

DISTRICT OF SOOKE

FINANCE AND ADMINISTRATION COMMITTEE MEETING

Meeting held January 6, 2014 at 7:00 pm
in the Council Chambers
2205 Otter Point Rd

Committee Members Present:

Councillor Rick Kasper (Chair)
Councillor Kerrie Reay
Councillor Bev Berger
Mayor Wendal Milne (Ex-Officio)
David Matland
Jim Mitchell

Staff:

Gord Howie, Chief Administrative Officer
Michael Dillabaugh, Director of Finance
Elisabeth Nelson, Municipal Engineer
Steve Sorensen, Fire Chief
Tina Hansen, Corporate Assistant, recorder

Action

1. **Call to Order**
The meeting was called to order at 7:02 p.m.
2. **Approval of Agenda**
The agenda was approved as circulated.
3. **Approval of Minutes: December 2, 2013**
4. **Proposed 2014-2018 Five Year Financial Plan
Part 1 – Departmental Financial Plan Presentations (Continued):**

Michael Dillabaugh addressed the Committee as to the proposed 2014-2018 Five Year Financial Plan. Mr. Dillabaugh reported that this evening's presentations are a continuation of presentations made at the December Finance and Administration Committee meeting and that the objective of these presentations is to work through the remaining sections of the budget. Mr. Dillabaugh advised that the Committee should discuss any changes they wish to make to the Financial Plan this evening so that an amended Financial Plan can be brought forward to the Committee in February for review and recommendation to Council for approval.

Engineering Services

Michael Dillabaugh reviewed the expenditure working papers for Engineering Services for the Committee. Mr. Dillabaugh reported that the Engineering Department is responsible for the planning, design and construction of the municipality's infrastructure including roads, sewer and drainage as well as being responsible for the municipality's parks and green spaces. The Building Department is also included in the Engineering Department budget.

Committee discussion:

- Clarification as to the amount of \$41,979 for Stormwater quality control and whether there is a requirement to have Stormwater monitoring done annually and whether this amount can be reduced in some way
- There are discharges in the Stormwater quality report that have been consistent on showing no contamination; these areas could be put on a different schedule in order to reduce costs
- The CRD Environment Committee oversees the Stormwater quality control service and the District pays a portion of this service. The Mayor or Chair Kasper could discuss with the CRD changing the District's work plan for Stormwater quality monitoring
- The monitoring could concentrate more on the discharge areas that indicate high levels of contamination such as at Murray Road
- Some of the Stormwater quality monitoring is done outside of municipal boundaries; CRD is to confirm whether the District is paying for this; some of this could be rededicated within the municipality

ACTION ITEM: The Committee requested that staff look into the CRD terms of reference to see if there is an opportunity to reduce some of the Stormwater monitoring sites that have consistently indicated low risk.

Staff

- Clarification as to Bridge Maintenance being added to the Highway Maintenance Contract and whether there could be an alternating program for bridge maintenance to reduce costs (3 bridges one year and 3 bridges the next year)
- Clarification as to Sub-Consultant Services for drainage issues and whether staff can deal with drainage concerns
- Clarification as to Ornamental Lighting Maintenance and whether this is a contracted service
- Clarification as to the \$52,020 for Rainwater Infrastructure Maintenance and whether there is a way to reduce this amount
- Clarification as to the Church Road Connector and whether some of the Rainwater Infrastructure Maintenance budget could come from the Connector
- Clarification as to the increase in BC Hydro rates and whether the 2 per cent cost of living increase will be sufficient to cover the increase
- Clarification as to the amount spent in 2013 on the Rainwater Infrastructure Maintenance
- Whether there has been a cost analysis done for Ornamental Lighting as it seems high when compared with street lighting; the District should give consideration to the type of light standards within Bylaw No. 65 and look at having a single standard in the future
- Confirmation as to whether cost recovery claims have been submitted to ICBC when possible for repair and replacement of Ornamental Street Lighting

ACTION ITEM: The Committee requested that staff provide information to the Committee on the outcomes of Training and Development for 2013. **Staff**

Recreation and Cultural Services

Michael Dillabaugh reviewed the expenditure working papers for Recreation and Cultural Services for the Committee. Mr. Dillabaugh reported that Recreation and Cultural Services includes the contract with the Vancouver Island Regional Library, the contract with the CRD for Animal Control Services, contracts for Green Space Maintenance, Hazardous Tree Maintenance, and Community Clean-Up.

