

COLUMBIA SHUSWAP REGIONAL DISTRICT

Minutes of a Committee of the Whole (Budget) meeting held January 30, 2019
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
	G. Sulz	City of Revelstoke
	T. Rysz	District of Sicamous
	K. Flynn	City of Salmon Arm
	C. Eliason	City of Salmon Arm
	K. Cathcart*	Electoral Area 'A'
	D. Brooks Hill	Electoral Area 'B'
	P. Demenok	Electoral Area 'C'
	R. Talbot	Electoral Area 'D'
	J. Simpson**	Electoral Area 'F'

Staff:	C. Hamilton	Chief Administrative Officer
	J. Pierce	Manager, Financial Services
	S. Haines	Deputy Treasurer
	J. Sham	Asst. Deputy Corporate Officer
	B. Payne*	Manager, Information Systems
	D. Mooney	Manager, Operations Management
	G. Christie	Manager, Development Services
	T. Hughes	Communications Coordinator

*Attended Part of Meeting Only

** Attended via teleconference

CALL TO ORDER

Chair Martin called the meeting to order at 9:31 AM and acknowledged the work of the finance department and Senior Managers for all the work that goes into the budget meeting and the Electoral Area Directors for making time to do the one on one budget work. The meeting was then turned over to J. Pierce, Manager, Financial Services.

BUSINESS GENERAL

Presentation/Overview of the draft five year Financial Plan (2019 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

Review of the Workbook
Regional Budget Focus
Electoral Area Budget Focus
Questions
Public consultation

Budget Process:

The Manager, Financial Services provided an overview of the budget process and noted that binders will not be provided in advance of the February budget meeting. The binders are largely in the same format as previous years with the addition of a section related to the Staffing Complement and the Parcel Taxes. The Manager, Financial Services also thanked T. Hughes, Communications Coordinator for her work on promoting the budget via social media to try and enhance the public consultation process.

Assessment trends:

An overview of assessment trends from 2018 to 2019 was provided. The Manager, Financial Services noted that most bylaws use Converted Assessment, not Total Assessment. Converted Assessment is calculated using a class multiplier (Residential multiplier is 1.0, commercial multiplier 2.45, industrial 3.4 and utilities have a multiplier of 3.5). The Manager, Financial Services also explained that municipalities have the authority to change the class multipliers where regional districts do not. She also noted that a member municipality changing its' class multipliers would have no impact on the CSRD budget process.

Departmental Mandate Presentations:

Managers of each of the Departments provided an overview of the 2019 Mandates 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)

Corporate Administration:

The Chief Administrative Officer (CAO) provided a high level overview of the key projects for Corporate Administration in 2019:

- Strategic Planning session to be held in February. This session may alter work plans in respect of priorities and goals coming out of that session.
- Economic Development and Tourism in Shuswap review as the Manager is contemplating retirement at the end of 2019. This would be a good opportunity to look at the direction of the program and how best to proceed.
- Continued work on the Rail Trail. First order of business is to schedule an interjurisdictional committee meeting to provide oversight on key governance issues.
- Board on the Road will be held in Area F in 2019.
- Funding is within the budget for a Community Needs Assessment in Electoral Area F, however, this may be deferred to 2020 and there may not be capacity within the existing work plan to give the study the time and resources it deserves as staff are also working the Scotch Creek Community Water study which is a priority for the Area.

- Continued progress with the Area C incorporation study. Mr. Neilson will report at the February Board meeting and will present a number of options. It is staff's intention to request the Ministry to fund a full scale restructure study.
- Continued annual Committee of the Whole meeting for identification of bylaws and policies that are being considered for addition, revision or retraction.
- Feasibility Study plan work for Area C new service proposals and the Golden and Area A Aquatic Centre. The Area C service proposals are simple contribution agreements and will go forward with an Alternate Assent Process in Area C. The Aquatic Centre is a very large study that is time consuming and complex which will likely extend into 2020 however, the process will begin in 2019.
- Support the implementation of building inspection in Area C and the process to look at implementation in Area D.
- Continued support of the Communications Program. The CAO expressed his pleasure with the CSRD exposure on social media and thanked the Communications Coordinator for her work in this regard. Staff will be looking at some Social Media training for Directors in the next few months. Director Demenok commented that people are feeling more informed. Director Flynn expressed his appreciation for the Board in Brief in its usefulness to take information back to the respective municipalities.

