



Budget 2019

Workshop #3 - January 22, 2019

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Outline for Budget Workshop #3

- Review January 10th meeting & decisions to date
- Important Dates
- Review of capital budgets & provide early budget approval
- Detail review of sewer & water budgets
- Next meeting



Review of workshop #2 held January 10, 2019

Review from Budget Workshop #2

Made decisions on:

- Hiring of the Certified Utilities Operator III (effective June 2019)
- Hiring Planning Technician/Building Inspector (effective June 2019)

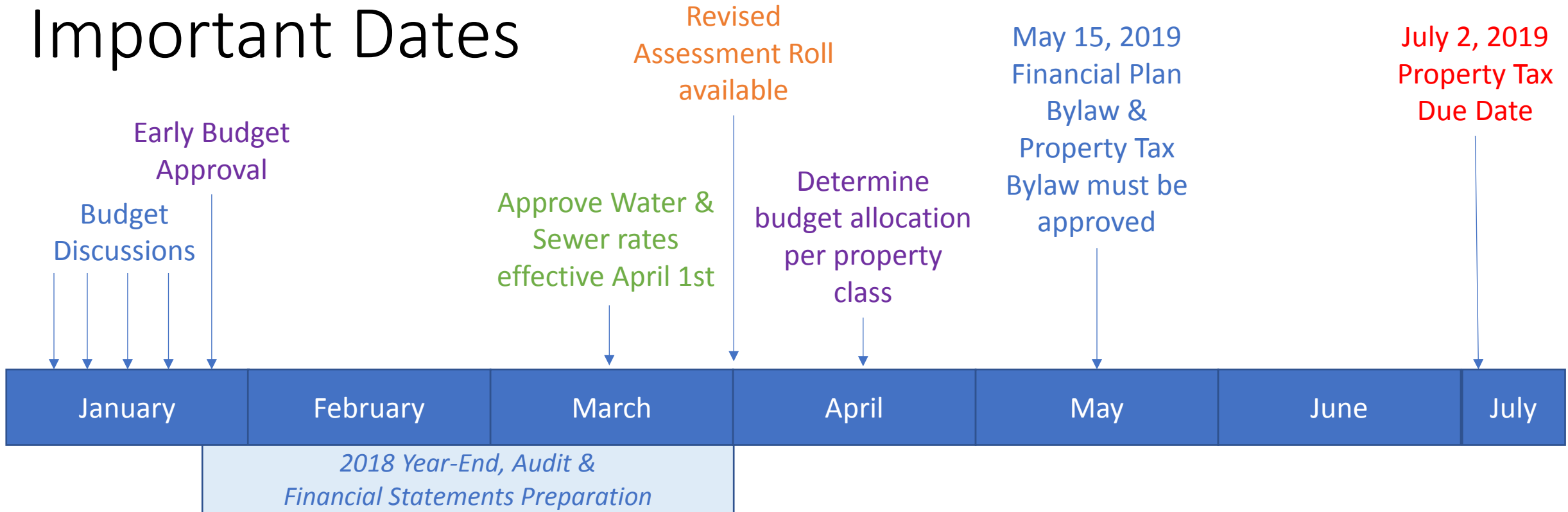
Introduction of the capital budget for 2019

General Property Tax changes

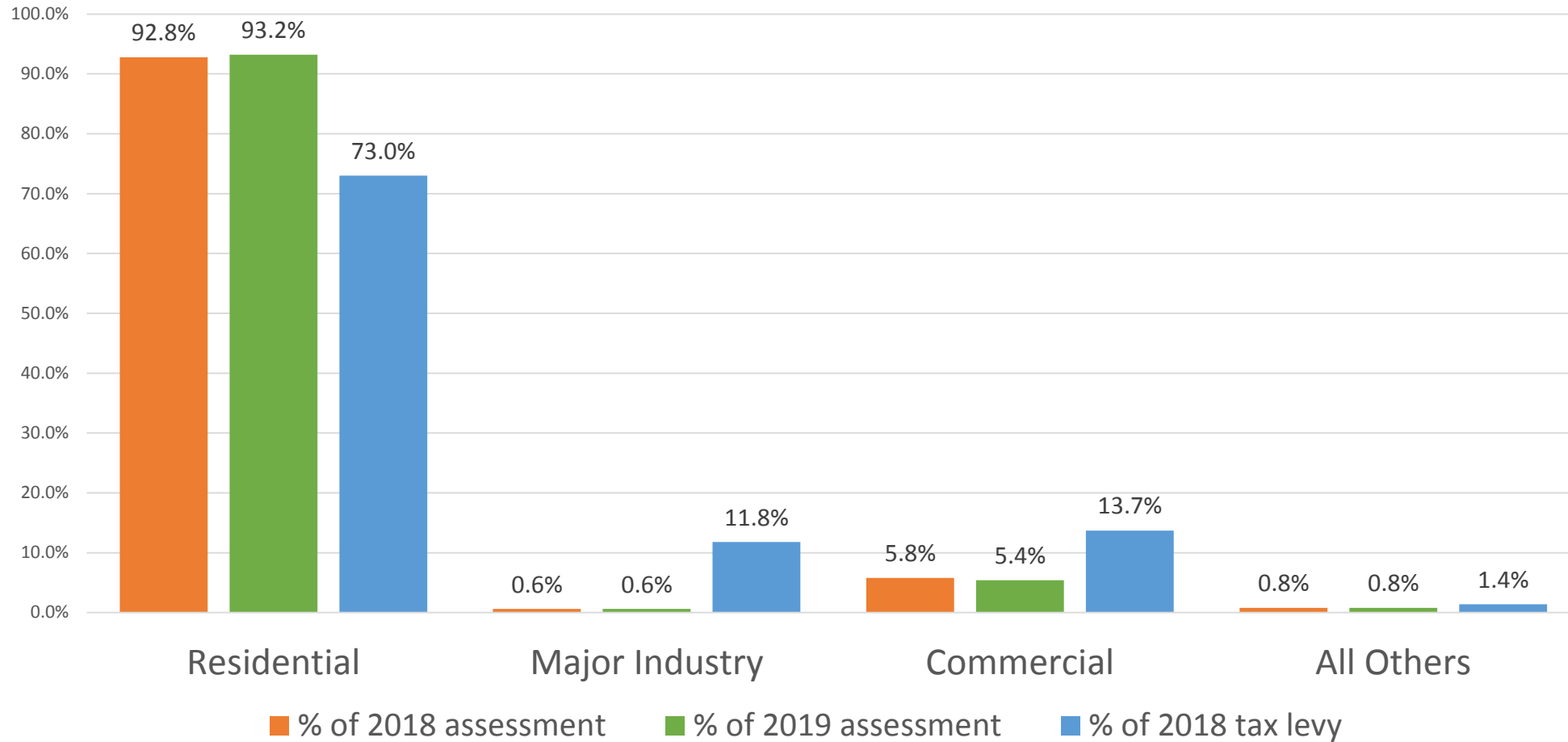
| | |
|---|------------------------|
| 2019 Preliminary Property Tax Revenue | \$ 8,802,203 |
| Decisions made to date: | |
| Add new position for Planning Technician/Building Inspector | <u>+ 62,977</u> |
| | \$ 8,865,180 |