Committee discussion:

- Clarification as to the Island Advertising Contract and the amount of funds that are recovered through the contract
- Whether staff follow-up on the requirements and terms of the Parks Maintenance Contracts
- Clarification as to the expiration date for the Parks Maintenance Contracts and whether there are steps being taken towards new tendering packages for the contracts
- Whether it is possible for the separate parks maintenance contracts to go back to one contract
- Ensuring consistency when applying principals to District of Sooke contracts
- Clarification as to the budget for the Vancouver Island Regional Library and how the library comes up with the increase
- Clarification as to where the requisition for SEAPARC falls within the budget

Protective Services

Fire Department and Emergency Program

Michael Dillabaugh reviewed the expenditure working papers for the Fire Department and Emergency Program. Mr. Dillabaugh reported that there are primarily three cost drivers for the Fire Department; staffing, training, and equipment. Mr. Dillabaugh further reported that there are currently 5.6 FTE's in the Fire Department, including the Fire Chief and a .6 Administrative position. There are currently 38 volunteer members and 6 recruits. Mr. Dillabaugh noted that career staff work as volunteers when they are off duty.

Committee discussion:

- Clarification as to staffing for Station 2
- Whether living in Sooke is a requirement to become a volunteer firefighter for Sooke Fire Rescue Service
- Confirmation that Vehicle 207 (Rescue 2) is the vehicle that the District will be disposing of
- Confirmation as to whether there has been an estimate for salaries and benefits for 2014 and whether there are sufficient funds in the budget to cover the increase

Mr. Dillabaugh advised that the Firefighter benefits in the budget have increased significantly due to the pension plan increasing their rates for fire departments province wide. Mr. Dillabaugh further advised that this is offset in the budget by pension rates for all other employees being lowered.

Mr. Dillabaugh addressed the Committee as to the training and development for firefighters advising that there are several requirements for training that must be met in order to comply with provincial regulations. Mr. Dillabaugh advised that the Fire Department training budget received the standard 2 per cent inflation area increase.

Committee discussion:

- Clarification as to the amount of \$400 in the budget for child seat installation
- Clarification as to the amount of \$1,000 in the budget for the purchase rescue rope

Mr. Dillabaugh addressed the Committee as to Fire Department Equipment and Capital advising that there are two components to equipment in the budget that have been divided into small Capital such as turnout gear, rope, hose, jaws of life and breathing apparatus, and large Capital such as fire apparatus and vehicles. Mr. Dillabaugh advised that a detailed Capital Replacement Plan will be brought forward to the Committee at the February meeting.

Staff

Mr. Dillabaugh further advised that the current proposed Financial Plan outlines a transfer of \$110,000 into the Reserve Account for fire equipment and that this transfer will cover the projected expenses in 2014 and the slight deficit in the Reserve to the end of 2013. The transfer into Reserves may change once the Capital Replacement Plan is complete and brought forward in February.

Mr. Dillabaugh reviewed the life expectancies of apparatus based on NFPA Standards for each of the Fire Department units.

Committee discussion:

- Importance as to including Small Capital in Reserves to show that there is an ongoing need for small capital items
- Clarification as to requirements to update (replace) the jaws of life
- Clarification as to volunteer firefighter honorariums of \$25,000 and whether this should be increased according to the number of current volunteers
- Look at including the volunteer firefighter honorariums throughout the Five Year Financial Plan
- Confirmation as to the \$14,000 allocated in 2013 for Protective Clothing Replacement; remaining funds will stay in the Reserve and there will be no net increase in taxes

Councillor Berger declared a conflict of interest with the subject of firefighter honorariums as her husband is a volunteer firefighter and left meeting at 8:03 p.m.

