

Minutes of the **SPECIAL MEETING** (Budget Consultation) of the **DISTRICT OF MISSION COUNCIL** held in the Council Chambers of the Municipal Hall, 8645 Stave Lake Street, Mission, British Columbia, on Tuesday, March 17, 2015 commencing at 7:00 p.m.

Council Members Present: Mayor Randy Hawes
Councillor Pam Alexis
Councillor Jim Hinds
Councillor Rhett Nicholson
Councillor Danny Plecas
Councillor Jenny Stevens

Council Members Absent: Councillor Carol Hamilton

Staff Members Present: Glen Robertson, Acting Chief Administrative Officer
Tina Penney, Acting Manager of Corporate Administration
Kris Boland, Manager of Finance
Inspector De Jager, RCMP Mission Detachment
Sean McGinn, Acting Project Manager
Kerri Onken, Deputy Treasurer/Collector
Bob O'Neil, Director of Forest Management
Maureen Sinclair, Director of Parks, Recreation & Culture
Larry Watkinson, Fire Chief
Mike Younie, Director Development Services
Rogine Battel, Support Services Supervisor (RCMP)
Brandi Cowell, Administrative Clerk
Debi Decker, Administrative Assistant

Members of the Public: ± 20

Members of the Press: 1 – Kevin Mills, Mission City Record

1. CALL TO ORDER

The meeting was called to order.

2. ADOPTION OF AGENDA

Moved by Councillor Alexis, seconded by Councillor Hinds, and

RESOLVED:

That the March 17, 2015 Special Council Meeting – Budget Consultation Agenda be adopted.

CARRIED

3. NEW BUSINESS

2015 Proposed Budget - Presentation

The Deputy Treasurer/Collector gave a presentation on the 2015 proposed budget for Council's and the public's information.

SC15/012
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SC15/013
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The following highlights on the proposed budget were presented:

- Budget Process
- Presentation Agenda
- Budget Highlights
- Operating Revenue and Expenditures
- Utility Operations – Water Fund
- Utility Operations – Sewer Fund
- Utility Operations – Waste Management
- Utilities
- Forestry Enterprise
- Capital Plan
- Debt
- Reserves
- New Spending Programs for 2015
- Key Budget Drivers for 2015
- Funding the Budget Drivers
- Budget Range
- Impacts of Proposed 2015 Budget
- Property Taxes
- Budget Survey

The Mayor explained the Council flexibility line item of \$504,000. Council wants to hear from the public on what new services or existing services should be funded and these funds will allow Council to move forward with projects or services that they may not have put into the budget. If the public feels that Council shouldn't have this flexibility, then the budget increase could be as low as 0.65%.

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2015 Budget Highlights

Reference was made to the 2015 Budget Highlights document and it was made available for information.

4. PUBLIC COMMENTS

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Comments from the Public

The Mayor opened the floor to the public for their comments, questions, and feedback.

Janet Schmidt voiced her disappointment on the budget survey section that asks for "... your level of support for increased spending on public safety and enforcement?" when public safety includes RCMP, Fire/Rescue, and Bylaw Enforcement. She requested that these three different areas be separated out as they are not one issue and accordingly should be addressed separately.

William Vroom requested that Council live within their means and believes that this could be done without having to raise current taxes. He advised that he had completed the survey and had read the budget highlights, but not the full budget document yet.

In regards to the comparison graph shown on page 6 of the highlights document, Mr. Vroom questioned why Surrey was not included in the graph data. He requested that the average assessed home value be included, or a separate graph, that shows what other communities' average assessed home values are for comparison purposes. He believed that, in Surrey for example, their averaged assessed home value could be a million dollars, yet their property taxes are lower. A comparison on the property value versus property taxes would be a fair comparison.

Mr. Vroom stated that he was in favour of wanting to increase the RCMP officers, but suggested increasing by only one extra officer, as this might save money. With regards to the half a million dollars of discretionary funds, he would like to see that cut to zero. Looking over the long-term versus the short-term of hiring part-time employees for peak demands, he felt that paying over-time to employees during the peak times would be beneficial for the short-term. This would save costs and training when hiring an additional person. Perhaps an incentive for taxpayers to pay their taxes online or at a bank, moving people towards technology, would alleviate the need for an additional person as less people would be coming into the Municipal Hall to pay their property taxes.

Mr. Vroom agreed with setting aside funds now that the debt is low, using the funds previously used towards debt for other things. While he agreed that repairs to the Gill Avenue bridge approach are needed, it probably could wait a year, or include half of the necessary funds for this project in this year's budget and the other half in the 2016 budget.

