

THE CORPORATION OF THE CITY OF VERNON

**MINUTES OF A SPECIAL REGULAR OPEN MEETING
HELD MONDAY, NOVEMBER 30 AND
TUESDAY, DECEMBER 1, 2020
2020 – 2024 FINANCIAL PLAN**

PRESENT: Mayor A. Cumming

Councillors: K. Gares, K. Fehr, A. Mund
S. Anderson, B. Quiring, D. Nahal

Staff: W. Pearce, Chief Administrative Officer
D. Law, Director, Financial Services
A. Stuart, Manager, Financial Planning & Reporting
P. Bridal, Deputy CAO/Director, Corporate Services
K. Austin, Manager, Legislative Services
J. Nicol, Deputy Corporate Officer
C. Poirier, Manager, Communications & Grants
K. Flick, Director, Community Infrastructure & Development*
S. Melenko, Information Tech.*
D. Lind, Fire Chief, Vernon Fire & Rescue*
S. Baher, Supt., OIC, RCMP*
C. Ovens, Director, Operation Services*
H. Bech-Hansen, Financial Analyst*
M. Dowhaniuk, Manager, Infrastructure*
D. Ross, Director, Recreation Services*
D. Lees, Manager, Protective Services*
B. Bandy, Manager, Real Estate*
K. Satchell, Manager, Information Services*
A. Watson, Manager, Transportation*
K. Poole, Manager, Economic Dev. & Tourism

**present as required*

Others: Media and Members of the public

CALL TO ORDER Mayor Cumming called the meeting to order at 9:00 am.

AGENDA ADOPTION Moved by Councillor Gares, seconded by Councillor Mund:

THAT the Agenda for the November 30 and December 1, 2020,
Special Regular Open Meeting of Council be adopted.

CARRIED

NEW BUSINESS

**2021 - 2025
FINANCIAL PLAN**

The Chief Administrative Officer provided an overview of the
proposed Budget for 2021.

The following points were reviewed:

- Overview of proposed 2021 Budget
- Council direction was 2.5% or less increase to protect level and scope of service
- Corporate budget increase calculated at 1.79%
- 10 proposed Service Level Adjustments
- 1.9% Infrastructure is included in Budget
- 1.79% proposed increase + 0.78% Service Level Increments = 4.47% tax rate increase (including the Infrastructure Renewal Levy of 1.9%)
- Two items not included in 4.47% budget –Recreation Services and Transit Service. These are costs to mitigate reduced revenue.
- Transit – to maintain current level of service – budget shortfall is \$477,000
- Recreation Services – to maintain decreased level of service – budget shortfall is approximately \$365,000 – COV responsible for 68% of this
- Three components of recovery monies from federal and provincial governments: Transit \$1B, \$418M for Community Infrastructure and \$540M for Per Capita Grant Programs for municipalities
- COV received \$4.9M – have not tapped into these funds (not intended for municipalities to reduce tax rate – strictly for COVID recovery)

The Director, Financial Services reviewed the process proposed for review of the 2021 – 2025 Financial Plan and the Memo distributed at the meeting. Best budgeting practices were reviewed with the goal to even-out tax increases so tax payers do not experience a significant tax hike in one year. A summary of the proposed increases was reviewed. Council inquired regarding the 4.0M received for COVID-19 Recovery Grant. The Director, Financial Services advised that the Recovery Grant has explicit use requirements and must be COVID-19 related.

Moved by Councillor Mund, seconded by Councillor Anderson,

THAT Council direct Administration to track COVID related costs and report to Council at the time of the 2020 Audit seeking direction to post those costs against the COVID Recovery Grant.

CARRIED

The Manager, Financial Planning & Reporting reviewed the adjustable spreadsheet that will be updated and shown on screen throughout the process.

The following points were reviewed:

- On screen tracking sheet reviewed with change requests
- Tracking sheet outlines cumulative dollar increase as well as percentage
- Additional Grant for O’Keefe Ranch and Current Planner position for Community Infrastructure & Development Services were pre-approved by Council and are included
- Anticipating \$400,000 non-market change taxation adjustment
- Increases over 2.5% or less Council directed increase have not been shown, concern that Transit and Recreation Services is not included. Council requested that these numbers be added back into the budget.