6.29% Adjusted budget increase

Important Dates



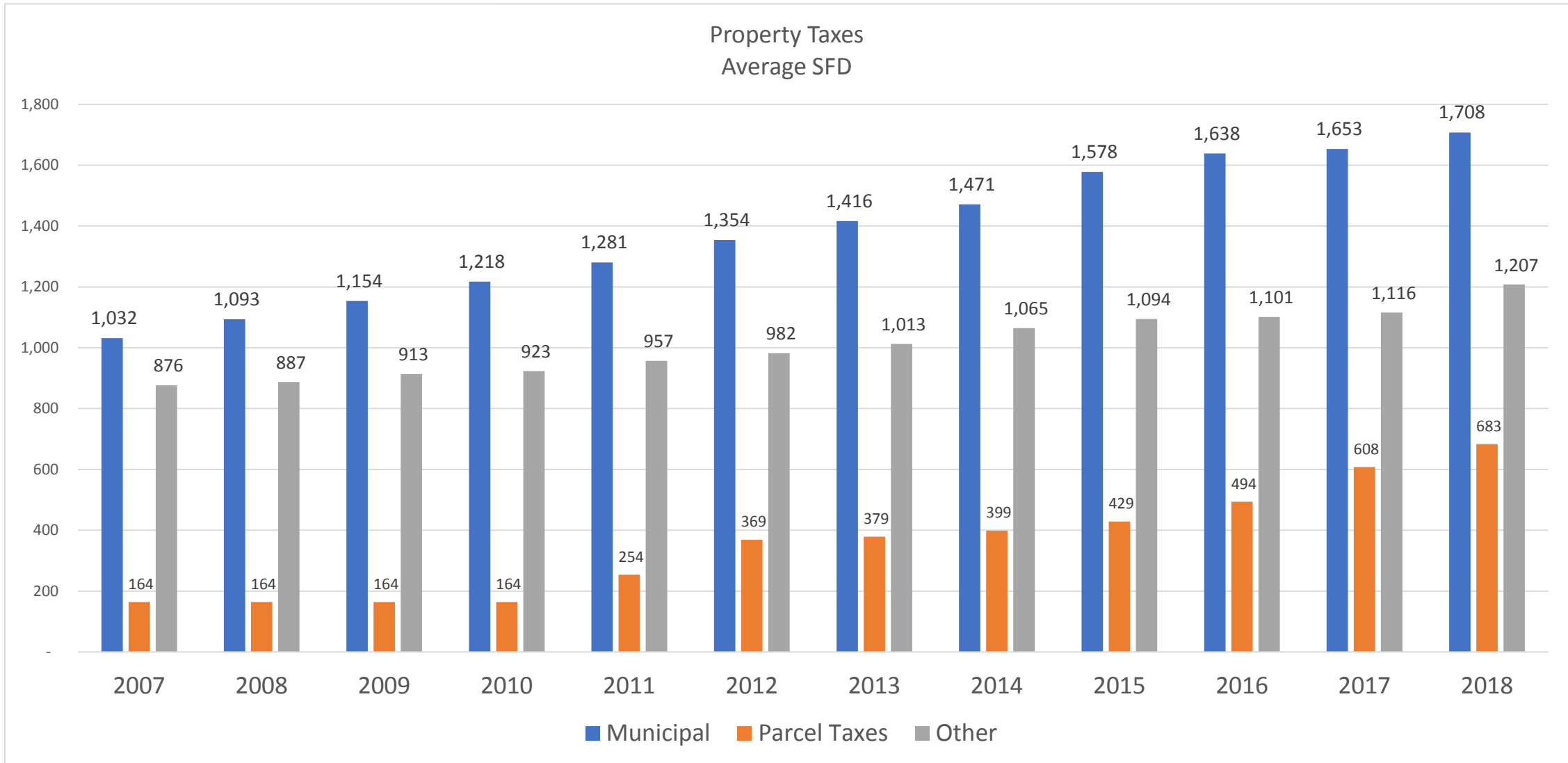
Assessment & Tax Levy





Single Family Dwelling

| | |
|--|--------------|
| 2018 Total Municipal Cost (includes parcel taxes and utility charges) | 3,164 |
| Add Water Parcel Tax | 75 |
| Add Sewer Parcel Tax | 36 |
| Add Water Rates increase | 48 |
| Add Sewer Rates increase | 36 |
| Add Estimated Municipal Property Tax | 64 |
| 2019 Total Municipal Cost PRELIMINARY | 3,423 |



