

## Minutes of the Finance Committee

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Held in Microsoft Teams, at the City of Dryden October 21, 2020 at 2:00 p.m.

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

Regrets:

The Following items were discussed:

### **2021 Budget Update**

Finance Committee discussed the status of the 2021 Budget (Capital & Operating).

Budget development is on target from a timeline perspective, but significant challenges remain to balance the budget due to COVID-19 impacts anticipated in 2021.

With the Mobility Debt being paid off, the 2021 Debt Servicing Cost Savings (\$2.3M) has gone to the following areas:

- ~\$1.0M Water/Sewer Revenue no longer supplementing Taxation (allocated to 2021 Capital plan and Reserve Funds)
- ~\$0.66M towards 2021 Capital Plan (need min. \$977K out of Taxation)
- ~\$0.35M towards labour inflation (3% to IBEW employees & est. 2% DPS)
- ~\$0.2M MAT Revenue allocated to Waterfront Development Reserve Fund
- ~\$0.1M reduction in OMPF funding (anticipated)

In addition to the items noted above, the City is having to accommodate the following:

- Reduction in revenues associated with 2021 COVID-19 impacts (Rec Centre and Airport)
- Increased operating expense associated with Child Care legacy sick bank payments
- Increase in insurance premiums (estimated)
- Official Plan review costs

### **Library Grant**

The Finance Committee reviewed the Library Grant paid from 2017 to 2021. There has been a 20% increase, approx. \$60K, in the Grant since 2017. However, \$27K of that increase relates to library books being leased (operating item) rather than purchased (capital item).

### **Large Industrial Tax Ratio**

Tabled this discussion for a separate meeting.

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### **Waterfront Development Reserve – MAT Revenue**

Having MAT Revenue allocated to the Waterfront Development Reserve Fund will be budgeted in the draft operating budget for 2021 and will be discussed at Council through the budget discussions.

### **Safe Restart Funding – Phase 2**

Finance Committee reviewed the program requirements - Phase 2 funding is to be provided to municipalities on the basis that the funding provided under Phase 1 is not sufficient to address 2020 COVID-19 related operating pressures.

With the City of Dryden forecasting a significant Operating Surplus in 2020, as well as the fact the City did not revised it's 2020 Capital Plan or require a draw from Operating Reserves, it is not likely that the City would receive Phase 2 funding.

With the significant resource intensive Phase 2 application process and receipt of Phase 2 funding not being likely, the Finance Committee determined it would not be appropriate to apply for Phase 2 funding at the risk of not meeting the 2021 Budget timelines (resource would need to be diverted).

### **MPAC Assessment Appeals**

Finance Committee discussed that we may be at a point in which the City has to appeal assessments on certain properties within the municipality. Staff will reach out to organizations that support municipalities on assessment appeals to better understand the process and costs.

Meeting Adjourned at 4:00 pm