



SPECIAL COUNCIL #05

BUDGET MEETING #01

Tuesday, January 29, 2002
Meeting began at 6:00 p.m.

PRESENT: A Special Budget meeting was held this evening with the following members present: Mayor Brian Sylvester, Councillors Naresh Bhargava, Denis Carr, Susan Carter, Donald Deebank, Syd Gardiner, Dean Hollingsworth, Korey Kennedy, Perry Lalonde, Claude Poirier, and André Rivette.

ADMINISTRATION: Cecil Vincent, Chief Administrative Officer, Denise Labelle-Gélinas, City Clerk, David Dick, Manager of Finance and the following Management Personnel: Stephen Alexander, Heather Arthur, Susan Cain, Debora Daigle, Roger Desjardins, David Fielding, Paul Fitzpatrick, John Flannigan, Sherman Goodwin, Fernand Hamelin, Frances Lafave, Tracy Poirier and Anita Roach

Mayor Brian Sylvester indicated to the Council the manner in which he would entertain the process of the 2002 Budget Deliberations. As in past years, the Chair will entertain a maximum of three (3) questions per member of Council. Additional questions may be entertained once all members have had an opportunity to present their questions. Motions to add or delete from the budget may be entertained at any time and as in past practice, Council may revisit any motion voted on previously (no 2/3's required). Any reports requested from the Council shall be entertained by motion.

TAX STUDY PRESENTATION

Mr. Jim Bruzzese and Mrs. Catherine Minshull of BMA Consulting stood before Council this evening and presented an in depth report on 2001 Municipal Competitiveness Study Overview - Phase One , and Phase Two - Property Tax Study.

The Study Goals were to help municipal decision-makers in assessing market conditions; understand the unique characteristics of each municipality; understand the relationship between controllable and uncontrollable factors in addressing municipal competitive opportunities and challenges; develop a database that can be updated in future years to track progress; develop a long term strategy for property taxation and economic development to achieve municipal competitive objectives, attract targeted growth and identify areas that may require further review (i.e.) service levels, user fees, service delivery.

The purpose of this presentation was to review findings from Phase One of the Study and review findings from Phase Two. Mr. Bruzzese who presented this evening, provided a large number of statistics and comparable factors from eight municipalities that were surveyed. The eight municipalities were Brockville, Granby Que, Belleville, Drummondville Que, North Bay, Peterborough, Kingston and Cornwall. Of the eight, Cornwall is the fourth largest municipality. Its

growth between 1996 - 2001 (2%) was factored as below the survey average and is significantly lower than the Ontario Average of 9.9%.

Mr. Bruzzese provided an extensive review of the municipality's tax ratios, assessment, municipal expenditure and education taxes in order to better understand this municipality's position insofar as the burden placed on its elected officials when preparing annual budgets.

In summary, the City of Cornwall has the lowest Current Value Assessment (CVA) per capita; average tax ratios, low population growth, relatively low building permit per capita, highest commercial municipal and education rates, second highest industrial municipal and education rates and the only municipality that does not charge any development charges. Cornwall's water and sewer rates are amongst the lowest and provide for the lowest property taxes as a percentage of income (residential).

Phase Two provides several recommendations that could assist in developing future tax policy decisions for the City of Cornwall. In so doing, an analysis of municipal expenditures and revenues was provided. Several recommendations are noted as follows:

- Recommend:**
- Roadways/Winter Control: that the City review its standards/policies, external contracts and service levels for roadways and winter control.
 - Storm/Street Lighting: review development charges as a means of paying for new growth related services.
 - Waste Collection/Disposal/Recycling: A review of user charges for solid waste collection should be undertaken as a means of reducing refuse going to the solid waste disposal site and prolonging its life expectancy.
 - Assistance to Aged Persons: to further understand the differences in the costs of programs, a review of the case mix index, nursing hours per resident per day, pay rate levels and other measures may be of assistance.
 - Transit: that further review be undertaken into the service levels and user fees for Transit services, should Cornwall wish to reduce their net operating costs.
 - Parks and Recreation: review parks and recreation user fees, should the City wish to increase their revenues.
 - A detailed review of programs and service levels would be required to better understand the differences in expenditures.
 - Libraries: a more comprehensive benchmarking review of library operating costs should be undertaken to explain the differences in costs.

In summary to Phase Two - Lower than average total net municipal levy per capita; may be opportunities to further reduce service costs and increase user fees; review of some select services as outlined in the report to identify reasons for differences.

BUDGET 2002 OVERVIEW

The Chief Administrator, Cecil Vincent, provided Council with an overview of this year's budget proposal and noted several changes from previous years' format. The budget has been prepared to reflect a business unit format. It is Administration's intention to provide a level of detail in order to allow Council an opportunity to better determine the services provided by The Corporation and the relative cost to providing these services.

All departmental budget submissions have been restated to the 2001 approved budget and year-to-date in order to better reflect the changes for comparative purposes. There are two exceptions to the restatement, those being the Cornwall Police Board and Land Ambulance.

