

2023 Trimester 1 Presentation

June 27, 2023



Agenda

- ☐ Recommendation
- ☐ Vision/Mission/Values
- ☐ Strategic Pillars
- ☐ Levy
- ☐ Rate
- ☐ Capital and Related Projects
- ☐ Debt Management
- ☐ Looking Forward
- ☐ Thank You
- ☐ Recommendation



In preparing this presentation, certain assumptions and estimates are necessary. They are based on information available to staff at the time. Actual results will vary although as regulated through the Municipal Act, a balanced budget is required.

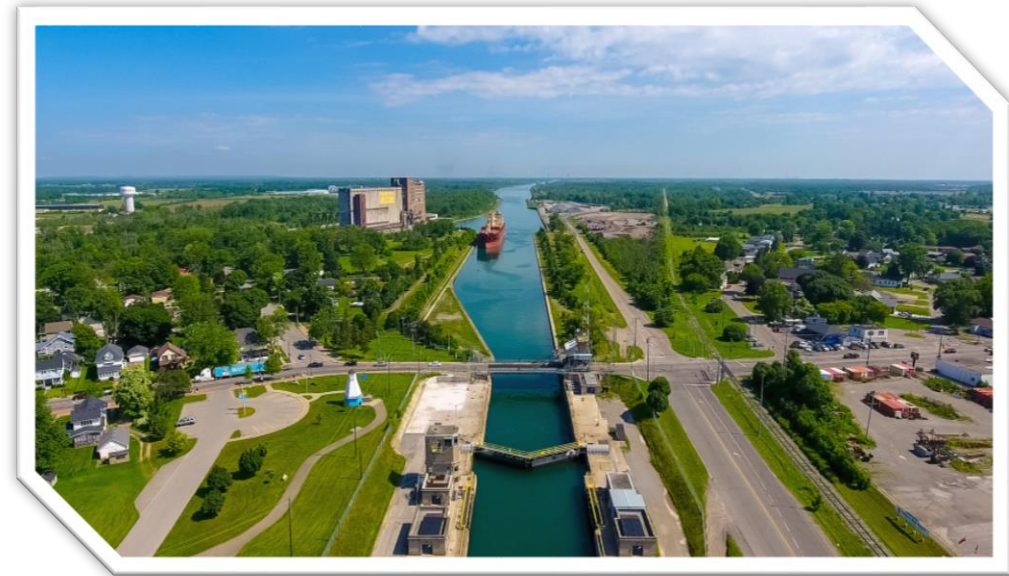


Recommendation

That Corporate Services Department Report 2023-114 be received for information; and

That the recommended transfers to and from the City's capital close-out account in Appendix B of Corporate Services Report 2023-114 be approved.

Y



Vision/Mission/Values



Vision Statement:

A vision statement expresses an organization's desires for the future. This is our vision statement:

A healthy and vibrant waterfront community embracing growth for future generations

Mission Statement:

A mission statement expresses the immediate goals of an organization, clearly and concisely. This is our mission statement:

To provide an exceptional small-town experience in a big way

Corporate Values:

Corporate Values are guiding principles and beliefs supported by everyone in an organization so that they can work toward common goals in a cohesive and positive way. These are our corporate values:

Integrity – we interact with others ethically and honourably **Respect** – we treat each other with empathy and understanding **Inclusion** – we welcome everyone
Responsibility – we make tomorrow better **Collaboration** – we are better together



Strategic Pillars



Strategic Pillars

These pillars support the City's vision and mission statements and are canopied by the concepts of sustainability and accessibility. Connecting the three core areas of sustainability – environmental, social and economic – to the importance of accessibility (for all) gives the structure an overarching element and a lens through which to view our decisions, actions, and outcomes.

- **Environment and Climate Change**
- **Sustainable and Resilient Infrastructure**
- **Welcoming, Livable, and Healthy Community**
- **Increased Housing Options**
- **Economic Prosperity**



Levy



| Levy | Forecast | Budget | Net |
|---------------------------------|------------------|------------------|----------------|
| Revenue | 34,272,299 | 34,072,299 | 200,000 |
| Personnel Expense | (16,146,800) | (16,146,800) | - |
| Operating Expense | (13,677,871) | (13,677,871) | - |
| Surplus before Transfers | 4,447,628 | 4,247,628 | 200,000 |
| Transfer (to)/from Capital | (9,439,230) | (7,054,300) | (2,384,930) |
| Transfer (to)/from Reserves | 1,209,352 | (890,578) | 2,099,930 |
| Transfer (to)/from Funds | 3,782,250 | 3,697,250 | 85,000 |
| Surplus/(Deficit) | - | - | - |

