

# Financial Plan

# 2013-2017

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April 2013  
(revised April 10, 2013)

City of  
Revelstoke

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### **Vision Statement**

Revelstoke will be a leader in achieving a sustainable community by balancing environmental, social and economic values within a local, regional and global context. Building on its rich heritage and natural beauty, this historic mountain community will pursue quality and excellence.

Revelstoke will be seen as vibrant, healthy, clean, hospitable, resilient and forward thinking. It will be committed to exercising its rights with respect to decisions affecting the North Columbia Mountain Region.

Community priorities include: opportunities for youth; economic growth and stability; environmental citizenship; personal safety and security; a responsible and caring social support system; a first-class education system; local access to life-long learning; spiritual and cultural values; and diverse forms of recreation. All residents and visitors shall have access to the opportunities afforded by this community.

### **Mission Statement**

Our mission is to provide optimum quality services and security to our community and our visitors, in a fiscally responsible manner.

We will endeavor to provide cooperative, well-informed and innovative leadership in order to sustain our uniquely superior quality of life.

We are committed to fostering a strong sense of community in Revelstoke, and we will be responsive and adaptive to changing social, political and economical conditions.

## Official Community Plan Extract

### “3.6 MUNICIPAL FINANCE

#### *Background*

The rapid growth of the community with the RMR development creates challenges for balancing City revenues, costs and investments.

City operating revenues are sourced from property taxes, and fees for various services, the grant-in-lieu of taxes from BC Hydro for the Revelstoke dam, cost sharing arrangements for particular services with the Columbia Shuswap Regional District (e.g. fire protection) and provincial transfers. Other cost sharing arrangements with the Columbia Shuswap Regional District include or may include the airport, cemetery, or parks and recreation.

Projected operating costs currently exceed these revenues, prompting the need for careful consideration of service levels to avoid unacceptable tax increases.

Substantial capital investments are necessary for roads, buildings, equipment, water, and sewer enhancements to meet the needs of the growing community. These investments are funded through general revenues, reserves, borrowing, development cost charges, grants, and, for tourism infrastructure, resort municipality hotel tax revenues. While development cost charges are designed to fund infrastructure for new development over the long term, in the short term the City may have to finance community infrastructure improvements, often without certainty about when developments, and development cost charges will be realized.

The City prepares a five-year financial plan which is updated annually. The recent global economic recession has slowed development plans in the community. This has further exacerbated the challenge of managing municipal finances to anticipate the needs of future growth when the timing of such growth is uncertain.

#### *Community Goals*

- Appropriately balance revenue limitations with expenditures and investments to meet community needs over the long-term.
- Maintain effective management, efficiencies and accountability of the City’s fiscal budgets and operations.

#### *Policies*

- Annually prepare a 5-year Financial Plan, with community consultation to sustainably balance revenues with operating costs and capital investments, retaining adequate reserves.
- Include lifecycle analysis of major municipal capital purchases recognizing that maintenance and operations are a significant component of municipal expenditures.
- Identify and plan for the efficient allocation of traditional and non-traditional funding sources.

- Continue to pursue senior government funding opportunities (i.e. additional Hotel Tax, Gas Tax, and infrastructure or other grant funding).
- Manage and acquire City owned lands consistent with a Land Acquisition Strategy.
- Develop partnerships and share resources and funding with private, public and non-profit organizations, cooperatively pursuing resources and funding.
- Develop a cost recovery analysis and fee structure for all City fee-for-service functions.
- Consider development tax incentives and fees that promote community amenities such as affordable housing, aging in place, parks and recreation, green space and public safety.
- Work with the Provincial assessment authority and other municipal partners to balance property taxation and achieve a more equitable taxation system.
- Develop a risk evaluation in conjunction with the City's insurance provider.
- Assess and evaluate unfunded mandates from senior levels of government.
- Explore tax increment financing or deferred taxation funding that enhances heritage properties, and economic development.
- Ensure City financial policies and practices are consistent with the Official Community Plan.
- Appreciate the importance of volunteerism in fulfilling community priorities and supplementing City resources.”

## 2013 Council Priorities

Council recognizes that the City of Revelstoke has challenges to meet increasing demands for services while minimizing or reducing taxation and at the same time Council affirms priorities arising from the City of Revelstoke's vision as a community. With this framework, Council has proposed the following 2013 Council Priorities:

### Efficient Operation of City Programs

- Complete or provide effective support for ongoing programs as directed by Council.
- Set a schedule for reviewing Council programming policies.
- Ensure programs promote a healthy active and inclusive community
- Delivery of services enhances safety and protection of our citizens

### Improve Fiscal Policies

- Retain conservative policies that ensure appropriate controls, transparency, operations review, tight control on spending and taxes.
- Initiate quarterly departmental budget review at the committee level.
- Review official council fiscal policies and affirm or amend where appropriate.

### Operations Review

- Complete an independent third party operations review (contracted) of at least one City Program.
- Continue to encourage a review of municipal audit with the newly appointed municipal auditor's office.
- Consider review of all departments by independent consultant subject to budgetary constraints.

### Communications Enhancement

- Continue in the quest to establish clear, concise, effective, open and transparent governance.
- Conduct a community satisfaction survey.
- Standardized committee reporting structure.

## Introduction

The 2013-2017 Financial Plan is presented in a revised format this year. It is hoped that this simplified presentation will enable readers to better understand the complexities of the financial plan.

The financial plan starts with a consolidated summary (see Table 16, page 12) with following subsidiary schedules which provide further, progressive detail supporting the consolidated plan.

The consolidated financial plan shows the operating expenses for all departments, including water and sewer. It also shows all the operating expenses by type. This provides the reader with not only an indication of the proposed expenditures per department but also how those expenditures are allocated between the various cost types.

There have been several previous versions of the plan. This is the final one.

## Meeting Council Priorities

Council has set a number of priorities for 2013, some of which will have a direct impact on the financial plan. The most notable of these are:

- The inclusion of \$50,000 for a departmental review. City Council has authorized a review of the Fire Department for 2013.
- The inclusion of one additional police officer in 2013<sup>1</sup>.
- No cuts in programmes or services.

<sup>1</sup> This will bring the municipal force to 12. The city also pays for 2.5 administrative FTE's, which includes the Court Liaison Officer.

- Modest property tax increases in line with CPI<sup>2</sup>.
- An increase in reserves and a reduction in reliance on general debt funded by a one time increase in property taxes in 2013 of 1.5%.

## Consolidated Results

For the 2013-2017 period the projected consolidated results are as follows:

\$'millions	2013	2014	2015	2016	2017
<b>Revenue</b>	22.32	22.49	23.22	24.00	24.27
<b>Expenses</b>	20.78	20.46	20.89	21.20	21.21
<b>Surplus</b>	1.54	2.03	2.33	2.80	3.06

Table 1 – Consolidated Results

The surplus shown in Table 1 above is the consolidated operating surplus before accounting for capital out of revenue, debt principal repayments, transfers from equity in capital assets (to cover amortization) and transfers to reserves. After accounting for these items the net surplus becomes:

\$'millions	2013	2014	2015	2016	2017
<b>Net surplus</b>	0.61	0.47	0.28	0.60	0.55
<b>Accumulated surplus</b>	1.24	1.71	1.99	2.58	3.13

Table 2 – Net consolidated surplus

The accumulated consolidated surplus can be attributed to each of the three operating areas as follows:

\$'millions	2013	2014	2015	2016	2017
<b>General</b>	0.87	1.29	1.56	2.11	2.58
<b>Water</b>	0.02	0.06	0.07	0.09	0.14
<b>Sewer</b>	0.34	0.35	0.35	0.38	0.40
<b>Total</b>	1.24	1.71	1.99	2.58	3.13

Table 3 – Accumulated surpluses

<sup>2</sup> The inflation rate for Canada in September 2012 was 2%. The central bank's target is 2%.



### Major Assumptions

The consolidated results are based on the following assumptions:

- Service levels are maintained at their current levels
- CPI will continue generally in the 2% range<sup>3</sup>.
- Property taxes will increase at an average of 2% a year<sup>4</sup> (except 2013).
- Property tax growth from new construction will average 3% a year<sup>5</sup>
- Fees and charges rates will increase approximately in line with CPI.
- Utility rates will increase generally at a higher rate than CPI to meet operational and capital requirements.

