



2020-2024 General Operating Financial Plan Highlights

General Operating Financial Plan Overview

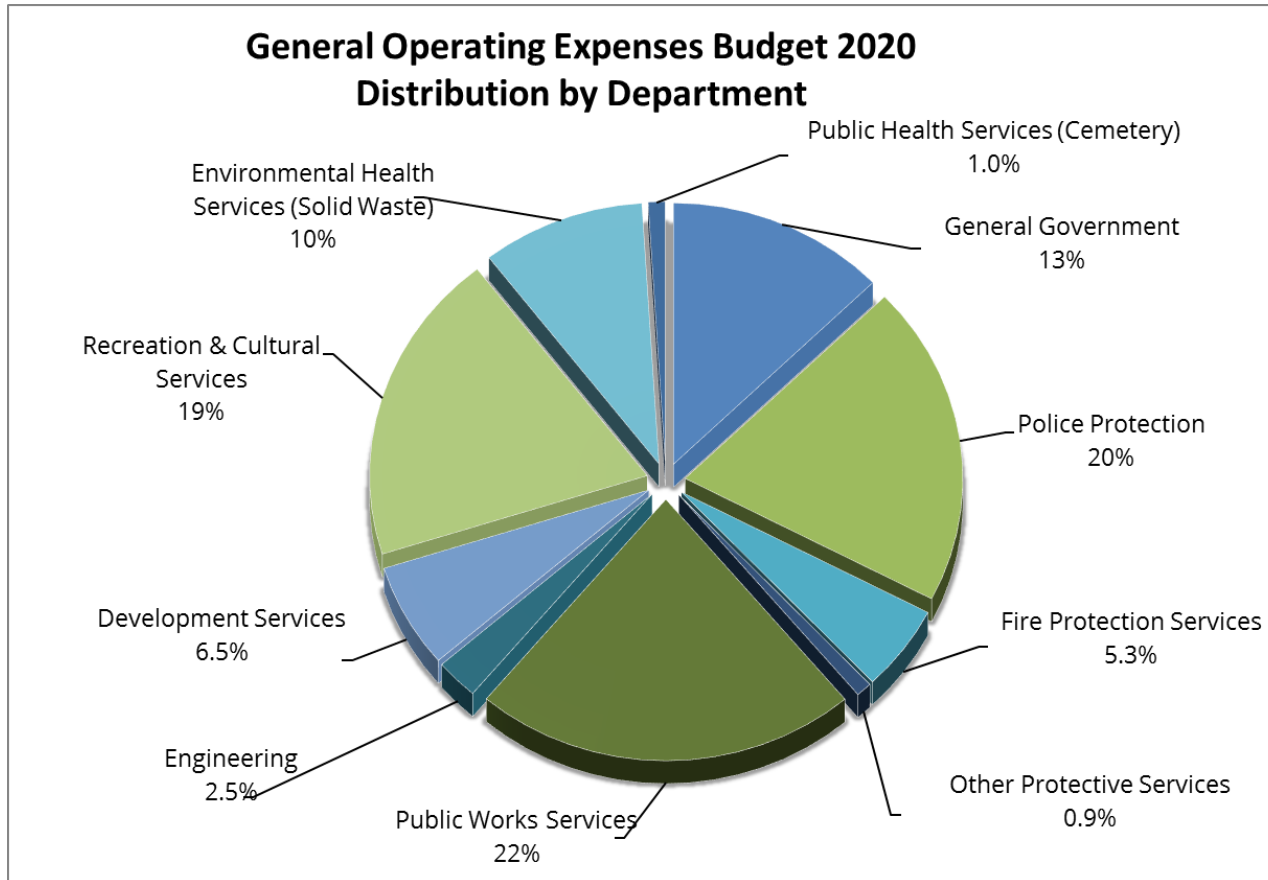
- Operational Financial Plan is a collaborative effort by all departments.
- Focus on Asset Management for sustainable service delivery – as per Council's Asset Management Bylaw No. 2981, 2019
- Emphasis on preventative maintenance to extend the life of the City's assets
- Align with and support Council's Strategic Priorities
- Maintain current levels of service, while incorporating efficiencies wherever possible

