

## February 20, 2016 Public Budget Meeting Questions and Responses

**Admin - Create new I.T. Position \$ 78,801.00 - A decision was obviously made to hire a fulltime employee, did Council consider the suggestion in the Operational Review?**

The Operational Review suggestion was to hire an IT person at least on a part-time basis. Council considered the suggestion, and as there would be no IT external contracted services, the position was advertised for a 1 year contract position based on 35 hours per week.

**Roads – Manager of Operations \$139,788 - Are we not saving some money this year by not having this person on staff?.. we should be accruing a surplus? ... 14K per month.**

The Manager of Operations is included in 2016 Proposed Budget \$139,788 wages& benefits; estimate based on 12 months assumed salary. Although the proposed Budget includes wages & benefits for 12 months- the actual costs, or reduction to budget amount, will depend on the qualifications & experience of the candidate.

**At this salary would we expect the incumbent to have a working knowledge of water and wastewater? If so, what would this position save the town in payments to Triton? If so, should the incumbent not be an integral part of the decision making process as to who the town chooses to be the EA consultant?**

At this time, there is no successful candidate, and as such we cannot comment.

**Please confirm the total payments to Triton, separated out as to the Water EA, the Wastewater EA, water department, ADMIN, and any other departments for 2015 and what is budgeted for 2016.**

Total payments to Triton Engineering paid out in 2015 = \$376,115. Includes SSMP/EA Costs paid in 2015: Water EA \$6,446; Wastewater EA \$ 32,406; EA- extra costs & combined Water/Waste \$ 25,943; total 2016 Triton payments are included in each department dependent on Projects. Consulting fees are budgeted within each project's total costs.

**Recreation - Amalgamate Dept. - compensation adjustment \$ 8,064.00 - What are we amalgamating that would cost an increase of \$8K? Is this a one-time cost or will it be a reoccurring cost?**

The increase in wages is due to the operational review and the Council decision to have a Department Head to help create and manage the recreation department along with other recreation staff job function changes.

**Cemetery- Absorb portion of grass cutting contract (\$2,400.00) Please explain this reduction? Where in the budget is the grass cutting and snow removal costs?**

A reduction/savings of (\$2,400) shows under the 'cemetery grass cutting' budget with all other grass cutting contract costs; est. cost savings proposed as Town Recreation Staff assume cutting of blvds. & road sides at both Hillsburgh parks. Snow removal contract & Town's own costs show under each departmental budget (i.e. Fire, Recreation, Roads)

**Insurance RFP - Consultant \$ 5,500 - Is this normal practice to hire a consultant to do the RFP? Is this the first time doing an RFP for insurance, and if so why?**

Yes, it is normal practice to hire a consultant to do an RFP for highly technical projects, i.e. road construction, watermain installation, bridge construction, environmental assessments, etc. An RFP for insurance was last undertaken in 2009. The amount of time and expense incurred by the two non-incumbent insurance providers would not be acceptable on a regular annual basis. Because the contract is over \$100,000 our Town of Erin 'Procurement By-Law (2005 – 58)' provides that the contract must be tendered or alternatively, permission granted by Council to accept the existing provider's written quote.

**Our debt in 12 months will increase \$2.3M, from \$2.2M to \$4.5M, more than doubles. What would the impact in dollars /\$100,000 of assessment if the \$2.3M was absorbed by the tax payers this year?**

Adding +\$2.3 M to the Budget would increase the Tax Rate impact from 2.54% over 2015(as Proposed) to +41.94% over 2015 (+39.4% more); the tax dollar impact on each \$100,000 assessment would be \$116.70/\$100,000 (+\$109.63 more than the Proposed 2016 Budget of + \$7.07/100,000)

**With some \$43M forecasted in our 10 year capital plan (without wastewater), what will council do in this term to address this challenge?**

The Capital Plan will be coming before Council during the second quarter, and Council can discuss at that time.

**Regarding CVC/GRCA funding - Where do we report what the town pays CVC/GRCA: what are we being charged?**

CVC & GRCA are regulated under the provincial Conservation Authorities legislation; the CVC "levy" requirement is NOT related to the assessment of properties under 'conservation/wetlands/ESA exemption'; 2016 CVC Levy = \$69,652; GRCA levy = \$80,201 both under "Protection" department sub-department Conservation page 38 of Feb. 16th Agenda "materials & supplies". A large percentage of funding comes from Peel Region.

