



2021 – 2025 Proposed Draft Financial Plan February 10, 2021

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Council Strategic Priorities





Strategic Priority Projects & Initiatives

Infrastructure Investment	Good Governance	Community Resiliency	Alternative Energy	Active Lifestyles	Downtown Vibrancy
Asset Management	Process Improvement	Affordable / Supportive Housing Opportunities & Partnerships	Solar & Battery Project (G)	Community Health & Wellness Centre	Downtown Plan
Capital Plan / Priorities Road and water main 10yr plan	Penticton Indian Band Relationship / Priorities	Chamber of Commerce – Industry Engagement / 5yr Plan	Climate Action Plan Implementation	Parks & Recreation Master Plan Implementation	Arts & Culture Centre renovations (G)
Giants Head Road – road and water system	Bylaw Updates	Cultural Plan Implementation	Community Energy Strategy	Arena Assessment	Main Street Outdoor Patio Design Guidelines
Voltage Conversion Project (G)	Short Term Vacation Rentals	South Okanagan Agricultural Food Hub			Downtown Infrastructure
Road Condition Assessment		Utility Rate Review			
Eneas Creek Strategy					
Isintok dam upgrades					
Trout Creek Flume (G)					
Organics Processing Facility (G)					

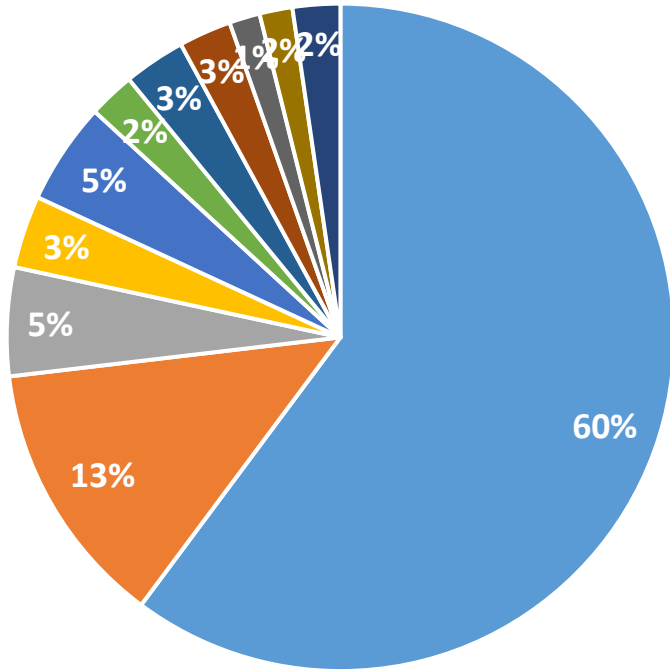


Quick Facts

- District Operations \$38.3M + \$21.0M Capital Program
- General fund operational expense is budgeted at \$16.7M in 2021; funded by \$10.0M in taxation
- Budget includes use of \$579,451 of COVID-19 Safe Restart Grant
- A 1% increase in taxation revenue generates approximately \$91,895 to cover operational expenditures
- Electric utility contributes \$500,000 to general fund operational revenues which is equal to a 5.4% tax increase
- Approximately 110 employees



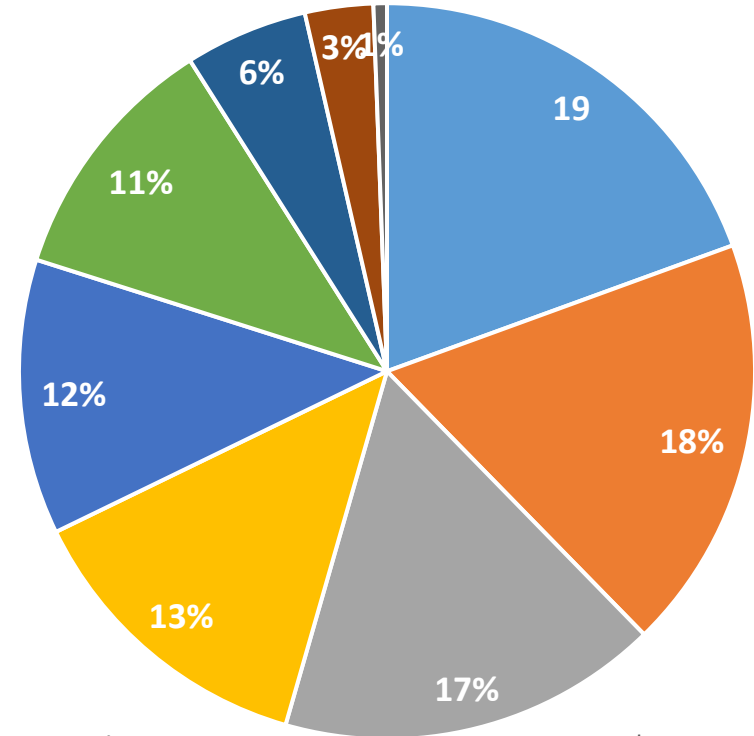
2021 General Operating Revenues
(\$16.7 million)



