



Minutes

Village of Tahsis

Meeting	Special Council Meeting
Date	Monday February 1, 2016
Time	10:30 a.m.
Place	Municipal Hall - Council Chambers

Present Mayor Jude Schooner - Chair
Councillor Randy Taylor
Councillor Brenda Overton
Councillor Kathy Bellanger

Regrets Councillor Louis Van Solkema

Staff Mark Tatchell, Chief Administrative Officer
Janet StDenis, Assistant Financial Officer

Public 0 Members of the public.

Call to Order

Mayor Schooner called the meeting to order at 10:30 a.m. and acknowledged and respected that we are upon Mowachaht/Muchalaht Traditional Territory.

Introduction of Late Items

None

Approval of the Agenda

Overton/Taylor: VOT 27/16

THAT the Agenda for the February 1, 2016 Special Council meeting be adopted as presented.

CARRIED

New Business

1. CAO Report to Council

Re: 2016-2020 Financial Plan - Overview and planning

Overton/Bellanger: VOT 28/16

THAT the CAO Report to council be received.

CARRIED

The report to Council described the overall approach and considerations taken into account in the development of the 2016-2020 Five Year Financial plan. Capital reserve funds and potential capital projects for 2016 were discussed. A timeline was provided for budget deliberations and the opportunity for community consultation.

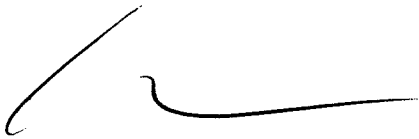
O. Adjournment

Overton/Bellanger VOT 29/16

THAT the meeting be adjourned at 11:25 a.m.

CARRIED

Certified Correct this
16th Day of February, 2016



Chief Administrative Officer

VILLAGE OF TAHSIS

Report to Council

To: Mayor and Council
From: Chief Administrative Officer
Date: January 28, 2016
Re: 2016-2020 Financial Plan Overview and Planning

PURPOSE OF REPORT:

To describe the overall approach and considerations in preparing the Five Year (2016-2020) Operating and Capital Plan

OPTIONS/ALTERNATIVES

1. Receive the Report for Information;
2. Direct staff to return to Council with a revised Report

BACKGROUND:

Like all British Columbia municipalities, the Village of Tahsis must prepare a five year financial plan each year based on the following provisions in the *Community Charter*:

- S. 165: “The total of the proposed expenditures and transfer to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year”. This means that municipal budgets must be balanced.
- S. 165: “A municipality must have a financial plan that is adopted annually, by bylaw, before the annual property tax bylaw is adopted.”
- S. 166: “A Council must undertake a process of public consultation regarding the proposed financial plan before it is adopted.”
- S. 197: After the adoption of the financial plan, the Council must adopt the Tax Rates by Bylaw before May 15th of each year.

Budget Parameters

There are four major considerations that are informing the development of 2016 financial plan:

1. Council's strategic priorities as identified at the December 2015 session;
2. Funding critical capital projects that have been approved by Council or will require Council approval in 2016;
3. Moving to a longer term funding strategy to address the Village's infrastructure deficit; and
4. Keeping any tax increases to a minimum

On the expenditure side, the approach is to provide funding for:

- Inflationary costs in operating budgets;
- Maintaining service levels, with specific new one-time projects, e.g., web re-development ; and
- Critical capital projects

Discussion

The Village's primary funding source to maintain service levels is taxation and, to a lesser extent, user fees. The other available funding sources the Village can utilize are other revenues, grants and debt. The Village has three reserve accounts two of which are earmarked for specific categories of assets (fire hall and recreation centre) and a general capital works reserve fund. In addition to the reserve funds, the Village has capital accounts for water and sewer. The capital infrastructure program allows the Village to sustain and, where possible, enhance the service levels. The funding sources for reserves are transfers from taxation and grants. It is preferable for the Village to use its own source of funding to invest in infrastructure rather than external funding sources. However, this is not always possible so the Village has sought and used external funding to address infrastructure needs. It is expected that the Village will continue to seek external funding, e.g., Building Canada Fund, for projects which align with Council's priorities and the critical capital infrastructure needs identified by staff.

The Village continues to experience a declining population and falling property values, which can be traced back to the mill closures in the late 1990s and early 2000s. Most of the Village's services have continued to operate even as the tax base has shrunk. Although some services have been curtailed or modified.

Property Tax Revenue by year

2010	2011	2012	2013	2014	2015
\$492,532	\$543,005	\$618,957	\$575,511	\$599,469	\$603,000

Property tax revenue has fluctuated over the past six years but the trend has been to incrementally increase tax revenue. Utility fees for water, sewer and solid waste have also increased generally since 2008.

Change in Property Tax Revenue by year

2011	2012	2013	2014	2015
\$50,473	\$75,952	-\$43,446	\$23,958	\$3,531

Most of the increased tax revenue has come from existing property so very little has been contributed by new growth and property development.

A 2016 tax rate increase resulting in a 3% increase in revenues equaling \$18,090 would cover the cost of inflation, maintain services on a status quo basis and provide targeted funding for priorities such as web re-development.

The asset management funding strategy to be completed in early 2016 will provide the Village with better information about the Village's critical infrastructure, the cost of maintaining that infrastructure and the implications for long term sustainable funding. The ultimate goal is for the Village to know the true cost of delivering all of its core services so that revenues are sufficient to ensure those services are sustained over the long term (15-20 years) rather than funding year to year.

Capital Reserves

The Village has three capital reserve funds:

- 1) Capital Works, Machinery and Equipment Reserve which is intended for new capital projects, extensions or renewals of existing capital works and to provide machinery and equipment for capital projects;
- 2) Fire Hall Reserve which is to provide for the cost of a new fire hall, as well as land, buildings, machinery and equipment; and
- 3) Recreation Centre Capital Works, Machinery and Equipment Reserve is intended to provide for the cost of a new recreation centre

Potential Capital Projects for 2016:

- Fire Truck replacement
- Public dock repair
- Tahsis Library and Village Office
- Fuel tank for public works
- Tahsis River bridge pedestrian walkway

These projects are in addition to the water well project which has been approved by Council and has funding confirmed.

Budget Presentation and Timeline

The budget deliberations and opportunity for community consultation is as follows:

Date	Time	Topic
February 18th	10:30AM	Presentation of provisional Budget
March 10th	7:00PM	Public presentation and comment
April 7th	10:30 AM	Report to Council on 2016-2020 Financial Plan Bylaw
April 21st	10:30AM	Follow-up meeting if required
May 3rd	7:00 PM	2016-2020 Financial Plan Bylaw Approval

In addition, the budget documents will be posted on the Village website with the CAO email address so members of the public can offer their comments.

POLICY/LEGISLATIVE REQUIREMENTS:

Community Charter

FINANCIAL IMPLICATIONS:

As noted above.

RECOMMENDATION:

Option 1

Respectfully submitted:

Mark Tatchell
Chief Administrative Officer