

Minutes of the **SPECIAL MEETING** of the **DISTRICT OF MISSION COUNCIL (2012 Budget)** held in the Council Chambers of the Municipal Hall, 8645 Stave Lake Street, Mission, British Columbia, on Thursday, March 15, 2012, commencing at 6:30 p.m.

Council Members Present: Mayor Ted Adlem
Councillor Jeff Jewell
Councillor Tony Luck
Councillor Larry Nundal
Councillor Jenny Stevens
Councillor Nelson Tilbury

Council Members Absent: Councillor Dave Hensman

Staff Members Present: Glen Robertson, Chief Administrative Officer
Paul Gipps, Deputy Chief Administrative Officer
Kim Allan, Director of Forest Management
Ken Bjorgaard, Director of Finance
Rick Bomhof, Director of Engineering and Public Works
Ian Fitzpatrick, Fire Chief
Sharon Fletcher, Director of Planning
Inspector Konarski, RCMP
Maureen Sinclair, Director of Parks, Recreation & Culture
Kris Boland, Deputy Director of Finance
Staff Sergeant Konrad Golbeck
Kerri Onken, Deputy Treasurer/Collector
Kelly Ridley, Deputy Director of Corporate Administration
Margie Laue, RCMP Office Manager
Debi Decker, Administrative Assistant – Finance

1. CALL TO ORDER

The meeting was called to order at 6:30 pm

The Mayor welcomed everyone to the 2012 budget presentation.

2. ADOPTION OF AGENDA

Moved by Councillor Nundal, seconded by Councillor Stevens, and

RESOLVED: That the agenda for the Special Meeting of Council (2012 Budget) be adopted as presented.

CARRIED

3. NEW BUSINESS

SC 2012/009
MAR 15/12

(a) Opening Remarks – Councillor T. Luck, Chair, Administration and Finance Committee

Councillor Luck provided the following opening remarks:

- Council has a “taxpayer in mind” philosophy with regards to Municipal finances and recognizes that the budget is a challenge, but Council is committed to accountability.
- Council is working to bring a fresh look at the District’s finances through a reflective look at the 2011 budget and a Core Services Review. Putting our local financial picture in context with the reality of the current economic climate is important.
- Staff prepared a budget that represented significant challenges after they were asked to create a base budget where the total was 90% of the total 2011 budget.
- This 90% working document wouldn’t translate into a 10% cut in budget or 10% cut in taxes, but ensured that there was accountability for any possible slacks or gaps in the system and would give the right place to start an in-depth look at the value for money in the municipality.
- The timing of the Core Services Review means that Mission will likely end up as one of the leaders in the local government response to the public demand for greater fiscal accountability.
- Council has put the following into place and is committed to:
 - a hiring freeze for the District during the Core Services Review,
 - freeze on Council remunerations,
 - the least possible tax increase for the citizens of the District of Mission, and
 - a possible introduction of a voluntary tax contribution option to be included on the 2012 tax bill.
- The 2012 budget process reflects Council’s commitment to fiscal responsibility; citizens can be assured of receiving value for their tax dollar, and Mission will be poised, ready and able to take advantage of the first signs of a strong economic recovery.

SC 2012/010
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(b) Power Point Presentation – K. Bjorgaard, Director of Finance

The Director of Finance highlighted the Overview of Proposed 2012 Budget document in his power point presentation and made the following points.

