

Minutes of the **SPECIAL MEETING** of Pitt Meadows City Council held on **Tuesday, November 30, 2010** at 5:30 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 B. Bell
Councillor D. Bing
Councillor T. Miyashita
Councillor D. Walters

Staff

J. Rudolph, Chief Administrative Officer
D. Rear, Director of Finance
K. Grout, Director of Operations & Development Services
L. Darcus, Director of Corporate Services
K. Swift, General Manager, Community Development, Parks & Recreation
D. Boag, Director of Parks and Facilities
Chief D. Jolley, Director of Fire & Rescue Service
L. James, Manager of Financial Services
L. Jones, Director of HR and Communications
K. Zanon, Economic Development Corporation CEO
L. Kelly, Deputy Clerk

ABSENT: Councillor G. O'Connell

The meeting was called to order at 5:30 p.m. by Deputy Mayor Miyashita.

A. ADOPTION OF AGENDA

MOVED by Councillor Bell, **SECONDED** by Councillor Walters, THAT the agenda for the November 30, 2010 Special Meeting of Council be adopted.

CARRIED.

B. REPORTS

1. Review of Budget Issues

(Mayor MacLean joined the meeting at 5:36 p.m.)

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

1. Review of Budget Issues Cont'd.

Comments and suggestions by Council members included:

- While transfers to infrastructure reserves have been reduced for 2011 to lessen tax rate increase impact, it is important to ensure that these reserves remain funded sufficiently for optimal replacement;
- Consider a tax rate stabilization mechanism for 2012 to 2015 for the solid waste, specifically planning for collection of organics;
- Messaging is important, a communications piece should be provided to the residents, e.g., \$0.25 per day for Fire Protection and \$1 per day for water;
- There is continued interest in phasing out the tax rate stabilization subsidy sooner so that lessens the impact of future tax rate decisions;
- The option is available to take the tax rate stabilization fund, when the subsidy has been fully phased out, and move it into Long Term Capital Reserve;
- The strategic capital projects that are not specifically funded should be clearly indicated as such. There should be notes attached to capital projects such as the pool and Harris/Lougheed interchange that read, "subject to senior government funding";
- As part of budget finalization, staff is to provide scenarios for the long term capital fund and future use of the tax rate stabilization fund.

C. NOTICE OF SPECIAL (CLOSED) COUNCIL MEETING

There were no items received for this Meeting.

D. ADJOURNMENT

MOVED by Councillor Miyashita, **SECONDED** by Councillor Walters,
THAT this meeting now be adjourned at 7:25 p.m.

CARRIED.


Signed:

Certified Correct:

Mayor

Corporate Officer

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2011 – 2015 FINANCIAL
PLAN WORKSHOP

DM #84131

City of Pitt Meadows

2011-2015 Financial Plan

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AGENDA

- Brief Overview of 2011 Budget
 - Taxpayer Impact
- Modeling Long Term Planning

OUTCOMES

- Consistent understanding of 2011 Budget
- Clarity on Vision/Concept for Long Term Planning

2011-2015 Financial Plan

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2011 WATER UTILITY HIGHLIGHTS

- GVWD Levy increase – 14%
- Contributions to reserves - \$623,000
- Capital Program of \$1.16M
 - Replace Haney Main #1
 - Main replacement, 193 Street
 - 141st Ave Looping
- Proposed water rate increase – 9% on flat, 15% on metered
 - Impact of \$33 on average home

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2011 SEWER HIGHLIGHTS

- GVSDD Levy increase – 4.6%
- Contributions to reserves \$299,000
- Capital Program of \$475,000
 - Sewer pipe rehabilitation in various areas
- Proposed sewer rate increase – 5%
 - Impact of \$14 for average home



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2010 SOLID WASTE HIGHLIGHTS

- ❑ Increase in tipping fees of 18.3%
- ❑ Increased operating costs - \$83,000
- ❑ Focus continues to be increasing the recycling stream to reduce garbage costs
- ❑ Proposed solid waste rate increase – 5%
 - ❑ Impact of \$12 for average home



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DRAINAGE HIGHLIGHTS

- ❑ Increased operating costs - \$89,000
 - ❑ Maintenance & Cleaning
- ❑ Contributions to reserves \$325,000
- ❑ Proposed Capital Program of \$1.8M
 - ❑ Mckechnie Drainage Area Improvements
 - ❑ Reichenbach Floodgate
 - ❑ Automated Trash Rack - Mckechnie
- ❑ Funded through drainage levies and separate mill rate
 - ❑ Proposed rate increase of 5.65%
 - ❑ Impact of \$5 for average home

