

MINUTES

ZONE 2 LOCAL GOVERNMENT ADMINISTRATION ASSOCIATION JUNE 21, 2006 AT CANMORE

- IN ATTENDANCE:** Geraldine Gervais – Hanna, Kathryn Cooper – High River, Ken Mundy – High River, Helene Hesse – MD of Bighorn, Stan Ogrodniczuk – Turner Valley, Gene Kiviaho – Canmore, Dan Quinn – Brooks, Lavinia Henderson – LGAA President, Darryl Joyce – LGAA Zone 3 Director, Chris Parkins – Municipal Affairs, Gary Sandberg – Municipal Affairs
- CALL TO ORDER** Acting Zone Director Darryl Joyce called the meeting to order at 10:17 a.m.
- WELCOME** Mayor Ron Casey and Gene Kiviaho brought greetings on behalf of the Town of Canmore.
- AGENDA** The agenda was accepted as presented.
- MINUTES** There were no minutes from the previous zone meeting.
- CAUCUS SESSION #1** **Depreciation of Capital Assets**
- Chris Parkins, from Municipal Affairs lead a discussion on the depreciation of capital assets issue. Highlights of the presentation included:
- When the new Municipal Government Act was passed Section 276 stated municipalities must prepare their annual financial statements in accordance with generally accepted accounting principles established by the Canadian Institute of Chartered Accountants.
 - The Government knew the tangible capital assets issue was coming, however, thought it would be sooner than this.
 - The Public Sector Accounting Board (PSAB) was asking for a five year transition for municipalities.
 - At this point there is no specific guidance, for municipal governments, on accounting for tangible capital assets, however, several agencies are working on it.
 - A PSAB exposure draft suggested implementation by 2009, however, many finance officers felt the timelines were too tight. GFOA asked for 2010, however, that request was not successful.
 - Municipal Affairs is working with GFOA to develop a manual. During development it was discovered Ontario was way out in front to the point where they were doing pilot projects. It was decided Municipal Affairs was not going to reinvent the wheel and it is suggested finance people review the Ontario website at www.ombi.ca
 - GFOA is hoping to coordinate training sessions.
 - On the OMBI website they identify several steps to get started:
 - Get started early (2007 at the latest).
 - Get informed and review background documentation.
 - Plan your implementation approach and identify what kind of data you

already have. You might be surprised what is currently available within the municipality.

- What kind of resources will be required to undertake this task.
 - Need buy in from senior management and Council as well as the auditors.
 - Need to evaluate your computer system capabilities
 - Review issues around current capitalization policies. There will certainly be a requirement for someone to continue to maintain the capital assets inventory.
- A question was asked about special projects funding, from the Province, however, although it is on the list, there is no commitment this will happen.
 - MIMS municipalities are a step ahead of the rest. A comment was raised about expanding MIMS to make it compatible with the capital assets depreciation.
 - A question was asked about what a typical financial statement will look like, when all the depreciation is factored in and what if massive deficits are shown on the books. Chris commented nobody is exactly sure what the statements will look like and, the Province may need to relax the annual budget deficit restrictions until the transition has been completed.

CAUCUS SESSION #2

Dialogue with Municipal Affairs

Gary Sandberg, from Municipal Affairs gave an update on happenings within Municipal Affairs. Highlights of the presentation included:

- The Regulated Rate Review has been completed and it looks like, on average, everything is going up 5%. That does not include Telecomm which is seeing a substantial decrease. This will certainly hit urban municipalities the most. A comment was raised that Telecomm should go the way of gas and electricity with the use of franchise agreements.
- The Municipal Sponsorship grant should be announced in early July. No details were provided, however, it was noted the applications will be substantially streamlined and, unless people like writing essays, we should be very happy with the changes.
- On the Targeted Investment Initiative 4 million dollars went to rural municipalities and 6 million dollars went to urban municipalities. The program is intended to provide assistance to municipalities that have the least ability to raise funds. They do not have Treasury Board approval to continue this as a permanent program. Discussion took place about the formula and the need to review it.
- The Minister's Council on Municipal Sustainability continues with four committees tasked with various responsibilities:
 - The first committee, led by the City of Calgary, is looking at new municipal revenue sources. At this point the Minister has stated everything is on the table. Examples of what is being floated includes: a percentage of income tax, elimination of the education tax with a trade-off in grant funding.
 - The second committee is looking at the roles and responsibilities issue.
 - The third committee, led by the City of Edmonton, is looking at intermunicipal relationships including: land use planning and annexations.

- The fourth committee is looking at the recommendations of the other three committees and determining what the implications are for small urban and rural municipalities.
- Recruitment and Retention still continues to be a priority for the department. The Municipal Internship program continues to expand and they are now looking at internships for assessors and planners.
- A question was asked about the Supernet and whether any Provincial funding will be coming to assist in the high monthly costs of signing up. Chris noted she is on the Last Mile Committee, through AAMD&C, and is in the Municipal Affairs business plan.

LUNCH

Recessed for lunch, sponsored by the Town of Canmore at 12 noon.

RECONVENE

The meeting reconvened at 12:45 p.m.

CAUCUS SESSION #3

LGAA President Report/Zone Director Report

President Lavinia Henderson gave a verbal report highlighting:

- The LGAA session, at the AUMA convention, will be on the Tangible Capital Assets issue.
- LGAA is involved in a marketing partnership with ARMAA and SLGM on careers in municipal government.
- Many changes on the Board over the last year including new Communications Coordinator.
- The Conference Organizing Committee needs help and Dan and Kathryn expressed interest in helping.
- There has been minimal interest in the two LGAA scholarships.
- The new AUMA/LGAA agreement which streamlines the funding.

Acting Zone Director Darryl Joyce gave his report highlighting:

- With the growth in conference numbers the association will now be using the area where the banquet is held instead of 1/2. A comment was made we should be trying to entice more of the ARMAA members to attend the LGAA conference by offering them a discounted rate (ie. ½ off).
- For the first time ever LGAA attended the AAMD&C spring convention and trade show with our trade show booth.
- The 2006 budget has \$400 for each zone, \$200 from Municipal Affairs, for zone expenses.
- A laptop is being purchased to complement the projector that was purchased last year. Should alleviate any technical issues which have occasionally happened in the past.

CAUCUS SESSION #4

Election of Zone Director

Lavinia Henderson led this process and called for nominations in addition to the one valid nomination from Gene Kiviaho. A motion was made, by Ken Mundy, to cease nominations after the first call. This motion was passed and Gene Kiviaho was officially elected as the new Zone 2 Director.

CAUCUS SESSION #5 Open Discussion

Topics included, in the open discussion, included

- Tendering of audit services
- Computer backup disaster processes – MD of Bighorn has a detailed plan they would be willing to share.
- Capitalizing items – no consistency, between municipalities, on what is capitalized.
- Purchasing policies
- Inappropriate Council conduct – Mayor and Council need to lay the law with inappropriate behaviour. MGA has no teeth when it comes to Councillor disqualifications. Wait until next election.

NEXT ZONE MEETING High River volunteered to host the next meeting with a date to be determined.

ADJOURNMENT The meeting adjourned at 2:25 p.m.