

## Questions & Answers

The District opened a survey from February 6 – 18, 2025 that provided an opportunity for respondents to submit questions. Staff committed to answer as many questions as they could and attached them to this report. Please note that there were some similar questions that have been answered in one.

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## The Shortfall and Budget Scenarios

### 1. Why is there a Shortfall?

The majority of the shortfall is due to two major industrial properties that were granted closure allowances from BC Assessment. This removed their properties out of Class 4 Major Industrial to Class 6 Business and Other. Due to Class 4 having a tax rate per \$1000 assessed value of 51.0069 and Class 6 having a tax rate per \$1000 of assessed value of 9.0941 this resulted in a tax revenue loss of ~\$1.5 million.

More information can be found on BC Assessment’s website at <https://info.bcasessment.ca/Services-products/property-classes-and-exemptions/major-industry-property-mip-classification-in-british-columbia/closure-allowances-for-major-closure-allowances-for-major-industrial-and-electrical-properties>

For a breakdown of the impacts to revenue and expenses, please view the Feb. 5, 2025 Budget Presentation available on Let’s Chat Mackenzie here: <https://www.letschatmackenzie.ca/2025-budget>

### 2. Why didn’t we know about this or start planning for this sooner?

In 2020, when the Reserve and Surplus Policy 3.18 was created, \$2 million was put into the Financial Stability Reserve to offset potential reduction of property tax revenue due to economic downturn and mill closures. This reserve has been used over the last three years.

Since 2022, when a major industrial property owner was granted a level 1 closure allowance by BC Assessment, departments have been finding efficiencies and reducing budgets where possible, while still providing the same level of services. The District is only made aware of closure allowance applications when they are received by BC Assessment which is usually close to the deadline of November 30<sup>th</sup>, to take effect the following year.

### 3. How much money comes out of each source in Option 2 and Option 3 from MLMCF Dividends, Prior Years Surplus and the Financial Stability Reserve? Are there other options to consider?

#### Option 2

MLMCF Dividends	Financial Stability Reserve	Prior Year Surplus	Property Tax Increase	Total
\$100,000	\$200,000	\$321,588	\$437,062	\$1,058,650

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## Option 3

MLMCF Dividends	Financial Stability Reserve	Prior Year Surplus	Property Tax Increase	Total
\$100,000	\$180,764	\$271,588	\$506,298	\$1,058,650

There are currently no other new options being offered at this time.

### **4. Can we please get a quarterly update and posted on your website?**

Yes, the District prepares and publishes a monthly financial report to Council which includes revenue and expense reports, payments listing, and a summary of the capital expenditures. These reports are available in the Committee of the Whole Council Meeting agendas - which can be found on our website here: <https://districtofmackenzie.ca/government-town-hall/council/council-meetings/>

### **5. Why are we just hearing about this issue now?**

The District held a public open house on November 7, 2024 to share with the community about the estimated \$800,000 shortfall that was expected in 2025. A month later, the District was informed of an additional revenue loss of \$700,000. Prior to sharing the information with the public at the January 27, 2025 Council Meeting and further at the February 5, 2025 Open House, staff and Council required time to make adjustments to the budget and consider options to account for the additional \$700,000 in revenue loss.

### **6. What does the reduction of operating expenses look like in real numbers per department?**

We are unable to provide further breakdowns at this time. In total, departments have found \$296,824 in operational budget savings without changing service levels.

It should be noted that although there are departments with individual budgets – in many cases the budget of one department does not solely represent the work they do just for their department or services. All departments, sometimes in big ways and sometimes small, use their budgets, staff, equipment to support all services to community members, even if they appear outwardly to be provided by only one department.

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## **7. Why not hold another forum on the results of the survey? Could it be held during the daytime to reduce overtime?**

The survey results are being presented at the Feb. 24, 2025 Council Meeting. Holding another forum will be at the discretion of Council. There was no overtime paid for staff attending the Open Houses on February 5<sup>th</sup> or November 7<sup>th</sup>.

## **8. How long will the “Other Sources of Funding” last before they are depleted?**

Based on the same withdrawals made each year, the current values in the “Other Sources of Funding” include:

MLMCF Dividends	\$468,100	~ 4 years
Financial Stability Reserve	\$1,368,167	~ 7 years
Prior Year Surplus	~\$2,000,000	~6 years

These are estimates based on currently proposed withdrawals. The amount being withdrawn from reserves could change each year.

