

(16)

From: Richard Laing
Sent: March 30, 2009 3:46 PM
To: 'Carolanne Reynolds'; MayorandCouncil
Cc: Sheila Scholes
Subject: RE: BUDGET Questions for Mar 30

0860-01

See my answers in blue below

Regards,

Richard Laing, C.A.
 Director of Finance
 District of West Vancouver
 www.westvancouver.ca
 Tel: 604-925-7086
 Fax: 604-925-7034

From: Carolanne Reynolds [mailto:EditorWVM@WestVan.org]
Sent: March 29, 2009 3:52 AM
To: MayorandCouncil
Cc: Richard Laing; Sheila Scholes
Subject: BUDGET Questions for Mar 30

Some Questions on Budget 2009

Since in previous years, some answers have not been supplied and sometimes told not sure what the question was, herewith (may also help for the drafting of the ccl mtg minutes) a transcript of my remarks at the Mar 23rd ccl meeting with questions clarified and numbered in RED (to 14).

DRAFT BUDGET 2009

Thank you for arranging a mtg on the budget for Monday Mar 30th.

MARCH 23rd CCL MTG NOTES (excerpt)

ITEM 5

CR: Thank you for this opportunity. Sorry, I didn't get time to type things out -- family obligations; Carolanne Reynolds, Editor of West Van Matters -- but I've jotted down a few things that I hope you will consider.

It is a challenge to go to zero per cent but I know last year the Finance Cmte was talking about a budget with the scenario that was minus 5% and minus 10% to see what wd happen. Unfortunately at the input mtg, or the Mar 2nd mtg, they [meaning staff or Ccl] said they cdn't do that. It might take too much time to do the zero, five, and ten, but perhaps you cd do zero and 5%. The cost of living I understand right now is just over 1%, so we wonder about a 3% increase that you've got here and for some salaries. I never did get an answer to my question last May of why in the IT Dept, the average increase in salaries was 9%.

Ja. Wd it be possible to reduce each dept by 3% (so zero increase) or wd it be preferable to have an average of 3% reduction (so that some depts stay the same as in the draft and others have higher

reductions)?

Further cutting of this budget in the order of \$1.5 million would not be possible without targeting staffing and service levels in specific areas. The past pattern of exempting public safety (police and fire) from such considerations, and the fact that reductions to recreation involve offsetting reductions to revenues, would likely mean double digit % reductions to the remaining divisions.

1b. Can any adjustments be made now since inflation/cost of living is now around 1%?

CPI at December 31 was 1.2% higher than the previous December - and this is after a one month drop in gasoline prices of over 20%. Bank of Canada's core index advanced by 2.4% year-over-year in December. In any case, departmental budgets have already been cut in order to achieve tax increase targets.

1c. Is it possible to get the information wrt the Information Technology Dept salary increases 2007 to 2008, and now 2008 to 2009?

IT salary costs increased by almost 9% in 2008 due to transferring in 1.6 staffing positions that had previously resided in Library, and topping that up to an even 2 FTE's.

IT salary costs for 2009 have increased by 5.23%, which is higher than normal due to a reclassification of 3 positions.

I also -- there are some other things we want more details -- I also noticed that at the **Cmnty Ctr announcement**, and we have an excellent Communications Dept, was outsourced and **a private company was paid to do the press release. Why was this?**

{why not use inhouse? why pay extra? and I forgot to ask then, how much the private company was paid.}

2a. Why wasn't inhouse expertise used?

2a) The in-house Communications Department worked with Vicki Noble, who provided some media support for the Office of Cultural Affairs, managed by Cathy Matheson, who is also the Executive Director for WV Community Centres Services Society. There is no formal contract because the work was minimal and "as needed" when the Communications Department was overloaded.

2b. Was the contract put out to tender, for competitive bids?

2c. How much was paid to Noble Communications?

2b) & 2c) The scope was less than \$2,000, so the project was not tendered.

I asked last year also if there were **guidelines for the tendering process**, so that you cd make sure that you got a competitive bid. We know of some xx things that went out for bid that were for about a \$1M, but they didn't go out for tendering. What were these? Details please:

{clumsily said; what is meant that some contracts have been awarded that did not go out to tender to get competitive bids with the obvious risk of overpaying.} Again, details please.

So I think looking at the **tendering policies wd help lower your costs.**

3. What is the tendering policy?

including what amounts decided by staff and how much for Ccl.

Purchases to \$5,000 at discretion of purchasing agent

From \$5k to \$10k - quotes either oral or written

From \$10k to \$50k - written quotes

Over \$50k - sealed tenders

Variations on above at discretion of CAO or Director of Finance, especially where timing is a consideration.

Council is not normally involved in other than the larger tenders/contracts.

