

Minutes of the **Freestanding Committee of the Whole (Corporate Administration & Finance Committee - Budget) meeting** of the **DISTRICT OF MISSION** held in the Council Chambers of the Municipal Hall, 8645 Stave Lake Street, Mission, British Columbia, on Wednesday, October 5, 2016 commencing at 1:00 p.m.

Committee Members Present: Mayor Randy Hawes
Councillor Pam Alexis
Councillor Carol Hamilton
Councillor Jim Hinds
Councillor Rhett Nicholson
Councillor Danny Plecas
Councillor Jenny Stevens

Staff Members Present: Ron Poole, Chief Administrative Officer
Barry Azevado, Manager of Environmental Services
Kris Boland, Director of Finance
*Michael Boronowski, Manager of Civic Engagement and
Community Initiatives
Matt Dunham, Operations Manager
*Hirod Gill, Manager of Engineering Design and Planning
Jay Jackman, Manager of Development Engineering &
Projects
Kerri Onken, Deputy Treasurer/Collector
Scott Ross, Manager of Accounting Services
Brent Schmitt, Manager of Business Service
Dale Vinnish, Operations Supervisor
Mike Younie, Deputy Chief Administrative Officer
Debi Decker, Administrative Assistant
Haylee Gould, Administrative Assistant
*Present for a portion of the meeting

1. CALL TO ORDER

The meeting was called to order at 1:00 p.m.

2. ADOPTION OF AGENDA

COW16/048
OCT 5/16

Moved by Councillor Hamilton, seconded by Councillor Alexis, and

RESOLVED:

That the October 5, 2016 Corporate Administration & Finance committee agenda be adopted.

CARRIED

3. CORPORATE ADMINISTRATION AND FINANCE

COW 16/049
OCT 5/16

Agenda Overview Presentation

The Deputy Treasurer/Collector gave a presentation on the 2017 budgeting process, where we are in that process, what to expect at future budget meetings, actions required from Council and what is on today's agenda.

COW 16/050
OCT 5/16

Summary of Proposed 2017 Residential Utility Rates and 2016 Utility Rates Comparison to Other Municipalities

The Committee reviewed a report from the Director of Finance dated October 5, 2016 regarding the proposed 2017 residential utility rates and 2016 utility rate comparisons with neighbouring municipalities.

Discussions ensued on the many variables of comparing data and rates between the municipalities, including the different regional districts' that the municipalities fall within.

COW 16/051
OCT 5/16

2017 Water Utility Financial Plan (Draft)

The Director of Finance gave a presentation that provided highlights of the draft 2017 water utility financial plan from his report dated October 5, 2016 and entitled "2017 Water Utility Financial Plan (Draft)".

The highlights of the draft 2017 water utility financial plan included:

- Total revenues and expenses equal \$6.6 million;
- A \$233,870 increase in revenue and a \$277,254 increase in expenses over 2016;
- Operating expenses total \$3.3 million and transfer to reserves total \$3.3 million;
- Capital Plan includes proposed additions of water model and master plan updates on a five-year recurring cycle, and an additional \$200,000 budget per year over the next 5 years for upgrades to the existing water main network;
- Regional water capital is advancing \$168 million budget for increased water supply capacity from 2035 to 2023, however preliminary investigations have not yet begun, so this estimate is conceptual at best;
- Asset management plans continue to be developed as part of the District's asset management program;
- Water Reserve funds are projecting a large increase in the short-term but there are a lot of unknowns for the long-term; and
- Rate increase of 1% or about \$5 per residential flat rate, equals about \$41 per month for residential flat rate water customers.

Discussion ensued on whether flat rate users are subsidizing the water system costs for metered customers. Staff confirmed that a recently completed study showed that currently, the rate structure for both the flat rate users and the metered customers is fair.

Staff confirmed that the water metering pilot project study has been completed, the data has been correlated, and a report to Council highlighting the findings is being prepared.

Discussion ensued on the water metering program, what a voluntary water meter program might look like, and possible rate changes affected by consumption fluctuations.

