



AGENDA

**Committee of the Whole
to be held on February, 2021 at 2:00 p.m.**

977 South Maquinna Drive in Council Chambers and by electronic means

Remote Access

To attend this meeting remotely by Zoom/ phone:

Join the Zoom Meeting

<https://zoom.us/j/7473599558>

Dial by your location

+1 647 374 4685 Canada

Meeting ID: 747 359 9558

Find your local number: <https://zoom.us/j/7473599558>

Call to Order

Mayor Davis will acknowledge and respect that we are meeting upon Mowachaht/Muchalaht territory.

Introduction of Late Items

None.

Approval of the Agenda

New Business M 1 Draft#1 2021 Operations Budget and 2021-2025 Capital Plan

Adjournment



Budget Presentation

2021 – 2025 Financial Plan

Village of Tahsis

Updated January 27, 2021

Community Charter Requirements

- ▶ 5 year financial plan (budget) must be adopted annually by bylaw before tax rate bylaw can be adopted, before May 15
- ▶ Financial plan must include:
 - Proposed expenditures
 - Proposed funding sources
 - Proposed transfers between funds and accounts
- ▶ The operating and capital budget must be balanced (expenditures must not exceed revenues and transfers)
- ▶ Public consultation required before adoption by Council (this meeting is considered as public consultation)

Major Council Policies

► 2021 Strategic Priorities

- Economic Vibrance: (Community forest, Connect the Coast – Last mile)
- Infrastructure and Service: (repair infrastructure, asset management plan, dock and rec. centre upgrades, drainage issues)
- Community well-being: (age-friendly recommendations, new or upgraded VURL)

Budget Considerations and Assumptions

- ▶ Ensure adequate funding for existing services and infrastructure – level of service delivery
- ▶ Essentially a status quo budget from an operations perspective
- ▶ Budget assumes a 2% Property tax increase (although no direction was given by Council)
- ▶ Move towards a full cost recovery for utility services – would require water and sewer rate increases

Challenges

- ▶ Staffing
 - Continued pressure on staff to absorb increased service needs, compliance (on-line) and statutory reporting,
- ▶ Reserves
 - Rely heavily on prior years' surplus to keep taxes low and balance the budget
- ▶ Aging Infrastructure
 - Increasing costs to maintain aging buildings, sewer and water systems
- ▶ Aging population – limited funding
- ▶ Covid-19 health regulations

Opportunities

- ▶ Grants
 - Staff continue to pursue grant opportunities
- ▶ Consider borrowing as a long-term strategy to replacing aging infrastructure – requires future year debt servicing
- ▶ Increase in permits due to development, renovation of residential property ? Hotter property market?

Current Services Provided to Citizens

- ▶ Road maintenance, repair and snow removal
- ▶ Garbage collection and recycling
- ▶ Fire protection, suppression and rescue
- ▶ Emergency Preparedness
- ▶ Daycare
- ▶ Tourist information Centre and display for museum artifacts
- ▶ Boat launch and parking
- ▶ Helipad
- ▶ Wharves and docks
- ▶ Recreation Centre programming including pool, weight room, gym activities
- ▶ Parks and trails
- ▶ Sidewalks, curbs and gutters
- ▶ Drainage systems
- ▶ Sewer systems
- ▶ Drinking water systems and drainage
- ▶ Property maintenance regulation and bylaw compliance
- ▶ Building inspection

