

VILLAGE OF NAKUSP 2018 PRELIMINARY OPERATING BUDGET

February 26, 2018

General Rules

- ▶ No tax increase or a cut in taxes = cut in service.
- ▶ Local governments ***must have*** a balanced budget and ***cannot*** budget for a deficit, ***unless*** they cover the deficit in the following year's budget - ***not recommended***
- ▶ Are only discussing the *VILLAGE* portion of the property taxes – in 2017 that was only **45%** of the total taxes
- ▶ Collect taxes for RDCK, Hospital, Policing, School, MFA & BCAA but have no control over how much those taxes are

Revenue Sources in 2018

- ▶ Property Taxes, Parcel Taxes, PILTS (payment in lieu of taxes) **26.2%**
- ▶ Fees and Charges **48.7%**
- ▶ Government Grants & Transfers **12.1%**
- ▶ Reserves **0%**
- ▶ Borrowing **0%**
- ▶ Transfers from RDCK (Arena, Cemetery, Fire) **12.1%**
- ▶ Interfund Transfers (Sewer to Water, HS to Village) **.9%**

Expenditures in 2018

- ▶ Legislative & Administration **17.3%**
 - ▶ (Includes Grants to organizations – CofC \$10,000 - tourist info centre; Imagine Kootenay \$2500 and NADB \$6000)
- ▶ Public Works **13.0%**
- ▶ Rec & Parks **15.7%**
- ▶ Fire & ESB **4.0%**
- ▶ Sewer **5.0%**
- ▶ Water **5.9%**
- ▶ HS & Chalets **16.7%**
- ▶ Transfer to Reserves **17.8%**
- ▶ Debt Servicing – payment of principle and interest **3.7%**
- ▶ Interfund Transfer **.9%**

Services – ADMINISTRATION & LEGISLATIVE

- ▶ Legislative
- ▶ Planning – zoning, ocp, dp, dvp, subdivisions
- ▶ Legal – bylaws, leases and agreements, insurance
- ▶ Corporate services – minutes, records management, correspondence
- ▶ Finance – taxes, utilities, budget, financial statements, accounts payable, accounts receivable, financial reporting, payroll, audit
- ▶ Human Resources – benefit management, union negotiations

Services – FIRE DEPARTMENT

- ▶ Fire fighting
- ▶ Education
- ▶ Respond to MVAs
- ▶ Assist ambulance
- ▶ Emergency services building

Services – RECREATION & PARKS

- ▶ Sports Centre – arena; auditorium, curling rink
- ▶ Sports fields
- ▶ Parks – gazebo
- ▶ Waterfront walkway
- ▶ Beach
- ▶ Cemeteries
- ▶ Campgrounds
- ▶ Downtown clean-up (garbage removal, sweeping & snow removal sidewalks)
- ▶ Hot Springs & Chalets

Services – PUBLIC WORKS

- ▶ Water – distribution & treatment
- ▶ Sewer – collection & treatment
- ▶ Roads – snow removal; dust control; pot holes; ditching
- ▶ Sidewalks – repairs; boulevards
- ▶ Lanes – snow removal, repairs
- ▶ Street lights
- ▶ Hydrants
- ▶ Garbage & Recycling collection
- ▶ Brushing
- ▶ Airport

Services – LEASED FACILITIES

- ▶ Centennial Building – Library and Museum
- ▶ Old Kinsmen Building – NAYS and Options for Sexual Health
- ▶ Senior Centre
- ▶ Old Firehall

Options to Balance the Budget

- ▶ Reduce Costs/Reduce Services/Reduce Staff
- ▶ Increase taxes
- ▶ Increase fees and charges – *however* fees can only cover the cost of the service and no more!
- ▶ Find new revenue streams
- ▶ Use existing surplus or reserves
- ▶ Incur debt

Taxes

- ▶ This year Hot Springs will be a stand alone function like water and sewer; entirely self-sufficient and not funded by property taxes
- ▶ Overall increase of **3%** which equates to **\$31,220**.
- ▶ Partially offset by \$15,000 transfer from Hot Springs to Village – net tax increase of \$16,220 – **1.6%**
- ▶ Council previously approved a 5% increase in sewer rates (\$20.51/year for residential – (\$1.71 per month)). No increase in water rates in 2018

Tax Impact

- ▶ Based on 2017
 - ▶ Assessment of Average House \$198,317
 - ▶ VILLAGE taxes on Average House \$900.77 (TOTAL taxes \$2000)
 - ▶ **1.6%** increase on VILLAGE taxes **\$14.41 or \$1.20/month**
 - ▶ **1.6%** on \$300,000 assessed house **\$21.80 or \$1.82/month**

