



## **AGENDA**

**Committee of the Whole  
to be held on March 2, 2021 at 1:00 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/u/ace6MdrGMW>

### **Call to Order**

### **Introduction of**

### **Late Items**

None.

### **Approval of the**

### **Agenda**

**Business Arising H 1 Draft#2 2021 Operations Budget and 2021-2025 Capital Plan**

### **Adjournment**



# Budget Presentation #2

## 2021 Operations Budget Plan Village of Tahsis

Updated February 26, 2021

# 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 VIRL)

# Note: regarding this slide deck

A number of slides in this presentation are unchanged from previous version (Feb. 2.21) but are included as a handy reference to previous discussions.

# 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 3% (previously 2%) Property tax increase
- ▶ Move towards a full cost recovery for utility services – discussion of possible water and sewer rate increases

# Opportunities/ Considerations

- ▶ Grants
  - Staff continue to pursue grant opportunities – ICET funding?
- ▶ Consider borrowing as a long-term strategy to replacing aging infrastructure when existing reserves are insufficient – i.e fire hall? – requires future year debt servicing

# 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

# Big Picture Overview

Village of Tahsis							
2021 - 2025 Financial Plan							
Proposed 2021 Operating Budget - Version 2							
		2020 Actuals (unaudited)			Proposed 2021 Budget		
		Approved Budget	Actual (Unaudited)	Budget Variance Fav (Unfav)	2021 Proposed Budget	Change in Budget Fav (Unfav)	% Change
<b>Operating Revenues</b>							
Taxation	Property taxes	717,292	712,188	(5,104)	738,811	21,519	3%
	Grants in lieu of taxes	34,135	33,377	(758)	44,952	10,817	32%
Fees	User fees and charges	65,330	66,140	810	61,350	(3,980)	-6%
	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	1,419,563	974,107	547,915	102,459	23%
	Investment income	31,400	62,410	31,010	51,000	19,600	62%
	Other	-	-	-	-	-	#DIV/0!
	Transfer from reserves	-	103,029	103,029	-	-	#DIV/0!
<b>Total Operating Revenue</b>		1,694,613	2,825,942	1,131,329	1,875,767	181,154	11%
<b>Operating Expenditures</b>							
	General Government - Council	48,650	35,130	13,520	37,359	11,291	23%
	General Government - Admin	658,651	807,462	(148,811)	701,374	(42,723)	-6%
	Protective Services	161,740	118,589	43,151	190,552	(28,812)	-18%
	Environmental Health	24,170	18,857	5,313	19,862	4,308	18%
	Public Works Services	349,064	338,360	10,704	410,831	(61,767)	-18%
	Recreation, Cultural & Dev.	263,727	236,562	27,165	311,522	(47,795)	-18%
	Projects	54,500	420,310	(365,810)	159,141	(104,641)	-192%
	Water Services	126,104	99,023	27,081	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!
<b>Total Operating Expenditures</b>		1,877,919	2,178,575	(300,656)	2,048,559	(170,640)	-9%
<b>Net Operating Surplus before year-end</b>		(183,306)	647,367	830,673	(172,792)	10,514	

