

# 2019 – 2023 Draft Financial Plan Recap



# Projected Property Tax Increases

	2019	2020	2021	2022	2023
General Asset Management Reserve	1.00%	1.00%	1.00%	1.00%	0.00%
General Property Tax Increase	4.03%	2.38%	1.48%	1.59%	1.44%
<b>Draft 2019 - 2023 Financial Plan</b>	<b>5.03%</b>	<b>3.38%</b>	<b>2.48%</b>	<b>2.59%</b>	<b>1.44%</b>

	2019	2020	2021	2022	2023
General Asset Management Reserve	1.00%	1.00%	1.00%	1.00%	0.00%
General Property Tax Increase	4.41%	2.37%	1.47%	1.59%	1.44%
<b>Revised Draft 2019 - 2023 Financial Plan*</b>	<b>5.41%</b>	<b>3.37%</b>	<b>2.47%</b>	<b>2.59%</b>	<b>1.44%</b>

The approved annual 1% property tax increase for contribution to the General Asset Management Reserve currently ends in 2022

\*Reflects additional information received after completion of Draft Financial Plan including benefit changes (pension, CPP, EI, WorkSafe)

Additional increases are anticipated for extended health benefits and will be reflected in final 2019 – 2023 Financial Plan

# Projected User Fees

	2019	2020	2021	2022	2023
Sanitary Sewer User Fee Increase	4.00%	4.00%	4.00%	4.00%	0.00%
Water User Fee Increase	7.50%	7.50%	5.00%	5.00%	5.00%

2.5% annual increase for asset management for Water currently ends in 2020 and the 4% annual increase for asset management for Sewer currently ends in 2022

	2019	2020	2021	2022	2023
Sanitation User Fees	\$ 170	\$ 170	\$ 170	\$ 175	\$ 179

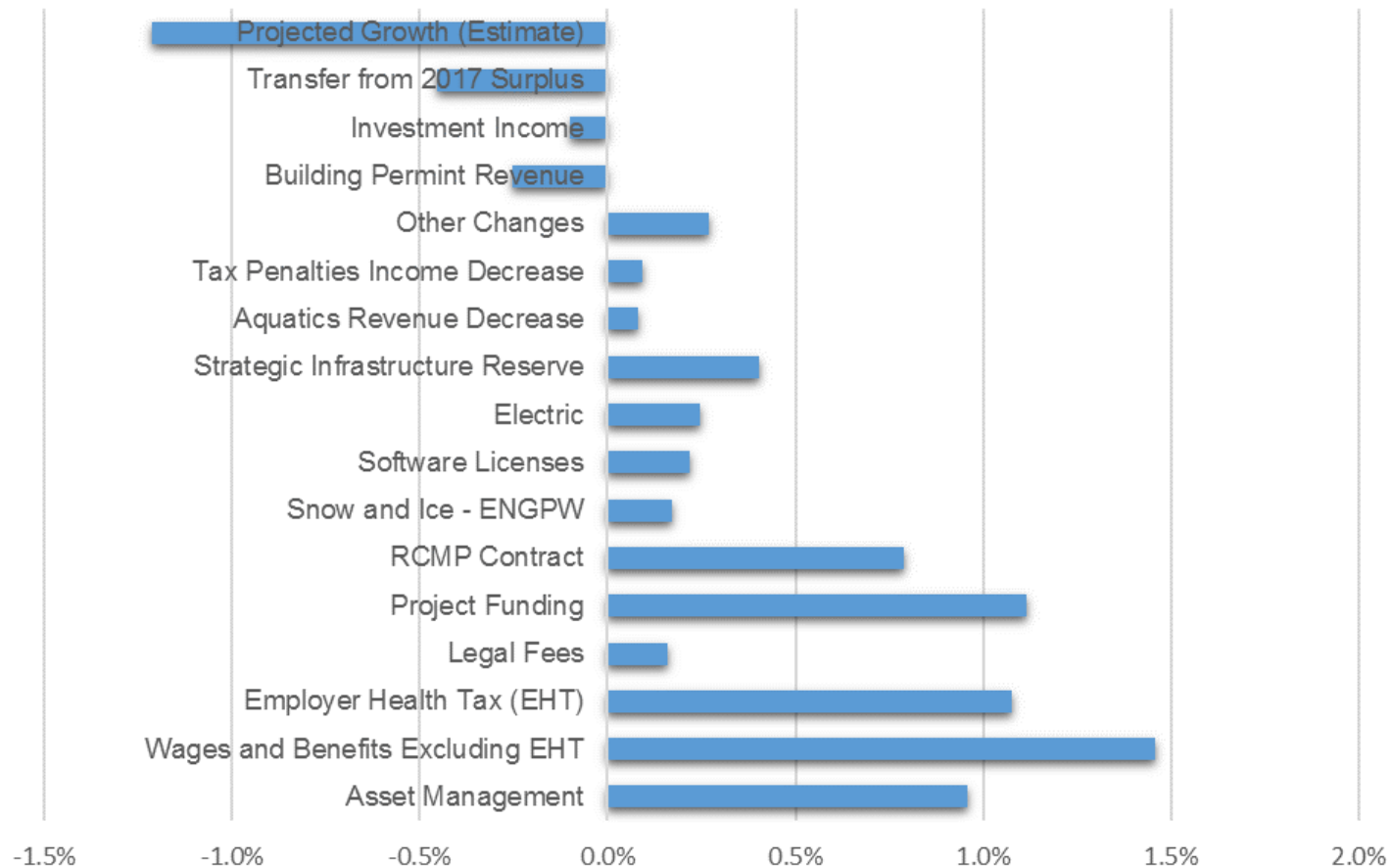
# 2019 Key Budget Drivers for 5.03% Increase

