Special Council Agenda

The agenda for the Special Meeting of Council (2019 Budget) to be held in the Council Chambers of the Municipal Hall, 8645 Stave Lake Street, Mission, British Columbia on Wednesday, March 06, 2019 commencing at 1:00 pm.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

3. NEW BUSINESS

(a) Agenda Overview Presentation

(b) Public Feedback on Proposed 2019 Budget

This report provides Council and the public with a summary of public input gathered through the 2019 budget consultation process. No staff recommendation accompanies this report and Council action is not required.

(c) 2019 to 2023 Financial Plan Objectives and Policies

Recommendations: Council consider and resolve:

That the District’s 2019 to 2023 Financial Plan Bylaw includes the objectives and policies as noted in the report entitled “2019 to 2023 Financial Plan Objectives and Policies” dated March 06, 2019 from the Deputy Treasurer/Collector.

(d) 2019 to 2023 Financial Plan Bylaw (5826-2019) Preparation

Recommendations: Council consider and resolve:

1. That the 2019 General Fund budget, capital and operating, including an increase of 4.62% to the 2019 property tax levy which includes the operating spending packages presented and the new Provincial Payroll Health Tax, be approved;

2. That the 2019 Water Utility Financial Plan, capital and operating, including a $5.28 increase to the water flat-rate user fees, a $3.96 increase to the water flat-rate user fees for more than 4 dwelling units and a 1% increase in the remaining water utility fees in Schedule A of the Water Rates Bylaw, be approved;

3. That the 2019 Sewer Utility Financial Plan, capital and operating, including a $21 increase in sewer flat-rate user fees, a $17.04 increase to the sewer flat-rate user fees for more than 4 dwelling units and a 5% increase the remaining sewer utility fees in Schedule A of the Sewer Rates Bylaw, be approved;

4. That the 2019 Waste Management Utility Financial Plan, capital and operating, be approved;

5. That the 2019 Drainage Utility Financial Plan, capital and operating, including a 9.75% increase to the 2019 drainage levy, be approved;
6. That the increases noted above, as well as all of the recommendations of the Freestanding Committee of the Whole (Corporate Administration & Finance) Budget meetings, put forward during the 2019 budget process, and subsequently approved and adopted by Council, be included in the District’s 2019 to 2023 Financial Plan Bylaw; and

7. That all other applicable bylaws be updated accordingly.

4. ADJOURNMENT
DATE: March 6, 2019
TO: Chief Administrative Officer
FROM: Michael Boronowski, Manager of Civic Engagement and Corporate Initiatives & Kerri Onken, Deputy Treasurer/Collector
SUBJECT: Public Feedback on Proposed 2019 Budget
ATTACHMENT(S): Appendix A – Budget Survey Results
Appendix B – Public Comments Received by Email
Appendix C – Excerpt from the Minutes from the Council (Budget Consultation)
Meeting held on February 19, 2019

This report provides Council and the public with a summary of public input gathered through the 2019 budget consultation process.

No staff recommendation accompanies this report and Council action is not required.

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 process is the public’s opportunity to provide feedback to Council and for Council to use that feedback in considering approval of the financial plan.

For the 2019 budget consultation process staff prepared and delivered an online consultation that was open from Wednesday, January 30, 2019 through Sunday, February 24, 2019.

DISCUSSION AND ANALYSIS:

Public Communication

Public Input - Participation

Public consultation on the 2019 budget came to a close at 11:59 pm on Sunday, February 24, 2019, at which point 172 individuals had completed the survey.

Summary results are provided in Appendix A.

Staff also accepted feedback by email, and received comments from eight people. Email comments are provided as Appendix B.

Finally, staff recorded feedback from the public at the February 19, 2019 Budget Consultation meeting. These are provided as Appendix C.

A condensed version of the 2019 budget consultation survey was also provided as an insert in the 2019 Budget Highlights Document to allow individuals who prefer providing handwritten information to participate. While staff did not receive any paper-forms the summary document does provide an excellent overview of key elements in the budget and is provided as Appendix D attached to this report.
FINANCIAL IMPLICATIONS:
There are no financial implications directly associated with this report. The financial implications of the District's proposed 2019 financial plan have been thoroughly discussed throughout the 2019 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.

This report summarizes the steps taken in delivering public consultation, with results and the budget highlights document provided as appendices to the report.

SIGN-OFFS:

Michael Boronowski, Manager of Civic Engagement and Community Initiatives

Kerri Onken, Deputy Treasurer/Collector

Comment from the Chief Administrative Officer:
Reviewed
Participants

Staff implemented a mandatory registration process for participation in this and other consultations led through the civic engagement portal at engage.mission.ca. The registration process allows us to filter-out fake participants, and also helps gather useful information to help categorize and analyze responses, and to allow for follow-up and supporting future engagement initiatives.

This section provides a summary of the type of respondents who provided feedback through the 2019 budget consultation process.

