

DISTRICT OF UCLUELET



2020 PRELIMINARY BUDGET DISCUSSION

DECEMBER 12, 2019



District of Ucluelet Five-Year Financial Plan (2020 – 2024)

Meeting Schedule

December 12, 2019, Wednesday, 2 – 5pm

- CFO PowerPoint Presentation - review of “Municipal Budgeting”.
- CAO Overview of department operations and staffing (in-camera).

January 23, 2020, Wednesday, 2 – 5pm

- Report on District Operating Budgets:
 - ✓ General, Water & Sewer.
- Review of Projects by department:
 - ✓ Public Works.

February 20, 2020, Wednesday, 2 – 5pm

- Review of Projects by department:
 - ✓ Planning & Development.
 - ✓ Parks & Recreation, Fire & Emergency Services.
 - ✓ Harbour, Corporate Services, Finance.

March 12, 2020, Wednesday, 2 – 5pm

- Operating and Projects Discussion.

Draft Budget Complete

April 14, 2020, Tuesday, Regular Council Meeting

- Five Year Financial Plan Bylaw - 1st, 2nd Reading
- Tax Rates Bylaw - 1st, 2nd Reading

April 16, 2020, 5pm – 8pm

- Public Presentation

April 28, 2020, Tuesday, Regular Council Meeting

- Five Year Financial Plan Bylaw – 3rd Reading
- Tax Rates Bylaw – 3rd Reading

May 12, 2020, Tuesday, Regular Council Meeting

- Five Year Financial Plan Bylaw – Adoption
- Tax Rates Bylaw – Adoption

NOTE: Bylaw’s MUST be adopted prior to May 15, 2020



FIVE YEAR FINANCIAL PLAN

Part 6 Division 1 of the *Community Charter* requires municipalities to prepare a five year financial plan annually.

The Financial Plan must set out the following for each year of the planning period:

- The proposed expenditures by the municipality;
- The proposed funding sources; and,
- The proposed transfers to or between funds.

The total of the proposed expenditures and transfers to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year.





Preliminary Goals of 2020 Budget Planning

- Preliminary approval of operating/capital expenditures and key projects early 2020.
- Continue to refine the budget planning process.
- Engage public via 4 Special Council Meetings and an Open House in April 2020.

FUND ACCOUNTING

Municipalities use fund accounting. This means the focus is on how money is spent rather than how money is earned. Within this system, a fund is a self-balancing set of accounts.

The emphasis is on accountability rather than profitability.

The District of Ucluelet has the following funds:

- General Operating Fund
- General Capital Fund
- Water Operating Fund
- Water Capital Fund
- Sewer Operating Fund
- Sewer Capital Fund
- Statutory Reserve Funds



REVENUES

A municipality receives revenues from the following proposed funding sources:

- Property value taxes
 - Parcel taxes
 - Fees for services
 - Other sources (i.e. grants)
 - Proceeds from borrowing
 - Transfer to or between funds
(i.e. reserves, accumulated surplus)
- = Approximately \$8,300,000 in 2019
- General – just over \$5.8 million
 - Water & Sewer – just over \$2.5 million



EXPENDITURES

The total proposed expenditures and transfers to other funds for a year **must not exceed** the total of the proposed funding sources and transfers from other funds. The proposed expenditures must set out separate amounts for:

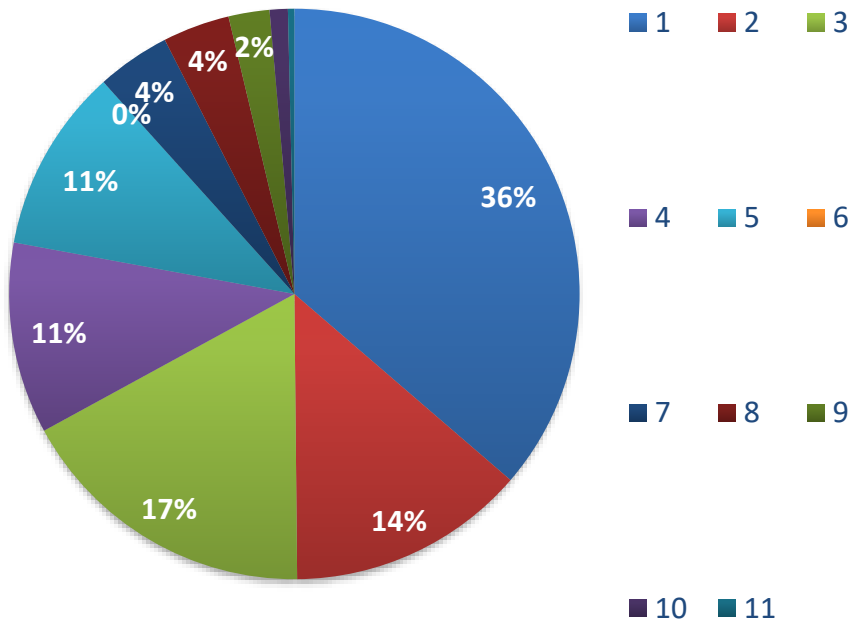
- Paying interest and principal on municipal debt
- Capital purposes
- Any deficiency occurring if actual expenditures and transfer to other funds exceed actual revenues and transfer from other funds
- Other municipal purposes



