

Minutes of the **SPECIAL ADMINISTRATION and FINANCE COMMITTEE** Meeting held in the Conference Room at the Municipal Hall at 8645 Stave Lake Street, Mission, British Columbia, on Thursday, September 24, 2009 commencing at 3:35 pm.

Committee Members Present: Mayor James Atebe
Councillor Terry Gidda
Councillor Paul Horn
Councillor Danny Plecas
Councillor Mike Scudder

Committee Members Absent: Councillor Jenny Stevens
Councillor Heather Stewart

Staff Members Present: Glen Robertson, chief administrative officer
Dennis Clark, director of corporate administration
Ken Bjorgaard, director of finance
Kerri Onken, deputy treasurer/collector
Kris Boland, manager of capital/utility financial planning and investments
Debi Decker, administrative assistant

Mayor Atebe chairing the meeting as Councillor Stevens was absent, called the meeting to order.

The chief administrative officer advised that he has just been informed that the Build Canada Funds had been resolved and that there was going to be an announcement tomorrow (Friday, September 25, 2009) morning at 9:00 am regarding Cedar Street and a 2.6 million dollar grant.

1. NEW BUSINESS

AF
09/02

Status of General Operating Fund Budget and Related Budget Direction

The director of finance reminded council that the budget/tax increases estimated after the 2009 budget planning were 7.54% in 2010 and 7.18% in 2011, and that after incorporating a number of adjustments, the tax increases were currently at 8.07% for 2010 and 7.69% for 2011. He confirmed that these percentages did include the composite fire department increase.

Discussion ensued around the transit service budget and the proposed gas tax, and it was recommended to move to a closed meeting.

The meeting recessed at 3:50 pm and reconvened at 4:00 pm.

The director of finance reiterated that staff are looking for direction from council on what tax increase scenarios council is looking for, and that staff would provide the consequences of cutting services, and would hopefully that would not create structural deficits in departments.

Discussion ensued on the HST impact, with staff advising that they had been advised that the new HST is supposed to be budget neutral. Council requested that staff keep them informed in regards to any HST impacts.

Discussion moved towards other revenues, sale of services, gaming funds, gas taxes and Shaw Pit. The director of finance advised that with the exception of Mission Restorative Resolutions (MRR) and the Social Development program, all gaming and gas tax funds were being used for one-time projects, and that the MRR budget was no where near the approximate \$600,000 per year that the District receives from gaming.

Discussion continued on how council needs to look at different tax increase options/scenarios and related service reductions. Council requested that staff provide tax increase scenarios for 4%, 5%, 6%, and 8% tax increases. Then council will be able to look at what these scenarios look like and can decide what services/programs should and should not be reduced/cut from the budget.

Staff commented that a number of the services included in the "cost of maintaining existing services" were approved during the 2009 budget cycle and were already in place, with the 2010 tax increase completing the full year budget impact. It was noted that there are consequences, whether immediate or future, for every service/budget item that gets cut.

Discussion ensued further around budget cuts and it was recommended to move to a closed meeting.

The meeting recessed at 4:30 pm and reconvened at 4:35 pm.

Discussion ensued around sources of revenue, and when questioned, staff advised that there is a Fees and Charges Committee that reviews the fees each year, to ensure that the amount charged is reasonable. It was noted that a number of services that are used frequently are free such as rentals of leisure centre rooms to community groups and criminal record checks for students, to name a couple.

Discussion differed on whether the 2010 composite fire department tax increase (of 1.68%) should be included in the 4% and 5% tax increase scenarios, with most councillors agreeing that all services should be considered for each of the tax increase scenarios.

Moved by Councillor Horn, and

RECOMMENDED:

1. That in terms of the general operating fund budget/tax increase scenarios, staff are requested to report back with all inclusive 4%, 5%, 6%, and 8% tax increase scenarios; and
2. That the draft budget schedule including related timelines be amended to take in account council's comments and that an amended schedule be brought back to the special administration and finance committee meeting on October 5, 2009.

OPPOSED: Councillor Scudder

CARRIED

Discussion ensued around the proposed financial plan/budget document and the director of finance explained that staff's intent was to present it to council on December 10, 2009 at an administration and finance committee meeting. He continued that the document would show detailed operating and capital budgets as well as the tax increase scenarios that council had requested.

Council requested that the tax increase scenarios be presented prior to inclusion in the budget document. A meeting date of November 9, 2009 was agreed upon for this purpose.

Discussion continued around the public budget consultation meeting process and it was suggested to have two evenings, one to present the budget in an informal public information format with display boards, etc., and then a second more formal evening to provide an overview and to hear public comments. It was agreed that a shorter overview budget document would be produced for the public.

AF
09/03 Moved by Councillor Horn, and

RECOMMENDED: That council supports staff's initiatives for the financial plan/budget document.

CARRIED

AF
09/04 **Reorganization of the District's Reserves/Surplus and Related Draft Policy**

Discussion ensued around the Gaming Revenue Reserve and what the funds should be used towards. The director of finance advised that when the bylaw is drafted, it would list what the gaming revenue is to be used for. The director also confirmed that staff would be advising council with a quarterly report, how and where the District's reserve money was being invested.

Moved by Councillor Scudder, and

RECOMMENDED:

1. That the Reserve and Surplus Policy be approved and that staff enact the Policy by bringing forward the appropriate bylaws for first three readings and adoption;
2. That the recommended reserve transfer allocations and the reserve transfers going forward, be reflected in the District's financial plan; and
3. That the recommended reserve balance transfers be implemented via the appropriate bylaws, namely a \$75,000 transfer from the Insurance Reserve to the new Legal Reserve and a \$772,243 transfer from the former Segregated Major Projects Reserve with \$400,000 going to the Major Capital Reserve and \$372,243 going to the new Debt Retirement Reserve.

CARRIED

2. ADJOURNMENT

Moved by Councillor Plecas, seconded by Councillor Scudder, and

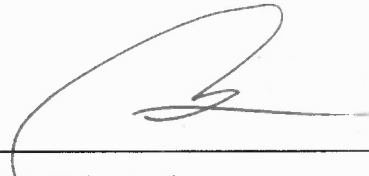
RESOLVED: That the meeting be adjourned.

CARRIED.

The meeting was adjourned at 5:30 pm.



JAMES ATEBE,
MAYOR



DENNIS CLARK,
DIRECTOR OF CORPORATE ADMINISTRATION

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