Revenue Sources

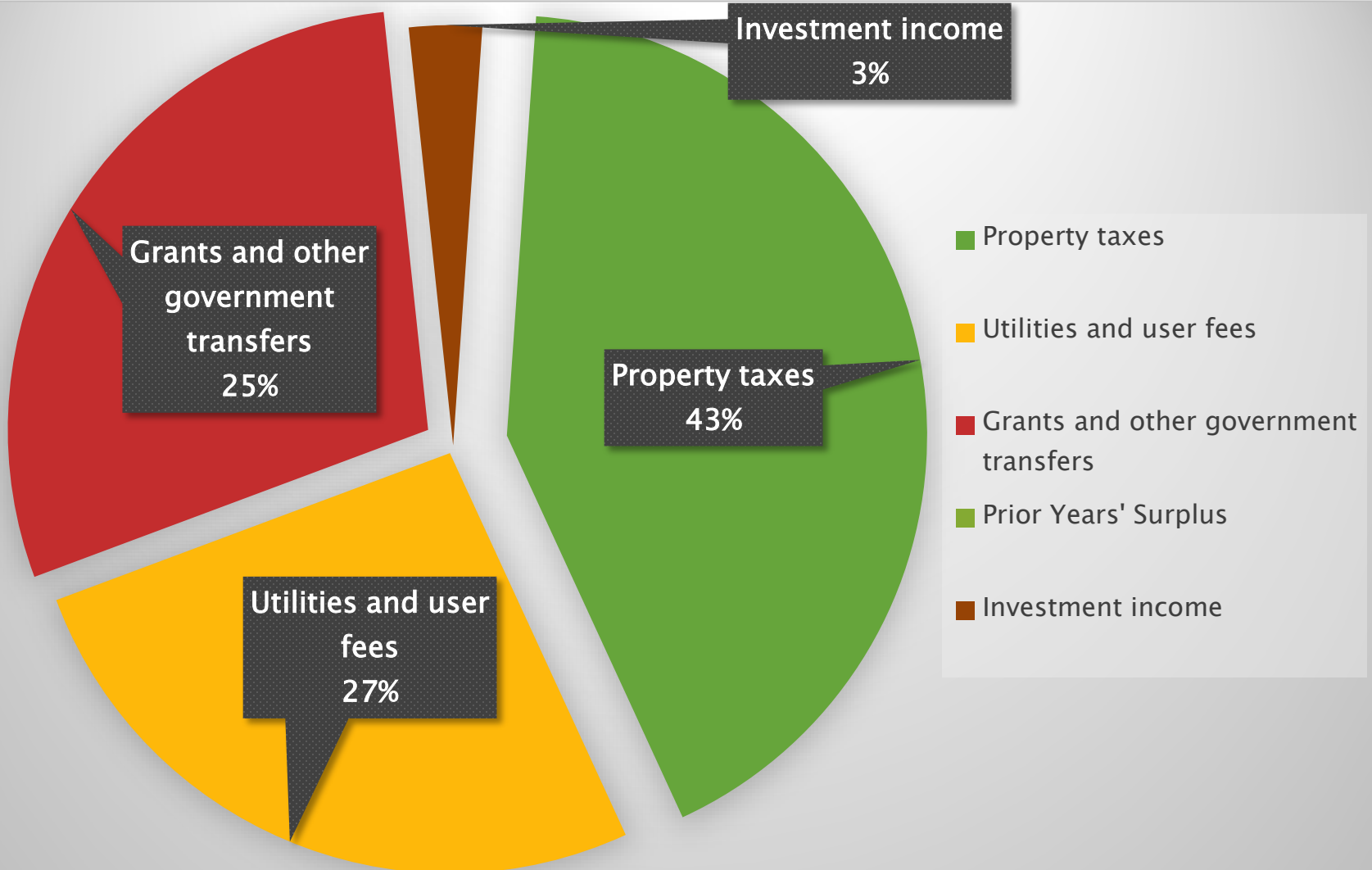
- ▶ Property Taxes
- ▶ Water, Sewer and Garbage Utility Fees
- ▶ Other User fees (zoning and development fees, daycare)
- ▶ Business tenant rentals
- ▶ Permits and licenses (building permits)
- ▶ Government grants from Federal and Prov. – operating (small community grants), gas tax grants – capital grants
- ▶ Investment income

