



**ORDERS OF THE DAY**  
**SPECIAL COUNCIL**  
**FOR TUESDAY, JANUARY 9, 2018 – 9:00 A.M.**

**ORDER**

- 1st Meeting Called to Order
- 2nd Disclosure of Pecuniary Interest and the General Nature Thereof
- 3rd Motion to Move Into “Committee Of The Whole Council”
- 4th Presenting Petitions, Presentations and Delegations
- 5th Reports of Council, Outside Boards and Staff (attached)
  - 1) PowerPoint presentation from Chief Administrative Officer and Director of Financial Services titled “2018 Fiscal Outlook”
- 6th Council Correspondence – Item for Information (Consent Agenda) (attached)
  - 1) Oliver Jerschow, Director, Municipal Finance Policy Branch, Ministry of Municipal Affairs with the County of Elgin’s 2017 Annual Repayment Limit and contact list for Municipal Service Offices.
- 7th **OTHER BUSINESS**
  - 1) Statements/Inquiries by Members
  - 2) Notice of Motion
  - 3) Matters of Urgency
- 8th Closed Meeting Items
- 9th Motion to Rise and Report
- 10th Motion to Adopt Recommendations from the Committee Of The Whole
- 11th Consideration of By-Laws
- 12th ADJOURNMENT

**LUNCH WILL BE PROVIDED  
CASUAL DRESS PERMITTED**

**NOTICE:**

|                            |   |
|----------------------------|---|
| Deputy Warden for January  | Councillor Wiehle                         |
| Deputy Warden for February | Councillor Jenkins                        |
| January 21 - 23, 2018      | ROMA Conference - Sheraton Hotel, Toronto |
| January 30, 2018           | County Council Meeting - 9:00 a.m.        |
| February 13, 2018          | County Council Meeting - 9:00 a.m.        |

***Accessible formats available upon request.***



# *Progressive by Nature*



## **2018 FISCAL OUTLOOK**

January 9, 2018



## **2017 HIGHLIGHTS**

- 1. Constructed new Heritage Centre to enable better display of exhibits**
- 2. CIP fully subscribed with tangible evidence of local improvements across the County**
- 3. Reached agreement in principle with province on per-diem lease – finalizing written agreement**
- 4. Terrace Lodge rebuild planning proceeded with focus on working with Aylmer and Malahide on site services, and discussions with MTO regarding Hwy 3 access**

## **GUIDING PRINCIPLES – YOUR VISION**

**1 - Maintain service levels**

**2 - Moderate to high use of reserves**

**3 - Financial Sustainability**

## **ADVANCED PLANNING PAYS OFF**

- Over \$3.2 million in efficiencies found in last eight budget cycles
- Staff will continue to find \$400,000 a year in efficiencies for the next two years to bring the total to \$4 million
- The 2010 Municipal Position of \$191 million was allowed to drop to a low of \$188 by 2012 (through the use of reserve).
- Moderated tax increases have allowed the Municipal Position to recover somewhat to a level of \$201 million, a loss in real terms of \$19 million

## **OUTLOOK**

- **Good news:**
  - **2017 is anticipating surpluses in both operating and capital**
  - **Ontario Community Infrastructure Fund (OCIF) Funding has been extended an additional year through 2020**
  - **Shared services agreement with City will see saving grow to \$0.6 million in 2018**

## OUTLOOK

### — Cost pressures for 2018

- Ontario Municipal Partnership Fund (OMPF) reductions (\$5.8 down to 0.7 million from 2008-18)
- Bill 148 changes to labour standards will potentially add \$0.1 million or more to County wage costs
- Continued increasing demands from the LHIN
  - CMI (Case Mix Index) funding from province not keeping pace with acuity levels
  - Mandatory training required by not funded by the province

## **THE BIG TICKET ITEMS FOR 2018**

- POA court house facility planned to start construction in the spring of 2018 with completion mid-year 2019
- Terrace Lodge re-development of \$30+ million
- Construction cost increases for these two projects to be funded by reserves (recovered with future capital surpluses)
- SWIFT broadband project of \$525,000 over five years
- Community Improvement Plan (CIP) receives \$80,000 annual ongoing funding in addition to the original \$1.0 million one-time funding
- Wonderland Road costing \$4.8 million
  - to date \$2.5 million in OCIF funding increases confirmed through 2020