DIVISIONAL BUDGET REVIEWS

Council proceeded with a review of the Divisional Budgets.

RCMP

Superintendent Shawna Baher, Officer in Charge, RCMP reviewed the RCMP Budget.

Moved by Councillor Mund, seconded by Councillor Gares:

THAT Council **receives and endorses** the 2021 RCMP Divisional Budget, in the amount of \$9,925,741, as presented.

CARRIED

FIRE RESCUE SERVICES

The Fire Chief reviewed the Fire Rescue Services Budget.

Councillor Fehr left the meeting at 9:55 am and re-entered at 9:57 am.

Moved by Councillor Mund, seconded by Councillor Quiring:

THAT Council **receives and endorses** the 2021 Fire Rescue Services Divisional Budget, in the amount of \$6,837,514, as presented.

CARRIED

COMMUNITY INFRASTRUCTURE & DEVELOPMENT SERVICES

The Director, Community Infrastructure & Development Services reviewed the Operating Budget for Community Infrastructure & Development.

Moved by Councillor Quiring, seconded by Councillor Fehr:

THAT Council **receives and endorses** the 2021 Budget for Community Infrastructure & Development Services Division, in the amount of \$5,425,245, as presented.

CARRIED

CAPITAL BUDGET

The Manager, Infrastructure reviewed the 2021 proposed Capital Budget. Although there is a four-year rolling Capital Plan, the listing included in the Budget document are the projects that will be implemented in 2021.

Council would like to determine the funding source(s) for the 2021 Infrastructure Renewal Program (1.9%) prior to approving the Capital Projects.

Moved by Councillor Anderson, seconded by Councillor Mund:

THAT Council **receives and endorses** the following Capital Project as presented in the 2021 Budget:

- **2021-01 BUILDING FACILITY RENEWAL** in the amount of \$450,000

WITHDRAWN

1.9% INFRASTRUCTURE RENEWAL PROGRAM LEVY FOR 2021

Moved by Councillor Anderson, seconded by Councillor Quiring:

THAT Council direct Administration to fund the 1.9% Infrastructure Renewal Program Levy for 2021 from the Fortis Legacy Fund, resuming the 1.9% Levy contribution in the 2021 Budget process (2022);

AND FURTHER that Council extend the Infrastructure Renewal Program for an additional year, ending in 2023.

DEFEATED, with Councillors Gares, Nahal, Quiring and Mund opposed

Moved by Councillor Quiring, seconded by Councillor Anderson:

THAT Council direct Administration to **pause** the Infrastructure Renewal Program Levy for 2021, resuming the **commitment** to the 1.9% Infrastructure Renewal Program Levy in the **2022 budget**;

AND FURTHER, that the Infrastructure Renewal Program be extended for an additional year, ending in 2023;

AND FURTHER, Council directed Administration to amend the 2021 Capital Projects to reflect the reduction of the 1.9% (\$819,609) and to report back to Council.

CARRIED

RECESS

Mayor Cumming called a recess at 11:15 am.

RECONVENE

Mayor Cumming reconvened the meeting at 11:23 am.

HUMAN RESOURCES

The Director, Human Resources reviewed the Operating Budget for Human Resources.

Moved by Councillor Mund, seconded by Councillor Gares:

THAT Council **receives and endorses** the 2021 Budget for Human Resources Division, in the amount of \$1,713,708, as presented.

CARRIED

**COMMUNITY
INFRASTRUCTURE AND
DEVELOPMENT
SERVICES – TRANSIT
2021**

Moved by Councillor Mund, seconded by Councillor Anderson:

THAT Council approve **\$477,193**, representing the additional amount required for Transit for 2021 (in excess of the 2.5% increase), with funding to come either from the COVID-19 Restart Program or future Transit funding or a combination of both.

CARRIED

OPERATION SERVICES

The Director, Operation Services, reviewed the Operating Budget for Operation Services.

Councillor Nahal left the meeting at 11:41 am and re-entered the meeting at 11:44 am.