Forecasted Differences:

Revenue: additional \$200,000 in investment income

Transfers to Capital:

- Nickel Beach Parking Lot \$800,000
- Vale Roof Repair \$975,000
- HH Knoll Bridge \$89,930
- Sugarloaf Archeological Research \$435,000
- Neff Watermain Construction \$85,000

Transfer (to)/from Reserves:

- Tangible Capital Asset Reserve \$2,299,930
- Various Reserves (\$80,000) - related to investment income
- Transfer to General Stabilization Reserve (\$120,000)

Transfer from Funds:

- From Rate (Water) Fund \$85,000 to fund capital



Rate



| Rate | Forecast | Budget | Net |
|---------------------------------|------------------|------------------|----------------|
| Revenue | 13,836,100 | 13,661,100 | 175,000 |
| Personnel Expense | (1,190,900) | (1,190,900) | - |
| Operating Expense | (8,459,279) | (8,459,279) | - |
| Surplus before Transfers | 4,185,921 | 4,010,921 | 175,000 |
| Transfer (to)/from Reserves | 389,989 | 479,989 | (90,000) |
| Transfer (to)/from Funds | (4,575,910) | (4,490,910) | (85,000) |
| Surplus/(Deficit) | - | - | - |

Forecasted Differences:

Revenue: additional \$175,000 in wastewater revenue (Bylaw related vacant land charges)

Transfer to Reserves:

- To Wastewater Reserve \$175,000
- From Water Reserves (\$85,000)

Transfer from Funds:

- To Levy Fund \$85,000 to fund Neff Watermain Construction



Capital and Related Projects



T1 Capital Project Summary

| Department | Open Projects - At the end of 2022 | Projects Approved in 2023 Budget | Projects Approved in- year 2023 | Total Project # for 2023 T1 | Projects Completed | Projects Closedout/ Transferred | Open Projects - At the end of 2023 T1 | Closeout Percentage |
|-------------------------|--|--|---------------------------------------|--------------------------------|-----------------------|---------------------------------------|---|---------------------|
| Global | 3 | - | | 3 | | | 3 | 0.0% |
| CAO's office | 4 | 2 | | 6 | | (1) | 5 | 16.7% |
| Corporate Services | 9 | 8 | | 17 | (3) | (1) | 13 | 23.5% |
| Community Safety | 1 | 1 | | 2 | (1) | | 1 | 50.0% |
| Legislative Services | 2 | 1 | | 3 | | | 3 | 0.0% |
| Library | 4 | 4 | | 8 | (2) | (1) | 5 | 37.5% |
| Museum + Roselawn | 3 | 7 | | 10 | (1) | | 9 | 10.0% |
| Self-sustained Entities | 6 | - | 1 | 7 | | | 7 | 0.0% |
| Public Works | 43 | 18 | 4 | 65 | (8) | (4) | 53 | 18.5% |
| Rates | 15 | 8 | 1 | 24 | (5) | (1) | 18 | 25.0% |
| Total | 90 | 49 | 6 | 145 | (20) | (8) | 117 | 20.1% |

Capital and Related Projects



Estimated Project Completion Timeline

| Department | 2023 T2 | 2023 T3 | Multi-Year Project | Open Projects - At the end of 2023 T1 |
|-------------------------|-----------|-----------|--------------------|---------------------------------------|
| Global | | | 3 | 3 |
| CAO's office | | 4 | 1 | 5 |
| Corporate Services | 3 | 5 | 5 | 13 |
| Community Safety | 1 | | | 1 |
| Legislative Services | | | 3 | 3 |
| Library | 1 | 3 | 1 | 5 |
| Museum + Roselawn | 3 | 6 | | 9 |
| Self-sustained Entities | 1 | 4 | 2 | 7 |
| Public Works | 10 | 33 | 10 | 53 |
| Rates | 2 | 9 | 7 | 18 |
| Total | 21 | 64 | 32 | 117 |

73% of open projects are expected to be completed by year end.

27% of open projects are multi-year projects.



