

**MINUTES**

Budget Meeting

May 29, 2019

7:00 p.m.

Present:

Absent:

Reeve: Rodney Wood

Councillors: Mike Garside

Pat Garside

Dianne Holt

Dave Leask

Road Superintendent: Lyn Garside

Clerk Treasurer: Valerie Obarymskyj

There were no disclosures of pecuniary interest.

The Clerk asked that a few road issues be added to the Agenda given recent conversations with concerned residents.

Moved by Dave Leask

2019-65

Seconded by Pat Garside

Resolved that we do accept the Agenda as amended. \*Carried\*

The first road issue involved a water concern on Ellwood Boulevard. Water from acreage across the road from the waterfront subdivision lots drains through the culverts toward the lake. This year, as a result of the extremely wet Spring, following the significant 2018-2019 winter snowfall which followed a severely wet Fall 2018, the runoff has been considerable. The property owner of Lot 29 advised he was concerned with possible damage occurring at his beachfront given the force of the water in the drainage ditch bordering his property. He asked if other similar ditches could be created on other lots to lessen the flow next to his lot. The Clerk advised that when the subdivision was developed in 1986, the Agreement stated a drainage easement should be established between Lots 27 and 28. It has now been realized that the ditch that was created in 1986 is between Lots 28 and 29. While the Township continues to hold an easement between Lots 27 and 28, there would appear to be minimal value in creating a new trench so close to the existing one especially given the terrain. It would be of more benefit for the owners of Lots 25, 26 or 27 to dig a similar ditch toward the lake but this could lead to problems with adjacent beachfronts at that location. The Road Superintendent recommended the use of armour stone at the end of such ditches could alleviate some of those problems in the beach areas.

The second road issue involved a similar water concern on Haight Road. The owners of Lot 5 were concerned about the runoff of water onto their property from acreage across the road from this waterfront subdivision. The Clerk advised that when this subdivision was developed in 1985, one culvert was installed to drain water from the opposite side toward the lake with no drainage easement being registered. The Road Superintendent advised that no changes have been made to the location of the culvert in the past 34 years and that Lot 5 has always been a low-lying wet lot. If the intent is to create a trench through Lot 5 to direct the water toward the lake permission would need to be granted from the MNRF or DFO. Both the Reeve and Road Superintendent confirmed they would meet with the property owners on site to review and discuss the issue further.

Following a review of the 2018 Financial Statements the following resolutions were passed.

Moved by Dianne Holt

2019-66

Seconded by Dave Leask

Resolved that we do accept the Management Letter and 2018 Financial Statements for the Township of Hilton, as prepared by BDO Dunwoody. \*Carried\*

Moved by Mike Garside

2019-67

Seconded by Dave Leask

Resolved that we do accept the 2018 Financial Statements for the Hilton Union Fire Department, as prepared by BDO Dunwoody. \*Carried\*

The Clerk presented a revised Fire Department Budget given the Fire Board had just met the night before and changes had been made to its draft budget. The revised Fire budget included a reduction to the annual transfer to Reserve Funds from \$20,000 to \$10,000. This decision was recommended given the Township's reconsideration in building a satellite firehall on its W Line property. The significant reduction in fire calls raises the question as to whether this is a practical use of taxpayer dollars. The intent had been to build a structure large enough to house a second tanker and a proposed rapid attack vehicle. Any such vehicle purchase will be postponed until there is a place to shelter such an investment from the elements. The second reason for the reduction in the annual transfer was in recognition of the dollars saved by the Fire Department by taking ownership of the Township's existing plowtruck and modifying it to serve as a tanker. The Clerk recommended that the Township's share of

the reduced transfer (\$5,000) be maintained in this year's budget but transferred instead to the Roads Equipment Reserve Fund.

Moved by Pat Garside  
Seconded by Dave Leask

2019-68

Resolved that we do support the purchase of the Township of Hilton's Sterling Model Plowtruck by the Hilton Union Fire Department at a cost of \$25,000 with such truck to be modified to serve as a Tanker for the Fire Department. \*Carried\*

Moved by Mike Garside  
Seconded by Dave Leask

2019-69

Resolved that we do approve the Hilton Union Fire Board Budget for 2019 in the amount of \$95,925 which includes municipal levies from the Township of Hilton and the Village of Hilton Beach in the amount of \$19,550 each. \*Carried\*

Council reviewed the Clerk's report addressing the draft budget for 2019. This year's budget includes a reduction to the municipal levy of approximately \$6,500 over 2018. The combined municipal and education tax rate will be reduced 5.5%. Given the average assessment increase of 3.88% to *Seasonal Recreational Dwellings* (representing 245 of the total 316 residences), the final effect on taxes to be paid will be approximately 1.5% less for these properties. *Single Family Dwellings* saw an average assessment increase of 6.58%; therefore, these properties (71 of total 316 residences) will pay approximately 1% more in overall taxes for 2019.