<b>Expenditure Increases/(Decreases)</b>		<b>DRAFT</b>
Asset Management		\$ 948,000
<b>Operating Expenditures</b>		
Wages and Benefits excluding EHT	\$ 1,445,000	
Employer Health Tax (EHT)	<u>1,064,000</u>	
		2,509,000
Legal Fees		160,000
Project Expenditures		
Annual general revenue funding		1,105,000
RCMP Contract (budgeted at 92%)		783,000
Snow and Ice Control - ENGPW (portion funded from surplus in 2018)		170,000
Software Licenses		218,000
Electric		
Street Lights	\$ 153,000	
Other	<u>90,000</u>	
		243,000
Strategic Infrastructure Reserve		<u>400,000</u>
<b>Subtotal Expenditure Increases</b>		<b>\$6,536,000</b>

# 2019 Key Budget Drivers for 5.03% Increase

		DRAFT
<b>Revenue (Increases)/Decreases</b>		
Aquatics Revenue - Beban/NAC		\$ 81,000
Building Permit Revenue		(250,000)
Investment Income		(100,000)
Tax Penalties		92,000
Tsf from Surplus		
2017 Surplus Allocated to EHT	\$ (500,000)	
2017 Surplus Allocated to General Expenditures	<u>50,000</u>	
		<u>(450,000)</u>
<b>Subtotal Revenue Increases</b>		<b>\$ (627,000)</b>
<b>Other Changes</b>		<b>\$ 268,000</b>
<b>Net Expenditure Increases before Growth</b>		<b>\$6,177,000</b>
Less Increased Property Tax Revenues due to Growth - Estimate		1,200,000
<b>Net Expenditures Increase</b>		<b>\$4,977,000</b>

# 2019 Key Budget Drivers – General



# Staff Recommended Changes

# Growth (non-market change)

- Revise estimate for growth for 2019
- Increase to \$1.3 million from \$1.2 million based on preliminary numbers
- Final growth number will be available March 2019, number can vary up or down from preliminary
- Reduction of 0.10% to projected property tax increase