Moved by Councillor Mund, seconded by Councillor Gares:

THAT Council **receives and endorses** the 2021 Budget for Operations Services Division, in the amount of \$10,206,672, as presented.

CARRIED

**CHANGE REQUESTS –
OPERATION SERVICES**

Moved by Councillor Mund, seconded by Councillor Quiring:

THAT Council approves the following 2021 Change Request for Operation Services:

2876 *Park Buoys – Hurlburt & Paddlewheel
\$19,500 (Taxation and Reserves)

CARRIED

**ADMINISTRATION/
COUNCIL**

The Chief Administrative Officer, reviewed the Operating Budget for Administration / Council.

Moved by Councillor Mund, seconded by Councillor Fehr:

THAT Council **receives and endorses** the 2021 City Administration Division Budget, in the amount of \$890,695, as presented.

CARRIED

RECESS

Mayor Cumming recessed the meeting at 11:47 am.

RECONVENE

Mayor Cumming reconvened the meeting at 1:00 pm.

**DIVISIONAL BUDGET
REVIEWS CONTINUED**

Council continued reviewing Divisional Budgets.

RECREATION SERVICES

The Director, Recreation Services, reviewed the Operating Budget, for Recreation Services and noted that the Lakers Clubhouse budget would be considered separately from Recreation Services as the Lakers Clubhouse is funded 100% by the City of Vernon. A comparison to the previous year with COVID-19 Tier 3 and 4 adjustments was distributed for information.

Moved by Mayor Cumming, seconded by Councillor Fehr:

THAT Council **receives and endorses** the 2021 Recreation Services Divisional budget, in the amount of \$2,884,329, as presented, with a deficit of \$365,107;

AND FURTHER that the City's portion of funds (68%) to cover this deficit come from the COVID-19 Recovery Grant with the remaining portion funded by the Partners;

AND FURTHER, should the Partners be unwilling to contribute their portion of the deficit, that the entire deficit amount be funded from Operational Reserves;

AND FURTHER, that any savings realized from the temporary closure of the Centennial Arena be reallocated within Recreation Services Operational Budget.

CARRIED

Councillor Quiring declared a conflict of interest as his firm (MQN) is involved in the design of the Childcare Spaces Facility and the Active Living Centre. Councillor Quiring left the meeting at 1:20 pm.

**RECREATION SERVICES
CHILDCARE SPACED
FACILITY AND ACTIVE
LIVING CENTRE**

Council discussed the pending Childcare Spaces Facility and the Active Living Centre as it related to the budget.

**CHANGE REQUESTS –
RECREATION SERVICES**

Moved by Councillor Mund, seconded by Councillor Gares:

THAT Council approves the following 2021 Change Request for Recreation Services:

2876 *Active Living Centre – Assent Voting & Campaign
\$145,000 (Fortis BC Legacy Fund)

CARRIED, with Mayor Cumming opposed

Councillor Quiring returned to the meeting at 1:27 pm

Moved by Councillor Mund, seconded by Councillor Nahal:

THAT Council **receives and endorses** the 2021 Lakers Clubhouse budget, in the amount of \$33,079, as presented.

CARRIED

FINANCIAL SERVICES

The Director, Financial Services reviewed the Operating budget for Financial Services.

Moved by Councillor Gares, seconded by Councillor Fehr:

THAT Council **receives and endorses** the 2021 Budget for Financial Services, in the amount of \$2,585,772, as presented.

CARRIED

**CHANGE REQUESTS –
FINANCIAL SERVICES**

Moved by Councillor Mund, seconded by Councillor Fehr:

THAT Council approves the following 2021 Change Request for Finance Services:

2875 Weekly Cleanup Grant
\$8,000 (Taxation)

CARRIED

Moved by Councillor Gares, seconded by Councillor Nahal:

THAT Council approves the following 2021 Change Request for Finance Services:

2879 Library Sunday Opening
\$18,300 (Taxation)

CARRIED

CORPORATE SERVICES

The Director, Corporate Services, reviewed the Operating Budget for Corporate Services.

