

COLUMBIA SHUSWAP REGIONAL DISTRICT

Minutes of a Committee of the Whole (Budget) meeting held February 7, 2018
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
	K. Flynn	City of Salmon Arm
	C. Eliason*	City of Salmon Arm
	T. Rysz	District of Sicamous (absent)
	M. Makayev	District of Sicamous (alternate)
	K. Cathcart**	Electoral Area 'A'
	L. Parker	Electoral Area 'B' (absent)
	D. Stuart**	Electoral Area B (alternate)
	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
	S. Haines	Deputy Treasurer
	J. Graham	Executive Asst./Asst. Deputy Corporate Officer
	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
	T. Langlois*	Team Leader, Utilities
	R. Nitchie*	Team Leader, Community Services

*Attended Part of Meeting Only

** Attended via teleconference

CALL TO ORDER

Chair Martin called the meeting to order at 9:37 AM and acknowledged the work of the finance department in putting the budget materials together and then the meeting was turned over to J. Pierce, Manager, Financial Services.

BUSINESS GENERAL

Presentation/Overview of the draft five year Financial Plan (2018 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 March budget meeting.

Assessment trends:

An overview of assessment trends from 2017 to 2018 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 2017 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)
Economic Development, Shuswap Tourism & Shuswap Film
Commission (R. Cyr)

Corporate Administration:

The Chief Administrative Officer provided a high level overview of the key projects for Corporate Administration in 2018:

- 2018 is an election year and the legislative requirements are significant. The Deputy Corporate Officer and Assistant Deputy Corporate Officer will play key roles in that process, and a board report will be forthcoming naming them as Election Officials.
- Orientation session to be held after the election and a strategic planning session will likely be held in early 2019.
- Continued discussions with Splatshin First Nation and RDNO regarding the rail line project. A visioning workshop has been planned and the biggest challenge will be to temper expectations.
- Move forward with the Area C phase 2 governance study.
- Continued investigation of a First Nations Protocol Agreement.
- Continued progress on a shared services agreement in Golden/Area A. Will likely hold a referendum in conjunction with the 2018 elections.
- Implementation of building inspection in Areas B, E and changes to Area F as well as community outreach for future implementation of building inspection in Area C
- Continue to review, restructure and provide support to the HR function. **ACTION:** Summary of FTE's to be provided to the Board as part of the budget package.

Finance

Manager, Financial Services provided an overview of the many annual reporting requirements for the finance department, as well as some key projects planned for this year:

- Implementation of HR module in Vadim

- Continued support of all departments across the organization
- Ongoing training and cross-training of all finance personnel due to substantial changes within the department.

Director Morgan inquired as to the status of the parcel tax roll. The Manager, Financial Services explained that the verification of the roll was currently underway and we would know how many additional parcels were added in each area, particularly as it relates to foreshore licenses.

Director Demenok commented that it would be helpful to have information regarding the application of taxes on foreshore licenses and Director Martin also indicated that this information should identify that this not a CSRD initiative but rather BC Assessment. The Manager, Financial Services reminded the Board that the only significance of splitting the foreshore license and upland parcel into two separate folios is that there will be parcel taxes charged on both folios but otherwise the previous assessed value was split into two folios and all things being equal, the amount of tax should not change. **ACTION:** Manager, Financial Services to provide the “cheat sheet” on foreshore taxes to all directors and ensure that the information will be posted appropriately on the website.

Information Technology

The Manager, Information Technology/GIS Services provided an overview of the key IT projects for 2018:

- Laserfiche project is still progressing. Discovery and core build is complete for Corporate Administration, Operations Management and Finance. Discovery will be undertaken in the Development Services department in 2018. Plan is to go live with Laserfiche across the organization by the fall of 2019.
- Disaster Recovery Plan which involves revamping the servers and hardware and moving everything to a cloud based recovery.

Director Flynn inquired about the increase in the Admin & IT budget. The Manager, Financial Administration explained that the budget also includes costs for the building. **ACTION:** Manager, Financial Services to provide the detail for the Admin & IT budget.

Development Services

The Manager, Development Services gave a brief overview of 2017 and went on to describe the key projects planned for 2018:

- Building Inspection to be implemented in Areas B & E and that the six inspection regime will be implemented in Area F. Also public engagement sessions will be held in Area C in 2018 with the intention of implementing building inspection in Area C in 2019.
- Legalization of marijuana will be a significant project in 2018 in terms of what the Province does, developing regulations and potential bylaw & policy amendments.
- Various OCP and Zoning bylaws

There was considerable discussion about the implementation of legalized marijuana and the Directors would like to see a collaborative approach on the regulations which would include all member municipalities, First Nations and possibly even neighbouring regional districts to ensure that the regulations are consistent across the region. The Manager, Development Services agreed that a collaborative approach would be used and reminded the Board that there is still a lot of unknowns and there is not a lot of time for local governments to react as there is the July 1st deadline and there will be bylaw amendments needed.