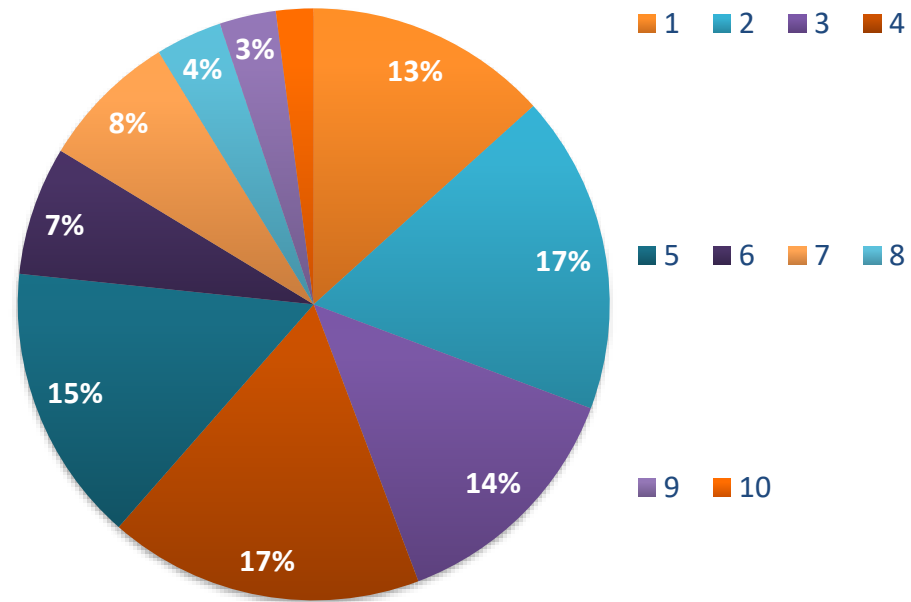
2019 REVENUES & EXPENDITURES

2019 District Budget: \$8.3 Million

Where do our dollars come from?



How are our dollars spent?



HOW DO WE GET THERE?



CREATING A BYLAW

By setting **OBJECTIVES**

1. Financial
 - Operating & Capital
2. Surplus
3. Reserves
4. Tax Allocation (to classes)
5. Tax Exemptions
6. Grants-in-Aid Allocations
7. DCC Bylaw



FINANCIAL PLAN OBJECTIVES

- ✓ Annual taxation estimated increase
- ✓ Review Fees & Charges to keep pace with method or levels of service
- ✓ Actively pursue alternative revenue sources to minimize tax
- ✓ Establish cost recovery policies for fee-supportive service and consider if they are public or private
- ✓ Establish cost recovery policies for services provided to other levels of government
- ✓ General Revenues will not be for specific purposes unless required by law
- ✓ Develop new and creative partnerships to reduce costs and enhance service to the community



SURPLUS FUNDS OBJECTIVE

The Community Charter doesn't allow municipalities to plan for an operating deficit.

Therefore Revenue projections should be conservative and Expenditures are to be closely monitored.

This combination of conservative Revenues and controlled Expenditures should produce a modest annual operating surplus.



RESERVE FUNDS OBJECTIVE

- ✓ Provide sources of funds for future Capital expenditures
- ✓ Provide a source of funding for areas of expenditures that fluctuate significantly from year to year
- ✓ Protect from uncontrollable or unexpected increases in expenditures or reductions in revenues or a combination of the two
- ✓ Provide for working capital to ensure sufficient cash flow
- ✓ Review with Council annually the amount of Reserve funds available



TAX ALLOCATION TO CLASSES

Council's goal is to ensure that there is a fair and equitable apportionment of taxes to each property class.

