

SMOKY LAKE COUNTY
Minutes of the **County Council Budget meeting** held on Tuesday, **January 29, 2019** at 9:09 A.M. in the County Council Chambers.

The meeting was called to Order by the Reeve, Mr. Craig Lukinuk in the presence of the following persons:

		ATTENDANCE
<u>Div. No.</u>	<u>Councillor(s)</u>	<u>Tuesday, Jan. 29, 2019</u>
1	Dan Gawalko	Present
2	Johnny Cherniwchan	Present
3	Craig Lukinuk	Present
4	Lorne Halisky	Present
5	Randy Orichowski	Present
CAO	Cory Ollicka	Present
Asst. CAO	Lydia Cielin	Present
Finance Manager	Brenda Adamson	Present
Legislative Svcs/R.S.	Patti Priest	Present

Members of Administrative Staff in attendance:

Doug Ponich – Public Works Manager	Present
Dave Kully – Public Works Shop Foreman	Present
Bob Novosiwsky – Public Works Foreman	Present
Trevor Tychkowsky – Safety Officer	Present
Ed English – Peace Officer/Rec. Manager	Absent
Jordan Ruegg, Planning & Dev. Manager	Present
Tori Cherniawsky – Agricultural Fieldman	Present
Scott Franchuk – Fire Chief	Present
Dave Franchuk – Env. Operations Manager	Present
Daniel Moric –Natural Gas Manager	Present
Paul Miranda – GIS/Communication Director	Present

No Member(s) of the Media.

No Member(s) of the Public.

2. Agenda:

265-19: Orichowski That the Agenda for Tuesday, January 29, 2019 Smoky Lake County Council Budget Meeting be adopted, as amended:

- Addition to the Agenda:**
- 1. Policy Statement No. 08-18: Council Remuneration.
 - 2. Unsightly Premises Tax.

Carried Unanimously.

3. Minutes:

No Minutes.

4. Request For Decision:

2019 Total Function Budget

The budget presented in December 2018 had a deficit of \$1,481,874 million. The following changes have been made to provide a nearly balanced budget:

Decrease contributions to Capital		\$-1,234,881
Increase Sale of Grader		-75,000
Road Plan Changes:		
Transfer from Aggregate Levy Reserve	-123,000	
Add Bridge Cold Mix Project	17,895	
Reduce transfer to Road Reserve	<u>- 17,895</u>	
Total Road Plan Changes	-123,000	
Operational Changes		
Increase Legal fees re: Appeal of LARB decision	40,000	
Reduce funding for Scale Shack Casual	-4,000	
Remove Consulting for Warspite RV Park	-70,000	
Increase expected 2018 surplus to \$525,000	-25,000	
Increase budget for 2019 interest revenue	-31,362	
Increase Council mileage allowance	3,000	
Increase Benefits	3,469	
Increase maintenance budget for John Deer and Gravel Trailer		<u>65,000</u>
Total Operational Changes	-18,893	
Total changes		\$-1,451,774
Budgeted Surplus (Deficit)		(30,100)

We recommend a balanced budget be achieved by increasing the tax revenue budget by \$30,100; a 0.5% increase in the total assessment would be more than enough to provide this income without raising the tax rate.

Important things to note about this budget:

1. Operating Revenues decrease by 0.5% \$75,672 – lower than inflation
2. Operating Expenses increase by 2% \$275,711 – similar to inflation
3. We have decreased our investment in capital/reserves by \$197,499

Five-Year Capital Budget

The Capital Budget proposed in December, 2018 totaled \$4,966,075. During the meeting Council and Management reviewed the proposed projects and made the following changes:

Decrease Bridge Repair/Maintenance by		\$-291,381
Decrease Equipment Replacement/Repair		
Dozer Overhaul	-350,000	
Replace Grader with smaller	-650,000	
Purchase 160m grader	570,000	
Replace 196 gravel trailer (reskin)	-60,000	
Replace 633 John Deer Tractor	-215,000	
		\$-705,000
Decrease New Project/Assets		
Tower Purchase (Council)	-3,000	
		\$ -3,000
Remove Transfer to reserve for future		
Warspite RV Park development	-100,000	
Fire Equipment Storage Shop	- 25,000	
		\$-125,000
Decrease Transfer to reserve for future		
Fire Truck by	-50,000	
Garbage Truck by	- 22,500	
Public Works Vehicle Replacement	- 138,000	
		\$-210,500
Increase Transfer to reserve for future		
Dozer	100,000	
		\$100,000
Total decrease in capital budget		\$1,234,881

Attached is a detailed listing of the budgeted items. It will be funded using:

\$ 253,000	reserves
2,242,944	grants
254,000	expected proceeds from asset sales (selling 2 graders)
<u>981,250</u>	property tax revenue
3,731,1945	Total

\$200,000 is for bridge work if we get the STIP grants.

