

COLUMBIA SHUSWAP REGIONAL DISTRICT

Minutes of a Committee of the Whole (Budget) meeting held January 20, 2016
in the Board Room of the Regional District Office, Salmon Arm, BC

Note: The following minutes are subject to correction
when endorsed by the Committee at the next Committee meeting.

PRESENT

| | | |
|------------------|--|---|
| Chair: | R. Martin | Electoral Area 'E' |
| Directors | C. Moss | Town of Golden |
| | M. McKee | City of Revelstoke |
| | N. Cooper | City of Salmon Arm |
| | C. Eliason | City of Salmon Arm |
| | T. Rysz | District of Sicamous |
| | K. Cathcart | Electoral Area 'A' |
| | L. Parker | Electoral Area 'B' |
| | P. Demenok | Electoral Area 'C' |
| | R. Talbot | Electoral Area 'D' |
| | L. Morgan | Electoral Area 'F' |
| Staff: | C. Hamilton | Chief Administrative Officer |
| | J. Pierce | Manager, Financial Services |
| | C. Kraft | Deputy Treasurer |
| | L. Shykora* | Deputy Manager, Corporate Administration Services |
| | R. Cyr* | Economic Development Officer |
| | B. Payne* | Manager, Information Systems |
| | D. Mooney | Manager, Operations Management |
| | G. Christie | Manager, Development Services |
| B. Van Nostrand* | Team Leader, Environmental Health Services | |
| E. Johnson* | Executive Assistant/Confidential Secretary | |

*Attended Part of Meeting Only

CALL TO ORDER

Chair Martin called the meeting to order at 9:30 AM.

BUSINESS GENERAL

Presentation/Overview of the draft five year Financial Plan (2016 Budget) by J. Pierce, Manager, Financial Services. The Financial Services Manager provided an overview of the following topics:

- Goals for today
- Outline budget process
- Assessment trends
- What's in the binder?
- Department Mandate discussion
- Budget Summary
- Area Tax Summary
- Electoral Area Total Taxes
- Budget Comparison – 2015 vs 2016
- Five Year Plan
- Public consultation.

The Manager, Financial Services, noted that waiting until the budget workshop is too late to bring up current year initiatives. However, it's a good time to bring up ideas for the following year (ie. 2017).

Assessment Trends:

The Manager, Financial Services reviewed the assessment trends for 2016 and the comparisons to 2015.

Area F Director noted that there is a movement afoot to appeal foreshore leases that have been split into separate parcels.

The Committee was advised that the outcome of potential appeals in Revelstoke for vacation rentals, could have significant impact on vacation rentals in other areas of the CSRD. Various Directors spoke to conflict between zoning bylaws, etc. and assessment classification. Noted that this is not a discussion for this table, but will be a significant issue for BC Assessment, as well as local governments.

Departmental Mandate Presentations:

Managers of each of the Departments provided an overview of the 2016 Mandate for their respective Department(s), as referenced in the Financial Plan/Budget binder:

Corporate Administration (C. Hamilton)
Financial Services (J. Pierce)
Information Systems (B. Payne)
Development Services (G. Christie)
Operations Management (D. Mooney)
Economic Development, Shuswap Tourism & Shuswap Film
Commission (R. Cyr)

Corporate Administration:

- Area C governance study - It was clarified that the intention is to proceed with the project, regardless of whether or not the provincial grant is received. If the grant is not received, the project scope would be affected. Currently there is a \$15,000 discrepancy between budget and expected consultant cost, but the project will go forward.
- Semi-annual policy sessions - Staff confirmed that is the intent, however would like feedback from the Board as to whether these sessions are meaningful.
- Directors raised concern regarding hiring additional staff and the need to be cognizant of increasing rate, particularly in light of increases in cost of living, provincially-regulated fees, etc. - The advised of his challenge to staff that any request for more staff needs to be justified. In addition, the Chief Administrative Officer and the Manager, Development Services spoke to the impact of not having building inspection on bylaws department, noting the increased complaint volumes in bylaw enforcement, etc.
- Communications initiative from 2015 – The Chief Administrative Officer has assigned this task to communications team with representatives from all departments and has asked the team to start working on a plan this year. Last year, he had hoped to bring out an advertorial, unfortunately workload got distracted. Still intends to move forward with it. **ACTION:** annual report/advertorial to be added to the Corporate Administration mandate for the 2016 year.
- Grant request Shuswap Lifeboat Society for \$25,000 annually was referred to the budget process - Staff advised of available options: create a service area, provide Grant-in-aid funds from Directors, or decline the request. Direction is sought from the Board.
- Seymour Arm Electrification - The Chief Administrative Officer confirmed that there is flexibility

in the mandate to accommodate the project if BC Hydro's program is reinstated.