### Consolidated Revenues

The total consolidated revenue in 2013 is expected to increase by about 9.1% over 2012 (including non-TCA funding). If non-TCA funding

<sup>3</sup> CPI is not the best indicator of future cost increases for municipalities because it is not representative of the types of goods and services normally purchased by local governments. Since municipalities' costs are more likely to involve construction, road maintenance etc. these costs are more aligned with the price of oil and the construction cost index (ENR). The City of St. Albert, AB, has forecast that its MPI for 2013 will be 3.5% and in the last 3 years it has been between 3.1% and 3.7%. (www.stalberttaxpayers.org/index.org/index\_html\_files/03\_AR\_MPI.pdf)

<sup>4</sup> In accordance with Bill 55 the Class 2 (Utility rate) is set at 2.77 times the Class 6 (Business) rate. Therefore, the property tax increase for Class 2 may not equal the average. Also, in 2012, Council reduced the Class 4 (Major Industry) rate to equate to the Class 5 (Light Industry) rate. If the same approach is adopted in 2013, the rate increase for Class 4 may not equal the average.

<sup>5</sup> The average for the last five years has been 5%.

is excluded from the calculation the increase becomes 7.28%.

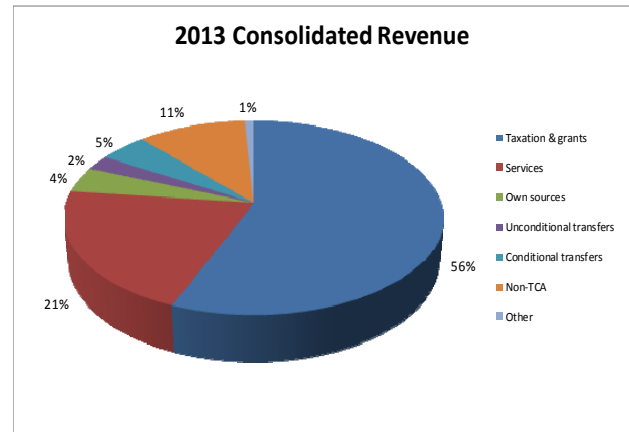


Figure 1 – 2013 Consolidated revenue

Revenue growth is attributable to the main categories as follows:

\$	2012	2013	% Inc.
<b>Taxation &amp; grants</b>	11,953,600	12,520,626	4.7%
<b>Services</b>	4,209,607	4,645,518	10.4%
<b>Own sources</b>	989,800	956,300	-3.4%
<b>Unconditional transfers</b>	550,000	550,000	0.0%
<b>Conditional transfers</b>	685,000	1,064,000	55.3%
<b>Non-TCA</b>	1,882,000	2,399,150	27.5%
<b>Other</b>	180,945	184,782	2.1%
<b>Total</b>	<b>20,450,952</b>	<b>22,320,376</b>	<b>9.1%</b>
<b>Exc. Non-TCA</b>	<b>18,568,952</b>	<b>19,921,226</b>	<b>7.28%</b>

Table 4 – Revenue growth

### Consolidated Operating Expenses

Total consolidated operating expenses in 2013 are expected to increase by about 8.3% over 2012 (including non-TCA expenditures). If non-TCA expenditures are excluded from the calculation then the increase becomes 5.6%.

The following table indicates the main cost drivers:

## 2013-2017 Financial Plan

\$	2012	2013	% Inc.
<b>Employment</b>	6,663,010	6,969,150	4.6%
<b>Contracted services</b>	2,819,290	3,057,595	8.5%
<b>Miscellaneous</b>	1,625,420	1,817,220	11.8%
<b>Other operating</b>	3,218,375	3,390,675	5.4%
<b>Amortization</b>	1,725,000	1,725,000	0.0%
<b>Interest</b>	1,005,957	1,056,343	5.0%
<b>Non-TCA</b>	2,124,326	2,763,092	30.1%
<b>Total</b>	19,181,378	20,779,075	8.3%
<b>Exc. Non-TCA</b>	17,057,052	18,015,983	5.6%

Table 5 – Main cost drivers

A more detailed analysis of the various cost drivers can be found on pages 12 – 18.

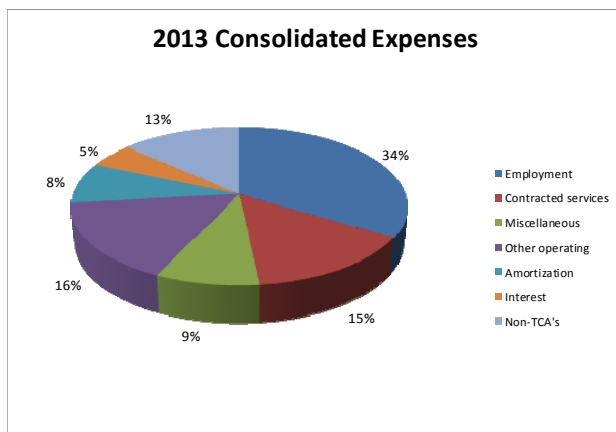


Figure 2 – Consolidated operating expenses

### Consolidated Capital Expenditures

The city's capital works programme incorporates a variety of different projects from road reconstruction to vehicle replacement, to major repairs and other non-reoccurring asset maintenance items. City Policy F-10 (Capital Asset) sets the parameters for capitalization of assets (TCA's) and those that must be expensed in the year of acquisition (non-TCA's). TCA's are amortized over their useful lives and, again,

Policy F-10 sets the applicable amortization rate according to the category of asset.

In summary, TCA expenditures are expected to be as follows:

\$'000's	2013	2014	2015	2016	2017
<b>General</b>	4,488	1,165	1,554	1,351	1,295
<b>Water</b>	582	405	298	325	621
<b>Sewer</b>	919	1,250	2,220	2,690	1,399
<b>Total</b>	5,989	2,820	4,072	4,366	3,315

Table 6 – Capital expenditures

and funding for these expenditures is anticipated to come from the following sources:

\$'000's	2013	2014	2015	2016	2017
<b>Reserves</b>	1,819	780	836	709	721
<b>Grants</b>	1,371	0	1,333	1,667	806
<b>Debt</b>	2,015	1,844	1,402	1,384	403
<b>DCC's</b>	300	0	0	0	290
<b>Revenue</b>	484	196	501	606	1,095
<b>Total</b>	5,989	2,820	4,072	4,366	3,315

Table 7 – Capital funding

Some of the capital projects being considered over the next five years include:

Project	\$	Year
City hall stucco, renovations and elevator	800,000	2013
Fire truck #2	500,000	2014
Water tender	225,000	2015
Visitor information centre	1,200,000	2013
Court House roof dome	300,000	2013
CPR Hill PRV	115,000	2013
TCH water main (Oak Drive)	200,000	2014
STP expansion	1,200,000	2017
Sewer outflow relocation	4,500,000	2015-2016
Downie force main replacement	1,000,000	2014

Table 8 – List of Capital Projects

Road reconstruction is estimated to be \$4.3 million over the next five years. Amortization of roads and bridges amounts to about \$500,000 a year. So the city is investing in its transportation infrastructure at a higher rate than that at which it is being consumed. However, it is not clear at this time whether this differential is sufficient to address the accumulated infrastructure deficit in a reasonable timeframe.

The equipment replacement programme introduced many years ago continues to eliminate aging and costly to maintain equipment. Public Works reports that in 2007 the average age of its fleet was 13.64 years and that in 2012 it is 8.94 years.

### Opportunities for Cost Reduction

Over the past 20 years, federal government expenditures in constant dollars per capita have been declining, while their revenues have been increasing. Provincial /territorial government expenditures have been increasing at almost the same rate as their revenues. However, both federal and provincial government revenues fell in 2009. Municipal government expenditures have been increasing at a faster rate than their revenues over the past 20 years<sup>6</sup>.

It is important to appreciate that the city is subject to a variety of different cost pressures:

- Inflation.
- Demands for new or improved services.
- Development growth.
- Downloading from senior governments.

One method of establishing fiscal impact assumes that there is a direct correlation between growth in the number of parcels and new construction value, and operating costs.

