

2019-2023 General Operating Financial Plan Highlights

General Operating Financial Plan Overview

- Operational Financial Plan is a collaborative effort by all departments.
- Focus on Asset Management for sustainable service delivery – as per Council's Asset Management Policy
- Emphasis on preventative maintenance to extend the life of the City's assets
- Align with and support Council's Strategic Priorities
- Maintain current levels of service, while incorporating efficiencies wherever possible

General Operating Financial Plan Overview

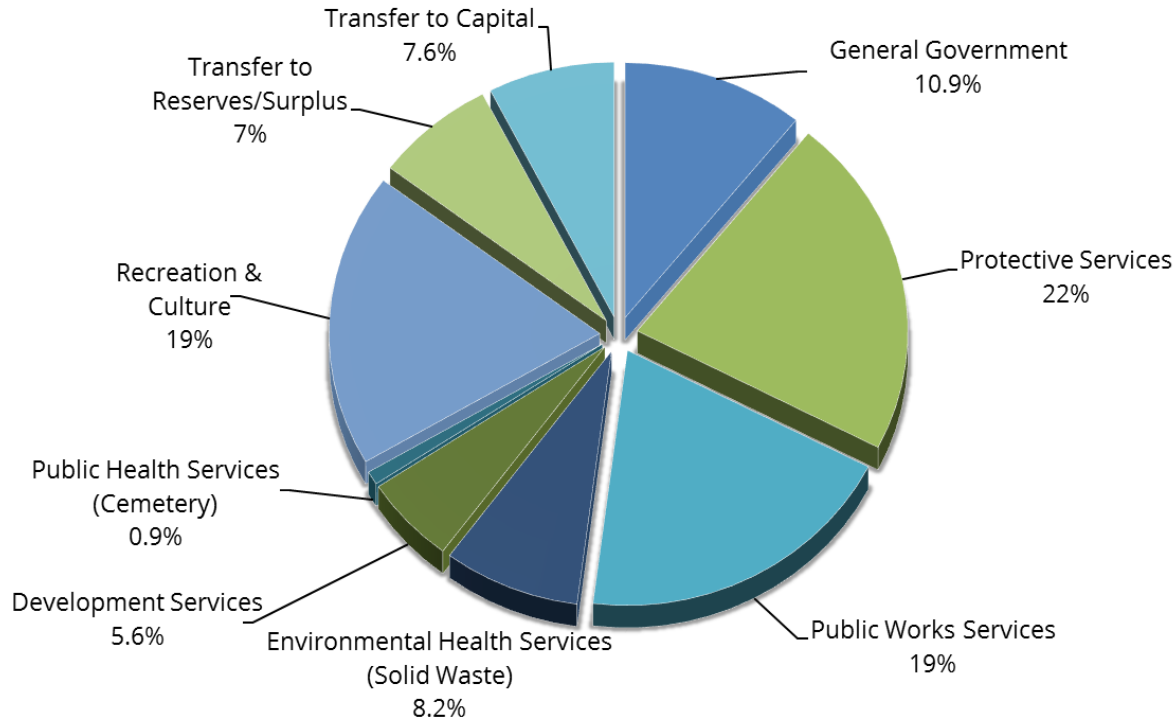
General Operating
Expense Budget of
\$34.4 M in 2019

Increase of \$1 M from
2018 Budget

General Operating Fund Expenditures	Budget 2018	Budget 2019	Variance \$	Variance %
Operating Expenditures				
General Government	4,132,200	4,392,500	260,300	6.3%
Protective Services	8,579,100	8,735,100	156,000	1.8%
Public Works Services	7,925,000	7,859,300	(65,700)	-0.8%
Environmental Health Services	3,197,400	3,296,700	99,300	3.1%
Public Health Services	305,600	345,300	39,700	13.0%
Development Services	2,021,600	2,239,900	218,300	10.8%
Parks, Recreation & Cultural Services	7,192,800	7,511,000	318,200	4.4%
Total Operating Expenses	33,353,700	34,379,800	1,026,100	3.1%
Amortization	4,000,000	4,250,000	250,000	6.3%
Total Expenses	37,353,700	38,629,800	1,276,100	3.4%
Transfer to Capital Fund	2,811,000	3,052,200	241,200	8.6%
Transfer to Reserve Funds	2,492,500	2,898,700	406,200	16.3%
	5,303,500	5,950,900	647,400	12.2%
	42,657,200	44,580,700	1,923,500	4.5%