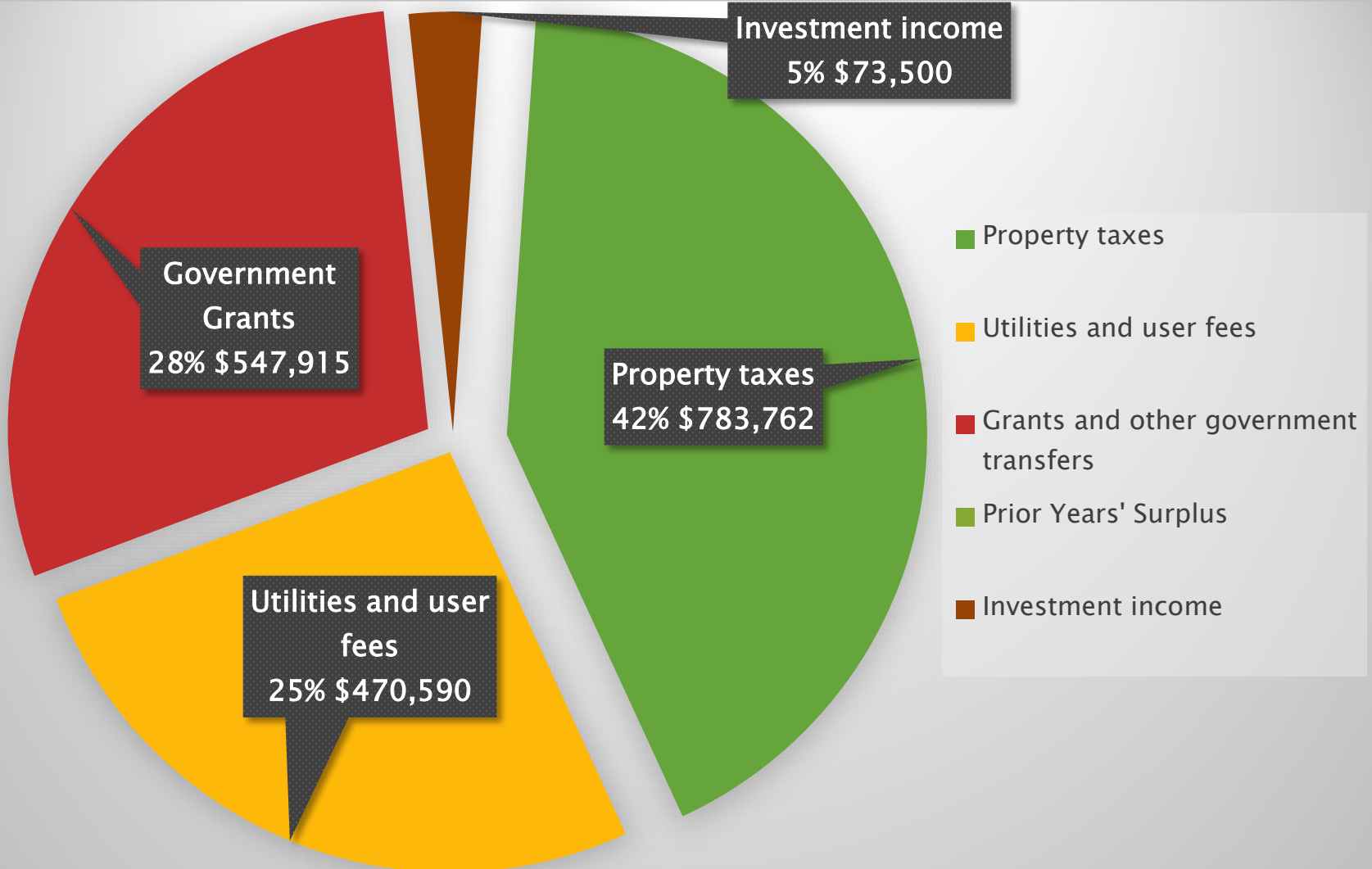


## Reconciliation of changes since the previous changes

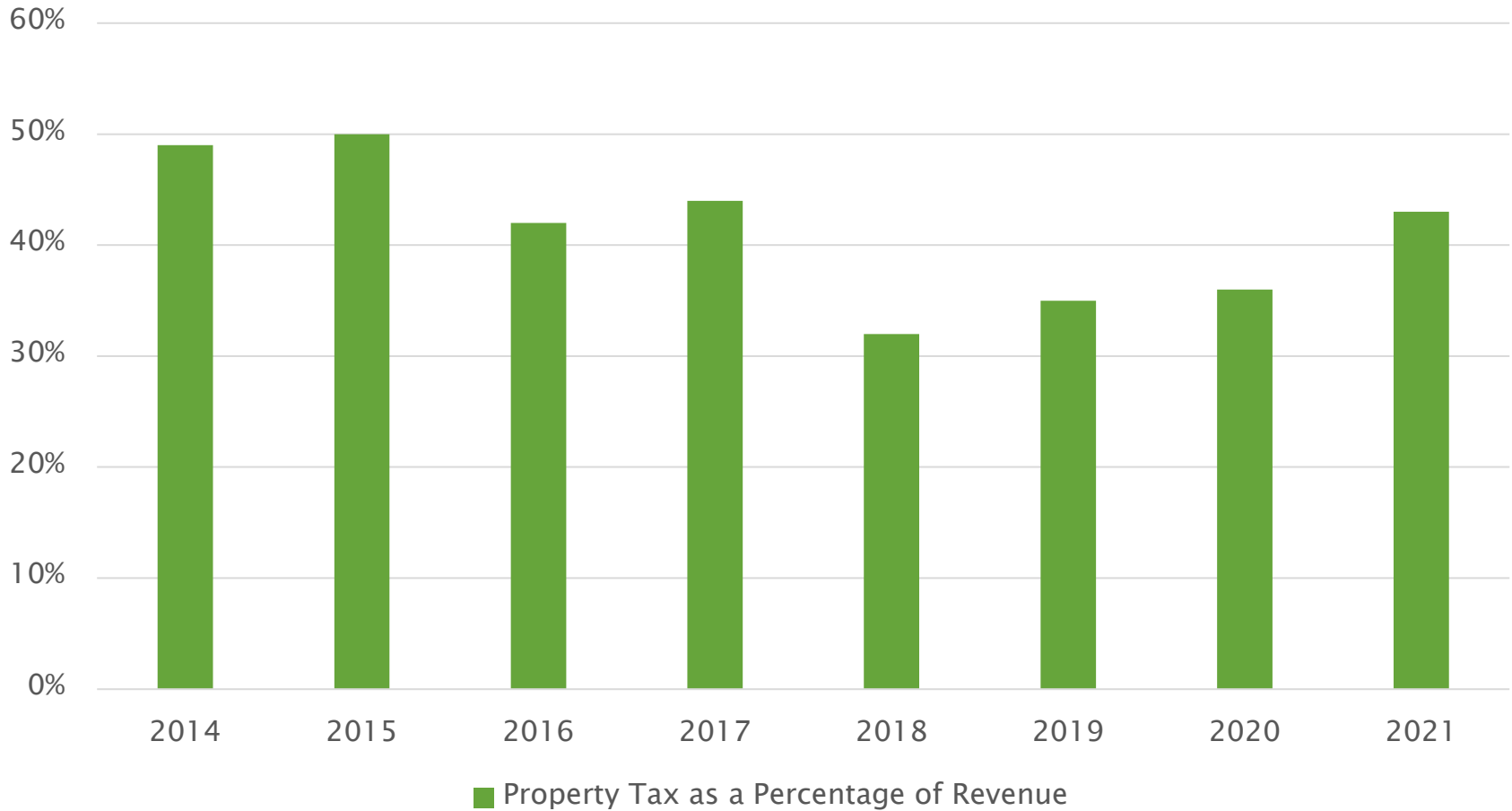
Reconciliation of deficit since Feb. 2 presentation					
	Deficit per presentation				-132,640
Adjustments					
Revenue					
	Increase property tax by 1%				7,173
	Decrease building rentals re Covid relief				-6,100
	Increased taxes (Coast Guard bldg.) from 2020				11,575
	sub-total revenues				12,648
Expenses					
	Increase Pool R&M re tank repair				2,500
	Increase pool chemicals				2,000
	Increased pool equip mntce (boiler repair)				2,000
	Admin - it monitors from capital prgm				3,500
	Increase Fire Bldg Mtnc re 2 seacans et al				15,000
	Hall janitorial (missed)				5,000
	Firehall condition assessment				10,000
	Municipal Wharf demo plan				12,800
	sub-total expenses				52,800
	New reported deficit				-172,792

