

**BUDGET MEETING 2008/01
REGULAR COUNCIL #41-2007**

Wednesday, December 12, 2007
Meeting called to order at 6:00 p.m.
City Hall - 360 Pitt Street, Cornwall

PRESENT: Mayor Bob Kilger, Councillors Guy Léger, Elaine MacDonald, André Rivette, Bernadette Clément, Glen Grant, Denis Thibault, Denis Carr, Kim Baird and Syd Gardiner

REGRETS: Councillor Mark MacDonald

ADMINISTRATION: Paul W. Fitzpatrick, Chief Administrative Officer, Denise Labelle-Gélinas, City Clerk, Stephen Alexander, David Dick, Christine Lefebvre, Normand Levac, Victor Leroux, Conrad Miller, Richard Bourdeau, Robert Hickley, Morris McCormick, Tracey Bailey and Paul Scrimshaw

Mayor Bob Kilger called the meeting to order at 6:00 p.m.

DISCLOSURE OF INTEREST - None reported

ADOPTION OF THE SPECIAL BUDGET AGENDA

Moved by Councillors Syd Gardiner and Guy Léger that the Special Budget Meeting 2008/01 Agenda #41-2007 of December 12, 2007, be approved .

Motion Carried

Councillor Denis Thibault asked the Chair to introduce a motion on Transit Fares. The Clerk suggested that if it was the wish to introduce any other issue that was not identified on the Special Agenda, a motion to suspend Rule 3 of the Procedural Bylaw would have to be introduced with a 2/3's vote of the Council.

Moved by Councillors Denis Thibault and Denis Carr that Council Invoke Rule 3 to suspend the rules to allow the subject matter of Transit Fares to be discussed.

A recorded vote on suspending the rules resulted as follows:

For: Councillors Guy Léger, Elaine MacDonald, André Rivette, Glen Grant, Denis Thibault, Kim Baird, Denis Carr, Syd Gardiner and Mayor Kilger.

Against: Councillor Bernadette Clément

Absent: Councillor Mark MacDonald

Motion to Suspend Carried

Transit Fare Increase

Moved by Councillors Denis Thibault and Denis Carr that Administration be directed to report on the recent Transit Study Fare Increase that would provide for a minimum of 10% increase relative to the recommended Study rate for 2008; a additional 10% increase in the following three years, being 2009, 2010 and 2011, where increase would also address what new services will be provided as well as what services may be decreased without any increase in the current level of staffing.

Motion Carried**PRESENTATIONS****1. Water and Waste Water 2008 Budget - Operating and Capital Budget 2007**

Mr. David Dick, General Manager of Financial Services provided a brief overview, power point presentation, on the Water and Waste Water, including the proposed Capital Budget forecast for the year 2008.

The presentation covered the Corporation's legislative responsibility in so far as Bill 175 *Sustainable Water and Sewer Systems Act* and its focus on full cost recovery. Cost recoveries include: Source Protection; operating costs; financing costs; renewal, replacement and improvement costs; extraction, treatment and distribution costs ; and other costs as prescribed including requirement for an audit opinion.

The 2008 budget, as indicated by Mr. Dick, has been prepared with an overall combined flat rate increase of 5% to the utility bill. Operational expenditures have increased by 2.31% including an appropriation to reserves of \$89,000 with a Capital increase by 9.98%. For additional clarification, the Manager provided a comparison of water and sewer costs at the 5% proposed increase based on the 2007 billing and comparing residential costs within the City of Cornwall and its position relative to the provincial average, median, minimum and maximum. Additional comparisons were given based on commercial and industrial properties vis a vis Cornwall and other communities across the province.

Mr. Dick provided breakdowns in so far as details surrounding the Water Capital projects and Sewer Capital projects and what costs were associated with them.

A) Water and Sewer 2008 Budget

Moved by Councillors André Rivette and Elaine MacDonald that Council approve the 2008 Water and Sewer Budgets as recommended by the Budget Steering Committee at a 5% combined flat rate increase for 2008.

Motion Carried

B) Secondary Treatment Plant

It was further moved by Councillors Denis Carr and Elaine MacDonald that beginning in the year 2009, a contribution to reserves be included in the Sewer Budget which will be applied to the eventual expansion of the Water Treatment Plant (Secondary Treatment Plant) and that the Council continue to finance this project on a 30 year term; and that the contribution to reserves be based on the cost of borrowing to finance this project.

Motion Carried

2. General Discussion - 2008 Capital Budget

The Presentation then continued on the 2008 Capital Budget. Mr. Dick indicated that the City was presently completing the valuation of tangible Capital Assets as required by the Public Sector Accounting Board for inclusion in the 2009 financial statements and annual budget process. It is expected that the value of assets will exceed 1.3 billion dollars. The annual capital spending averages was identified at \$11M.

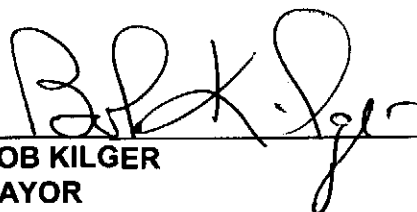
Capital Requests comparisons for the 2007 and 2008 were itemized in so far as expenditures and sources of funding available to cover the costs. A breakdown of proposed projects with estimated costs through municipal infrastructure, solid waste, municipal works, recreation, emergency management services, waterfront and other projects such as fire preemption, fire hall generator and GSDL were provided

ADJOURNMENT

Moved by Councillors Glen Grant and André Rivette that the Special Regular Council Meeting of Wednesday, December 12, 2007, be adjourned at 7:30 p.m.



DENISE LABELLE-GÉLINAS
CITY CLERK



BOB KILGER
MAYOR

