The agenda for the Freestanding Committee of the Whole (Corporate Administration and Finance Committee - Budget) meeting to be held in the Council Chambers of the Municipal Hall, 8645 Stave Lake Street, Mission, British Columbia on Wednesday, November 16, 2016, commencing at 1:00 p.m.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

3. CORPORATE ADMINISTRATION AND FINANCE

(a) Agenda Overview Presentation

(b) Public Feedback on Proposed 2017 Budget

This report is to provide the Committee with all the public feedback, comments and survey results received throughout the 2017 budget consultation process to aid in their budget deliberations. No staff recommendation accompanies this report.

(c) 2017 to 2021 Financial Plan Objectives and Policies

Recommendation:

That the District’s 2017 to 2021 Financial Plan Bylaw includes the objectives and policies as noted in the report entitled “2017 to 2021 Financial Plan Objectives and Policies” dated November 16, 2016 from the Deputy Treasurer/Collector.

(d) 2017 to 2021 Financial Plan Bylaw Preparation

Recommendations:

1) That the District’s draft 2017 General Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 3.7% increase in the property tax levy for 2017 as detailed in the report entitled “2017 to 2021 Financial Plan Bylaw Preparation” dated November 16, 2016 from the Deputy Treasurer/Collector and which includes the spending package for one additional RCMP member in 2017;

2) That the District’s draft 2017 Water Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 1% increase in water user rates effective January 1, 2017;

3) That the District’s draft 2017 Sewer Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 4% increase in sewer user rates effective January 1, 2017;

4) That the District’s draft 2017 Waste Management Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including the landfill tipping fee increases effective January 1, 2017 as included in Table 1 – Proposed Landfill Tipping Fee Increases of the report entitled “2017 to 2021 Financial Plan Bylaw Preparation” dated November 16, 2016 from the Deputy Treasurer/Collector; and
5) That the District’s draft 2017 Drainage Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 4.9% increase to the drainage levy effective January 1, 2017.

4. ADJOURNMENT
DATE: November 16, 2016
TO: Mayor and Council
FROM: Michael Boronowski, Manager of Civic Engagement and Corporate Initiatives & Kerri Onken, Deputy Treasurer/Collector
SUBJECT: Public Feedback on Proposed 2017 Budget
ATTACHMENT(S): Appendix A – Budget & Citizen Satisfaction Survey Results
Appendix B – 2017 Budget Highlights Document
Appendix C – Excerpt from the Draft Minutes from the Council (Budget Consultation) Meeting held on November 7, 2016

This report is to provide the Committee with the public feedback, comments and survey results received through public consultation during the 2017 budget process.

No staff recommendation accompanies this report.

BACKGROUND:
The Community Charter Section 166 requires the local government to undertake the process of public consultation regarding the proposed financial plan before it is adopted by Council. This is an opportunity for the public to provide feedback to Council and to help inform the budgeting process.

During the 2017 budget process staff facilitated this process, presenting feedback to Council.

Earlier this year staff developed and delivered a Budget & Citizen Satisfaction Survey (see Appendix A for survey results) to seek input on the District’s services and budget. The survey was open during August and early September. Results were reported to Council at the first Freestanding Committee of the Whole (Corporate Services – Budget) meeting on September 14, 2016.

Starting November 1, 2016 staff provided the public with the 2017 Budget Highlights Document and final budget survey (see Appendix B for document and survey). The survey was delivered online and in-person through Municipal Hall, the Mission Leisure Centre, and Lifetime Learning.

The public presentation of the final draft budget was held on November 7, 2016 at the regular meeting of Council. Excerpts from the draft minutes of that meeting are provided as Appendix C.

DISCUSSION AND ANALYSIS:

Final Public Input
Public consultation on the 2017 budget came to a close at 4:30 pm on November 9, 2016. Staff collected and digitized paper surveys and provide the results below.

Support for Increase in Budget to Maintain Existing Services
73% of respondents either support or strongly support the proposed increase required to maintain existing service levels, while only 12% oppose or strongly oppose this spending.
Maintaining Existing Service Levels

<table>
<thead>
<tr>
<th>Choice</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly support</td>
<td>25%</td>
<td>40</td>
</tr>
<tr>
<td>Support</td>
<td>48%</td>
<td>76</td>
</tr>
<tr>
<td>Neutral</td>
<td>16%</td>
<td>26</td>
</tr>
<tr>
<td>Oppose</td>
<td>4%</td>
<td>6</td>
</tr>
<tr>
<td>Strongly oppose</td>
<td>8%</td>
<td>12</td>
</tr>
</tbody>
</table>

**Increase to the RCMP Complement**

65% of respondents support or strongly support the budget increase related to adding one additional officer to the complement, while 21% oppose or strongly oppose this item.

Increasing RCMP Complement

<table>
<thead>
<tr>
<th>Choice</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly support</td>
<td>36%</td>
<td>58</td>
</tr>
<tr>
<td>Support</td>
<td>29%</td>
<td>46</td>
</tr>
<tr>
<td>Neutral</td>
<td>14%</td>
<td>22</td>
</tr>
<tr>
<td>Oppose</td>
<td>10%</td>
<td>16</td>
</tr>
<tr>
<td>Strongly oppose</td>
<td>11%</td>
<td>18</td>
</tr>
</tbody>
</table>

**Overall Increase to the Budget**

59% of respondents support or strongly support the overall increase to the budget, while 24% oppose or strongly oppose the overall increase.

Overall Budget Increase

<table>
<thead>
<tr>
<th>Choice</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly support</td>
<td>18%</td>
<td>28</td>
</tr>
<tr>
<td>Support</td>
<td>41%</td>
<td>66</td>
</tr>
<tr>
<td>Neutral</td>
<td>18%</td>
<td>28</td>
</tr>
<tr>
<td>Oppose</td>
<td>13%</td>
<td>20</td>
</tr>
<tr>
<td>Strongly oppose</td>
<td>11%</td>
<td>18</td>
</tr>
</tbody>
</table>

**Comments**

Respondents who provided additional comments through the budget survey focused on the following common themes:

**Housing, affordability, and homelessness** were the most common themes in written-in responses, with respondents noting rental rates have increased and that they felt the District of Mission should be doing more to address homelessness.
Public safety and the RCMP increase were the second most referenced concerns, with respondents who provided additional comments split between supporting and opposing the additional RCMP officer as proposed.

Development Services Restructuring was noted by a small number of respondents as an issue that either needed additional clarification or that could be achieved through improved efficiencies rather than a restructuring requiring a budget increase.

The majority of comments not directly related to the themes noted above were focused on issues unique to that respondent - meaning only one respondent cited the issue or provided comment specific to the issue. These include:

- Requiring heavy transport to contribute to a specific fund to repair and replace damaged bridge crossings and roads
- Rerouting highway traffic with a bypass
- Property taxes based on value of home, rather than simply value of land

FINANCIAL IMPLICATIONS:

There are no financial implications directly associated with this report. The financial implications of the District’s proposed 2017 financial plan have been thoroughly discussed throughout the 2017 budget process.

COMMUNICATION:

No further communication, outside of this report being on a public agenda, is required.

SUMMARY AND CONCLUSION:

The Community Charter Section 166 requires the local government to undertake the process of public consultation regarding the proposed financial plan before it is adopted by Council.

Preliminary budget consultation, as a Budget & Citizen Satisfaction Survey, asking for input on the District’s services and budget, took place in August with the results reported to Council on September 14, 2016.