# 2021 Proposed Operating Revenues

## \$1,875,767



# Property Tax Revenue

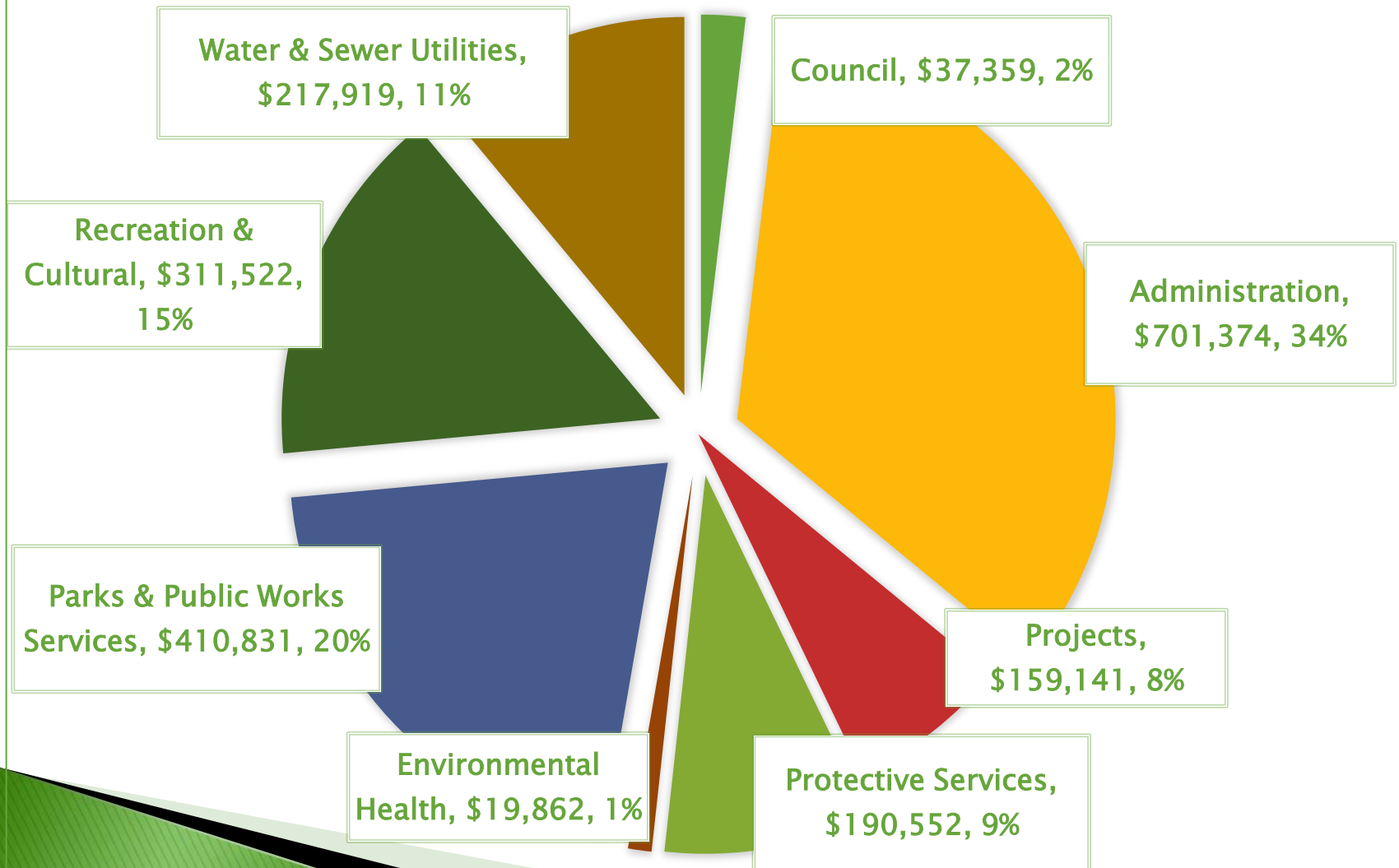


## Major Changes in Operating Revenues Favorable (Unfavorable)

- ▶ Property taxes – \$32,335 or 35% – \$11,575 one time increase due to reassessment of CG building
- ▶ 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 – \$102,459 or 23% (incl \$20K Good Food Access Fund)
- ▶ Investment income – \$19,600 (increased cash balances re grants)

