

2015 Financial Plan



PROCESS

- Staff began work on this budget in September
- 4 meetings including today are scheduled – Jan 26, 28 and Feb 2 and further meetings will be added as needed
- At the start of each meeting, time is available for delegations and questions from the public
- Beginning January 26, the Directors will have a brief presentation on their departments and be available for questions
- Following the department presentations, Council will provide guidance on increases in property taxes and user fees and the discretionary spending funds will be revised as needed

PROCESS

- Staff will provide a recommendation of the discretionary spending projects for Council's consideration
- At the conclusion of the review meetings, the five year financial plan bylaw will be introduced
- Amendment of the bylaw and setting of the tax rates – April 27 (tentative date for first 3 readings)
- Adoption of the tax rates bylaw and the 5 year plan – May 11

Introduction

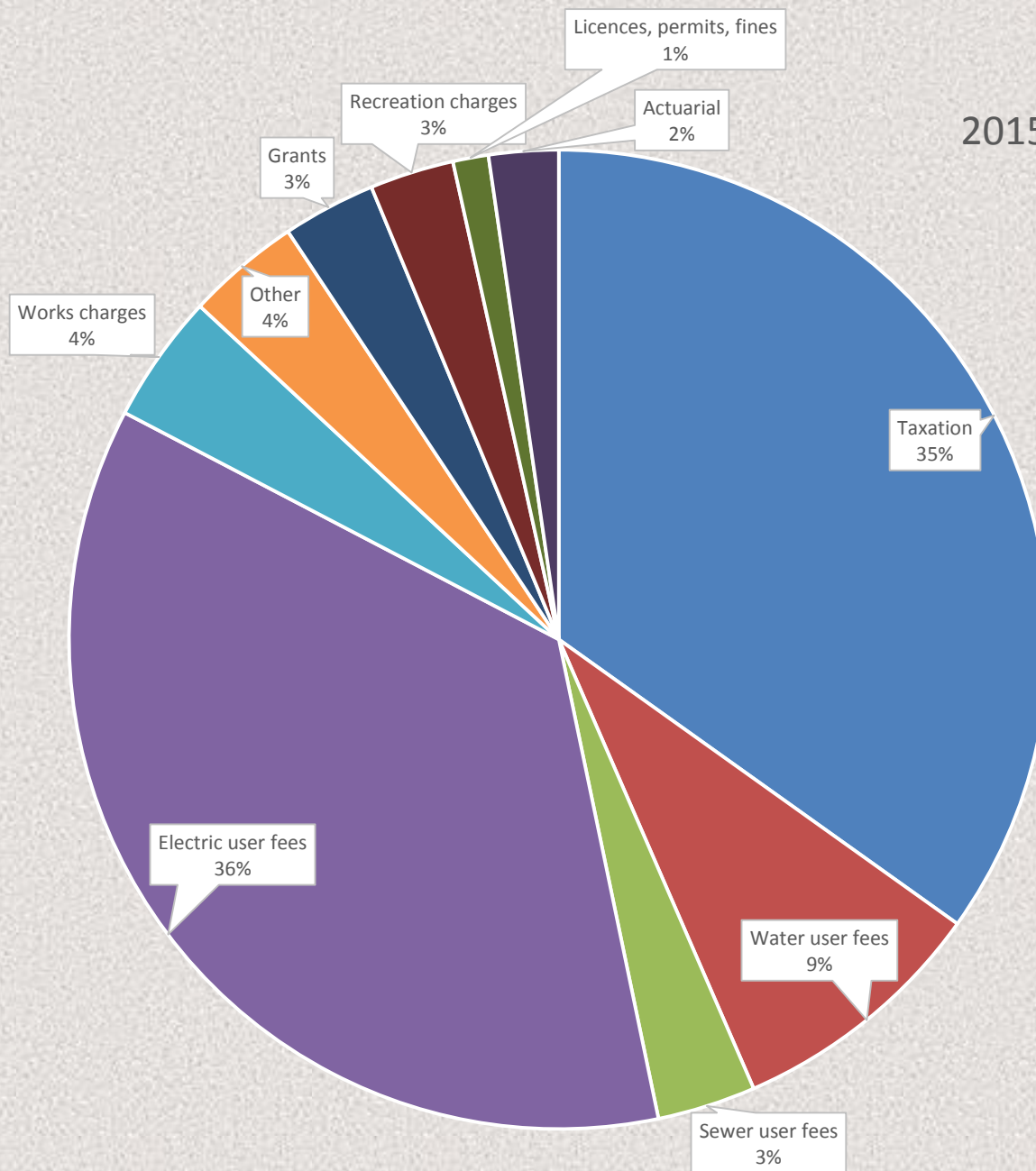
- Financial plan has no increases to the service levels of 2014. Price changes have been reflected
- No increases in property taxes or user fees other than the expected Fortis increase of 3.5%. The purchase of power is about 75% of the costs in the electric fund. The budget has an annual 2.625% increase in electric rates (3.5% times 75%)