# Items for Council Discussion

# #1 Project Funding Levels – General Taxation

- 20 Year Investment – Target \$7.0 million
- 2018 Approved Funding - \$5.8 million
- 2019 Draft Funding - \$6.9 million
  - Funding increase for 2019 ~ \$1.1 million
  - Impact on property taxes ~ 1.12%

# #2 RCMP Contract Increase

Draft Plan includes 15 new members, 3 per year, over a 5 year period 2020 - 2024

City's Share of Contract - 90% - no new members  
 City's Share of Contract - 90% - additional members  
**Contract Increase**

2019	2020	2021	2022	2023
25,559,593	26,488,346	27,223,148	27,920,884	28,640,131
25,559,593	26,928,090	28,273,940	29,615,520	31,009,389
-	439,744	1,050,792	1,694,636	2,369,258

Budget Impact\*

Projected annual budget - no new members  
 Projected annual budget - additional members  
**Budget Increase**

2019	2020	2021	2022	2023
23,514,826	24,634,162	25,317,528	25,966,422	26,635,322
23,514,826	25,043,124	26,294,764	27,542,434	28,838,732
-	408,962	977,236	1,576,012	2,203,410

Estimated Impact on Property Taxes

2019	2020	2021	2022	2023
	0.39%	0.51%	0.52%	0.53%

# of Members

Increase in Members

2019	2020**	2021	2022	2023
145	148	151	154	157
	3	3	3	3

\* City budgets at less than 100% of contract due to vacancies - 92% of contract 2019, 93% of contract 2020 - 2023

\*\* April 1st budgeted start, subsequence years January 1st start'

## #3 Strategic Infrastructure Reserve

- 2019 is the third of four year transition of annual Casino revenue to reserve
- Fortis Gas revenue was fully transitioned in 2017
- 2019 impact of transition \$400,000
- Impact on 2019 property taxes ~ 0.40%
- Option for Council consideration
  - Extend transition period to five years
    - Reduce or eliminate 2019 increased funding to reserve



## #4 Economic Development - Service Delivery Model Changes

- 2019 – 2023 Draft Financial Plan is a status quo budget for Economic Development

## #5 Asset Management

- 1% annual increase for contribution to General Asset Management Reserve extended to 2022 in 2017
  - 20 Year Investment Plan recommendation to help address infrastructure funding gap
- 2019 impact ~ \$948,000
- 2019 contribution to reserve ~ \$6.6 million

# #6 Rebuilding of SNIC Reserves

- Two Snow and Ice (SNIC) Reserves
  - Engineering and Public Works (ENGPW)
  - Parks and Recreation
- December 31, 2017 - \$0 balance in both reserves
- Effective 2018 rebuilding reserves
  - ENGPW target balance - \$900,000 by end of 2022
  - Parks and Recreation - \$300,000 by end of 2021
- 2019 budget for reserves - \$275,000
  - \$200,000 – ENGPW
  - \$75,000 – Parks and Recreation
- Impact on 2019 property taxes ~ 0.28%
- Option for Council consideration
  - Extend timeline for rebuilding reserve
  - Risk - severe winter

# #7 2019 New Positions in Draft Plan\*

Positions Added	Projected Impact to Property Taxes
<b>City Administration</b>	
Manager, Communications	0.14%
<b>Public Safety</b>	
Bylaw Enforcement Officer – Parking Patroller (Hospital Area Parking Strategy)	0.03% for vehicle for position, position to be funded from parking
Bylaw Enforcement Officer – Parking Patroller (CPSO Office)	0.09%
<b>Community Development</b>	
Administrative Support	0.08%
<b>Engineering and Public Works</b>	
Parking and Street Use Coordinator	0.11%
Public Works Clerk/Dispatcher	0.08% (24% of position funded from sewer and water)
<b>Parks and Recreations</b>	
Special Events Coordinator	0.10%

## Other changes:

Additional 2,184 hrs annually for Arena Maintenance Workers to meet new Technical Safety BC requirements

Planning Co-op Student (4 months)

