

THE CORPORATION OF THE  
**CITY OF WHITE ROCK**  
CORPORATE REPORT



**DATE:** March 13, 2023

**TO:** Finance and Audit Committee

**FROM:** Candice Gartry, Director, Financial Services

**SUBJECT:** City of White Rock Draft 2023 – 2027 Consolidated Financial Plan

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**RECOMMENDATION**

THAT the Finance and Audit Committee approve the City of White Rock Draft 2023 – 2027 Consolidated Financial Plan.

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**EXECUTIVE SUMMARY**

The Corporation of the City of White Rock is governed by the *Community Charter* (the “*Charter*”). The *Charter* requires that a Five-Year Financial Plan be adopted annually, by May 15th of each year, and include both operating and capital expenditures. The Charter directs that the public must be consulted prior to the Five-Year Financial Plan being adopted. The Financial Plan must be adopted by bylaw and cover a five-year period, with the first year of the Financial Plan being the year that the plan comes into force. The Financial Plan can be amended by bylaw at any time.

Section 165 of the *Charter* directs that the Five-Year Financial Plan must be balanced for each year. Meaning that 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.

The purpose of this report is to introduce the Draft 2023 – 2027 Consolidated Financial Plan (“Draft Financial Plan”), and to request that the Finance and Audit Committee (the “Committee”) approve the Draft Financial Plan attached as Appendix A. This Draft Financial Plan incorporates the 2023 operational budget updates as approved at the Committee meeting of February 23, 2023, as well as the asset improvement (capital) and reserve fund components not included in the Draft 2023 – 2027 Operational Financial Plan presented at the February 13, 2023, Committee meeting.

This Draft Financial Plan has been prepared in a similar format to the prior year’s Financial Plan, which was awarded the GFOA Distinguished Budget Presentation Award, and includes additional information as recommended by the GFOA reviewers of the prior year’s financial plan.

It is important to note that the attached Draft Financial Plan has not yet been professionally formatted and the pictures have yet to be updated. Once all aspects have been updated and complete, the final draft will come before the Committee for review.

This Draft Financial Plan has been uploaded to the City’s “Let’s Talk” online engagement platform and replaces the Draft 2023 – 207 Operational Financial Plan that was presented at the Committee’s February 13, 2023 meeting.

After new growth (non-market change in property assessment) is considered, the 2023 proposed budget is based on a combined Municipal, Police, and Asset Improvement property tax increase of \$350 (\$29 monthly increase) or 8.9% to the average single-family home. For an average multi-family home, the increase is \$132 (\$11 monthly increase). When looking at the combined rate, including property taxation and utility charges, the net increase to the average single-family household is \$442 (\$37 monthly increase), or 7.64% over 2022.

For consideration, attached as Appendix B is a document comparing the net revenue and property tax impacts of increasing parking revenues in 2023 at \$0.25 incremental increases as requested by the Committee at their February 23, 2023, meeting.

**PREVIOUS COUNCIL DIRECTION**

<b>Motion # &amp; Meeting Date</b>	<b>Motion Details</b>
2023-F&A-030 February 23, 2023	THAT the Finance and Audit Committee:  Approve the City of White Rock Draft 2023 – 2027 Operational Financial Plan; and  Direct staff to bring the Draft 2023 – 2027 Asset Management (Capital) Financial Plan to the March 13, 2023, Finance and Audit Committee meeting.  Note: (resulting in 8.90%)
2023-F&A-029 February 23, 2023	THAT the Finance and Audit Committee direct funds be added to the budget for litter service pick up on the promenade in the amount of \$25,000
2023-F&A-028 February 23, 2023	THAT The Finance and Audit Committee directs staff to remove from the budget the parade portion from the Sea Festival event in the amount of \$35,900.
2023-F&A-027 February 23, 2023	THAT The Finance and Audit Committee direct staff to include in the budget vegetation control on the hump in the amount of \$10,000.
2023-F&A-025 February 23, 2023	THAT The Finance and Audit Committee direct staff to fund in the budget \$5,000 for additional Indigenous Relations Projects.
2023-F&A-023 February 23, 2023	THAT The Finance and Audit Committee direct staff to fund in the budget for celebrations and ceremonies on National Day for Truth & Reconciliation and National Indigenous People's Day in the amount of \$5,000.
2023-F&A-022 February 23, 2023	THAT The Finance and Audit Committee endorse the keep maintenance of current software subscriptions (\$45,800) within the budget.
2023-F&A-019 February 23, 2023	THAT The Finance and Audit Committee direct staff to keep the full-time Human Resources Advisor (senior level / not junior level) in the budget.

