



2023 – 2027 Proposed Draft Financial Plan February 2, 2023

Doug Holmes, Mayor
David Svetlichny, Director of Finance



Council Strategic Priorities



1. **Protect & Enhance Core Infrastructure and Essential Services**
2. **Provide Good Governance**
3. **Build an Adaptable and Affordable Community**
4. **Enhance Our Quality of Life**

Council Code of Conduct: Integrity (Honesty) | Respect | Accountability | Leadership and Collaboration | Creativity | Transparency



Key Levers to Achieve Budget

- New revenue streams
- Operational efficiencies
- Service level changes
- User-pay approaches
- Tax increases



Proposed 2023 General Fund Budget

February 2, 2023 Budget Highlights

Revenues	\$19,205,760
Expenses	\$19,369,858

New Construction Revenue \$94,800

Operational Deficit \$164,098*
Requires a 1.64% tax rate increase

FTE Requests 3.0**

Property Tax Revenue Increase
Required of 3.76%



***Does not Include** \$211,829 for new Giants Head Road Debt – additional 2.12% tax rate increase

**2.0 FTE's budgeted to start 6 months into 2023.



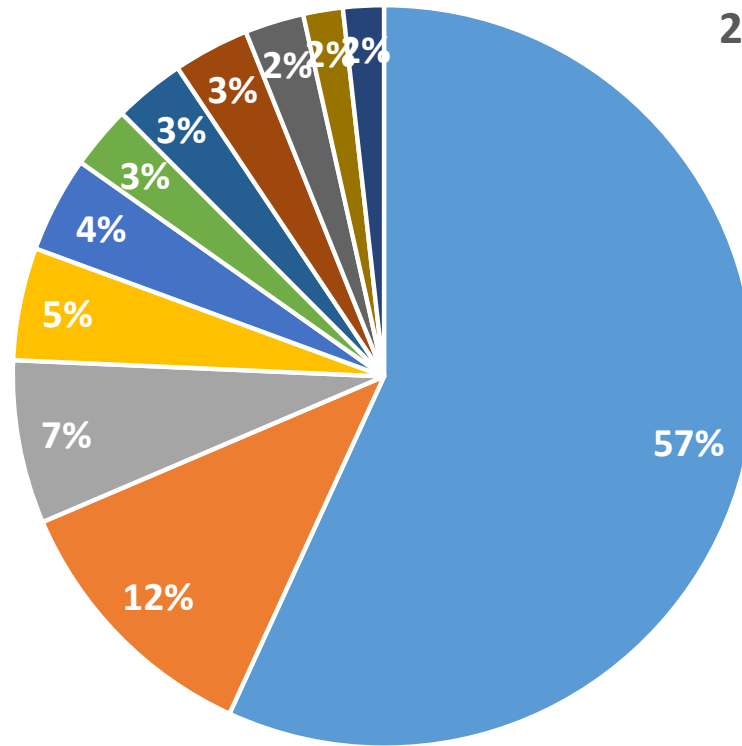
Quick Facts

- District Consolidated Operations \$45.2M + \$25.9M Capital Program
- General fund operational expense is budgeted at \$19.4M in 2023; funded by \$11.0M in taxation
- Budget includes use of \$160,000 of COVID-19 Safe Restart Grant and \$82,500 in savings
- Electric utility contributes \$500,000 to general fund operational revenues which is equal to a 5.00% tax increase
- A 1% increase in taxation revenue generates approximately \$100,060 to cover operational expenditures
- Approximately 121 employees



General Fund - Revenues

2023 General Operating Revenues
(\$19.4 million)



■ 57% Property taxes	\$11,007,900
■ 12% Solid waste (curbside and landfill)	\$2,276,500
■ 7% Grants	\$1,376,600
■ 5% Fleet recoveries	\$950,000
■ 4% Recreation services	\$810,400
■ 3% Sales of services and rentals	\$531,600
■ 3% Licenses, permits and fines	\$598,500
■ 3% Accumulated surplus	\$642,000
■ 2% Electric fund dividend	\$500,000
■ 2% Interest and penalties	\$333,100
■ 2% Reserve	\$343,200



