



MINUTES

County Council
Special Meeting

County of Grande Prairie No. 1

Council Budget Meeting

Thursday, April 23, 2015, 10:00 AM
County of Grande Prairie No. 1 - Council Chambers

Minutes - April 23, 2015 - Final 2015 Budget Review

Attendance

Present were:

1. Reeve

- Leanne Beaupre

2. Deputy Reeve

- Ross Sutherland

3. Councillors

- Corey Beck
- Daryl Beeston
- Harold Bulford
- Richard Harpe
- Peter Harris
- Bob Marshall
- Brock Smith

5. Directors

- Arlen Miller
- Nick Lapp
- Dawn Sauv 
- Steve Madden, Acting Director of Public Works

6. Finance

- Michele Hoerner
- Nichole Belcourt
- Dan Sieben
- Maureen Penn

7. Recording Secretary

- Shannon Baird

Absent:

5. Directors

- Dale Van Volkingburgh

Call to Order and Quorum

The April 23, 2015 Final 2015 Budget meeting was called to order at 10:00 a.m.

O Canada

The singing of O Canada took place.

Adoption of Agenda

#BD20150423.1001 **MOVED P. HARRIS** that the agenda for the April 23, 2015 - Final 2015 Budget Review (2015/04/23) be approved as presented.

Carried

Introduction and Budget Highlights

Dawn Sauve, Director of Corporate Services gave highlights of the 2015 budget meeting process and reviewed the Agenda.

West County Pool Funding Request

Megan Schur presented on the West County Pool Funding request including a summary of their revenue and expenses. Ms. Schur also reviewed Council's options regarding this request.

Bill noted Administration did not make a recommendation and but didn't think it is reasonable to accept the debenture costs and just asked Council to take this into consideration.

Council discussed the following:

- funds contributed to the West County Pool to date;
- debenture costs
- 29% of users to the pool are County Residents and it's fair to accept alternative #3 - Fund 29% of the Operating Deficit in 2015 excluding the debenture costs with a 3% escalator for 2016. This equates to \$201,451.00 an increase of \$10,215.00 in 2015.

#BD20150423.1002 **MOVED BY B. SMITH** that the County of Grande Prairie fund 29% of the Operating Deficit in 2015 excluding the debenture costs with a 3% escalator for 2016. This equates to \$201,451.00 an increase of \$10,215.00 in 2015.

Discussion took place around the 3% escalator.

MOVED BY R. HARPE and amend Councillor Smiths's motion and remove the 3% escalator and review yearly.

Councillor Smith advised this was not a friendly amendment and voting took place on the amendment.

Defeated

Further discussion took place on the following:

- is this funding for 2015 with or without the amendment? Bill noted that this is only to the end of 2016.
- have a 5 year condition in the agreement.

#BD20150423.1003 **MOVED BY B. SMITH** that the County of Grande Prairie fund 29% of the Operating Deficit in 2015 excluding the debenture costs with a 3% escalator for 2016. This equates to \$201,451.00 an increase of \$10,215.00 in 2015.

Carried

Final Budget Highlights & Information

Dawn Sauve reviewed interim budget that was approved in December 2014 and advised the the proposed final budget includes some adjustments for finalizing amounts and new requests based on unforeseen items arising since interim budget was approved in December, 2014. These changes and adjustments along with finalized assessment values establish the parameters for setting the property tax rate bylaw for 2015. Following are some of the highlights from proposed final budget:

1. Overall **2015 taxable assessment** increased by \$765 million (+10.2%) over 2014.
 - This increase represents estimated new growth of +\$480 million plus market value net increase of \$285 million. The preliminary budget package had estimated an overall increase in assessment of 5.5% (\$414 million). Changes in market value will vary widely across the County for residential and non-residential properties.

2. At interim budget in December, Council approved **estimated tax revenue** based on:

- a 5% increase to an average residence based on estimated market value change
- no change to tax rates for non-residential and machinery & equipment (change in taxes paid for commercial and industrial properties will be based on the market value change for individual properties).
- Council also directed that municipal taxes not increase for farmland properties (tax rate would remain the same).