- Council is proposing a 0% tax increase and a 2% increase in water and sewer rates and a 0% increase in refuse and recycling/composting rates for 2012.
- The draft budget started at 6.15% in December of 2011. This included increases to a number of budget items as well as new items.
- This was how 0% was achieved:

- Certain savings or reductions within the 2012 budget were utilized to lower the 6.15% increase. Some of these savings include:
 - remove the Council remuneration budgeted increase for 2012,
 - remove the property tax assistance for one property,
 - remove the new infrastructure maintenance budget,
 - remove the equipment rate increase, and
 - reduce the budgeted increase amount in the transfer to the capital reserve fund.
- Increase/decrease to some of the revenue sources, such as:
 - new construction revenue increased, and
 - fire pit permit revenue was removed.
- Increases to the budget were noted as follows:
 - insurance premium increase,
 - reduction of grants in-lieu tax revenue, and
 - operating impact of capital projects.
- Budget reduction items that have a minimal impact to existing service levels include:
 - remove component for inflation,
 - eliminate Oyama funding,
 - reduce Council evening meals budget,
 - lower staff recognition budget,
 - eliminate part-time clerical position for the Mayor,
 - 10% reduction to convention budgets,
 - reduce the downtown security budget (funded through gaming revenues),
 - eliminate the budget for maintenance of an electronic filing system,
 - reduce training, consulting, and service repair budgets,
 - reduce the advertising budget for vacant positions,
 - reduce building inspection and bylaw enforcement operating expense budget,
 - reduce the Cultural Resource Commission budget,
 - reduce Fire Hall #1 paid on-call fire fighters indemnities,
 - reduce contract budget as in-house building care and maintenance to be undertaken by fire fighters,
 - reduce bad debt and banking charges, and
 - reduce the RCMP front desk operating hours.
- New RCMP contract negotiated between Provincial and Federal governments means the District's share of the regional integrated teams went down to 70% realizing a \$165,000 savings in 2012. Additional saving of \$55,000 in 2013 would be funded by a one-time funding source in 2012.
- Council approved the following increases to the 2102 budget:
 - snow removal budget,

- Fraser River Heritage Park expenditures,
 - staffing levels for the youth lounge at the Leisure Centre, and
 - changes to Council computers and the Council Chambers.
- Restorative Resolutions and Social Development will now be funded 100% from gaming revenue.
- Potential budget savings from RCMP member vacancies and unfilled positions from all District departments were utilized, bringing the budget down to zero.
- The Director touched on the following aspects that make up the budget:
 - General Operating Fund - 2012 general operating fund budget is the same as it was in 2011 - \$59 million.
 - Revenue - major sources of revenue come from property taxes and user fees (water, sewer and refuse and recycling/composting).
 - Expenditures - major expenses are for the utilities infrastructure (waste management, water and sewer).
 - Utility rates - proposed to go up by 2% in water and sewer with no increase for waste management (refuse and recycling/compost).
 - Capital projects - expect large critical infrastructure growth in the future for water and sewer and are planning on putting funds into reserves to help pay for these projects. Other general capital projects are also planned in 2012.
 - Water and Sewer – there are both regional and District water and sewer system operating and capital costs.
 - Debt (external) – a healthy debt capacity is available if needed, and we have a debt retirement fund to proactively pay down our external debt when opportunities arise with funds that are available, which in turn frees up debt servicing funds.
 - Debt (internal) – this is when the District borrows from its own reserve funds to pay for projects instead of borrowing externally which gives the District greater flexibility in terms of pay back.
 - Reserves – proactively transferring funds into the various reserve accounts to be able to assist with the funding of capital projects. Having healthy reserve balances lessens the need to borrow externally and saves on debt interest.
 - Landfill – need to set aside money for post-closure costs and the leachate breakout resolution project is almost completed with the help of grants from the Federal government.
- The Director noted the following:
 - Assessment classes – residential growth is normally higher than commercial within Mission but in 2012 there was a reversal with commercial growth higher than residential growth.
 - Assessments and taxes – Mission was ranked 14th out of 27 communities in the lower mainland for the amount of taxes paid by the average assessed value home in each community.
 - Other taxing authorities - the municipality collects and distributes the money collected for other taxing authorities such as school boards, hospital boards, Fraser Valley Regional District, etc.

