

**R.M. OF LUMSDEN No. 189**  
**MINUTES OF THE FINANCE COMMITTEE MEETING**  
**HELD ON MARCH 22<sup>nd</sup>, 2016**

The Lumsden Rural Municipal Finance Committee convened a meeting in the Council Chambers of the Municipal Office, on the morning of Tuesday, March 22<sup>nd</sup>, 2016 at 9:10 a.m.

**Present:** Chairman: Dale Srochenski  
 Reeve: Jim Hipkin  
 Councillor: Ian White, Kent Farago  
 Chief Administrator  
 Officer: Darcie Cooper  
 Mgr. of Public Works: Leighton Watts  
 Financial Officer: Sheena Carrick (arrived at 10:00 a.m.)

**Chairman Appointment:**

Farago: "That we appoint Councillor Dale Srochenski as Chairman for the Finance Committee for the 2016 year." **CARRIED**

**Agenda Adoption:**

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

Manager of Public Works, Leighton Watts reviewed the proposed equipment purchases and building/shop yard upgrades for the 2016 year with the Committee as follows:

**2016 Summary List of Equipment in order of priority:**

- 1) Grader – \$202,000 to \$240,000 (net after trade in)
- 2) 10 foot Dozer Blade – 8,500-9,700
- 3) Rock Digging Attachment for Mini Excavator – 1,700
- 4) Fuel Tanks - 9,935
- 5) Work Truck w/Dump Box – 40,000
- 6) Tandem Gravel Truck - 60,000
- 7) Degelman Rock Rake – 20,000-20,850 (could be deferred to a future year)
- 8) Grapple Bucket - 4,400 – 6,600 (could be deferred to a future year)

**Total Equipment: \$346,535 to 388,785**

**Total Equipment not including Grader - \$144,535 to \$148,785**

**2016 Summary List of Building/Shop Yard upgrades in order of priority:**

- 1) Eaves troughs on the cold storage shed - \$3,580 - \$3,660
- 2) Overhead Door openers on the cold storage shed - \$2,740-3,467
- 3) Renovating Trailer purchased last year, for office use \$12,500
- 4) Replace chain link fence around the shop yard - \$20,428-22,850 not including survey costs

**Committee recommendations on buildings and equipment:**

The committee recommends that items 1-6 on the equipment list be incorporated into the proposed budget and items 7-8 be deferred. Items 1 and 2 of the building upgrades to be added into the budget and \$6,000 be allocated for renovating the office trailer. The chain link fence can be deferred to next year.

Administration is waiting on further information for the lease vs purchase options for the Grader to bring back to the committee, but it is assumed that the lease option will be less desirable.

Administration to bring back options for accommodating the grader rotation recommended, on a 5 year rotation basis, in a specific reserve for Grader purchases only and what contributions would be required to self-sustain the grader rotation purchases.

The Committee felt that it would be best to split the Grader Reserve portion away from the Equipment Reserve and agreed that a long term (15-20 year) equipment replacement schedule should be adopted to ensure that the equipment reserve fund will accommodate future equipment replacements, as well as new purchases.

**Tender - 2010 Cat 160M Grader Sale/Trade In and 2016 Grader Purchase:**

Farago: "That, due to the 2010 Cat 160M Grader warranty expiring in approximately July of this year, we recommend Council authorize administration to proceed with the following tenders:

- 1) Tender for the private sale of the 2010 Cat 160M Grader
- 2) Tender for the purchase of a 2016 Grader with and without trade in for the 2010 Cat 160M Grader." **CARRIED**

*D. S. P.*

**Purchase Dozer Blade and Rock Digging Attachment:**

Farago: "That we recommend council authorize the purchase of 10 foot Dozer blade attachment for the grader at an estimated cost of \$9,700.00; and  
That we recommend council authorize the purchase of a rock digging attachment for the mini excavator at an estimated cost of \$1,700.00."

**CARRIED**

Finance Officer, Sheena Carrick went through the budget presentation she prepared for the Committee.

**General Discussion:**

- The Committee discussed in-house project completion vs. hiring a contractor, due to the amount of equipment and manpower that in-house projects utilize. It was felt that costs were likely similar but if resources are available in-house then items/projects can be addressed in a more timely manner.
- The Committee discussed splitting the Infrastructure Reserve up into two separate reserves; one for Bridges and Culverts and one for Road Infrastructure. Administration will bring back some information regarding this to the next meeting.
- Due to the lower price of culverts, the committee discussed taking a look at culvert needs and purchase timing to take advantage of this price. They also discussed looking at replacing bridges with culvert options where this solution can be used.
- The Committee reduced the rental budget from \$50,000 to \$30,000, as we are purchasing additional equipment therefore, the rental budget should decrease.
- General maintenance for bridges should increase from \$5,000 to \$10,000 in addition to the \$44,000 budgeted for resurfacing all the bridges.
- Administration to update the Graf Bridge Construction cost to the most recent cost estimate.
- The Committee discussed the fact that the full cost of the pumper truck may not be realized in 2016, as the cost would likely be spread over two years. Administration indicated that the committee may want to look financing the purchase of the Pumper truck through a combination of loans and transfers from reserves, instead of funding the \$125,000 through general revenue.

Finance Officer, Sheena Carrick reviewed the written report she had done regarding financing an overlay project for Grid 734.

**Tender – Grid 734 and Grid 641 50mm Overlay:**

Farago: "That we recommend Council authorize Allnorth to proceed with the preparation of documents and tender for a 50mm Overlay on Grids 734 and 641, at an estimated cost of \$5,000.00"

**CARRIED**

Chief Administrative Officer, Darcie Cooper reviewed the Tax Tool report regarding application of different tax tools to the Commercial Assessments with the Committee.

**Commercial Tax Class – Minimum Tax:**

White: "That we recommend council proceed with a bylaw to implement a minimum tax on combined land and improvements in the Commercial Tax Class in the following tiered manner:

- 2016 – Minimum Tax of \$1,400.00
- 2017 – Minimum Tax of \$1,600.00
- 2018 – Minimum Tax of \$1,800.00."

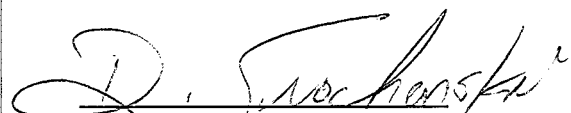
**CARRIED****Next Meeting:**

Farago: "That we schedule the next Finance Committee budget meeting for Tuesday, April 12<sup>th</sup> at 9:00 a.m."

**CARRIED****Adjournment:**

Hipkin: "That we adjourn this meeting at 12:21 p.m."

**CARRIED**

  
Chairman

  
Chief Administrator Officer