- Monitoring of grant funding opportunities - **ACTION:** Monitoring of potential grant funding opportunities to be assigned to a specific staff member.
- Use of gas tax funds - **ACTION:** Send all Directors guidance on Gas Tax criteria.
- Malakwa School - The Chief Administrative Officer confirmed that the Malakwa School lease renewal is part of planned work going forward.

Finance

A number of questions were posed regarding:

- Grant funding availability for e-billing transition. The Manager, Financial Services responded that this item is primarily staff time.
- Status of Request for Proposals - banking and audit services: Staff confirmed that BDO has been engaged for the audit, however banking options are limited, due to the need for banking services to accommodate landfill deposits it is not feasible to change at this point.
- Overhead allocation policy in new CSRD building. Staff responded that that each function pays an administration fee based on a number of factors notwithstanding space, personnel, number of transactions, etc. Because the CSRD offices were formerly in three building, the Policy needs to be reviewed to ensure the allocations are appropriate.
- Gas Tax Fund of which EA Directors formerly allocated 25% into all areas gas tax fund, which is now 10%. Area D Director commented that he doesn't believe that these projects benefit all areas, and examples of that provided, pointing out his concern that only the Electoral Area Directors contribute. Committee members added individual comment.

In recess from 11:03 – 11:13am.

Information Technology

- Staff confirmed that a full disaster recovery now in place.

Development Services

- Timing of building inspection and question that won't bylaw enforcement department work be eliminated and the need for three bylaw enforcement positions. The Manager, Development Services responded that there will be more than enough work for the three positions, adding expect to see a decrease in the number of bylaws complaints year over year, but still looking at over 700 active bylaw complaints right now which is not possible for two staff to handle the workload. The additional position would enable the DS team leader to be able to spend more time with planning staff, not bylaws and legal counsel.
- Area C Director comment that from a productivity point of view, would be nice to see the files moving through. Staff responded that this is part of the policies and procedures bylaw review.
- Medical marijuana regulations – Staff confirmed intent to move forward though many areas in the CSRD don't have zoning, and commented on the aspects of Health Canada regulations.

Operations Management

- Area C Director – Consider development of a strategy, consider using gas tax either all areas or areas just chip in rather than putting it on the taxpayer.
- Status of food waste reduction. Staff responded discussions have started with the Cities of Salmon Arm and Revelstoke. Area D Director asked about the use of gas tax for a pilot program with food waste.

- Area C Director commented on groundwater monitoring – significant changes in reporting parameters from previous year to current year report. They decided to eliminate bacteriologic measurements on surface and foreshore. Found it difficult to compare year-to-year, would like to keep the data comparable. To discuss with Darcy offline because that data was not within the scope of the project.
- Status of Anglemont Waterworks – Manager, Operations Management responded that the majority will be completed within 4-6 weeks, but still some aspects to be completed including 4-5 years of leak detection, etc. They will be going through every inch of every pipe to find all the leaks so it will be a while till it's complete.
- Suggestion to consider acquisition of foreshore in Blind Bay for parks.

Economic Development

- Economic Development Officer responded to queries about the Labour Market Scan, Community to Community to Community Forum and Shuswap Wine Trail.

The Committee of the Whole meeting was in recess from 12:51 – 1:25pm

New Budget Initiatives in 2016:

Area A Governance Study, 2016

- Additional \$50,000 in 011 for governance study in Area A. **ACTION:** Will be included in Draft 2 budget.
- Need for Repayment of Feasibility Study Fund. Staff advised of the process.

Regional Water Function

- All electoral areas have been subsidizing water systems.
- Starting in 2017, regional water costs will start to be moved back to the water systems which will result in increased water fees/Parcel taxes. A brief discussion took place regarding the planned increase to user fees and parcel taxes starting in 2017. Parcel taxes will increase every 5 years until infrastructure is sustainable.
- Area F Director would like something in the papers, etc. to warn public that fee increases are coming. Anglemont may not need higher rates, but the other systems will.

Fire Department Reserves

- Discussion regarding the increases to fire budgets. Manager, Operations Management commented that this is the start but not the end. These increases only account for critical infrastructure replacement. There is also additional apparatus, vehicles, buildings, equipment, etc. so once those are factored in, the amount will go up again. For this budget, factored in as one-time increase to achieve balance necessary at end of five year plan.
- Area F Director commented that he supports increase in budget and wonders if we need additional, more expensive apparatus in Area F. As well, if we look at more capable equipment, it's very expensive and may be something that we would have to share between electoral areas for it to be affordable.
- Area E Director noted that we have been putting money in reserves, but not enough. In her opinion, this is what we need to do.