Council Direction

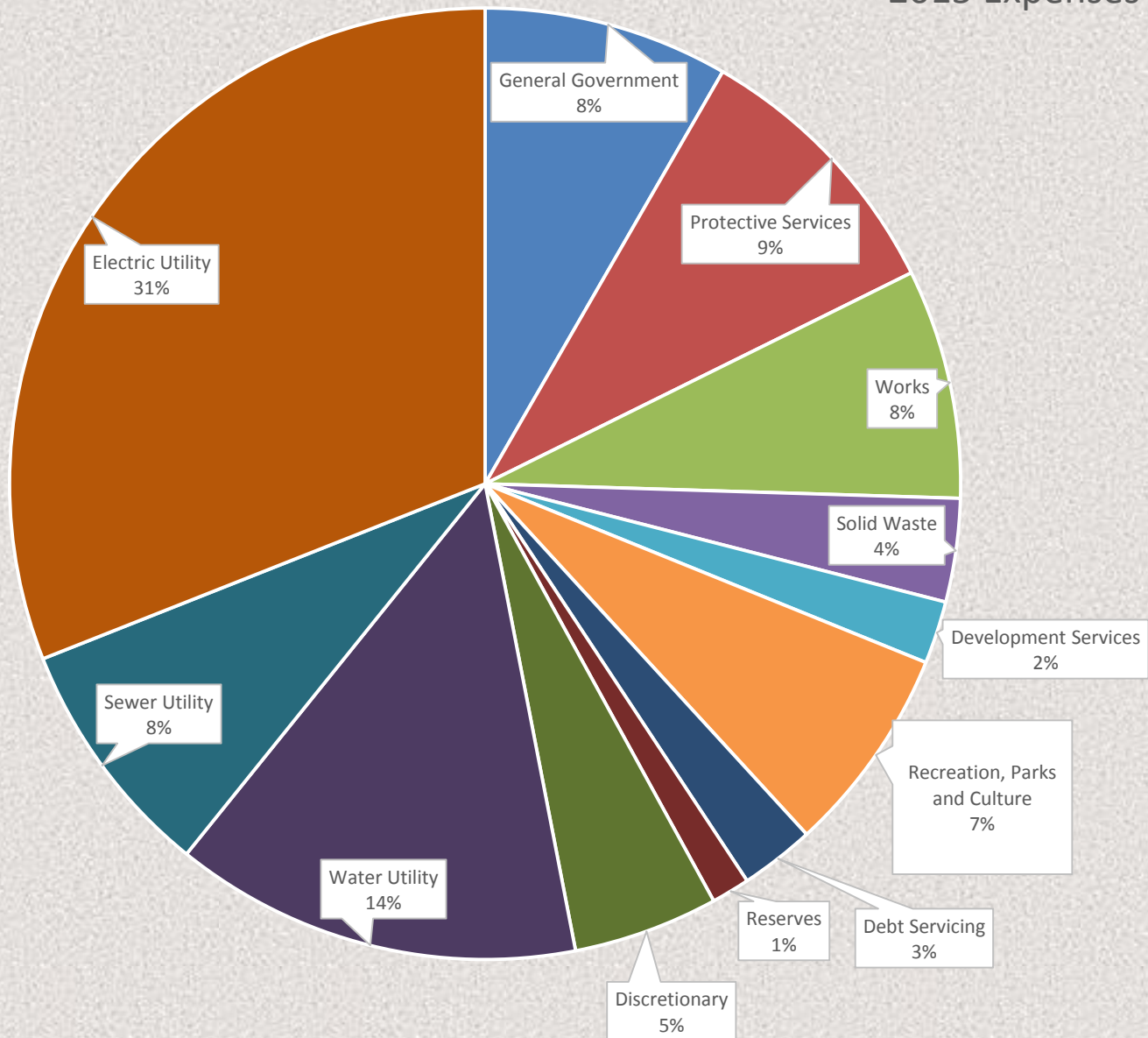
- Core budget funding level
- Discretionary budget funding level
- Increases to property taxation and user fees
- Allocation of the administration costs to the utility funds
- Identification of a funding level for fleet replacement

