

It was suggested that Council revisit the vacant land base tax annually during budget.

2. Financing Scenarios

Council reviewed the financing options and scenarios presented in the Treasurer's memo dated January 30th, 2007. The surplus allocations in the memo should be revised to read an allocation of \$268,629 toward the heavy industrial infrastructure upgrade. A worst-case scenario has been presented for the main lift station project. There are several other options available for this project. The Treasurer reported that external borrowing rates are currently at prime plus ½ (5.5% over 10 years). The Treasurer estimates that Council may have to look at a 10% increase in taxation to fund the main lift station and the 2007 preliminary budget deficit.

As pointed out in the Treasurer's conclusion, an estimated two mill increase (or a combination of mill and base tax increase) will be necessary by 2010 for the purpose of financing a new facility; however, ramping scenarios will be part of the facility financing scenarios.

3. Balancing Options

The Treasurer presented several balancing options for Council to consider and noted that Option 3, a combination of base tax and mill rate increases, allows for a more equitable distribution of the tax increase between the residential and commercial classifications and ranges.

Councillor Terry urged Council members to advise Administration as soon as possible if additional information is required for decision making at the March 15th budget session, scheduled to commence at 5:00 p.m.

The meeting adjourned at 5:56 p.m.

Mayor

City Clerk