



2024-2028 FINANCIAL PLAN

Special Council Meeting – February 12, 2024

- Council Direction – Financial Plan Decision Items
- Community Park Projects – Financial Update
- Reserves

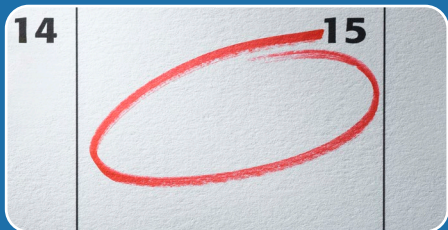
FINANCIAL PLAN TIMELINE – “PROVISIONAL/FINAL”

Five-year Financial Plan details and public consultation



- Nov 27 COW: Setting the stage for the 2024-2028 FP
- Dec 11 COW: Parksville Community Park and Council Financial Plan Requests Brought Forward
- Jan 15 & 24: Departmental Presentations – Operating and Capital
- Jan 29/Feb 12: Cumulative analysis and direction from Council

Bylaws



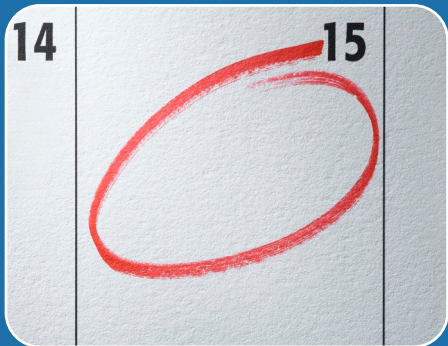
- Feb 21/ March 4: Financial Plan Bylaw readings and adoption

FINANCIAL PLAN TIMELINE - **AMENDED**



5 Year Financial Plan details and public consultation

- April 8 COW: New information, carry forward balances, BC Assessment revised roll for PT, water/sewer rates analysis
- Apr 15: Resolutions from April 8 COW and direction from Council re PT/water/sewer rates



Bylaws (adoption required by May 15, 2024)

- Apr 22/May 6: Amended 2024-2028 Financial Plan Bylaw
- Apr 22/ May 6: 2024 Water/Sewer Rates Bylaws
- Apr 22/May 6: 2024 Tax Rates Bylaw

Average Residential Home – Scenario #1

Core Service Financial Plans (Jan 15 and Jan 24)

\$135 Property Tax 4.7% + 0.5% increase

\$15 Water User Fees with 5% increase

\$6 Sewer User Fees with 3% increase

\$156 TOTAL

	Prop Tax	Cap Reserve
2024	4.7%	0.5%
2025	3.5%	0.0%
2026	3.5%	0.0%
2027	3.5%	0.0%
2028	3.0%	0.0%

	Water Fees	
2024	5.0%	\$20/conn'n/yr
2025	5.0%	\$20/conn'n/yr
2026	5.0%	\$20/conn'n/yr
2027	5.0%	\$20/conn'n/yr
2028	5.0%	\$20/conn'n/yr

	Sewer Fees	
2024	3.0%	0.0%
2025	3.0%	0.0%
2026	3.0%	0.0%
2027	3.0%	0.0%
2028	3.0%	0.0%

Average Residential Home – after Feb 4 meeting

\$166 Property Tax - 5.9% + 0.5% increase

\$15 Water User Fees - 5% increase

\$6 Sewer User Fees - 3% increase

\$187 TOTAL

	Prop Tax	Cap Reserve
2024	5.9%	0.5%
2025	4.6%	0.5%
2026	3.5%	0.5%
2027	3.5%	0.5%
2028	3.0%	0.5%
	Water Fees	
2024	5.0%	\$20/conn'n/yr
2025	5.0%	\$20/conn'n/yr
2026	5.0%	\$20/conn'n/yr
2027	5.0%	\$20/conn'n/yr
2028	5.0%	\$20/conn'n/yr
	Sewer Fees	
2024	3.0%	0.0%
2025	3.0%	0.0%
2026	3.0%	0.0%
2027	3.0%	0.0%
2028	3.0%	0.0%