2019 Early Budget Approval Request

Handout

- \$178,000 taxation
- \$200,000 sewer utility
- \$0 water utility

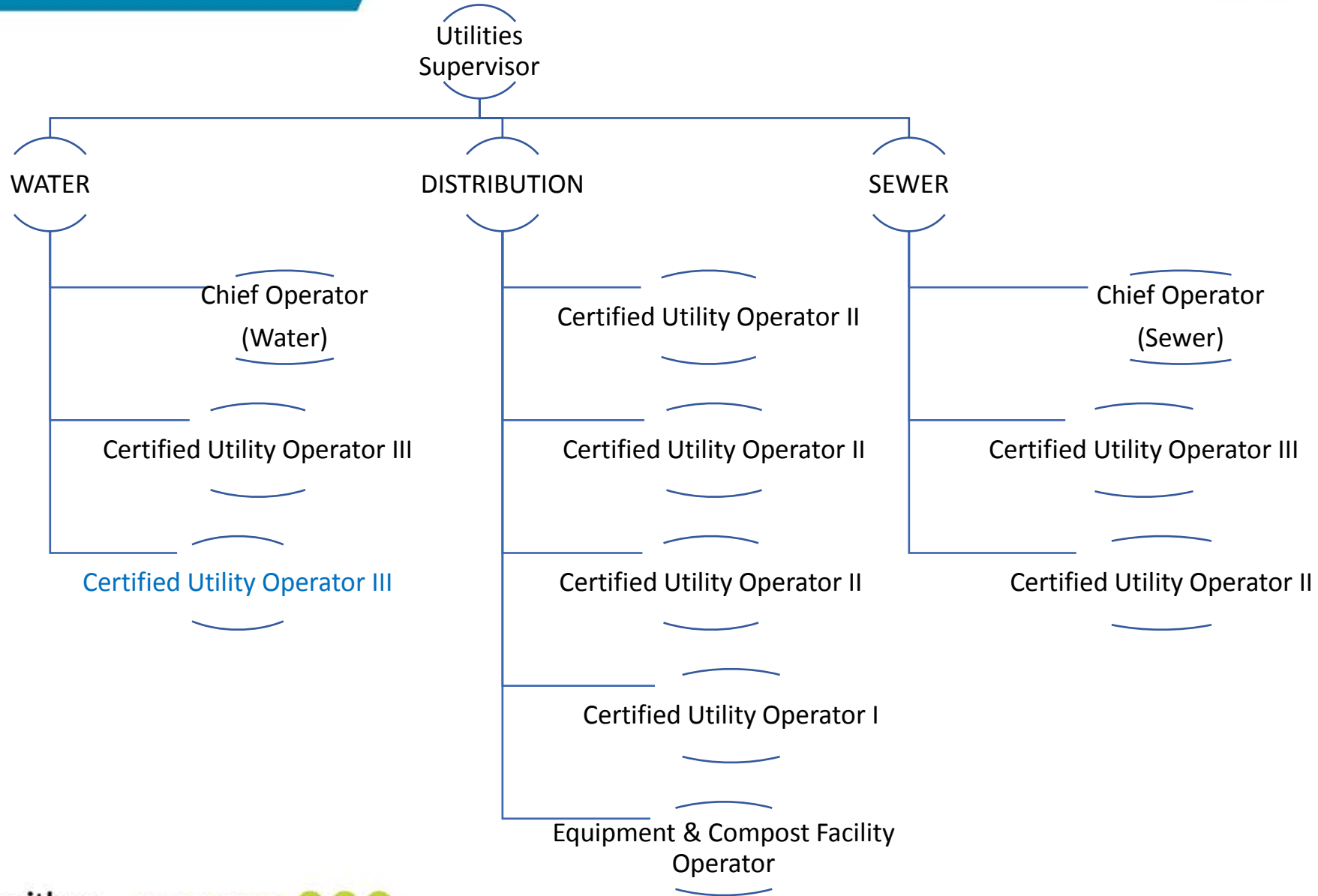
Council Resolution Required

That Council provide early budget approval for the following 2019 Capital Projects:

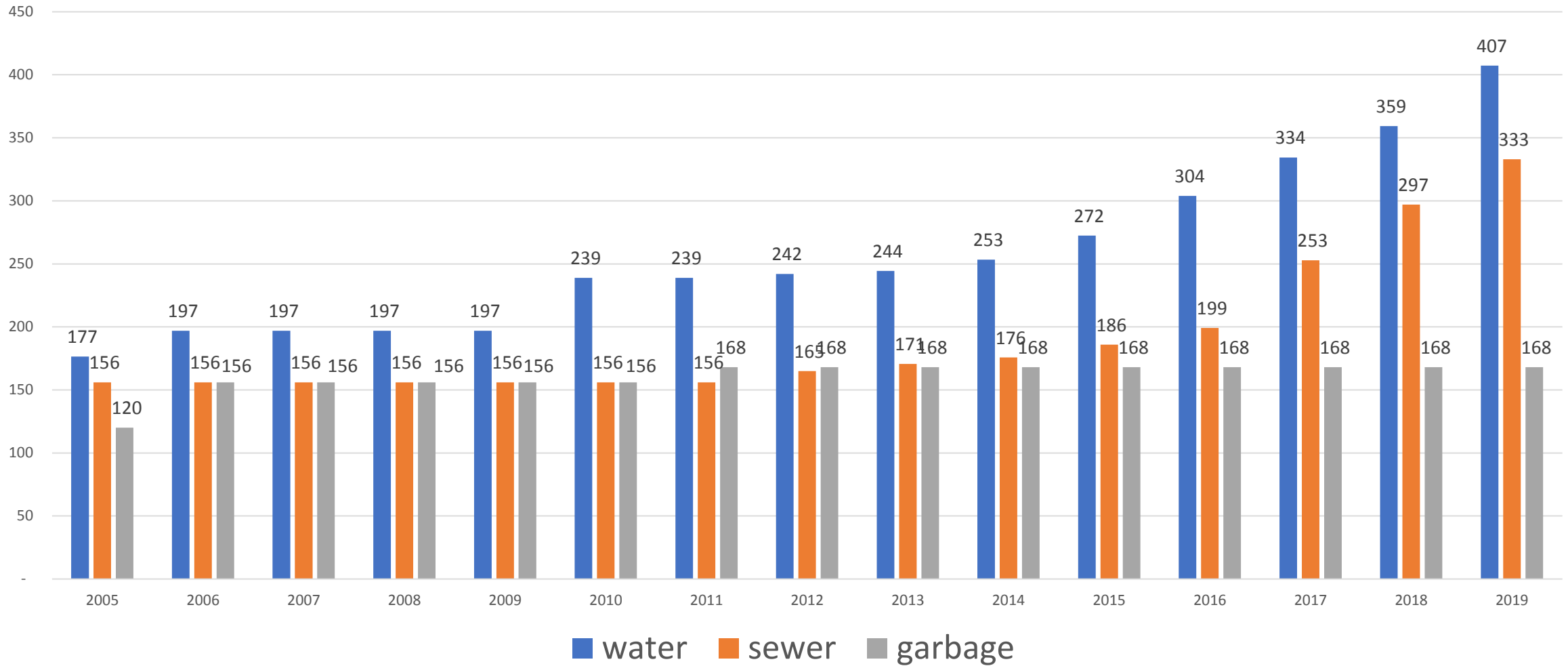
| | |
|--|--------------|
| Planning Guides & Checklists | \$10,000.00 |
| FJCC -Main Roof repairs | \$15,000.00 |
| High Street Concession building roof replacement | \$15,000.00 |
| Holland Creek Washrooms (ball field) | \$11,700.00 |
| PW Building Roof Repair | \$23,000.00 |
| Holland Creek Trail Rebuild | \$20,000.00 |
| Mobile Food Service site upgrades | \$9,000.00 |
| Bucket Truck Replacement (82) | \$175,000.00 |
| One Tonne Utility Truck (Replace 87) | \$80,000.00 |
| Bio-Filter Cover | \$100,000.00 |
| Compost Screener | \$100,000.00 |
| WWTP Lab Testing Equipment | \$10,000.00 |
| Arts & Heritage Hub | \$50,000.00 |
| Biz plan & Communications strategy | \$15,000.00 |
| Community Advisory Panel | \$5,000.00 |
| Geotechnical study for road alignment | \$50,000.00 |
| Infrastructure costing study | \$30,000.00 |
| Legal survey of development parcels | \$10,000.00 |
| Storm drainage relocation | \$15,000.00 |



