

**MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE MEETING
2007 Operating Budget Overview
HELD TUESDAY, JANUARY 09, 2007**

Committee Present: Councillor Coleman, in the Chair; and Councillors Chandler, Fortin, Hughes, Madoff, Thornton-Joe, Young and Mayor Lowe.

Staff Present: M. McCliggott – Director of Finance; and L O’Keeffe – Financial Analyst, Budget; C. Havelka – Recording Secretary

Staff Present for a Portion of the Meeting: D. Atkinson – Director of Parks, Recreation and Community Development; J. Jenkyns – Acting General Manager, Conference Centre; D. Angrove – Fire Chief; D. Koch – Manager, Planning Division; P. O’Reilly – Director of Engineering; E. Robertson – Manager, Support Services S. Schopp – Manager, Development & Regulatory Services; G. Slater – Support Services, Acting Manager, R. Woodland – Corporate Administrator, and Wendy Zink – Manager, Community Development; D. Oxendale - Manager, Finance & I.T., Conference Centre; M. Leskiw - Manager, Parks Division; S. Masters – Manager, Administration; P. Sparanese – Deputy Director, Engineering; S. Clarke – Manager, Programs & Services; K. Neilson – Emergency Program; S. Barber – Senior Heritage Planner; C. O’Regan – Manager, Facilities & Operations.

1. CALL TO ORDER

The Chair called the meeting to order at 9:07 a.m.

2. OPERATING BUDGET OVERVIEW - 2007

The Director of Finance presented an overview of the 2007 Budget with the focus of this session on the 2007 Operating Budget. Expenditures for 2007 are estimated at \$151,816,473 and revenues at \$148,338,450. The difference between expenditures and revenues of \$3,478,023 will result in a total property tax increase of 4.56%. This increase does not include supplementary budget requests, increases to grants, or additional revenue opportunities.

Directors from Finance Department, Corporate and Regulatory Services, Fire Department, Parks, Recreation and Community Development, Planning and Development, and the Engineering Department presented their departmental/divisional budgets and supplementary requests. The Acting City Manager presented the Executive Administration division’s operating budget and the

operating budget and supplementary request for Human Resources (as Acting Director).

During the presentations, the following questions and issues were raised:

- Committee members inquired as to which department funds the CREST program and were advised that funding is shared between the Fire and Police Departments.
- Committee members requested further reporting on Building Permit enforcement, liability and procedure in comparison with the District of Saanich where Inspectors have ceased visiting sites.
- Committee members were advised that staff were directed to target their budgets under 4.5% thereby reducing time spent on the operating budget.
- Committee members were advised that Hydro rates have increased by 5%, creating more inflationary pressures.
- Committee was advised that over 60% of the budget is consumed by salaries, at a rate higher than inflation.
- Development Cost Charges will be a new funding source discussed during the Capital Budget meeting.
- Committee was advised that the Capital Plan is a living document that needs to be reviewed annually and not necessary attached to dedicated projects.

Corporate and Regulatory Services

- Construction permit fees are expected to increase but expecting construction slow-down so actively pursuing strategies to compensate for anticipated reduced revenues after 2010.
- Archives shows an over 17 % increase due to the transfer of one half a position from Legal services to Records Management.
- the increase in Property Management is due to the acquisition of lease space the City now manages in Johnson Street Parkade.

Fire Department

- the increase in communications is due to a cost increase for the CREST program.
- two newly hired Fire Suppression staff are at full salary in 2007.
- A Committee member inquired about ladder height increasing to keep pace with building height and was advised that internal stairs often provide a quicker access.
- A Committee member inquired as to the average loss for fires the last five years, which the Fire Chief advised was not immediately available. Committee learned that 2004 and 2005 had significant fires.
- Committee requested fire loss figures for the last five years
- The Fire Chief advised Committee that the department's goal to find the room of origin (of a fire) will keep down costs.
- Committee members were advised that a report on the Fire Boat would be in the Capital Budget.

Emergency Program

- Staff advised that public awareness of emergency preparedness has increased since the Seattle centered earthquake in 2001 and Hurricane Katrina.
- A Committee member inquired as to plans to prepare for future extreme weather conditions. Staff advised that the neighbourhood program is being expanded and funding for containers in neighbourhoods and public education is ongoing.

Parks, Recreation and Community Development

- A Committee member commented on the costs related to Crystal Pool and its usage and encouraged a long term discussion regarding this facility. Committee was advised that a Steering Committee will first meet in February to begin such discussions.
- Staff advised that a new public washroom is opening at the Railyards but the results will be closing the public washroom at another location.
- Committee was advised by staff that traffic islands have increased by 60 the last two years and alternate plantings have been planned but do need watering to establish and maintain these plantings.
- Alternatively, hard surfaces do impact the run-off of precipitation.
- Committee was advised that damage from storms has impacted the budget and plan on initiating a donation program.

Planning & Development

- Committee inquired about the housing strategy and the need for immediate action.
- Committee was advised by staff that Andrea Hudson, Senior Planner, is dedicating half her time to Urban Development projects, which will improve response time.
- Staffing issues were discussed regarding support staff and extra meetings in regards to anticipated increase of applications.

Engineering

- A Committee member inquired regarding the street youth street cleaners and was advised that this program will be maintained.
- Staff advised Committee that the aging infrastructure was a concern and that a major water main replacement will start this year, covering 8 kilometers.

Committee agreed to convene a closed meeting at 11:40 a.m. to discuss staffing issues and the strategic plan.

Action: Councillor Fortin moved that Committee of the Whole convene a Closed meeting that excludes the public under Section 11(6) of the Council Bylaw for the reason that the following agenda items deal with matters specified in Section 11 (3) and/or (4) of the Council Bylaw.

CARRIED 07/001

The Committee agreed to convene a Special Committee of the Whole meeting at 9:00 a.m., Tuesday, January 16, 2007, in Committee Room No. 1, to continue discussion of the 2007 Budget with focus on the 2007 Capital Budget. In addition, the Tuesday, January 23, 2007 Special Committee of the Whole meeting will convene at 9:00 a.m. to continue budget discussions.

3. ADJOURNMENT

Action: Councillor Chandler moved that the Special Committee of the Whole meeting of January 9, 2007 be adjourned at 11:55 a.m.

Councillor Coleman, Chair