Financial Plan Decision Items - Reserves

Reference	Council Resolution Date	Description	Funding Alternatives	2025-2028	2024	2024	RECOMMENDED FUNDING SOURCE -2024-2028 TOTAL					
				Estimated Incremental Cost (Saving)	Estimated Incremental Cost/ (Saving) (Cap+Op)	Estimated % PT increase	General Fund Operating (PT)	Accumulated Surplus	Gas Tax	Capital Reserve	Other Reserves	
FINANCE		Establish Protective Services Reserve and contribute +0.5% PT towards Policing and Fire Services	Property taxes	1,290,300	85,000	0.5%	1,375,300					*
FINANCE		Reallocate surplus from RCMP contract budget to Protective Services Reserve re cost increase at 15,000 population (for prior 5 years and annually starting with 2024) (estimated cumulative amount)	Accumulated Surplus	-	-		-	(1,500,000)				1,500,000

Property tax increases required in all five years to fund investment in protective services reserve:

2024 + 0.5% 2025 + 0.5% 2026 + 0.5% 2027 + 0.5% 2028% + 0.5%

Provides funding capacity for upcoming investments in Protective Services staffing and facilities/equipment (Fire Department and Policing).

PROTECTIVE SERVICES RESERVE FOR FUTURE EXPENDITURES

RCMP significant future expenditures:

- 15,000 population threshold ~ 90%+ cost share
- New detachment facility

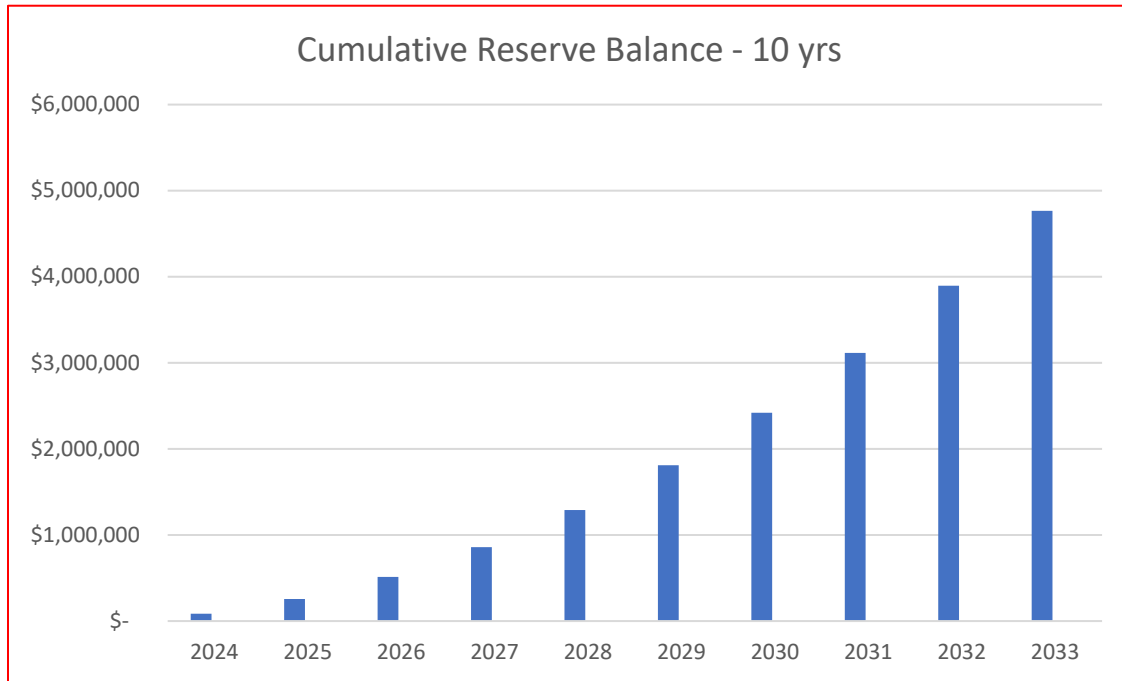
Fire Department future expenditures:

- Replacement of significant apparatus
- Additional career staff
- 2nd Fire Hall as needed with population growth

