

CLINTON
Where History



2024-2028 Financial Plan

April 11, 2024

Presentation Notes

This presentation focuses on the Village of Clinton priorities in the next 5 years.

Most requisitions from other jurisdictions have been received and updated from last year. The remaining few will arrive by end of April.

Operating and Capital projects have been chosen from among the most pressing issues facing the Village.

Presentation Outline

Operating Expenses

Operating Revenue

Water Fund

Sewer Fund

Operating and Capital Projects

Next Steps

Purpose

- Present the draft budget
- Answer basic questions about the financial plan and the process.
- Comments can be submitted in writing before 4:00 PM Monday, April 15th at the Village office or by email to admin@village.clinton.bc.ca

The purpose of this presentation is to outline the draft budget and to answer a few basic questions that those in attendance may have. Council approves the financial plan bylaw so if there are any concerns or suggestions, please submit them in writing to the Village Office by 4:00 PM on Monday, April 15th. Any submissions received will be added to the next meeting of Council on April 16th and will be presented for their consideration.

General Fund – OPERATING EXPENDITURE

| | 2023 Budget | 2023 Actuals | 2024 Budget | Budget Change |
|--|------------------|------------------|------------------|------------------|
| EXPENDITURE | \$ | \$ | \$ | \$ |
| Governance, Administration and Legislative | 736,107 | 698,521 | 691,918 | -44,189 |
| Protective Services | 111,275 | 99,476 | 117,059 | +5,784 |
| Public Works | 537,377 | 414,355 | 492,715 | -44,662 |
| Recreation, Culture and Economic Development | 138,500 | 179,824 | 162,850 | +24,350 |
| Total Expenditure | 1,523,259 | 1,392,176 | 1,464,542 | -58,717 |

Notes:

1. 2023 Budgets incorporate scheduled wage increases in both admin and public works.
2. Governance/Admin/Legislative states a decrease.
3. Protective services shows a slight increase strictly due to an increase for services and supplies.
4. PW increases: wage increases as per the union agreement + new equipment maintenance.
5. Rec/Culture/Ec Dev down as some projects completed in 2023.

This is an overview of expenses and does not include Water and Sewer operations which are funded separately.

Governance, Admin & Legislative covers many categories including the day-to-day operations of the Village office. A few of these things are the office building utilities, repair and maintenance, janitorial, telephone & internet, stationery and supplies, professional dues, legal services, insurance, and expenses related to the municipal audit. It also includes all expenses for Council including their remuneration, and training costs and staff wages and benefits.

***Governance, Admin & Legislative is lower** this year due a slight decrease in the amount of grant-in-aids being allocated, Legal services are down. Repairs and maintenance for the office building has decreased. Last year the back stairs were replaced which caused a one-time increase in this budget that we can now bring back down.

Protective Services include all things relating to the fire department – remuneration, training, building and vehicles, equipment and supplies. Bylaw and animal control also fall into this category.

Slight increase to Protective Services – FD had an increase in the cost of insurance as well as the standard increase to costs of services and supplies.

PW – expenses include, but not limited to, wages, building repairs & maintenance, vehicles and equipment, insurance, phone and internet, roadway and sidewalk repair,

and snow and ice removal.

PW – despite scheduled wage increases, increases to transit expenses and the costs of services and supplies, we are still under budget, partly due to decreased snow and ice control costs, and associated vehicle fuel and maintenance costs, so this budget has also been reduced.

Recreation and Culture expenses include the fitness room, museum, parks and playground, public washrooms, the skating arena and the curling rink as well as the woodlot and silviculture. The rec centre chiller needs some repairs before use this winter which poses an increase to the budget

We came in under budget on quite a few categories last year, especially in public works and Governance and Administration so these budgets have been reduced.

It was required to start paying for replanting our woodlot last year, which put us over budget. This year, Council increased the budget to cover more planting but decided the money would come from reserves instead of taxation.

Expense Details

Overall budgeted expense decrease of \$58,717 (3.9%).

Some changes from 2023:

Provincial Government Downloading and increased regulation:

- Asset Retirement Obligations (ARO) - \$10,000.
- Accessibility Committee, First Nations Engagement in Emergency Planning, Regular reporting on Green Initiatives, and asset management requirements.

Fire vehicle life span - new truck in nine (9) years - \$800,000.00. \$20,000.00 planned for Fire Department Reserve in 2024.

Woodlot Silviculture obligations - \$48,000

Decreases in expenses:

Snow and Ice Removal - \$15,000

Many smaller cuts where possible.