Sewer & Water Operating Budgets



Utility Charges

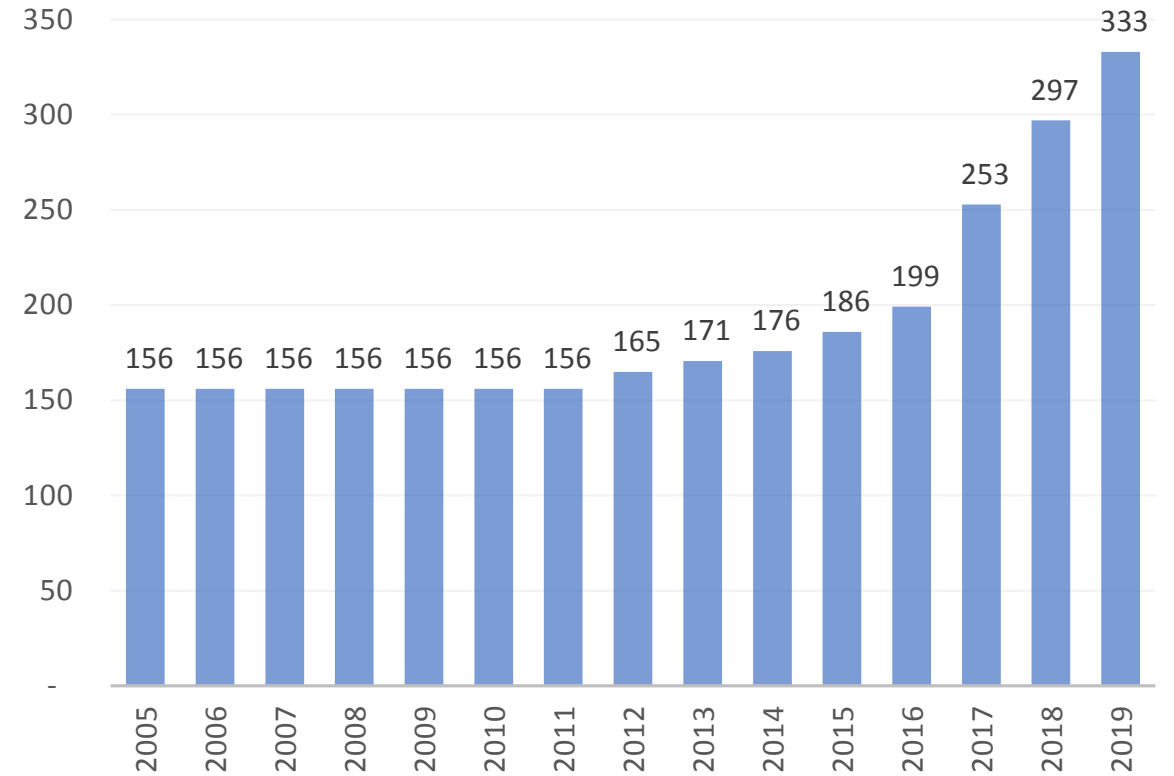




Sewer Operating Budget

| SEWER | | | | |
|-------|--------------|--------------|--------------|--------------|
| Year | Q1 | Q2 | Q3 | Q4 |
| 2005 | 39.00 | 39.00 | 39.00 | 39.00 |
| 2006 | 39.00 | 39.00 | 39.00 | 39.00 |
| 2007 | 39.00 | 39.00 | 39.00 | 39.00 |
| 2008 | 39.00 | 39.00 | 39.00 | 39.00 |
| 2009 | 39.00 | 39.00 | 39.00 | 39.00 |
| 2010 | 39.00 | 39.00 | 39.00 | 39.00 |
| 2011 | 39.00 | 39.00 | 39.00 | 39.00 |
| 2012 | 39.00 | 42.00 | 42.00 | 42.00 |
| 2013 | 42.00 | 42.90 | 42.90 | 42.90 |
| 2014 | 42.90 | 42.90 | 45.00 | 45.00 |
| 2015 | 45.00 | 45.00 | 48.00 | 48.00 |
| 2016 | 48.00 | 50.40 | 50.40 | 50.40 |
| 2017 | 50.40 | 67.50 | 67.50 | 67.50 |
| 2018 | 74.25 | 74.25 | 74.25 | 74.25 |
| 2019 | 74.25 | 86.25 | 86.25 | 86.25 |

