



BUDGET MEETING #01-2005

SPECIAL PUBLIC COUNCIL # 03-2005

Thursday, January 13, 2005

Meeting began at 6:30 p.m.

PRESENT: A Special Council meeting was held this evening with the following members present: Mayor Phil Poirier, Councillors Huguette Burroughs, Joël Côté, Glen Grant, Perry Lalonde, Korey Kennedy (arrived at 7:10 p.m.), Mark A. MacDonald, Leslie O'Shaughnessy, Jacques Lemire and Chris Savard

ABSENT: Councillor Naresh Bhargava

ADMINISTRATION: Cecil Vincent, Chief Administrative Officer, Denise Labelle-Gélinas, City Clerk; and the following Management Personnel: David Dick, Tracey Bailey, Fernand Hamelin, Stephen Alexander, Steve Wintle, Susan Cain, Victor Leroux, Donna Derouchie, Morris McCormick, Norm Barrette, Paul Fitzpatrick, Debora Daigle, Len Tapp, Bryan Ward Paul Scrimshaw and Manon Poirier

Mayor Phil Poirier called the meeting to order at 6:30 p.m.

Mayor Poirier provided brief introductions to the Budget sessions that are now beginning and indicated that a Power Point presentation would be made by David Dick, Manager of Finance while Mr. Vincent CAO, would introduce the overall budget process.

Mr. Vincent confirmed for Council's benefit, the manner in which the conduct of proceedings would be followed through Budget deliberations and reaffirmed the dates that have been scheduled. The budget documents were prepared as efficiently as possible based on the required funding for general operations by all departments.

2005 BUDGET OVERVIEW AND PRESENTATION

Mr. David Dick, Manager of Financial Services, delivered a Power Point presentation to Council depicting the Corporation's financial position in so far as the recent release of the BMA Study of 66 municipalities, representing 79% of the provincial population including a number of financial and data graphs. Mr. Dick's presentation presented, for illustration purposes, the City's position on assessment per capita based on MPAC dollars per population.

Financial information on Net levy, building permit value and income per capita was provided for Council's benefit to better understand the City's position relative to the other 66 municipalities across the Province. Facts as to the City's placement in so far as property taxes, water and sewer burden based on the average tax payer indicates that the City is paying significantly lower relative to the lower income yet when comparing incomes and tax payments, the average Cornwall resident uses 5.5% of its income to pay for taxes, water and sewer charges.

The study provided further indicated that the City of Cornwall and the City of Thunder Bay were the only two municipalities that did not charge development charges.

Data figures were given on taxation ratios for multi residential, commercial, industrial and large industrial sectors and where the City of Cornwall fits in. Additional breakdown information in so far as the municipalities cost for providing the services of Social Assistance, Fire, Police, Transit, Waste Disposal, Ambulance, Assistance for the Aged were provided.

MPMP information based on the 2004 figures indicated what the City of Cornwall has paid in comparative values to other cities our size, for cost in providing Local Government, Fire, Police, Road-winter, conventional transit and solid waste programs.

Following the overview of the City's position on the Survey and its costs for doing business in accordance to the MPMP information provided to the Province on a yearly basis, Mr. Dick reviewed the 2005 Budget requests on expenditures for wages and benefits, purchase of goods and services and services and rents. The overall financing picture indicates that there is an increase in spending requests of \$10,972K or 18.8%; contribution to capital increase of \$7,013K; assistance for unemployed increased by \$1,427K; Corporate costs increase by \$1,217K and contribution to reserves increase of \$952K.

For additional clarification, Mr. Dick detailed where the majority of the increases were identified. Protective Services comprised of the Fire, Land Ambulance and Police Services increased significantly. Additional and significant increases are identified within the Transit and Recreational departments, projected wage increases and FTE's.

The City's tax revenue growth will only see a net new growth of \$262,097 in 2005, based on the information provided at year end 2004.

The Council are being requested to review a requirement of Capital Expenditures totaling \$13,039,000. This amount can be reduced by an amount of funding that is available from other sources which would reduce the 2005 Capital Expenditures to \$9,792,000.

Based on budget requests from previous years, there is an immediate need to review Capital expenditures within the majority of municipal departments. Upon reviewing the Corporation's Budget requirements, there exists a \$14,021,100.00 shortfall heading into 2005 Budget Deliberations.

In conclusion, Mr. Dick briefly presented an overview of the City's position within its sewer, wastewater and water budgets and the expected water and sewer rates for 2005.

Adjourned at 8:05 p.m.



**DENISE LABELLE-GÉLINAS
CITY CLERK**



MAYOR PHIL POIRIER