2023-F&A-018 February 23, 2023	THAT the Finance and Audit Committee direct staff to fund the White Rock Museum and Archive request at \$45,000.
2023-F&A-016 February 23, 2023	That the Finance and Audit Committee direct staff to place \$125,000 from the Non Market Fund towards the City's operating budget with the balance to then be placed in the City's capital funds.
2023-F&A-006 February 13, 2023	THAT the Finance and Audit Committee direct there be a further meeting scheduled next week of the Committee regarding the Draft 2023 – 2027 Draft Operational Budget.
2023-F&A-006 February 13, 2023	THAT the Finance and Audit Committee direct staff to add the White Rock Museum request in the amount of \$45,000 to the budget for staff adjustments and additional storage.
2021-F&A-068 September 22, 2021	THAT the Finance and Audit Committee endorse: <ol style="list-style-type: none"> <li>1. The proposed budget format for 2022 based on the GFOA Distinguished Budget Presentation Award Program; and</li> <li>2. The 2022 budget presentation schedule and approximate timeline of meetings.</li> </ol>

**INTRODUCTION/BACKGROUND**

The Corporation of the City of White Rock is governed by the *Community Charter* (the “*Charter*”). The *Charter* requires that a Five-Year Financial Plan be adopted annually, by May 15th of each year, and include both operating and capital expenditures. The Charter directs that the public must be consulted prior to the Five-Year Financial Plan being adopted. The Financial Plan must be adopted by bylaw and cover a five-year period, with the first year of the Financial Plan being the year that the plan comes into force. The Financial Plan can be amended by bylaw at any time.

Section 165 of the *Charter* directs that the Five-Year Financial Plan must be balanced for each year. Meaning that 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.

The purpose of this report is to introduce the Draft 2023 – 2027 Consolidated Financial Plan (“Draft Financial Plan”), and to request that the Finance and Audit Committee (the “Committee”) approve the the Draft Financial Plan attached.

This Draft Financial Plan has been prepared in a similar format to the prior year’s Financial Plan, which was awarded the GFOA Distinguished Budget Presentation Award, and includes additional information as recommended by the GFOA reviewers of the prior year’s financial plan.

It is important to note that the attached Draft Financial Plan has not yet been professionally formatted and the pictures have yet to be updated. Once all aspects have been updated and complete, the final draft will come before the Committee for review.

This Draft Financial Plan has been uploaded to the City’s “Let’s Talk” online engagement platform and replaces the Draft 2023 – 2027 Operational Financial Plan that was presented at the Committee’s February 13, 2023, meeting.

### Draft Financial Plan Overview

This Draft Financial Plan incorporates the 2023 operational budget updates as approved at the Committee meeting of February 23, 2023, as well as the asset improvement (capital) and reserve fund components not included in the Draft 2023 – 2027 Operational Financial Plan presented at the February 13, 2023, Committee meeting.

The budget complements the strategic priorities process and funding is provided for key projects and initiatives to move strategic priorities of Council forward, such as building and affordable housing project, a new community hub, investment in long term infrastructure, improving the permit process to reduce wait times, revitalize public spaces, as well as other strategic projects.

To provide clarity and transparency, the amount of property taxation charged for Policing and Asset Improvement have been separately identified in the 2023 Draft Financial Plan. Similar approaches have been employed to produce the Solid Waste, Drainage, Sanitary and Sewer, and Water Utility budgets. Costs to replace infrastructure are the predominant factor in developing those Utility Budgets along with the cost of Metro sanitary sewer treatment.

### 2023 Updated Budget Summary

The impact of the attached Draft Financial Plan is a combined increase of 7.64%, or a \$442 increase (\$37 monthly increase), in property tax and utility charges for an average White Rock single-family household compared to 2022.