<sup>6</sup> Federation of Canadian Municipalities – *The State of Canada’s Cities and Communities 2012*

Based on this approach, the following table indicates the rate at which the city’s costs should have increased over the last three years compared to budgeted increases:

	2010	2011	2012	Total
<b>Based on growth</b>	4.39%	2.10%	1.62%	8.11%
<b>Budget inc. Non-TCA</b>	1.88%	0.89%	0.83%	3.6%
<b>Budget exc. Non-TCA</b>	1.88%	2.96%	1.99%	6.83%

Table 9 – Cost escalation comparison

It can be seen that, over the last three years, the budgeted increase in operating costs was less than what could have been expected as the result of development growth. Although in the last two years the budget, excluding non-TCA’s, shows a higher rate of increase than would be expected under this methodology. It is difficult to pinpoint exactly why this should be, but the introduction of the residential recycling service in 2012 is an obvious example of “budget creep”.

Nevertheless, there is always opportunity for cost reduction but this inevitably requires some difficult decisions on the part of Council. For example, in April 2012, Golden City Council announced that it would be eliminating its transit service. “We had to take a hard look at under-performing services in fairness to the taxpayer and in this case make a possibly unpopular but logical decision”. (*Mayor Christina Benty*).

It is the responsibility of management to follow Council’s direction in the provision of services to our citizens in the most efficient and cost

effective way possible. There are frequent decision points arising during the delivery of services that provide opportunities for staff to control costs. Ultimately though, in order to achieve significant cost reductions, decisions will have to be made on whether certain services continue to be delivered. This could mean the elimination of a service in its entirety or a reduction to a level that is acceptable.

### *Employment Costs*

As employment costs represent almost 40% of all city operating expenses, it is clear that any substantial reduction in costs will involve reductions in the labour force.

A zero based budget approach is used in determining employment costs in the financial planning process. Each year an estimate is made of the hours required to carry out the city's various functions and work projects. For 2013, this number is 157,159 hours<sup>7</sup> and includes 4,137 hours of overtime. The anticipated cost, including benefits, amounts to \$6,929,904 , which includes \$118,600<sup>8</sup> for Mayor and Council and \$62,600<sup>9</sup> for the volunteer firefighters. The actual budgeted cost in the consolidated financial plan for 2013 is \$6,969,150<sup>10</sup>. Clearly, this area presents the greatest opportunity for cost reduction which can be achieved by trimming the hours committed to selected work

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<sup>7</sup> This number does not include hours committed to capital projects.

<sup>8</sup> Assuming an anticipated \$2,000 increase over 2012.

<sup>9</sup> This includes the monthly stipend, weekend standby compensation and disability insurance.

<sup>10</sup> This number now includes a provision of \$98,000 for increased wages for firefighters following the settlement of the 2010-2011 IAFF contract.

projects and services. However, this could impair the effectiveness of certain works and the level of some services.

Total employment costs include for the first time in 2013:

1. Child Care staff previously included as seasonal programming expenses (about \$60,000 including benefits).

It should be noted that the new public holiday slated for February 2013 will cost the City about \$20,000 in lost productivity. This does not include the cost of additional overtime which is unquantifiable at the time of writing this report.

### *Subcontract Costs*

These include certain mandatory expenditures such as the RCMP contract, Victim Services and Transit which make up the bulk of this expense. Other subcontract costs may not be mandatory but are essential, such as snow removal. Of these expenses perhaps about \$1 million might be considered non-contractual or discretionary. (See Table 21, page 17).

### *Miscellaneous Costs*

A substantial portion of these expenditures (about \$800,000) are offset by equivalent revenues. The balance of about \$500,000 or so relates to discretionary items. (See Table 22 page 18).

### *Long Term Debt*

The city is restricted by the Community Charter as to how much it can borrow long term. It can only borrow long term<sup>11</sup> for specific assets and not operational expenses. Also, the length of the loan cannot exceed the useful life of the asset acquired. There are also specific

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<sup>11</sup> Any period between 5 and 30 years.

regulations set by the province that limits the city’s capacity to borrow long term.

Over the past 10 years or so the city has borrowed to help fund several major projects. These include the RCMP building, the water filtration plant and the aquatic centre. Almost 50% of the principal and interest applicable to the RCMP building is reimbursed to the city by the federal government by way of rent, while the city’s contribution through debt to the filtration plant and aquatic centre leveraged significant grant funding. We have also borrowed to add new infrastructure such as the Arrow Heights water reservoir and to replace aging infrastructure such as the TCH reservoir. However, a portion of the city’s accumulated long term debt relates to road reconstruction and, although these are assets and do have an expected life in excess of the debt contracted, there is a valid argument that perhaps long term debt should not be used for this type of project. The problem for the city has been the lack of alternative funding to tackle the issue of road replacement. However, the financial plan shows that, by instituting an additional, one time, property tax increase of 1.5% in 2013, our reliance on borrowing can be decreased going forward. In fact, the need to borrow for road reconstruction is fully eliminated before the end of the plan. As a consequence our general and water debt decrease by the end of the five year plan.

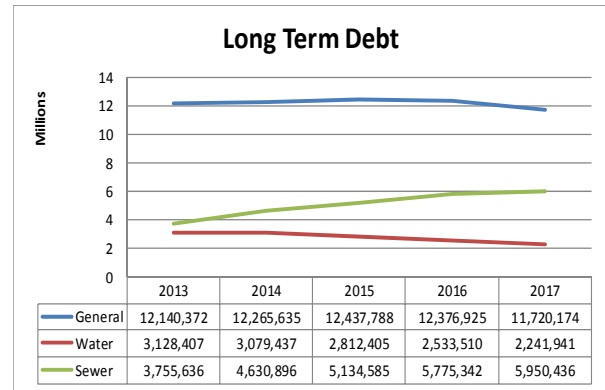


Figure 3 – Long term debt

However, sewer borrowing continues to grow. The projects driving the increase in borrowing are the Illecillewaet sewer outflow relocation to the Columbia River and further upgrades to the sewer treatment plant. It has been assumed that grant funding will be available from senior governments for the sewer projects, but if these are not forthcoming it will mean a significant increase in debt.

**Capital Reserves**

If the city is to reduce its reliance on borrowing then it must ensure that sufficient funds are placed in reserve to meet the future cost of capital projects. Grant funding from senior governments continues to become less prevalent and they have made it clear that they do not intend to fund the same asset twice. In other words, once the city has received grant funding to replace an asset its subsequent replacement will be entirely at our cost.

The current financial plan forecasts reserve funds to be at the following levels at the end of each year:

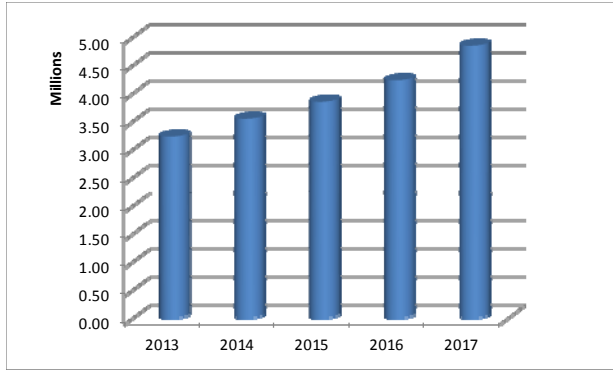


Figure 4 - Reserves

The balances shown in the foregoing chart do not include the Electric Utility Reserve Fund, or the Snow Removal Reserve Fund. The Electric Utility Reserve Fund contains \$1 million which is fully invested in Revelstoke Community Energy Corporation (RCEC). The Snow Removal Reserve Fund is being funded at \$50,000 per year from general operating. By the end of 2017 it is anticipated that this fund will contain almost \$300,000 provided that it does not need to be used in the interim to help equalize unexpectedly heavy snow removal costs.

In 2013, there is a significant disparity between the amount of funding going into the reserves and the amount being withdrawn to meet expenditures:

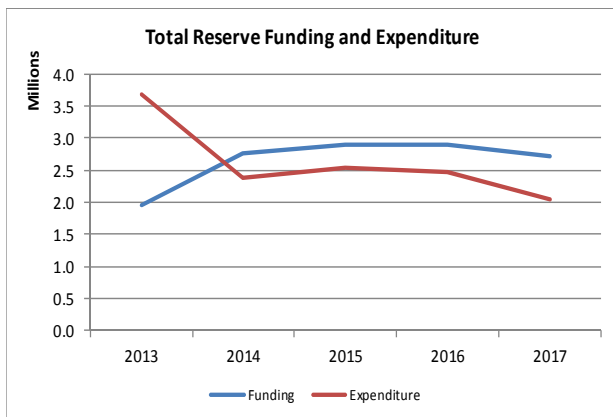


Figure 5 – Total Reserve Funding and expenditure

The funding gap in 2013 needs to be eliminated or narrowed considerably if the city is to maintain and build its reserve funds effectively.

