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, November 21, 2018 commencing at 1:00 p.m.

Committee Members Present: Mayor Pam Alexis
Councillor Cal Crawford
Councillor Mark Davies
Councillor Jag Gill
Councillor Carol Hamilton
Councillor Ken Herar
Councillor Danny Plecas

Staff Members Present: Ron Poole, Chief Administrative Officer
Mike Younie, Deputy Chief Administrative Officer
Barry Azevedo, Manager of Environmental Services
Kris Boland, Director of Finance
Matt Dunham, Operations Manager
*Guy Gusdal – Manager of Inspection Services
Tim Henry, Assistant Operations Manager – Utilities
Jay Jackman, Manager of Development Engineering & Projects
*Arthur Kastelein – Manager of Engineering Planning & Design
Tracy Kyle, Director of Engineering & Public Works
Kerri Onken, Deputy Treasurer/Collector
Scott Ross, Manager of Accounting Services
Brent Schmitt, Manager of Business Services
Dale Vinnish, Assistant Operations Manager – Roads & Drainage
Debi Decker, 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

Moved by Councillor Hamilton, and

RESOLVED:

That the November 21, 2018 Freestanding Committee of the Whole (Corporate Administration & Finance – Budget) Committee agenda be adopted.

CARRIED
3. CORPORATE ADMINISTRATION AND FINANCE

Agenda Overview Presentation

The Deputy Treasurer/Collector presented information on the 2019 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.

Summary of Proposed 2019 Utility Rates

The Committee reviewed the report from the Deputy Treasurer/Collector dated November 21, 2018 summarizing the proposed residential utility rate changes for 2019 and detailed comparisons on neighbouring municipalities’ 2018 utility rates.

2019 Draft Water Utility Financial Plan

A power point presentation and report from the Deputy Treasurer/Collector dated November 21, 2018 regarding proposed changes to the draft Water Utility Financial Plan and a proposed 1% increase to the water utility user rates for 2019 was provided for the Committee’s consideration and discussion.

The presentation highlighted the Water Utility budget:

- Revenue and expenditure increases/decreases over 2018
- Proposed 2019 transfer to the Water Capital Reserve Fund
- Five-year totals of capital projects within the Water Utility Capital Plan
- Regional Water cost share percentages over the next five years
- Projected year-end Water Utility Reserve Fund balances for the next five years
- External and internal debt in the Water Utility
- Water Utility User Rates for the last seven years, including a proposed 1% increase for 2019

Staff clarified the following points:

- Long-term capital projects and revenue projects are reviewed each year to determine user rates to keep reserve balances at a healthy level.
- A reduction in the budget for the regional water source has made an impact to the amount of revenue the District needs to collect.
- The watermain replacement program is to replace aging water infrastructure. When possible, projects are combined to save costs (e.g. paving and watermain replacement).
- Regional cost share for growth is based on the long-term growth (for Abbotsford and Mission) and is adjusted annually depending on the previous year’s actual growth. Currently Mission pays approximately 12% towards growth related projects, as Abbotsford’s water and sewer usage is projected to grow faster than Mission’s usage.

2019 Draft Sewer Utility Financial Plan

A power point presentation and report dated November 21, 2018 from the Deputy Treasurer/Collector was provided for the Committee’s discussion and consideration
regarding the 2019 draft Sewer Utility Financial Plan, the draft Sewer Capital Plan, and a proposed 5% increase to the sewer user rates in 2019.

The presentation highlighted the Sewer Utility budget:

- Revenue and expenditure increases/decreases over 2018
- Proposed 2019 transfer to the Sewer Capital Reserve Fund
- Five-year totals of capital projects within the Sewer Utility Capital Plan
- Regional Sewer cost share percentages over the next five years
- Projected year-end Sewer Utility Reserve Fund balances for the next five years
- External and internal debt in the Sewer Utility
- Sewer Utility User Rates for the past seven years, including a proposed 5% increase for 2019

Staff clarified the following points:

- User rate increases are based on the revenue amount necessary to be collected to fund capital projects.
- The sewer regulations are increasing at the JAMES Plant (Joint Abbotsford Mission Environmental System Plant), and treatment costs are increasing which are driving the cost of user rates up.
- The regional cost share percentages for the growth rate for sewer and water are different because not all water users are connected to the municipal sewer system.

2018 Draft Drainage Utility Financial Plan

The Deputy Treasurer/Collector provided a power point presentation and report dated November 21, 2018 regarding the 2019 draft Drainage Utility Financial Plan, the draft Drainage Utility Capital Plan, an operating spending package request, and a proposed 9.75% drainage levy increase for the Committee’s discussion.

The presentation highlighted the Drainage Utility:

- Revenue and expenditure increases/decreases over 2018
- Spending package to increase the annual amount transferred to the Drainage Capital Reserve Fund by $150,000
- Proposed 2019 transfer to the Drainage Capital Reserve Fund
- Five-year totals of capital projects within the Drainage Utility Capital Plan
- Stormwater remediation project listed on the Unfunded Capital Projects listing
- Projected year-end Drainage Utility Reserve Fund balances for the next five years
- External and internal debt in the Drainage Utility
- Proposed 9.75% increase to the Drainage Utility levy

Staff clarified that Provincial and Federal government lands (e.g. Post Office and Penitentiaries) pay a "grant-in-lieu" instead of property taxes. Staff realized that when the 2018 grants-in-lieu were processed, the drainage portion was not transferred out from the General Operating Fund.
2019 Draft Waste Management Utility Financial Plan

A power point presentation and report from the Deputy Treasurer/Collector dated November 21, 2018 provided information on the District’s 2019 draft Waste Management Utility Financial Plan for the committee’s discussion and consideration.

The presentation highlighted the Waste Management Utility:

- Community services provided by the Waste Management Utility
- Revenue and expenditure increases/decreases over 2018
- Proposed 2019 transfer to the Waste Management Reserve Fund
- Five-year totals of capital projects within the Waste Management Utility Capital Plan
- Abbotsford/Mission Recycling Depot cost share percentages over the last five years
- Projected year-end Waste Management Utility Reserve Fund balances for the next five years
- External and internal debt in the Waste Management Utility
- Waste Management Utility curbside collection rates for the last seven years, including a 0% increase proposed for 2019

Staff clarified that while there was no increase being proposed to the curbside collection charge in 2019 that could change in the future, as there will be an increase in the amount paid to the Contractor next year due to moving to recycle bins rather than blue bags. Staff pointed out that the Curbside Collection Contract was coming up for renewal in April of 2019 that may have an impact on future budgets.

4. ADJOURNMENT

Moved by Councillor Crawford, seconded by Councillor Hamilton, and

RESOLVED: That the meeting be adjourned.

CARRIED

The meeting was adjourned at 2:10 p.m.

PAMELA ALEXIS,
MAYOR

MICHAEL YOUNIE,
CORPORATE OFFICER