

# 2024-2028 Budget Workshop

## Proposed 2024-2028 Financial Plan

PREPARED BY: Annie Bérard

DATE: October 18, 2023  
October 25, 2023





# Proposed 2024-2028 Financial Plan Workshop Agenda

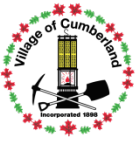
## Day 1 – October 18, 2023

1. CAO Introduction
2. Financial Plan Schedule and Methodology
3. Proposed Financial Plan
  - a. Proposed Staff Changes
  - b. Asset management and funding sources
  - c. Policies included in Financial Plan Bylaw
  - d. Property Taxes, Utility User Fees and Parcel Taxes
4. Department Presentations:
  - a. Operations and Public Works
  - b. General Government
  - c. Protective Services

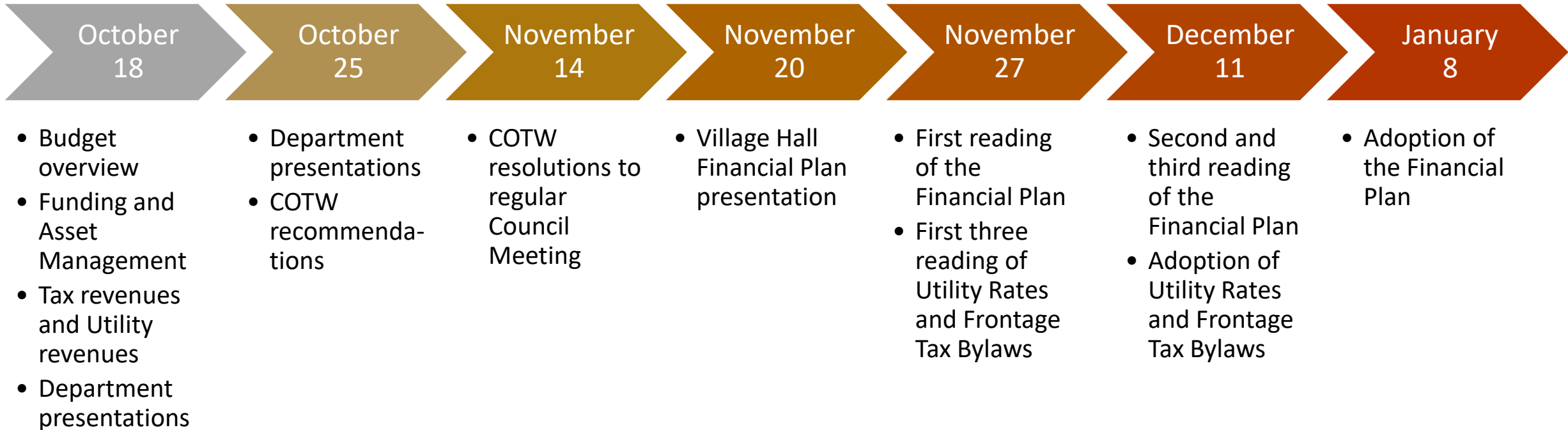
## Day 2 – October 25, 2023

1. Department Presentations:
  - a. Parks and Recreation
  - b. Development Services
2. Council review of new initiatives
3. COTW recommendations





# 2024-2028 Financial Plan Schedule





## Financial Plan Methodology

- Budget is prepared to maintain existing services
- Taxation and utility fees are used to fund Council service levels
- Effort made to off-set increasing costs through savings from efficiency
- Focus on Asset Management and maintenance of existing assets and infrastructure





## 2023-2027 Strategic Priorities

### Diverse and Healthy Communities

- Meaningful Reconciliation with Indigenous Peoples
- Socio-Economic Diversity & Inclusion
- Effective Community Engagement & Communication
- Thriving Community Arts, Culture & Recreation
- Effective Regional Partnerships

### Sustainable Service Delivery & Asset Management

- Comprehensive Asset Management
- Sustainable Public Utilities
- Multi-Modal Transportation Management

### Community Planning

- Effective Response to Climate Change
- Ecologically, Socially, & Financially Sustainable Land Use Planning





## Village Operational Priorities

Factors that determine priority projects for inclusion into the financial plan:

Required for life  
and safety

Regulatory  
requirement

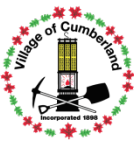
Possible  
consequence if  
not funded

Possible future  
cost if not  
funded

Service levels

Strategic  
Priorities





## 2024 Tax Funded Initiatives approved in the 2023 – 2027 Financial Plan

- Council approved a 6.58% increase for the year 2024 in the 2023-2027 Financial Plan (equivalent to \$290,790 in new taxes)
- An increase of 5.90% is included in this proposed 2024-2028 Financial Plan for 2024 (equivalent to \$233,750 in new taxes)
- This increase is required mainly to fund:
  - Contractual increase
  - Inflationary increase
  - Increase to reserve transfer for asset replacement





## Additional tax revenues required for Projects not included in Financial Plan requiring further Council consideration

Department	2024	2025	2026	2027	2028
CAO&Leg Svc	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
Fire	\$ 21,870	\$ 21,870	\$ 21,870	\$ 21,870	\$ 21,870
Corporate Svcs	\$ 48,420	\$ 86,070	\$ 176,070	\$ 176,070	\$ 176,070
Development	\$ 2,810	\$ 2,810	\$ 2,810	\$ 2,810	\$ 2,810
Bylaw	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
Recreation	\$ 19,100	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600
Parks	\$ 21,750	\$ 7,280	\$ 7,280	\$ 7,280	\$ 7,280
Transportation	\$ 27,250	\$ 53,750	\$ 72,460	\$ 77,460	\$ 82,460
	<b>\$ 161,700</b>	<b>\$ 205,880</b>	<b>\$ 314,590</b>	<b>\$ 319,590</b>	<b>\$ 324,590</b>
Tax increase (vs 2023)	4.1%	4.9%	7.5%	7.7%	7.6%
Incremental Tax	4.1%	1.1%	2.6%	0.1%	0.1%

