



THE CORPORATION OF THE CITY OF VERNON

MINUTES OF THE FINANCE COMMITTEE HELD THURSDAY, April 5, 2018

PRESENT: **VOTING**
Councillor Lord, Chair
Councillor Spiers
Mayor Mund

STAFF: Debra Law, Director, Financial Services
Terry Martens, Financial Analyst
Natasha Kositsin, Acting Legislative Committee Clerk

ABSENT: Councillor Cunningham
Will Pearce, CAO

ORDER The meeting was called to order at 2:02 p.m.

ADOPTION OF AGENDA Moved by Mayor Mund, seconded by Councillor Spiers:
THAT the agenda for the Thursday, April 5, 2018 meeting of the Finance Committee be adopted.

CARRIED.

ADOPTION OF MINUTES Moved by Councillor Spiers, seconded by Mayor Mund:
THAT the minutes of the Finance Committee meeting held March 1, 2018 be adopted.

CARRIED.

NEW BUSINESS

VARIANCE ANALYSIS/FINANCIAL RESULTS Finance Committee reviewed the Financial Results and the following points were discussed:

- Reviewed and discussed the 2017 Financial Report for Operational Revenues and Expenses Schedule 1 and Reserve Accounts Schedule 2
- Capital Reports will come out by next Council Meeting, need Managers to review it first.

Operation Revenues

- a. Operating Revenues overall 100.6% to Budget.
- b. **Financial Services** over budget on revenue and appears high. Taxation was under due to Assessment changes from the Province. Interest does not include the new arena project. The interest accrued reverts back to the City if project doesn't need it. It is in Recreation reserves right now. The interest earned is separate so is not included in report.
- c. **Fire and Rescue** didn't budget for Emergency Services and Fire Training Services so they were over.
- d. **Public Works** is over on revenue due to Commercial Recycling revenue and due to transfer from Snow removal reserve \$76000.
- e. **Facilities** Lakers was used quite a bit last year and Parkade.
- f. **Sewer** – shortage on revenue from reserve from bio-solids that was no used.
- g. **Water** – 2.48 million is what we spent so equals expenses.
- h. **Recreation** - higher than expected in revenue.
- i. **Police** - \$4000 revenue combined from contract, traffic fines, facility rental revenue and FOI requests.

Operational Expenses

- a. 99.9% in budget
- b. **Human Resources** – variance in yearend payroll loading costs– due to overtime, changing practice so overhead is not added to all overtime.
- c. **Fire and Rescue** – Emergency costs for flooding and wildfire were not added to budget and revenue accrued to 2017.
- d. **Administration** – \$20,000 for internal recoveries and meeting times for Managers.
- e. **Airport** – fuel purchases were down
- f. **RCMP** transferred money out of the reserve, for 2015 and 2016 retro pay because of staff shortages plus funding for 1 position out of 50 of positions that were budgeted for.
- g. **Public Works** – due to an adjustment made from a project from another year that was not completed,

supposed to be a capital asset deemed operating expense.

- h. **Fleet** –proceeds on disposal of vehicles which was transferred to Equipment reserve.

Reserve Schedule

- a. Gained over the year on general, significant carry over now, capital projects will get more detail at next Council
- b. Hesperia landfill – considering closing it, we have 15 to 20 years to close added \$133,000 in 2017.
- c. Ice plant equipment at rec center.
- d. Insurance deductible for fire at the race track \$80,0000. Rate stabilization we will be using it all this year (2018).
- e. Snow removal reserve needs to be bigger and increase the budget, some talk about using a surplus instead of a reserve. Cannot budget a deficit. It smooths out fluctuations that is what reserves are for.
- f. Special projects – unspent amount from Will’s budget sometimes if there is a project that comes up for example: double podium for Council chambers, we did not put any money into it this year.
- g. Transit expansion – expanded services as of April 1.
- h. Emergency planning is the training and meetings and emergency response is the actual setting up the emergency spaces to be used.
- i. Franchise fee - Councillor Spiers requested Debra to look into what this is.
- j. Stat reserves - Land reserve waiting for conditions to come off so we aren’t going to use till that clears.

INFORMATION ITEMS

**AMENDED COUNCIL
DISCRETIONARY
GRANT POLICY**

- Approved by council last meeting March 26, 2018.

**MEMO 2017
AMENDED BUDGET
TO ACTUALS RESULT**

Moved by Mayor Mund, seconded by Councillor Spiers;

That the Finance Committee accept the memo titled 2017 Amended Budget to Actuals Result prepared by Debra Law.

CARRIED.


**DATE AND TIME OF
NEXT MEETING**

The next Finance Committee meeting is to be announced.

ADJOURNMENT

The Finance Committee meeting adjourned at 2:59 p.m.

CERTIFIED CORRECT:


_____ Chair