

Minutes of the **ADMINISTRATION and FINANCE COMMITTEE** Meeting (budget discussions) held in the Conference Room at the Municipal Hall at 8645 Stave Lake Street, Mission, British Columbia, on Thursday, December 8, 2011, commencing at 3:30 pm.

Committee Members Present: Mayor Ted Adlem
Councillor Dave Hensman
Councillor Jeff Jewell
Councillor Tony Luck
Councillor Larry Nundal
Councillor Jenny Stevens
Councillor Nelson Tilbury

Staff Members Present: Glen Robertson, Chief Administrative Officer
Paul Gipps, Deputy Chief Administrative Officer
Ken Bjorgaard, Director of Finance
Kris Boland, Deputy Director of Finance
Kerri Onken, Deputy Treasurer/Collector
Debi Decker, Administrative Assistant

Mayor Adlem called the meeting to order

Councillor Luck assumed the chair.

1. NEW BUSINESS

Overview of Community Report 2012/Financial Plan Information Power Point

AF 11/12
DEC 8/11

The Director of Finance gave an overview of the Community Report 2012/Financial Plan through a power point presentation. He advised that he would be explaining the budget in order for Council to fully understand and would welcome questions at any time throughout the presentation.

Staff clarified the following questions through the power point presentation:

- 1) A 1% tax increase equals \$261,000 in revenue.
- 2) New construction revenue amounts change throughout the budgeting process. The BC Assessment Authority (BCAA) should have more definitive new construction assessment information by the end of the year.

New construction revenue is new taxes raised on new properties (subdivisions) and construction in place as of October 31st the prior year (2012 new construction revenue is on new properties and construction as of October 31, 2011).

- 3) For cyclical revenues (revenue that isn't consistent year to year) i.e. revenue from building permit fees, subdivision fee and development fees, Finance budgets a "base" amount that is reviewed yearly to make sure the District isn't relying on cyclical funds to fund ongoing operations. These base amounts are conservative and usually the actual amount received is higher than the budgeted amount. The excess of which, is transferred to reserves.

- 4) Legislatively, all fees charged must be justified in terms of not charging more than the actual cost of the service. Municipalities cannot make a profit on fees collected. Some fees need to be subsidized as the fee would be too high (such as Leisure Centre fees) and people would not be able to afford them. Some municipalities have a fee philosophy to determine which fees are subsidized by taxation and at what percentage.
- 5) BC Transit (our local bus service and to/from Abbotsford) and West Coast Express Train and Train Bus (Translink) are two separate transit agreements that have different requirements. Translink collects and keeps all revenue generated.
- 6) Discussion ensued around the RCMP contract, the number of members, and the pros and cons of a city police force.
- 7) Hydro consumption and costs are increasing, and a budget increase is being requested for hydro costs.
- 8) Councillor Stevens commented that the Abbotsford/Mission Water & Sewer Commission (WSC) meeting minutes are very uninformative, and it is difficult to keep up to date if you don't attend the meetings. She formally requested that the WSC members provide a detailed monthly report to the rest of Council.
- 9) Asset management and the infrastructure gap - the District would like to set-up more formalized systems for discussing the cost and the timing of infrastructure replacement.
- 10) Discussion ensued around the regional utilities (water and sewer) and around water leaks in the regional water lines from Norrish Creek to Abbotsford.
- 11) Housing the methane gas from the landfill and using it for energy purposes may become a requirement and may be able to provide carbon offsets. A report will be coming forward to Council on gas collection on the landfill property.
- 12) Forestry is projecting a loss for 2011 and a profit in 2012. Council would need to have a more detailed discussion with the Director of Forest Management and/or Manager of Forestry to explain the intricacies of the forest operations.
- 13) If at the end of a year, the District is showing a surplus in its budget, staff will bring forward a report to Council suggesting where the surplus could be directed.

Moved by Councillor Nundal, and

RECOMMENDED:

That staff's Community Report 2012 overview presentation be received.

CARRIED

AF 11/13
DEC 8/11

Moved by Councillor Stevens, and

RECOMMENDED:

1. That departments' directors, apart from Public Works, be asked to prepare a revised 2012 budget proposal based on 90% of their 2011 gross (total expenditures) budget figures;

2. That these revised budget figures be made available for Council's review one week prior to the next Administration and Finance Committee (budget) meeting, scheduled for January 19, 2012.

CARRIED

Council requested that staff provide reductions that have the least negative impact on public service and that this budget process be a team concept with staff cooperation, as the economy hasn't improved and taxpayers need some assistance with lower taxes. The process is to show that the District has listened to the taxpayers and that efficiencies within our organization have been investigated and found.

To clarify the 90% budget process:

1. RCMP budget is included in the 10% reduction.
2. Reductions to programs that would create too many negative consequences need to be explained. For example, do not close Leisure Centre down for an entire day – but shorten the hours of operation during the times when there are the least number of customers.
3. Previous commitments like contracts, agreements are not affected by the 10% reduction (such as fee-for-service grant recipients and the Fraser River Heritage Park Operating Agreement).
4. Senior management to prioritize all budget reduction submissions prior to being presented to Council.
5. Staff would summarize all the budget changes to assist Council.
6. The 10% budget reduction does not apply to the Water, Sewer, Refuse, and Forestry Operating funds.

AF 11/14
DEC 8/11

Detailed Long-Term Capital Plan and Related Reserve/Surplus Projections

Copies of the detailed long-term capital plan and related reserve/surplus projections spreadsheets were provided for Council's information and review. Staff confirmed that an Administration and Finance Committee meeting will be held later in the budget cycle that will be devoted to the capital plan.