- Increase in property taxes – a 0% tax increase doesn't mean that every property will pay the same amount of property taxes as they did in 2011. The tax notice includes municipal taxes, other taxing authority levies (their budgets may increase) and utilities (a 2% increase in water and sewer is being proposed).
- Property tax calculation - a 0% tax increase in municipal taxes is based on an average residential assessed value home, which increased by 0.07% in 2012. Properties whose assessment increased by 0.07% in 2012 should pay the same municipal taxes in 2012 as they did in 2011. Properties whose assessments increased by more than 0.07% should have a municipal tax increase greater than 0% in 2012, and those properties whose assessments increased by less than 0.07% (assessments stayed the same or decreased), should have a decrease in municipal taxes in 2012.

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(c) Public comments and presentations.

The following members of the public presented their comments:

Mr. Terry Mortimer commented that our last Council was accommodating to their employees with unrealistic wage increases. Mr. Mortimer asked if this current Council would bring up at the Union of BC Municipalities (UBCM) conference this year, "All BC municipalities' employee contracts should be negotiated at the same time."

Mayor Adlem responded that the cities within the Fraser Valley Regional District have already agreed to do this. Should the Mayor decide to attend the UBCM he may bring this issue up at the conference.

Mr. Mortimer noted that the number of exempt staff making over \$75,000 has increased from 18 in 2003 to 33 in 2009. How many exempt staff with salaries over \$75,000 do we have on staff today?

The Chief Administrative Officer responded that we have 33 exempt staff with at least two vacancies.

Mr. Mortimer inquired whether those positions would be filled?

Mayor Adlem responded that there is a freeze on hiring at the moment.

Mr. Mortimer stated that exempt staff have been receiving an increase in salary every year regardless of the economy or what is happening in the District. How were these increases determined?

Mayor Adlem responded that he could not answer for this Council as this decision has not been made yet. Council will make this decision within the next month.

The Chief Administrative Officer responded that previous increases were determined by the Council of the day on a yearly basis.

Mr. Mortimer asked staff to clarify whether the overhead cost for exempt staff is 49% or 25% and why overhead is not included in the Statement of Financial Information (SOFI) report that lists the employees who make over \$75,000 in a year?

The Director of Finance responded that all salaries and benefits are listed in the budget. Overhead includes vacation time, stat time and other benefits like Canada pension, municipal pension, etc. When salaries are charged to a budget you use a year's salary, deduct the vacation and stat times and then add a 49% overhead to get the total. The 25% overhead percentage has certain benefits in it but does not include the vacation or stat costs.

Mr. Mortimer asked if it would be appropriate when listing salaries and expenses in the SOFI report if staff could include the overhead cost for each exempt staff as this would establish the exact cost of each position to the taxpayers?

The Director of Finance responded that the SOFI report that is due to the Provincial government by June 30th of each year has a list of legislative requirements that must be included within the report and be presented in a specific format. This report must first be presented at a public Council meeting prior to being forwarded to the Ministry. Employee benefits are shown separately within the report among the expenses paid to the individual benefit providers. The schedule listing the employee salaries and expenses reflects the legislative requirements for how the District has to report employee salaries.

The Director continued that employee salaries could be provided differently to the community, but not within the SOFI report as this report is legislatively mandated.

Mr. Mortimer questioned Gaudin Creek and the Public Safety Inspection Team. Will Council do something about this inequitable situation?

The Mayor responded that at a previous Council meeting a decision was made regarding the Public Safety Inspection Team (PSIT) issue and senior staff have come to a reasonable resolution for the Gaudin Creek issue.

Mr. Mortimer commented that in his opinion the exempt staff were taking more than their fair share of the pot and would like to see a roll back in the exempt staff salaries and benefits.

Ms. Pam Alexis thanked Council for providing an opportunity for feedback on the 2012 budget and commented on the Cultural Resources Commission budget decrease of \$3,000 from the \$5,000 received in 2011. She noted that the Cultural Resources Commission was established in 2008 by the then Council and has produced, through volunteer hours, much needed policy in moving cultural initiatives forward.

