

**MUNICIPALITY OF CROWSNEST PASS
TUESDAY, DECEMBER 14, 2010
2011 BUDGET MEETING**

A 2011 Budget Meeting was held in Council Chambers on Tuesday, December 14, 2010.

PRESENT: **MAYOR:** Bruce Decoux

COUNCILORS: Siegbert Gail, Brian Gallant, Jerry Lonsbury, Larry Mitchell,
Andrew Saje

Absent: Councillor Emile Saindon

Also present:

Chief Administrative Officer	Tully Clifford
Director of Finance & Systems	Marion Vanoni
Director of Operational Services	Myron Thompson
Director of Community Services	Cam Mertz
Director of Legislative and HR Services	Lynne Cox
Municipal Tax Assessor	Glen Snelgrove

CALL TO ORDER

Mayor Decoux called the meeting to order at 3:30 pm.

ADOPTION OF AGENDA

The *2011 Budget Deliberations* Agenda will continue.

Director of Finance, Marion Vanoni

The Director of Finance reviewed the following Cost Centres:

Council

- Less than 1% increase in operational costs
- 2.02 % increase in tax levy - \$3,665
- Approximately 1.5% of entire Municipal budget
- Conventions and workshops budgeted for as per policy

Fire Department

- Less than 1% decrease in operational costs
- 1.35% increase in tax levy
- Approximately 3% of entire Municipal budget
- Long Term Debt – Annual payment \$57,756 – 4.5 years remaining

Director of Finance - Continued

Policing

- Revenue generating from RCMP ticketing
- Anticipated 2011 income - \$25,157

ARRIVAL

Glen Snelgrove, Municipal Tax Assessor, arrived at 3:36 pm.

Rescue

- 25.84% increase in operational costs - \$38,000
- 30.34% increase in tax levy - \$33,067
- Approximately 1.4% of entire Municipal budget
- Long Term Debt – Annual payment \$26,000 – 4 years remaining

By Law Enforcement

- 9.81% decrease in operational costs - \$9,993
- 6.37% decrease in tax levy - \$5,194
- Less than 1% of entire Municipal budget

Animal Control

- Partners with the SPCA
- 10.56% decrease in operational costs - \$5,245
- 11.38% decrease in tax levy - \$4,971
- Less than 1% of the entire Municipal budget
- Employee contract in place until 2012

Grant Funding for Community Organizations

- 2011 Total Funding Request \$337,570
- Interim funding based on 2010 approved funding levels - \$281,547
- Further discussion in first quarter of 2011

Planning and Development

- Gaps exist; extensive amount of work required in this area
- Development Plan is due this year
- 3.94% increase in operational costs - \$14,197
- 4.33% increase in tax levy - \$5,924
- 3.2% of entire Municipal budget
- Building inspections continue to be conducted by Park Enterprises
- Building Inspection position remains unfilled
- 2010 Building Permits – approximately 8 million dollars – very low – impacts how millrate is calculated
- Bellevue methane investigation - \$12,800

Director of Finance - Continued

Marketing and Promotions

- Major gap area
- No budgeting recommendations
- Administrative goal is to develop the website to be more interactive and to provide a better communication approach

Economic Development

- Major gap area
- Special events are included as a means of accounting for them
- Economic Development not funded in 2010

Administration

- Chief Administrative Officer, Legislative Services Department, Finance Department, and professional services
- 16.3% increase in operational costs - \$203,096
- 18.8% increase in tax levy – \$256,211
- 12.1% of budget
- \$15,000 included in professional fees for actuarial valuation of post employment benefits
- Carpet and broken tile replacement in Municipal Office
- Council Chambers upgrades
- 4% increase in union employee wages effective January 1, 2011
- Reclassification wage adjustments

Health & Safety

- 4.6% increase in operational costs
- 4.4% increase in tax levy
- Less than 1% of budget

Information Technology

- 3.3% increase in operational costs - \$5,588
- 28% increase in tax levy - \$25,628
- 1.4% of budget
- Purchase of archiving equipment
- Currently in third year of five year Plan for Information Technology

Electrical Distribution

- Revenue Source
- Rates will be reviewed in the first quarter of 2011 for increase to ensure the costs of energy are being covered
- Administration will meet with Council to discuss capital upgrades, the future of the system, and how things will be handled
- 2011 net income - \$184,130

