



The Corporation of the City of Stratford Finance and Labour Relations Sub-committee MINUTES

Date: January 22, 2019

Time: 3:30 P.M.

Location: Council Chamber, City Hall

Sub-committee Present: Councillor Clifford - Chair Presiding, Councillor Gaffney - Vice Chair, Councillor Beatty, Councillor Bunting, Councillor Ritsma

Staff Present: Michael Humble - Director of Corporate Services, Jodi Akins - Council Clerk Secretary, Mike Beitz - Corporate Communications Lead

Also Present: Councillor Bonnie Henderson

1. Call to Order

The Chair called the meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

No disclosures of pecuniary interest were made at the January 22, 2019 Sub-committee meeting.

3. Delegations

None scheduled.

4. Report of the Director of Corporate Services

4.1 Vacancy Rebate Program (FIN19-001)

Staff Recommendation: THAT the Vacancy Rebate Program be phased out over a two year period commencing January 1, 2019, pending Ministry of Finance approval.

Sub-committee Discussion: The Director of Corporate Services reviewed the report, noting that Council now has the ability to alter the existing vacant unit tax rebate for commercial and industrial properties. Staff gathered public input regarding potential changes to the rebate and the Director advised of the responses, noting that the majority were in favour of eliminating the rebate immediately.

In 2016, 75 properties received rebates and in 2017, 51 properties received rebates.

The Director responded to questions, advising that staff are recommending a phased out approach as opposed to immediate elimination after surveying other municipalities. A phased out approach will allow for time to advise any affected property owners and allow them time to prepare financially. It was noted that the potential rebate is unlimited as it is based on assessed value of the property.

With respect to feedback from the BIA, the Director stated that they are in favour of eliminating the rebate. Discussion took place regarding the potential impacts, with suggestions that this may motivate property owners to get storefronts rented out. Alternatively, it may cause landlords to increase rents.

In response to a question regarding staff time, the Director stated this program is difficult for staff to administer as applications are filed retroactively and it is difficult, if not impossible, for staff to verify that a property actually was vacant for a period of time.

In response to questions, the Director advised that the information on the survey was similar to the report, this program is specific to vacant buildings, a report in 2016 addressed vacant land in addition to this program but no direction was given at that time and the survey was anonymous so there is no way of knowing if those who submitted owned vacant properties.

It was noted that this program only applies to commercial and industrial. Part of the perceived unfairness is that it does not apply to multi-residential.

It was clarified that there are two different matters. One being properties with abandoned or vacant buildings and one being land that has nothing on it or has had buildings demolished.

Motion by Councillor Gaffney

Sub-committee Recommendation: THAT the Vacancy Rebate Program be phased out over a two year period commencing January 1, 2019, pending Ministry of Finance approval.

Carried

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT staff bring back a report on tax policy considerations of vacant land subclasses for commercial and industrial land.

Carried

4.2 Capital Amounts Carried Forward to 2019 (FIN19-002)

Staff Recommendation: THAT the report of the Director of Corporate Services dated January 22, 2019, regarding incomplete capital projects at 2018 year end that need to be carried forward into 2019, be received for information.

Sub-committee Discussion: The Director of Corporate Services advised that this report is for information regarding the carry forward of unfinished capital projects into the 2019 work plan.

The number of projects coming forward each year is dropping and it was

noted that a significant amount of the dollar value can be attributed to three major projects: the Britannia Street Affordable Housing Project, Quinlan Pumping Station and the Queen Street Storm Sewer Diversion.

The Director suggested that Council keep the number of projects still on the books in mind when setting the capital work plan for 2019 and cautioned against setting too much for staff to achieve.

With respect to the Queen Street Storm Sewer Diversion project, the Director advised that the money for that project is borrowed and anything already paid out is not eligible to be covered by the federally funded DMAF fund. It was noted that a certain amount of work is necessary to complete an application for those types of funds.

In response to what Council can do to reduce the number of projects coming forward each year, the Director suggested considering what can reasonably be achieved in a year. Tenders should be issued as soon as projects are approved for the best pricing. Issuing tenders in the summer results in higher pricing and potentially indicates they are trying to do too much.

Discussion took place regarding Cooper site costs. The Director noted those costs are unfunded and not approved on any budget.

Motion by Councillor Bunting

Sub-committee Recommendation: THAT the report of the Director of Corporate Services dated January 22, 2019, regarding incomplete capital projects at 2018 year end that need to be carried forward into 2019, be received for information.

Carried

4.3 Tangible Capital Asset Policy (FIN19-003)

Staff Recommendation: THAT the report of the Director of Corporate Services dated 15th January 2019, regarding a tangible capital asset policy be received for information;

AND THAT Council approve the attached draft Tangible Capital Asset policy.

Sub-committee Discussion: The Director of Corporate Services advised that this policy is related to asset management and is intended to formally define what an asset is, set measurement thresholds and design asset classes.

In response to a question regarding the definition of "useful life", the Director stated that the asset would be broken down into its various components and each component would be assigned a normal useful life timeframe so that the expenditure could be amortized over the useful life of the asset. It defines how long something should last.

With respect to whether the useful life includes inflation, the Director stated that this policy will form the basis of asset management going forward. In the past, it has been based on initial cost plus an estimate of replacement value. This will form the basis of capital asset planning.

In response to a question regarding the straight-line method of amortization, the Director explained that it is the simplest method. You divide the value of the asset across its useful life to write it off.

With respect to an arms-length organization for evaluation of fair value and whether we have an agency that does that, the Director responded that 99% of assets are purchased so fair value is known. Evaluation of fair value may be required for an asset that is donated or assumed.

In response to whether approval of this policy would effect the upcoming budget, the Director stated that this a financial document regarding how to financially treat any assets of the City. It is not asset management, that is the next phase.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT the report of the Director of Corporate Services dated 15th January 2019, regarding a tangible capital asset policy be received for information;

AND THAT Council approve the draft Tangible Capital Asset policy.

Carried

5. New Business

5.1 Community Grants Policy

Sub-committee Discussion: The Chair requested an update on the Community Grant Policy. The Director responded that there was a staff report on the December 2018 Sub-committee agenda. Staff are proposing to go ahead with the existing program for 2019 and bring back the grant policy in time for the 2020 program.

It was noted that the councillors have been involved in the process for a long time. The Director noted that when the report was brought forward in December, he was looking for input into the process and how Sub-committee would like to be involved.

It was suggested that it may be helpful to talk to various agencies that may be impacted if the policy were changed. The Director noted that part of the discussion is what exactly a community grant program is for -one time assistance or ongoing financial commitments and whether the same groups should get money year after year.

It was suggested that specific groups would not be notified, a public open house would be scheduled.

6. Advisory Committee/Outside Board Minutes

There are no Advisory Committee/Outside Board minutes to be provided to Sub-committee at this time.

7. Next Sub-committee Meeting

The next Finance and Labour Relations Sub-committee meeting is February 19, 2019 at 3:30 p.m. in the Council Chamber, City Hall.

8. Adjournment

Motion by Councillor Bunting

Sub-committee Decision: THAT the Finance and Labour Relations Sub-committee meeting adjourn.

Carried

Meeting Start Time: 3:30 pm

Meeting End Time: 4:06 pm