



2021 - 2025 Draft
Final Financial Plan
Budget Presentation
March 29, 2021

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Presentation Overview

- General Fund
 - Responses to Questions from March 8th budget meeting
 - Update & Changes since March 8 budget presentation
 - General Fund Accumulated Surplus
 - Questions/Comments/Deliberations on General Fund
- Water and Sewer Utility Funds
 - 2020 Project Carry Forwards to 2021
 - 2021 – 2025 Proposed Budget Changes
 - Changes already approved by Council resolution
 - New items proposed with a Spending package
 - Other new items or budget changes
 - Changes related to Major Capital Plan Review
 - Five year Minor Capital Project Review
 - Five year Capital Project Review
 - Projected Accumulated Surplus
 - Other Information and Considerations
 - Questions/Comments/Deliberations

Questions arising from March 8 Budget Meeting

- How much was the interest income in 2020?
 - Total interest income was \$1,140,800 allocated out as follows:
 - General Fund interest on Accumulated Surplus: \$503,300
 - Water Fund interest on Accumulated Surplus: \$142,300
 - Sewer Fund interest on Accumulated Surplus: \$118,200
 - Various Reserve Funds interest: \$377,000
- How much did School tax change from 2019 to 2020?
 - Decreased in 2020 by \$577,500 to \$5.6 million - rate reduced by Province for Commercial properties due to Covid 19
 - Residential portion of School tax increased by \$332,000
- Why is PCTC roof replacement split into two projects 3 years apart?
 - Spending package for this in the 2020 budget process.
 - ½ of the roof is in dire need of replacement with over 20 patches on it already.
 - ½ the roof has some life left in it.
 - Project was split to accommodate our PCTC partners budgets
- Can Gas Tax funding be used for Pool Construction?
 - Yes, recreation facilities that support physical activity are eligible for Gas tax usage.
- Can Parking Reserve funds be used for the parking lot construction at the Pool?
 - The City's 1988 Bylaw setting up the Parking reserve does not appear to restrict the usage to the downtown area where the parking funds have been collected.

General Revenue Fund

Budget Changes after March 8 Budget Meeting

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	2021	2022	2023	2024	2025
<u>Other Budget Changes</u>					
<u>Operating Changes - Incr / (Decr)</u>					
<u>Revenues</u>					
Covid 19 Re-start Grants			(189,000)		
<u>Minor Capital Changes - Incr (Decr):</u>					
<u>Expenditures</u>					
Council Special Projects	(61,800)				
<u>Capital Budget Changes -Incr / (decr)</u>					
<u>Expenditures</u>					
IT - Computer Operating Software					(350,000)

- Covid Grant-Reduced 2023 Covid grant-claimed more in 2020
- Council Projects-Remove 75th Birthday celebration due to Covid
- IT -Software replacement removed-may be a duplicate project with Financial Software

General Revenue Fund

Budget Changes after March 8 Budget Meeting

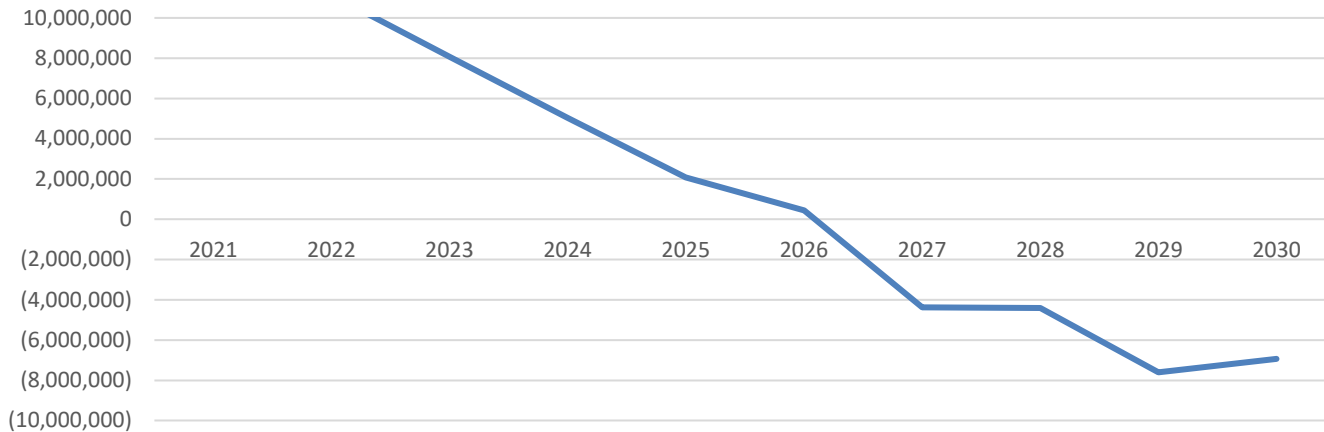
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Other Budget Changes		2021	
<u>Reserve Fund changes</u>			
Land Sale Reserve		(200,000)	Move portion of Jensen property sale to Parking reserve
Land Sale Reserve		440,000	Added sale of Bagshaw property
Parking Reserve		200,000	Replenish reserve funds used to buy Jensen properties
<u>Accumulated Surplus</u>			
2020 Surplus		3,750,000	Change from previously reported amount

