

MINUTES OF A COMMITTEE OF THE WHOLE MEETING

January 18, 2023
Council Chambers, District of Hope Municipal Office
325 Wallace Street, Hope, British Columbia

Council Members Present: Councillor Crystal Sedore (Acting Mayor)
Councillor Heather Stewin
Councillor Pauline Newbigging
Councillor Scott Medlock
Councillor Angela Skoglund
Councillor Zachary Wells

Council Members Absent: Mayor Victor Smith

Staff Present: John Fortoloczky, Chief Administrative Officer
Donna Bellingham, Director of Corporate Services
Mike Olson, Director of Finance
Jas Gill, Director of Community Development
Thomas Cameron, Deputy Fire Chief
Branden Morgan, Deputy Corporate Officer/EA
Linda Goglin, Accounting Supervisor

Others in attendance: 1 member of the public

1. CALL TO ORDER

Acting Mayor Sedore called the meeting to order at 6:30 p.m. and opened by acknowledging that the meeting is being held on the traditional, ancestral and unceded territories of the Stó:lō people, particularly the Chawathil, Union Bar and Yale First Nations.

2. APPROVAL OF AGENDA

Moved / Seconded

THAT the January 18, 2023 Committee of the Whole Meeting Agenda be adopted as presented. **CARRIED.**

3. ADOPTION OF MINUTES

(a) Moved / Seconded

THAT the Minutes of the Committee of the Whole Meeting held January 11, 2023, be adopted as presented. **CARRIED.**

4. STAFF REPORTS

(a) Council's review of the DRAFT 2023 Financial Plan

The Director of Finance began the second 2023 budget workshop and explained the format of the meeting, which will entail a review of three property tax scenarios, capital expenditures, and a question period. He noted that the baseline assumptions used in the previous budget meeting will remain the

same, as follows:

- Wages increase by 2.5% per the Collective Agreement
- Inflationary rate for fuel – 10%
- Overall inflation rate for 2023 – 6%

The Director of Finance advised Council that there were some changes to the budgeted amounts for the 2023 financial plan shown at the January 11th Committee of the Whole meeting; these changes include:

- General Operations revenue has decreased from \$12,036,100 to \$11,990,800 due to an excel formula error
- Transfer from surplus has increased from \$64,000 to \$132,100 due to the duplication of the adjustments in revenue related to the fire protection agreement and the formula adjustment previously noted.
- General Operations expenditures has increased to \$10,621,900 due to the adjustment related to the wood carvings and a minor adjustment for revised costing.
- Total revenue and expenditures, as a result of the above changes, have increased from \$16,710,700 to \$16,733,500

The reasons for these changes include:

- The District is in the process of renegotiating the fire protection agreement with the Chawathil First Nation, which is increasing as a result of the expansion to the fire protection area
- The amount allocated to the wood carvings line item was increased by \$5,000 to \$15,000 in order to accommodate the upcoming chainsaw carving event that is held in the District every other year

The Director of Finance advised that a small transfer from surplus was required to enable the projected works. He noted that nothing in regards to sewer, water, and RCMP operations have changed from the previously shown budget. The Director of Finance then reviewed the District's Capital Projects, which have not changed from the first budget meeting.

The Director of Finance noted that the budget includes \$14,191,232 in capital additions, with \$359,000 being funded from current year revenue and \$8,881,232 being carried forward from the prior year.

Highlights of *Property Tax Mill Rate* (based on assessment fluctuations):

- Residential mill rate declined from 2.8542 in 2022 to 2.6242 in 2023, a total drop of 8.1%
- Commercial mill rate declined from 7.1355 to 6.4852, a total drop of 9.1%

The Director of Finance advised that the average residential increase from BC assessment is 14%, and that the average assessed value in Hope is \$703,000. Based on this average assessed value, property tax amounts would increase by the following amounts depending on the property tax increase chosen:

- 4.33% - \$86.59 or 4.92% increase

- 4.65% - \$92.24 or 5.25% increase
- 4.98% - \$98.08 or 5.58% increase

Council inquired as to whether there was an increase in 2022, and what the amount of that increase was. The Director of Finance advised that on average, the increase was 7.85% for 2022. Council inquired as to whether this increase was in tax rate or revenue, to which the Director of Finance advised that the 7.85% was an increase in property tax rate.

It was noted that the District acts a collector for the Fraser Valley Regional District, School tax, Regional Hospital tax, BC Assessment and the Municipal Finance Authority, and we have no insight or influence to their budgets. We need to focus on what Council wants to achieve for 2023.

Council inquired as to whether we are considering an increase for the commercial and residential tax rates at the same amount. The Director of Finance noted that the increase includes all classes of property, but the mill rates for the commercial class declined at a greater rate than the residential. He advised that if all properties appreciated in value at the same rate, those commercial properties would see a larger decline in their property tax burdens based on that mill rate.

Council inquired as to what the major industry class would entail. The Director of Finance advised that it would include large industrial operations such as mills or forestry. The CAO noted that while the District of Hope does not have any properties in this class, the class must be assigned a mill rate as a contingency for the event that there is any major industry is created in town. The Director of Finance advised that the major industry rate is tied to the light industry rate, and that if any major industry was built without the class existing, then they would be taxed at \$0. He added that this would leave the District behind on collecting that revenue.

Moved / Seconded

THAT Council directs Staff to prepare the 2023 Financial Plan Bylaw based on a 4.65% tax rate increase. **DEFEATED.**

Council discussed balancing the need to keep our increase as low as possible, understanding that the overall cost of living has been significant, and the need to keep up with municipal expenses and rising project costs. Council noted that they hope, by having some tax increase, that needs can be taken care of, and people can see some value for the money.

Moved / Seconded

THAT Council directs Staff to prepare the 2023 Financial Plan Bylaw based on a 4.33% tax rate increase. **CARRIED.**

5. OTHER PERTINENT BUSINESS

There was no other pertinent business.

6. QUESTION PERIOD

There were no questions.

7. CLOSE

Moved / Seconded

THAT the January 18, 2023 Committee of the Whole Meeting adjourn at 7:07 p.m. **CARRIED.**

Certified a true and correct copy of the Minutes of the Committee of the Whole meeting held on January 18, 2023 in Council Chambers of the District of Hope, British Columbia.

Original Signed by Victor Smith
Mayor

Original Signed by Donna Bellingham
Director of Corporate Services