Each managers will present their respective requests





## Proposed Staffing / Full-Time-Equivalent Changes (FTE)

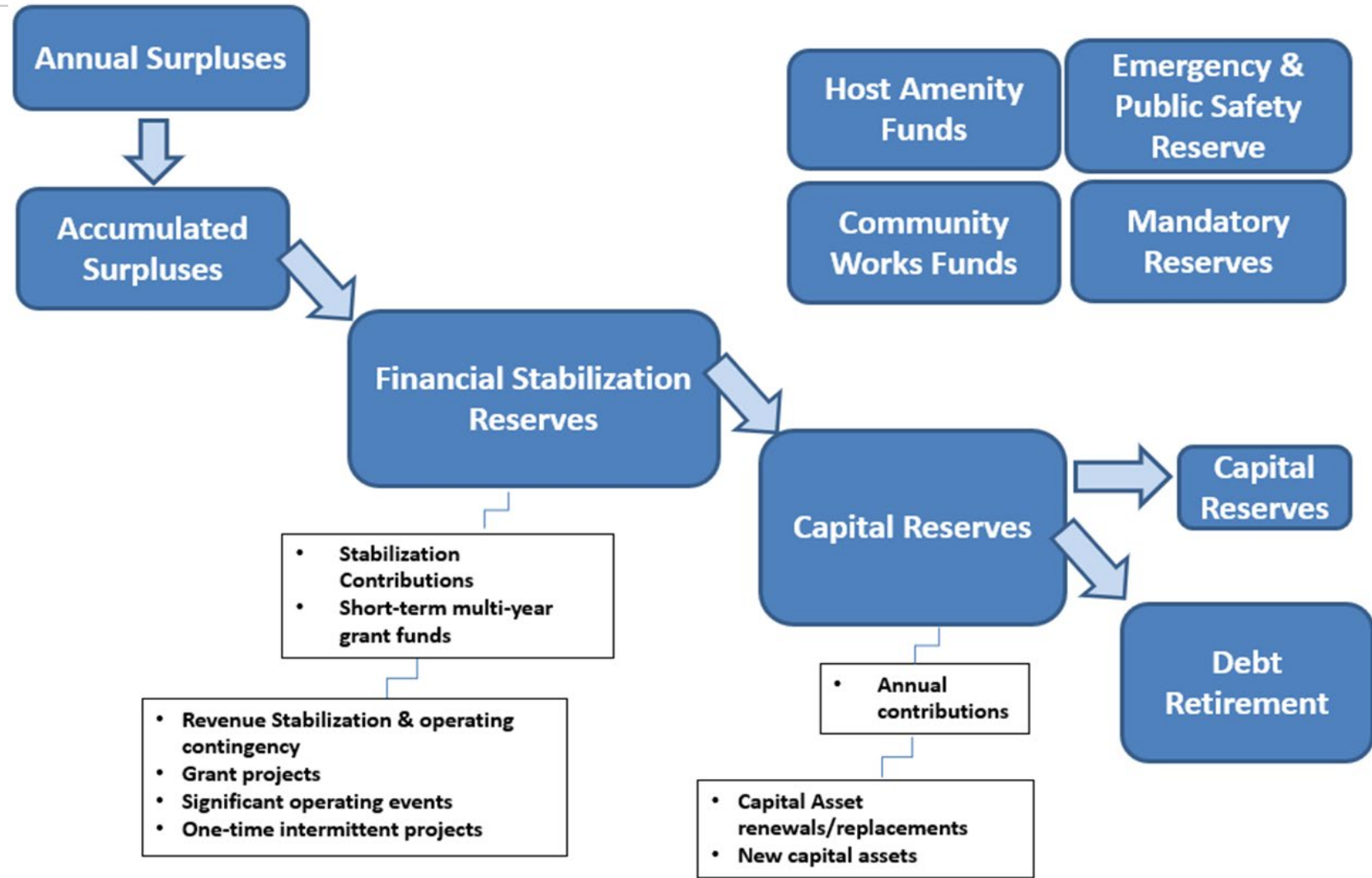
In Financial Plan:	<u>Full-time equivalent (FTE)</u>				
	2024	2025	2026	2027	2028
Redistribute Economic Development Service	(1.00)				
Communications Coordinator	0.60				
Planning Technician position (Ec Dev service redistribution)	1.00				
<b>Total staffing changes in proposed financial plan</b>	<b>0.60</b>	-	-	-	-
<b>There are other staffing challenges requiring further consideration that are not currently in the financial plan and therefore are not summarized above but are summarized below:</b>					
Not In Financial Plan:	2024	2025	2026	2027	2028
OHS - Occupational Health and Safety officer 21 hours / week	0.60				
FT Business Analyst/Accountant	1.00				
Admin Assistant for Operations increase from 20 hrs/wk to 30 hrs/wk-2025 & 35 hrs/wk-2026	-	0.29	0.14		
<b>Total staffing changes not included in financial plan for Council's consideration</b>	<b>1.60</b>	<b>0.29</b>	<b>0.14</b>	-	-





# How we use reserve

The Reserve and Surplus Policy has been developed to provide guidance and direction for the development, maintenance and use of Village’s Reserve and Surplus funds.





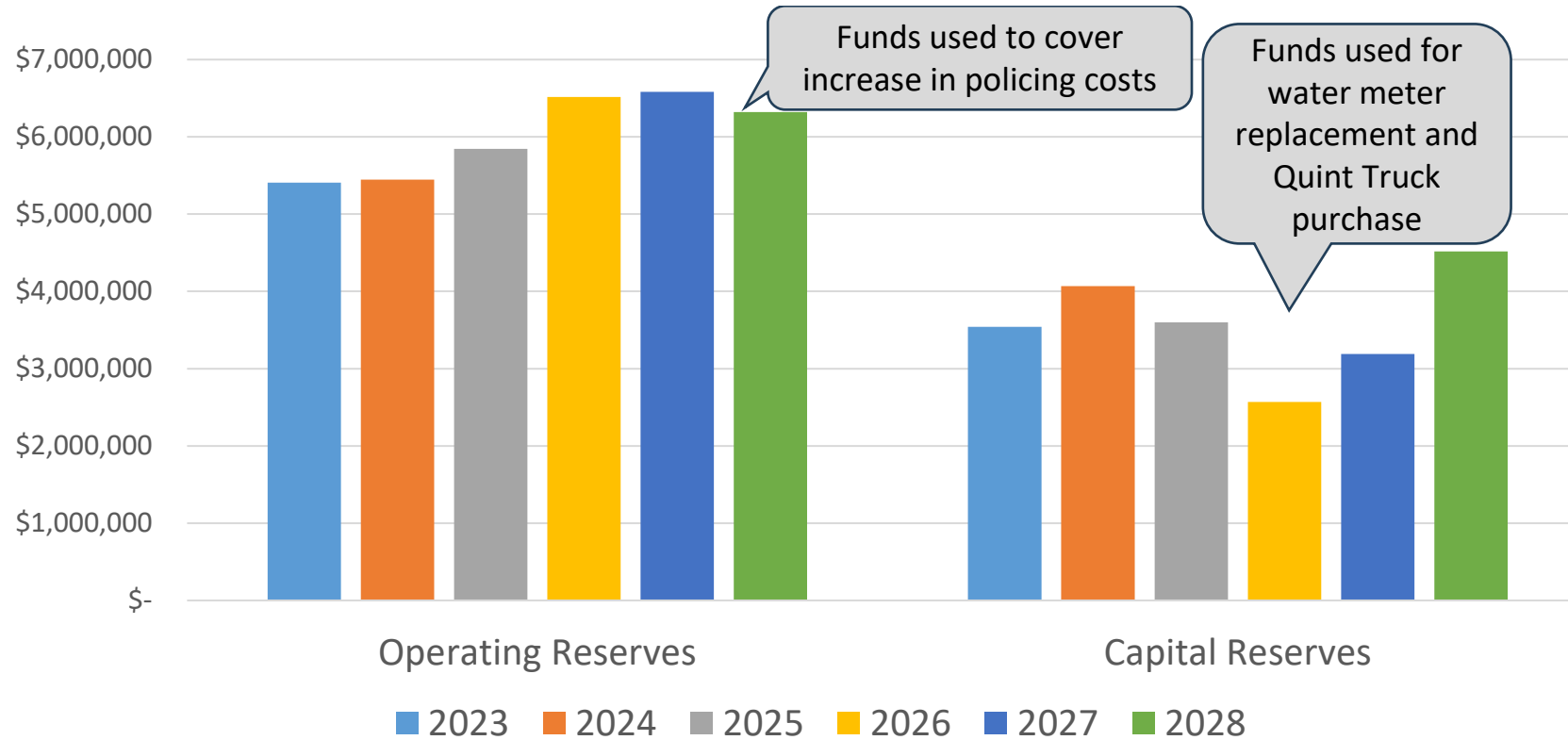
## Annual Contributions to Asset Related Reserves

