

**THE CORPORATION OF THE
TOWN OF GEORGINA**

**SPECIAL COUNCIL
MINUTES**

March 26, 2012
(9:09 a.m.)

1. MOMENT OF MEDITATION:

A moment of meditation was observed.

2. ROLL CALL:

The Clerk gave the roll call and the following Council members were present:

Mayor Grossi	Regional Councillor Wheeler
Councillor Craig	Councillor Davison
Councillor Hackenbrook	Councillor Smockum
Councillor Szollosy	

3. INTRODUCTION OF ADDENDUM ITEMS AND DEPUTATIONS:

Council acknowledged the passing of Margaret Sedore, a long-time resident of the Town.

4. APPROVAL OF AGENDA:

Moved by Councillor Smockum

Seconded by Councillor Szollosy

RESOLUTION NO. SC-2012-0084

THAT THE AGENDA BE APPROVED AS PRESENTED.

Carried.....

5. DECLARATION OF PECUNIARY INTEREST:

None.

6. PRESENTATIONS:

6.1 2012 Draft Budget presentation

Winanne Grant, Chief Administrative Officer, provided a strategic overview of the 2012 budget through a slide show presentation. She advised that 2012 will be a year of assessment as senior management will be assessing its current situation as well as its future situation.

Ms. Grant explained that the Town needs to ensure that it is responsibly managing its human resources, the millions of dollars worth of infrastructure it owns and the community needs prior to the growth we will experience. Long term visioning through master plans and financial plan processes is required in order to ensure that everything is done through a collective process rather than on individual departmental processes. Staff will then make recommendations to Council for future consideration. She stated that significant growth will occur and the municipality needs to prepare for this growth to ensure that it is sustainable. Staff must ensure that growth is paying for itself and that the existing tax base is not the funding source.

Rebecca Mathewson, Director of Administrative Services and Treasurer, provided an update in terms of budget presentation. Staff has realigned several ledger accounts to accommodate organization changes that have recently been undertaken. Capital project sheets have been added to the draft budget binder, with the corporate summaries outlined in tabs 1 to 4, each department's departmental summary including all capital projects, operating costs and new initiatives for each department and line-by-line operating budget detail.

Ms. Mathewson stated that the total expenditures proposed for 2012 is \$41,943,760, 20% consisting of capital costs of \$8,299,270 and 80% consisting of operations costs of \$33,644,490, which is significantly lower than last year's expenditures of \$55,000,000. \$9.5 million is expected in revenue with \$632,950 of the prior year's funding being carried forward and a draw from reserves of \$651,000, reflecting the recent acquisition of a property on Lake Drive. She stated that after applying for funding from funding sources, \$31,114,870 will be required from the property tax base or 74% of the total funding.

Ms. Mathewson advised that the 2011 tax levy requirement was \$29.3 million. As a result of new development, an assessment growth of \$372,000 was experienced and as a result, the total tax levy requirement for 2012 is \$31.1 million or a 4.8% budget increase. The share of the taxes is divided between the Town of Georgina at 46%, the Region of York at 36% and the school boards at 18%. The overall impact to the taxpayer is a 2.8% proposed increase which is very close to the inflation rates

6. PRESENTATIONS cont'd:

obtained from Statistics Canada. With respect to a residential property, a 2.8% increase would result in a \$94.00 per year increase for an average home based on a \$260,000 assessment. She noted that the Region of York approved their budget at a 1.8% increase.

Ms. Mathewson explained that the Property Tax Spending slide explains where funding is spent, setting out percentages of each department and division. She stated that each department head will provide Council with a short outline of new initiatives and challenges as they move forward through 2012.

Dan Pisani, Director of Operations and Engineering stated that the merging of departments has created some initiatives that are facilities-based and some that are operations-based. The capital investments include road surface treatment and bridge rehabilitation, sidewalk construction, the Maskinonge Pedestrian Bridge, Glenwoods Avenue box culvert, arena repairs and facility maintenance, community hall repairs and ongoing equipment lifecycle replacement. The operations efficiencies include the creation of seven new positions, noting that all new building maintenance staffing costs are absorbed.

Fire Chief Bill O'Neill, Director of Emergency Services, stated that its fire master plan includes four firefighters to be on duty on each apparatus, noting that the last increase on a full-time staffing level was in 2006. He stated that service levels have dropped to below what Council set in 2006 and man-hours on vehicles have been lost. This year, he will be requesting four firefighters to bring the level of service back up to the 2006 level.