Connections to Mission

We asked registrants to list their connections to Mission. Those participating in the 2019 budget consultation provided the following responses:

- I am connected with a non-profit, agency or organization that provides a service in Mission: 13 (10.7%)
- I am a student in Mission: 1 (0.8%)
- I own and operate a business in Mission: 13 (10.7%)
- I work in Mission: 20 (16.5%)
- I live in Mission: 74 (61.2%)

Interests

Respondents also indicated their primary interests relating to Mission:

- Issues for families with kids: 37 (8.4%)
- Seniors issues and services: 30 (6.8%)
- Municipal services: 46 (10.4%)
- The natural environment: 38 (8.6%)
- New and future projects: 54 (12.2%)
- Traffic, transit and transportation: 55 (12.5%)
- Parks and recreation: 47 (10.7%)
- Economic development: 47 (10.7%)
- Arts and culture: 25 (5.7%)
- Community planning and development: 62 (14.1%)
Summary of Results

The 2019 consultation was delivered in four main sections:

1. Maintaining Existing Services
2. Previously Approved Initiatives
3. Prioritizing Spending Packages
4. Water, Sewer, Drainage & Waste

Maintaining Existing Services

We asked respondents to indicate to what extent they support the 1.08% increase required to maintain existing services.

- **56.4%** selected Support (39%) or Strongly Support (17.4%)
- **30.8%** selected Oppose (16.3%) or Strongly Oppose (14.5%)
- **11%** selected Neutral while **3%** selected Unsure

Respondents were given the opportunity to provide notes on why they chose those ratings. Those who selected Support or Strongly Support most commonly indicated the following reasons:

- Recognition that the increase to maintain services is low compared to inflation and CPI (19 respondents)
- Importance of maintaining funding for policing (12 respondents)
- Importance of specific services (Transit, RCMP) for the community (8 respondents)

Respondents who selected Oppose or Strongly Oppose most provided the following reasons:

- Taxes are high enough or too high already (31 respondents)
- Maintain services by improving efficiency and finding funds elsewhere (8 respondents)
- Disagree with spending on specific services (Transit, RCMP) (6 responses)

Notably, a significant number of respondents both in support and opposition of the increase to maintain services questioned how growth and the rapid increases in assessed value failed to deliver increased revenues necessary for maintaining services.
Previously Approved Initiatives & Maintaining Services

Respondents were asked to indicate their level of support for the combined 2.16% increase for maintaining services and previously-approved initiatives.

- 45.9% selected Support or Strongly Support
- 38.9% selected Oppose or Strongly Oppose

Spending Packages

Residents were presented with the spending packages in the budget and then asked to prioritize the following objectives in order of importance, with one (1) being the most important.

- Improving efficiency and reducing overhead
- Improving public safety
- Long-term planning for growth
- Improving recreation & lifestyle opportunities

The chart below shows the objectives in order of importance and the mean value from ratings. The lowest value represents the most important objective.
Notes on Ratings

Respondents were given the opportunity to add notes to clarify their ratings.

- 12 respondents questioned the figures for staffing costs, generally noting they seemed high.
- 12 respondents noted that by improving efficiencies it would be possible to redirect resources at the other priority areas.
- Eight respondents took the opportunity to reiterate their opposition to the budget overall.
- Seven respondents noted lifestyle for locals, and the interrelation of safe, actively engaged recreation and lifestyle as the driver for their responses.
- Six noted the importance of planning and following plans.
- Fire Rescue Services and hospital services were each noted 3 times as areas needing additional consideration and funding.

Final Additional Comments

Respondents were given the option of sharing additional comments. They are provided below:

<table>
<thead>
<tr>
<th>Comment</th>
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<tbody>
<tr>
<td>I believe a complete review of current services, such as RCMP need analysis to ensure current funding is needed, thus, are Police working smarter and best deployed? I feel RCMP ought to be incorporated into a Downtown revitalization plan, as well, so, for now unsure.</td>
</tr>
<tr>
<td>Services to be 'maintained' costs are already going to be budgeted for. It doesn't matter at this point whether I support or oppose them.</td>
</tr>
<tr>
<td>I support public workers, really, I do. But every single municipal staff person and RCMP member makes more money than I do, while I have to go to downtown Vancouver to work, paying over $4000/year for a Compass card that doesn't allow me to use local transit when I get back to Mission. Don't bother explaining how Translink and FVRD work, I get it. No, I don't want to pay the extra gas tax and merge with Metro. But I'm in the position of having to take money out of RRSPs to pay my municipal taxes and the huge increases each year far exceed any increase in services that I use, and they exceed any salary increase that I get. Hence, my ambivalence to cheerlead these tax increases. Without knowing what the percentage of increases that are being given for specific items and why it is hard to make an informed decision.</td>
</tr>
<tr>
<td>I'm sure there are ways to cut costs but no one looks at this because they are playing with others money</td>
</tr>
<tr>
<td>Mission is growing at a pretty fast pace since we have been here in Mission for 10 years. We absolutely require more police. Regarding staffing related costs (contractual and step increases), my understanding is that wages are very high to start with. Possibly I'm wrong. Transit has to be held accountable before more money is given.</td>
</tr>
<tr>
<td>I support RCMP and transit. I do not support the increase for staffing</td>
</tr>
<tr>
<td>If the services are only being maintained why is there an increase? And if the average house price went up 14% should it automatically mean an increase in taxes paid?</td>
</tr>
<tr>
<td>I need to know more before answering, and have not yet read the documents. The last publication, also, re municipal taxes for this year was that Council was seeking greater than a 4% increase overall. If that increase is represented later in this survey, I'll respond appropriately at that time.</td>
</tr>
<tr>
<td>I believe that we pay high enough taxes and that there should be ways that we can mitigate raising them again.</td>
</tr>
<tr>
<td>I don't believe I have enough information to form an opinion yet. I find the descriptions vague.</td>
</tr>
<tr>
<td>I do not have enuf information yet to make an intelligent and informed decision. When I do, I promise that you will hear from this squeaky wheel.</td>
</tr>
<tr>
<td>Rising costs are unavoidable, unfortunately.</td>
</tr>
<tr>
<td>I can't agree with Staff related costs. I can agree with RCMP services. I can or can not agree with Transit.</td>
</tr>
</tbody>
</table>
Debi Decker

