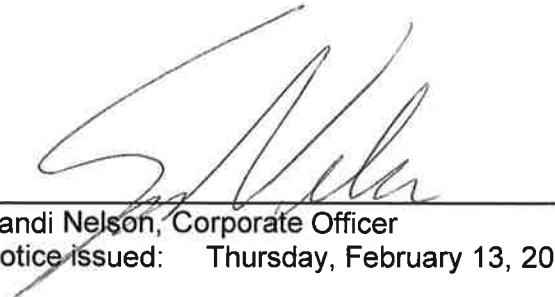

TOWN OF SIDNEY
SPECIAL COUNCIL (BUDGET) MEETING
Tuesday, February 18, 2020
Council Chambers

6:00 p.m.

*** This meeting will be video recorded and posted on the Town's website. ***

AGENDA

1. CALL TO ORDER
2. TERRITORIAL ACKNOWLEDGEMENT
3. APPROVAL OF AGENDA
4. PUBLIC PARTICIPATION PERIOD *(regarding 2020-2024 Financial Plan)*
5. **FINANCIAL PLAN 2020 - 2024 – Presentation and Budget Deliberations**
Report dated February 7, 2020.
- presentation by A. Hicik, Director of Corporate Services.
6. ADJOURNMENT



Sandi Nelson, Corporate Officer

Notice issued: Thursday, February 13, 2020 at 4:00 p.m.



TOWN OF SIDNEY

REPORT TO COUNCIL

5.

TO: Mayor & Council

FROM: Andrew Hicik, Director of Corporate Services

DATE: February 7, 2020 **FILE NO.:** 1700-20-2020

SUBJECT: POTENTIAL BUDGET REDUCTIONS

PURPOSE:

To provide Council with suggested budget reduction options to support 2020-2024 Financial Plan deliberations.

BACKGROUND:

The tax increase proposed in the draft financial plan was 2.98%. This projection, which was a starting point for budget deliberations only, resulted from internal and external funding pressures. At initial budget deliberations on February 3rd, Council asked a series of questions about various budget items, but no specific decisions were made at the time. Based partly on the discussion at the meeting on the 3rd, staff have taken a closer look at certain projects, as well as additional funding options, and have a series of recommendations for Council to consider as we try to pare down the tax increase. These are outlined below.

DISCUSSION:

In developing the budget, staff try to respond to Council and taxpayer concerns and requests, in addition to incorporating their own knowledge of the needs of the organization. Frivolous projects typically are not advanced for budget consideration. It is important to note, though, that what may be considered non-essential to one person may be critical to another; staff do their best to navigate this variety of needs and wants.

Following questions and discussion since introduction of the budget, as well as the advancement of the 2019 fiscal year end, staff have identified the following changes that should be considered for the draft budget, organized by category:

Cancellation of Capital Projects (2)

- Event Tent and Chairs (\$8,600)
 - This item was deferred last year, and has already been identified for additional consideration this year. This is a “nice to have” item, not a “must have”; as a result, it may be removed entirely from the budget. If the need for these items were to resurface in future years, it may be brought back. It is somewhat unfortunate that this item was not seen in a more positive light. A comparison with a similar project could be made. The Town made a small investment in chairs for Beacon Park, and that has to be considered an unqualified success. Sometimes “nice-to-haves” are worth the investment.

Budget Reductions

- Sidney Avenue Thermoplastic Crosswalks (\$17,000)
 - This item was initially put forward with the 2018 budget, as a 2020 project. As an older project, it did not receive enough attention during preparation of the most recent capital plan. It does not make sense to undertake this project now, as significant developments are currently in progress, or about to begin, along the Sidney Avenue corridor. Most of these projects feature some frontage improvements along Sidney Avenue. This project may be brought back in a few years, if still deemed a priority.

Reduction of Capital Project Budget (1)

- Scissor Lift (\$10,000)
 - The budget for this purchase may be cut in half, from \$20,000 to \$10,000. Staff have recently been investigating the purchase of a used model, which would be about half the cost. A used piece of equipment would be sufficient for our immediate needs. Having our own scissor lift, rather than regularly renting one, will allow us to be more flexible in the installation of lights, banners, and decorations, and should lead to longer-term savings.