Overall tax revenue has increased in this Final Proposed Budget due to increases in growth and market value. The tax rates are proposed to be adjusted as follows: -0.81% for residential which attracted most of the market value increase; +1.05 for farmland which only offsets the small Education levy reduction netting no change to the combined tax and levy rate for farmland; and a -1.5% for non- residential. The combined changes to the residential and non-residential, narrows slightly, the difference between the two rates. The overall effect of the tax rate changes, reduced revenue by \$968 thousand.

Additional tax revenue has therefore been included in budget based on an **overall** (including requisitions) increase to an average residence of +5.0%, an **overall** 8.93% increase for non-residential, and **overall** no change farmland. The additional assessment and final proposed rates create an increase of \$1.33 million tax revenue towards final budget adjustments and capital commitments.

3. The **impact to an average residence** assessed at \$315,100 which had a market value assessment increase of \$22,060 or 7.0%, would have an increase in municipal taxes and a decrease in requisition taxes due to other authorities, resulting in a net overall increase of \$98 made up of:

- \$137 assessment/market value increase
- (\$ 39) combined tax rate reduction

4. **Non-residential** (commercial/industrial) property assessment increased overall by 10.67% including an est. 5.2% overall market value increase. The impact on individual properties would vary based on the various changes in market value.

5. **Non-residential Linear and Machinery and Equipment** assessments are regulated and not impacted by market value changes.

6. An **average farmland property** would pay the same amount of overall taxes in 2015 as they did in 2014.

7. Total debenture debt at the end of 2014 was \$41.5 million. There is no new debt proposed for 2015. Projected debt at the end of 2015 is therefore \$38.3 million, with 15% of the future debt payments to be funded from general taxation.

8. Proposed budget adjustments are detailed on the enclosed final budget

worksheet for Council's review.

Additional attachments for Council's information are:

- Summary of Overall Increase in Assessment;
- 2014 Reserves & Proposed 2015;
- 2014 to 2020 Debt graphs;
- Community Grants Approved at Interim Budget;
- 2014 Budget Adjustments Worksheet;
- Proposed 2015 Final Capital Plan (changes from Interim budget are highlighted);
- Proposed Final Tax Rates for 2015;
- Impact of Proposed Final Rates on Sample Properties.

Ms. Sauve reviewed the educational requisition. There was discussion around:

- Educational requisition cap;
- Agricultural market value at a regulated value;
- industrial and Commercial market values;
- Residential Land;
- Non residential, equipment and linear market values are regulated.

Further review took place on:

- Balance in the reserves;
- The County's current debt actual and future estimated;
- Budget adjustments thus far for 2015 since the interim budget was presented.

Councillor Bulford commented that the FCSS Advisory Board recommendation amount should be doubled. CAO Rogan advised that this update will be done further into the meeting and Administration is aware of a few changes since this adjustment worksheet was created.

Nichole Belcourt, Financial Analyst went through the 2015 Budget Adjustments Worksheet line by line and Council agreed to make motions as each item was reviewed.

Information

#BD20150423.1004 **MOVED BY B. SMITH** that the County of Grande Prairie approve the grant increase for Libraries to \$112,926.

Carried

Megan Schur, Parks and Recreation Manager presented the next few budget requests.

First item Ms. Schur discussed was the request from Community Foundation of Northwestern Alberta for funding for Vital Signs project in the amount of \$20,000.

Ms. Schur commented that the Community Foundation requested funding for the previous Vital Signs project in 2013 and it was not approved.

Kathleen Turner, FCSS Director commented this project was worthwhile and there is good value in it.

#BD20150423.1005 **MOVED BY D. BEESTON** that the County of Grande Prairie approved the request of \$20,000 from Community Foundations of Northwestern Alberta for the Vital Signs Project and funding come from the Community Assistance Grant line.

Carried

#BD20150423.1006 **MOVED BY B. SMITH** that the County of Grande Prairie approve the request from Evergreen Park for a back up generator in the amount of \$125,000 and that funding come from the Major Capital grants line.

Carried

#BD20150423.1007 **MOVED BY B. MARSHALL** that the County of Grande Prairie approve additional funds for the Parks and Recreation Master Plan in the amount of \$150,000 and the funding come from the Municipal Reserve line.

Carried

#BD20150423.1008 **MOVED BY D. BEESTON** that the County of Grande Prairie approve a \$6,000 net increase to the Sportsplex operations budget and funding come from the General Revenue.