Subject: [DKIM: Failed] "No" to the tax hike (Concerned Citizen)

Stupid tried to take the survey but it would not let me register. I do not want to see taxes go up in this town as I am stretched out already with our income with the cost of living so if they raise them it will force us to sell and move completely out of the fraser valley all together never to afford to move back to our home town this life is getting so hard to live and know I understand why their is so many homeless and the way things are going its pushing more and more people out including us and I am affraid being homeless because of the cost of living could be reality so sad after owning a home for over 30yrs and a mortgage payment of only 850 a month and no other debt that we struggle so bad. So I say "NO" to a raise in taxes out right "NO"

Sent from my LG Mobile

I think you proposed tax increases are very excessive. My wife and I are on a pension and will not be getting a 4.62% increase in our pensions to pay for this. My son and his young family also can not afford this increase as wages are not increasing to keep up with these increases. Is this new council so out of touch with reality? I really dont know how people are going to afford this. We will not forget this at election time so we dont make the same mistakes as the last time.
Hey Michael,

So I thought I would fill out the survey regarding our municipal 2019 budget. Of course not pleased with a 4.62% increase, you know governments, the more they get the more they waste. I don't want to do a sign up and enter a contest. Just give my opinion. You know just one of those old guys.

Anyways, have a good day.

Mission
Debi Decker

From: Kerri Onken
Sent: Monday, February 25, 2019 8:10 AM
To: Debi Decker
Cc: Michael Boronowski
Subject: FW: Budget 2019

Subject: Budget 2019

To: Mayor & Councillors, Treasurer, Chief Administration Officer, "STAFF", "Concerned Citizens"

Since 1992 I and a small numbers of Citizens' were ardent interveners to planned Budgets, attending Public Meetings, offering verbal and written submissions, largely to no avail. We regularly attended Council Meetings, had Letters to the Editor published but no longer, and this has exacerbated community division, influx of silos, cliques and sadly even lack of commitment and engagement, to even attend Budget meetings. Thus, over the years many Colleagues have passed away, just as in our campaign for a Seniors' Activity Centre, many more have relocated elsewhere and among them some very informed former Mission Senior Employees, who knew their way around the reams of paperwork comprising Budgets.

Last year found myself, among some others, in a very unfortunate position whereas my Property Taxes increased over $800.00 I believe and the reason offered, essentially my average Assessed Value was higher than the Mission Assessed Average Value. This in itself is a major compounding confusing and flawed process but again useless trying to appeal, when one does not really know what to say in an appeal and is dissuaded doing so by bafflegab presented by Assessment Authority, hence why bother?

I participated in the survey but it too is inadequate and I suspect lack of input will likely render input of not too much value to be used.

To digress, when CRMG was elected they did a line by line assessment and concluded correctly, no tax increase was needed. Naturally subsequent Councils will argue opposing, justifying an increase, implying wrongly in fact, that something suffered accordingly. Frankly, most old line Mayors and most on Council observed the traditional "must process an increases annually, must get a pay increase annually, etc.", and thus little aforesaid to Citizen ability to pay. Hence, the CRMG business approach is sound planning, it creates an environment of justification to spend, not an acceptance to merely add on to existing budgets. In fact creating an annual cost analysis and justification, such as to not merely add exorbitant Police Officer costs, but rather to make the Inspector examine carefully every cent being spent, effectiveness of (current) policing cost, can efficiencies be found, can operations be modernized or more computerized systems be engaged, simply, can Policing be done "smarter"? But not to focus upon the Police, as I merely select due to significant individuals members costs for reference purposes, as the same process needs to be engaged with each expenditure.
I noticed an effort to try and engage Citizens, the online survey and so forth an appeal to appear and speak at Council meetings but with respect, with the exception of (survey and limitations accordingly) none of these processes will suddenly work, that haven't since 1990's, so an environment of exclusion still permeates our community, a confusing state of who to trust, to believe and most important, do our elected Council and support STAFF know what they are doing? To digress a moment, the current debacle of spending $ 50,000.00 on a Public Art piece does more to annoy Citizens and reflect a lack of Council financial acumen, it is a perceived harbinger to future poor judgment and waste of taxpayer dollars, in sometimes incremental amounts but sends significant signals to Citizens who are still in doubt if this new Council will change or offer 4 more years of the same rhetoric and bafflegab of the last four? When, as well, some lingering Council approvals of development (ie; Wren Street (Casino), Polygon), possibly others, are contrary to Citizen needs/desires, we are still mired in lack of confidence. Hence, Citizens' will not attend public budget meetings, make submissions, participate in surveys and frankly, it is going to take very astute, intuitive and empathetic Council and STAFF to bridge and close the chasm that has developed over many years.

