

Minutes of the **SPECIAL MEETING** (Administration & Finance) of the **DISTRICT OF MISSION COUNCIL** held in the Council Chambers at the Municipal Hall at 8645 Stave Lake Street, Mission, British Columbia, on Thursday, January 08, 2009 commencing at 3:40 pm, and held in the Conference Room at the Municipal Hall on Monday, January 12, 2009 commencing at 5:50 pm.

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

January 12, 2009 other Staff Members Present for part of, or all of the meeting: R. Herman, director of parks, recreation & culture
R. Bomhof, director of engineering & public works
M. Younie, manager of environmental services

1. COMMITTEE OF THE WHOLE

RESOLUTION TO RESOLVE INTO COMMITTEE OF THE WHOLE

AF
09/01

Moved by Councillor Gidda, seconded by Councillor Stewart and,

RESOLVED: That council now resolve itself into committee of the whole.

CARRIED

ADMINISTRATION & FINANCE

Councillor Stevens assumed the chair.

AF
09/02

The director of finance started the meeting with a power point presentation overview of the District's financial plans.

Highlights of the power point presentation included:

- Provisional Operating Plans/Budget

- Budgeting Process
- Operating Expenditures
- Operating Revenues
- New Construction Revenue
- 2009 Provisional Operating Budget
- 2010 Provisional Operating Budget
- 2011 Provisional Operating Budget
- Outstanding Issues and New Information
- Assessed Values and Comparative Tax Information
- Budget Options

The director of finance stated that the intent of the multi-year budget was for council to look at the overall needs of the District over three years rather than just one year.

Council questioned the private security for the downtown area, and **directed staff to** contact the Downtown Business Association (DBA) to discuss expectations of service and financial obligations of the District and the DBA, and to report back to council.

The freezing of the 2007 BC Assessment property values was discussed, with **council directing staff to** explain to the taxpayers, that because the BC Assessment property values has been frozen, this did not necessarily mean that 2009 property taxes would be frozen or lower than 2008 taxes. Council requested that information pertaining to how Mission's "average taxpayer" relates to other "average taxpayers" in neighbouring municipalities be relayed in an article on the City Page.

The director continued with his power point presentation which highlighted the following:

- Water and Sewer Utilities
 - Overview
 - Maps of Regional and Localized Water and Sewer Systems
 - Water Operating Plan
 - Water Operating Expenditures and Transfers
 - Regional Water Capital Plan
 - Change in Magnitude of 20-Year Regional Water Capital Plan
 - Other Water Capital Programs
 - Sewer Operating Plan
 - Sewer Operating Expenditures and Transfers
 - Regional Sewer Capital Plan
 - Change in Magnitude of 20-Year Regional Sewer Capital Plan
 - Other Sewer Capital Programs
 - Utility Debt and Reserves

- Long-Term Utility Debt (external)
- Internal Utility Debt/Transfers
- Reserve, Surplus and Restricted Revenue Balances
- Cost Sharing
- Challenges
- Overcoming Challenges
- Historic and Recommended Sewer Rates
- Historic and Recommended Water Rates

The director of finance noted that there had been a positive impact from the water conservation initiative over the summer months. **Council requested that** the director of engineering & public works provide a report to council on the options of utilizing large cisterns within the District.

Discussion ensued around the regional utilities, the development of a second water source (Stave Lake), and how infrastructure grants were being sought for water and sewer capital projects. Staff confirmed that they would be submitting a briefing document to senior levels of government to explain that the regional utilities, which are regional systems, should be considered a separate entity, from either the District of Mission or the City of Abbotsford, for granting purposes.

Staff informed council that Abbotsford had, without consulting District staff, initiated a "hiring freeze" that included regional utility staff. After discussions, **council requested that Mayor Atebe** discuss with Mayor Peary the need for City of Abbotsford staff to consult with District of Mission staff, prior to any decisions being made concerning regional utilities.

The director continued with his power point presentation as follows:

- Regional Water and Sewer Development Cost Charges (DCCs)
 - Overview
 - Regional Water Supply DCC Rates
 - Regional Sewage Treatment DCC Rates
 - DCC Regulations
 - Master Plans and Growth
 - Cost Sharing and DCCs
 - Overcoming Regional Water and Sewer DCC Challenges

The director of finance informed council that *Community Charter* regulations now require municipalities to request permission to include interest from borrowed funds for a DCC capital project as a recoverable DCC expense, which would then be included in the DCC rate calculation.

Discussion continued around the pros and cons of fast tracking capital projects by borrowing funds and building in this economic slump (lower interest rates and help stimulate the economy), versus synchronizing construction with growth.

