

Minutes of the **SPECIAL MEETING** of the **DISTRICT OF MISSION COUNCIL** held in the Council Chambers of the Municipal Hall, 8645 Stave Lake Street, Mission, British Columbia, on May 8, 2017 commencing at 1:00 p.m.

Council Members Present: Acting Mayor Jim Hinds
Councillor Pam Alexis
Councillor Carol Hamilton
Councillor Danny Plecas
Councillor Jenny Stevens

Council Members Absent: Mayor Randy Hawes
Councillor Rhett Nicholson

Staff Members Present: Ron Poole, Chief Administrative Officer
Michael Younie, Deputy Chief Administrative Officer
Kris Boland, Director of Finance
Kerri Onken, Deputy Treasurer/Collector
Scott Ross, Manager of Accounting Services
Jennifer Russell, Deputy Corporate Officer
Debi Decker, Administrative Assistant

1. CALL TO ORDER

The meeting was called to order.

2. ADOPTION OF AGENDA

Moved by Councillor Hamilton, seconded by Councillor Alexis, and

RESOLVED: That the May 8, 2017 Special Council Agenda be adopted.

CARRIED

3. NEW BUSINESS

2016 Audit Results and Communications

A report from the Director of Finance was provided to Council with the results of the audit of the District's 2016 financial statements, including related communication from the District's auditors.

Mr. Bill Cox from BDO Canada LLP, the District's auditors, confirmed the following with Council:

- The auditors are responsible for the financial statements until they are approved by Council, and that if any significant event happens, such as an earthquake or flood prior to the approval, the auditors are required to consider this in their report.
- Materiality - differences between estimates or dollar values that staff are stating and what the auditors find. The auditors found zero discrepancies with this audit.
- Audit Risk Areas – fraud and revenue recognition.
- Fraud discussion – management and Council can advise the auditors at any time if they have any questions or concerns and proof of suspected fraud is not required.

SC17/012
MAY 8/17

SC17/013
MAY 8/17

- Management Letter – provides best practices or slight change suggestions to a specific area based on observations from a wide variety of clients.

SC17/014
MAY 8/17

Draft 2016 Financial Statements

The Director of Finance provided Council with a summary of the draft 2016 financial statements, with included financial results and financial position.

Discussion ensued on the following financial statement items:

- Developer contributions in-kind related to capital;
- The increase in transit operations appropriated surplus;
- Forestry enterprises operating results and reserve fund balance;
- How Tangible Capital Assets (TCA) life expectancy are arrived at;
- Recording certain revenues as a liability until it is spent;
- The reason for the operating surplus;
- The possibility of paying down long-term debt;
- Repaying internal borrowing; and
- The DCC review challenges versus the OCP review.

The Director of Finance provided an overview presentation on the financial statements highlights, including:

- What information is included within the financial statements;
- Long-term debt (external and internal);
- Unrestricted surplus increase;
- Reserve Funds increase;
- Revenues broken down by function;
- Expenses broken down by function;
- Internal debt decrease; and
- Annual Surplus and explanation of accrual basis and cash-basis accounting.

In response to questions from Council, the Director of Finance stated:

- The community capital projects that are completed without external borrowing or an increase in the property taxes, i.e. artificial turf, 1st Avenue upgrades, Fraser River Sewer Crossing are/will be reflected within the financial statements by showing, compared to last year, that debt has not increased, TCA value has increased, and/or the taxation collected has not increased dramatically.
- The revenue collected from taxation is not categorized by the different assessment classes; however the financial plan bylaw lists the percentage of taxes collected from each of the classes.
- There is no payback schedule for internal borrowings, as the only way to pay off the internal loan is through DCC collections, and the amounts collected are dependent upon growth.

- Surplus is created when the budgeted revenue exceeds the budgeted expenses. If additional revenue is received and/or expenditures are lower than budgeted, a surplus is created. The District does not collect taxes for more revenue than what is budgeted for in any one year.

Moved by Councillor Plecas, seconded by Councillor Stevens, and

RESOLVED: That the District of Mission's draft 2016 financial statements be approved, as attached as Appendix A to the Director of Finance's report dated May 8, 2017 entitled Draft 2016 Financial Statements.

CARRIED

4. BYLAWS FOR CONSIDERATION

SC17/015
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Moved by Councillor Stevens, seconded by Councillor Hamilton, and

RESOLVED: That District of Mission Annual Tax Rates Bylaw 5643-2017, a bylaw to impose property tax rates for the year 2017, **be adopted**.

CARRIED

5. ADJOURNMENT


SC17/016
MAY 8/17

Moved by Councillor Plecas, seconded by Councillor Stevens, and

RESOLVED: That the meeting be adjourned.

CARRIED

The meeting was adjourned at 2:15 p.m.



JIM HINDS
ACTING MAYOR



MIKE YOUNIE
CORPORATE OFFICER