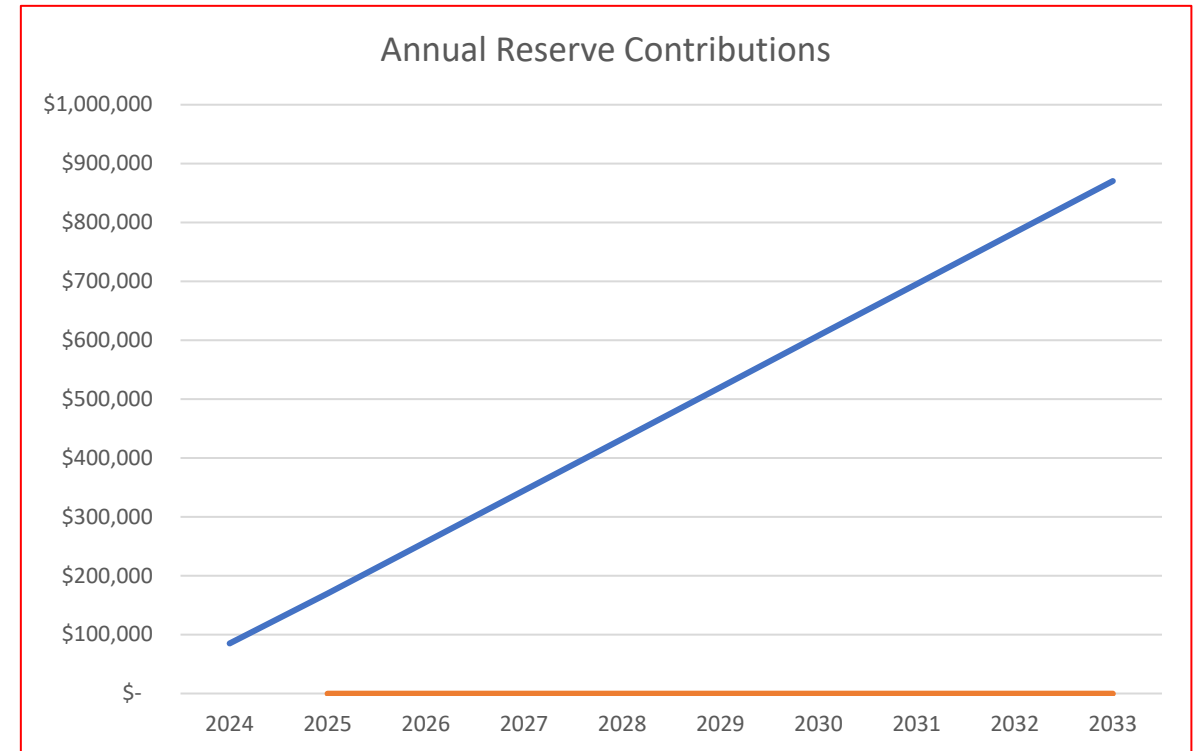
Funding options (not an exhaustive list):

- Create separate Reserve for future expenditures, with flexibility to be used on capital or operating expenditures, funded annually with % of property tax (e.g. 1% = ~\$175,000). Consider showing levy separately on PT notice.
- Consider PT allocation coming from non-market change (new) taxation
- Establish Reserve by reallocating amounts in unrestricted surplus for the last X years (e.g. difference between actual net expenditures and property taxes collected for related department).
- Protective services parcel tax.
- Allocation of specific amenity funds to Reserve.

PROTECTIVE SERVICES RESERVE CONTRIBUTIONS / CUMULATIVE BALANCE



0.5% PT incremental reserve contribution



10 YR PROJECTIONS



RCMP NET EXPENDITURES 2018-2022

	2018-2022 Total	2022	2021	2020	2019	2018
Financial Plan						
Expenditure	\$14,462,600	\$ 3,218,200	\$ 2,978,300	\$ 2,827,200	\$ 2,746,400	\$ 2,692,500
Traffic fine rev	(529,100)	(107,100)	(105,000)	(98,000)	(114,000)	(105,000)
Net taxation	13,933,500	3,111,100	2,873,300	2,729,200	2,632,400	2,587,500
Actual						
Expenditure	12,864,619	2,789,397	2,599,818	2,435,198	2,613,599	2,426,607
Traffic fine rev	(514,386)	(89,234)	(113,754)	(114,895)	(97,643)	(98,860)
Net taxation	12,350,233	2,700,163	2,486,064	2,320,303	2,515,956	2,327,747
Unrestricted Surplus	\$ 1,583,267	\$ 410,937	\$ 387,236	\$ 408,897	\$ 116,444	\$ 259,753

RESERVES POLICY & RESERVES BALANCES

SUGGESTION:

1. Defer adoption of Reserves and Surplus Policy until after impacts of new provincial legislation are known.
2. Report to Council after audited F/S received with suggestions for surplus allocations to be set aside until policy adopted



Reserves can help to fund the non-recurring expenditures for better management of property tax and utility rate changes.