Increases in the administration charge and the fleet charge rates will impact all funds

2015 Revenue Sources



2015 Expenses



2015 Budget Facts

Staffing:

11 Management/3 Exempt	\$1.3m	14 FTE
60 CUPE/5 IBEW	\$4.2m	65 FTE

Debt:

December 31, 2014	\$25.6m
Debt servicing costs	\$ 3.1m
% of revenue – 25% cap	12.6%
Water Separation borrowing	\$ 1.8m
Water Separation servicing costs (2017)	\$.4m

Revenue

	General	Water	Sewer	Electric
Budget 2015	11,587,347	4,391,003	2,437,167	10,118,585
Budget 2014	11,019,035	4,373,649	2,423,542	9,976,303
Change	568,312	17,354	13,625	142,282
%	5.16	.40	.56	1.43

General

Taxes – non market change (growth) and roll changes	\$ 81,000
Provincial grants	\$ 141,000
Increase transfer from Electric fund for lighting	<u>\$ 334,300</u>
	\$ 556,300

Electric

Electric rates increase	\$ 252,300
Developer paid work decrease	<u>\$(105,000)</u>
	\$ 147,300

Note: one time increase in revenue in Electric fund from change in billing cycle will not impact 2015.

PROPERTY TAXATION

2014 General Property Tax Levy	\$6,664,951
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HISTORICAL TAX INCREASES		
2014 – 2.0%	2013 – 2.0%	2012 – 1.5%
2011 – 1.0%	2010 – 2.5%	2009 – 2.2%

2014 Tax Ratios (Multiple)	
Class 2 Utilities	7.029
Class 5 Light Industry	1.951
Class 6 Business/Other	2.705
Class 8 Recreation/Non Profit	1.951
Class 9 Farm	2.839

2014 Assessment	2014 Taxation
Residential 93%	83%
Business 5%	13%
Other 2%	4%

Expenditure

	General	Water	Sewer	Electric
Budget 2015	10,903,614	3,985,509	2,344,913	9,657,742
Budget 2014	10,485,411	4,071,221	2,391,648	9,377,455
Change	418,203	(85,712)	(46,735)	280,287
%	4.0	(2.11)	(1.95)	2.99

The shift in management responsibility for Parks Maintenance to the Works and Utilities department has not been reflected in the budget or financial statements as this impacts internal reporting not historical costs.

The 2015 labour budgets reflect the 2014 budget and known increases. In the tax rates setting version of the budget, there will be further reallocation of the labour budgets to better reflect where the work happens.

The shift of the lighting costs from the Electric Fund to the General Fund is \$334,300 – 3.2% of the 2014 budget for the general fund leaving \$84,000, a .8% increase attributed to other expenses

Funding

	General	Water	Sewer	Electric
Discretionary Funds available	683,732	388,140	99,491	318,561
1% increase	67,500	19,700	8,900	96,275
2013 Accumulated Surplus	585,184	181,479	48,017	22,957
Reserve Accounts-projected	2,107,078	37,237	5,527	750,454
Statutory Funds	613,898	17,509	730,540	0
2015 Discretionary projects	2,184,918	482,870	546,000	411,000
Future Discretionary projects to 2019	6,502,854	4,236,370	1,280,572	1,163,444

Community Works Funds (Gas Tax) on hand
Annual Funding

\$541,933
\$503,183

Administration Charge

	General revenue	Water expense	Sewer expense	Electric expense
Budget 2015	366,000	120,000	54,000	192,000
Proposed	1,108,000	292,000	177,000	639,000
Change	742,000	172,000	123,000	447,000
Current transfer to general fund				600,000
Drop the transfer to general fund from electric	447,000			
Net impact on fund	295,000	(172,000)	(123,000)	0

Council direction sought on increasing the administration charge in water and sewer

Fleet

	Net Fleet Operations
Budget 2015 – net cost	\$129,344
Budget 2014 – net cost	\$100,405
Actual Net Cost 2013	\$258,201
Actual Net Cost 2012	\$114,359

No increase to reserve funds on hand in any of these years

Reserve account \$567,000

Estimated cost to renew the fleet \$11 million

Need to undertake a full review of all fleet vehicles - cradle to grave costs, expected life and charge out rates

Current fleet charges in the budget – not including leases			Increase
General	\$416,150	73%	\$94,500
Water	\$ 54,470	10%	\$12,900
Sewer	\$ 27,450	5%	\$ 6,450
Electric	\$ 67,750	12%	\$15,500