

2021 – 2025 DRAFT FINANCIAL PLAN

Every year the City must adopt, by bylaw, a Five-Year Financial Plan that shows the City's operating and capital programs and how they are to be funded.

General Fund Operations (Appendix A)

General Fund Capital (Appendix B)

General Fund Reserves

Utility Funds Operations and Capital (Appendices C and D)

Sewer Fund

Drainage Fund

Solid Waste Fund

Water Fund

Comparative Information (Appendix E)



	2020	2021	
	Operations	Operations	\$ Chg in Operations
REVENUE			
Municipal Taxation	\$ 25,021,100	\$ 26,592,800	\$ 1,571,700
Sale of Services	1,092,800	697,400	(395,400)
Grants from Other Governments	523,400	550,500	27,100
Contributions and DCC's	-	252,800	252,800
Other Revenue	10,568,594	8,913,800	(1,654,794)
Interest and Penalties	1,264,367	1,135,495	(128,872)
Total Revenues	38,470,261	38,142,795	(327,466)
EXPENSES			
General Services			
Protective Services	12,108,300	12,757,500	649,200
Parks, Recreation and Culture	9,177,000	11,293,300	2,116,300
Transportation, Engineering and Operations	8,338,500	9,769,900	1,431,400
General Government	8,753,500	8,587,000	(166,500)
Total Expenses	38,377,300	42,407,700	4,030,400



Covid-19 Pandemic

Projected Deficit of \$1.8M (\$1.1M 2020)
Funded from Covid-19 Safe Restart Grant of \$3.8M received in 2020

2021 Changes

Operating revenues \$38.1M for 2021 is a reduction of \$327K.

Main decrease relates to the \$2.4M impacts on revenues due to the Covid-19

Offsetting the pandemic reduction are:

- increases due to rate changes for services and fees charged by the City (\$230K)
- third party contributions for capital related projects (\$280K)
- new taxation revenues from development (\$545K)
- new taxation revenues from proposed 4.28% tax rate increase (\$1M)



2021 Changes

Operating expenses \$42.4M is an increase of \$4M

Salary and benefits reflecting wage increments negotiated through collective agreements and set by Council policy for exempt staff

Additional staff to deal with work load issues and strategic initiatives in various departments (RCMP, Fire, Communications, Human Resources and Parks) (\$1.5M).

Various smaller increases related to:

- RCMP and Integrated Teams contracted services and having to provide in house IT support for the RCMP due to the changes in services delivered by Surrey (\$175K).
- Property and liability insurance (\$83K), software maintenance and license fees (\$40K), building lease costs (\$53K), HVAC and roof maintenance (\$58K); consulting (\$50K); training (\$57K); miscellaneous (\$134K)

\$1.1M increase in amortization of tangible capital assets

And an increase in contract services for projects shown in the capital program that have to be moved to operations as they do not qualify as tangible capital assets (\$770K).



Projected Tax Rate Increases

- 4.28% in 2021
- 4.4% in 2022
- 2.4% each year after

Largely driven by changes in salaries and benefits as the City's largest cost in the General Fund is staff that provide services and deliver the capital programs.

Taxation from new construction

\$545K of new taxation revenues from new construction are included 2021 tax revenues which have helped to reduce the amount required from a tax rate increase. Additional total of \$1.7M for the years 2022 – 2025.

Note:

If the F&A Committee support the Planning and Development Services request for a full-time position (as requested in this meeting), then the 2022 tax rate increase would be in the range of 4.8%.



Impact of proposed 4.28% tax rate increase to average assessed properties

Droporty Typo	Average Assessed Value		202	21 Municipal	2021 Tax			
Property Type			Taxes		Increase			
Average Residential	\$	1,029,000	\$	2,570	\$	90		
Business	\$	1,567,000	\$	6,730	\$	200		

- Actual \$ impact will depend on the change in a property's tax assessment relative to the changes in the assessments in the community.
- Property assessments are determined by BC assessment

Video created by BC Assessment helps to explain the impact of property assessments on taxation https://www.youtube.com/watch?v=GJ1mzeCm5jw

Comparative Information (Appendix E)