Building Inspection

- We will undertake a Public Consultation Process in 2016 for proposed building inspection service. Staff confirmed this is included in Special Projects budget.

Budget Comparisons – 2014 – 2015:

The Manager, Financial Services provided an analysis of 2015 vs. 2016 budgets, by Department.

Corporate Administration & Finance:

- Electoral Area Grant-in-Aid (GIA's) – Area C Director would like to change his budget – Manager, Financial Services will do so for Draft 2.
- Highlighted the overages in director-related expenditures.
- Ahead of schedule for repayment on the building.
- Request made for summary of operating reserves
- Projected capital reserves based on contributions in this budget.
- Need for new firehall in Lee Creek. All funding options will be considered when that time comes.

Development Services:

- Operating reserve is high. Discussion regarding surpluses in 265, have cut multiple line items to hopefully reduce surpluses going forward.

Operations Management:

- AssetFinda inventory of tangible capital assets – Staff is working on the hierarchy this year, inventory will be completed after that.
- Area F First responders – Manager, Financial Services is still working on it.
- Area C Director would also like to make a change to Area C First Responders.
- Suggestion: Consider changing “Deficit: to “Repayment of deficit”
- Area C Director enquired about timing of closure liabilities. Manager, Operations Management noted that we have that information although not immediately available. He spoke to the tipping fee disparity between CSRD and other Regional District's. Director Morgan expressed a concern that raising tipping fees could result in illegal dumping.
- Area B Director enquired about timing of completion of parks plan for her area.

Other:

- Area A Director asked about use of woodstove program. Manager, Financial Services noted that it still seems to be successful based on annual discussions when they send Financial Statements.
- Area F Director noted inequities in the mill rate for Area F in the Thompson Regional Hospital District (TRHD). As the Committee knows, the Board agreed to send a letter to the TRHD, Interior Health and the Minister of Health. A brief discussion occurred.
- Manager, Financial Services to determine when parcel taxes can be increased for various water systems.

Municipal Finance Authority (MFA) Financing

The Municipal Finance Authority (MFA) financing process was described.

Area Tax Summary

The Committee was advised of the proposed total tax requisition, area by area, noting that these percentages are preliminary in nature at this time.

In response to a query, the Manager, Financial Services advised that there are limited revenue sources, however other possible sources will be looked into and any information will be brought back to the next meeting.

Area C Director raised the following points:

- asked the board to consider a budget amount to subscribe to the Municipal information network
- Community budgeting was discussed at EAD meeting, where it was suggested to invite community to do a budget workshop. Idea is to work with Community Associations for Grant-in-Aid (GIA) purposes. Newspaper ads, hall rental, 3 meetings, director to lead discussions. Would invite entire community but aim at non-profit organizations as they're the ones who can apply for a GIA. Can GIA funds be used for this purpose?
- Area C Transit - Suggest doing another survey online to see how many people use the service. Director comments made on the high cost of having one bus into Salmon Arm and back, one day a week through BC Transit. Suggestion of providing service through alternate contractor. Staff responded commented on becoming a direct provider of transit through a contractor when there is already a mechanism in place through BC Transit. For the CSRD this becomes a capacity issue - is this a core service the CSRD wants to be offering?
- Would like to consider implementing a program where we would provide incentives to staff to come up with ways to come up with better ways of providing the same service for less. Would reward staff, not available to management or people in charge of costs. Set aside a few thousand dollars each year for staff incentives.

Area D Director asked if it is possible for Electoral Area D to withdraw from the Sterile Insect Release program. Staff responded that a number of years ago there was a move afoot for an area to withdraw; the SIR Board said no. Central Kootenay had different fact pattern. I suspect that SIR will not let CSRD out nor will they reduce our portion. One option would be for Salmon Arm to pick up their portion. Area D is essential to connect Salmon Arm to the rest of the program.

Economic Opportunity Fund – Area B Director doesn't agree with the allocation, particularly when surpluses are received, the proceeds should go only to affected areas, not to the CSRD as a whole. Future money should be reallocated to A, B, E, Golden, Revelstoke and Sicamous. A question was asked about how Sicamous was affected as they had workers there, too, and infrastructure put in. Staff commented there are issues that need to be discussed. Further, Columbia Basin Trust was put in place to subsidize affected areas, and there are significant endowments in place for that purpose.

Public Consultation:

There were no members of the public present at this meeting.

The Manager, Financial Services indicated that the February 20, 2016 Committee of the Whole (Budget) meeting will provide another opportunity for public consultation.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:40 p.m.

CERTIFIED CORRECT

CHAIR

CHIEF ADMINISTRATIVE OFFICER