



Minutes of Special Council Meeting
April 18, 2013
Council Chambers, Town Hall, Arnprior, ON

Present:

Mayor David Reid
Reeve Walter Stack
Councillor Mark Willmer
Councillor Ted Strike
Councillor Lynn Grinstead
Councillor Dan Lynch
Councillor Lyle Anderson

Also Present:

Michael Wildman, CAO
Maureen Spratt, Town Clerk
Jennifer Morawiec, Director Corporate Services/
Treasurer
Renee Couture, Deputy Treasurer
Karen Deluca, Chief Librarian
Robin Smith, Town Planner
Jacques Benoit, Chief Building Official
Kaila Bowen, Secretariat Services Assistant

Absent:

1. CALL TO ORDER

Mayor David Reid called the Council Meeting to order at 5:00 p.m. and welcomed those present.

2. ROLL CALL

The Town Clerk called the roll, with all Members of Council being present, except for Councillor Anderson.

3. ADOPTION OF AGENDA (Additions/Deletions)

Resolution No. 166-13

Moved by Walter Stack

Seconded by Ted Strike

BE IT RESOLVED THAT the Agenda for the Special Meeting of Council dated Thursday, April 18, 2013 be adopted.

Resolution CARRIED

4. DISCLOSURES OF PECUNIARY INTEREST

Councillor Lynch noted that it was not expected to discuss the Arnprior Airport Commission this evening, however he would declare an interest should that occur.

5. AWARDS/DELEGATIONS/PRESENTATIONS

a) 2013 Budget Deliberations

Follow Up from Prior Night

The CAO provided a summary report of the April 17th, 2013 Budget Deliberations, outlining the following points of clarification:

- Police Revenues – Staff Sgt. Slight confirmed that as a non-contract arrangement, the Town of Arnprior is not eligible to receive Ride Program Grant Funding.
- Public Works and Parks and Recreation Activities – Staff agree a review will be completed to determine if any efficiencies can be realized, with the potential overlap of duties between these two departments.
- Parks and Recreation Salaries – a breakdown of the salary percentages for the Parks and Recreation Department can be provided in support of the Joint Recreation Committee.
- Marina:
 - The lease agreement between the Corporation of the Town of Arnprior and Fisheries and Oceans Canada includes a rental amount to be paid however, does not include any stipulation that Fisheries and Oceans Canada will approve our rates.
 - Staff will review why the profit is low with respect to gas sales at the Marina, to see if the margin is appropriate.
 - Staff will research the request for historical figures on the usage of the boat slips/ docks.

On question of Council the following was clarified:

- The revenue was present in the Police Services Department last year, for fines. This is moved to zero (0) now because the fines are rolled into the reconciliation.

Community Development

- The CAO gave an overview of the Community Development Department Cost Center of the 2013 Budget, outlining individually the Protection/Inspection, Planning, and Marketing & Economic Development portions. There was no direction, motions passed, or changes made to this Cost Center.

Councillor Anderson arrived at the Council meeting, and took his seat at the Council table. (5:11 p.m.)

On question of Council the following was clarified:

- The Building Code Inspection account is self-sustaining; however a balance that is left over is placed into a reserve for a future year if the revenue comes up short at some point.
- Honourarium costs are covered for the various Committee meetings that will take place.

Mayor Reid indicated there needs to be a Marketing and Economic Development initiative for Doctor Recruitment that takes place in the near future. The Town of Arnprior is struggling to compete with other surrounding municipalities. Mayor Reid believes, although does not necessarily agree with it, that there needs to be some sort of incentive program put in place for the doctors to want to come and stay here in Arnprior, as that is what surrounding municipalities are currently doing. The Town in his mind needs to look at setting aside money in the upcoming year. This does not need to be looked at this year; however it is a good thing to keep in mind for the upcoming year. He asked staff to, if needed, in the future make a recommendation on where the Town could find money in the budget to look into an incentive program for doctors.

The CAO indicated that if something needed to be started this year for a doctor recruitment/ incentive program, some of the excess salary amount for the Marketing and Economic Development Officer could be a potential source of funding.