60%	Property taxes	\$10,069,000
13%	Solid waste (curbside and landfill)	\$2,165,200
5%	Grants	\$878,200
3%	Recreation services	\$588,600
5%	Fleet recoveries	\$825,000
2%	Licenses, permits and fines	\$375,500
3%	Electric fund dividend	\$500,000
3%	Accumulated surplus	\$426,700
2%	Interest and penalties	\$248,800
2%	Sales of services and rentals	\$266,900
2%	Reserve	\$385,400

General Fund

2021 General Operating Expenses
(\$16.7 million)



19%	Protective Services	\$3,252,700
18%	Works	\$3,051,800
17%	Recreation and cultural services	\$2,804,100
13%	Solid waste	\$2,235,700
12%	General Government	\$2,023,000
11%	Reserves	\$1,858,100
6%	Development services	\$903,400
3%	Debt servicing	\$501,900
1%	Cemetery	\$98,800



General Fund – Revenues

2021 Budgeted Revenues - \$16.7 Million

- Includes approx. \$132,500 of New Construction Revenue
- \$429,265 increase in landfill/garbage/recycling revenues
- \$319,451 proposed transfer from COVID-19 Safe Restart Grant
- 1% tax rate increase generates \$91,895 in revenue
- Parks & Recreation fee review in 2021



Solid Waste & Diversion

- Solid waste & diversion streams historically in deficit positions requiring subsidization from property taxes
- Philosophical switch to run program as its own utility



Solid Waste & Diversion

- Proposed 2021 budget includes additional landfill revenue of \$429,265

– Sewer Sludge Tipping Fees	\$117,000
– *Monthly Curbside Collection Fee Increase	\$160,515
– General Tipping Fee Increase of 5%	\$ 35,050
– **White Wood Tipping Fee @ \$65 per MT	\$ 75,150
– Green Wood Tipping Fee @ \$25 per MT	\$ 76,600

* Includes a proposed monthly increase of \$2.35 to the base cart program fee for operational cost recoveries (Effective March 1, 2021)

** Summerland is one of the only local landfills that does not charge for white wood



Covid-19 Restart Grant

- Summerland received \$2,724,000 grant from Province of BC
- Funding to help offset increased operating costs and lower revenues due to COVID-19
- Eligible Costs will include:
 - Addressing revenue shortfalls
 - Facility re-opening and operating costs
 - Bylaw enforcement & Protective services
 - Computer and other electronic technology costs
 - Services for vulnerable persons
 - Other related costs
- Council support for Historical Recapture and Forward Thinking approaches to utilize funding



Covid-19 Restart Grant

Proposed Utilization of Funding:

Historical Recapture Approach:

2020 Operational Allocations	\$ 891,788
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Forward Thinking Approach:

2021 Operational Allocations	\$ 319,451
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2021 Capital Allocations	\$ 260,000
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Proposal leaves \$1,243,761 of funding left to be allocated



General Fund - Expenses

2021 Budgeted Expenses - \$16.7 Million

- \$346,900 increase over 2020 approved budget (2.12% increase)
 - » \$250,000 operational increase (1.77%)
 - » \$96,900 reserve transfer increase (0.35%)



General Fund – Contractual Increases

Contractual increases = \$334,134

- Third party increases \$176,320
- Contractual/Bylaw increases \$157,814



General Fund – Proposed Additions

Proposed additions = \$742,347

- | | |
|--------------------|-----------|
| • Labour | \$385,074 |
| • Various projects | \$357,273 |