General Operating Financial Plan Overview

**General Operating
Expense Budget of
\$36.1 M in 2020**

General Operating Fund	Budget 2019	Budget 2020	Variance \$	Variance %
Operating Expenditures				
General Government	4,392,500	4,604,300	211,800	4.8%
Protective Services	8,735,100	9,418,000	682,900	7.8%
Public Works Services	8,685,700	8,964,400	278,700	3.2%
Environmental Health Services	3,296,700	3,432,900	136,200	4.1%
Public Health Services	345,300	355,700	10,400	3.0%
Development Services	2,207,500	2,331,900	124,400	5.6%
Recreation & Cultural Services	6,657,000	6,986,200	329,200	4.9%
Total Operating Expenses	34,319,800	36,093,400	1,773,600	5.2%
Amortization	4,250,000	4,800,000	550,000	12.9%
Debt Servicing Costs	1,369,500	1,303,900	(65,600)	-4.8%
	39,939,300	42,197,300	2,258,000	5.7%
Transfer to Capital Fund	1,682,700	1,319,800	(362,900)	-21.6%
Transfer to Reserve Funds	2,898,700	3,218,500	319,800	11.0%
	4,581,400	4,538,300	(43,100)	-0.9%
	44,520,700	46,735,600	2,214,900	5.0%

General Operating Financial Plan Overview



General Operating Cost Drivers - External

Personnel

- CUPE, Exempt, Council, Volunteer Fire salary contractual increases = \$250k
- Benefit increases = \$125k
- BC Provincial minimum wage increase = \$105k

Services

- Protective Services – Impact of RCMP contract = \$540.5k
- Insurance increases = \$58.6k

Other

- Library Requisition increase = \$67.4k (offset by revenue)
- Solid Waste Collection Contract and Tipping fee increased by \$182.4k (offset by revenue)

**Total Key
External
Cost
Drivers :
\$1,328,900**

General Operating Cost Drivers - Internal

- Services Supporting Operations and Strategic Priorities**
- General Government Services**
- Support with Property Management services = additional \$50k
 - PC and Tablet replacement program now included in Operating = \$60k, plus \$43k for to replace the Fire Department tablets
 - New software to protect City's network = additional \$21.5k
 - Increase in licensing fees = \$50k
- Recreation and Cultural Services**
- Recreation Fees and Charges Review (initiated 2019) = \$20k
 - Greenspace Connectivity Plan = \$30k

General Operating Cost Drivers - Internal

Services Supporting Operations and Strategic Priorities	Public Works Services <ul style="list-style-type: none">• Increase in service for DCBIA events = \$17.5k• Storm Sewer Condition Assessment = \$250k to complete project (funded by gas tax)• Downtown Parking Study = \$60k• Wayfinding Signs (Downtown playbook obligation) = \$40k• Street Lines = additional \$25k to maintain new bike lanes• Re-Lamp Program = additional \$20k + increase in electricity cost \$30k• Property Maintenance Cultural Facilities +\$94.9k• Engineering Master Plans = reduction of \$140k from 2019 Budget (partly funded by gas tax)
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Asset Management's role in Operations

- Water and Sewer Inventory and condition assessments completed in 2019
- Facilities Inventory and condition assessments completed in 2019
- Master Plans to be completed:
 - Parks and Recreation Implementation Plan – Fall 2020
 - Water and Sewer Master Plans– Spring 2020
 - Transportation (TMP) – Summer 2020
 - Integrated Rainwater (IRMP) – 2021 (estimate)
 - These plans will result in 20 year capital plans for each asset class
- By late fall 2020, all asset classes (7) except storm water will have a 20 year capital plan.