Dept	Contribution to Reserve	2023	2024	2025	2026	2027	2028
<b>Transportation Services (Roads)</b>							
	Linear infrastructure asset	816,690	<b>887,130</b>	923,750	925,295	957,932	1,030,661
<b>Environmental Health Services (Water, Sewer &amp; Storm)</b>							
	Water meter replacement	93,000	<b>93,000</b>	93,000	93,000	93,000	80,000
	Water infrastructure reserve (increase per water supply asset life cycle analysis)	-	-	-	20,170	22,780	28,000
	Sewer infrastructure reserve (increase for wastewater treatment replacement)	-	-	-	70,000	70,000	75,000
<b>General Government Services</b>							
	Community Works Funds received annually up to 2023	223,060	-	-	-	-	-
	General Village Facility Asset replacement reserve	151,300	<b>187,240</b>	187,240	187,240	187,240	195,740
<b>Recreation, Parks &amp; Community Services</b>							
	Lake Park Dividend revenues to reserve for future use	12,000	<b>16,000</b>	20,000	24,000	28,000	32,000
<b>Protective Services</b>							
	Fire capital purchases (vehicles & protective equipment replacement)	87,500	<b>87,500</b>	102,500	105,500	107,500	109,500
<b>Total</b>		<b>1,383,550</b>	<b>1,270,870</b>	<b>1,326,490</b>	<b>1,425,205</b>	<b>1,466,452</b>	<b>1,550,901</b>



