

A **Special Meeting of MUNICIPAL COUNCIL** was held in the Council Chamber of the Municipal Administration Building on the above date at 1:15 p.m. with the following in attendance:

Warden Jack Wentzell - District 7
Deputy Warden Elmer Garber - District 4
Councillor Diane Tanner - District 1
Councillor Sherman Palmer - District 2
Councillor Milton Countway - District 5
Councillor Sandra Statton - District 6
Councillor Cathy Moore - District 8
Councillor John Veinot - District 9
Councillor Arthur Young - District 10
Councillor Lee Nauss - District 11 (arrived at 2:00 p.m.)
Councillor Martin Bell - District 13

Absent were:

Councillor Donald Zwicker - District 3
Councillor Karen Dempsey - District 12

Also in attendance were:

Tammy Wilson, Chief Administrative Officer
Pierre Breau, Director of Engineering and Public Works
Carroll Randall, Recreation Coordinator
Dave Waters, Community Economic Development Officer
Heather Whynott, Administrative Assistant

PURPOSE - BUDGET

The purpose of the meeting was to continue the review of the budget information for the year 2008-09.

**READING RECORD -
TANCOOK ELEM.
SCHOOL**

Counc. Tanner informed Council that Big Tancook Elementary School has accomplished a world record for book reading - 632 books per child. She requested Council's permission to have a Plaque made to present to the Big Tancook Elementary School to recognize their achievement.

Moved by Counc. Tanner, seconded by Counc. Young that Municipal Council approves that a Plaque be made for presentation to the Big Tancook Elementary School students recognizing their achievement for book reading. Carried.

To update Council as to what the tax rates would be at this point in the budget review, she provided the following information on the blackboard:

	<u>Proposed</u>		<u>Existing</u>
Residential (baseline)	78.3¢	78.2¢	78¢
Residential (adjusted)	82.2¢	80.9¢	81.5¢
Commercial (baseline)	\$1.913	\$1.912	\$1.82
Commercial (adjusted)	\$1.95	\$1.939	\$1.945
Seasonal Comm (baseline)		\$1.43	\$1.36
Seasonal Comm (adjusted)		\$1.458	

AREA RATES -

Area rates for sewer systems were discussed.

SEWER SYSTEMS

Counc. Bell noted that we have had some discussions on the area rates for wastewater. When we look at the graph we can see the differences between the highs and lows. One of the problems is trying to fund the restricted surplus which is added on top of operating costs.

Moved by Counc. Bell, seconded by Deputy Warden Garber that we fund \$17,000 from the General Operating funds to be transferred to the Restricted Surplus account of the Riverside/Shore Drive Wastewater account.

Counc. Bell gave an explanation for the motion.

In response to a question from Deputy Warden Garber, Ms. Wilson explained costs for hook-up fees and metered flow.

Deputy Warden Garber questioned taking \$17,000 to put towards a cost of \$800,000 to replace that system. He assumes we would be looking for provincial and federal funds to replace it.

Counc. Statton feels we cannot do that for one system unless we do it for all of theM. She can't support the motion if it only includes the one sewer system.

Counc. Young pointed out that it's about a half million dollars that the taxpayers of the Municipality are paying for sewer systems. Anyone in the Municipality who needs to put in a sewer system on their personal property is looking at \$15,000 - \$18,000. He has some families in his area that are on limited income and would find it quite difficult to come up with money for a septic system. If the general tax rate was not subsidizing these (central) sewer systems, where would they be?

Deputy Warden Garber said some of the (central) sewer systems are old and some are new. Some didn't put aside reserves. We cannot treat them all equally. He can't support the motion. Just don't collect the \$17,000 and don't put it aside in reserve because the system is going to have to be replaced in another few years anyway.

The motion was defeated.

Counc. Bell said he was asked to bring that consideration here and he did that on behalf of the people he represents. He proposed an option 2 and asked them to sign and consent to him presenting it.

Moved by Counc. Bell, seconded by Deputy Warden Garber that, during this taxation year, the citizens on the Riverside/Shore Drive wastewater systems not pay into the Restricted Surplus fund (referring to the \$17,000 figure).

Counc. Bell pointed out that they are still paying their fees for the operating.

Counc. Young commented that if you take it away it eases the burden for this year. However, when it comes time to replace those systems, it's going to be less money there to upgrade those systems, and guess where the money is going to come from. There will be funds from other sources but the Municipality will have to put some in there.

Deputy Warden Garber thinks the newer systems should be paying into the Restricted Surplus so that 25 to 50 years down the road there will be funds there to replace parts.

