



Municipality of Arran-Elderslie
Special Council Meeting - C#28-2020
December 14, 2020 at 1:00 p.m.
Council Chambers

Minutes

Members Present in Council Chambers:

Mayor Steve Hammell

Members Present Electronically:

Deputy Mayor Mark Davis

Councillor Brian Dudgeon

Councillor Ryan Greig

Councillor Melissa Kanmacher

Councillor Ryan Nickason

Members Absent:

Councillor Doug Bell

Staff Present in Council Chambers:

B. Jones, CAO/Clerk

T. Neifer, Treasurer

C. Fraser-McDonald, Deputy Clerk (recording secretary)

Staff Present Electronically:

C. Steinhoff, Recreation Manager

S. McLeod, Works Manager

L. Fullerton, Community Development Co-ordinator

P. Johnston, Chief Building Official

1. Call to Order

Mayor Hammell called the meeting to order at 1:00 p.m. A quorum was present.

2. Adoption of Agenda

Council passed the following resolution:

Moved by: Deputy Mayor Davis

Seconded by: Councillor Kanmacher

Be It Resolved that the agenda for the Special Council Meeting of December 14, 2020 be received and adopted, as distributed by the CAO/Clerk.

Carried Resolution #28-545-2020

3. Disclosures of Pecuniary Interest and General Nature Thereof

None declared at this time.

4. Staff Reports

4.1 Treasurer

4.1.1 - SRFIN.20.57 - 2021 Draft Operating and Capital Budget

Tracey Neifer, Treasurer, responded to questions from Members of Council.

The operating budget presented includes comparative data for 2020 as of December 9th, noting that the figures are draft as the regular month end reviews for November and December have not yet been completed. The budgets presented are inclusive of all departments except for:

- ✓ Building –presented under a separate report, SRFIN.20.58, to be presented in January
- ✓ Sewer – a Financial Plan to be presented in January for 2021-2026
- ✓ Water – budget has been established under the Water Financial Plan 2021-2026, SRFIN.20.51, November 9, 2020.

The budget has been prepared based on the following considerations and assumptions:

- ✓ A review of September 30th annualized results and 2020 Budget
- ✓ Fire services are comparable with 2020 budgeted call volume
- ✓ 1.75% wage rate increase, following Arran-Elderslie's collective agreement for union employees. This has also been applied to the Fire Fighters and Management
- ✓ 2% inflation on materials and supplies
- ✓ 10% increase on insurance, based on 2020's renewal experience
- ✓ 11% increase on heat and hydro, based on a MFOA presentation and energy consult
- ✓ Inclusion of direct costs attributed to Covid-19 pandemic – administrative and PPE
- ✓ Assumption that training, education, and conferences will resume in 2021
- ✓ Budgetary increases as specified in agreements or through shared service arrangements, such as Bruce Area Solid Waste Recycling, Conservation Authorities, Saugeen Mobility and Regional Transit, and Fire Service Agreements. Where information was not available a three-year trend was reviewed to inform an inflationary increase for 2021.

The 2021 Operating Budget presented in this report reflects a net increase of \$3.2% or \$179,874. Tax rate impacts have not been quantified, pending

receipt of the assessment roll and the County tax rates. The budget also proposes for a net transfer to reserve of \$917,587 to assist with the 2021 capital projects, which is an increase of \$47,528 compared to 2020's budget.

The 2021 Capital Plan totals \$5,098,998 of which \$2,038,228 is related to specific grant applications with ICIP, Investing in Canada Infrastructure Program, some of which are still awaiting notification of approvals.

The operating budget contains provisions for unspent funds from 2020 to be used to offset operational costs in 2021, as well as an allocation of the 2020 Safe Restart Funds for Covid-19 to be applied to ongoing pandemic related expenses in 2021. These amounts will be transferred to Reserves for December 31, 2020.

The most significant impact on reserves is the use of funds to finance capital projects each year. The impact on reserves for new projects in 2021 is \$1,718,027 which exceeds the allocation of the tax levy for capital purposes. Staff have reviewed their capital projects and have deferred the following two initiatives in order to reduce the reserve impact, so they have been excluded from the 2021 Summary of Capital Projects and the above continuity:

- ✓ Replacement of a 1999 Sweeper Truck - \$375,000
- ✓ Paisley Arena Ice Resurfacer - \$89,200

Planning for 2021 is unique as this is the first year since 2008 that the increase in market value assessment is not being "phased-in" over a four-year cycle. The assessment roll is a living data set and is continually evolving in response to real-world market and property changes. There are two factors that affect the assessment base and our tax outcomes:

- ✓ Growth – positive or negative, this reflects the value increase or decrease associated with a change to a property's state, use or condition.
- ✓ Valuation Change – which is captured by reassessment and driven by changes in the real estate market over time.

The property assessment for 2021 will be based on the same assessment values as 2020, plus any impacts from growth (the change in state of the property).

For budgeting purposes, a 3% levy increase has been proposed:

- ✓ 2020 Municipal Tax Levy from rateable assessment \$5,394,786
- ✓ 3.2% Levy increase \$159,874
- ✓ 2021 Municipal Tax Levy from rateable assessment \$5,489,005

Facilities, Parks and Recreation Department was significantly impacted by the Covid-19 pandemic of 2020 with the restrictions on programs and facility use, resulting in the closure of facilities and cancellation of recreation programs, day camp and swimming programs. The year-to-date revenue across this department is \$317K compared to a budget of \$565K. The 2021 budget has been prepared with the assumption that services will proceed as normal.

There will be a public meeting for the Budget on January 11, 2021 at 7:00 p.m.

Subsequent to this discussion, Council passed the following resolution:

Moved by: Deputy Mayor Davis
Seconded by: Councillor Kanmacher

Be it Resolved

- 1) That SRFIN.20.57 be received – 2021 Draft Operating and Capital Budget; and
- 2) That Council supports the recommendations of this report; and
- 3) That staff prepares analysis of the proposed tax rate impact when information becomes available.
- 4) And that Council directs staff to reduce impacts on reserves funds for consideration at the January 11, 2021 Budget meeting.

Carried Resolution #28-486-2020

5. Confirming By-law

By-law 78-2020 – Confirming By-law

Council passed the following resolution:

Moved by: Deputy Mayor Davis
Seconded by: Councillor Kanmacher

Be It Resolved that By-law No. 78-2020 be introduced and read a first, second and third time, signed by the Mayor and Clerk, sealed with the Seal of the Corporation, and engrossed in the By-law Book.

By-law 78-2020 being a By-law to confirm the proceedings of the Special Council meeting of the Municipality of Arran-Elderslie held December 14, 2020.

Carried Resolution #28-547-2020

6. Adjournment

Moved by: Councillor Deputy Mayor Davis
Seconded by: Councillor Kanmacher

Be It Resolved that the meeting be adjourned to the call of the Mayor at 3:30 p.m.

Carried Resolution #28-548-2020

Steve Hammell, Mayor

Bill Jones, CAO/Clerk