

# District of Invermere Budget Booklet

## Proposed Annual Budget 2021

### 2021-2025 Financial Plan



## **Be Informed! Get Engaged! Be Part of the Plan!**

### About the 5 Year Financial Plan

It's that time of year again – time for us to show you what we need for a corporate budget this year, and what we need to spend it on. It's also the time for you to tell us what you think. Every year by law, local governments must prepare a five-year Financial Plan in the form of a bylaw (a legally binding document) which outlines expected revenues and expenses for the next 5 years.

The Financial Plan must be adopted before May 15th of each year.

The Financial Plan contains both operating and capital expenditures, including where we intend to get the money. In most cases, about half of the money needed each year by municipal governments to provide and maintain services is raised through property taxes. The other half of property taxes collected go to other agencies. There are also several other revenue sources that we depend upon, including other government grants and transfers, sale of services, developer contributions, and earnings on investments.

The *Community Charter* requires a five-year Financial Plan to be adopted annually. The Plan identifies proposed spending, funding sources and transfers to or between funds, and establishes the District's revenue and tax policies and objectives. Council must also consult the public before the Plan is adopted.

The Annual Budget contains two types of expenditures:

- **Operating** - delivery of services (i.e. fire, cemetery, garbage and recycling, bylaw enforcement, animal control, snow removal, parks and trails) and annual operating maintenance and upkeep costs of District infrastructure.
- **Capital** - replacement and rehabilitation of existing infrastructure (i.e. roads, sidewalks, water and sewer systems and fleet).

## The Budget Steps

Council and staff consider the needs of the corporation, community trends, and expectations against current corporate Strategic Priorities. This sets direction on projects, levels of service, and overall direction to staff.

Managers provide operational and capital projects for their departments during several senior management meetings. The CAO (Chief Administrative Officer) and DoF (Director of Finance) along with the managers review and prioritize the projects and the CAO provides final administrative approval.

The Committee of the Whole (COW), made up of all Council members, considers the CAO's approvals and determines what will be included in the draft financial plan. The draft five-year Financial Plan package is prepared for the COW. The COW then recommends it be given first reading by Council. The proposed Plan received first reading on **January 26, 2021** and a consultation period occurs (now) in which public input is encouraged and welcomed.

## What We Propose to Do In 2021

For 2021, Council included the following operational items into the 2021 budget.

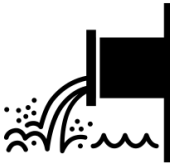
- ❖ Initial discussions are contemplating a 2.5% tax increase for residential taxes and zero % revenue increase for the commercial sector. Based on an average assessed single family dwelling of \$480,144, this would equate to a \$43.47 annual increase, or \$3.62 per month
- ❖ Financial support for many non-profit groups through fees for service and grants, not to mention the numerous Permissive Tax Exemptions and the Grant-in-Aid process which provides financial assistance to many not-for-profit organizations
- ❖ Completion of the repair on 1<sup>st</sup> Street (due to a flooding event in 2020)
- ❖ Completion of an asset management funding strategy
- ❖ Budget towards the Athalmer planning process, renewed subdivision servicing bylaw, development cost charge bylaw, flood planning, transportation master plan, evacuation plan, Official Community Plan Bylaw, and Zoning Bylaw updates, and Active Transportation Network Plan in conjunction with the Shuswap Indian Band
- ❖ Continuation of interface fire program, including wildfire resiliency and Fire Smart programs
- ❖ Revenue and expenditures related to the Resort Municipal Initiative (RMI)
- ❖ Continuation of the summer Ambassador program
- ❖ Video inspection and assessment of the condition of water and sewer lines
- ❖ Wastewater treatment plant capacity assessment study
- ❖ Sand replacement for rapid infiltration basins (Wastewater Treatment Plant)
- ❖ Geotechnical assessment of Paddy Ryan Lakes dams

Significant capital projects proposed for 2021 are:



## *Transportation*

- ❖ 13<sup>th</sup> Avenue Rehabilitation – road and multi-use path design
- ❖ Replace traffic loops at 7<sup>th</sup> Avenue and 4<sup>th</sup> Street



## *Storm Infrastructure*

- ❖ Johnson Road culvert replacement
- ❖ Outfall to Lake (drywells) on 13<sup>th</sup> Street