Ms. Alexis continued that the Commission has three projects that they are currently overseeing: a forum on volunteer management; producing a summer event schedule along with a flyer with event listings and survey information to build statistics on the economic impact of culture in our community; and producing the 2012 MUSE awards.

Ms. Alexis asked Council to allow the work of the Commission to continue by requesting an additional \$1,000 to their budget to total \$3,000. She noted that the extra funds would ensure the continuation of the Commission and that the three current projects could move forward.

Moved by Councillor Tilbury, seconded by Councillor Stevens, and

RECOMMENDED: That the full 2012 budget of \$5,000 be restored to the Cultural Resource Commission.

CARRIED

Ms. Elyssa Lockhart representing the Regional Chamber of Commerce asked the following questions:

Is there an intention to not fill the current vacancies?

The Mayor responded that at the present time, Council will be looking at not filling any vacancies until after the Core Services Review is completed.

Ms. Lockhart asked if these vacant positions diminish the ability to provide service or to maintain expected levels of service?

The Chief Administrative Officer replied that currently these vacant positions do not affect service levels.

Ms. Lockhart asked what the impact to revenue collection was?

The Deputy Chief Administrative Officer replied that the District does not anticipate any change in this regard.

Ms. Lockhart asked how inflation has been reflected in this budget?

Director of Finance responded that the District has certain areas that have inflationary pressures (like hydro costs) and increases have been provided for these areas. As well, capital project costs have increased annually by 3%. The inflation removed from the budget is a "blanket" inflationary increase to all departments for operating costs. The District looks at costs on an annual basis to make sure structural deficits are not being created.

Ms. Lockhart asked if with the removal of the provision of inflation, what will be the implication on the 2013 budget?

The Director of Finance responded that the District does not anticipate any real impact on the 2013 budget. The 2013 draft budget does include some provision for inflation but staff will be revisiting this based on 2011 year-end numbers and how 2012 results are.

Ms. Lockhart asked what the long-term implication of reducing the capital contribution is?

Director of Finance responded that the budget includes an increase of approximately \$122,000 for capital contribution as well as funds being transferred from taxation into reserves. The reduction of \$122,000 is a very minor amount.

Ms. Lockhart asked how the RCMP services will be affected by the choice not to fill the two current vacancies?

Inspector Konarski responded that the current vacancies are not two positions, but a dollar amount of \$150,000. At the Detachment on any given day, there are people on transfer, long-term sick, maternity leave, etc., and once those costs hit a 30-day mark they are no longer borne by the District but becomes part of the Division administrative costs. For members scheduled to be off for three-four months, there is no capacity to put a new person in that place, but cost savings are realized through that process.

Ms. Lockhart asked if are there provisions for access to police services being initiated to off-set the reduced front counter access.

Inspector Konarski responded that access is available 24 hours a day at the Detachment and that it is the form of the access that is changing. The phone to access a police officer is still in place. The shorter front counter access will be monitored.

Ms. Lockhart asked how the reduction in the integrated teams has been achieved?

Inspector Konarski explained that the new RCMP contract percentage split to the municipalities has decreased from 90% to 70% borne by the municipalities and increased from 10% to 30% by the Federal government. There hasn't been a change in service, it's the cost savings through the contract negotiations.

Mr. Lee Hanlon showed a brief power point presentation to Council on the Taxpayer Protection Bylaw which includes tax fairness (narrow the gap between commercial and

residential property taxes); spending restraint (limit operating spending increases per rate of growth in inflation and population); and openness, transparency and accountability (Municipal Auditor General).

Mr. Hanlon stated that this is not an all or nothing bylaw. The core of the bylaw is holding taxes under inflation or councillors taking pay cuts in lieu. The sources are from the Canadian Taxpayer Federation and the Canadian Federation of Independent Businesses.

The Mayor responded by indicating that he is in favour of a Municipal Auditor General and that Council has demonstrated they intent to restrain their spending of taxpayers' dollars. The Mayor continued that someone outside of the District should not dictate to the citizens of our community what our bylaws should be and would not support such a bylaw.

