

Minutes of the Finance Committee

Held in Microsoft Teams, at the City of Dryden July 15, 2020 at 9:00 a.m.

Present: Councilor Bush, Councilor M. MacKinnon, Mayor Wilson, Roger Nesbitt, Steven Lansdell–Roll

Regrets: Chelsea Pateman

The Following items were discussed:

2020 Budget Update

The Finance Committee discussed the City's operations, which are currently tracking towards an operating surplus (high level estimate of approximately \$400K). The impact of the COVID-19 pandemic on Fall programming at the Rec Centre is still unknown, but forecasts will be developed once return to play plans are put in place.

The Finance Committee also reviewed Reserve balances. Year-end 2019 balances totaled \$4.5M and it is estimated that year-end 2020 balances would exceed \$5.0M based on 2020 Reserve activity. As per the City's Operating Surplus and Deficit Policy, the anticipated 2020 Operating Surplus will also add to the City's Reserves.

Q2 Financial Report will be presented to Council at July's Council meeting. Included in the Q2 Financial Report will be a 2020 Capital spend update.

10-Year Capital Forecast

The Finance Committee reviewed the City's 10-Year Capital Forecast, recently developed by City Staff.

In addition to the long-term Capital forecast, the Finance Committee reviewed a high-level Operating forecast for the same time period in order to provide some context on the affordability of the 10-Year Capital Forecast.

These documents are dynamic and will change based on funding availability, updated prioritization and needs. However, it reflects significant spending requirements, which are not shocking based on the known infrastructure deficit.

2021 Budget Planning Update

The 2021 Budget process is underway, with City staff currently working on 2021 Fees and Charges as well as 2021 Capital planning.

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There continues to be risks (COVID, Insurance Premiums, Social Service Levy Increases), that could materially impact the 2021 Operating Budget.

With regards to the NWHU 2021 Levy, Mayor Wilson will request that the NWHU Board Chair and CEO come to the September 2020 or October 2020 Council meeting in order for them to present to Council their 2021 Municipal Levy expectations in order for the City to plan appropriately for Municipal budgeting purposes.

NWMO – Funding Agreement

The CAO updated the Finance Committee on the status of the 2020 Funding Agreement between the NWMO and the City.

For 2020, the NWMO wants to focus on a 2020 funding agreement will certain enhancement to previous agreements and then develop a new 2021 funding agreement.

The CAO will present to all of Council the NWMO funding agreement once completed.

City's Updated Water Long Range Financial Plan Forecast

With the recent approval of the City's updated Water Long Range Financial Plan, the Finance Committee discussed the timeline to update the forecast based on condition-based data (as opposed the current use of age-based data).

The Water Long Range Financial Plan will be updated once the City's Asset Management Plan is updated to reflect condition-based data, which is not anticipated to take place until 2021 or 2022.

Large Industrial Property Class Tax Ratio Discussion

The Finance Committee discussed the current Large Industrial Property Class Tax Ratio and risks associated with the high ratio.

City Staff will develop scenarios for the Finance Committee to review and consider, prior to any discussions being brought forward to Council.

Draft User Fee Policy

Discussion tabled until the next Finance Committee meeting due to timing.

Meeting Adjourned at 11:00 am