



Committee of the Whole Agenda

The agenda for the **Freestanding Committee of the Whole (Corporate Services Committee - Budget)** meeting to be held in the **Council Chambers** of the Municipal Hall, 8645 Stave Lake Street, Mission, British Columbia on Wednesday, July 9, 2014, commencing at 2:00 p.m.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

3. CORPORATE SERVICES

(a) 2014 General Operating Fund Draft Budget Status

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(b) Department Presentations on Draft 2015 Operating Budget (times approximate)

Forestry Enterprises, 2:10 – 2:30 pm

Police Services, Municipal and RCMP Contract, 2:30 – 3:10 pm

Fire/Rescue Service, 3:10 – 3:30 pm

Economic Development 3:30 – 3:50 pm

Engineering/Public Works and Facilities, 3:50 – 4:20 pm

Parks, Recreation & Culture, Admin, Parks, & Cemetery, 4:20 – 4:50 pm

Development Services, Building/Bylaw, Planning and Transit, 4:50 – 5:20 pm

Corporate Services, Council & Corporate Administration, 5:20 – 5:40 pm

Corporate Services, Finance/Purchasing, 5:40 – 6:10 pm

4. ADJOURNMENT



Finance Department Staff Report to Council

File Category: FIN.BUD.DOM
File Folder: 2015 Budget

DATE: July 9, 2014
TO: Mayor and Council
FROM: Kerri Onken, Deputy Treasurer/Collector
SUBJECT: **2015 General Operating Fund Draft Budget Status**
ATTACHMENTS: Appendix "A" General Operating Fund Budget Summary
 Appendix "B" Summary of Operating Spending Packages

This report is provided for information purposes only. No staff recommendation accompanies this report and Council action is not required.

PURPOSE:

This report provides an overview of the status of the 2015 draft budget for the general operating fund, and information on the process for the budget meeting on July 9th.

This meeting is focused on the draft 2015 general operating fund budget and the Forestry Enterprise budget. Further discussion on the general operating fund budget, capital budgets, and the utility operating budgets (water, sewer and waste management) will follow at a later date.

DISCUSSION AND ANALYSIS:

The format for the July 9th Corporate Services meeting is to have each department briefly present their 2015 operating budgets, provide Council with information on the services and service levels the departments provide, and outline key variances between the 2014 final budget and the 2015 draft budget.

Appendix "A" summarizes the changes from the 2014 final budget to the 2015 draft provisional budget. This summary includes the impacts of contractual obligations, previously approved initiatives, the results of departmental budget reviews, and adjustments to revenue projections.

The current status of the 2015 draft provisional budget shows an estimated increase of \$275,159, which translates to 0.98% increase in property taxes, to maintain current service levels. This estimate would impact the average home owner \$17.25 in property taxes. There is an additional 1.79%, or \$498,576, for proposed increases in the transfer to reserves. Both these total \$773,735, or 2.77% overall increases, impacting the average home owner \$48.76 in property taxes.

There are a few budget impacts that are not yet known, therefore are not reflected in Appendix "A" at this time, including:

- BC Transit contract 2015/2016,
- Whether any spending packages are approved by Council

Furthermore, staff continue to work with BC Assessment to get a firmer estimate of the value of additional property taxation to be received from new construction. Details of these pending budget impacts will be brought back for Council's consideration at the August or the September budget meetings.

Appendix "B" provides a summary of the operating spending packages that have been submitted by departments for consideration in the 2015 budget. Note that these spending packages are not included in the general operating fund budget summary (Appendix "A"), as they are subject to Council's approval. These spending packages will be discussed during the departmental presentations and a portion of the August 6th meeting is set aside for further detailed presentations and Council's discussion.

COUNCIL GOALS/OBJECTIVES:

This report is related to Council's objective regarding financial sustainability, namely to have the annual budget approved by December.

FINANCIAL IMPLICATIONS:

The financial implications are discussed throughout this report.


COMMUNICATION:

Highlights of the 2015 general operating budget along with the utility budgets and general operating capital budgets will be communicated to the public at the upcoming Public Consultation session that is tentatively scheduled for October 6, 2014.