A budget consultation meeting took place on November 7, 2016 with members of the public in attendance. Public input was also gathered by means of a final survey available both online and in-person, as well as comments/questions by email. An excerpt of the draft minutes from the November 7, 2016 meeting as well as a summary of the survey questions, and the written comments from the survey and emails are provided to Council for their review.

SIGN-OFFS:

Michael Boronowski, Manager of Civic Engagement and Community Initiatives
Kerri Onken, Deputy Treasurer/Collector

Comment from the Chief Administrative Officer:
Reviewed
This report provides the Committee with the results of the Budget & Citizen Satisfaction Survey that was delivered on-line and in paper format from August 15 – 30, 2016. No staff recommendation accompanies this report as this is for the Committee’s information only.

**PURPOSE:**

The purpose of this report is to provide Council with the results of the Budget & Citizen Satisfaction Survey that was posed to the public starting on August 15, 2016.

**BACKGROUND:**

In previous years staff provided the public with opportunities for comment on municipal operations and budgets, generally focusing on short online surveys/questionnaires supplemented with printed copies when requested. Response rates for each survey have traditionally been between 200 and 350 responses.

This year staff undertook a review of citizen satisfaction and budget consultation best practices including a review of both scholarly literature and recent undertakings by neighbouring and like-sized municipalities. Following the review the Manager of Civic Engagement and Corporate Initiatives produced a draft survey instrument for review by senior staff, and finalized the survey after the review.

The survey was published online and promoted on the District website, in the District page in the Mission City Record, and across social media. Paper copies were also provided upon request.

**DISCUSSION AND ANALYSIS:**

There were a total of 826 responses to this survey, far exceeding the traditional level of engagement for initial budget consultation.

Staff undertook an analysis of the responses to provide council with the statistical information and high-level themes for written responses. The results are included as Appendix A to this report. A full-text report including all written-in responses has been provided to Council, and will be made available to the public upon request.
COUNCIL GOALS/OBJECTIVES:
The numerous questions posed in the survey are directly related to Council’s goals:

- Enhances Lifestyle Opportunities and Community Health
- Improved Public Safety
- Excellence in Financial Management and Planning
- Optimized Planning and Management of Assets and Infrastructure
- Effective Economic Development

Additionally, this survey represents the initial step in developing comprehensive customer satisfaction metrics (Strategy 4.5). The survey was structured to both gather input across municipal operations to support Council in budget deliberations, and to form an initial framework for assessing citizen satisfaction to allow for year-over-year comparisons moving forward.

FINANCIAL IMPLICATIONS:
There are no financial implications associated with this report.

COMMUNICATION:
Staff will post this report and results on the District’s Budget webpage and to social media. Respondents who opted-in for ongoing communication will be provided with an email invitation to participate in the next round of budget consultation.

SUMMARY AND CONCLUSION:
This year staff posted a budget and citizen satisfaction survey with questions related to the budget on the District’s website, advertising the survey on the City Page and thru social media. The results of the survey have been tabulated and are provided for Council’s information in advance of the 2017 budget discussions.

SIGN-OFFS:

Michael Boronowski, Manager of Civic Engagement and Corporate Initiatives
Kerri Onken, Deputy Treasurer/Collector
Mission 2017 Budget & Citizen Satisfaction Survey Results

Demographic Information
For this survey staff requested the age of participants, but did not request gender identity.

98% of respondents were residents of Mission. Staff have included all responses in this analysis as filtering by residency did not have any significant impact on the results.

Age of Respondents

<table>
<thead>
<tr>
<th>Response</th>
<th>Chart</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
<td></td>
<td>0.8%</td>
<td>6</td>
</tr>
<tr>
<td>18-24</td>
<td></td>
<td>2.5%</td>
<td>20</td>
</tr>
<tr>
<td>25-34</td>
<td></td>
<td>16.6%</td>
<td>132</td>
</tr>
<tr>
<td>35-44</td>
<td></td>
<td>25.4%</td>
<td>202</td>
</tr>
<tr>
<td>45-54</td>
<td></td>
<td>21.0%</td>
<td>167</td>
</tr>
<tr>
<td>55-64</td>
<td></td>
<td>23.0%</td>
<td>183</td>
</tr>
<tr>
<td>65 and older</td>
<td></td>
<td>10.6%</td>
<td>84</td>
</tr>
<tr>
<td><strong>Total Responses</strong></td>
<td></td>
<td><strong>794</strong></td>
<td></td>
</tr>
</tbody>
</table>

Overall Satisfaction and Key Issues

Overall Satisfaction with Services
- 68.3% of respondents were **very satisfied** or **satisfied** with municipal services.
- 15% of respondents were **somewhat dissatisfied** or **very dissatisfied** with municipal services.

<table>
<thead>
<tr>
<th>Response</th>
<th>Chart</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Satisfied</td>
<td></td>
<td>14.8%</td>
<td>117</td>
</tr>
<tr>
<td>Satisfied</td>
<td></td>
<td>53.5%</td>
<td>422</td>
</tr>
<tr>
<td>Neither Satisfied or Dissatisfied</td>
<td></td>
<td>16.7%</td>
<td>132</td>
</tr>
<tr>
<td>Somewhat Dissatisfied</td>
<td></td>
<td>13.1%</td>
<td>103</td>
</tr>
<tr>
<td>Very Dissatisfied</td>
<td></td>
<td>1.9%</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Responses</strong></td>
<td></td>
<td><strong>789</strong></td>
<td></td>
</tr>
</tbody>
</table>
What you Love about Mission

For this question respondents asked to list up to three things they love about Mission. There were 1,989 written in responses. Staff reviewed the responses and categorized them into the following themes to identify the most often cited attributes people love:

- Natural Setting & Outdoor Activities – 645
- Small Town / Community Feel – 559
- Friendly Welcoming People – 198
- Location, Access & Transportation – 154
- Facilities, Events & Activities – 147
- Shopping / Business – 66
- Affordability – 52

Full responses are included at the end of this report.

What you Like the Least

For this question respondents were asked to list up to three things they like the least about Mission. There were 1,973 responses. Staff reviewed the responses and categorized them into the following themes:

- Roads, Traffic & Transit (including multi-modal transportation i.e. Sidewalks, bike lanes, transit) - 245
- Downtown - 193
- Social Issues, Homelessness and Addiction - 181
- Enforcement, Crime and Bylaws - 175
- Shopping & Business - 161
- High Taxes - 119
- Activities, Parks, Trails, and Facilities - 68
- Development and Planning (concern both about lack of development and over-development) - 59
- Housing Affordability, Employment and the Economy - 57
- Politics - 34
- Appearance and Upkeep - 23

Notes

There is a notable level of overlap regarding social issues such as homelessness and addiction, and the impact of those issues on the downtown core.

Full responses are included at the end of this report.
**Overall Quality of Services**

59.6% of respondents rate the overall quality of services as **good** or **very good**.

13.4% of respondents rate the overall quality of services as **poor** or **very poor**.

<table>
<thead>
<tr>
<th>Response</th>
<th>Chart</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Good</td>
<td></td>
<td>10.1%</td>
<td>65</td>
</tr>
<tr>
<td>Good</td>
<td></td>
<td>49.5%</td>
<td>319</td>
</tr>
<tr>
<td>Neither Poor nor Good</td>
<td></td>
<td>25.8%</td>
<td>166</td>
</tr>
<tr>
<td>Poor</td>
<td></td>
<td>9.5%</td>
<td>61</td>
</tr>
<tr>
<td>Very Poor</td>
<td></td>
<td>3.9%</td>
<td>25</td>
</tr>
<tr>
<td>Don't Know</td>
<td></td>
<td>1.2%</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Responses</strong></td>
<td></td>
<td><strong>644</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Value of Services**

28% of respondents rate the value of services as **very good** or **good**.