# 2021 Proposed Operating Expenditures

## \$2,048,559



# Projects – \$159,141

- ▶ 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
  - Firehall Structural Assessment – \$10,000
  - Municipal Wharf Demo Plan – \$12,800
- Grants totalling – \$97,341 (62%), Village share – \$61,800 (38%)

# Utility Operating Funds – as shown on Feb. 2.21

			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

# Utility User Rate Changes – Option 1–Sewer Rate

Revenues			Water	Sewer
	User rate revenue		140,000	112,000
Expenses				
	Labour and Benefits		49,656	24,828
	Operating Costs		53,375	90,060
	Sub-total		103,031	114,888
	Previous Surplus (Deficit)		36,969	-2,888
Added new costs				
	Vehicle Costs @ \$1 / Hr.		2,000	1,000
	Gen. Gov. Admin allocation		31,394	35,007
	Total new operating expenses		33,394	36,007
	Adjusted Surplus (Deficit)		3,575	-38,895
	Additional revenue needed to balance fund		\$0	\$38,895
	# of utility users (equivalency)		493	493
	<b>User fee increase</b>		<b>\$0</b>	<b>\$79</b>
	Current utility user fee		\$288	\$240
	<b>New user fee</b>		<b>\$288</b>	<b>\$319</b>
	<b>% increase</b>			<b>32.87%</b>



# Utility Rate – Option 2 Water and Sewer

Revenues		Water	Sewer
	User rate revenue	140,000	112,000
Expenses			
	Labour and Benefits	49,656	24,828
	Operating Costs	53,375	90,060
	Sub-total	103,031	114,888
	Previous Surplus (Deficit)	36,969	-2,888
Added new costs			
	Vehicle Costs @ \$1 / Hr.	2,000	1,000
	Gen. Gov. Admin allocation	31,394	35,007
	Asset replacement reserve at 1%	32,186	36,082
	Total new operating expenses	65,581	72,090
	Adjusted Surplus (Deficit)	<u>-\$28,611</u>	<u>-\$74,977</u>
	Additional revenue needed to cover deficit	\$28,611	\$74,977
	# of utility users (equivalency)	493	493
	<b>User fee increase</b>	<b>\$58</b>	<b>\$152</b>
	Current utility user fee	\$288	\$240
	<b>New user fee</b>	<b>\$346</b>	<b>\$392</b>
	<b>% increase</b>	<b>20.15%</b>	<b>63.37%</b>

# Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

- ▶ Council – \$11K
  - Reduced conference and travel costs of \$9K
  
- ▶ Administration – (\$42.7K)
  - Wages & Benefits – (\$15.7K)
  - Covid-19 Cleaning – (\$23.7)
  - Grants – (\$27.5K) – Not previously budgeted
  - Other Ops – \$24.2K
  
- ▶ Protective Services – (\$28.8K)
  - Fire service – (\$25.0K)
  - Temporary site costs – (\$15.5K)
  - 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 – (\$104.6K)**
  - Increased projects over prior year but 62% are covered by grants
  - Village share in 2020 was \$54K,
  - Village share in 2021 is \$61.8K or \$17.4K unfavourable

## Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

- ▶ Recreation, Cultural and Daycare – \$(47.8K)
  - Rec. Centre – (\$36.4K)
    - Wages and Benefits – (\$30.1K)
    - Tank and boiler – (\$10.0K)
    - Other ops. – \$3.7K
  - Daycare – \$4.5K
  - Cultural – (\$1.3K)
  - Info Centre – (\$14.6K) – Grant covered 75%

# Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

## ► Water Services – \$23.0K

- Wages and benefits – \$20.0K
- Courses and travel – \$3.8K
- R&M – (\$.8K)

## ► Sewer Services – \$7.3K

- Consultants – \$3.0K
- Wages and benefits – \$10.0K
- Insurance – (\$3.5K)
- R&M – (\$2.2K)

# Major Changes in Operating Expenditures by Program Favorable (Unfavorable)

- ▶ Amortization – \$~408K
  - 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 – ~\$581K to balance the budget
  - ~\$173K re the structural deficit
  - ~\$408K re amortization

# Questions?

**Village of Tahsis**  
**2021 - 2025 Capital Plan**  
**Revised February 25, 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	<del>100,000</del>	100,000	<del>100,000</del>	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	<del>150,000</del>	150,000	<del>125,000</del>	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	<del>5,000</del>	-	-	-		<del>5,000</del>
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		<del>120,000</del>				<del>120,000</del>
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	<del>Capital Grants</del>	<del>Tahsis Recreation Centre - Complex Renewal</del>	<del>Application is to the Investing in Canada Infrastructure program. Total project cost estimate is \$1,628,000. Grant request is for \$1,193,812.</del>	<del>1,193,812</del>					<del>1,193,812</del>
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. .	119,381	716,287	358,144			1,193,812
Buildings	Recreation Reserve	<del>Tahsis Recreation Centre - Complex Renewal</del>	<del>Village's share is \$434,188 plus cost overruns.</del>	<del>434,188</del>					<del>434,188</del>
Buildings	Recreation Reserve	Tahsis Recreation Centre - Complex Renewal	Village's share is \$434,188 plus cost overruns.	43,419	260,513	130,256			434,188
Buildings	<del>Capital Grants</del>	<del>Community Economic Recovery Infrastructure Program (CERIP)</del>	<del>Tahsis museum Structural and Accessibility Improvements</del>	<del>334,375</del>					<del>334,375</del>
Buildings	Capital Grants	Community Economic Recovery Infrastructure Program (CERIP)	Construct and install benches and shelters	82,800					82,800
Buildings	COVID restart grant	Multi-use pavilion	Provide a welcoming place for tourists to stop, rest area and sewage pumpout.	200,000					200,000



**Village of Tahsis**  
**2021 - 2025 Capital Plan**  
**Revised February 25, 2021**

Category	Funding Source	Project	Description	2021	2022	2023	2024	2025	Total
Buildings	Capital Works Reserve	Replace heat pumps	Replace heat pumps in Village office that are no longer operational - tie into possible VIRL upgrades		20,000	-	-		20,000
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
Buildings	Fire Hall Reserve	Fire Hall Project	Relocate Fire Hall to new site - tbd	-	800,000	200,000	-		1,000,000
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	Operations Reserve	Tsunami Siren	Upgrade / additional siren	10,000			-		10,000
Equipment	Capital Works Reserve	Commuter van	Provide a van per Age-Friendly Transportation Study	40,000					40,000
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 2	Connected Coast Fibre-Optic Infrastructure	Village share is \$240K and has been committed by Council in 2020	240,000					240,000
		Total Plan - Feb. 2.21		5,157,155	4,530,828	1,717,519	353,500	3,500	11,762,502
		Total Plan - Mar. 2.21		2,809,080	5,514,128	1,331,189	575,000	-	10,229,397
		Change from Feb. 2.21		(2,348,075)	983,300	(386,330)	221,500	(3,500)	(1,533,105)