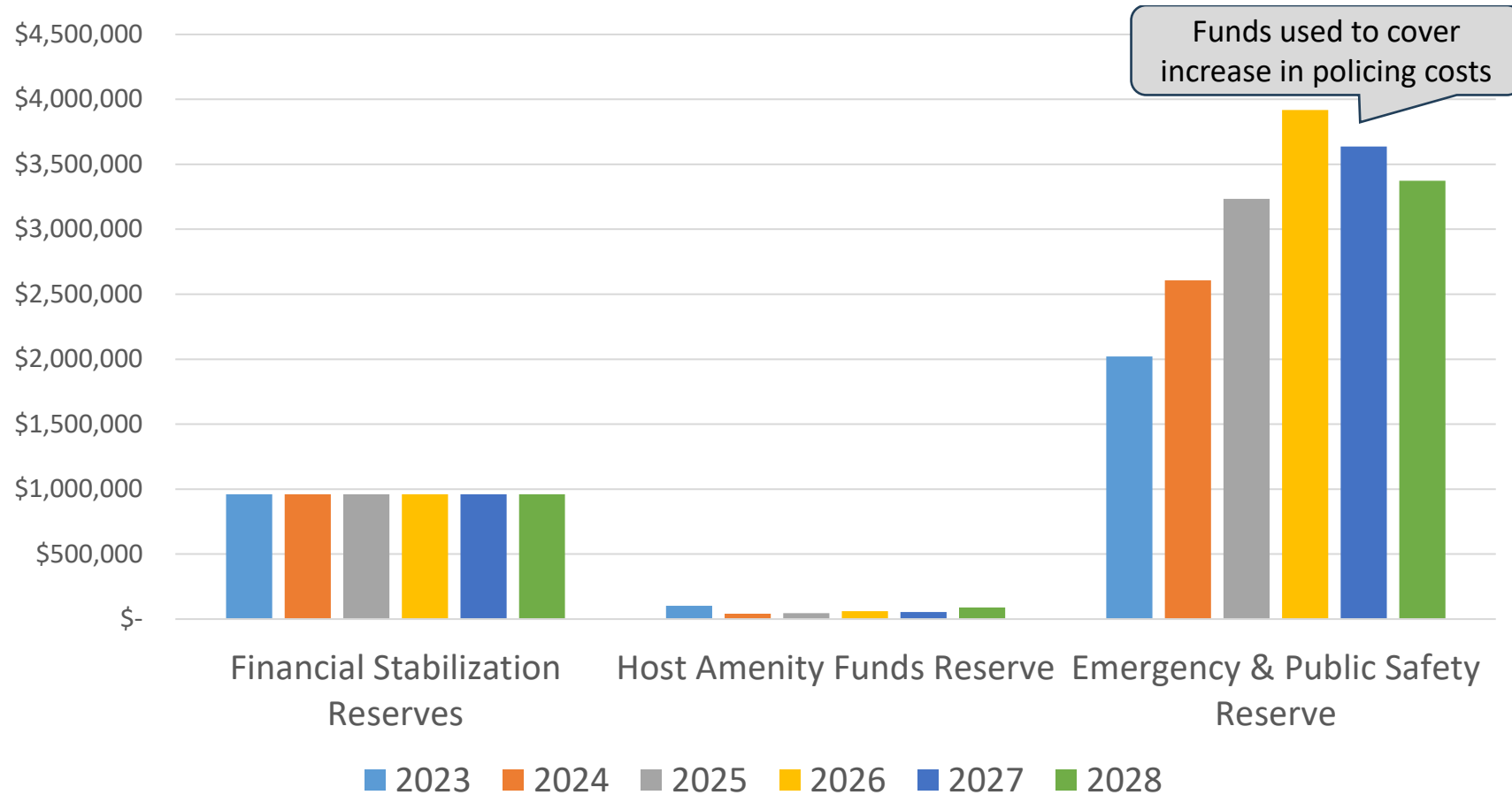


# Cumberland Reserve Projected Annual Balances Operating & Capital



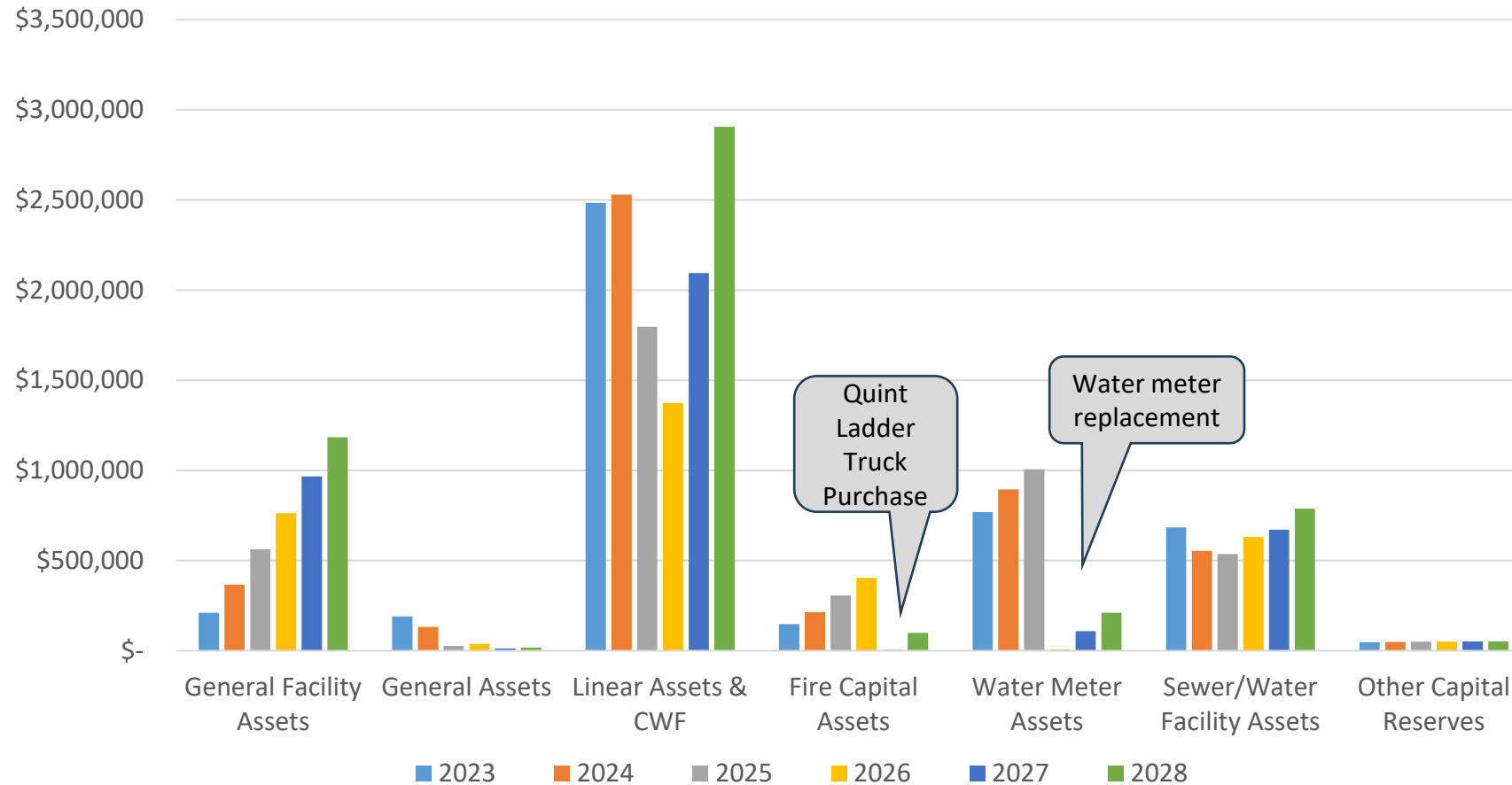


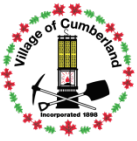
# Cumberland Operating Reserve Projected Annual Balances





# Cumberland Capital Reserve Projected Annual Balances

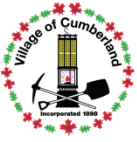




## Financial Plan Policies and Objectives

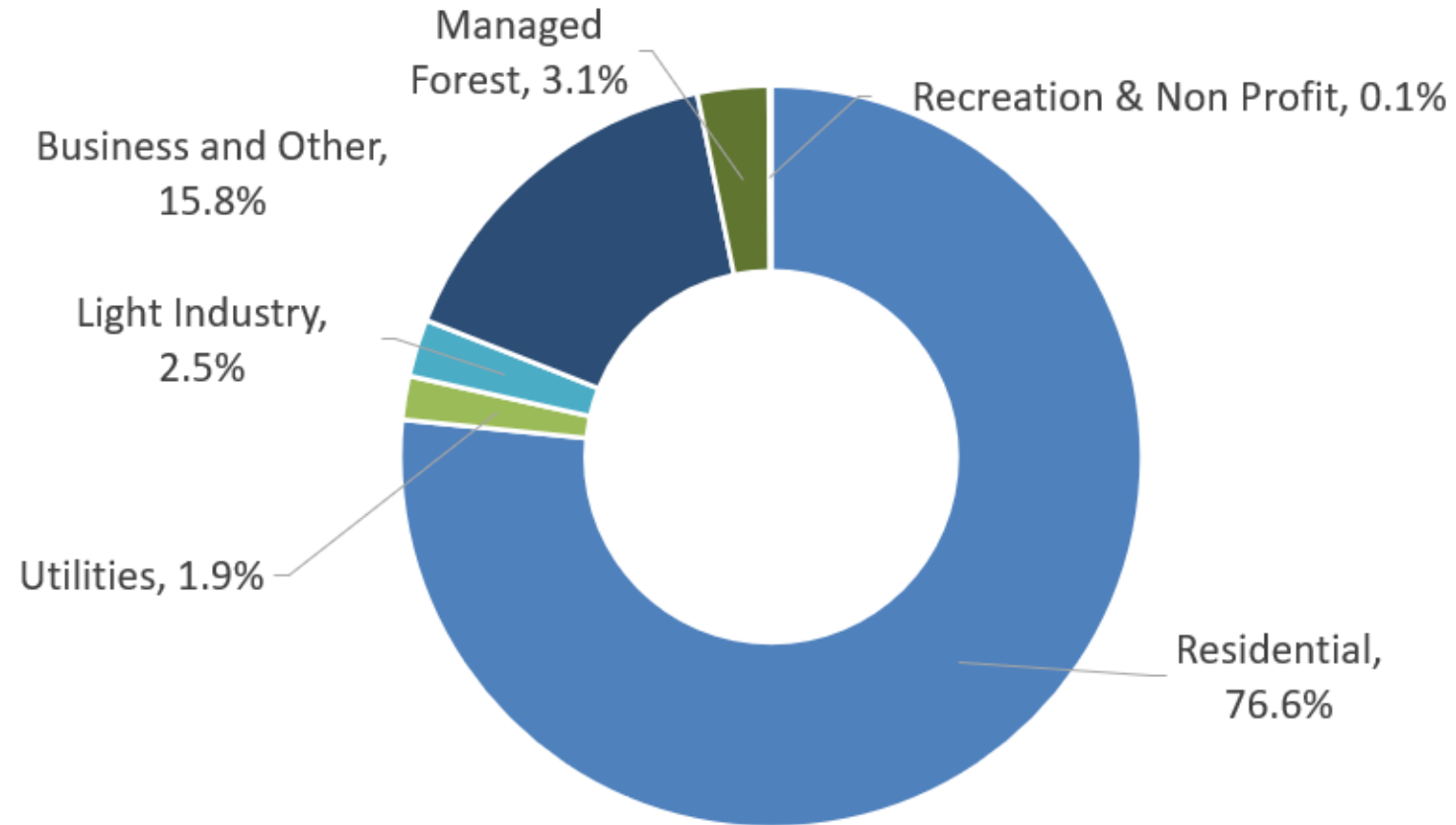
- **Part A: Proportion of Total Revenue Proposed to come from each funding source**
  - to actively seek grants for major infrastructure repair and replacement;
  - to annually review utility rates to ensure water, sewer and storm water operating and delivery costs are fully funded
  - to review all other services to determine optimal proportions of cost recovery from fees versus general revenues and taxation
- **Part B: Distribution of Property taxes among Property Classes**
  - Tax rates are set in order to maintain tax stability
  - Annual tax increases are apportioned over the classes to ensure stability
- **Part C: Use of Permissive Property Tax Exemption**
  - Generally not supported by Council - with 3 exceptions:
    1. Parcels that qualify for partial statutory exemption, such as the grounds surrounding places of worship
    2. Municipal properties occupied by a community group or partner agency where the group or agency has been granted a reduced or zero lease rate but may be subject to property tax
    3. Assessed improvement value of affordable rental housing properties meeting specific criteria