Information Technology

The Manager, Information Technology/GIS Services provided an overview of the key IT projects for 2019:

- The biggest initiative is to replace all the network switches and finalize the security within server room and network.
- Update the exchange server.
- Update all staff computers to the Microsoft Office version 2019.
- Replacement of Uninterrupted Power Supply units in the server room.
- Continued work on the Laserfiche implementation. Discovery is being finalized with the last few departments. Automatic form processes are being created for expense claims, timesheets, and purchase orders.
- Continued development of the mapping portal. A training session on the portal will be created for Directors at an upcoming Electoral Area Directors meeting.
- Most other initiatives are continuation of prior years, and working on upgrades.

Finance

Manager, Financial Services provided an overview of the many annual reporting requirements for the finance department.

Development Services

The Manager, Development Services gave a brief overview of 2018 and went on to describe the key projects planned for 2019:

- Area C OCP amendments & zoning bylaw will be undertaken in the fall. Housing needs assessments are now required in any major OCP amendments.
- Implementation of building inspection in Area C will be effective March 4, 2019 and public engagement will be undertaken in Area D for implementation of building inspection in 2020.
- Ongoing work researching and possibly implementation a Bylaw notice adjudication process. This is another way of adjudicating enforcement issues wherein disputed tickets would go to adjudicator, which is a more cost effective process. Application to the Province would be required.

Operations Management

Manager, Operations Management summarized the staffing, volunteer usage and contract management within the Operations department and noted that 2018 had been an incredibly busy year. He then gave a brief overview of each of the functional areas within the Operations department.

- Operations Administration – key goals:
 - Continued work with the asset management project, including hiring an Asset Management Coordinator, and working through the goals identified in the Resource Plan.
 - Assessment of a potential acquisition of a private sewage treatment facility in Blind Bay.
 - Golden and Area A Aquatic Centre Feasibility Study.
 - Implementation of a Scotch Creek water master plan.
 - Support of procurement and risk management relating to numerous contract renewals
- Environmental Health Services – key goals:
 - Design and Operation plans for the Salmon Arm and Golden landfills; potential property acquisitions; upgrading entrances and scales at the Salmon Arm landfill; food waste collection facility in Revelstoke; and, community engagement process to determine community support for Area C curbside waste and recycling collection.
- Utilities – key goals:
 - Scotch Creek master water plan. Staff are currently waiting for decision on a potential \$9 million dollar grant. If successful, next steps would include a public assent process prior to the implementation and/or construction.
 - Upgrades to the Saratoga water system.
 - Waterline replacements within the Anglemont water system.
- Protective Services – key goals:
 - Fire Services goals include replacement infrastructure at departments including a replacement engine for the Shuswap Department.
 - Emergency Management goals include the finalizing the Bastion Mountain geographical assessment project funded by a grant and the Newsome Creek mitigation study.
- Community Services – key goals:
 - Parks priorities include development of Bristow Road park that was acquired in 2017; potential park acquisition in Area C; Silver Creek parallel trail; continued work on the Rail Trail project; and determining the course of action for a boat launch in Nicholson to develop a “blue way” concept in Area A.
 - Roof replacement at the Golden Arena.
 - Working to determine a new service provider for Dog Control.

Director Flynn questioned why the budget is decreasing in Emergency Management as climate change is becoming a more important issue. Staff indicated that the operational budget is not down but the decrease is reflective of a project being funded with grant funds. Director Flynn is pleased to hear that operational funding is not being cut and wants to ensure the program continues to be funded appropriately. He also indicated that from a communications point of view, he would like to have someone present to City of Salmon Arm Council as many people are not aware of the Shuswap Emergency Program. Chair Martin would like to see Emergency Programs promoted throughout the region, and perhaps this could be done in conjunction with Local Government Week.

Economic Development

The Manager, Shuswap Tourism/Economic Development/Film Commission was unavailable to present so C. Hamilton, CAO provided a brief overview noting that the budgets been reviewed with committees previously. This is somewhat of a placeholder budget to keep momentum going on the plans that have been approved, however with the Manager's imminent retirement, the CAO wants to use this year to review the functions. There may be a possible change for the second budget meeting with respect to the ongoing contract within film commission function. There is some concern with the order of magnitude and the return on investment.

