

MINUTES OF A COMMITTEE OF THE WHOLE MEETING

January 11, 2023
Council Chambers, District of Hope Municipal Office
325 Wallace Street, Hope, British Columbia

Council Members Present: Mayor Victor Smith
Councillor Heather Stewin
Councillor Scott Medlock
Councillor Angela Skoglund
Councillor Crystal Sedore

Council Members Absent: Councillor Zachary Wells
Councillor Pauline Newbigging

Staff Present: John Fortoloczky, Chief Administrative Officer
Donna Bellingham, Director of Corporate Services
Mike Olson, Director of Finance
Kevin Dicken, Director of Operations
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

Mayor Smith 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 11, 2023 Committee of the Whole Meeting Agenda be adopted, as amended, to include item 4(b), a letter received from the Hope Mountain Centre regarding funding support for Summer Trail Crews for two years, 2023-24. **CARRIED.**

3. ADOPTION OF MINUTES

(a) Moved / Seconded

THAT the Minutes of the Committee of the Whole Meeting held November 28, 2022 be adopted as presented. **CARRIED.**

4. STAFF REPORTS

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

The Director of Finance introduced the draft 2023 Financial Plan for Council's first review. and began by explaining the format of the meeting, listing each section of the budget that will be reviewed. He also noted that new projects will be highlighted in yellow and some baseline assumptions have been made, these include:

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

Highlights of the *Capital Projects*:

- Modular Operations Building - \$40,000 (COVID Restart Grant Monies)
- Capital Paving 2023 - \$1,200,000 (Gas Tax Reserve)
- Coquihalla Campground - \$80,000 (Campground Reserve)
- District Hall HVAC Replacements - \$55,000
- Operations Parking Lot Paving - \$30,000
- LED Lighting Retrofit - \$22,000
- Stormwater Upgrades - \$140,000
- Rupert Main Extension - \$125,000
- Pollution Control Center (PCC) Phase 2 - \$3,602,000 (Conditional upon receiving Grant monies)
- Fire Department Heat Pump Upgrade - \$16,000 (Fire Department Reserve)

The Director of Finance noted that the items in the budget that are coming forward from the previous year relates to the fact that supply chain and acquisition issues slowed procurement; this has resulted in a carryforward balance from the previous year. In total, approximately \$13,000,000 has been set aside for capital projects for the coming year.

Council inquired regarding the figures related to sewer capital projects, specifically whether the listed figures include any projects in Silver Creek. The Director of Operations advised that they do not. The Rupert Street Main Extension project is to rectify issues with services that were not disconnected from the old outfall, and the PCC Phase 2 project is for the addition of an automated screening system. The Director of Operations also noted that the PCC Phase 2 Project is 100% funded by a grant. The Director of Operations stated that an extension of the sanitary system in Silver Creek will be triggered by development, allowing the District to leverage the development community to get that infrastructure in place.

Highlights of the *Property Tax Revenue*:

- Overall property tax revenue is budgeted at \$10,021,000, an increase of 4.25%
- Property tax revenue increases were driven by infrastructure, municipal, and

- police levies increasing by 3.04%, 3.00% and 8.10% respectively
- The District acts as a Collector for the Fraser Valley Regional District, School Tax, Regional Hospital District, Municipal Financing Authority and BC Assessment
- Overall property tax increase is projected at 4.33% excluding the above costs which the District does not control
- From the sample, the average residential property will see an increase of approximately \$89.55, or 4.01%
- From the sample, the average commercial property will see an increase of approximately \$143.39, or 1.26%
- Property assessments have moved up approximately 14% from last year

Highlights of the *Other Revenue*:

- Parcel and utility taxes revenue for 2023 will be \$133,700
- Grants received for 2023 budgeted at \$970,000
- Investment income has increased to \$450,000 due to rising interest rates
- Bylaw revenue budgeted at \$17,000, a decline from \$32,000 in previous years due to a decrease in revenue from unsightly premises
- Waste Management - \$2,002,400 (recent Council decision for increase in user fees)
- A decrease in planning and zoning revenue to \$45,000 to account for a decline in construction activity due to rising costs and interest rates slowing development

Council inquired as to the decrease in parks revenue, from \$11,600 in 2022 to \$2,000 in 2023. The CAO advised that the District received some motion picture donations-in-kind amounting to \$10,000 in 2022 which accounts for the increase for that year.

