

**OPERATING BUDGET MEETING # 3**  
**Thursday, February 17, 2011 at 6:00 P.M.**

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- PRESENT: Mayor Lowry, Deputy Mayor Bresee, Councillors Ashley, Daniliunas, Hegadorn, Ibey and Porter
- OB2011.32 Moved by Councillor Ashley and seconded by Councillor Porter that the agenda be adopted. Motion carried.
- OB2011.33 Councillor Ashley declared a Conflict of Interest regarding Item #3 – Salaries, Wages, Benefits – Service Areas and #6 – Amherst Island Ferry Area – Salaries, Wages, Benefits as his spouse is employed by the Ferry Service Area in a union capacity.
- OB2011.34 **2011 Budget – Salaries, Wages and Benefits – Service Areas**  
Moved by Deputy Mayor Bresee and seconded by Councillor Hegadorn that the Financial Analyst’s report dated February 10, 2011, re: 2011 Budget – Salaries, Wages and Benefits – Service Areas, be received. Motion carried.
- OB2011.35 **Section 26 – Amherstview Transit – Capital Budget**  
The Transportation and Solid Waste Manager advised Council that the City of Kingston has raised their transit fares, which historically has resulted in Loyalist Township increasing their rates. Staff concurs with increasing rates as a matter of logistics. The sharing of fares is covered by the terms of the Cross-Boundary Transit Agreement.  
  
Moved by Councillor Hegadorn and seconded by Councillor Ashley that the Transportation and Solid Waste Manager’s report dated December 2, 2010, re: 2011 Transit Capital Budget Highlights, be approved. Motion carried.
- OB2011.36 **Section 26 – Amherstview Transit – Operating Budget**  
Councillor Porter asked if Loyalist Township had considered starting its own access bus service. The Transportation and Solid Waste Manager answered that to date there has been no action on this option, but agreed that all options should be looked at. It is expected that an access bus service will soon be mandatory where transit is provided. Mr. Thompson noted that he had, in the past, written letters to neighbouring municipalities, nursing homes, large industries and other transportation companies, to see if there was any interest in an access bus service joint venture, but received no feedback.  
  
Moved by Councillor Porter and seconded by Councillor Hegadorn that the Transportation and Solid Waste Manager’s report dated November 30, 2010, re: 2011 Operating Budget Transit – Section 26, be approved. Motion carried.
- OB2011.37 **Section 27 – Amherst Island Ferry**  
Councillor Ibey asked if the temporary ferry office will be moving back to the Front Rd. location at some point. CAO, Diane Pearce advised that the Recreation

Director will have a report for Council outlining the plans for the building where the ferry office and library were located. Councillor Ashley noted that the trailer which is currently serving as the ferry office is working well. Dave Thompson commented that it is more economical than the old ferry office, specifically for hydro and heat and MTO is treating costs as eligible for subsidy.

The Director of Engineering Services indicated that this year's ferry fuel costs have increased. Fuel usage is approximately double during periods when heavy ice is on the lake.

Moved by Councillor Ashley and seconded by Councillor Ibey that the Transportation and Solid Waste Manager's report dated November 30, 2010, re: 2011 Amherst Island Ferry Operating Budget Transit – Section 27, be approved. Motion carried.

Councillor Porter asked if a passenger fee has been considered. She also suggested that occasional ferry user rates be increased in order to keep the cost to regular users at a minimum. Councillor Ashley indicated that many bulk ticket holders give their tickets to occasional users, thereby defeating the purpose. Councillor Ibey suggested that the rate for motorcycles be adjusted if other fares are increased. Councillor Porter asked if larger vehicles like RV's could be charged a higher rate. Councillor Ashley suggested the rate increase issue be referred to the Ferry Committee for review and then back to Council to begin the public notification process.

Moved by Councillor Ibey and seconded by Councillor Ashley that the Transportation and Solid Waste Manager's report, February 7, 2011 re: Fare Increase – Amherst Island Ferry, be received and that:

1. Council considers the proposed fare structure as seen below:

**Recommended Fare Structure ( \* indicates fare change)**

<b>*Car/Truck (under 1 Ton)</b>	<b>\$9.00</b>
Motorcycle	\$1.50
<b>*RV, or car/trailer</b>	<b>\$18.00</b>
Bicycle	\$1.00
<b>*Large vehicles (requiring more than 2 spaces)</b>	<b>\$27.00</b>
<b>*Bulk Tickets (25 tickets \$4.00 per ticket)</b>	<b>\$100.00</b>

2. That Council provide staff with direction on how to proceed with the proposed fare structure increase.

3. That the proposed fare structure be forwarded to the Loyalist Township Ferry Committee for consideration and comment.

Motion carried.

Councillor Ashley asked if the Ferry Committee could meet before the next Administration Committee meeting in order to speed up the process.

OB2011.39 **Section 29 – Ten Year Capital Budget 2011-20 – W&S Service Areas**

In the absence of the Director of Finance, the Financial Analyst, Mr. Gartenburg, gave a brief overview of this section of the budget. Councillor Daniliunas attended a Council training session in January and learned about the term “intergenerational debt inequity” that exists when current users pay replacement costs for future users. He felt that his constituents will not agree to this inequity, i.e. paying higher utility bills now by putting funds into a reserve for work that will be done in the future. After some discussion it was agreed by the majority that funds must be put in reserves today for future work as a contingency measure.

Mr. Gartenburg directed Council’s attention to the graph in the 2011 Budget Overview that shows long-term debt.

Moved by Deputy Mayor Bresee and seconded by Councillor Porter that the Director of Finance’s report dated February 10, 2011, re: Ten Year Capital Budget 2011-2020 – Water and Sewer Service Areas, be received for consideration. Motion carried.