Graphs are based on Government of BC statistical information from 2020



GENERAL FUND CAPITAL PROGRAM

CAPITAL EXPENSES	5 Year Total		
Municipal Engineering and Operations	\$ 22,657,000		
Facilities	12,961,000		
Vehicles	1,975,000		
Parks	19,527,000		
Protective Services	591,000		
Information Technology	2,936,000		
Parking	1,731,000		
Capital Contingencies	7,881,000		
Total Capital Expenses	\$ 70,259,000		
FUNDING SOURCES			
Reserve Funds	\$ 53,123,800		
Development Cost Charges	2,127,700		
Grants from Other Governments	10,907,000		
Contributions	4,100,500		
Total Capital Funding	\$70,259,000		

Includes projects that address annual maintenance and improvements of:

- Transportation Infrastructure
- Civic Facilities
- Parks
- Vehicles and Equipment
- Information Technology.

Full list of projects in Appendix B



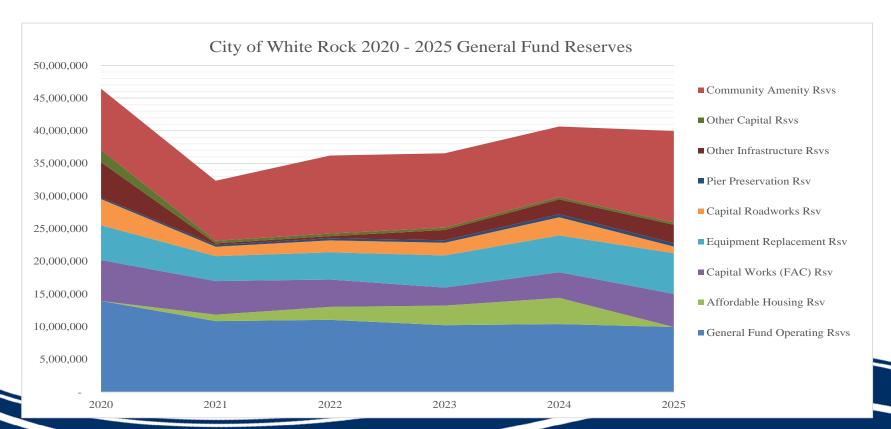
GENERAL FUND CAPITAL PROGRAM

	2021	Budget Projections							
	Budget		2022		2023		2024		2025
CAPITAL EXPENSES									_
Municipal Engineering and Operations	\$ 8,147,000	\$	2,286,000	\$	3,237,000	\$	2,805,000	\$	6,182,000
Facilities	1,895,000		2,439,000		3,086,000		702,000		4,839,000
Vehicles	873,000		320,000		45,000		153,000		584,000
Parks	18,011,000		435,000		711,000		185,000		185,000
Protective Services	511,000		35,000		45,000		-		=
Information Technology	816,000		1,480,000		230,000		205,000		205,000
Parking	291,000		205,000		1,075,000		80,000		80,000
Capital Contingencies	2,581,000		1,200,000		1,300,000		1,400,000		1,400,000
Total Capital Expenses	\$ 33,125,000	\$	8,400,000	\$	9,729,000	\$	5,530,000	\$	13,475,000
FUNDING SOURCES									
Reserve Funds	\$ 18,474,800	\$	8,096,700	\$	9,061,400	\$	4,804,500	\$	12,686,400
Development Cost Charges	348,800		73,200		501,600		570,500		633,600
Grants from Other Governments	10,869,400		37,600		-		-		-
Contributions	3,432,000		192,500		166,000		155,000		155,000
Total Capital Funding	\$ 33,125,000	\$	8,400,000	\$	9,729,000	\$	5,530,000	\$	13,475,000



GENERAL FUND RESERVES

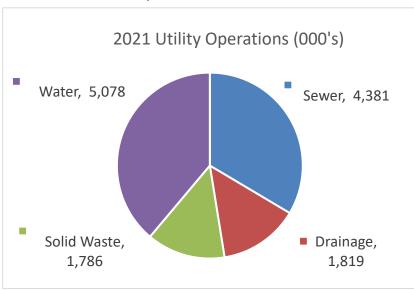
Reserves are established to assist with fiscal management to replace long term assets, address contingencies, provide for future capital, comply with legislation, insulate rate payers, and provide assurance of financial stability.





