

**CITY OF MELFORT
BUDGET MEETING
April 21st, 2005**

Minutes of the City of Melfort Budget Meeting held on Thursday, April 21st, 2005, in the Council Chambers, Melfort, Saskatchewan, commencing at 4:08 p.m.

PRESENT: COMMITTEE: Mayor Collins and Aldermen Abbott, White, Terry, Degelman, MacNaughton and Lang.

STAFF: J. Wade, City Manager; K. Ottenbreit, Director of Planning, Development & Leisure Services; D. Graham, Director of Works & Utilities and H. Audette, City Clerk.

Mayor Collins called the meeting to order and turned it over to Alderman Abbott, Finance Chairman.

GENERAL OPERATIONAL BUDGET	Increase (Decrease)	Deficit (Surplus)
<i>Beginning Deficit Balance - continuing from Apr 6 session</i>		159,724
Recreation Vehicle Pool Expenses - not included in formula		
2-8-7-55-08-254 Unit #08 - Repairs add to formula	500	160,224
2-8-7-55-08-521 Unit #08 - Fuel add to formula	800	161,024
Updated Assessments:		
The assessment maintenance resulted in an increase in the assessment base. Administration feels the appeals budget can be reduced by half.		
2-6-8-10-00-111 Taxes Residential Levy incr to 1,044,456	(10,134)	150,890
2-6-8-10-00-112 Taxes Commercial Levy incr to 527,091	(4,248)	146,642
Melfort Public Library:		
Council approved an increase of \$444 to cover salary increases.		
2-8-7-90-00-902 Library Grants to Organizations incr to 98,941	444	147,086
Melfort & District Museum Board:		
Council noted that the Museum's presentation at the April 18th, 2005, regular meeting clarified that this overexpenditure was definitely preventative work to alleviate safety and liability concerns. It was also noted that the funding cut to the Saskatchewan Museums Association is another example of provincial government downloading.		
2-8-7-10-00-902 Heritage Admin Grants to Org incr to 19,760	5,760	152,846

BALANCING THE BUDGET

Council reviewed options for balancing the 2005 general operations budget. Alderman Abbott commented that this is the first time in his 12 years of service that Council has proposed an option to allocate a portion of the surplus to general operations.

A general discussion followed concerning existing reserve levels and whether they should be capped. Alderman Lang stated his feeling that reserve levels should increase each year to cover inflationary costs. Alderman Abbott noted the impact of a large withdrawal on the Capital Trust Fund and the fact that a new facility may be a budget consideration in the near future. To cite an example, the Director of Works & Utilities reported that our annual transfer to utility reserves is \$236,500; however, the 2005 MRIF grant application indicates that the City should be placing a minimum of \$500,000 per year in utility reserves for replacement of infrastructure.

The Clerk advised that when Council established a cap of \$500 for the base tax, they did recommend that this maximum cap should be reached before considering an increase in the mill rate. The current municipal mill rate of 12.2 mills was set in 2001.

Council favoured Option #5, which would use a portion of the 2004 surplus and a combination increase in both the base tax and mill rate to balance the budget, provided that the amount funded from the surplus (\$71,052 originally directed to the City Facilities Reserve) is replenished in the next budget. This option had the least impact on both residential and commercial properties and kept the percentage increase below 4%, which is in line with other provincial municipalities.

The following budget recommendation will be presented at the May 16th regular Council meeting to fund the deficit of \$152,846:

- That \$71,052 of the 2004 surplus be allocated to the 2005 general operations budget.
- That the Municipal Base Tax be increased from \$480 to \$500, generating \$42,500.
- That the Municipal Mill Rate be increased from 12.2 mills to 12.66 mills, generating approximately \$59,255.
- That the City of Melfort budget for a surplus of approximately \$20,000.

GENERAL OPERATIONAL BUDGET			Increase (Decrease)	Deficit (Surplus)
<i>Ending Deficit Balance</i>				152,846
2005 Tax Levy:				
2-6-8-10-00-111	Taxes Residential Levy	incr to 1,083,838	(39,382)	113,464
2-6-8-10-00-112	Taxes Commercial Levy	incr to 546,965	(19,874)	93,590
2-6-8-10-00-118	Taxes Base Tax	incr to 1,072,200	(42,500)	51,090
2-8-8-50-00-911	Due from Transfer From Reserves	incr to 71,052	(71,052)	(19,962)

The Clerk will report on the accounting process to be used to allocate the surplus to operations.

Alderman Abbott advised that a press release detailing the significant items from the 2005 budget process will be released Friday, April 22, 2005. He extended his appreciation to Administration for putting together the budget and to Council for their thoughtful discussions and deliberations.

The meeting adjourned at 5:14 p.m.

Mayor

City Clerk