

COUNCIL REPORT

To: Mayor and Council

From: Finance

Date: April 18, 2023

Subject: 2023 Final Operating and Capital Budget

RECOMMENDATION:

THAT Council approves the 2023 Final Operating and Capital Budget with the list of changes.

BACKGROUND:

2023 Operating Budget

The 2023 Provisional Operating and Capital Budgets were presented to Council on February 13, 2023 at the Public Budget presentation. Changes relating to the 2023 Operational Budget are shown in the table below and attached to this report is a comparison between the 2023 Final Budget and the 2022 Final Budget.

Summary of Changes from 2023 Provisional Budget to 2023 Final Budget	
General Operating Revenue	
<i>Taxation Increase</i>	
Class 1 Residential revenue increase from 6% to 8%	33,437
<i>1% Utilities Tax and Grants in Lieu Increase</i>	
BC Hydro Generating Grant higher than estimated	34,326
<i>Franchise Fees Increase</i>	
Fortis BC payment higher than estimated	21,841
<i>Conditional Transfers - Provincial Increase</i>	
Received funding from Growing Communities Fund Grant	1,723,000
<i>Conditional Transfers - Regional & Other Increase</i>	
Reduction of budgeted fuel mitigation (\$14,920) and new grant funding from NDIIT for Intern \$26,923	12,003
<i>Sales of Service Increase</i>	
Reflects 7% rate increase for residential and commercial garbage	29,878
<i>Transfer from Reserves & Accumulated Surplus Decrease</i>	
Surplus funds not need to balance budget and reduction on funds used from Financial Stability Reserve	(60,795)
<i>Depreciation Increase</i>	36,211
Increase in Operating Revenue	1,829,901

Summary of Changes from 2023 Provisional Budget to 2023 Final Budget	
General Operating Expenses	
<i>General Government Increase</i>	
Expenses related to NDIT Intern from May 1 - Dec 31 and building condition assessment	45,732
<i>Fuel Mitigation Decrease</i>	
Remaining project budget decrease for expenses recognized in 2022	(14,920)
<i>Garbage Collection Increase</i>	
Operational expenses	19,960
<i>Recreation Facilities Increase</i>	
Building condition assessment	10,000
<i>Transfer to Reserves Increase</i>	
Funding from Growing Communities Fund Grant (\$1,723,000) and for garbage collection (\$9,918)	1,732,918
<i>Depreciation Increase</i>	36,211
Increase in Operating Expenditure	<u>1,829,901</u>

2022 Capital Budget

Changes relating to the 2023 Capital Budget are shown in the table below and attached to this report is an updated Capital Budget summary.

	Reserves	Grants	Total
<i><u>New, Revised and Deferred Projects</u></i>			
<i>Gantahaz Pipe & Meter Replacement (deferred)</i>			
Review of project noted pipes do not require replacement and a new flow meter is under the capital threshold	(56,000)		(56,000)
Total New, Revised and Deferred Projects	(56,000)		(56,000)

Five-Year Financial Plan

The District is required to develop a Five-Year Financial Plan as per the *Community Charter* Section 165. This includes a detailed plan of the current year (2023) and a summary of the operations for the next four years (2024-2027). This information is attached to the Financial Plan Bylaw, under the Bylaws section. The Financial Plan must be adopted before the Tax Rate Bylaw on or before May 12, 2023 and submitted to the Ministry of Municipal Affairs and Housing before May 15, 2023.

COUNCIL PRIORITY:

Strong Governance and Finances

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of



resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kerri Borne".

Kerri Borne
Chief Financial Officer

A handwritten signature in black ink that reads "Diane Smith".

Approved for Submission to Council