Significant categories:

Restricted – Capital

Restricted – Statutory/legislated

Development Cost Charges

Equipment Replacement

Unrestricted Surplus

COMMUNITY PARK – ASSET INVESTMENTS



COMMUNITY PARK PROJECTS - 2023 FUNDING

		Capital Grant	CCBF (Gas Tax)	Growing Comm Fund	Prop Taxes	Capital Reserve	Bequeath	DCC	Surplus C/fwd
2023 Amended Fin Plan:									
Gathering Plaza	1,057,000	395,000					171,000		491,000
Washroom	1,072,000			600,000		115,000			357,000
Accessibility/ Sports Courts	295,000		295,000						
Park Improvements	410,000		410,000						
Playground Equipment	100,000				50,000				50,000
Playground Resurfacing	400,000	300,000							100,000
CP Contingency-General	700,000								700,000
CP Contingency-Water	50,000								50,000
CP Contingency-Sewer	40,000								40,000
Trail development	24,750							24,750	
Minor Road Repairs	23,000				23,000				
Sidewalk/ Accessibility Improvements	25,000				25,000				
Total Funding Sources	\$ 4,196,750	\$695,000	\$705,000	\$600,000	\$ 98,000	\$115,000	\$171,000	\$ 24,750	\$ 1,788,000

COMMUNITY PARK – ASSET INVESTMENTS

Actual 2023 Costs:	
Gathering Plaza	597,200
Washroom Building	1,005,600
Infrastructure:	-
Electrical	360,200
Roads/Sidewalk	283,700
Water	59,300
Sanitary Sewer	98,600
Storm Drainage	30,400
Irrigation	72,700
Trails/Pathways	326,600
Park Equip/Furniture	233,200
Playground Equipment	68,900
Rubber Surfacing	419,500
Sports Courts	93,600
Skateboard Park	32,400
Total Costs	\$3,681,640



Remaining 2023	515,110
Allocate in 2024+ FP:	
Gathering Plaza	100,000
Washroom Bldg	100,000
Other CP Improv	200,000
Lacrosse Box c/fwd	50,000
	450,000



CAPITAL RESERVES

		CAPITAL RESERVES			
		General Fund	Water Fund	Sewer Fund	Total
12/31/2023	Estimated balance	5,008,500	1,102,400	1,276,300	7,387,200
2024-28 Contributions		20,840,300	3,000,000	1,875,000	25,715,300
2024-2028 FP Investments:					
	Infrastructure renewal	(18,375,000)	(1,290,000)	(1,875,000)	(21,540,000)
	Other capital projects	(380,500)	(1,740,700)	-	(2,121,200)
12/31/2028	Estimated Balance	\$ 7,093,300	\$ 1,071,700	\$ 1,276,300	\$ 9,441,300

OTHER RESTRICTED RESERVES

		OTHER RESTRICTED RESERVES					
		Land Sale	Parks	Off-Street Parking	CCBF (Gas Tax)	Growing Comm Fund	Total
12/31/2023	Estimated balance	1,224,100	598,200	746,900	4,310,900	4,189,000	11,069,100
2024-28 Known Contributions			740,000				740,000
2024-2028 FP Investments:							-
	Fire Hall	(460,000)			(2,250,000)	(750,000)	(3,460,000)
	Parks & Recreation		(442,500)		(500,000)	(105,000)	(1,047,500)
	Master Plans				(250,000)	(750,000)	(1,000,000)
	Infrastructure				(1,310,900)	(890,000)	(2,200,900)
	Emergency Prog equipment					(130,000)	(130,000)
	Downtown lighting project					(300,000)	(300,000)
		(460,000)	(442,500)	-	(4,310,900)	(2,925,000)	(8,138,400)
12/31/2028	Estimated Balance	\$ 764,100	\$ 895,700	\$ 746,900	\$ -	\$ 1,264,000	\$ 3,670,700