38.6% of respondents were neutral in their assessment of the value of services for their tax dollars.

25.1% of respondents rate the value of services as **poor** or **very poor**.

<table>
<thead>
<tr>
<th>Response</th>
<th>Chart</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Good Value</td>
<td></td>
<td>4.8%</td>
<td>33</td>
</tr>
<tr>
<td>Good Value</td>
<td></td>
<td>23.2%</td>
<td>160</td>
</tr>
<tr>
<td>Neither Good nor Poor Value</td>
<td></td>
<td>38.6%</td>
<td>266</td>
</tr>
<tr>
<td>Poor Value</td>
<td></td>
<td>17.7%</td>
<td>122</td>
</tr>
<tr>
<td>Very Poor Value</td>
<td></td>
<td>7.4%</td>
<td>51</td>
</tr>
<tr>
<td>Don't Know</td>
<td></td>
<td>8.3%</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total Responses</strong></td>
<td></td>
<td><strong>689</strong></td>
<td></td>
</tr>
</tbody>
</table>
Reasons for rating Quality of Services

Respondents were asked to provide reasons for their rating of the value of services.

For those who rated the value as very good their statements reflect a general sense that staff are responsive to issues, that repairs and maintenance are being handled at an appropriate level, and that they have never had a problem with Mission. A notable trend for this group is anecdotes of excellent personal experiences working with Municipal staff.

Respondents who selected good as their overall rating were generally satisfied with services, but pointed to specific issues they would like to see addressed before being able to provide a rating of very good. Significant themes in the responses include noting the need to enhance walkability through installing sidewalks and enhancing the park and trail network, downtown beautification and revitalization, and both support for and opposition to the switch to bi-weekly curbside collection. Specific roadwork, traffic and parking issues are also common themes.

Respondents who selected neither poor nor good most frequently noted transportation issues as their reason for selecting that rating. These include the quality of roads and the quality and speed of roadwork throughout the community including the highways, a lack of services for rural residents such as those in Stave Falls, and the switch to bi-weekly curbside collection – although a number of rural residents did note they would like to join curbside collection. Waterfront development and downtown revitalization were common themes, and for this category many respondents noted they felt the value for their tax dollars was poor.

Respondents who selected poor and very poor most frequently referenced their property taxes and their belief that the value of services does not meet the level of taxation as a reason for that rating. Roads and transportation including sidewalks and maintenance work are the most frequently cited issues, and again rural residents noted their concern over a lack of services in their areas.
Importance of Services across Municipal Operations

This section focuses on the ratings of importance provided by respondents for specific services across municipal operations.

Protection & Security

- **Fire Protection**
  - Very Important: 77.5%
  - Important: 28.1%
  - Neither Important nor Unimportant: 3.2%
  - Not Important: 0.3%
  - Not at All Important: 0.1%
  - Don't Know: 0.5%

- **Police Services**
  - Very Important: 82.6%
  - Important: 15.6%
  - Neither Important nor Unimportant: 1.7%
  - Not Important: 0.5%
  - Not at All Important: 0.3%
  - Don't Know: 1.2%

- **Bylaw Enforcement Services**
  - Very Important: 46.3%
  - Important: 24.8%
  - Neither Important nor Unimportant: 5.1%
  - Not Important: 1.2%
  - Not at All Important: 0.5%
  - Don't Know: 0.5%
Environmental Services

- Solid waste management and curbside collection
  - Very Important: 57.2%
  - Important: 34.8%
  - Neither Important nor Unimportant: 5.1%
  - Not Important: 1.3%
  - Not at All Important: 1.0%
  - Don't Know: 0.3%

- Protecting environmentally sensitive areas
  - Very Important: 57.4%
  - Important: 34.2%
  - Neither Important nor Unimportant: 6.5%
  - Not Important: 0.9%
  - Not at All Important: 0.7%
  - Don't Know: 0.3%

- Management of invasive plants
  - Very Important: 44.6%
  - Important: 37.4%
  - Neither Important nor Unimportant: 3.1%
  - Not Important: 2.1%
  - Not at All Important: 1.2%
  - Don't Know: 2.2%
In-person services

Applying for permits, paying taxes, and other in-person services

- Very Important: 24.7%
- Important: 45.4%
- Neither Important nor Unimportant: 21.0%
- Not Important: 5.2%
- Not at All Important: 1.8%
- Don't Know: 1.9%
Online services

- Communications provided through the public website and social media:
  - Very Important: 33.1%
  - Important: 48.8%
  - Neither Important nor Unimportant: 16.5%
  - Not Important: 2.6%
  - Not at All Important: 0.7%
  - Don't Know: 0.4%

- Registering for recreation programs, applying for permits or licenses, paying fees and other online services:
  - Very Important: 45.8%
  - Important: 28.1%
  - Neither Important nor Unimportant: 18.5%
  - Not Important: 4.9%
  - Not at All Important: 0.6%
  - Don't Know: 2.1%
Service Levels – Increase, Maintain or Reduce
For this section respondents were asked to provide their input on whether specific services across municipal operations should be increased, maintained, or reduced.

Protection & Security
Growth and the Economy

- Attracting and retaining businesses and employers: 58.7% increased, 37.0% maintained, 4.3% reduced.
- Regulating what types of buildings can be built in specific areas: 71.5% maintained, 16.5% increased, 11.5% reduced.
- Issuing building permits and providing inspections: 77.6% increased, 15.6% maintained, 7.3% reduced.
Parks, Recreation & Culture Services

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Increased</th>
<th>Maintained</th>
<th>Reduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation facilities and programming</td>
<td>33.1%</td>
<td>63.0%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Cultural facilities and programs</td>
<td>16.2%</td>
<td>67.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Building, maintaining, and upgrading parks, playgrounds, sports-fields and trails</td>
<td>38.0%</td>
<td>58.3%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Developing and maintaining forest recreation areas and trails</td>
<td>26.2%</td>
<td>65.0%</td>
<td>7.3%</td>
</tr>
</tbody>
</table>
Engineering Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Increased</th>
<th>Maintained</th>
<th>Reduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadways</td>
<td>35.2%</td>
<td>65.2%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Sidewalks and pedestrian facilities</td>
<td>20.6%</td>
<td>48.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Cycling routes</td>
<td>45.8%</td>
<td>38.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Public transit services</td>
<td>20.7%</td>
<td>26.7%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Drinking water</td>
<td>29.6%</td>
<td>70.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sanitary sewer and stormwater drainage</td>
<td>16.2%</td>
<td>83.0%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>
Environmental Services

- Solid waste management and curbside collection: 26.3% increased, 3.1% maintained, 70.6% reduced
- Protecting environmentally sensitive areas: 23.8% increased, 4.7% maintained, 71.5% reduced
- Management of invasive plants: 13.5% increased, 8.8% maintained, 77.7% reduced

Legend:
- Green: Increased
- Red: Maintained
- Blue: Reduced
In-person services

Applying for permits, paying taxes, and other in-person services

- Increased: 5.3%
- Maintained: 79.6%
- Reduced: 14.9%
Funding Sources to Increase Services

Respondents were asked to provide comments on their reasons for indicating a service should be increased or reduced, and to suggest potential funding sources to support any increase in services.

Residents who suggested service levels be increased recognized that raising taxes would not be widely supported, however the majority who responded with support for increasing protection and security services commented they were supportive of tax increases if they were targeted at reducing crime and improving safety and security in the community.