The twinning of the sewer line across the Fraser River was discussed, and **council requested that** the director of engineering & public works attend the January 12, 2009 special council (admin & finance) meeting to be available for council's questions/concerns.

Discussion ensued around DCC rates and the 1% assist factor. The director explained DCC projects are necessary due to community growth, and the provincial government has determined that there needs to be a financial "assist" from existing taxpayers towards each DCC capital project, and Mission's "assist factor" is 1%.

The director of finance suggested using gas tax monies to help fund DCC projects, thereby increasing the assist factor, and saving interest payments on borrowed money. He clarified that gas tax money is limited as to what it can be spent on, i.e. environmental programs, water and/or sewer projects.

Council questioned using gas tax funds to fund what normally is considered a "developer" cost, capital projects due to development. The director clarified that if money needed to be borrowed to fund the capital projects ahead of the collection of the DCC fees, using gas tax monies instead of borrowing would save the taxpayers interest charges over the life of the loan.

When questioned, the director of finance clarified that DCC rates are proposed to council, and then presented to the public. After 3rd reading the bylaw is forwarded to the inspector of municipalities for approval before our council can adopt the bylaw. Due to the "in-stream" rules there is a long "lag-time" before collecting new DCC rates.

Discussion ensued around the regional utilities, water sale opportunities; different options with regards to the Val-E-Gro product (soil that is produced from solid waste material through the JAMES plant), and were the expenditures associated with the Val-E-Gro product in-line with revenues generated? Staff noted that these were valid points to be brought to the water & sewer commission.

The director continued with his power point presentation as follows:

- Long-Term Capital Plan and Related Reserve and Debt Projections
 - Capital Expenditures/Capital Funding Sources
 - Capital Programs
 - Reserves and Debt
 - Reserve, Surplus, Restricted Revenue Balances
 - Long-Term Debt
 - Overcoming Challenges

The director of finance clarified that Municipal Finance Authority (MFA) loans can be paid off early in the 10th year prior to the maturity date. He stated that if debt could be paid off using money from reserve funds, then the interest and principle payment amounts could be used for other capital projects. The director advised that for this purpose, he would advocate a Debt Retirement Fund, and would like to see a small percentage of the property taxes be diverted towards reserve funds.

Discussion ensued around all the departments and their respective budgets. **Council directed staff to** arrange a meeting where department heads could give a presentation to council on operating programs/services provided, service levels, and capital budgets. Council would like the opportunity to speak with each department head, to seek budget/programs/services clarification and priorities.

Discussion continued regarding the Development Corporation and whether the corporation was still required. **Council directed staff to** prepare a report detailing the pros and cons of having a Development Corporation.

The director continued with his power point presentation as follows:

- Refuse and Recycling
 - Costs
 - Refuse Rates
 - Historic and Recommended Refuse and Recycling Rates

Discussion ensued around the statement in the report entitled "Amendment to the Refuse Collection and Disposal Bylaw 1387-1984: Changes to User Rates" dated December 22, 2008, from the managers of environmental services and capital/utility financial planning and investments, that stated, "the user rate and fee review shows that refuse user rates are subsidizing the refuse tipping fee at the landfill . . .".

Council requested that the manager of environmental services attend the January 12, 2009, special council (admin & finance) meeting to provide answers to the following questions:

1. How much does Metro Vancouver, (includes Abbotsford site) subsidize their tipping rates?
2. How far do refuse collection companies come to dump in Mission?
3. How far do refuse collection companies go to dump at the Abbotsford site?
4. If we raise our tipping rates and lose some business, would the landfill last longer?

The director concluded his power point presentation.

AF
09/03

Fee-for-Service Grants

Staff brought forward a copy of the motion from the December 13, 2007, Special Council (Admin & Finance) meeting where council approved the fee-for-service grants for a three-year period. Council stated that they had approved the grants for three years and would not be revisiting this motion.

Discussion ensued around the Mission Arts Council (MAC) presentation at the regular meeting of council held on Monday, January 5, 2009. Council had the following questions for the MAC:

1. If the MAC receives an increase to their tax relief grant, will they stay at their present location?
2. Is Option 1A/B (from their presentation) really an option for them?

3. If the MAC moves from their present location, what services will they be able to provide for the \$20,000 grant they are receiving from the District?
4. Is renting or leasing the property located on Welton Street an option for them?

Moved by Councillor Horn, and,

RECOMMENDED:

That the discussion of purchasing the property located on Welton Street be deferred to the closed council meeting to be held on Monday, January 12, 2009; and

That the director of corporate administration communicate council's questions to the Mission Arts Council.