**Funding Sources:**

Capital Grants	2,422,974	3,512,184	982,530	0	0	6,917,689
Fire Hall Reserve	15,000	800,000	200,000	200,000	0	1,215,000
Capital Reserves	97,687	891,431	18,402	375,000	0	1,382,520
Recreation Reserves	43,419	260,513	130,256	0	0	434,188
General Reserve Fund	30,000	50,000	0	0	0	80,000
Covid Grant	200,000	0	0	0	0	200,000
<b>Total</b>	<b>2,809,080</b>	<b>5,514,128</b>	<b>1,331,189</b>	<b>575,000</b>	<b>0</b>	<b>10,229,397</b>

For Note Purposes Only

2020 - 2024 Capital Plan

1,691,187    2,266,716    2,520,341    2,262,569    8,740,813  
 Increase    17%

**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
<b>Balance December 31, 2018 (Audited)</b>	<b>524,352</b>	<b>26,731</b>	<b>266,024</b>	<b>444,974</b>	<b>154,886</b>	<b>135,103</b>	<b>1,071,277</b>	<b>2,623,347</b>
<b>2019 transactions</b>								
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)
<b>Balance, December 31, 2019 (Audited)</b>	<b>515,124</b>	<b>29,495</b>	<b>283,871</b>	<b>329,398</b>	<b>160,123</b>	<b>269,755</b>	<b>912,590</b>	<b>2,500,356</b>
<b>2020</b>								
Operating surplus							647,367	647,367
Interest Earned	10,993	560	5,577	9,329	3,247	2,833	22,460	55,000
Transfer from Operating (Gas Tax Grant)						65,569		65,569
Capital Expenditures	-			(103,028)			-	(103,028)
Amortization							(407,665)	(407,665)
<b>Balance, December 31, 2020 (DRAFT)</b>	<b>526,117</b>	<b>30,055</b>	<b>289,448</b>	<b>235,699</b>	<b>163,370</b>	<b>338,157</b>	<b>1,174,752</b>	<b>2,757,599</b>
<b>2021</b>								
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	(30,000)		(15,000)	(97,687)	(43,419)			(186,106)
Amortization							(407,665)	(407,665)
<b>Balance, December 31, 2021 (DRAFT)</b>	<b>506,111</b>	<b>30,565</b>	<b>279,519</b>	<b>146,493</b>	<b>122,904</b>	<b>406,301</b>	<b>787,505</b>	<b>2,279,397</b>
<b>2022</b>								
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	(184,657)		(800,000)	(891,431)	(125,856)		-	(2,001,944)
Amortization							(407,665)	(407,665)
<b>Balance, December 31, 2022 (DRAFT)</b>	<b>331,448</b>	<b>31,074</b>	<b>(515,411)</b>	<b>(736,457)</b>	<b>(0)</b>	<b>474,445</b>	<b>400,258</b>	<b>(14,643)</b>
<b>2023</b>								
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	(130,256)		(200,000)	(18,402)				(348,658)
Amortization							(407,665)	(407,665)
<b>Balance, December 31, 2023 (DRAFT)</b>	<b>211,186</b>	<b>31,584</b>	<b>(710,341)</b>	<b>(746,378)</b>	<b>2,952</b>	<b>542,589</b>	<b>13,011</b>	<b>(655,397)</b>
<b>2024</b>								
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	-		(200,000)	(375,000)	-			(575,000)
Amortization							(407,665)	(407,665)
<b>Balance, December 31, 2024 (DRAFT)</b>	<b>221,180</b>	<b>32,093</b>	<b>(905,270)</b>	<b>(1,112,897)</b>	<b>5,904</b>	<b>610,733</b>	<b>(374,236)</b>	<b>(1,522,493)</b>
<b>2025</b>								
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	-		-	-	-		-	-
Amortization							(407,665)	(407,665)
<b>Balance, December 31, 2025 (DRAFT)</b>	<b>231,174</b>	<b>32,603</b>	<b>(900,200)</b>	<b>(1,104,416)</b>	<b>8,856</b>	<b>678,877</b>	<b>(761,482)</b>	<b>(1,814,589)</b>