Moved by Councillor Nahal, seconded by Councillor Fehr:

THAT Council **receives and endorses** the 2021 Budget for Corporate Services Division, in the amount of \$4,869,235, as presented.

CARRIED

**CHANGE REQUESTS –
CORPORATE SERVICES**

Moved by Councillor Quiring, seconded by Councillor Nahal:

THAT Council approves the following 2021 Change Request for Corporate Services Division:

2869 Radio Ad Campaign
\$32,000 (Taxation)

CARRIED

Moved by Councillor Fehr, seconded by Councillor Gares:

THAT Council approves the following 2021 Change Request for Corporate Services Division:

2870 Website Management Framework Upgrade
\$34,000 (2019 Prior Year Unexpended Uncommitted Balance)

CARRIED

Moved by Councillor Quiring, seconded by Councillor Fehr:

THAT Council approves the following 2021 Change Request for Corporate Services Division:

2871 Anti Tag Team
\$16,380 (Taxation)

CARRIED

Moved by Councillor Fehr, seconded by Councillor Quiring:

THAT Council approves the following 2021 Change Request for Corporate Services Division:

2872 Folks on Spokes/Hotline
\$27,000 (Taxation)

CARRIED

Moved by Councillor Nahal, seconded by Councillor Anderson:

THAT Council approves the following 2021 Change Request for Corporate Services Division:

2877 Seasonal Security Supplementation
\$40,000 (Taxation)

CARRIED

RECESS

Mayor Cumming called for a recess at 1:54 pm

RECONVENE

Mayor Cumming reconvened the meeting at 2:00 pm

CAPITAL PROJECTS

The Manager, Infrastructure resumed the review of the Capital Budget.

Moved by Councillor Mund, seconded by Councillor Anderson:

THAT Council **receives and endorses** the following **amendments** to the 2021 Capital Projects, as provided by the Manager, Infrastructure, as follows:

- Reducing **2021-02 CITY WIDE DRAINAGE IMPROVEMENTS** by \$95,000
- Amending **2021-05 31ST STREET RECONSTRUCTION** by decreasing 1.9% taxation by \$225,000 and increasing the Gas Tax Funding by \$225,000
- Reducing **2021-06 31ST AVE RECONSTRUCTION** by \$725,000;

AND FURTHER, that the above represents a 1.9% (\$819,609) reduction in the Capital Projects Program, as directed by Council.

CARRIED

Moved by Councillor Mund, seconded by Councillor Nahal:

THAT Council **receives and endorses** the following 2021 Capital Projects, **as amended**, as follows:

- **2021-01 BUILDING FACILITY RENEWAL** in the amount of \$450,000
- **2021-02 CITY-WIDE DRANAGE IMPROVEMENTS** in the amount of \$805,000
- **2021-03 TRENCHLESS STORM AND CULVERT REHAB** in the amount of \$700,000
- **2021-04 STORM MAINTENANCE – VARIOUS LOCATIONS** in the amount of \$450,000
- **2021-05 31ST STREET RECONSTRUCTION** in the amount of \$1,850,000
- **2021-06 31ST AVE RECONSTRUCTION** in the amount of \$425,000
- **2021-07 37TH AVE RECONSTRUCTION** in the amount of \$2,250,000
- **2021-08 INFRASTRUCTURE ENGINEER** in the amount of \$122,620
- **2021-09 LAND AQUISITION** in the amount of \$300,000
- **2021-10 LAND AGENT SERVICES** in the amount of \$100,000
- **2021-11 CAPITAL DESIGN** in the amount of \$1,400,000
- **2021-12 PIPE VIDEO INSPECTION** in amount of \$45,000
- **2021-13 PARKS ASSET MANAGEMENT PLAN** in the amount of \$100,000
- **2021-14 BEACH FOR DOGS – 7210 TRONSON ROAD** in the amount \$200,000
- **2021-15 F.B. JACQUES PARK TRAIL CONNECTION** in the amount of \$200,000
- **2021-16 PARKS INFRASTRUCTURE RENEWAL** in the amount of 50,000
- **2021-17 CEMETERY INFORMATION KIOSK/MAP** in the amount of \$25,000
- **2021-18 TRENCHLESS SANITARY SEWER REHAB** in the amount of \$350,000
- **2021-19 PRIORITY SANITARY REPLACEMENT** in the amount of \$600,000
- **2021-20 SANITARY FLOW MONITORING & MODELLING** in the amount of \$50,000
- **2021-21 SANITARY TRUNK MAIN INSPECTION** in the amount of \$75,000
- **2021-22 OKANAGAN LANDING SEWER SERVICE** in the amount of \$1,200,000
- **2021-23 VWRC ANNUAL ASSET REPLACE &**