Five-Year Capital Budget

266-19: Halisky That Smoky Lake County Council adopt the 2019 – 2023 Five-Year Capital Project Budget with expenditures (not including bridge projects) in the amounts of:

- \$1,688,250 for Year 2019,
- \$3,716,817 for Year 2020,
- \$2,572,189 for Year 2021,
- \$2,795,620 for Year 2022, and
- \$3,786,657 for Year 2023.

Carried.

Youth Fire Smart Summer Camp

267-19: Orichowski That Smoky Lake County approve to allocate in the maximum amount of \$5,000.00 from the Family and Community Social Services Support funds towards a new program: Youth Fire Smart Summer Camp, with a total budget in the amount of \$15,000.00 to provide youth team work opportunities and encourage volunteering at our fire departments in preparation of adulthood to assist with future volunteer firefighter recruitment.

Carried.

Public Works Grader

268-19: Cherniwchan That Smoky Lake County approve to purchase a Caterpillar 160M3 all-wheel-drive Motor Grader at a cost in the amount of \$568,560.00 with an 84-month/10,000-hour warranty term and a guaranteed trade-in value in the amount of \$181,930 from Finning Canada.

Carried.

Addition to the Agenda:

Policy Statement No. 08-18: Council Remuneration

269-19: Lukinuk That Smoky Lake County Policy Statement No. 08-18-06: Council Renumeration and Expenses, be amended to reflect the 2019 Canada Revenue Agency’s removal of the 1/3 federal tax-free exemption of elected official’s income, thereby increasing the base salary annual rate by 14% effective February 1, 2019:

Title: Council Remuneration and Expenses		Policy No.: 18-07
Section: 08	Code: P-R	Page No.: 1 of 6 <i>E</i>
Legislation Reference: Alberta Provincial Statutes.		
Purpose:	To provide clarity and an equitable and transparent means of reimbursing Council members for business expenses and for their duties and responsibilities required to handle all functions as an Elected Official.	
Policy Statement and Guidelines:		
1. STATEMENT:		
1.1	The County recognizes that in order to carry out County business, it is necessary for Council members to network, meet with ratepayers, participate in training, and attend related business and community functions.	
1.2	Council of Smoky Lake County are required to commit a substantial amount of time and effort to the duties and responsibilities of their elected office. Not all duties and commitments can be identified in actual time.	
1.3	In accordance with Revenue Canada's provisions for Municipal Officials, one-third (1/3) of the total remuneration paid to municipal officials will be in-lieu of un-claimable and incidental expenses. The remaining two-thirds (2/3) is considered employment income; as; as per <i>Bylaw 1184-09: Allowance for Expenses Incidental to Discharge of Elected Officer's Duties</i> .	
1.4	The reimbursement of expenses will be guided by the following principles:	
1.4.1	Taxpayers dollars shall be spent responsibly with a focus on accountability and transparency.	
1.4.2	County commits to providing fair and reasonable level of remuneration.	
1.4.3	Only legitimate expenses incurred when undertaking Council authorized functions will be reimbursed.	
2. DEFINITIONS:		
2.1	Remuneration: means the annual rate of pay for the Reeve, Deputy Reeve and Councillors.	
2.2	Expenses: includes transportation, lodging (hotel), mileage, taxi fare, parking and other out-of-pocket expense incurred while on County business.	
2.3	Hospitality Event: an authorized event where food and beverage are provided, at public expense to people who are not employed by the County.	
2.4	Benefit Package: is the insurance coverage available to Council through the County's group carrier.	