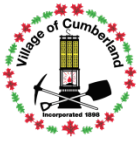
2023  
amendment



# Property Tax Distribution

Based on 2023 Revised Assessment Roll





## Proposed Property Tax Increase - Municipal Purpose

Projected Tax revenues	2023	2024	2025	2026	2027	2028
Tax increase % included in this plan		<b>5.90%</b>	5.81%	4.31%	7.82%	4.18%
Tax increase \$		<b>\$ 233,750</b>	\$ 243,680	\$ 191,250	\$ 362,130	\$ 208,780
Estimated tax revenues	\$ 3,962,300	<b>\$ 4,196,050</b>	\$ 4,192,405	\$ 4,132,984	\$ 4,272,141	\$ 4,127,978
1% increase		<b>\$ 39,623</b>	\$ 41,961	\$ 41,924	\$ 41,330	\$ 42,721

- The property tax increases above do not include growth taxes.
- In past financial plans, all residential growth taxes have been contributed to a reserve to be used towards cost of policing services. Police taxes were just over \$300k for the year 2023 and are estimated to increase to over \$1M per year when Cumberland population hits 5000, per the census. Staff have estimated this will be in the year 2027.





## Proposed Property Tax Impact Average Single Family Household

	<b>Proposed</b>			
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>Change</u></b>	<b><u>%</u></b>
Total taxes payable	\$ 4,112	\$ 3,862	\$ 250	<b>6%</b>
Home owner grant	(770)	(770)	-	0%
Net property tax	\$ 3,342	\$ 3,092	\$ 250	8%
Frontage parcel tax (median lot size)	370	347	23	7%
Parcel Charge per lot for water supply debt	45	45	-	0%
Property taxes	\$ 3,758	\$ 3,484	\$ 273	8%
Average Utility Fees	1,067	984	82	8%
<b>Total Overall Change from 2023</b>	<b>\$ 4,824</b>	<b>\$ 4,469</b>	<b>\$ 355</b>	<b>8%</b>





# Proposed Property Tax Impact Average Family Strata House (condo)

	<b>Proposed</b>		<b>Change</b>	<b>%</b>
	<b><u>2024</u></b>	<b><u>2023</u></b>		
Total taxes payable	\$ 2,802	\$ 2,631	\$ 171	7%
Home owner grant	(770)	(770)	-	0%
Net property tax	\$ 2,032	\$ 1,861	\$ 171	9%
Frontage parcel tax (median lot size)	308	290	19	6%
Parcel Charge per lot for water supply debt	45	45	-	0%
Property taxes	\$ 2,386	\$ 2,196	\$ 190	9%
Average Utility Fees	956	893	63	7%
<b>Total Overall Change from 2023</b>	<b>\$ 3,342</b>	<b>\$ 3,089</b>	<b>\$ 253</b>	<b>8%</b>





# Proposed Property Tax Impact

## Median Assessment Class 6 - Business Other

	<b>Proposed</b>				
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>Change</u></b>	<b><u>%</u></b>	
Total taxes payable	\$ 8,806	\$ 8,273	\$ 532	6%	
Frontage parcel tax (median lot size)	308	290	19	6%	
Parcel Charge per lot for water supply debt	45	45	-	0%	
Property taxes	\$ 9,159	\$ 8,608	\$ 551	6%	
Average Utility Fees	1,057	931	126	14%	
<b>Total Overall Change from 2023</b>	<b>\$ 10,216</b>	<b>\$ 9,539</b>	<b>\$ 677</b>	<b>7%</b>	





## Utilities User fee and Proposed Parcel Tax Increases 2024-2028

Utility Revenues	2024	2025	2026	2027	2028
Solid waste	\$ 438,680	\$ 517,728	\$ 615,517	\$ 657,398	\$ 701,501
Solid Waste, Water, Sewer & Storm User Fee Revenue Increases *	\$ 325,870	\$ 182,190	\$ 220,884	\$ 173,934	\$ 160,560
Water, Sewer & Storm Frontage Tax Revenue Increases **	\$ 58,880	\$ 49,000	\$ 41,545	\$ 42,636	\$ 42,729
Total Increase to Utility Fees & Frontage Tax Revenue Increases	\$ 384,750	\$ 231,190	\$ 262,429	\$ 216,571	\$ 203,289
Total Increase to the Average Single Family Resident	7.98%	7.25%	6.20%	4.35%	3.69%
Parcel Tax Revenues for Water Supply Project Debt **	\$ 79,430	\$ 79,820	\$ 136,190	\$ 136,190	\$ 136,190

