

SPECIAL COUNCIL MINUTES
January 10, 2013 -1:00 pm
Centennial Building, Regal Room, 416 Centre St. S., Whitby
Whitby Municipal Building

Present: Mayor Perkins
Councillor Coe
Councillor Drumm
Councillor Hanson
Councillor Mitchell
Councillor Montague
Councillor Roy

Also Present: R. Petrie, Chief Administrative Officer
K. Nix, Commissioner of Corporate Services/Treasurer
C. Swan, Manager, Office of the Mayor & Council
A. McCullough, Manager, Financial Planning
J. Mephram, Financial Analyst
J. Hess, Financial Analyst
D. Wilcox, Town Clerk

Regrets: Councillor Emm

1. DECLARATIONS OF PECUNIARY INTEREST

- 1.1 Councillor Drumm made a declaration of interest under the Municipal Conflict of Interest Act with respect to any discussion related to Iroquois Park Sports Centre or the Whitby Library as he has relatives employed by both.
- 1.2 Mayor Perkins made a declaration of interest under the Municipal Conflict of Interest Act with respect to the discussion of the customer service division of Whitby Hydro as a family member works for Whitby Hydro.

2. PRESENTATIONS

- 2.1 R. Petrie, Chief Administrative Officer advised Members of Council that the purpose of the presentation was to provide an overview of the 2013 budget process. He indicated that the intent of the meeting was solely an education and training session, with no decisions being made at this

meeting. Council was provided with a copy of the Powerpoint Presentation.

K. Nix, Commissioner of Corporate Services/Treasurer, with the aid of a PowerPoint presentation, provided a detailed overview of the 2013 draft budget. He noted that Whitby is a community of choice and addressed community needs in various ways. Key highlights of the presentation included:

- "Living within our means" – none of the current debt is paid with the current tax rate; no additional debt within the 2013 draft budget;
- \$6.1M of debt is related to the Downtown Whitby Library, \$3.1M related to the new soccer dome and marina improvements, both of which are being re-paid entirely through user fees;
- Financial position can only be maintained if the Town continues to finance ongoing expenses with ongoing revenues and uses uncommitted reserves for special one time projects;
- Challenges for 2013 were outlined in detail; noting that underlying everything was the uncertainty of the current economy;
- Budget strategy for 2013 is to maintain core services, take care of assets and provide for growth;
- Current budget of \$103M focuses on Town services and programs;
- Capital budget of \$24M for infrastructure and major projects, based on a 10 year plan;
- Council has made a conscious decision to support maintenance and growth capital programs;
- Grants are primarily for the Library and the Station Gallery;
- Budget forecasts inflation as 2% for 2013; major impact on the budget is a heavy reliance on labour and energy costs;
- Annualization of prior year decisions is at an additional cost of \$465,000, however, other budget adjustments resulted in a net savings of \$250,000;

Councillor Coe assumed the Chair at 1:30 p.m. Mayor Perkins resumed the Chair at 1:46 p.m.

- Building Permit Revenue Reserve Fund shortfall resulted in a potential budget pressure of \$660K. The Town cannot run a deficit in this fund. It is a relatively short term pressure that needs to be managed;
- In order to address the anticipated continued decrease in building permit revenue in 2013 and offset in reserves normally used to fund

these pressures, staff is recommending the budget include the use of the Long Term Finance Reserve Fund to fund this shortfall;

- five additional staff positions are recommended for the 2013 budget.

Questions arose with respect to the recommended staffing positions and other requests such as Harbour Day and Ribfest events. Administration was requested to provide additional information related to the requested 2013 positions. Discussion ensued with respect to exit interviews when an individual leaves the corporation. Administration was further requested to investigate whether Council could be provided with a summary/synopsis excluding personal details. Administration was further requested to explore employee engagement initiatives.

Questions arose with respect to benefits for Members of Council who retire after fifteen years. It was understood that the Region of Durham has this option and that the Town also offered this benefit. Staff indicated that they would review the matter and provide an update to Council.

Discussion ensued with respect to the budget reduction options that would re-direct some of the 2012 assessment growth to offset operating budget pressures, noting an additional \$26M of debt must be issued over the next ten years. The Chief Administrative Officer noted that the intent of this would spread the cost of capital growth projects over a longer term and is therefore paid for by both current and future taxpayers who benefit from these projects; however, it increases the total cost due to interest on the debt. Based on the discussion, it was determined that there was a need for more details/discussion/clarity in order to truly understand the long term impact. A chart was requested to outline the concept of the proposed debt impact.

Discussion ensued with respect to the reserve levels. The Chief Administrative Officer indicated that a synopsis of past surplus levels would be provided.

In summary, the Chief Administrative Officer noted challenges next year would include a decrease in hydro revenues and decrease in building permit revenue. The use of gapping would continue, and a strategic planning session will be planned to discuss financial impacts.

Future budget meeting dates are:

- January 21, 2013 @ 6 p.m. - Budget Target Meeting;
- February 6, 2013 @ 7 p.m. - Overview and public input;
- February 21, 2013 @ 7 p.m. - Deputation and Deliberations

3. ADJOURNMENT

3.1 Motion to Adjourn

RECOMMENDATION:

Resolution No. 01-13

Moved By Councillor Coe

That the meeting be adjourned.

CARRIED

The meeting adjourned at 4:15 p.m.

Debi A. Wilcox, Town Clerk

Patricia Perkins, Mayor