SUMMARY AND CONCLUSION:

The format for the July 9th Corporate Services meeting is to have each department present their 2015 operating budgets, provide Council with information on the services and service levels the department provides, and outline key variances between the 2014 final budget and the 2015 draft budget.

Appendix "A" summarizes the changes from 2014 financial plan to 2015 provisional budget to maintain current service levels. There are a few outstanding items for which the budget impact is not yet known and will be brought to Council at a later date. Appendix "B" provides a summary of spending package requests from departments, which are subject to Council approval.



Kerri Onken, Deputy Treasurer/Collector



Reviewed by:
Kris Boland, Manager of Finance

Comments from Chief Administrative Officer:

Reviewed

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General Operating Fund Budget Summary

Current Status of Changes to the 2015 Draft Budget

Revenue Increases (-) or Decreases (+) from Existing Sources

Fees and Charges	
Various recreation fees	
Interest on outstanding property taxes	
1% Utility Tax	
Business licences	
Various fees, charges and revenues	
Dog licences	
Penalties on taxes	
Development Corporation recovery	
Planning fees	
Cemetery fees	
Subtotal for Fees and Charges	

New construction/development revenue estimate (NCR)	
Administrative cost recovery	
Investment income (net of transfers to reserves)	
Grants in-lieu of taxes	
Total Revenue increases over Prior Year	

Expenditure Changes

Interest saving from Debt Retirement	
Increase in transfer to Roads Reserve Fund	
Animal control expenses decrease	
CUPE staff - contract increase at 0% (includes reclasses)	
Exempt staff - increase at 0%	
Paid on-call firefighters wage increase estimated at 0%	
Provision for inflation at 0%	
Increase for equipment rates at 0%	
Estimated maintenance of new infrastructure (roads, parks, lights, hydrants etc.)	
BC Transit	
Spending packages	
Fraser River Heritage Park operations and maintenance contract increase	
Detailed budget review - General Parks	
Postage rate increases	
Detailed budget review - Cemetery	
Sports Park increase to Heat, Light and Power costs	
Detailed budget review - Parks, Recreation and Culture	
Operational expenditures associated with new capital projects	
Detailed budget review - Development Services	
Retirement Costs	
Detailed budget review - Municipal Buildings	
Insurance premiums	
Software licence for new electronic filing system	
Land title fees increase due to move from BC On-line	
West coast express train services and train bus	
Welton Plaza maintenance	
Legal costs for labour relations	
Detailed budget review - Public Works	
Operating & replacement costs for new vehicles / replacement vehicles	
Council indemnity - Approval in Principle	
Career Firefighters - estimated rate increase.	
Snow removal (3rd of 4 incremental increases) - Approved in Principle	
Corporate services resourcing changes	
RCMP contract and integrated police services	
Total Expenditure Increases from Prior Year	

Subtotal - To Maintain Existing Services

Proposed Transfers to Reserves

3% incremental increase in transfer to Legal Reserve Fund	
3% incremental increase to Information Systems Reserve Fund	
3% incremental increase to Insurance Reserve Fund	
Excess development revenue transferred to reserves	
Increase in transfer to reserves from excess admin fees	
Subtotal Transfers to Reserves	

Increase to capital reserve for infrastructure renewal - NEW

Total Increases in Transfers to Reserves

Net Proposed Changes to General Operating Fund Budget

2015

Draft Budget Changes

Budget Dollars ^(a)	Potential Tax Impact
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-47,021	-0.17%
-30,000	-0.11%
-26,393	-0.09%
-1,108	0.00%
5,479	0.02% <i>Updates due to volume/use changes</i>
15,000	0.05%
15,000	0.05%
20,000	0.07%
25,000	0.09%
35,188	0.13%
11,145	0.04%
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-\$340,000	-1.22% <i>Includes the \$90,000 from 2014</i>
-79,782	-0.29% <i>Fully offset below by increased transfer</i>
-24,453	-0.09%
4,500	0.02%
\$ (428,590)	-1.54%