While there were budgeted increases to certain 2019 expenses (\$4,000 more for landfill; \$1,000 more for Library; \$3,500 more for Social Services) there were also decreases given no Election allocation of \$4,000 and an end to our 15 year annual contribution payments of \$2,500 to Sault Area Hospital. Council decided now that our obligation to SAH had been completed, we would instead contribute \$1,500 to Matthews Memorial Hospital.

The proposed budget continued to set aside funds for our Reserves and Reserve Funds: \$2,000 to Office Equipment Reserves; \$10,000 to Fire Equipment Reserve Fund (our share \$5,000) and \$5,000 to Municipal Building Reserve Fund.

Our Roads Equipment Reserve Fund carried a balance of \$265,000 at the end of 2018 but as the result of the purchase of a new plow truck in 2019, the balance is now only \$23,000. The Clerk advised Council that there is currently a combined balance of \$102,000 in the Roads Working Capital Reserve (\$73k) and Roads Infrastructure Reserve (\$29k). The Clerk recommended the Roads Infrastructure Reserve be dissolved with its balance transferred to the Roads Equipment Reserve Fund and \$21k from the Roads Working Capital be transferred also for a total transfer of \$50,000 to the Roads Equipment Reserve Fund. This will help rebuild this Reserve Fund to ensure there are adequate funds for future vehicle needs (excavator/grader/pickup/future plowtruck) without putting excessive burden on the taxpayers. This will also maintain a Roads Working Capital Reserve in line with our auditor's recommendations. In light of the decision made by the Fire Board to reduce the transfer to the Fire Equipment Reserve Fund by 50%, Council agreed to transfer the \$5,000 the Township would be saving to the Roads Equipment Reserve Fund also. In addition, the funds received from the purchase of the plowtruck (\$25,000) should also be transferred to the Roads Equipment Reserve Fund. The aforementioned transfers will increase the current \$23,000 balance to \$103,000.

The Clerk also recommended that a new Succession Plan Reserve be established to address future training costs likely to occur when both the Road Superintendent and Clerk Treasurer decide to retire. Rather than raise such funds through taxation, the Clerk recommended a \$20,000 transfer be made from the Township's General Working Capital Reserve which currently has a higher than required balance.

The Township received \$224,000 from the Province this year in a Modernization Grant with the intent being it would be used to find efficiencies in the services provided. A portion of the grant will be used this year to build a combination storage building/drive shed behind the Municipal Office to service Recreation storage requirements and possibly Administration, as well. The drive shed will eventually be used to shelter cold patch stockpiles, as well as, a future tractor purchase and plow/tractor attachments. An amount of \$50,000 has been included in this year's budget for the construction of the drive shed which is hoped to be done in-house by the Road Superintendent and Labourer. The balance of the grant will be invested until further research can be done regarding the tractor/attachments purchase and other appropriate projects.

Several road construction projects are planned for this year including Trainor Side Road (\$88k); Base Line – from M and N to P Line (\$39k); P Line at the base of the hill (\$17k) and X Line (\$5k). The combined total costs of \$149,000 will be offset with \$50,000 from the 2019 OCIF (Ontario Community Infrastructure Fund) grant resulting in a taxpayer contribution of \$99,000 which is on target with our goal of \$75,000 to \$100,000 road improvements each year. The Clerk recommended the Federal Gas Tax received in 2019 be set aside to help with road projects in future years.

Council reviewed details explaining the effect of the proposed tax rate on residential taxes. Total taxes on a \$100,000 assessed property (if assessment did not change) would decrease to \$879.69 in 2019 from \$930.54 in 2018 (\$50.85 reduction). Given, however, the approximate 3.88% average assessment increase to most residential properties, taxes on the increased assessed value of \$103,880 for 2019 would result in taxes of \$913.62 (\$16.72 reduction). The Clerk confirmed that if a resident’s assessed property value increased more than the average 3.88%, there would be a minimal increase in taxes.

The Clerk recommended that approval of the budget be postponed until the Village of Hilton Beach Council has authorized its approval of the Hilton Union Fire Board budget for the current year.

Moved by Dianne Holt 2019-70

Seconded by Dave Leask

Resolved that we do pass By-Law No. 1247-19 being a by-law to confirm the proceedings of this meeting.

\*Carried\*

Moved by Pat Garside 2019-71

Seconded by Mike Garside

Resolved that we do adjourn at 10:17 p.m., Council to meet again at the Hilton Township Municipal Office at 7:00 p.m. on Wednesday, June 5, 2019 for the next regular meeting of Council. \*Carried\*

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Reeve, Rodney Wood

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Clerk, Valerie Obarymskyj

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**2019 Budget Adoption**

Council for the Township of Hilton is planning to adopt both the 2019 Municipal Budget and 2019 Tax Rates at its regularly scheduled meeting on Wednesday, July 3, 2019, beginning at 7:00 p.m. at 2983 Base Line, Hilton Beach, Ontario, P0R 1G0. All Council meetings are open to the public and everyone is welcome to attend.