

## TOWNSHIP OF O'CONNOR – MINUTES BUDGET MEETING – JUNE 27, 2023

Minutes of the budget meeting held on Tuesday, June 27, 2023 at 7:00 p.m. in the Council Chambers and virtually.

Present: Mayor Vezina  
 Councillors: Crane, Racicot, Torkkeli  
 Councillor Sobolta arrived at 7:17 p.m.  
 Clerk-Treasurer Buob  
 Deputy Clerk-Treasurer Racicot  
 Fire Chief Henry Mattas  
 Leadhand Kelly Johnson  
 Administrative Assistant Erin Laforest

Mayor Vezina called the meeting to order at 7:00 p.m.

1. Moved by Carly Torkkeli  
 Seconded by A. Crane

**THAT THE AGENDA FOR THE MEETING BE APPROVED.**

Carried

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

No visitors were in attendance.

Mayor Vezina turned the meeting over to the Clerk-Treasurer to present the draft budget line by line. Clerk-Treasurer Buob explained how the numbers were presented and how the taxation revenue included in Draft #1 Budget was determined. The bottom line of the full Budget shows the variance required to balance the budget as presented. The revenue taxation in the first draft is based on the 2023 assessment values and the same tax rates used for the 2022 final billing. The assessment values have remained stable, with only slight increases for properties with improvements that have been picked up by the Municipal Property Assessment Corporation (MPAC). The line items in accounts 4020 and 4040, titled Taxation Arrears are actually the Education taxes for budget purposes only.

The proposed amounts in the revenue accounts were explained. The Ontario Municipal Partnership Fund (OMPF) for 2023 is once again slightly higher than the previous year, \$3,500 more than what was received in 2022. The Canada Community Building Fund (CCBF) Agreement, formerly Federal Gas Tax, is currently in its last year of the five-year Agreement. The allocation for the Northern Ontario Resource Development Support (NORDS) Fund allocation is reduced by the amount of interest earned on the unspent portion of the previous year's allocation. It was noted that the Municipal Disaster Recovery Assistance for the 2022 flooding in the Township has not been received and the revenue posted for the 2022 yearend was more than what was approved so a negative credit has been included in the 2023 budget.

The interest earned is lower than budgeted last year as the Township has borrowed from its own reserves and will be required to record the interest towards the funding accounts borrowed against. Interest earned on the funding revenue is also included in the specific funding lines, rather than the general interest account.

The building permit revenue is based on actual to date plus an estimated amount as per inquiries made. This account is offset with the Building Inspector expense account.

The building rent/user fee account was discussed. Administration will be preparing a comparison of revenue versus expense for the rentals of the O'Connor Community Centre to determine if the hall rental rates should be increased. This will be brought back to Council for further discussion.

This draft budget does not include pulling any monies from the reserve accounts for revenue currently. There are, however, monies coming out of the deferred accounts to offset the costs of the projects being planned for this year.

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Long-Term Debt Proceeds have been budgeted for the two new Debentures for the Shop B renovations and the refinancing of the plow truck.

The meeting continued with the review of the expenses for the Township. The estimates for regular Council meetings are currently based on to-date expenses as well as estimated full attendance at upcoming meetings.

The Administration salaries line does include all full-time office staff wages. The Miscellaneous wages include the Casual Administration staff and the Groundskeeper's wage for the Community Centre yard for times prior to and following the Summer Student's employment.

The Administration Finance and Bank Charges account includes all the interest on the truck bank loan to date and the interest on both the truck debenture and the Shop B debenture.

The Office Equipment and Software includes the maintenance fees for the Asset Management the Tax and Accounting programs, as well as website hosting fees and includes an estimate for a new photocopier. The current provider has informed administration that the machine has been requiring more repairs lately and is need of replacement in the next year or two.

The O'Connor Community Centre heating and hydro expenses are up significantly due to the higher costs for propane and hydro. There have also been major repairs completed to the water system in the Community Centre.

The Outdoor Recreation Area, which includes the rink and ball diamond area was discussed. The lumber on the area tables needs replacement. Councillor Sobolta has offered to donate the lumber for this work.

The Protection and Services accounts were reviewed. It was noted that the plot row markers at the O'Connor Cemetery need replacement. The posts along the highway are corroding from the salt and the letter markers are made of wood and are rotting. New posts and metal signage have been included in the budget. The pathways in the cremated ashes garden of the cemetery were discussed. It was suggested at the last Council meeting that we consider using a crusher fine material on the pathways to help keep the weeds down. An estimate is currently included in the budget.

The Disposal Site accounts were reviewed. The wages include the Caretaker wages, as well as some time for Road Employees for the time spent there emptying and maintaining the compactor truck and site. It was noted that the OMERS pension plan has been offered to all employees and the Township share is included as a new line item. The recycling pickup expenses continue to increase significantly per pickup. In 2024 the Township will no longer be required to pay for the pickups, as per the new producer pay regulation.