Alternate Funding for Capital Projects

We are closer to finalizing our 2019 year-end numbers. This has allowed us to determine, with some certainty, that our 2019 operating surplus will be slightly higher than expected. This, in turn, gives us the flexibility to set some 2019 savings aside for future projects, rather than letting it all fall to accumulated surplus. There are two primary areas of savings that will be appropriated for future use: RCMP Contract and Computer Services. The Mayor had previously suggested setting aside savings from the RCMP contract for future RCMP costs; given the pending obligations to make improvements to the RCMP building, the time for this has arrived.

A total of \$200,000 of 2019 savings has been set aside. \$48,200 of this is from Computer Services, with the remainder coming from savings in the RCMP contract. The Computer savings will be directed to five technology-related projects, while the RCMP savings will be directed to four RCMP Capital projects. Additional funding will be applied to RCMP capital projects in 2021.

The listing of specific projects will be included in the table on the next page. Total reductions to the tax increase identified in this section are \$92,164.

Cancellation of Supplemental Request (1)

- Install Seagull Deterrents on Light Poles (\$5,000)
 - Staff are recommending the elimination of this item. It was brought forward pursuant to a Council resolution following introduction of the Seagull Study, but is not seen as a high priority if we are looking to reduce the tax impact.

Add Tax Funding for Supplemental Request (1)

- Tsehum Harbour Environmental Management (\$10,000)
 - Council has indicated some reluctance to use the funds previously set aside for Roberts Bay environmental enhancements for this proposed Tsehum Harbour project. As a result, property tax funding is the only option that remains for this project. In light of all the reductions above, \$10,000 may be added back to fund this item.

Budget Reductions

The changes to the financial plan proposed above may be summarized in the following table:

| | | |
|---|---|------------------|
| <u>Eliminate Capital Projects</u> | | |
| PRK-19-007 | Event Tent & Chairs | (8,600) |
| RDS-17-038 | Sidney Ave Thermoplastic Crosswalks | (17,000) |
| | | (25,600) |
| <u>Reduce Capital Projects</u> | | |
| PWG-16-005 | Scissor Lift | (10,000) |
| | | (10,000) |
| <u>Alternate Funding for Capital Projects</u> | | |
| COM-09-003 | Computer Equipment Fund | (5,000) |
| ADM-20-001 | Tempest - Utility Account Change Management | (5,000) |
| ADM-20-003 | Tempest - Utility eApply Auto Debit | (17,700) |
| BLD-20-001 | Tempest - eInspections | (10,500) |
| COM-20-002 | Tempest - Calls for Service Mobile | (10,000) |
| POL-20-002 | RCMP Heating System | (10,453) |
| POL-20-003 | RCMP Window Replacement | (14,361) |
| POL-20-004 | RCMP Cell/Interview Room Renovations | (9,575) |
| POL-20-005 | RCMP Garage Door | (9,575) |
| | | (92,164) |
| <u>Eliminate Supplemental Item</u> | | |
| | Install Seagull Deterrents on Light Poles | (5,000) |
| | | (5,000) |
| <u>Add Tax Funding for Supplemental Item</u> | | |
| | Tsehum Harbour Environmental Management | 10,000 |
| | | 10,000 |
| | Total Reduction in Property Tax Impacts: | (122,764) |
| | Updated Property Tax Impact if all approved: | 1.96% |

FINANCIAL IMPLICATIONS:

If approved by Council, the proposed changes discussed in this report would reduce the tax increase in the draft financial plan from 2.98% to 1.96% (\$29/year or \$2.44/month). These and other potential reductions may be discussed during final budget deliberations on the 18th.

Council should be aware, however, that a financial plan featuring a tax increase below inflation cannot be achieved every year without impacting the Town's financial sustainability in the longer term.

RECOMMENDATION:

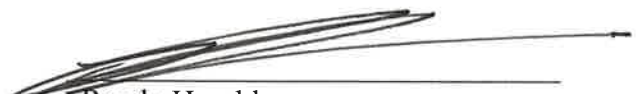
That Council receive this report for information, and consider some of the tax reduction options discussed in the report.

Respectfully submitted,



Andrew Hicik
Director of Corporate Services

I concur,



Randy Humble
Chief Administrative Officer