The CAO mentioned **re-organization** and that it wd be explained. Really great, but it wd be really appreciated if the CAO cd make that **explanation [about] re-organization perhaps at a ccl mtg so we can all hear it-- and perhaps putting it on the web[site].**

4. Where can a description of the new re-organization be found?

The results of the reorganization can be seen on the organization chart included in the budget document.

I spent a lot of time on Friday trying to find the budget on the web[site]. You have to go through several clicks before

you can even find it.

{UPDATE: Budget 2009 must have been put on the DWV homepage Monday Mar 23, b/c I saw when checking after the mtg}

ah I also asked last year and **wd like to ask again this year for the salaries that are reported.** I know they don't have to be reported till June but b/c the T4s have to be in the end of February, you **shd hv an idea of the salaries for 2008** to see how they're comparing now.

{For the salaries for 2007, pls see WVM2008-25 on www.westvan.org}

5. Will you release the salary info completed in February for the Mar 30 mtg, and if not how soon after?

The FIA report is part of the audited package that forms part of the Annual Report, and will be available end of May/early June.

So I think I support the other ppl who said that **zero-based budgeting** -- I've been asking for that for many years, and ...time... you don't have to do that every year but you **shd at least do it at one point so that you get that base to go on from.**

6. If zero-based budgeting not done for this year, will it be done for next year's budget?

The process and format for next year's budget will follow from the requirements of the Strategic Planning exercise - and has not yet been determined.

So my main question is, I think we **shd be given more opportunity and time, it's a 70-page booklet** {budget}.

The budget book in fact is 142 pages. What booklet are you referring to?

It's a lot to look at, and I think the citizens wd v much appreciate more time for looking it over and reviewing it, and helping you, giving some ideas and recommendations to try to keep the taxes down.

7. Will more time be allowed for public input? more public mtgs? Mtgs during the month of April (b/c Budget has until May 15 to be adopted)?

This wd also give time for the Finance Cmte to see the budget since their next mtg is scheduled for April 8. The public process for the 2009 Budget is now concluded. Policy developed in prior years, and widely supported, encouraged a brief and focused public process, and adoption of the budget as early in the new year as possible (December adoption was actually favoured).

I know that there are many ppl on fixed incomes now, and they've talked to me. It's not just that their pensions are fixed while other ppl's incomes go up, but a lot of ppl in this cmnty have invested their money to supplement their pensions and with the loss of stocks and bonds, there are many ppl suffering who wdn't even have thought about asking. I've also had ppl say, "I don't want to get up and speak and make it look as if I can't afford to pay my taxes, wd you pls do it."

Thank you.

{See my comments and further questions at PQP at end of mtg re the budget b/c the public is not allowed to speak once Ccl starts to discuss an item.}

.....

20. PUBLIC QUESTIONS/COMMENTS

CR: Thank you. Just a few questions based on what I heard during the discussion if you don't mind.

It was brought up that there was \$31M for the capital budget without much information. Will we have that information before March 30th?

8. Pls confirm amount and identify the projects for this year's capital budget.

The budget document presents much detail on the capital program in pages 98 through 123.

Also, someone made reference to the Recreation Facilities Master Plan (RFMP) that was ten years in the making. Yes, but what was accepted was at a much lower budgeted dollar amount than what happened. And every time ADRA asked for the operating costs for the Ctr, we were told \$250K.

{For instance, the RFMP had the Aquatic Ctr as \$2.5M and it cost at least \$8M; the Cmnty Ctr was to be \$13M. Last info we had on the operating costs for the Cmnty Ctr is \$500K, ie twice what we were told.}

As for monthly deptal budget reports, the Police Dept does that every month, and they do an excellent job; That is really well done. Madam Mayor, I know you're chair of it [the Bd], but that's very well done, and that cd be a model for other depts.

9. Will depts start giving monthly budget reports, following the Police Dept's excellent example/practice? Our practice is to conduct more comprehensive quarterly reviews, and this will continue in an expanded format during 2009. There seemed to be some confusion in some minds when they say [zero] -- there's a difference between a zero increase in the tax rate and a zero-based budget. A zero increase is something we'll have to look at for efficiencies and getting other revenue; but a zero-based means you start at the bottom

{a cclr spoke as if latter same as former, so I was worried maybe some watching/listening wd too}

and take a look at what you're going to spend and justify it all the way up. And that's what's been recommended and, and that's why I said you don't necessarily have to do it every year but you have to do it at some point to get the base. There's a, um, ah. No one seriously wants to cut back our dear Library, or our facilities, and so I don't think that shd be put as a boogeyman for not looking at the budget, but there are, for example, we were told [there's] land, **road ends and lanes, that cd be looked at and they can be sold to the nearby property owner**, who'd be happy to have it. We cd look at that.

{My example as revenue, not just cutting, to lower the increase.}

Mayor: We are.

CR: yes, good; that's good, thank you.

