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## BUDGET SESSION #05 PUBLIC MEETING OF COUNCIL #2-2006

### The Corporation of the City of Cornwall

Tuesday January 10, 2006  
Meeting began at 5:00 p.m.  
Council Chambers, City Hall  
360 Pitt Street

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**PRESENT:** Mayor Phil Poirier, Councillors Glen Grant, Jacques Lemire, Denis Moquin, Joël Côté, Naresh Bhargava, Perry Lalonde (arrived at 5:50 p.m.), Mark MacDonald(arrived at 6:00 p.m.) and Chris Savard.

**REGRETS:** Councillor Leslie O'Shaughnessy

**ABSENT:** Councillor Korey Kennedy

**ADMINISTRATION:** Fernand Hamelin, Acting Chief Administrative Officer, Denise Labelle-Gélinas, City Clerk, Stephen Alexander, David Dick, Tracey Bailey, Paul Scrimshaw, Norm Levac, Robert Menagh, Paul Fitzpatrick, Chief Vic Leroux , Deputy Chief Rob Hickley .  
The Following Administrative personnel arrived at 6:00 p.m.  
Susan Cain, Norm Barrette, Donna Derouchie, Conrad Miller, Len Tapp  
Stephen Alexander .

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## BUDGET REVIEWS

5:00 p.m.

### 1. Issues to be Discussed with the Honourable Dwight Duncan, Minister of Finance

Mr. David Dick, Manager of Finances Services provided a very in dept presentation to the Council on our municipality's position relative to other municipalities within the province on comparative assessments from the year 2002 to 2006 proportional to new growth

Mr Dick provided information on : Transfer payments - OMPF recognizing costs associated with Social Programming as well as communities with lower then average assessments, and demonstrated his findings with the information following:

	<b>October</b>	<b>March</b>
Social Program Costs	\$ 14,624,738	\$ 13,172,972
Weighted Assessment	\$2,779,941,583	\$ 2,779,532,987
Revenue Potential	\$ 5,545,883	\$ 5,559,066
Grant Entitlement	\$ 9,078,855	\$ 7,613,906

**Equalization Grant**

	<b>October</b>	<b>March</b>
Weighted Assessment	\$2,779,941,583	\$ 2,779,532,987
Number of Households	20,639	20,639
Assess/household	134,354	134,674
Reduction from average	35,656	35,326
Differential	\$ 735,697,794	\$ 729,093,314
Funding (\$61.76/10000)	\$ 4,543,370	\$ 4,502,880

**OMPF (rounding)**

	<b>October</b>	<b>March</b>
Social Programming Grants	\$ 9,078,855	\$ 7,613,906
Equalization Grant	<u>\$ 4,543,370</u>	<u>\$ 4,502,880</u>
Entitlement	\$13,622,225	\$12,116,786
Restriction	<u>1,943,211</u>	<u>439,523</u>
2006 OMPF	<u>\$11,679,369</u>	<u>\$11,679,369</u>

(Funding restricted to 2004 CRF. Funding increases related to per household maximum. )

**Counties of S.D. & G.**

	<b>October</b>	<b>March</b>
Social Programming Grants	\$ 380,741	\$ 1,425,089
Equalization Grant	\$ 0	\$ 0
Northern and rural communities	\$ 800,184	\$ 1,348,088
Stabilization	\$ 1,184,573	\$ 0
Police Services grant	<u>\$ 2,604,279</u>	<u>\$ 2,605,591</u>
Entitlement	\$ 4,969,777	\$ 5,378,768
Stable Funding Guarantee	<u>\$ 5,202,223</u>	<u>\$ 4,793,232</u>
2006 OMPF	<u>\$10,172,000</u>	<u>\$10,172,000</u>

**Transfer payments - OMPF**

Upon announcing the new funding formula, the province trumpeted the fact that Cornwall was receiving an additional \$2,669,369 in funding relative to 2004 under the old CRF funding formula. (11,679 vs 9,010)

Included in this new formula is the agreed funding change relating to Social Housing. This represents \$1,674,000 in funding coming directly from the province as opposed to funding received from the United Counties.

The new funding template does not provide funding for Land Ambulance as did CRF (\$871,000)

The new funding formula provides minimal funding for Public Health (\$33,237) relative to CRF (\$497,000)

**Transfer payments - OMPF**

Beginning in March 2001, the cost sharing agreement between the City and Counties relating to Social Housing changed an assessment based system to cost allocation based on location of units.