Utility Rate Increases	2021	2022	2023	2024	2025
Sewer	0.0%	3.0%	3.0%	5.0%	5.0%
Drainage	4.5%	4.5%	4.5%	4.5%	4.5%
Solid Waste	0.0%	4.0%	3.9%	3.8%	3.7%
Water	6.5%	6.5%	6.5%	6.5%	6.5%

2021 Water Utility rates were set in Dec 2020



2021 Utility Operations

- Utility Levies to MetroVancouver
- Staffing/Contract Services
- Amortization of Capital Assets
- Debt Interest (Water Utility)



Capital Programs (000's)	2021	2022	2023	2024	2025
Sewer	3,160	675	2,223	2,070	2,023
Drainage	15,930	1,028	1,574	1,800	1,886
Solid Waste	1,951	17	-	-	-
Water	3,905	2,822	1,808	2,870	2,375

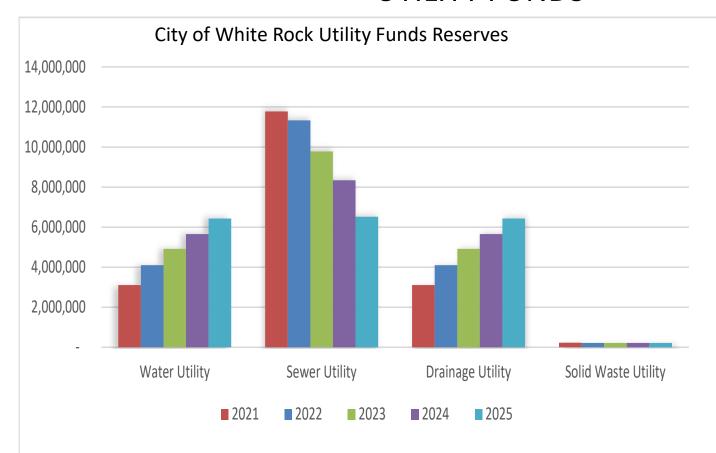
Sewer: capacity upgrades, inflow & infiltration mitigation and sewer rehabilitation.

Drainage: renewal and replacement of infrastructure; drainage related to roads projects; and projects included in the Columbia Diversion Plan that is intended to capture drainage waters currently discharged to Surrey and to Semiahmoo First Nation (SFN) lands.

Solid Waste: replacement of trucks and equipment.

Water: replacements of city water mains, associated trench restoration, new additions to meet future population growth and equipment replacement. Also includes renewal and replacement of water wells, reservoir components and treatment facilities and includes provision for the assessments and system optimization.

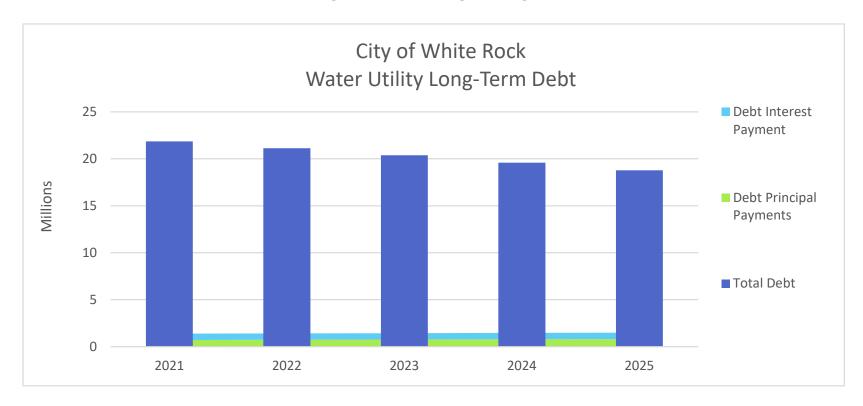




2025 Reserve balance as a % of the Utility's Asset Replacement Values

Water Utility	2.55%
Sewer Utility	6.52%
Drainage Utility	5.10%





Water Utility's long-term debt requires approximately \$1.4M in annual debt servicing costs (interest and principal)



NEXT STEPS

Prepare the Consolidated 2021 – 2025 Financial Plan Bylaw for adoption by May 15th, 2021

Prepare the 2021 Tax Rates Bylaw For adoption by May 15th, 2021

