



COMMITTEE OF THE WHOLE MEETING MINUTES

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

Date: February 23, 2022
Time: 9:30 AM
Location: CSR D Boardroom
555 Harbourfront Drive NE, Salmon Arm

Directors Present	K. Cathcart^*	Electoral Area A Director
	D. Brooks-Hill^	Electoral Area B Director
	P. Demenok*	Electoral Area C Director
	R. Talbot	Electoral Area D Director
	R. Martin	Electoral Area E Director
	J. Simpson	Electoral Area F Director
	C. Moss^	Town of Golden Director
	G. Sulz^	City of Revelstoke Director
	T. Rysz^	District of Sicamous Director
	K. Flynn	City of Salmon Arm Director
	T. Lavery^	City of Salmon Arm Director 2

Staff In Attendance	C. Hamilton	Chief Administrative Officer (CAO)
	J. Sham	Deputy Manager, Corporate Administration
	C. Robichaud	Legislative Clerk
	G. Christie	Manager, Development Services
	J. Pierce	Manager, Financial Services
	S. Haines	Deputy Treasurer, Financial Services
	D. Mooney	Manager, Operations Management
	R. Nitchie^*	Team Leader, Community Services

^electronic participation
*attended a portion of the meeting.

1. Call to Order

The Chair called the meeting to order at 9:35 AM.

2. Adoption of Agenda

Moved By Director Demenok

Seconded By Director Simpson

THAT: the agenda of February 23, 2022 Committee of the Whole meeting be approved.

CARRIED

3. Meeting Minutes

3.1 Adoption of Minutes

Moved By Director Martin

Seconded By Director Talbot

THAT: the minutes from the January 25, 2022 Committee of the Whole meeting be adopted.

CARRIED

3.2 Business Arising from Minutes

3.2.1 Film Commission - Town of Golden and Area A

From the January 26, 2022 Committee of the Whole meeting an inquiry was made regarding the Film Commission for Golden and Area A. Staff provided a copy of the Film Commission Extended Service Amendment Bylaw No. 5479 to Director Cathcart showing Town of Golden and Area A requested to be excluded from the service.

4. Business General

4.1 Overview of the Draft II, 2022 Financial Plan (Budget)

J. Pierce, Manager, Financial Services to present Draft II of the 2022 Financial Plan.

- Questions arising from Draft I
- Key changes from Draft I to Draft II
- Tax summaries

- Questions
- Public Consultation

A copy of the Draft II, 2022 Financial Plan is available on the [CSRD website](#) and a view only copy is available at the CSRD office.

The meeting was turned over to J. Pierce, Manager, Financial Services, who offered a PowerPoint presentation to cover the following topics:

- Finalized surpluses and deficits.
- Finalized transfers from capital and operating reserves.
- Director changes incorporated.
- Other Key Changes from draft 1 to draft 2.
- Tax summaries by area
- Electoral Area taxes
- Public consultation

Key changes:

The Financial Services Manager explained that the changes from draft 1 to draft 2 falls into the following four categories:

- Surpluses and deficits finalized;
- Reserve contributions finalized;
- Director changes;
- Other changes from actuals and staff.

Surpluses and Deficits Finalized:

Manager, Financial Services explained that the surplus and deficit numbers were now final, while draft 1 was based on estimates. The net surplus for 2021 was \$1,457,000 with 42 functions ending the year with a surplus. Per the Local Government Act the deficits must be repaid in 2022. The most significant deficit resulted from Sicamous Arena. The surpluses were being used to either mitigate taxes or to complete projects that were carried forward from the 2021 budget.

Director Cathcart joined the meeting at 9:42 AM.

Reserve Contributions Finalized:

Manager, Financial Services explained that all transfers to and from Capital and Operating Reserves were now finalized. The Capital Reserves at year end was slightly over \$20,600,000, which was an increase of

approximately \$2,500,000. Manager, Financial Services provided an overview of functions which made significant contributions to Capital Reserves in 2021, as well as providing details of significant projects funded out of reserves in 2021. It was noted that the rate of return on reserves in 2021 was very low. Additionally, \$27,000 was contributed to parkland acquisition funds with \$11,000 coming from Area B and \$16,000 from Area C. Operating Reserves have been established to assist with tax rate stabilization, as well as planning for non-capital projects which recur regularly but not annually (elections being provided as one example). The balance in the Operating Reserves at year end was \$8,210,700. From this amount, \$646,5500 is being utilized in 2022 to assist with tax rate stabilization.