Carried

#BD20150423.1009 **MOVED BY B. MARSHALL** that the County of Grande Prairie approves the increase to the Beaverlodge Pool operating assistance grant for additional pool funding in the amount of \$10,215.

Carried

#BD20150423.1010 **MOVED BY R. HARPE** that the County of Grande Prairie increase the budget for the 3 Bay Shop at the Community Services Building for additional works costs by \$224,000 with funding to come from the Facility Capital Reserve.

Carried

#BD20150423.1011 **MOVED BY B. SMITH** that the County of Grande Prairie approve the FCSS Technology requirements to the Dunes Fire Hall location in the amount of \$20,000 and the funding come from General Revenue.

Carried

#BD20150423.1012 **MOVED BY H. BULFORD** that the County of Grande Prairie match grants to the FCSS programs in the neighboring municipalities for the amount of \$76,834 and the funding come from General Revenue.

Carried

#BD20150423.1013 **MOVED BY B. SMITH** that the County of Grande Prairie reduce the FCSS CFSA Budget area for grant funding no longer provided by the Province and rebill the Town of Beaverlodge for the shortfall of \$48,886.

Carried

Arlen Miller, Director of Community Services advised Council that the County completed a scan last year at Evergreen park to determine how many trees have been affected by pine beetle and completed another one for this year. It was found that approximately 97 are affected with the Mountain Pine Beetle. Mr. Miller further advised that this is ongoing and it should have been included in the fire smart budget in December.

Discussion took place on the following:

- The sale of the affected wood and CAO Rogan noted this request did not include the sale of the wood and these affected trees would most likely be used for firewood;
- success of the Fire Smart Program.

Mr. Miller also noted that Evergreen Park has offered to contribute \$3,000 towards the removal of these trees if the requested funding is approved.

#BD20150423.1014 **MOVED BY R. HARPE** that the County of Grande Prairie approved Evergreen Park FireSmart Work in the amount of \$42,000 and the funds come from General Revenue.

Carried

Arlen Miller, Director of Community Services noted that the County is still waiting to hear from the Province on the Green Trip Funding Application that was submitted.

#BD20150423.1015 **MOVED BY R. SUTHERLAND** that the County of Grande Prairie approve the increase to the salt/sanding expense by \$300,000 with the funds coming from the Road Maintenance reserve.

Carried

#BD20150423.1016 **MOVED BY R. HARPE** that the County of Grande Prairie transfer the TRAVIS Permitting Revenue to the Road Maintenance reserve in the amount of \$120,000.

Carried

#BD20150423.1017 **MOVED BY P. HARRIS** that the County of Grande Prairie increase the Preliminary Budget Facility Specialist vehicle expense to \$9,000 and CMML training for Risk Management & Insurance Coordinator to \$11,000 and the funding come from General Revenue.

Carried

#BD20150423.1018 **MOVED BY P. HARRIS** that the County of Grande Prairie fund the University of Alberta Professorship Endowment for a total of \$2 million over two years with \$1 million in 2015 coming from the Economic Development Dinosaur Project Reserve.

Discussion took place around the Professorship position.

Carried

#BD20150423.1019 **MOVED BY B. MARSHALL** that the County of Grande Prairie approve the increase to the legal line by \$100,000 to cover additional legal fees estimated for 2015 and the funding to come from the Planning Reserve.

Carried

#BD20150423.1020 **MOVED BY C. BECK** that the meeting recess for a 5 minute break at 11:07 a.m.

Carried

The meeting resumed at 11:16 a.m.

Nick Lapp, Director of Planning advised the County has received a request for funding for \$2.5 million from Ground Level Land Corp. the Developer of the Balderston ASP area for assistance in construction of a pressurized water line from within the Hamlet of Clairmont to their Development site east of Clairmont along Highway 43 and Range Road 51 and 52. The Developer has proposed a number of options. County Council debated this request on April 20, 2015 and it was deferred to this 2015 Final Budget Deliberations in order to have Administration provide further information on funding sources and provide a recommendation on cost recovery. Correspondence was received from Beairsto & Associates Engineering Ltd. addressing how much land could tie into the proposed waterline other than the Hawkers Development. It stated that at the time of this letter the actual operating conditions of the proposed 400mm tie it location was not verified with Aquatera. In order to complete the review within the timeline requested an operating pressure at the tie-in location was assumed at 80

p.s.i. This assumption is based on the current land use in the area and a conservative operating pressure that would be required to service the area. All further conclusions are based on this pressure assumption.

