



Municipality of North Cowichan

2018 – 2022 Budget Review

December 11, 2017



Guiding Principles

- Align and support Council's goals and objectives
- Align and support Council's *Revenue, Tax, and Budget Policy*
- Maintain existing service levels
- Create a proactive infrastructure renewal plan
- Maintain community development initiatives

Five Year Increases – Updated

	2018	2019	2020	2021	2022
Gross tax increase	3.86%	5.62%	3.79%	3.84%	3.97%
Less: Growth	(1.25%)	(1.25%)	(1.25%)	(1.00%)	(1.00%)
Net Tax Increase	2.61%	4.37%	2.54%	2.84%	2.97%

Additional Budget Items included in 2.61%

	Cost
Inflation	1.3%
Wages	\$230,000
RCMP Contract (increasing to 32 members)	208,000
Increased Capital Contribution	178,000
HR Health and Safety Position	91,000
RCMP Debt	89,125
Fire Truck Reserve	60,000
Annual Election (net of SD contribution)	42,000
Fire Call Pay	20,000

Additional Budget Items included in 2.61%

	Cost
IS – Technical Services Specialist (including benefits)	\$82,500
DS – Community Planner (replaces Community Engagement)	\$93,200
CAO – Community Engagement (returns to CAO as corporate res.)	-
DS – Planner (1 net new FTE – mid year hire)	\$46,600
HR- HR Generalist (mid year hire)	\$46,600
Land Development consultant	\$20,000
Citizen Satisfaction Survey	\$10,000
Budget RCMP at 95% (5 year average actual 93%)	(\$120,000)

Additional Items not included in 2.61% (costs unknown)

Quamichan Lake water quality improvements

Asset Management - Infrastructure Replacement Reserve

Operating Budgets - Departments

	2017 Budget	2018 Budget	Increase (Decrease)	% Change	% of 2017 Operating Budget
General Government	3,814,001	4,462,988	648,987	17.0%	11.2%
Protective Services	8,368,669	8,738,152	369,483	4.4%	24.7%
Transportation Serv.	5,817,341	5,971,338	153,997	2.6%	17.1%
Garbage, Forestry, Cemetery	3,051,162	3,221,866	170,704	5.6%	9.0%
Development Serv.	2,185,785	2,088,678	(97,107)	(4.4%)	6.4%
Recreation Parks and Culture	8,662,085	8,783,568	121,483	1.4%	25.5%
Debt Servicing	<u>2,044,906</u>	<u>2,135,203</u>	<u>90,297</u>	4.4%	6.0%
Total	33,943,949	35,401,793	1,457,844	4.3%	100.00%

General Government

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Legislative Services	251,960	259,180	7,220	2.9%
General Administration	3,459,190	3,754,898	295,708	8.5%
Common Services	497,291	730,200	232,909	46.8%
Other General Gov't	132,880	258,220	125,340	94.3%
Admin Recoveries	<u>(527,320)</u>	<u>(539,510)</u>	<u>(12,190)</u>	<u>2.3%</u>
General Government	3,814,001	4,462,988	648,987	17.0%

Protective Services

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Police Protection	6,506,086	6,778,986	272,900	4.2%
Fire Protection	1,679,320	1,772,298	92,978	5.5%
Other Protection	<u>183,263</u>	<u>186,868</u>	<u>3,605</u>	2.0%
Protective Services	8,368,669	8,737,152	369,483	4.4%

Police Protection

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
RCMP Contract	4,905,166	5,113,924	208,758	4.3%
Clerical	791,710	822,920	31,210	3.9%
Information Services	89,490	92,710	3,220	3.6%
Restorative Justice	7,140	7,300	160	2.2%
Building Maintenance	231,845	236,322	4,477	1.9%
Guards	<u>480,735</u>	<u>505,810</u>	<u>25,075</u>	5.2%
Police Protection	6,506,086	6,778,986	272,900	4.2%

RCMP Contract includes 2.5% wage increase, overtime increases and one new member in 2018

Fire Protection

	2017 Budget	2018 Budget	Increase (Decrease)	% Change
Fire Control	63,194	60,794	(2,400)	(3.8%)
Fire Inspection	53,340	41,440	(11,900)	(22.3%)
Fire Truck Reserve	335,000	395,000	60,000	17.9%
Chemainus Fire Hall	313,983	323,372	9,389	3.0%
Crofton Fire Hall	267,233	274,071	6,838	2.6%
Maple Bay Fire Hall	270,017	279,866	9,849	3.6%
South End Fire Hall	<u>376,553</u>	<u>397,755</u>	<u>21,202</u>	5.6%
Total	1,679,320	1,772,298	92,978	5.5%