## **9. Are there grants available to help fund the shortfall? Is there funding from the Province available for relief?**

There are limited relief grants from the Province, however we did receive one-time funding, along with other communities, when the mills first shut down in 2019/2020. Otherwise, there are many grants available to the District and we have been successful in receiving over \$17 million in grant funding towards capital projects, operational activities, and staff positions in the last 10 years – which equates to about \$1.7 million in grants funding per year.

The District reports on the results of its grant applications in a Quarterly Workplan Report in January, April, July, and October, during the Committee of the Whole Meetings which can be found here: <https://districtofmackenzie.ca/government-town-hall/council/council-meetings/>

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## Services and Staffing

**10. Is the District considering staff reduction at all levels and in every department?**

All departments have carefully considered their staffing needs to support current service levels. Yes, there are service changes being proposed that will result in staffing reduction in some departments. If further service reduction is required, then all departments will be looking at whether a reduction in staffing is necessary, or other combinations (full-time to part-time, seasonal, work-share etc.)

**11. What would a reduction in staffing levels look like?**

Depending on the level of service reductions, with consideration of labour laws and contractual obligations, this could mean cutting positions entirely, reducing hours from full-time to part-time, or looking at offering seasonal or work-share opportunities instead.

**12. Were raises factored into the shortfall?**

Yes, CPI and contractual salary increases have been included in the shortfall calculation.

**13. Have there been considerations about reducing the amount of grant-in-aid the District provides, including providing less subsidy for rec passes (or a higher threshold for those to qualify) until we have more tax revenue?**

Yes, these have been taken into consideration and require further research prior to implementing any changes to the policies and funding agreements at this time.

**14. Do you need to spend time and sanding the cow paths?**

For safety and to support both accessibility and active transportation priorities for the District and the community, we believe it is necessary to provide safe pedestrian walkways, which includes sanding sidewalks and neighbourhood pathways.

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**15. I would like to know what reductions have been made by the Public Works department and how those savings are contributing to budget shortfall.**

Public Works have found savings in operational supplies, reducing staff hours when there isn't essential work to do, reducing reliance on contracted services, and a decrease in telephone and internet services. Overall, due to external influences such as inflation, increases in insurance, and contractual obligations, the Public Works budget has not seen a decrease.

**16. When can we add sidewalks and crosswalks around the school?**

A new sidewalk in front of Morfee Elementary School was identified as a priority project in the District's Active Transportation Plan adopted last year. Staff have been looking at grant opportunities to help fund this project, however, with consideration that it may not be something we can do right away due to the budget situation we are in right now. Timing on this project cannot be determined at this time due to the budget.

**17. What is the cost for upkeep/operational for the Water Treatment Plant?**

The only anticipated additional expense at this time would be for filters. Current staff will continue to take water samples.

**18. Have you done assessments of when the Recreation Centre is most used- and open to serve the most people possible?**

Yes, here are the statistics from 2024 and 2025. Mondays and Sundays are generally our slowest days, especially in the summer.

<b>Month &amp; Days</b>	<b>6AM-12PM</b>	<b>12PM-5PM</b>	<b>5PM-CLOSE</b>
<b>July-- 2024</b>			
Monday's	45	34	18
Tuesday's	117	59	42
Wednesday's	181	151	175
Thursday's	144	117	111
Friday's	134	118	84
Saturday's	109	99	CLOSED AT 5PM
Sunday's	25	60	CLOSED AT 5PM
<b>Total</b>	<b>755</b>	<b>638</b>	<b>430</b>

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<b>August-- 2024</b>			
Monday's	41	42	80
Tuesday's	136	74	77
Wednesdays	144	177	110
Thursdays	119	165	83
Fridays	127	151	153
Saturdays	133	142	CLOSED AT 5PM
Sundays	31	37	CLOSED AT 5PM
<b>Total</b>	<b>731</b>	<b>788</b>	<b>503</b>
<b>December --2024</b>			
Monday's	125	140	33
Tuesdays	310	139	32
Wednesday's	135	122	91
Thursday's	126	120	73
Friday's	120	223	39
Saturday's	76	135	CLOSED AT 5PM
Sunday's	85	103	CLOSED AT 5PM
<b>Total</b>	<b>892</b>	<b>879</b>	<b>268</b>
<b>January -- 2025</b>			
Monday's	71	205	17
Tuesday's	262	143	40
Wednesday's	244	247	177
Thursday's	241	217	101
Friday's	217	306	282
Saturday's	180	266	19
Sunday's	18	50	1
<b>Total</b>	<b>1233</b>	<b>1434</b>	<b>637</b>