CARRIED

AF
09/04

Emergency Generators at Leisure Centre

The director of finance referred to the late item email entitled Emergency Generator Budgetary Pricing Update dated January 6, 2009, from the director of parks, recreation & culture. He informed council that last year a spending package had been submitted for two 125 KW emergency generators for use at the leisure centre, and that at that time, the estimated costs for the two generators was \$93,150. Staff confirmed that a Federal Joint Emergency Preparedness Program (JEPP) grant had been applied for, but was denied. Staff have recently been advised that JEPP grant funding in the amount of \$20,000 is now available. Staff have received cost estimates for two 80kw generators (including installation charges) which is over \$200,000.

Council requested that the director of parks, recreation & culture be present at the January 12, 2009, special council (admin & finance) meeting to answer the following questions:

1. Will the installation of the generators be done by District staff or a contractor?
2. Does the School District have any generators that the District could borrow in the case of an emergency situation?
3. Why are there three different kilowatt sized generators being mentioned?

Moved by Councillor Stewart, and,

RECOMMENDED: That this meeting be recessed until after the closed meeting of council that is being held on Monday, January 12, 2009, has adjourned.

CARRIED

The meeting was recessed at 8:50 pm.

The meeting reconvened on Monday, January 12, 2009, at 5:50 pm in the Conference Room.

Councillor Stevens resumed the chair.

AF
09/04 **Emergency Generators at Leisure Centre**

The director of parks, recreation & culture informed council that the leisure centre has been designated as an emergency reception centre in the case of an emergency situation. Initially the 2008 JEPP grant application for the generators was denied, but staff were recently informed that there would be \$20,000 grant funds available, if the generators were purchased and delivered by March 31, 2009.

The director explained that it was believed that 125kw generators would be required, but that upon further investigation it was realized that 100kw generators would suffice. Staff have since been advised by the electrical contractor who worked on the re-development that the building was designed/wired for two 80kw generators. The director advised that the 80kw generators would be at full capacity, with no room for expansion.

Discussion ensued around the possibility of phasing-in the purchase and installation of the generators over three years, with the electrical preparation work for the generators to be done in the first year, and then purchasing one generator in each of the next two years.

The director of parks, recreation & culture confirmed that he had spoken with the School District, who advised that they would require the use of their generators in any power outages.

The director stated that in order for a proper review to be completed, a consultant's fee of approximately \$5,000 for an electrical review would be needed.

Moved by Mayor Atebe, and,

RECOMMENDED:

That the director of parks, recreation & culture provide council with a comprehensive study, an analysis of what electrical capacity and therefore what generator size, would be required at the leisure centre;

That up to \$5,000 for an electrical review be funded from council 2009 contingency budget;

That the comprehensive study be referred to the Emergency Preparedness Committee for comments; and

That the Joint Emergency Preparedness Program (JEPP) be contacted to request an extension to the March 31, 2009, deadline.

CARRIED

AF
09/05 **Fraser River Heritage Park Bandstand – LATE ITEM**

The director of parks, recreation & culture informed council that the bandstand had been boarded up as the building was deemed to be unsafe. He advised that an early budget estimate of the repair costs were included in the capital plan, but that after quotes had been obtained using a structural engineer's specifications, the actual costs were \$45,746.

The director continued by requesting approval for these repairs be considered prior to the normal budget deliberations in order for the repair work to be completed before the busy spring season when the bandstand is in much demand.

Council was concerned regarding the integrity of the bandstand, as it has heritage value, and was named to honour Mart Kenney. Council did not want to lose site of this distinction.

Moved by Councillor Horn, and,

RECOMMENDED:

That this item be deferred to the regular meeting of council to be held on January 19, 2009, with a staff report answering the following questions:

1. Staff to confirm if the quotes received are from the result of a Request for Quote (RFQ) or a tender process;
2. Has the building as a whole been looked at for structural/repair deficiencies;
3. Could the wiring conditions in the bandstand be improved; and
4. Has corporate sponsorship for repairs/remediation been considered?

OPPOSED: Councillor Stewart
Councillor Stevens
Councillor Plecas

CARRIED

AF
09/06

Amendment to the Refuse Collection and Disposal Bylaw 1387-1984: Changes to User Rates

The manager of environmental services stated that he had contacted Metro Vancouver and Chilliwack regarding the subsidy provided to their tipping rates. He was advised that Metro Vancouver will be charging \$75/tonne tipping rate and that this was a true cost. He stated this could be accurate as Metro Vancouver has an incinerator that is fully paid for, which generates revenue. Chilliwack is charging \$75/tonne and their user fees are subsidizing their tipping rate.