## *Buildings and Other*

- ❖ 2 windows and double steel doors at Fire Hall
- ❖ Castle Rock Villas wall repair
- ❖ Transit Shelter near Hospital
- ❖ Art in the Mountains program initiation
- ❖ Automatic gate for PW Shop entrance
- ❖ Concrete pad poured under salt shelter
- ❖ Wooden shelter over sea cans



## *Land Improvements*

- ❖ Resort community gateway signage
- ❖ Waterfront access program/Boat Launch design
- ❖ Downtown revitalization program



## *Furniture, Equipment, Technology*

- ❖ Turnout gear and stabilization struts for Invermere Fire/Rescue (3 sets)
- ❖ Sprinkler protection unit equipment
- ❖ Stage by Rotary Washrooms
- ❖ Columbia Valley Centre acoustics improvements
- ❖ 1 portable sign board and safety sign
- ❖ Tri-axle trailer
- ❖ Front plow for grader
- ❖ 10 security cameras for Columbia Valley Centre
- ❖ 5 security cameras for the Public Works Shop



## *Vehicles*

- ❖ New plow truck and sander
- ❖ 1 ton truck with crane for hydrant servicing/maintenance
- ❖ Zero turn mower



## *Sanitary Sewer Infrastructure*

- ❖ 13<sup>th</sup> Avenue sanitary sewer upgrade – 15<sup>th</sup> Street to Gierlich Road
- ❖ Sewer re-lining annual program
- ❖ Lift Station #9 new Platform
- ❖ Portable generator
- ❖ Sewer inspection camera
- ❖ Root cutter
- ❖ Athalmer Lift Station vacuum pump
- ❖ Completion of 2020 SCADA (Supervisory control and data acquisition) program and new SCADA for Wastewater Treatment Plant (SCADA is a system of software and hardware elements that allow us to monitor and control critical industrial processes at remote locations)
- ❖ Pump for Lift Station #7 and #9



## *Water Infrastructure*

- ❖ Continuation of water meter replacement program (to radio heads)
- ❖ Completion of the Paddy Ryan watermain twinning
- ❖ New water main behind Subway in Athalmer