General Fund – Summary

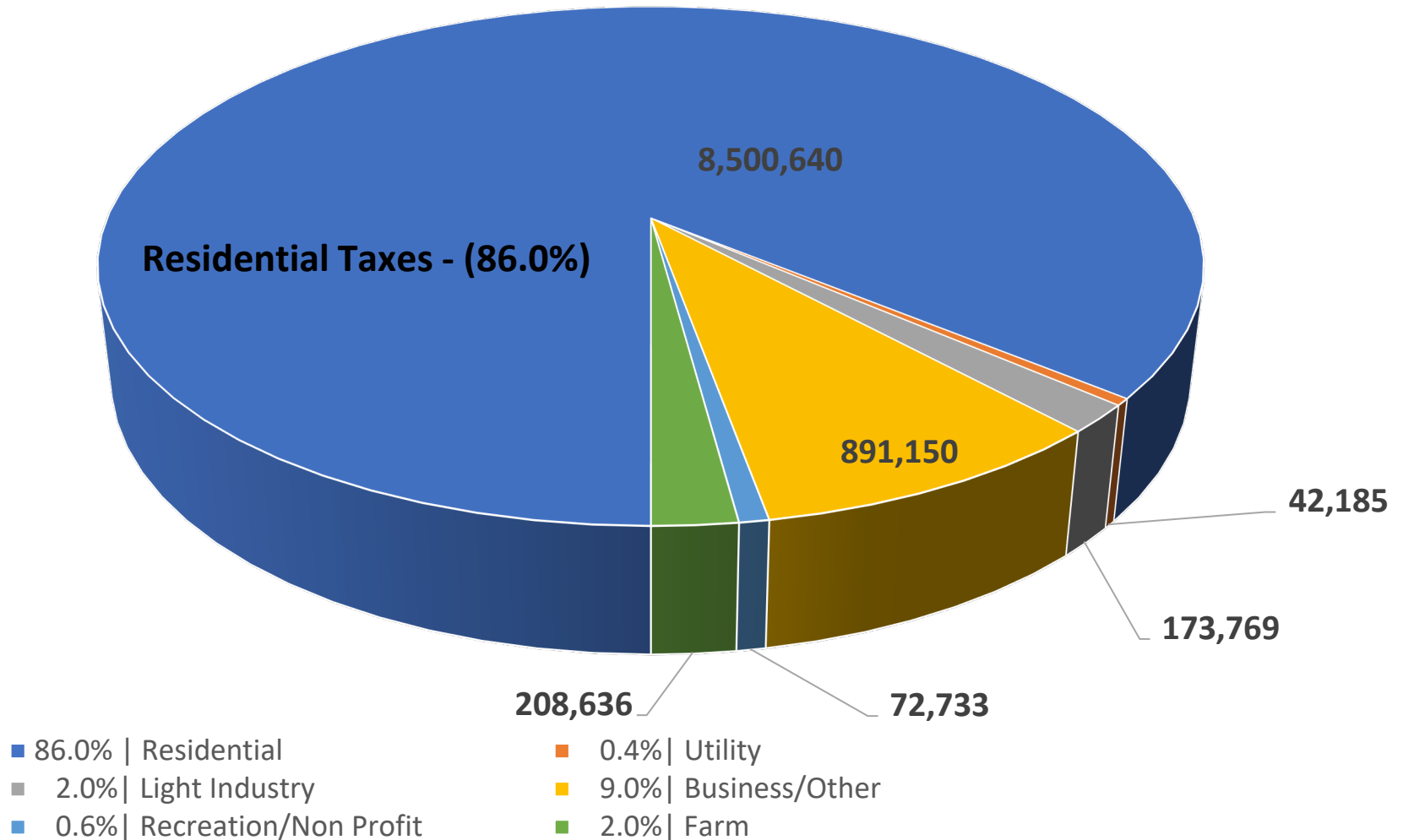
Required taxation increase for general operations –
\$151,626 (1.65%)