Budget Impact to Average Single-Family Household in 2023				
	2022	2023	\$ Change over Prior Year	% Change over Prior Year
<b>Property Taxation</b>				
Municipal Operations	\$ 2,157	\$ 2,382	\$ 225	10.43%
Police Service	993	1,033	40	4.00%
Asset Improvement	786	871	85	10.88%
<b>Total Property Taxes</b>	<b>\$ 3,936</b>	<b>\$ 4,286</b>	<b>\$ 350</b>	<b>8.90%</b>
<b>Utilities</b>				
Drainage Utility Charge	\$ 555	\$ 579	\$ 24	4.32%
Solid Waste Utility Charge	345	355	10	2.90%
Sanitary Sewer Utility Charge	265	278	13	4.91%
Water Utility Charge	686	731	45	6.56%
<b>Total Utilities</b>	<b>\$ 1,851</b>	<b>\$ 1,943</b>	<b>\$ 92</b>	<b>4.97%</b>
<b>Total Annual Cost</b>	<b>\$ 5,787</b>	<b>\$ 6,229</b>	<b>\$ 442</b>	<b>7.64%</b>

For an average White Rock Strata Unit, the Draft Financial Plan is a combined increase of 8.47%, or a \$184 increase (\$15 monthly increase), in property tax and utility charges compared to 2022.

Budget Impact to Average Strata Unit in 2023				
	2022	2023	\$ Change over Prior Year	% Change over Prior Year
<b>Property Taxation</b>				
Municipal Operations	\$ 818	\$ 903	\$ 85	10.43%
Police Service	376	391	15	4.00%
Asset Improvement	298	330	\$ 32	10.88%
<b>Total Property Taxes</b>	<b>\$ 1,492</b>	<b>\$ 1,624</b>	<b>\$ 132</b>	<b>8.90%</b>
<b>Utilities</b>				
Drainage Utility Charge	\$ 167	\$ 175	\$ 8	4.79%
Sanitary Sewer Utility Charge	265	278	13	4.91%
Water Utility Charge	247	278	31	12.55%
<b>Total Utilities</b>	<b>\$ 679</b>	<b>\$ 731</b>	<b>\$ 52</b>	<b>7.66%</b>
<b>Total Annual Cost</b>	<b>\$ 2,171</b>	<b>\$ 2,355</b>	<b>\$ 184</b>	<b>8.47%</b>

After new growth (non-market change in property assessment) is considered, the 2023 proposed budget is based on a combined Municipal, Police, and Asset Improvement property tax increase of \$350 (\$29 monthly increase) or 8.9% to the average single-family home. For an average multi-family home, the increase is \$132 (\$11 monthly increase). When looking at the combined rate, including property taxation and utility charges, the net increase to the average single-family household is \$442 (\$37 monthly increase), or 7.64% over 2022.

The operational budget for 2023 has been amended, when compared to the Draft 2023 – 2027 Operational Financial Plan presented at the February 13, 2023, Committee meeting, with the following additions:

1. \$125,000 non-market change revenue to the operating budget (balance going towards asset improvement/capital reserves);
2. \$45,000 for the White Rock Museum (via grant to the museum) staff adjustments and additional storage;
3. \$5,000 for celebrations and ceremonies on the National Day for Truth & Reconciliation and National Indigenous People’s Day;
4. \$5,000 for Indigenous Relations projects;
5. \$10,000 for vegetation control on the “hump;”
6. \$25,000 for litter service pickup along the Promenade; and

A Budget reduction of \$35,900 related to Sea Festival parade is also reflected in the Draft Financial Plan.

This Draft Financial Plan includes the Asset Improvement (capital) budget for 2023 – 2027, as well as information on the reserve balances. Asset Improvement plans and budgets for the utilities have been included in their respective Utility sections within the Draft Financial Plan.

As all five of the Solid Waste Utility’s vehicles were replaced in 2022 so no additional asset improvements are planned over the next five years.

Below are summary tables of the Asset Improvement Financial Plans for the other utilities:

Drainage Utility - Asset Improvement Financial Plan						
Infrastructure Renewal	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Coordinated Replacements with Road Works	\$ 1,847,000	\$ 2,680,000	\$ 1,513,000	\$ 986,000	\$ 1,190,000	\$ 2,234,000
Storm Sewers	1,215,000	2,750,000	50,000	495,000	50,000	50,000
Pump Stations	374,000	929,000	2,938,000	7,183,000	2,434,000	-
Outfalls	114,000	500,000	-	-	-	-
Other Drainage	1,008,000	1,325,000	1,260,000	610,000	760,000	760,000
Technology & Other Costs	30,000	-	150,000	10,000	-	-
Contingency	63,000	100,000	100,000	100,000	100,000	100,000
<b>Total</b>	<b>\$ 4,651,000</b>	<b>\$ 8,284,000</b>	<b>\$ 6,011,000</b>	<b>\$ 9,384,000</b>	<b>\$ 4,534,000</b>	<b>\$ 3,144,000</b>