GAS TAX / Canada Community-Building Fund

- Agreement ends March 2024
 - Last payment in 2023

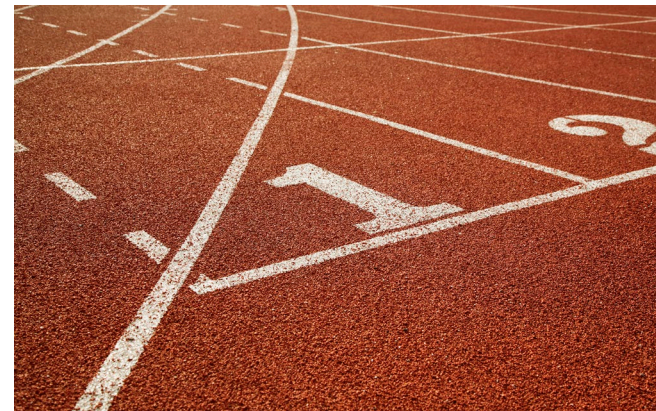
UBCM still negotiating for new agreement

Expected requirements:

- *Significant improvement in asset management programs*
- *Mandatory AM reporting*
- *Tied to long term financial plans*

2024-2028 Financial Plan proposed investments:

- Fire hall addition/renovation
- Oceanside Track project
- Parks and Trails Master Plan
- Transportation Master Plan
- Water infrastructure renewal



GROWING COMMUNITIES FUND



\$4,789,000	Grant received (Mar 2023)
	Less 2023 allocations:
(\$750,000)	Drinking water master plan
(\$750,000)	Fire hall addition/reno
<u>(\$600,000)</u>	Comm Park washroom building
\$2,689,000	Balance estimated 12/31/2023
	Less 2024-2028 allocations:
(\$130,000)	Emerg Services (antennae)
(\$100,000)	Shelley Hall Ctr playground (2025)
(\$5,000)	BeachFest relocation design
(\$300,000)	Downtown lighting (25-27)
<u>(\$890,000)</u>	Pavement maint/crack sealing
<u>\$1,264,000</u>	Balance unallocated

➤ Capital infrastructure -eligible projects:

- Public drinking water supply, treatment facilities and water distribution;
- Development finance portions of infrastructure costs that support affordable/attainable housing.
- Wastewater conveyance and treatment facilities;
- Storm water management;
- Public safety/emergency management equipment and facilities not funded by senior level government;
- Local road improvements and upgrades;
- Sidewalks, curbing and lighting;
- Active transportation amenities not funded by senior level government;
- Natural hazard mitigation;
- Park additions/maintenance/upgrades including washrooms/meeting space and other amenities; and
- Recreation related amenities.

GROWING COMMUNITIES FUND



Water supply,
treatment, dist'n



Public safety/
emergency mgt
equip/ facilities



Natural hazard mitigation

Local share of
affordable housing



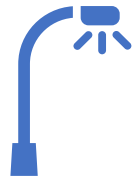
Local road
improvements



Parks add'ns, upgrades incl
washrooms, meeting
space. Other amenities



Childcare facilities



Sidewalks, curbing,
lighting



Recreation related
amenities

Capital projects
serving First Ntn
communities



Active
transportation
amenities



Feasibility studies related
to other categories, design
work, acquiring land for
eligible infrastructure