Beairsto's correspondence also stated that using the proposed land use outlined in the Balderston Area Structure Plan for the Hawkers Business park along with the proposed alignment and boundary condition discussed it was determined that all six quarter sections would be serviceable using a trickle feed system. In addition to servicing the Hawkers Business Park, five quarter sections adjacent to the proposed water alignment, with similar zoning and density as Hawkers, would also be able to tie-into the proposed line as a trickle feed system.

Mr. Lapp noted Bernd Manz, CEO of Aquatera was unable to attend this meeting but will be in attendance at the next Council meeting on April 27, 2015.

#BD20150423.1021 MOVED BY R. HARPE that the County of Grande Prairie approve the funding by borrowing the County's portion for construction of the water line to service the Hawker Business Park in the amount of \$2.5 million and the remainder of the project to be funded by the developer.

Discussion took place around ownership and borrowing for this project and Aquatera's involvement.

MOVED BY B. MARSHALL to table this motion until the next Council meeting on April 27, 2015 in order to have Administration bring back more information around borrowing and how to get return on investment.

Tabled

Nick Lapp, Director of Planning advised that the County has received a request from the Developer of Hidden Hills located within the Hamlet of Clairmont (Clairmont Heights ASP area) for assistance in funding the construction of the Mercer Hill Water Reservoir for the amount of \$3.8 million. The reservoir is required to service the lands approved for development within the Hidden Hills area. Potential options for funding and additional details regarding the project were provided for review. Council debated this funding request at the April 20, 2015 Council meeting where it was deferred to this 2015 Final Budget deliberations meeting in order to have Administration provide further information on potential funding sources and provide a recommendation on cost recovery.

Mr. Lapp further advised that the Aquatera Clairmont Water Master Plan provides the framework for the future municipal water servicing of Clairmont. Identified within, the Mercer Hill Reservoir is a key component of the ultimate servicing

requirements for the area particularly as development moves north. The reservoir would serve somewhat of a regional benefit as areas within the Emerson Trail Industrial Park as well as the North Half of Clairmont Heights and the NW Clairmont ASP areas would benefit from the construction of the reservoir. The facility is planned for construction in or around 2020 by Aquatera however the Developer within the Hidden Hills area (Clairmont Heights) has chosen to proceed with phasing of their development that requires the construction of the reservoir to service their new proposed lots at the present time. Through their design process the developer has identified that 1.7 megalitres (ML) or storage in the reservoir is required to service their entire development (3 quarter sections). Aquatera requires the reservoir to be oversized to a minimum of 3.0 ML which creates an additional capacity of 1.3 ML. Some additional infrastructure is also required to make the reservoir operational. The Developer is requesting some financial assistance from the County for the construction of the 3.0 ML reservoir and infrastructure. Their proposal outlining the costs and funding scenarios was provided to Council for review.

Aquatera has provided comment with respect to the proposal outlined by the Developer and this was provided to Council for review. A number of key items were outlined by Aquatera which has implications moving forward:

1. Aquatera is not considering investing in the project for the reservoir is not identified in Aquatera's capital plan until 2020;
2. Cost recovery options for both the County and Developer are outlined; Aquatera has agreed to repay the investment of the Developer over time through their infrastructure charge policy. In terms of the County's cost recovery, two options are available. The first would see Aquatera issue shares for any direct cash investment by the County as per the USA. The second would see the County recover its costs from others as they connect to the reservoir and benefit. The second option would not attract shares in Aquatera.

#BD20150423.1022 MOVED BY B. SMITH that the County of Grande Prairie take no action on the funding request from the Developer of Hidden Hills for \$3,800,000.00 for assistance in funding construction of the Mercer Hill Water Reservoir.

MOVED BY P. HARRIS to table Councillor Smith's motion of no action until the April 27, 2015 County Council meeting in order to have further discussion with CEO Bernd Manz of Aquatera.

Tabled

Bill Rogan, CAO advised that on January 9, 2015 the County sent a letter to Alberta Transportation with an offer to consider a cost sharing agreement for the replacement of the Rio Grande Bridge. Alberta Transportation replied they were not in a financial position to cost share, so this request is being brought back to Council for what action to take.