General Fund – Revenues

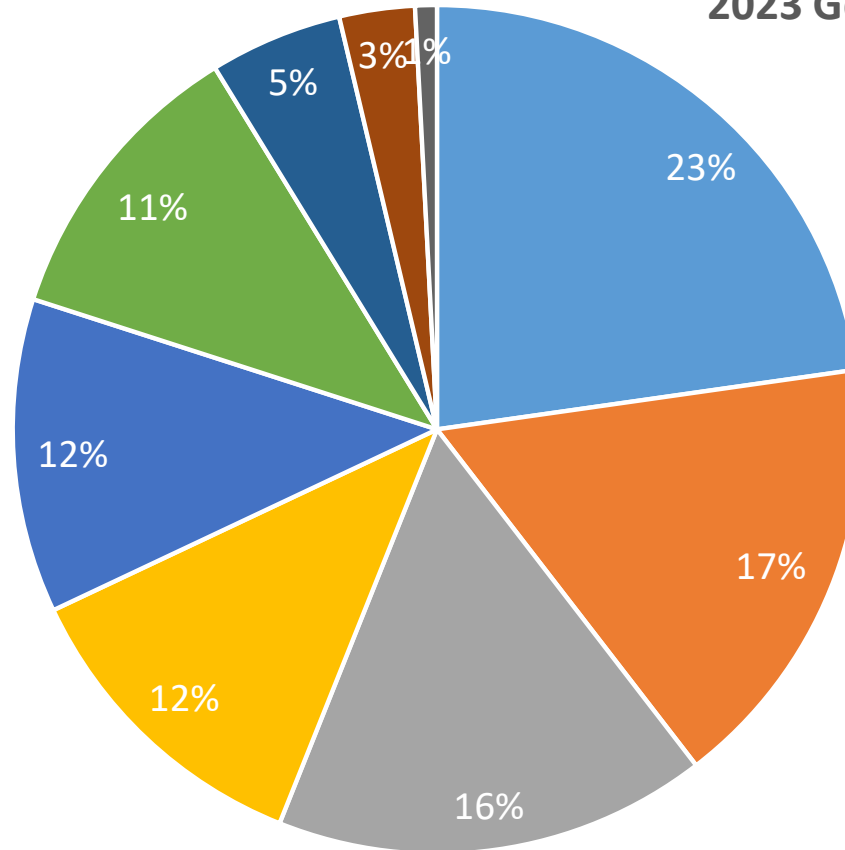
2023 Budgeted Revenues - \$19.4 Million

- Includes approx. \$94,800 of New Construction Revenue
- NEW Taxation levy for Giants Head Road debt - \$211,829
- NEW Local Government Climate Action Program Grant Funding - \$120,082
- Includes approx. \$591,600 of grant revenue for 2 Emergency Program projects
- Includes \$343,201 in Reserve transfers & \$641,988 in transfers from Savings:
 - Above includes \$160,000 Transfer from COVID-19 Reserve & \$82,500 from Savings – **post January 17, 2023**



General Fund - Expenses

2023 General Operating Expenses
(\$19.4 million)



23%	Protective Services	\$4,406,200
17%	Works	\$3,254,000
16%	Recreation and Cultural Services	\$3,197,500
12%	Solid Waste	\$2,312,400
12%	General Government	\$2,317,700
11%	Reserves	\$2,184,400
5%	Development Services	\$978,900
3%	Debt Servicing	\$556,900
1%	Cemetery	\$161,900



General Fund - Expenses

2023 Budgeted Expenses - \$19.4 Million

- \$1,542,100 increase over 2022 approved budget (8.65% increase)
 - » \$1,223,300 operational increase
 - » \$211,800 Giants Head Road annual debt payments
 - » \$107,000 reserve transfer increase



General Fund – Contractual Increases

Contractual increases = \$468,915

- Third party increases \$308,350
- Contractual/Bylaw increases \$160,565

Equivalent to a 4.69% tax rate increase



General Fund – Historical Decisions

2022 Decisions affecting 2023 = \$618,368

- Emergency Management \$487,019
- Organics Processing Facility \$ 90,766**
- Development Software \$ 30,583
- Eco-Village \$ 10,000

**Costs do not include \$62,270 of NEW landfill operator costs required to operate this facility. These costs are included in the “General Fund – Proposed Additions” slide.