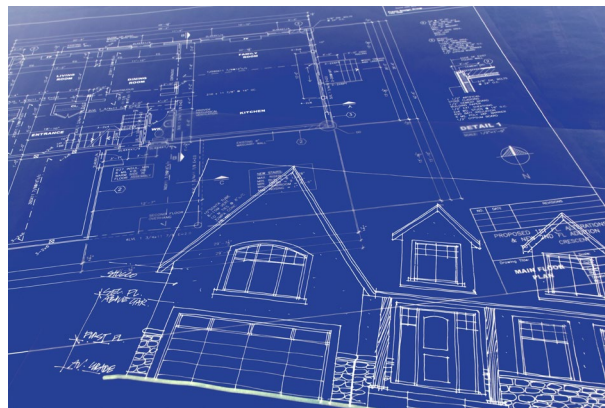
Wastewater
conveyance/
treatment



Improvements for
transit service

DEVELOPMENT COST CHARGES

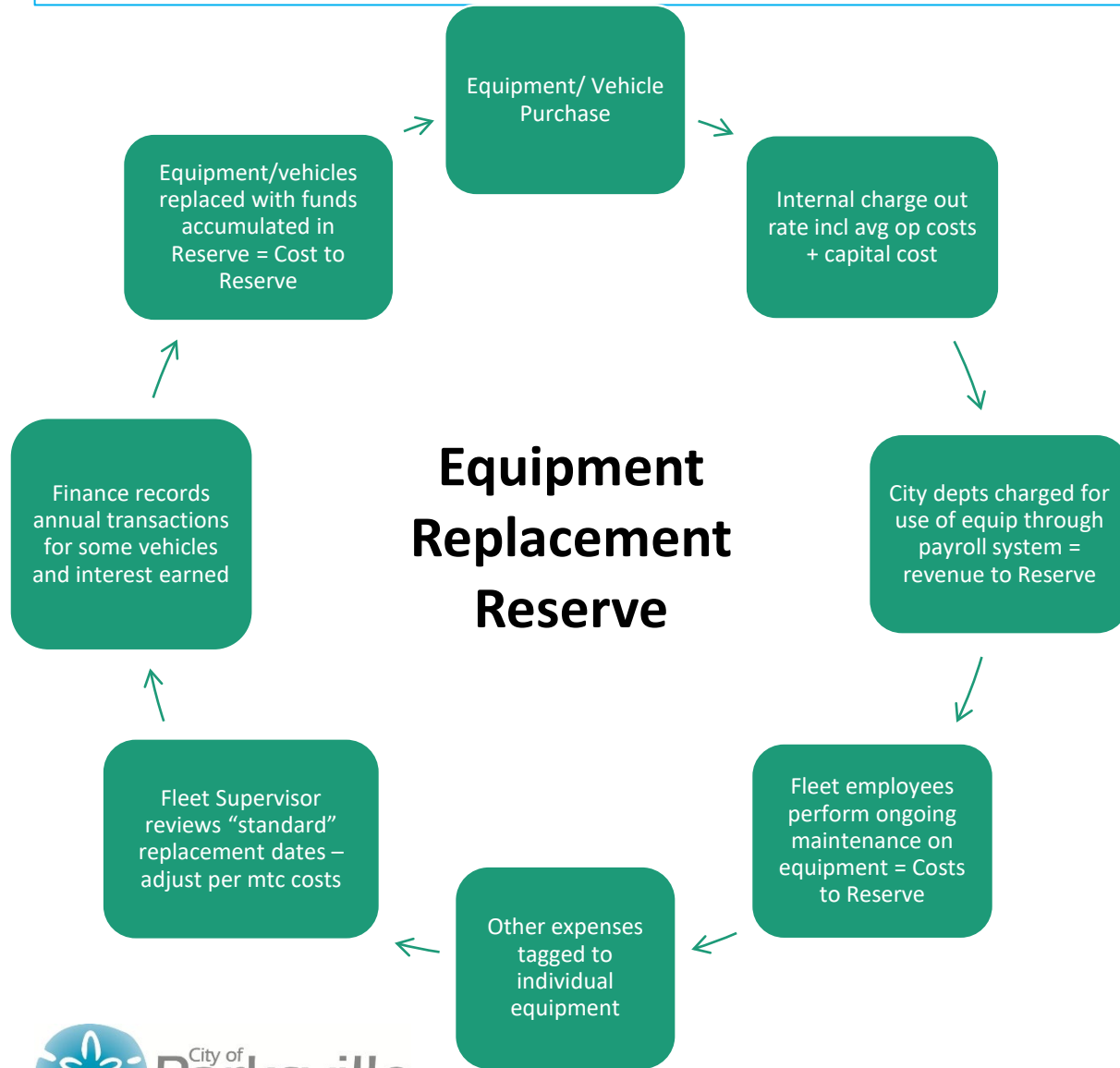
		DEVELOPMENT COST CHARGES (DCC'S)					
		Open Spaces	Water	Sewer	Storm Drainage	Roads	Total
12/31/2022	Balance	2,486,800	2,328,500	105,700	194,200	5,731,900	10,847,100
2023	Received	43,500	1,261,000	13,600	41,600	582,000	1,941,700
2023	Allocated to Projects	(24,800)	(337,500)	-	(20,100)	-	(382,400)
2024-2028 Allocated to:							
	Parksville Pathway Project	(2,000,000)					(2,000,000)
	ERWS (City share)		(1,577,500)				(1,577,500)
12/31/2028	Estimated Balance	\$ 505,500	\$ 1,674,500	\$ 119,300	\$ 215,700	\$ 6,313,900	\$ 8,828,900





