

Minutes of the **SPECIAL COUNCIL IN COMMITTEE MEETING** of Pitt Meadows City Council held on **Tuesday, April 29, 2008** at 7:00 p.m. in the Meadows Room of the Pitt Meadows City Hall, 12007 Harris Road, Pitt Meadows, British Columbia.

PRESENT:

Elected Officials: Mayor D.F. MacLean
Councillor J. Becker
Councillor D. Bing, Chair
Councillor D. Eisel
Councillor A. Tolchard
Councillor D. Walters

Staff D. Rear, Director of Corporate Services
K. Grout, Director of Operations & Development Services
M. Murray, General Manager: Community Development,
Parks and Recreation Services
L. Jones, Communications/HR Officer
L. Kelly, Executive Assistant

The meeting was called to order at 7:47 p.m.

A. ADOPTION OF AGENDA

MOVED by Mayor MacLean, **SECONDED** by Councillor Walters, THAT the agenda for the April 29, 2008 Council in Committee Meeting, be amended by moving Item C.2 ahead of Item C.1; AND THAT the agenda be adopted as amended.

CARRIED.

B. ADOPTION OF MINUTES

1. Minutes of the April 22, 2008 Council in Committee Meeting.

MOVED by Councillor Eisel, **SECONDED** by Councillor Tolchard, THAT the Minutes of the Council in Committee Meeting held on April 22, 2008, be adopted.

CARRIED.

C. DELEGATIONS AND PRESENTATIONS

There were no items received for this Meeting.

D. REPORTS**2. Financing Fundamentals for Discussion.**

The Director of Corporate Services provided a PowerPoint presentation which is included as Attachment 1 and forms part of these minutes.

Mr. Rear said he would like to set out some basic financing principles to assist Council in determining when to use debt funding for completion of certain projects. The first fundamental concept he identified was taking a “pay as you use” approach as opposed to “pay as you go”. The “pay as you use” approach, in which the prudent use of debt can be used, focuses on the end user paying for the full cost of a service. This can promote intergenerational equity. With a pure “pay as you go” approach, annual lifecycle funding would not necessarily be included and taxation increases would be used to pay for projects, potentially resulting in spikes in taxation.

Some felt that there is no project that would not meet the “maximizing citizen benefits” criteria; borrowing may be considered for new projects or significant enhancements that benefit a substantial portion of the community. Others felt that Council needs to make decisions for the benefit of the whole community, not just what will benefit a small segment.

Council discussed the use of referenda to set priorities on significant projects and discussed the need for elector assent for borrowing and the use of counter-petition to achieve elector assent. Mr. Rear said that the City’s assent-free zone (based on 2006 figures) was \$830,000 in annual debt servicing per year. He noted that the term the amount is borrowed over affects the assent free zone amount as the term affects the annual amount to be repaid.

Mr. Rear indicated that the City has an inventory of all land owned by the City. The City is going through an organizational space review this year, which should indicate if there are potential municipal uses for particular sites which need to be considered before selling anything.

The issue of referenda and “bundling” of projects was discussed. Some members of Council felt bundling was beneficial because then the residents know the total amount to be spent and all the projects that will be included in that figure. Other members did not favour bundling, but liked referenda for big ticket items. It is important to rank each project and analyze the capital, lifecycle and operating costs, and to have criteria that would measure each project. Council should only go to referendum on specific items, should be able to make decisions on “small” items.

2. Financing Fundamentals for Discussion Cont'd.

Still others did not favour a referendum, but felt it was dangerous to ask the public what they want through a referendum and then, if for some reason the project was not proceeded with, the reaction could be very negative. And others felt that a referendum is a cop-out; a counter-petition is how the public can express their feelings on particular projects.

The next step in this process will be to bring a specific list of significant projects back to Council for discussion and consideration with respect to funding and financial implications.

MOVED by Councillor Eisel, **SECONDED** by Councillor Walters, THAT the Committee recommends THAT Council:

- A. Receive for information the report by the Director of Corporate Services dated April 24, 2008; and
- B. Direct staff to draft a policy on borrowing incorporating the fundamentals discussed and the feedback provided by Council.