\$22.07 increase to average home assessed at \$591,790



Taxation

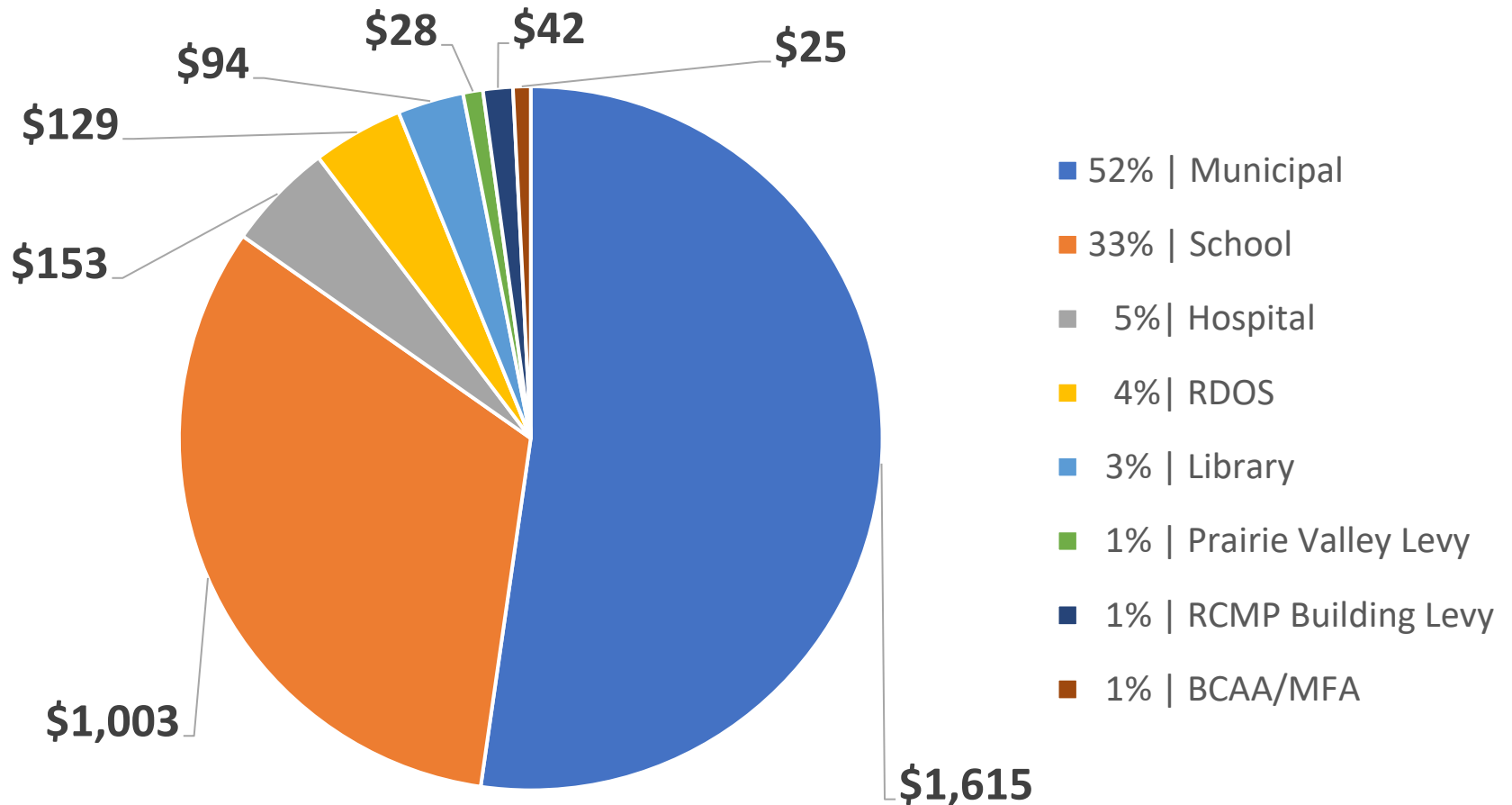
Property Taxes - 60% of General Revenues





Taxation

2020 Taxes Based on \$596,600 Assessed Home - \$3,089





Overall Capital Program

Investment in assets is needed to provide services – assets need to be maintained and replaced

Many of the District's assets are long lived and very old

Funding



Good news! We just found
some more refundable pop bottles!



General Fund – Reserve Transfers

Budgeted transfer into reserves - \$1,823,126

– Fleet	\$825,000
– Capital Works	748,426
– Landfill	192,000
– Fire	50,000
– Climate Action	7,700