The manager also explained that the landfill has fixed operating costs which need to be covered by a certain amount of revenue. He said if the District charged too much tipping fees, then contractors would take their garbage elsewhere, decreasing our revenues. He advised that it is a fine line to know exactly how much to charge before contractors went to other facilities. Historically, Mission's tipping fees were \$3 below those of the Metro Vancouver Abbotsford site, which is going up to \$71/tonne this year, and that currently Mission's tipping rate was \$65/tonne.

Council questioned if the landfill received less garbage, would the operating costs decrease as well, and with less garbage, would the landfill be able to be in operation for a longer period of time?

Moved by Councillor Scudder; and,

RECOMMENDED:

That Schedule "B" of the Refuse Collection and Disposal Bylaw 1387-1984 be amended to change the current user fee for refuse collection within the Refuse Collection Area from \$135.60 to \$156.00 in 2009;

That Schedule "A" of the Refuse Collection and Disposal Bylaw 1387-1984 be amended to change the current garbage tipping rate from \$65/tonne to \$68/tonne; and

That the applicable bylaw to enact these changes be brought forward to council.

CARRIED

AF
09/07

Regional Water and Sewer Development Cost Charges (DCCs)

The director of finance advised council that strategies were needed to overcome funding challenges, in particular the shortfall in regional water and sewer DCCs. The director stated that gas tax funds would be eligible to help fund some of the larger water and sewer capital projects such as the Cannell Lake treatment program and the Stave Lake new water source.

Council questioned using gas tax monies on DCC eligible projects rather than public transit enhancements such as West Coast Express and the 15-minute increased transit service. The director of finance responded that he did not believe in using one-time money for operating costs, and using the gas tax funds on one-time spending (capital projects) would alleviate the necessity of borrowing funds.

Discussion continued regarding getting a draft long-term borrowing bylaw in place, and only use if necessary. Staff stated that only about 20% of the projects listed on the regional water capital plan are actually started, and Abbotsford wants to build infrastructure well in advance of growth. Mission needs to be financially prepared in case projects go ahead and funding is required.

Discussion continued on how DCC fees need to be collected within a reasonable length of time; how the regional utilities needs assistance from the senior levels of government by securing grants; and users need to realize that they have to pay more for water and sewer services.

Council directed staff to prepare a report including the following:

1. New DCC rates need to be set, show options with various assist factor percentages
2. List possible projects to be funded by gas tax funds for council to prioritize
3. List amenities that had previously been earmarked to receive gas tax funds

Discussion continued on regarding possible federal grant monies, with staff mentioning a listing that had been sent to MP Randy Kamp. **Council requested staff to** forward a copy of this listing to all council members. **Council directed staff to** see if a meeting with MP Kamp could be arranged in the near future.

AF
09/08 **Special Council Meeting – Departmental Budget Review**

The chief administrative officer proposed January 20, 2009, as one date for council to receive presentations from department heads, and to use the scheduled date of January 29, 2009, as another day. Both days would begin at 3:30 and go until 9:00 pm.

Discussion ensued and it was agreed that each department would be given approximately 45 minutes, with staff providing information on:

- Increases in the core budget – why certain budgets have increased
- How well existing programs are doing
- How each department prioritizes the spending of their budget.

AF
09/09 **Status of 2009, 2010, 2011 Provisional Operating Budgets/Tax Increase**

Due to time constraints, this topic was not discussed.

AF
09/10 **Financial Plans and User Rates for Water & Sewer Utilities**

Due to time constraints, this topic was not discussed.

AF
09/11 **Long-Term Capital Plans and Related Reserve and Debt Levels**

Due to time constraints, this topic was not discussed.

RESOLUTION TO RISE AND REPORT

Mayor Atebe resumed the chair.

AF
09/12 Moved by Councillor Gidda seconded by Councillor Scudder and,

RESOLVED: That the Committee of the Whole now rise and report.

CARRIED

2. ADOPTION OF COMMITTEE OF THE WHOLE

AF
09/13

Moved by Councillor Horn, seconded by Councillor Plecas and,

RESOLVED: That the recommendations of the committee of the whole, as contained in items AF 09/01 to AF 09/11, be adopted.

CARRIED

3. OTHER BUSINESS

There was no further business.

4. ADJOURNMENT

Moved by Councillor Horn, seconded by Councillor Scudder, and

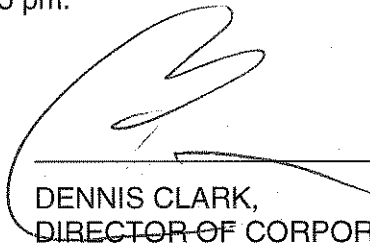
RESOLVED: That the meeting be adjourned.

CARRIED.

The meeting was adjourned at 8:35 pm.



JAMES ATEBE,
MAYOR



DENNIS CLARK,
DIRECTOR OF CORPORATE ADMINISTRATION

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