Annual Sewer Utility Charges



parcels 3,630

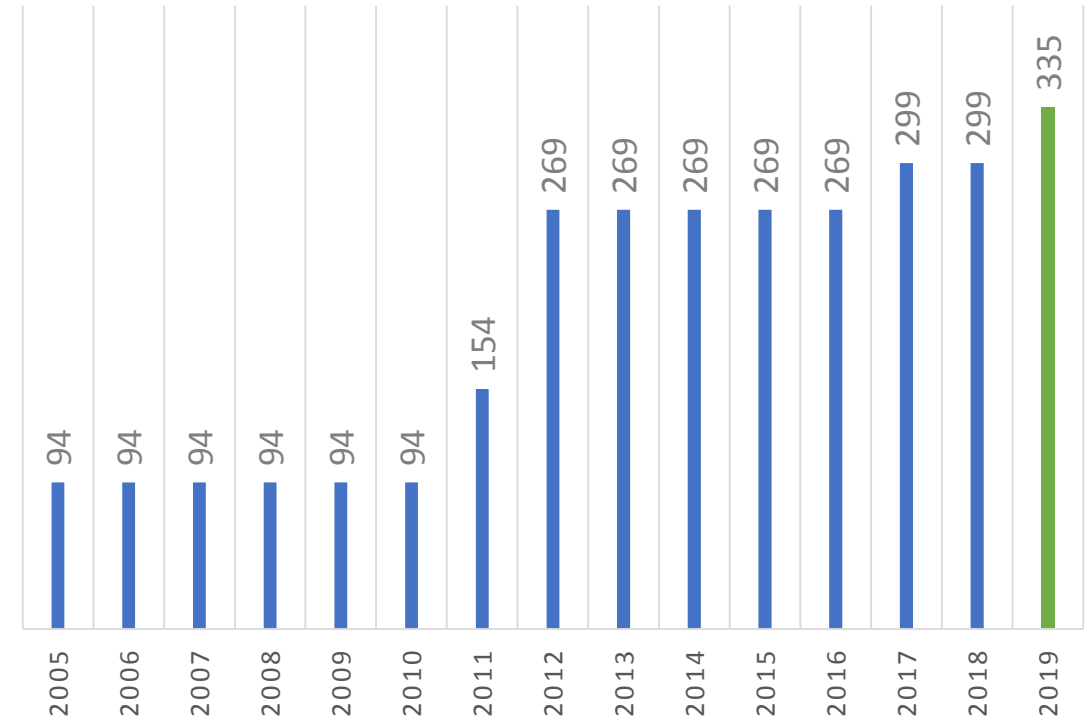
Funding generated for parcels \$ 1,216,050

Funding used for:

- Debt 677,500
- Capital 522,500

| Projects | Project Cost | Sewer Utility Funding |
|--|--------------|-----------------------|
| Bio-Filter Cover | \$100,000 | \$ 100,000 |
| Compost Screener | 100,000 | 90,000 |
| Inflow & Infiltration Connections | 60,000 | 60,000 |
| Post Treatment Disinfection Options | 250,000 | 187,500 |
| Fencing & cameras for compost facility | 75,000 | 75,000 |
| Sewer Source Control Program | 43,000 | - |
| WWTP Lab Testing Equipment | 10,000 | 10,000 |

