

Minutes of the Special Meeting of the Council of the Village of Chase held
in the Council Chambers of the Village Office at 826 Okanagan Avenue
on Tuesday, April 2, 2013 at 3:30 p.m.

Present:	Mayor	R. Anderson
	Councillors	R. Berrigan <3:38 p.m.>
		R. Crowe
		D. Lepsoe
		S. Scott
	Chief Administrative Officer	J. Heinrich
	Director of Financial Services	L. Pedersen
	Supervisor of Works	P. Regush
	Fire Chief	B. Chamberlain
	3 Fire Department Officers and Members	
	Elena Markin, Manager - Chase and District Chamber of Commerce	
	1 Member of the Public	
	1 Member of Press	

1. CALL TO ORDER

Mayor Anderson called the meeting to order at 3:33 p.m.

2. ADOPTION OF THE AGENDA

Resolution: Moved by Councillor Scott
Seconded by Councillor Crowe

"That the agenda be adopted as presented."

CARRIED

3. NEW BUSINESS:

Five Year Financial Plan/Annual Budget

The Director of Financial Services began by stating that:

- There is additional information provided by the Fire Chief as a handout
- There is additional information provided by Ms. Markin as a handout

Mr. Pedersen reviewed the context index and the financial package components explaining each component, some of which are to be reviewed today and some that are for Council's general reference:

1. Summary of Budget Additions/Changes – this shows the difference between the 2012 operational budget and the proposed 2013 operational budget.
2. Schedule of Surplus – this has been updated since the last time Council saw this information – at the bottom of page 3 this schedule shows that with reductions made to the budget by Administration since Council's last budget meeting, and with a modest tax increase annually over the next 5 years, the Village's current deficit situation can be rectified.
3. Five Year Financial Plan – this has been updated since the last budget meeting, and shows a summary picture of the revenues and expenditures of the various services provided by the Village. Pages 1-5 are the proposed 5 year Operational plan, pages 6 and 7 are the proposed 5 year Capital Plan and Page 8 shows a summary of proposed Revenues and Expenditures for 2013 to 2017.
4. Preliminary Capital Budget – Provides a summary and detailed listing of all of the known proposed projects with planned funding sources. Updates to this list will be provided before it is further discussed and adopted by Council.
5. Five Year Plan (Updated since last meeting) – shows a list of all the detailed accounts which are summarized in the Five Year Financial Plan (item 3 in the index). These details provide every account in the system which are used to track all of the Village's operations.
6. Five Year Operating History – this has been provided as it was requested by Council at the last budget meeting.

Summary of Budget Additions/Changes

Mr. Pedersen walked Council and the public through the Summary of Budget Additions/Changes and the following comments were made:

- Council provided a grant-in-aid from its 2012 budget for the tennis/basketball/hockey project in the amount of \$6000
- The 2013 budget is proposing another \$10,000 contribution to the project
- \$9000 in additional computer software costs for 2013 which include two new workstations in the Village office and an update to all software to ensure everyone is working with the same software creating more efficiencies
- \$3000 is being budgeted annually and moved into an Elections Reserve
- Insurance claim funds are being budgeted (\$7500 each year for 2 years) and moved into a reserve for future use, reducing the need to budget the \$7500 annually over the long term
- The budget for copier maintenance costs is being reduced

- The budget for office maintenance costs is being reduced
- Consulting services costs are being reduced in 2013 to reflect that while an OCP review is still being considered, that it be done as a minor review and through a combination of in-house resources and consultants to reduce costs
- Amortization expenses are included in the 2013 budget – it is not apparent that they were accounted for in 2012 – accounting for these is important as all equipment and assets depreciate over time and Council needs to have information in order to plan for appropriate replacement of its assets
- The fire department budget changes were reviewed – concerns were raised about the increases and a request was made for a complete explanation of the reasoning for these requested increases-this can be done later in the meeting
- Mr. Pedersen explained that after the last budget meeting, he and the Fire Chief reviewed the originally proposed budget for the Fire department and reduced a number of areas in the budget – this summary shows an amortization expense for 2013 of \$57,000 which forms a large part of the budget increase for 2013
- Grant for the Chamber of Commerce is shown as increasing by \$1400 in 2013 over the 2012 budgeted amount in anticipation of higher business license revenues in 2013
- \$5,000 of advertising expense is being moved to Economic Development to reflect that the contribution to the Shuswap Tourism is an economic development expense
- Additional funds are shown for the Community Hall Janitorial contract for 2013 as the contract was revised – it was questioned whether this expense is for both the Community Hall and Village office cleaning contract – staff will provide more information at the next budget meeting
- Additional funds are included for the hiring of an operator for the new water treatment plant for a portion of 2013
- If there are no entries in sections of the summary of additions/changes, this means the same amount is proposed in 2013 as was budgeted in 2012

Mr. Pedersen stressed the importance of the two paragraphs at the bottom of page 4 of the Summary of Budget Additions/Changes, that while the summary indicates a \$700,000 budget increase for 2013 over 2012, \$650,000 of that is accounting for amortization.