General Operating Financial Plan Overview

**General Operating Expenses Budget 2019
Distribution by Department**



General Operating Cost Drivers - External

Personnel

- CUPE, Exempt, Council, Volunteer Fire salary contractual increases = \$272.6k
- Employer Health Tax = \$250k
- Benefit increases = \$215k

Services

- Protective Services – Impact of RCMP contract = \$86.5k
- Election costs = reduction of 45k from 2018 Budget
- Insurance, Hydro Increases = \$45.7k

Other

- Regional Emergency Requisition Increased by \$17.4k
- Library Requisition increase = \$85.8k (offset by revenue)
- Solid Waste Collection Contract increased by \$106.7k (offset by revenue)

**Total Key
External
Cost
Drivers :
\$1,034,700**

General Operating Cost Drivers - Internal

Personnel

- Preventative Maintenance Plan programs to extend the life of in-service assets = \$161k
- Filling Vacancies & 1 FTE to support community and sustainability planning = \$235K

Services Supporting Strategic Priorities

- Asset Condition Assessments = reduction of \$305k from 2018 Budget
- Development Services OCP and other studies = increase of \$95k from 2018 Budget
- Engineering Master Plans = reduction of \$28k from 2018 Budget
- Support for software implementation = \$80k
- Preventative Crack Sealing program increase = \$50k

Asset Management's role in Operations

- Inventory and condition assessments completed in 2018
- Risk analysis completed in 2018 resulting in identification of areas of concern
- Master Plans to be completed:
 - Parks and Recreation – Spring 2019
 - Water and Sewer – Spring 2019
 - Transportation (TMP) – Summer 2019
 - Integrated Rainwater (IRMP) – 2021 (estimate)
 - Result will be a 25 year capital plan
- Preventative maintenance plan in place and completed for 2018
 - PMP extend the life of assets by 10-15% saving significant capital expenditures in future years

General Operating Revenue Sources

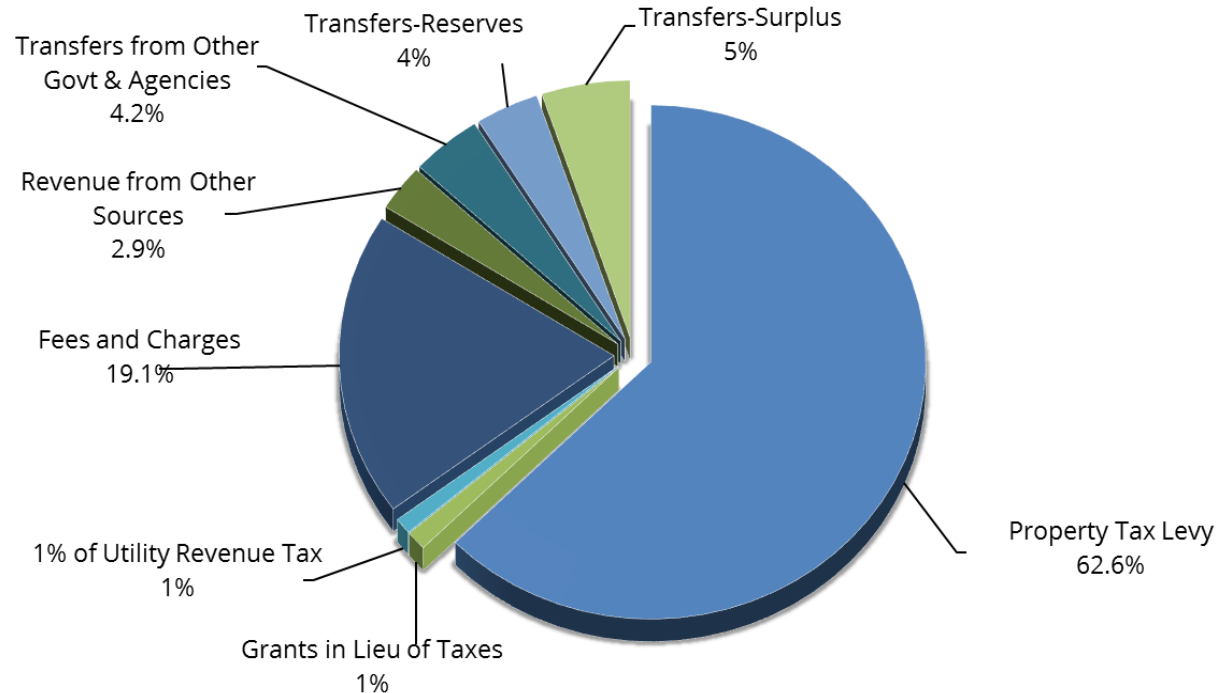
General Operating
Revenue Budget of
\$40.3 M in 2019