SEWER PARCEL TAX

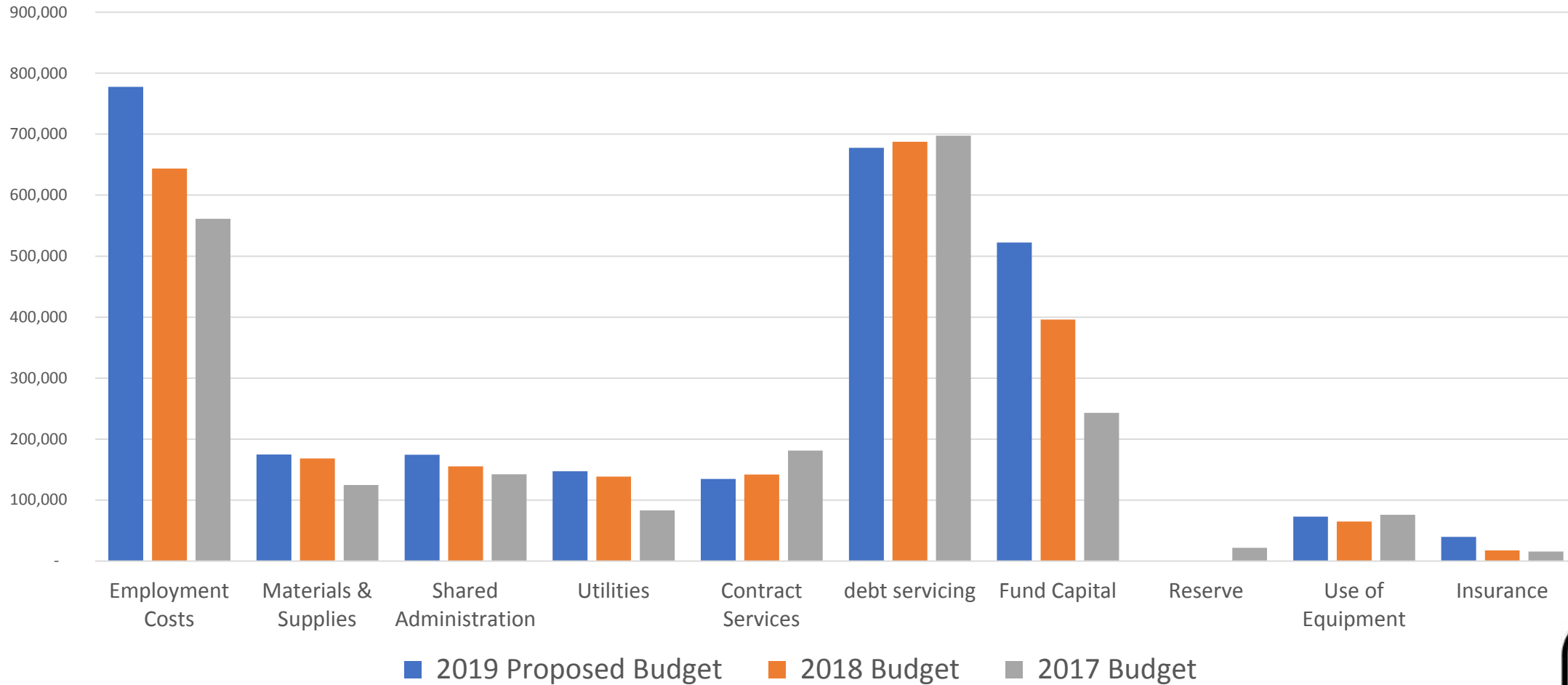


Sewer Billing

Generates \$1,443,315

| | # of units | Q1 (old rates) | Q2 (proposed rates) | Q3 (proposed rates) | Q4 (proposed rates) |
|-----------------------------------|------------|-------------------|------------------------|------------------------|------------------------|
| Residential | 3,995 | 296,629 | 344,569 | 344,569 | 344,569 |
| Rooming house per room | 27 | 307 | 356 | 356 | 356 |
| Restaurant, cafes, dining rooms | 23 | 1,708 | 1,984 | 1,984 | 1,984 |
| Business | 164 | 12,177 | 14,145 | 14,145 | 14,145 |
| Laundromat | 1 | 246 | 286 | 286 | 286 |
| Service station no car wash | 3 | 223 | 259 | 259 | 259 |
| Church/hall/lodge | 10 | 576 | 669 | 669 | 669 |
| Per bed | 9 | 311 | 361 | 361 | 361 |
| Service station with car wash | 3 | 496 | 576 | 576 | 576 |
| School per class room | 112 | 8,316 | 9,660 | 9,660 | 9,660 |
| Public or social club with lounge | 2 | 310 | 360 | 360 | 360 |
| Beer parlour | 2 | 310 | 360 | 360 | 360 |

Sewer Operating Budgets



| Sewer Expenses | 2019 Proposed Budget | 2018 Budget | Difference | Reason |
|-----------------------|----------------------------|------------------|----------------|--|
| Employment Costs | 777,611 | 643,803 | 133,808 | <i>Full funding of 2018 positions & allocation for distribution & composting</i> |
| Debt Servicing | 677,500 | 687,500 - | 10,000 | <i>WWTP debt reduces by \$10k per year</i> |
| Fund Capital | 522,500 | 396,000 | 126,500 | <i>Additional projects</i> |
| Materials & Supplies | 174,575 | 168,225 | 6,350 | <i>Anticipated increase with Composting online for full year</i> |
| Shared Administration | 174,461 | 155,311 | 19,150 | <i>Increased common general gov't costs</i> |
| Utilities | 147,082 | 138,561 | 8,521 | <i>Anticipated increase with Composting online for full year</i> |
| Contract Services | 134,736 | 141,890 - | 7,154 | <i>No longer hauling sludge</i> |
| Use of Equipment | 72,750 | 64,750 | 8,000 | <i>Anticipated increase with Composting online for full year</i> |
| Insurance | 39,425 | 17,303 | 22,122 | <i>Premiums increased at WWTP & Composting site</i> |
| TOTALS | 2,720,640 | 2,413,343 | 307,297 | |

Council resolution required

That Council:

Direct staff to prepare an amendment to Sewer Rates Amendment 2018, No. 1943 to increase each rate classification by 16%, effective April 1, 2019.

Council resolution required

That Council:

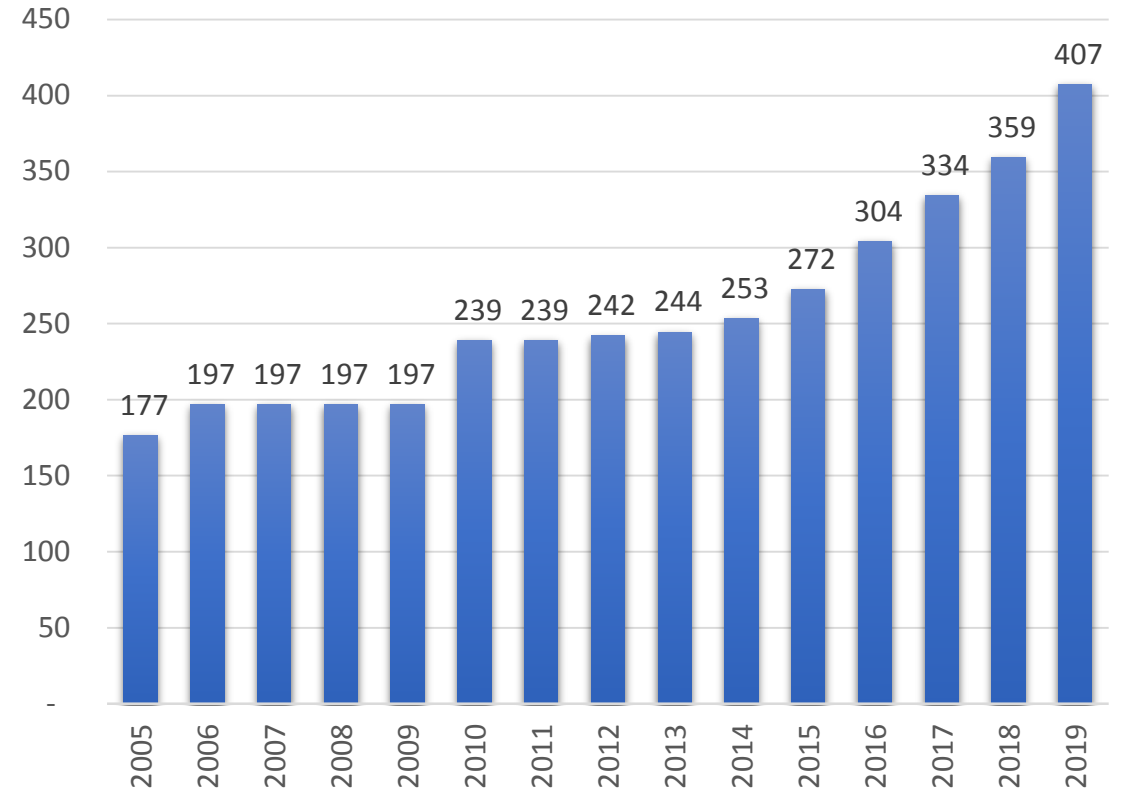
Direct staff to set the 2019 Sewer Parcel Tax rate at \$335 per parcel.



