

Municipal budget achieves right balance

By Doug Holmes

Fiscal responsibility is a value held by all members of Council and senior management in the District of Summerland. In our budget deliberations, which have recently concluded for this year, we strive to balance the need to invest in the community with the need to minimize the financial impact on local residents and businesses.

We consistently achieve this balance.

This is my tenth budget as either mayor or councillor and every year our tax increase is below the average of other municipalities in the region and province. This year is no exception.

For 2024, Council is proposing a 5.38% property tax rate increase. Of that increase, 4.44% can be attributed to deferred expenditures from last year when we used savings and reserves to lower the tax rate increase. We did this to provide relief for residents feeling the pinch of inflation.

Unfortunately, inflation is still with us.

The District itself is dealing with rising costs for everything we purchase – fuel, equipment, supplies, and so on. We're also facing inflation-related increases on contracts such as software licensing, insurance premiums, garbage collection, RCMP, and a new CUPE collective agreement.

With these cost pressures, the only way to keep taxes down is through operational efficiencies. We have therefore made a number of cuts. We have put off the purchase of work vehicles due for replacement and most community organizations will not receive as much grant-in-aid as they requested. The Food Bank is the only group receiving more than last year.

We also looked at the District's organizational structure and made the difficult decision to trim 1.2 full-time equivalents (FTE). This has meant laying off two staff members – a part-time drafting technician and a full-time bylaw officer. (However, we will hire a seasonal bylaw officer to help manage the summer workload.)

Property taxes are needed to fund the general budget, which covers most municipal responsibilities, including roads and sidewalks, works, parks and recreation, planning and development, fire department, RCMP, bylaw enforcement, garbage and recycling collection.

The water, sewer and electrical utilities are supported by monthly rates and parcel taxes rather than property taxes, and it is more difficult to cut costs in these services because of environmental and health regulations. We can't partially treat drinking water, treat only some sewage, or supply electricity only at certain times.

Water rates have therefore been increased by 6.78%, largely due to the continued escalation of the price of chemicals needed to treat drinking water, especially caustic soda and chlorine.

There is no increase in sewer rates, however Council will be maintaining a parcel tax on retiring debt until we can review the billing model for sewer to make it more equitable.

Electrical rates are up by 3%, mainly to account for a 6.74% increase in the cost of power that we purchase wholesale from Fortis. We were able to absorb much of the Fortis increase because of billing changes made last year.

With these adjustments, the 2024 general and utility budgets will ensure our infrastructure remains in good shape so the District can continue to deliver safe and reliable services to Summerland residents and businesses.

Doug Holmes is mayor of Summerland