

# Budget Overview

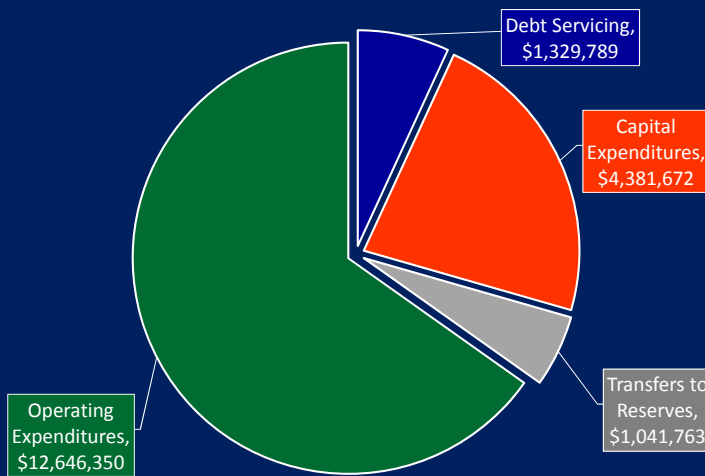


2017 Budget Discussions



## Budget Overview - Components

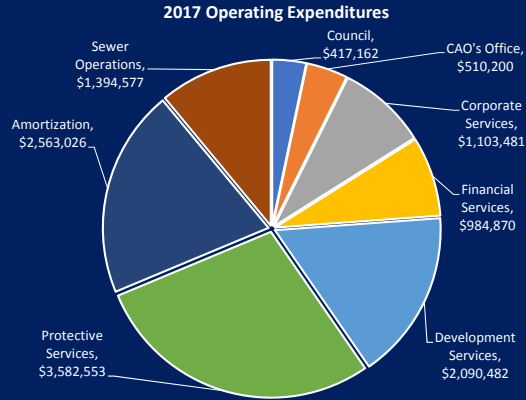
**2017 Total Expenditures \$19,399,574**



2017 Budget Discussions



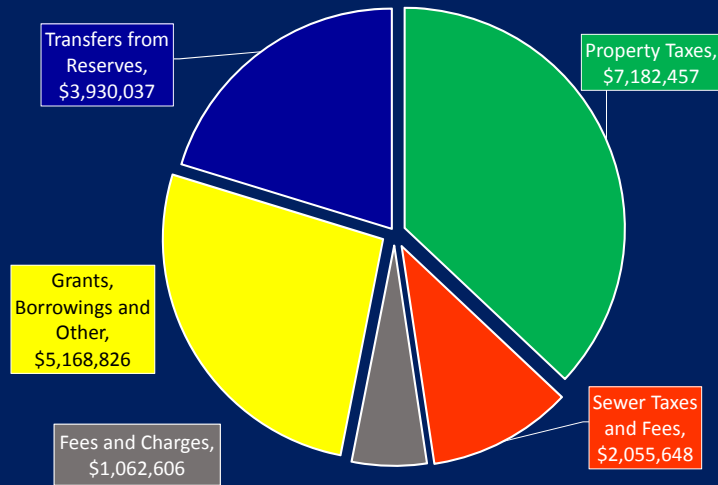
## Budget Overview - Components



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## Budget Overview - Components

**2017 Total Funding Sources \$19,399,574**



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## Budget Overview

### Cost Drivers

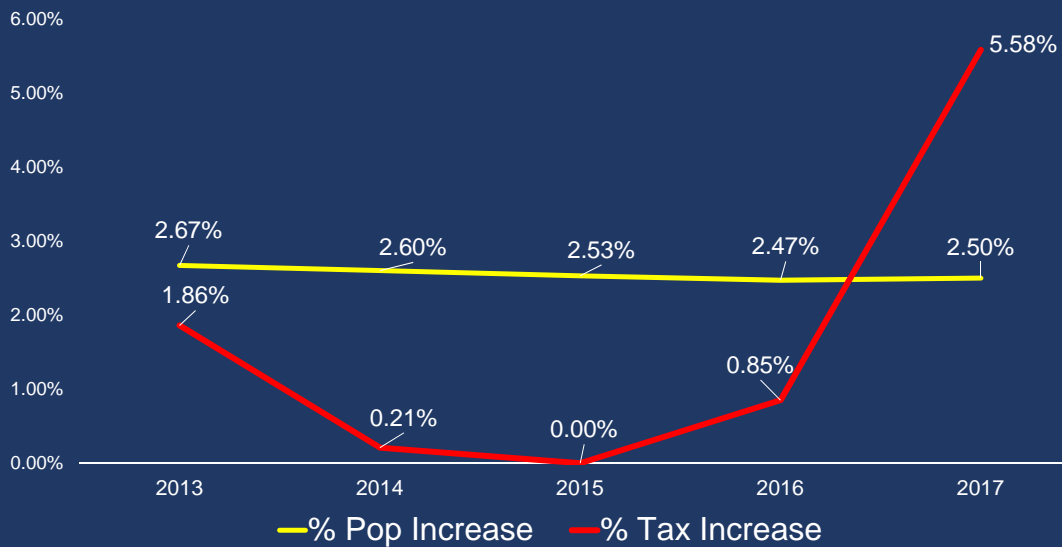
- Population Growth
  - Population growth rates > tax increases
  - Growth impacts all service levels
  - Impact on service levels exceeds value of new tax revenue
- Historically low taxes
  - District is playing catch-up
  - Assets not adequately maintained (ie. Roads)
- Business Process Changes
  - Staffing not reflective of service level demands



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### 2013-2017: Tax Increases VS Population Increases



