



Municipality of North Cowichan 2019 – 2023 Budget Review

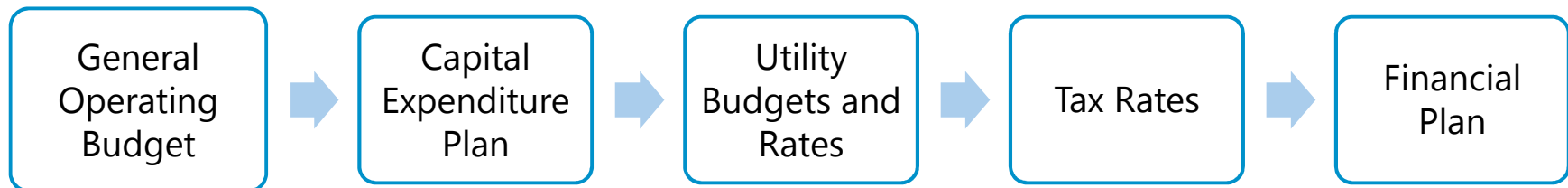
November 19, 2018



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

Budget Process - Council



Five Year Increases – Updated

	2019	2020	2021	2022	2023
Gross tax increase	4.14%	6.60%	5.17%	3.93%	3.96%
Less: Growth	(1.25%)	(1.25%)	(1.00%)	(1.00%)	(1.00%)
Net Tax Increase	2.89%	5.35%	4.17%	2.93%	2.96%

What is included in the proposed 2.89%

	Cost	%
1.3 % Inflation	\$300,000	1.04%
2% Wage Increase	\$260,000	0.90%
RCMP Contract	\$268,000	0.93%
Employer Health Tax	\$180,000	0.63%
Fire Call Pay	\$75,000	0.62%
RCMP Building Debt (net)	\$179,000	0.27%
Quamichan Lake Study (operating)	\$50,000	0.17%

Higher Service Levels not included in 2.89%

Additional Budget Item	Cost	% tax increase
Quamichan Lake Water Quality Reserve	\$50,000	0.17%
Budgets for committees		
Budgets for Councillor legal fees		
TOTAL	\$	

Council may have additional service level increases to discuss after Strategic Priority Setting

Operating Budgets - Division

	2018 Budget	2019 Budget	Increase (Decrease)	% Change	% of 2018 Operating Budget
Legislative and CAO	1,343,971	1,182,962	(161,009)	-12.0%	3.7%
Common Services	1,001,130	775,158	(225,972)	-22.6%	2.8%
People and Business Services	1,780,970	2,366,551	585,581	32.9%	5.0%
Financial and Protective Services	9,745,911	10,426,358	680,447	7.0%	27.2%
Community Services	16,220,454	16,125,525	(94,929)	-0.6%	45.2%
Engineering and Development Services	3,734,510	3,398,635	(335,875)	-9.0%	10.4%
Debt Servicing	<u>2,046,078</u>	<u>1,967,578</u>	<u>(78,500)</u>	-3.8%	5.7%
Total	35,873,024	36,242,767	369,743	1.0%	100.0%

Legislative and CAO

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Legislative (Mayor and Council)	259,180	317,068	57,888	22.3%
Office of CAO	351,041	345,910	(5,131)	-1.5%
Legislative Service	<u>733,750</u>	<u>519,984</u>	<u>(213,766)</u>	-29.1%
Total	1,343,971	1,182,962	(161,009)	-12.0%

Common Services

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Audit and Legal	118,830	192,160	73,330	61.7%
Consulting	268,750	56,250	(212,500)	-79.1%
Elections and Referendums	122,270	-	(122,270)	-100.0%
First Nation Initiatives	10,390	10,600	210	2.0%
Insurance	58,710	59,890	1,180	2.0%
Municipal Buildings	181,760	196,178	14,418	7.9%
Office	131,680	134,320	2,640	2.0%
Other	66,990	74,160	7,170	10.7%
Taxes on NC land	<u>41,750</u>	<u>51,600</u>	<u>9,850</u>	23.6%
	1,001,130	775,158	(225,972)	-22.6%