General Revenue Fund

Budgeted General Fund Unrestricted Surplus/(Deficiency) at End of Year

Year	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
End Balance	11,434,315	11,132,345	8,070,875	5,030,444	2,079,987
Year	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
End Balance	436,616	(4,368,467)	(4,400,524)	(7,608,710)	(6,929,978)





Questions from Council
Comments from Public

Council deliberations/discussion/direction

Water Utility Fund
Projects Carried Forward from
2020 Budget to 2021 Budget
(Page 10 of Agenda Pkg)

- **Water Operating Carry forwards**

● Booster Pump replacements	\$ 15,000
● Reservoir #4 cleaning	12,000
● Seaway well decommissioning	<u>50,000</u>
Total	<u>\$ 77,000</u>

Water Utility Fund

Projects Carried Forward from 2020 Budget to 2021 Budget Continued

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- **Water Capital Carry forwards**

● Bagshaw: Hwy 19a to Stanford	\$ 19,300
● Hirst: Hwy 4a to McMillan	18,400
● Memorial Ave: Hwy 4a to McMillan	31,600
● Forsyth: Cameron to Pym	1,500
● Pym: Forsyth to Brice	<u>3,900</u>
Total	<u>\$ 74,700</u>

- Design in progress or nearing completion for first 3 items.
- Construction complete for last 2 items

Water Utility Fund

New Budget Requests

Spending Packages Prepared

(Pages 10 and 16-18 Agenda Pkg)

				2021	2022	
<u>Operating Spending Packages (New items)</u>						
			Railway Wells Groundwater Study	45,000		Spending Pkg Water-2021-01
			Water meter metal lids	26,000	26,000	Spending Pkg Water-2021-03
<u>Capital Spending Packages (New items)</u>						
			Scada System Upgrade	(170,000)		Budget reduced from \$200k to \$30k

Water Utility Fund

Other Budget Changes/Requests

Operating Expenses

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Other Budget Changes (no Spending Packages)	2021	2022	2023	2024	2025
<u>Operating Changes - Incr / (Decr)</u>					
Minor Capital - Master plan	(50,000)	50,000			
City share of AWS Dam Safety Review	44,800				
City share of AWS Hydrometric Station Maint.	9,600				
City share of ERWS Administration Costs	84,800	32,200	32,200	32,200	32,200
City share of ERWS Operating Costs	23,000	26,700	30,900	35,300	40,000
City share of ERWS Maintenance wages	38,000				
City share of ERWS Maintenance	10,400	2,600	2,600	2,600	2,600
City share of ERWS Geobag supply	18,000	6,100	6,300	6,500	6,800
City share of ERWS Water storage study		37,000			

Water Utility Fund

Other Budget Changes/Requests

Capital Projects

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Capital Budget Changes -Incr / (decr)	2021	2022	2023	2024	2025
City share of ERWS Settling Ponds (50% DCO)	333,000				
City share of ERWS ASR costs	(37,000)				
Water Chamber replacement program					(37,500)
Reservoir #1 - Springwood Facility	(350,000)	350,000			