Robin McDougall, Director of Recreation and Culture, stated that her department will be focusing on ensuring programs and events are meeting the needs of the community, reviewing participation levels, growth patterns, looking at where expansion can take place, reviewing user fees regarding rental rates and program registration fees, development of the ROC programs, the tobacco free initiative as well as a marketing plan review.

Ms. McDougall advised that expenses include the cultural mapping program, increased program delivery, increased special events delivery and the initiation of a skateboard park this year. Revenues include program revenue increases, user fee increases pre-approved to 2014, with a focus on a study concerning the reduction of ice revenue.

Ms. Rebecca Mathewson, Director of Administrative Services and Treasurer, advised that the Administrative Services Department has a budget reduction achieved through the insurance RFP in 2011 and a revenue increase through late property taxes. Operational efficiencies include contracted services for folding,

6. PRESENTATIONS cont'd:

stuffing and posting of billings and notices, noting that the Town sends out over 110,000 pieces of mail through the Treasury Department every year and that number is increasing. Operational efficiencies also include the increase of hours for payroll by 7 hours per week, a large number of part-time positions related to the ROC facility, and the review of corporate software.

Ms. Mathewson stated that staff is reviewing planning and sustainability issues including the lifecycle replacement of I.T. assets, corporate multi-year capital plans, the reserve fund strategy that has been started and will be completed shortly, updating of the purchasing by-law and updating of the taxi by-law.

Mary Baxter, Director of Library Services/CEO, stated that they will have a focus on staffing improvements and the increase of digital services, e-books and digital data bases. Strategic priorities include a new e-branch technician and new part-time circulation clerk at the Keswick branch. In addition, the Keswick branch renovation will include a computer lab and office space to accommodate staffing growth, as well as an accessible children's washroom.

Harold Lenters, Director of Planning and Building, explained that the majority of new initiatives for 2012 stem from the Economic Development Division and are modest increases. A development intern has been retained with most of the funding obtained from a grant of \$55,000 from South Lake Community Futures. The department also has to look at the Economic Development Division in terms of reducing the annual draw from the Economic Development reserve, seasonal street banners, proposed consultant fees of \$20,000, and \$60,000 from 2011 funding towards a Community Improvement Plan. Funds will be requested to retain professional assistance for community signage design and marketing material. The Woodbine/Ravenshoe entrance feature will require some funds for reserve this year and next for intended construction in 2013.

Mr. Lenters mentioned that staff is working on the building services review and will come to Council with a report.

Mr. Lenters noted that the reduced development/growth is slowly picking up as we move out of the recession. Georgina's sewage treatment plant is almost near capacity but is in the process of being expanded and is to be completed in the first part of 2013. He noted that the extension of Hwy 404 is a key ingredient to future growth.

6. PRESENTATIONS cont'd:

Ms. Grant stated that the Communication Strategy is nearing its completion and \$50,000 has been reserved for implementation of this strategy. The last union negotiations triggered a review of compensation packages and an evaluation of positions which she will be undertaking this year as well as management objectives. She advised that no funding has been included in this year's budget for the dredging of the Black River but she has obtained three similar samples from other municipalities. The Township of the Archipelago felt that the federal wharf was not being maintained to a proper standard by the Federal Government and therefore took over the maintenance of the wharf and has performed dredging and maintenance at the mouth, funded by the tax base. The Town of Saugeen Shores leases a harbor from the Federal government and operates the harbor. The Town performs dredging and covers the costs through the leasing of slips at the harbor. The Town of Saugeen Shores also leases and dredges a fishing harbor and Small Craft Harbours provides a grant to assist with the dredging costs. In the Town of Wasaga Beach, a waterway filled up in 2010 and neither the Ministry of Natural Resources nor the local Conservation Authority would provide funding for dredging. The Town of Wasaga Beach paid \$72,000 to perform the dredging work and has invoiced the Ministry annually for reimbursement with no success to date.

Ms. Grant explained that dredging is an unofficial download due to lack of action by senior levels of government. She stated that staff needs to understand what level of assessment Council wishes staff to conduct. She was advised that an overall assessment is required looking at all access points.

Ms. Mathewson explained that the Office of the Mayor has no major changes from the prior year's budget, with minor adjustments and inflationary impacts only. The Georgina Equity and Diversity Advisory Committee budget is included.

Ms. Mathewson explained that non-program budgets are budgets that are not directly related to a departmental program and include contingency provisions for forthcoming labour negotiations, provisions for legal and insurance contingencies, and the Federal Gas Tax revenues allocated to reserves of over \$1 million annually, property tax adjustments and supplemental property tax revenues, allocation of prior years' surplus to reserves of \$200,000, Georgina Mobility Transit of \$50,000 annually and the Health Care Council budget which has been reduced in 2012.