### Property Taxes

Property taxes are forecast to increase on average across all classes combined as follows:

2013	2014	2015	2016	2017
3.96%	2.00%	2.00%	2.00%	2.00%

Table 10 – Property tax increases

In 2013, the increases and decreases for the individual property tax classes are as follows:

Class	Increase/-Decrease
1 Residential	3.50%
2 Utility	1.68% <sup>12</sup>
4 Major Industry	23.28% <sup>13</sup>
5 Light Industry	3.50%
6 Business	3.50%
8 Seasonal	3.50%
Average	3.96%

Table 11 – Property tax increases by class

City Policy F-9 Revenue and Property Tax sets a target of Class 1 Residential property taxes being 50% of the overall tax burden. A substantial shift in NMC assessment value for 2013 appeared to make this target challenging going forward. However, the revised roll published at the end of March 2013 indicates that the NMC shift has been largely reversed. In 2013, the property tax pie is divided as shown in the following chart:

<sup>12</sup> The Class 2 rate is restricted to a maximum of 2.77 times the Class 6 rate. Therefore, this percentage change may alter depending upon the actual variation in assessment values and tax rates.

<sup>13</sup> It is assumed that the Class 4 rate will be the same as Class 5 in accordance with Council’s direction in 2012.

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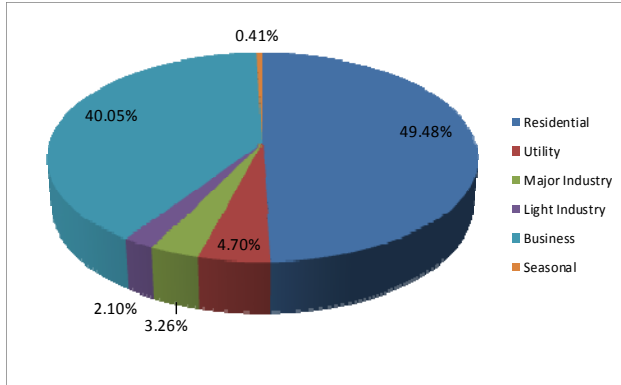


Figure 6 – Share of property tax by class

Property tax growth (revenue from new construction) is expected to contribute a further \$205,597 (or 2.46%)<sup>14</sup> in new tax revenue in 2013 and then continue to grow at about 3% a year for the remainder of the financial plan. An amount of \$49,244 has been excluded from the 2013 taxation revenue budget as a hedge against future fluctuations caused by ongoing and potential assessment appeals<sup>15</sup>.

What does this mean for individual property owners? Well, for home owners the following table indicates the average tax increase<sup>16</sup> applicable to example assessment values:

<sup>14</sup> This is based on BCAA's number of \$24,638,300 (net) in new construction (NMC).

<sup>15</sup> See 2013 revised assessment roll.

<sup>16</sup> Relates to municipal taxes only and does not include school taxes, CSRD, MFA, BCAA, or utilities.

House	A	B	C
<b>Assessment</b>			
2012	\$100,000	\$250,000	\$500,000
2013	\$94,190	\$235,476	\$470,952
<b>Taxes</b>			
2012	\$401	\$1,003	\$2,006
2013	\$415	\$1,038	\$2,076
<b>Increase</b>	<b>\$14</b>	<b>\$35</b>	<b>\$70</b>

Table 12 – Taxes on example houses

For business owners falling within Class 6, the results are as follows:

Business	A	B	C
<b>Assessment</b>			
2012	\$100,000	\$250,000	\$500,000
2013	\$104,041	\$260,101	\$520,203
<b>Taxes</b>			
2012	\$1,841	\$4,603	\$9,206
2013	\$1,906	\$4,764	\$9,528
<b>Increase</b>	<b>\$64</b>	<b>\$161</b>	<b>\$322</b>

Table 13 – Taxes on example businesses

The property tax increases shown in the foregoing tables are based on average increases or decreases in assessment values.

Since 2009, Class 4 (Major Industry) taxation<sup>17</sup> will have been reduced from just over \$400,000 to \$289,459 in 2013 as shown in the chart below:

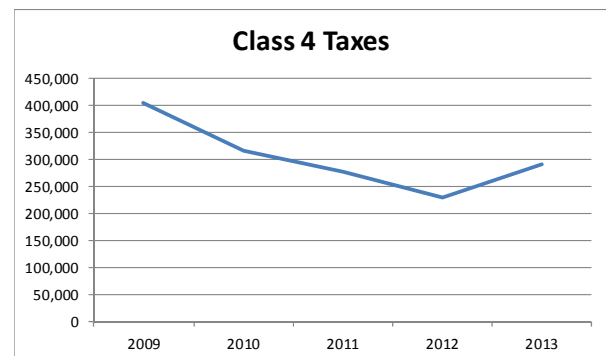


Figure 7 – Class 4 taxes

<sup>17</sup> Downie Timber is the only taxpayer in this class.

Overall, property tax increases have averaged approximately 1.5% a year over the last 3 years. This has been achieved by progressively reducing Class 4 taxation and increasing Class 6 at a lower rate than Class 1.

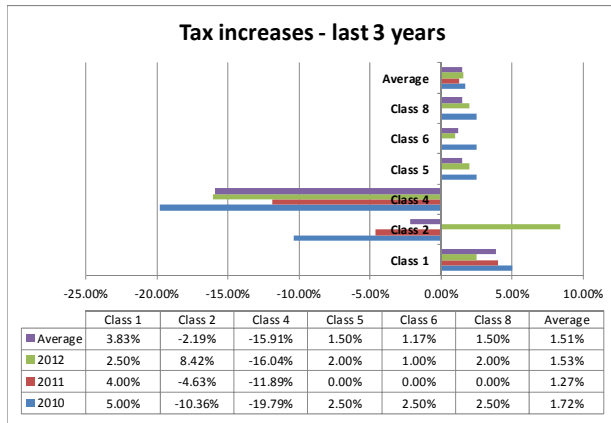


Figure 8 – Tax increases – last 3 years

### Utility Rates

As mentioned previously in this report, utility rates are forecast to increase over the term of the financial plan. Utility rates (both residential and commercial) are proposed to increase as follows:

Rate Inc.	2013	2014	2015	2016	2017
Water	2.1%	3.0%	2.9%	4.2%	2.7%
Sewer	15.4%	4.4%	8.5%	0.0%	2.0%
Garbage	0.0%	2.0%	2.0%	2.0%	2.0%

Table 14 – Utility rate increases

Residential utility rates will be:

	2013	2014	2015	2016	2017
Water	\$335	\$345	\$355	\$370	\$380
Sewer	\$225	\$235	\$255	\$255	\$260
Garbage <sup>18</sup>	\$148	\$150	\$156	\$158	\$160

Table 15 – Residential utility rates

<sup>18</sup> The garbage collection and disposal rate includes the residential recycling fee.

### Economic Outlook

At the time of writing this report the global economic climate remains unsettled. Economic recovery is struggling against persistent debt issues in Europe and muted growth expectations in North America. The Bank of Canada has indicated that interest rates will eventually have to rise and that this might be sooner rather than later. However, Canadian inflation appears contained within the central bank’s target range so there would appear to be little argument for rates to increase any time soon.

In spite of these headwinds, the ski hill operation continues to grow each year and the local business community appears not only to be weathering the storm but thriving. “ In 2011 over 50 % of Revelstoke’s business community thought that their business was doing good or excellent, compared with only 8.6% stating it was poor” (Palmer, 2011)<sup>19</sup>.

It has been forecast that the Canadian dollar will remain at or around par with the US dollar for the foreseeable future. TD Waterhouse, in its summer 2012 newsletter, has predicted that the Canadian currency will rise to US\$1.05 in 2013.

The city does purchase goods and services from American suppliers for its operations and certain capital items, such as the new ladder fire truck (scheduled for delivery and payment in 2013). Therefore, the city is exposed to exchange rate fluctuations<sup>20</sup> which could have

<sup>19</sup> City of Revelstoke 2011 Annual Report published July 2012.

<sup>20</sup> In September 2012, the City purchased US\$900,000 for CAN\$878,750 to hedge against the potential impact of currency fluctuation on the cost



an impact on its budget. For the purposes of this financial plan it has been assumed that the Canadian dollar will remain on par with its US counterpart.