The Funding Programs were reviewed. The intern program has completed, one summer student has been approved through the Canada Summer Jobs program and the Township will receive 50% of the student's wages in funding, the Canada Community Building Fund, formerly Federal Gas Tax account, includes the purchase of an HVAC system for the garage. The NORDS funding project has been allocated to Loghrin Road resurfacing. A decision of whether or not to proceed this year with a chip seal surface or wait until next year when more funds are available through the program to asphalt the road will need to be made. The current number included in the budget is the chip and seal option. The Canada Community Foundation – Healthy Communities Fund will replace the existing accessible ramp and install an accessible door in the back of the O'Connor Community Centre. A site visit for the project is set for June 29, 2023.

Under Professional Fees, as noted by the auditors this year during their presentation of the 2022 Financial Statements, a one-time fee has been charged in 2023 for the adoption of CAS 315. It was also noted that 2023 is the final year of the current 4-year Agreement with our Auditors. As a result of the purchase of the recent debentures and

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the requirement of a lawyer to implement the process, a legal fee has been included in the budget.

The Joint Board expenses were reviewed. All amounts are similar to 2022, with the Lakehead Region Conservation Authority (LRCA) and the Lakehead Police Services Board increasing slightly.

The Government Mandated Programs were reviewed including Land Ambulance, Policing, Property Assessment, Public Health and Thunder Bay District Social Services Administration Board. It was noted that these programs together increased by over \$6,300.

As presented to Council by the auditor previously, the previous year's deficit is significant as a result of the Shop B construction and the increased COVID pricing.

The Reserve Allocation line includes a portion of the repayment to the Reserves for the grader transmission expense, the purchase of the 4 x 4 truck, and the Shop B expenses. Also included are the unallocated Canada Community Building Fund and the estimated interest earned on the Disposal Site Reserve balance.

The meeting was then turned over to Fire Chief Mattas to discuss any changes made to the Fire Department Budget since the previous Budget meeting held on April 24, 2023. It was noted that the training line has been reduced, the SCBA Maintenance has been updated with actual costs for the bottles purchased and certified, the Who's Responding App amount has been added to the dispatch calls lines, and repairs to the lighting in the fire hall have been completed and the actual costs included. Fire Chief Mattas was thanked for the update.

The meeting was then turned over to Mr. Kelly Johnson, Road Superintendent, to review the Road Department's portion of the Budget and explain any changes which have been made since Draft #1 Budget, which was presented on May 8, 2023. Mr. Johnson informed Council that additional funds have been included in the Repairs and Maintenance account for the vehicles, including two new rear tires for the backhoe, however they have not been purchased yet. The fuel amount for all the equipment has been increased as the result of actual to date expenses and prediction for the balance of the year, due to the increase in fuel prices. Under Minor Capital, a compactor was purchased for culvert installations from the auction. As the Intern program is complete and Council have agreed to hire Mr. Caren as a full-time employee the payroll line items have been adjusted to include the addition. The actual Insurance costs have been updated. As a result of the successful application for the debentures, the loan/debenture repayment account has been updated and does include the full repayment of the bank loan.

The meeting was turned back to Council for discussion.

The bottom line of the current Draft #1 Budget was reviewed. There is a significant increase of over 25% in the tax levy as the budget is currently presented. Budget line items were discussed, with Council making some adjustments and cuts where possible, including the rear tires for the backhoe and the pathways in the cremated ashes. It was agreed to not have the weeds on the sides of the roads cut for the second year in a row and the pumping of the septic tanks for the community centre and the fire hall will be delayed for another year. The extra AED and turnout gear budgeted for the Fire Department will be cut. The culverts for 4 crossings will be removed from the Township expense and included in the CCBF. The amount of ditching and brushing completed will be lowered. Other miscellaneous estimated accounts were lowered where possible. Monies will be pulled from the Levy Stabilization Fund, the Fire Department and the Infrastructure Fund Reserves to help lower the levy required. The Clerk-Treasurer will make line-item changes as per Council's discussions and try to find any other savings if possible. The levy increase will be in the 16 to 17% range for 2023. The Budget will be brought back to the July 10, 2023, meeting for further discussion and final approval.

Everyone was thanked for their participation in the budget preparation and attending the meeting and it was

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2. Moved by J. Sobolta  
Seconded by Carly Torkkeli

**THAT THE BUDGET MEETING ADJOURN TO THE COUNCIL MEETING TO BE HELD ON MONDAY, JULY 10, 2023 AT 7:00 P.M. IN COUNCIL CHAMBERS.**

**TIME BEING: 10:30 P.M.**

Carried

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Mayor

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Clerk-Treasurer