



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

MINUTES SPECIAL MEETING [BUDGET] OF MUNICIPAL COUNCIL TUESDAY, MARCH 22, 2011

**5:46 P.M.
COUNCIL CHAMBERS**

PRESENT:

Mayor Barbara Desjardins
Councillor Meagan Brame
Councillor Randall Garrison
Councillor Alison Gaul
Councillor Lynda Hundleby
Councillor Bruce McIldoon
Councillor Don Linge

STAFF:

Laurie Hurst, Chief Administrative Officer
David Ward, Fire Chief
Barbara Snyder, Director of Development Services
Jeff Miller, Director of Engineering & Public Works
Scott Hartman, Director of Parks & Recreation Services
Karen Blakely, Director of Financial Services
Mary Turner, Deputy Director of Financial Services
Marlene Lagoa, Sustainability Coordinator [Recording Secretary]

1. **CALL TO ORDER**

Mayor Desjardins called the meeting to order at 5:46 pm.

2. **LATE ITEMS**

There were no late items.

3. **APPROVAL OF THE AGENDA**

MOTION: That the agenda be approved.
MOVED/ SECONDED. Councillor Gaul/Councillor Hundleby.
CARRIED UNANIMOUSLY.

4. **MINUTES**

(1) Minutes of the Special Meeting of Council, March 8, 2011

MOTION: That the Minutes of the Special Meeting of Council, March 8, 2011 be approved as circulated. MOVED/SECONDED. Councillor Gaul/Councillor Brame. **CARRIED UNANIMOUSLY.**

Chief Administrative Officer recommended that Council move up Item 6(1) Feedback on Council Remuneration Report, Staff Report No. ADM-11-025, as members of the Special Committee on Council Remuneration were in the audience.

5. **SUPPLEMENTARY & CAPITAL REQUESTS & RECOMMENDATIONS**

(1) Feedback on Council Remuneration Report, Staff Report No. ADM-11-025

Mayor Desjardins invited the public who wished to speak to the Council Remuneration Report to come forward.

Jim Knock, was a member of the Special Committee on Council Remuneration. He noted that the topic of public sector employees pay should not be a one time issue but an ongoing discussion. He believes that the pay should reflect the value of that position to the community in order to attract the best individuals for the job. He recognizes that now may not be the best time to discuss increasing public sector employees pay but believes the amount being recommended is negligible.

Rod Lavergne of Fraser Street commented on the similarities between the scheduling of Council Budget Discussions with the meetings held on the Archie Browning Sports Centre. He wishes that these items would be discussed at regularly scheduled Council meetings. He was also concerned that there was not enough opportunity for public input on the issue of Council remuneration. He asked that Council not

overlook the impact of the council remuneration increase on the budget – that many little percentage increases add up.

Joanne Kim, Chair of the Special Committee on Council Remuneration, noted that the committee was given a mandate to review Council remuneration and not to decide how much to give the council body. The Committee reviewed many options including there being no increase and comparing council remuneration to other areas in BC. The review was completed logically but she knows that the findings might still be a shock to some people.

Discussion followed on what to do with the report and recommendations before Council. It was noted that the recommendations would have a small impact on the 2011 budget as any increase would only take effect in December.

MOTION: That Council receive the Feedback on Council Remuneration Report, Staff Report ADM-11-025 for information, and that any further decision on approving any recommendation be forwarded to the April 4, 2011 Regular Meeting of Council. **MOVED/SECONDED.** Councillor Hundleby/Councillor Gaul. **CARRIED** (Mayor Desjardins, Councillors Linge, Brame, Gaul, Hundleby and McIldoon In Favour; Councillor Garrison Opposed).

Council Linge requested that residents be notified that the staff remuneration report would be coming back to the April 4, 2011 Regular Meeting of Council and that Council was seeking feedback.

6. **2011 BUDGET – OPTIONS**

Deputy Director of Financial Services provided a Power Point Presentation summarizing the 2011 budget.