Economic uncertainty has impacted the city in recent years by way of the erratic nature of building development. Over the last 5 years new construction has been as shown in the following chart:

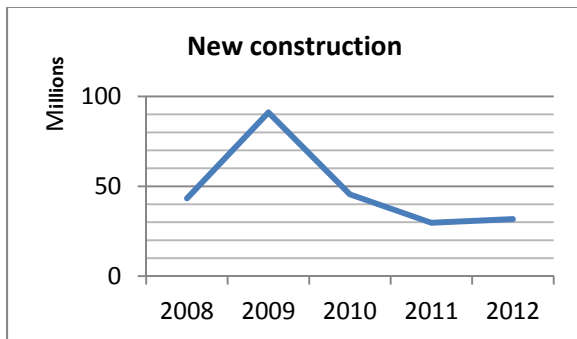


Figure 9 – New construction

As a result, it is difficult to predict with any degree of accuracy what the level of future activity might be and, therefore, the demand for future services along with the potential for future tax growth.

### Risks to the Plan

There are several risks that could impact the financial plan as presented:

- The final results for 2012 will not be known until the spring of 2013. Several revenue streams have not materialized. The FortisBC franchise fee of \$104,000 will not be received in 2012 and building permits are likely to be \$50,000 less than forecast. Also, the unexpected culvert replacement in 2012 is likely to

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of the ladder truck.

come in at around \$180,000 or so – which was an unbudgeted expense. Consequently, the forecast surplus for 2012 of \$329,000 is likely to be exhausted.

- The snow removal budget remaining for 2012 is about \$250,000. This may or may not be sufficient.
- The accumulated general operating surplus at the end of 2011 is only about \$50,000. If the results for 2012 show a deficit that exceeds this number, the excess must be recovered in the following year's budget.
- Appeals against assessment values continue to be made and these are often successful resulting in lost revenues to the city which can potentially be substantial.
- The current CUPE collective agreement expires December 31, 2013.
- The IAFF collective agreement for 2010-2011 has been settled, but firefighters have been without a contract since January 1, 2012.

### Conclusion

This is the final version of the financial plan for 2013-2017.

The reversal of the NMC numbers for 2013 from Class 6 to Class 1 has had a significant impact on the budget for 2013 and subsequent years. The loss of this income has been largely compensated for in other areas. However, it is very likely that appeals against assessment values and property classifications will continue into the foreseeable future which will create uncertainty in determining future tax revenues.

The pressure to deal with an ever increasing burden of capital projects as our infrastructure

is consumed places acute stress on our limited resources. This is particularly evident in water and sewer functions where significant rate increases are anticipated in order to meet the costs of capital projects.

In order to ensure that tax and rate increases are maintained at reasonable levels it will be necessary to continue to critically review both capital projects and service levels.

## 2013-2017 Financial Plan

### Consolidated Financial Plan

	2013	2014	2015	2016	2017
	Budget	Budget	Budget	Budget	Budget
<b>Revenues</b>					
Taxation and grants	-12,520,626	-13,037,580	-13,564,492	-14,146,905	-14,737,866
Sale of services	-4,645,518	-4,739,695	-4,886,075	-4,969,081	-5,055,310
Other & own sources	-956,300	-1,031,300	-990,300	-1,033,300	-1,015,900
Provincial unconditional transfers	-550,000	-600,000	-600,000	-600,000	-599,999
Provincial conditional transfers	-1,064,000	-1,041,500	-1,041,500	-1,041,500	-1,041,500
Non- TCA funding	-2,399,150	-1,838,800	-1,872,900	-1,898,800	-1,464,200
Other contributions & donations	-184,782	-201,612	-262,913	-310,333	-356,008
<b>Total Revenues</b>	<b>-22,320,376</b>	<b>-22,490,487</b>	<b>-23,218,181</b>	<b>-23,999,920</b>	<b>-24,270,783</b>
<b>Operating Expenses by type</b>					
Employment costs	6,969,150	7,100,600	7,190,050	7,331,350	7,530,650
Travel and meeting expenses	41,850	42,500	43,550	44,200	47,650
Telephone	58,800	61,650	63,950	67,000	69,600
Advertising	68,650	71,150	68,150	69,250	78,450
Licences and insurance	235,740	236,890	239,200	242,200	248,000
Memberships & conferences	106,800	107,100	110,300	110,450	117,950
Contracted services	3,057,595	3,179,745	3,350,195	3,393,745	3,487,147
Office supplies	45,500	51,650	55,000	56,600	58,250
Utilities	821,000	844,750	867,300	890,050	909,600
Miscellaneous	1,817,220	1,771,570	1,776,320	1,759,320	1,739,620
Freight, courier & postage	29,000	29,150	30,800	30,900	31,600
Legal & professional	106,600	114,100	112,600	113,100	117,100
Maintenance of buildings & equipment	371,550	374,150	390,650	398,150	413,250
Materials & supplies	570,935	580,210	587,800	587,300	611,000
Equipment rental (internal & external)	416,500	417,850	418,450	425,700	427,000
Grants-in-aid	90,000	90,000	95,000	95,000	100,000
Vehicle maintenance & fuel	427,750	441,000	453,000	471,000	489,250
Amortization	1,725,000	1,725,000	1,725,000	1,725,000	1,725,000
Interest	1,056,343	1,122,616	1,180,298	1,227,660	1,264,541
Sub-total	18,015,983	18,361,681	18,757,613	19,037,975	19,465,658
Non-TCA expenditures	2,763,092	2,094,814	2,128,965	2,165,418	1,741,899
<b>Total operating expenses by type</b>	<b>20,779,075</b>	<b>20,456,495</b>	<b>20,886,577</b>	<b>21,203,393</b>	<b>21,207,557</b>
<b>Operating Expenses by Department</b>					
General Government	1,944,075	1,865,150	1,835,200	1,862,900	1,934,900
Fire Protection	1,618,100	1,700,800	1,697,100	1,753,150	1,645,300
Provincial Emergency Program	92,000	92,000	92,000	92,000	92,000
Planning, Building and Bylaw Enforcement	819,100	625,100	670,600	680,100	690,950
Animal and Pest Control	133,250	128,550	129,200	135,900	130,150
Police and Court House services	1,873,595	1,934,495	2,037,995	2,058,495	2,127,495
Public Works	4,234,402	4,395,274	4,640,125	4,760,378	4,659,109
Transit	339,000	339,000	339,000	339,000	339,001
Environmental Health (Garbage collection and Recycling)	427,900	426,900	437,500	439,500	451,750
Public Health and Welfare (Cemetery)	166,200	114,450	132,250	119,500	128,350
Community Economic Development	1,564,600	1,565,650	1,512,200	1,459,200	1,462,700
Recreation and Culture	3,186,060	2,917,710	2,925,410	3,004,160	2,975,461
Amortization of capital assets	1,725,000	1,725,000	1,725,000	1,725,000	1,725,000
Water operating	945,100	843,600	864,650	868,150	891,200
Sewer operating	654,350	660,200	668,050	678,300	689,650
Debt interest payments	1,056,343	1,122,616	1,180,298	1,227,660	1,264,541
<b>Total operating expenses by Department</b>	<b>20,779,075</b>	<b>20,456,495</b>	<b>20,886,577</b>	<b>21,203,393</b>	<b>21,207,557</b>
Operating (Surplus)/Deficit	-1,541,301	-2,033,992	-2,331,603	-2,796,527	-3,063,227
Capital expenditures	5,988,663	2,819,721	4,071,507	4,365,533	3,314,809
Contributions from reserves	-1,818,500	-780,000	-836,000	-709,000	-721,000
Contributions from DCC's	-300,000	0	0	0	-290,000
Contributions from Grants	-1,371,000	0	-1,333,000	-1,667,000	-806,000
Debt proceeds	-2,015,000	-1,844,000	-1,402,000	-1,384,000	-403,000
Capital out of revenue	484,163	195,721	500,507	605,533	1,094,809
Debt principal	575,128	657,764	719,689	766,771	813,248
Transfer from equity in capital assets	-1,725,000	-1,725,000	-1,725,000	-1,725,000	-1,725,000
Transfers to reserve	1,600,000	2,436,000	2,558,000	2,550,000	2,335,000
(Surplus)/Deficit	-607,010	-469,507	-278,407	-599,224	-545,170
Accumulated (Surplus)/Deficit	-1,237,306	-1,706,813	-1,985,219	-2,584,443	-3,129,613