Counc. Statton said general funds have gone into all these systems to build them. If we're going to adjust the surplus for one system, then we better

do it for all of them.

At 1:57 p.m. Counc. Tanner left the meeting.

Counc. Moore asked what the rate would be for Riverside/Shore Drive without putting the \$17,000 in the budget.

Mr. Pettipas said 81¢ versus \$1.25 if you take out the \$17,000.

Moved by Counc. Statton, seconded by Counc. Moore that the motion be amended by adding the wording “ and that we remove the Restricted Surplus for all of the sewer systems.”

Counc. Bell feels we have to start with baby steps. We’ re trying to assist New Germany with rebuilding their system. We got \$400,000 in federal funding. Where does the other \$200,000 come from? Does it not come from the general rate?

Counc. Young said he really feels we have to leave the Restricted Surpluses be.

The amendment to the motion was defeated.

As there was a tie vote on the original motion, **the motion was defeated.**

Counc. Bell said he came today with only two options. There may be some other Councillors who would have another suggestion.

Counc. Nauss said it’ s a dilemma we’ re in. He doesn’ t feel we can increase an area rate in one area to offset it in another area. Are we going to do the same thing for street lights? If anyone in the future asks him to support putting in a sewer system, the answer is going to be no, because after they are put in the residents can’ t afford them. There is no way the people in Hebbville can increase their rate to help a system in another area.

Moved by Deputy Warden Garber, seconded by Counc. Statton that we remove sufficient funds from the Transfer to Restricted Surplus for the Riverside/Shore Drive sewer systems to reduce the sewer rate to 82¢ and that we remove enough from the Transfer to Restricted Surplus for the Cookville sewer system to reduce the Cookville sewer rate to \$1.00.

Counc. Nauss asked how many dollars we raise in the Cookville system.

Ms. Wilson said \$352,940 is what \$1.41 raises.

Counc. Moore said she would like the motion to also include New Germany. If they’ re putting into a reserve on a regular basis an amount of \$66,450, eventually down the road, if we go with a global rate, is it fair to them that their reserve should go into a global rate?

After discussion, it was **moved by Counc. Moore, seconded by Deputy Warden Garber that we amend the motion to include the New Germany sewer system with the decreases in area rates by not contributing as much to the Restricted Surplus to bring the New Germany area rate down to 61¢.**

Counc. Nauss feels we should also include Hebbville. The 33¢ rate almost doubled over last year and the residents are concerned, plus they pay \$215 to Bridgewater for the hook-up.

Moved by Counc. Nauss, seconded by Counc. Moore that we amend the

amendment by adding the wording “ and that we reduce the Hebbville sewer rate down to 25¢ with the impact being a reduction in the Restricted Surplus.

Counc. Young said he has to be opposed to this. If it made common sense to put surplus in place for a plan, then it makes good common sense for them to be there.

After discussion, **the motion to amend the amendment was carried.**

The amendment, as amended, was carried.

MOTION AS AMENDED - that we remove sufficient funds from the Transfer to Restricted Surplus for the Riverside/Shore Drive sewer systems to reduce the sewer rate to 82¢ and that we remove enough from the Transfer to Restricted Surplus for the Cookville sewer system to reduce the Cookville sewer rate to \$1.00; that the New Germany sewer system be included with the decreases in area rates by not contributing as much to the Restricted Surplus to bring the New Germany area rate down to 61¢; and that we reduce the Hebbville sewer rate down to 25¢ with the impact being a reduction in the Restricted Surplus. Carried.

Counc. Bell commented that that was a short-term solution. What it does is magnify what we have on our plate that we don' t want to pass on to a future Council. We have to seek a solution.

AREA RATES -
STREET LIGHTS

Moved by Counc. Countway, seconded by Counc. Moore that we approve the area rates for cost recovery as presented for Street Lights. Carried.

Council then discussed the fire hydrant charges.

AREA RATE - FIRE
HYDRANT CHARGES

Counc. Statton said she objects to this rate. She feels it' s unfair to the people in the Pine Grove area and that it should be on the general tax rate.

Moved by Counc. Statton, seconded by Counc. Nauss that we include the area rate for Fire Hydrant Charges in the General Tax Rate.

Counc. Statton said this rate is going to increase for the people in that area. As development happens more hydrants will be required. There will be more assessment but the rate is going to go up. She thinks it' s unfair for the people in that area to pay for the economic development in this Municipality.

Counc. Young feels that with future development those rates should decrease.

The motion was defeated.

Moved by Counc. Moore, seconded by Counc. Nauss that we approve the Pine Grove/MacCulloch Road Fire Hydrant rate of 11.2¢ for 2008-09. Carried.

