

2020 BUDGET

CITY OF TRAIL



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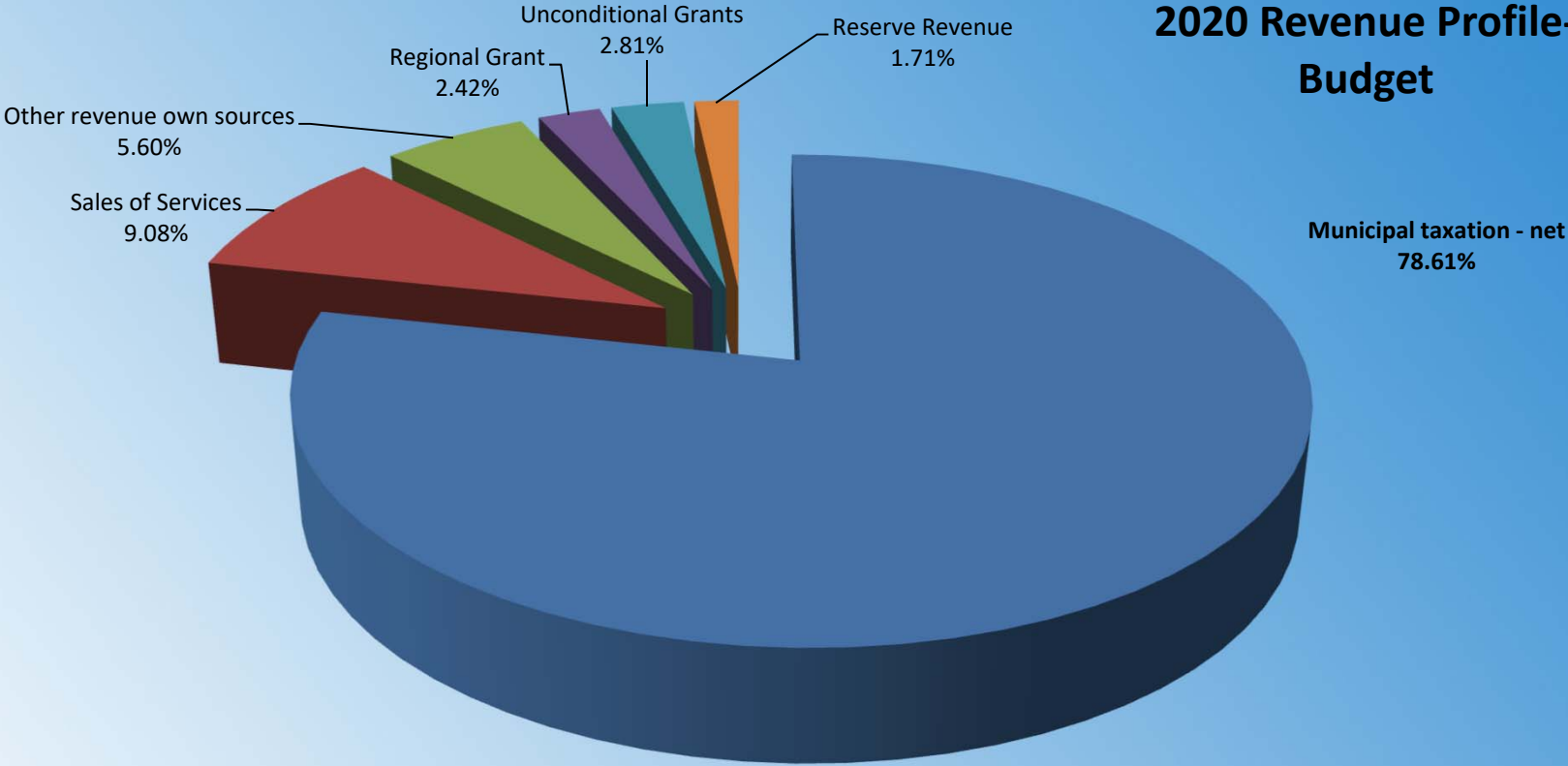
2020 BUDGET

Presentation Overview:

- Revenue Summary
- Revenue Category Review and Approval
- Public Consultation



2020 Revenue Profile- Budget



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PROPERTY TAX - REVENUE DEPENDENCY

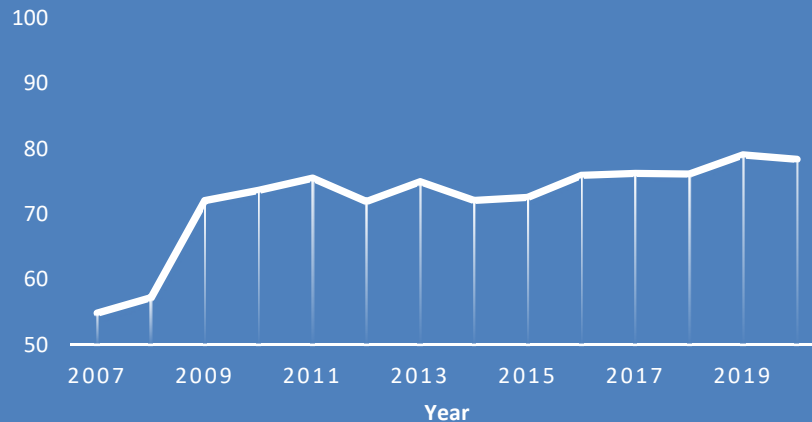


Chart depicts the total property tax reliance. Minimal revenue diversity with almost 80% of the City's total revenue coming from taxes.

- The City's dependency on property taxes as its primary source of revenue has increased over time and is now approaching 80%.
- There are limited revenue generating opportunities and therefore increases in expenditures typically result in higher property taxes.
- In the absence of "real assessment growth" property taxes increase each year. Sustainability remains a concern in terms of municipal services and if there ever is a "breakpoint" or a major reduction in assessments.

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TAXATION



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TAXATION

| Summary function/ Revenue category | 2020 BUDGET | % change Vs 2019 Budget | 2019 BUDGET |
|---------------------------------------|--|----------------------------|-------------------------|
| Taxation | | | |
| Municipal purposes | 14,625,300 | 5.75% | 13,830,450 |
| Debt purposes | 784,900 | 0.84% | 778,400 |
| Total municipal taxation | Adjusted to reflect Jan. 13 th GOC decisions 15,410,200 ▲ | 5.49% | 14,608,850 |
| Change | 801,350 | | |
| Levy Increase: | Levy Change | % versus 2019 | % total increase |
| General Government | 192,100 | 1.31% | 23.96% |
| Protective Services | 43,700 | 0.30% | 5.45% |
| Transportation Services | 71,900 | 0.49% | 8.97% |
| Recreation | 97,950 | 0.67% | 12.22% |
| Airport | 24,900 | 0.17% | 3.11% |
| Library and Culture | 27,500 | 0.19% | 3.43% |
| Capital Enhancement | 50,000 | 0.34% | 6.24% |
| Net other revenue gains | (69,750) | -0.48% | -8.70% |
| Transfer to Capital Reserve | 350,000 | 2.40% | 43.68% |
| Other Adjustments | 13,050 | 0.09% | 1.63% |
| Total Levy Increase | 801,350 | 5.49% | 100.00% |

Tax Apportionment – Ratios and property tax rates to be presented after the overall budget is approved and the City's 2020 tax levy determined.