It is anticipated that the City will be receiving approximately 10.4 million dollars in CRF Transfer payments of which 1.8 million dollars is expected by April.

Before continuing with Mr. Dick's power point presentation, Mr. Vincent recognized the work involved in preparing this year's budget and particularly the efforts of Ms. Tracey Poirier who executed the tedious task of segregating the budget into a business unit format.

Mr. David Dick, Manager of Finance, then proceeded to review the 2002 Current and Capital Budget Summary. He once again provided information on changes made to this year's budget presentation.

One of the changes is the presentation to Corporate Overhead . This process provides for the allocation of corporate charges to benefiting departments; provides a true cost to each department, ties into MPMP guidelines; allows for comparison between municipalities and ties into the Tax study. Additionally, the business unit approach, provides provision of costs associated with running all of the city "businesses", ties into MPMP guidelines; allows for inter-municipal comparisons; external tax study and allows for meaningful debates.

Continuing with the presentation, comparisons and true value figures were provided for 2002 proposed expenditures in the amount of \$130,096 and revenues in the amount of \$86,556 and Taxation \$37,076 for a net requirement of \$6,465 .

In conclusion to his presentation, Mr. Dick provided several scenarios to the Council in order to finalize their 2002 budget guidelines.

Council proceeded to debate their options.

SPONSORSHIPS

A motion was presented by Councillor Corey Kennedy and seconded by Councillor Dean Hollingsworth as follows:

WHEREAS the Corporation of the City of Cornwall is always looking for new, ingenious ways to create partnerships where costs could be reduced or revenues increased; and

WHEREAS with the Province downloading services to the municipality; and

WHEREAS the City is always looking at maintaining fair municipal taxes and maintain a vibrant quality of life;

NOW THEREFORE, be it resolved that administration prepare a report for Council on the process of having private business and corporations enter into partnerships, whereby the private sector may become a sponsor for municipal services or program; including the sponsorships of any and all municipal facilities, properties and assets.

It was then moved by Councillor Don Deebank and seconded by Councillor Andre Rivette that the main motion be amended to include the following:

That a Committee be formed to review and study this matter after the conclusion of this year's 2002 budget deliberations.

A recorded vote on the amendment resulted as follows:

For: Councillors Naresh Bhargava, Denis Carr, Susan Carter, Donald Deebank, Syd Gardiner, Dean Hollingsworth, Perry Lalonde, Claude Poirier, André Rivette and Mayor Brian Sylvester

Against: Councillor Corey Kennedy

Motion to Amend Carried

Councillor Kennedy then asked to include to the main motion : ***That we investigate the possibility of creating a Marketing Department which would have the responsibility of pursuing these marketing initiatives and over viewing its administrative functions.*** The seconder, Councillor Dean Hollingsworth, was in agreement.

Councillor Denis Carr suggested that this was not the intention of the main motion prior to the amendment being passed. The Chair called the vote on the main motion as amended.

A Recorded vote on the main motion as amended resulted as follows:

For: Councillors Dean Hollingsworth, Corey Kennedy and Perry Lalonde

Against: Councillor Naresh Bhargava, Denis Carr, Susan Carter, Donald Deebank, Syd Gardiner, Claude Poirier, André Rivette and Mayor Brian Sylvester

**MAIN Motion Defeated and
Therefore Amended Motion then becomes Defeated**

It was then moved by Councillor Corey Kennedy and seconded by Councillor Dean Hollingsworth that the main motion be re-read omitting the mention of a Marketing Department:

WHEREAS the Corporation of the City of Cornwall is always looking for new, ingenious ways to create partnerships where costs could be reduced or revenues increased; and

WHEREAS with the Province downloading services to the municipality; and

WHEREAS the City is always looking at maintaining fair municipal taxes and maintain a vibrant quality of life;

NOW THEREFORE, be it resolved that Administration prepare a report for Council on the process of having private business and corporations enter into partnerships, whereby the private sector may become a sponsor for municipal services or program; including the sponsorships of any and all municipal facilities, properties and assets.

It was then moved by Councillor Don Deebank and seconded by Councillor Andre Rivette that the main motion be amended to include the following:

That a Committee be formed to review and study this matter after the conclusion of this year's 2002 budget deliberations.

A recorded vote on the amendment resulted as follows:

For: Councillors Naresh Bhargava, Denis Carr, Susan Carter, Donald Deebank, Syd Gardiner, Dean Hollingsworth, Korey Kennedy, Perry Lalonde, Claude Poirier, André Rivette and Mayor Brian Sylvester


Motion to Amend Carried

A recorded vote on the main motion resulted as follows:

For: Councillors Councillors Naresh Bhargava, Denis Carr, Susan Carter, Donald Deebank, Syd Gardiner, Dean Hollingsworth, Korey Kennedy, Perry Lalonde, Claude Poirier, André Rivette and Mayor Brian Sylvester

Main Motion Carried as amended

Adjournment: 9:25 p.m.


Denise Labelle-Gélinas
City Clerk


Brian Sylvester
Mayor



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