General Fund – Proposed Additions

Proposed additions = \$529,974

- Labour \$184,345
- Various projects \$345,629



General Fund – Summary

Required taxation increase for general operations – 3.76%

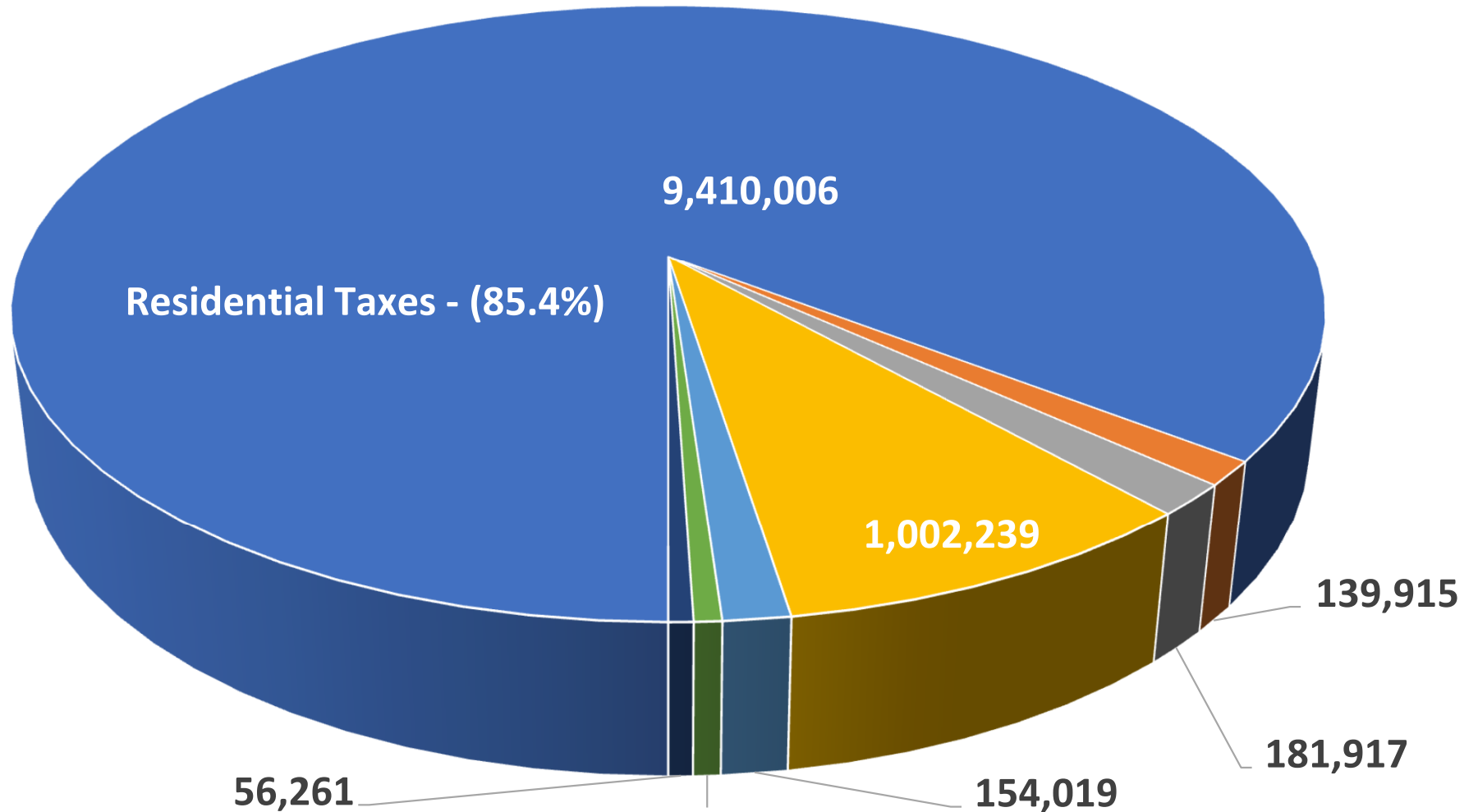
- \$211,829 (2.12%) – Giants Head Road Annual Debt
- \$164,098 (1.64%) – Operational Deficit

