

**CITY OF MELFORT**  
**BUDGET MEETING**  
**April 22<sup>nd</sup>, 2004**

Minutes of the City of Melfort Budget Meeting held on Thursday, April 22<sup>nd</sup>, 2004, in the Council Chambers, Melfort, Saskatchewan, commencing at 4:04 p.m.

**PRESENT:** COMMITTEE: Mayor Collins and Aldermen Abbott, White, Terry, Degelman and Lang.

STAFF: J. Wade, City Manager; S. Blevins, Director of Planning, Development & Leisure Services; D. Graham, Director of Works & Utilities; C. Stevenson, City Treasurer and H. Audette, City Clerk.

Mayor Collins called the meeting to order and turned it over to Alderman Abbott, Finance Chairman.

**CAPITAL BUDGET**

Alderman Abbott referred to the Treasurer's memo dated April 16<sup>th</sup>, 2004, and reviewed the following changes to the Five-Year Capital Budget:

1. The 100% GST rebate was incorporated into the capital budget, representing a decrease of \$13,900.00 in reserve requirements.
2. The first payment of \$40,109.00 for the RCMP Radio Modernization Program was deferred to 2005.
3. Council agreed to add \$4,500.00 in 2004 for computer hardware and software replacement. The Treasurer will be developing a computer equipment replacement strategy in order to establish an annual budgeted capital amount for scheduled replacement of equipment.
4. To address public health concerns, Council agreed to budget \$50,000.00 for the construction of new washroom and shower facilities at the Melfort Campground. The Public Health Inspector has indicated that the use of a mound will be acceptable. The current operator is willing to look at a new agreement as the campground is upgraded and improved. The Department will review the agreement, camping fees and increased internal control measures. In addition, the Department will be reexamining the ten-year plan for the campground.

Council reviewed the reserve worksheets and approved a total reserve draw down of \$41,670.00 to fund the above new items, in addition to the stabilization reserve draw down of \$40,944.00 to fund the 2003 deficit. Administration has been given a mandate to maintain reserves at their existing level and to align the capital program with the previous year's actual investment earnings, therefore, Council agreed that a plan must be put in place to replenish these reserves within their term.

**UTILITY BUDGET**

The Treasurer reviewed the 2004 Utility Budget, which is projecting a surplus of \$26,630.00. She clarified that if a surplus is generated from the gallonage rate, it will be used to replenish the water rate stabilization reserve. This will include the savings resulting from the 100% GST rebate.

<b>GENERAL OPERATIONAL BUDGET</b>	<b>Increase (Decrease)</b>	<b>Deficit (Surplus)</b>
<b><i>Beginning Deficit Balance</i></b>		121,533

**NEW REQUESTS (see: Treasurer's memo dated 04/16/04)****Museum:**

Council agreed to hire a new curator/cultural coordinator, who will be a city employee, jointly managed by the Museum and the Recreation Department. The Planning & Development Director will review the Museum Bylaw to determine if any revisions are necessary.

The Museum is favourable to this proposal

2-8-7-10-00-111	Her Admin Regular Salaries	incr to \$36,000	18,000	139,533
2-8-7-10-00-123	Her Admin Benefits	incr to \$5,240	3,240	142,773
2-8-7-10-00-902	Her Admin Grants	decr to \$14,000	(73,000)	69,773

**2006 Winter Games:**

Council agreed to fund the seed money for the winter games (\$70,000) from general operations. There is an agreement in place that if a profit is generated by the games, the first \$70,000 will be repaid back to the City.

**Recycling & Expansion - Plus Industries:**

The Treasurer explained that the current budget reflects the increase of \$9,600 for the existing services (\$4,800) and for the expansion (\$4,800); but the waste collection budget will not be able to sustain the expansion costs in 2005 and remain a self-sustaining utility. Council approved an across-the-board increase in waste collection fees of \$0.25 per month, effective January 1, 2005. The request for an automatic 3% increase per year was denied and will be reviewed annually, as per existing policy.

**New Clerk Steno II position:**

The Department Heads reviewed their staffing memo to the Union & Personnel Committee dated March 8, 2004. In accordance with the Committee's recommendation, Council approved a new Clerk Steno II position, to be shared jointly between the finance and recreation departments. The Treasurer circulated a drawing of the proposal for the new look of the City Hall office, which will provide increased accessibility to the public and prevent unauthorized access to private work areas.

**Street Lighting - Service Roads/McDonald Road West:**

Sask Power requires the City to meet all traffic warrants, otherwise, the City is required to assume all liability. The total cost for phase one is \$14,227 (\$10,000 is included in the budget), which consists of \$4,400 for 2 street lights on the service road (over 3 years for the 6 required lights) and \$9,827 for 6 lights on McDonald Road from 1st Ave. W. to Broadway Ave. (\$5,000 is required to complete the project in 2005).