Big Picture Overview

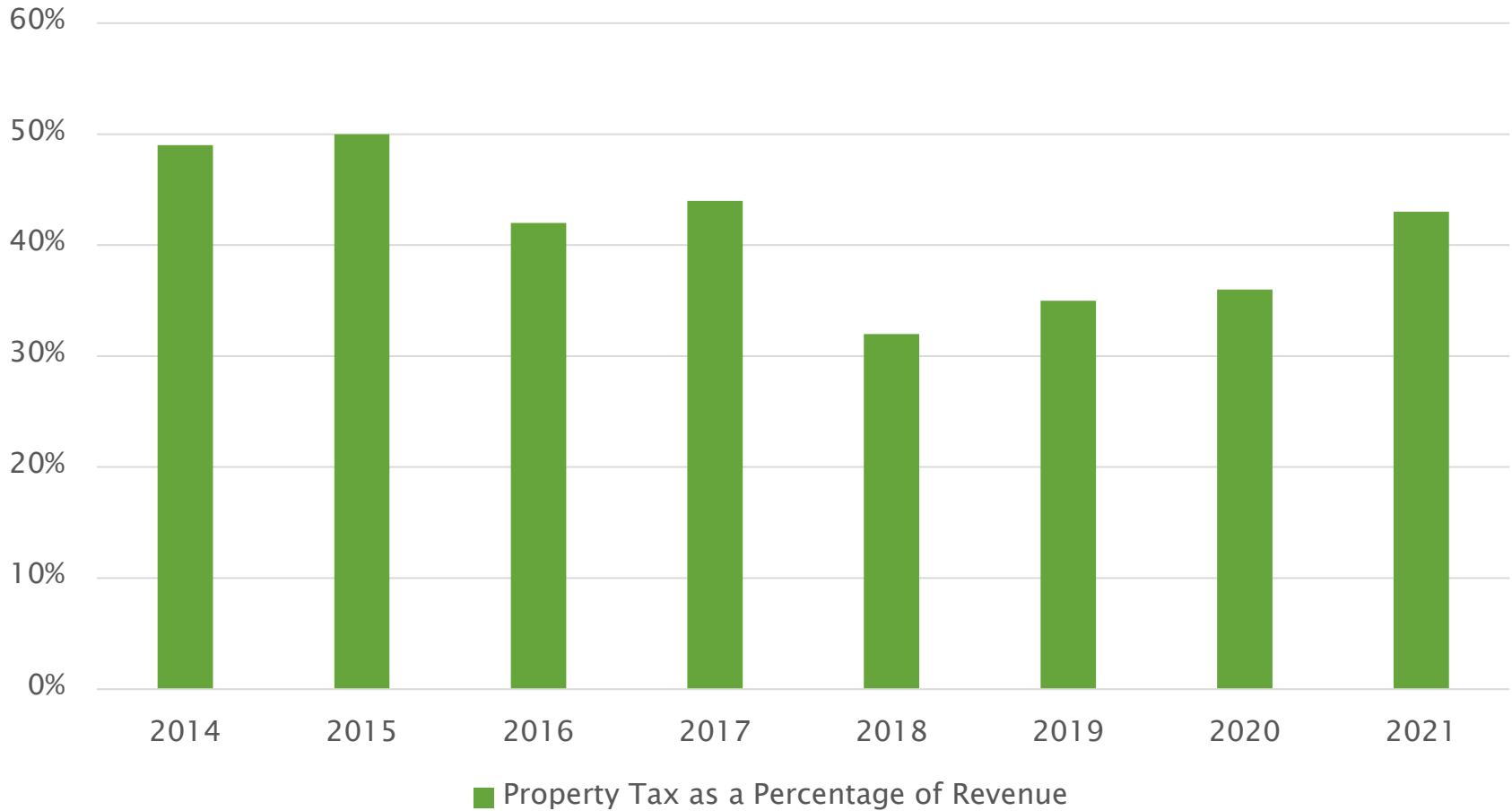
Village of Tahsis							
2021 - 2025 Financial Plan							
Proposed 2021 Operating Budget							
		2020 Actuals (unaudited)			Proposed 2021 Budget		
		Approved Budget	Actual (Unaudited)	Budget Variance Fav (Unfav)	2021 Proposed Budget	Change in Budget Fav (Unfav)	% Change
Operating Revenues							
Taxation	Property taxes	717,292	712,175	(5,117)	731,638	14,346	2%
	Grants in lieu of taxes	34,135	33,377	(758)	33,377	(758)	-2%
Fees	User fees and charges	65,330	64,583	(747)	67,450	2,120	3%
	Water	135,000	138,884	3,884	140,000	5,000	4%
	Sewer	110,000	112,380	2,380	112,000	2,000	2%
	Environmental Health	152,000	150,715	(1,285)	154,240	2,240	1%
	Protective Services	4,000	5,272	1,272	3,000	(1,000)	-25%
Other	Interest and penalties on taxes	-	21,985	21,985	22,500	22,500	0%
	Grants and other governments	445,456	1,388,054	942,598	527,915	82,459	19%
	Investment income	31,400	57,475	26,075	51,000	19,600	62%
	Other	-	-	-	-	-	#DIV/0!