Archiving Project

- Equipment and Software - \$30,000

Director of Finance - Continued

Review of the Bottom Line

Existing Reserves

- Approximately \$1.1 million dollars in reserves at December 31, 2010
 - In 2011 reserves will be depleted by \$250,000 for infrastructure and parks
 - Included in the 2011 budget is \$100,000 to be placed in a designated reserve for the upgrade and renovation of the Seniors Housing Apartments and York Creek Lodge
 - Reserve Allocation for the 2011 budgetary year is based on industry standard of 20% of operational costs
 - Waste Water Systems - \$139,171
 - Water Systems - \$167,817
 - Solid Waste - \$124,133
 - Electrical - \$192,754
- Total \$623,875
- Require \$7,195,586 in tax levy
 - Total tax revenue \$6,834,196
 - Unfunded amount of \$361,390
 - Net deficit of \$985,265

The Chief Administrative Officer advised that Council consider a Reserve Policy and reserve options which included:

- Operating Reserve based on industry standards within municipal governments
- Reserve for capital improvement program
- Consider the amount the reserve should be, as well as the minimum the reserve should ever be

Mayor Decoux suggested reserves could be built up by logical sequential addition every year.

Further discussion included:

Finance

- Administration felt the community organizations provide good financial information, and depending on the organization the information provided may or may not be audited
- Total long term debt is very low
- If grants are received or discontinued, the Chief Administrative Officer is first notified, then the Financial Officer, and then the department and project or program impacted
- In reference to rescue and fire departments the Chief Administrative Officer plans to compare items including response time, personnel, equipment, and responsibilities with other communities and determine what is appropriate, where the Municipality should be, what the response should be, and will provide this information to Council
- In order for the Senior Housing Authority to gain access to a grant to upgrade and renovate the apartments and York Creek Lodge, a financial commitment from the Municipality was required; when the Authority is awarded the grant, the Municipality will have to provide one million dollars financial support. The previous Council has designated \$100,000 yearly into a reserve for this purpose.

Director of Finance - Continued

- Documentation will be provided for Council's review in reference to a previous Council resolution for the Municipality to back construction overruns for upgrades to Senior Housing
- As per Council resolution, monies from land sales are directed into a land sale reserve and used at the discretion of Council
- Council encouraged Administration to identify land that could be put up for sale
- Mayor Decoux advised that early in the new year a special meeting will be called to discuss land development and reserves
- The Chief Administrative Officer feels Council may determine direction of any unexpended funds at the end of the year
- The Chief Administrative Officer would like to ensure the appropriate staff is in place to review programs and processes, and right sizing of staff can be done through attrition and retirements
- A position to promote the Crowsnest Pass would be at Council's direction
- Mayor Decoux noted the Municipality belongs to Alberta SouthWest which provides the potential for marketing and promotion
- Mayor Decoux suggested the possibility of a half time position shared with another community for promotion of the Crowsnest Pass
- Noted the leak outside the Municipal Office will be repaired

Community Services

- Consolidation of programs within facilities to improve utilization of the facilities would be investigated at Council's direction
- Council felt the Ski Hill's mandate should include the statement "and be a profitable venture"
- Dave Morrison, Pass Powderkeg Ski Hill Manager, will provide Council with further details regarding the Ski Hill

Public Works

- The Director of Operations will review other options regarding funding of water meter installation
- Penalties and completion dates can be written into tender documents, but there may be an additional cost
- The Director advised an objective is to have Municipality be more diligent and take more responsibility to ensure projects move along, and not be dependant on outside sources
- Councillor Mitchell advised he felt the Senior Housing Authority are interested in proceeding with the upgrade and renovation project within the next year or two
- The Director of Finance advised over the last few years there has been a decline in policing revenues

Director of Legislative Services

- The Chief Administrative Officer advised he would like to see the Director of Legislative Services and Human Resources have a more strategically focused role with less administrative tasks which would be tasked to the appropriate staff
- Focusing on items such as the advertising policy and where dollars are being spent, notices for land development issues and council meetings, communications policy, public outreach policies, and legislative issues
- Council questioned the benefit of \$10,000 for a parade float

General

- The Director of Operations advised funds have been budgeted for a study to look at two options for an alternate water supply for the golf course with half the study funded by the golf course
- The Director of Finance advised funds collected for rescues and fires that are not residence instances, are billed out to their insurance companies or Alberta Transportation; this is considered cost recovery and the funds go back to the involved rescue or fire department
- Council questioned access to the former York Creek Dam

RECESS

B#03-10: Councilor Mitchell moved a ten minute break for Council at 4:53 pm.

CARRIED UNANIMOUSLY

RECONVENE

Mayor Decoux called the meeting to order at 5:09 pm.

