

MINUTES OF A COMMITTEE OF THE WHOLE MEETING

Wednesday, November 29, 2023
Council Chambers, District of Hope Municipal Office
325 Wallace Street, Hope, British Columbia

Council Members Present: Mayor Victor Smith
Councillor Scott Medlock
Councillor Angela Skoglund
Councillor Pauline Newbigging
Councillor Heather Stewin

Council Members Absent: Councillor Zachary Wells

Staff Present: John Fortoloczky, Chief Administrative Officer
Donna Bellingham, Director of Corporate Services
Mike Olson, Director of Finance
Kevin Dicken, Director of Operations
Richard Zerr, Acting Director of Community Development
Thomas Cameron, Fire Chief
Branden Morgan, Deputy Corporate Officer/EA
Linda Goglin, Accounting Supervisor
Gurvinder Sodhi, Communications and Systems Analysis Advisor

Others in attendance: 1 member of the public

1. CALL TO ORDER

Mayor Smith called the meeting to order at 6:30 p.m.

2. APPROVAL OF AGENDA

Moved / Seconded

THAT the November 14, 2023 Committee of the Whole Meeting Agenda be adopted, as presented. **CARRIED.**

3. OTHER PERTINENT BUSINESS

(a) Council's Review of the DRAFT 2024 Financial Plan

The Director of Finance introduced the draft 2024 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 the following assumptions have been made:

- Wages increase will be per the collective agreement
- Construction inflation of 10%
- Overall inflation rate for 2023 – 4%

Highlights of the Property Tax Impacts:

- Average residential property values in Hope have declined by 11.21% on average; the average value of a residential home is approximately \$625,100.
- Based on the proposed property tax increase of 5.51%, the average home would see an increase of \$87.71, or 4.75%.
- Average business values in Hope have increased by 25.57% on average; the average value of a business is approximately \$982,727.
- Based on the proposed property tax increase of 5.51%, the average business would see an increase of \$374.64, or 7.36%.

Highlights of the Reserves:

- A new reserve has been implemented for the Coquihalla Campground, which will cover future expenditures related to capital and operating costs.

Council inquired as to whether the funding for the campground reserve is coming from the operator, the Director of Finance confirmed that the majority of funds, approximately \$110,000, are from the operator.

- Current reserves balance is \$11,823,383 with \$1,256,000 in contributions planned for 2024 for a total of \$13,079,383.

Highlights of the Budget Comparison:

- \$13,768,200 in revenue for 2024 as compared to \$11,990,600 in 2023.
- \$12,045,700 in expenditures for 2024 as compared to \$10,610,050 in 2023.
- \$510,000 in capital expenditures funded by revenue for 2024.
- \$43,500 deficit for 2024 to be covered by a transfer from surplus.

Highlights of the Capital Projects:

- Othello Road Upgrade is 80% funded by grants with the remainder coming from reserves.
- Richmond Hill Multiuse Pathway project will be tendered in early 2024.
- No new Operations vehicles are proposed for 2024, the current budget is for vehicles previously ordered that are yet to be fulfilled.

Council inquired as to whether the Silver Creek pedestrian crossing will be replaced with another overhead crossing. The Director of Operations advised that the intention is to replace it with a signaled crossing that will tie into the Richmond Hill Multiuse Pathway project. Council inquired as to the source of the estimate for the crossing replacement, the Director of Operations advised that it is an estimate that is pending a tender and the amount received from ICBC. Council inquired as to whether the amount received from ICBC will cover the replacement costs, the Director of Operations advised that he does not anticipate that it will, but noted that ICBC does offer funding for road safety improvements with the next intake happening in January.

Council inquired as to whether the roadway on Richmond Hill will be repaired as part of the Multiuse Pathway project. The Director of Operations advised that the 2024 Capital Paving will include funds to repave Flood Hope Road from the truck

pullout down to Exit 170. He added that repaving for the remainder of Richmond Hill has not yet been budgeted, as there is a potential future reservoir site in that area. Council inquired as to whether Trans Mountain would be paying for the removal of the remainder of the overhead crossing, the Director of Operations advised that Trans Mountain requested the remainder of the demolition go through ICBC.

Council inquired as to whether School District #78 would be willing to provide any funding towards the pedestrian crossing replacement as the main purpose of the crossing is for students. The CAO advised that the intention is to create a crossing that is usable by anyone, but he will reach out to the School District to pose that question.