	Transfer from reserves	-	-	-	-	-	#DIV/0!
Total Operating Revenue		1,694,613	2,684,899	990,286	1,843,119	148,506	9%
Operating Expenditures							
	General Government - Council	48,650	35,130	13,520	37,359	11,291	23%
	General Government - Admin	658,651	772,724	(114,073)	672,874	(14,223)	-2%
	Protective Services	161,740	118,589	43,151	175,552	(13,812)	-9%
	Environmental Health	24,170	18,857	5,313	19,862	4,308	18%
	Public Works Services	349,064	320,256	28,808	410,831	(61,767)	-18%
	Recreation, Cultural & Dev.	263,727	233,576	30,151	305,022	(41,295)	-16%
	Projects	54,500	523,339	(468,839)	136,341	(81,841)	-150%
	Water Services	126,104	97,618	28,486	103,031	23,073	18%
	Sewer Services	122,225	104,283	17,942	114,888	7,337	6%
	Transfer to reserve funds	69,088	-	69,088	-	69,088	100%
	Amortization	-	-	-	-	-	#DIV/0!
Total Operating Expenditures		1,877,919	2,224,371	(346,452)	1,975,759	(97,840)	-5%
Net Operating Surplus before year end adj.		(183,306)	460,528	643,834	(132,640)	50,666	