Operating reserves were then reviewed for compliance to policy. There were a number of functions that were currently not in compliance with policy as the operating reserves were either underfunded or non-existent. Some functions exceed the maximum limits from within policy, and the rationale for that was explained.

Director Martin had a question about the Fireworks operating reserves and why they were all different. It was explained that it depended on the surplus funds from each of those functions at the time the reserves were established.

Director Demenok inquired about the nature of the Visitor Info Centre real estate reserve. It was explained that these were funds received by the CSRD when the Information Centre in Golden was sold and that there have been no identified projects for those funds.

At the Draft 1 budget meeting, staff were challenged to sharpen their pencils, so staff took a careful review of each and every function and attempted to affect positive changes on the tax requisitions.

Budget Changes with no effect on taxation:

There were eight functions that had their 2022 budgets adjusted for various reasons such as reconciling grants or adjusting costs and revenue to reflect closer to actual values.

Budget Changes utilizing surplus:

Seven functions had minor changes to their tax requisitions because of finalization of the surpluses from 2021. These changes resulted in an overall decrease to taxation in the amount of \$5,011.

Budget Changes utilizing surplus and operating reserves:

There were 10 functions that had changes to the tax requisition, but the total budget did not change. These changes were either due to the use of operating reserves or a combination of surpluses and use of reserves and reduced taxation by \$35,701.

Other Budget Changes:

Staff reviewed the revenue in the building inspection functions and increased the budgeted revenue which decreased the tax requisitions by \$1,820 in Area F and \$24,611 sub-regionally.

There were a couple of minor changes resulting from the one-on-one meetings with Directors held in January 2022. Electoral Area Directors in Area C and D supported reductions to grant in aid budgets totaling \$33,500. The Electoral Area E Director supported using Community Works Funds rather than capital reserves at the Sicamous Arena to purchase fitness equipment.

Staff then reiterated the need for the Senior Bylaw Enforcement position, and it was explained that this is not a new FTE but rather one that has been repurposed. Staff considered a director suggestion from the Draft 1 budget meeting to propose a mid-year start and the use of reserves to ease the increase in the tax requisition for this function. The half-year start is the scenario that has been presented in the Draft 2 budget documents. There was considerable discussion around the position, the workload, the number of complaints and the proposed funding.

Moved By Director Cathcart

Seconded By Director Martin

THAT: the Committee recommend the Board approve a 1.0 FTE Senior Bylaw Enforcement Officer position and start the hiring process immediately for a mid-year start date.

CARRIED

Moved By Director Martin

Seconded By Director Cathcart

THAT: the Committee recommend to the Board that the 1.0 FTE Senior Bylaw Enforcement Officer position is funded with tax requisition for the full year.

Discussion on the motion:

The CAO cautioned the Directors that the budget for the position should be for the full year because failure to do so could tie the hands of the incoming board who will be faced with a significant increase.

Director Martin indicated she would support the implementation of the position being partway through the year but not using reserves so as to make next year less of a shock.

DEFEATED

In Favour: Directors Martin and Cathcart

Opposed: Directors Demenok, Talbot, Simpson, Lavery, Flynn, Sulz,
Rysz, Brooks-Hill, and Moss

Moved By Director Talbot

Seconded By Director Demenok

THAT: the Committee recommend to the Board that the 1.0 FTE Senior Bylaw Enforcement Officer position be funded by the option presented by the CFO in the Draft II budget using a combination of taxation and operating reserves.

Discussion on the motion:

The Chair summarized that the Draft 2 budget contained a scenario for a half year start for the proposed position with funding out of operating reserves and that the Manager, Financial Services has given the Directors notice that there will be an increase in 2023.

