

TOWN OF LUMSDEN

MINUTES OF GROUP II COMMITTEE MEETING MAY 1st, 2007

The Lumsden Town Council Group II Committee convened a meeting in the Council Chambers, on the afternoon of Tuesday, May 1st, 2007 at 3:30 p.m. with Chairman Dan Kirby presiding.

Present:	Chairman:	Dan Kirby
	Mayor:	Verne Barber
	Councillor:	Sid Sikorski, Al Sulma
	Administrator:	Wayne Zerff
	Asst. Administrator:	Darcie Cooper
	Public Works Supervisor:	Bob Schulz
	Water & Wastewater Op:	Dave Cherney
	Assistant Foreman:	Jeff Carey

General Discussions:

- The Administrator went through the impact of the Water and Sewer fund on the 2007 Budget, where the budget is currently calling for a Utility surplus of \$47,885. While the Governmental Activities fund is showing a deficit of \$71,143.
- The Administrator then went through the Group II departments highlighting the recent proposed additions to the 2007 budget when compared to the 2007 budget adopted in 2006.
- The Administrator recommended a balanced approach to reaching a balanced budget in 2007.
- Each Group needs to increase fees and charges where feasible and reduce costs, without affecting service delivery.
- Each Group indicated that reduced service delivery is not a desirable goal.
- The Administrator indicated that if it not possible to balance the budget through this approach, Council still has the mill rate to consider as an additional revenue source.
- The committee discussed the Administrator's recommendation to make a variety of changes to balance the departments from increasing fees and charges and cutting services where possible.
- The committee discussed funding the Generator set for the WTP either through the surplus or as part of the Well #5 loan, should there be costs savings on the original project costs.
- The committee set their priorities, with number 1 being Well #5 and number 2 being the Gen Set. The committee agreed the best option would to use the surplus to acquire the capital equipment through an amendment to the budget late in the operation year.
- The committee agreed to increase rates fees and charges as attached.
- The committee discussed two options to balance the budget either through a transfer of \$30,000 from the water and sewer Utility to general government activities or through a .6 mill rate increase.
- The committee reviewed all departments and proposed increases were reduced where possible.
- The Administrator indicated that all departments would be reviewed again to ensure that all budget line amounts are correct and any additional efficiencies identified would be discussed with Public Works Supervisor and brought to Council for final decision.
- After discussing the two options for balancing the budget the committee agreed that they are not in favour of a transfer from the water and sewer Utility to Governmental Activities. The committee identified the need to build the water and sewer reserves for future projects, including the lagoon. Therefore, the committee recommends a maximum mill rate increase of .6 mills to cover increasing costs and balance the 2007 budget.
- The Committee agreed to open a real bank account for Water and Sewer Reserves or rename the T Bill fund to the Water and Sewer Reserve. All future surplus and deficit amounts would flow through this reserve, which is listed on the bank reconciliation for all Council.

Proposed Budget Cuts:

- Community Promotion entrance sign in the amount of \$5,000 to be paid from last years surplus as it was a budget item in 2006
- Message Sign - \$4,900
- \$2,500 for small tools and equipment leaving an increase of \$1,000 over last years budget
- Reduce the summer students from 3 to 2 - \$5,000
- Remove Building capital of \$3,500
- Remove Landfill capital \$1,000 for the fence – cost covered by New Deal money

Adjournment:

The meeting was adjourned at 5:35 p.m.

Chairman

Administrator