## **THE STARTING POINT FOR THE 2018 LONG-TERM PLAN**

- 2017 budgeted for a \$3.1 million improvement in Municipal Position, to be used to invest in the new Courthouse and Terrace Lodge construction
- 2018-2020 previously planned for 4% increases on average property (2.5% increase on average household)
- 2021 onward anticipated average household increase at the rate of inflation
- Positive net income planned in each year resulting in a steady increase in Municipal Position
  - But the increases will be less than the rate of inflation, and therefore represents a reduction in Municipal Position in real terms

## **CONSIDERATIONS**

- **Anticipated 2017 operating and capital surpluses can be used for special purposes such as:**
  - **Offset increased capital budget resulting from uploading of Wonderland**
  - **Funding one-time costs such as severances**
  - **Lowering property taxes from previous planned level**
- **Reserves will be used to fund cost increases in the Courthouse and Terrace Lodge construction projects**
  - **Reserves will be replenished through future capital surpluses, thereby avoiding an incremental tax increase**
- **Assessment Growth was 1.7% (higher than the anticipated 1% rate) reducing the burden on existing ratepayers**

## THE RESULTS

- Staff are targeting a \$0.4 million reduction in cost again in 2018 (eighth year at this rate of improvement)
- The 2017 capital surplus used to fund Wonderland Road capital construction upload
- The impact on the average household will be an increase of less than \$30 or 2% excluding optional items and unknowns (every \$300,000 = 1% on taxes):
  - Organizational Changes
  - Public Health amalgamation
  - Sidewalks
  - Wonderland Road Environmental Assessment (EA)
  - Bill 148

❖ Figures are still preliminary and subject to change

## Organization Changes

- **New Position of Assistant Prosecutor**
  - Over \$100,000 in wages + benefits + ancillary costs
  - This increased costs will be offset by higher revenue from the municipal partners and lower outsourced legal costs
- **Homes management level changes**
  - Severance costs will be covered with 2018 operating surplus
  - Planning on organizational changes resulting in costs equivalent to prior year
  - Risk of incremental costs if experience shows that more management oversight is required (funded out of reserve for 2018)

## **PUBLIC HEALTH AMALGAMATION**

- The potential amalgamation of Public Health with Oxford County will have one-time costs
- Will the province fund 100%, partially or not all?
- If local funding is required, how much would Elgin's share be?
  - Will there be ongoing operating savings to mitigate the impact of the one-time costs?

**OR**

- Will use of surplus be required for Elgin to fund part or all of it's share of one-time costs
  - \$850,000 Accumulated Surplus exists in our Public Health unit (will this be sufficient?)

## **SIDEWALKS**

- Discussion are underway with Municipal Partners to determine if benefits exist to the single ratepayer by uploading sidewalk construction and/or maintenance costs
- If an upload occurs, these costs will be ongoing and therefore a county tax increase would be required, with limited exceptions:
  - Sidewalk reconstruction occurs when major reconstruction occurs on a road, and costs are contained within the existing capital plan (may require that timing on some projects slide in order to contain within existing approved capital plan funding)

## **WONDERLAND ROAD ENVIRONMENT ASSESSMENT (EA)**

- The redevelopment of the south-end of Wonderland Road to improve safety would first require an EA
- Cost for an EA study is still unknown as is potential cost sharing with the MTO
  - An EA is a one-time costs, therefore funding from surplus would be appropriate
- Subsequent to the EA, significant funding will be required for the reconstruction, which also is not included in the current capital plan
  - Again, funding from surplus for these one-time costs is appropriate

## **BILL 148**

- **Bill 148 could result in cost increases of hundreds of thousands of dollars**
- **Should taxes be raised now in anticipation, or should the County wait until a full year of experience is gained**
  - **Increasing budgeted costs and a corresponding increase in taxes now could result in budgetary surpluses in 2018 that could be used to help reduce tax in 2019**
  - **Waiting to adjust budgets until 2019 could result in budgetary shortfalls in 2018 with a corresponding draw down in reserves and a need for an incremental tax increase in 2019**