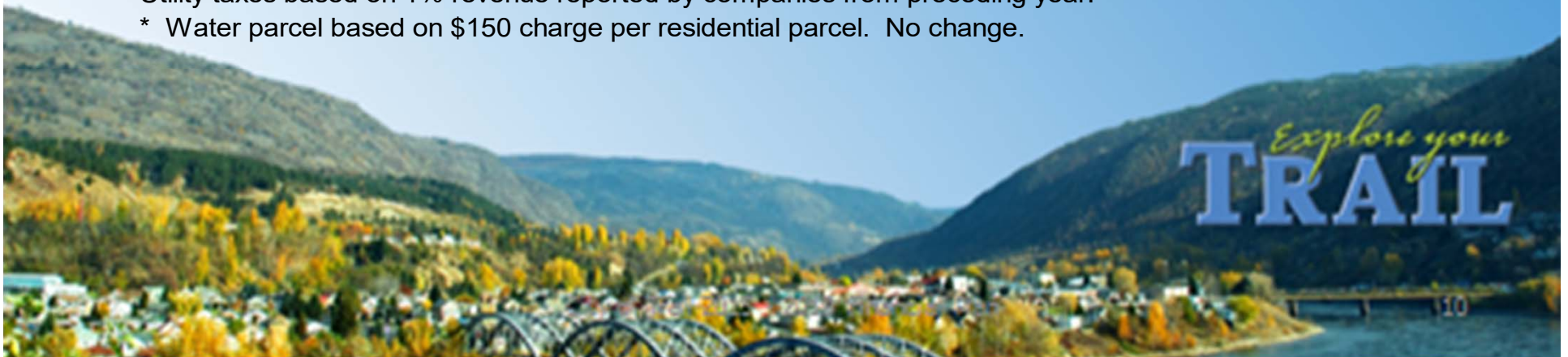
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2020 OTHER TAXES

| Summary function/ Revenue category | 2020 BUDGET | % change Vs 2019 Budget | 2019 BUDGET |
|---------------------------------------|----------------|----------------------------|----------------|
| 1% Utility Taxes | 173,700 | 4.29% | 166,550 |
| Local improvement | 2,650 | -1.85% | 2,700 |
| Water Parcel Tax * | 502,500 | -0.10% | 503,000 |
| Total other taxes | 678,850 | 0.98% | 672,250 |
| Utility taxes | | | |
| Telus | 20,350 | 0.00% | 20,350 |
| Fortis Gas | 47,400 | 0.00% | 47,400 |
| Shaw Cable | 9,150 | 2.23% | 8,950 |
| Fortis Electric | 96,800 | 7.74% | 89,850 |
| Total utility taxes | 173,700 | 4.29% | 166,550 |

Utility taxes based on 1% revenue reported by companies from preceding year.

* Water parcel based on \$150 charge per residential parcel. No change.

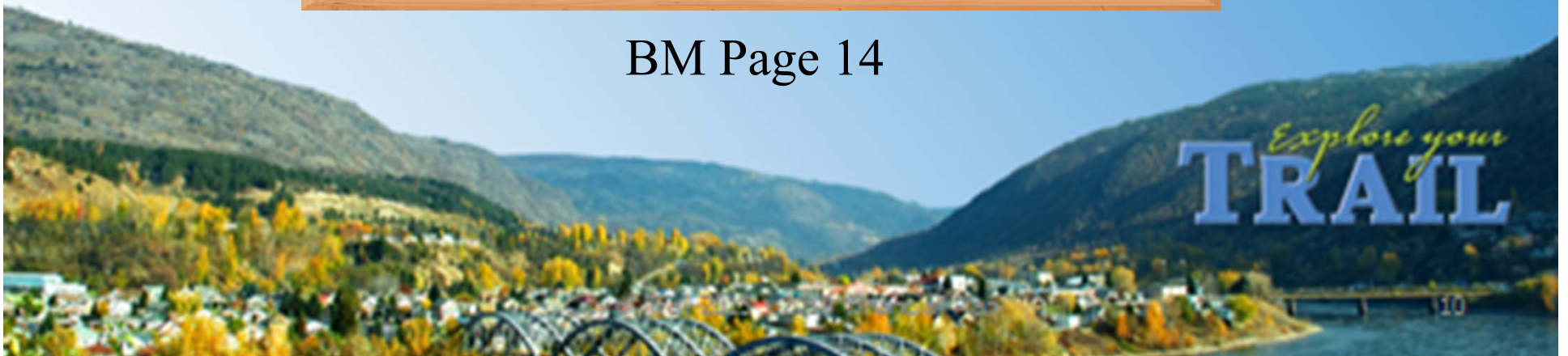


GRANTS IN LIEU OF TAXES



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2020 Budget – Grants in Lieu of Taxes