Simply, Citizens are so disenfranchised to date per se, they lack the incentive and will to suddenly get involved, having been ignored largely to date, to lack confidence in leaders, to be good stewards of our tax dollars. Add the misguided attempts to talk about average tax increases but still fail to consider we are but one taxpayer, one pocketbook, so every dollar of tax, regardless of alluded to additional services collected, water, sewer, utilities and so forth stated separately to actual tax increase are disingenuous, unintentionally I suspect but still money out of our pockets, so an empathy for Citizens ability to pay is critical to start. Sadly, there remains a perceived disconnect and failure to enhance efforts to make Citizens/Taxpayers feel more assured money is well spent.

So, 4.62% is a vague amount, explanations so far have not produced a public confidence as to degree of investigation into expenditures that was conducted, as done by CRMG wisely to start their term and while overall (Council) performance witnessed a replacement, their financial acumen was correct governance.

Thus, it is my sense, Council ought to rethink the proposed increase, go back to the drawing board, develop unequivocal sound supporting evidence and come back to Citizens' with a dramatically reduced property tax, but include all costs into a broad statement of proposed increase, from the perspective of being a one source taxpayer. In closing, as with my frustration last year at such a significant tax increase, for, in my estimation, unjustified assessment increase, a more financially acceptable approach and presentation acceptable to Citizens is indicated. Finally, abandon the folly published alluding to "Little Interest Shown to 4.62% Increase" and possibly rethink what you are saying to Citizens' to get onside and create understanding imperative need to justify any amount approved. Frankly, a major perception by the Public, is a failure (by Council via Newspaper reporting so far) to get a strong positive informed and complete message imparted to Citizens'. Possibly your Civic Engagement Department ought to develop a series of announcements that fully embrace a definitive description of facts, objectives and goals, thus far omitted from normal reporting, details that will augment Council positive efforts, such as in this instance, Budget Planning, that might perceive Citizens' are expecting Council to provide a thoughtful, well researched and investigated number of financial components to arrive at a Budget, essentially to gain public respect, trust, appearance Council/STAFF know of what they speak by producing a more enticing and encouraging Budget, starting with a dramatic decrease and yes, abandon the folly of silly ideas costing $50,000.00 in doing so expecting to retain public confidence, you need to get real thinking in practice.

Simply, reflecting a willingness to give the second thought, may be an olive branch that could start a mending process of building confidence and trust in our leaders or exercise the futility of knowing best and ram the 4.62% down our collective throats, at your own peril presumably.
I noticed in the budget that there is plan for a Fire training grounds slated for Fire station 3 area in Silverhill. The document I am referring to is APPENDIX D, REVISED UNFUNDED CAPITAL PROJECTS LIST could you please answer the following

1. Is this a allowable activity in the ALR designated land, and with no sewer or water.
2. has there been a feasibility study for this?
3. Are you aware this is next to our community park and is in the central location of our community. This would impact the peace, health, and overall well being to our community. Cutting the trees will take away the buffer from the activities conducted at the fire department.
4. Is there an environmental study. This is in a sensitive ecosystem.
5. The current fire station 3 is on a 1 acre site. How much land will be taken from the park for this project?
<table>
<thead>
<tr>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enough with tax increases for a couple of years.</td>
</tr>
<tr>
<td>4% last year, and u want another 5 for 2019? Start by controlling costs, not increasing taxes.</td>
</tr>
</tbody>
</table>
Subject: proposed property tax increase for 2019

Attention: mayor and council

We are very upset about the proposed increase.

Inflation and salary increases are only approx 2% except at city hall
Lets try to keep costs down!
I read the front page of the record newspaper with the breakdown of tax increase... and on the second page an article of yet another proposed piece of ‘art’ for over 50 thousand dollars, what with the metal ‘M’ so called piece of art that adds up to over 100 thousand dollars...that is the equivalent of how many property owners paying a years tax??
Our taxes are wasted on many items...new table and chairs in council chambers...there was nothing wrong with existing ones...i have sat on them many times
‘proudly maintained signs’ all over the city cost through adopt a block grants....the one at hayward str and Anderson ave...both ditches are thick with garbage..the people named on sign probably moved or gone...
Downtown new paving...double tandem trucks loaded with giant stones going through all day heading west to Lougheed hwy expansion. Someone knew of this and still the downtown paving went ahead.
Downtown development cost...3.2 million? We heard more like 4.2million dollars
Bike lanes and signage...yes some is province dollars which is all out of the same pocket... from city hall to the cemetary rd you can count 13 bike signs on each side of the road. That’s 26 signs...and only about 4 speed signs for cars...