## **Council Direction is Required**

- **Target tax rate increase?**
  - **Organizational changes**
  - **Public Health**
  - **Sidewalks**
  - **Wonderland Road**
  - **Bill 148**

## Next Steps

- **January 30 Council Meeting:**

- **2018 Capital Budget**

- **2018 Grants**

- **February 13 Council Meeting:**

- **2018 Operating Budget**

***Note: All deliberations subject to final approval and adjustments at February Council meeting***

Ministry of  
Municipal Affairs

Municipal Finance Policy  
Branch

777 Bay Street, 13<sup>th</sup> Floor  
Toronto ON M5G 2E5  
Tel.: 416 585-6111  
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December 14, 2017

Dear Municipal Treasurer, Clerk/Treasurer:

I am pleased to enclose a report showing your municipality's 2017 Annual Repayment Limit (ARL) respecting long-term debt and financial obligations. Your 2017 ARL was calculated based on 25 percent of your net own source revenues as reported in your 2015 Financial Information Return.

If you require any further information, please contact the appropriate Municipal Service Office of the Ministry of Municipal Affairs (list enclosed).

Yours truly,

A handwritten signature in black ink, appearing to read "O. Jerschow".

Oliver Jerschow  
Director

Enclosures

## 2017 ANNUAL REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403 / 02)

|                  |          |                 |                |
|------------------|----------|-----------------|----------------|
| MMAH CODE:       | 44000    | FIR CLEAN FLAG: | Accepted Clean |
| MUNID:           | 34000    |                 |                |
| MUNICIPALITY:    | Elgin Co |                 |                |
| UPPER TIER:      |          |                 |                |
| REPAYMENT LIMIT: |          | \$              | 10,025,640     |

The repayment limit has been calculated based on data contained in the 2015 Financial Information Return, as submitted to the Ministry. This limit represents the maximum amount which the municipality had available as of December 31, 2015 to commit to payments relating to debt and financial obligation. Prior to the authorization by Council of a long term debt or financial obligation, this limit must be adjusted by the Treasurer in the prescribed manner. The limit is effective January 01, 2017

### FOR ILLUSTRATION PURPOSES ONLY,

The additional long-term borrowing which a municipality could undertake over a 5-year, a 10-year, a 15-year and a 20-year period is shown.

If the municipalities could borrow at 5% or 7% annually, the annual repayment limits shown above would allow it to undertake additional long-term borrowing as follows:

| 5% Interest Rate |     |                    |                |
|------------------|-----|--------------------|----------------|
|                  | (a) | 20 years @ 5% p.a. | \$ 124,941,634 |
|                  | (a) | 15 years @ 5% p.a. | \$ 104,062,715 |
|                  | (a) | 10 years @ 5% p.a. | \$ 77,415,335  |
|                  | (a) | 5 years @ 5% p.a.  | \$ 43,405,774  |
| 7% Interest Rate |     |                    |                |
|                  | (a) | 20 years @ 7% p.a. | \$ 106,211,773 |
|                  | (a) | 15 years @ 7% p.a. | \$ 91,312,667  |
|                  | (a) | 10 years @ 7% p.a. | \$ 70,415,900  |
|                  | (a) | 5 years @ 7% p.a.  | \$ 41,107,103  |

# DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT

(UNDER ONTARIO REGULATION 403/02)

MUNICIPALITY:

Elgin Co

MMAH CODE:

44000

|   |  | 1   |
|---|--|---|
|   |  | \$  |
| <b>Debt Charges for the Current Year</b>              |  |   |
| 0210  | Principal (SLC 74 3099 01) . . . . .   | 0   |
| 0220  | Interest (SLC 74 3099 02) . . . . .  | 159,595                                     |
| 0299  | <b>Subtotal</b>  | 159,595                                     |
| 0610  | Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01) . . . . . | 250,000                                     |
| 9910  | <b>Total Debt Charges</b>  | <b>409,595</b>                              |
| <b>Amounts Recovered from Unconsolidated Entities</b> |  |   |
|   |  | 1   |
|   |  | \$  |
| 1010  | Electricity - Principal (SLC 74 3030 01) . . . . .   | 0   |
| 1020  | Electricity - Interest (SLC 74 3030 02) . . . . .  | 0   |
| 1030  | Gas - Principal (SLC 74 3040 01) . . . . .   | 0   |
| 1040  | Gas - Interest (SLC 74 3040 02) . . . . .  | 0   |
| 1050  | Telephone - Principal (SLC 74 3050 01) . . . . .   | 0   |
| 1060  | Telephone - Interest (SLC 74 3050 02) . . . . .  | 0   |
| 1099  | <b>Subtotal</b>  | 0   |
| 1410  | Debt Charges for Tile Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02) . . . . .                                      | 0   |
| 1411  | Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02) . . . . .                                 | 0   |
| 1412  | Lump sum (balloon) repayments of long term debt (SLC 74 3110 01 + SLC 74 3110 02) . . . . .  | 0   |
| 1420  | <b>Total Debt Charges to be Excluded</b>   | <b>0</b>                                    |
| 9920  | <b>Net Debt Charges</b>  | <b>409,595</b>                              |
| 1610  | Total Revenues (Sale of Hydro Utilities Removed) (SLC 10 9910 01) . . . . .  | 69,117,218                                  |
| <b>Excluded Revenue Amounts</b>                       |  |   |
| 2010  | Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04) . . . . .   | 0   |
| 2210  | Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC 10 0815 01) . . . . .            | 23,299,068                                  |
| 2220  | Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01) . . . . .                              | 1,510,902                                   |
| 2225  | Deferred revenue earned (Provincial Gas Tax) (SLC 10 830 01) . . . . .   | 0   |
| 2226  | Deferred revenue earned (Canada Gas Tax) (SLC 10 831 01) . . . . .   | 0   |
| 2230  | Revenue from other municipalities including revenue for Tangible Capital Assets (SLC 10 1098 01 + SLC 10 1099 01) . . . . .          | 2,566,308                                   |
| 2240  | Gain/Loss on sale of land & capital assets (SLC 10 1811 01) . . . . .  | 0   |
| 2250  | Deferred revenue earned (Development Charges) (SLC 10 1812 01) . . . . .   | 0   |
| 2251  | Deferred revenue earned (Recreation Land (The Planning Act)) (SLC 10 1813 01) . . . . .  | 0   |
| 2252  | Donated Tangible Capital Assets (SLC 53 0610 01) . . . . .   | 0   |
| 2253  | Other Deferred revenue earned (SLC 10 1814 01) . . . . .   | 0   |
| 2254  | Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01) . . . . .  | 0   |
| 2299  | <b>Subtotal</b>  | <b>27,376,278</b>                           |
| 2410  | Fees and Revenue for Joint Local Boards for Homes for the Aged . . . . .   | 0   |
| 2610  | <b>Net Revenues</b>  | <b>41,740,940</b>                           |
| 2620  | <b>25% of Net Revenues</b>   | <b>10,435,235</b>                           |
| 9930  | <b>ESTIMATED ANNUAL REPAYMENT LIMIT</b>  | <b>10,025,640</b>                           |
|   |  | (25% of Net Revenues less Net Debt Charges) |

\* SLC denotes Schedule, Line Column.

