

**R.M. OF LUMSDEN No. 189**  
**MINUTES OF THE FINANCE COMMITTEE MEETING**  
**HELD ON MAY 3<sup>rd</sup>, 2016**

The Lumsden Rural Municipal Finance Committee convened a meeting in the Council Chambers of the Municipal Office, on the morning of Tuesday, May 3<sup>rd</sup>, 2016 at 9:03 a.m. with Chairman Srochenski presiding.

**Present:** Chairman: Dale Srochenski  
 Reeve: Jim Hipkin  
 Councillor: Ian White, Kent Farago  
 Chief Administrator  
 Officer: Darcie Cooper  
 Finance Officer: Sheena Carrick  
 Mgr. of Public Works: Leighton Watts

**Agenda Adoption:**

Hipkin: "That we agree to adopt the Agenda as presented."

**CARRIED**

**Financial Reports:**

Finance Officer, Sheena Carrick reviewed the following written reports that prepared, with the Committee:

- Power point presentation regarding the summary of the proposed 2016 budget
- Memo regarding Grader Lease versus Grader Purchase
- Memo regarding the establishment of an Equipment Reserve and the funding sources for future equipment purchases and replacement
- Memo regarding the establishment and funding of a Grader Replacement Reserve

The Committee agreed that there should be an annual "cost of living" increase to the mill rate to keep up with annual operational increases.

**Mill Rate Increase:**

Farago: "That we direct administration to include a 2% increase to the mill rate for the 2016 budget, which would increase the mill rate from 12.86 to 13.12."

**CARRIED**

**Reserves:**

The Committee discussed adding an annual increase to the transfers to reserves to ensure that the transfers are increasing annually to allow for increase in costs. The Committee discussed an inflationary rate to the equipment reserves. 5% or 10% annual increases were discussed.

The Committee did not want to see the Pavement Reserve drained completely to do the Overlay project so that any necessary repairs, crack sealing, etc. can be funded through the Reserve. Administration will incorporate an increase to the loan amount and remove the estimated off site servicing fee revenue from the calculation, as it is not a guaranteed revenue source for the project.

The Committee agreed to the separation of the Equipment Reserve into two separate reserves; one being a Grader Replacement Reserve and one for all other equipment, being the Equipment Reserve.

Administration will incorporate a 2% annual increase to the transfers to reserves as well as a 2% inflationary increase to equipment purchases.

**Division 1 – Lambert Bridge Replacement project:**

In the preparation of the draft budget an estimate of \$30,000 was used for the installation of culverts replacing a bridge and wood culvert at WNW 35-19-20-W2. Manager of Public Works has since found that the installation costs could be 3 times this amount, depending on the amount of damming that may be required to hold water back. A dry year could affect the installation costs and the committee agreed that this project should stay in the budget, at \$30,000, to take advantage of optimum installation conditions, should they arise. Any savings realized from the Graf bridge replacement could be allocated to this project.

Hipkin: "That Finance Officer, Sheena Carrick's reports be accepted as presented."

**CARRIED**

**2016 Budget Recommendation:**

Farago: "That we recommend council adopt the 2016 budget that incorporates the above changes to reserves and a mill rate of 13.12."

**CARRIED**

**Adjournment:**

Farago: "That we adjourn this meeting at 10:38 a.m."

**CARRIED**

  
 Chairman

  
 Chief Administrator Officer