In addition, the revenue in 2013 shows \$667,500 which is misleading because this is made up primarily of one-time grants for projects and will not be received in future years. In fact, anticipated revenues actually decline by \$218,000 in 2013.

Mr. Pedersen is suggesting that a modest *additional* tax increase of between 1 and 2 % over and above the general 2% increase is recommended for the next 5 years to overcome the current deficit situation.

This recommended increase is reflected in the Schedule of Surplus which shows a better financial picture for the Village in 5 years if the Village continues to plan for modest tax increases and budgets somewhat conservatively.

Fire Department – Detail Budget Discussion

Discussion:

- It was suggested that a separate budget for the Road Rescue service be developed/recorded to show the true costs of the Fire service and the Road Rescue service in the overall Fire Department budget
- It appears that since the Village took over the Road Rescue service from the Society, costs have increased significantly and revenues are down
- If the Director of Financial Services and the Fire Chief can work together at showing the costs and revenues for road rescue, that would assist Council in making decisions on budget increase requests
- When the Road Rescue service was switched from the Society to the Village, Council was led to believe at that time that the service would not cost the taxpayers anything, that the service would be essentially self funded – it appears that the taxpayer is burdened with more costs now that road rescue is under the Village's responsibility
- It was noted that the Road Rescue area extends far out of the Village's boundaries, yet no taxation revenue is gained by the Village from outlying areas in the rescue boundary-once costs and revenues are broken out for the service, the Mayor will take a request to the TNRD for funds to assist the service

It was generally agreed that the Fire Department proposed budget will be reviewed in detail at a subsequent meeting once information is available about the cost of the Road Rescue service.

<The Fire Chief left the meeting at 5:19 p.m.>

Elena Markin, Manager of the Chamber of Commerce spoke to two ideas included in the letter she provided at the beginning of the meeting. She elaborated by saying:

- Tourism in Chase would be enhanced by the development and mapping of local trails and is requesting Council consider a \$2500 contribution to the Shuswap Trail Alliance for this purpose in 2013
- Tourism in Chase would also be enhanced through the provision of a self-guided historical tour kiosk and is requesting Council consider investing \$5000 in the building of such a kiosk

It was generally agreed that additional budget meetings will be required to obtain Council direction on a number of budget areas for 2013 including Capital Budget requests.

Wi-Fi in Memorial and Centennial Parks

- It was suggested that tourism development is important for the economy of Chase but Council needs to take a conservative approach to how many capital projects are budgeted for annually, at least for the next few years. If Council considered installing and providing for Wi-Fi in Centennial Park only in 2013, rather than in both Centennial and Memorial Parks, the cost in 2013 would be approximately \$3000 rather than the estimated \$8000 for both parks
- A concern was raised about businesses who offer Wi-Fi having their customer base potentially undermined if Wi-Fi is available in a Village park – this may discourage people patronizing businesses that offer free Wi-Fi
- Wi-Fi is being provided in many communities to promote tourism – if the Village provides Wi-Fi in one location in 2013 at least we are moving forward to enhance tourism without expending too much in one year
- Members of the gallery responded positively when asked if Wi-Fi 'hot spots' are a good service to provide
- Logan Lake now provides Wi-Fi in its municipal campground which has increased visitations by approximately 30%
- Many visitors to the Visitor Centre ask if Wi-Fi is available and are surprised and disappointed to hear it is not – should be available at the Visitor Centre

It was generally agreed that the discussion of Wi-Fi provision will continue at the next budget meeting.

Resolution: Moved by Councillor Berrigan
Seconded by Councillor Scott

"That the next budget meeting to discuss the Capital Budget be scheduled for Monday, April 8, 2013 starting at 10:00 a.m."

CARRIED

4. ADJOURNMENT


Resolution: Moved by Councillor Crowe
Seconded by Councillor Lepsoe

"That the meeting be adjourned."

CARRIED

Mayor Anderson declared the Special Meeting concluded at 5:42 p.m.

These minutes were adopted by a resolution of Council this 8th day of **APRIL,**
2013.



Mayor,
R. Anderson

Corporate Officer
L. Randle