- RENEWAL in the amount of \$200,000
- **2021-24 MACKAY RESERVOIR RIP RAP AMOURING** in the amount of \$150,000
- **2021-25 ROAD MAINTENANCE – VARIOUS LOCATIONS** in the amount of \$125,000
- **2021-26 PAVEMENT OVERLAYS – VARIOUS LOCATIONS** in the amount of \$225,000
- **2021-27 TRANSPORTATION SAFETY IMPROVEMENTS** in the amount of \$20,000
- **2021-28 TRANSIT INFRASTRUCTURE IMPROVEMENTS** in the amount of \$50,000
- **2021-29 PRIORITY INTERSECTION IMPROVMENT** in the amount of \$425,000
- **2021-30 VALLEYVIEW PLACE TO COMMONAGE TRAIL** in the amount of \$300,000
- **2021-31 26TH ON-STREET PARKING IMPROVEMENTS** in the amount of \$100,000
- **2021-32 PEDESTRIAN AND CYCLE WAYFINDING** in the amount of \$50,000
- **2021-33 INTERSECTION CONTROL CONVERSION** in the amount of \$180,000
- **2021-34 LAKE ACCESS SITES** in the amount of \$400,000
- **2021-35 28TH AVE RAIL CROSSING UPGRADE** in the amount of \$700,000
- **2021-36 SILVER STAR ROAD MULTIUSE PATH** in the amount of \$3,400,000
- **2021-37 ELECTRIC VEHICLE CHARGING STATIONS** in the amount of \$100,000

CARRIED

VALLEYVIEW PLACE TO COMMONAGE TRAIL

Moved by Councillor Quiring, seconded by Mayor Cumming:

THAT Council **endorses** early budget approval for the:

- **2021-30 VALLEYVIEW PLACE TO COMMONAGE TRAIL** in the amount of \$300,000.

CARRIED

ADOPTION

- **5840**

Moved by Councillor Mund, seconded by Councillor Gares:

THAT Bylaw #5840, “**Recreation and Parks Services Fees and Charges (2021) Amendment Bylaw Number 5840, 2020**”, a bylaw to amend Recreation and Parks Services Fees and Charges Bylaw Number 5472, be **adopted**.

CARRIED

RECESS

Mayor Cumming recessed the meeting at 2:15 pm.

RECONVENE

Mayor Cumming reconvened the meeting at 2:30 pm

PUBLIC INPUT

Mayor Cumming called for Public Input on the 2021 to 2025 Financial Plan at 2:30 pm.

1. Barry Beardsell

- Public Input should be held at the beginning of budget meetings prior to passing any motions
- Legacy Fund began with BC Gas borrowing at lower rates and funds belong to the tax payers
- If intention is to use the Legacy Fund for construction of a new RCMP building, this should be made public
- Federal government anticipates \$382B deficit by March 2021, seniors in Vernon have received no help from the federal government. Although Vernon has been minimally impacted by the pandemic, they have not assisted seniors in community – suggest more help for tax payers
- Too much funding allocated for multi-use pathway up to Foothills. During time of pandemic, money should not be spent on this
- Money should not be taken out of road DCC's, roads need to be repaired
- Should have requested a 0% budget for the benefit of the tax payer
- Deficit on Transit is \$2M this year, should not be looking at increasing, needs to be cut to the bone
- Capital projects lists one railway crossing at \$700,000, too much
- Too many new staff in budget, need to cut back on this
- Confusion on wording for funding for multi-use pathway - Project 2021-36, funding states RDNO contribution – this is incorrect.