EQUIPMENT REPLACEMENT RESERVE

SELF FUNDING RESERVE – Asset Management at Work



EQUIPMENT REPLACEMENT RESERVE

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Funding Sources					
Internal Rental Earnings	\$ 735,000	\$ 757,100	\$ 779,800	\$ 803,200	\$ 827,300
Reserve fund interest	40,000	40,000	38,700	38,900	40,100
Proceeds on Sale of Capital Assets	102,500	111,000	176,800	149,000	62,300
Transfer from Equipment Replacement Reserve	343,800	160,500	36,400	30,000	180,900
Total Funding Sources	\$ 1,221,300	\$ 1,068,600	\$ 1,031,700	\$ 1,021,100	\$ 1,110,600
Expenditures					
Operations	458,000	476,300	493,000	507,800	523,000
Transfer to Equipment Replacement Reserve	-	-	-	-	-
Capital	763,300	592,300	538,700	513,300	587,600
Total Expenditures	\$ 1,221,300	\$ 1,068,600	\$ 1,031,700	\$ 1,021,100	\$ 1,110,600
Equipment Replacement Reserve Surplus	\$ -	\$ -	\$ -	\$ -	\$ -



EQUIPMENT REPLACEMENT RESERVE-2024

Equipment Replacement Reserve - Schedule of Equipment Expenditures					
			2024		
			<u>Net Cost</u>	<u>trade in</u>	<u>Gross Cost</u>
2005 Fisher Sander	*		17,000	-	17,000
2012 Swenson 9' Spreader	*		17,000	-	17,000
2008 Ford F550 (Parks)	*		125,000	20,000	145,000
2001 GMC Flat Deck Crane	*		50,000	-	50,000
2001 GMC Flat Deck Truck			99,300	10,000	109,300
2012 Ram 5500	*		80,000	20,000	100,000
2013 Ford F550	*		80,000	20,000	100,000
2010 Ford 350			45,000	5,000	50,000
2016 Dodge Ram 2500			45,000	8,000	53,000
2016 Dodge Ram 2500			45,000	8,000	53,000
2016 Dodge Ram 2500			45,000	8,000	53,000
2012 Kawasaki Mule			12,500	3,500	16,000
			\$ 660,800	\$ 102,500	\$ 763,300

\$291,800 2024

\$369,000 2023 purchases delayed

**\$660,800 Total net expenditure
in 2024 Fin Plan**



CHANGES IN 2024-2028 FP

STAFFING:

- 1 new RCMP member
- 1 new FRST – F/T @ Fire Department
- Special events coordinator
- Human resources assistant
- Finance manager
- Administrative support

ASSET MANAGEMENT INVESTMENTS:

- Capital reserve contributions
- Pavement maintenance

PARKS & REC INVESTMENTS:

- Comm Park improvements operational in 2024
- Additional CP enhancements
- Playground at Shelley Road Centre

OTHER:

- Accessibility study projects
- Facilities vehicle
- Downtown lighting
- Emergency services assets

2024-2028 PROVISIONAL FINANCIAL PLAN – NEXT STEPS

- Incorporate Council direction to date and from Jan 29/ Feb 4/ Feb 12 meetings

- Draft bylaws/amendments to bylaws Council readings/adoption in February/March
 - 2024-2028 Final Financial Plan Bylaw
 - Amendment to Sewer Utility Rates Bylaw
 - Amendment to Water Utility Rates Bylaw

- Re-visit bylaws and draft property tax rates bylaw in April/May





QUESTIONS