



Development and Review to Date

- Finance and Audit Committee meetings:
 - Budget Overview and Departmental Business Plans presented November 20th and 22nd, 2019
 - 2020 – 2024 Draft Project Plan presented November 25th, 2019
 - Budget Recap presented November 25th, 2019
- eTown Hall held on December 2nd, 2019
- 2020 – 2024 Financial Plan Bylaw approved
 - Adopted at Council meeting on January 13th, 2020
 - Referred to as the Provisional Five Year Financial Plan

2020 – 2024 Financial Plan

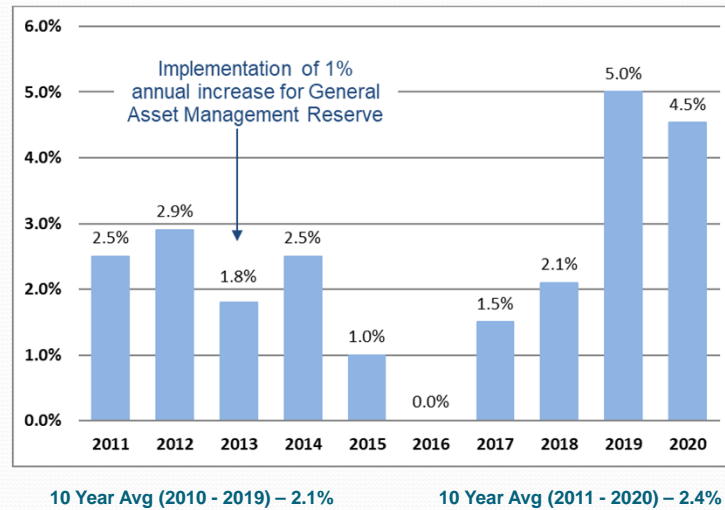
Projected Property Tax Increase

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------|-------------|-------------|-------------|-------------|
| General Asset Management Reserve | 1.0% | 1.0% | 1.0% | 0.0% | 0.0% |
| General Property Tax Increase | 3.5% | 2.0% | 2.4% | 1.9% | 1.8% |
| 2020 - 2024 Financial Plan - Final | 4.5% | 3.0% | 3.4% | 1.9% | 1.8% |

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

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------|-------------|-------------|-------------|-------------|
| General Asset Management Reserve | 1.0% | 1.0% | 1.0% | 0.0% | 0.0% |
| General Property Tax Increase | 4.2% | 1.9% | 2.4% | 1.9% | 1.8% |
| 2020 - 2024 Financial Plan - Provisional | 5.2% | 2.9% | 3.4% | 1.9% | 1.8% |

Property Tax History



Typical Home

excludes property taxes collected for the RDN, School District, Hospital and Vancouver Island Regional Library

Impact on a Typical Home

| | 2019 | 2020 | \$ Change | % Change |
|--|------------------|------------------|----------------|-------------|
| Assessment - Average Home | \$518,384 | \$527,145 | \$8,761 | 1.7% |
| Property Taxes | \$2,110 | \$2,205 | \$95 | 4.5% |
| Municipal User Fees | | | | |
| Water Fees | 552 | 594 | 42 | 7.5% |
| Sewer Fees | 135 | 141 | 6 | 4.0% |
| Sanitation Fees | 170 | 171 | 1 | 0.6% |
| Total Municipal Taxes & User Fees | \$2,967 | \$3,111 | \$144 | 4.8% |

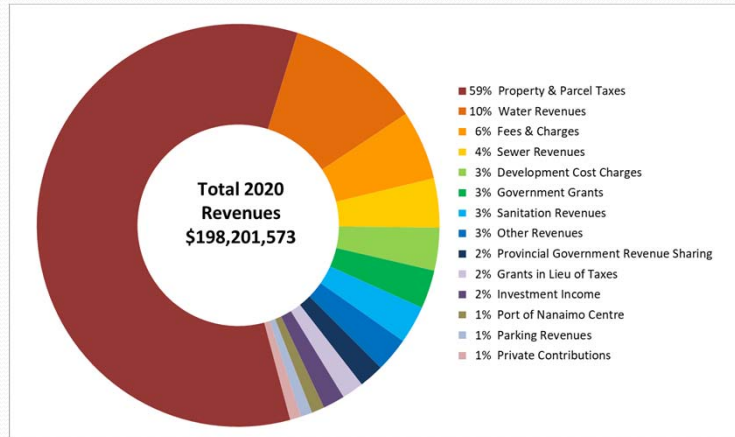
Assumes a typical single family house with average assessment change of 1.69%