Table 16 – Consolidated Financial Plan

## 2013-2017 Financial Plan

### Consolidated Financial Plan Capital

### TANGIBLE CAPITAL ASSETS EXPENDITURES

### NON-TANGIBLE CAPITAL ASSETS EXPENDITURES

	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
<b>Expenditures:</b>										
General Government	930,000	85,000	95,000	15,000	15,000	265,150	142,400	85,400	71,900	93,000
Fire	915,000	0	0	0	0	329,100	377,300	394,100	421,600	242,600
PEP	0	0	0	0	0	0	0	0	0	0
Planning	0	0	0	0	0	210,000	2,400	2,400	2,400	0
Animal Control	5,000	0	0	0	0	5,000	0	0	6,500	0
RCMP & Court House	300,000	0	0	0	0	80,500	37,000	83,500	48,500	63,500
Land	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0
Public Works	727,663	839,721	1,245,507	1,156,533	1,179,809	947,592	1,074,014	1,172,865	1,242,918	1,061,499
Cemetery	0	0	0	0	0	64,200	10,700	25,900	11,400	18,700
CED	1,200,000	0	0	0	0	178,000	178,000	148,000	118,000	118,000
Recreation	310,000	140,000	113,000	79,000	0	463,550	173,000	110,800	142,200	38,600
<b>Total</b>	<b>4,487,663</b>	<b>1,164,721</b>	<b>1,553,507</b>	<b>1,350,533</b>	<b>1,294,809</b>	<b>2,543,092</b>	<b>1,994,814</b>	<b>2,022,965</b>	<b>2,065,418</b>	<b>1,635,899</b>
<b>Sources of funding:</b>										
Revenue	484,163	195,721	500,507	605,533	1,094,809	363,942	256,014	256,065	266,618	277,699
Building reserve	25,000	0	0	0	50,000	52,500	44,500	16,500	23,500	37,500
Fire reserve	0	0	0	0	0	328,200	362,300	379,100	406,600	227,600
Equipment reserve	227,500	85,000	105,000	15,000	50,000	762,300	883,300	994,600	1,033,600	855,800
Land reserve	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0
Cemetery reserve	0	0	0	0	0	64,200	10,700	25,900	11,400	18,700
RCMP reserve	0	0	0	0	0	52,000	32,000	67,000	38,500	37,000
Recreation reserve	265,000	140,000	113,000	79,000	0	396,050	163,000	100,800	132,200	28,600
Grants	1,245,000	0	0	0	0	110,900	15,000	15,000	15,000	15,000
Gas tax	126,000	0	0	0	0	363,000	198,000	168,000	138,000	138,000
DCC's	0	0	0	0	0	50,000	30,000	0	0	0
Debt	2,015,000	644,000	735,000	551,000	0	0	0	0	0	0
<b>Total</b>	<b>4,487,663</b>	<b>1,164,721</b>	<b>1,553,507</b>	<b>1,350,533</b>	<b>1,294,809</b>	<b>2,543,092</b>	<b>1,994,814</b>	<b>2,022,965</b>	<b>2,065,418</b>	<b>1,635,899</b>
<b>Expenditures:</b>										
Water	582,000	405,000	298,000	325,000	621,000	165,000	50,000	56,000	50,000	56,000
Sewer	919,000	1,250,000	2,220,000	2,690,000	1,399,000	55,000	50,000	50,000	50,000	50,000
<b>Total</b>	<b>1,501,000</b>	<b>1,655,000</b>	<b>2,518,000</b>	<b>3,015,000</b>	<b>2,020,000</b>	<b>220,000</b>	<b>100,000</b>	<b>106,000</b>	<b>100,000</b>	<b>106,000</b>
<b>Sources of funding:</b>										
Water reserve	582,000	205,000	298,000	325,000	331,000	130,000	25,000	31,000	25,000	31,000
Grant	0	0	0	0	0	10,000	0	0	0	0
DCC's	0	0	0	0	290,000	25,000	25,000	25,000	25,000	25,000
Debt	0	200,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>582,000</b>	<b>405,000</b>	<b>298,000</b>	<b>325,000</b>	<b>621,000</b>	<b>165,000</b>	<b>50,000</b>	<b>56,000</b>	<b>50,000</b>	<b>56,000</b>
<b>Sources of funding:</b>										
Sewer reserve	619,000	250,000	220,000	190,000	190,000	30,000	25,000	25,000	25,000	25,000
Grant	0	0	1,333,000	1,667,000	806,000	0	0	0	0	0
DCC	300,000	0	0	0	0	25,000	25,000	25,000	25,000	25,000
Debt	0	1,000,000	667,000	833,000	403,000	0	0	0	0	0
<b>Total</b>	<b>919,000</b>	<b>1,250,000</b>	<b>2,220,000</b>	<b>2,690,000</b>	<b>1,399,000</b>	<b>55,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Total Capital Expenditure</b>	<b>5,988,663</b>	<b>2,819,721</b>	<b>4,071,507</b>	<b>4,365,533</b>	<b>3,314,809</b>	<b>2,763,092</b>	<b>2,094,814</b>	<b>2,128,965</b>	<b>2,165,418</b>	<b>1,741,899</b>
<b>Total Sources of Funding:</b>										
Reserves	1,818,500	780,000	836,000	709,000	721,000	1,815,250	1,545,800	1,639,900	1,695,800	1,261,200
Grants and other	1,371,000	0	1,333,000	1,667,000	806,000	483,900	213,000	183,000	153,000	153,000
Debt	2,015,000	1,844,000	1,402,000	1,384,000	403,000	0	0	0	0	0
DCC's	300,000	0	0	0	290,000	100,000	80,000	50,000	50,000	50,000
Revenue	484,163	195,721	500,507	605,533	1,094,809	363,942	256,014	256,065	266,618	277,699
<b>Total</b>	<b>5,988,663</b>	<b>2,819,721</b>	<b>4,071,507</b>	<b>4,365,533</b>	<b>3,314,809</b>	<b>2,763,092</b>	<b>2,094,814</b>	<b>2,128,965</b>	<b>2,165,418</b>	<b>1,741,899</b>
<b>Total Long Term Debt</b>	<b>19,024,415</b>	<b>19,975,968</b>	<b>20,384,778</b>	<b>20,685,777</b>	<b>19,912,550</b>					
<b>Total Capital Reserves</b>	<b>3,227,131</b>	<b>3,542,693</b>	<b>3,845,230</b>	<b>4,227,571</b>	<b>4,841,820</b>					
<b>DCC Fund</b>	<b>1,597,249</b>	<b>2,700,460</b>	<b>3,826,747</b>	<b>4,960,742</b>	<b>5,807,371</b>					

