

The Corporation of the Town of Essex
Special Council Meeting

January 22, 2018

A Special Meeting of the Council of the Town of Essex was held on Monday, January 22, 2018 at 4:30 PM in the Community Room at the Harrow and Colchester South Community Centre, 243 McAfee Street, Harrow, Ontario.

1. Roll Call

Present: Mayor Ron McDermott
Deputy Mayor Richard Meloche
Ward 1 Councillor Steve Bjorkman
Ward 1 Councillor Randy Voakes
Ward 3 Councillor Ron Rogers
Ward 3 Councillor Larry Snively
Ward 4 Councillor Sherry Bondy

Also Present: Donna Hunter, Chief Administrative Officer
Jeffrey Morrison, Director, Corporate Services and Treasurer
Chris Nepszy, Director, Infrastructure and Development
Doug Sweet, Director, Community Services
Rick Arnel, Fire Chief
Shelley Brown, Financial Analyst
Laurie Brett, Deputy Clerk, Legal and Legislative Services

2. Declarations of Conflict of Interest

There were no declarations of conflict of interest noted.

3. Adoption of Published Agenda

a) Special Council Meeting Agenda

Moved by Councillor Rogers
Seconded by Councillor Snively
(SP18-01-004) That the published agenda for the January 22, 2018 Special Council Meeting be adopted as presented.
“Carried”

4. Reports from Administration

a) Jeff Morrison, Director, Corporate Services and Treasurer, provided a verbal report on the 2019-2022 Budget Forecast, noting key changes since the 2018-2021 Budget Forecast and/or responding to Council discussions as follows:

Operating Budget:

Referring to the Operating / Capital Summary on pages 4 and 5, Mr. Morrison noted that the forecast includes a 2% tax increase to the base municipal rate for each year. The \$500 surplus forecast for 2019 will be brought into capital and the capital surplus is expected to grow to \$308,236 by 2022.

Referring to the Long-Term Debt summary on page 13, he noted that the long-term debt is forecasted to be in the \$15 million range by 2022, as per Council's request.

Capital Budget:

New capital expenses, as noted at the bottom of page 5, have to be funded through the annual tax levy increase.

The Department Level Summary on page 6 contains 3 tables. The first table shows the new forecast, followed by a table showing last year's forecast as adopted, and a third table summarizing the changes.

A list of new projects appears on page 7. Projects for which grant applications have been submitted reflect the grant funding that may be available.

Council's Capital Budget appears on page 12 and contains projects that don't fall under a specific department but were identified by Council.

Several council members questioned how new projects, such as the list of projects recently submitted by Co-An Park and the Harrow Chamber of Commerce, can be accommodated in the next four years if they are not reflected in the budget forecast. Mr. Morrison noted that the 2019-2022 Budget Forecast is not set in stone, but is a set of budget recommendations that take into account the general principles of Asset Management Planning alongside Council's wishes. He noted that approving the Budget Forecast does not preclude Council from changing the priorities and adding new projects.

With respect to funding new projects, Councillor Snively inquired about pulling money from reserves to complete some of these projects. CAO Donna Hunter noted that reserves are earmarked for specific purposes and she is not aware of any reserve from which money could be pulled. Mr. Morrison noted that Council's contingency fund was originally created to cover projects arising outside the budget process. That fund was reduced to \$50,000 as part of the 2018 budget deliberations. He noted that, if Council wished to proceed with a new project such as the Co-An Park and Harrow Chamber requests, costs could be funded through a combination of contingency funds, long-term debt, and reserves if available.

Deputy Mayor Meloche noted, as Co-An Park is jointly funded by Essex and Amherstburg, input from Amherstburg would be needed before Essex could move forward with funding any projects. On the matter of funding, he also noted that Council may decide to delay a

planned project to fund another new and more pressing project. Alternatively, federal grant funding for some capital projects may become available in advance of the next national election. He also noted that as the Town's long-term debt decreases, Council could add debt to fund some of the projects.