- Apportionment to each class is calculated using multipliers
- These multipliers are determined by Council prior to preparing the tax rate bylaw
- The multipliers are reviewed and set by Council annually.



PERMISSIVE TAX EXEMPTIONS OBJECTIVE

Permissive Tax Exemptions will be approved by Council as provided under the Permissive Tax Exemptions Bylaw.

For 2020 the following estimates apply;

1. Bylaw No. 1221 –Not for Profit Organizations - \$48,000
2. Bylaw No. 1222 – Places of Worship - \$9,341






DEVELOPMENT COST CHARGES OBJECTIVE

Development Cost Charges will be used to help fund Capital Projects deemed to be required in whole or part due to development in the community.

These charges will be set by Bylaw and reviewed regularly as outlined in the bylaw to ensure that the project estimates remain reasonable and the development costs that are charged are aligned with the strategic goals of Council.



LETS TALK ABOUT FUNDS

General
Operating Fund

General
Capital Fund

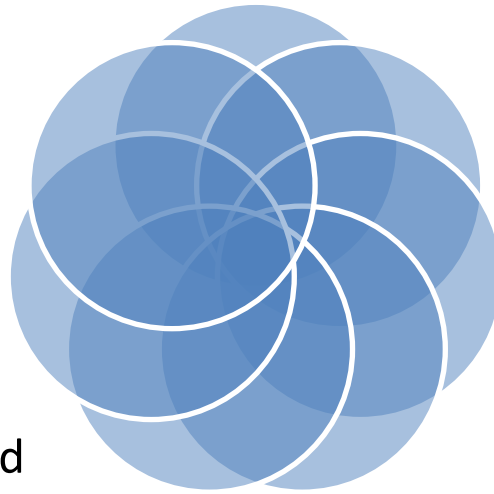
Water
Operating
Fund

Sewer Capital
Fund

Sewer
Operating Fund

Water Capital
Fund

Statutory
Reserve Funds



OPERATING FUNDS

GENERAL FUND

- Administration
- Protective Services
- Transportation & Public Works
- Harbour
- Planning & Development (includes Bylaw Enforcement)
- Recreation & Cultural Services
- Fiscal Services



OPERATING FUNDS

WATER FUND

1. Administration
2. Connections
3. Maintenance & Distribution
4. Treatment



SEWER FUND

1. Administration
2. Connections
3. Maintenance & Distribution
4. Treatment



CAPITAL FUNDS

- GENERAL CAPITAL FUND
- WATER CAPITAL FUND
- SEWER CAPITAL FUND
- STATUTORY RESERVE FUNDS





Summary

Questions ?



Strategic Plan 2020 Projects Review





Inventories

Condition Assessments

Programming/Use Analysis

Prioritization and Costing

Funding Options

Implementation

Community Forest Fund Planning

Survey Rank	Priority	Status	Alternative Funding Options
1	Affordable Housing	Range of solutions underway (Lot 13, Trappa, Chamber staff housing).	Grants
2	Swimming Pool	Multiplex grant application submitted, very expensive to run alone.	
3	Town Beautification	Design and engagement underway, construction costs TBD.	Grants, Gas Tax, Loans
4	Community Sirens	Installation underway, \$40K from CF Funds committed in 2019.	
5	Hard Surface Complex	Community need for facility, opportunity at school for facility.	Grants, Loans
6	Wild Pacific Trail	Trail construction funding through RMI, future funds needed.	Grants, Loans, RMI
7	Mountain Bike Trails	Feasibility assessment approved, significant investment not required	
8	Parkland/Greenspace	Parkland spaces added, Wild Pacific Trail a priority.	
9	Shuttle Bus/Tofino Link	Transit planning underway	
10	Amphitrite Development	Lighthouse lands grant approved, Coast Guard Building divest proposed	Grants, Loans
11	Historical Society		Grants, Loans
12	Food Bank	Community need for facility.	Grants, Loans
	Portable Emergency Gen	Would support power to school and UCC.	Grants, Loans
	Matterson Sewer/Water	Core sewer connection required, plus road improvements for school.	Gas Tax, DCCs
	Medical Centre	Initial concept stages.	Grants, Loans