Director Talbot inquired about the staffing costs for the expanded building inspection and asked if they were all being borne by Areas B & E. The Manager, Financial Services explained that most costs directly attributable to the service were being borne by the service but that because there is a March 5th implementation, some surplus from 2017 was being directed to the building inspection functions to assist in funding staff until such time as permit revenue would be coming into the functions.

Operations Management

Manager, Operations Management summarized the staffing, volunteer usage and contract management within the Operations department and noted that 2017 had been an incredibly busy year due to emergency events as well as dealing with Human Resource issues in relation to fire departments. 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
 - Update of various bylaws and policies but with particular attention to the Revelstoke Airport and fire services
 - Robust review of the flooding policy
 - Area C Community Sewer project
 - Scotch Creek Water master plan
- Environmental Health Services – key goals:
 - Landfill priorities include property purchase in Salmon Arm, upgrades in Golden and composting infrastructure in Revelstoke.
- Utilities – key goals:
 - Update of Water Master Plan and establishing and APC.
 - Completion of the Sunnybrae Waterworks upgrade.
- Protective Services – key goals:
 - Fire Services goals include completion of Hall expansion at Tappen/Sunnybrae, replace engine at Shuswap Fire Department and replacement infrastructure at other departments
 - Emergency Management goals include the development of an emergency plan for Area B and prepare to take on the Emergency Preparedness for Area B in 2019
 - Grant received for assessment of drainage along Bastion corridor and assess potential landside risk
- Community Services – key goals:
 - Parks priorities include development of Bristow Road park that was acquired in 2017; potential park acquisition in Area C; upgrades at John Evdokimoff park; and boat launch in Nicholson to develop a “blue way” concept in Area A

Director Demenok inquired as to the nature of capital expenditures for buildings at the landfill which the Manager, Financial Services noted it was for a covered area for mattress, hazardous waste containment and expansion of the compactor area.

Director Morgan wanted confirmation that the budget for Lee Creek fire department land acquisition would be increased to \$200,000. The Manager, Financial Services confirmed this would be included in the Draft 2 budget.

Economic Development

The Manager, Shuswap Tourism/Ec Dev/Film Commission first provided an update on staffing within the department as one staff member was leaving shortly on a maternity leave and a new contractor for tourism marketing would be hired shortly.

The list of planned projects for 2018 include the following:

Shuswap Economic Development:

- Implementation of new Economic Development strategy
- Community to Community Forum

Shuswap Tourism:

- Continuing projects with Destination BC (DBC) including the Digital Online Marketing Campaign and updating the experience guide. Note that DBC funding has been cut to one-

- half of what was requested
 - Moving away from print materials to digital formats
 - Various sponsorships
 - Shuswap Tourism website refresh
- Columbia Shuswap Film Commission
- Ongoing marketing of the program
 - Producers tour to showcase the region

Director Flynn commented that we was not sure that he could support a \$13,000 increase in taxes to the City of Salmon Arm for the tourism function. There was some discussion around the process and MRDT funding as well as potential taxing of AirBnB. Director Flynn indicated that he is very supportive of the program but that he is concerned about the process for the development of the budget. He would like the Finance Manager to determine and advise the stakeholders of the implications.

Director Morgan wanted confirmation that the District of Sicamous would be contributing to the Economic Development function and what amount they would be contributing. The Manager, Financial Services indicated the current funding level is just short of \$50,000.

The Committee of the Whole meeting was in recess from 11:20 – 11:30am.

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.

The big drivers in increases this year are the Rail Trail Corridor and Sub-regional Building Inspection in Area's B and E. In Area A the driver of the increase was a substantial increase in funding for the Golden Arena. The Manager, Financial Services explained that we needed to substantially increase contributions to reserve for a roof replacement in 2019 and indicated that the reserves are significantly underfunded.

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.

The Manager, Financial Services explained that the Administration policy had been reviewed for allocation of building costs. That staff salaries had been reviewed and minor allocations in salary costs were made dependent on time worked in various functions. In 2018, all vacancies have continued to be budgeted for as the positions will be filled in due course. There is one new position for 2018 which will be a Team Leader, Building Inspection and Bylaw.

As mentioned earlier, the big changes for 2018 are the financing of the Rail Trail acquisition, and implementation of sub-regional building inspection.

Budget Comparisons, 2017 – 2018

Regional Functions:

The Manager, Financial Services provided an analysis of key 2017 vs. 2018 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 2019. Operating reserves will be used to ease the tax burden, however, those reserves will be exhausted by 2022. Operating costs are quite stable, however there is increased funding for SILGA, Community to Community, Board Orientation and the continued Laserfiche buildout.

Director Demenok indicated that he found it confusing to follow all of the transfers to reserves

and asked if they could be netted out. The Manager, Financial Services responded by saying it is more transparent for the management team to see what is going into reserves and what is coming out and that by netting the amount, it would lead to large swings in contribution levels.