As a taxpayer I expect basic services like snow removal and road maintenance, parks etc...if the money is not there pls don’t spend it
Reserve funds for drainage levies etc...once the money is in a reserve fund council does not have to tell us where and how its spent within that fund, creative accounting abounds.

As a further comment...your city page ‘survey’ is not user friendly...i will not be putting in passwords , logging in with birthdates etc...
And if you all perceive a lack of public interest...most people are busy at work, coming home to cook dinner and put kids to bed instead of heading off to city hall on a very icy snowy night to sit and wait till end of council meeting to make a comment which we all know will be ignored in any case.

Sorry about typos etc but I don’t have time to be a typist...
The following are my comments re the Budget 2019

Why did the Council hold a budget meeting on an evening when it was snowy and people were requested and advised to keep off the roads by the authorities and RCMP?

The online survey was very unhelpful and not user-friendly, ie repeatedly wanting a password, postal code and requesting one's birthdate. What an invasion of privacy!

I would first propose that the Council reduce its huge pay award to the norm of 2% per annum, thereby setting a good housekeeping example.

This year over $4 Million has been spent on Beautifying Mission, The new lamp standards are admired by many I know.

So how is it possible to justify $50,000 on the cubed art contraption, which has nothing to connect it to the trees, flowers, lamp standards and seats in First Avenue, nor did the" Metal M"do anything positive for Mission

In this day and age of instant electronic communication, how is it possible for the RCMP and City Hall to keep requiring more human bodies.?

No, I do not think it is alright to even surmise that such an enormous tax increase is in any way acceptable.
Hey Michael,

I just filled out the survey that was sent to me, and honestly, reading how new monies are going to be allocated is really disheartening. I work a full time job and work on the side when I can so I can homeschool the kids. We can’t afford and shouldn’t have to afford for the local government to increase taxes every time the equity in our house increases. I’m not directing this at you, as I know you’re the spokesperson for the people who set the budget. My hope is that you can pass on my thoughts. Mission is one of the last places in the lower mainland, along with a Chilliwack, where the average young family can start, and hopefully buy a home. If the local government can’t control its spending and start looking at the money they spend as not theirs, but the people that they serve, a lot of people will move away.

The real question I’m asking is, does the district of Mission want to support and serve the people who live in Mission?
3. 2019 PUBLIC BUDGET CONSULTATION SESSION

The Deputy Treasurer/Collector provided a presentation detailing Council’s 2019 proposed budget. The presentation included an overview of the proposed financial plan, the budget process, operating and capital, reserves, debt, the general operating fund, revenue and expenditures, spending packages, impact on property taxes, a comparison to other municipalities, the general capital plan, forestry enterprise, utility operations, water utility, sewer utility, waste management, drainage utility, and information regarding the District’s budget survey.

The Mayor opened the floor to the public.

Jim Hinds, Mission, stated that this would be the District’s highest tax increase in the past eight to nine years. He understands that some of the new expenses in the financial plan, such as the increase in Medical Services Plan payroll premiums and RCMP support, have been downloaded by senior levels of government, however believes that not all items are necessities. Mr. Hinds expressed concerns in regards to the District’s inability to fund the move of the Joint Abbotsford Mission Environmental Systems Wastewater Treatment Plant without senior government assistance, the flat-rate business licence fee, and the devaluation of residential properties. He suggested that, if several new staffing positions are required, the amount allocated for the reserve fund be reduced for one year and the District look for other sources of income to make up the shortfall.

Ivy McLeod, Mission, stated that she is in agreement with the comments made by Mr. Hinds and expressed concerns in regards to the higher than average increased assessments for properties in Silverdale. Ms. McLeod queried if the District would consider postponing the new staffing positions. She also spoke on behalf of her neighbours:

Katie Allen, who believes the proposed increases are unfair due to the lack of District services within the Silverdale area; and

Mr. and Mrs. Don Williams, who are also unhappy with the proposed increases.
DATE: March 6, 2019
TO: Chief Administrative Officer
FROM: Kerri Onken, Deputy Treasurer/Collector
SUBJECT: 2019 to 2023 Financial Plan Objectives and Policies

RECOMMENDATIONS: Council consider and resolve:
That the District's 2019 to 2023 Financial Plan Bylaw includes the objectives and policies as noted in the report entitled "2019 to 2023 Financial Plan Objectives and Policies", dated March 6, 2019 from the Deputy Treasurer/Collector.