The most common theme related to funding increases in services across operations was that attracting and retaining commercial and industrial business would both diversify the tax base and provide additional local employment. Streamlining existing services to find savings and / or rebalancing services (reducing some to increase others) were also notable themes.
New Services and Funding

New Services
Respondents were asked to list new services they would like to see provided by the municipality.

The most common responses to this question were:

Increases or improvements to social services (including those not directly funded or managed by the municipality, i.e. hospital services)

Improvements to transportation and transit including weekend West Coast Express service and transit connections to Maple Ridge.

Additional amenities for recreation, with dog parks, activities for kids, and upgrades to parks and trails were referenced frequently. Entertainment and activities focused on youth were frequently noted as well.

Curbside waste collection and water/sewer services were also frequently referenced in this section, including requests for service in rural areas not currently receiving service as well as requests for a return to weekly garbage collection for urban areas within the curbside collection boundaries.

Funding New Services
Respondents were asked to identify potential funding sources to support new services.

Residential taxes were most frequently noted as the primary funding source. This includes responses that state taxes are currently sufficient and should not be increased. While most respondents were opposed to increased taxation, some noted planned incremental increases would provide certainty for residents and businesses while allowing for the additional funding required to bring new or improved services to the community.

Many respondents also noted the secondary dwelling (suites) program, suggesting the funds from secondary suites be used to support existing and new services. Some respondents also suggested that moving to a user-pay model where fees for services were based on use rather than flat rates would benefit the community.

Business attraction and retention including downtown renewal to attract new business and increase spending by both residents and visitors were frequent responses.

Streamlining operations and reducing costs (including wages) were noted by many respondents.

Finally, focusing on lobbying other levels of government and securing grant funding were notable themes for this section.
2017 Budget Highlights

Budget Summary

Council has given preliminary approval of the draft 2017 financial plan and is looking for input from the public prior to finalizing the budget.

The draft 2017 financial plan includes:

- Property tax increase of 3.7%
- Water user fees increase of 1%
- Sewer user fees increase of 4%
- Drainage levy increase of 4.9%
- No increase of garbage, recycling and compost curbside collection.

Take part in the budgeting process by sharing your thoughts through the survey on the back page or online at mission.ca.

Budget Priorities

Public Safety
- One new RCMP member
- Administrative support to policing services
- 24/7 career firefighter coverage

Development Services
- Restructuring department to increase efficiencies
- Modeling for future utility impacts

Administration and Finance
- Administrative and financial support

We hope that as you read through this document you will share your input with us.

Moving Mission Forward

It’s important to Council that our budget process is open and transparent, and that our citizens have the opportunity to have their say. Council has established a set of ambitious goals and objectives aimed at improving the quality of life for residences, developing sustainable growth in business and industry, and creating meaningful long-term plans to guide the future growth of our municipality.

Each year’s budget determines how your tax dollars will be spent on a wide range of municipal functions from garbage, recycling/compost curbside collections and recreation programs to planning for future development.

We encourage you to read the information provided and fill out the survey on the back of this document or at mission.ca by November 8th. Your budget feedback helps guide our decision-making throughout the year.

Council values and celebrates our diversity as a municipality and community.
The largest component of the operating budget is Protective Services at 22%. This represents Police Services at $11.6 million, or 17% of the budget, and Fire Rescue Services at $3.8 million, or 5% of the budget.

The municipal budget of approximately $69.2 million, funds a variety of services for a safe and healthy community. Each year, Council aims to find a balance between affordable taxes and user fees while continuing to maintain the services Mission residents have come to expect.

Consolidated Operating Expenditures
$69.2 million

Consolidated Revenue
$69.2 million

Consolidated Expenditures
Mission offers a broad range of services over six operating funds:
- General Operating Fund, $46.6 million
- Water Utility Fund, $6.6 million,
- Sewer Utility Fund, $4.8 million,
- Waste Management Fund, $4.9 million,
- Drainage Utility Fund, $1.8 million,
- Forestry Enterprise, $4.5 million.

The blue sections of the consolidated operating expenditure graph represents the services provided by the General Operating Fund at $46.6 million. Property taxes are the major revenue source for these services.

Consolidated Revenue
Funding the expenditures for these services comes from three main sources:
- Property Taxes, $33.8 million,
- User Fees and Charges, $20.1 million,
- Utility Fees, $15.3 million.

The District proactively reviews and adjusts user fees and charges each year. The goal is to lessen the reliance on property taxes and to offset the cost of doing business.

Government transfers (grants from other levels of government) for 2017 are projected at $2.78 million. Of this amount, $1.6 million will be used for capital projects, the balance $1.18 million will be used to offset operating costs for services such as: Policing, Council’s grant program, Social Development and Restorative Justice.
General Operating Budget

Maintaining Existing Services

The increase to the District’s budget to maintain existing service levels is estimated at $408,105 which represents an increase of $25.74 for Mission’s average assessed value home of $414,500.

<table>
<thead>
<tr>
<th>Maintain Existing Service Levels</th>
<th>Budget Dollars</th>
<th>Potential Tax Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Revenue</td>
<td>78,700</td>
<td>0.28%</td>
</tr>
<tr>
<td>Development Revenue</td>
<td>504,700</td>
<td>1.76%</td>
</tr>
<tr>
<td>Cost Recovery</td>
<td>157,100</td>
<td>0.55%</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>185,378</td>
<td>0.65%</td>
</tr>
<tr>
<td>Revenue Total</td>
<td>925,878</td>
<td>3.24%</td>
</tr>
<tr>
<td>Policing contract</td>
<td>311,000</td>
<td>1.10%</td>
</tr>
<tr>
<td>Transit Costs</td>
<td>189,000</td>
<td>0.66%</td>
</tr>
<tr>
<td>Facilities Operations</td>
<td>112,000</td>
<td>0.39%</td>
</tr>
<tr>
<td>Contractual Obligations</td>
<td>535,000</td>
<td>1.87%</td>
</tr>
<tr>
<td>Various Inflationary Impacts</td>
<td>186,983</td>
<td>0.65%</td>
</tr>
<tr>
<td>Expenditure Total</td>
<td>1,333,983</td>
<td>4.67%</td>
</tr>
</tbody>
</table>

| Maintaining Existing Services    | 408,105        | 1.43%                |

* Impact on property tax notice for average assessed home of $414,500.

Service Enhancements

Along with maintaining existing service levels, a portion of the proposed property tax increase is for service enhancements totaling $647,932.

<table>
<thead>
<tr>
<th>Increased Service Levels</th>
<th>Budget Dollars</th>
<th>Potential Tax Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>New RCMP Officer</td>
<td>135,000</td>
<td>0.47%</td>
</tr>
<tr>
<td>Police services administrative support</td>
<td>79,000</td>
<td>0.28%</td>
</tr>
<tr>
<td>Provide 24 hr/7 day fire protection</td>
<td>172,532</td>
<td>0.60%</td>
</tr>
<tr>
<td>Development Services Restructuring</td>
<td>202,000</td>
<td>0.71%</td>
</tr>
<tr>
<td>Administration and Finance support</td>
<td>59,400</td>
<td>0.21%</td>
</tr>
<tr>
<td>Increased Service Levels</td>
<td>647,932</td>
<td>2.27%</td>
</tr>
</tbody>
</table>

* Impact on property tax notice for average assessed home of $414,500.

For the majority of the service enhancements, 1.35% is for protective services to, hire one new RCMP officer, hire support staff for the RCMP, and moving to 24/7 career firefighter coverage. A portion of the increase is for restructuring the Development Services department to reduce file processing time, and an increase for corporate administrative and financial support.