Settling Ponds - \$259,000 was moved out from 2020 budget

ERWS Board removed ASR project

Water Chamber - Moved project out 1 year

Reservoir #1-Move out 1 year to assess project need

Water Utility Fund

Other Water Budget Changes/Requests

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	2021	2022	2023	2024	2025
Major Capital Review Changes - Incr (decr)					
Total of Major Capital Review Changes	\$ 415,100	\$ (543,300)	\$(1,294,700)	\$(192,950)	\$ 351,000
Other Budget Changes					
Amortization of Capital assets	913,000	913,000	913,000	913,000	913,000
<u>Transfer to Reserves</u>					
City share of ERWS Transfer to Reserves		74,000	74,000	74,000	74,000

- Capital Changes Represents 57 different projects

- Amortization increase for Water Treatment Plant

- Reserves Transfer Per ERWS approved budget

Water Utility Fund

Minor Capital Budget Review

2021 to 2025

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MINOR CAPITAL	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Seaway Well Decommissioning	50,000	0	0	0	0
Railway Wells Groundwater Study	45,000	0	0	0	0
ERWS Minor Capital Items (PV share)	42,200	88,800	37,000	59,200	37,000
Works Adjacent to Development/Construction	40,000	0	0	0	0
Booster Pump Replacements	15,000	0	0	0	0
Reservoir # 4 Cleaning	12,000	0	0	25,000	0
Water Master Plan (Eng. leads)	0	50,000	0	0	0
Reservoir # 5 Cleaning	0	0	0	0	8,000
Total Minor capital	204,200	138,800	37,000	84,200	45,000

Water Utility Fund

Minor Capital Budget Review

2021 to 2025

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			<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Minor Capital Source of Funds							
		Operations	127,200	138,800	37,000	84,200	45,000
		Other Grants	0	0	0	0	0
		Carry Forward reserve	77,000	0	0	0	0
Total Minor Capital Source of Funds			<u>204,200</u>	<u>138,800</u>	<u>37,000</u>	<u>84,200</u>	<u>45,000</u>

Water Utility Fund

Capital Budget Review

2021 to 2023

(Page 19 of Agenda Pkg)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Water Capital Items					
Moss Ave: McKillop to Stanford	319,000	0	0	0	0
Memorial Ave: Hwy 4a to McMillan	306,600	0	0	0	0
McKinnon St: Hirst to Harnish	289,000	0	0	0	0
Bagshaw St: Stanford to Hwy 19a	219,300	0	0	0	0
Hirst Ave: Hwy 4a to McMillan	195,600	0	0	0	0
Works Adjacent to Development/Construction	60,000	0	0	0	0
Scada System Upgrade	30,000	0	0	0	0
Pym: Brice to Forsyth	3,900	0	0	0	0
Forsyth: Pym to Cameron	1,500	0	0	0	0
Banks Ave: Moilliet east to end	0	40,000	335,000	0	0
Harrison Ave: Hwy 4 to McMillan	0	40,000	180,000	0	0
Middleton Ave: Craig to McCarter	0	30,000	135,000	0	0
Willow St: Bay to Rushton	0	25,000	160,000	0	0

Water Utility Fund

Capital Budget Review

2023 to 2025

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<u>Water Capital Items Continued</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Springwood Well # 10	0	0	62,500	250,000	0
Nanoose Ave: Pym to Renz	0	0	60,000	355,000	0
Finholm St: Morison to Hirst	0	0	30,000	180,000	0
Jenkins Place: Pym St to End	0	0	20,000	150,000	0
Gerald Pl: Pym to End	0	0	20,000	145,000	0
Morison Avenue: Finholm to Pym	0	0	0	90,000	650,000
Newcastle Ave Pym to Renz	0	0	0	60,000	365,000
Finholm St: 19a to Morison	0	0	0	45,000	365,000
Equipment	0	0	0	25,900	0
McVickers St: Hwy 19a to Stanford	0	0	0	20,000	100,000
Pym St Pump Station bypass	0	0	0	6,000	25,000
Salish Sea Dr: Community Park	0	0	0	0	27,000
Sanderson Road: Phillips to Foster	0	0	0	0	25,000
Decommission E.R. pump station and intake	0	0	0	0	25,000
Craig St: Hwy 19a to Jensen	0	0	0	0	15,000
Ravenhill Rd: Community Park	0	0	0	0	12,000
Transfield St: Young to Doehle	0	0	0	0	8,500
Total Water Capital Items	1,426,921	137,022	1,004,523	1,328,924	1,619,525