Supplementary Requests

Deputy Director of Financial Services advised that supplemental requests are funded by tax revenue. Staff's preliminary supplemental requests totaled \$1.7 million dollars. After further review, staff have put forward recommendations at a 4.43%, 3.79% and 2.59% tax increase scenarios. Staff advised that the 2.59% scenario be discussed in an *In Camera* meeting.

Budget Assumptions

Deputy Director of Financial Services reviewed the assumptions that were made in preparing the 2011 budget. Assumptions included reducing the contingency fund by \$50,000 to a total of \$200,000; appropriating a \$200,000 surplus from 2010 towards the 2011 budget; and a conservative estimate on PILT tax revenue based on PILT accepted assessment values. The unappropriated accumulated surplus at December 31, 2010 was \$470,000.

Council asked for clarification on the budget assumptions:

- PILT revenue estimate is based on the 2011 PILT assessed values which were provided by the PILT assessor and are lower than the BC Assessment value.
- The \$470,000 unappropriated accumulated surplus will remain at the same level and in the same undesignated account. The monies in this account can be drawn on for unanticipated expenses.
- Assumption is that there will be a \$200,000 surplus from 2010 that can be brought to 2011.
- PILT assessment will include new construction on the base. Current year assessments are based on site visits completed October the previous year.

Budget Summary – 4.43%

Deputy Director of Financial Services presented an overview of the 4.43% tax increase scenario. At 4.43%, total tax revenue would increase by \$946,017 and would include: \$687,955 in supplemental requests; \$52,400 in capital requests; and a core budget reduction at \$300,470.

Options – Core Reductions

Deputy Director of Financial Services provided a breakdown of the \$300,470 core reduction by department. At Council's request, staff provided a detailed breakdown on each department's core reduction.

Legislation:

Mayor Desjardins wished to see a reduction in the Council Conference and Seminars budget by 25%. Councillor Hundleby wanted to see the budget and actual expenses over the last five years before any decision is made to reduce the Council Conference and Seminars budget. Councillor Garrison opposed the use of staff time to bring forward those budget figures.

Administration:

Councillor Linge asked if the reduction would impact the community newsletter. Chief Administrative Officer stated that none of the core reductions would result in any decrease in service levels.

Parks & Recreation:

Mayor Desjardins asked about the Natural Gas savings. Director of Parks & Recreation Services said the reduction is a result of the energy efficiency upgrades at the Sports Centre.

Budget Summary – 3.79%

Deputy Director of Financial Services presented an overview of the 3.79% tax increase scenario. At 3.79%, total tax revenue would increase by \$809,584 and would include: a cut of \$113,433 in supplementary requests down to \$574,522; capital requests would remain the same at \$52,400; and further reduction in the Engineering/Public Works core budget of \$23,000 bringing the total core reduction to \$323,470.

Councillor Hundleby asked staff if service levels would be impacted at the 3.79% tax scenario. Staff noted that the only impact would be the \$23,000 reduction in the Engineering/Public Work core budget. At Council's request, staff provided details on the core budget reduction.

Budget Summary – 2.59%

Deputy Director of Financial Services advised Council that the meeting would have to go *In Camera* to discuss the 2.59% scenario.

IN CAMERA MOTION: That Council convene *In Camera* pursuant to Section 90 (1) (c) of the *Community Charter* to discuss labour relations or other employee relations, and that the general public be excluded. MOVED/SECONDED. Councillor Hundleby/Councillor Linge. **CARRIED UNANIMOUSLY.**

The Special Meeting of Council went *In Camera* at 6:35 p.m.

RECONVENE The Special Meeting of Council reconvened at 6:57 p.m.

2011 BUDGET – OPTIONS (Continued)

Supplementary Requests

Deputy Director of Financial Services advised Council that the next step will be to review the supplemental requests by individual line item.