2021 Proposed Operating Revenues

\$1,843,119



Property Tax Revenue

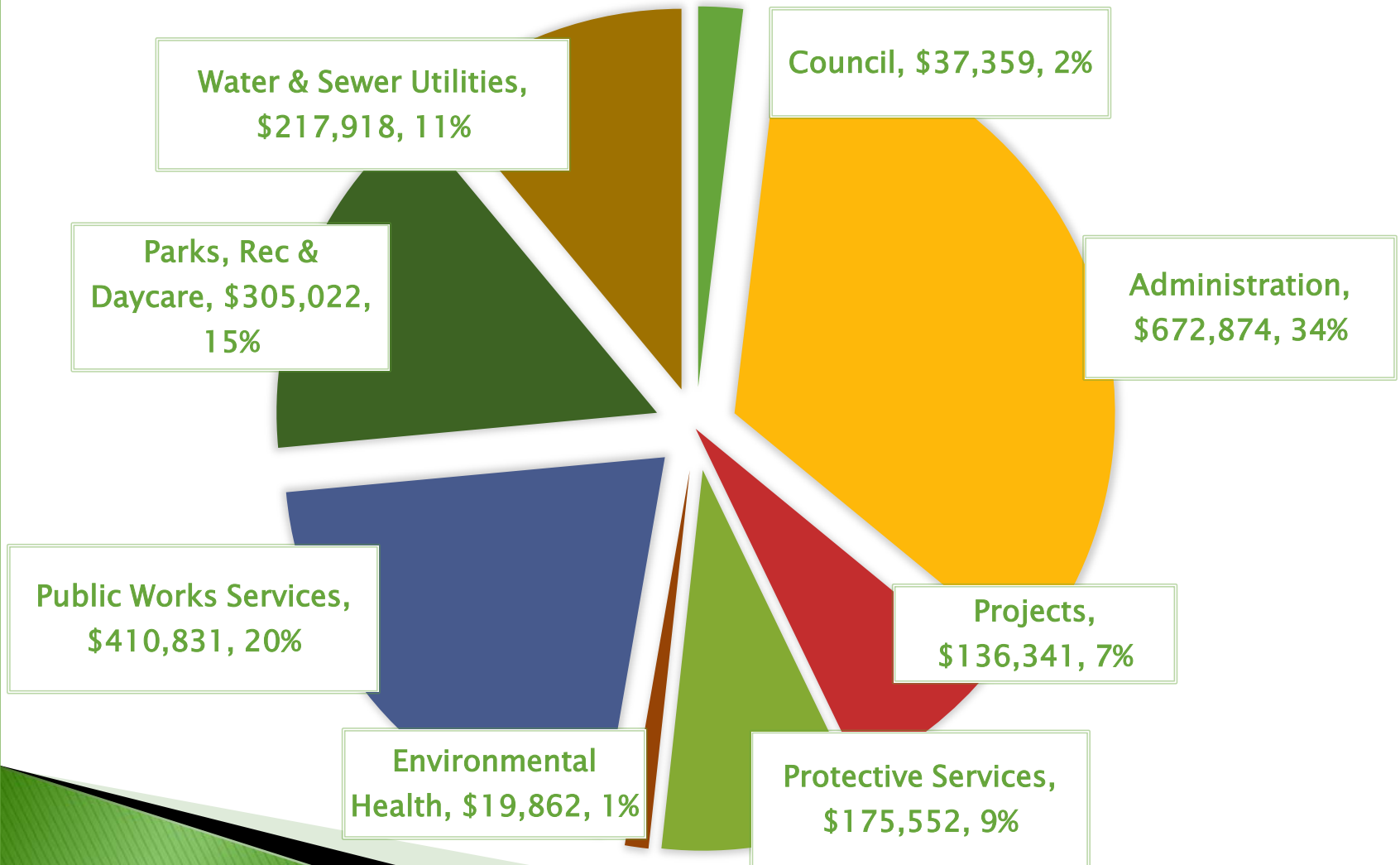


Major Changes in Operating Revenues Favorable(Unfavorable)

- ▶ Property taxes – \$14,346 or 2%
- ▶ Utility fees –\$7,000 or 6% – due to increased users – should consider a rate increase – last one 2016
- ▶ Penalties and interest on taxes – \$22,500 (not previously budgeted)
- ▶ Government Grants – \$82,459 or 19% (due to busy grant writing)
- ▶ Investment income – \$19,000 (increased cash balances re grants)

2021 Proposed Operating Expenditures

\$1,975,759



Projects – \$136,341

- ▶ Listing of Current Year Projects
 - Upgrade communications at Rec. Centre (Warming Centre) – \$15,641
 - Firesmart program – \$34,500
 - Emergency Shelters – \$6,200
 - MH Structural Assessment – \$10,000
 - SCADA Yr.1 of 2 – \$10,000
 - Asset Management Study – \$40,000
 - Airline Dock Remediation – \$20,000
- Grants totalling – \$97,341 (72%), Village share – \$39,000 (28%)

Utility Operating Funds

			Water		Sewer
Revenues					
User Rates			140,000		112,000
Expenses					
Labour and Benefits			49,656		24,828
Operating Costs			53,375		90,060
Total			103,031		114,888
Net Surplus (Deficit)			36,969		-2,888

Wages and Benefits

FTE Count	2021	2020
Admin	4.6	5.3
Fire	0.5	0.5
PW	5.9	4.6
Rec	4.1	4.8
Total	15.1	15.2

2021 Wages	892,892.27
2020 Wages	851,110.00
Increase \$	41,782.27
Increase %	4.91%

2021 Benefits	215,535.79
2020 Benefits	177,959.00
Increase \$	37,576.79
Increase %	21.12%

Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

- ▶ Council – \$11K
 - Reduced conference and travel costs of \$9K

- ▶ Administration – (\$14K)
 - Wages & Benefits – (\$15.7K)
 - Covid-19 Cleaning – (\$23.7)
 - Grants – (\$7.5K) – Not previously budgeted
 - Other Ops – \$32.9K