Water Operating Budget

| Water | | | | |
|-------|--------------|---------------|---------------|---------------|
| Year | Q1 | Q2 | Q3 | Q4 |
| 2005 | 39.00 | 39.00 | 49.25 | 49.25 |
| 2006 | 49.25 | 49.25 | 49.25 | 49.25 |
| 2007 | 49.25 | 49.25 | 49.25 | 49.25 |
| 2008 | 49.25 | 49.25 | 49.25 | 49.25 |
| 2009 | 49.25 | 49.25 | 49.25 | 49.25 |
| 2010 | 59.75 | 59.75 | 59.75 | 59.75 |
| 2011 | 59.75 | 59.75 | 59.75 | 59.75 |
| 2012 | 59.75 | 60.75 | 60.75 | 60.75 |
| 2013 | 60.75 | 61.20 | 61.20 | 61.20 |
| 2014 | 61.20 | 61.20 | 65.50 | 65.50 |
| 2015 | 65.50 | 65.50 | 70.70 | 70.70 |
| 2016 | 70.70 | 77.77 | 77.77 | 77.77 |
| 2017 | 77.77 | 85.55 | 85.55 | 85.55 |
| 2018 | 89.83 | 89.83 | 89.83 | 89.83 |
| 2019 | 89.83 | 105.83 | 105.83 | 105.83 |

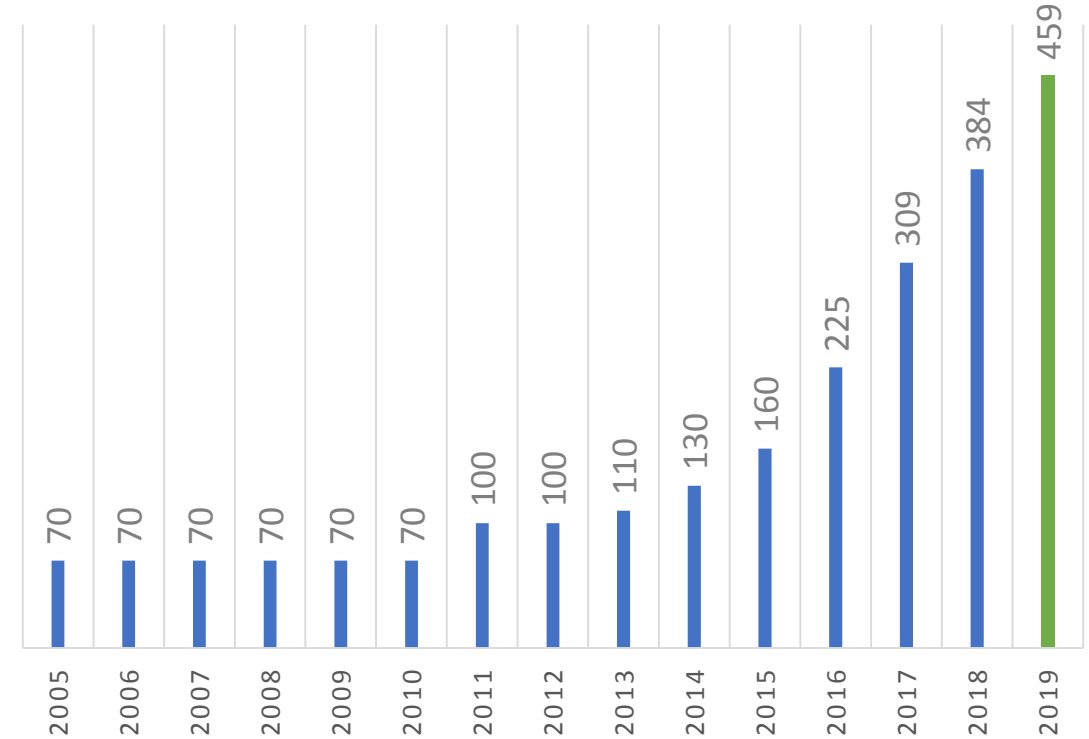
Water Utility Charges



| | |
|-------------------------------|--------------|
| # parcels | 3,654 |
| Funding generated for parcels | \$ 1,677,186 |
| Funding used for: | |
| • Debt | 445,012 |
| • Low Flow Rebate | 10,000 |
| • Capital | 480,000 |
| • Reserve | 648,879 |
| • Funding Operations | 93,295 |

| Projects | Project Cost | Water- Utility Funding |
|--|--------------|------------------------|
| Holland to Stocking Supply Main Interconnection (design) | 406,000 | - |
| Loop Connection - Craig to Russell Upsize | 90,000 | 67,500 |
| Stocking Lake Supply main PRV Station | 70,000 | 52,500 |
| Water main Replacement Baden Powell 4th-3rd | 250,000 | 250,000 |
| Water Meter replacement | 50,000 | 50,000 |
| Water main Loop - Battie to Thetis | 80,000 | 60,000 |