Ms. Mathewson advised that Community Organizations is the last tab in the budget binder. The amounts presented in the budget do not incorporate any change to the budget amounts for each of these organizations. Each organization is seeking the same amount of budget allocation as they received last year with the exception of the Chamber of Commerce which requested \$96,130 last year and is requesting \$134,120 in 2012. This increase is not budgeted, only \$96,130 was included pending further direction from Council.

6. PRESENTATIONS cont'd:

Ms. Mathewson explained that the budget documents are available to the public. Council is requested to review the draft budget and consult with senior management with questions or concerns and prepare any comments and concerns for discussion on budget day. Staff will monitor the financial impact of any subsequent events that arise and will continue to review cost-savings and revenue sources. She stated that a Special Council meeting will be held on Thursday, April 12th at 9:00 a.m. known as budget day, and Monday, April 23rd at 9:00 a.m. for the adoption of the budget by Council.

Ms. Grant explained that it is not the intent to review the budget line-by-line on April 12th. Staff has identified new initiatives and rationale for specific projects desired to be embarked upon and this is the main area in which staff is expecting discussion to take place. She stated that every tax dollar is important, but staff is looking to the broader political discussions. She noted that if a Council Member has a question on a line item or wishes to discuss a line item, that member can contact the director involved by e-mail or telephone so that the question can be answered prior to budget day.

Ms. Mathewson stated that the budget will be available on-line within the next twenty-four hours along with a copy of the slideshow. The important dates will be included on the Town page of the Advocate newspaper, will be posted on the Town's website and will be forwarded to the reporters for The Advocate newspaper and The Pepperlaw Post to ensure they are aware of them.

Ms. Mathewson explained that her January report set out the extensive efforts made to gather public input in prior years which have never been very successful. The Town has invested a lot of money into ads and staff time attending evening presentations at the Keswick, Sutton and Pepperlaw libraries with the intention of gathering information, comments and concerns from the public, but have had very minimum success in attracting only a handful of residents. Council had agreed with her report that this was not the best use of staff or the public's time, noting that a member of the public can make a presentation to Council at any meeting by following the process in place.

It was suggested that a mechanism be put in place through which the public may respond and comment on the budget electronically.

Ms. Mathewson indicated that setting up a blog this year is not desired due to the fact that comments cannot be immediately responded to.

It was suggested that tabs 1,2,3,4 and 14 be presented at this time.

6. PRESENTATIONS cont'd:

It was noted that the Chamber of Commerce funding and the Black River dredging were not included in the budget at this time, and it was suggested that weed harvesting throughout the town be reviewed as well.

Ms. McDougall advised that the ice revenue reduction issue will be reviewed, noting that the volume of ice hours booked from last year to this year has decreased along with the Georgina Minor Hockey Association (GMHA) membership numbers. She is aware that sports groups have booked ice in other municipalities possibly under the belief that there was no available ice time in Georgina.

Ms. Mathewson stated that with regard to the Paradise Island Bridge issue, no funds have been set aside in the budget for this purpose as staff was directed to study that issue as a local improvement.

Ms. Grant noted that reports on this issue have been closed session reports to date.

Ms. Grant explained that the last recreation master plan was conducted in 2006 and needs to be reassessed to determine what future recreational infrastructure will be required, along with individual components and appropriate location, prior to approval being granted for another recreational facility in the Keswick area.

Ms. Mathewson stated that the Town will make the final payment for the development of the ice palace in 2012 in the amount of \$683,000, after which the Town will be debt-free from a tax levy standpoint. She also stated that prior to defining future infrastructure for the Town, having in place a growth plan, development charge background study and multi-year capital plan are critical. The dollars for capital construction and ongoing maintenance/operational costs are needed. If it is Council's desire to look towards increased construction in reserve funds, it can be discussed on budget day.

Ms. Mathewson presented Tabs 1,2,3,4 and 14 at this time.

Tab 1, Budget Summary.

Ms. Mathewson stated that the budget incorporates inflationary impacts. New initiatives include both increases and decreases. The bottom line including capital shows a total budget increase of \$1.8 million with a proposed tax levy of \$31.1 million, which would have been a 6.1% increase before assessment growth is factored in, bringing it down to 4.8%. A residential home assessed at \$260,000 would pay an additional \$94.00 per year based on a 4.8% increase.