CARRIED

In Favour: Directors Moss, Sulz, Brooks-Hill, Rysz, Talbot, Lavery, Flynn,
Demenok, and Simpson

Opposed: Directors Cathcart and Martin

Director Demenok declared a conflict and left the meeting at 10:43 AM. Director Demenok holds the position of Director on the South Shuswap Transportation Society.

Moved By Director Talbot

Seconded By Director Simpson

THAT: the Committee recommend the Board authorize a contribution agreement for the South Shuswap Transportation Society as presented by staff in the Draft II budget.

Discussion on the motion:

Staff had a late budget change with respect to the provision of transit services in Area C. There is an existing bylaw that was approved in an assent process which would enable the CSRD to enter into contracts for the provision of transit services. The South Shuswap Transportation Society has been funded using grant in aid funds since its inception a couple of years ago but due to the success of the program, the Society has indicated that they are looking for ongoing sustainable funding. Staff recommended that the budget include funding to the Society by way of a contribution agreement that spells out the requirements that must be met by the Society to receive the funding. The operational funding would be through taxation, however, the grant in aid budget would be reduced to offset the increase in taxation. The budget would include a one-time capital purchase funding of \$15,000 subject to a successful grant application for the acquisition of a second vehicle.

The Directors had some questions regarding liability to the CSRD, and the maximum allowable under the bylaw and commented that this is much more transparent for the Area C taxpayers.

CARRIED

Director Demenok returned to the meeting at 10:50 AM.

Other Changes:

Manager, Financial Services explained that there were a few other changes that arose from minor adjustments. These adjustments included adjustments to parcel taxes for additional parcels, reprioritizing projects and capital expenditures, updated contract information and other identified needs.

There was considerable discussion regarding the Rail Trail budget as it does represent a 12% increase over 2021.

Team Leader, Community Services talked about the need for maintenance and erosion mitigation to protect this Legacy project. There was also discussion regarding the sharing of costs amongst the participating areas and but also amongst the co-owners.

CAO reminded the Board that the service establishment bylaw went through an assent process with apportionment that deviated from the straight assessment basis and there had been very little opposition to the purchase and maintenance of the Rail Trail Corridor.

Director Demenok requested the information from the assent process and Director Simpson requested information on staff time dedicated to the Rail Trail as well as other costs such as legal. Director Lavery indicated support for the 2022 budget and agreed that there is a need for a more general review and proper resourcing, but the underlying philosophical component is that the Rail Trail is a regional Legacy project and this needs to be resolved at the Board table sooner than later.

Tax Summaries:

Manager, Financial Services then reviewed the total effect of these changes:

- Overall, the budget decreased from \$49.4 million to \$48.9 million.
- Tax requisitions were reduced by \$302,542.
- Use of surplus increased by \$142,526.

Slides were presented that showed the taxes decreased in all member municipalities and electoral areas from Draft 1 to Draft 2. The overall tax change ranged from a 7.38% decrease in Electoral Area B to a 14.42% increase in Electoral Area D.

Questions:

Director Martin inquired if the Manager, Financial Services was comfortable with what the Board is doing with reserves. It was explained that staff is mostly comfortable with the operating reserves and that staff was trying to be sensitive to the fluctuations in assessment and the impact this has on taxes but that it would not be prudent to deplete all the operating reserves to mitigate that problem. In terms of capital reserves, there was a much bigger discussion to be had. The water systems were severely underfunded, and suspected the same situation exists for fire departments and parks. The Asset Management Plans were almost complete and will be brought forward to the Board for consideration in the spring. Director Martin said she would like a good communication plan to present this information to the public.

Public Consultation:

There were no questions from the public.

Other:

Manager, Financial Services indicated that there would be a few minor changes to the final budget that will be presented to the Board in March and that the supporting documents would be made available to the Board with the agenda.

The Directors expressed their appreciation for the efforts of staff and that they were mostly happy with the results of the changes.

5. Rise and Report

Moved By Director Martin

Seconded By Director Demenok

THAT: the Committee of the Whole meeting Rise and Report.

CARRIED

11:43 AM

CORPORATE OFFICER

CHAIR