Staff spent many hours scrutinizing expenses and cuts were made where possible. The general fund budget was reduced by 3.9%.

This slide goes over some other changes since 2023:

The Provincial Government mandates to undertake specific projects and reporting:

- A requirement that started in 2023. All municipalities must include Asset Retirement Obligations (ARO) in their Financial Statements. This will be an additional cost of approximately \$10,000 to have this completed.
- There are now increased requirements for Accessibility planning, Emergency Planning, Regular reporting on Green Initiatives and community planning requirements.
- The government has set guidelines for Fire Protection. Fire vehicles have a certain life span, and the Village will be required to purchase a new truck in nine (9) years at a cost of approximately \$800,000.00 or more. Planning will need to start in 5 years as there is a 3-4 year wait for the new vehicle. An amount of \$20,000.00 has been included in this year's budget to be allocated to the Fire Department Reserve. These funds will be transferred from general reserve, not funded through taxation.

In addition to these requirements, the Village has Silviculture obligations for our woodlot. \$48,000 is required for the next planting. If conditions allow, planting will happen again this year. Council decided this \$48,000 will be drawn from from reserves, not taxes.

In terms of decreases to our expenses, one of our larger changes is a \$15,000 reduction to the snow and ice budget because we have a better understanding of new sand and gravel costs from our new supplier (the supply is no longer available locally.)

General Fund – OPERATING REVENUE

| | 2023 Actuals | 2024 Budget | Change |
|----------------------|------------------|------------------|-----------------|
| REVENUE | \$ | \$ | \$ |
| Property Taxes* | 1,115,728 | 925,370 | -190,358 |
| Fees and Charges | 245,345 | 172,714 | -72,631 |
| Grants and Transfers | 1,347,386 | 716,682 | -630,704 |
| Total Revenue | 2,708,459 | 1,814,766 | -893,693 |

Notes:

***Includes Grants in Lieu of Taxes**

1. A 17% decrease will be collected in Taxation.
2. In general, total revenue will see a decrease of 66% in 2024. ***These numbers include large grants received in 2023, including the \$718,000 Growing Communities Grant. The total decrease in revenue excluding grants and transfers is 16%.

Revenue from Property taxes, which include payments in lieu of taxes from utilities and crown corporations, will be reduced by 17% for 2024.

In addition to budget cuts, One of the reasons it is possible to reduce taxes this year is because there was a larger contribution to the general reserve collected in 2023. Council took a very low risk approach, meaning we collected more to cover unforeseen expenses or emergencies. This year, they opted for a medium risk tolerance. There will be a very small contribution to the general reserve and \$70,000 that was initially budgeted to come from taxation will instead be drawn from existing reserves. The reason it is feasible this year is because of the approach taken last year.

We cannot continue to draw from reserves (especially since we are required to build them) so it is possible there will be a modest tax increase next year.

In fees and charges, the Village always budgets to receive slightly less than actual numbers so that we don't run a shortfall. Even so, we were fortunate to get extra investment income last year from having some large grants in the bank, but we will not get as much this year. Also, some leases on Village property are set to expire this year, slightly reducing our revenue.

Grants and transfers are reduced for 2024 because the Province chose to give the Growing Communities Grant in 2023 which was an unexpected one-time increase of \$718,000. There are restrictions on what this grant can be used for so Council will be considering options for this funding. The total decrease in revenue excluding grants and transfers is 16%

Water Fund – REVENUE & EXPENDITURE

| | 2023 Budget | 2023 Actuals | 2024 Budget | Change |
|--------------------------|----------------|-----------------|----------------|---------------|
| | \$ | \$ | \$ | \$ |
| Revenue | 252,368 | 253,728 | 259,515 | +7,147 |
| Expenditure | | | | |
| Water Works | 51,206 | 44,290 | 50,250 | -956 |
| General Administration | 112,000 | 96,577 | 121,000 | +9,000 |
| Total Expenditure | 163,206 | 140,867 | 171,250 | +8,044 |

Notes:

1. Increase in revenue is in line with the 3% fee increase over 2023.
2. Water works shows a very small decrease.
3. General Administration expense shows an increase due to increased costs of services and supplies as well as an extra cost for a dam assessment that is to be completed in 2024.
4. \$26,400 will be set aside for Asset Management.

Revenue for water is funded strictly through user fees and are billed separately from property taxation.

Revenue is up slightly due to the 3% increase in user fees from last year.