WATER PARCEL



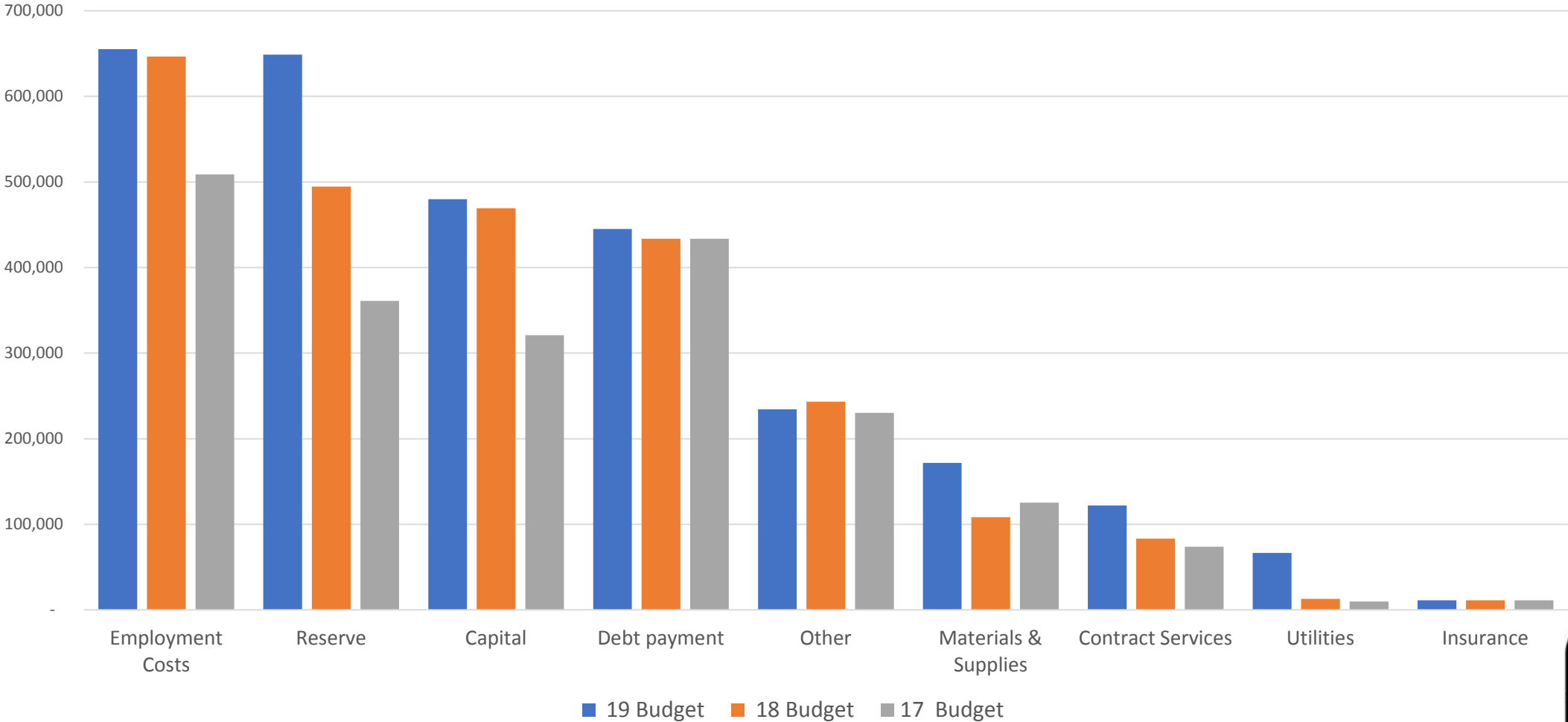
Water Billing

Generates \$1,114,029

| | # of units | Q1 (old rates) | Q2 (proposed rates) | Q3 (proposed rates) | Q4 (proposed rates) |
|--|------------|-------------------|---------------------------|---------------------------|---------------------------|
| Metered Water-Industrial | 4 | 22,708 | 24,521 | 26,569 | 19,555 |
| Metered Water-Non-Residential | 138 | 16,814 | 28,554 | 28,366 | 17,373 |
| Metered Water-Residential 2 to 4 units | 154 | 10,319 | 14,753 | 13,890 | 10,423 |
| Metered Water-Residential over 4 units | 43 | 14,435 | 21,868 | 23,741 | 17,493 |
| Metered Water-Single Unit Dwelling | 2,855 | 133,732 | 235,774 | 268,833 | 164,309 |



Water Operations Budgets



| Water Expenses | 2019 Proposed Budget | 2018 Budget | Difference | Reason |
|-----------------------|----------------------------|------------------|----------------|--|
| Reserve | 1,128,879 | 964,076 | 164,803 | Increase Parcel Tax |
| Employment Costs | 655,331 | 646,452 | 8,879 | |
| Debt payment | 445,012 | 433,612 | 11,400 | Estimate |
| Other | 234,293 | 243,294 | - 9,001 | |
| Materials & Supplies | 171,850 | 108,425 | 63,425 | Expected increase due to Water Filtration Plant |
| Contract Services | 121,970 | 83,170 | 38,800 | Expected increase due to Water Filtration Plant |
| Utilities | 66,500 | 12,700 | 53,800 | Expected increase due to Water Filtration Plant |
| Insurance | 11,220 | 11,201 | 19 | |
| EXPENSES Total | 2,835,055 | 2,502,930 | 332,125 | |

Council resolution required

That Council:

Direct staff to prepare an amendment to the Water Rates Bylaw 2018, No.1942 to increase the base rate by \$10.00 plus an increase to each consumption step by 10% , effective April 1, 2019.



Council resolution required

That Council:

Direct staff to set 2019 Water Parcel Tax rate at \$459 per parcel.



Single Family Dwelling

| | |
|--|--------------|
| 2018 Total Municipal Cost (includes parcel taxes and utility charges) | 3,164 |
| Add Water Parcel Tax | 75 |
| Add Sewer Parcel Tax | 36 |
| Add Water Rates increase | 48 |
| Add Sewer Rates increase | 36 |
| Add Estimated Municipal Property Tax | 64 |
| 2019 Total Municipal Cost PRELIMINARY | 3,423 |

Next Meeting

- Final Review of the 2019 Budget
- Direction to proceed to prepare the bylaw



WE VALUE YOUR FEEDBACK

If you have any comments, questions or suggestions, we want to hear from you. Send us an e-mail to info@ladysmith.ca or by call City Hall at **250.245.6400**.

WE WANT TO HEAR WHAT YOU HAVE TO SAY. CONNECT WITH US:

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