Table 17 – Consolidated Capital Plan

## 2013-2017 Financial Plan

### General Operating Financial Plan

	2013	2014	2015	2016	2017
	Budget	Budget	Budget	Budget	Budget
<b>Revenues</b>					
Taxation and grants	-12,399,626	-12,916,580	-13,443,492	-14,025,905	-14,616,866
Sale of services	-2,120,442	-2,129,400	-2,151,074	-2,165,482	-2,186,236
Other & own sources	-956,300	-1,031,300	-990,300	-1,033,300	-1,015,900
Provincial unconditional transfers	-550,000	-600,000	-600,000	-600,000	-599,999
Provincial conditional transfers	-1,064,000	-1,041,500	-1,041,500	-1,041,500	-1,041,500
Non- TCA funding	-2,179,150	-1,738,800	-1,766,900	-1,798,800	-1,358,200
Other contributions & donations	-60,000	-60,000	-60,000	-60,000	-60,000
<b>Total Revenues</b>	<b>-19,329,518</b>	<b>-19,517,580</b>	<b>-20,053,266</b>	<b>-20,724,987</b>	<b>-20,878,701</b>
<b>Operating Expenses by type</b>					
Employment costs	6,456,900	6,576,600	6,654,300	6,783,850	6,969,900
Travel and meeting expenses	27,850	28,500	28,550	29,200	32,150
Telephone	53,800	56,650	58,950	62,000	64,600
Advertising	66,350	68,850	65,850	66,950	76,150
Licences and insurance	201,990	203,140	205,450	208,450	214,250
Memberships & conferences	106,800	107,100	110,300	110,450	117,950
Contracted services	2,871,295	2,988,945	3,155,895	3,197,945	3,285,847
Office supplies	45,500	51,650	55,000	56,600	58,250
Utilities	684,950	705,700	726,200	746,950	763,450
Miscellaneous	1,582,920	1,536,770	1,541,020	1,524,020	1,503,820
Freight, courier & postage	24,400	24,550	26,200	26,300	27,000
Legal & professional	106,600	114,100	112,600	113,100	117,100
Maintenance of buildings & equipment	371,550	374,150	390,650	398,150	413,250
Materials & supplies	384,635	390,410	394,500	390,500	409,200
Equipment rental (internal & external)	351,900	352,150	352,150	358,400	359,100
Grants-in-aid	90,000	90,000	95,000	95,000	100,000
Vehicle maintenance & fuel	427,750	441,000	453,000	471,000	489,250
Amortization	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Interest	591,646	637,519	663,462	685,324	697,191
Sub-total	15,646,836	15,947,784	16,289,077	16,524,189	16,898,458
Non-TCA expenditures	2,543,092	1,994,814	2,022,965	2,065,418	1,635,899
<b>Total operating expenses by type</b>	<b>18,189,928</b>	<b>17,942,598</b>	<b>18,312,042</b>	<b>18,589,607</b>	<b>18,534,357</b>
<b>Operating Expenses by Department</b>					
General Government	1,944,075	1,865,150	1,835,200	1,862,900	1,934,900
Fire Protection	1,618,100	1,700,800	1,697,100	1,753,150	1,645,300
Provincial Emergency Program	92,000	92,000	92,000	92,000	92,000
Planning, Building and Bylaw Enforcement	819,100	625,100	670,600	680,100	690,950
Animal and Pest Control	133,250	128,550	129,200	135,900	130,150
Police and Court House services	1,873,595	1,934,495	2,037,995	2,058,495	2,127,495
Public Works	4,234,402	4,395,274	4,640,125	4,760,378	4,659,109
Transit	339,000	339,000	339,000	339,000	339,001
Environmental Health (Garbage collection and Recycling)	427,900	426,900	437,500	439,500	451,750
Public Health and Welfare (Cemetery)	166,200	114,450	132,250	119,500	128,350
Community Economic Development	1,564,600	1,565,650	1,512,200	1,459,200	1,462,700
Recreation and Culture	3,186,060	2,917,710	2,925,410	3,004,160	2,975,461
Amortization of capital assets	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Debt interest payments	591,646	637,519	663,462	685,324	697,191
<b>Total operating expenses by Department</b>	<b>18,189,928</b>	<b>17,942,598</b>	<b>18,312,042</b>	<b>18,589,607</b>	<b>18,534,357</b>
Operating (Surplus)/Deficit	-1,139,590	-1,574,982	-1,741,224	-2,135,380	-2,344,344
Capital expenditures	4,487,663	1,164,721	1,553,507	1,350,533	1,294,809
Contributions from reserves	-617,500	-325,000	-318,000	-194,000	-200,000
Contributions from DCC's	0	0	0	0	0
Contributions from Grants	-1,371,000	0	0	0	0
Debt proceeds	-2,015,000	-644,000	-735,000	-551,000	0
Capital out of revenue	484,163	195,721	500,507	605,533	1,094,809
Debt principal	311,797	394,433	416,060	440,743	459,246
Transfer from equity in capital assets	-1,200,000	-1,200,000	-1,200,000	-1,200,000	-1,200,000
Transfers to reserve	1,050,000	1,766,000	1,758,000	1,740,000	1,515,000
(Surplus)/Deficit	-493,629	-418,827	-266,657	-549,105	-475,288

Table 18 – General operating financial plan

## 2013-2017 Financial Plan

<b>Water Operating</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Revenues</b>					
Taxation and grants					
Sale of services	-1,590,012	-1,635,744	-1,681,476	-1,750,073	-1,795,805
Other & own sources					
Provincial unconditional transfers					
Provincial conditional transfers					
Non- TCA funding	-165,000	-50,000	-56,000	-50,000	-56,000
Other contributions & donations	0	0	0	0	0
<b>Total Revenues</b>	<b>-1,755,012</b>	<b>-1,685,744</b>	<b>-1,737,476</b>	<b>-1,800,073</b>	<b>-1,851,805</b>
<b>Operating Expenses by type</b>					
Employment costs	307,000	313,500	321,000	327,000	335,500
Travel and meeting expenses	8,500	8,500	9,500	9,500	10,000
Telephone	3,000	3,000	3,000	3,000	3,000
Advertising	2,000	2,000	2,000	2,000	2,000
Licences and insurance	23,750	23,750	23,750	23,750	23,750
Memberships & conferences	0	0	0	0	0
Contracted services	131,500	135,000	138,500	139,500	143,000
Office supplies	0	0	0	0	0
Utilities	58,550	60,050	60,600	61,100	62,650
Miscellaneous	117,500	117,500	117,500	117,500	117,500
Freight, courier & postage	2,500	2,500	2,500	2,500	2,500
Legal & professional	0	0	0	0	0
Maintenance of buildings & equipment	0	0	0	0	0
Materials & supplies	100,300	102,300	104,800	106,800	109,800
Equipment rental (internal & external)	25,500	25,500	25,500	25,500	25,500
Grants-in-aid	0	0	0	0	0
Vehicle maintenance & fuel	0	0	0	0	0
Non-TCA expenditures	165,000	50,000	56,000	50,000	56,000
Amortization	400,000	400,000	400,000	400,000	400,000
Interest	296,048	299,448	302,848	302,848	302,848
<b>Total operating expenses</b>	<b>1,641,148</b>	<b>1,543,048</b>	<b>1,567,498</b>	<b>1,570,998</b>	<b>1,594,048</b>
Operating (surplus)/deficit	-113,865	-142,696	-169,978	-229,076	-257,757
Capital expenditures	582,000	405,000	298,000	325,000	621,000
Contributions from reserves	-582,000	-205,000	-298,000	-325,000	-331,000
Contributions from DCC's	0	0	0	0	-290,000
Contributions from Grants	0	0	0	0	0
Debt proceeds	0	-200,000	0	0	0
Capital out of revenue	0	0	0	0	0
Debt principal	152,085	152,085	158,802	158,802	158,802
Transfer from equity in capital assets	-400,000	-400,000	-400,000	-400,000	-400,000
Transfers to reserve	350,000	350,000	400,000	450,000	450,000
(Surplus)/Deficit	-11,779	-40,611	-11,176	-20,274	-48,956

Table 19 – Water operating plan

## 2013-2017 Financial Plan

<b>Sewer Operating</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Revenues</b>					
Taxation and grants	-121,000	-121,000	-121,000	-121,000	-121,000
Sale of services	-935,064	-974,551	-1,053,526	-1,053,526	-1,073,269
Other & own sources					
Provincial unconditional transfers					
Provincial conditional transfers					
Non- TCA funding	-55,000	-50,000	-50,000	-50,000	-50,000
Other contributions & donations	-124,782	-141,612	-202,913	-250,333	-296,008
<b>Total Revenues</b>	<b>-1,235,846</b>	<b>-1,287,163</b>	<b>-1,427,439</b>	<b>-1,474,859</b>	<b>-1,540,278</b>
<b>Operating Expenses by type</b>					
Employment costs	205,250	210,500	214,750	220,500	225,250
Travel and meeting expenses	5,500	5,500	5,500	5,500	5,500
Telephone	2,000	2,000	2,000	2,000	2,000
Advertising	300	300	300	300	300
Licences and insurance	10,000	10,000	10,000	10,000	10,000
Memberships & conferences	0	0	0	0	0
Contracted services	54,800	55,800	55,800	56,300	58,300
Office supplies	0	0	0	0	0
Utilities	77,500	79,000	80,500	82,000	83,500
Miscellaneous	116,800	117,300	117,800	117,800	118,300
Freight, courier & postage	2,100	2,100	2,100	2,100	2,100
Legal & professional	0	0	0	0	0
Maintenance of buildings & equipment	0	0	0	0	0
Materials & supplies	86,000	87,500	88,500	90,000	92,000
Equipment rental (internal & external)	39,100	40,200	40,800	41,800	42,400
Grants-in-aid	0	0	0	0	0
Vehicle maintenance & fuel	0	0	0	0	0
Non-TCA expenditures	55,000	50,000	50,000	50,000	50,000
Amortization	125,000	125,000	125,000	125,000	125,000
Interest	168,649	185,649	213,988	239,488	264,502
<b>Total operating expenses by type</b>	<b>947,999</b>	<b>970,849</b>	<b>1,007,038</b>	<b>1,042,788</b>	<b>1,079,152</b>
Operating (surplus)/deficit	-287,847	-316,314	-420,401	-432,071	-461,126
Capital expenditures	919,000	1,250,000	2,220,000	2,690,000	1,399,000
Contributions from reserves	-619,000	-250,000	-220,000	-190,000	-190,000
Contributions from DCC's	-300,000	0	0	0	0
Contributions from Grants	0	0	-1,333,000	-1,667,000	-806,000
Debt proceeds	0	-1,000,000	-667,000	-833,000	-403,000
Capital out of revenue	0	0	0	0	0
Debt principal	111,246	111,246	144,827	167,226	195,200
Transfer from equity in capital assets	-125,000	-125,000	-125,000	-125,000	-125,000
Transfers to reserve	200,000	320,000	400,000	360,000	370,000
(Surplus)/Deficit	-101,601	-10,069	-574	-29,845	-20,926