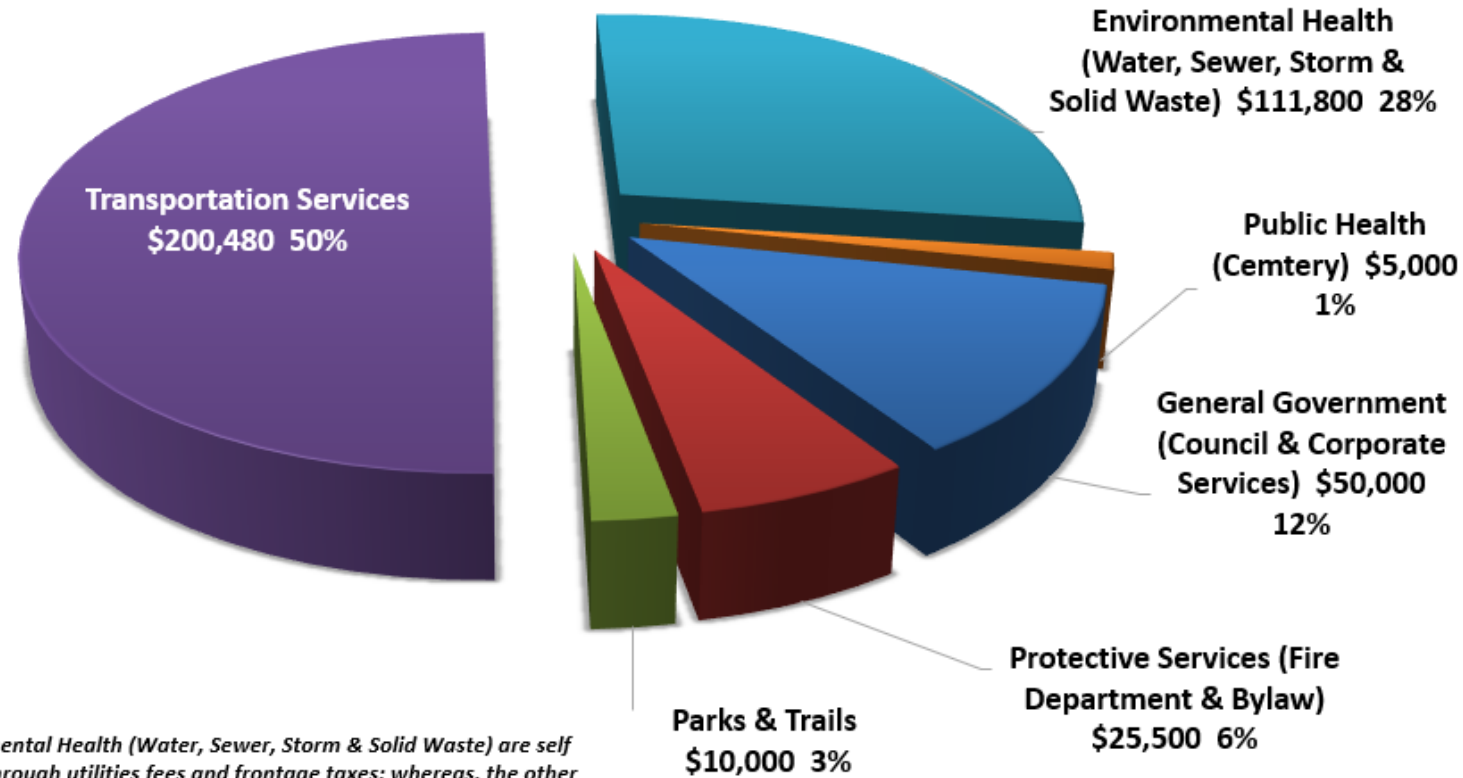
- User fee and frontage tax revenue increases include approximately 2% increases due to growth
- For every 1% increase in Utility fees, the Village will receive \$24,232 in 2024
- For every 1% increase in frontage taxes, the Village will receive \$6,780 in 2024
- Annual Parcel taxes for the water supply debt is \$45 per parcel. Staff estimate this will increase to \$77 upon refinancing in 2026 when interest are estimated at this point to be higher than pre-COVID rates.





# Proposed 2024 Capital Projects

(not including Cumberland #2 Dam and Wastewater Treatment Plant)

