

2. SPECIAL PROJECTS FINANCING SCENARIOS

Refer to the City Treasurer's memo dated April 2, 2007:

Saskatchewan Avenue Park

The City was unable to obtain permission to green the CN property on Saskatchewan Avenue without entering into a lease agreement and fencing the property; therefore, Council removed \$21,626 from the Special Projects Budget, to be reallocated to the heavy infrastructure upgrade. Administration is to investigate whether the City owns any portion of the boulevard/highway strip that could be turned into greenspace or use temporary seasonal flower pots to improve the appearance of this area.

Infrastructure Upgrades in Heavy Industrial Park

Administration is to transfer \$21,626 from Sask Ave Park to this project and remove the Minto Park servicing of \$292,793.75 from the Land Development Fund financing, resulting in a utility reserve drawdown of \$390,714. The Director advised that Parcel 73 cannot be serviced by this force main so other options must be investigated, such as extending service north from McKendry Avenue. Council agreed to commit 50% of all surpluses to the repayment of the heavy industrial park infrastructure upgrade project first in order to be able to finance it without requiring a mill increase.

Main Lift Station

Council concurred with the Treasurer's recommendation to commit an additional \$47,600 to debt repayment, which will provide a total of \$284,100 annually committed for utility infrastructure. The Capital Trust Fund borrowing of \$519,800 will be repaid over a 15 year term at an interest rate of 5%.

Multi-Use Facility Financing

The Treasurer reviewed the requirements to internally finance a new multi-use facility and reported that Council must have two mills in place by 2010 to finance the City's projected portion of \$8 Million. The City continues to investigate potential funding options for the new facility so rather than accelerating the ramping period, Council agreed to apply a .67 mill rate increase for 2007 (1 1/3 of the mill requirement) and reevaluate their financial strategy on an annual basis.

3. BALANCING THE BUDGET

The Treasurer presented three options to balance the budget based on the decisions made during this budget session. She noted that these numbers will change slightly once the new assessment numbers are finalized.

General Operations

Bal Fwd		\$	62,921.00
2868500239	Economic Other Special Services	\$	(13,320.00)
2872052541	NELC Operating and Program Supplies	\$	(4,000.00)
2888000913	Transfer to CTF General	\$	47,600.00
	Budgeted Surplus	\$	15,000.00
	Projected General Operations Deficit	\$	<u>108,201.00</u>

Council agreed to fund the operational deficit of \$108,201 through the mill rate stabilization account, to be replenished during the term of this Council by the 2009 budget year, and proposed a municipal mill rate increase of .67 mills to 14.01 mills for the construction of the multi-use facility.

Reserve Drawdown Summary

2361000000	Oper-Ec Dev Study/Contingency - Year 1	\$	8,320.00
2381000000	Mill Rate Stabilization Account	\$	108,201.00
	Utility Reserves	\$	<u>390,714.00</u>
		\$	<u>507,235.00</u>

In addition, there will be a temporary reserve drawdown of \$431,628 to fund the heavy industrial infrastructure upgrade until the gas tax funds are received in 2009-2010, at which time the reserves will be replenished by that amount.

4. NEXT MEETING

A Special Council Meeting was scheduled on April 26, 2007, at 5:00 p.m. to adopt the 2007 mill rate and approve the operational and special project budgets.

The meeting adjourned at 9:57 p.m.

Mayor

City Clerk