Table 20 – Sewer operating plan

## 2013-2017 Financial Plan

General Operating Contracted Services	2013	2014	2015	2016	2017
	Budget	Budget	Budget	Budget	Budget
<b>Blue #'s are offset by equivalent revenues</b>					
Mayor and Council	19,700	20,000	24,700	25,000	25,500
City Hall maintenance	3,250	3,250	3,250	3,250	3,250
Administration/Finance	3,000	3,000	3,000	3,000	3,500
Elections & Referendums	0	20,000	0	0	25,000
Labour management	11,650	11,650	11,650	11,650	11,650
Fire Fighting force	25,000	25,000	25,000	25,000	26,000
PEP	<b>3,600</b>	<b>3,600</b>	<b>3,600</b>	<b>3,600</b>	<b>3,600</b>
Emergency Programme Coordinator	<b>56,000</b>	<b>56,000</b>	<b>56,000</b>	<b>56,000</b>	<b>56,000</b>
ESS Coordinator	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
Planning	50,000	50,000	85,000	85,000	85,000
Planning - funded	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
Animal & Pest control	99,250	100,000	100,000	100,000	100,000
Police station	19,000	19,000	19,000	19,000	19,000
RCMP	1,200,000	1,300,000	1,350,000	1,400,000	1,450,000
RCMP Overtime	60,000	60,000	60,000	60,000	60,000
RCMP Prisoner costs	60,000	60,000	60,000	60,000	60,000
Victim Services	44,695	44,695	44,695	44,695	44,695
Court House	27,800	27,800	27,800	27,800	27,800
Engineering services	2,400	2,500	2,500	2,500	3,000
Equipment maintenance	9,750	9,750	9,750	10,000	10,000
Municipal yards & buildings	15,000	15,500	16,000	16,500	17,000
Street maintenance	85,000	85,000	86,000	86,000	87,000
Sidewalk maintenance	5,000	5,000	5,000	5,000	5,000
Storm Sewer maintenance	4,000	4,000	4,000	4,000	4,000
Snow removal	345,900	341,400	433,400	424,400	425,000
Custom work	1,050	1,050	1,050	1,050	1,100
Street lighting	15,000	15,000	16,000	16,000	16,000
Traffic services	3,500	3,500	3,500	3,500	3,500
Railway Crossing maintenance	15,000	15,000	15,000	15,000	15,000
Bridge maintenance	1,000	1,000	1,000	1,000	1,000
Transit	336,500	336,500	336,500	336,500	336,501
Garbage collection	2,500	2,500	2,750	2,750	3,000
Recycling	<b>110,000</b>	<b>110,000</b>	<b>112,000</b>	<b>112,000</b>	<b>115,000</b>
Garbage bins	25,000	25,000	25,000	25,000	25,000
Cemetery	1,000	1,000	1,000	1,000	1,000
Tourism & Public Relations	45,000	45,000	45,000	45,000	45,000
Economic Development	25,000	25,000	25,000	25,000	25,000
Recreation administration	1,500	1,500	1,500	1,500	1,500
Community centre	2,000	2,000	2,000	2,000	2,000
Community Centre - snow removal	6,000	6,000	6,000	6,000	6,000
Arena	37,500	37,500	37,500	37,500	37,500
Williamson's Lake	2,750	2,750	2,750	2,750	3,000
Boulevard maintenance	8,000	8,000	8,000	8,000	8,000
Revit maintenance	14,000	14,500	15,000	15,000	16,000
Parks - general	30,000	30,000	30,000	30,000	30,000
Columbia View Park	500	500	500	500	500
Museum	4,000	4,000	4,000	4,000	4,250
Trails & Walkways	5,500	5,500	5,500	5,500	9,000
<b>TOTAL</b>	<b>2,871,295</b>	<b>2,988,945</b>	<b>3,155,895</b>	<b>3,197,945</b>	<b>3,285,846</b>

Table 21 – General operating contracted services



## 2013-2017 Financial Plan

General Operating - Miscellaneous Expenses	2013	2014	2015	2016	2017
Blue #'s are offset by equivalent revenues	Budget	Budget	Budget	Budget	Budget
Administration Charges	60,400	60,400	61,500	61,500	61,500
Bad Debt expense	100	100	100	100	100
Cash over short	10	10	10	10	10
Software support	107,000	105,000	111,000	122,000	116,000
Programming services	3,000	3,500	3,500	4,000	4,000
Computer leases	18,000	18,000	18,000	18,000	18,000
Columbia Basin Trust	10,000	10,000	10,000	10,000	10,000
Contingency	20,000	20,000	20,000	20,000	20,000
Received from SD19 for election costs	0	(17,950)	0	0	(23,000)
Uniform Maintenance	25,000	25,000	25,000	25,000	25,000
Training Supplies	20,000	18,000	20,000	18,000	21,000
Planning - Sign & Facade Design	10,000	10,000	10,000	10,000	10,000
Advisory Planning Commission	2,000	2,000	2,000	2,000	2,000
Enhancement Planning - Public Art	10,000	10,000	10,000	10,000	8,000
Heritage Commission	2,000	2,000	2,000	2,000	2,000
Auxiliary police	4,000	4,000	4,000	4,000	4,000
Crimestoppers	1,000	1,000	1,000	1,000	1,000
Tipping Fees	80,000	80,000	85,000	85,000	90,000
Air Monitoring Equipment	5,000	5,000	5,000	5,000	5,000
Street Entertainment	45,000	45,000	45,000	45,000	45,000
Tourism Marketing	45,000	45,000	45,000	45,000	45,000
Tourism Development Coordinator	25,000	25,000	25,000	25,000	25,000
Promotion Programs	2,000	2,000	2,000	2,000	2,000
Social Strategy Co-ordinator	53,000	53,000	27,000	0	0
Leases	8,600	9,000	9,000	9,500	9,500
EDC Special Programs	30,000	30,000	30,000	30,000	30,000
EDC Tourism Infrastructure - Funded	500,000	500,000	500,000	500,000	500,000
EDC Tourism Marketing - Funded	232,600	265,000	265,000	265,000	265,000
EDC Tourism Marketing - Funded (Transit buses)	67,400	35,000	35,000	35,000	35,000
EDC Resort Shuttle - Funded	110,000	110,000	110,000	110,000	110,000
Recreation Commission	500	500	500	500	500
Summer Programs	10,000	10,000	10,000	10,000	10,000
Fall Programs	0	0	0	0	0
Spring Programs	0	0	0	0	0
Winter Programs	0	0	0	0	0
Leadership & Comm. Dev.	1,000	1,000	1,000	1,000	1,000
Special Events	7,000	7,000	7,000	7,000	7,000
Banner Fund	2,000	2,000	2,000	2,000	2,000
Special Presentations	10,000	10,000	10,000	10,000	10,000
HST - no rebate	26,900	0	0	0	0
Carbon offset purchase	29,410	29,410	29,410	29,410	30,210
<b>TOTAL</b>	<b>1,582,920</b>	<b>1,536,770</b>	<b>1,541,020</b>	<b>1,524,020</b>	<b>1,503,820</b>

Table 22 – General operating miscellaneous expenses