced the increased operating costs for library services, the majority of which costs are being offset by increased provincial funding. She requested a break down of the provincial funding being referenced and was advised by the Treasurer that it consists of approximately \$31,000.00 in the form of a Literacy grant as well as Trillium grant funding to which Mrs. Schummer advised that the Literacy funding is a one time grant and that she does not feel that the provincial government would appreciate the local municipality clawing back this funding within the municipal grant..

The Clerk-Administrator advised that the Brock Libraries budget currently stands at \$500,101.00 with no adjustments having been made thereto. He acknowledged that a meeting is scheduled for this Friday with the CEO of the library to discuss the budget and that municipal staff are aware of how library staff would like to deal with the \$31,000.00 in funding within their budget.

Mr. Walter Schummer, 102 Peace Street, Cannington, enquired respecting the amount of municipal tax arrears and was advised by the Treasurer that the municipality is commencing the tax registration process for certain properties in order to reduce these tax arrears. Mr. Schummer enquired whether the Durham Region and School Board portion of taxes are paid out with respect to tax arrears and was advised they are paid out even if the municipality has yet to collect them. The Treasurer further advised that the interest on tax arrears generates considerable revenue for the municipality and that the taxes/interest are eventually collected.

Mr. Schummer commented that he has heard that this being an election year, the goal of council is to keep taxes down, although residents would like to see them even lower. He noted the cut of \$700,000.00 from capital expenditures for work on the three town halls and enquired whether this cut is realistic when considering the maintenance and safety of the town hall facilities. He was advised by the Treasurer that monies for masonry work at the town halls have been reduced with \$200,000.00 having been placed in a reserve for work required at the town halls. A consultant is currently prioritizing the works required at the town halls. The Treasurer further advised that masonry contractors must be booked a year in advance and that the intent is to book the work to be completed then draw on the reserve as the work is undertaken. It was pointed out as well that there is money in the operating budget for work at the town halls.

The Clerk-Administrator advised that the municipal budget is not being jeopardized in an attempt to keep the tax rate down simply because it is an election year. He advised that some years ago provincial funding was greatly reduced forcing municipalities to carry an extra financial burden, however over the past two years, provincial funding has increased with the Township of Brock obtaining funding through the COMRIF Program and a one time grant of \$514,000 from the Ontario Grant which has been placed in a reserve for bridge works next year. He feels that this budget is doable. The Clerk-Administrator acknowledged the challenges faced insofar as the town hall facilities, advising that council direction has been to maintain the town halls. He advised that monies will have to be spent on the roof at the Cannington Town Hall, however that when working at the Cannington Town Hall a dangerous situation arises in that Hydro One will not shut down the 44,000 volt line that runs down Laidlaw Street South while any work is undertaken which dictates specifics when hiring contractors.

The Director of Public Works confirmed the report being prepared to prioritize structural work at the town halls, advising further that it is apparent that structural repairs at the Cannington Town Hall will be required in the immediate future.

Mr. Schummer enquired as to municipal policy insofar as managing departmental budgets, noting that approximately 43% of the operating budget is for payroll and benefits, and was advised by the Deputy Clerk-Administrator that department heads work collectively on the budget weighing projects and priorities within the departmental budgets. He noted that the Planning and Development Departmental budget is down some \$15,000.00 from 2005 due to priorities in other departmental budgets. The Deputy Clerk-Administrator further pointed out that the budget is impacted annually by council

directives which are not always included within the budget but do form part of the first budget draft.

The Clerk-Administrator advised that municipal staff try to bring realistic budget figures to council for consideration.

Mr. Schummer enquired whether a review of operating costs is ongoing following the budget process and was advised in the affirmative by the Clerk-Administrator.

The Director of Public Works advised that over the past 10 years, 5 staff members have retired and have not been replaced until just recently when a Supervisor of Operations has been hired to manage the remaining staff. Work is getting done, however, sometimes not quite as quickly as the public would like to see it completed. Mrs. Avery advised that the municipality is maximizing the existing staff and doing more with less dollars.

The Clerk-Administrator advised that since 1974, the municipality has approximately 8 less employees.