Mr. Hanlon noted his concern for public safety stating that infrastructure and public safety should not be cut and he would like to see the budget for public safety restored.

Councillor Nundal responded that in order to get to a 0% budget there are some hard, tough decisions to make and Council made them.

Councillor Stevens responded that Council's priority was to turn a 6.15% into a 0% and that has been achieved. Council will be able to look at the Core Services Review prior to the 2013 budget.

Councillor Jewell responded that with the main campaign promise of tax relief and financial sustainability it was understood that voters had other choices. There is no pretense that if you have zero increase in spending you will not be able to buy what you could last year for that same amount of money. Council endeavored to make difficult choices and directed staff to make suggestions as to where reductions could be made for a net zero, with the least impact on services.

Mr. Steve Sharpe started by commending Council on actually running on a ticket that was going to look after fiscal restraint in this community and getting the job done. He also commended staff on their hard work on getting the job done. The Core Services Review will not be easy to go through but a necessary part of changing the mindset in the community and sending a message that everyone is willing to dig deep and work hard to have a better life and some tax relief in this community.

Mr. Mike Gildersleeve commended Council on the 0% tax increase, noted the tough decisions in the future with the Core Services Review, appreciated this opportunity for this dialogue, and appreciates the review around the Public Safety Inspection team bylaw. His question was what is the budget for the public inspection safety team?

The Mayor responded that there is no budget for the public inspection safety team because public inspections are not currently being carried out. He noted that between 400 - 500 inspections were carried out and of those, 270 were determined to be controlled substance and 220 were led by the RCMP. Only those not led by the RCMP will be revisited and that is the Deputy Chief Administrative Officer's job.

Mr. Gildersleeve voiced his concerns with the social justice issues and being falsely accused. He then commented on the \$250,000 deficit in the municipal forest operation, as he is very concerned about this deficit.

The Mayor responded that Forestry is in roughly a deficit of \$258,000 and Council is currently reviewing this situation. This department will also be examined as part of the Core Services Review.

Mr. Danny Plecas thanked Council for the Core Services Review, and noted there are some opportunities to be cautious with. He noted that once the Core Services Review has been completed, Council will have a serious look at the overall operations and that's when decision making will be tested. Mr. Plecas asked, the integrated policing costs are reduced to 70% from 90%, but that doesn't include all of the policing costs in the new contract, is that correct?

The Director of Finance confirmed that only the integrated teams are at 70% and the rest of the policing contract is still at 90%.

Mr. Plecas commented about the newspaper article regarding a possible retroactive contract concern with the policing contract and their wages, and was that a concern looking ahead?

The Director of Finance responded that this is an issue at the federal level and the outcome is unknown at this time. There is a policing reserve and we are hopeful that any impacts can be absorbed through this reserve.

Mr. Plecas voiced his concern regarding utilizing savings from reserves and that if Mission needs to call upon the integrated team for assistance there is an added cost for this service, even at 70%.

The Director of Finance confirmed that all the integrated teams have been budgeted for. Our costs are going down due to a new RCMP agreement between the provincial and the federal governments.

Mr. Plecas voiced his concern that the number of grow-operations being investigated was increasing. He noted that in the presentation the downtown security budget was reduced by \$42,000 and then a second line showed the same amount from gaming funds. Could this be explained?

The Director of Finance responded that the budget for downtown security was about \$84,000 and was funded 100% from gaming. The security service has now been cut in half (\$42,000) and is still being funded 100% from gaming, with no impact on taxation. The presentation shows that there has been a reduction in the service, but no impact to the tax rate.

Mr. Plecas inquired on the status of the gaming funds.

The Director of Finance responded that the gaming reserve is in a positive balance and our projections show that we are able to fund Mission Restorative Resolutions and Social Development fully from the gaming revenue. There will be savings from the downtown security in the gaming reserve and there are enough funds for the University of the Fraser Valley contribution. Gaming reserve projections are healthy and are meant to be spent on any municipal service or costs.