In reconciling CRF at termination of this funding program in March 2005, the Province provided "one-time" funding for the change in our costs from 43.98 to 77.15

This results in a change of +- \$1.6M annually  
Effectively, this should have increase CRF to ~ \$10.6M in 2004  
OMPF funding is subjected to per household increases  
2005 OMPF funding restriction based on \$ 9M

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**Power Dam**

City has received \$229,726 annually since 2001  
Assessment in excess of \$96M (\$101M in 2006)  
Tax rates and /or PIL's would have been as follows:

-	\$9,017,759
-	\$8,536,824
-	\$7,973,685
-	\$7,140,302
-	\$7,248,256

Shortfall \$ 38,768,196

**Power Dam**

Two additional properties in 2006 being assessed as exempt.  
Loss in PIL's for 2006 amounts to \$138K  
OPG appealing 2005 for requested refund of similar amount. (2005 balance has not yet been paid)  
2006 tax levy reduced by above noted \$138K  
2005 results may be impacted by further \$138K of bad debts

**Domtar and related economic impacts**

	<b>Assessment</b>	<b>Taxation</b>
2003	\$20,247,000	\$ 971,612
2004	\$22,661,000	\$ 1,015,633
2005	\$22,661,000	\$ 1,032,633

Domtar has not yet applied for vacancy in 2005. Expect to be significantly higher than the \$58 in 2004

2006	\$17,812,000	\$ 810,074
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Vacancy in 2006?

Capping?

Minutes of settlement agreed upon by City, not approved by Domtar

Requesting reductions of \$1.8M in 2003, \$2.0M in 2004 and \$4.0m in 2005

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**Domtar and related economic impacts**  
**2001 Per Capita Income:                      2001 average value of dwelling:**

Cornwall	\$44,634	\$ 98,084
Provincial average	\$66,954	\$ 190,301
Median	\$63,509	\$ 172,452
Minimum	\$44,634	\$ 98,084
Maximum	\$94,824	\$ 366,416

In Conclusion to the presentation by Mr. Dick on the above noted information, It was the council's consensus that the following subject matters be presented to the Ministry of Finance as the Municipality's main concerns and to which they wish the Minister to concentrate on: Concentration to Ontario Power Generation Plant (OPG), Community Reinvestment Fund (CRF), Downtown Loan forgiveness and reduction to Education Taxes within our community.

## **BUDGET REVIEWS**

**6:00 p.m.**

- 1. Seaway Senior Citizens Club Budget Unfinished Business #07-2006**  
**Financial Services - Report FI #38-2005** prepared by David Dick C.A., Manager, Financial Services, under date of December 5, 2005.

Moved by Councillors Glen Grant and Joël Côté that the Seaway Senior Citizens Club be asked to provide the City with a financial statement for review prior to any final decisions on the matter.

**Motion Carried**

- 2. Cost of Replacing the Cornwall Transit Fleet Budget Unfinished Business #09-2006**  
**Municipal Works and Services Report MWS #31-2005** prepared by Fernand Hamelin, C.E.T., Acting Chief Administrative Officer, under date of December 9, 2005

Moved by Councillors Mark MacDonald and Chris Savard that Council receive the report in that it review the approach of replacement of entire conventional fleet in 2008 prior to the replacement of conventional buses.

**Motion Carried**

3. **Gas Tax Funds / Fare Increase** *Budget Unfinished Business #10-2006*  
**Municipal Works and Services Report MWS #30-2005** prepared by Len Tapp,  
Division Manager, Transit Services, under date of December 7, 2005.

Moved by Councillors Mark MacDonald and Jacques Lemire

- (a) That the proposed fare increase be deferred until a later date with the following adjustments:
- child fare to go from \$2.00 to \$1.75
  - family pass be unrestricted to all day pass
- (b) That the budget line be adjusted as follows:
- MTO Provincial Gas Tax to increase by \$70,000
  - Regular passenger to decrease by \$65,000; and
  - Marketing and Sales to increase by \$5,000.

**Motion Defeated**

Moved by Councillors Naresh Bhargava and Joël Côté that the 2006 fare rates be established as detailed by the Manager of Municipal Works and Services identified on page 339 of the 2006 Budget Book.

***A recorded vote on this matter resulted as follows:***

**For:** Councillors Naresh Bhargava, Joël Côté, Glen Grant, Chris Savard  
**Against:** Councillors Jacques Lemire, Denis Moquin, Perry Lalonde, Mark MacDonald, and Mayor Phil Poirier  
**Absent:** Councillor Leslie O'Shaughnessy, Corey Kennedy

**Motion Defeated**

Moved by Councillors Mark MacDonald and Jacques Lemire that

- A) The proposed fare increase be deferred until a later date with the following adjustments:
- child fare to go from \$2.00 to \$1.75
  - family pass be unrestricted to all day pass
- (b) That the budget line be adjusted as follows:
- MTO Provincial Gas Tax to increase by \$70,000
  - Regular passenger to decrease by \$65,000; and
  - Marketing and Sales to increase by \$5,000.

