



SPECIAL COUNCIL #04

BUDGET MEETING #01

Tuesday, February 20th, 2001
Meeting began at 7:00 p.m.

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

ADMINISTRATION: Cecil Vincent, Chief Administrative Officer, Denise Labelle-Gélinas, Acting City Clerk, David Dick, Manager of Finance and the following Management Personnel: Graham Dart, Fernand Hamelin, Stephen Alexander, Christine Lefebvre, Susan Cain, Heather Arthur, Sherman Goodwin, Gilles Ayotte, Bonnie Ruest, Tracy Poirier, John Flannigan, Anita Roach, Paul Fitzpatrick, Barbara Landry, Linda Bethune, Conrad Miller and David Fielding,

PRESENTATIONS

The Chief Administrator, Cecil Vincent provided Council with an overview of this year's budget proposal and its re-designed format, that will to capture the basic services and help us to understand the full costs of many city provided services.

The presentation this evening was provided by overheads and graphs that depicted costs on a per household basis, and on a per unit basis to better understand what the Citizens of Cornwall are paying for.

The City of Cornwall has lost some \$53 million in assessment in every sector of the property base, and Cornwall is one of only four communities in Ontario to experience an assessment loss in the residential sector which translates into an estimated \$700,000 loss. The City has also budgeted for a loss of \$.325 million in CRF funding, \$1,15 million in negotiated salary and benefit increases, \$.25 million increase in Land Ambulance costs and about \$.25 million in increased fuel costs. The only positive revenue growth comes from POA with a budgeted increase of \$.25 million for a final year over year starting deficit/loss of \$2.425 million..

Based on simply maintaining services at last years levels and spending the same amount on capital expenditures the City would have to raise the \$2.425 million from the tax base.

With the Local Service Realignment (LSR) and changes imposed by the Province, the City of Cornwall now deliver Ontario Works/Child Care, Land Ambulance, Social Housing and comprise of a gross expenditure in the 2001 budget of \$52,997,623 or 42.2% of the City's total gross budget.

In order for Council and the public to understand the Corporations costs as unique business operations, this year's budget has been reconfigured to see full costs of individual municipal services including their proposed capital expenditures.

1. The budget has been prepared to capture departmental expenditures as unique business units;
2. Whenever possible revenues and expenditure levels used in this budget have been calculated using an average of the past three years;
3. Council will be provided with a copy of all items that have not been included in the final budget submission to Council.

Mr. Vincent indicated that the Corporation will be facing both revenue concerns and expenditure concerns. Additional financial pressures are expected both this year and next as the need to enhance the service for Land Ambulance service to 24 hour coverage across the SD & G area and many financial details are as yet unknown as to the impacts at the local municipal level of the downloading of the Social Housing responsibilities from the Ontario Housing Corporation .

In Summary, the CAO indicated that this was the final year of the transfer of services from the Province of Ontario to municipalities. It is also the year when the second round of current value assessments has been released and will impact on the eventual apportionment of the costs of local services through the payment of taxes.

Mr. David Dick, Manager of Finance continued with an overhead presentation that provided Council with a very detailed display of the Corporation's position in so far as its expenditures, non-tax revenues, shortfalls, assessment loss and net expenditures per household for the many services provided to the citizens of Cornwall.

Dick, through the assistance of the CAO and Administration, suggested several recommended changes to the 2001 budget submissions in the total amount of \$5,711,000.00 , and in addition proposed that the council increase its sewer surcharge, make use of its supplemental taxes, un-applied capital funding from previous years, Provincial Offences Act three year recovery of underestimates be placed within the 2001 budget as revenues and making use of working reserves.

Additionally, it was suggested that the Corporation allow its utilities such as sewer and water to become self-funding and that it be treated as a stand alone utility separate from departmental expenditures.

In conclusion, Mr. Dick provided Council with several proposals that could be explored to meet its 0% tax increase to meet the same net requirements as year 2000.

Council members were provided an opportunity to question the Chief Administrator and Mr. Dick on the information provided and as a result, several motions were endorsed.

Pay for Parking

Moved by Councillors Andre Rivette and Naresh Bhargava that Administration provide a report on "Pay for Parking" as a user fee for the Si Miller and Civic Complex arena sites.

Motion Carried

Road Conditions

Moved by Councillors Denis Carr and Syd Gardiner that the Manager of Public Works provide a report detailing the state of municipal roads.

Motion Carried

Taxation Ratio's for all Classes

Moved by Councillors Denis Carr and Syd Gardiner that the Manager of Finance provide Council with a breakdown of projected tax dollars and net expenditures per household using the classes of commercial, industrial, multi-residential .

Motion Carried

Budget deliberations will continue on Wednesday February 21st.

Adjournment: 9:00 p.m.


Denise Labelle-Gélinas
Acting City Clerk


Brian Sylvester
Mayor