Summary of Proposed Budget Increases

| Maintaining Existing Services    | 408,105        | 1.43%                |
| Increased Service Levels         | 647,932        | 2.27%                |
|                                  | 1,056,037      | 3.70%                |

Stave West Forest & Recreation Area

We are looking forward to another big year for the Stave West Forest & Recreation Area. Together with our partners we are pursuing funding to develop new campgrounds, working with educational partners on bringing more student projects to the area, and undertaking a market driven recreation development study to guide what activities and amenities we pursue for the forest and lakes.

Forestry Enterprise

The Mission Forestry Enterprise harvests and sells approximately 45,000 cubic meters of wood annually into the Vancouver Log Market. The business is self sustaining and funds its operations from the sale of logs.

Since inception, the Forestry Enterprise has generated over $11 million in profits which have been used to fund non-forestry projects such as a fire hall and fire truck, library improvements, and local arts and culture.

One-time Spending Initiatives

These proposed projects can be funded from accumulated surplus:

- Special Events/Celebrations
  - Canada’s 150th birthday
  - Mission’s 125th birthday
- Fire/Rescue Training Software Upgrade - $5,000

*No impact on 2017 property taxes*
Property Taxes

Estimated Impact
The estimated impact of a 3.7% increase on various assessed value homes.

<table>
<thead>
<tr>
<th>Assessed Value of Home</th>
<th>Estimated Annual Increase in Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$300,000</td>
<td>$48.21 3.70%</td>
</tr>
<tr>
<td>$414,500</td>
<td>$66.61 3.70%</td>
</tr>
<tr>
<td>$500,000</td>
<td>$80.35 3.70%</td>
</tr>
</tbody>
</table>

Property taxation is the major source of revenue for the District. The typical property tax notice, mailed out each May, also includes taxes collected on behalf of various other taxing authorities. Depending on where you live, your tax notice may also include charges for municipal utilities.

Impact on 2017 Property Taxes

The proposed net increase in the 2017 general operating budget of $1,056,037 represents a 3.7% increase in the District’s total budget. This means, if approved, the average value home will see an estimated increase of 3.7% for the municipal portion only on the property tax notice.

The average home in Mission paid $2,972 in property taxes in 2016, with $1,800 of that amount for municipal services. With the proposed 3.7% increase in the budget, the estimated 2017 municipal property taxes will be $1,866, a $66.61 increase.

Comparing with our Neighbours
The annual tax notice includes amounts for municipal property taxes, taxes levied by other authorities (e.g. provincial school taxes) and flat rate municipal utilities (water, sewer, garbage, recycling/compost). Mission ranks 4th lowest out of 22 neighbouring communities in terms of the cost of property taxes (excluding utilities) on an average assessed home. In 2016, the average assessed home paid $2,972.

Council’s Strategic Objective: Enhanced Lifestyle Opportunities & Community Health
Capital Projects, Reserves and Debt

Over the next five years, the District’s General Capital Plan has over $74 million worth of capital projects slated as it continues to invest in infrastructure such as transportation, facilities, water and sanitary sewer systems, etc. $10.26 million is scheduled for capital projects in 2017. Condition assessments on infrastructure, as part of the asset management program, helps the District prioritize replacement capital projects within the long-term financial plan.

The District has identified and included $5.76 million of new capital projects in the General Capital Plan over the next five years. This includes:

- Streetscape improvements on 1st Avenue - $3.5 million
- Leisure Centre facility repairs and equipment replacements - $820,000
- Playground equipment and resurfacing - $530,000
- Keystone Avenue bridge replacement - $400,000
- HVAC and carbon monoxide systems - $240,000
- Leisure Centre program equipment - $220,000

Council also approved, for the next five years, utilizing $227,000 of budget savings from the Pavement Management program to the Sidewalk and Walkway program.

In order for the District of Mission to receive Superior Tanker Shuttle Service Accreditation, the Fire/Rescue tankers will now be replaced every 20 years instead of every 25 years.

Reserves

Each year the District transfers a portion of the budget into reserves to fund future capital and operating expenditures. The District has, in its budget, to transfer $12.9 million into reserves in 2017.

The District strives to build all of its reserves to a healthy level.

Debt

The District of Mission has a “pay as you go” philosophy in terms of funding infrastructure and other capital projects. Saving ahead for capital projects is preferable to debt financing (borrowing), particularly external debt financing, as interest costs can add tremendously to the overall cost of the project.

Internal borrowing, if available, is preferable to “taking out a loan”. Money is “borrowed” from one reserve account to finance infrastructure in order for growth/development to occur. The borrowing reserve repays the lending reserve with interest, avoiding interest payments to external sources.

In 2017, $230,000 of debt servicing cost savings will be realized resulting from refinancing two current debt issues. This budget savings is proposed to be redirected into reserves intended for future capital projects.

Water, sewer, waste management, and drainage utilities are currently debt free.
The 2017 proposed budget includes:

- a 1% increase to water rates. Flat rate water fees will increase by $4.80. Residential water meter rate is proposed at $1.25 per cubic meter, increased from $1.24.
- a 4% increase to sewer rates. Flat rate sewer fees will increase by $15.24.
- there are no increases proposed to the curbside collection rates for garbage, recycling/compost.
- a 4.9% increase to the drainage levy. This will increase the average assessed home’s drainage levy by approximately $4.70.

Mission’s estimated share of the regional utilities for 2017 is:

- Water 24.28%
- Sewer 23.36%

Mission’s share of the 2017 Regional capital budget is:

- Water $616,955
- Sewer $329,376

Included in the 2023 regional water capital budget is $20 million for construction of a new water source. Although preliminary planning is just getting underway, the timing and cost estimates could very likely change.
Municipal Utilities

Waste Management

The District of Mission owns the Landfill site, Minnie’s Pit, and shares the Abbotsford Mission Recycling Sorting and Processing facility, which has its main location on Valley Road in Abbotsford and a satellite drop-off depot, Mission Recycling Depot on Mershon Street in Mission.

Highlights of the waste management budget:
- Transfer to Refuse Reserve - $188,960
- 2017 capital projects total $286,785
- Previously unidentified secondary dwelling units is projected to generate $56,000 of additional fees which is net of additional curbside collection costs, and
- Increased revenue from contaminated soil at landfill, and tipping fee rate increases.

Flat Rate Utility Fees

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>$1,109</td>
<td>$1,131</td>
<td>$1,148</td>
<td>$1,167</td>
<td>$1,187</td>
</tr>
<tr>
<td>Sewer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garbage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycling/Compost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The total 2017 increase for flat rate utility fees is approximately $20. This includes 1% for water, 4% for sewer, and no increase for curbside collection of garbage and recycling/compost.

Drainage Utility

The District’s drainage program has significant challenges in terms of providing adequate funding for maintenance, replacement and upgrading of the District’s drainage systems. Council proposes a 4.90% increase to the drainage levy resulting in an average increase of $4.70.

Highlights of the drainage utility budget:
- Increase the annual transfer to drainage capital reserve by $30,000
- 2017 capital projects total $105,000
- Drainage model update added at $110,000 recurring every five years starting in 2021, and
- Drainage utility master plan update added at $150,000 recurring every five years starting in 2022.

Curbside Collection

There are no increases being proposed for 2017 to the current curbside collection fees.
Recyclables and compostables are collected curbside every week and the curbside collection of garbage occurs bi-weekly. This bi-weekly schedule has increased the curbside garbage diversion rate from 54% to 70%.

Additional information on waste management is available by visiting mission.ca/waste.

