

SMOKY LAKE COUNTY

Minutes of the **County Council Budget meeting** held on Friday, **April 21, 2017** at 9:06 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:

<u>Div. No.</u>	<u>Councillor(s)</u>	<u>ATTENDANCE</u> <u>Friday, April 21, 2017</u>
1	Dareld Cholak	Present
2	Ron Bobocel	Present
3	Craig Lukinuk	Present
4	Cary Smigerowsky	Present
5	Randy Orichowski	Present
CAO	Cory Ollikka	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	Absent
Trevor Tychkowsky – Safety Officer	Absent
Ed English – Peace Officer/Rec. Manager	Present
Jordan Ruegg, Planning & Dev. Manager	Present
Tori Cherniawsky – Agricultural Fieldman	Present
Scott Franchuk – Fire Chief	Present
Dave Franchuk – Env. Operations Manager	Present
John Malysh – Natural Gas Manager	Present
Thomas Ponich – Asst.Nat.Gas Manager	Present
Paul Miranda – GIS/Communication Director	Present

Christine Curtis, Accounting Clerk, Smoky Lake County.

2 members of the public.

2. Agenda:

Agenda

657-17: Orichowski

That the Agenda for Friday, April 21, 2017 County Council Budget Meeting be adopted, as amended.

Addition:

- 1) Re-schedule May’s County Council Meeting Date.

Carried Unanimously.

Addition to the Agenda:

County Council Meeting

658-17: Cholak

That the **County Council Meeting** be re-scheduled from Thursday, May 18, 2017, to Thursday, **May 25, 2017**, at 9:00 a.m.; to be held at the County Council Chambers.

Carried.

3. Minutes:

No Minutes.

4. Issues for Decision:

2017 Total Function Budget

Discussion

The proposed 2017 Total Function Budget was discussed with respect to the changes from the 2016 Total Function Budget as follows:

decrease in tax revenue due to assessment	\$ 625,388.50
decrease permits revenue	\$ 22,000.00
increase in misc. user fees	-\$ 79,000.00
water commission admin fee	-\$ 48,000.00
decrease in surplus transfer used (2016-2017)	\$ 480,000.00
decrease in transfers from reserves/ increase in capital cost	\$ 478,000.00
decrease transfers to reserves	-\$ 70,000.00
decrease gravel crushing contract	-\$ 192,000.00
increase in gravel used	\$ 741,283.50
transfer from reserve for gravelling program	-\$ 500,000.00
election	\$ 15,000.00
increase in bridges (net of transfer from reserve)	\$ 30,000.00
decrease in ASP plan	-\$ 20,000.00
increase in Ag chemical	\$ 11,200.00
increase in RCDC (because of 2016 reserve transfer)	-\$ 1,038.00
decrease in contingency	-\$ 114,000.00
decrease in telephone budget	-\$ 30,000.00
increase fuel	\$ 60,000.00
correct council mileage	\$ 55,024.00
Ag boat	\$ 1,600.00
environmental assessment	\$ 80,000.00
additional costs for RCDC members at large	\$ 1,500.00
Warspite Sewer Repair	\$ 6,400.00
Training for Waste	\$ 3,500.00
Increase MSI budget to same as received in 2016	-\$ 16,570.00
sale of assets from 2016	-\$ 170,000.00
decrease FTG	\$ 65,000.00
increase Bellis Sewer Frontage	-\$ 1,292.00
Unspent previous years MSI (792,204)	-\$ 726,430.00
1.5 % total increase in wage increments and benefits	\$ 130,848.00

Total Deficit \$838,414.00

- Major concerns were expressed in regard to:
 - the effect of increasing property taxes, and
 - the extra expense of the additional road gravelling required due to the current moisture saturation in the roads.

659-17: Cholak

*Rescinded by
Motion 660-17*

That County Council approve the 2017 Total Function Budget for Smoky Lake County with Total Revenue in the amount of \$21,287,870 including a contingency amount of \$18,271.00 and amortization of \$1,758,523.00, and Expenditures in the amount of \$19,529,347.00; and administration prepare a 2017 Mill Rate Bylaw to be presented at the County Budget Meeting scheduled for Friday, May 5, 2017 in County Council Chambers.