#BD20150423.1023 **MOVED BY P. HARRIS** that the County of Grande Prairie put \$600,000 into budget for bridge design, road alignment and engineering costs as required for the Rio Grande Bridge and the funds to come from General Revenue.

Council would like to see a report on how many industry and farmers use this bridge as they felt for this kind of money the bridge needs to be well used.

Bill Rogan noted that there is a balance in the current bridge reserve and funds could come from this reserve.

MOVED BY R. HARPE to amend Councillor Harris' motion and put \$600,000 in bridge reserve to be available in the future for the design and construction of the Rio Grande Bridge.

Councillor Harris advised this was not a friendly amendment. Voting took place on the amendment.

Carried

Addendum to Proposed Final 2015 Budget Adj. Worksheet

Discussion took place on the following:

- Administration bring back a report as to who is using the bridge;
- The County have discussion and open houses on the use of the bridge.

Final Budget Highlights & Information

#BD20150423.1024 **MOVED BY C. BECK** that Administration determine who and for what purpose use the Rio Grande Bridge and a traffic count be completed and bring back to Council.

Carried

Addendum to Proposed Final 2015 Budget Adj. Worksheet

Bill Rogan noted the County was seeking Resource Road Funding for the Pipestone Road Paving project and have been advised the Provincial Resource Road Program is unfunded in the Provincial Budget.

Discussion took place on the following:

- sources of funding for the project;
- road paving scenarios

Councillor Sutherland noted that this project has been deferred in the past and feels it should move forward before the expansion of the Pipestone Creek Park goes through.

#BD20150423.1025 **MOVED BY R. HARPE** that the County of Grande Prairie fund for the Pipestone Road Paving from the current end of the pavement to just past the Pipestone Park entrance with intersection improvement and the funding to come from Resource Road Reserve and if this is over budget to fund from Infrastructure Reserve and proceed to tender.

Discussion took place around divisional funds being used for this project and the road alignment.

Bill commented that if this motion passes the County could seek tenders and if these come in higher then it would come back to Council for another motion on other funding sources.

MOVED BY R. SUTHERLAND to amend Councillor Harpe's motion to fund Pipestone Road Paving for \$3,000,000.00 with funding for \$2,237,004 to come from Resource Road Reserve and \$762,996 to come from General Revenue and it includes the last 1/2 mile for road alignment

Defeated

#BD20150423.1026 **MOVED BY R. HARPE** that the County of Grande Prairie fund for the Pipestone Road Paving from the current end of the pavement to just past the Pipestone Park entrance with intersection improvement and the \$2,237,004.00 to come from Resource Road Reserve and if this is over budget to fund from Infrastructure Reserve and proceed to tender.

Carried

#BD20150423.1027 **MOVED BY R. HARPE** that the County of Grande Prairie transfer the \$226,309 surplus into Road Infrastructure Reserve.

Carried

#BD20150423.1028 **MOVED BY P. HARRIS** that the County of Grande Prairie leave the mill rate the same as 2014 and that this would see an increase in revenue of \$953,830.

Carried

#BD20150423.1029 **MOVED BY B. MARSHALL** that the County of Grande Prairie transfer the \$953,830 to the Infrastructure Reserve.

Carried

Review and discussion of budget and adjustments took place.

Changes to Schedule of Fees

Dawn Sauve reviewed the Changes to the 2015 Schedule of Fees and noted the changes as follows:

- Increase to garbage collection fees;
- a request from GIS group to remove some fees from the Digital and printed Ortho Photography.

#BD20150423.1030 **MOVED BY B. MARSHALL** that the County of Grande Prairie accept the changes to the 2015 Schedule of Fees.

Carried

Adoption of 2015 Final Budget after Adjustments

#BD20150423.1031 **MOVED BY P. HARRIS** that the County of Grande Prairie adopt the 2015 Final Budget after adjustments.

Carried

Adjournment

#BD20150423.1032 **MOVED BY P. HARRIS** that the 2015 Final Budget meeting be adjourned 12:28 p.m.

Carried

These minutes approved the _____ day of _____ 2015.

Reference # _____

REEVE

COUNTY ADMINISTRATOR