People and Business Services

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Human Resources	581,835	859,687	277,852	47.8%
Communications and Strategic Engagement	164,075	254,850	90,775	55.3%
Administrative Support Services		113,385	113,385	100%
Information Services and GIS	1,403,287	1,549,170	145,883	10.4%
Admin Recoveries	<u>(368,227)</u>	<u>(410,541)</u>	<u>(42,314)</u>	
	1,780,970	2,366,551	585,581	32.9%

Financial and Protective Services

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Financial Services	828,427	803,331	(25,096)	-3.03%
Police Protection	6,778,986	7,105,689	326,703	4.8%
Bylaw Services	179,332	331,828	152,496	85.0%
Fire Protection	1,772,298	2,008,720	236,422	13.3%
Other Protection	<u>186,868</u>	<u>176,790</u>	<u>(10,078)</u>	-5.4%
Financial Protective Services	9,745,911	10,426,358	680,447	7.0%

Police Protection

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
RCMP Contract	5,113,924	5,382,262	268,338	5.2%
Administration		34,867	34,867	100%
Clerical	822,920	833,180	10,260	1.2%
Information Services	92,710	90,920	(1,970)	-1.9%
Restorative Justice	7,300	7,450	150	2.1%
Building Maintenance	236,322	241,090	4,768	2.0%
Guards	<u>505,810</u>	<u>515,920</u>	<u>10,110</u>	2.0%
Police Protection	6,778,986	7,105,689	326,703	4.8%

RCMP Contract includes 2.5% wage increase, overtime increases and one new member in 2018/19

Fire Protection

	2018 Budget	2019 Budget	Increase (Decrease)	% Change
Fire Control	60,794	64,270	3,476	5.7%
Fire Admin and Inspection	41,440	173,909	132,469	319.7%
Fire Truck Reserve	395,000	400,000	5,000	1.3%
Chemainus Fire Hall	323,372	333,576	10,204	3.2%
Crofton Fire Hall	274,071	296,370	22,299	8.1%
Maple Bay Fire Hall	279,866	302,815	22,949	8.2%
South End Fire Hall	<u>397,755</u>	<u>437,780</u>	<u>40,025</u>	10.1%
Total	1,772,298	2,008,720	236,422	13.3%

Community Services

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Operations	5,614,076	5,261,445	(342,631)	-6.3%
Forestry Expenses	1,595,920	1,606,826	10,906	0.7%
Cemetery	151,890	149,420	(2,470)	-1.6%
Parks Recreation and Culture	<u>8,858,568</u>	<u>9,107,834</u>	<u>249,266</u>	2.80%
Community Services	16,220,454	16,125,525	(94,929)	-0.6%

Operations

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Roads	2,541,566	2,039,106	(502,460)	-19.8%
Snow and Ice Removal	381,320	376,115	(5,205)	-1.4%
Street Lights	452,050	461,090	9,040	2.0%
Signs and Road Marking	288,029	290,816	2,787	1.0%
Drainage	595,042	724,309	129,267	21.7%
Dikes	21,350	33,610	12,260	57.4%
Training and Safety	82,560	84,210	1,650	2.0%
Other	137,490	134,703	(2,787)	-2.0%
Garbage	<u>1,114,669</u>	<u>1,117,486</u>	<u>2,817</u>	0.3%
	5,614,076	5,261,445	(352,631)	-6.3%

Garbage

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Garbage Fees	1,232,600	1,263,840	31,240	2.5%
Garbage Collection	495,512	489,500	(6,012)	-1.2%
Recycling	256,017	257,576	1,559	0.6%
Tipping Fees	320,340	326,750	6,410	2.0%
Other	<u>42,800</u>	<u>43,660</u>	<u>860</u>	2.0%
	1,114,669	1,117,486	2,817	0.3%
Transfer to Equipment Reserve	<u>104,590</u>	<u>106,680</u>	<u>2,090</u>	2.0%
Total	1,219,259	1,224,166	4,907	0.4%

