

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, October 7, 2010 commencing at 3:30 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
Ken Bjorgaard, director of finance
Rick Bomhof, director of engineering & public works
Kris Boland, deputy director of finance
Kerri Onken, deputy treasurer/collector
Debi Decker, administrative assistant

Mayor Atebe called the meeting to order.

Councillor Stevens assumed the chair.

1. NEW BUSINESS

AF 10/62
OCT 7/10

Transit Update

The deputy treasurer/collector referred to her report dated October 7, 2010, entitled Transit Update on 2011 Budget. She explained that staff had been working with BC Transit since the last council report on August 3, 2010, to obtain clarification and updated financial information. She confirmed that BC Transit was to supply financial information within the next few weeks.

The deputy treasurer stated that currently in the 2011 budget (approved in principle) is \$132,546 for transit. After discussions with BC Transit, it was discovered there is an \$81,250 shortfall for 2011 to maintain existing services (includes use of \$132,546). She advised that BC Transit had overestimated the revenue and that there was a miscommunication regarding the Aldergrove Connector and U-Pass Revenue duplicate entry.

The deputy treasurer/collector outlined the four options for consideration:

Option #A – Use the \$132,546 currently approved in principle for the 2011 budget and increase this amount by \$81,250 for a total of \$213,796 from taxation. Increase the tax rate by 0.85%

Option #B – Use the \$132, 546 currently approved in principle for the 2011 budget; fund the balance of \$81,250 from stabilization in 2011; and fund the \$81,250 from taxation starting in 2012. No tax increase in 2011 but increase 2012 by 0.30%.

Option #C – Use the \$132,546 currently approved in principle for the 2011 budget; reduce service level by 1,500 hours for an estimated budget saving of \$42,975 and fund the balance of \$38,275 from stabilization in 2011; and fund the \$38,275 from taxation starting in 2012. This would result in a reduction of bus services in 2011 by 1,500 hours, and a tax increase in 2012 of 0.14%.

Option #D – Remove the \$132,546 currently approved in principle from the 2011 budget and reduce services by approximately 7,500 hours to reduce transit's estimate by \$213,796. Drop the current tax increase to 6.85% and reduce our transit services by 32.5%.

Discussion ensued around the upcoming Route Rationalization study that is expected to be completed shortly and the outcome from that study.

When questioned, staff confirmed that BC Transit would need to know as soon as possible if council was proposing a reduction in hours; if this reduction resulted in route changes/cancellations; and when these reductions are proposed to occur as the public would need to be made aware of the changes to the transit service.

Discussion moved towards the balance in the reserve funds and how to obtain the optimal balance level for each of the reserves. The director of finance advised that staff had realistically created a policy which indicates an optimal reserve balance, and that this balance could take a number of years to achieve. He indicated that the District's reserves and investment portfolio were growing and that reserve levels are dependant upon the solidity of the capital plan to see how it impacts our reserves and optimal balance levels.

Discussion concluded with council agreeing that the transit service levels would become part of the tax rate scenarios that will be discussed with the next item on the agenda.

Moved by Councillor Horn, and

RECOMMENDED:

That BC Transit be advised that council has given staff direction that the 2010/2011 Transit Annual Operating Agreement is not to be signed until consensus on the service levels has been reached.

CARRIED

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Status of General Operating Fund Budget and Related Budget Direction

Discussion ensued around staff providing 0%, 3%, 4% and 5% tax rate scenarios. It was noted that the public needs to realize that if the District has a 0% tax increase what services will need to be reduced or eliminated, and to use this 0% tax rate as a comparison for the other tax rate scenarios.

Moved by Councillor Horn, and

RECOMMENDED:

1. That staff provide tax rate scenarios of 0%, 3%, 4%, 5%, in comparison to the current 7.18% for the 2011 budget year showing the rationale and the consequences of lowering the tax increase; and
2. That any new construction revenue over and above the \$200,000 in the 2011 preliminary operating fund budget be used to lower or minimize any overall 2011 property tax increase.

CARRIED

Discussion ensued around removing the water and sewer user fees from the tax notices and billing them separately. Discussion moved towards the residential water metering program and synchronizing the removal of the utilities from the tax notice at that time.

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Moved by Councillor Horn, and

RECOMMENDED:

That staff implement the separate billing of utilities (remove from the tax notice) to correspond with the transition of billing to residential water meters.

CARRIED

OPPOSED: Councillor Gidda

The Mayor left the meeting at 4:50 pm

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LATE ITEM: Request for Funds (Silver Cross Awards Ceremony) – J. Hine

Staff referred to the late item request from K. Hine for financial support for his son to travel to Ottawa to attend the National Awards Ceremony where he will receive his Silver Cross in Scouting.

Moved by Councillor Horn, and

RECOMMENDED:

1. That staff advise K. Hine that as per District policy FIN.41 council does not budget for or provide financial donations to individuals or organizations; and
2. That staff advise K. Hine that the District will donate District of Mission pins.

CARRIED

OPPOSED: Councillor Stevens

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Moved by Councillor Horn, and

RECOMMENDED:

That staff amend policy FIN.41 Donations, to include the following clause:

"3. Where there is demonstrated benefit to the community, the policy may be waived and a financial donation given to an individual or organization."

CARRIED

OPPOSED: Councillor Scudder

2. ADJOURNMENT

Moved by Councillor Plecas seconded by Councillor Scudder, and

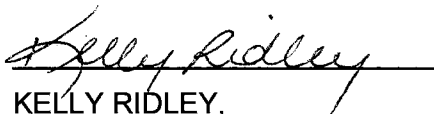
RESOLVED: That the meeting be adjourned.

CARRIED.

The meeting was adjourned at 5:00 pm.



JAMES ATEBE,
MAYOR



KELLY RIDLEY,
DEPUTY DIRECTOR OF CORPORATE ADMINISTRATION

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