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If you require any further assistance regarding your Annual Repayment Limit calculation, please contact your Senior Financial Advisor at your designated Municipal Service Office:

| <b>MSO Office</b> | <b>Telephone</b>                 | <b>Fax</b>     | <b>Address</b>  |
|-------------------|----------------------------------|----------------|---|
| Central           | 1-800-668-0230<br>(416) 585-6226 | (416) 585-6882 | 777 Bay Street, 13th Floor<br>Toronto, Ontario M5G 2E5            |
| Eastern           | 1-800-267-9438<br>(613) 545-2100 | (613) 548-6822 | 8 Estate Lane, Rockwood House<br>Kingston, Ontario K7M 9A8        |
| Western           | 1-800-265-4736<br>(519) 873-4020 | (519) 873-4018 | 659 Exeter Road, 2nd Floor<br>London, Ontario N6E 1L3             |
| Northeastern      | 1-800-461-1193<br>(705) 564-0120 | (705) 564-6863 | 159 Cedar Street, Suite 401<br>Sudbury, Ontario P3E 6A5           |
| Northwestern      | 1-800-465-5027<br>(807) 475-1651 | (807) 475-1196 | 435 James Street South, Suite 223<br>Thunder Bay, Ontario P7E 6S7 |

**COUNTY OF ELGIN**

**By-Law No. 18-01**

**“BEING A BY-LAW TO RESCIND BY-LAW 16-32 TO RE-APPOINT JGM CONSULTING  
AS THE CLOSED MEETING INVESTIGATOR, BY-LAW 16-33 TO RE-APPOINT JGM  
CONSULTING AS THE INTEGRITY COMMISSIONER AND ANY BY-LAW  
INCONSISTENT WITH BY-LAW 17-42”**

WHEREAS Section 223.3 of the Municipal Act, 2001, as amended, authorizes a municipal council to appoint an Integrity Commissioner who is responsible for performing in an independent manner functions related to the Code of Conduct of members of council and local boards; and,

WHEREAS Section 223.13 of the Municipal Act, 2001 as amended, authorizes a municipality to appoint an Ombudsman who reports to council and whose function is to investigate in an independent manner any decision or recommendation made, or act done or omitted in the course of the administration; and,

WHEREAS Section 239.2 of the Municipal Act, 2001 as amended, authorizes a municipality to appoint an Closed Meeting Investigator who has the function to investigate in an independent manner, a complaint made to him or her by any person, whether the municipality or a local board has complied with section 239 or a procedure by-law under subsection 238 (2) in respect of a meeting or part of a meeting that was closed to the public, and to report on the investigation; and,

WHEREAS the County of Elgin, through By-Laws 16-32 and 16-33, appointed JGM Consulting as Closed Meeting Investigator and Integrity Commissioner for a one-year term that expired on December 31, 2017; and,

WHEREAS the County deemed it necessary to fill the position of Integrity Commissioner, Closed Meeting Investigator, and Ombudsman; and,

WHEREAS the County deemed it advisable, through By-Law 17-42, to appoint Independent Resolutions Inc. as Integrity Commissioner, Closed Meeting Investigator and Ombudsman to perform these services for a three-year term commencing on January 1, 2018; and,

WHEREAS the County deems it prudent to rescind By-Laws 16-32, 16-33 and all by-laws with provisions inconsistent with those contained in By-Law 17-42;

NOW THEREFORE BE IT RESOLVED THAT the Municipal Council of the Corporation of the County of Elgin hereby enacts as follows:

1. THAT By-Law 16-32 and By-Law 16-33 be hereby rescinded; and,
2. THAT where the provisions of any other by-laws are inconsistent with the provisions of By-Law 17-42, the provisions of By-Law 17-42 shall prevail.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 9<sup>TH</sup> DAY OF JANUARY 2018.

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Julie Gonyou,  
Chief Administrative Officer.

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David Marr,  
Warden.

## **CLOSED MEETING AGENDA**

**January 9, 2018**

### **Staff Reports:**

- 1) County Solicitor – *Municipal Act Section 239.2 (b) personal matters about an identifiable individual, including municipal or local board employees* – Assistant Prosecutor / County Solicitor
- 2) Chief Administrative Officer - *Municipal Act Section 239.2 (b) personal matters about an identifiable individual, including municipal or local board employees* – Compensation
- 3) Chief Administrative Officer - *Municipal Act Section 239.2 (b) personal matters about an identifiable individual, including municipal or local board employees* – Organizational Update (VERBAL)
- 4) Chief Administrative Officer - *Municipal Act Section 239.2 (c) a proposed or pending acquisition or disposition of land by the municipality of local board* – County Property Interest