* Rounded to nearest dollar

Financial Summary

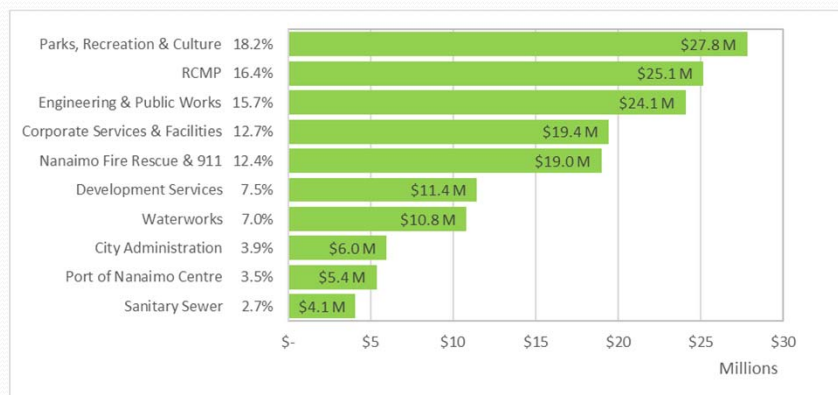
2020 Revenues

\$198 million provides funding for annual operating and maintenance, projects, contributions to infrastructure renewal reserves and VIRL



2020 Operating Budget

\$153 M will be spent for annual operating and maintenance resources that deliver day-to-day City Services.



2020 Key Budget Drivers – General

| Expenditure Increases/(Decreases) | |
|---|---------------------|
| Asset Management | \$ 1,010,000 |
| Wages and Benefits ¹ | 3,340,000 |
| Contracted Services - Landscaping/Tree Services | 108,000 |
| Council Contingency | (100,000) |
| Economic Development ² | 467,000 |
| Fleet Charge - Fire | 100,000 |
| Legal Fees | 123,000 |
| Project Expenditures | |
| Annual general revenue funding | 521,000 |
| RCMP Contract (budgeted at 95%) | 1,581,000 |
| Snow and Ice Control Reserve | (275,000) |
| Sewer and Water Internal Support | (199,000) |
| Utilities - Water and Sewer | 154,000 |
| Subtotal Expenditure Increases | \$ 6,830,000 |

2020 Key Budget Drivers – General

| Revenue (Increases)/Decreases | |
|--|---------------------|
| Building Permit Revenue | (200,000) |
| Casino Revenue | (100,000) |
| Grant in Lieu | (146,000) |
| Provincial Fine Revenue | (233,000) |
| Recreation Facilities/Sportsfield Agreement | (104,000) |
| Transfer from RCMP Contract Reserve | (268,000) |
| Transfer from Surplus/Reserve ³ | 500,000 |
| Subtotal Revenue Increases | \$ (551,000) |
| Other Changes | \$ 42,000 |
| Net Expenditure Increases | \$ 6,321,000 |
| Less Increased Property Tax Revenues due to Growth | 1,469,000 |
| Net Impact | \$ 4,852,000 |
| Dollars are rounded to nearest \$1,000 | |

¹Excludes new Manager, Economic Development

²Includes new Manager, Economic Development

³\$500,000 in funding from reserves from 2017 surplus allocation was used to offset EHT in 2019

Property Tax Options

Option #1 – Approve 2020 – 2024 Financial
Plan as Presented

Option #1 – Projected Property Tax Increases

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| General Asset Management Reserve | 1.0% | 1.0% | 1.0% | 0.0% | 0.0% |
| General Property Tax Increase | 3.5% | 2.0% | 2.4% | 1.9% | 1.8% |
| Total Municipal Taxes | 4.5% | 3.0% | 3.4% | 1.9% | 1.8% |

| | 2019 | 2020 | \$ Change | % Change |
|--|------------------|------------------|----------------|-------------|
| Assessment - Average Home | \$518,384 | \$527,145 | \$8,761 | 1.7% |
| Property Taxes | \$2,110 | \$2,205 | \$95 | 4.5% |
| Municipal User Fees | | | | |
| Water Fees | 552 | 594 | 42 | 7.5% |
| Sewer Fees | 135 | 141 | 6 | 4.0% |
| Sanitation Fees | 170 | 171 | 1 | 0.6% |
| Total Municipal Taxes & User Fees | \$2,967 | \$3,111 | \$144 | 4.8% |