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## Budget Overview

### Budget Components (Expenditures)

- Debt Servicing
  - MFA Debt for Sewer, Municipal Building, Other Assets
- Capital Expenditures
  - Road Program, Drainage Projects, Sidewalks etc
- Transfers to Reserves
  - DCCs, Capital Asset Replacement, Policing Costs etc.
- Operating Expenditures
  - Service level operating costs
    - Council, CAO, Corporate Services, Financial Services, Protective Services, Development Services, Wastewater



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## Budget Overview – Total Expenditures

- 2016 Amended Budget = \$18,442,326
- 2017 Draft Budget = \$19,399,574
- 5.19% Increase (\$957,248)
  - Debt Servicing - \$348,298
  - Capital spending – \$80,433
  - Transfers to reserves – (\$418,506)
  - Other Municipal Purposes - \$947,024



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## Budget Overview

Debt Servicing increase \$348,298

- MFA loan to purchase Lot A. Change of \$143,770 due to full year impact of loan.
- New \$1,000,000 MFA loan proposed for Road Resurfacing. Annual debt servicing cost of \$205,854 over 5yrs.



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## Budget Overview

Capital Expenditures increase \$80,433

Highlights for 2017 include:

- \$700,000 for Turf Field Project
- \$1,000,000 Road Resurfacing plan
- Sidewalk investments of \$200,000
- Public Space Enhancements of \$200,000
- Electric Car Charging Station
- Building Improvements (Elevator, Sprinklers, etc)



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## Budget Overview

### Transfers to Reserves (\$418,506)

- Fire Equipment Reserve contributions of \$100,000 now covered in operating budget
- Capital Works Reserve decrease of \$50,000 in 2017-2018, reinstated in 2019-2021. Total investment over 5yrs of \$330,000.
- Future Policing Costs Reserve increased to smooth impact of future contract increase (90% versus 70%)
- Capital Asset Replacement Reserve decrease of \$198,000 in 2017 – 2018, replaced in 2019 - 2021. Total investment over 5yrs of \$1,040,000.



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## Budget Overview

### Total Expenditures

- Other Municipal Purposes \$947,024
  - Council change of (\$75,788) mainly due to:
    - termination of Chamber service agreement
    - returning contingency to pre-2016 level
    - increases for Sooke Christmas Bureau and Events



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## Budget Overview

### Total Expenditures

- Other Municipal Purposes \$947,024
  - CAO's Office change of \$63,309 due to Hotel Tax planning, legal and operating contingency (contingency is 1.2% of operating budget)
    - An adequate operating contingency allows staff (with Council prior approval) to deal with unanticipated changes to budgeted expenditures. For example, staffing issues, service level demands, health and safety issues, etc.
    - As an example, the Strata Property Act requires a contingency fund balance of 25% of the annual operating budget.
    - Provincial budget contingency is \$350 million = 1.03% of Ministry and Legislative Assembly operating budget.



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## Budget Overview

### Total Expenditures

- Other Municipal Purposes \$947,024
  - Corporate Services change of \$238,219 is mainly due to:
    - Required service level changes for records management and reception. Also due to one time staffing costs.
    - Elections cost is being smoothed over the financial plan
    - Common expenses are now allocated to departments



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## Budget Overview

### Total Expenditures

- Other Municipal Purposes \$947,024
  - Financial Services department change of \$35,960 is due to:
    - Required service level change in IT, offset by cost allocations to Sewer Fund.



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## Budget Overview

### Total Expenditures

- Other Municipal Purposes \$947,024
  - Development Services change of \$183,124 is mainly due to:
    - Required service level changes in Engineering and Building Inspection.
    - Required service level changes to drainage maintenance
    - DCC Roads Bylaw review
    - Increased electricity cost
    - Required service level change in Planning (full year impact)
    - In-house Parks department



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## Budget Overview

### Total Expenditures

- Other Municipal Purposes \$947,024
  - Protective Services change of \$572,484 is mainly due to:
    - Policing budget increase of \$303,223 for:
      - RCMP contract - additional member and retro pay increases
      - Police Based Victims Services and Source Information
    - Fire Department budget increase of \$271,611 for:
      - one-time staffing costs, overtime, required training for volunteers, maintenance for both halls, equipment costs recorded in operations (SCBA etc), required protective clothing and uniforms.



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## Budget Overview

### Total Expenditures

- Other Municipal Purposes \$947,024
  - Sewer Operations change of (\$95,659) is due to savings from in-house operations



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## Budget Overview

### Total Funding Sources

- Property Taxes \$7,182,457
  - Budget proposes 5.58% property tax increase
  - Average assessed property increase of \$55.96
  - For 2017, a 1% property tax increase (over all property classes) raises \$66,478



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## Budget Overview

### Total Funding Sources

- Sewer Parcel Taxes \$1,691,880
  - Funds operations of the Sewer Fund (no impact to Property Taxes)
  - Increase of \$30,360 is due to new parcels in the SSA



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## Budget Overview

### Total Funding Sources

- Other Sources \$5,168,826
  - Includes payments in lieu of taxes, utility taxes, government grants, developer contributions and borrowings through the MFA
  - Decrease of \$1,003,098 is due to capital projects (Roundabout/Town Centre in 2016) and lower borrowings proposed for 2017 versus 2016



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## Budget Overview

### Total Funding Sources

- Fees and Charges \$1,426,374
  - Service level fees and charges including Building Permits, Business Licenses, DCCs etc.
  - No significant change for 2017



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## Budget Overview

### Total Funding Sources

- Transfers from own funds \$3,930,037
  - Transfers from reserves for capital, operating and sewer
  - Increase of \$1,372,996 is mainly due to capital expenditures being funded significantly with reserves in 2017 compared to 2016
  - 2016 included more in grants and developer contributions, proceeds from borrowings and more from taxes