Mr. Vroom commented on the tax increases from 1997 and while the last three years saw zero and 1.49% increases, the average year's taxes went up around 3.5%. While this Council is not in that range, the 2.5% increase is higher than inflation.

Mr. Vroom supported the development of the industrial park as this was a great location, close to the US border, the freeway, no tolls to Vancouver or Richmond, but the taxes as opposed to the industrial value are higher and going higher. There is no incentive for businesses to locate to Mission.

Mr. Vroom closed by reiterating that he would like to encourage Council to live within their budget that Mission's taxes are on the higher side, not average, when compared to property values.

In response, it was stated that property taxes collected are calculated by the tax rate times the assessment value. It can be difficult to compare the actual tax rates of different municipalities because the assessed market values of real property differ from municipality to municipality. If real property market values are higher in Surrey than Mission for example, Surrey can have a lower tax rate yet still generate the same amount of tax revenue.

Michelle Bishop questioned what is the bylaw enforcement portion of the Survey's Public Safety? RCMP and Fire/Rescue is understood, but not bylaw enforcement. She commented that these three areas should be separate in the survey.

Staff responded that the survey was intended to ask for the public's feedback on level of support for increasing spending on public safety and enforcement. There has not been any spending program put forth for bylaw enforcement.

If the public is seeking more spending on bylaw enforcement then this can be communicated here and in the survey response.

William Vroom questioned capital expenditures, is the cash put up front and then amortized or is 100% written off up front?

Staff responded that the capital assets are amortized over their life. Staff questioned whether the speaker was inquiring about the funding of capital projects?

Mr. Vroom stated that he is suggesting funding half of the project each year for two years, and then being amortized.

Staff confirmed that it's the approach to the bridge that needs the repair but otherwise the bridge itself is adequate, and that any works would be amortized over its life 10-20 years, a bookkeeping exercise. Budget is how capital projects are funded. Each year a portion of property taxes is transferred to reserves and it's those reserves that are used to fund capital projects. If the project isn't completed this year it may not have a direct impact to this year's budget. In the short-term, splitting the funding doesn't affect the tax increase.

Mr. Vroom agreed that his suggestion wouldn't necessarily work for this year. He stated that he wanted to give constructive suggestions for reducing the budget. He then suggested giving incentives for paying fines early, or paying for your dog licenses for five years and get a discount, or pay at the bank or internet and pay less.

Ivy McLeod questioned the survey section, Youth Activities and Support, and whether or not this includes the skateboard park? Do we have the exact cost? Do many kids use the skateboard park? Have they done any fundraising of their own?

Staff responded that there are small skateboard parks for around \$200,000 but that the design is needed before we have a better idea of the cost. The location for the skate park might be the same or a different one and that could increase costs as well. Staff advised that the existing park was built by volunteers, and believes that there will be other forms of funding to help with this new park.

Council responded that there was a youth committee formed that Councillor Nicholson chairs. This committee has gone out to see what the demand is from the kids, and that lots of kids use the skateboard park, but it is falling apart so some of the kids are travelling to other parks. Parks in other communities have been visited and priced out, but the location and size determines the cost. Skateboarding most likely will be a growing activity if a good park is built.

Beverly Dixon questioned the Fraser Valley Regional Hospital (FVRH) 3% tax levy, asking why other Fraser Health municipalities are not paying this tax. The survey is asking about homelessness, which is a health care issue, and Fraser Health taxes should be used towards affordable housing and homelessness.

Council responded by advising that the FVRH tax levy is for hospital debt, Abbotsford and Chilliwack Regional Hospitals and for any major and minor capital projects.

Council noted that:

- A new Assertive Community Treatment Team (ACT Team) is being created who will be working with the homeless and people with mental health and/or drug addiction issues;
- A Stone Soup Homelessness Initiative being headed by the District's Manager of Social Development and Mr. Paul Horn; and

- An RCMP member will be designated as the Detachment Mental Health Coordinator who will be an active member of the ACT Team.

Ms Dixon suggested having more information on the health budget on the District's website as the Fraser Health website is not helpful and this information is not readily accessible. She thanked Council for the clarification. She asked that Mission work with other municipalities in the Fraser Valley Regional District, because as a group we have more say with the senior governments.

George Nickerson agreed with other speakers regarding putting all the public safety areas together was not a good idea and that they needed to be separate. He asked why there was a need for another assistant fire chief, but he did agree with adding three additional police officers.

Staff responded that the original assessment of the Mission Fire/Rescue Service originally had two assistant fire chiefs covering for 7 days a week. The organization is broken down into different operational functions: emergency planning, operations and fire prevention.