- District Hall HVAC replacements, originally scheduled for 2023, will take place in Spring 2024 for the remaining four units at District Hall.
- Stormwater Upgrades will be funded by a \$2,250,000 Interim Flood Support Recovery and Resiliency Grant and take place over multiple years.
- Pollution Control Center upgrades will involve the purchase of replacement aerators and supplies to replace broken units and build a supply.
- Smartcover, a smart flow monitoring system, will be purchased to determine flow rates in different areas of town to enable the District to properly locate issues and make improvements.
- The 753 Water Amalgamation is in the consultation phase, utilizing a \$1,558,000 grant with the remainder being borrowed.
- A water tender that is passed its replacement period of 25 years will be replaced, with a wait time of approximately 20 months.
- Hall 3 will be receiving a wraparound driveway upgrade to mitigate safety concerns and increase the parking lot capacity.
- The Fire Department will be upgrading the Self Controlled Breathing Apparatus's to allow for higher capacity filling of bottles to better meet air requirements and increase the safety parameters.

The Director of Finance noted that the intention is to apply for grants for the Fire Department projects, but if the applications are unsuccessful the funds will be pulled from the Fire Department reserve. He added that many of the highlighted capital projects are set to take place over multiple years with the funding carrying over until completion.

Council inquired as to whether the Coquihalla Campground capital requirements will begin to lower in future years as large projects are completed. The Director of Operations confirmed that a number of items have been upgraded, including the washrooms, playground, electrical, and picnic tables. He added that the intent behind the campground is to invest the funds received from the operator back into the campground to improve the quality of the facilities. As well, the reserves are being built up to enable major repairs and replacements that will be needed in the future.

Council inquired as to how many fire hoses will be replaced with the budgeted \$10,000. The Fire Chief advised that it will provide enough hose for a full

replacement on one truck and have a spare set. He added that the hose diameter is being upgraded from 1 ½ inch to 1 ¾ inch.

Highlights of General Government:

- Election reserves are being built up to ensure the District has funds available to cover potential by-elections and other related expenses.
- Legal expenses are expected to decline as many large projects have been completed.
- The Human Resources budget is higher than 2023 actuals as the position has been filled and budgeted for the full year.
- The Corporate Services budget is higher than 2023 actuals as the Records Coordinator position has been filled and budgeted for the full year.
- The Finance Operations expenses have increased this year due to the new Communications and Systems Analysis Advisor position and contract work for asset retirement obligations.
- Information Technology expenses have increased as the hardware replacement cycle continues, and new software is implemented.

The Director of Finance noted that in this budget, revenues and expenses for like items were grouped so that it is easier to identify the net amounts. The CAO added that the intention is to have the rent amounts be sufficient to manage the assets, and that the new 444 Park Street lease will adjust yearly for inflation enabling revenue generation.

- Victims Assistance budget was higher than actual costs for 2023 as the position was unfilled from February of 2023, and it has now been filled and budgeted for the full year.

Highlights of Fire – Protective Services:

- Fire Protection Agreement revenue has increased due to built-in escalators in existing agreements.
- Fire Protection Administration costs increased due to three new positions, including one position fully funded by a FireSmart BC grant, with the other two positions covering legislative requirements from WorkSafe BC.

Council inquired as to who is covered under the District's fire protection agreements. The Fire Chief advised that Chawathil First Nation, Yale First Nation, the Fraser Valley Regional District in Laidlaw and Othello, and one occupant on Union Bar Road. Council inquired as to how much grant funding the District is receiving from FireSmart BC, the Fire Chief advised that there is funding available up to \$200,000, with the District applying for approximately \$199,000.

Highlights of Public Works:

- Operations is looking to hire a Project Manager in place of an Engineering Manager to help manage the number of ongoing projects in the District.
- Expectation that an Occupational Health and Safety Advisor will be in place next in the first quarter of next year, as well as increased safety training, has resulted in a higher budgeted amount for safety in 2024.

- The 2024 Roads Maintenance budget is lower than in 2023 due to the completion of the Transportation Master Plan scheduled for the end of this year.

Council inquired as to the reason for the budget overage on dyke maintenance in 2023. The Director of Operations advised that due to the atmospheric river event in 2021, there was a greater need for dyke maintenance. He added that the District received grants that covered 90% of these costs, with the remainder coming out of the stormwater grant.

Highlights of Waste Management:

- The waste management contract is due for renewal in the middle of 2024.
- User fees remained the same for 2024 with revenues staying consistent, with a cost adjustment expected.

Highlights of Planning- Community Development:

- Due to changes in provincial and federal legislation and direction regarding housing, it is necessary for Council to look at the Official Community Plan and determine the District's direction.
- With large projects being planned in the District, the budgeted revenues are on the conservative side.

Council inquired as to how the current infrastructure in the District will hold up to an increase in development. The Acting Director of Community Development advised that there is work to be done between planning and operations with regards to what upgrades will be needed. He added that it may be necessary to review and update the Development Cost Charges; the District is 70-80% below what other communities are charging, he believes there is room to increase these charges.

The Director of Operations added that there are areas of the community where the water system is not conducive of development, such as the Silver Creek and some Kawkawa Lake areas. He noted that the Water Master Plan suggested the linking of these systems to the downtown area, but that it would be an expensive endeavor that may need to be shared with developers. The Director of Operations advised that when there is a development, the developer provides information on what demands will be placed on the system for utilities, and the costs to upgrade to meet that demand can be discussed and negotiated with the developers.