## Proposed 2021-2025 Financial Plan

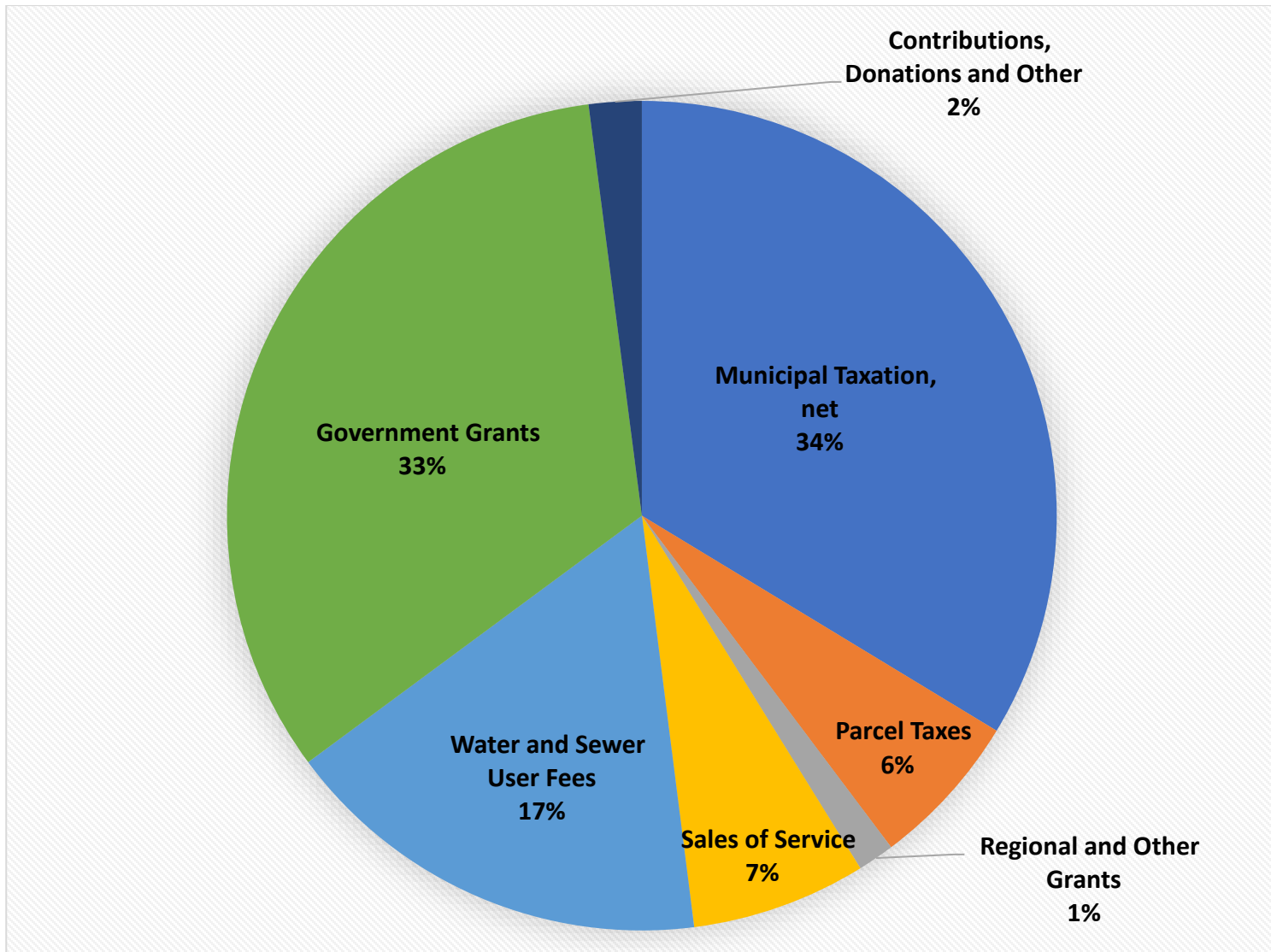
The actual Financial Plan bylaw being considered by Council is many, many pages. The purpose of this document is to make it a little simpler. The ‘big picture’ is below and shows you where we intend to head over the next five.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>REVENUES</b>					
<b>Revenue</b>					
Municipal Taxation, net	\$4,420,762	\$4,639,079	\$4,868,253	\$5,108,824	\$5,361,361
Parcel Taxes	\$796,419	\$796,419	\$796,419	\$796,419	\$796,419
Regional and Other Grants	\$187,550	\$187,550	\$187,550	\$187,550	\$187,550
Sales of Service	\$894,730	\$924,885	\$946,100	\$967,737	\$989,986
Water and Sewer User Fees	\$2,216,760	\$2,347,391	\$2,431,358	\$2,518,789	\$2,609,841
Government Grants	\$4,341,932	\$5,909,044	\$689,331	\$703,017	\$717,113
Contributions, Donations and Other	\$269,654				
<b>TOTAL REVENUES</b>	<b>\$13,127,807</b>	<b>\$14,804,368</b>	<b>\$9,919,011</b>	<b>\$10,282,336</b>	<b>\$10,662,270</b>
<b>EXPENSES</b>					
General Government Services	\$2,065,990	\$2,115,698	\$2,142,808	\$2,185,750	\$2,229,637
Protective Services	\$1,141,810	\$954,311	\$974,577	\$995,290	\$1,016,458
Transportation Services	\$2,047,460	\$2,092,504	\$2,138,539	\$2,185,587	\$2,233,670
Environmental Health Services	\$521,505	\$532,978	\$544,704	\$556,687	\$568,934
Public Health & Welfare Services	\$51,235	\$52,362	\$53,514	\$54,691	\$55,895
Community Development Services	\$1,022,109	\$540,251	\$545,325	\$550,510	\$555,809
Parks, Rec. & Cultural Services	\$1,230,759	\$1,257,836	\$1,285,508	\$1,313,789	\$1,342,693
Sewer Systems	\$1,440,224	\$1,344,159	\$1,373,731	\$1,403,953	\$1,434,840
Water Systems	\$1,324,434	\$1,351,230	\$1,379,114	\$1,407,606	\$1,436,720
Interest Payments on Debt	\$514,377	\$514,877	\$514,877	\$514,877	\$514,877
<b>TOTAL EXPENSES</b>	<b>\$11,359,904</b>	<b>\$10,756,207</b>	<b>\$10,952,697</b>	<b>\$11,168,741</b>	<b>\$11,389,532</b>
<b>Annual Surplus/(Deficit)</b>	<b>\$1,767,903</b>	<b>\$4,048,162</b>	<b>(\$1,033,687)</b>	<b>(\$886,405)</b>	<b>(\$727,262)</b>
<b>Add back:</b>					
Amortization	\$2,521,435	\$2,576,907	\$2,633,599	\$2,691,538	\$2,750,752
Capital Expenditures	(\$8,510,187)	(\$8,687,500)	(\$4,426,000)	(\$3,379,025)	(\$8,154,200)
Debt Principal Payments	(\$307,385)	(\$307,385)	(\$307,385)	(\$307,385)	(\$307,385)
Proceeds from New Debt	\$660,000		\$2,500,000	\$1,997,500	\$1,997,500
Transfer to Reserve Funds	(\$230,458)	(\$647,178)	(\$825,126)	(\$694,629)	(\$988,672)
Transfer from DCC's & Reserve Funds	\$3,418,761	\$2,093,540	\$1,458,600	\$320,000	\$5,302,500
Transfer from Surplus	\$679,931	\$923,455		\$258,406	\$126,768
	<b>(\$1,767,903)</b>	<b>(\$4,048,162)</b>	<b>\$1,033,687</b>	<b>\$886,405</b>	<b>\$727,262</b>
<b>Financial Plan Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