**There are properties in Erin, who receives a 100% tax exemption (equal to a \$242,560 Lost Tax Impact in 2015 as per S. Marshall) on that portion of the property under CVC/GRCA jurisdiction, which is really lost revenue for the town, that other taxpayers need to cover the lost revenue. Have we approached these conservation authorities to recoup some of our lost revenue not covered by existing provincial programs?**

As explained above- the Conservation Authorities legislation and purpose is not the same as the Provincial Assessment Act that governs the assessment of properties for taxation by MPAC. The Mayor has presented and written the Minister of the Environment and Climate Change on this issue and has not received a satisfactory response. The OMPF fund is meant to offset downloading from the Province but falls significantly short.

**Regarding Salaries: \$385,160 is the single highest expenditure in our operating budget for 2016. Does the 2015 actuals of \$3,737,813 include the severance payments made in 2015? If so, the 2015 actuals is overstated by what was paid as severances. Is then the difference between 2015 and 2016 of \$385,160 not understated correspondingly? i.e. that difference is actually greater by what was paid in severances.**

Increase of wages & benefits 2016 Proposed over 2015 Budget (\$385,160) includes the staff economic adjustment of 1.9%, increases to CPP & EI deductions for all staff; and costs for 2 new staff positions.

**Does the 2015 actuals of \$3,737,813 include overtime paid to all our employees with the exception of the CAO who is only one not paid hourly? Is the amount of overtime tracked and reported, if so what is that value per department?**

It includes all related payroll costs including overtime. Overtime is tracked by department and reported.

**Has the Town/Council completed the organization and compensation review and will Council make a policy decision on this matter?**

The review is not complete and will be brought before Council. Council may or may not make decisions at that time.

**Where in the budget do we report the cost for the county planner, what is this cost?**

The Planning Budget includes \$20,000 under "Purchased Services" to cover the costs of County Planners.

**Would Council consider a videotaping system in the current budget?**

There have not been any funds allocated to a videotaping system in the 2016 budget, however options are being explored. Records Management and Accessibility considerations need to be addressed before moving forward.

**Would Council consider a full time By-law Enforcement Officer in the current budget?**

Council has made the decision to look at sharing the services of a by-law officer with a neighbouring municipality.

**Do we have 63 Firefighters now? If we are hiring more is the number going up or do we have a set number? How many firefighters are retiring/quitting?**

Currently there are 30 firefighters allotted per station plus the Fire Chief, the Chief Fire Prevention Officer, and one Fire Life Safety Officer. Currently Station 10 is short 5 of their allotted 30 firefighters. Station 50 is at current strength of 30. It is anticipated that Station 50 will be losing 4 to 5 firefighters over the next year. Station 10 is expected to lose 2 more firefighters.

**Debt - if it was decided not to borrow the \$1.5 million, what would it cost the taxpayer?**

Assuming each 1% RT tax rate increase yields approx. \$57,000 tax- then \$1.5 m would increase residential tax rate by + 26.3%. The rationale behind debt is that we use it for Capital projects that will be used by future generations.

**Reserve Funds - Concerned that there is not enough to cover debt.**

Reserves, Reserve Funds & Development Charges have a projected Balance at Dec. 31 2016 of \$6.9 m (assets) compared to proposed total debt at year-end of \$4.5m (liabilities).

**The Hillsburgh well could take 1 million to bring online as well as the Belerin well.**

The Water EA is underway at this time and we cannot comment further.

**Water rates have been reduced this year and with debt in the water department, what will rates be?**

The water rate will be \$3.99 per cubic meter for the five year period 2016 – 2020. This price reflects anticipated & projected debt by the water department as per the 'Town of Erin - Drinking Water System Financial Plan' adopted by Council on June 2, 2015.

**Tennis Club - We spent on resurfacing that will not last. The tennis club should increase their rates to address this.**

With the repairs & resurfacing, the court surface is anticipated to last 7 to 10 years. The Erin Tennis Club sets their own rates to cover the maintenance of the facility and running of the tennis programs; each year's budget does include an allowance to be set aside into a Resurfacing Reserve. In 2016 the proposed transfer to Reserves is \$ 5,572.

**Station Road Bridge - scheduled for 2017 - another 2.5 million in debt. What is the carrying cost for this?**

If the Town borrows \$2.5 M at today's OSIFA posted rates, the annual debt servicing costs would be: for 10-year term @ 2.34% = \$283,290 per year; for 20-year term @ 3.16% = \$170,535 per year. The Premier has recently announced additional funding, and we are hopeful for more grant opportunities.