It was noted that Council requested future Public Input to be scheduled for the beginning of the Budget meeting.

Mayor Cumming called a second, third, and final time for representation from the public, and there being none, Mayor Cumming closed the Public Input on the 2021 to 2025 Financial Plan at 2:44 pm.

RECESS Mayor Cumming recessed the meeting at 2:44 pm to be reconvened on Tuesday, December 1, 2020 at 11:30 am for Public Input.

RECONVENE Mayor Cumming reconvened the special Budget meeting at 11:30 a.m. on Tuesday, December 1, 2020.

PRESENT: Mayor A. Cumming

Councillors: S. Anderson, K. Gares, A. Mund,
K. Fehr, D. Nahal (absent), B. Quiring,

Staff: W. Pearce, Chief Administrative Officer
D. Law, Director, Financial Services
A. Stuart, Manager, Financial Planning & Reporting
P. Bridal, Deputy CAO/Director, Corporate Services
K. Austin, Manager, Legislative Services
J. Nicol, Deputy Corporate Officer
C. Poirier, Manager, Communication & Grants
R. Manjak, Director, Human Resources
K. Flick, Director, Human Resources
H. Bech-Hansen, Financial Analyst
S. Melenko, Information Tech.

OVERVIEW Debra Law, Director, Finance provided an overview of the budget review process thus far and provided an overview of the agenda moving forward. It was noted that net budget increase is 2.13%.

PUBLIC INPUT Mayor Cumming called for Public Input on the 2020 to 2024 Financial Plan at 11:32 am.

1. Dawn Tucker

- Attended the budget meetings for many years
- Disappointed not to see an overview of the capital projects for 2021 – very helpful and informative – could this be included next year?
- Excited to see the multi-use pathway in the Foothills
- Important not to touch Legacy Funds or Reserve Funds as it causes a situation of an infrastructure deficit later on
- Infrastructure levy should not be taken away or paused as it is not a good idea to drain reserves as the future is unknown
- There are buildings to be replaced and we need the funds for that
- Important to look at holistic picture
- Excellent job so far on managing the Infrastructure Levy
- Great job balancing the needs of the public and the projects that are being undertaken

- Believes that Vernon is on the right track – thank you to Staff and Council
- Hope that things get addressed as they come up
- Also suggest that Public Input be held at the beginning of the meeting next year.

Mayor Cumming called a second, third, and final time for representation from the public, and there being none, Mayor Cumming closed the Public Input on the 2021 to 2025 Financial Plan at 11:39 a.m.

**O'KEEFE RANCH
GRANT FUNDING
AMENDMENT**

Moved by Councillor Mund, seconded by Councillor Fehr:

THAT Council directs Administration to amend the additional \$75,000 funding source for the O'Keefe Ranch Grant **from** taxation **to** the Prior Year Uncommitted, Unexpended Balance Reserve.

CARRIED

**CURRENT PLANNER
POSITION FUNDING
AMENDMENT**

Moved by Councillor Mund, seconded by Councillor Quiring:

THAT Council direct Administration to amend the Current Planner position funding source for 2021 **from** taxation **to** the Development Excess Reserve, and for 2022 and subsequent years, funded from taxation.

CARRIED

**31ST AVENUE
RECONSTRUCTION
PROJECT FUNDING
AMENDMENT**

Moved by Councillor Mund, seconded by Councillor Gares:

THAT Council approve the funding adjustments to the 2021 Capital Projects for **2021-06 31ST AVE RECONSTRUCTION**.

CARRIED

Councillor Quiring left the meeting at 11:53 am.

**BUDGET
ENDORSEMENT**

Moved by Councillor Anderson, seconded by Councillor Mund:

THAT Council **endorses** the 2021 budget, as presented within the 2021 – 2025 Financial Plan, with the inclusion of all amendments directed by Council resolution.

CARRIED

CLOSE OF MEETING:

Mayor Cumming closed the meeting at 12:02 pm.

CLOSE

CERTIFIED CORRECT:



Mayor



Corporate Officer