

Minutes of the **ADMINISTRATION and FINANCE COMMITTEE** Meeting (budget discussions) held in the Conference Room at the Municipal Hall at 8645 Stave Lake Street, Mission, British Columbia, on Thursday, November 3, 2011, commencing at 3:30 pm.

Committee Members Present: Mayor James Atebe
Councillor Terry Gidda
Councillor Paul Horn
Councillor Danny Plecas
Councillor Mike Scudder
Councillor Jenny Stevens
Councillor Heather Stewart

Staff Members Present: Glen Robertson, Chief Administrative Officer
Paul Gipps, Deputy Chief Administrative Officer
Ken Bjorgaard, Director of Finance
Kerri Onken, Deputy Treasurer/Collector
Debi Decker, Administrative Assistant

Mayor Atebe called the meeting to order
Councillor Stevens assumed the chair.

1. NEW BUSINESS

AF 11/11
NOV 3/11

Community Report including Financial Plan Information

The Director of Finance gave an overview of the Community Report 2012/Financial Plan through a power point presentation.

The Director reiterated that the budget numbers shown inside this document are just a starting point and that the new Council will have the opportunity to establish services and service levels and corresponding tax levels.

Discussion ensued around the document and the following suggestions were made:

1. Under Mission – Our Community – Demographic and Economic Information
 - a) In the Labour Force Activity graph, there is “employed” and “in the labour force”. Please clarify as both statements seem to be the same thing.
2. Under District Services and Programs - Human Resources Work Activities.
 - a) The number of work safe claims has jumped from 12 (2010) to 20 (2011 and 2012). There is a standing recommendation for staff to investigate work safe claims and that the District should not be forecasting 20 claims. Please review these numbers.
3. Under District Services and Programs – Information Technology Work Activities.
 - a) The number of computers supported increases from 258 in 2011 to 271 in 2012. Would like an explanation for this.

- b) Number of hits on the website increases from 220,000 in 2011 to 308,000 in 2012. Would like an explanation for this increase, and what affect this would have on staffing.
- 4. Under District Services and Programs – Finance and Purchasing Major 2012 Goals.
 - a) Would like to see the goal “On-line payment system” added to the department’s major 2012 goals.
 - b) Is the completion date for the community amenity contribution review of May 2012 unrealistic? A more realistic completion date would be late 2012.
- 5. Under District Services and Programs – Police Services Major 2012 Goals.
 - a) Reducing the impact of crime is not yet quantified, numbers need to be included from the trends.
- 6. Under District Services and Programs – Economic Development Work Activity.
 - a) Would like to see “the number of new businesses” added to the work activity listing.
- 7. Under District Services and Programs – Parks, Recreation and Culture Work Activity.
 - a) The number of Leisure Centre visits drops in 2012 from 2011, please review.
- 8. Under District Services and Programs – Environmental Services Major 2012 Goals.
 - a) User pay garbage rates with a completion date of December 2012. Wondering why this goal is included as Council direction isn’t recalled. Please clarify goal.
- 9. Under District Services and Programs – Public Transit Major 2012 Goals.
 - a) Please add “and should move forward on the recommendations therein” after the words “Master Plan completed” under the quantifiable measures of achievement.
- 10. Under District Services and Programs – Forestry Operations Major 2012 Goals.
 - a) Would like to see a goal pertaining to the “interpretive forest” included in the department’s major 2012 goals.
 - b) Would like to see a summary paragraph included, perhaps on the Forestry Operations page, about the business case prepared on the new interpretive forest.
- 11. Under Financial Plan Overview – Factors Impacting 2012 Draft Budget.
 - a) Exempt staff wage levels – would like to see comment change to include that a review is underway and will be brought forward to the new Council.
- 12. Under Financial Plan Overview – General Operating Fund pie chart.
 - a) Would like to see Economic Development and Planning split into two separate sections.
 - b) Debt and other fiscal services. What exactly are “fiscal services”? Please include definition in the glossary of important terms.

13. Under Long-term Capital Plans – Water Utility – Major Highlights.
 - a) How can we convey to the general public that some of these capital projects listed are stable but that other projects could change dramatically? Would a footnote stating, “these plans are currently being considered” work?
14. Under Appendices – Appendix “A” Glossary of Important Terms.
 - a) Please add “Pro-forma” but include both the business definition “projection” and the financial definition “smoothing”.
15. Under Appendices – Appendix “B” Acronyms.
 - a) Please add MSR (from Budget Process and Policies – Structure of Budgetary Funds, Operating Departments/Functions and Major Sources of Revenue), to the Acronyms.

