

**R.M. OF LUMSDEN No. 189**  
**MINUTES OF THE FINANCE COMMITTEE MEETING**  
**HELD ON APRIL 2<sup>nd</sup>, 2015**

The Lumsden Rural Municipal Finance Committee convened a budget meeting in the Council Chambers of the Municipal Office, on the morning of Thursday, April 2<sup>nd</sup>, 2015 at 9:08 a.m. with Chairman Kent Farago presiding.

<b>Present:</b>	Chairman:	Kent Farago
	Councillor:	Ian White
	Councillor:	Dale Srochenski
	Chief Administrator	
	Officer:	Darcie Cooper
	Financial Officer:	Sheena Carrick
<b>Absent:</b>	Reeve	Jim Hipkin

Chairman Farago discussed the need to address adequately funding reserves to address infrastructure challenges, need for long term planning to determine what the reserves should be, providing an amount to the public works committee for projects and equipment, incorporate a cost of living increase into budget and the need to put away 30% of the tax revenue of higher density developments to save up for future infrastructure needs.

CAO Darcie Cooper and Financial Officer, Sheena Carrick provided the following information to the committee:

- Written report providing highlights of the proposed 2015 budget
- Review of the 2015 Capital and the 5 year capital plan
- Review of the proposed 2015 operating revenues and expenditures
- Budget figures presented included all the high priority projects identified by the Public Works Committee with the exception of the two projects that were recently denied for MREP Funding (Division 1 and Division 5) and the two top priority capital equipment items identified by the Public Works Committee being the Schulte Mower and the Skid Steer. This budget scenario showed a deficit of about \$104,000.

**General Discussion:**

- The Committee felt that the Division 5 Bridge should stay in the budget regardless of grant funding, in the amount of \$60,000
- The Wascana Re-channelization project in Division 2 was discussed. The municipal share of the project is 138,180, on the assumption that we receive the Building Canada Fund grant for 2/3 of this project of \$276,360 for a total project cost estimate of \$414,540. It is unlikely that the construction of this project would take place in 2015 due to the tendering, permitting, etc. The Committee agreed to budget for ½ of this project in 2015 and the other ½ in 2016.
- Committee indicated that there should be a standard cost of living increase of 3.3% reflected through a mill rate increase in 2015.
- New Deal grant funding was discussed. Currently this grant is allocated to pavement renewal of Old No. 11 hwy – Grid 734
- Incorporation of \$6,000 into the budget representing the RM's share of an architectural design for a new multi-use facility for the Library and the Dew Drop In in an effort to move the Library, increasing office space
- Dust control was discussed. The public works committee did not address the need to continue the dust control program and there was some discussion about the need for this to continue. Currently the same figures as last year are incorporated into the budget.
- Committee discussed allocating \$100,000 for equipment purchases, with the purchases to be determined by the public works committee. This allocation is based on the increase to the equipment reserve to \$150,000.
- Fire truck purchase proposed for 2016 was discussed. The committee felt that this should be deferred for a couple of years to establish and build up a reserve to aid in the purchase of this truck.

**Long Term Planning:**

The need for a more defined long term capital plan for both equipment and projects to determine what the adequate funding for reserves should be was discussed. Direction was provided to have the Public Works Committee establish the five year capital equipment plan. Each Division Councillor is to identify long term projects for their division. Administration to utilize Asset Management as a tool to identify priorities, replacement costs, extension of useful life of assets,

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etc. This will be a collaborative effort between division councillors, manager of public works and administration and should be worked on in the 2015 year in order to work towards implementation in the 2016 year.

**Reserves:**

The Committee discussed the following items relating to reserves:

- Increasing the contribution to the Infrastructure Renewal Reserve from \$100,000 to \$200,000 - \$250,000.
- Establishing a policy whereby 30% of taxation revenue generated from a subdivision development would be transferred to a reserve established for future infrastructure needs for that subdivision. Subdivision examples mentioned WebFam Developments Industrial subdivision, Terra developments, Minerva Ridge, etc.
- Splitting the transfer of Offsite Service Fees between the Grid 734 Reserve and the Infrastructure Renewal (Clay Capping) Reserve based on the location of the subdivision.
- Increasing the contribution to the Equipment Reserve (Capital Trust Fund) from \$103,000 to \$150,000.
- Establishing a new Fire Reserve for Fire Vehicle and Equipment purchases in the amount of \$50,000 per year.

**Minimum Tax:**

The Committee discussed the implementation of a minimum tax on the residential property class of \$1,500 or \$2,000. The Committee indicated that they wish to have vacant residential land with no improvements, excluded from the implementation of the minimum tax. The Committee directed administration prepare for the next meeting, 2 minimum tax scenarios representing a \$1,500 minimum tax and a \$2,000 minimum tax on the residential property class, excluding vacant residential land.

The Committee wished to incorporate the changes in an attempt to keep the mill rate increase to .5 mills. The Committee discussed

The next Finance Committee meeting will be Wednesday, April 8<sup>th</sup> at 9:00 a.m. in the Council Chambers.

**Adjournment:**

The meeting was adjourned at 11:16 a.m.

  
Chairman

  
Chief Administrator Officer