- ▶ Protective Services – (\$13.8K)
 - Fire service – (\$25.0K)
 - EPC & Bylaw services – \$11.2K

Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

- ▶ **Public Works – (\$61.8K)**
 - General PW – (\$83.0K)
 - Vehicles – (\$3.0K)
 - Streets (Wage allocation) – (\$6.7K)
 - Recycle (Wage allocation) – \$7.9K
 - Harbours (less R&M) – \$21.7K
 - Heliport (less electricity and insurance) – \$3.1K

- ▶ **Projects – (\$81.9K)**
 - Increased projects over prior year but 72% are covered by grants
 - Village share in 2020 was \$54K,
 - Village share in 2021 is \$39K or \$15K favourable

Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

- ▶ Recreation and Daycare – \$(41.3K)
 - Rec. Centre – (\$30.0K)
 - Wages and Benefits – (\$30.1K)
 - Tank and boiler – (\$7.5K)
 - Other ops. – \$7.6K
 - Daycare – \$4.5K
 - Cultural – (\$1.2K)
 - Info Centre – (\$14.6K) – Grant covered 75%

Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

▶ Water Services – \$23.1K

- Wages and benefits – \$20K
- Courses and travel – \$3.8K
- R&M – (\$1.5)

▶ Sewer Services – \$7.3K

- Consultants – \$3K
- Wages and benefits – \$10K
- Insurance – (\$4K)
- R&M – (\$2K)

Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

- ▶ Amortization – \$~300K
 - To amortize infrastructure assets
 - Cost will be funded by Transfer from previous years surpluses (many local govts do this but ideally this cost should be funded by revenues)

- ▶ Transfer from reserve funds – ~\$430K to balance the budget
 - ~\$130K re the structural deficit
 - ~\$300K re amortization

Questions?

Village of Tahsis
2021 - 2025 Financial Plan
Proposed 2021 Operating Budget

		2020 Actuals (unaudited)			Proposed 2021 Budget		
		<u>Approved</u>	<u>Actual</u>	<u>Budget</u>	<u>2021 Proposed</u>	<u>Change in</u>	
		<u>Budget</u>	<u>(Unaudited)</u>	<u>Variance</u>	<u>Budget</u>	<u>Budget Fav</u>	<u>% Change</u>
				<u>Fav (Unfav)</u>		<u>(Unfav)</u>	
<u>Operating Revenues</u>							
Taxation	Property taxes	717,292	712,175	(5,117)	731,638	14,346	2%
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Village of Tahsis
2021 - 2025 Capital Plan
Revised January 24, 2021