MOVED and seconded to include the amount of \$25,000 for volunteer firefighter honorariums through the remainder of the Five Year Financial Plan (2015-2018) with the standard 2 per cent inflation area increase.
CARRIED

Staff

Councillor Berger returned to the meeting at 8:04 p.m.

RCMP

Michael Dillabaugh reviewed the budget for Policing in the proposed 2014-2018 Five Year Financial Plan reporting that the largest costs for Policing are partially due to the general increase to the RCMP Contract and for the additional administrative staff member for the RCMP. Mr. Dillabaugh reported that most of the other items under Policing received the standard 2 per cent increase with the exception of the Regional Crime Unit.

Committee discussion:

- Clarification as to whether there was a second line item around \$40,000 in last year's budget under Policing

Revenues

Michael Dillabaugh provided an overview of Revenues in the proposed 2014-2018 Five Year Financial Plan. Mr. Dillabaugh reported that overall Revenues increased in 2014 over 2013 from \$2,369,891 up to \$2,599,826. Mr. Dillabaugh addressed the Committee as to the increases to Revenues for the Small Community Protection Grant in the Traffic Fine Revenue Sharing three year contract, the Age Friendly Grant, an increase in RCMP revenue to help offset the administrative position salary and also Revenues for penalties and fines.

Mr. Dillabaugh reported that Building Permit Fees, Subdivision Fees and Plumbing Permit Fees have all been reduced to accurately reflect what the budget should be according to the actuals for 2013. The standard 2 per cent increase has been applied to many of the items.

Committee discussion:

- Clarification as to where Casino Revenues are shown under Revenue in the budget
- Clarification as to the increase in Revenues under BC Transit

Public Input:

Derek Lewers, Sooke resident inquired as to the Disposal of Assets and whether there should be an amount recorded in the budget for this since the District is potentially disposing of one of the fire trucks. Mr. Lewers also inquired as to the Consultant fee for an Approving Officer and whether it was feasible to pay for an Approving Officer when subdivision fees and building permit fees are down.

Chair Kasper explained that the District has not filled an Engineering Department position that had been previously filled and budgeted for

last year and that these funds are being utilized so that there is no increase to costs.

Committee further discussed:

- Clarification as to the differences in CRD Revenues and expenses
- Clarification as to decreasing Casino Revenue and Development Cost Charges
- Clarification as to the amount for DCC's in 2014 and concerns as to total revenues and total expenditures
- Look at reducing Development Cost Charges and Casino Revenue Sharing
- Concerns as to the optics of having revenues and expenditures recorded this way in the budget
- Concerns as to increased costs and decreased revenues and whether the District can sustain the projected 2 per cent increase
- The District is staying within the 2 percent increase with its operations
- Concerns as to BC Transit's tax increase
- Look into including a message in this year's tax notices to tax payers clearly outlining separate municipal functions and taxes from all other taxing authorities.

ACTION ITEM: The Committee suggested that staff look at inserting amounts for the Road and Sewer DCC's Revenues based on last year's actuals and that staff confirm with the province that they are able to amend these numbers.

Staff

Public Input:

Ellen Lewers, Sooke resident advised that she would like to know what the actual cost savings amount would be for the Approving Officer position. Ms. Lewers also spoke to the extension of the CRD water line being extended to the east and west municipal boundaries advising that a cost analysis should be done in order to know what the costs would be for the extension.

The Committee discussed the issue of who would be responsible for the costs associated with extending the CRD water line to the municipal boundaries.

Mayor Milne explained that the Water Board collects DCC's for new construction which in turn would be paid for on resident's water bills.

Chair Kasper responded to Ms. Lewers inquiry as to the cost savings for the Approving Officer advising that the 2013 budget for Engineering Services was \$614,000 in Engineering Operations which has been reduced this year to \$571,000. Council chose not to fill a position that was fully funded last year which has not been included in this year's budget. Chair Kasper suggested Ms. Lewers speak with staff on the financial break down.

Reserves

Michael Dillabaugh provided an overview of the Reserves Fund in the proposed 2014-2018 Five Year Financial Plan. Mr. Dillabaugh pointed out that a number of the Reserves in future years will be impacted once staff has the actuals of the expenditures.