**\*Supported by Business Case**



## #8 2020 – 2023 New Positions in Draft Plan\*

- January 2020 - Additional automated truck and refuse collector
  - Truck to be ordered and delivered in 2019
  - Truck purchase to be funded from short-term borrowing
  - Anticipate annual budget increase for debt-servicing, staffing and annual fleet allocation ~ \$255,000
  - Funded from sanitation user fees
- July 2022 - Additional automated truck and refuse collector
  - Truck to be ordered early 2022
  - Truck purchase to be funded from short-term borrowing
  - Anticipate budget increase for six months of debt-servicing, staffing and annual fleet allocation ~ \$134,000
  - Funded from sanitation user fees

# #9 New Positions Not in Draft Plan\*

Additional Business Cases Prepared	Projected Impact to 2019 Property Taxes
<b>Corporate Services</b>	
Buyer	0.10%
IT Client Support Specialist	0.08%
Temporary GIS Technologist – 1 Year	0.10%
<b>Community Development</b>	
Engineering Development Technician	0.09%
Planner	0.11%
<b>Engineering and Public Works</b>	
Active and Sustainable Transportation Coordinator	0.11%
Asset Management Specialist - management	0.14%
Manager of Utilities - management	0.17%
Project Engineer #1 - management	0.14%
Project Engineer #2 - management	0.14%
Recycling and Policy Advisor	No impact. Funded from sanitation user fees – additional increase to sanitation operating budget of \$26,138 position offset by budget for 3 R's contract

\*Supported by Business Case

# #9 New Positions Not in Draft Plan\*

Additional Business Cases Prepared		Projected Impact to 2019 Property Taxes
<b>Parks and Recreation</b>		
Allocations Clerk – replace backfill coverage with FTE		0.03%
Parks Custodians – 1 PFT, 1 Seasonal		0.16% plus 0.04% for a vehicle for positions
<b>Public Safety</b>		
Bylaw Enforcement Officer – Parking Patroller (CPSO Office)		0.09%

\*Supported by Business Case

# #9 New Positions Not in Draft Plan\*

Addition of 4 career firefighters

Based on June 1, 2019 start date

	2019	2020	2021	2022	2023
<b>Projected Costs</b>					
Wages and Benefits	171,049	353,380	415,208	479,352	545,912
Clothing and Uniform		420	1,220	420	1,220
Annual Training	2,000	4,000	4,000	4,000	4,000
<b>Total Projected Cost Increase</b>	<b>173,049</b>	<b>357,800</b>	<b>420,428</b>	<b>483,772</b>	<b>551,132</b>
<b>Projected Savings</b>					
Overtime Reduction	25,000	50,000	50,000	50,000	50,000
On-Call Stipend	1,500	3,000	3,000	30,000	30,000
On-Call	10,000	20,000	20,000	20,000	20,000
<b>Total Projected Savings</b>	<b>36,500</b>	<b>73,000</b>	<b>73,000</b>	<b>100,000</b>	<b>100,000</b>
<b>One-time Costs</b>	<b>26,000</b>				
<b>Projected Net Increase</b>	<b>162,549</b>	<b>284,800</b>	<b>347,428</b>	<b>383,772</b>	<b>451,132</b>
<b>Estimated Impact to Property Taxes</b>	<b>0.16%</b>	<b>0.12%</b>	<b>0.06%</b>	<b>0.03%</b>	<b>0.06%</b>

\*Supported by Business Case

# Next Steps

- December 5<sup>th</sup> - Direction from Council on revisions to draft plan
- 2019 – 2023 Financial Plan Bylaw to Council for first three readings December 17<sup>th</sup>
- 2019 – 2023 Financial Plan Bylaw adopted by Council January 2019

## **Alternative**

- December 5<sup>th</sup> - Direction from Council on revisions to draft plan
- December 12<sup>th</sup> - Finance and Audit Committee
  - Council provides additional direction for revisions
- 2019 – 2023 Financial Plan Bylaw to Council for first three readings and adoption January 2019