| Summary function/ Revenue category | 2020 BUDGET | % change Vs 2019 Budget | BUDGET 2019 |
|--|----------------|----------------------------|----------------|
| Grants in Lieu of Taxes | | | |
| Federal / Provincial government | 74,850 | 1.01% | 74,100 |
| <i>Total Grants in Lieu</i> | 74,850 | 1.01% | 74,100 |
| TOTAL | 74,850 | 1.01% | 74,100 |
| Government Property | | | 2019 Actual |
| Trail Armories | | | 33,879 |
| ICBC | | | 26,229 |
| Provincial Rental Housing (Bay Avenue) | | | 4,956 |
| | | | 65,064 |
| Less: Transferred to other governments | | | (35,944) |
| NET GRANTS IN LIEU | | | 29,120 |

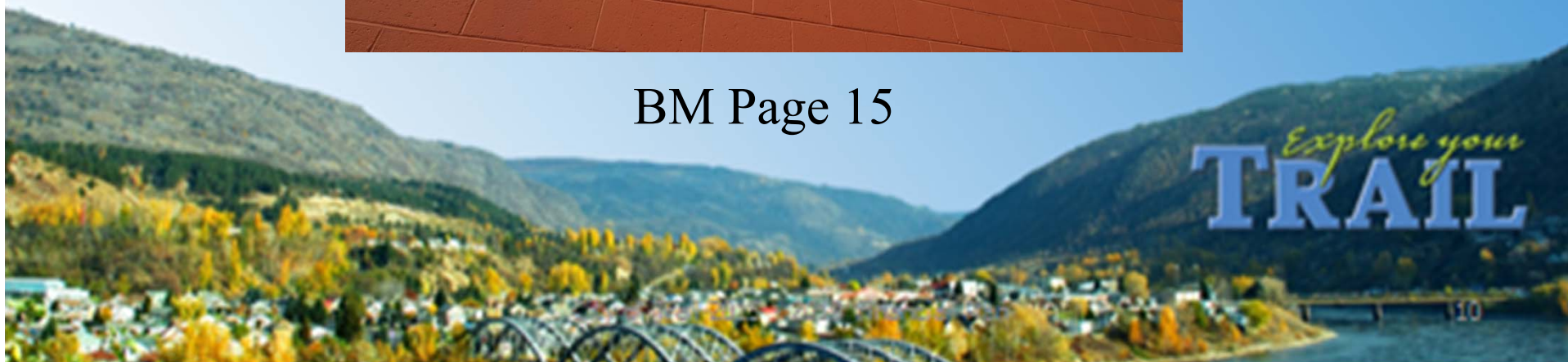


SERVICES - OTHER GOV'TS



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2020 Budget - Services Provided to Other Governments

| Summary function/ Revenue category | 2020 BUDGET | % change Vs 2019 Budget | BUDGET |
|---------------------------------------|----------------|----------------------------|--------|
| | | | 2019 |
| Other Government Services | | | |
| Fieldhouse recovery - SD#20 | 12,000 | 0.00% | 12,000 |
| <i>Total Revenue</i> | 12,000 | 0.00% | 12,000 |
| TOTAL | 12,000 | 0.00% | 12,000 |

Revenue from rental agreement with SD20 for their use of the Fieldhouse. SD 20 pays 40% of specific Fieldhouse cost elements that were modified several years ago.




SALES OF SERVICES



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2020 Budget – Sales of Services

| Summary function/ Revenue category | 2020 | % change Vs 2019 Budget | 2019 BUDGET |
|---------------------------------------|---|----------------------------|----------------|
| Sales of Services | | | |
| Garbage Fee | 450,900 | 1.10% | 446,000 |
| Public Health and Welfare (Cemetery) | 29,850 | -4.78% | 31,350 |
| Recreation | 895,200 | 0.45% | 891,200 |
| Municipal Airport | 401,250 | -0.93% | 405,000 |
| <i>Total Sales of Services</i> | 1,777,200 | 0.21% | 1,773,550 |
| TOTAL | 1,777,200  | 0.21% | 1,773,550 |