PURPOSE:
This report is in preparation for the 2019 to 2023 Financial Plan Bylaw as 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 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 objectives and policies as outlined in section 165(3.1) of the Community Charter, in its five-year financial plan (2019 to 2023) bylaw, that must be adopted before May 15, 2019. The District's 2018 to 2022 Financial Plan objectives and policies with updated data tables were provided to Council for review at the November 27, 2018 Freestanding Committee of the Whole (Corporate Administration & Finance) meeting.
Objectives and Policies

The objectives and policies information presented below has been updated with the core budget impacts for 2019 to 2023, with the exception of the proposed spending packages ($742,437), the proposed increase to vehicle rates ($51,000) and the proposed payroll overhead increase (nets to $268,800) 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 (2019 to 2023). Over the five years about 49% of operating revenues will come from property value taxes (includes diking and drainage levy) with user fees making up the other significant portion at around 41%. 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 examining and implementing new user fees where feasible, in order to minimize overall property tax increases and reliance on reserves to maintain service levels. 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.

Development Cost Charges capital projects coming on-line starting in 2021, increases the projected revenue source from DCC from 37% to 54% and reducing the projected revenue source from reserves from 63% to 46%. This continues through to 2023, mostly as a result of the Regional Water Source project and a new watermain slated for 2022.
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 municipal property tax dollars and the respective percentages collected from each of the tax classes in 2018. The District collects approximately 75% of its property taxes from the residential class and approximately 21% from the business/other class with the remaining classes making up the balance. This is reflective of the fact that about 91% of Mission’s assessment base is residential and about 7% 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

---

**Table 1: Sources of Revenue**

<table>
<thead>
<tr>
<th>Operating Revenue Sources</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property value taxation</td>
<td>49%</td>
<td>49%</td>
<td>49%</td>
<td>49%</td>
<td>49%</td>
</tr>
<tr>
<td>Parcel tax *</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>User fees and charges</td>
<td>41%</td>
<td>41%</td>
<td>41%</td>
<td>41%</td>
<td>41%</td>
</tr>
<tr>
<td>Other revenue</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Proceeds from borrowing</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Revenue Sources</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other sources - Reserves</td>
<td>62%</td>
<td>63%</td>
<td>46%</td>
<td>45%</td>
<td>48%</td>
</tr>
<tr>
<td>Other sources - DCCs and developer contributions</td>
<td>38%</td>
<td>37%</td>
<td>54%</td>
<td>55%</td>
<td>52%</td>
</tr>
<tr>
<td>Other sources - Grants</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Proceeds from borrowing</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Cedar Valley Sewer 20 year parcel tax ends 2022
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 2018 Municipal Property Taxes

<table>
<thead>
<tr>
<th>Property Class</th>
<th>Property Tax Dollar Raised</th>
<th>% of Total Property Taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Residential</td>
<td>$23,673,277</td>
<td>74.9%</td>
</tr>
<tr>
<td>2 Utility</td>
<td>237,204</td>
<td>0.8%</td>
</tr>
<tr>
<td>3 Supportive Housing</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>4 Major Industry</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>5 Light Industry</td>
<td>956,460</td>
<td>3.0%</td>
</tr>
<tr>
<td>6 Business/Other</td>
<td>6,538,704</td>
<td>20.7%</td>
</tr>
<tr>
<td>7 Managed Forest</td>
<td>1,189</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>8 Recreational/Nonprofit</td>
<td>136,340</td>
<td>0.4%</td>
</tr>
<tr>
<td>9 Farm</td>
<td>60,212</td>
<td>0.2%</td>
</tr>
<tr>
<td></td>
<td><strong>$31,603,386</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

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, 2019.

These objectives and policies information will be added/presented below has been updated with the core budget impacts for 2019 to 2023, with the exception of the proposed spending packages ($742,437), the proposed increase to vehicle rates ($51,000) and the proposed payroll overhead increase (nets to $268,800) for Council’s consideration.
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 by the May 15th legislated deadline, and will be 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 2019 to 2023 Financial Plan Bylaw for Council’s consideration.

SIGNOFFS:

Kerri Onken, Deputy Treasurer/Collector

Reviewed by:
Kris Boland, Director of Finance

Comment from the Chief Administrative Officer:
Reviewed

G:\FINANCE\BUDGET\Budget 2019\Council Budget Meetings & Agendas\20190306 - Final\3 - Memo Financial Plan G&O.docx
DATE: March 6, 2019  
TO: Chief Administrative Officer  
FROM: Kerri Onken, Deputy Treasurer/Collector  

RECOMMENDATIONS: Council consider and resolve:

1. That the 2019 General Fund budget, capital and operating, including an increase of 4.62% to the 2019 property tax levy which includes the operating spending packages presented and the new Provincial Payroll Health Tax, be approved;

2. That the 2019 Water Utility Financial Plan, capital and operating, including a $5.28 increase to the water flat-rate user fees, a $3.96 increase to the water flat-rate user fees for more than 4 dwelling units and a 1% increase in the remaining water utility fees in Schedule A of the Water Rates Bylaw, be approved;

3. That the 2019 Sewer Utility Financial Plan, capital and operating, including a $21 increase in sewer flat-rate user fees, a $17.04 increase to the sewer flat-rate user fees for more than 4 dwelling units and a 5% increase the remaining sewer utility fees in Schedule A of the Sewer Rates Bylaw, be approved;

4. That the 2019 Waste Management Utility Financial Plan, capital and operating, be approved;

5. That the 2019 Drainage Utility Financial Plan, capital and operating, including a 9.75% increase to the 2019 drainage levy, be approved;

6. That the increases noted above, as well as all of the recommendations of the Freestanding Committee of the Whole (Corporate Administration & Finance) Budget meetings, put forward during the 2019 budget process, and subsequently approved and adopted by Council, be included in the District’s 2019 to 2023 Financial Plan Bylaw; and

7. That all other applicable bylaws be updated accordingly.

PURPOSE:
This report provides an overview of the draft operating and capital budgets for Council’s consideration in terms of the final direction on the budget, and any related property tax and user rate increases in order to prepare the District’s 2019 to 2023 Financial Plan Bylaw.