Carried.

660-17: Cholak

That County Council rescind Smoky Lake County Council Motion 659-17 made on April 21, 2017 - County Council Budget Meeting.

Carried.

661-17: Cholak

That Smoky Lake County **amend** the **2017 Three-Year Road Plan** - “Oil Treatment / Paving” Project P1713: Township Road 584 between Highway 855 and Range Road 175 by deferring the said project to the 2018 Three Year Road Plan; therefore decreasing the 2017 “Oil Treatment / Paving” amount from the total amount of \$155,000.00 to a zero amount.

Carried.

Three Year Capital Budget

The Finance Manager presented the Three Year Capital Budget that identified the capital projects proposed for 2017, 2018 and 2019. The plan includes budgets for transfers to reserves for future purchases (\$130, 000), new projects (\$1,738,648) and capital replacement (\$1,580,500).

Projects included in the capital budget other than replacement are:

1. \$26,500 has been added to complete the highway signs (this was removed in 2016).
2. \$17,000 budget to replace the gates at the Public Works Shop with automatic gates. This was budgeted in 2016 and is funded from reserves.
3. \$10,000 has been budgeted for the initial purchase of a drone. The drone will be used across all departments to view areas of concern. Sensors for the gas system etc. will be added in future years.
4. Aerial photos have been added to the budget for 2017. The budget is \$86,000
5. \$5,000 has been budgeted to build a plastic jug containment area at the Bellis Transfer Site.
6. \$7,000 has been budgeted for the Recreation Lease Renewal at Kaduk Lake
7. Mons Lake Association has received grant approval for a playground. We will spend \$50,000 for the playground and they will pay approx. \$25,000.
8. The Gas system includes \$200,000 (funded from reserves) to establish a new gas source as well as \$65,000 to upgrade the Odorant.
9. AMR implementation is an ongoing project being funded from reserves.
10. Bear Proof Garbage Bins is another ongoing project. We will install \$11,000 per year until all of the lakes are complete.
11. Carry over of the Warspite and Spedden Water Reservoirs are covered through reserves and grants.

662-17: Bobocel

That County Council adopt the 2017 Capital/Project Budget for Smoky Lake County, as follows:

Smoky Lake County					
NEW INIT & FUNDING					
PROJECTS: No Project					
			Budget 2017	Budget 2018	Budget 2019
GENERAL	CAPITAL CONTINGENCY		\$ -	0.00	0.00
GENERAL	DRONE	DRONE	\$ 10,000.00	0.00	0.00
GENERAL	ADMIN BLDG RES	ADMIN BUILDING RESERVE	\$ -	50,000.00	50,000.00
GENERAL	HWY SIGNS	HIGHWAY SIGNS	\$ 64,000.00	0.00	0.00 * \$64,000 from reserve
GENERAL	AERIAL PHOTOS	AERIAL PHOTOS	\$ 86,000.00	0.00	0.00
GENERAL	COMMAND BUS	COMMAND BUS	\$ -	0.00	50,000.00
GENERAL	FIRE EQUIP RESERVE	FIRE EQUIPMENT REPLACEMENT	\$ 10,000.00	10,000.00	10,000.00
GENERAL	FIRE TRUCK RESERVE	FIRE TRUCK RESERVE	\$ -	75,000.00	75,000.00
GENERAL	FIRE STORAGE SHOP RESERVE	FIRE EQUIPMENT STORAGE SHOP	\$ -	25,000.00	25,000.00
GENERAL	AIR BOTTLE REPL RES	AIR BOTTLE REPLACEMENT	\$ 10,000.00	10,000.00	10,000.00
GENERAL	REPLACE 222	REPLACE 222	\$ -	60,000.00	0.00
GENERAL	PW YARD	FENCE	\$ 17,000.00	0.00	0.00 * transf from reserve
GENERAL	REPLACE 633 RESERVE	JOHN DEER 7800	\$ 95,000.00	190,000.00	0.00 *sell old \$25,000 plus 2016 reser
GENERAL	COMPRESSOR	COMPRESSOR	\$ -	15,000.00	0.00
GENERAL	EXCAVATOR 627	REPLACE EXCAVATOR 627	\$ 410,000.00	0.00	0.00 *sell old \$100,000 * \$310,000
GENERAL	TRUCK TRACTOR 199	REPLACE TRUCK TRACTOR 199	\$ 165,000.00	0.00	0.00 from reserve
GENERAL	GRADER	GRADER REPLACEMENT	\$ 580,000.00	0.00	580,000.00 *sell old \$20,000 use \$100,000 M
GENERAL	REPLACE WATER TRUCK 138	REPLACE WATER TRUCK 138 w USED	\$ 100,000.00	0.00	0.00 *sell old \$150,000 use \$300,000 I
GENERAL	SELL GRADER FROM 2016	SELL GRADER FROM 2016	\$ -	0.00	0.00 *sell old \$20,000
GENERAL	REPLACE 106	REPLACE 106 CREW TRUCK	\$ 60,000.00	0.00	0.00 *sell old grader \$170,000
GENERAL	REPLACE TRAILER 140	REPLACESKIDSTEER TRAILER 140	\$ 7,500.00	0.00	0.00
GENERAL	REPLACE FORKLIFT	REPLACE FORKLIFT	\$ -	0.00	10,300.00
GENERAL	REPLACE CAT LOADER	REPLACE CAT LOADER	\$ -	480,000.00	0.00 *transf from res \$250
GENERAL	REPLACE SPREADER & FLOW 190A	REPLACE SPREADER & PLOW 190A	\$ -	100,000.00	0.00
GENERAL	REPLACE TRUCK 101	REPLACE TRUCK 101	\$ -	51,500.00	0.00
GENERAL	REPLACE TRUCK 107	REPLACE TRUCK 107	\$ -	60,594.00	0.00
GENERAL	REPLACE OIL TRUCK 155	REPLACE OIL TRUCK	\$ -	165,000.00	0.00
GENERAL	REPLACE SNOW PLOW 166	REPLACE SNOW PLOW 166	\$ -	10,400.00	0.00
GENERAL	REPLACE OIL TANKER 183	REPLACE OIL TANKER 183	\$ -	97,850.00	0.00