***A recorded vote on this matter resulted as follows:***

**For:** Councillors Corey Kennedy, Jacques Lemire, Denis Moquin, Perry Lalonde, Mark MacDonald, and Mayor Phil Poirier  
**Against:** Councillors Naresh Bhargava, Joël Côté, Chris Savard and Glen Grant  
**Absent:** Councillor Leslie O'Shaughnessy

**Motion Carried**

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4. **Utility Truck Budget Unfinished Business #11-2006**  
**Protective Services Fire Division - Report PS.Fire #01-2006** prepared by Victor Leroux, Manager, Protective Services, under date of January 4, 2006.  
Moved by Councillors Joël Côté and Mark MacDonald that \$10,751.00 identified for truck leasing be removed from the Fire Department Budget.  
**Motion Carried**
5. **Mileage Reimbursement Rate Budget Unfinished Business #12-2006**  
**Human Resources Report HR #11-2005** prepared by Robert Menagh, Manager, Human Resources, under date of December 8, 2005.  
Moved by Councillors Perry Lalonde and Mark MacDonald that Council, authorize a unilateral adjustment to mileage reimbursement rates at a rate of \$0.40 rate negotiated with all of its employees including CAHC.  
**Motion Carried**
6. **La Régionale Saint-Laurent Inc.**  
Letter requesting funding for non-profit organization for La Régionale Saint-Laurent History and Genealogy Society in the amount of \$16,550.00.  
Moved by Councillors Joël Côté and Chris Savard that the request for funding in the amount of \$16,500 be denied, and that the amount of \$12,500 identified within the budget be removed.  
**Motion Carried**
7. **Regional Art Gallery - Relocation to former Bell Building Budget Unfinished Business #13-2006**  
**Office of the Chief Administrator Report CAO #01-2006** prepared by Fernand Hamelin, C.E.T., Acting Chief Administrative Officer, under date of January 3, 2006.  
Moved by Councillors Chris Savard and Glen Grant that this matter be tabled.  
**Motion Defeated**
- Moved by Councillors Mark MacDonald and Joël Côté that this matter be deferred until such time as Administrative members of the Regional Art Gallery meet with members of Municipal Administration to discuss a relocation of the Art Gallery to a municipally owned building.  
**Motion Carried**
8. **Medical Student Scholarship Budget Unfinished Business #14-2006**  
**Economic Development and Recreation Services - Report EDRS #03-2006** prepared by Paul Fitzpatrick, Manager, Economic Development and Recreation Services, under date of January 5, 2006.  
Moved by Councillors Jacques Lemire and Perry Lalonde that Council re-confirm its intention to spend \$100,000 over the next four years (Scholarship of \$25,000 per year that one medical student) to help cover the costs of education, in return for his or her services upon graduation; that this measure be funded through the Medical Recruitment Fund and that the Mayor's Task on Medical Recruitment be responsible for the implementation of this initiative.  
**Motion Carried**

9. **Cat By-law Budget Unfinished Business #15-2006**  
**Planning and Housing Services**  
Memo prepared by Stephen Alexander MCIP, RPP, Manager, Planning and Housing Services, under date of January 5, 2006.  
Moved by Councillors Joël Côté and Glen Grant that this matter be deferred until all information from the OSPCA is received.

**Motion Carried**

10. **Maximum Fitness Building Demolition**  
**Planning and Housing Services**  
Memo prepared by Stephen Alexander MCIP, RPP, Manager, Planning and Housing Services, under date of January 5, 2006.  
No Action taken

11. **Glen Stor Dun Lodge Renovations**  
Report #03-06 prepared by Donna Derouchie, Manager Glen Stor Dun Lodge under date of January 9, 2006 .  
Moved by Councillors Mark MacDonald and Naresh Bhargava that Administration investigate possibilities of recouping the cost of Capital upgrade to the Glen Stor Dun Lodge.

**Motion Carried**

## **UNFINISHED BUSINESS**

### **ADMINISTRATION RECOMMENDATION**

12. **EMS**  
Moved by Councillors Naresh Bhargava and Denis Moquin that a reduction of \$56,485 identified in Salary and Benefit be approved.