AF 11/15
DEC 8/11

Fee-For-Service Grants

The report from the Deputy Director of Corporate Administration and the Deputy Treasurer/Collector dated December 1, 2011, regarding the fee-for-service grants was discussed. Staff pointed out that the District has a three-year agreement (2011 to 2013) with these organizations, and that the District provides the funding at the beginning of January of each year. It was noted that two of these organizations have asked for additional funds and that there are two organizations requesting new grant funding. Staff advised that these additional funding requests be dealt with at the same time as all spending packages come forward to Council for discussion.

Staff confirmed that the Fee-For-Service Agreements have an exit clause, but that the District (or organization) would need to give 12 months advance written notice.

Moved by Councillor Stevens, and

RECOMMENDED:

1. That the following existing Fee-for-Service Grants (2011 rate) be provided to the following organizations for 2012:

Mission Adopt A Block*	- \$27,551
Mission Heritage Association	- \$11,356
Mission Arts Council	- \$23,094
New Horizon's Lawn Bowling	- \$ 5,623
Fraser Valley Humane Society	- \$23,840
Lifetime Learning Centre Society	- \$11,246
Mission Regional Chamber of Commerce	- \$34,067
Mission District Historical Society	- \$75,097
Mission Community Services	- \$37,000
Mission Search & Rescue**	- \$ 4,737

*Mission Adopt-A-Block funded through Refuse Reserve Fund

**Search & Rescue Mershon Street – use of building in-kind grant

2. That all new applications be considered at the same time as all spending packages come forward to Council during the budget discussions.
3. That all existing fee-for-service grant recipients be advised by letter that Council will be carrying out a review in October of 2012 of all fee-for-service grants, and
4. That the existing fee-for-service grant recipients be given written notice in January 2012, that Council will be reviewing their Agreement to determine whether the organization will for 2013:
 - a) receive the 2012 grant amount,
 - (b) receive more than the 2012 grant amount,
 - (c) receive less than the 2012 grant amount, or
 - (d) have their Agreement terminated.

CARRIED

AF 11/16
DEC 8/11

Fraser River Heritage Park Operating Budget Request

The Director of Finance referred to the report from the Deputy Treasurer/Collector regarding the Fraser River Heritage Park (FRHP) Operating Agreement and budget. The Director confirmed that the District pays the Mission Heritage Association (MHA) prior to the beginning of each year and that the FRHP has submitted a budget which staff have reviewed.

The following was noted by staff regarding the FRHP budget submission:

- a) Development Corporation loaned MHA money to pay for a lawn mower, and that loan (\$5,460) has now been paid off. This dollar amount has been moved to another budget item.
- b) One-time only funds (\$6,670) for the gardens maintenance has been moved to another budget item.
- c) Staff recommend that FRHP be provided with the base operating Agreement amount, that the additional funding requests be considered with all the other spending packages, and that representatives from MHA come to a meeting as a delegation.

Moved by Mayor Adlem, and

RECOMMENDED:

- 1) That the grant forwarded to the Mission Heritage Association for operating and maintenance of the Fraser River Heritage Park for 2012 be the base amount of \$142,616.46;
- 2) That the additional funding request from Fraser River Heritage Park be considered at the same time as all spending packages come forward to Council during the budget discussions;
- 3) That representatives of the Mission Heritage Association appear as a delegation to the Administration and Finance Committee meeting to discuss changes to the budget request; and
- 4) That staff review the language of the Fraser River Heritage Park Operating and Maintenance agreement for clarity.

CARRIED

AF 11/17
DEC 8/11

Fraser Valley Regional Library (FVRL) Draft Budget

The Director of Finance referred to his report regarding the Fraser Valley Regional Library (FVRL) draft budget. He noted that the FVRL board needs to have their budget adopted by February 29, 2012, and that Council can provide our representative (Councillor Stevens) with information on how to vote on the FVRL budget.

Staff advised Council that the fixed costs of running the Library Head Office and the Mission library were decided upon by the FVRL, but that the hours of operation of the Mission branch could be influenced by Council.

Moved by Mayor Adlem, and

RECOMMENDED:

- 1) That at the January 18, 2012, Fraser Valley Regional Library Board meeting, Mission's Fraser Valley Regional Library Council representative be directed to request a 10% reduction to the Fraser Valley Regional Library budget; and

- 2) That Mission's Fraser Valley Regional Library Board representative be directed to vote for the Fraser Valley Regional Library budget if it is 0% or less.

CARRIED

Staff confirmed that FVRL budget won't have anything to do with the hours of operation at the Mission branch and that this option could be brought up later with our community library manager.

AF 11/18
DEC 8/11

Tentative Budget Meeting Schedule

The Chief Administrative Officer confirmed to Council that the Council Planning Session is January 13 and 14, 2012, and that the consultant would like to meet with each councillor individually prior to Christmas.

Discussion ensued around the tentative budget meeting schedule and it was agreed that the next meeting on Thursday, January 19, 2012, would be a closed meeting (due to the discussion of possible budget reductions that may include staff positions), and that staff would try to hold the meeting between 9:00 am and 1:00 pm.

2. OTHER BUSINESS

There was no Other Business.

3. ADJOURNMENT

Moved by Councillor Tilbury seconded by Councilor Nundal., and

RESOLVED: That the meeting be adjourned.

CARRIED.

The meeting was adjourned at 7:55 pm.



TED ADLEM,
MAYOR



PAUL GIPPS,
DEPUTY CHIEF ADMINISTRATIVE OFFICER