Transportation Services

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Administration	1,590,269	1,659,252	68,983	4.3%
Road Transportation	<u>4,227,072</u>	<u>4,312,086</u>	<u>85,014</u>	2.0%
Transportation Services	5,817,341	5,971,338	153,997	2.6%

Road Transportation

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Roads	2,316,624	2,332,646	16,022	0.7%
Snow and Ice Removal	376,805	381,320	4,515	1.2%
Street Lights	470,393	476,328	5,935	1.3%
Signs and Road Marking	260,336	263,751	3,415	1.3%
Drainage	566,444	620,761	54,317	9.6%
Dikes	23,280	21,350	(1,930)	(8.3%)
Training and Safety	81,000	82,560	1,560	1.9%
Other	<u>132,190</u>	<u>133,370</u>	<u>1,180</u>	0.9%
Road Transport	4,227,202	4,312,086	85,014	2.0%

Environmental

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Climate/Energy	284,070	359,387	75,317	26.5%
Garbage/Recycling	1,046,922	1,114,669	67,747	6.5%
Forestry	1,553,700	1,595,920	42,220	2.7%
Cemetery	<u>166,470</u>	<u>151,890</u>	<u>(14,580)</u>	(8.8%)
Environmental	3,051,162	3,221,866	170,704	5.6%

Forestry is self sustaining, is off set by revenue

Climate/Energy

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Building Upgrades – Energy	178,000	40,000		
CAEP Modeling		100,000		
Community Energy Projects		108,807		
Carbon Offsets	10,000	25,000		
Energy Management	<u>96,070</u>	<u>85,580</u>		
Climate/Energy	284,070	359,387	75,317	26.5%

Energy Projects

	Operating	Capital
Muni Hall and Operations	40,000	
FLA – Upgrade new Zamboni to electric		60,000
Total	40,000	60,000

Garbage

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Garbage Fees	1,176,083	1,232,600	56,517	4.8%
Garbage Collection	435,804	495,512	59,708	13.7%
Recycling	252,938	256,017	3,079	1.2%
Tipping Fees	316,230	320,340	4,110	1.3%
Other	<u>41,950</u>	<u>42,800</u>	<u>850</u>	2.0%
	1,046,922	1,114,669	67,747	6.5%
Transfer to Equipment Reserve	<u>54,040</u>	<u>104,590</u>	<u>50,550</u>	93.5%
Total	1,100,962	1,219,259	118,297	10.7%

Forestry

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Forestry Revenues	1,660,900	1,899,200	238,300	14.3%
Forestry Expenses	<u>1,553,700</u>	<u>1,595,920</u>	<u>42,220</u>	2.7%
Surplus	107,200	303,280	196,080	182.9%
To Forest Legacy - 20%	21,440	60,656	39,216	
To Forestry Res - 50%	53,600	151,640	98,040	
To General Operating - 30%	32,160	90,984	58,824	

- Forestry is a self-sustaining operation and is not funded by taxation
- Forestry is budgeted to have a net profit of \$303,280 in 2018 based on an Annual Allowable Cut of 20,000 m3 (2017 20,000m3)

Planning and Economic Development

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Planning and Sustainability	1,340,040	1,258,439	(81,601)	(6.1%)
Economic Development – (Chem BIA)	95,760	95,100	(660)	(0.7%)
Building Inspection	583,660	555,809	(27,851)	(4.8%)
Bylaw Enforcement	<u>166,325</u>	<u>179,332</u>	<u>13,007</u>	7.8%
Total	2,185,785	2,088,680	(97,105)	(4.4%)

Economic Development is the Chemainus BIA

- Fixed tax rate separate from general taxation paid by businesses in the BIA
- Amount increases/decreases with assessment

Planning and Sustainability

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Planning Administration	1,034,510	1,013,437	(21,073)	(2.0%)
Environmental Committee	2,530	0	(2,530)	(100%)
Community Energy Projects	5,000	0	(5,000)	(100%)
Bell McKinnon Area Plan	140,000	160,000	20,000	14.3%
Quamichan Lake Water Quality	25,000	0	(25,000)	(100%)
Comprehensive OCP Review	25,000	25,000	0	
Bonsal Creek Watershed Plan	60,000	0	(60,000)	(100%)
Amalgamation Study and Citizens' Assembly	<u>48,000</u>	<u>60,000</u>	<u>12,000</u>	25%
	1,340,040	1,258,437	(81,603)	(6.1%)