10a. Will the public be informed of what's being considered to be sold before the final decision?

10b. How much will be sold this year (anticipated revenue) and wch parcels?

A program of proposed land sales for 2009 has not yet been documented. Minor road ends, etc are not normally referred in advance to the public.

Now, I think everyone who's serious about running for Ccl will have looked at budgets before they're elected, so I don't really think that's a reason for not [xcoming,x] keeping the same time table, and having ppl come forward with constructive suggestions.

Now, as to the place if you're going to have, as someone else mentioned not everyone's on the Web

{Of course I meant a lot of ppl don't use computers, have them at home, and surf the Web.}

-- may I suggest that you have some facility for ppl to comment, say at the Library, Srs' Ctr,--

Mayor: and the cmnty ctr

CR: yes, at the cmnty ctrs. I think that wd get around that b/c some ppl don't like that [using computers]

Also, I understand the Finance Cmte did not get to see the draft budget before it went to the March 2nd ccl mtg. Will they have seen it for the Mar 30th mtg, next Monday night? Will we have the benefit of their comments that night?

So that's several questions.

Otherwise, thank you v much for the Strategic Planning Initiative that you're doing. Thank you very much for scheduling a mtg on Monday night for more input. That's v much appreciated. We look forward to that.

Mayor: Thank you

CR: the two questions: when will they be answered?

Mayor: not sure that there were two

CR: main ones

Mayor: the main one, on the Finance Cmte, Mr McRadu, do you want to update us on that?

CAO: There will not be a FCmte mtg prior to next Monday.

Mayor: That answers that question.

CR: so that means the FCmte did not get to see the budget to comment.

Now the last I heard was that it was perhaps going to be a FCmte mtg on Thursday this week

{no, it was to be the 25th, not the 26th as I'd thought, but had I been more combative I wd hv asked why not!}

Mayor: The Terms of Ref of the FCmte have never included, I don't believe, comments on the budget. It's more to do with the process. Is that right? we've got two mbrs of the FCmte right here.

{er, um. As I wrote in an earlier msg:

On the Finance Cmte webpage: <http://www.westvancouver.ca/Government/Level3.aspx?id=2884>

How wd you interpret:

The Finance Committee provides recommendations regarding the budget, financial policy and process issues to Council.

and

Committee members may review and comment on annual and long-term budgets, and quarterly financial reports, as referred to them by Council.

?}

11. Last year and this, many expected the FCmte with mbrs selected for expertise. so will the FCmte mtg be given the draft 2009 Budget before the Apr 8 mtg thus giving us the benefit of their knowledge?

The earlier comments are still applicable. The Finance Committee was asked for recommendations on process, and further recommended a two year program to implement GFOA best practices. As to budget dollar content and service levels, this is not a question of expertise. but rather a question of resident preferences as to which services they value and are willing to pay for. So resident support (or otherwise) for proposed service levels is the real quest of the public process.

Mayor: and I think we're going to be bringing a report forward to Ccl for how the FCmte is going to operate in 2009, and that's a reflection of a couple of things: Ccl's own budget process

{ah... indicative of the public and cmte still being left out?}

and also some questions it has that a WG cd work on, so we may split into two different aspects of dealing with our budget process.

12. When? for 2010, presumably and/or as a result of the Strategic Vision Planning

The issue of Finance Committee/Finance Working Group will likely be dealt with in April

What was your other question?

CR: no, b/c I know the Fiscal Sustainability Task Force had made recommendations and so did the FCmte--

{was interrupted but I know last year when the FCmte was appointed it was said it was too late for them to look at Budget 2008 but they cd look at Budget 2009. So what happened? Always a reason for the FCmte 'experts' not to review the draft budget?}

Mayor: I'd like to know what your other question is

CR: are we going to get some more details of the \$31M of the capital projects?

Mayor: that's the 2010 capital project, I believe. In 2009, we have really got v little in there and so it's maybe skewed the 2010 budget a little bit

CR: but whatever's in it you'll tell us?

Mayor: Mr McRadu, do you have anything further on that?

CAO: any information that you want, certainly our Dir/Finance can walk you through it.

CR: no, I think everyone is interested in what the capital budget is going to be spent on.

13. Capital spending projects info for both 2009 and 2010 wd be appreciated.

As noted earlier, these details are in the budget document.

Thank you very much.

Mayor: sure; thank you.

21. ADJOURNMENT

14. At the Mar 4th Budget mtg a request was made to have notes from the meeting showing the answers given to the questions asked. Will these be submitted to Ccl to form part of the ccl mtg package and/or will they be put on the DWV webpage?

Notes of this meeting have been circulated to Council, and have been posted to the web.

Thank you for your kind attention to these matters.

--

Yours thoughtfully,

Carolanne Reynolds * Editor, West Van Matters; t 926 8649, f 484 5992; www.westvan.org