## Our Revenue Sources

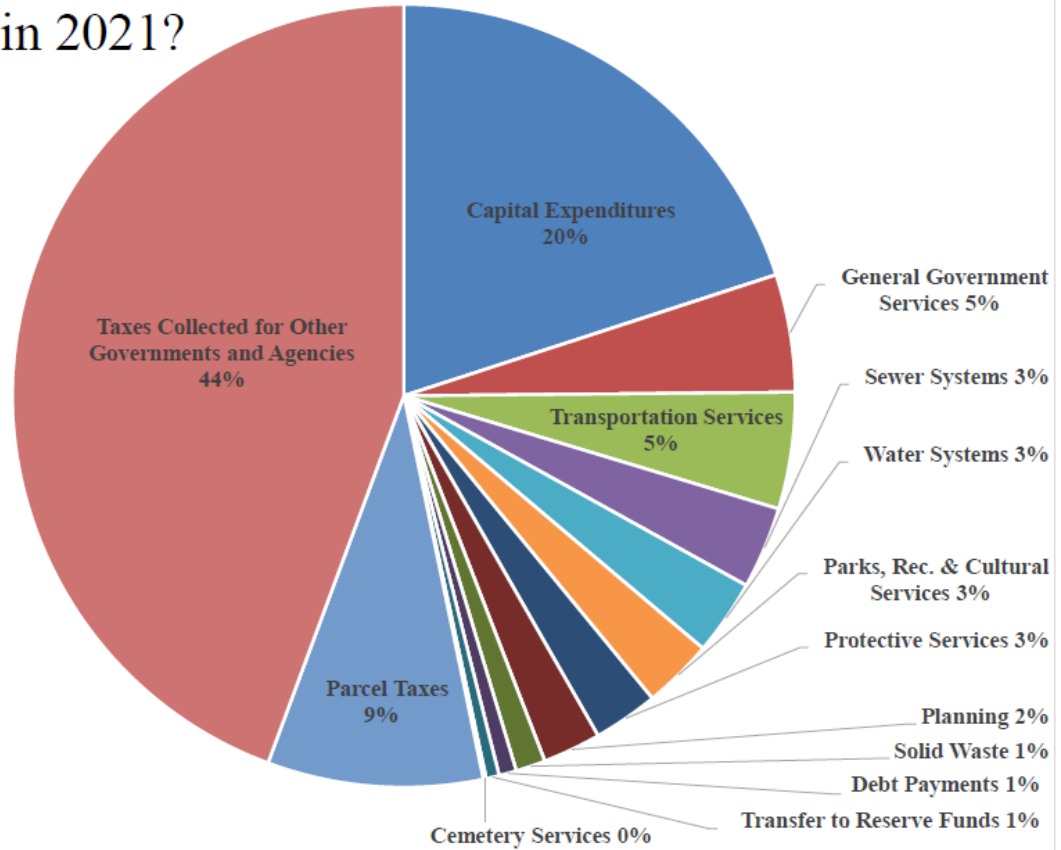
It's helpful to have a pie chart in this case to graphically show where our revenues come from. Approximately 34% of revenue in 2021 will come from municipal taxation; but as you can see, we are also budgeting 33% of revenue in the form of grants. This includes a large grant proposal to improve the sewer system beneath 13<sup>th</sup> Avenue as well as a grant to help support downtown revitalization.