-248,721	-0.89% <i>Savings transferred to pavement management</i>
248,721	0.89% <i>Resulting from reduced interest costs above</i>
-1,060	0.00%
0	0.00% <i>A 1% increase would equal \$105,000 or 0.38%</i>
0	0.00% <i>A 1% increase would equal \$38,000 or 0.13%</i>
0	0.00% <i>Staff remain at top of scale</i>
0	0.00% <i>Last increased in 2009</i>
0	0.00% <i>Last increased in 2011</i>
0	0.00% <i>Last increased in 2010 (\$36,000)</i>
0	0.00% <i>BC Transit budget coming in the fall</i>
0	0.00% <i>Requests total \$560,230 or 2.01% for 2015</i>
315	0.00%
3,296	0.01%
5,500	0.02%
5,708	0.02%
6,000	0.02%
6,251	0.02%
6,650	0.02%
7,351	0.03%
10,000	0.04%
11,500	0.04%
14,032	0.05%
14,850	0.05%
15,000	0.05%
18,608	0.07%
19,000	0.07%
22,500	0.08%
24,102	0.09%
28,652	0.10% <i>19 vehicles replaced or coming online</i>
37,294	0.13%
40,000	0.14%
50,000	0.18%
90,000	0.32% <i>Off set by \$90,000 included in the NCR</i>
268,200	0.96%
\$ 703,749	2.51%

\$ 275,159	0.98% (A)
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448	0.00%
2,532	0.01%
2,871	0.01%
38,285	0.14% <i>Transfer eliminated in prior year</i>
176,540	0.63% <i>Transfer eliminated in prior year</i>
\$ 220,676	0.79%

277,900	1.00%
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\$ 498,576	1.79%
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\$ 773,735	2.77% (B)
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Estimated \$ Impact on Average Value Home - \$379,500 (2014)

To Maintain Existing Services	\$ 275,159	\$ 17.25 (A)
Net Proposed Changes	\$ 773,735	\$ 48.76 (B)

Unknowns

BC Transit
Spending packages
New construction value
Final revenue reviews

Summary of Operating Spending Packages

Department/Title of Initiative/ Project Description	Department or Council's Goal/Objective	Budget Requested	Potential Tax Impact
Finance			
<i>Taxes and Utility Billing Staffing</i>			
Requesting a part time staff to assist with tax and utility area to meet existing demands during peak times namely May to July for property taxes and October and November for tax sale and residential metered utility billing. The additional staff will allow existing staff to handle the increase in volume and complexities of customer inquiries/investigations in a timely manner, and deal with the administration of home owner grants, property tax deferment programs, refunds, residential meter program and tax sale regulations and to provide coverage for regular days off.	By supporting and allowing staff to provide assistance to customers in a more timely fashion, improving customer service.	\$37,000 (on-going) \$5,000 capital	.13%
<i>Purchasing Staffing</i>			
An additional part time storekeeper/buyer is required to handle the increasing operational tasks in Purchasing. From 2013 to 2014, the department has seen a significant rise in Stores activities and project work for other departments; stores sales are up \$8,000 a month, largely due to the on-going AC water mainline replacement program. A part time position will allow the full time buyers additional time to address strategic issues i.e. annual competitive bid requirements, inventory management and supplier rationalization. This position will also be able to provide coverage for vacation, sick and regular days off.	Enabling District staff to perform their duties, improving customer service and ensuring best value is achieved.	\$44,200 (on-going)	.16%
Parks Recreation and Culture			
<i>Youth Worker Staffing</i>			
Additional part-time staff, 20 hours per week, to work with youth in a positive and pro-active manner. This will allow the Youth Lounge to be open longer to coincide with the school schedules. Youth supervised and engaged in programs will reduce behavioral, security and vandalism issues that have been increasing. Being proactive and working with the youth is an effective use of resources and positively impacts the youths.	To improve safety and customer service and reduce vandalism of municipal infrastructure.	\$38,300 (on-going)	.14%
<i>Parks Staffing</i>			
Requesting one full time employee to enhance the Parks crew to meet or exceed existing demands for increased frequency of maintenance and customer response times. This increase will provide coverage for vacations, sickness and injuries. Current service levels have slipped as new residential development comes on stream.	To improve safety and customer service and maintain municipal infrastructure.	\$67,200 (on-going)	.24%

