

Date: Wednesday, February 16, 2022

Time: 4:00pm

Location: Zoom

Attendance: John Wink, Chair
Ron Kore, Councillor (joined at 4:21pm)
Wayne Olson, Councillor
Bill Crumm
David Cribbs, CAO
Teresa Quinlin-Murphy, Director of Corporate Services/Treasurer
Belinda Ravazzolo, Secretary

Regrets: Michael Cottenden
Charlotte Tunikaitis, Deputy Treasurer

1. Call to Order and Declaration of Quorum

Noting that a quorum was present, Chair Wink called the meeting to order at approximately 4:05pm.

2. Approval of Agenda

Moved by Councillor Wayne Olson

Seconded by Bill Crumm

THAT the agenda for the February 16, 2022 regular meeting of the Pelham Finance and Audit Committee be adopted.

Carried

3. Declaration of Pecuniary Interest and General Nature

None.

4. Approval of Minutes

November 24, 2021

Moved by Bill Crumm

Seconded by Councillor Wayne Olson

THAT the minutes of the November 24, 2021 Pelham Finance and Audit Committee be approved.

Carried

5. Business Arising from Minutes

None.

6. New Business

6.1. 2022 Approved Operating Budget

The Treasurer stated that the 2022 Operating Budget was brought to the Committee in November; however, since then there has been some updated information as presented to Council on December 14th 2021.

The Town received \$509,000 of additional grant money from the Ontario Community Infrastructure Funding (OCIF). With this money, the Town was able to fund some capital projects reducing the amount of money taken from the reserves. The Town was able to reduce the roads reserve by \$115,000 and Council approved a reduction of money allocated to some of the Committees. By doing this, staff was able to reduce the tax levy decrease from 4.77% to 3.88%. The change represents an average increase of \$78/year to the average household as opposed to the initial proposal of \$93/year to the average household.

Mr. Crumm asked if there was anything that Council wished that the Committee had done that would have helped in the budget approval process. Chair Wink commented that Town Council has suggested reducing the budget but has not targeted a specific number. He suggested that possibly the Committee could be involved earlier on in the process for input and recommendations as opposed to being brought the proposed budget once complete.

The Treasurer stated that it has proven to be a little challenging in those municipalities where Council states a specific percentage increase that staff must work around. As Town's grow, more work is required and staff need to be able to maintain a certain level of service. She stated that one of the main concerns that the Finance and Audit Committee are bringing to staff is the need to increase the allocation to the reserves. Although it is still at a lower level than what it should be, half of the increases are related to reserves.

Chair Wink commented that although the Town is taking on new growth, along with that comes more tax dollars, which would pay for some of the services. The Treasurer stated that although Chair Wink is correct, there is a timing issue as to when that revenue of new growth comes back to the Town as it could take a couple years before MPAC assesses new properties.

Chair Wink asked the CAO if there was anything that the Town could do to encourage MPAC to assess the properties quicker than they do. The CAO stated that due to the size of Pelham, he does not believe that staff could initiate a change any better than a larger municipality could. Mr. Cribbs informed the Committee that the law gives MPAC two years from date of occupancy. He believes that it will be this calendar year that the Town will get the benefit and stated that if he knew of any truly effective way to improve MPAC's performance, he would explore it, as it would be worthwhile.

The Treasurer stated that internally staff targeted an increase under 5%. The OCIF grant with an initial amount of \$483,000 and then an additional \$501,000 took a lot of pressure off the reserves. She believes that will continue.

The CAO informed the Committee that a discussion with the Treasurer would need to be had about how to approach the next budget process as staff will be working with a new term of Council and they may have a preference as to how to budget is proposed. For the first year, due to timing the budget would need to be about 95% complete but for the remaining three years, staff would be able to comply with Council's preference.

Councillor Olson stated that he is very conscious of the good advice of the Committee when making decisions at Council. The Treasurer informed the committee that some municipalities have a special levy just for capital; which is something that could possibly be considered in the future.

Chair Wink suggested questioning the other members of Council that are not on the Committee as to their opinion of the effectiveness of the Pelham Finance and Audit Committee. He also expressed how fortunate the Town has been in receiving grants due to the excellent work by the Treasurer and Deputy Treasurer. Councillor Kore added that he could not remember as much grant funding over the past 7 years as there has been over the last 2 years due to the hard work of staff.

Moved by Councillor Wayne Olson
Seconded by Bill Crumm

THAT the Committee receive the 2022 Approved Operating Budget for information.

Carried**6.2. 2022 Approved Capital Budget**

The Treasurer indicated that the change in the Capital Budget is in the allocation to the OCIF funding from \$483,000 \$984,000. Some of the money was moved around in the grant schedule fund some of the projects which relieved some of the reserves. The Town received confirmation for funding of one of the red-circled projects, the pickleball courts and multi-purpose court, projected at \$479,000. Half of the money has already been received and the RFP is currently out for that project. The Town has received informal notification on other grants and is just awaiting confirmation in order to disclose what has been approved.