Highlights of the *General Government Expenditures*:

- Council expenditures have increased to include expenses for a seventh member of Council (in 2022 we were down one Councillor), extra training, and travel for new members of Council to account for the return to in-person events after COVID
- General administration increased by 6.33% to \$373,300 in order to account for money set aside for the Facilities Master Plan
- Human Resources expenses increased from the 2022 actual costs by 77.16% to \$180,100 to account for a full year of salary for the Human Resources Advisor, as well as additional funds for organizational staff training
- Corporate Services expenses decreased by 6.51% to \$319,400 due to a position that will be filled at a later date
- Finance Operations expenses increased by 5.84% to \$771,500 to account for a full year of salary for the Director of Finance, as well as contract work to complete financial disclosure work in relation to the District's Asset Retirement Obligation requirements.

- Information Technology expenses increased from the 2022 actual costs by 22.21% to \$142,100 to account for additional software maintenance and equipment demands that must be met
- Overall, general government expenditures is consistent with the prior year budget

Highlights of the *Protective Services Expenditures*:

- Emergency Services increased by 478.72% to \$54,400 to account for the update of the Emergency Management Plan, which has a budget of \$50,000.
- The District received funds from BC Wildfire, due to the Flood Falls Wildfire, which offset the administration expenses
- Fleet expenses increased by 19.40% to \$59,200 due to rising fuel costs and the expectation of more call volumes
- Operations expenses increased by 12.75% to \$84,000 to account for training and required miscellaneous tools

Council inquired as to whether the Union of British Columbia Municipalities would offer a grant for the Emergency Management Plan to offset the costs. The CAO advised that there are ongoing grants in the emergency management field, and that this item has been budgeted as not being conditional on a grant as it is a time sensitive item. Staff will identify opportunities where grants can be applied for as the plan is developed. Council also inquired as to whether protective services includes only the fire department, or if it also covers Hope Search and Rescue. The CAO advised that protective services covers both the Fire Department and the RCMP, Hope Search and Rescue is a separate organization.

Highlights of the *Operations Expenditures*:

- Workshops, yards and buildings has increased by 54.21% due to the addition of the 1205 Nelson Avenue property
- Miscellaneous equipment expenses increased from the 2022 actual costs by 37.31% to \$43,150 to account for the purchase of additional tools for the heavy-duty mechanic, allowing more repairs to filter through the shop as opposed to outsourcing, this has resulted in a decrease in fleet maintenance expenses
- Roads maintenance was increased by 4.54% to \$1,649,250 to account for additional staffing and maintenance expectations

The Director of Finance noted that a contingency has been set aside for snow removal, as well as budgeting for street lighting that did not go forward last year.

Council noted that dyke maintenance expenses for 2022 and 2023 were significantly lower than the \$152,918 spent in 2021 and inquired as to the reasoning. The Director of Operations advised that in 2021 the District completed a Lower Coquihalla Flood Risk Assessment and it was billed to that account. Now that the project is complete, it has been removed from the budget.

Highlights of the *Waste Management Expenditures*:

- Increase in expenses by 11.89% to \$2,184,000 due to rising costs and some costs will be offset by the fee increases that were passed by Council in December

Council inquired as to why the District was still budgeting for the landfill as it has been deactivated. The CAO advised that the expenses are for ongoing monitoring for environmental purposes. He also noted that the long-term plan is for the landfill to be handed back to the province as crown land.

Highlights of the *Planning and Zoning Expenditures*:

- Increase in planning and zoning expenses by 3.44% to \$354,800 due to an expected staffing change and for additional flood plain works

Highlights of the *Parks Expenditures*:

- Overall increase from the 2022 actual costs due to additional contract work that will be taking place in the coming year at the Coquihalla Campground

Council inquired as to what work was done in the Coquihalla Campground in the previous year. The Director of Operations advised that work was performed in the main washroom building in 2022, and that this year window replacement, carpeting in the main office, windows for the caretaker residence and upgrades to the main washroom building will occur. The Director of Operations also noted that the District receives a portion of the revenue from operation of the campground and that revenue is used to fund any work that is done at the campground. Through this, the Hope taxpayer does not subsidize any of the work at the campground.

Council noted that the amount allocated to the wood carvings line item should be changed to \$15,000 in order to accommodate for the upcoming chainsaw carving event that is held in the District every other year.

Highlights of the *Cultural Expenditures*:

- Grants in Aid - \$25,000 (Approved by Council in January). In the prior year the Grants in Aid included \$450,000 related to the Station House. These funds have been considered but not budgeted for this year as there is not an expectation of these being expended in 2023.
- Recreation Centre expenditures have decreased by 75.40% to reflect that there will be less work required this coming year

The CAO advised Council that the District owns a portion of the recreation centre, with the FVRD owning the ice centre. Major upgrades and maintenance projects do come up periodically and the District has to set aside funds in order to be prepared for those items. To this end, the District maintains a reserve fund. The CAO also noted that the Community Forest is zeroed out on the budget, as dividend disbursements cannot be predicted.