Sanitary Sewer Utility Fund - Asset Improvement Financial Plan						
Infrastructure Renewal	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Coordinated Replacements with Road Works	\$ 1,273,000	\$ 2,298,000	\$ 1,653,000	\$ 1,053,000	\$ 1,722,000	\$ 1,258,000
Inflow & Infiltration Reduction Program	1,180,000	960,000	960,000	960,000	910,000	910,000
Planning & Inspections	205,000	100,000	250,000	110,000	150,000	150,000
Rehabilitation Program	415,000	340,000	-	-	-	-
Contingency	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total</b>	<b>\$ 3,173,000</b>	<b>\$ 3,798,000</b>	<b>\$ 2,963,000</b>	<b>\$ 2,223,000</b>	<b>\$ 2,882,000</b>	<b>\$ 2,418,000</b>

Water Utility Fund - Asset Improvement Financial Plan						
Infrastructure Renewal	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Coordinated Replacements with Road Works	\$ 96,000	\$ 654,000	\$ 176,000	\$ 100,000	\$ 150,000	\$ -
Wells	2,013,000	75,000	80,000	80,000	85,000	85,000
Reservoirs	60,000	113,000	33,000	36,000	36,000	36,000
Treatment Plant	49,000	100,000	400,000	350,000	-	-
Water Mains	1,032,000	1,798,000	541,000	628,000	2,491,000	3,129,000
Pumps & Valves	75,000	-	-	-	600,000	-
Meters	64,000	64,000	64,000	64,000	64,000	64,000
Hydrants	53,000	55,000	55,000	55,000	55,000	55,000
Vehicles & Equipment	118,000	29,000	130,000	-	-	86,000
Technology & Other	156,000	80,000	35,000	50,000	40,000	40,000
Contingency	301,000	400,000	400,000	450,000	450,000	500,000
<b>Total</b>	<b>\$ 4,017,000</b>	<b>\$ 3,368,000</b>	<b>\$ 1,914,000</b>	<b>\$ 1,813,000</b>	<b>\$ 3,971,000</b>	<b>\$ 3,995,000</b>

The General Fund Asset Improvement Program – asset improvements not specific to utilities – has been updated in its own section towards the end of the document. Below is a snapshot of the *Consolidated* General Fund Asset Improvement Plan:

General Fund - Consolidated Asset Improvement Financial Plan						
Infrastructure Renewal	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Roads	\$ 6,711,000	\$ 6,882,000	\$ 5,220,000	\$ 6,253,000	\$3,238,000	\$2,750,000
Parking	717,000	843,000	680,000	180,000	180,000	180,000
Facilities	8,431,000	1,272,000	1,913,000	3,069,000	1,448,000	1,199,000
Parks	18,448,000	564,000	655,000	280,000	349,000	298,000
Fleet	380,000	452,000	80,000	481,000	434,000	351,000
Technology	2,026,000	959,000	1,370,000	170,000	170,000	170,000
Contingency	419,000	900,000	1,000,000	1,000,000	1,100,000	1,100,000
<b>Total Investment</b>	<b>\$37,132,000</b>	<b>\$11,872,000</b>	<b>\$10,918,000</b>	<b>\$11,433,000</b>	<b>\$6,919,000</b>	<b>\$6,048,000</b>

Asset improvements are funded by a combination of reserve funds, community amenity charges (CACs), development cost charges (DCCs), grants and contributions depending on the type of asset improvement project.

Each asset improvement section within the Draft Financial Plan includes a summary of funding sources for the projects, as well as a detailed list of the planned projects over the next five years.

**Budget Timeline and Public Consultation**

The Draft 2023 – 2027 Operational Financial Plan, as presented at the February 13, 2023, Committee meeting, was made available for public comment via the City’s ‘Let’s Talk’ app on March 3, 2023.

This updated Draft Financial Plan was uploaded to the City’s Let’s Talk app, replacing the previous version of the Financial Plan, on Tuesday, March 7, 2023. The public commenting period via the app will be open until end-of-day on March 17, 2023. The public will also be able to comment in-person at the March 27, 2023, Committee meeting.