The following questions were answered by staff:

1. Capital depreciation isn't mentioned per se in the document because on a financial perspective setting aside funds for asset management is budgeting for the future replacement of infrastructure and equipment, whereas amortization (depreciation) is recognizing the usage of an expenditure already made. We do mention implementing an asset management program within the document.
2. Part of the budget process is a review of the capital plan. This document only shows five years of the capital plan when in fact it actually covers over 20 years. Staff review the capital plan annually, prioritizing projects prior to budget discussions with Council.
3. A reserve policy has been approved that has indicated optimal levels for the various reserve funds, but these levels are goals only. Reserve funds fluctuate up and down as you accumulate funds to spend and then the reserve goes down once they have been spent. A better indication of financial health would be how much money is being transferred to the reserves. A number of new reserves have been set-up over the past few years in order to not affect taxation to fund specific projects. The District is trying to be reactive rather than proactive, and is trying to allocate funds from taxation, and if there is a surplus at year-end, to reallocate these monies into reserves. The District's reserves are looking more positive than they have in many years.
4. External versus internal borrowing. If the District borrows funds externally from the MFA (Municipal Finance Authority), interest is charged as well as having a set pay-back term (usually 20 years with a 10 year pay-down/out window). If the District borrows funds from reserves, the interest charged is paid to the loaning reserve (we are paying ourselves) and there is no set pay-back term. The only down-side is the discipline needed to make the debt payments back to the loaning reserve.
5. Departments submit spending packages for new operating and capital projects at the beginning of each budget cycle. Some of these projects are more urgent in nature than others, and some enhance existing services and others are for new initiatives. These spending packages become part of the budget process with Council reviewing these requests and deciding on whether or not to fund them.
6. One graph shows Mission's comparison with other municipalities in regards to how much property taxes are paid on an average assessed home. Staff have included this graph in the information sent out with the tax notices and could show a history, to show how the District has done in past years comparing to other communities.

7. Staff are waiting to see how the water meter project proceeds before a decision is made with regards to removing the utility billing from the tax notices.
8. With regard to the West Coast Express Train service, the budget amount has gone down in 2013 due to the fact that the new agreement was signed part way through 2011. Therefore the 2012 budget needed to provide for both the 2011 and 2012 increases.
9. Hydro cost increases - the Leisure Centre has historically been in a deficit position each year due to the high hydro costs. Staff have increased the budget to erase the deficit and to reflect the hydro rate increases. A report will be forthcoming to Council on this topic.
10. Greenhouse gas emissions and the off-setting carbon costs for 2012 - the provincial government is changing the rules and it has yet to be determined whether or not a budget will be required. Staff are monitoring this.
11. User fees and charges are reviewed annually by staff and a report is brought forward to Council for their consideration. As for comparisons with other municipalities, we have a landfill that other municipalities don't have, plus we are now the owners of the water supply and distribution and sewage treatment systems with Abbotsford.

The following comments were made:

1. The new Council needs to understand about the Economic Development Officer position and the work that has been done to draw in more business/industry to our District. Additional funding will be required in the future to allow this division to grow.
2. Communities the same population size as Mission need to be looked at to see how their commercial/industrial tax base benefits their community and to see what the Development Corporation can accomplish.
3. Need to explain to the public our fees and charges philosophy to help keep taxes down. Explain how Mission has the landfill and regional water and sewer systems that other municipalities may not have. Leisure Centre fees need to be explained to the community – if they become too high no one will be able to use so taxation must subsidize.
4. Community Amenities – projects and contributions. The draft listing is large and the community and Council need to decide if these projects are important to Mission. Community amenities is a huge process and if the community wants specific projects, then the District needs to start collecting funds to pay for them. Need to have a strong consultative process.

Moved by Councillor Plecas, and

RECOMMENDED:

1. That Council receive the Community Report, as amended, for information to be used as the basis for upcoming budget discussions and the decision-making which will follow, including, if necessary, a review of service levels to achieve desired budget levels for 2012.

2. That staff place an article in the Mission City Record City page advising that a version of the Community Report is available on the District's website and that a hard copy is available to view at the Mission Community Library.

CARRIED

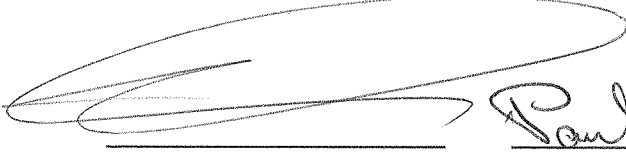
2. ADJOURNMENT

Moved by Councillor Scudder seconded by Councilor Gidda, and

RESOLVED: That the meeting be adjourned.

CARRIED.

The meeting was adjourned at 5:15 pm.



TED ADLEM,
MAYOR



PAUL GIPPS,
DEPUTY CHIEF ADMINISTRATIVE OFFICER

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