Mr. Plecas was appreciative that the Cultural Resources Commission's budget was restored. He requested an explanation why three departments were excluded from looking at 90% of their 2011 budget?

Mayor Adlem stated that Public Works was excluded because when the increases from 2005 until 2011 were looked at, Public Works had received a 4% increase in their budget over that period of time. When you factor in inflation it appears that Public Works lost money.

Mr. Plecas asked in regards to the surplus in 2011, is a surplus anticipated?

The Director of Finance responded that a 2011 operations surplus is anticipated in the amount of around \$600,000.

Mr. Plecas questioned the installation of water meters, and wondered if the water meter issue is still on the table.

Mayor Adlem stated that Council are looking at an incentive program for people to install water meters and that the details of the incentive program have not been worked out yet.

Ms. Barb Strachan asked if Mission Restorative Resolutions and Social Development were part of the Core Services Review and hoped the Review may change the perception of the existence of restorative resolutions/social development.

Mayor Adlem noted that the consultant will look at all the departments and make recommendations.

Ms. Jeannette Smith commented that she had forwarded an email to Council a number of weeks ago with financial questions and hadn't received a response.

Mayor Adlem noted that he had received the email and will get an answer.

Ms. Smith asked why Council is going to replace the Apple IPAD as they were replaced three years ago?

The Deputy Chief Administrative Officer noted that equipment hardware is replaced every few years and that Council laptops are up for replacement. He noted that there are a few technical challenges with the laptops and that staff are trying to improve this situation.

The Manager of Information Services noted that recently Council made a decision to change the lifespan of the replacement cycle from a four-year to a three-year replacement which would coincide with the election. This is consistent with what other municipalities are doing for mobile devices.

Councillor Stevens stated that she was very concerned about these funds, but her computer completely crashed about 10 days ago and she had to receive a new one. She noted that the motivation behind the new upgrades is that it will greatly reduce staff labour and frustration and simplify the way that agendas are being prepared and how Council are receiving them.

Councillor Jewell noted that there are approximately 400 meetings each year and some agendas have 500 pages that need to be read. Councillors are not prepared to put that much time and effort in with equipment that is obsolete. The replacement costs for the new technology will cost less than purchasing new laptops.

Ms. Smith questioned the \$31,000 for the visibility and communication changes in the Council Chambers?

Mayor Adlem responded that the sound system is old and staff/Council are dealing with microphones that don't always want to work. As Council made the decision that all Council meetings would be held from this upper desk, the Mayor noted that he would like to be able to see all of the Councillors, so that when they indicate their wish to speak, he is able to see them.

Ms. Smith commented that the projector screens are difficult to see.

Mayor Adlem made a note of Ms. Smith's comment and added that the District is considering webcasting Council meetings live through the District's website.

Councillor Nundal mentioned that the Council Chambers was built in 1973 and the only modifications completed within this room was that the floor had been leveled and new chairs were purchased.

Ms. Smith inquired why fire fighters go shopping in the fire trucks?

Councillor Nundal responded that when fire fighters are on duty they are on-call and need to be ready.

Fire Chief Fitzpatrick responded that usually when the crews are out, they are out as part of their 11-hour day and they pick-up the necessities that are needed for the hall.

Mr. Terry Mortimer noted that the fire fighter's do drive down to the mall in their truck and are in their turnout gear. If there was an altercation in the parking lot when a fire call came in what would happen? Mr. Mortimer feels that the fire fighters should not be using their full equipment to go grocery shopping, that it is not right.

Mr. Mortimer continued that last year there was a 1% increase in the budget to build up the reserves, could the Director of Finance please explain if there is a 1% increase again this year.

The Director of Finance explained that about half a percent increase was in the 2012 budget.

Mr. Mortimer questioned whether half a percent was a healthy number as last year it was explained that one percent was a healthy amount to transfer to the reserve accounts to get their levels up in case the funds were needed for something. What changed your mind?