Mayor Reid asked the CAO to outline the press release that was issued this week, regarding the new Marketing and Economic Development Officer. The CAO indicated that the Town has hired a new Marketing and Economic Development Officer by the name of Lindsay Wilson. She has a degree in Commerce with a focus on Marketing Management. He also indicated that staff is excited for her to be a part of the Town of Arnprior team. Mayor Reid agreed and thanked staff for completing this extensive recruitment initiative that has been taking place.

Crossing Guards

- The CAO gave an overview of the Crossing Guards Cost Center of the 2013 Budget. There was no direction, motions passed, or changes made to this Cost Center.

On question of Council the following was clarified:

- The hourly wage is currently \$12.19 for crossing guards here in the Town of Arnprior. Staff will look into how competitive this wage is, and look at making any increases if thought necessary for next year's budget.

Animal/Parking

- The CAO gave an overview of the Animal/ Parking 2013 Capital Budget. There was no direction, motions passed, or changes made to this Cost Center.

On question of Council the following was clarified:

- The By-law Enforcement Officers do not get paid by fine revenue, there is no profit sharing.
- The Town currently receives parking fine revenue from the Arnprior Regional Health Centre parking lot.

Other (Library, Archives, Contingency)

- The CAO gave an overview of the other areas of the 2013 Budget, including the Library, Archives, and Contingency.

On question of Council the following was clarified:

- Contracted Services are those services where outside organizations come in to provide services that the Town is invoiced for. Where, Building Repairs and Maintenance are those costs that come from internal staff providing various services. Staff will provide Council with an overview of what the contracted services are for this cost center.

Resolution No. 167-13

Moved Walter Stack

Seconded Dan Lynch

THAT Council directs that the transfer of \$29,939.00 to reserve shown as account number 1-5-7600-7730 be held in abeyance and may be used in support of the 2014 operating costs, subject to the outcome of the McNab/Braeside Library agreement

Resolution CARRIED

Reserves/Debt Summary

- The Director of Corporate Services provided an overview of the Reserves and a Debt Summary of the 2013 Budget.

On question of Council the following was clarified:

- There are municipal restrictions as to how much external debt the Town is permitted to have. Staff will provide Council with the percentage the Town is currently at (debt versus debt allowance).
- The borrowing capacity is calculated using external debt.

Discussion ensued regarding the Hydro Reserve Fund, where Council indicated some confusion as to the amounts currently present in this reserve fund, as well as the amounts owing to it. Council also indicated uncertainty surrounding the internal reimbursement programs to this reserve fund. Staff outlined a summary of recommendations being put forward regarding this reserve fund. Staff also indicated that both capital and interest of the fund have been used depending on the situation over time.

Mayor Reid indicated that this internal borrowing from the Hydro Reserve Fund is not affecting the rate payer, as where it is costing on one side; the rate payer is receiving the capital benefit on the other side. Council discussed that the debt is not necessary as long as an equivalent amount to the debt payment continues to be contributed to reserves.

The CAO indicated that staff is recommending that several of the reserves and reserve funds be collapsed and be put in the same reserve or reserve fund. Staff is also recommending the name of the Arnprior Hydro Reserve Fund be changed to the Capital Expenditure Reserve Fund. Also, staff is trying to move toward a pay-as-you go program, without borrowing from ourselves or externally in the future. Staff will be preparing a by-law to effect the changes discussed.

The CAO and Director of Corporate Services/ Treasurer made a presentation to Council on the Current Value Assessment (CVA) versus Municipal Tax Rate, which is attached as Appendix A forming part of these minutes.

Discussion ensued regarding an increase in the Municipal Tax Rate, in which the following resolution was entertained:

Resolution No. 168-13

Moved by Walter Stack

Seconded by Lynn Grinstead

THAT Council directs staff to increase the budget by \$100,000.00 to be put towards reserves, and increase the Municipal Tax Rate accordingly.

Resolution CARRIED

Council indicated that this was one of the best budgets ever presented to them and congratulated the CAO, Director of Corporate Services/ Treasurer, Deputy Treasurer, and support staff for a job well done. They also thanked staff for the detailed presentations and information.

6. **CONFIRMATORY BY-LAW**

Resolution No. 169-13

Moved by Lyle Anderson

Seconded by Mark Willmer

THAT By-law No. 6210-13 being a by-law to confirm the proceedings of the Special Meeting of Council held on April 18, 2013 and it is hereby enacted and passed.