Overall increase of
\$1.7 M from 2018
Budget

General Operating Fund Revenue	Budget 2018	Budget 2019	Variance \$
Taxes			
General Municipal Taxes	24,024,400	25,416,800	1,392,400
Collections for Other Governments (Estimate)	21,021,800	21,941,800	920,000
Total Taxes Collected	45,046,200	47,358,600	2,312,400
Less:			
Property Taxes for Other Governments (Estimate)	(21,021,800)	(21,941,800)	(920,000)
Portion of Grants in Place of Taxes	(143,700)	(165,800)	(22,100)
	(21,165,500)	(22,107,600)	(942,100)
Net Municipal Taxes	23,880,700	25,251,000	1,370,300
Grants in Lieu of Taxes	462,400	489,000	26,600
% of Revenue Tax	399,500	410,000	10,500
Taxes for Municipal Purposes	24,742,600	26,150,000	1,407,400
Fees and Charges	7,435,300	7,714,000	278,700
Revenue from Other Sources	1,050,100	1,178,500	128,400
Transfers from Other Govt & Agencies	1,880,900	1,683,400	(197,500)
Transfers-Reserves	1,756,600	1,504,500	(252,100)
Transfers-Surplus	1,791,700	2,100,300	308,600
	38,657,200	40,330,700	1,673,500

General Operating Revenue Sources

**General Operating Revenues Budget 2019
Distribution by Revenue Category**



General Operating Revenue Sources

Gas Tax Funds:

- The City of Courtenay receives **\$1.1 million** per year in Federal Gas Tax revenue. These funds are used to fund eligible capital and operating projects as required
- In 2019, **\$585,000** of Gas Tax Funds are being utilized to fund operating projects that support Asset Management

Gaming Funds:

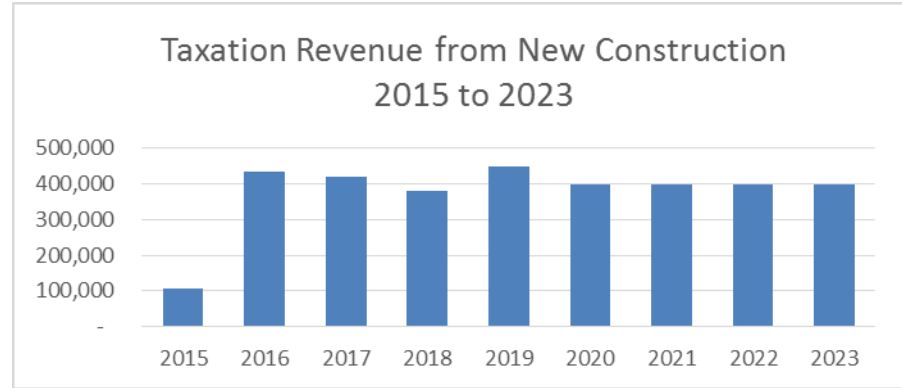
- As a host local government of a gaming facility, the City receives a 10% share of the net gaming revenues every year, which is about **\$1 M** and may be used for “any purpose within their legal authority”
- In 2019, \$405,000 has been used as a source of funding to offset Policing costs

Traffic Fines:

- Traffic Fines are estimated at \$240,000 in 2019 & will also be used to fund Policing costs