*2020 Garbage Fee \$132 - unchanged.
 Cemetery rates unchanged.
 Recreation - departmental review.
 Municipal Airport - departmental review.*



OTHER REVENUE OWN SOURCES



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2020 BUDGET – OTHER REVENUE OWN SOURCES

| Summary function/ Revenue category | 2020 BUDGET | % change Vs 2019 Budget | 2019 BUDGET |
|---------------------------------------|----------------|----------------------------|----------------|
| Other Revenues | | | |
| Penalties and interest on taxes | 91,500 | 2.81% | 89,000 |
| Franchise fee | 143,000 | 0.00% | 143,000 |
| License and permits | 97,750 | 0.31% | 97,450 |
| Rentals/leases | 101,000 | -3.81% | 105,000 |
| Charges and fees | 400,000 | 10.96% | 360,500 |
| Interest earnings | 43,000 | 11.69% | 38,500 |
| Other revenue own sources | 236,500 | 0.13% | 236,200 |
| <i>Total other revenues</i> | 1,112,750 | 4.03% | 1,069,650 |
| TOTAL | 1,112,750 | 4.03% | 1,069,650 |

Variance \$

43,100

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2020 BUDGET – OTHER REVENUE OWN SOURCES

| Description | Improvement/rationale | Change | \$ Amount |
|--|-----------------------|--------|-----------|
| Interest income increase based on slightly increased rates and maintenance of surplus/reserve balances. | | | 4,500 |
| RV Park Fee revenue increase with City taking over management in 2018 from the Chamber. Gross budgeted revenue for the RV Park was \$17,500 in 2018 and is now \$32,500. Two year increase of \$15,000 or 86%. | | | 8,000 |
| Parking Fines and Tickets increased to reflect current trending and Council's agreement to adjust fines and monthly fees | | | 31,500 |
| | | | 44,000 |



2020 Budget – Other Revenue - Parking

| | 2020 BUDGET | 2019 Est. | 2019 Budget |
|------------------------------|------------------------|----------------|----------------|
| Revenue: | | | |
| Meter revenue | 230,000 | 231,702 | 221,500 |
| Fines and tickets | 47,500 | 47,340 | 42,000 |
| Lots | 90,000 | 78,489 | 72,500 |
| TOTAL REVENUE | 367,500 | 357,531 | 336,000 |
| Revenue gain loss vs. budget | 31,500 | | |
| Expenditure: | | | |
| Enforcement personnel * | 130,850 | 109,299 | 110,700 |
| Office expenses | 15,200 | 15,086 | 14,650 |
| Meters | 35,300 | 44,451 | 32,600 |
| Parking Lots | 48,100 | 33,974 | 47,500 |
| TOTAL EXPENDITURES | 229,450 | 202,810 | 205,450 |
| NET SURPLUS(DEFICIT) | 138,050 | 154,721 | 130,550 |
| Schedule: Charges and Fees | <u>Net gain (loss)</u> | | <u>7,500</u> |

Parking provides an important source of revenue that offsets service costs and reduces property taxes.



TRANSFERS - OTHER GOV'TS



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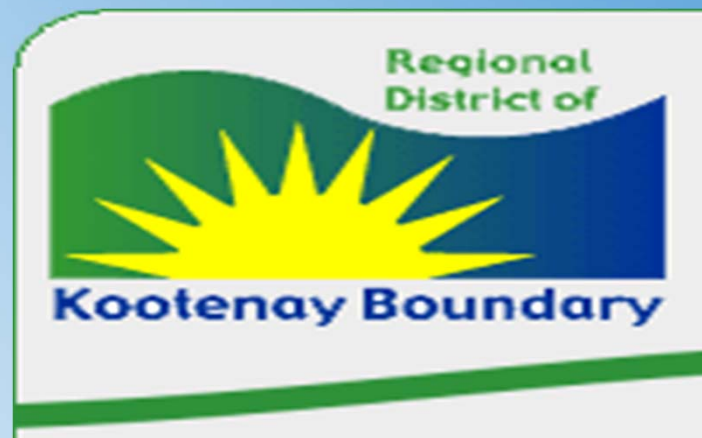
2020 Budget – Government Transfers