Committee discussion:

There was no discussion from the Committee on Reserves.

Capital Plan

Michael Dillabaugh provided an overview of the 2014 Capital Plan for the Finance Department.

Committee discussion:

- Clarification as to the timeline for the replacement of computers
- Confirmation as to what other municipalities use for business licencing and whether it is possible to share information as to businesses with intermunicipal business licences
- Look at deferring the Business Licence Module Upgrade for one year
- Clarification as to the costs for contracting the FOB Administration with Price's Alarms
- Clarification as to the amount of inputting that is still required for tangible capital assets
- Importance of software purchases in order to save staff time

Fire Department Capital

Councillor Berger declared a conflict of interest with the Fire Department Capital Plan as her husband is a volunteer firefighter and left the meeting at 9:09 p.m.

Michael Dillabaugh provided an overview of the following Fire Department 2014 Capital Projects:

- Industrial Turn-out gear extractor/washing machine
- Thermal Image Camera
- Fire Hose Pressure Testing Machine
- Fire Hose Coupling Machine

Committee discussion:

- Whether there is a need to purchase two thermal imaging cameras
- Whether the thermal imaging cameras would be good for search and rescue purposes
- The cameras were not ordered before December 15th, 2013 in order to get the free in-vehicle charging station
- Clarification as to what will be done with the old thermal imaging cameras
- Clarification as to how fire hose testing is conducted

Councillor Berger returned to the meeting at 9:17 p.m.

Michael Dillabaugh reviewed the following Engineering Department 2014 Capital Projects:

- Connector Road Church Road to Otter Point Road Connector, Design and Construction
- Grant Road Connector, Charters to Phillips Road Connector Design Plans
- Road and Sidewalk Improvement Program

Jim Mitchell requested that it be on record that he is not in favour of the roundabout.

Committee discussion:

- Clarification as to the sidewalk/multi-use trail
- Clarification as to the budget increase amount for the Connector Road
- Clarification as to the status of the tender that went out for the Parks Enhancement Program and what was not spent last year will be rolled over

The Committee further discussed the following issues related to this evening's budget presentations:

- A report on the Community Grant Program will be coming forward to Council in the near future with a recommendation to separate the Community Service Agreements from the Community Grants
- Concerns as to the five year projection for tax increases and ensuring that costs are realistic
- Staff to look at providing detailed information as to the costs of the projects
- Confirmation as to the deadline for the Community Service Agreement groups to provide their annual reporting in accordance with their contracts
- Consideration to the Service Agreements coming back to Council instead of the Community Grant Review Committee

5. **Review of Preliminary Property Assessment Information**

Michael Dillabaugh reported that the District has received the completed role for 2014 advising that the preliminary information shows a 3.4 per cent decrease in residential average property. Mr. Dillabaugh further reported that there is non market change that has been factored in and will be included in the budget. The revised role will be received in April.

Committee discussion:

- Clarification as to the non-market change for this year

MOVED and seconded to receive the verbal report on the Review of Preliminary Property Assessment Information.

CARRIED

6. **2014 Election Advertising Cost Estimate**

Bonnie Sprinkling addressed the Committee as to the 2014 Election Advertising Cost Estimate reporting that sufficient funds have been allocated in the 2014 budget for advertising for the 2014 Election.

MOVED and seconded to receive the report on 2014 Election Advertising Cost Estimate for information.

CARRIED

7. **EPCOR Agreement – Schedule A for Information**

MOVED and seconded to receive the EPCOR Agreement – Schedule A for Information.

CARRIED

8. **Public Input**

Derek Lewers, Sooke resident suggested to the Committee that the District of Sooke include one single standard for ornamental street lights in the Subdivision and Development Standards Bylaw.

9. **Schedule Next Meeting: February 3, 2014**

The Chair reported that it is anticipated that the Committee will receive the Sooke Fire Rescue Service Policies for review at the next meeting in February.

10. **Adjournment**

The meeting adjourned at 9:45 p.m.

Rick Kasper
Chair

Bonnie Sprinkling
Corporate Officer