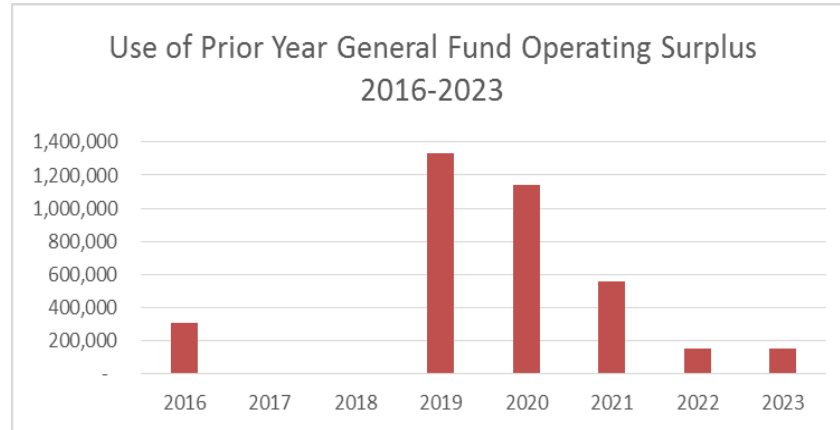
Non Market Change – New Revenue

- Based on the latest 2019 BC Assessment Non Market Change report, the City is expecting to receive approximately \$450,000 in additional taxation revenues from new construction in 2019
- This additional revenue is accumulative and continuing
- BC Assessment is also projecting potential supplementary adjustments for 2019 which staff estimate could result in a reduction to taxation revenue of approximately \$150,000 in 2019



General Fund Prior Year Surplus Use

- Projected \$4 M in prior year operating surplus as at December 31, 2018 (Unaudited)
- Using \$1,331,300 in 2019 that was budgeted and not utilized in 2018
- Using \$3M over the next three years and phase out use by 2021



General Operating Transfer to Reserves

General Operating Fund		2019	2020	2021	2022	2023
		Final	Proposed	Proposed	Proposed	Proposed
		Budget	Budget	Budget	Budget	Budget
RESERVE FUNDS						
	MACHINERY & EQUIP RESERVE	650,000	675,000	700,000	725,000	750,000
	NEW WORKS & OTHER RESERVES	650,800	743,700	807,200	910,200	1,043,700
	PUBLIC PARKING	6,600	6,700	6,800	6,800	6,900
	MFA RESERVE	6,500	6,600	6,800	6,900	7,000
	RESERVE FUTURE EXPEND.	-	-	-	-	-
	INTERFUND INTEREST	150,000	151,500	153,000	154,500	156,100
	NEW WORKS BYLAW 1835	1,405,000	1,409,800	1,414,700	1,419,700	1,419,700
	CEMETERY CARE FUND	11,000	11,000	11,000	11,000	11,000
	CARBON OFFSETS	18,800	18,800	18,800	18,800	18,800
	Transfer to Reserves	2,898,700	3,023,100	3,118,300	3,252,900	3,413,200

General Fund Surplus Balances

GENERAL Surplus, Reserves and DCC Summary	Budget	Proposed Budget			
	2019	2020	2021	2022	2023
General Operating Surplus					
Prior Year Surplus	2,741,500	1,600,700	1,046,900	1,198,000	1,944,000
Sid Williams Theatre Society	275,900	265,900	260,900	255,900	260,900
Gaming Funds	1,762,200	1,587,200	1,587,200	1,587,200	1,587,200
	4,779,600	3,453,800	2,895,000	3,041,100	3,792,100
General Capital Surplus					
Unexpended Debt	1,322,878	70,492	6,293	6,293	6,293
Total General Surplus	6,102,478	3,524,292	2,901,293	3,047,393	3,798,393

2019 Property Tax Revenue Requirement

- Proposed 2019 Tax increase 3.75% = \$51.83 annual increase per average home \$435,616
- 2.75% for general tax increase
- 1% for the Asset Management Renewal Reserve

1% of property taxation
equals \$220,800

2019 Impact to Average Residential Property

- Impact of all increases for 2019 for an average residential property valued at \$435,616

Total of All Increases:	
<i>General Fund</i> Property Tax Increase	\$ 51.83
Water Fund User Fee Increase	\$ 30.39
Water Fund Frontage Increase	
Sewer Fund User Fee Increase	\$ 16.21
Sewer Fund Frontage Increase	\$ -
Solid Waste Utility Fee Increase	\$ 3.23
Impact of All City Increases	
	\$ 101.66

Next Steps:

- April 10** Second Special Budget Meeting,
General Operating & Capital *(If required)*
- April 15** First Reading of Financial Plan Bylaw
Tax Rate Multiplier Discussion
Consolidated Financial Plan information
available for Public comments
- April 29** Report back on feedback from the public
Two Readings Financial Plan Bylaw
three readings 2019 Tax Rate Bylaw
- May 6** Final adoption Financial Plan & Tax Rate Bylaws

Questions?