Legislative/Administration:

Chief Administrative Officer presented the Legislative/Administration supplemental requests and responded to Council's questions:

- Advisory Committees to Council's budget would be remaining the same and is part of the core budget. Only requests in addition to the Advisory Committee's core budget would appear in supplemental requests.
- The Administrative Assistant position entails one part-time recording secretary. There is another supplemental request for a part-time recording secretary for the Police Advisory Board. If both positions were approved the two part-time positions may be combined into one.
- The figure in the annual core column shows the impact of the item on next year's core budget. Approving a supplemental request with an annual core figure would result in the item being automatically included in the following year's core budget.

Finance:

Director of Financial Services presented the Finance supplemental requests. There were no questions from Council.

Grants to Other Organizations:

Chief Administrative Officer presented the Grants to other Organizations supplemental requests and responded to Council's questions:

- The CRD Housing Trust Fund has been rolled in to the CRD requisition.
- Council Policy states that the Local Grant budget is increased each year by the prior year's property tax increase which was 3.95% in 2010.

Information Technology:

Director of Financial Services presented the Information Technology supplemental requests. Chief Administrative Officer responded to Council's question about the remote access security software. Removing the remote access security software from the supplement requests would not impact staff's current remote access levels.

Municipal Archives:

Chief Administrative Officer presented the Municipal Archives supplemental requests and responded to Council's questions.

Police:

Chief Administrative Officer spoke to the increase in Esquimalt's share of VicPD policing costs. Staff recommends \$233,570 reduction in the policing proposed budget. The figure was arrived at by removing the two officer positions that Esquimalt did not pay for last year and the six new officer positions that VicPD is requesting, and prorating the costs based on the actual PILT payment the municipality received and not what it was assessed.

Council asked if there were any other opportunities for reduction. Chief Administrative Officer advised it would not be possible as staff have been unable to get a detailed budget from VicPD.

Police Advisory Board/Panel:

Chief Administrative Officer noted that all Police Advisory Board/Panel supplemental requests received early Council approval.

In addition to the presented supplemental items, an additional \$75,000 is being requested for consulting services in order to evaluate the RFPs for policing services. The total cost for consulting services is estimated at \$100,000; however, the Advisory Board carried over \$22,800 from 2010 and will bring in an additional \$5,000 from the professional services budget which already received early approval. The \$75,000 will come from the Casino Funds and therefore will not translate into a tax increase for residents.

Fire/Public Safety Building:

Fire Chief presented the Fire/Public Safety Building supplemental requests and responded to Council's questions.

- The new part-time Administrative Assistant position would help the department meet its current Emergency Social Services mandate.
- The staff overtime budget is within budget and not as excessive as it had been in previous years.

Bylaw Enforcement/Building Inspection:

Director of Development Services presented the Bylaw Enforcement/ Building Inspection supplemental requests and responded to Council's questions.

- Increasing the Junior Building Inspector position to full-time would not have a significant impact on revenue but would help with responding to the backlog of bylaw complaints.
- Council members expressed concern with increasing the Junior Building Inspector position without more information on the financial and non-financial impact of doing so.

Transportation Administration/Small Tools & Equipment/Roadway Surfaces/Sidewalks/Street Cleaning/Snow Removal/Traffic Lights & Signs/ Parade Float/Garbage, Waste & Recycling:

Director of Engineering & Public Works presented the Engineering/Public Works supplemental requests and responded to Council's questions.

Roadway Surfaces & Sidewalks

- The supplemental requests for asphalt and concrete would assist in road maintenance but would only cover the maintenance of current roads.
- Funding to continue with the implementation of the Sidewalk Master Plan has been included in capital requests.
- Reductions made in road maintenance now may increase the cost of road maintenance in the future.

Transportation Administration

- Approval of the supplemental request for Aerial photos would result in \$8,000 being added to the core budget every two years.
- Staff could not confirm the last time a Road Condition evaluation was completed.
- Completion of the Lampson Street Bike Lane Study would increase the projects potential to access grant funding.