- Administration Cost Allocation and IT - The tax requisition has increased 7% due to much lower surplus to carry forward. The building repayment in 2018 is \$500,000 and the building will be fully repaid in 2020. Other increases in this function include a website refresh and AV equipment for the Board room.
Director Demenok indicated that it would be important for the public to know that the building will be fully repaid in 2020. Chair Martin agreed with Director Demenok and asked that this information be highlighted in the adoption notes and the annual report.
- 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. Director Demenok commented on the 25% increase to the budget especially when the Board reduced fees for yard and garden. The Manager of Operations encouraged the directors to look at the tax requisition which is a 0% increase and that staff need to look at both cost recovery for streams of recyclables but also the social implications. Director Flynn commented that he is agreeable with the budget increase as the tax requisition is managed well and that he agrees with the Board's decision regarding fees.
- Regional Solid Waste Management – Fully funded by tipping fees. Budget has increased due to higher project costs. The projects include reviewing the Salmon Arm D&O plan, a performance review, waste composition audits and the Golden slope and cover project.
- Shuswap Tourism – This is year 2 of a separate tourism budget. It had been determined that the Economic Development function had been subsidizing the tourism budget and staff are starting to eliminate the subsidy but that it is being phased in over the next 7-8 years so as not to have a significant increase to the stakeholders in one year. Director Flynn indicated that the subsidization had never been presented to his City Council and it is important that this be explained. Director Morgan asked if there would be any budget implications if the Tourism and Economic Development meetings were to be held on separate days as the two meetings together make for a long, arduous day. The Manager, Financial Services indicated that there would be some additional expenses for travel.
- Economic Development – this function now contains only costs related to economic development as well as the subsidy to tourism. There is a minor increase in the tax requisition for significant projects planned for 2018 relating primarily to the Rural Dividend Grant projects.
- Shuswap Emergency Program – There is a large surplus being carried forward, partly due to the vacancy left when Cliff Doherty retired and partly due to the significant emergency operations events that happened in 2017. It should be noted that the EPC position will be increasing from a .8FTE to a full-time position.
- Shuswap Watershed Council – budget increased per the contract with the Fraser Basin Council. The Board was reminded that the establishing bylaw is set to expire in 2020 and there may have to be another public assent process.

- Rail Trail Corridor – This is a new service for 2018. There is some rental revenue in this function for the leases issued for properties along the corridor. The current year budget includes debt repayments as well as repayment of feasibility study funds, planning contract work and risk management activities. Director Morgan inquired as to why there would be no budget for grounds maintenance and indicated that he was happy to contribute for the purchase but that he does not want additional costs. The CAO reminded the Board that there are no capital projects planned at this time but that some money was needed to insure all mitigation of liability risks. The Manager, Financial Services reminded the Board that there is not a default allocation of costs for this function and that contributions in Area's C, D and F are substantially less than the allocation that would exist under the default provisions.
- 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 so there was no need for public consultation. The Committee of the Whole meeting was in recess from 12:38 pm to 1:18 pm.

Electoral Area Functions:

The Manager, Financial Services reviewed key changes to Electoral Area functions for 2017:

- 2017 was the second year of the regional water allocation to eliminate the subsidization of the water systems by the Electoral Area Government. There was some discussion as to when the subsidization would end (2023) and whether the discount of 10% is reasonable and whether it would be better to go to a surcharge for late payment. This discussion has been referred to an upcoming Electoral Area Directors meeting.
- 2018 is the first year of sub-regional building inspection function with implementation set for March 5th. Revenue has been pro-rated due to the delay in implementation so there will be some subsidization from the surplus within the Special Projects function.

Budget Comparisons, 2017-2018

Electoral Area Functions:

The Manager, Financial Services provided an analysis of key 2016 vs. 2017 budgets, by function:

- Electoral Area Government – No change to the function. There is a projected surplus in this function that will be transferred to an operating reserve to stabilize tax rates for the next few years. 2018 will have a slight decrease in taxes
- Electoral Area F Building Inspection – had initially planned for Area F to be part of the sub-regional building inspection but it has to remain as a standalone function as building inspection is not being provided to the entire electoral area.
- Bylaw Enforcement – no change to the tax requisition in this function. Director Morgan commented that perhaps there should be more budget for legal expenses. The Manager, Financial Services indicated that the amount in legal fees is an average over the past number of years but that there are operating reserves available should expenses increase significantly for court actions.
- Development Services – There is a very slight increase in the tax requisition (.7%) in this function as a result of reallocation of staff salaries, primarily the Team Leader, Development Services.

- 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.

Next Meeting

The next meeting is scheduled for Friday, March 16th. 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.

Draft 2 will have surpluses, deficits, and transfers to/from reserves finalized. **ACTION:** Staff to provide projected reserve balances to draft 2 documents.

Public Consultation:

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

The Manager, Financial Services indicated that the March 16, 2018 Committee of the Whole (Budget) meeting will provide another opportunity for public consultation.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:15 p.m.

CERTIFIED CORRECT

CHAIR

CHIEF ADMINISTRATIVE OFFICER