

Minutes of the **Freestanding Committee of the Whole (Corporate Services 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, August 06, 2014 commencing at 3:00 p.m.

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

Committee Members Absent: Councillor Tony Luck
Councillor Larry Nundal

Staff Members Present: Ken Bjorgaard, Chief Administrative Officer
Tina Penney, Acting Manager of Corporate Administration
Kris Boland, Manager of Finance
Kerri Onken, Deputy Treasurer/Collector
Scott Ross, Manager of Accounting Services
Sean McGinn, Acting Director of Engineering & Public Works
Larry Watkinson, Fire Chief
Maureen Sinclair, Director of Parks, Recreation & Culture
Margie Laue, Manger, RCMP Detachment
Debi Decker, Administrative Assistant

1. CALL TO ORDER

The meeting was called to order.

2. ADOPTION OF AGENDA

COW14/037
AUG 06/14

Moved by Councillor Tilbury, seconded by Councillor Stevens, and

RESOLVED: That the August 06, 2014 Freestanding Committee of the Whole (Corporate Services – Budget) meeting agenda be adopted.

CARRIED

3. CORPORATE SERVICES

COW14/038
AUG 06/14

Debt Retirement Strategy Update

A report dated August 6, 2014 from the Manager of Finance regarding a debt retirement strategy update was provided for the committee's consideration.

The Manager of Finance gave a presentation highlighting the debt retirement strategy, including the upcoming opportunities for debt pay-out or pay-down on four different debt issues.

Discussion ensued around current reserve fund balances and the optimal balance amounts, the annual transfer of \$521,820 to the Debt Retirement Reserve Fund, and debt servicing savings.

COW14/039
AUG 06/14

Moved by Councillor Jewell, and

RECOMMENDED:

1. That the funding source for a total of \$560,000 that was previously approved for the Welton Street Plaza design and construction project be changed from General Fund Accumulated Surplus to Community Works Gas Tax Reserve Fund;
2. That the District payout general debt issue #85 early on December 2, 2014 in the amount of \$1,239,224 with \$799,224 funding from the Debt Retirement Reserve Fund, and \$440,000 funding from General Fund Accumulated Surplus;
3. That the District payout sewer debt issue #63 early on December 1, 2014 in the amount of \$42,135 with funding from the Sewer Capital Reserve Fund;
4. That the annual amount of \$521,820 which is currently being transferred into the Debt Retirement Reserve fund be considered for other 2015 budget priorities, in addition to the annual debt servicing savings that result from the early debt payouts listed above; and
5. That the District's financial plan be amended accordingly.

Discussion ensued on the feasibility of the District taking advantage of the two debt issues that have the option of a pay-out or pay-down in 2015 and 2016, as the debt retirement fund will be depleted if issue #85 is paid out.

The committee discussed where the funds from the debt servicing savings and the current \$521,820 annual transfer to the debt retirement fund could be directed and it was:

COW14/040
AUG 06/14

Moved by Councillor Jewell, and

RECOMMENDED: That recommendation number four of motion COW14/039 be amended as follows:

- By replacing the word "other" that is in between the words "for" and "2015" with the word "funding";
- By replacing the words "debt payouts listed above" with "debt payout of issue #85";
- By moving the phrase "in addition to the annual debt servicing savings that result from the early debt payout of issue #85" to after the word "fund"; and
- By adding the words "including further debt retirement" at the end of the sentence.

CARRIED

The Mayor called the question on the main motion, COW14/039 as amended, and it was:

CARRIED

Staff clarified that with the upcoming election, this Council would be recommending options for the 2015 budget to the newly elected council, who will ultimately be approving the 2015 budget.

COW14/041
AUG 06/14

Spending Packages for 2015 Draft General Fund Operating Budget

A report dated August 6, 2014 from the Deputy Treasurer/Collector regarding 2015 department spending packages was provided for the committee's information.

The Deputy Treasurer/Collector informed Council that as part of the quarterly review process staff have been reviewing and adjusting their 2015 budget projections, and some additional revenue is available that could reduce the impact of the spending packages on the budget. The Collector advised that the spending packages would be brought forward at the first budget meeting in 2015 for the new Council to review.

The committee discussed the Community Enhancement grant spending package and it was:

Moved by Councillor Stevens, and

RECOMMENDED: That funds totaling \$25,100 be reallocated from savings within other grant program budgets to the Community Enhancement Grant program.

CARRIED

COW14/042
AUG 06/14

2015 General Operating Fund Draft Budget Status

A report dated August 6, 2014 from the Deputy Treasurer/Collector regarding a status update to the 2015 General Operating Fund draft budget was provided for the committee's discussion.

The Deputy Treasurer/Collector pointed out that the only change to report on the 2015 draft budget from the last meeting is updated revenue information. She noted that there are still budget unknowns, i.e. BC Transit, spending packages, new construction value, outcome of collective bargaining, and the debt retirement strategy approved today.

Staff pointed out that just under 1% of the draft budget increase is towards maintaining existing services, with the balance for increases in transfers to reserves, which are crucial for the future of this community.

COW14/043
AUG 06/14

2014 Pavement Management Program

A report dated August 6, 2014 from the Operations Manager regarding the 2014 pavement management program projects was provided for the committee's information.

Discussion ensued on the list of projects and the determining factor(s) for prioritizing road repairs/rehabilitations, which includes many factors and variables.

4. ADJOURNMENT

COW14/044
AUG 06/14

Moved by Councillor Hensman, seconded by Councillor Jewell, and


RESOLVED: That the meeting be adjourned.

CARRIED

The meeting was adjourned at 4:29 p.m.



WALTER (TED) ADLEM
MAYOR


KEN BJORGAARD
CHIEF ADMINISTRATIVE OFFICER
(Interim Corporate Officer)