Capital and Related Projects



Capital Projects Funding Change Recommendation

| Project Name | ID | Recommended Funding Change T1 | Funding Recommendation Notes |
|---|------------|-------------------------------|--|
| Urban Forest Management Plan | 20O-PW-L45 | 60,000 | Request budget increase by \$60,000, funded from Under/Over Reserve. Original budget did 1/5 of City. This would complete the remaining 4/5 of City by year end. |
| VHWC Air Removal Unit | 21C-PW-B14 | 22,000 | Request budget increase by \$22,000, fund from Under/Over Reserve. Requested to complete project. |
| I.1 Neff St Outlet Retrofit | 22C-SS-B64 | 200,000 | Request budget increase by \$200,000, fund by Storm Sewer Reserve. Original budget was just for design. This would allow for construction this year. |
| A.12 CH AODA renovation | 22C-PW-B12 | (100,000) | Decrease the budget by \$100,000. Transfer \$100,000 to Under/Over Reserve. Remaining budget of \$120,000 to include AODA components to front counter. |
| Nickel Beach Capital Upgrades | 23C-BE-R01 | (500,000) | Decrease the budget by \$500,000. Transfer \$500,000 to Tangible Capital Asset (Infrastructure) Reserve. |
| K.2 Library Elevator Modernization | 23C-LB-BK2 | 35,000 | Request budget increase by \$35,000, funded by Library Capital Reserve |
| H.H. Knoll Park Trail Expansion and Enhancement | TBD | 85,000 | New proposed capital project. \$68,000 (80%) fund from Community Building Fund, \$17,000 (20%) fund from Under/Over Reserve. |
| YMCA Pool Refurbishment | TBD | 55,000 | New proposed capital project. \$44,000 (80%) fund from Community Building Fund, \$11,000 (20%) fund from Under/Over Reserve. |
| Grand TOTAL | | (143,000) | |



Capital and Related Projects



| Current Projects | | | Recommended Change | | | |
|--------------------------------|------------|----------------|--------------------------------|------------|----------------|---|
| Project Name | Project ID | Budget | Project Name | Project ID | Budget | Comments |
| I.3 Trailer Mount 6" Pump | 22C-SS-B66 | 53,304 | I.3/J.1 Trailer Mount 6" Pump | 22C-SS-B66 | 99,608 | Combining budget originally split due to funding source |
| J.1 Trailer Mount 6" Pump | 22C-WW-B66 | 46,304 | | | | |
| C.4 Video Surveillance Program | 22C-CS-B31 | 125,000 | C.3 Facilities Security System | 23C-IT-BC3 | 194,167 | Same project, just budgeted over multiple years |
| C.3 Facilities Security System | 23C-IT-BC3 | 69,167 | | | | |
| Total | | 293,775 | | | 293,775 | |

Reserves



| | 2022 Year-End Reserve Balance | 2023 Approved Budget | 2023 In-Year Approved Transfers | 2023 Forecasted Interest Allocation | 2023 Forecasted Year-End Reserve Balance |
|---------------------------------------|-------------------------------|----------------------|---------------------------------|-------------------------------------|--|
| Total Boards and Committees Reserves | 549,112 | (39,500) | - | 2,515 | 512,127 |
| Total Programs, Grants and Activities | 910,030 | (41,000) | - | - | 869,030 |
| Total Self Sustaining Entities | (395,059) | (153,388) | - | - | (548,447) * |
| Total General Government | 8,799,534 | 362,500 | (820,000) | 85,340 | 8,427,374 |
| Total Capital | 11,384,766 | 1,378,402 | (2,384,930) | 232,745 | 10,610,983 |
| Total Reserves before WIP | 21,248,383 | 1,507,014 | (3,204,930) | 320,600 | 19,871,067 |
| Total WIP Reserve | 9,103,811 | (8,389,411) | - | - | 714,400 |
| Total Reserves | 30,352,194 | (6,882,397) | (3,204,930) | 320,600 | 20,563,263 |

