

TOWNSHIP OF ADMASTON/BROMLEY
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

Friday, February 6, 2025

At 5:30 p.m.

Present – Mayor Michael Donohue, Brian Hamilton, Angela Field, Keith Gourley and Kevin Legris

Staff present – CAO/Clerk Charkavi, Treasurer-Deputy CAO/Clerk Coughlin, Public Works Superintendent Visinski, Fire Chief McHale and Finance Clerk Fraser

Guest – None.

1. Mayor Donohue called the meeting to order at 5:30 p.m.
2. Declaration of Pecuniary Interest
3. Approval of Agenda

Resolution No. 01/02/25

Moved by Angela Field

Seconded by Kevin LeGris

BE IT RESOLVED that the Committee approve the agenda for the February 6, 2025 Finance and Administration Committee meeting.

“Carried”

4. Draft 2025 Municipal Budget
 - a. Draft Consolidated 2025 Budget

Treasurer-Deputy CAO/Clerk Coughlin began with an overview of her draft budget presentation. The high level budget breakdown is operating expenses equal approximately 75% of the budget, where as capital projects total of \$1.7 million, which is mainly for roads projects financed through various sources (reserves, taxation, new debt, OSEP, CCBF)

The initial tax levy increase was 8.14% and the adjusted tax levy increase after committee direction: 5.55%.

Contributing factors to tax levy are

- Expenditure increases:
 - Wages and benefits, conventions, and training
 - IT subscriptions due to new accounting software and IT service provider
 - Significant increases in contracted services (police services board)
- Revenue sources:
 - Additional funds from reserves (OSIF, CCBF)
 - growth accounted for: just over \$69,000
 - Reduction in grant related to fire hall expansion: \$80,000
 - New proceeds from sale of capital assets (two vehicles)

Committee member Gourley raised a question regarding proceeds of the DCAs. Noted proceeds are down at \$45,000, while the list above shows \$60,000 between the tractor and the truck. Clarified that this reflects a net change.

Mayor Donohue inquired about new contributions to reserves. Treasurer-Deputy CAO/Clerk Coughlin stated that the “new” contributions are consistent with the reserve

policy that had been put into place and they may not have been contributed to in previous years.

Debt repayment forecast is included a 10-year debt repayment forecast. Treasurer-Deputy CAO/Clerk Coughlin noted replacement of the Stone Road sand salt shed in the 2025 budget.

Infrastructure Ontario does not consider the MMH debt repayment limit when calculating new debt for municipalities. They have their own calculations and formulas. It was challenging to get debt repayment approved, requiring auditors and extensive documentation. Debentures will be approved in advance before any purchases for projects like the Stone Road Sand Salt Shed. This ensures funds are available for municipal expenditures. Previous assumptions about Infrastructure Ontario's alignment with MMH were incorrect. The five-year SCBA lease will be due at the end of 2028. The five-year loan loss repayment is due in 2025. There is a discrepancy between the Ministry of Municipal Affairs and Housing (MMAH) and Infrastructure Ontario regarding borrowing limits. MMAH indicates a higher borrowing capacity than Infrastructure Ontario acknowledges.

Financial Information Return (FIR) Process, the financial information return is due by May 31st. Audited financial statements must be adopted by council before this date. Auditors use final numbers to populate the return for submission to the province. Timely submission is critical for funding. Late submissions can lead to withheld payments from the province. The return consists of complex spreadsheets with checks and balances. Submission cannot be finalized until all checks are cleared. Historical reference to early computer data entry challenges.

Committee stated that they under-informed about future financial needs. Difficulty in planning due to limited information provided at budget time. Suggestion for a meeting to discuss future needs and planning. Treasurer-Deputy CAO/Clerk Coughlin reminded committee an asset management plan, a 10 year debt repayment schedule, a 10 year infrastructure plan, as well as, a yearly schedule of road rehabilitation was included with the budget presentation/deliberations. A long-term financial plan is critical, and a long-term financial plans typically covers a 10-year period. Information on long-term equipment needs was included in the November package which she briefly highlighted again for the group.