The Director of Finance explained that there had been progress made on the regional utilities. The key to how much you need to set aside for reserves is related to a solid long-term plan in place for what infrastructure needs to be placed and when. The District is trying to incrementally build up a reasonable reserves level and half a percent increase is reasonable.

Mr. Mortimer spoke on the forestry area losing money for several years and eating away at the reserves. He commented on exporting raw logs, cyclical downturns in the market, not enough has been done to cut down expenses and that something needs to be done to stop depleting the reserves.

Mayor Adlem answered that Council understands there is a problem with forestry, and Council will look at it. Those issues will be dealt with by Council and the Core Services Review and when they have been dealt with Council will release the results.

Mr. Mortimer spoke on the environmental department and how it has grown exponentially over the last few years despite the downturn in the economy. He noted that Mission has adopted a Riparian Areas Regulation (RAR), developers are hiring their own biologists, Department of Fisheries and Oceans (DFO) and Ministry of Environment (MOE) are still in operation, and his questions are: how many staff are in this department, what is the cost of this department, and is it not time to scale this department down?

The Chief Administrative Officer explained that the department had not changed in the last three years and will be reviewed along with all other parts of the operation in terms of the Core Services Review. In terms of work, a large part of this department's function is the waste management collection system, the contract administration and the landfill, which is a huge capital cost centre. The actual dealings with streamside protection is a very minor component of this department.

Mr. Mortimer provided some cost reduction suggestions: is the recycling area open on Sunday?

Mayor Adlem replied that the location on Mershon Street is open on Sundays.

Mr. Mortimer asked if it was necessary to be open on Sunday as people who work there say hardly anybody shows up and they have to have two employees on Sunday.

Mayor Adlem responded that this facility is run out of the Community Services in Abbotsford and is not aware of their work practices. We have a contract with them.

Mr. Mortimer questioned whether or not the heaters need to be on (at the recycling centre), in the open area, until April? Other possible cost saving issues include: mowing the sides of the rural roads before there is any growth, staff could be fixing pot holes instead; street lights are on at 12:00 noon, those street lights should be set-up so that they don't come on until dark; replace large empty buses with small empty buses; the City Page takes up two full pages, could you cut back on this.

The Deputy Director of Corporate Administration clarified that any ads on the City Page are paid for by the District, as we would have had to place them somewhere, but we don't pay for any articles on that page.

Mr. Mortimer continued noting cost savings: the bylaw regarding the sales of municipal property states there would be a 5% commission with the realtor. Mr. Mortimer believes the District should use a 1% Realty. As more commercial is coming this year will there be a tax reduction to the residents?

Mr. Mortimer commented that he was impressed with the budget reduction for the in-house care and maintenance to be undertaken by the fire fighters.

Mr. Mortimer asked if the Director of Finance could explain the provincial education budget and mill rate, is it going to go up this year and who determines whether that's going to go up or down?

The Director of Finance stated that the Province of BC determines the education budget and that the District of Mission has no say in it. The rate is set by the beginning of May each year.

4. ADJOURNMENT

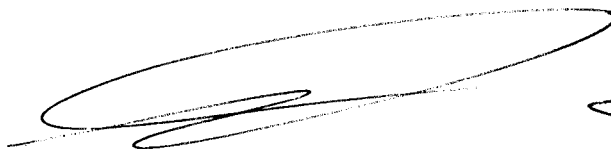
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Moved by Councillor Nundal, seconded by Councillor Luck, and

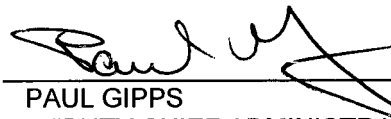
RESOLVED: That the meeting be adjourned.

CARRIED

The meeting was adjourned at 8:25 p.m.



WALTER (TED) ADLEM
MAYOR



PAUL GIPPS
DEPUTY CHIEF ADMINISTRATIVE OFFICER