Forestry

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Forestry Revenues	1,896,800	2,097,660	200,860	10.6%
Forestry Expenses	<u>1,595,920</u>	<u>1,606,826</u>	<u>10,906</u>	0.7%
Operating Surplus	300,880	490,834	189,954	
Capital		<u>65,000</u>	<u>65,000</u>	
Net Surplus	300,880	425,834	124,954	
To Forest Legacy - 20%	60,176	85,167	24,991	
To Forestry Res - 50%	150,440	212,917	62,477	
To General Operating - 30%	90,264	127,750	37,486	

- Forestry is a self-sustaining operation and is not funded by taxation
- Forestry is budgeted to have a net profit of \$426,000 in 2019 based on an Annual Allowable Cut of 20,000 m³ (2018 20,000m³)

Recreation, Parks and Culture

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Administration	127,620	188,317	60,697	47.6%
Swimming Pools	3,767,266	3,927,013	159,747	4.2%
Arena	978,710	992,211	13,501	1.4%
Parks & Playgrounds	2,102,730	2,120,360	17,630	0.8%
Wharves	190,865	174,180	(16,685)	-8.7%
Regional Library	1,425,077	1,485,123	60,046	4.2%
Grants in Aid	<u>266,300</u>	<u>220,630</u>	<u>(45,670)</u>	-17.1%
	8,858,568	9,107,834	249,266	2.8%

Cowichan Aquatic Centre

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
CAC Revenues	1,570,300	1,484,800	(85,500)	-5.4%
CAC Expenses	<u>3,691,766</u>	<u>3,853,240</u>	<u>161,474</u>	4.4%
Partners' Share – Operating	2,121,466	2,368,440	246,974	11.6%
Recovery %	42.54%	38.53%		
CAC Capital	<u>175,000</u>	<u>572,500</u>	<u>397,500</u>	227.1%
Total CAC net	2,296,466	2,940,940	644,474	28.1%

Cowichan Aquatic Centre

Contributions	2018	2019	Increase	% Contributed
North Cowichan	1,815,398	2,369,132	553,734	80.6%
City of Duncan	276,200	359,787	83,587	12.2%
Cowichan Tribes	70,968	78,121	7,153	2.7%
Areas A,B,C & D	100,000	100,000	-	3.4%
Area E	21,700	21,700	-	0.7%
Lake Cowichan, F & I	<u>12,200</u>	<u>12,200</u>	-	0.4%
Total	2,296,466	2,940,940	644,474	100%

Engineering and Development Services

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Engineering	1,795,294	1,760,461	(34,833)	-1.9%
Development Services	<u>1,939,216</u>	<u>1,638,174</u>	<u>(301,042)</u>	-15.5%
Engineering and Development Services	3,734,510	3,398,635	(335,875)	-9.0%

Engineering Services

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Admin Roads and Drainage	1,435,907	1,532,099	96,192	6.70%
Environmental	<u>359,387</u>	<u>228,362</u>	<u>(131,025)</u>	<u>-36.5%</u>
Engineering Services	1,795,294	1,760,461	(34,833)	-1.9%

Environment/Energy

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Building Upgrades – Energy	40,000	0	(40,000)	-100.0%
CAEP Modeling	100,000	100,000	0	0.0%
Community Energy Projects	108,807	30,000	(78,807)	-72.4%
Carbon Offsets	25,000		(25,000)	100.0%
Energy Management	<u>85,580</u>	<u>98,362</u>	<u>12,782</u>	<u>14.9%</u>
	359,387	228,362	(131,025)	36.5%

Development Services

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Community and Development Planning	1,288,307	1,096,838	(191,469)	-14.9%
Building Inspection	555,809	427,956	(127,853)	-23.0%
Economic Development – (Chem BIA)	<u>95,100</u>	<u>113,380</u>	<u>18,280</u>	<u>19.2%</u>
Total	1,939,216	1,638,174	(301,042)	-15.5%