6. PRESENTATIONS cont'd:

Tab 2, Capital Investment

Ms. Mathewson explained that this section shows the summary of capital expenditures for 2012 and lists 100 items. Some of the listed projects were approved and commenced in 2011 for completion in 2012. Only those vehicles requiring replacement will be identified under the Annual lifetime replacement cycle for equipment. It has been proposed that the Town utilize \$1 million of the Gas Tax Reserve Fund towards several sidewalk projects. Discussions have taken place with regard to the future use of gas tax to ensure it is being utilized to the best of its ability. Use of the gas tax funds outside of roads funding is being examined. The Town will be continuing to receive gas tax funding for several years in the amount of just over \$1.2 million annually. The funds must be used for projects promoting cleaner air, cleaner water or reduction of greenhouse gas emissions.

Tab 3, Reserve Funds

Ms. Mathewson stated that it is recognized that there are some old reserve funds that may reflect dollars set aside for specific purposes that are no longer required for those purposes and staff will update these accounts. A significant draw will be made from the Land Sale Proceeds reserve of \$580,000 pertaining to a recent property acquisition on Lake Drive and the remainder of funding for this purchase will come from cash-in-lieu of parkland proceeds. She noted that this reserve fund is a 'discretionary' fund. The balance of the reserve is currently \$18 million and at the end of 2012, the projected balance is \$750,000.

Tab 4, Debt and Internal Borrowings

Ms. Mathewson explained that the first page of the budget sets out the total debenture debt payments to be made in 2012. There is debt related to the Willow Beach Water and Sewer project which was covered through a local improvement charge. The Ice Palace debt of \$683,000 will be paid this year.

Ms. Mathewson explained that a staff report was submitted to Council in 2010 regarding several projects approved for debt funding through the Region. Council agreed that the Town not seek long term debt through debentures, but fund expenditures through the Town using its own reserves instead.

Ms. Mathewson referred Council to Ministry of Municipal Affairs and Housing correspondence setting out the Town's annual repayment limit schedule for 2012 which reflects how much debt capacity the Town has available to it, how much debt the Town could achieve based on the annual repayment limit. The Town's total repayment limit is \$1.9 million and it has the capacity of making debt payments of \$7.9 million.

6. PRESENTATIONS cont'd:

Tab 14, Non-Program Budgets

Ms. Mathewson stated that many of the non-program funds relate to legal matters and labour negotiations. It includes contributions to reserves related to energy and environmental projects in the amount of \$72,000. She noted that Georgina Transit may not be sustainable if it is to lose the Region of York as one of its major funding sources. She explained that the prior year surplus was \$831,000, which relates to 2011 and to two years of prior surplus in 2010 and 2009. She explained that the 2012 budget has a proposing final surplus of \$210,000, but that the final surplus is not known until the final audit is completed in April or June of each year.

Ms. Mathewson stated that the Town has provided \$7,000 towards the East Holland River Project annually through the Lake Simcoe Region Conservation Authority but she is not familiar with the details. It was mentioned by Mayor Grossi that the Town had committed funds for this project over a three or four year timeframe.

Ms. Grant advised that there is no funding to support a sustainability plan with regard to environmental or energy projects.

Ms. Mathewson indicated that it would be helpful for Council to communicate directly with the department heads responsible for specific business areas with which they have questions. She requested that if Council directs a question to any member of staff, that the answers be copied to all members of Council to ensure that all parties are aware of the issues and responses to them.

Ms. Grant stated that it would be easiest if questions are directed to the Chief Administrative Officer and copied to Council Members, at which point they will be disseminated to appropriate staff members.

Councillor Szollosy left the meeting at 10:55 a.m.

Councillor Hackenbrook suggested that funds be included in the budget to dredge the mouth of the Black River, as it is similar to the \$95,000 weed harvesting that is proposed in the budget.

Bob Fortier, Operations Manager, explained that although there was very little snow to plow this past winter season, a lot of sand was used due to low evening temperatures, resulting in no substantial savings in labour.

Appreciation was expressed by Council members for the huge amount of work staff has put into this year's budget.

7. CONFIRMING BY-LAW

Moved by Councillor Smockum

Seconded by Councillor Hackenbrook

That the following by-law be given three readings:

By-law Number 2012-0026 (COU-2)

Being a by-law to confirm the proceedings of Council

Carried.....

8. ADJOURNMENT:

Moved by Councillor Davison

Seconded by Councillor Craig

That the meeting adjourn at this time (11:00 a.m.).

Carried.....

Robert Grossi, Mayor

Roland Chenier, Town Clerk