Resolution CARRIED

7. **ADJOURNMENT**

Resolution No.170-13

Moved by Lynn Grinstead

Seconded by Mark Willmer

BE IT RESOLVED THAT this meeting of Council be adjourned at 6:50 p.m.

Resolution CARRIED



Mayor David Reid



Maureen Spratt, Town Clerk



Town of Arnprior

CVA vs. Municipal Tax Rate

Special Council – April 18, 2013

Michael Wildman, CAO

Jennifer Morawiec, Director of Corporate Services

Background

- ▶ There are several sources of revenue for a municipality
- ▶ Taxes, Fees, Water & Sewer Rate, Grants, etc.,
- ▶ Focus on Tax Revenue (Current Value Assessment vs. Municipal tax Rate)



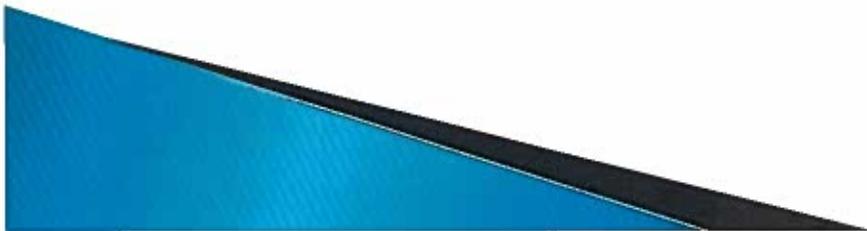
Discussion – Current Value Assessment

- ▶ Current Value Assessment (CVA) is determined by the Municipal Property Assessment Corporation (MPAC), not the municipality
- ▶ Current Value is defined as the price a property might reasonably be expected to sell for, in its current condition, on the open market. Current value is the most probable price a property should bring in a competitive and open market under all conditions of a fair sale.



Discussion CVA cont....

- ▶ There are several things that are considered to determine CV.
- ▶ **Sales comparison approach**
- ▶ **Cost approach:** Current value of land + cost of improvements - depreciation = value of property
- ▶ **Income approach:** Analyzes future benefits (e.g., income-producing potential)



Discussion CVA cont....

- ▶ Looking at matters in isolation: If the CV of a property goes up, the amount of taxes paid also goes up. Conversely, if the CV goes down, the amount of taxes paid goes down.
- ▶ Every property is assessed, therefore, every property will have a separate and distinct CVA.



Discussion CVA cont....

- ▶ In a given year, CVA may go up for one property while it may go down for another.
- ▶ To illustrate this point, the average CVA for Single Family Detached on Waterfront in Arnprior CVA is negative 6.38% change in 2013; however, the average CVA for Single Family Detached not on waterfront is 1.46 % change in 2013.
- ▶ There are many variables within each class, thus every property has it's own CVA



Discussion CVA cont....

- ▶ This year, when looking at all property classes, the MPAC generated CVA for Arnprior results in a net increase which will generate \$203,955 additional assessed revenue.
- ▶ This is not new growth (supplementals), or new Arnprior Municipal Tax Rate.
- ▶ This is revenue generated by increases in current value of properties within the Town.



Discussion Municipal Tax Rate

- ▶ Each year, local governments (e.g., municipalities/local taxing authorities, counties, regions) determine the amount of money they need to provide services, such as roads, police services, parks and libraries.
- ▶ This can be accomplished through a number of funding sources as noted.
- ▶ Focus on *Municipal Tax Rate*.



Discussion MTR cont....

- ▶ This year, the draft budget as submitted is based on a 0% Municipal Tax Rate increase.



Discussion

- ▶ Total taxes paid include Municipal, County & Education.
- ▶ Taxes paid can be dependant on multiple factors and variables, such as increases or decreases in County or Education taxes, County set Tax Ratios, CVA and Municipal Tax Rate increases or decreases.

Discussion

- ▶ Because each property has an individual CVA, it is impossible to say with accuracy what the impact is on all tax payers. Some will go up, some will go down and some will remain the same. CVA impacts are not controlled by the Town.
- ▶ Municipal Tax Rate is controlled by the Town and is currently set at zero (0%).
- ▶ Should council wish to increase the Municipal Tax Rate, a 1% increase would result in approximately \$70,000 in additional revenue.

Questions