RECESS Council took a short recess at 7:57 p.m.

RECONVENE Council reconvened the meeting at 8:07 p.m.

2011 BUDGET – OPTIONS (Continued)

Supplementary Requests (Continued)

Development Services:

Director of Development Services presented the Development Services supplemental requests and responded to Council's questions.

- Previous practice was for the Director of Engineering & Public Works to act in absence of the Director of Development Services. A request for the Senior Planner's acting pay is being made as they are better suited to take over the role.
- Tempest upgrade & correction to database is to pay for a consultant to bring the database back up to date. The information in the database is used to fulfill reporting requirements to other government agencies.
- Council expressed concerns about slowing down the Esquimalt Village Plan.
- Educational assistance for staff would only be administered with an agreement in place.

Centennial Celebration Committee:

Chief Administrative Officer presented the Centennial Celebration Committee supplemental requests and responded to Council's questions:

- Mayor Desjardins noted that the intent was for the \$500 scholarship to come from the Local Grant budget and be split into two scholarships worth \$250. The "Centennial Scholarship" would be distributed each year.
- With the 2010 carry forward and a 3.79% tax increase scenario, the Committee would still have a 2011 budget of approximately \$85,000.
- If the Committee's federal grant application is successful, Council has committed to a 2012 Centennial Celebration Committee budget of \$125,000.
- If the committee's budget was reduced by \$50,000, it would be left up to the Committee on what projects to cut.
- The Communication Coordinator position has already received early approval.
- Councillor Linge expressed caution at cutting the committee's budget as some of the requested items are expected to be revenue generating and that upfront expenditures are required in 2011 in order to be ready for the 2012 celebrations.
- Council members noted the desire for more detailed information, and further discussion, on the Centennial Celebration Committee's supplemental budget requests.
- Council discussed inviting the Committee's Treasurer to make a budget presentation to Council.

Recreation Centre/Recreation Centre Programs/Sports Centre/Parks:
Director of Parks & Recreation Services presented the Parks and

Recreation Services supplemental requests and responded to Council's questions:

- Request for professional services includes marketing, advertising and legal services.
- Species at risk remediation of Macaulay Point was approved as part of the 2010 Budget and is being carried forward to 2011.
- Noise and insulation baffle in Jubilee Hall was completed in 2010. A capital request for Recreation Centre Pool baffles is being made in 2011.
- Regular part-time aquatic worker is not required this year and would not impact service levels.
- Request for Sports Centre uniforms & clothing is to replace old clothing.

Mayor Desjardins noted that Council will be going back *In Camera* and then will recess the meeting. Further discussion of the 2011 Budget Options will be continued on March 23, 2011 at 5:45 p.m.

7. PUBLIC INPUT

Mayor Desjardins called for public input and there was none.

IN CAMERA MOTION: That Council reconvene *In Camera* pursuant to Section 90 (1) (c) of the *Community Charter* to discuss labour relations or other employee relations, and that the general public be excluded. MOVED/SECONDED. Councillor Brame/Councillor Gaul. **CARRIED UNANIMOUSLY.**

The Special Meeting of Council reconvened *In Camera* at 8:46 p.m.

RECONVENE The Special Meeting of Council reconvened at 9:08 p.m.

8. RECESS

MOTION: That the Special Meeting of Council recess at 9:08 p.m. to March 23, 2011 at 5:45 p.m. MOVED/SECONDED. Councillor Gaul/Councillor Hundleby. **CARRIED UNANIMOUSLY.**

MAYOR OF THE CORPORATION OF THE
TOWNSHIP OF ESQUIMALT
THIS 4TH DAY OF APRIL, 2011

CERTIFIED CORRECT:

LAURIE HURST
DEPUTY CORPORATE ADMINISTRATOR