Spring Cleanup is scheduled for May 1 - 12, 2017 on residents’ garbage collection day.

Household Hazardous Waste Day is planned for Saturday, May 13, 2017 from 9am to 1pm at the Mission Recycling Depot.

Increases proposed to various landfill fees including 2% for garbage tipping fees.

Mission’s current share of the recycling depot’s costs is 18.08%.

Drainage Utility

In 2016, Council approved the establishment of the District’s Drainage System as a user-funded utility.

The Drainage Utility levy is based on each property’s assessment value.

The 2017 proposed budget includes a 4.90% increase to the drainage levy, or a $4.70 increase for the average assessed home, 2.93% to maintain existing services plus 1.97% to increase the annual transfer to the Drainage Capital Reserve Fund by $30,000.
Council is looking for your input prior to finalizing the 2017 budget.

Join Council at Municipal Hall on Monday, November 7th at 7:00 pm at their Regular Council Meeting for a special community budget consultation presentation.

Visit mission.ca to complete the survey, or fill in the questions listed below and submit it to: Municipal Hall by 4:30 pm on Tuesday, November 8, 2016.

MAINTENING EXISTING SERVICES
An increase of $408,105 is required to maintain existing services (see page 3). This represents a potential tax impact of 1.43% or $25.74 on the average assessed home ($414,500). To what extent do you support the increase in spending to maintain existing service levels?

| Strongly support | Support | Neutral | Oppose | Strongly Oppose |

INCREASING RCMP COMPLEMENT
Council is considering adding one new RCMP officer to the Mission detachment in 2017. Adding one officer has an impact of $135,000 on the municipal budget, and a potential tax impact of 0.47%. Council would like your feedback on whether you support adding one additional officer at this time.

| Strongly support | Support | Neutral | Oppose | Strongly Oppose |

OVERALL BUDGET INCREASE
Together the proposed changes lead to an increase of $1,056,037 to the 2017 municipal budget. This represents a 3.7% increase to the budget and will increase the municipal tax portion on the property tax notice for the average assessed home by approximately $66.61. To what extent do you support the proposed increase?

| Strongly support | Support | Neutral | Oppose | Strongly Oppose |

ADDITIONAL COMMENTS:
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

Name: ___________________________ Email Address: ___________________________
EXCERPT of the Draft MINUTES of the REGULAR MEETING of the COUNCIL of the DISTRICT OF MISSION held on November 7, 2016.

PUBLIC BUDGET CONSULTATION

The Deputy Treasurer/Collector presented a slideshow overview of the draft 2017 proposed budget, including:

- A 3.7% increase in property taxes;
- A 1% increase in water user rates;
- A 4% increase in sewer user rates;
- A 4.9% increase in the drainage levy;
- No increase in curbside pick-up of garbage and recycling/compost user rates;
- The budget priorities:
  - Improve public safety
  - Effective economic development in the community
  - Excel in financial management and planning for the future;
- Consolidated operating expenditures of $69.2 million;
- Key budget drivers totaling $408,105 (to maintain existing services);
- Service enhancements totalling $647,932;
- A proposed budget increase of $1,056,037;
- A one-time spending initiatives totalling $47,000 (which has no property tax impact);
- The impact on the average assessed value home of $66.61;
- A tax notice breakdown;
- How Mission compared in 2016 with neighbouring communities (4th lowest of 22 communities in terms of property taxes);
- The forestry enterprise update;
- The capital plan;
- Reserve Transfers;
- Outstanding debt vs. the borrowing limit;
- Utility operations including the water fund, sewer fund, waste management, flat rate user fees, and drainage utility fund;
- The budget survey; and
- Encouragement to the public to provide feedback.

The Mayor opened the floor to the public for comments. There were no comments or questions from the public.
DATE: November 16, 2016
TO: Mayor and Council
FROM: Kerri Onken, Deputy Treasurer/Collector
SUBJECT: 2017 to 2021 Financial Plan Objectives and Policies

RECOMMENDATIONS: Council consider and resolve:
That the District's 2017 to 2021 Financial Plan Bylaw includes the objectives and policies as noted in the report entitled “2017 to 2021 Financial Plan Objectives and Policies”, dated November 16, 2016 from the Deputy Treasurer/Collector.

PURPOSE:
The purpose of this report is in preparation of the 2017 to 2021 Financial Plan Bylaw. Local governments must set out the objectives and policies of the municipality for the planning period as outlined in section 165(3.1) of the Community Charter.

BACKGROUND:
Under Section 165(3.1) of the Community Charter, when preparing a financial plan, local governments must set out the objectives and policies of the municipality for the planning period in relation to the following:

(a) for each of the funding sources described in subsection (7)*, the proportion of total revenue that is proposed to come from that funding source;

(b) the distribution of property value taxes among the property classes that may be subject to the taxes;

(c) the use of permissive tax exemptions.

* The five funding sources in subsection (7) are:
  - revenue from property value taxes;
  - revenue from parcel taxes;
  - revenue from fees;
  - revenue from other sources;
  - proceeds from borrowing, other than borrowing under section 177 [revenue anticipation borrowing].

DISCUSSION AND ANALYSIS:
The District of Mission is required to include in its five-year financial plan (2017 - 2021) bylaw (due before May 15, 2017) objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter (revenue from property taxes, parcel taxes, fees, proceeds from borrowing and revenue from other sources);
2. The distribution of property taxes among the property classes; and
3. The use of permissive tax exemptions.

The District’s 2016-2020 Financial Plan objectives and policies with updated data tables was provided to Council for review at the May 16, 2016 Freestanding Committee of the Whole (Corporate Administration & Finance) meeting. The objectives and policies below have been updated with 2017–2021 data for Council’s consideration:

1. **Funding Sources**

Council’s objectives and policies in regards to operating and capital revenue sources are provided below. Table 1 highlights the various operating and capital revenue sources, including the percentage from each source, reflected in the District’s five-year financial plan (2017 - 2021). Over the five years about 49% of operating revenues will come from property taxes with user fees making up the other significant portion at around 42%. The majority of capital funding is intended to come from the District’s internal reserves and from development cost charges (DCCs).

**Operating Revenue Sources**

**Objective:**
Over the five-year financial plan timeframe, it is Council’s goal to diversify and expand its revenue base as much as possible with the goal of becoming less reliant on property taxes.

**Policy:**
Council recognizes that the District of Mission is reliant on property taxes to fund the majority of its services/programs. Council is committed, on an annual basis, to formally reviewing and adjusting, where possible, existing user fees and to examining and implementing new user fees where feasible, in order to minimize overall property tax increases. Council also recognizes that raising user fees beyond a certain point will actually result in less usage or demand and ultimately less revenue and that various services like recreation need to be subsidized to a certain level so that all citizens can partake. The District of Mission, like other local governments in B.C., also needs access to other sources of revenue to meet growing service demands and to stabilize property taxes.

**Capital Revenue Sources**

**Objective:**
Over the five-year financial plan timeframe, it is Council’s goal to build up its reserves to provide for greater internal capital funding/financing opportunities.

**Policy:**
Council sees the need to increase its internal capital funding capacity by building up its own reserves, to minimize future external debt/interest costs and to provide internal borrowing opportunities. Internal debt financing for capital projects should be utilized to the extent possible before resorting to external debt with the proviso that internal debt repayments need to take place as scheduled; however, external debt financing may be required for larger, high priority capital projects if sufficient reserves are not in place.
2. **Distribution of Property Taxes**

Council’s objective and policy in regards to the distribution of property taxes are provided below. Table 2 highlights the estimated municipal property tax dollars and the respective percentages to be collected from each of the tax classes in 2017. The District collects approximately 75% of its property taxes from the residential class and approximately 21% from the business/other class with the other classes making up the balance. This is reflective of the fact that about 90% of Mission’s assessment base is residential and about 8.3% is business/other.

