

## COMMITTEE OF THE WHOLE RE: 2007 BUDGET

Burford Library Meeting Room  
November 22, 2007  
7:00 p.m.

**Present:** Mayor Eddy, Councillors Wheat, Schmitt, Simons, Haggart, Powell, Atfield, Chambers, Hodge, Coleman and Gatward.

**Staff:** Fiebig, Glassford, Compeau, Johnston, Underwood, Kozak Selby, Longeway, Bell, Mifflin, Gubbels, Hobin and Carman.

Mayor Eddy in the Chair.

Moved by – Councillor Simons  
Seconded by – Councillor Hodge

That Council now go into Committee of the Whole to consider the 2007 Budget.

. Carried

Moved by – Councillor Wheat  
Seconded by – Councillor Gatward

That Mayor Eddy act as Chair of this meeting.

. Carried

### FINANCIAL EVALUATION

Rick Fiebig, C.A.O., reviewed the background on the County's Capital Financing Strategy that was developed in 2001, noting that this strategy is comprised of three components – tax supported capital, capital supported by water and sewer rates, and growth related capital. The Strategy allocated \$6,000,000 per year (\$26 million transferred between 2001 and 2008) for tax-supported capital projects, with the expectation that by 2008 the County would have reached a pay-as-you-go scenario. However, at the current time, including the 2007 capital budget, the County has approved \$17.6 million in debt financing for tax-supported projects. Between 2001 and 2006, the County approved capital expenditures of \$64 million, which was financed through taxes, debt financing, reserve funds and development charges.

The capital financing strategy for water and wastewater capital projects is intended to increase the user rates in excess of operating costs; however, at the present time the County has approved debt financing in the amount of \$22 million for water and wastewater capital projects (approximately \$11 million each).

The Development Charges by-law was approved in 1999, but did not address all development related needs, was not indexed to inflation and was substantially discounted for non-residential development. The Development Charges by-law was updated in 2004, with the residential rates increased by 54% and non-residential rates nearly tripled. In addition, the new Development Charges by-law included annual inflationary indexing and a requirement that the development charge fees be paid when the building permit is obtained. Council also approved an area specific Development Charges by-law for Southwest Paris, with residential rates twice that of the rest of the County and non-residential rates based on the net acres developed. This by-law also includes annual inflationary indexing and the payment of development charges in advance of receiving a building permit.

Mr. Fiebig outlined the next steps Council should consider in moving forward with the County's Capital Financing Strategy:

- continue annual escalation of the current revenue contribution to capital
- limit use of new debt
- clearly establish priorities when it comes to capital renewal and make hard decisions on issues (e.g. accessibility and community hall improvements)
- complete the tangible capital asset project and then move on to the asset management phase to better manage capital
- explore options for securing additional capital funding – senior levels of government, fundraising for community projects, private-public partnerships, partnering with neighbouring municipalities
- keep increasing sewer and water rates to fully cover all costs including capital
- complete the water and sewer rate study as soon as the Tangible Capital Asset project is further advanced and staff time permits
- ensure that growth really does pay for itself
- eliminate or minimize the use of long-term debt to finance growth-related costs by concentrating growth areas and by obtaining upfront no-cost financing
- ensure that growth is balanced between residential and non-residential
- consider financial benefits of sharing in assessment growth in the City of Brantford through the boundary adjustment agreement

In response to questions, the C.A.O. pointed out the following:

- Provincial downloading has increased the County's capital costs for roads and bridges
- although the infrastructure deficit has existed for some time, the County keeps falling further behind as time goes on
- the tangible capital asset project will provide more accurate infrastructure needs for the municipality
- the Province and the public have higher expectations for infrastructure standards and services, which leads to a more litigious environment
- the federal gas tax payment to the County in 2008 will be just over \$1 million, with this amount increasing to \$2 million in 2009 – the County does not receive any Provincial gas tax funding

## **BUDGET OVERVIEW**

Don Glassford, Treasurer and Director of Corporate Services, explained that in their review of the 2008 budget, Council must look at the broad goals of the community and decide which services, activities and programs to continue and/or expand in order to strike a balance on an acceptable rate of taxation. He pointed out that a new column has been included in the 2008 budget to show unmet needs to add a service and/or change a program. 2009 will see major changes in the budget due to the legislated changes required for the tangible capital asset accounting changes.

Mr. Glassford advised that Senior Administration has reviewed the budget and made adjustments. Over the next three weeks, presentations on the various departmental and agencies' budgets will be made to provide an understanding to Committee on what is being proposed for 2008. It is proposed that no decisions will be made until the December 13 meeting.

The 2008 Budget as presented would result in a tax rate increase of 5.6%, broken down as follows: current operations 2.8%, solid waste 1.3% and a capital increase of 1.5%. This tax increase would result in an increase in taxes of \$135.00 on an average residential unit assessed at \$211,000. Mr. Glassford noted that a change of \$400,000 results in a 1% change in the residential tax rate which equals \$24.69 on the average residential unit. This amount does not include the increase proposed for user fees for water and waste water.