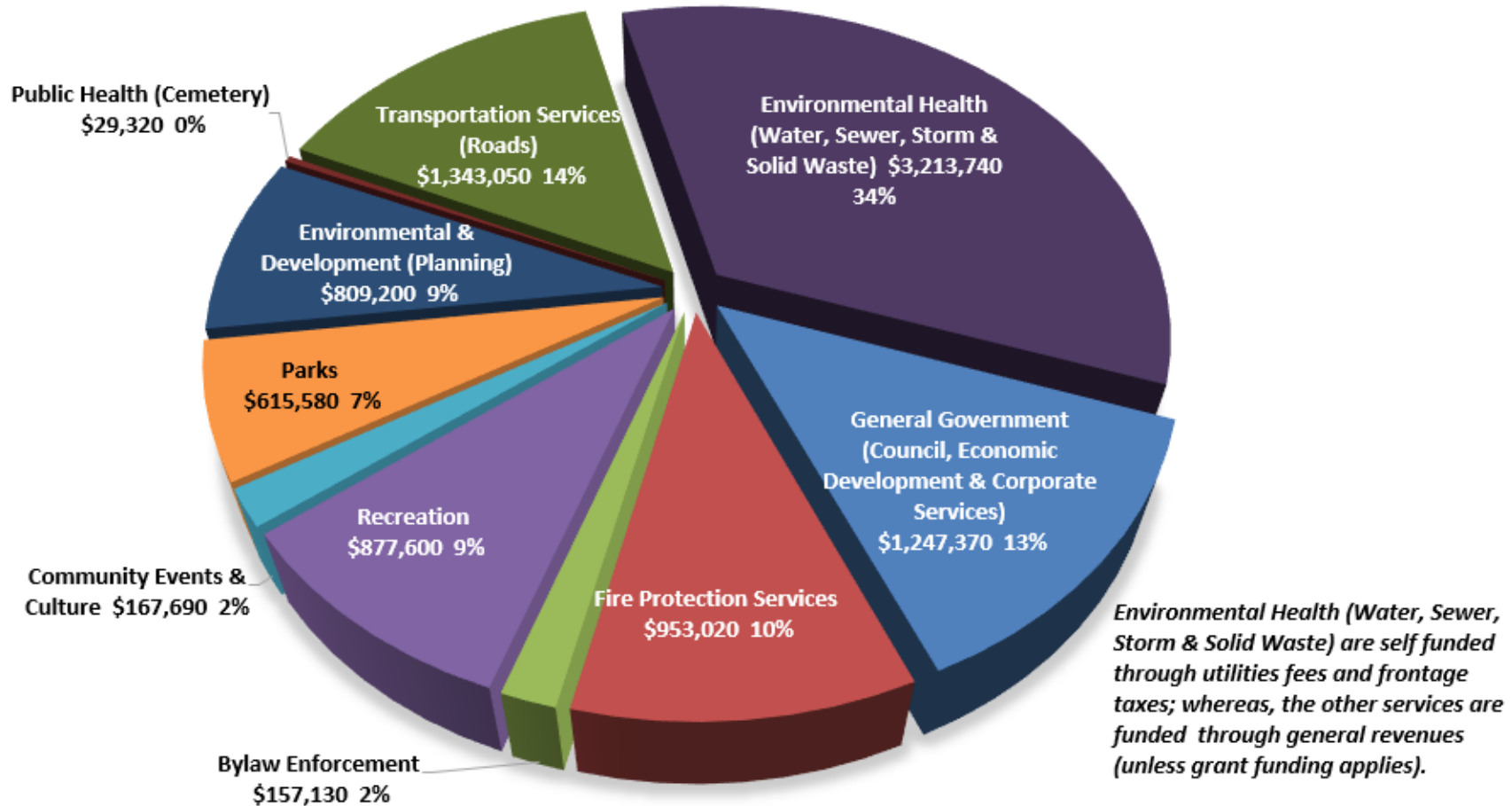


*Environmental Health (Water, Sewer, Storm & Solid Waste) are self funded through utilities fees and frontage taxes; whereas, the other services are funded through general revenues (unless grant funding applies)*





## Proposed 2024 Operating Projects





Questions?



# 2024-2028 Budget Workshop

## General Government Services:

Council

Legislative Services

Insurance and Risk Management

CAO Office

Financial Services

Human Resources

Occupational Health & Safety

Information Technology



**PREPARED BY:**

**Michelle Mason  
Rachel Parker  
Annie Bérard**

**DATE:**

October 18, 2023





## 2023 Review – Council and CAO

### Successes

- Ministry advocacy for watershed protection, affordable housing and tourism impacts and more
- Four-year Council Strategic Plan
- Cumberland's 125<sup>th</sup> Celebration and Welcome Pole raising event
- Bike wash and sani-dump sponsorship
- Joined the Comox Valley tourism, parks and trails, and emergency management regional services
- Provided bridge funding (two years) to support the food share program and the start-up of the medical clinic to be operated by a non-profit organization in Cumberland
- Start of Risk Management Policy Review program

### Challenges

- Resources and space limited and pressures on capacity
- Communications specialized knowledge gap
- Managing public expectations balanced with financial constraints
- Recruitment and retention of quality staff





## 2023 Review - Financial Services and Information Technology

### Successes

#### Finance

- Project module implementation in financial system
- Team development and retention
- Support to staff for competitive procurement process and contracts

#### Information Technology

- Initiation of financial system conversion from server to Cloud
- Assistance to other departments with projects that have IT components
- Competitive procurement process ongoing for IT services
- Assistance with IT set up for all new employees

### Challenges

- Increase in Human Resources and Safety responsibilities is diverting the Manager of Finance and Human Resources from finance duties





## 2023 Review - Human Resources, Occupational Health & Safety, Information Technology

### Successes

- Hiring of 15 employees, 10 internal postings filled, 5 internal acting roles filled, 10 new volunteer firefighter recruits, 3 positions being actively recruited for
- Significant progress made on Health and Safety policies, procedures and safe work practices
- Training and implementation of HRIS timesheet software for Public Works and Fire Department
- Recent Worksafe inspection on confined space program resulted in positive feedback and no further action required.

### Challenges

- Additional capacity needed to meet WorkSafe and Occupational Health and Safety legislated requirements





## Future Considerations and Focus Areas

- Meaningful Reconciliation with Indigenous Peoples
- Socio-economic diversity and inclusion, including an Accessibility Plan
- Effective community engagement, including implementation of the Communications Strategy
- Participation in regional services that maximize community benefit
- Completion of Asset Management Plan
- Sustainable Public Utilities including fees review
- Ecologically, Socially, and Financially Sustainable Land Use Planning including a fiscal impact analysis





## 2024-2028 Proposed Budget Highlights

### Council

New Requests included:

1. Increase in Council remuneration by CPI as per bylaw (Councillor's set at 60% of Mayor's remuneration)
2. Last year of planned increase to Council travel and conference budget for a total budget of \$31.9k
3. Annual Community to Community Event with KFN
4. Art piece for Council Chamber by KFN Artist Sean Frank

New request not included:

1. Council annual report graphics work
2. Image acquisition

### Legislative Services

New Requests included:

1. Records management funding for planning and software purchase and implementation
2. Consulting for Council code of conduct review and update
3. Accessibility Assessment and Action plan in 2025

New requests not included:

1. Additional staff to support remote attendance at Council meetings





## 2024-2028 Proposed Budget Highlights

### Chief Administrative Officer

New Requests included:

1. Communications Coordinator – part-time position
2. Fire service review implementation
3. Develop an Indigenous Relations Framework
4. Municipal parcel taxes and utility charges for facilities and parklands as per Community Charter

New request not included:

1. Staff and Council education on UNDRIP and Indigenous relations / sensitivity annual program

### Finance

New request included:

1. First Street Rental expense, revenue, contribution to reserve (net zero)
2. Furniture and equipment for new positions (7k reserve funded)
3. Financial system conversion from server to Cloud (10k reserve funded)
4. Utility rates and connections review (50k reserve funded)

New request not included:

1. Full Time Business Analyst / Accountant – (113.5k stabilization-2024/\$90k-2025/full taxes-2026)





## 2024-2028 Proposed Budget Highlights

### Human Resources and Occupational Health & Safety

New requests included: n/a

New requests not included:

1. Safety Officer 21 hours / week (42.4k +1.07% tax increase)
2. Health & Safety Software implementation (4k reserve funded)
3. Health & Safety Software annual license fee (6k +0.15% tax increase)

### Information Technology

New requests included:

1. Phone system replacement (9k reserve funded)
2. IT services 2 months overlap if Village switches provider (11.9k stabilization)

New request not included: n/a



# 2024-2028 Budget Workshop

## OPERATIONS

**PREPARED BY:** Manager of Operations

**DATE:** October 18, 2023





## 2023 Review

### Successes

- Broke ground on the WWT project – other challenges to still overcome
- SCADA relocation to virtual server
- Continue to implement improvements to our Dams/Reservoirs
- Commenced work on our 2023 Capital Works Projects