Category	Funding Source	Project	Description	2021	2022	2023	2024	2025	Total
Drinking Water	Capital Works Reserve	Watermain replacement (linked to the sewer main replacement project)	N. Maquinna between Harbour View and Strange Road and between Quadra and Rodgers	100,000	-	100,000	-		200,000
Sanitary Sewer	Capital Grants	Sanitary Sewer System upgrades	Upgrades are subject to 73% grant funding (27% contribution from VOT); grant application deadline February 2020	800,000	446,610	-	-		1,246,610
Sanitary Sewer	Capital Works Reserve	Sanitary Sewer System upgrades	27% contribution towards upgrades following grant approval	-	453,390	-	-		453,390
Sanitary Sewer	Capital Works Reserve	Sewer main replacement (linked to the Watermain replacement project)	N. Maquinna between Harbour View and Strange Road and between Quadra and Rodgers	150,000	-	125,000	-		275,000
Sanitary Sewer	Capital Works Reserve	Lift Station Pump Replacement Plan	Pumps currently exceed expected 10 year life; plan to replace 2 per year \$8,000 plus \$500 install each; applied 2% after 2019	17,687	18,041	18,402	-		54,130
Land Improvements	Capital Grants	Flood Mitigation Preliminary Design	Undertake preliminary design work to upgrade dikes. Also includes new floodplain bylaw.	5,000	-	-	-		5,000
Land Improvements	Capital Grants	Flood Disaster Mitigation - Dike Improvement Phase 1		1,420,793	476,127				1,896,920
Land Improvements	General Reserve Fund	Tahsis Library Site Reclamation	Prepare site for modular-type library building		120,000	-	-		120,000
Structures	General Reserve Fund	Perry Bridge Inspection/ remed	Inspection and replacements	20,000	50,000				70,000
Structures	Capital Grants	ICIP - Tahsis Loading Pier and Boat Launch Upgrade	Rebuild		1,873,160	624,387			2,497,547
Buildings	Capital Grants	Tahsis Recreation Centre - Complex Renewal	Application is to the Investing in Canada Infrastructure program. Total project cost estimate is \$1,628,000. Grant request is for \$1,193,812. .	1,193,812					1,193,812
Buildings	Recreation Reserve	Tahsis Recreation Centre - Complex Renewal	Village's share is \$434,188 plus cost overruns.	434,188					434,188
Buildings	Capital Grants	Community Economic Recovery Infrastructure Program (CERIP)	Tahsis museum Structural and Accessibility Improvements	334,375					334,375
Buildings	Capital Grants	Community Economic Recovery Infrastructure Program (CERIP)	Construct and install benches and shelters	82,800					82,800
Buildings	Capital Works Reserve	Multi-use pavilion	Provide a welcoming place for tourists to stop, rest area and sewage pumpout.	200,000					200,000
Buildings	Capital Works Reserve	Replace heat pumps	Replace heat pumps in Village office that are no longer operational - tie into possible VIRT upgrades		20,000	-	-		20,000

Village of Tahsis
2021 - 2025 Capital Plan
Revised January 24, 2021

Category	Funding Source	Project	Description	2021	2022	2023	2024	2025	Total
Buildings	Capital Works Reserve	Village Office Foyer	Address serious deficiencies; need to demolish and rebuild - tie into possible VIRL upgrades		50,000	-	-		50,000
Buildings	Capital Works Reserve	Repairs to Municipal Dock	Fire damage repair / replacement; need to demo bldg to replace damaged beams underneath	-	920,000	-	-		920,000
Buildings	Fire Hall Reserve	Fire Hall Project	Relocate Fire Hall to Captain Meares School	-	-	846,230	-		846,230
Equipment	Capital Works Reserve	Replace Pickup	Public Works	40,000	-	-	-		40,000
Equipment	Capital Works Reserve	Replace garbage truck	Public Works		100,000				100,000
Equipment	Capital Works Reserve	Replace loader	Public Works				150,000		150,000
Equipment	Capital Works Reserve	Tsunami Siren	Upgrade / additional siren	100,000			-		100,000
Equipment	Fire Hall Reserve	Fire Engine	Purchase used fire engine (between 2002-2006) as Engine 1 can remain in service as a 2nd line pumper up to 30 years old.		-		200,000		200,000
Equipment	Fire Hall Reserve	Fire rescue equipment	Upgrade radio communication, rescue equipment	15,000	-	-			15,000
Information Technology	General Reserve Fund	Desktop Replacement/Addition Plan	Follow IT renewal plan by Logical Developments	3,500	3,500	3,500	3,500	3,500	17,500
Information Technology	COVID restart grant ?	Connected Coast Fibre Optic Infrastructue	Village share is \$240K and has been committed by Council in 2020	240,000					240,000
		Total Plan		5,157,155	4,530,828	1,717,519	353,500	3,500	11,762,502

Funding Sources:

Capital Grants	3,976,780	2,895,897	624,387	150,000	-	7,647,064
Fire Hall Reserve	15,000	-	846,230	200,000	-	1,061,230
Capital Reserves	467,687	1,461,431	243,402	-	-	2,172,520
Recreation Reserves	434,188	0	0	0	0	434,188
General Reserve Fund	23,500	173,500	3,500	3,500	3,500	207,500
Covid Grant	240,000	0	0	0	0	240,000
Total	5,157,155	4,530,828	1,717,519	353,500	3,500	11,762,502