\$64.80 increase to average home assessed at \$899,744



Taxation

Property Taxes - 57% of General Revenues

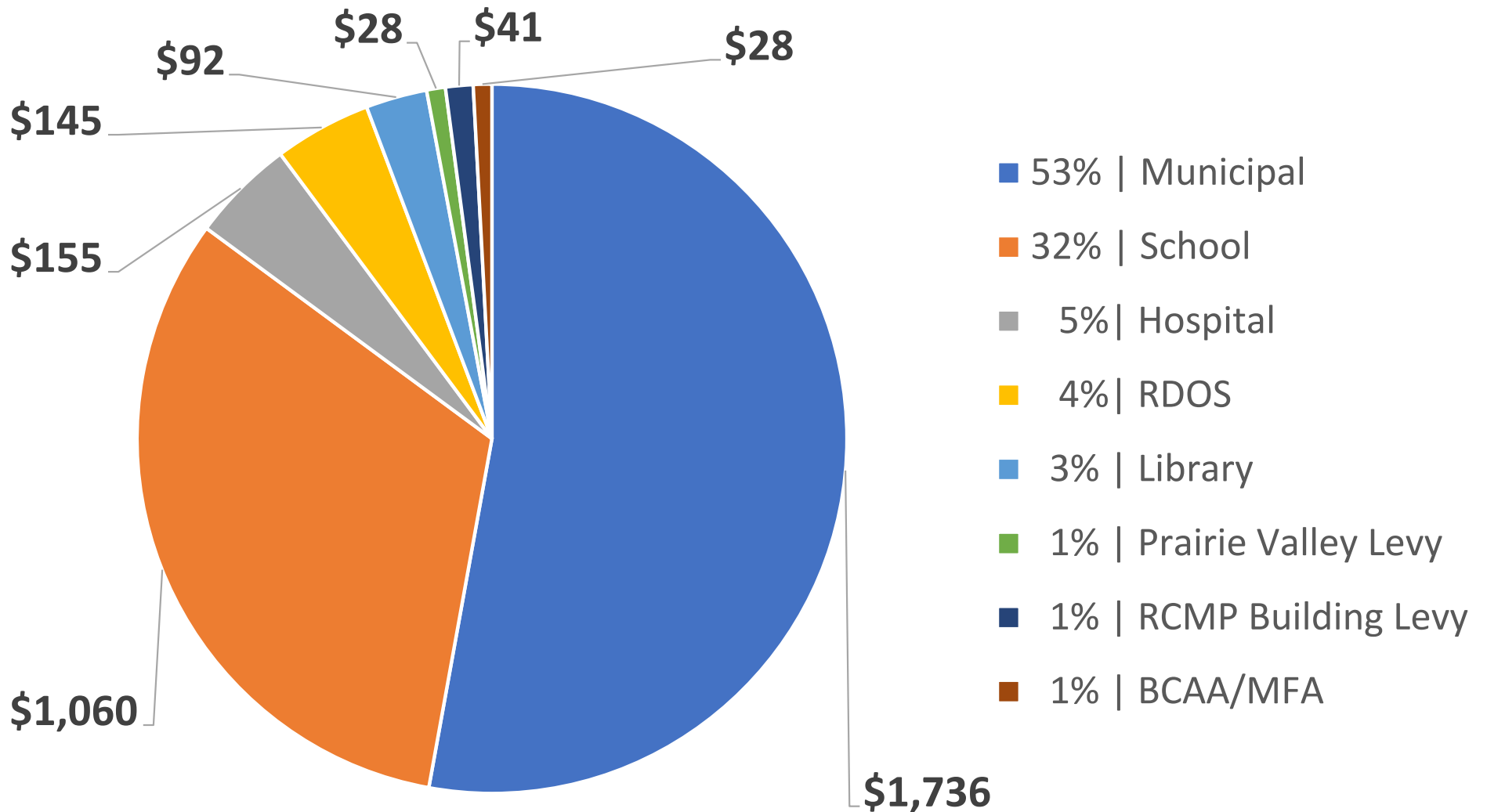


- | | | |
|-----------------------|-------------------------|------------------------------|
| 85.4% Residential | 1.3% Utility | 1.7% Light Industry |
| 9.1% Business/Other | 1.4% Research Station | 0.6% Recreation/Non Profit |
| 0.5% Farm | | |



Taxation

2022 Taxes Based on \$790,506 Assessed Home - \$3,285





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 - \$2,169,382

– Fleet	\$950,000
– Asset Management	951,682
– Landfill	210,000
– Fire	50,000
– Climate Action	7,700