## Our Operating Expenses

The variety of places we spend our revenues to deliver the number of public services is worth showcasing. Within each pie “slice” are many subcategories of expenditures used to govern our spending for every service we provide.

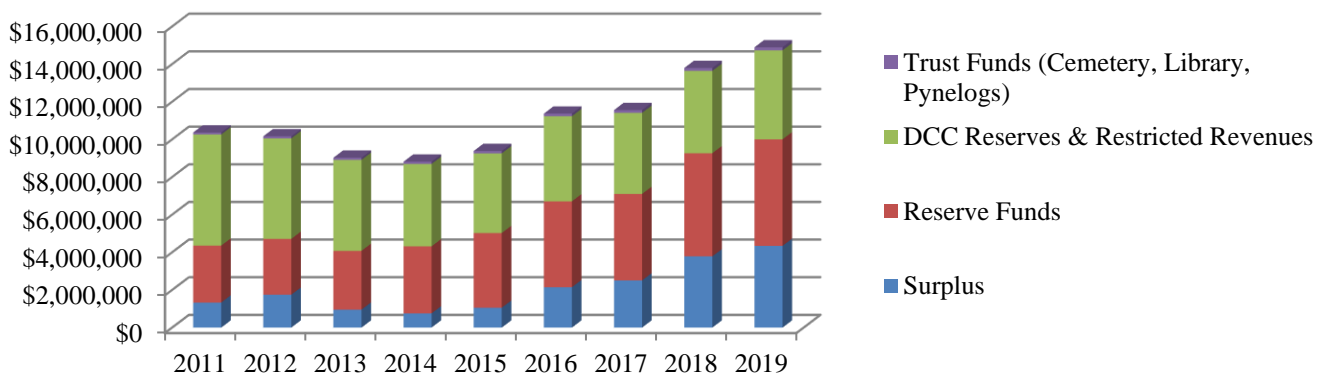
## Where will your tax dollars go in 2021?