BACKGROUND
During the Fall and Winter budget meetings, Council approved several updates to the various operating and capital plans. These included increases to maintain existing services, various operating spending packages for new initiatives, updated capital information and the inclusion of new capital projects into the capital plans. This information was summarized and presented at the Public Budget Consultation on February 19, 2019 for input. The major changes to the operating budgets included:

- An increase in property taxes of 4.62%, including a 1.07% increase from the new Provincial Payroll Health Tax,
- $5.28 increase to the water flat-rate user fee and a 1% in meter water charges,
- $21 increase to the sewer flat-rate user fee and a 5% increase in other sewer user rates as they relate to metered water consumption,
- 9.75% increase in drainage levy, and
- No increase in curbside pick-up of garbage and recycling/compost user rates.

DISCUSSION AND ANALYSIS:

General Operating Budget

During the Fall and Winter budget meetings, Council reviewed budget reports by staff to maintain existing services and outlined the new initiatives to support Council’s goals and objectives. The 2019 general operating budget indicated the net overall budget increase of $1,461,253 over 2018, which represents a 4.62% increase in property taxes. The major changes are as follows:

<table>
<thead>
<tr>
<th>Maintaining Existing Services</th>
<th>Budget</th>
<th>Potential Tax Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income *</td>
<td>$-409,966</td>
<td></td>
</tr>
<tr>
<td>Various fees and charges *</td>
<td>$-298,836</td>
<td></td>
</tr>
<tr>
<td>Administrative Cost Recovery *</td>
<td>$-289,044</td>
<td></td>
</tr>
<tr>
<td>Building Permit evaluation update *</td>
<td>$-200,000</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal - General Operating Revenue Updates</strong></td>
<td><strong>$-1,197,846</strong></td>
<td><strong>-3.79%</strong></td>
</tr>
<tr>
<td>Staffing costs, Council, CUPE, IAFF, Management</td>
<td>705,060</td>
<td></td>
</tr>
<tr>
<td>Investment income transferred to reserves</td>
<td>409,966</td>
<td></td>
</tr>
<tr>
<td>RCMP contract and integrated police services</td>
<td>208,682</td>
<td></td>
</tr>
<tr>
<td>Various operating expenditures</td>
<td>107,450</td>
<td></td>
</tr>
<tr>
<td>BC Transit</td>
<td>107,000</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal - General Operating Expenditure Updates</strong></td>
<td><strong>$1,538,158</strong></td>
<td><strong>4.87%</strong></td>
</tr>
<tr>
<td><strong>Subtotal - To Maintain Existing Services</strong></td>
<td><strong>$340,312</strong></td>
<td><strong>1.08%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increased or New Service Levels</th>
<th>Budget</th>
<th>Potential Tax Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welton Property Operating Costs</td>
<td>$160,700</td>
<td></td>
</tr>
<tr>
<td>New RCMP Officer (approved spending package in 2015 - Final member)</td>
<td>135,000</td>
<td></td>
</tr>
<tr>
<td>Utilities for District Owned Properties, leased to Non-Profits</td>
<td>27,359</td>
<td></td>
</tr>
<tr>
<td>Visitor Information Centre - Rent</td>
<td>16,000</td>
<td></td>
</tr>
<tr>
<td>Project 529 / 529- Bicycle Registration/Tracking</td>
<td>1,350</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal - Approved New Initiatives/Increasing Service Levels</strong></td>
<td><strong>$340,409</strong></td>
<td><strong>1.08%</strong></td>
</tr>
<tr>
<td>Proposed Spending Packages</td>
<td>742,437</td>
<td>2.35%</td>
</tr>
<tr>
<td><strong>Subtotal - Increased or New Service Levels</strong></td>
<td><strong>$1,423,158</strong></td>
<td><strong>4.50%</strong></td>
</tr>
</tbody>
</table>

**Property tax revenue from New Development** *

- $300,000

| Potential Changes to General Operating Fund Budget before Provincial Government Payroll Tax - January 22, 2019 | **$1,123,158** | **3.55%** |

| The new Provincial BC Health Tax                           | **$338,095** | **1.07%** |

| Potential Changes to General Operating Fund Budget including Provincial Government Payroll Tax - January 22, 2019 | **$1,461,253** | **4.62%** |

*Increases to revenue appear as negative values.
The 4.62% increase in property taxes has an impact of approximately $90.49 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 non-market changes. Staff will continue to review the year-end results for 2018 to see if any other budget adjustments should be made.