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Policy Statement and Guidelines:		
3. GUIDELINES:		
3.1	Remuneration Council will discuss the remuneration for the Reeve, Deputy Reeve and Councillors at a Budget Meeting.	
3.1.1	The Council annual remuneration is: Reeve: \$ 73,075.20 Deputy Reeve: \$ 66,434.40 Councillor: \$ 63,112.80	
3.1.2	Effective January 1 st of each year, a Cost of Living increment rate (as established in the Statistics Canada - Consumer Price Index for the province of Alberta in the month of October from the previous year), will be automatically applied to Elected Officials salaries or R.R.S.P. unless a motion of Council determines otherwise.	
3.1.3	Cost of Living increments as established in the County's Collective Agreement with CUPE (Canadian Union of Public Employees) will be automatically applied to Smoky Lake County Management and non-union (out-of-scope) employees.	
3.1.4	Councillor monthly divisional travel mileage allowance is \$400.00 per month.	
3.2	Meals 3.2.1 A Meal allowance shall be payable when travel is required to be away from home or office (and will be paid requiring no receipt) at a rate of: Breakfast: \$ 20.00 before 7:00 a.m. Lunch: \$ 20.00 before 12:00 p.m. Dinner: \$ 30.00 after 5:00 p.m. 3.2.2 Receipts for meals that accompany an expense claim form or that are charged to County Credit Card will be paid to the Councillor or, in the case of credit card charges, coded to the Councillor's expenses at the value (including gratuity) on the receipt.	
3.3	Mileage 3.3.1 Mileage will be reimbursed when required to drive a personal vehicle for County business purposes and the current mileage rate per kilometer shall be \$0.55 per km. 3.3.2 A review of mileage rates will be undertaken annually with consideration for other Canadian Public Sector mileage reimbursements. 3.3.3 For Council members, mileage is calculated from and back to residence.	
3.4	Transportation 3.4.1 Automobile Travel: actual kilometers travelled outside of the County may be claimed at the current rate established in this policy. 3.4.1.1 Members of Council use their personal vehicles for Municipal Business shall be required to adhere to Policy Statement No. 14.A-07: Use of Personal Vehicles on Municipal Business.	

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Policy Statement and Guidelines:		
	3.4.2 Ground Transportation: includes taxi or bus, parking will be reimbursed at cost.	
	3.4.3 Air Travel: will be at economy rates by the most direct route available. Submission of receipts required.	
3.5	Lodging 3.5.1 The cost of hotel accommodation and all taxes may be prepaid using a County Credit Card. 3.5.2 When the hotel and taxes are paid by the individual Councillor, Smoky Lake County will provide a reimbursement based on the original receipt. 3.5.3 It is the attendees' responsibility to give adequate notice of non-attendance. Failure to do so may, at the discretion of Council, result in the individual being liable for all non-refundable costs.	
3.6	Hospitality Event A County organized Hospitality Event is considered a Business Expense. A Councillor engaged in an authorized County Hospitality Event may claim or submit receipts for alcoholic and other beverages and food purchased at these special events for consumption by the Councillors and/or others while promoting the interests of Smoky Lake County.	
3.7	Information Technology Equipment and Services Cell Phone: 3.7.1 Cell phones / Smart Phones are provided to Councillors. 3.7.2 A monthly fee of \$50.00 shall be charged to Councillors to cover the cost of personal use of cell phones/smart phones. 3.7.3 Upon leaving Elected Office, the Councillor may keep the cell phone and number. The contract will be transferred to the individual's name. 3.7.4 If a Councillor chooses to use his/her own personal cell phone or device, the County will reimburse the actual costs up to a maximum of \$100.00 per month upon submission of a receipt. 3.7.5 When travelling, the Councillor shall advise the County Safety Officer in order to ensure that the cell phone plan is adjusted to avoid excessive roaming charges. Internet: 3.7.6 A monthly amount of \$25.00 shall be paid monthly to each Councillor as an allowance for home internet use, effective January 2019. Laptop: 3.7.7 A laptop with carrying case will be provided to each Councillor. 3.7.8 Upon leaving Elected Office, or after necessary computer replacement, the Councillor may keep the Computer and case. Smoky Lake County will cease to provide support services for these devices.	

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Policy Statement and Guidelines:

- 3.8 **Benefit Package**
- Benefit Package will be available to members of Council through the County's Insurance Carrier.
- At the beginning of their first Elected Term, members of Council will be provided with the AMSC Group Benefits a booklet.
- 3.9 **R.R.S.P.**
- Smoky Lake County will contribute nine percent (9%) of gross remuneration to a Registered Retirement Pension Plan (RRSP) at either the Smoky Lake Branch of ATB or CIBC.
- 3.9.1 A Councillor may waive the RRSP contributions for a specified term upon written request to the Chief Administrative Officer.
- 3.10 **Non Standard Expenses**
- If a Councillor incurs business expenses not specifically authorized by this Policy, Council as a Whole, may, subject to availability of funds, and appropriate budget, authorize payment of such a business expense claim.
- 3.10.1 A member of Council will not be reimbursed for the cost of a fine.
- 3.10.2 An expense for a spouse or companion is not an eligible individual expense and will not be reimbursed.
- 3 PROCEDURE:**
- 4.1 An Expense Claim Form, as per **Schedule "A": Councillor Business Expense Claim**, must be submitted in order for a claim to be processed, unless provided otherwise.
- 4.1.1 All necessary receipts and/or documentation must accompany the Expense Claim.
- 4.1.2 Receipts must be detailed and must show the vendor GST registration number.
- 4.1.3 Councillor Business Expense Claims shall be submitted on a monthly basis.
- 4.1.4 Councillors will submit all detailed receipts charged to the Smoky Lake County Credit Card, as per **Policy Statement No. 08-07: County Credit Card**, in a timely manner in order to prevent credit card interest charges.