Mr. Jim McCann, Cameron Street, Cannington, enquired how many part time staff the municipality employs and was advised by the Director of Public Works that we currently have two employees hired part time to cut grass and one to water plants throughout the municipality. Mr. McCann enquired whether the municipality hired back the same two grass cutters that were hired for the 2005 summer season and was advised in the affirmative, to which he advised that these employees need to be better supervised as there have been numerous incidents, some of which have been pointed out to members of council, when these employees are not being a productive as they should and that perhaps the municipality would get better value for their money by contracting the grass cutting out.

This comment was noted by staff.

Ms. Diane Baker, Cannington, advised that she is involved with local groups and that our arenas, especially the washrooms are not as clean as they could be. She also expressed concern that our public works employees always work in pairs when collecting garbage and that she does not feel this task requires two employees. The Director of Public Works advised that this point is currently being addressed by staff.

Ms. Tanya Parker, Cameron Street, Cannington, commented on the frequency in which the snow plow travels down Cameron Street, however that when she must walk her children to school, the sidewalks have yet to be cleared.

The Deputy Clerk-Administrator clarified that the snow plowing on Cameron Street is undertaken by Regional snow plows, however that this comment will be followed up with Regional staff.

Ms. Parker further commented that she and her three children visit the Cannington Library every week and of the need for the municipality to support the library in light of the importance of reading to children and the lack of activities within the municipal parks. She advised that the library is very important to her family.

Mr. Jim McCann, Cameron Street, Cannington, enquired how regional transit will impact the Brock budget and was advised by the Treasurer that transit forms a part of the rate paid to the Region of Durham.

The Clerk-Administrator advised that a break down of the rate can be supplied and that the impact to the Brock budget is not as high as was originally anticipated.

Ms. Joan Hooper, Cannington, commented that, while attending the Cannington Library, a student was not able to access the resources required to support a school project. She advised that the library budget is an important part of the municipal budget.

Mrs. Lisa Schummer, 102 Peace Street, Cannington, advised that the Brock Library is requesting \$15,000.00 within their book budget and that this translates into only 1.27 per capita which is less than one half of what most municipalities comparable in size to Brock, spend.

The Clerk-Administrator pointed out that the figure in the book budget currently reads \$30,591.00 to which Ms. Schummer explained that approximately one half of this money is being funded from other sources and that \$15,000.00 is being requested from the municipality.

Mr. Walter Schummer, 102 Peace Street, Cannington, enquired whether it would be possible in future years for the information that was distributed this evening to be made available to the public in advance of the public meeting as this practice might bring out more members of the public and generate more questions. He was advised by the Treasurer that the timetable for the municipal budget process has been advertised in the local newspaper as well as the fact that the budget draft has been available at the Treasury counter for approximately two weeks.

Mr. Schummer suggested the information be contained on the municipal website, adding that the Township of Scugog budget information on their website is quite comprehensive. He was advised by the Treasurer that municipal staff are currently looking to host the municipal website in-house, which will permit staff to provide more information at less cost.

Mr. Jim McCann, Cameron Street, Cannington, commented that the City of Kawartha Lakes currently charges a recovery fee to non-residents when the Fire Department responds to accidents, and is this the case in Brock as well. He was advised by the Treasurer that Brock charges a recovery fee for accidents involving non residents.

The Clerk-Administrator advised that this recovery fee applies to non-residents having accidents on the King's Highways and not internal roads. It was also pointed out that Durham Police will not release the names of those involved in accidents on Regional roads as they feel it is in violation of Freedom of Information Legislation.

7. CHAIR REG STARR INQUIRED OF THOSE PRESENT WHETHER THEY HAVE FURTHER INPUT TO PROVIDE.
8. There being no further input received, Chair Reg Starr requested a motion to close the meeting

III. ADJOURNMENT

Resolution No. 1-7

MOVED BY Larry O'Connor that the Public Meeting of the Finance Committee as held to obtain public input in respect of the 2006 Municipal Budget, now be closed at 8:10 p.m.

MOTION CARRIED

CHAIR

SECRETARY