Director Demenok expressed concern that the implementation of agricultural strategy may be falling through the cracks. Money was spent to develop the strategy and would like to see it implemented. The CAO indicated he will follow up with staff who will provide a response for the second budget meeting.

Director Demenok is also concerned that the subsidy transfer from Tourism was not significant enough and would like to see this happen more quickly. The Manager, Financial Services indicated that the subsidy had been significantly reduced for 2019 from \$110,000 to \$75,000, and has shortened the duration for which there will be a subsidy. The subsidy to be completely eliminated by 2023.

Staffing Complement:

Staff are proposing 2.0 FTE increase. 1.0 FTE is allocated as for an additional building inspector for Area C. The second 1.0 FTE is a new position in Financial Services. Rationale for that position has been included and the Manager, Financial Services would like to Board to consider approving this new position.

With respect to the total increase in salaries, the amount is \$446,000, which includes the two additional positions, the cost of living clause in accordance with the Collective Agreement, and the new Employer Health which is estimated at \$92,000.

The CAO strongly endorsed the request for an additional FTE in the finance department. Prior to requesting additional resources, staff always look at work-around and potential improvement of processes, however, in this case, there is a strong business case.

Moved by Director Cathcart

Seconded by Director Demenok

"THAT it be recommended to the Board to approve an additional 1.0 FTE position in the Finance Department."

CARRIED

Directors commented that they appreciated the new Staffing Complement section within the budget binders and are appreciative of the transparency.

The Committee of the Whole meeting was in recess from 11:37 pm to 1:23 pm.

Area Tax Summaries

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

Regional Focus

The Manager Financial Services explained that regional budgets would be reviewed first followed by Electoral Area-only budgets later on as requested by the Board.

As mentioned earlier, the big changes for 2019 are the Employer Health Tax which will be added to all remuneration including Directors, paid on call firefighters and volunteers, and the expansion of sub-regional building inspection into Area C.

Budget Comparisons, 2018 – 2019

Regional Functions:

The Manager, Financial Services provided an analysis of key 2018 vs. 2019 budgets, by function:

- Regional General Government – still no taxation in this function as a result of the current year surplus; however, taxation is expected in 2020. Operating reserves will be used initially to ease the tax burden. Increased costs are related partial funding of the Finance FTE position and the increase to Director remuneration.
- Administration Cost Allocation and IT - The tax requisition has increased .8% due to significant surplus to carried forward. The building repayment in 2019 is \$575,000 and the building will be fully repaid in 2020. Taxes are proposed to increase in 2020 with the final building payment before dropping in 2021.
- 911 Emergency Telephone Response – staff is still awaiting final budget information from the Central Okanagan Regional District on contract costs for this service, but does not anticipate a significant change and is confident that any change can be accommodated without affecting the tax requisition.
- Recycling –Staff is continuing to align the management of recyclables within this function and that additional revenue will be captured in this budget to align with the costs of managing recyclables. Due to ongoing efficiencies within the program, the tax requisition reflects a 0% increase which is expected to be maintained for a few years.
- Regional Solid Waste Management – Fully funded by tipping fees. Budget has increased due to higher costs of handling solid waste. One phase of the Revelstoke landfill will be closing in 2019 which will be funded from the Closure Reserve.
- Shuswap Tourism – This is year 3 of a separate tourism budget. It had been determined that the Economic Development function had been subsidizing the tourism budget and staff are eliminating the subsidy by 2023 so as not to have a significant increase to the stakeholders in one year. Even with the subsidy, there is a 15.8% increase in taxation.
- Shuswap Emergency Program – There is an increase of 14.9% in 2019 which is primarily

due to the establishment of a Disaster Mitigation study fund to be used only for projects with a Provincial Task number.