### Statistic Notes:

- The stats are for programming, gym, pool visits and court bookings. It excludes hockey, lacrosse and general visitors as we do not track those numbers.
- July 1<sup>st</sup> – Stat Holiday - Drop-in open for partial day, No CSR July 22<sup>nd</sup>
- Closed August 5<sup>th</sup> – Statutory Holidays
- Closed August 18<sup>th</sup>
- Dec. 22<sup>nd</sup> – 31<sup>st</sup> was shortened facility hours. nothing opened past 4:30pm
- Closed December 25<sup>th</sup> and 26<sup>th</sup> – Statutory Holidays
- Friday Jan. 3<sup>rd</sup> – stat counts are all grouped together, no specific times available
- Saturday Jan. 4<sup>th</sup> - stat counts are all grouped together, no specific times available
- Sunday Jan. 5<sup>th</sup> - stat counts are all grouped together, no specific times available



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**19. Can the Recreation Centre be closed during the week instead of the weekend?**

Yes, it could be, but Mondays and Sundays are generally our slowest days, especially in the summer.

**20. Why is Winter Quest happening if your down \$1.5 million?**

Winter Quest is planned about six months in advance and has been a very well supported event in the community. We can look at adjusting or cancelling the event in the future.

**21. Why is the ski hill still running and the lights are always on up there?**

There are many benefits to recreation such as social, mental, physical, and economic. We require power to the bottom chalet for a motor so it doesn't freeze and the lights are on the same breaker/power cable. We investigated adding a sperate power cable and it was around \$80,000, so instead we switched to low drawing LED lights.

**22. How many people working in (or attached to) the Recreation Centre will be adversely impacted by cutting hours of access?**

Depending on the final service reductions chosen, it could result in anywhere from 3 to 10 staff being adversely impacted by reducing the hours of access at the facility.

**23. How many people work at the Municipal Office?**

- 9 full-time employees
- 1 part time employee
- 1 vacancy (full-time)

**24. What projects can be put off for future years (3-5 yrs).**

The full list of capital projects and which have been removed or delayed to future years are listed in the Feb. 10, 2025 Budget Meeting Presentation available here:

<https://www.letschatmackenzie.ca/2025-budget>

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## The Future & Other

### **25. What are the plans to help move Mackenzie forward and encourage business to come to town?**

The District adopted both a Community Economic Development Plan and Tourism Development Plan in 2021 that outline a number of recommendations and priority areas, based on best practice and local community input, that the District should be focusing on to support current business retention and expansion along with encouraging diversification/investment into new sectors. These plans are reviewed annually in developing departmental workplans and actions are added to the District's workplans to align with current community priorities and industry trends.

Mayor and Council play an integral role in this also through their liaison roles, professional networks, and lobbying efforts to ensure Mackenzie is top of mind when policy decisions are being made. The District also has dedicated staff that are points of contact for business and investors and are regularly sharing community information, discussing available lands and tax incentives, and advertising Mackenzie as open for business.

District staff and Council meet regularly with the Mackenzie Chamber of Commerce, investors, local business owners, as well as participate in industry networks to stay informed of current trends, align and support one another's initiatives, and connect with other regional, Provincial, and Federal economic development agencies to help keep Mackenzie top of mind for new investment opportunities.

Lastly, Mayor and Council has made Economic Vitality a priority overall for the District and as a result, staff across the organization are contributing to achieving the plan objectives and goals through upgrades and maintenance of infrastructure, reviewing and updating procurement, permitting, and land use policies, continuing community safety efforts, and supporting a high quality of life and work-life balance in Mackenzie with new events, recreational assets, and funding other community projects and programming.

Further information can be found in the Economic Development section of the District Website here: <https://districtofmackenzie.ca/business-development/economic-development-2/>

### **26. What happens to the Administration Fee on the Fortis BC Bills that is noted as being collected for the District of Mackenzie.**

The Administration Fee contributes to the operating fee payment received from Fortis BC to the District and is used for to cover general operating expenses.