The revised budget timeline is below:

<b>REVISED Timetable – 2023 – 2027 Financial Plan</b>	
<b>ACTION</b>	<b>DATE</b>
1. Draft 2023 – 2027 Operational Financial Plan presented to Finance & Audit Committee	February 13, 2023
2. Draft 2023 – 2027 Operational Financial Plan made available for Public Comment using the City’s ‘Let’s Talk’ online engagement platform	March 3, 2023
3. Draft Consolidated 2023 – 2027 Financial Plan (Asset Management/Capital Financial Plan together with updated Draft Operational Financial Plan) made available for Public Comment using the City’s ‘Let’s Talk’ online engagement platform	March 7, 2023
4. Draft 2023 – 2027 Consolidated Financial Plan (Asset Management/Capital Financial Plan together with updated Draft Operational Financial Plan) presented to Finance & Audit Committee	March 13, 2023
5. Public Comment Period Closes for the Draft Consolidated Financial Plan	March 17, 2023
6. Consolidated 2023 – 2027 Financial Plan and “What We Heard” document presented to Finance & Audit Committee. Public consultation on Consolidated Financial Plan.	March 27, 2023
7. Committee gives 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> reading of the Budget Bylaw (based on the Final Consolidated 2023 – 2027 Financial Plan)	April 17, 2023
8. Final reading of Budget Bylaw; Council adopts Budget Bylaw	May 1, 2023

Additionally, attached as Appendix B is a document comparing the net revenue and property tax impacts of increasing parking revenues in 2023 at \$0.25 incremental increases as requested by the Committee at their February 23, 2023, meeting.

**FINANCIAL IMPLICATIONS**

This Draft Financial Plan will increase property taxation and utility charges for an average single-family household by a combined total of 7.64% or \$442 in 2023. For an average multi-family household this Draft Financial Plan will increase property taxation and utility charges by a combined total of \$184 or 8.47% in 2023.

### **LEGAL IMPLICATIONS**

No specific legal implications to note. Council approval required to authorize the budget, utility charges and property taxation rates. Financial Plan Bylaw, and property tax rates, must be adopted prior to May 15 in accordance with the *Community Charter*.

### **COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS**

The Draft 2023 – 2027 Operational Financial Plan, as presented at the February 13, 2023, Committee meeting, was made available for public comment via the City’s ‘Let’s Talk’ app on March 3, 2023.

This updated Draft Financial Plan was uploaded to the City’s Let’s Talk app, replacing the previous version of the Financial Plan, on Tuesday, March 7, 2023. The public commenting period via the app will be open until end-of-day on March 17, 2023. The public will also be able to comment in-person at the March 27, 2023, Committee meeting.

### **INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS**

Assistance from the Communications & Government Relations department will be requested to advertise the Bylaw.

### **ALIGNMENT WITH STRATEGIC PRIORITIES**

The Draft Financial Plan aligns with Council’s Strategic Priorities.

### **OPTIONS / RISKS / ALTERNATIVES**

The following options are available for Council’s consideration:

1. Not Approve the City of White Rock Draft 2023 – 2027 *Consolidated* Financial Plan, which would delay the City in meeting the legislated terms of the Community Charter, that requires a Five-Year Financial Plan to be adopted by May 15<sup>th</sup> annually.

### **CONCLUSION**

This Draft Financial Plan incorporates the 2023 operational budget updates as approved at the Committee meeting of February 23, 2023, as well as the asset improvement (capital) and reserve fund components that had not been included in the Draft 2023 – 2027 Operational Financial Plan presented at the February 13, 2023, Committee meeting.

Staff recommend that the Committee approve the City of White Rock Draft 2023 – 2027 Consolidated Financial Plan.

Respectfully submitted,

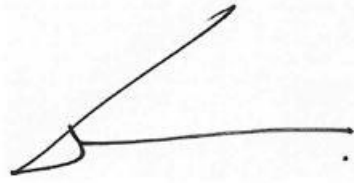


Candice Gartry  
Director, Financial Services



**Comments from the Chief Administrative Officer**

I concur with the recommendation of this corporate report.

A handwritten signature in black ink, consisting of a series of connected strokes that form a stylized, somewhat abstract shape.

Guillermo Ferrero  
Chief Administrative Officer

Appendix A: CoWR Draft 2023 – 2027 Consolidated Financial Plan Mar 13 2023  
Appendix B: Waterfront Parking Revenue Forecast at \$0.25 Incremental Increases