**Motion Carried**

13. **EMS - Special Equipment**

Moved by Councillors Joël Côté and Naresh Bhargava that Council approve the reduction in the amount of \$23,050. identified under Grant Special Equipment.

14. **Fire Department**  
Moved by Councillors Glen Grant and Denis Moquin that a reduction in Retirement Savings in the amount of \$35,000 within the Fire Department be approved.

**Motion Carried**

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15. **Transit Generator**  
Moved by Councillors Glen Grant and Denis Moquin that Council remove \$45,000 identified for generator at the Transit Department.  
**Motion Carried**
16. **Insurance Premiums**  
Moved by Councillors Joël Côté and Perry Lalonde that Council increase the Insurance Premium Budget by \$45,000.00.  
**Motion Carried**
17. **Intersection Re-design**  
Moved by Councillors Joël Côté and Mark MacDonald that council remove \$75,000 identified for the redesign of intersection of 11<sup>th</sup> and McConnell Avenue.  
**Motion Carried**
18. **Fire Department**  
Moved by Councillors Chris Savard and Perry Lalonde that Council reduce the Fire Department (lease vehicles) in the amount of \$9,089.00.  
**Motion Carried**
19. **1998 Pumper**  
Moved by Councillors Naresh Bhargava and Mark MacDonald that Council eliminate \$30,000 identified to refurbish 1998 #4 Pumper from the Fire Department.  
**Motion Carried**
20. **Playground upgrades**  
Moved by Councillors Denis Moquin and Joël Côté that Council eliminate \$20,000 identified for Alexander Park playground equipment and \$62,000 identified for Mattice Park playground equipment.  
**Motion Defeated**
21. **Skateboard Park**  
Moved by Councillors Mark MacDonald and Joël Côté that Administration, through its Recreational Advisory Committee and Youth Advisory Committee, review its current location of Optimist Park as its primary site for the current Skateboard Park.  
**Motion Carried**
22. **Skateboard Park - Optimist Park**  
Moved by Councillors Chris Savard and Mark MacDonald that Council approve a reduction of \$40,000 within the skateboard park resurfacing budget.  
**Motion Defeated**
23. **Mattice Park**  
Moved by Councillors Chris Savard and Mark MacDonald that a total of \$62,000 be removed from the Mattice Park Budget.  
**Motion Defeated**

**Disclosure of Interest**

*Councillor Denis Moquin declared an interest on this matter, indicating that a member of his family is an employee of the Cornwall Police Services Organization.*  
Councillor Moquin did not participate in the discussions or vote.

**24. Cornwall Community Police Services**

Moved by Councillors Chris Savard and Glen Grant that Council remove \$285,415 from the Cornwall Community Police Services , that will be offset by any surplus realized through the 2005 year end budget.

Moved by Councillors Mark MacDonald and Jacques Lemire that the above noted matter be deferred until such time as the Police Chief have an opportunity to make a presentation before the Council and provide details on the effects of the reduction proposed.

***A recorded vote on the deferral resulted as follows:***

**For:** Councillors Naresh Bhargava, Jacques Lemire, Perry Lalonde, Mark MacDonald, and Mayor Phil Poirier

**Against:** Councillor Glen Grant, Chris Savard and Joël Côté

**Refrained:** Councillor Denis Moquin

**Absent:** Councillor Leslie O'Shaughnessy, Korey Kennedy

**Motion to defer Carried**

**25. Cornwall Community Police Services - Surplus**

Moved by Councillors Chris Savard and Naresh Bhargava that the Cornwall Police Services budget be reduced by \$150,000 identified within the 2005 surplus effective December 31, 2005.

**Motion Carried**

**26. 3% levy - direction**

Moved by Councillors Chris Savard and Glen Grant that Council direct Administration to prepare a detailed report providing options that would identify a Tax Rate of 3% levy (tax base of \$48,775,852) (1.7 million reduction) or less at the next scheduled Budget meeting.

**Motion Carried**

**27. 0% levy - direction**

Moved by Councillors Mark MacDonald and Jacques Lemire that Council direct Administration to also prepare a report detailing options that would identify a Tax Rate of 0% levy ( tax base of \$47,355,196) for the next scheduled budget meeting.

**Motion Defeated**


**NEXT MEETING** - to be determined

**ADJOURNMENT**

Moved by Councillors Jacques Lemire and Mark MacDonald that the Budget Meeting of Monday January 10, 2006, be adjourned at 9:35 p.m.

**Motion Carried**

  
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DENISE LABELLE-GÉLINAS  
CITY CLERK

  
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PHIL POIRIER  
MAYOR