Policy Statement and Guidelines:

- 4.2 All expense claims must be reviewed by administration to ensure compliance with Policy.
- 4.2.1 The Reeve or Deputy Reeve will sign the expense claim for council members to indicate that they have been received and approved.
- 4.2.2 The Deputy Reeve shall sign the expense claim submitted by the Reeve, to indicate it has been received and approved, and may in the absence of the Reeve sign all other expense claims.
- 4.2.3 The Reeve or Deputy Reeve, as the case may be, will bring discrepancies of interpretation to Council for decision.
- 4.2.4 Upon submission of a signed Business Expense Claim Form, a Member of Council warrants all claims are related to Smoky Lake County business.
- 4.3 **Public Disclosure:** The Councillor's Business Expenses will be made available in the Smoky Lake County Administration Office.
- 4.4 **Policy Review and Changes:** Council will review the "Council Remuneration and Expense" Policy annually in the Month of October at a County Council Budget Meeting.
- 4.5 Expenses related to partisan political functions shall comply with **Policy Statement No. 01-36: Expenses and Contributions to Political Functions.**

Section 08



Policy 18-07

SCHEDULE "A"
SMOKY LAKE COUNTY
Councillor Business Expense Claim

Name: _____

Claim for the Month Of _____

[illegible]

Date	Description (name and location)	Meals				Mileage		Misc	Total
D/M/Y		Breakfast £20	Lunch £20	Dinner £30	Total Meals	KM	\$.55 / km	(Parking, etc)	
	ASB								
					1-2-212-62-		1-2-211-62-		1-2-212-62-
	FCSS				1-2-212-11-		1-2-211-11-		1-2-212-11-
	GAS				5-2-212-91-11-		5-2-211-91-11-		5-2-212-91-11-
	FOUNDATION				1-2-212-65-		1-2-211-65-		1-2-212-65-
	MPL/SDAB				1-2-212-61-		1-2-211-61-		1-2-212-61-
	TOTAL OTHER								
	TOTAL EXPENSES								

2019 Total Function Budget

270-19: Halisky That Smoky Lake County Council approve the 2019 Total Function Budget, with a total Revenue in the amount of \$18,832,729, and total Expenditures in the amount of \$18,832,729 not including amortization, plus amortization in the amount of \$2,050,152.

Carried.

5. Issues For Information:

Aggregate Extraction Business License Revenue

271-19: Cherniwchan That Smoky Lake County approve to purchase trail cameras with funds allocated from the Aggregate Levy Reserve to be installed at all gravel pits for the purpose of monitoring gravel hauling activities in respect to Bylaw No. 1306-17: Aggregate Extraction Business License.

Carried.

2017 Financial Indicator Graphs

272-19: Gawalko That Smoky Lake County acknowledge receipt of the Smoky Lake: 2017 Key Measures of Municipal Sustainability, Provincial 2019 Equalized Assessment Report, and the 2017 Financial Indicator Graphs as generated by the Provincial Government, including the following graphs entitled:

- Equalized Tax Rates: Net Municipal, Residential & Non-Residential
- Total Equalized Assessment Per KM of Roads,
- Non-Residential Assessment as % of Total Equalized Assessment
- Tax Collection Rates,
- Percent of Debt Limit Used & Service Limit Used,
- Long Term Municipal Debt Per Capita,
- Revenue Sources Per Capita: Net Municipal Property Taxes, Total Grants, and Sales & User Charges,
- Major Revenue Sources As % of Total Revenue,
- Major Expenditures Per Capita by Broad Function,
- Major Expenditures Per Capita by Type: Salaries, Wages & Benefits, Contracted & General Services, Materials, Goods, Supplies & Utilities, Interest and Banking, and Amortization of Tangible Capital Assets,
- Net Book Value as % Total Capital Property Costs,
- Accumulated: Categories as % of Total, and Surplus Per Capita,
- Ratio of Current Assets to Liabilities,
- Total Equalized Assessment (in Millions),
- Group Population, and
- Equalized Assessment Per KM of Roads.

Carried.

Addition to the Agenda:

Unsightly Premises Tax

Discussion was held in regard to the concept and ramifications of an Unsightly Premises Tax.

6. Correspondence:

No Correspondence.

7. Delegation:

No Delegation.

Adjournment:

273-19: Lukinuk That this meeting be adjourned, time 11:53 a.m.

Carried.

REEVE

SEAL

CHIEF ADMINISTRATIVE OFFICER