After the discussions it was:

Moved by Councillor Hamilton, and

RECOMMENDED:

1. That the following changes be approved for inclusion in the draft water utility capital plan:
 - a) Adding future water model and master plan updates on a five-year recurring cycle, with funding from the Water Capital Reserve fund, as follows:
 - i. Water model update at \$110,000 every five years, beginning in 2020;
 - ii. Water master plan update at \$150,000 every five years, beginning in 2021;
 - b) Adding a budget of \$200,000 in each of the next five years (i.e. 2017-2021), for a total of \$1 million, for upgrades to the existing water main network, with funding from the Water Capital Reserve Fund; and
2. That the draft 2017 water utility financial plan and the proposed water user rate increase of 1% for 2017 be presented for feedback at the upcoming public budget consultation meeting on November 7, 2016.

CARRIED

COW 16/052
OCT 5/16

2017 Sewer Utility Financial Plan (Draft)

The Director of Finance gave a presentation that provided highlights of the draft 2017 sewer utility financial plan from his report dated October 5, 2016 and entitled "2017 Sewer Utility Financial Plan (Draft)".

The highlights of the draft 2017 sewer utility financial plan included:

- Total revenues and expenses equal \$4.8 million;
- A \$225,450 increase in revenue and a \$103,660 increase in expenses over 2016;
- Operating expenses total \$3.2 million and transfer to reserves total \$1.6 million;
- Capital Plan includes proposed additions of sewer model and master plan updates on a five-year recurring cycle, a \$338,000 budget to replace the Falcon pump station, and deferment of the \$1.16 million trunk main extension from Wren Street to the river crossing;
- Regional sewer capital totals almost \$13 million over the next five years;
- Asset management plans continue to be developed as part of the District's asset management program;
- Sewer Reserve funds are currently strong, but expecting high long-term funding requirements; and
- Rate increase of 4% or about \$15 per residential flat rate, equals about \$33 per month for residential flat rate sewer customers.

Discussion ensued on how to help the public understand the scope of future capital projects and the relationship between user rate fee increases.

After the discussions it was:

Moved by Councillor Plecas, and

RECOMMENDED:

1. That the following changes be approved for inclusion in the draft sewer utility capital plan;
 - a) Adding future sewer model and master plan updates on a five-year recurring cycle, with funding from the Sewer Capital Reserve Fund, as follows:
 - i. Sewer model update at \$110,000 every five years, beginning in 2020;
 - ii. Sewer master plan update at \$150,000 every five years, beginning in 2021;
 - b) Deferring the \$1.16 million trunk main extension project from Wren Street to the river crossing from 2017 to 2021;
 - c) Adding the replacement of Falcon Pump Station in 2018 at \$338,000 with funding from the Sewer Capital Reserve Fund; and
2. That the draft 2017 sewer utility financial plan and the proposed sewer user rate increase of 4% for 2017 be presented for feedback at the upcoming public budget consultation meeting on November 7, 2016.

CARRIED

COW 16/053
OCT 5/16

2017 Drainage Utility Financial Plan (Draft)

The Director of Finance gave a presentation that provided highlights of the draft 2017 drainage utility financial plan from his report dated October 5, 2016 and entitled "2017 Drainage Utility Financial Plan (Draft)".

The highlights of the draft 2017 drainage utility financial plan included:

- Drainage Utility was established in 2016;
- Drainage was previously funded through general taxation;
- Drainage levy is based on assessment, similar to taxation;
- Total revenues and expenses equal \$1.78 million;
- A \$76,551 increase in revenue and a \$44,456 increase in expenses over 2016;
- Operating expenses total \$1.55 million and transfer to reserves total \$232,095;
- Request for an increase to the annual reserve fund transfer amount of \$30,000;
- Capital Plan includes proposed additions of drainage model and master plan updates on a five-year recurring cycle;
- Asset management plans continue to be developed as part of the District's asset management program;
- Drainage Reserve funds are currently very low, but this is only the second year for this utility; and
- Levy increase of 4.90% or about \$4.70 per single-family home, would increase the total levy to approximately \$100 per year for an average single-family home.

Discussion ensued as follows:

- All properties have the drainage levy on their property tax notice and that it is calculated on assessment values;

- The initial set-up of the drainage utility in 2016 by transferring the drainage related budgets from general taxation into the drainage utility budget and that the reduction in the general operating fund was realized in 2016;
- How climate changes affect the rainfall/snow fall and the run-offs that go through the District's drainage system; and
- Reserve fund levels and the possibility of a one-time cash injection.

