



COMMITTEE OF THE WHOLE

MINUTES

MONDAY, DECEMBER 5, 2016

7:00 P.M.

30 Honour House Court - Council Chambers

Members Present:

- Mayor Ann Seamans**
- Deputy Mayor Cecile Cassista**
- Councillor Lana Hansen**
- Councillor John Coughlan**
- Councillor Jeremy Thorne**
- Councillor Wayne Bennett**
- Councillor Andrew LeBlanc**
- Councillor Tammy Rampersaud**

Staff Present:

- C. Smith, CAO**
- A. Crummey, Town Clerk**
- R. Higson, Director of Finance**
- M. Ouellet, Director of Engineering & Works**
- G. Cole, Director of Parks, Recreation & Community Relations**
- S. Thomson, Director of Economic Development**
- D. Pleau, Fire Chief**
- R. Gauvin, Admin Secretary**

Regrets:

- D. Richard, Deputy Town Clerk**

1. CALL TO ORDER

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

2. ADOPTION OF THE AGENDA

Moved by: Councillor W. Bennett

Seconded by: Councillor L. Hansen

That the agenda for the Committee of the Whole meeting held on Monday, December 5, 2016 be approved.

Motion Carried

3. DECLARATION OF CONFLICTS OF INTEREST

Councillor LeBlanc declared a conflict of interest should any discussion arise with regard to the Boys and Girls Club since he is in their employ.

4. CONTINUATION OF REVIEW OF PROPOSED 2017 BUDGETS

Mr. Higson noted, subsequent to the Council meeting held on November 26th, further information had been received with regard to the figures impacting the 2017 budget with respect to the property tax revenue and community / equalization grant from the provincial government.

Mr. Higson said that the total additional revenue from these two items amounts to \$195,901 for 2017 - \$41,522 for the tax base growth and \$154,379 for the community / equalization grant. Mr. Higson remarked while the funding is positive news, the Town of Riverview received more equalization grant funding due to the relatively stagnant growth in the tax base of 0.58%, compared to 0.70% in the previous year.

Mr. Higson mentioned it is staff's recommendation that this money be designated towards helping to fund the Town's capital projects that are on the long and short term lists for existing assets to be refurbished and also start to build towards future growth needs of the Town moving forward.

Historically, from 2010 to 2016, the Town was putting monies into the General Capital Reserve fund of an average of \$749,000 per year, but it stopped 2 years ago. In 2015 and 2016, the Town had no money designated to the Capital Reserve, except for the \$250,000 designated for the future Wellness Community Centre. Currently, no monies are being put aside in reserves to meet capital requirements over the next decade. It is extremely important to maintain some regularity if the Town wants to fund capital projects.

In addition, at the November 26th meeting, Council also explored and discussed a potential increase in the property tax rate from 1.56 to 1.58, a 2 cent increase. A 1 cent increase in the tax rate would yield an additional \$148,478 in revenue for the Town to utilize to help fund initiatives that are in the budget. A 2 cent increase would generate \$296,000.

It is important to understand that, based upon a \$150,000 home value, every 1 cent increase in the tax rate results in an average \$15.00 per year increase in the property tax bill and for every 2 cent increase, the approximate average increase would be \$30.00.

Taxpayers would benefit from improvements and services provided through capital infrastructure and Town departments would be able to continue to provide the existing level of services with continuous attention to capital infrastructure.

The combined amount of the \$196,000 provided by the province along with a 2 cent increase in the tax rate, would yield approximately \$492,000 which staff would recommend should be transferred to a capital reserve fund to be able to mitigate the amount of borrowing that is necessary and to try and meet the immediate needs of existing asset refurbishment on a timely basis.

Mr. Higson also noted that the tax rate has not increased in Riverview since 2003. Over a 14-year period, the tax rate in Riverview has only increased 1.8%. Therefore, staff is recommending that a 1.3% increase to the tax rate be considered for discussion by Council.

Councillor LeBlanc agreed with allocating money to the capital reserves but also suggested that Council consider replacing back the \$75,000 budget line item for asphalt patching as well as the \$38,000 line item for live streaming from the

monies received from the province with the remainder of the monies to be put in capital reserves.

Deputy Mayor Cassista suggested that Council could reconsider the position of a tax rate increase and rework the line items in the budget further. The provincial government this year will also be doing assessments on properties which will provide increases as well. It will cause financial hardships not only for seniors but for many families as well.

Mr. Higson said the budget can be reviewed again this year to reduce line items as a short-term need, but this would not address not putting any monies away for large capital projects in the future that are more significant than line items. A financial long-term solution is required to address this issue now and not later. Staff did go back, based on Council's parameters, with a 4% reduction in the line items along with trying to keep the tax rate at a stable number.

Deputy Mayor Cassista put forth a recommendation for Council to consider Option 1 - no change in the tax rate as mentioned in the report. A consensus was achieved by Council to defeat Option 1 – no change in the tax rate.

Members of Council went on to discuss Option 3 – 2 cent increase in the tax rate – extra \$296,000 in revenue. A consensus was achieved by Council to approve a 2 cent increase in the tax rate.

Councillor LeBlanc noted the capital project plan is linked directly to commercial growth as there are a number of items in the capital budget which are directly going to impact commercial growth in the Town. Steps have to be taken at this point to position the Town to realize and see that commercial growth in the future. The Town as a community needs to foster economic and commercial sustainability in order to move forward.

Councillor Rampersaud mentioned Council is setting a course and direction in strategic planning for the Town in the future to be able to fund and support this direction. Tax increases are always difficult to agree upon, but she believes this is a sound decision to make on behalf of the Town.

Mr. Higson noted with regard to asphalt patching, by setting the money aside in capital reserves, it opens the flexibility for Council to make decisions in 2017 as to what the money can be used for. It would be best to leave the asphalt patching as it is in the present budget and address the issue when and if the need arises.

Mr. Smith remarked as part of the process, the Town has to start lowering its operating expenses and challenge ourselves to live within our means. It is important to try to contain the growth and management of the operating budget as well as also trying to address long-term capital requirements by dedicating funds to the capital reserves.

Mr. Ouellet confirmed with Councillor Thorne that the department was able to stay in budget this year with regard to utility patching but not able to with street patching. However, there are opportunities to look at different technologies that are more cost effective that can be reviewed.

Mr. Ouellet noted the department would not spend more money than necessary. The budget is a target that the department works with, but he would definitely come back to Council should the need arise for more money once the winter is over. The asphalt recycler has brought in savings of \$100,000 every year.

A consensus was achieved from Council to put the additional funding received from the Province and the 2 cent increase in the property tax rate of approximately \$492,000 into the general capital reserve fund.

Mr. Higson confirmed staff now has direction from Council to move forward with amending the budget to put approximately \$492,000 into the general capital reserve fund which will result in the amendment of the tax rate by 2 cents to 1.5826 for ratification at the Regular Council meeting scheduled on December 12, 2016.

5. ADJOURNMENT

Moved by: Deputy Mayor C. Cassista

Seconded by: Councillor J. Thorne

That the meeting be adjourned at 7:55 p.m.

Motion Carried