- Revelstoke and Area B Emergency Program – a planned increase of 21% due to the establishment of Disaster Mitigation study fund to be used only for projects with a Provincial Task number and an increased salary allocation for joint work to update and maintain the Area wide emergency plan.
- Golden and Area A Emergency Program – a planned increase of 14.8% due to the establishment of Disaster Mitigation study fund to be used only for projects with a Provincial Task number and an increased salary allocation for joint work to update and maintain the Area wide emergency plan.
- Shuswap Watershed Council – no significant increase for 2019 but the Board was reminded that the establishing bylaw is set to expire in 2020 and there will have to be another public assent process.
- Shuswap SPCA – The draft one budget contained the same annual increase as has been in place since 2005, however, a grant in aid application came in for an additional \$2,000 and staff wanted to see if the Board had an appetite for increasing the annual grant. There was considerable discussion around the proposed increase in that perhaps it was not enough and what the additional funds would be used for. It was resolved that staff would increase the annual grant by \$2,000 to \$12,000 and invite the SPCA to come to a future Board meeting to discuss their programs and funding needs.

Other functions were briefly discussed but there were no significant discussions, questions or increases that hadn't been covered previously. There were no members of the public in attendance for the public consultation.

Electoral Area Functions:

The Manager, Financial Services reviewed key changes to Electoral Area functions:

- 2018 was the third year of the regional water allocation to eliminate the subsidization of the water systems by the Electoral Area Government. Of the approximate \$238,000 in expenses, \$121,000 is still subsidized by Electoral Area Governance in 2019.
- Sub-regional building inspection will be expanding into Area C effective March 4, 2019.
- Summary of parcel taxes is now included in the binder. Staff are currently working on the parcel tax roll which must be submitted to the Province prior to the final budget adoption.

Budget Comparisons, 2018-2019

Electoral Area Functions:

The Manager, Financial Services provided an analysis of key 2018 vs. 2019 budgets, by function:

- Electoral Area Government – 2019 will have a 2% increase in taxes primarily due to the allocation of the finance FTE and director remuneration. There is a projected surplus in this function that will be utilized to keep the tax rate to 2%. Future years will see the use of operating reserves to stabilize the tax rate.

- Bylaw Enforcement – no change to the tax requisition in this function. Large proposed surplus to this function as a result of a staff member being on medical leave. The surplus is being transferred to an operating reserve for mitigation of future tax increases and potential legal expenses should a bylaw enforcement case require this type of action.
- Development Services – There is a slight increase of 1.4% in the tax requisition largely related to salary costs.
- Economic Development – this is the first year that no member municipalities have participated in this service. The tax requisition has decreased to reflect this and the projects align with the Strategic work plan and the Rural Dividend Grant awarded in 2018.
- Other electoral area functions were discussed briefly, however, there are no other significant changes that have not already been covered.

Electoral Area Taxes

The Committee was directed to the Electoral Area Taxes section of the workbook. The Manager, Financial Services reminded the Board that we do not yet have the mill rates for the provincial taxes, school taxes, and regional hospital districts.

A number of directors commented that these documents were very valuable in their discussion with local constituents and were used to explain how much tax revenue is collected in an Area and how much is collected for other agencies and the Province.

Other Comments

Director Demenok would like an additional \$75,000 added to the Area C parks budget for future park development fund. He also commented that the potential acquisition of parkland in Area C appeared to be missing from the budget. The Manager, Financial Services responded that both of those adjustments will be reflected in draft two.

Director Eliason commented that the CSRD achieved carbon neutrality a long time ago but the City of Salmon Arm is now considering using CARIP grants and Gas Tax money towards projects that demonstrate best practices. Perhaps the CSRD should consider using these funds for leadership projects such as solar panels and electric vehicles to show leadership within the region.

The Manager, Financial Services asked if any of the directors had reviewed any of the budget material on the website and whether the Board would like to see the budget materials in a digital format or paper. It was the consensus of the Board that paper is the preferred method of delivery.

Next Meeting

The next meeting is scheduled for Wednesday, February 27, 2019. The Manager, Financial Services requested that the Directors bring their binders to Budget Meeting #2 and staff will provide updated contents along with a summary of changes between Draft #1 and Draft #2.

Committee of the Whole (Budget) Meeting
January 30, 2019

Moved by Director Rysz

Seconded by Director Talbot

“THAT the Board adjourn the January 30, 2019 Committee of the Whole Meeting.”

CARRIED

Adjourned at 2:27 pm.

CERTIFIED CORRECT:

CHAIR

CHIEF ADMINISTRATIVE OFFICER