Asset Management's role in Operations

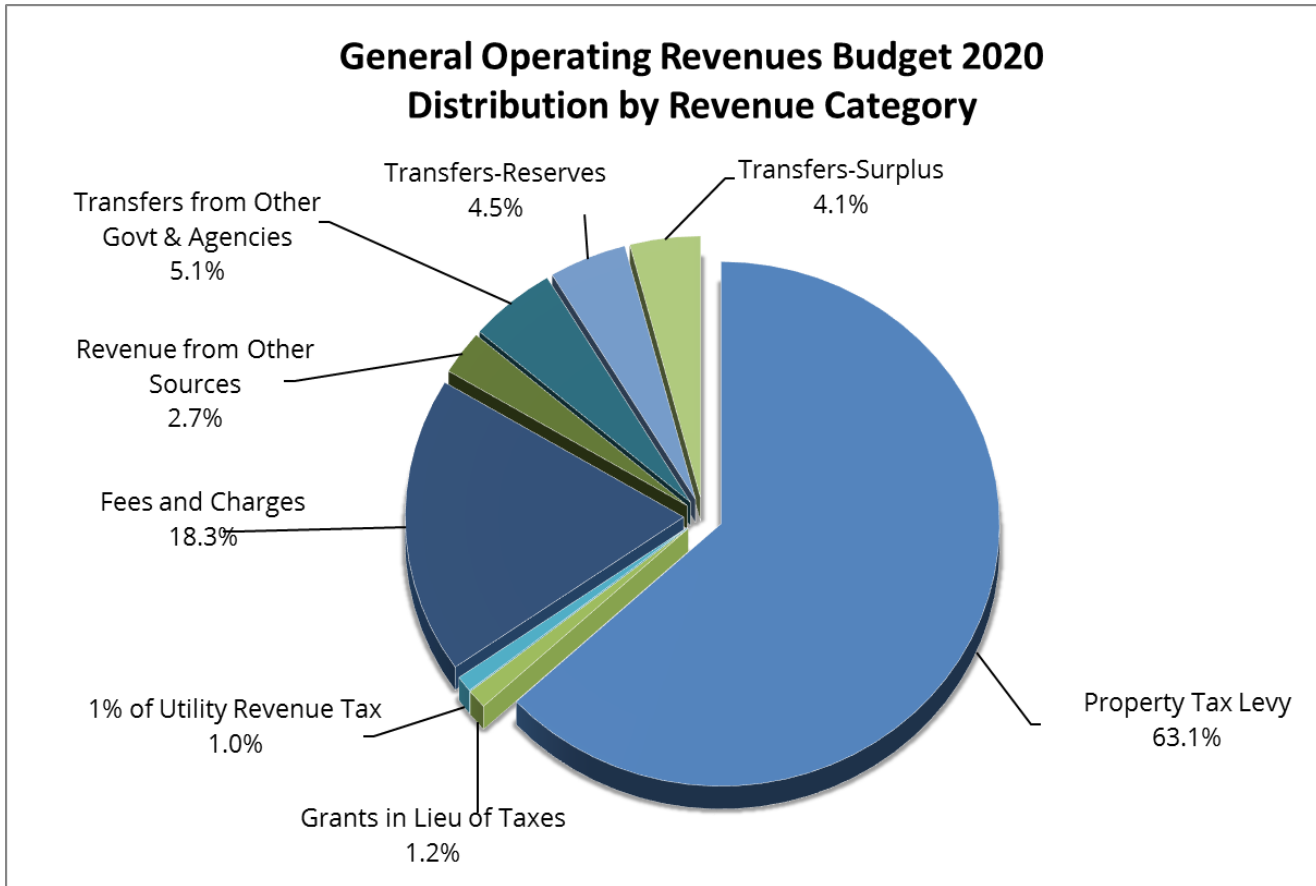
- Preventative maintenance plans in place and completed for 2019
- Benefits of PMP programs:
 1. Can extend the life of assets by 10-15% saving significant capital expenditures in future years
 2. Conservation of assets and increased life cycle of assets, thereby eliminating premature replacement of infrastructure.
 3. Improved efficiency as assets in good repair operate better with less service disruption

