

TOWNSHIP OF O'CONNOR – MINUTES BUDGET MEETING – JUNE 3, 2019

Minutes of the budget meeting held on Monday, June 3, 2019 at 7 p.m. in the Council Chambers.

Present: Mayor Vezina
 Councillors: Crane, Handy, Loan, Racicot,
 Clerk-Treasurer Buob
 Deputy Clerk-Treasurer Racicot
 Administrative Assistant Erin Laforest
 Fire Chief Henry Mattas
 Leadhand Kelly Johnson

Mayor Vezina called the meeting to order at 7:05 p.m.

Disclosure of pecuniary interest and the general nature thereof: none.

Visitors were asked if they wished to address Council and they replied no.

Mayor Vezina turned the meeting over to the Clerk-Treasurer to present the draft budget line by line. The Clerk-Treasurer explained how the line numbers were presented and how the taxation revenue included in draft #1 budget was determined. The revenue taxation in the first draft is based on the same levy amount as 2018 or a zero percent municipal tax increase. The line items in accounts 4020 and 4040, titled Taxation Arrears are actually the Education taxes for budget purposes. The bottom line of the full budget shows the variance required to balance the budget as presented.

The balance of the revenue accounts were explained. The Ontario Municipal Partnership Fund (OMPF) for 2019 is \$19,600 less than what was received in 2018. The formula used is guaranteed to be at least 90% of the previous year funding. In 2019 the government has introduced a one-time additional Federal Gas Tax allocation, based on the 2018's allocation amount. The Fire Smart revenue listed is the balance owing to the Township of O'Connor for the FireSmart Plan prepared and expensed in 2018 and will offset a portion of the 2018 deficit. There is also a new one-time Service Modernization funding for small and rural communities included.

It was noted that the Township has applied to the Investing in Canada Fund for the replacement of 3 large culverts on Sitch Road. The application currently has Provincial approval and had been recommended to the Federal Government for approval. If this project is approved in 2019, the construction will not start until 2020 and is therefore not included in this budget.

Transferring from Reserves was discussed. The costs of the Fire Department Turnout Gear will be pulled out of the reserve for this purpose to cover the new suits purchased at the end of 2018 and invoiced in 2019, as well as a portion of the additional new suits budgeted to be purchased in 2019. The purchase of a new computer and printer are recommended further in the budget and it is being suggested that the revenue for these items be pulled from the Office Equipment Reserve.

The meeting continued with the review of the expenses for the Township. Council meeting expenses were discussed. Special meeting and conference attendance were confirmed with the members of Council. The estimates are currently based on to-date expenses as well as estimated full attendance at upcoming meetings and conferences. It was also noted that previously 1/3 of the Council's honourarium was deemed an expense. This has been eliminated in 2019 and will affect the amount of EHT and CPP that will be payable on their behalf.

The Administration salaries line does include both full time staff and the administrative assistants' wages and accounts for the Deputy Clerk-Treasurer's Leave of Absence for 12 weeks. The Miscellaneous wages include the groundskeeper's wage for the Community Centre yard as well as a casual employee in the office for 12 days at minimum wage. At this time, we are not sure of the required amount of time we will require assistance in the Deputy Clerk-Treasurer's absence.

The Clerk-Treasurer explained the insurance breakdown as it is currently included in the draft. As the Township has just changed insurance companies as of June 1, 2019, we have not received the actual breakdowns for the insurance quote to expense the

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amounts to the proper account. Currently the 2018-2019 policy which expired on March 31, 2019 was pro-rated and 3 months of that policy are included on each of the proper insurance lines, as well as 2 months of the cancelled policy. The total amount of the new policy is currently included in the full amount on line 5121 – Admin. Bonds and Insurance until we get the proper breakdown.

The Admin - Finance and Bank Charges line includes the interest of the three loans currently held by the Township. These loans are all for equipment purchases. The backhoe loan will be paid off this year.

The Admin – Equipment & Software line includes the purchase of a new computer and coloured printer, and as mentioned above the costs are currently budgeted through the reserve fund for these items.

The O'Connor Community Centre and Municipal Office expenses were reviewed.

The cemetery was discussed. The expenses of the recent work done in the cremated ashes garden are included, as well as the purchase of a new porta potty.

The Disposal Site accounts were reviewed. There are no major issues with the compacting truck so only regular maintenance and fuel are being budgeted. The cost of the landfill study is included under the Federal Gas Tax line.

The Federal Gas Tax account projects are using the full amount of the 2019 allocation, the one-time additional funding and the deferred revenue amount from 2018.

The joint board expenses were reviewed. The Lakehead Police Services Board (LPSB) expenses were discussed briefly. Chair of the Board, Mayor Holland's conference expenses, as Zone Director, are covered 70% and therefore will be a lower expense to the LPSB, however a new provincial rep has been added to the Board.

