

2014 Financial Plan Overview

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Budget process

- Budget process commenced in August
- Budget forecast presented to Council August 13, 2013
- Budgets due October 11th to CFO
- Four budget workshops with all managers held October 23-25, Nov 6
- Public budget meetings: Nov. 29, Dec. 3, 4, 6, 18
- Prioritization of capital and operating budgets to be reviewed department by department presentation through the public budget meetings
- Dec 18, decision on general revenue budget funding alternatives
- Jan 6, staff report to Council on the budget and three readings of the budget bylaw

Staff Budget Workshop Results

- Significant discussion to prioritize spending
- \$292,500 reduced from operating budget
 - Corporate Administration, Bylaw, Communications, Fire, Human Resources, IT, Planning, Public Works, Recreation
- \$319,800 reduced/deferred from capital budget

Staff Budget Workshop Results

Department (cost centre)	Capital budget reduction	Project
Engineering Services-Design	\$45,000	Public washrooms
Engineering Services-Design	\$35,000	Downtown wayfinding
Engineering Services-Design	\$15,000	Warrant analysis-intersection signalization
Facilities	\$7,500	City Hall sidewalk replacement
Facilities	\$5,000	City Hall replacement/renovations
Facilities	\$125,000	Community Centre – envelope updates
Facilities	\$2,500	Community Centre – fitness room expansion
Facilities	\$35,000	Internal restoration of SS Naramata
Facilities	\$20,000	Internal restoration of Tug #6
Facilities	\$20,000	SS Sicamous new restoration shed

Staff Budget Workshop Results

Department (cost centre)	Capital budget reduction	Project
Facilities	\$55,000	Waterfront washroom
Facilities	50,000	Warren Avenue transit washroom
Facilities	100,000	SOEC interior lighting replacement (LED)
Facilities	50,000	PTCC carpet replacement
Finance – general	45,000	Trade show displays
Finance - general	25,000	Short-term opportunities
Information Technology	48,000	Software general
Information Technology	75,100	Tempest – Development Services module
Information Technology	30,000	Agresso HR module
Museum	1,000	Equipment replacements

Staff Budget Workshop Results

Department (cost centre)	Capital budget reduction	Project
Public Works - Fleet	\$4,000	Parks equipment
Public Works - Parks	2,100	Tree planting program – various sites
Public Works - Parks	6,000	Tennis court upgrades
Public Works - Parks	2,100	Playground surface upgrades
Public Works - Parks	38,600	Irrigation upgrades
Public Works - Parks	1,000	Pathway repairs
Public Works - Parks	1,000	Kings Park mesh replacement
Public Works - Parks	3,100	Beach safety audit implementation
Public Works - Parks	12,000	Bleacher/table replacement program
Public Works - Parks	5,200	Parks small projects

Staff Budget Workshop Results

Department (cost centre)	Capital budget reduction	Project
Public Works - Parks	\$24,100	Pickle ball court conversion
Public Works - Parks	55,200	Penticton Creek trail
Public Works - Parks	121,400	Parks Master Plan update
Public Works - Parks	16,600	River Channel upgrades
Public Works - Parks	6,400	Slo-pitch upgrades
Public Works - Roads	5,000	Street banners
Public Works – Roads	20,000	Radar speed signs
TOTAL DEFERRED/REDUCED	\$319,800	

Budget highlights

- RCMP E Division administration costs \$130K ↑ in addition to 2013 increase of \$500,000
- Electric rate increase 4.6% - FortisBC approved via BCUC
- Water rate increase 5%
- SOEC debt – 2014 final year for \$8m, little or no impact on deficit because of allocations to casino reserve for 2018 fiscal year when final \$9.6m will be fully retired
- Recreation department, SOEC/PTCC/Memorial Arena subsidy
- MMBC agreement to change recycle fee structure yet to be determined

Budget overview - General revenue fund

	Amount
General government operating expenditures	\$40,520,000
General government operating revenues	-24,537,000
Taxation levies	-45,314,000
Taxation remitted to other bodies (RDOS, SD67)	18,585,000
Municipal grants	1,660,000
General government – transfers to reserves	7,870,000
General government – transfers from reserves	-3,672,000
General government debt servicing – interest	2,642,000
General government debt servicing - principal	3,225,000
Net surplus/(deficit)	(\$979,000)

Budget Overview – Electric Utility fund

	Amount
Electric operating expenditures	31,367,000
Electric revenues	-36,903,000
Electric transfer to Electric capital	6,229,000
Electric transfer to electric capital fund	3,078,000
Electric transfer from surplus	-3,771,000
Net surplus/(deficit)	\$0

Budget Overview – Sewer Utility fund

	Amount
Waste water treatment plant operating expenditures	1,560,000
Waste water treatment plant revenue	-5,497,000
Sewer system operating expenditures	1,481,000
Sewer system revenue	-250,000
Transfer to sewer capital fund	4,698,000
Transfer from surplus	-3,341,000
Sewer debt servicing - interest	575,000
Sewer debt servicing - principal	774,000
Net surplus/(deficit)	\$0

Budget Overview – Water Utility fund

	Amount
Water treatment plant operating expenditures	1,455,000
Water treatment plant revenues	-338,000
Water system operating expenditures	1,547,000
Water system revenues	-6,190,000
Transfer to water capital fund	2,188,000
Water debt servicing - interest	759,000
Water debt servicing - principal	579,000
Net surplus/(deficit)	\$0

2014 Budget Summary

- Zero-based budgeting employed, 0% change in taxation factored into totals
- Annual \$3.077 million allocated to capital from Electric Utility
- Reallocations across departments to appropriate cost centres
 - E.g., Fleet equipment to departments and salaries to capital projects
- Net deficit after staff budget sessions decreased by \$177,000

2014 Budget Reserve Summary

Utility Reserves Forecast*

Fund type	2014	2015	2016	2017	2018
Water Fund	1,371	1,001	573	582	591
Sewer Fund	5,141	5,149	5,157	5,165	5,173
Electric Fund	2,060	2,906	4,292	6,921	10,080

**in 000s*

Development Cost Charges Forecast*

Fund type	2014	2015	2016	2017	2018
DCC	\$7,956	\$8,354	\$8,882	\$9,419	\$9,964

**in 000s*

2014 Budget Reserve Summary

Statutory Reserve Forecast*

Reserve type	2014	2015	2016	2017	2018
Equipment Replacement	2,576	2,641	2,243	1,847	1,444
Capital – land sales	2,567	2,606	2,645	2,684	2,725
Community Works Fund	1,675	2,427	3,402	4,392	5,396
Amenity Capital Works	(39)	(39)	(40)	(40)	(41)
Local improvement	1,432	1,631	1,833	2,038	2,246
Tax sale lands	7	7	7	8	8
Off-street parking	117	119	120	122	124
TOTAL	8,335	9,392	10,210	11,051	11,902

**in 000s*

2014 Budget Reserve Summary

Forecast for own reserves*

Reserve type	2013	2014	2015	2016	2017	2018
General Surplus	4,014	3,114	1,814	414	-1,286	-2,986
Other	4,466	6,218	8,322	8,574	6,827	5,079

**in 000s*

2014 Possible Budget Solutions

- Prior year's surplus (general reserve)
- Interest stabilization reserve
- New revenue sources
- Service delivery options
- Taxation



Questions?