Water Utility Fund

Capital Budget Review

2021 to 2025

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		<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Water DCC Capital</u>						
Reservoir #1 - Springwood Facility		0	350,000	0	0	0
ERWS River Intake		0	0	0	0	0
	Structures	88,800	185,000	0	0	0
ERWS Water Treatment Plant		0	0	0	0	0
	Structures	37,000	0	0	0	0
	Equipment/Membranes	44,400	22,200	22,200	48,100	22,200
	Settlement Ponds	333,000	0	0	0	0
ERWS Aquifer Storage Recovery		0	0	0	0	0
Total DCC Capital		503,200	557,200	22,200	48,100	22,200

Water Utility Fund

Capital Budget Review

2021 to 2025

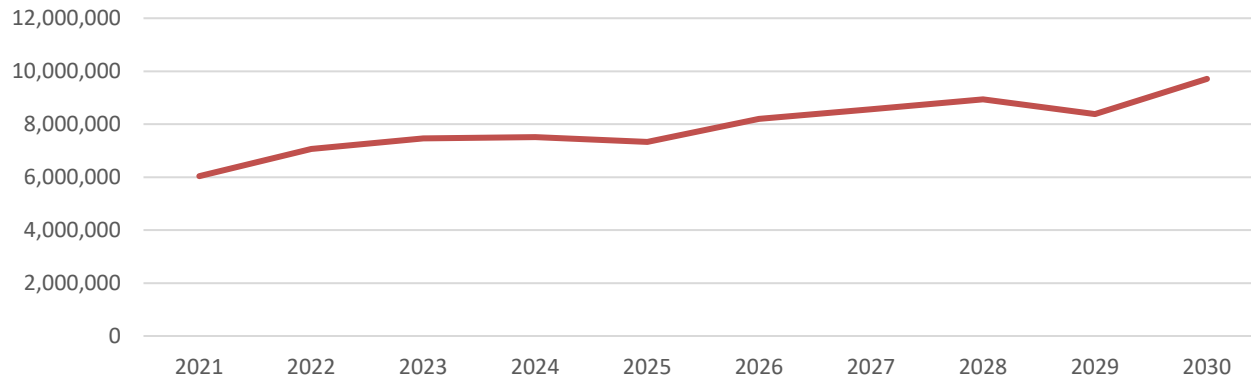
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	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>WATER CAPITAL SOURCE OF FUNDS</u>					
Operations	1,411,161	199,372	1,015,733	1,353,214	1,630,735
Carry-forward Reserve	247,900	0	0	0	0
Water Capital Reserve Fund	0	0	0	0	0
Water DCC Reserve Fund	271,060	494,850	10,990	23,810	10,990
Federal Gas Tax	0	0	0	0	0
Developer Contributions	0	0	0	0	0
Total Source of Funds	1,930,121	694,222	1,026,723	1,377,024	1,641,725

Water Utility Fund

Budgeted Unrestricted Surplus/(Deficiency) at End of Year
Scenario: 2% rate increase 2021-25

Year	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
End Balance	6,039,955	7,065,279	7,464,184	7,510,731	7,336,331
Year	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
End Balance	8,202,028	8,564,988	8,942,615	8,389,590	9,710,417



Water Utility Fund

Other Information and Considerations

○ Revenue Considerations:

- The following Water utility rate increases are incorporated into this Plan as per the 2020 Amended Budget:
 - 2021-25 2.0%
- Consider removing 2021 water rate increase and offsetting with a higher sewer rate increase.