**Objective:**

*Over the five-year financial plan timeframe, it is Council’s goal to diversify and expand its tax base so that all taxpayers are in a more favourable position.*

**Policy:**

Council recognizes the need to rationalize its property tax distribution among the various tax classes; however, more importantly Council recognizes the need to diversify and expand its assessment/tax base. Council is committed to aggressively pursuing business/commercial economic development opportunities to achieve this. Council is also committed to comparing its assessment mix, property tax levels and property tax distribution with other B.C. communities on an annual basis. Council understands that the level of property taxation for each of the tax classes does not necessarily correlate with the amount of services provided; however, quantifying and costing the services provided to each tax class is difficult and subjective at the very least. It should also be recognized that many businesses in the community have employees that benefit from
and use many District services, facilities and amenities, and that additional services and amenities benefit all of the tax classes, both directly and indirectly.

### Table 2: Distribution of 2016 Municipal Property Taxes

<table>
<thead>
<tr>
<th>Property Class</th>
<th>2016 Property Tax Dollars Raised</th>
<th>% of Total Property Taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Residential</td>
<td>$21,340,782</td>
<td>74.7%</td>
</tr>
<tr>
<td>(2) Utility</td>
<td>217,400</td>
<td>0.8%</td>
</tr>
<tr>
<td>(3) Social Housing</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>(4) Major Industry</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>(5) Light Industrial</td>
<td>927,319</td>
<td>3.2%</td>
</tr>
<tr>
<td>(6) Business/Other</td>
<td>5,889,618</td>
<td>20.6%</td>
</tr>
<tr>
<td>(7) Municipal Forest</td>
<td>1,082</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>(8) Recreation/Non Profit</td>
<td>133,226</td>
<td>0.5%</td>
</tr>
<tr>
<td>(9) Farm</td>
<td>57,463</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

$28,566,890 100.00%

3. **Permissive Tax Exemptions (including Revitalization Tax Exemptions)**

Council’s objective and policy in regards to permissive tax exemptions (including revitalization tax exemptions) are provided below.

**Objective:**

*Over the five-year financial plan timeframe, Council will continue supporting worthy charitable/non-profit organizations that provide valuable services to the community and will determine how it can use its expanded powers in terms of revitalization tax exemptions to benefit the community as a whole.*

**Policy:**

Council chooses to support charitable/non-profit organizations (churches, social, recreational, health and housing organizations) that provide valuable services to the community through permissive tax exemptions as allowed for by legislation. Council is committed to continuing with these tax exemptions and to treating all organizations with similar mandates equally when it comes to property tax exemptions.

A Mission Downtown Development Incentive Program offering a 10-year revitalization tax exemption is available within the defined Downtown Planning area and provides a financial incentive to encourage development in the downtown area. The revitalization tax exemption program will accept applications up to December 31, 2016 and is outlined under Bylaw 5391-2013 Downtown Revitalization Tax Exemption. Council may considering extending this program to December 2019.

A staff report for Council’s consideration is being prepared for a December 2016 regular Council meeting to update bylaw 5391-2013 to extend the Mission Downtown Development Incentive program another three years to December 2019.
FINANCIAL IMPLICATIONS:
There are no financial implications directly associated with this report.

COMMUNICATION:
The financial plan bylaw, including Council’s goals and objectives, once adopted by Council will be forwarded to the Ministry of Community, Sport and Cultural Development, and available on the District’s website.

SUMMARY AND CONCLUSION:
Under Section 165(3.1) of the Community Charter, when preparing a financial plan, local governments must set out the objectives and policies of the municipality for the planning period in relation to the funding sources for the operating and capital budgets, the distribution of property value taxes among the property classes that may be subject to the taxes, and the use of permissive tax exemptions. Included in this report are the objectives and policies with updated data for the 2017-2021 Financial Plan Bylaw for Council’s consideration.

SIGNOFFS:

Kerri Onken, Deputy Treasurer/Collector
Reviewed by: Kris Boland, Manager of Finance

Comment from the Chief Administrative Officer: Reviewed

G:\FINANCE\MINUTES\2017\20161116 - Final\3 - Memo Financial Plan G&O.docx
DATE: November 16, 2016
TO: Mayor and Council
FROM: Kerri Onken, Deputy Treasurer/Collector
SUBJECT: 2017 to 2021 Financial Plan Bylaw Preparation

RECOMMENDATIONS: Council consider and resolve:

1. That the District’s draft 2017 General Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 3.7% increase in the property tax levy for 2017 as detailed in the report entitled “2017 to 2021 Financial Plan Bylaw Preparation”, dated November 16, 2016 from the Deputy Treasurer/Collector and which includes the spending package for one additional RCMP member in 2017;

2. That the District’s draft 2017 Water Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 1% increase in water user rates effective January 1, 2017;

3. That the District’s draft 2017 Sewer Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 4% increase in sewer user rates effective January 1, 2017;

4. That the District’s draft 2017 Waste Management Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including the landfill tipping fee increases effective January 1, 2017 as included in Table 1 – Proposed Landfill Tipping Fee Increases of the report entitled “2017 to 2021 Financial Plan Bylaw Preparation” dated November 16, 2016 from the Deputy Treasurer/Collector; and

5. That the District’s draft 2017 Drainage Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 4.9% increase in the drainage levy effective January 1, 2017.

PURPOSE:
The purpose of this report is to provide an overview of the final draft of the 2017 budget for Council’s consideration in terms of the final direction on the budget, and any related property tax and user rate increases. This report will form the basis for the preparation of the District’s 2017 to 2021 Financial Plan Bylaw.

EXECUTIVE SUMMARY
At the November 7, 2016 Budget Consultation portion of the Regular Meeting of Council, the 2017 general operating budget indicated a net overall budget increase of $1,056,037 over 2016, which represents a 3.7% increase in property taxes. This increase includes staffing related expenditures, spending packages, RCMP costs, contractual and operational increases, and various revenue increases including estimated property taxes from new construction. The 3.7% increase in property taxes has an impact of approximately $66.61 on the average assessed value home in Mission for general municipal services.
As part of the budget discussions, Council approved forwarding to budget consultation, a 1% increase in water user rates, a 4% increase in sewer user rates, and no increase to waste management user rates for curbside pick-up of garbage and recycling/compost. The increases to water and sewer rates will provide additional funds towards future capital projects, and keep pace with inflationary increases. This equates to an increase of just over $20.00 for a home owner paying flat rate charges for all three utilities.

The establishment of a drainage utility was approved in 2016. The draft 2017 budget for the drainage utility fund includes a 4.9% increase to the drainage utility levy to maintain existing services, and includes one operating spending package, totaling $30,000 to increase the annual transfer to the Drainage Capital Reserve Fund.