OB2011.40 **Section 29 – Utilities Dept. General Overhead – 10 Year Capital Budget**

Councillor Daniliunas asked why the Utilities Department needed another truck. The Utilities Manager noted that it is a replacement vehicle. The Utilities Manager also pointed out that the reason the vehicles are becoming so expensive is that historically, the Township has ordered red trucks. Red trucks are now a “custom” order, thereby increasing the cost. Therefore, staff is asking to order trucks in colours other than red. Some felt it gives a better overall look of professionalism if the fleet is all one colour. The Utilities Manager will investigate the options.

Moved by Deputy Mayor Bresee and seconded by Councillor Ashley that the Director of Engineering’s report dated February 7, 2011, re: Utilities Department General Overhead, Vehicles and Housing Capital Budget Report, be received and the following be adopted:

1. That Council receives the Utilities Department Overhead, Vehicles and Housing Capital Budget report,
2. That Council give pre-budget approval for the 2011 Utilities truck purchase.
3. That staff be authorized to finalize vehicle purchases for vehicles painted a colour other than the “Loyalist” fleet “red”, when delivery times are extended or additional costs apply that are not acceptable for the department.

Motion carried.

Councillor Ashley excused himself and left the meeting at approximately 8:00 p.m.

- OB2011.41 **Section 29 – Utilities – Loyalist East Sewage Area – 10 Year Capital Budget**  
 Moved by Councillor Hegadorn and seconded by Councillor Porter that the Director of Engineering’s report dated February 1, 2011, re: Loyalist East Sewer System – Capital Budget, be received. Motion carried.
- OB2011.42 **Section 29 – Utilities – Fairfield Water Service Area – 10 Year Capital Budget**  
 Moved by Councillor Hegadorn and seconded by Deputy Mayor Bresee that the Director of Engineering’s report dated February 1, 2011, re: Fairfield Water Service Area – Capital Budget, be received and the following be adopted:  
 1. That staff be instructed to monitor the Fairfield Water flows and advise Council of the current demands on the Fairfield Plant during the summer months of 2011 and provide updated projections for the timing of an expansion of capacity for this facility.  
 Motion carried.
- OB2011.43 **Section 29 – Utilities – Bath Water Service Area – 10 Year Capital Budget**  
 Moved by Deputy Mayor Bresee and seconded by Councillor Daniliunas that the Director of Engineering’s report dated February 1, 2011, re: Bath Water Service Area – Capital Budget, be received and the following be adopted:  
 1. That Council confirm that expansion of the Bath Water Treatment Plant not be considered at this time.  
 Motion carried.
- OB2011.44 **Section 29 – Utilities – Bath Sewage Service Area – 10 Year Capital Budget**  
 Moved by Councillor Hegadorn and seconded by Councillor Daniliunas that the Director of Engineering’s report dated February 1, 2011, re: Bath Sewer Service Area – Capital Budget, be received. Motion carried.
- OB2011.45 **Section 20 – Utilities Overhead Costs**  
 Moved by Councillor Daniliunas and seconded by Councillor Hegadorn that the Utilities Manager’s report dated February 6, 2011, re: Utilities 2011 – Handling of Departmental Overhead Costs – Department codes 450-452 – Section 20, be received and the following be adopted:  
 1. That Council authorize that the decommissioned Odessa Treatment Plant Property be transferred to the General Rate with the exception of the garage building.  
 Motion carried.
- OB2011.46 **Section 20 – User Fees – Water and Sewer Service Areas**  
 Moved by Councillor Hegadorn and seconded by Deputy Mayor Bresee that the Director of Finance’s report dated February 9, 2011, re: Section 20 – User Fees – Water and Sewer Service Area, be received for consideration. Motion carried.
- OB2011.47 **Section 19 – Loyalist East Sewage Service Area Operating Budget**  
 Moved by Deputy Mayor Bresee and seconded by Councillor Hegadorn that the Utilities Manager’s report dated February 3, 2011, re: Loyalist East Sewer Service

Area 2011 Operating Budget – Department Codes 400-406 – Section, be approved. Motion carried.

OB2011.48 **Section 23 – Fairfield Water Service Area Operating Budget**  
Moved by Councillor Hegadorn and seconded by Councillor Porter that the Utilities Manager’s report dated February 6, 2011, re: Fairfield Water Service Area 2011 Operating Budget – Department Codes 430-438 – Section 23, be approved. Motion carried.

OB2011.49 **Section 24 – Bath Water Service Area Operating Budget**  
Moved by Deputy Mayor Bresee and seconded by Councillor Porter that the Utilities Manager’s report dated February 6, 2011, re: Bath Water Service Area 2011 Operating Budget – Department Codes 440-445 – Section 24, be approved. Motion carried.

OB2011.50 **Section 25 – Bath Sewer Service Area Operating Budget**  
Moved by Councillor Hegadorn and seconded by Councillor Daniliunas that the Utilities Manager’s report dated February 6, 2011, re: Bath Sewer Service Area 2011 Operating Budget – Department Codes 401-418 – Section 25, be approved. Motion carried.

OB2011.51 **Closed Session**  
Moved by Councillor Ibey and seconded by Councillor Hegadorn that Council proceed into Closed Session as permitted under the Municipal Act to consider personal matters about an identifiable individual, including municipal or local board employees. Motion carried.

Moved by Councillor Ibey and seconded by Councillor Hegadorn that the Closed Session agenda be adopted. Motion carried.

Moved by Councillor Ibey and seconded by Councillor Daniliunas that the Committee in Closed Session rise and report at 7:35 p.m. Motion carried.

OB2011.52 Moved by Councillor Hegadorn and seconded by Councillor Porter that the meeting adjourn at approximately 9:15 p.m. Motion carried.

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MAYOR

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CLERK