* Loan with Sugarloaf Marina





Debt Management

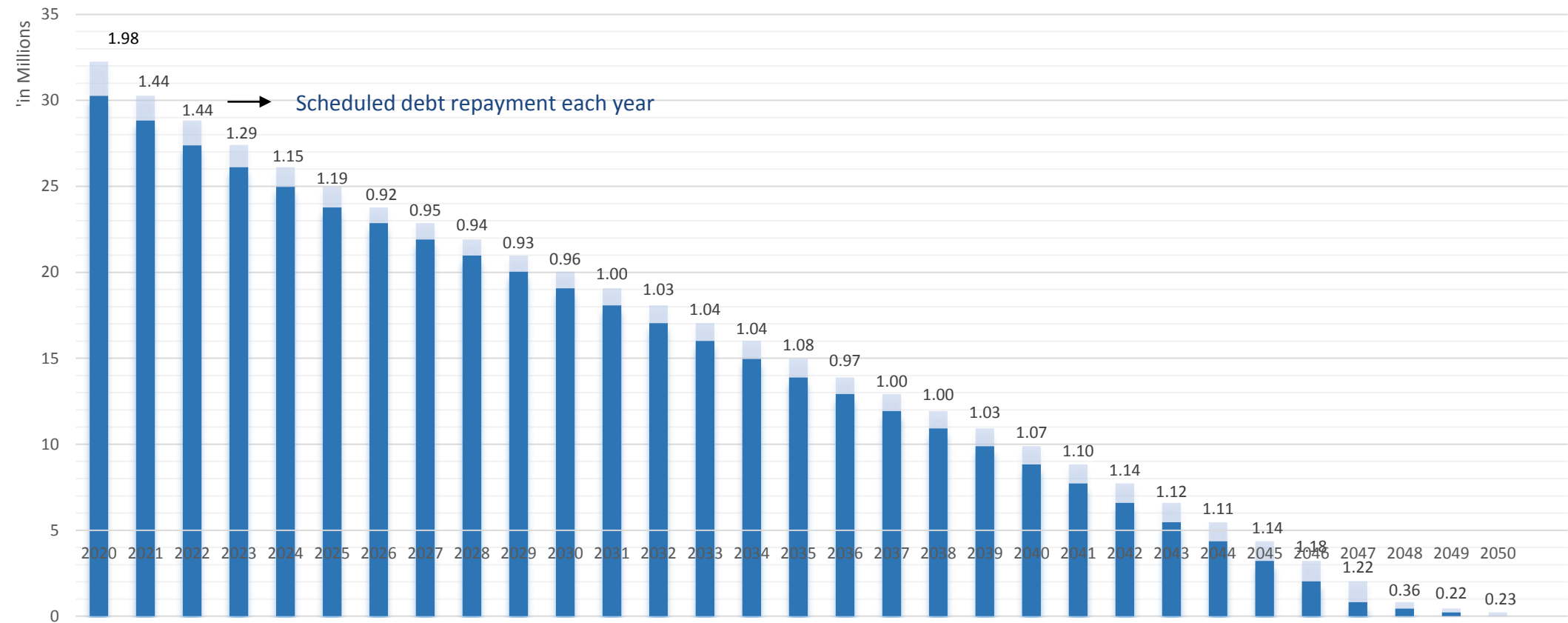
Figures are 'in millions

| ('000s in millions) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| External Debt | 27,411 | 26,123 | 24,968 | 23,777 | 22,859 | 21,912 |
| Internal Financing | 1,841 | 1,641 | 1,441 | 1,241 | 1,041 | 841 |
| Total Borrowing (External & Internal) | 29,252 | 27,764 | 26,409 | 25,018 | 23,900 | 22,753 |
| Interest | 920 | 878 | 841 | 805 | 767 | 736 |
| Principal | 1,419 | 1,288 | 1,155 | 1,191 | 948 | 948 |
| External Borrowing Charges | 2,339 | 2,166 | 1,996 | 1,996 | 1,715 | 1,684 |
| Illustrative In-Year ARL* | 5.9% | 5.2% | 4.6% | 4.5% | 3.7% | 3.5% |
| City Self Imposed Max | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Provincial Imposed Max | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% | 25.0% |

* This projection utilized a 4% increase in own source revenue (2% inflation, 2% infrastructure).



Debt Outlook





Looking Forward

2024 budget key dates:

- September 21 - Capital Budget presentation
- September 26 - Approve Capital Budget at Council meeting
- October 19 - Levy and User Fee Budget presentation
- October 24 - Approve Levy and User Fee Budget at Council meeting
- November 23 - Rate Budget presentation
- November 28 - Approve Rate Budget at Council meeting

Trimester 2 Reporting is planned for the **October 19**, 2023 with the Levy and User Fee Budget Presentation



Thank You



Recommendation

That Corporate Services Department Report 2023-114 be received for information; and

That the recommended transfers to and from the City's capital close-out account in Appendix B of Corporate Services Report 2023-114 be approved.

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