| Summary function/ Revenue category | 2020 BUDGET | % change Vs 2019 Budget | BUDGET 2019 |
|---------------------------------------|----------------|----------------------------|----------------|
| Unconditional Transfers | | | |
| Community protection | 465,000 | 6.90% | 435,000 |
| Revenue sharing - fines | 87,000 | -13.00% | 100,000 |
| School Tax Admin | 5,400 | 3.85% | 5,200 |
| <i>Total Unconditional Transfers</i> | 557,400 | 3.18% | 540,200 |
| Conditional Transfers | | | |
| RCMP | 47,500 | 0.00% | 47,500 |
| Other - studies, etc. (OCP) | 0 | n/a | 0 |
| Federal Gas Tax (Bridge debt) | 254,050 | 0.00% | 254,050 |
| <i>Total Conditional Transfers</i> | 301,550 | 0.00% | 301,550 |
| TOTAL | 858,950 | 2.04% | 841,750 |

No information has been received regarding Cannabis revenue sharing.





CONDITIONAL TRANSFER - RDKB



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2020 Budget – Conditional Transfer - RDKB

| Summary function/ Revenue category | 2020 BUDGET | % change vs 2019 Budget | BUDGET 2019 |
|---------------------------------------|---|----------------------------|----------------|
| Conditional Transfer - RDKB | | | |
| PARKS & RECREATION | 209,350 | 0.00% | 209,350 |
| CEMETERY | 270,100 | 2.35% | 263,900 |
| <i>Total Conditional Transfer</i> | 479,450 | 1.31% | 473,250 |
| TOTAL | 479,450  | 1.31% | 473,250 |
| <u>Parks and Recreation:</u> | | | |
| BV PARTS (Expires 2021) | 125,000 | 0.00% | 125,000 |
| Warfield (Expires 2020) | 84,350 | 12.77% | 74,800 |
| | 209,350  | 4.78% | 199,800 |



2020 Budget – Conditional Transfer - RDKB

- The 5 year Recreation and Library Funding agreement expires with the Village of Warfield at the end of this year.
- The last time the agreement was negotiated, a bargaining committee consisting of the Mayor, 2 Councillors and the CAO met with Warfield to deal with direct negotiations.
- When and how Council wishes to approach the matter in 2020 should be reviewed and direction set.



TRANSFER FROM OWN RESERVES



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2020 Budget – Transfer from Own Reserves

| Summary function/ Revenue category | 2020 BUDGET | % change Vs 2019 Budget | BUDGET 2019 |
|---|----------------|----------------------------|----------------|
| Transfer from reserves: Funding for operations | 340,000 | 0.00% | 340,000 |
| <i>Total Revenue</i> | 340,000 | | 340,000 |
| TOTAL | 340,000 | | 340,000 |



2020 Budget – Transfer from Own Reserves

- *The reserve transfer is included to effectively “balance” the budget.*
- *Due to ongoing increases in the municipal tax levy, Council has not addressed this operating reserve dependency.*
- *The five year financial plan reflects the following changes in the draw with a view to phase it out.*

| Year >> | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------------|---------|---------|---------|---------|-----------|
| Transfer for operations | 340,000 | 340,000 | 255,000 | 191,300 | 95,700 |
| Transfer for capital enhancements | 0 | 0 | 0 | 0 | 0 |
| | 340,000 | 340,000 | 255,000 | 191,300 | 95,700 |
| % change>>> | | 0.00% | -25.00% | -24.98% | -49.97% |
| <i>Total draw (2020 - 2024)</i> | | | | | 1,222,000 |





Community/Public Consultation

The *Community Charter* requires some form of public consultation before the Financial Plan is adopted by Council.

The form and type of consultation is not specified.

The City provides all budget presentations on the website.

Budget awareness can also be created through social media platforms.

Some communities are trying to expand public participation opportunities.

Additional resources or expenses could be required if the City wants to do more in this area.

There is no material change being suggested for 2020.

At the conclusion of Council's review of the budget, a public presentation has historically been advanced.



END

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