

SPECIAL COUNCIL MINUTES
January 9, 2014 -7:00 pm
Council Chambers
Whitby Municipal Building

Present: Mayor Perkins
Councillor Coe
Councillor Emm
Councillor Gleed
Councillor Mitchell
Councillor Montague
Councillor Roy

Also Present: R. Petrie, Chief Administrative Officer
K. Nix, Commissioner of Corporate Services/Treasurer
A. McCullough, Manager, Financial Planning
J. Hess, Financial Analyst
D. Wilcox, Town Clerk
S. Cassel, Acting Deputy Clerk

Regrets: Councillor Drumm

1. Declarations of Pecuniary Interest

1.1 There were no declarations of pecuniary interest noted.

2. Presentations

2.1 Presentation by the Chief Administrative Officer and the Commissioner, Corporate Services/Treasurer providing Corporate Financial background information.

R. Petrie, Chief Administrative Officer, advised Members of Council that the purpose of the presentation was to provide a detailed overview of the 2014 budget process. He indicated that the intent of the meeting was for education and training purposes. Council was provided with a copy of the PowerPoint Presentation.

Key highlights of the presentation included:

- Comparison of Whitby to neighbouring municipalities with respect to providing competitive taxes;

- Living within our means, noting that none of the current debt is funded from our existing tax base;
- The total actual debt of \$8.2M is internal debt with \$5.6M related to the Downtown Whitby Library and \$2.6M related to the Soccer Dome and Marina;
- The Library debt will be paid through development charges and the soccer dome and Marina debt entirely through user fees;
- The Town remains in a healthy financial position and this position can only be maintained if the Town continues to finance ongoing expenses with ongoing revenues and use of reserves is limited to one-time projects;
- Whitby continues to grow and it is anticipated that the population will increase 48% over the next 20 years;
- Challenges for 2014 include maintaining existing services, new initiatives and legislative requirements;
- Although the economy is slowly recovering, unstable global demands, lower than expected growth and record levels of household debt are all factors that need to be considered and we are still very much in a state of being cautious;
- Budget strategy for 2014 is to maintain core services, take care of assets and plan for growth;
- Current budget of \$106M focuses on funding for day to day costs of delivering programs and services;
- Capital budget of \$23M focuses on developing and maintaining important infrastructure, major projects and providing for growth;
- Consumer Price Index (CPI) is forecasted to be 1.7% for 2014;
- Municipalities have a higher Municipal Price Index (MPI) due to their reliance on labour and energy costs;
- Budget impacts include in year decisions of \$199K, decreased Hydro revenues of \$800K and annualization of \$113K;
- Increased revenues and efficiencies provide for savings of \$402K;
- There are no new staff positions recommended in the 2014 budget;
- Any future growth related long term debt will be repaid entirely from Development Charges and Assessment Growth and one-time projects will be funded through one-time reserves resulting in no tax impact from the Capital Budget;
- Revenues from building permit fees have been affected by the poor economy and due to ROPA 128 it is anticipated they will be low again in 2014;
- It is recommended that the shortfalls experienced from building permit fees be funded through reserve funds;
- The overall tax impact is estimated at 2.17%.
- Future budget meeting dates are set for:
 - Monday, January 20, 2014 at 6:00 p.m. - Budget Target Meeting

- Thursday, February 6, 2014 at 7:00 p.m. - Overview and Public Input
- Thursday, February 20, 2014 at 7:00 p.m. - Deputations and Deliberations to Set the Budget

Questions arose with respect to waste management and what impacts there would be if the Region provided this service. R. Petrie, Chief Administrative Officer, stated that the costs would be significantly higher because it is based on assessment. Mr. Petrie stated that detailed information in this regard would be provided to Members of Council.

Discussion ensued with respect to the decreases in revenue from Whitby Hydro. Mr. Petrie indicated that a strategy was being developed to address this issue and that a Vice-President of Sales would be hired by Whitby Hydro to increase business on the SERVCO side of business for Whitby Hydro. Mr. Petrie advised that Whitby Hydro would be providing quarterly updates on this strategy to keep Members of Council apprised.

Brief discussion ensued regarding the debt for the soccer dome with staff advising that it is expected the debt will be paid off before the due date.

Detailed discussion ensued regarding neighbouring upper tier Regional Governments and the split of taxes and whether Durham Region was similar to that of Peel or Halton Region. Mr. Petrie stated that Regional Governments are quite different and that staff could attempt to obtain information from other regional budgets to provide more detailed information to Council in this regard.

Questions were raised regarding administrative costs, trends for staffing costs and increases in the total kilometer of roads. Mr. Petrie stated that staff would look into obtaining the data to compare trends for staffing costs with other municipalities and K. Nix, Commissioner of Corporate Services/Treasurer stated that the cost per kilometre of road could be obtained from previous years through the MPI.

Questions were asked regarding net vacancy savings for wages, salaries and benefits and the cost of benefits for retirees.

Clarification was sought regarding the section of the presentation that deals with what taxpayers receive for their taxes. Specifically the cost of Facilities, Parks and Trails for \$183 which includes the cost of the operation of arenas versus the cost of Community Programs for \$64, which includes the cost of the maintenance of a fitness centre and pool and whether these two items were a duplication. Mr. Petrie stated that these items were not a duplication and that this would be made clearer

in the next budget document.

In summary, the Chief Administrative Officer stated that answers would be provided to the questions raised by Members of Council and that the next presentation would be scaled down for the public so that they could clearly understand the information.

3. Adjournment

3.1 Motion to Adjourn

Resolution # 06-14

Moved By Councillor Gleed
Seconded By Councillor Emm

That the meeting be adjourned.

Carried

The meeting adjourned at 8:28 p.m.

Debi A. Wilcox, Town Clerk

Patricia Perkins, Mayor