Highlights of Parks:

- Re-allocation of wages amongst the Operations departments resulted in more wages being allocated to parks to offset the work performed by other departments.
- Washroom expenses have increased due to increased maintenance and repair needs, as well as upgrades being performed to facilities.
- Cemetery expenses have increased due to higher demand from non-residence, resulting from lower prices.

Highlights of Cultural:

- Grants-in-Aid will be reviewed this year in order to have a process set for the 2024 application process.

Council inquired as to whether the District is paying for security at the current Station House location. The Director of Operations confirmed that the District is paying for security on the site through the current contract with the District's security provider. He added that the remainder of the costs are for materials and staff time to board up the Station House. The CAO added that there is a meeting scheduled for December 8th to review the moving process and the ongoing security responsibilities and costs.

Highlights of Water:

- Water services are currently fully funded by sale of services and parcel taxes with a small reserve set aside, with fees to be revisited for 2025 due to increasing costs.
- The bulk water fees revenue has been lowered due to the Trans Mountain Pipeline project ending and demand being lower.
- Water administration expenses increased due to the borrowing costs for the 753 Waterworks Amalgamation.

Highlights of Sewer:

- The budget reflects the sewer fees amendment that received three readings at the November 27th Regular Council Meeting.
- Increases in the budget for the Pollution Control Center have occurred due to increased staff time.

Highlights of RCMP:

- RCMP Detachment costs have gone up from \$2,914,100 to \$3,040,100 due to the expectation that we will have 14 members.
- A small transfer from prior surplus of \$123,000 is needed.
- The District will only be billed for the number of members that they have in the complement, however a full complement has been included in the budget.

Highlights of Revenue:

- Grant funds can be set aside as deferred revenue to be used for upcoming and future capital projects.
- Investment income is expected to increase to \$1,275,000 due to an increase in rates over the previous year.

Highlights of Property Tax Alternatives:

The Director of Finance noted that he has provided three option for consideration:

- 5.51%
 - 4.75% or \$87.71 for the average residential home
 - 7.36% or \$374.44 for the average business

- 6.09%
 - 5.32% or \$98.35 for the average residential home
 - 7.95% or \$404.66 for the average business
- 7.81%
 - 7.03% or \$129.90 for the average residential home
 - 9.70% or \$493.71 for the average business

The Director of Finance noted that in order to avoid utilizing previous year surplus for operational expenses, a 6.09% property tax rate increase would be needed. In order to avoid utilizing previous year surplus entirely, a 7.81% property tax rate increase would be needed.

Council inquired as to whether the property tax rate increase is always the same for both residential and business. The Director of Finance advised that it is typically applied to both at the same rate, but it can be separated. He added that the tax base for businesses is significantly smaller due to the District's demographics, so to see the same increase in revenue in terms of dollars, the tax rate would need to be raised significantly more. Council noted that the District's tax rate increase is not the only one that residents will see, so it is good to keep it to a minimum.

- RCMP accounts for 56% of the property tax rate increase.
- Operational considerations account for 44% of the increase.

Council inquired as to where the budgeted \$500,000 for the Silver Creek pedestrian overpass is coming from. The Director of Finance advised that the District will be seeking grant opportunities and working with ICBC for road safety funding. The Director of Operations advised that the replacement will be a complex crossing which could involve road widening, repaving, and the installation of a center median. He added that it may include costs for further deconstruction and elevated electrical costs and reinforced that the current figure is a placeholder until the project is put to tender. He noted that the District is currently waiting for ICBC to finish their claim investigation and hopes to tender the crossing project with the Richmond Hill Multiuse Pathway project.

Council inquired as to the breakdown of expenses allocated to Bylaw Services. The Director of Finance advised that Bylaw Services includes animal control services, which increased in costs as per the contract and additional usage, and bylaw enforcement wages. The Director of Corporate Services advised that the bylaw adjudication program fee is included, totaling \$2,500 a year resulting in significant savings for the District in court costs. She added that unsightly premises cleanups, involving the hiring of a contractor to clean a property, need to be paid upfront by the District and are later billed back to property owner.

Council inquired as to how often the bylaw adjudication process is utilized by the District. The Director of Corporate Services advised that it is not used very often, but that the cost of taking a ticket dispute through the court system outside of the adjudication and mediation process can cost upwards of \$50,000.

Moved / Seconded

THAT Council directs Staff to prepare the 2024 budget based on a 5.51% property tax increase. **CARRIED.**

4. QUESTION PERIOD

There were no questions raised.

5. CLOSE

Moved / Seconded

THAT the November 29, 2023 Committee of the Whole Meeting adjourn at 8:49 p.m. **CARRIED.**

Certified a true and correct copy of the Minutes of the Committee of the Whole meeting held on November 29, 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