Debt and Debt Servicing

Borrowing is for capital projects

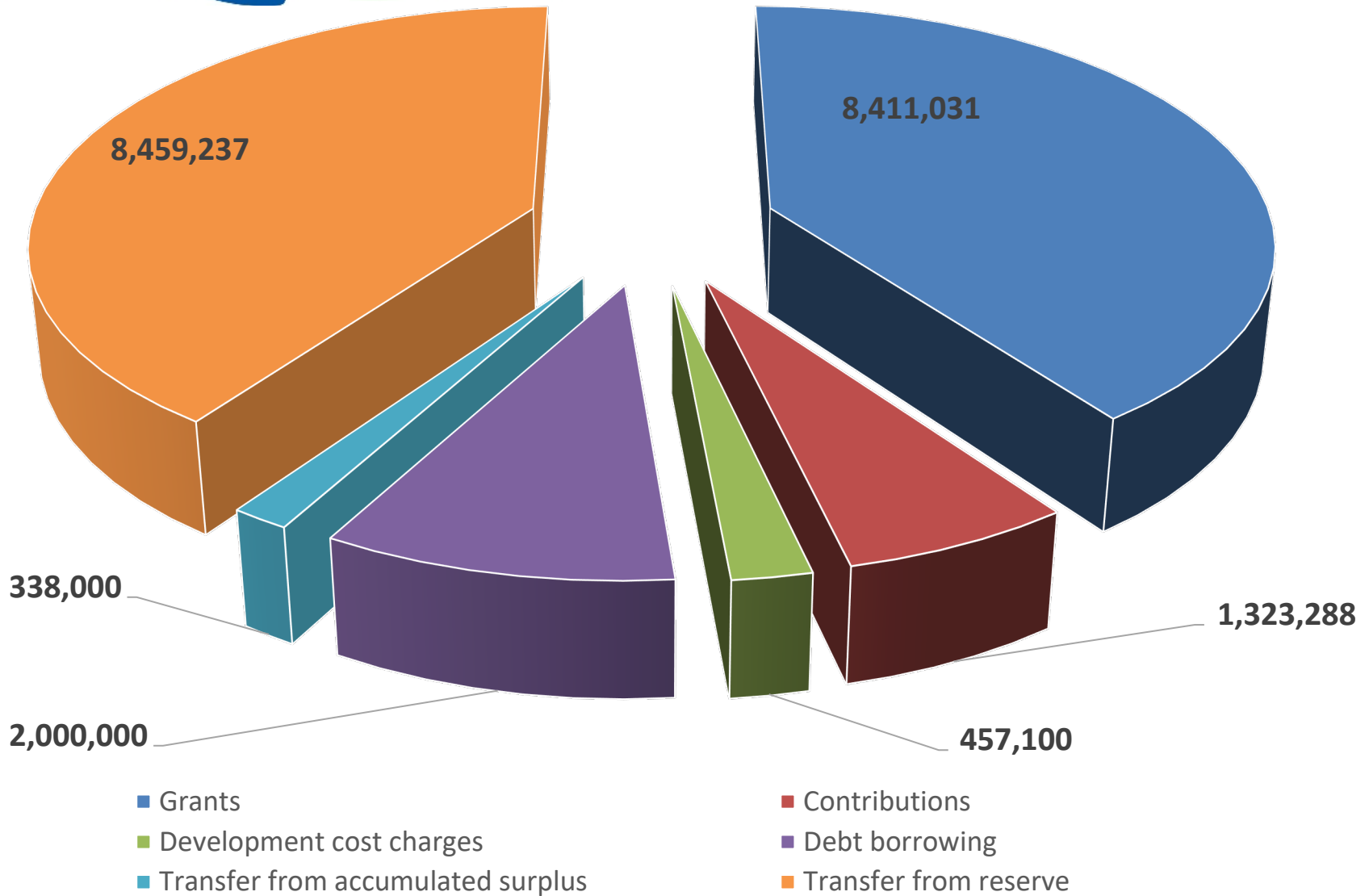
Outstanding Debt as of January 1, 2021

- \$3.3m debt general fund
- \$6.9m debt water fund
- \$3.2m debt sewer fund

23.8% of borrowing capacity currently used

\$11.4 Million in proposed borrowing in next 2 years

2021 \$21.0M Capital Funding Sources





Capital Projects

2021 proposed capital spending of \$21.0M

• Solar & Battery Storage Project	\$4,290,000
• Mobile Fleet Replacement	2,835,400
• Isintok Dam Outlet Pipe & Slope Protection	2,000,000
• Organics Processing Facility	1,954,700
• Emergency Response	1,690,150
• Municipal Facilities	1,378,900
• Electric Utility Voltage Conversion	1,278,200
• Water Main Replacements	980,000
• Giant's Head Trail – Phases 3 & 4	<u>673,100</u>
	<u>\$17,080,450</u>



IMPACT OF PROPOSED BUDGET (RESIDENTIAL) (based on a 2021 Average Assessment of \$591,790)

	2020	2021 (proposed)	Net change (annual)	Net change (monthly)
Property Tax (municipal portion only)	\$ 1,685	\$ 1,707	\$ 22	\$ 1.84
Garbage Rates	191	**214	23	1.96
Water Rates	790	830	40	3.29
Sewer Rates	409	423	14	1.19
Electrical Rates	<u>1,509</u>	<u>1,563</u>	<u>54</u>	<u>4.55</u>
Overall	\$ 4,584	\$ 4,737	\$ 153	\$ 12.83

** Assumes \$2.35 per month increase effective March 1, 2021



2021 – 2025 budget and property tax rate inquiries and comments should be forwarded to:

budget@summerland.ca

Please have comments in by 12:00 noon on Monday, February 15th