Assumes a typical single family house with average assessment change of 1.69%

* Rounded to nearest dollar

Option # 2 – Smooth Property Tax Increase between 2020 and 2021

Option #2 – Projected Property Tax Increases

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| General Asset Management Reserve | 1.0% | 1.0% | 1.0% | 0.0% | 0.0% |
| General Property Tax Increase | 2.8% | 2.8% | 2.4% | 1.9% | 1.8% |
| Total Municipal Taxes | 3.8% | 3.8% | 3.4% | 1.9% | 1.8% |

| | 2019 | 2020 | \$ Change | % Change |
|--|------------------|------------------|----------------|-------------|
| Assessment - Average Home | \$518,384 | \$527,145 | \$8,761 | 1.7% |
| Property Taxes | \$2,110 | \$2,189 | \$79 | 3.8% |
| Municipal User Fees | | | | |
| Water Fees | 552 | 594 | 42 | 7.5% |
| Sewer Fees | 135 | 141 | 6 | 4.0% |
| Sanitation Fees | 170 | 171 | 1 | 0.6% |
| Total Municipal Taxes & User Fees | \$2,967 | \$3,095 | \$128 | 4.3% |

Assumes a typical single family house with average assessment change of 1.69%

* Rounded to nearest dollar

Option # 3 – No Operating Property Tax Increase, Property Tax Increase for General Asset Management Reserve Only

Option #3 – Projected Property Tax Increases

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| General Asset Management Reserve | 1.0% | 1.0% | 1.0% | 0.0% | 0.0% |
| General Property Tax Increase | 0.0% | 5.8% | 2.4% | 1.9% | 1.8% |
| Total Municipal Taxes | 1.0% | 6.8% | 3.4% | 1.9% | 1.8% |

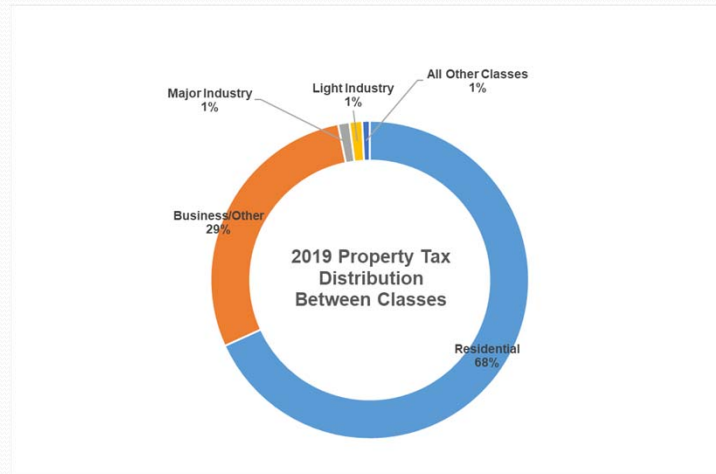
| | 2019 | 2020 | \$ Change | % Change |
|--|------------------|------------------|----------------|-------------|
| Assessment - Average Home | \$518,384 | \$527,145 | \$8,761 | 1.7% |
| Property Taxes | \$2,110 | \$2,131 | \$21 | 1.0% |
| Municipal User Fees | | | | |
| Water Fees | 552 | 594 | 42 | 7.5% |
| Sewer Fees | 135 | 141 | 6 | 4.0% |
| Sanitation Fees | 170 | 171 | 1 | 0.6% |
| Total Municipal Taxes & User Fees | \$2,967 | \$3,037 | \$70 | 2.3% |

Assumes a typical single family house with average assessment change of 1.69%

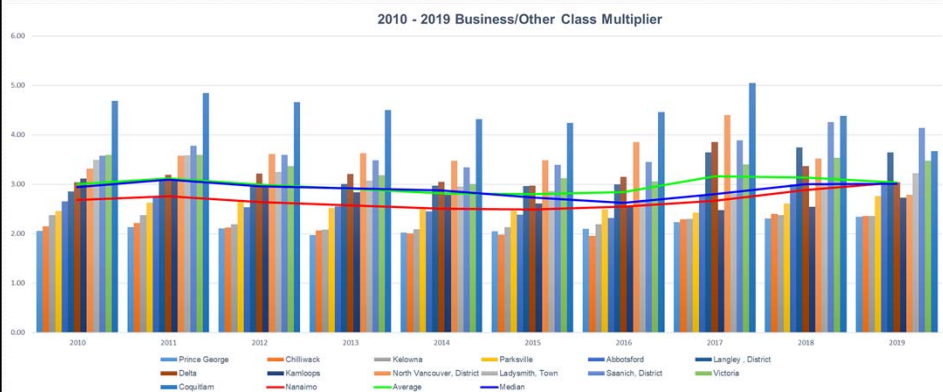
* Rounded to nearest dollar

Tax Shift Between Property Classes

2019 Municipal Property Tax Distribution



Comparable Population and Neighbouring Communities



Next Steps

- May 4th
 - Decision report to Council for 2020 – 2024 Financial Plan
- May 11th
 - Financial Plan Amendment Bylaw to Council for first three readings and adoption
 - Property Tax Bylaw to Council for first three readings and adoption

Financial Plan Amendment Bylaw must be adopted by May 15th
Bylaws allows staff to calculate and collect 2020 property taxes