

COMMITTEE OF THE WHOLE – 2010 BUDGET

Council Chambers, Paris
Tuesday, August 4, 2009
7:00 p.m.

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

Regrets: Councillor Hodge

Staff: Glassford, Compeau, Johnston, Bell, Longeway, Kozak-Selby, Boissonneault, Hayman, Mifflin and Carman

Mayor Eddy in the Chair.

MAYOR'S REMARKS

Mayor Eddy noted that all members of Council are invited to a public meeting at the Paris Old Town Hall on Friday, August 4, 2009. He also advised that a meeting has been arranged with Six Nations Council on Thursday, August 13 at 12:30 p.m. at Six Nations (location to be confirmed).

C.A.O.'S REMARKS

C.A.O. Don Glassford advised that a new infrastructure stimulus fund program for non-profit organizations has been established, with a deadline of August 18 to submit applications for projects which will be completed by March 2011. After review, staff has determined that there are no projects to submit under this program. In response to a suggestion from Councillor Atfield for funding for the Paris Lions Park upgrades, Mr. Glassford advised that any organization applying for funds must have been in existence for three years, they must own the asset, and be prepared to provide one-third of the funding.

APPROVAL OF THE AGENDA

It was agreed that the agenda for the August 4, 2009 meeting of the Committee of the Whole – 2010 Budget meeting would be approved as circulated.

2010 BUDGET – FUTURE DIRECTIONS

Don Glassford briefly reviewed information provided to Council, including a tax comparison of levy by assessment class and a tax comparison with area municipalities for 2008 and 2009 showing Brant as the second lowest. He also reviewed assumptions for the 2010 – 2012 projected budgets, noting a shortfall of \$3,499,761 for 2010, with subsequent shortfalls for 2011 (\$5,963,031) and 2012 (\$7,343,943). Because revenue is not keeping pace with expenses, additional revenue is needed to meet these shortfalls. Although the County has received various grants for infrastructure programs, these funds are for capital projects. Mr. Glassford noted that there is no surplus from 2008 to carry forward into 2009, which will impact the 2010 budget as well. Although the 2010 budget assumes modest growth in expenditures for departments, the largest increases are in the Corporate Financing/Capital Works portion of the budget.

Mr. Glassford advised that a working session had been held with Department Heads and senior managers to review issues and challenges facing the municipality. The major challenges that were identified relate to infrastructure, financial issues and the provision of services, with the biggest issue being the lack of direction and strategic plan for the municipality. Mr. Glassford distributed a list of additional questions that Council may wish to address to determine a direction for the future. He noted that if the County wants to provide the same number of services at the same level as our urban neighbours, then the tax rate will need to be increased. If it is Council's goal to keep the tax rate low, then Council must make a decision on what services are to be provided.

In response to a question regarding the impact of the proposed Development Charges, Mr. Glassford advised that only the portion of capital costs that provide for future growth are covered by the Development Charges Study. The County has been increasing their contributions by 4% to the capital program each year, but the costs to complete the projects in the Development Charges Study and replace existing infrastructure is beyond the economic ability of the County to support.

Mr. Glassford provided a historical perspective of reasons for the need for a higher tax rate, including:

- 0% tax increases in the '90's – no capital projects were undertaken, creating a backlog of work since that time
- greater demand from the public for more services and a higher level of service
- many improvements were made in the past through local improvements that were charged to the residents who benefited from this service – this is no longer done
- reduction in industrial tax base from 60 residential/40 industrial to 80/20, which puts a higher taxation burden on the residential class
- downloading of costs from the Province (transfer of roads, housing, ambulance, etc.)
- significant reduction in Provincial financial contributions towards operating costs, particularly in roads

Members of Council discussed the following matters/suggestions related to the 2010 budget:

- review operations to achieve efficiencies, including the use of cell phones, blackberries and County vehicles for staff who take them home at night
- purchase road construction equipment and have work done by County forces rather than hiring outside contractors
- revert to garbage pick-up on one side of the road only
- although some changes are anticipated in the Fire Department, perhaps there could be holiday in 2010 from purchasing new fire equipment
- suggestions that the following services were priorities – roads, new pool in Paris or repairs to the current pool to make it operational, new police station
- saving through bulk buying with other municipalities – Mr. Glassford noted that a Purchasing Officer position was identified by staff as a priority

In response to a question on how to address the lack of a vision/ strategic plan, Mr. Glassford suggested that a retreat should be arranged for Council and senior staff to discuss and determine a direction for the County. It is important that everyone understands this direction and is committed so that an action plan can be developed for implementation.

In order to remain on track with the strategic plan, the direction needs to be clearly documented and communicated to the public so that they understand Council's vision. Staff must also understand the direction and establish their annual business plans accordingly. The strategic direction should be reviewed regularly to ensure that Council is on track, and adjustments made as required.

Council members discussed the following matters related to the strategic direction for the County:

- industrial development should be encouraged to increase the tax revenue
- should residential growth be restricted
- how should the public be involved in the future visioning for the municipality
- need for sustainability
- need to review innovative alternatives
- to maintain what we have requires an increase in taxes – the County should move aggressively to obtain a sustainable assessment ratio, by increasing industrial growth and limiting residential – once the residential/industrial ratio is improved, then the County can move beyond the maintenance stage
- policies need to be put in place that would improve the ratio between residential and industrial, e.g. water allocation for industrial uses
- need to adopt a “user pay” concept
- proposed increase for residential development charges should proceed, but consideration should be given to exempt industrial from development charges to encourage industrial development
- consideration should be given to allowing estate residential growth in hamlet areas, as compared to residential growth in subdivisions, as the development charges and taxes are higher
- suggestion that a percentage of new growth assessment should be allocated back into the servicing costs (e.g. water, wastewater, etc.) to offset user costs
- allocation and/or reallocation of staff resources should be part of the process – this may affect the provision of services
- is there a need to provide full services for industrial development (e.g. North Dumfries Industrial Park) – in response, it was noted that the Province has legislated that industrial development should occur on fully serviced land
- investigate joint industrial growth with the City of Brantford in the Paris to Brantford corridor

Mr. Glassford reiterated that from a staff perspective, there needs to be a commitment from Council to develop a strategic plan for the municipality. One priority of this plan should be the development of policies to enhance industrial development. He stressed that it is important that Council focus on the big picture, and not let small issues take away from the main priorities.

It was generally agreed that senior staff should arrange a meeting with specific topics, similar to the set-up for the staff meeting, so that Council can discuss a long-range direction for the County.

Mayor Eddy thanked staff for their attendance at the meeting, and asked for their comments. Cynthia Compeau, Director of Public Works, encouraged Council to look at the big picture and develop a long-range plan for the municipality in order to provide a clear direction for the future for Council, staff and the public. She highlighted the pressures being faced by the County, and noted that staff has implemented cost-containment measures to address some of

the pressures. Although the recent Federal/Provincial grant funding has assisted, there are many more projects that are required to facilitate increasing the industrial ratio. David Johnston, Director of Development Services, noted the need for Council and staff to work together to form a strategic direction and achievable vision for the future. Paul Boissonneault, Fire Chief, suggested that Council needs to find a balance between efficiencies and effectively doing the jobs that are priorities for the County.

The meeting adjourned at 8:50 p.m.

Secretary