



CITY OF MERRITT

MINUTES

SPECIAL COMMITTEE OF THE WHOLE

CITY HALL
2185 Voght Street
Merritt, B.C.

Monday, February 19, 2019
At 6:00 pm

Mission Statement: The City of Merritt is a progressive, attractive, economically viable City that is socially responsible and environmentally sustainable.

Council

Mayor Linda A. Brown

Councillor Mike Bhangu

Councillor Kurt Christopherson

Councillor Adam Etchart

Councillor Travis Fehr

Councillor Tony Luck

Councillor Melvina White

Country Music Capital of Canada

For Enquiries
Telephone - (250) 378-4224
www.merritt.ca



CITY OF MERRITT

MINUTES

SPECIAL COMMITTEE OF THE WHOLE

COUNCIL CHAMBERS
CITY HALL
MONDAY, FEBRUARY 10, 2019
AT 6:00 PM

1. PRESENT

Mayor L. Brown
Councillor M. Bhangu
Councillor K. Christopherson
Councillor A. Etchart
Councillor T. Fehr
Councillor T. Luck
Councillor M. White (*Arrived at 6:01 p.m.*)

IN ATTENDANCE

Ms. S. Thiessen, Acting Chief Administrative Officer
Ms. C. Fraser, Deputy Clerk/Human Resources Manager
Mr. W. George, Tourism & Economic Development Manager
Mr. D. Tomkinson, Fire Chief

Merritt Herald
Q101

3 Members of the Public

2. CALL TO ORDER

2.1 Mayor Brown called the meeting to order at 6:00 p.m.

3. PUBLIC INPUT

Nil

Mr. D. Tomkinson, Fire Chief left the meeting at 6:02 p.m.

4. ADOPTION OF MINUTES

**ADOPTION OF
MINUTES**

- 4.1 Moved, Seconded and **CARRIED**
THAT the Minutes of the Special Committee of the Whole Meeting held on Tuesday, February 05, 2019 be adopted
- 4.2 Moved, Seconded and **CARRIED**
THAT the Amended Minutes of the Special Committee of the Whole Meeting held on Monday, February 11, 2019 be adopted

5. GENERAL MATTERS – Delegations and Recognitions

**2019 BUDGET
OVERVIEW**

- 5.1 2019 Budget Overview; Acting Chief Administrative Officer Presentation
File: 1700

Ms. S. Thiessen, Acting Chief Administrative Officer presented an overview of the 2019 budget to Council.

Ms. Thiessen presented the following:

- Focus of the 2019 Budget Process
- Discussion on funding sources
 - Taxation
 - Grants
 - Borrowing
 - Reserves and Surplus
- Overview of the process
- Sustainability and stability for the City in the years to come
 - Five Year Financial Plan 2019-2023 Bylaw
 - Including Tax Policy
 - 2019 Tax Rate Bylaw
 - Reserve and Surplus Policy

- What creates the foundation of the Financial Plan
 - Past practice and precedence
 - Tax Policy (existing)
 - Part of the Financial Plan Bylaw
 - Previous year's Financial Plan
 - Masterplans
 - Water, Sewer and Storm
 - Road Corridor Assessment
 - Parks, Recreation and Culture
 - Asset Management Investment
 - Cemetery
- Opportunities, Risks and Challenges
 - City is poised for growth in population and assessment base
 - Development pressures
 - Review and Update Bylaws
 - Subdivision Servicing
 - Development Cost Charges
 - Zoning
 - Official Community Plan
 - GIS
 - Asset Management
 - Parcel Taxes – Water and Sewer
 - Employer Health Tax
 - Upgrade of Waste Water Treatment Plant
 - Additional training, increased wages
 - New standards in relation to manganese levels in the drinking water that are coming will impact the use of the Kengard well
- Sources of Funding
 - Taxation
 - Grants
 - Borrowing
 - User Fees
 - Interest
 - Other Revenues
- Budgeted Revenue Sources in 2018
 - Taxes – 44%
 - User Fees – 19%
 - Debt Proceeds – 10%
 - Grants – 24%
 - Interest – 1%
 - Other – 2%

- Taxation
 - Will be lower in 2019 due to:
 - Permissive Tax Exemptions in Utilities and Business classes
 - Reduction in Major Industry class as Tolko decommissions the mill
 - Transfer from surplus/reserves to make up shortfall
 - Using 2018 tax rates and multiples, \$618,000 less in property taxes will be collected
 - Tax rates and multiples can be adjusted if Council wishes
- Effect of Assessment changes
- Source of Assessment changes
- Tax Policy
 - A Tax Policy will address:
 - How changes in assessment are handled
 - How the tax burden is distributed across the classes
 - Future plans for tax rates/multiples
 - A Tax Policy may also include how to handle the impact of:
 - Revitalization Tax Exemptions
 - Permissive Tax Exemptions
- Merritt Green Energy Revitalization Tax Exemption Impact on taxes forgone will total \$1,881,500 over the four (4) years
- Grant Revenues
 - Traffic Fine Sharing
 - Carbon Tax Rebate
 - Small Communities
- Borrowing
- Debt Servicing Costs
- Outstanding Debt
- Reserve and Surplus Policy
 - Reserves
 - Statutory
 - Set up by bylaw or legislation
 - Funds can be allocated by budget
 - Non-statutory
 - Internally restricted surplus

- Surplus
 - Generated when net revenue exceeds net expenses
 - Can be allocated or spent by resolution or Policy
 - Often allocated with Financial Plan Bylaw
- Moving forward
 - Staff will present a Draft Financial Plan that reflects current service levels incorporating:
 - Contracted increases (wages and utilities)
 - Reduced expenditure requirements which have been identified
 - Committed Capital Projects
 - Any changes to existing service levels will be provided as an option with the impact on taxation clearly indicated
 - Staff will present a draft Reserve and Surplus Policy for Council's consideration

It takes a team to develop a Financial Plan. The Financial Plan developed is Council's and to ensure that it meets their Strategic Plan and Vision:

- Council will:
 - Review all information
 - Request more information when needed
 - Take into account Public Input
 - Provide staff with priorities and direction
- Public will participate in the Budget Process by:
 - Attending meetings
 - Provide input in person or via email to Acting Chief Administrative Officer at sthiessen@merritt.ca
 - Follow budget discussions on the City of Merritt website
- Staff will provide Council and the Public with accurate and relevant information

Ms. Thiessen reviewed the budget schedule with Council and provided Council with an update on a couple of Grant in Aid applications including Merritt Country Christmas and the Community Gardens.

6. UNFINISHED BUSINESS

Nil

7. NEW BUSINESS

Nil

8. INFORMATION ITEMS

FUNDING SOURCES

8.1 Funding Sources; Acting Chief Administrative Officer February 15, 2019 Report
File: 1700

2018 BUDGET
POSITION REPORT

8.2 2018 Budget Position Report; Acting Chief Administrative Officer February 15, 2019 Report
File: 1700

9. TERMINATION OF MEETING

The Mayor declared the meeting ended at 8:12 p.m.

**Certified correct in accordance with Section 124(2) (c) of the
Community Charter.**

**Original signed by
Corporate Officer**

Confirmed on the 18th Day of March, 2019

**Original signed by
Mayor**