Highlights of the *Sewer Fund Expenditures*:

- Sales of Services reflect the amounts approved by Council in December
- An overall surplus of \$43,700 will be transferred to the Sewer Reserve, which is necessary as the District has been drawing down this reserve
- Administration cost allocations change year-to-year depending on what items are required for maintenance across the District

Council inquired as to what the purpose of the lift and grinder stations are, the Director of Operations advised that they are pumping stations located throughout the District where the topography is lower, they pump the sewage up so that it moves to the PCC for processing.

Highlights of the *Water Fund Expenditures*:

- Sales of Services reflect the amounts approved by Council in December
- Transmission and Distribution expenses increased to reflect additional contract work that is necessary due to increased usage
- A surplus of \$309,550 is budgeted, of which \$197,550 will be transferred to the Water Reserve and \$112,000 will be transferred to the 2023 Capital Expenditures budget

Highlights of the *RCMP Expenditures*:

- Detachment expenses for the 2022 appear under budget due to fact that invoices have not yet been received from the detachment, they are estimated to be close to \$1,000,000
- Detachment expenses have increased by 5.16% to \$2,624,100 to account for an additional member, bringing the complement to 14 members
- \$253,700 has been transferred from the previous year's surplus to cover expenses

The CAO advised that there is an established complement of thirteen members, and that Council has approved an increase to fourteen members. He also noted that there is always some flex required due to illness, injuries and other leaves that have kept the complement under thirteen. The CAO also advised that the District has very little control over the RCMP expenses, apart from Council being able to set the number of members that they want at the detachment. Due to this, the District must be diligent and coordinate with the detachment to ensure they are using their resources effectively.

Highlights of the *Reserves*:

- Infrastructure Reserve – increase by 5.05% to \$409,000 for future capital works
- Fire Department Reserve – increase by 100% to \$100,000 for future capital equipment
- Public Works Equipment Reserve – increase by 14.29% to \$400,000 to reflect cost increases
- Gas Tax Reserve – decrease by 72.71% to \$90,000 to reflect funds received from the Province; this is an estimate and can be changed

- Election Reserve – increase by 100% from 2022 to add \$5,000 for anticipated future costs to rent voting machines, as ours are no longer supported by the company and have funds set aside in case there is a need for a By-Election

The CAO advised that departmental expenses, such as those for the Fire Department and the Operations Department are planned several years in advance. This is to ensure that equipment that is reaching the end of its effective life is replaced.

Highlights of the *Overall Impact*:

- The 2023 budget has balanced at \$16,710,700, which includes:
 - \$10,599,100 in general operations
 - \$1,254,000 as transfer to reserves
 - \$247,000 as transfer to 2023 Capital
 - \$64,000 to be added as a transfer from prior years surplus

Council noted that while a 4.25% increase is more than the District has seen in the past, that it is good when compared to an inflation rate over 6% and the ambitious projects that have been planned. Council inquired as to whether the increase in assessed value contributed to the rise in revenue. The Director of Finance noted that based on their information, assessments went up 12.6%, and that the rate factor has gone down.

Council asked that Staff bring back a comparison of totals reflecting 4.5% and 4.75% increases, as well as the ratio between class 1 and class 6 properties.

**(b) Letter dated January 9, 2023 from the Hope Mountain Centre
Re: Funding Support for Summer Trail Crews, 2023-24**

The Director of Corporate Services clarified that the Director of Finance included Hope Mountain's Centre request of \$37,500 in funding for each the 2023 and 2024 calendar years, into the budget. The Director of Finance noted that tonight's presented budget does include this funding and Council concurred that the funding remain.

Council noted that the funds given to the Hope Mountain Centre are leveraged into more money, thereby enabling more works. Their work is something that draw people to our community and we should continue to support them. Council inquired as to which budget line this would come out of, the Director of Operations advised that it would be coming from the Other Parks – Contracts.

5. OTHER PERTINENT BUSINESS

There was no other pertinent business.

6. QUESTION PERIOD

There were no questions.

7. CLOSE

Moved / Seconded

THAT the January 11, 2023 Committee of the Whole Meeting adjourn at 8:02 p.m. **CARRIED.**

Certified a true and correct copy of the Minutes of the Committee of the Whole meeting held on January 11, 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