GENERAL	REPLACE TRUCK TRACTOR 197	REPLACE TRUCK TRACTOR	\$ -	192,000.00	0.00
GENERAL	REPLACE TRAILER	REPLACE TRAILER	\$ -	50,000.00	60,000.00
GENERAL	REPLACE ROCK TRUCK 608	REPLACE ROCK TRUCK 608	\$ -	0.00	500,000.00
GENERAL	WARSPITE WATER	DISTRIBUTION PUMPS RESERVE	\$ 15,000.00	0.00	0.00
GENERAL	SL TRUCKFILL	TWINNING TANK RESERVE	\$ -	0.00	0.00
GENERAL	WARSPITE / SPEDDEN TRUCKFILL		\$ 1,148,648.00	0.00	0.00 *funded from ftg 180000, reserve
GENERAL	REPLACE TRUCK 227	REPLACE TRUCK 227	\$ 45,000.00	0.00	0.00
GENERAL	BELLIS TRANSFER	PLASTIC JUG CONTAINMENT AREA	\$ -	0.00	0.00
GENERAL	GARBAGE TRUCK	GARBAGE TRUCK RESERVE TRANSFER	\$ -	25,000.00	0.00
GENERAL	ATV	ATV	\$ -	20,000.00	0.00
GENERAL	REPLACE TRUCK 453	REPLACE TRUCK 453	\$ 45,000.00	0.00	0.00
GENERAL	REPLACE TRUCK 440	REPLACE TRUCK 440	\$ 45,000.00	0.00	0.00
GENERAL	REPLACE SPRAY TRUCK 435	REPLACE SPRAY TRUCK 435	\$ -	75,000.00	0.00
GENERAL	REPLACE SPRAYER 423	REPLACE SPRAYER 423	\$ -	75,000.00	0.00
GENERAL	KADUK LAKE	RECREATION LEASE RENEWAL	\$ 7,000.00	0.00	0.00
GENERAL	HANMORE LAKE	SHOWER HOUSE	\$ -	300,000.00	0.00
GENERAL	PIER	PIER	\$ -	11,000.00	11,000.00
GENERAL	TRAILER	TRAILER	\$ -	0.00	11,000.00
GENERAL	PLAYGROUND	PLAYGROUND	\$ 50,000.00	50,000.00	50,000.00 *Mons Lake Assoc Grant \$25,000
GENERAL	GARBAGE BINS	GARBAGE BINS	\$ 5,000.00	0.00	0.00
GENERAL	REPLACE TRUCK 726	REPLACE TRUCK 726	\$ -	51,500.00	0.00
GENERAL	REPLACE MOWER	REPLACE MOWER	\$ -	20,000.00	0.00
TOTAL	TAP 6	GAS SOURCE	\$ 200,000.00	0.00	0.00 * transf from reserve
TOTAL	INFRA LINE REPLACEMENT	INFRASTRUCTURE LINE REPLACEMENT	\$ 50,000.00	50,000.00	50,000.00
TOTAL	AMR PROJECT	AMR PROJECT	\$ 150,000.00	150,000.00	0.00 *transf from reserve
TOTAL	TAP 5 UPGRADE	RE. ODORANT	\$ 65,000.00	0.00	0.00
TOTAL	LINE LOCATOR	LINE LOCATOR	\$ 9,000.00	0.00	0.00
TOTAL	REPLACE TRUCK	REPLACE TRUCK	\$ -	0.00	60,000.00
TOTAL	REPLACE TRUCK 203	REPLACE TRUCK 203	\$ -	60,000.00	0.00
TOTAL CAPITAL			\$ 3,449,148.00	\$ 2,529,844.00	\$ 1,552,300.00
2017 ROAD PROJECTS			\$ 1,641,250.00		
SOURCES OF FUNDING					
TOTAL FROM RESERVES			\$ 1,686,470.00	\$ 495,000.00	\$ -
TOTAL FROM GRANTS			\$ 605,000.00	\$ 25,000.00	\$ 25,000.00
TOTAL FROM SALE OF ASSETS			\$ 485,000.00	\$ 100,000.00	\$ 160,000.00
TOTAL FROM OPERATIONS			\$ 672,678.00	\$ 1,909,844.00	\$ 1,367,300.00