General - revenue

GENERAL OPERATING FUND				
REVENUE				
Property Taxes, Interest, Penalties		(1,017,431)	(1,017,420)	(1,033,640)
Interest & Penalties on Taxes		(19,085)	(20,200)	(19,500)
Grants in Lieu of Taxes		(53,919)	(51,000)	(51,000)
Utility Tax		(29,198)	(29,000)	(30,820)
Fees and Charges - Administration		(19,086)	(20,200)	(19,000)
Fees and Charges - Planning		(5,400)	(2,000)	(2,500)
Fees and Charges - Public Works		(93,161)	(104,200)	(89,100)
Fees and Charges - Parks & Recreation		(159,932)	(157,580)	(143,200)
Fees and Charges - Fire/ESB		(51,924)	(53,500)	(51,300)
Provincial/Federal Transfers - Small Community		(380,626)	(380,000)	(380,000)
Provincial/Federal Transfers - CWF		(119,608)	(118,000)	(120,000)
Contribution from Hot Springs		0	0	(15,000)
Other Grants		(120,000)	(130,000)	(24,800)
Transfer from RDCK - Arena		(410,289)	(410,000)	(410,000)
Transfer from RDCK - Cemetery		(25,400)	(25,400)	(20,800)
Transfer from RDCK - Fire		(97,338)	(97,330)	(92,670)
Interest Income & Other Revenue		(25,446)	(26,750)	(20,750)
TOTAL REVENUE		(2,627,843)	(2,642,580)	(2,524,080)

General - expenditures

EXPENDITURES				
Legislative		60,580	65,960	64,200
Administration		632,168	835,750	683,100
Public Works		626,573	626,120	659,150
Parks and Recreation		729,377	741,200	720,210
Fire Protection		178,179	211,800	224,000
Emergency Services Buildings		52,411	43,750	53,420
Transfer to Capital Reserves		169,608	118,000	120,000
TOTAL EXPENDITURE		2,448,896	2,642,580	2,524,080
GENERAL OPERATING FUND		(178,947)	0	0

Sewer

Note: Transferred \$350,000 from water to sewer in 2013; repay over 15 years

SEWER				
		2017 YTD	2017 Budget	2018 Budget
SEWER OPERATING FUND				
REVENUE				
Sewer Fees Charged		(404,745)	(406,550)	(428,100)
Sewer Parcel Tax		0	0	0
Other Sewer Revenue		(4,620)	(77,280)	(2,000)
Total Revenue		(409,365)	(483,830)	(430,100)
EXPENDITURES				
Sewer General		42,512	85,250	56,320
Sewer Treatment Plant		104,009	125,300	112,200
System Maintenance		22,085	39,000	31,550
Lift Station		13,595	18,900	17,050
Transfer to Capital		0	170,000	0
Transfer to Reserves		175,000	0	174,500
Transfer to water		0	27,280	27,280
Sewer Financing Costs		10,835	18,100	11,200
Total Expenditures		368,036	483,830	430,100
TOTAL SEWER OPERATING FUND		(41,329)	0	0

Water

WATER			
	2017 YTD	2017 Budget	2018 Budget
WATER OPERATING FUND			
REVENUES			
Micro Hydro Plant	(30,231)	(34,000)	(31,000)
Water Fees Charged	(463,198)	(459,030)	(466,150)
Transfer from Sewer		(27,280)	(27,280)
Other Water Revenue	(10,896)	(3,750)	(4,300)
Total Revenue	(504,326)	(524,060)	(528,730)
EXPENDITURES			
Micro Hydro Plant	474	1,220	550
Nakusp East Pump Station	7,580	7,900	9,350
Water General	76,410	79,680	87,100
Water Ambassador Program	0	2,180	0
Water Treatment Plant	55,144	61,400	56,400
System Maintenance	42,028	64,640	57,400
Reservoirs	6,901	13,100	9,720
Hydrants	2,917	12,900	4,250
Water Wells	29,354	26,480	31,950
Transfer to Reserves	100,000	64,870	272,010
Transfer to Capital	0	189,690	0
Total Expenditures	320,807	524,060	528,730
TOTAL WATER OPERATING FUND	(183,519)	(0)	(0)

HS & Chalets

HOT SPRINGS & CHALETS				
REVENUES				
Hot Springs Admissions & Sales		(457,440)	(505,600)	(525,600)
Hot Springs Campground Revenue		(103,265)	(92,500)	(97,500)
Chalets Accommodation Revenue		(247,091)	(215,000)	(230,000)
Total Revenue		(807,795)	(813,100)	(853,100)
EXPENDITURES				
Hot Spring Expenses		509,758	525,700	565,500
Campground Expenses		18,640	12,200	12,550
Marketing Plan		2,000	-	-
HS Debt Principal & Interest		41,861	60,200	46,910
Chalet Expenses		123,211	138,000	148,050
Chalet Debt Principal & Interest		38,580	39,000	39,000
HS Transfer to Reserves		-	-	-
Chalet Transfer to Reserves		85,300	38,000	26,090
Transfer to Village		-	-	15,000
Total Expenditures		819,349	813,100	853,100
TOTAL HOT SPRINGS & CHALETS				
		11,554	-	-