### Challenges

- Continued increase in costs, especially construction where we saw a 30% in the past year alone
- Fleet replacement in a timely manner continues to be a struggle
- Rate of failure on our linear asset infrastructure including the watermain on Maryport Avenue and Culvert on Royston Road



## Future Considerations and Strategic Focus Areas

- Linear asset replacement and asset management
- Operations department review and staffing additions/changes
- The need for a new public works facility
- Implementing projects that come out of the TMP and LWMP (includes the WWMP & SWMP)
- Continued work on our surface water reservoirs and dams.....Allen Lake & future reservoir expansion
- Watershed Protection Plan update
- Drainage improvements to existing creeks and channels in and around the Village
- Impacts to existing infrastructure from housing densification





## 2024-2028 Proposed Budget Highlights

### Transportation Services

- Level 2 Charging Stations for future electric fleet light duty vehicles
- Fleet Replacement/Additions
- Establish contribution to reserve to fund fleet replacement
- Misc. Operations Equipment
- Implementation of Transportation Master Plan recommendations

### Water

- WTP: Flow Sensor Switch Access (safety) and AC for Electrical Room
- UV Reactor maintenance program (ongoing operations)
- Spillway Panels for Stevens Lake 2024
- Additional Fencing at Henderson Lake 2024
- No 2 Dam Upgrades 2024-2026
- Water Meter Replacements in 2026
- Allen Lake Dam 2027
- New Debris Booms for Allen & Stevens Lake in 2025





## 2024-2028 Proposed Budget Highlights

### Wastewater/Storm Drainage

- LWMP Stage 3
- Sanitary and Storm Drainage Master Plan updates
- Union Road Sewer Servicing
- Maple Lake Creek X-ing at Royston Rd
- WWTP Access Road Fencing

### Linear Assets

- Review of Linear Asset Replacement

### Operations Facility

- Garage door replacement
- Window installation in exterior doors (safety)
- Municipal Office backup generator replacement

### Staffing

- Operations structure and service review
- Administrative Assistant for Operations – increase from part-time to full-time (2025-2026)



# 2024-2028 Budget Workshop

## Cumberland Fire Rescue

PREPARED BY: Mike Williamson

DATE: October 18, 2023





## 2023 Review

### Successes

- New Training Center Phase 1 almost complete (EMBC grant),
- EOC new equipment (EMBC grant),
- 7 members complete Exterior firefighting,
- First wildland fire deployment (engine 6 West Kelowna)
- Ladder 2 (Quint ladder apparatus) in service

### Challenges

- 22% increase in calls volume
- Daytime responds personnel to meet NFPA
- 9 new members starting Firefighter training (October 2023)
- Aging Apparatus Fleet (more maintenance required)
- Aging equipment





## Future Considerations and Focus Areas

- **Training** of the members to meet the new BC Structure Firefighter Training Standard (Full-Service level) and Wildland Certification training.
- **Replacement** of Rescue 4.
- **Annual Certification** of equipment (Ground Ladder, Apparatus (pump & CVI inspection), Self-Confine Breathing Apparatus, & SCBA Compressor).
- **Inspection & Prevention**; increase in number of businesses operating in the Village requiring more time for inspection and review pre-plan to be in compliance with BC Fire Code (increase of 13%)
- **New BC Fire Service Act** coming soon and will include doing fire inspections in the Regional District





## 2024-2028 Proposed Budget Highlights

### New requests for 2024

- **Wildland Protection Unit:** Recurring, due to major urban interface in Cumberland requiring to have proper equipment to prevent West Kelowna incident. This is why we have to keep adding equipment and provide training for NFPA 1051, Engine Boss, SPPWFF1, SPU 115 and Team leader training.
- **Turnout Gear Replacement:** Recurring, as per NFPA 1971 all turnout gears have a 10-year life expectation (helmet, jacket, pants). WCB wildfire gears also Nomex gear boots and gloves - firefighters cannot use structural gears on a wildfire. As per the fire service review, we have a lot of old gears (19 of 33 gears).
- **Unit Rescue 4 Replacement (1998, 3500 GMC):** the Apparatus primary used is Rescue 4 (Trail, Structure & MVI) and medical emergencies. The Apparatus is overweight with equipment and at the end of its service life. This apparatus responds to 90% (265) of the calls in Cumberland.
- **Roof construction for storage:** We have two trailers requiring to be stored during the winter season. The roof project is to minimise the damage to the trailers when exposed to weather. This will extend the life of the trailers.
- **Air Storage:** we require more air storage due to the new Scott SCBA, changed from 2216 psi to 4500 psi. The system we have can support half of the filling without turning on the 45-year-old air compressor.
- **New AED:** 46 % of the calls are to support the BCEHS. The current AED are old and the accessories and replacement parts are being discontinued.





## 2024-2028 Proposed Budget Highlights

### New requests for 2024 (not included)

- **Training budget increase:** Fire Services Volunteer Training & Education annual increase from \$20k to \$25k. The cost of the training has increased by 15%. Because of the increase in cost, active members cannot take officer or specialty training to increase their knowledge with the fire and rescue operations.
- **Fire Meals:** We are hosting CV Fire Chief Association meetings 2 time a year in Cumberland.
- **Fire Services Minor Ops Equip:** The cost of equipment and parts has increased by 15% in the past year. We would like a budget increase from \$25k to \$27.5k
- **Fire Services Standby/Duty Officer weekend program:** 4 members work 8 hours/day both Saturdays and Sundays for summer months so there are always 4 members available on weekends in the daytime for emergencies \$12.8k
- **Fire Cell phone for duty officer / new Ipad with data for Unit 3:** This is to provide a better response to stakeholder and have the Duty officer not to use his/her personnel cell phone.





## 2024-2028 Proposed Budget Highlights

### New requests for 2025 - 2027

- **EOC Room Completion (2025):** This room needs to be completed to ensure the safe operation of the EOC. The ceiling will provide a closed environment limiting the noise of the operations of the fire hall. For the comfort of the people working in the EOC we need to ensure the AC is connected to the room.
- **SCBA Air Compressor Replacement (2027):** The actual air compressor is 45-year-old and we predict that in the future it will need a major overhaul. The replacement project is only for the compressor. The filling station and the cylinders are good. The cost includes the compressor, installation and some training for the maintenance of the compressor.
- **Quint Purchase (Ladder apparatus) (2027):** Currently, we have the Courtenay 75' Quint on lease. This lease will end in 2026 with a possible one-year extension. Due to the growth of the industrial site in the Village, we are required to have a quint apparatus in the fleet. The new quint apparatus will also replace Engine 6 (1994) that is well overdue as per the Underwriter Laboratory (expired date 2014). To ensure that we keep the accreditation for the Village, we must ensure that the lead engine doesn't exceed 20 years of service. Engine 1 is a 2019 and should be replaced in 2039 to meet the requirement.