2-8-3-30-60-253	Traffic Ser Engineered Structures	incr to \$14,227	4,227	74,000
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<b>GENERAL OPERATIONAL BUDGET</b>	<b>Increase (Decrease)</b>	<b>Deficit (Surplus)</b>
<b><i>Deficit Balance - continued</i></b>		74,000

**Economic/Community Development:**

The Director advised that the \$5,000 budgeted for the Business Vitality Index will only be necessary if the City is able to obtain additional funding. Included in the budget is \$2,000 for updating the city video and \$5,000 for city beautification (communities in bloom).

**2005 Centennial Celebrations:**

The Department is developing criteria and a policy, which will be brought to Council for approval and administered by the Leisure Services Advisory Committee. Organizations can also apply for project-specific grants from the provincial centennial initiatives fund. The surplus funds from the 2003 Centennial (\$1,836) are to be returned to general operations. The need for a water tower restoration is to be assessed and reviewed during the 2005 budget process.

2-6-6-85-00-469	Economic Other Revenues	(1,836)	72,164
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Council recessed at 6:04 pm and resumed the budget session at 6:40 pm.

**Exemption Bylaw:**

The Treasurer referred to her memo dated April 22, 2004, and reported that the school division amalgamation requires the board to approve tax exemptions from all other taxing authorities, therefore, the board has taken the position that they will be denying all exemption requests, with the exception of the statutory exemptions. Council concurred with the Treasurer's recommendation to abate the municipal portion of taxes and send a letter of explanation to the affected parties.

**Melfort Minor Hockey - Main Arena:**

Council reviewed the request from the Melfort Minor Hockey Association dated April 19, 2004, and agreed to provide them with one extra week during the fall of 2004 for the 2004-05 season. If an extension is required over and above that ice, they must guarantee the City revenue.

2-6-7-20-20-472	Main Arena Rentals		
2-8-7-20-20-111 to 805	Main Arena Expenses	net increase	3,400
			75,564

**DEPARTMENTAL OVERVIEW OF OPERATIONS**

Alderman Abbott reviewed the major increases to the 2004 budget, as summarized in the Treasurer's memo dated April 16, 2004. The Department Heads gave an overview of operations and noted the following:

- Tax revenues incorporate all but one board of revision appeal.
- Base tax was reduced due to the deregistration of one condominium.
- The hectareage assessment and \$20,000 in landfill revenues are one-time revenues.
- 75% of the revenue sharing increase has been included (Mar . Dec). Eight of the thirteen cities have agreed to the revenue sharing formula.
- The former municipal tax exemptions will be added to tax revenue and to tax cancellations as well.

- The budget for all recreation facilities incorporates the 3% increase in revenues. If the projected revenues are not being generated, the department will be monitoring expenses very closely.
- Regional parks grants remain unchanged.
- The library grant is distributed \$82,298 to Wapiti Regional and \$16,200 to the Melfort Local. Alderman Degelman advised that the local library might be looking at replacing the landscaping bark at their own cost.

**BALANCING THE BUDGET**

The Treasurer advised that a 0.76 mill rate increase would generate \$96,706 to balance the budget and create a surplus of \$21,142. A base tax increase of \$45.00 would generate \$95,670, resulting in a surplus of \$20,106.

The commercial-residential distribution would result as follows:

	% of Assessment	Municipal ratio with Base Tax Increase	Municipal ratio with Mill Rate Increase
Commercial	24%	26%	27%
Residential	76%	74%	73%

In order to balance the budget, Council approved a base tax increase of \$45.00 per improved property, for a total municipal base tax of \$480.00 and a budgeted surplus of \$20,106.00 for 2004. The following comments were noted:

- A mill rate increase widens the gap between commercial and residential, which is contrary to Council's goal of narrowing this gap.
- A base tax increase will impact the lower assessed properties in 2004, however, the 2005 reassessment may result in lower assessed properties experiencing a decrease in assessment. This definitely will not happen to higher assessed properties.
- A \$480.00 base tax is within the ceiling of \$500.00 that Council had established. This is still far below the actual cost of essential services, which exceeds \$700.00 per property.

<b>GENERAL OPERATIONAL BUDGET</b>		<b>Increase (Decrease)</b>	<b>Deficit (Surplus)</b>
<b><i>Deficit Balance - continued</i></b>			75,564
2-6-8-10-00-118	Taxes - Base Tax	incr to \$1,029,970	(95,670) (20,106)

The City Manager commended Administration for the preparation of the budget. Alderman Abbott echoed these sentiments and thanked Council for their diligence. The mill rate bylaw will be brought forward for approval at the May 10<sup>th</sup> regular Council meeting.

The Treasurer advised that the school board has approved a mill rate increase of 1.32 mills to a total 19.36 mills for the school portion.

The meeting adjourned at 8:14 p.m.

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Mayor

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City Clerk