For Note Purposes Only	2020 - 2024 Capital Plan	1,691,187	2,266,716	2,520,341	2,262,569	8,740,813
					Increase	35%

**Village of Tahsis
2021- 2025 Financial Plan
Change in Reserves (DRAFT)**

	General Reserve (Internally Restricted)	Economic Development	Fire Hall Reserve	Capital Works Reserve	Recreation Reserve	Gas Tax Reserve	Unrestricted (Prior Years' Surplus)	Total Funds
Balance December 31, 2018 (Audited)	524,352	26,731	266,024	444,974	154,886	135,103	1,071,277	2,623,347
2019 transactions								
Operating surplus							3,122,984	3,122,984
Interest Earned	(9,228)	2,764	17,847	14,244	5,237			30,864
Transfer from Operating (Gas Tax Grant)						134,652		134,652
Capital Expenditures		-	-	(129,820)	-		(2,916,279)	(3,046,099)
Amortization							(365,392)	(365,392)
Balance, December 31, 2019 (DRAFT)	515,124	29,495	283,871	329,398	160,123	269,755	912,590	2,500,356
2020								
Operating surplus							460,528	460,528
Interest Earned	7,995	408	4,056	6,785	2,362	2,060	16,335	40,000
Transfer from Operating (Gas Tax Grant)						65,569		65,569
Capital Expenditures	-			(45,000)			-	(45,000)
Amortization							(365,392)	(365,392)
Balance, December 31, 2020 (DRAFT)	523,119	29,903	287,927	291,183	162,485	337,384	1,024,061	2,656,061
2021								
Operating surplus								-
Interest Earned	9,994	509	5,070	8,481	2,952	2,575	20,418	50,000
Transfer from Operating (Gas Tax Grant)						65,569		65,569
DRAFT 2021 Capital Expenditures	(23,500)		(15,000)	(467,687)	(434,188)			(940,375)
Amortization							(365,392)	(365,392)
Balance, December 31, 2021 (DRAFT)	509,613	30,412	277,998	(168,023)	(268,751)	405,528	679,087	1,465,863
2022								
Operating surplus								-
Interest Earned	9,994	509	5,070	8,481	2,952	2,575	20,418	50,000
Transfer from Operating (Gas Tax Grant)						65,569		65,569
DRAFT 2022 Capital Expenditures	(173,500)		-	(1,461,431)	-		-	(1,634,931)
Amortization							(365,392)	(365,392)
Balance, December 31, 2022 (DRAFT)	346,107	30,922	283,068	(1,620,973)	(265,799)	473,672	334,113	(418,891)
2023								
Operating surplus								-
Interest Earned	9,994	509	5,070	8,481	2,952	2,575	20,418	50,000
Transfer from Operating (Gas Tax Grant)						65,569		65,569
DRAFT 2023 Capital Expenditures	(3,500)		(846,230)	(243,402)	-			(1,093,132)
Amortization							(365,392)	(365,392)
Balance, December 31, 2023 (DRAFT)	352,601	31,431	(558,092)	(1,855,894)	(262,847)	541,816	(10,861)	(1,761,846)
2024								
Operating surplus								-
Interest Earned	9,994	509	5,070	8,481	2,952	2,575	20,418	50,000
Transfer from Operating (Gas Tax Grant)						65,569		65,569
DRAFT 2024 Capital Expenditures	(3,500)		(200,000)	-	-			(203,500)
Amortization							(365,392)	(365,392)
Balance, December 31, 2024 (DRAFT)	359,095	31,941	(753,021)	(1,847,413)	(259,895)	609,960	(355,835)	(2,215,169)
2025								
Operating surplus								-
Interest Earned	9,994	509	5,070	8,481	2,952	2,575	20,418	50,000
Transfer from Operating (Gas Tax Grant)						65,569		65,569
DRAFT 2025 Capital Expenditures	(3,500)		-	-	-		-	(3,500)
Amortization							(365,392)	(365,392)
Balance, December 31, 2020 (DRAFT)	365,589	32,450	(747,951)	(1,838,932)	(256,943)	678,104	(700,809)	(2,468,492)