General Operating Revenue Sources

General Operating
Revenue Budget of
\$41.9 M in 2020

General Operating Fund	Budget 2019	Budget 2020	Variance \$	Variance %
Taxes				
General Municipal Taxes	25,136,000	26,648,000	1,512,000	6%
Collections for Other Governments (Estimate)	22,001,800	22,876,600	874,800	4%
Total Taxes Collected	47,137,800	49,524,600	2,386,800	5%
Less:				
Property Taxes for Other Governments (Estimate)	(22,001,800)	(22,876,600)	(874,800)	4%
Portion of Grants in Place of Taxes	(165,800)	(169,200)	(3,400)	2%
	(22,167,600)	(23,045,800)	(878,200)	4%
Net Municipal Taxes	24,970,200	26,478,800	1,508,600	6%
Grants in Lieu of Taxes	489,000	493,500	4,500	1%
% of Revenue Tax	410,000	415,700	5,700	1%
Taxes for Municipal Purposes	25,869,200	27,388,000	1,518,800	6%
Fees and Charges	7,323,600	7,663,300	339,700	5%
Revenue from Other Sources	1,077,600	1,135,800	58,200	5%
Transfers from Other Govt & Agencies	2,174,700	2,135,700	(39,000)	-2%
Transfers-Reserves	1,725,300	1,894,700	169,400	10%
Transfers-Surplus	2,100,300	1,718,100	(382,200)	-18%
General Operating Revenues	40,270,700	41,935,600	1,664,900	4%
Equity in Capital Assets	4,250,000	4,800,000	550,000	13%
	44,520,700	46,735,600	2,214,900	5%

General Operating Revenue Sources



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 2020, **\$415,000** of Gas Tax Funds are being utilized to fund operating projects that support Asset Management

Gaming Funds:

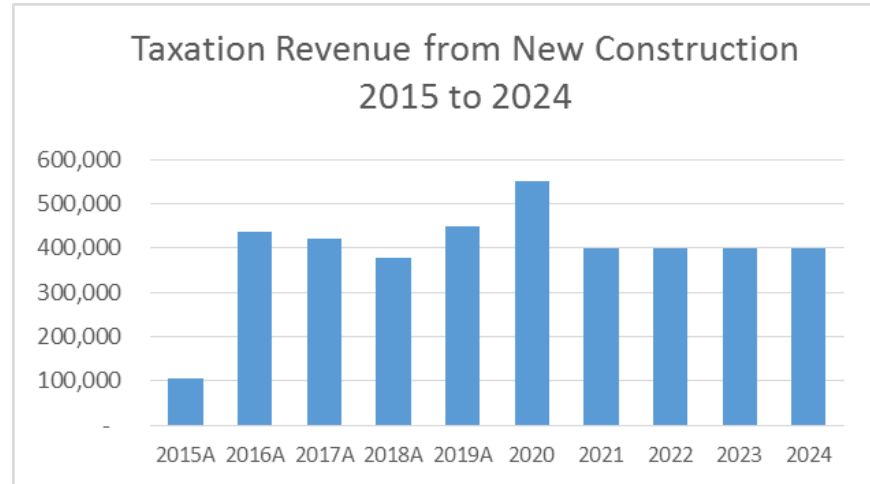
- As a host local government of a gaming facility, the City receives a 10% share of the net gaming revenues every year, which is about **\$1 M** and may be used for “any purpose within their legal authority”
- In 2020, \$405,000 is used as a source of funding to offset Policing costs
- In 2020, \$220,000 is also directed into the Infrastructure Reserve to offset a portion of the infrastructure levy

Traffic Fines:

- Traffic Fines are estimated at \$240,000 in 2020 & will also be used to fund Policing costs