Certain vehicles were highlighted for replacement, there was a discussion on terminology regarding vehicle replacement and some committee members felt that life expectancy does not necessitate immediate replacement, vehicles can be replaced based on condition rather than schedule. Staff reminded committee that some vehicles have insurance implications, as well as, ministry guidelines that need to be followed, such as the fire trucks where must be replaced at 20 year intervals and have little to no resale value when they have reached this age. Our 10-year forecast based on TCA policy outlining useful life of vehicles.

Previous meeting indicated a potential surplus of just under \$129,000. No new information has been reviewed since the last meeting. Committee suggested tapping into unconfirmed surplus to reduce the levy for 2025. Treasurer-Deputy CAO/Clerk Coughlin expressed serious concerns about this approach. Noted the need for vehicle replacements and potential new debt and suggested taking money out of reserves is not recommended. Reserves are already diminished. Council adopted a reserve policy to build up reserves.

Committee member Gourley stated that funds must come from reserves until the auditor confirms the amount. Discussion on a potential \$90,000 surplus. This would still leave reserves lower in 2025 compared to 2024. The working fund addition of \$20,000 was budgeted from the levy.

Treasurer-Deputy CAO/Clerk Coughlin suggested that if there was a surplus it is derived from various sources, including favorable pricing on capital and winter control savings.

Mayor Donohue commented that the reserve policy should allow for flexibility in managing surpluses. Total reserves at the end of 2024 are expected to be just under \$1.4 million, higher than previously budgeted. The approach to budgeting considers leaving money in ratepayers' pockets while balancing future requirements.

Resolution No. 02/02/25

Moved by Keith Gourley

Seconded by Brian Hamilton

BE IT RESOLVED that the Finance & Administration Committee direct staff to withdraw \$90,000 from the working fund related to the possible surplus from the 2024 calendar year, not yet confirmed through the year end audit;

BE IT RESOLVED that the Finance & Administration Committee recommend to Council to amend the Reserve & Restricted Reserve Policy to allow for the use of the 2024 annual operating surplus for the 2025 Budget, rather than to top up the working fund reserve for 2025.

“Carried”

Resolution No. 03/02/25

Moved by Keith Gourley

Seconded by Brian Hamilton

BE IT RESOLVED THAT Finance & Administration Committee recommend that Council adopt the 2025 budget as presented to Committee on February 6, 2025.

“Carried”

5. Tax Sales

Properties in question have outstanding taxes between \$10,000 to \$14,000. The tax sale process takes about a year from start to finish. Costs increase with each obligatory notice sent out. The properties involved are vacant land. Notices have been sent, but some have returned as not delivered. A company is hired to perform title searches once a tax arrears certificate is registered. Notices are sent to multiple addresses, averaging 8 to 12 notices per property. Recipients include owners and individuals with an interest in the property. Notices may be sent to any address identified through title searches. MPAC addresses have not been effective in some cases.

The municipality has met its requirements to provide notice. Challenges exist in locating property owners. Possible reasons for challenges include owners being deceased or unknown. The township typically receives the redemption value from tax sales. Additional funds from sales go to the title holder if they can be located. Changes in legislation allow municipalities to apply for unclaimed funds after a year. For example If a property sells for \$100,000 with a \$10,000 tax sale value, the municipality can apply for the \$80,000 balance if unclaimed.

There has been a significant grace period for properties in arrears. The grace period changed from three years to two years. The speaker notes that they are at least six years past the expected conclusion. Properties are reviewed annually, with notices sent in March or April. Mayor Donohue acknowledges staff changes have contributed to delays in processing.

Resolution No. 04/02/25

Moved by Kevin LeGris

Seconded by Angela Field

BE IT RESOLVED THAT the Finance & Administration Committee receive the Tax Sale Report as information;

AND BE IT RESOLVED THAT the Finance & Administration Committee direct staff to proceed with advertising the sale of the three (3) property tax accounts for back taxes.

“Carried”

6. Next meeting - At the call of the chair

7. Adjournment

Resolution No. 05/02/25

Moved by Brian Hamilton

Seconded by Keith Gourley

BE IT RESOLVED that the February 6, 2025, Township of Admaston/Bromley Finance & Administration Committee meeting be adjourned at 7:26 p.m.

“Carried”

Chair

CAO/Clerk