DISCUSSION AND ANALYSIS:

General Operating Budget

At the November 7, 2016 Budget Consultation portion of the Regular Meeting of Council, the 2017 general operating budget indicated the net overall budget increase of $1,056,037 over 2016, which represents a 3.7% increase in property taxes. The major changes are as follows:

<table>
<thead>
<tr>
<th>Maintain Existing Service Levels</th>
<th>Budget Dollars</th>
<th>Potential Tax Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Revenue</td>
<td>78,700</td>
<td>0.28%</td>
</tr>
<tr>
<td>Development Revenue</td>
<td>504,700</td>
<td>1.76%</td>
</tr>
<tr>
<td>Cost Recovery</td>
<td>157,100</td>
<td>0.55%</td>
</tr>
<tr>
<td>Fees and Charges</td>
<td>185,378</td>
<td>0.65%</td>
</tr>
<tr>
<td><strong>Revenue Increase Total</strong></td>
<td><strong>925,878</strong></td>
<td><strong>3.24%</strong></td>
</tr>
<tr>
<td>Policing Contract</td>
<td>311,000</td>
<td>1.10%</td>
</tr>
<tr>
<td>Transit Costs</td>
<td>189,000</td>
<td>0.66%</td>
</tr>
<tr>
<td>Facilities Operations</td>
<td>112,000</td>
<td>0.39%</td>
</tr>
<tr>
<td>Contractual Obligations</td>
<td>535,000</td>
<td>1.87%</td>
</tr>
<tr>
<td>Various Inflationary Impacts</td>
<td>186,983</td>
<td>0.65%</td>
</tr>
<tr>
<td><strong>Expenditure Increase Total</strong></td>
<td><strong>1,333,983</strong></td>
<td><strong>4.67%</strong></td>
</tr>
<tr>
<td>Maintaining Existing Services</td>
<td>$ 408,105</td>
<td>1.43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increased Service Levels</th>
<th>Budget Dollars</th>
<th>Potential Tax Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>New RCMP Officer</td>
<td>135,000</td>
<td>0.47%</td>
</tr>
<tr>
<td>Police services administrative support</td>
<td>79,000</td>
<td>0.28%</td>
</tr>
<tr>
<td>Provide 24 hr/7 day fire protection</td>
<td>172,532</td>
<td>0.60%</td>
</tr>
<tr>
<td>Development Services Restructuring</td>
<td>202,000</td>
<td>0.71%</td>
</tr>
<tr>
<td>Administration and Finance support</td>
<td>59,400</td>
<td>0.21%</td>
</tr>
<tr>
<td><strong>Increased Service Levels</strong></td>
<td><strong>$ 647,932</strong></td>
<td><strong>2.27%</strong></td>
</tr>
</tbody>
</table>

The 3.7% increase in property taxes has an impact of approximately $66.61 on the average assessed value home in Mission, for general municipal services.

Staff continue to work with BC Assessment to get a firmer estimate of the value of additional property taxation revenue to be received from new construction. The final new construction revenue should be known by March 31, 2017 and staff will report back on any significant variations to the original estimate.
Utility Operating Budgets

As part of the budget discussions, Council approved to bring forward to the public, a 1% increase in water user rates and a 4% increase in sewer user rates to ensure additional funds for future capital projects and was presented at the budget consultation. This equates to an increase just over $20.00 for a home owner paying flat rate for both utilities.

During the budget process, staff indicated that no increases to the curbside collection rates for garbage and recycling/compost are required to maintain a healthy Waste Management utility fund balance. However, increases to the following landfill tipping fees have been proposed:

<table>
<thead>
<tr>
<th>Description of Fee</th>
<th>Unit</th>
<th>2016 Rate</th>
<th>Proposed 2017 Rate</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Garbage from sources within the District except as specified below.</td>
<td>Per tonne</td>
<td>$99.00</td>
<td>$101.00</td>
<td>2.0%</td>
</tr>
<tr>
<td>Greenwaste from sources within or outside the District</td>
<td>Per tonne</td>
<td>64.00</td>
<td>65.50</td>
<td>2.3%</td>
</tr>
<tr>
<td>Gypsum Board (post 1990) from sources within the District</td>
<td>Per tonne</td>
<td>153.00</td>
<td>156.50</td>
<td>2.3%</td>
</tr>
<tr>
<td>Sod, soil, bricks and small concrete debris (not exceeding 30 centimetres in any dimension) from sources within the District</td>
<td>Per tonne</td>
<td>31.50</td>
<td>32.00</td>
<td>1.6%</td>
</tr>
<tr>
<td>Garbage, Trade Waste, or Construction and Demolition Waste requiring special management practices, including residential asbestos, from sources within the District</td>
<td>Per tonne</td>
<td>158.00</td>
<td>161.50</td>
<td>2.2%</td>
</tr>
<tr>
<td>Garbage, Trade Waste, or Construction and Demolition Waste received from sources outside the District, except as specified below</td>
<td>Per tonne</td>
<td>158.00</td>
<td>165.00</td>
<td>4.4%</td>
</tr>
<tr>
<td>Garbage, Trade Waste, or Construction and Demolition Waste requiring special management practices, including residential asbestos, from sources outside the District</td>
<td>Per tonne</td>
<td>158.00</td>
<td>195.00</td>
<td>23.4%</td>
</tr>
<tr>
<td>Commercial Food Waste from sources within the District</td>
<td>Per tonne</td>
<td>74.00</td>
<td>75.50</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Council approved to bring forward to the public, a 4.9% increase to the drainage levy. This proposed increase includes maintaining existing services, plus a spending package to increase the annual transfer to the Drainage Capital Reserve Fund by $30,000.

Budget Unknowns

Budgetting is a process of estimating financial projections into the future. There is an inherent risk that information becomes available or events occur after the budget has been adopted that has a significant impact on the District’s budget. If a significant budget variance occurs, staff will report to Council with details and options to consider.

Preparing the Financial Plan Bylaw

Staff will be preparing the District’s 2017 to 2021 Financial Plan Bylaw for adoption prior to December 31, 2016. In order to prepare the Financial Plan Bylaw, staff require the following:
• Council’s direction in terms of the overall 2017 property tax increase (estimated at 3.7% and to be included in the District’s Tax Rates Bylaw prepared in April, 2017), and approval that the District’s draft General Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including a 3.7% increase in the 2017 property tax levy and the spending package for one new RCMP officer in 2017;
• Council’s direction for staff to prepare the Water Rates Amending Bylaw 5601-2016-2197(27) to include a 1% rate increase effective January 1, 2017, and approval that the District’s draft 2017 Water Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including the 1% water user rate increase;
• Council’s direction for staff to prepare the Sewer User Rates and Charges Amending Bylaw 5602-2016-1922(23) to include a 4% rate increase effective January 1, 2017, and approval that the District’s draft 2017 Sewer Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including the 4% sewer user rate increase;
• Council’s direction for staff to prepare the Solid Waste Management Amending Bylaw 5603-2016-5526(1) to include the landfill tipping fee increases effective January 1, 2017 as set out in the above Table 1, and approval that the District’s draft 2017 Waste Management Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including the landfill tipping fee increases; and
• Council’s direction for staff to include in the District’s Tax Rates Bylaw (prepared in April, 2017) a 4.9% increase to the drainage levy, and approval that the District’s draft 2017 Drainage Utility Fund budget, operating and capital, be incorporated into the 2017 to 2021 Financial Plan Bylaw, including the 4.9% increase to the drainage levy.

FINANCIAL IMPLICATIONS:
The financial implications of the 2017 financial plan and related rate increases have been discussed thoroughly by Council throughout the 2017 budget process.

COMMUNICATION:
The public was consulted prior to in-depth budget discussions beginning, in order to provide Council with perspective and guidance from the public as they worked through the budget process. Once Council’s budget deliberations were complete, the proposed 2017 budget was presented to the public for input and feedback on November 7, 2016. The results of that consultation are included in a separate report on this agenda.

The Financial Plan Bylaw will be available on the District’s website once adopted by Council.

SIGNOFFS:

Kerri Onken, Deputy Treasurer/Collector

Reviewed by: Kris Boland, Director of Finance

Comment from the Chief Administrative Officer: Reviewed