The government mandated programs were reviewed including Land Ambulance, Policing, Property Assessment, Public Health and DSSAB.

At 7:55 p.m. the Clerk-Treasurer was thanked for presenting the budget and Fire Chief Mattas was welcomed to the table to discuss any changes made to the Fire Department budget since the previous budget meeting held on April 23, 2019. Fire Chief Mattas informed Council that he has reduced the number of turnout gear from 6 to 4. The enhanced paging system for the Fire Department has been cancelled as of June 1st, so that line item has been adjusted. A pumping of the septic field at the fire hall was also added. The Fire Chief and Deputy Fire Chief's honourarium has not been increased at this time but if Council would like to provide an increase it would be welcomed.

Fire Chief Mattas was thanked for the update and at 8:00 p.m. Mr. Kelly Johnson, Leadhand, was welcomed to the table to review the Road Department's portion of the budget and explain any changes which have been made since draft #1, which was presented on April 23, 2019 also. It was noted that the pumping of the septic field at the garage was added and additional stinger blades are required for the grader. Due to the additional funding from the Federal Gas Tax Fund, the resurfacing and drainage of Cliffmclean Road and a portion of the Broome Road Project has been moved to the Federal Gas Tax projects and Mr. Johnson has added a new ditching project to the general road projects.

The Clerk-Treasurer also noted items that had been previously discussed by Council to be considered during budget discussions, including a request for a donation by the Thunder Bay Regional Health Sciences Foundation (TBRHSF), speed limit reduction signs, a radar sign, a newer fire truck for the Township of O'Connor, asphalt for the Blaikie Road bridge deck and chip sealing of Loghrin Road. Mr. Johnson provided costs for Loghrin Road. To asphalt the road would be approximately \$203,500, to chip and seal it would be approximately \$70,000, depending on where the rock came from. These numbers along with maintenance costs were compared to the current cost of dust control and grading. The current costs to maintain the road is less than \$5,000 per

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year. The life expectancy of the chip and seal would be approximately 7 years with minimal maintenance and another 7 years with fixing and patching and then it would most likely have to be removed and redone.

The cost of reducing the speed limit on the Township roads was also discussed. Signage only, to do the entire Township would be approximately \$6,100. There would also be the time and labour costs to have them installed. The cost of Cronk road signage would be approximately \$640 plus labour. A decision on whether or not to move forward with any speed reduction will be made once the final numbers are determined.

Council discussed the budget further and adjusted line items were they felt they were required. It was noted that the renovations to the Fire hall washroom were not included in the budget and it was agreed that an amount be included, and the amount pulled back out of the Municipal Building reserve to cover those costs.

Council honourarium and expenses will be lowered. The donation to the Thunder Bay and Area Food Strategy will be lowered from their request of \$500 to \$100 and no donation will be made to the TBRHSF. It was agreed to wait another year to have the three septic tanks pumped out, and the municipal buildings will not be sprayed for cluster flies. The new ditching project added will be lowered, two more turn out gear suits will be cut. The HVAC system for the garage will be cut at this time. A monitor is budgeted and if the results of the monitor are of concern the system will be looked into further at that time.

The purchase of a new vehicle for the Leadhand was discussed. It was agreed that a newer truck be purchased and financed. The estimated loan payments and interest will be added. An additional \$200 will be pulled from the Office Equipment Reserve for the keyboard. Loghrin Road will not be chip sealed, nor Blaikie Road bridge deck resurfaced. The approaches will be patched as needed. The speed limit on Cronk road will be reduced, but not the entire Township at this time. The Fire Chief and Deputy Fire Chief's honourarium was discussed further. It was agreed that both the Fire Chief and Deputy Fire Chief's monthly honourarium will be increased. Additional line items were adjusted, and the Service Modernization funding was discussed. Council agreed to accept a 1.75% increase in the levy over 2018 and use this funding to offset the provincial cuts and to cover a portion of the mandated programs. The balance of this funding will be put into a new "Levy Rate Stabilization Reserve" to be used in future years to assist with the budget stabilization. It was noted that again due to the reassessment all properties will be affected differently.

The Clerk-Treasurer will make the changes as agreed to by Council, as well as any others that come in as actual prior to approval and present the final copy and the By-law to accept the budget and tax rates at the June 24, 2019 Council meeting and tax bills will be sent out the first week of July.

Everyone was thanked for attending the budget meeting and it was

1. Moved by A. Crane
Seconded by W. Handy

THAT THE BUDGET MEETING ADJOURN TO THE COUNCIL MEETING TO BE HELD ON MONDAY, JUNE 10, 2019 AT 7:00 P.M.

TIME BEING: 10:21 P.M.

Carried

Mayor

Clerk-Treasurer