Planning Administration includes \$38,000 for mobile Prospero project

Recreation, Parks and Culture

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Administration	111,400	127,620	16,220	14.6%
Swimming Pools	3,582,739	3,767,266	184,527	5.2%
Arena	959,450	978,710	19,260	2.0%
Parks & Playgrounds	2,055,447	2,102,730	47,283	2.3%
Wharves	164,306	165,865	1,559	0.9%
Regional Library	1,398,293	1,425,077	26,784	1.9%
Grants in Aid	<u>390,450</u>	<u>216,300</u>	<u>(174,150)</u>	(44.6%)
Total Recreation & Culture	8,662,085	8,783,568	121,483	1.4%

Cowichan Aquatic Centre - Operating

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
CAC Revenues	1,577,576	1,570,300	(7,276)	(0.5%)
CAC Expenses	<u>3,513,439</u>	<u>3,691,766</u>	<u>178,327</u>	5.1%
Partners' Share – Operating	1,935,863	2,121,466	185,603	9.6%
Recovery %	44.8%	42.5%		
CAC Capital	<u>185,000</u>	<u>115,000</u>	<u>(70,000)</u>	(37.8%)
Total CAC net	2,120,863	2,236,466	115,603	5.5%

Cowichan Aquatic Centre

Contributions	2017	2018	Increase	% Contributed
North Cowichan	1,665,771	1,764,274	98,503	78.9%
City of Duncan	253,550	268,461	14,911	12.0%
Cowichan Tribes	67,642	69,831	2,189	3.1%
Areas A,B,C & D	100,000	100,000		4.5%
Area E	21,700	21,700		1.0%
Lake Cowichan, F & I	<u>12,200</u>	<u>12,200</u>		<u>0.5%</u>
Total	2,120,863	2,236,466	115,603	100%

Fiscal Services

	2017 Budget	2018 Budget	Budget Increase	Budget % Increase
Debt – Interest	1,139,677	1,228,695	89,018	7.8%
Debt - Principal	<u>905,229</u>	<u>906,508</u>	<u>1,279</u>	0.1%
Total Fiscal Services	2,044,906	2,135,203	90,297	4.4%

Changes:

- 3 months RCMP Detachment Debt

Capital Expenditure – Summary

	2018	2019	2020	2021	2022
General Government	65,000	45,000	62,000	113,400	68,000
Land Acquisition & Develop.	770,000	-	1,400,000	-	-
Municipal Property Improvements	475,000	295,000	425,000	425,000	425,000
Information Services	260,000	265,000	270,000	490,000	575,000
Community Development	525,000	350,000	300,000	500,000	500,000
Protective Services: Police & Other	12,000,000	11,500,000	-	-	-
Protective Services: Fire	441,100	460,000	708,000	655,800	987,000
Forestry	36,000	-	-	40,000	-
Transportation	3,708,860	3,799,420	3,893,000	3,985,800	4,444,100
Parks & Recreation	<u>1,262,600</u>	<u>975,000</u>	<u>1,442,000</u>	<u>862,500</u>	<u>1,925,000</u>
Total	19,543,560	17,689,420	8,500,000	7,072,500	8,924,100

2018-2022 Capital Funding Summary

	2018	2019	2020	2021	2022
General Revenue	3,678,360	3,796,020	3,811,000	4,265,300	4,861,100
Gas Tax Revenues	1,178,000	1,178,000	1,178,000	1,178,000	1,178,000
Appropriated Surplus	737,200	-	-	-	-
Reserve Funds	2,340,000	1,215,400	3,511,000	1,629,200	2,745,000
Development Cost Charges	64,000	-			
Grants	20,000	-	-	-	-
Other Contributions	26,000	-	-	-	130,000
Debenture Debt	<u>11,500,000</u>	<u>11,500,000</u>		-	-
Total Sources of Financing	19,543,560	17,689,420	8,500,000	7,072,500	8,914,100

2018-2022 Capital Funding - Taxes

	2018	2019	2020	2021	2022
General Revenue	3,678,360	3,796,020	3,811,000	4,485,300	5,171,100
% of property taxes	12.8%	12.5%	12.1%	13.0%	14.2%