After the discussions it was:

Moved by Councillor Plecas, and

RECOMMENDED:

1. That the following drainage utility operating spending package be approved for inclusion into the draft 2017 drainage utility financial plan:
 - a) Increase of \$30,000 to the ongoing annual transfer to the Drainage Capital Reserve Fund;
2. That the following changes be approved for inclusion in the draft long-term drainage utility capital plan:
 - a) Adding future drainage model and master plan updates on a five-year recurring cycle, with funding from the Drainage capital Reserve Fund, as follows:
 - i. Drainage model update at \$110,000 every five years, beginning in 2021;
 - ii. Drainage master plan update at \$150,000 every five years, beginning in 2022; and
3. That the draft 2017 drainage utility financial plan and the proposed drainage levy increase of 4.90% for 2017 be presented for feedback at the upcoming public budget consultation meeting on November 7, 2016.

CARRIED

COW 16/054
OCT 5/16

2017 Waste Management Utility Financial Plan (Draft)

The Director of Finance gave a presentation that provided highlights of the draft 2017 waste management utility financial plan from his report dated October 5, 2016 and entitled "2017 Waste Management Utility Financial Plan (Draft)".

The highlights of the draft 2017 waste management utility financial plan included:

- Total revenues and expenses equal \$4.89 million;
- A \$564,340 increase in revenue and a \$544,947 increase in expenses over 2016;
- Operating expenses total \$4.59 million and transfer to reserves total \$297,167;
- Capital plan includes projects for the Landfill and the Abbotsford/Mission Recycling Depot (located on Valley Road in Abbotsford);
- Waste Management Reserve funds are currently strong, but expecting high long-term funding requirements;
- No rate increase proposed for curbside collection rates in 2017, equals about \$25 per month for curbside collection customers; and
- Proposing a 2% increase in garbage tipping fees.

Discussion ensued on illegal dumping problems, the types of materials dumped, and the effects of the proposed tipping fee increases at the Landfill.

After the discussion it was:

Moved by Councillor Plecas, and

RECOMMENDED:

That the draft 2017 Waste Management Financial Plan and the following proposed rate increases for 2017 be presented for feedback at the upcoming public budget consultation meeting on November 7, 2016:

- a) No increase to curbside garbage collection rates and curbside recycling/compost collection rates; and
- b) Various increases in landfill tipping fees, as attached as Appendix D to the report dated October 5, 2016 entitled "2017 Waste Management Utility Financial Plan (Draft)" from the Director of Finance.

CARRIED

COW 16/055
OCT 5/16

Review of Spring Clean-up Program and Household Hazardous Waste Day

A report dated October 5, 2016 from the Manager of Environmental Services regarding the annual Spring Clean-up Program and Household Hazardous Waste Day was provided for the committee's consideration.

Discussion ensued around the following:

- The positive effects associated with both of the programs;
- The communities that don't have these programs and that effect on Mission;
- Advising residents what items are accepted free of charge at the landfill all year long;
- The District crews clean-up of items not accepted during the clean-up that are left on roadsides;
- Recyclers who "pick thru items" that could provide revenue for the District; and
- Proper disposal of lightbulbs – CFLs, florescent, and LED.

After the discussions it was:

Moved by Councillor Plecas, and

RECOMMENDED:

1. That the District continue providing an annual Spring Clean-up program for residents; and
2. That the District continue providing an annual Household Hazardous Waste Day for residents.

CARRIED

4. ADJOURNMENT

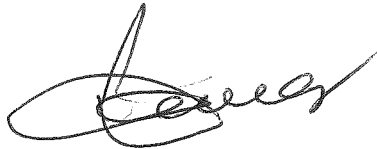
COW16/56
OCT 5/16

Moved by Councillor Plecas, and

RESOLVED: That the meeting be adjourned.

CARRIED

The meeting was adjourned at 2:51 p.m.



RANDY HAWES,
MAYOR



MICHAEL YOUNIE,
CORPORATE OFFICER