General administration has increased due to a required dam assessment that is mandated by the Province and must be completed every 10 years. This is an approximate cost of \$15,000.

\$26,400 will be set aside for asset management. We put aside a small amount each year from water and sewer funds to cover projects, but it will take several more years to be able to afford some of the needed upgrades.

Sewer Fund – REVENUE & EXPENDITURE

| | 2023 Budget | 2023 Actuals | 2024 Budget | Change |
|---|----------------|-----------------|----------------|---------------|
| | \$ | \$ | \$ | \$ |
| Revenue | 129,604 | 131,391 | 133,012 | +1,621 |
| Expenditure | | | | |
| General Administration | 112,137 | 98,920 | 116,805 | +4,668 |
| Notes: | | | | |
| 1. Increase in revenue is in line with the 3% fee increase over 2023. | | | | |
| 2. General Administration shows a very minimal increase (scheduled wage increases). | | | | |
| 3. \$13,832 will be set aside for Asset Management. | | | | |

Revenue for sewer is the same as water - it is funded through user fees and are billed separately from property taxation.

Revenue is up a small amount due to the 3% increase in fees from last year.

General administration sees a small increase due to increased costs and services.

\$13, 832 will be allocated to the sewer reserve.

Capital Projects - 2024

| | Budget Amount | Funding Source |
|--|---------------|---|
| Sidewalk & Curb Replacement (Approx. 300 meters) | 321,243 | \$100,000 Sidewalk Reserve \$221,243 Active Transportation Grant |
| OCP & Zoning Bylaw | 152,739 | Capacity Funding for Local Government Housing Initiatives Grant |
| Paving Reserve | 30,000 | General Revenue |
| Front Steps at Memorial Hall (concrete) | 35,000 | \$28,344 General Revenue \$ 6,656 M.I.A.B.C. Grant |
| Reg Conn Picnic Tables | 6,000 | General Revenue |
| 47 Mile Complex Arena Heaters | 10,000 | General Revenue |

The total allocation for sidewalk replacement is \$321,243. In addition to the active transportation grant of 221,000, we have \$100,000 that was included in our 2022 budget. This amount has carried over the last 2 years until grant funding was received. The upcoming OCP and Zoning Bylaw update is strictly funded by grants and will include extensive consultation. It will be completed over 2 years. Half of the budget (\$76,370) will be carried over to 2025.

The paving reserve is a fund we contribute to each year. It is saved in reserve until enough funds have accumulated for a project.

The front steps at the memorial hall are crumbling away as some of you may have noticed. This is a safety issue and must be dealt with this year. \$28,000 will come from general revenue and \$ 6000 from remaining funds from a Municipal insurance assoc. grant.

The picnic tables in the park and heaters for the arena have been needed for the last few years and cannot be put off any longer. These will be funded through general revenue.

Summary

- Of taxation, the portion that comes from regular property taxes (Excluding Payments in lieu of taxes) was decreased by 18%. *** This does not equate to an exact 18% decrease for all property owners.
- Decrease represents approximately \$475 for average Single-Family Dwelling and \$301 for the average Business.
- Note – Tax Rate will be reduced to achieve this reduction.

Council decided on a decrease in the amount of taxes to be collected for 2024. Over the last several years, the focus has been on building reserves and surplus to cover unexpected costs or emergencies that would not be covered by tax collection. This has allowed a small cushion to cover unexpected costs while still leaving us in a safe financial (or cash flow) position. We cannot of course continue with significant decreases each year, and we will likely see a modest increase next year to cover rising costs and inflation.

The taxation decrease will be 18%. Please note: this does not mean an 18% decrease for all property owners, as this only reduces the portion that the Village collects. Also, the ratio between tax classes means that residents will see more of a decrease than businesses.

In practical numbers, it will mean approximately \$475 (23%) reduction for the average single family dwelling, and \$301 (12%) for the average business.

This year, Council has concluded that the taxation rates will be altered to achieve this reduction.

Next Steps

The Village will accept written comments on the draft Financial Plan Bylaw until Monday, April 15th at 4:00 PM

1. Incorporate requisitions from other taxation authorities as they are received.
2. Council reviews results from public input (Tuesday, April 16th at 6:00 PM).
3. Updated 2024-2028 Financial Plan Bylaw goes for second/third reading then adoption.
4. 2024 Property Tax Bylaw is put forward.



We are happy to answer any questions, but please remember if you have comments for Councils consideration, they must be in writing so we can include them on Tuesday's meeting agenda.