## **DEPARTMENT OVERVIEWS**

### **Council**

Jayne Carman, Clerk, reviewed the 2008 Council budget, noting that the overall increase was 2%. Salaries for Members of Council have increased 3% to be consistent with the proposed non-union employee increase. The 2008 budget also includes \$6,000 for Meeting Investigator Services.

Staff was requested to obtain cost estimates for implementing an electronic agenda program for members of Council and for installing a ceiling-mounted projection system in the Council Chambers.

### **C.A.O.**

Rick Fiebig advised that the increase for the C.A.O.'s office is 5.4% over 2007. He reviewed his goals and objectives for 2008, noting that the corporate priorities were arrived at by senior staff prior to reviewing the 2008 budget. These include growth management, financing of infrastructure renewal, asset management, the twin pad arena, implementation of the IT strategic plan, human resources and other projects. Staff will be using 2008 to review the County's various buildings, with implementation to begin in 2009.

### **Ambulance**

Charles Longeway, Ambulance Manager, explained that the Ambulance budget will be increasing by \$357,686 or 6% in 2008. These increases are attributable to the extra staff holiday in 2008, increased vehicle maintenance and fuel costs, equipment for paramedic supplies, increased training costs and increased call volumes. The 2008 budget includes additional costs for a new union contract and the associated increase in fringe benefits, as well as additional advanced paramedics coming on line in 2008. In response to a question, Mr. Longeway advised that although the Provincial funding for Ambulance is increasing, it may not be the full 50% funding as promised.

Councillor Chambers noted a Niagara Region pilot project that uses less paramedics and reduces response times. It was suggested that this system should be evaluated soon so that it could be implemented in other municipalities. In response to questions, Mr. Longeway advised that the City has suggested hiring extra paramedics to improve response times. This would result in an additional cost of \$1 million for eight paramedics and an ambulance. The call volume is increasing due to the lack of family physicians, people being released from hospitals sooner, an aging population and more allergy reactions.

## **Library**

Larry Stewart, Chair of the Library Board, advised that as a result of the strategic plan approved in 2004, the Library Board has been addressing building deficits with financial support from the Province and the County. This included upgrading the Glen Morris facility, building new libraries in Scotland and Oakland, upgrading the computer system and improving the quality and quantity of the book collection. He presented the statistics for library usage in 2007 and reviewed the key initiatives for 2008, noting that this will be a year of capitalizing on the changes that have been made over the past few years. Gay Kozak Selby presented an overview of the virtual library on the Library's website.

The Library's operating budget has increased by 13.4% over 2007. The 4.3% increase for capital projects includes upgrades at the St. George and Paris Libraries.

In response to a question, Mr. Stewart advised that consideration of extending the rebate for City library cards for the full year was being deferred until a decision has been received from a recent meeting held with the City Library Board on the reciprocal borrowing program. At the present time, a final figure on the surplus from the Burford Library project has not been determined. Councillor Coleman requested the actual reimbursement refunds paid for City library cards in 2007. Councillor Haggart questioned why the County logo was not included on the Library website.

## **Corporate Services**

Don Glassford, Director of Corporate Services, highlighted some of the major accomplishments of the Department in 2007. The highest corporate priority for 2008 is implementation of the five top priorities under the Brant Information Technology Strategy. Other priorities include the following:

- continuation of the tangible capital asset project
- development of a capital asset management plan
- review of tax policies
- review of development charges
- development of a long-term financial plan for the County
- succession planning
- development of a property management plan

The 2008 budget includes two new technical positions in the Information Services Department in order to address the needs of the municipality and ensure the security of the computer system. The part-time Records position has been increased to full-time and some additional hours have been added to by-law enforcement. The 2008 Corporate Services budget is increasing a total of \$735,183, including the increase to the capital transfer funding. The majority of this increase is related to an increase in salaries and benefits (including the new positions), an increase in professional services, transfer of rental revenue to Community Services, inflationary increases, etc. Mr. Glassford pointed out that SAM has declined the request from the Social Planning Council for an increase in their grant to \$10,000. Other Council grants have been budgeted for the same amounts as 2007, including a lump sum amount to the Brant Heritage Association. No grant amounts have been budgeted in response to requests from the Sanderson Centre and the Brant Community Healthcare System for the MRI.

In response to a question, Mr. Glassford advised that the Scheak Trust matters have been finalized, and the work is proceeding to transfer the property to the Brant Historical Society by the end of 2007.

Councillor Gatward questioned the annual grant to the Paris Pipe Band, and suggested that they should be providing financial statements to show a need for the funding.

### **OTHER BUSINESS**

1. The Director of Public Works advised that notification was received today that the license for the Hunt gravel pit had been signed by the Minister of Natural Resources.

### **NEXT MEETING**

The meeting adjourned at 10:05 p.m., to meet again on Thursday, November 29, 2007 at 7:00 p.m. at the Council Chambers, Paris.

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Secretary