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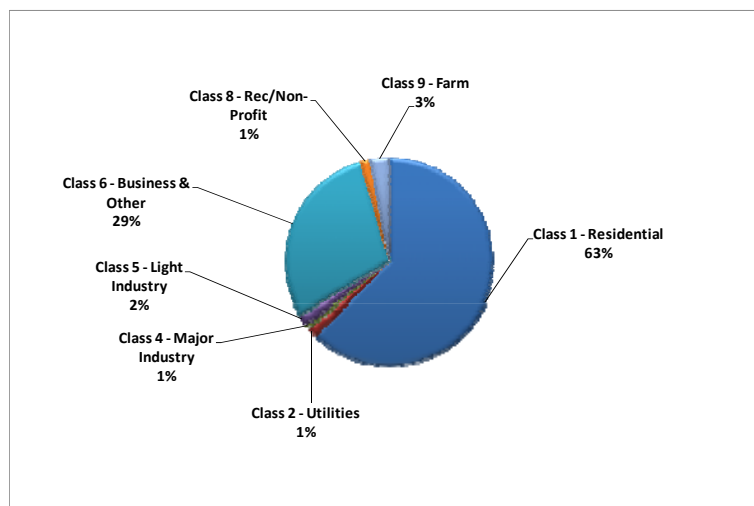
GENERAL FUND- 2011 OPERATING HIGHLIGHTS

- Reduced Building Permit Revenue - \$200,000
 - Offset by transfer from ORF
- Very little growth taxation projected
- Debt Servicing increased - \$185,000
- Police costs increased by 4.7% - \$190,000
- Library costs increased 21.8% - \$125,000
- Joint Parks & Leisure Services increased 7.5% - \$132,000
- Reduced Transfers to Reserves - \$160,000
- Transfer from Tax Rate Stabilization - \$300,000

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Taxation Revenue

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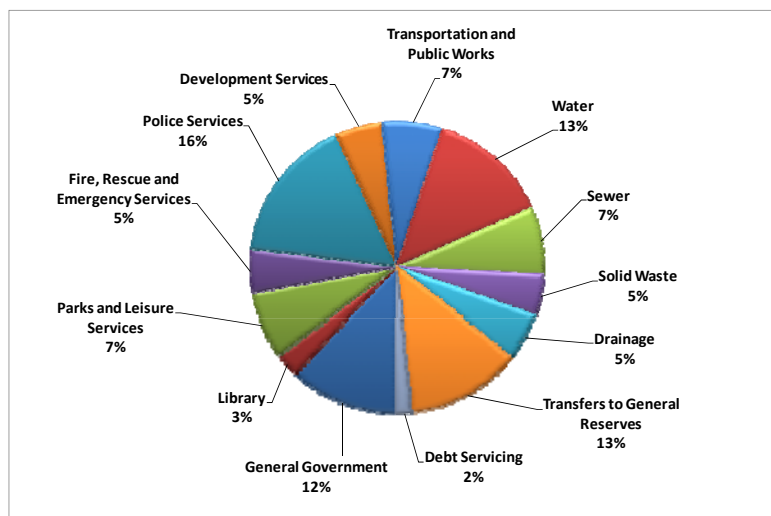
BUDGET RISKS

- ❑ Building permit revenue
- ❑ Transfers to infrastructure reserves have been reduced for 2011
- ❑ No allowance for assessment appeals
- ❑ Vacancy allowances have been made for RCMP staffing
- ❑ Allowances for potential staffing vacancies based on past patterns
- ❑ Opening of the new Library in Q4.

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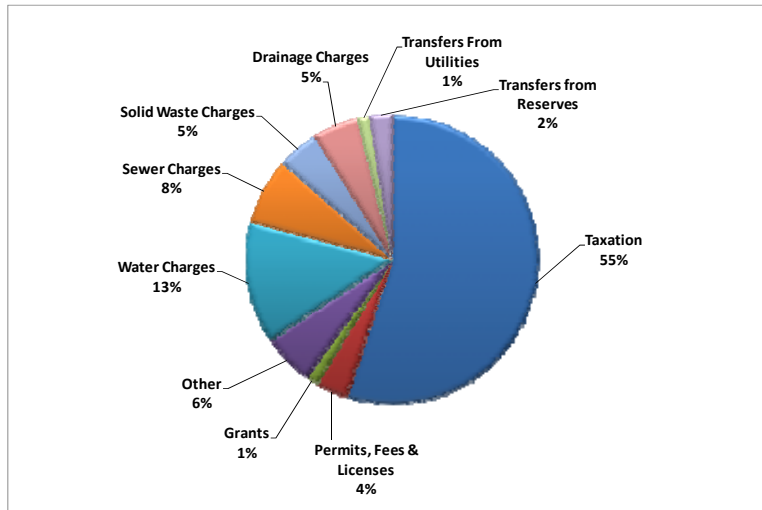
Operating Budget Expenditures