Chair Wink informed the Committee that the road-resurfacing project on Effingham Street between Hwy 20 and Tice Road has been scaled back by \$250,000. That money will now be applied to the LED Streetlight conversion project that was slated for 2023 and 2024. The return on investment for the LED Streetlights is only 2 or 3 years. The goal is to have the project completed by 2023.

Moved by Councillor Ron Kore
Seconded by Councillor Wayne Olson

THAT the Committee receive the 2022 Approved Capital Budget for information.

Carried**6.3. 2022 Water and Wastewater Budgets**

On February 7th, staff went back to Council and provided an update giving difference scenarios with regards to the increases for the Water and Wastewater Budget. Staff referred back to the BMA study and the financial plan for water and wastewater to see how the Town is doing in comparison to the projected study. The increases in the last 4 years of 7.5% for water and 9.5% for wastewater has helped the Town stay in line with the BMA study projections. The Town still has one of the lowest rates in the Region. Council approved a 7.5% increase for water and 7.5% for wastewater from the suggested 9.5%. Council felt comfortable in doing that because there was not a significant impact on the reserves. The total annual savings from that change is \$4.98.

Moved by Bill Crumm
Seconded by Councillor Ron Kore

THAT the Committee receive the 2022 Approved Water and Wastewater Budget for information.

Carried

6.4. Municipal Modernization Grants

The Treasurer informed the Committee that the Modernization Grants have been important grants as far as enabling the Town to look at automation and efficiencies in our process. The Town has been awarded Phase 3 with about \$217,000 in Corporate Services to implement the recommendation from the consultant from Phase 2, which was to delve into efficiencies in Accounts Payable and Purchasing systems. The Town also received almost \$72,000 for HR software systems. Another grant of \$71,000 was received to do a third party review the operations in the RCW department.

From 2020 to now, the Town has been approved for 10 projects totalling almost \$772,000 in grants to look at efficiencies. The Treasurer stated that staff are very happy with the success of the program.

On February 22nd, the unionization of the libraries and the IT Web Services, which includes the Public Service Request portal, will be going to Council. Staff is looking at new software to hand public requests, which is projected to be completed in 2022. The grants are extremely important because the Town does not have budget dollars set aside to complete these types or projects.

The report to Council regarding the Library will speak to enhancing services and more acquisitions. The merging of the two libraries will allow for additional front line staff and more acquisitions as opposed to another senior position, as well as utilizing the efficiencies of bringing the two libraries together.

Councillor Olson asked about the report coming to Council regarding parking at the MCC asking for approximately 200 additional spots and about the status of the application. The Treasurer stated that back in July the Town submitted an application for the Green Inclusive Building grant to move the library from the current location on Pelham Town Square to the MCC. It is still currently under review. The Federation of Canadian Municipalities is interested in collaborating with the Town if that project is approved.

Moved by Councillor Wayne Olson
Seconded by Bill Crumm

THAT the Committee receive the Municipal Modernization Grant verbal update for information.

Carried

- 7. Audit**
- 8. Operating Financial Report**
- 9. MCC Operating Financial Report**
- 10. Transit Operating Financial Report**
- 11. Capital Report**
- 12. Reserves**
- 13. Financial Risks**

13.1. COVID-19 Update

Concerning the financial reports, the Treasurer informed the Committee that the focus for staff is currently on completing year-end. Due to the staff changes that have occurred in Corporate Services there are not any updated reports for review at this time. The next report will go to Council in March.

The Treasurer was happy to announce that the Region has agreed to submit the vaccination reimbursement cost to the Ministry of Health and the total is \$291,452. They have submitted it on the Town's behalf and waiting to hear if it is being accepted. Once accepted, the Region will flow the money to the Town and it can be applied to the expenses occurred due to the vaccination clinic. As of now, there will not be any more vaccination clinics at the MCC for 2022. There are at least three dates scheduled for the mobile vaccination bus alleviating the Accursi Room for use while still being able to provide vaccinations to residents.

Chair Wink questioned as to what the money would be applied to in 2022 as the expenses occurred in 2021. The Treasurer informed him that the money would be accrued for 2021 as

a receivable and go towards 2021 expenses. Once the Town receives confirmation, staff will set up a receivable in that amount.

Councillor Kore asked if the money would be coming from provincial government or the Niagara Region to which the Treasurer responded. The agreement is with the Ministry of Health and Public Health. The Treasurer said that Public Health has vetted all the applications and are in support of our application. She believes six other municipalities have submitted applications for reimbursement.

Moved by Councillor Ron Kore
Seconded by Councillor Wayne Olson

THAT the Committee receive the COVID-19 Update Report for information.

Carried

14. Unfinished Business

15. Next Meeting - Wednesday, May 4, 2022

16. Adjournment

Moved by Bill Crumm
Seconded by Councillor Wayne Olson

THAT this Regular Meeting of the Pelham Finance and Audit Committee be adjourned.

Carried

The meeting was adjourned at approximately 4:47pm.



Chair, John Wink



Administrative Assistant, Corporate Services, Andrea Metler