○ Cost Considerations:

- Future Water Treatment plant (WTP) replacement costs O/S
 - \$471,000 annual reserve needed to fund the Equipment replacements over next 15-25 years (Parksville's share)
 - \$255,000 annual reserve needed to fund Building replacements over next 50 years (Parksville's share)
 - 2021 WTP reserve funding is \$128,500



Questions from Council
Comments from Public

Council deliberations/discussion/direction

Sewer Utility Fund

Projects Carried Forward from 2020 Budget to 2021 Budget

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- Sewer Capital Carry forwards

● Bagshaw: Hwy 19a to Stanford	\$ 20,300
● Hirst: Hwy 4a to McMillan	36,700
● Memorial Ave: Hwy 4a to McMillan	<u>28,000</u>
Total	<u>\$ 74,700</u>

- Design in progress or nearing completion for these projects.

Sewer Utility Fund

New Budget Requests

Spending Packages Prepared

(Appendix B from March 8 Budget meeting)

Spending Packages (New items)				2021	2022	2023	2024	2025
<u>Operating</u>								
			Pipe Video Inspection Program	50,000	50,000	50,000	50,000	50,000
<u>Capital</u>								
			Scada System Upgrade	10,000				

Item 1 - See Spending Pkg ENG-2021-01

Item 2 - See Spending Pkg Water-2021-02

Sewer Utility Fund

Other Budget Changes

Operating Expenses

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				2021	2022	2023	2024	2025
<u>Other Budget Changes (No Spending Packages)</u>								
<u>Operating</u>								
Minor Capital - Master plan					50,000		(100,000)	
					Move master plan up 2 years and reduce budget			

Sewer Utility Fund

Capital Budget Changes/Requests

(Page 13-14 of Agenda Pkg)

	2021	2022	2023	2024	2025
<u>Major Capital Review Changes - Incr (Decr)</u>					
<u>Revenues</u>					
Hirst Ave: McMillan to Moilliet (DCC Funding)		(61,400)			
Capital reserve funding			100,000		
<u>Expenditures</u>					
Total of Major Capital Review Changes	196,300	(599,400)	(260,500)	492,600	419,700

- Hirst project moved out to 2031-32
- Reserve funding required to balance budget
- Mayor capital review represents changes to 37 different projects

Sewer Utility Fund

Minor Capital Budget Review

2021 to 2025

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	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Sewer Minor Capital projects</u>					
Easements (ROW's)	0	0	0	0	0
Sewer Video Inspection Program	50,000	50,000	50,000	50,000	50,000
Sewer Master Plan	0	50,000	0	0	0
Works next to Development/Construction	40,000	0	0	0	0
Total Minor Capital	90,000	100,000	50,000	50,000	50,000
<u>Minor Capital Source of Funds</u>					
Operations	90,000	100,000	50,000	50,000	50,000
Carry Forward reserve	0	0	0	0	0
Total Minor Capital Source of Funds	90,000	100,000	50,000	50,000	50,000

Sewer Utility Fund

Capital Budget Review - 2021 to 2025

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Capital Projects	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bagshaw: Stanford to Hwy 19a	393,700	0	0	0	0
McKinnon Street: Hirst to Harnish	306,000	0	0	0	0
Moss Ave: Hwy 4a to McKillop	269,000	0	0	0	0
Memorial Ave: Hwy 4a to McMillian	228,000	0	0	0	0
Hirst Ave: Hwy 4a to McMillan	183,300	0	0	0	0
Scada System Upgrade	10,000	0	0	0	0
Banks Ave: Moilliet east to End	0	70,000	555,000	0	0
Harrison Ave: Hwy 4a to McMillan	0	30,000	120,000	0	0
Willow: Bay to Rushton Ave.	0	20,000	150,000	0	0
Lombardy: Hwy 19a to Morison	0	0	71,500	0	0
Nanoose Ave: Pym to Renz	0	0	55,000	325,000	0
SRW: Banks to 286 Morison Ave.	0	0	48,000	0	0
Jenkins: Pym St to End	0	0	32,000	210,000	0
Finholm St: Morison to Hirst	0	0	32,000	200,000	0
Gerald Pl: Pym St to End	0	0	31,000	209,000	0
Banks Ave: Finholm to Acacia	0	0	22,500	150,000	0
SRW from Jenkins Pl to Morrison Ave	0	0	11,000	76,000	0
SRW from Gerald Pl to Forsyth	0	0	10,000	66,000	0
Morison Ave: Acacia to Pym	0	0	0	59,000	437,000
Newcastle Ave Pym to Renz	0	0	0	55,000	335,000
Morison Ave: Finholm to Acacia	0	0	0	26,000	198,000
Craig St: Hwy19a to 40m North of Jensen	0	0	0	0	75,000
	1,390,000	120,000	1,138,000	1,376,000	1,045,000