Department/Title of Initiative/ Project Description	Department or Council's Goal/Objective	Budget Requested	Potential Tax Impact
Council			
Community Enhancement Grant – 2015			
To increase community enhancement grants to a total of \$85,000. There may be some unallocated budget from other grant programs that could be redirected that could lower the \$25,000 budget request. Requested by Councillor Stevens. <i>(total budget request to be updated after the 2014 grant program has been finalized)</i>	Council's Goals of Municipal Operations and Partnership – Support community projects and programs	\$25,100 (on-going)	0.09%
Corporate Administration			
Employee Identification			
To fund the creation and implementation of employee photo identification cards, and to have a library of standard staff photos.		\$4,500 (one-time) \$500 (on-going)	>0.01%
Health and Safety Officer Staffing			
Requesting a part-time exempt position to develop/update and support the District's safety management system, occupational health and safety program, accident prevention programs and maintain regulatory compliance. This position would replace the existing consultant, currently budgeted at \$20,000. With this position in place, the District could receive a reduction in WorkSafe premiums. (Total cost of \$54,000 less existing consultant budget of \$20,000 = \$34,000).	Achieving a Certificate of Recognition from WorkSafeBC by December, 2015.	\$34,000 (on-going) \$5,000 capital	0.12%
Increase Hours to Part-Time HR Staff			
Increasing the exempt position by one day per pay period plus an estimated additional 144 hours to provide additional resources during periods of high volume related to HR activities.	By allowing staff to provide assistance to departments in a more timely fashion, improving customer service.	\$15,700 (on-going)	0.06%
Administrative Staffing			
Requesting one full time employee to assist existing staff with work load ensuring legislative and regulatory requirements are met and alleviate delays.	By supporting and allowing staff to provide assistance to department in a more timely fashion, improving customer service.	\$75,600 (on-going) \$5,000 capital	0.27%

Department/Title of Initiative/ Project Description	Department or Council's Goal/Objective	Budget Requested	Potential Tax Impact
Police Services			
<i>Disclosure Clerk – Part time Staffing</i>			
Requesting one .66 FTE, 3 days a week, for clerical assistance to free up the RCMP member's time to spend more time in an investigative capacity on police files.	By supporting and allowing staff to provide assistance to department in a more timely fashion, improving customer service.	\$43,815 (on-going)	0.16%
<i>Assistant Property Control Clerk – Part time staffing</i>			
Requesting one .66 FTE, 3 days a week, for assistance with property control. Workload has increased in this high risk area where falling behind or making errors can negatively impact police operations. This position will ensure a trained person is available to cover vacation and days off.	By supporting and allowing staff to provide assistance to department in a more timely fashion, improving customer service.	\$43,815 (on-going)	0.16%
<i>General Duty Policing Resources</i>			
Adding one (1) additional member per year for the next four (4) years. General Duty Policing members would immediately enhance proactive activities such as interdiction with gang members, patrols of high crime areas, street checks of suspicious people, curfew checks of prolific offenders, etc. Additional policing personnel have a potential for reduction in overtime utilized to address immediate resourcing needs. General Duty Policing members would have the ability to engage in more proactive activities, i.e. road/traffic safety.	As a result of the Resourcing Study presented to Council in August 2012	Additional funding each year 2015 - \$135,000 (on-going) 2016 - \$135,000 (on-going) 2017 - \$135,000 (on-going) 2018 - <u>\$135,000</u> (on-going) Total = \$540,000 over 4 yrs	0.48% 0.48% 0.48% 0.48%

Summary

2015	\$560,230 ongoing	2.01% potential tax impact,	\$15,000 Capital,	\$4,500 in one-time costs
2016	135,000 ongoing	0.48% potential tax impact		
2017	135,000 ongoing	0.48% potential tax impact		
2018	135,000 ongoing	0.48% potential tax impact		
Totals	<u>\$965,230</u>	<u>3.45%</u>	<u>\$15,000</u>	<u>\$4,500</u>