Debt and Debt Servicing

Borrowing is for capital projects

Outstanding Debt as of January 1, 2023

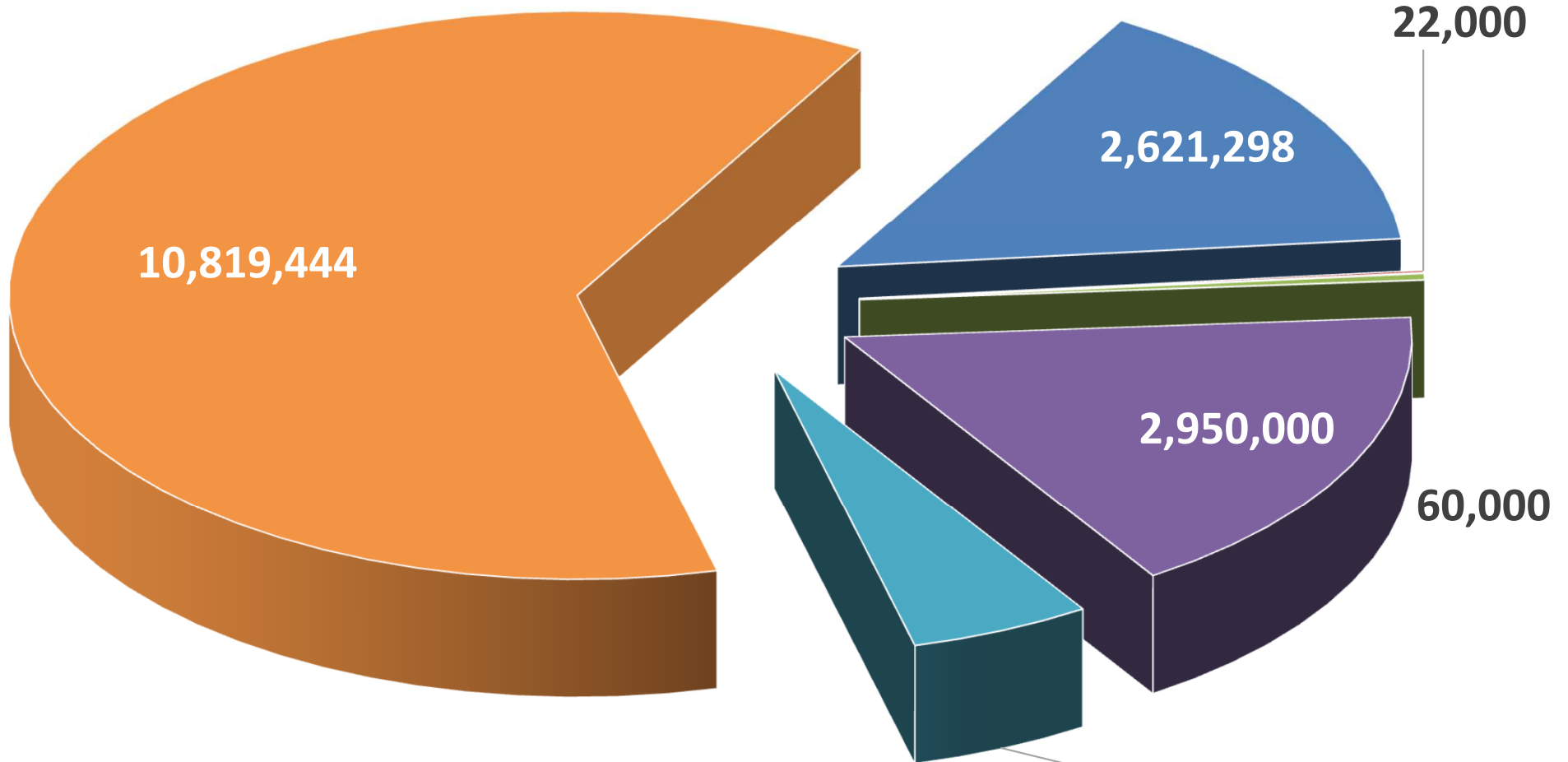
- \$5.9M debt general fund
- \$8.0M debt water fund
- \$1.7M debt sewer fund

24.5% of borrowing capacity currently used

\$4.96 Million in proposed borrowing in next 2 years



2023 \$17.4M General Capital Funding Sources



■ Grants

■ Contributions

■ Development cost charges

■ Debt borrowing

■ Transfer from savings

■ Transfer from reserve



Capital Projects

2023 proposed capital spending of \$17.4M

• Mobile Fleet Replacement	\$3,614,700
• Road Reconstruction Projects	3,028,000
• Municipal Facilities	1,895,100
• Organics Processing Facility & Equipment	1,701,000
• Emergency Response	1,090,000
• Giants Head Road Reconstruction	950,000
• Giant's Head Trail – Phases 3 & 4	<u>673,100</u>
	<u>\$12,951,900</u>



**IMPACT OF PROPOSED BUDGET
(RESIDENTIAL)
(based on a 2023 Average
Assessment of \$899,744)**

	2022	2023 (proposed)	Net change (annual)	Net change (monthly)
Property Tax (municipal portion only)	\$ 1,805	\$ 1,870	\$ 65	\$ 5.40
Garbage Rates	197	219	22	1.83
Water Rates	782	920	138	11.50
Sewer Rates	397	441	44	3.67
Electrical Rates	<u>1,540</u>	<u>1,711</u>	<u>171</u>	<u>14.26</u>
Overall	\$ 4,721	\$ 5,161	\$ 440	\$ 36.66

2022 Utility amounts were calculated net of 10% discount. 2023 amounts reflect elimination of the discount.



2023 Budget inquiries and comments should be forwarded to:

budget@summerland.ca

Please have comments in by 12:00 noon on Tuesday, February 7th