2017 Natural Gas System Budget

Discussion

There is not enough certainty as to when/if Smoky Lake County will begin operating the Town of Smoky Lake's Natural Gas system, or what the terms may be in order to adjust the budget, therefore no changes have been made to the proposed budget.

The proposed 2017 Natural Gas System Budget:

Natural Gas - Budget to Actual									
	2016 Budget			2016 Actual to Oct 19			2017 Budget		
	Revenues	Exp.	Net	Revenues	Exp.	Net	Revenues	Exp.	Net
Bulk Odorant	\$75,000.00	\$52,825.00	\$22,175.00	\$60,213.49	\$36,822.34	\$23,391.15	\$75,750.00	\$50,102.00	\$25,648.00
			30%			39%			34%
CNG Trailer	\$28,000.00	\$5,112.00	\$22,888.00	\$41,905.93	\$3,067.83	\$38,838.10	\$38,700.00	\$5,112.00	\$33,588.00
			82%			93%			87%
Gross Margin - Sales less gas purchase	\$3,065,110.00	\$1,753,040.00	\$1,312,070.00	\$1,298,924.17	\$582,145.66	\$716,778.51	\$2,694,400.00	\$1,331,654.00	\$1,362,746.00
			43%			55%			51%
Legislative									
Division 01		\$1,100.00	\$1,100.00		\$113.16	\$113.16		\$1,500.00	\$1,500.00
Division 02		\$1,400.00	\$1,400.00		\$1,251.73	\$1,251.73		\$1,800.00	\$1,800.00
Division 03		\$1,400.00	\$1,400.00		\$1,178.71	\$1,178.71		\$1,800.00	\$1,800.00
Division 04		\$1,400.00	\$1,400.00		\$0.00	\$0.00		\$1,800.00	\$1,800.00
Division 05		\$1,400.00	\$1,400.00		\$787.91	\$787.91		\$1,800.00	\$1,800.00
Total Legislative		\$6,700.00	\$6,700.00		\$3,331.51	\$3,331.51		\$8,700.00	\$8,700.00
Administration	\$52,200.00	\$609,592.00	\$557,392.00	\$553.92	\$438,630.94	\$438,077.02	\$79,433.00	\$715,075.00	\$635,642.00
Distribution- Operating & Maintenance	\$58,000.00	\$694,581.00	\$636,581.00	\$112,905.84	\$477,146.96	\$364,241.12	\$67,000.00	\$685,640.00	\$618,640.00
Capital Assets			\$0.00			\$0.00			\$0.00
AMR (MSI operating)	\$40,000.00	\$150,000.00	\$110,000.00		\$50,506.00	\$50,506.00	\$0.00	\$150,000.00	\$150,000.00
Gas Source							\$200,000.00	\$200,000.00	\$200,000.00
Odorant							\$65,000.00	\$65,000.00	\$0.00
Line replacement		\$50,000.00				\$0.00	\$50,000.00	\$50,000.00	\$50,000.00
Equipment		\$0.00	\$0.00			\$0.00	\$9,000.00	\$9,000.00	\$9,000.00
Truck		\$46,460.00	\$46,460.00		\$47,600.00	\$47,600.00	\$0.00	\$0.00	\$0.00
Total Capital Assets	\$40,000.00	\$246,460.00	\$206,460.00	\$0.00	\$98,106.00	\$98,106.00	\$65,000.00	\$474,000.00	\$409,000.00
Reserve Transfers - System Capital	\$150,000.00	\$100,000.00	\$50,000.00			\$0.00	\$350,000.00	\$100,000.00	\$250,000.00
Total Natural Gas	\$3,468,310.00	\$3,468,310.00	\$0.00	\$1,514,503.35	\$1,639,251.24	\$124,747.89	\$3,370,283.00	\$3,370,283.00	\$0.00

Notes

121-16 That Smoky Lake County invoice the Town of Smoky Lake at 75% of the actual costs to upgrade the Regulating Metering and Odorizing (RMO) Station 4369, Tap 5 that delivers the natural gas supply to the Town of Smoky Lake

663-17: Cholak

That County Council adopt the 2017 Natural Gas System Budget for **Revenue** in the amount of **\$3,370,283.00** and **Expenditures** in the amount of **\$3,370,283.00**.

Carried.

5. Issues For Information:

Property Tax Rate Options

Finance Manager, Brenda Adamson, presented the 2017 tax and mill rate information, including:

- Assessment decreases of 1% for Residential, 9% for Non-Residential and 2% decrease for Machinery & Equipment.
- The Three Year Financial Plan predicted a need for a 10% increase in tax revenue for 2017, and we have brought the actual needed tax revenue increase down to 2%.
- Linear Assessment continues to decrease.
- Although the requisitions changed very little, the decrease in assessment creates the need to increase the rate.

6. Correspondence:

No Correspondence.

7. Delegation:

No Delegation.

8. Executive Session:

No Executive Session.

Date and Time of Next Meeting:

664-17: Bobocel

The next Smoky Lake County Council **Budget Meeting** be scheduled for **May 4, 2017 at 1:00 p.m.** and **May 5, 2017 at 2:00 p.m.** in County Council Chambers.

Carried.

Adjournment:

665-17: Lukinuk

That this meeting be adjourned, time 11:33 a.m.

Carried.

REEVE

S E A L

CHIEF ADMINISTRATIVE OFFICER