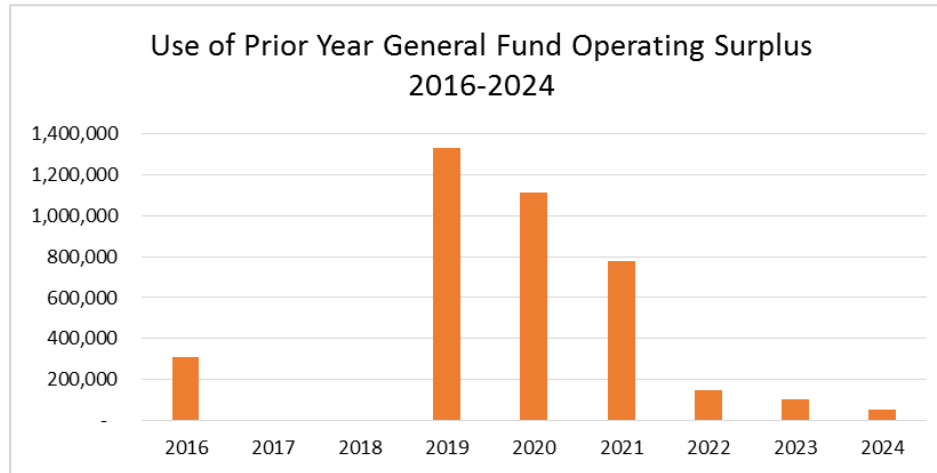
Non Market Change – New Revenue

- Based on the latest 2020 BC Assessment Non Market Change report, the City is expecting to receive approximately \$550,000 in additional taxation revenues from new construction in 2020
- This additional revenue is accumulative and continuing



General Fund Prior Year Surplus Use

- Projected \$3M in prior year operating surplus as at December 31, 2019 (*Unaudited*)
- Projecting not to generate additional surplus in 2019 (*subject to finalizing year end and Audit*)
- Using \$2M over the next two years and phase out use by 2022



General Fund Surplus Balances

GENERAL Surplus, Reserves and DCC Summary Estimated Closing Balances	Estimated Actual	Budget		Proposed Budget		
	2019	2020	2021	2022	2023	2024
General Operating Surplus						
Prior Year Surplus	2,888,300	1,772,500	991,700	1,378,400	2,036,300	3,144,800
Gaming Funds	1,804,800	1,538,000	1,274,500	1,183,500	1,092,500	1,001,500
	4,693,100	3,310,500	2,266,200	2,561,900	3,128,800	4,146,300
General Capital Surplus						
Reserve For Future Expenditure (Unspent Capital 2019)	529,100	25,400	25,400	-	-	-
Unexpended Debt	1,413,500	1,322,300	737,600	673,400	673,400	673,400
	1,942,600	1,347,700	763,000	673,400	673,400	673,400
Total General Surplus	6,635,700	4,658,200	3,029,200	3,235,300	3,802,200	4,819,700

General Operating Transfer to Reserves

Segment	DESC	2019 BUDGET	2020 BUDGET	Variance 2020 Budget - 2019 Budget	Variance %
Transfer to Reserve	TRANSFER TO RESERVES	1,405,000	1,406,800	1,800	0.1%
	TRANS TO GENERAL NEW WORKS	650,800	791,200	140,400	21.6%
	TRANS. TO GENERAL MACH. & EQUIP. RESERVE	650,000	675,000	25,000	3.8%
	TRF TO INTERFUND INTEREST	150,000	300,000	150,000	100.0%
	CARBON OFFSETS	18,800	18,800	-	0.0%
	TRANS TO M.F.A.RESERVE	6,500	6,600	100	1.5%
	TRANS TO GENERAL PUBLIC PARKING	6,600	5,100	(1,500)	-22.7%
Transfer to Reserve Total		2,898,700	3,218,500	319,800	11.0%
Grand Total		2,898,700	3,218,500	319,800	11.0%

2020 Property Tax Revenue Requirement

- Proposed 2020 Tax increase 3.95% = \$55.14 annual increase per average home \$452,706
 - 3.45% for general tax increase
 - 0.50% for the Asset Management Renewal Reserve
- Plus approx. 1.0% funded by the Gaming Fund

**1% of property taxation
equals \$227,000**

2020 Impact to Average Residential Property

- Impact of all increases for 2020 for an average residential property valued at \$452,706

Total of All Increases:	
General Fund Property Tax Increase	\$ 55.14
Water Fund User Fee Increase	\$ 8.13
Water Fund Frontage Increase	
Sewer Fund User Fee Increase	\$ 4.33
Sewer Fund Frontage Increase	\$ -
Solid Waste Utility Fee Increase	\$ 9.06
Impact of All City Increases	\$ 76.66

Next Steps:

- **March 16** Consolidated Financial Plan document presented to Council and available to the Public
- **April 6** Tax Rate Multiplier Discussion
Report back on feedback from the public
- **April 20** Three Readings of Financial Plan Bylaw
Three Readings of 2020 Tax Rate Bylaw
- **May 4** Final adoption of Financial Plan Bylaw
Final adoption of 2020 Tax Rate Bylaw

Questions?