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

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Planning Administration	974,307	921,838	(52,469)	-5.4%
Bell McKinnon Area Plan	160,000		(160,000)	-100.0%
Comprehensive OCP Review	25,000	100,000	75,000	300.0%
Zoning Bylaw Revision		25,000	25,000	
Amalgamation	60,000	0	(60,000)	-100.0%
Noise Study	10,000		(10,000)	-100.0%
Maple Bay Planning Exercise	10,000	25,000	15,000	150.0%
Quamichan Lake Study	24,000		(24,000)	-100.0%
Other	<u>25,000</u>	<u>25,000</u>	<u>0</u>	0.00%
	1,288,307	1,096,838	(191,469))	-14.9%

Fiscal Services

	2018 Budget	2019 Budget	Budget Increase	Budget % Increase
Debt – Interest	1,139,570	1,060,125	(79,445)	-7.0%
Debt - Principal	<u>906,508</u>	<u>907,453</u>	<u>945</u>	0.1%
Total Fiscal Services	2,046,078	1,967,578	(78,500)	-3.8%

Changes:

- RCMP Detachment Interest \$179,000
- Cowichan Aquatic Centre Interest (\$247,500)
- MB Fire Hall Interest (\$10,000)

Capital Expenditure Program – General

2019 - 2023

Sources of Financing

- Capital projects are financed through a variety of sources including:
 - General Revenue
 - Gas Tax Revenue
 - Appropriated Surplus
 - Reserve Funds
 - Development Cost Charges
 - Government Grants
 - Other Contributions
 - Debt
- Only general revenue is funded directly from property taxes

Capital Fund

Revenue Sources :

- *Property Taxes (target \$4.3 million – recommended 15% of Property Taxes)*
 - *2019 Proposed Budget* - \$3,911,600 (13.6%)
 - *2018 Budget* - \$3,427,500 (12.4%)

- *Property tax transfer to Capital has increased \$484,000 and on a % basis from 2018*

- *Reducing capital transfer would be a reversal of the effort Council took in 2011 to get capital to sustainable level of 15% as per Revenue, Tax and Budget Policy.*

Capital Expenditure – Summary

	2019	2020	2021	2022	2023
General Government	105,000	62,000	113,400	68,000	10,000
Land Acquisition & Develop.	-	2,650,000	-	-	-
Municipal Property Improvements	586,000	425,000	425,000	425,000	425,000
Information Services	270,000	322,000	150,000	130,000	152,000
Community Development	200,000	850,000	800,000	800,000	500,000
Protective Services: Police & Other	11,000,000	25,000,000	5,000,000	-	-
Protective Services: Fire	448,900	786,700	727,200	1,102,600	120,000
Forestry	65,000	-	55,000	-	55,000
Transportation	3,868,700	4,108,300	4,202,000	4,655,474	5,126,046
Parks & Recreation	<u>3,791,000</u>	<u>1,562,500</u>	<u>862,500</u>	<u>1,915,000</u>	<u>998,000</u>
Total	20,334,600	35,766,500	12,335,100	9,096,074	7,386,046

2018-2022 Capital Funding Summary

	2019	2020	2021	2022	2023
General Revenue	3,911,600	4,074,800	3,916,600	4,407,400	4,724,046
Gas Tax Revenues	1,128,000	1,128,000	1,128,000	1,128,000	1,128,000
Appropriated Surplus	1,150,000	-	-	-	-
Reserve Funds	1,601,000	5,563,700	2,211,500	3,292,274	1,534,000
Development Cost Charges	96,000	-	64,000	118,400	-
Grants	2,396,000	-	-	-	-
Other Contributions	52,000	-	-	-	-
Debenture Debt	10,000,000	25,000,000	5,000,000	-	-
Total Sources of Financing	20,334,600	35,766,500	12,335,100	9,096,704	7,386,046