CARRIED.

1. Council Priority Setting. (0640-02)

Staff circulated copies of the six Strategic Areas, as well as the 2007 tax insert to Council members.

Each Council member listed his/her top six priority areas, and the reasons for choosing them, and these are indicated in the table below.

2008 Priority Setting-	<i>Becker</i>	<i>Bing</i>	<i>Eisel</i>	<i>MacLean</i>	<i>Tolchard</i>	<i>Walters</i>
1	Financial Stability	Airport Governance	Transportation	Transportation	Facilities	Transportation
2	Economic Development	Drainage Utility	Drainage Utility	Civic Centre	Airport Governance	Emergency Services (all)
3	Emergency Services (all)	Policing	Facilities	Policing	Emergency Services (all)	Facilities
4	Transportation	Economic Development	Fire Services	Facilities	Drainage Utility	Drainage Utility
5	Civic Centre	Facilities	Economic Development	Drainage Utility	Economic Development	Relationships and Outreach Opportunities
6	Relationships and Outreach Opportunities	Transportation	Policing	Financial Stability	Transportation	Beautification & Community Pride

1. Council Priority Setting Cont'd. (0640-02)

MOVED by Mayor MacLean, **SECONDED** by Councillor Walters, THAT the Committee recommends THAT Council:

- A. Receive for information the report by the Director of Corporate Services dated April 24, 2008; and
- B. Approve the priority list as follows:
- Transportation
 - Drainage Utility
 - Emergency Services (all)
 - Economic Development
 - Policing
 - Facilities
 - Civic Centre
 - Financial Stability
 - Airport Governance
 - Relationships and Outreach Opportunities

CARRIED.


Mr. Rear said that staff will be able report back to Council on the priority items, noting that each item has initiatives and actions to report on.

E. ADJOURNMENT

MOVED by Councillor Eisel, **SECONDED** by Councillor Becker, THAT this meeting now be adjourned at 9:29 p.m.

CARRIED.


Chair



City of Pitt Meadows Financing Fundamentals for Discussion

- **Pay as You Use**
- **Replacement of Existing Assets**
- **Opportunities for Sharing Costs**
- **Maximizing Citizen Benefit**
- **Paying off Debt Early**
- **Elector Assent**

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City of Pitt Meadows Financing Fundamentals for Discussion

Pay as You Use

- End user of program or facility pays for it
- Reserve provisions should equate to depreciation on existing assets
- Payment for new assets should be made by those using the asset
 - Debt servicing costs are borne by those using of benefiting from the asset
 - Residents and businesses that move into the community after will pay a portion of the cost
- Promotes intergenerational equity
- Where possible growth pays for growth

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City of Pitt Meadows Financing Fundamentals for Discussion

Replacement of Existing Assets

- Taking care of what we already have should be a priority
- Sufficient reserves to be maintained for life cycle costs
- Borrowing for asset or infrastructure replacement should be discouraged

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City of Pitt Meadows Financing Fundamentals for Discussion

Opportunities for Sharing Costs

- Consider borrowing to participate in cost share opportunities
- Project should be of significance to the community
- Cost share should be beneficial e.g. greater than XX% of project cost

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Financing Fundamentals for Discussion

Maximizing Citizen Benefit

- Borrowing may be considered for new projects or significant enhancements that benefit a substantial portion of the community
- May have to explain how a project or asset benefits the community

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Financing Fundamentals for Discussion

Paying Off Debt Early

- Cost of borrowing adds to the overall cost of the asset or service
- Whenever possible, annual surpluses should be allocated to reduce debt
- Non productive assets without a future municipal use should be sold to reduce debt when optimal
- Consider policy limits on amortization periods

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City of Pitt Meadows Financing Fundamentals for Discussion

Electoral Assent

- Does the City follow the charter to the letter or seek elector assent when it's not necessarily required?
- When to do a counter petition as opposed to a referendum?
- Is "bundling" of projects for borrowing acceptable?
- Referendum
 - How is the question structured?
 - What is the Public education process beforehand?
 - What result is considered a mandate?

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