The rationale for a second assistant fire chief is:

- Would be charged with training all the 80 fire fighters, looking after the three fire stations, and taking care of the day-to-day operations.
- The District would see a significant increase in the emergency preparedness program that has been inactive since the removal of the second assistant fire chief.
- New programs like the one to increase the Rail Emergency Preparedness Plan which is inactive and hasn't been developed yet.
- Review the Fire Underwriters survey for the District of Mission to hopefully see decreases in our day-to-day home insurance for fire protection ratings.
- Working with staff and outside groups for public education.
- Operational readiness as the Fire Chief can't be on scene at a large scale event mitigating the emergency and looking after the operational incident command.

Jeff Jewell complimented Council on their diligence to get the budget to this point and retaining the 2% increase to the water and sewer utility user rates for transfers to the utility reserves, as it is important for funding for water and/or sewer capital projects. He spoke about the budget range from 0.65% and 2.5% and that Council needs to find a "sweet spot" in the middle of this range. He stated, an easy place to reduce spending would be the increase for Council's flexibility. We should not demand more from Council, if we control ourselves we should shoot for the CPI. We are still in distressed economic times, banks are cutting their interest rates this is not the time for grand expenditures.

Mr. Jewell continued that the budget highlights shows that Council is trying to take on too much, more than necessary. Needs and wants need to be identified, wants need to be prioritized, need to juggle different needs, wants and priorities. He wasn't suggesting a zero percent increase, but perhaps a CPI level increase. The District is now getting the benefits with the reduced debt servicing amounts, and the debt retirement transfer amounts that have been discontinued, but there is still more debt to pay off. We need to pay off our debt before we start accumulating more debt.

Mr. Jewell questioned the debt interest savings that was supposed to be transferred to fund pavement management, almost doubling the funding. He noted that the RCMP had requested budget increases in previous years, but the Council at the time advised that they had a mandate to hold taxes, challenged our staff to do more with less and challenged the RCMP headquarters to do the same. Mission detachment delivered with declining crime stats while being understaffed by four positions. Budgets are a question of priorities, and would like Council to take another look to have the budget close to CPI level.

Staff responded to clarify the pavement management program. The budget is still \$3.2 million and at the end of 2013 some early debt retirement funds came available to go towards the pavement program. The \$2.8 million quoted in the highlights document is the capital budget amount and not the operating budget amount.

It was noted that the three officers being added will assist in creating a Prolific Offender Team as the bulk of our community's crime comes from prolific offenders.

William Vroom questioned who was responsible for the regular fire inspections of buildings in Mission as this function seems to be lacking.

Staff responded that it would be the Assistant Fire Chief of Fire Prevention who would oversee the fire inspections, the cycles, and the frequency. The type of occupancy within a building sets the frequency, which is set by Council.

Mr. Vroom stated that hiring one police officer might be appropriate, but he would stick with the three additional officers as it will probably be good for the community, but he would still like Council to hold the line. He asked how many officers Mission has on staff, and how this number is determined.

Council responded that when discussion first came up regarding the additional police officers, the benefits of one versus three were reviewed. The District hadn't hired a police officer in over 10 years and one police officer would not be noticeable. However, if you hire three officers together, you will see an effect on how policing is in the community.

Staff advised that based out of the Mission Detachment there are six provincial officers, 50 established officers, of which we currently have funding for 47 officers. The additional three members will bring the established number to match the funded number. The contracted number of officers is partially set by population, but also the District, demographics, crime, etc.

Mr. Vroom questioned if adding these three officers in 2015 with a population of 38,000, would the total complement of officers take the District to a population of 45,000 or would we still need to add additional officers? He added that he understands that policing is not an easy job, but an important part of our community.

Council responded by advising that a three-year forecast had been completed and the plan is to hire one additional police officer each year for the next three years. The District used to have an approved complement of 52 but it was reduced to 50, and only 47 officers were hired. The District will now move to 50 officers hired, and a request to increase the approved complement will be forwarded to E-Division in order for additional police officers to be hired in the upcoming years.


The Mayor asked for any more questions or comments, and hearing none, this portion of the meeting was concluded. The Mayor reminded everyone that comments, questions, and/or surveys could still be submitted until 8:00 am Monday, March 23, 2015.

5. ADJOURNMENT

SC15/016
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Moved by Councillor Plecas, seconded by Councillor Alexis, and
RESOLVED: That the meeting be adjourned.
CARRIED

The meeting was adjourned at 8:30 p.m.



RANDY HAWES
MAYOR

TINA PENNEY
ACTING CORPORATE OFFICER