Sewer Utility Fund

Capital Budget Review

2021 to 2025

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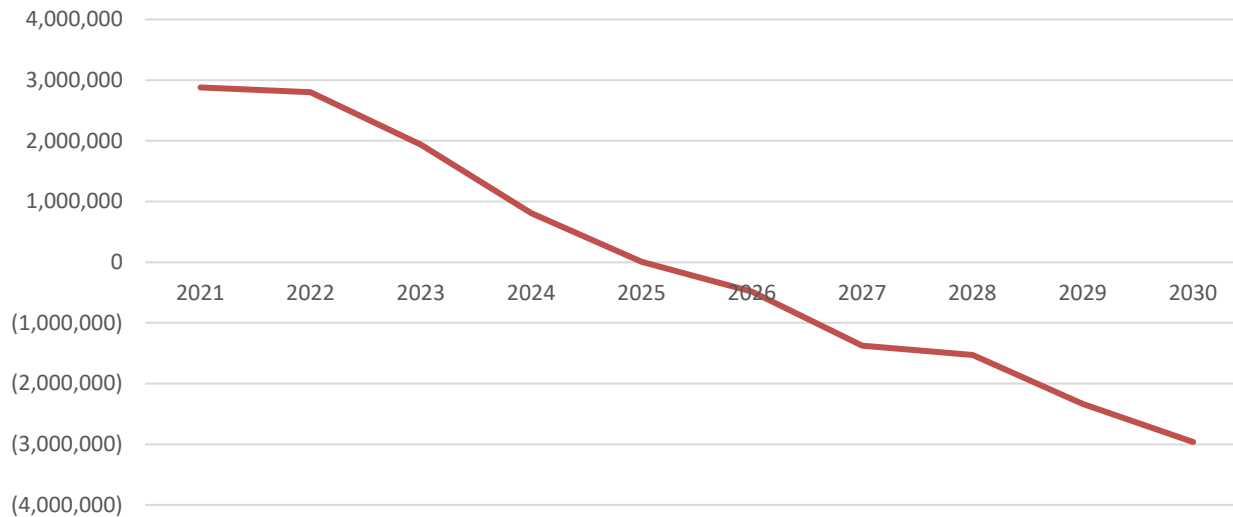
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Capital Project Source of Funds</u>					
Sewer User Fees	979,400	120,000	838,000	1,176,000	945,000
Carry-forward Reserve	264,600	0	0	0	0
Sewer Capital Reserve Fund	146,000	0	300,000	200,000	100,000
Sewer DCC Reserve Fund	0	0	0	0	0
Total Capital Projects Source of Funds	1,390,000	120,000	1,138,000	1,376,000	1,045,000

Note: Significant funding needed from Capital Reserve to balance budget

Sewer Utility Fund

Budgeted Unrestricted Surplus/(Deficiency) at End of Year
Scenario: 3% rate increase 2021-25

Year	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
End Balance	2,877,087	2,798,101	1,934,797	805,143	4,708
Year	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
End Balance	(483,061)	(1,374,006)	(1,529,796)	(2,334,333)	(2,963,772)



Sewer Utility Fund

Other Information and Considerations

○ Revenue Considerations:

- The following Sewer utility rate increases are incorporated into this Plan as per the 2020 Amended Budget:
 - 2021-25 3.0%
- Consider increasing 2021 sewer rate increase and offsetting with reduction to water rate increase.

○ Cost Considerations:

- Many capital projects removed from this budget pending condition assessments – Future costs likely



Questions from Council
Comments from Public

Council deliberations/discussion/direction