Director of Finance

- The Director advised Great Plains Dynamics accounting/financial software is in use which is fully integrated with other municipal departments and functions
- Software enhancements are required which will improve the system and enhance reporting capabilities
- The Director explained the method of reporting provides actual historical costing providing the opportunity to view comparisons, trends, and address anomalies
- Mayor Decoux advised the method of reporting provides a bottom line
- The Chief Administrative Officer advised adjustments to the budget at Council's direction from this meeting will be made, and the final document will be provided to Council at the December 21, 2010 Council Meeting. Administration will then report back to Council on a quarterly basis and advise if Administration is on track, or if changes are required. As programs and services are reviewed, Administration will report back to Council on these items. The process for the next budget year will be started sooner and a more comprehensive package will be provided to Council for deliberation.
- The Chief Administrative Officer advised in reference to fire and rescue, he will be reviewing the best way to provide a response and investigating what the municipality's or province's responsibilities are
- The franchise fees for Atco and Enmax are gross numbers
- A deficit of \$361,390 is an approximately 5.5% tax increase
- A deficit of \$985,265 is an approximately 15 – 16% tax increase
- The Municipal Tax Assessor advised an average house worth \$280,000 would equate to approximately \$2,500 to \$2,900 plus the tax increase
- Council noted rental rates on buildings may need to be reviewed in reference to actual costs incurred for items such as utilities

Mayor Decoux noted it is apparent there is the desire for change and questioned if there is the willingness to pay for it. Noted Administration has requested a lot of positive enhancements, and questioned Administration as to what requests would be anticipated in the next year and the year after if these changes were accepted. Felt Council may require more time to consider the proposed budget.

The Chief Administrative Officer advised it is necessary to provide programs and services that provide value to the residents and businesses at a reasonable cost which can be achieved by a systematic and ongoing review of programs and services provided and the methods in which they are delivered.

- The new model of providing services and programs will engage the community and better respond to their needs
- Proposed changes will enable Administration to improve policies, procedures, processes, maintain long term sustainability, create a flexible work force able to adapt to change, and have a well informed Council
- Facility consolidation will be reviewed
- Would like to present Council with a three year budget next year
- Costs will hopefully be offset with economic benefit

Mayor Decoux noted the way the Municipality does business needs to be revamped and noted returns on the investments made may be a better economy. Noted the Municipality is behind in the way it does business and has to catch up for the betterment of the Crowsnest Pass and the future.

Discussion took place on the necessity of having a position responsible to apply for all grants.

- Noted applying for grants is currently the responsibility of individual department heads assisted by Finance
- A Grant Administrator or Grant Writer was suggested as a way to leverage grant dollars
- Noted training programs exist to teach individuals how write proposals and apply for grants – Proposal Writing Seminars
- Mayor Decoux advised Administration to consider looking at a Grant Administrator or Grant Writer to coordinate each and all grants in the system and ensure all grants are applied for
- Mayor Decoux suggested accessing a document (cost approximately \$150) issued quarterly by the federal government listing all grants available in Canada
- The Director of Operations advised CFEP funding was discontinued to municipalities in April

Discussion took place on the look of the Municipality.

- Mayor Decoux advised he is concerned with the look of the community – River Run, long grass, rusting telephone light standards, CPR telegraph poles sinking into river, property adjacent to Highway 3
- The Director of Operations noted a beautification initiative can be investigated and presented to Council
 - The province offers programs as fundraising activities for clean up activities
 - A list of action items at relatively no cost to the Municipality could be compiled
 - No funding has been budgeted for beautification of the community
- The Chief Administration Officer noted the Community Standards Bylaw is a step in the right direction.
 - Need to engage the community and individual businesses
 - Consistency in how we brand ourselves
 - There is some capacity within staff to take some action

DEPARTURE

Ms. Lynne Cox departed the meeting at 5:54 pm.

The Director of Finance advised that Administration's direction is a resolution to present a prepared document for Council's approval at the December 21, 2010 Council Meeting. A budget is necessary for January 1, 2010. Direction from Council is required in order to prepare a resolution for Council's approval on December 21, 2010.

- Mayor Decoux questioned what could be removed from the Budget that is not essential to the philosophy discussed
- The Director of Finance advised this request would be at Council's direction to the management team
- The Chief Administrative Officer suggested removing the transfer of the \$623,875 to the Operating Reserve, leaving \$361,390, adopt the presented budget as an interim budget, and look at refinement of the budget in February and March
- Mayor Decoux felt there are a number of items that can be deferred over the next three years and priorities need to be established

Council's consensus was to make a decision on the proposed budget at the December 21, 2010 Council Meeting.

AJOURN

B#04-10: Councilor Mitchell moved to adjourn the meeting at 6:03 pm.

CARRIED UNANIMOUSLY

Bruce Decoux
MAYOR

Tully Clifford
CHIEF ADMINISTRATIVE OFFICER