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2011-2015 Financial Plan Operating Budget Revenue

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2011 GENERAL FUND CAPITAL HIGHLIGHTS

- General Capital Program of \$12.4M**
 - Replacement of Engine 1-2
 - Complete South Bonson Community Centre
 - Complete Upgrades to Pitt Meadows Arena
 - Youth Action Park
 - New Library Space
 - Bonson Road Repave

- Funded by Reserves, Development Cost Charge's, Third Party Contributions, Grants and Borrowing**

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Taxpayer Impact

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Estimated Charges and Changes				
Charge Type	2010 Total Charges	Rate Change %	Rate Change \$	2011 Total Charges
Municipal Property Taxes	\$ 1,239	4.35%	\$ 54	\$ 1,293
Drainage Mill Rate	43	5.65%	3	46
Drainage Flat Rate	29	5.65%	2	31
Solid Waste Charge	224	5.00%	12	236
Sewer Charge	275	5.00%	14	289
Water Charge	362	9.00%	33	395
Total Municipal	2,171	5.44%	118	2,289
Other Governments*	335	3.00%	10	345
Total Property Taxes	\$ 2,506	5.11%	\$ 128	\$ 2,634

* Estimated, net of Home Owner Grant

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Taxpayer Impact

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	Annual Cost 2011	Cost Per Day
Water	\$ 395.00	\$ 1.08
Police Services	302.43	0.83
Sewer	289.00	0.79
Solid Waste	236.00	0.65
Transfers to General Reserves	235.50	0.65
General Government	226.64	0.62
Parks and Leisure Services	135.55	0.37
Transportation and Public Works	123.46	0.34
Development Services	97.01	0.27
Fire, Rescue and Emergency Services	89.81	0.25
Drainage	77.00	0.21
Library	49.71	0.14
Debt Servicing	31.87	0.09
	\$ 2,289.00	\$ 6.27

2011-2015 Financial Plan Long Term Planning

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- ❑ Concept/model for a funding strategy for long term significant projects
 - ❑ Inventory and “ball park” costs and estimated timing
 - ❑ Understand all potential funding sources
 - ❑ Reserves
 - ❑ Senior government/Partner participation
 - ❑ Land sales
 - ❑ Borrowing
 - ❑ Cashflow
 - ❑ Growth taxation
 - ❑ Tax rate increases

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Department	Priority	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Finance and Facilities												
Civic Centre: Renovation of Old Library	MF-03	4	350,000	350,000								700,000
Finance and Facilities Total			350,000	350,000								700,000
Fire & Rescue Services												
FRS Master Plan: Engine 2-1 Purchase	FR-01	3					600,000					600,000
FRS Master Plan: Firehall #2 Construction	FR-02	3				4,000,000						4,000,000
FRS Master Plan: Firehall #1 Replacement	FR-03	4								6,500,000		6,500,000
Fire & Rescue Services Total						4,600,000	600,000			6,500,000		11,700,000
Parks & Leisure Services												
New Wharf Construction	PL-04	10		20,000			500,000					520,000
Pit Meadows Arena Upgrades - Phase 2	PL-05	3		1,900,000								1,900,000
Pit Meadows Arena Upgrades - Phase 3	PL-06	3			750,000							750,000
Civic Centre: Indoor Pool Construction	PL-07	3						1,000,000	17,000,000			18,000,000
Civic Centre: RCMP CPO Expansion	PL-08	2	150,000	250,000	250,000							650,000
PLS Master Plan: Heritage Hall Upgrade	PL-09	10					800,000					800,000
Civic Centre: PMFRS Renovation	PL-10	10		500,000	500,000							1,000,000
Civic Centre: PMFRS Youth Centre Expansion	PL-11	10						2,000,000				2,000,000
Parks & Leisure Services Total			150,000	2,670,000	1,500,000		1,300,000	3,000,000	17,000,000			25,620,000
GRAND TOTAL			500,000	3,020,000	1,500,000	4,000,000	1,900,000	3,000,000	17,000,000	6,500,000		37,420,000