Councillor Rogers questioned how Council could add in new projects tonight, during budget forecast discussions. CAO Donna Hunter asked Council to allow Mr. Morrison to continue with his presentation.

Mr. Morrison continued with his presentation by reviewing each division and noting the items that require funding, along with those that are fully funded and therefore create no net impact on the budget forecast. Items highlighted in blue have been newly added to the 2019-2022 Budget Forecast.

On the matter of Roads and Roadsides (page 32), Mr. Morrison noted that when a replacement item is fully funded, the funding could come from a number of sources: life cycle reserves, specific reserves, cost sharing, OCIF formula-based funding, gas tax funding, or a tax levy increase.

A typo in Item PW-21-0021 was noted. The item references Ferris Road and the 4th Concession Bridge, not the 14th Concession.

A number of questions arose related to Community Services projects identified on page 40 and 41. The Mayor recommended that switching over to LED lighting earlier than 2022 could create long-term savings that would offset the cost. Deputy Mayor Meloche recommended borrowing the money to cover the cost now and repaying the debt through the savings.

Councillor Bondy noted that she has received complaints about the fence around the tennis courts in Harrow. Councillor Voakes inquired about construction of tennis courts in Essex Centre. Doug Sweet, Director of Community Services, advised that money is being put aside as part of the Parks and Recreation Master Plan to address tennis courts by 2020.

Councillor Bondy noted that Council needs to discuss the Colchester Schoolhouse and parking issues in Colchester Village. Mr. Sweet noted that the roof, doors and windows have been upgraded and administration is waiting for Council direction on the matter of the schoolhouse.

New Items

Further discussion was had in relation to the Co-An Park request for \$1.9 million over four years. A meeting with Amherstburg is needed before any decisions are made.

Councillor Bondy asked that a streetscape plan for Harrow be included in the budget forecast so that the Town is ready to act if grant funding becomes available. She also noted that having a plan in place will assist with attracting businesses and development. Mr. Sweet noted that the Stempski plan for Essex Centre cost approximately \$60,000. Deputy Mayor Meloche noted that there is \$50,000 in the Council Contingency Fund and recommended that administration obtain costing data for a streetscape plan for Harrow.

Councillor Bjorkman recommended that construction of Fire Station 3 washrooms be moved up from 2022.

Councillor Bjorkman noted that the Essex Centre sports fields are not reflected in the budget forecast. Mr. Sweet noted that the consultant is expected to provide costing within a month and that the phase-in plan will be based on the costs.

Councillor Bjorkman noted that plans for a new Town Hall or a Town Hall expansion are not reflected in the budget forecast. He noted that the debt ceiling Council has set for the Town may not be feasible if we have to add long-term debt to finance a new facility.

Deputy Mayor Richard Meloche noted that traffic down County Road 8 into Essex Centre has increased and may increase further when the exit via North Malden Road is closed for Highway 3 expansion. He recommended that improvements to the corner of County Road 8 and Talbot Street North be added to the list.

Councillor Bjorkman noted that an increase in interest rates will increase the cost of completing some of these projects over time. He suggested that moving projects up in time would allow Council to take advantage of lower interest rates. Mr. Morrison noted that all discounted borrowing rates are tied to the prime lending rate. He also noted that the administration could build models for each project based on interest rate increases, if Council wishes.

Councillor Rogers recommended that a Master Plan for Snake Lane be added to the list of projects.

Moved by Councillor Voakes

Seconded by Councillor Bjorkman

(SP18-01-005) That the verbal report on the 2019-2022 Budget Forecast provided by Jeff Morrison, Director of Corporate Services and Treasurer, be received;

And that Council adopt the 2019-2022 Operating and Capital Budget Forecast as it currently exists, with the understanding that the Budget Forecast is subject to change and can be amended to include new items at Council's request.

"Carried"

5. Public Presentations

6. Adjournment

Moved by Councillor Snively

Seconded by Councillor Bjorkman

(SP18-01-006) That the meeting be adjourned at 6:13 p.m.

“Carried”

Mayor

Deputy Clerk