During the discussion, staff will have a spreadsheet available should Council wish to make changes to the general operating fund budget. These changes, plus any updates from BC Assessment or year-end results, can be recorded, updating the net impact on the budget and provide an estimated impact for the average assessed home in Mission with each change.

**Capital Budgets**

Also during the Fall and Winter budget meetings, Council reviewed several updates to the various capital plans, including just under $1.3 million of new capital projects that were added into the General Capital, Water Capital, Waste Management Capital, Forestry Capital and Drainage Capital plans. This information, along with the operating budgets, were summarized and presented at the February 19, 2019 Budget Consultation portion of the Regular Meeting of Council for input.

**Utility User Rates**

As part of the budget discussions, Council approved to bring forward to the public budget consultation, a 1% increase in water user rates and a 5% increase in sewer user rates to ensure additional funds for future capital projects and to keep pace with inflation. This equates to an increase just over $26 per year for a home owner paying flat-rate user fees for both utilities.

During the budgeting 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.

Council approved to bring forward to the public, a 9.75% 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 $150,000.

**Budget Unknowns**

Budgeting 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 2019 to 2023 Financial Plan Bylaw for first three readings to occur on April 1, 2019, that includes budget information from the previous Financial Plan plus the approved changes to operating and capital plans since the 2018 to 2022 Financial Plan was adopted. In order to prepare the 2019 to 2023 Financial Plan Bylaw, staff requires the following:

- Council’s direction in terms of the overall 2019 property tax increase and to approve that the District’s draft 2019 General Fund financial plan, operating and capital, be incorporated into the District’s 2019 to 2023 Financial Plan Bylaw, including a 4.62% increase in the 2019 property tax levy (to be included in the District’s Tax Rates Bylaw prepared in April, 2019), the spending packages presented and the new Provincial Payroll Health Tax;

- Council’s direction for staff to prepare the Water Rates Amending Bylaw 5824-2019-2197(30) to include a $5.28 increase to the water flat-rate user fee and a 1% rate increase to the other water rate fees effective January 1, 2019, to Schedule A, Water Utility Fees of the bylaw, and to approve that the District’s draft 2019 Water Utility Financial Plan, operating and capital, be incorporated into the District’s 2019 to 2023 Financial Plan Bylaw;
• Council’s direction for staff to prepare the Sewer User Rates and Charges Amending Bylaw 5825-2019-1922(25) to include a $21 increase the sewer flat-rate user fee and 5% increase to the other sewer rate fees effective January 1, 2019, to Schedule A, Sewer Utility Fees of the bylaw, and to approve that the District’s draft 2019 Sewer Utility Financial Plan, operating and capital, be incorporated into the District’s 2019 to 2023 Financial Plan Bylaw;

• Council’s direction for staff and to approve that the District’s draft 2019 Waste Management Utility Financial Plan, operating and capital, be incorporated into the District’s 2019 to 2023 Financial Plan Bylaw; and

• Council’s direction for staff to include in the District’s Tax Rates Bylaw (prepared in April, 2019) a 9.75% increase to the drainage levy, and to approve that the District’s draft 2019 Drainage Utility Financial Plan, operating and capital, be incorporated into the District’s 2019 to 2023 Financial Plan Bylaw.

Should Council wish any additional information in the form of a staff report, there is a very small window to prepare the report and hold a special meeting to discuss. The information needed to prepare the 2019 to 2023 Financial Plan Bylaw and meet the legislative deadline to have the bylaw adopted by May 14, 2019, the special meeting should be held by March 25, 2019.

FINANCIAL IMPLICATIONS:
The financial implications of the 2019 to 2023 Financial Plan and related rate increases have been discussed thoroughly by Council throughout the 2019 budget process.

COMMUNICATION:
The Financial Plan Bylaw will be available on the District’s website once adopted by Council. The final property tax increase and the drainage levy will be included in the District’s Tax Rate Bylaw (prepared in April 2019) and reported on the property tax notice.

SUMMARY AND CONCLUSION:
This report provides an overview of the draft operating and capital budgets for Council’s consideration in terms of the final direction on the budget, and any related property tax and user rate increases in order to prepare the District’s 2019 to 2023 Financial Plan Bylaw.

The 2019 general operating budget indicated the net overall budget increase of $1,461,253 over 2018, which represents a 4.62% increase in property taxes, or approximately $90.49 increase 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 non-market changes. Staff will continue to review the year-end results for 2018 to see if any other budget adjustments should be made.

During the discussion, staff will have a spreadsheet available should Council wish to make changes to the general operating fund budget. These changes can be recorded, updating the net impact on the budget and provide an estimated impact for the average assessed home in Mission with each change.

Should Council wish any additional information in the form of a staff report, there is a very small window to prepare the report and hold a special meeting to discuss before we can prepare Financial Plan Bylaw and meet the legislative deadline of May 14, 2019.

SIGNOFFS:
Kerri Onken, Deputy Treasurer/Collector

Reviewed by:
Kris Boland, Director of Finance

Comment from the Chief Administrative Officer:
Reviewed