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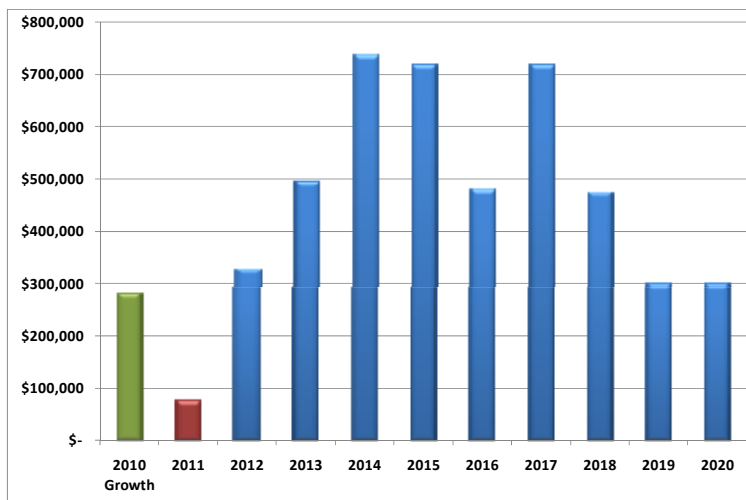
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- Estimated Capital Costs - \$ 38 Million
- Funded By:
 - Reserves - \$ 6.8 Million
 - Land Sales - \$ 5.5 Million
 - Senior Government/Partners - \$ 12.0 Million
 - Borrowing - \$ 13.7 Million
- Taxation - after 10 years
 - Growth – \$965,000
 - TRI's (1% to 1.5% annually) - \$1.8 million

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Growth Taxation Revenue



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Tax Rate Increase Allocation

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Allocation 1% TRI	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000
Allocation 1% TRI		134,995	134,995	134,995	134,995	134,995	134,995	134,995	134,995	134,995
Allocation 1% TRI			137,020	137,020	137,020	137,020	137,020	137,020	137,020	137,020
Allocation 1% TRI				139,075	139,075	139,075	139,075	139,075	139,075	139,075
Allocation 1.5% TRI					211,742	211,742	211,742	211,742	211,742	211,742
Allocation 1.5% TRI						214,918	214,918	214,918	214,918	214,918
Allocation 1.5% TRI							218,142	218,142	218,142	218,142
Allocation 1.5% TRI								221,414	221,414	221,414
Allocation 1.5% TRI									224,735	224,735
Allocation 1.5% TRI										228,106
Allocated from TRI	133,000	267,995	405,015	544,090	755,832	970,750	1,188,892	1,410,306	1,635,042	1,863,148

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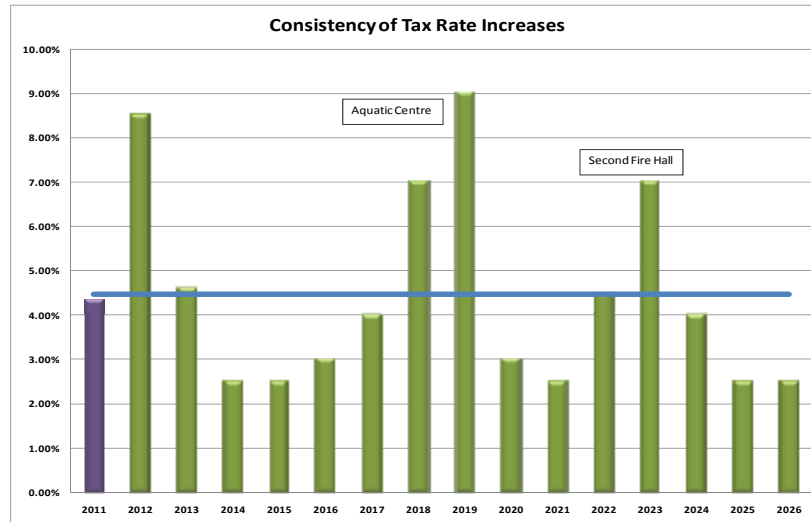
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Lessons Learned from the Exercise:

- ❑ Parameters can be set
 - ❑ Timing of projects
 - ❑ Limit annual TRI
 - ❑ Allocation of growth revenue
 - ❑ Dependent upon external funding
- ❑ Projects can be completed with properly executed financial plan

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	%	\$ Impact
General Tax Rate Increase per Proposed Budget	4.35%	\$ 54
Incremental Decision Packages:		
Public Art Program	0.20%	3
	4.55%	\$ 57
Other Options:		
Reduce TRS Subsidy by a further 1% TRI	1.00%	12
Allocate funding for Long Term Capital	1.00%	12

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Discussion