## Our Reserves

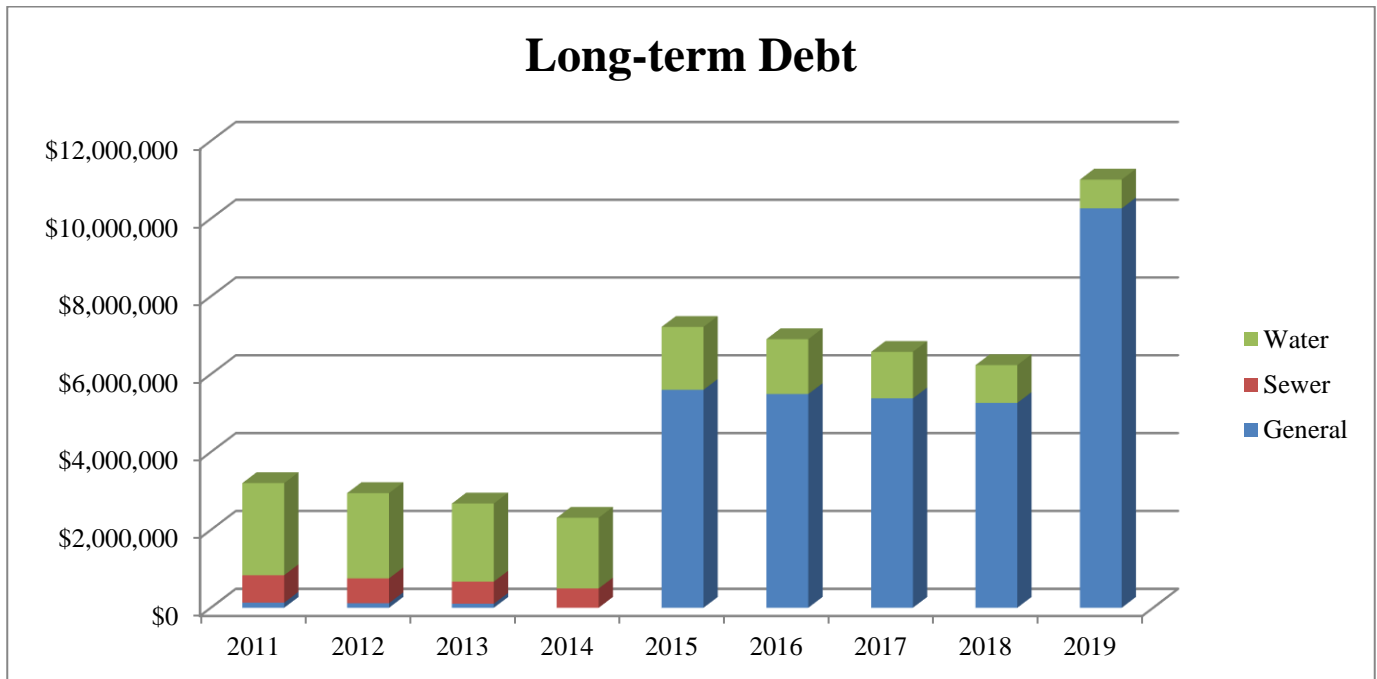
Financial reserves provide a mechanism for legally saving money to finance all or part of future infrastructure, infrastructure renewal and upgrade to services to the District, equipment and other requirements. They also provide a degree of financial stability by decreasing the reliance on indebtedness to finance capital projects and acquisitions. When economic times are uncertain, reserves can mitigate the need to raise taxes or cut services. The new reserve framework establishes a structure which will support future asset management plans in the delivery of sustainable services.

## Reserve Fund Balances



## Our Debt

Local governments can only engage in long-term borrowing for items and projects that are considered “capital” in nature. This means that the item will not be used up during everyday operations and that the project or asset will provide a benefit to the local government for more than one accounting period (year). Typical examples of capital items include fire trucks, buildings, water mains and roads. The general debt taken on in 2015 was \$5.6 million borrowed to build the Columbia Valley Centre, and in 2019 \$5 million borrowed to purchase the Athalmer lands.



## Construction Values over the past 9 years

### Building Permit Construction Values over the last 9 years

Year	Residential Permits	Industrial Permits	Commercial Permits	Institutional Permits	Other Permits	Total Permits	Total Building Permit Revenue	Total Building Permit Construction Value
2019	17	1	1		30	49	\$119,651	\$14,493,200
2018	14		3		30	47	\$96,907	\$11,251,196
2017	10		4		28	42	\$77,452	\$9,150,613
2016	7			1	43	51	\$54,528	\$13,574,299
2015	5		2		45	52	\$35,715	\$3,879,746
2014	24	1		2	56	83	\$142,245	\$16,963,766
2013	8		1	1	50	60	\$98,073	\$11,926,092
2012	6		2	1	46	54	\$36,946	\$3,875,748
2011	20				49	69	\$68,947	\$7,906,716



## What Now?

Tell us what you think! Here are the opportunities to engage with us:

### **Coffee with Council**

This has been a very successful event in the past few years; however due to COVID-19, Council has opted to a virtual Coffee with Council session via Zoom to be held on **Tuesday, February 9, 2021 at 10:00 a.m.** Please register by sending an email to [info@invermere.net](mailto:info@invermere.net).

### **Annual Budget Survey**

The annual survey will be available to complete online ([www.invermere.net](http://www.invermere.net)) or stop by the Municipal Office to pick up a paper copy. Please take time to complete the survey and have your opinion heard!

**Email:** [finance@invermere.net](mailto:finance@invermere.net) title email as “2021 Budget”

**Mail:** District of Invermere, Box 339, Invermere, BC V0A 1K0

**Facebook:** start a conversation on our Facebook page, search for District of Invermere

**\*\*The Public Consultation Period ENDS on Friday, February 12, 2021 at 4:30 p.m.\*\***

*Sincerely from all of Council:*

*Mayor Miller; Councillors Anderson, Becker, Juras and Taft*