Mr. Pettipas then reviewed the new information that was circulated regarding Operating Fund Reserves.

TRANSFERS - FROM
RESERVE TO
OPERATING

Moved by Counc. Nauss, seconded by Counc. Young that we approve the Transfers in and out of the Reserve fund, as shown on Table 29, and that we approve the Transfer of Interest from Reserve to Operating. Carried.

Ms. Wilson indicated to Council that they now need to approve the Operating budget for 2008-09 as revised and presented. What that would

result in is a Residential rate of 81.5¢ and a Commercial rate of \$1.94 (includes offset of 9¢ for loss of Business Occupancy tax).

Counc. Young commented that Council has sat her for a week at various times and agonized over all these figures. They are much different from what we had at the start. There has been a fairly substantial increase in assessments. In good conscience he cannot agree with 81.5¢. It's difficult to take to our residents that much of an increase for the coming year. We stated that we subsidized sewers for \$500,000. Can't we take some burden for the residential and commercial taxpayers?

Some other Councillors agreed with Counc. Young's comments.

Ms. Wilson indicated that anything Council takes out of Capital will not impact significantly to make any difference on the tax rate. Council would have to take out of Operating.

In response to a question from Counc. Statton, Ms. Wilson said we're obligated to do the PSAB Capital Asset Program by January 1, 2009. We don't have an option. We must do it. Also in reply to a question from Counc. Statton, Ms. Wilson said most of the computer equipment is replacement of aging equipment. She reviewed the list of new equipment that is proposed to be purchased and why staff are proposing the purchase of the new equipment, e.g., plotter.

At the request of Counc. Statton, Mr. Breau reported on the costs the Municipality would incur if the plotter is not purchased.

Counc. Nauss pointed out that for the last couple years we didn't increase our rate. We got it from increased assessments and taking from reserves. Sooner or later it comes back to bite you. The only way to reduce the rate is to cut Operating expenses.

Counc. Young asked what is in the baseline budget.

Ms. Wilson said the baseline is status quo. There are no new projects in there.

Counc. Statton pointed out that we don't set a ceiling on our grants and every year it keeps increasing. This increases our expenses. We should be able to manage our money so that we can live within our resources. We should not have to borrow to buy computers and equipment. She's having a difficult time increasing the tax rate at all.

Counc. Palmer thinks Council should take a good look at our grants. The tax rate is not acceptable to him the way it is.

Counc. Young questioned if we need the additional Police Officer. The increased cost is only \$27,500 for part of a year; but next year the cost will be over \$100,000. He thinks we should be taking a close look at that.

Warden Wentzell said he would rather take out the cost for looking for illegal dumps then take out the cost for the Police Officer.

Counc. Bell said he's also concerned about the increased cost in Police services next year.

Deputy Warden Garber asked if there are any opportunities for increasing revenue.

Mr. Pettipas said a Deed Transfer Tax would raise quite a bit of money. We don't charge maintenance fees for municipal roads. Council could look at increasing inspection fees.

Counc. Nauss feels that somehow we have to put a control on our spending. To take it out of reserves doesn't help, because next year the reserves will be gone and then we have to find it somewhere else.

Counc. Young feels a lot of people are looking to see where they can cut their personal expenses. Governments are taking whatever extra money they have. It might be drastic but somehow we have to get this rate down a bit. We have to pare some money from this budget.

Warden Wentzell said it doesn't sound like we are ready to approve this. Should we set another date to come back and look at the budget again?

Ms. Wilson pointed out that action has been taken on some of the motions that were already made because we had to. Interviews were conducted and someone was hired for the illegal dumping survey.

Counc. Countway suggested that every department come back with a 5% decrease in their budget.

Ms. Wilson said staff can give Council a list and Council can decide what they want to take out of the budget.

Ms. Wilson asked if it is the wish of Council that each department look at their budgets to see what could be cut by 5%. She pointed out that it will take staff some time to do that.

Warden Wentzell said he would like to get as close as we can to last year's rate.

Ms. Wilson pointed out that items were added to the budget that increased the rate. The election alone is an additional 1¢ on the tax rate, so she doesn't know if we can get it down to last year's rate.

Counc. Young thinks we need to look at all existing services and proposed ones to see what can be cut.

NEXT BUDGET MTG.

It was agreed that the next meeting to discuss the budget be held on Wed., May 28, 2008 at 9:00 a.m.

At 4:05 p.m. it was moved by Counc. Young, seconded by Counc. Nauss that the meeting adjourn.