



**Virtual budget information meeting:
January 28, 2021, 6–7 p.m.
23 members of the public in attendance**

Q: Thank you for the presentation, very informative, I have had a chance to review some of the material. I would just like to put in context my question. I mean really what we are facing is a 5.1% increase in taxes on average, and we've seen tax increases well above the rates of inflation for a number of years. But when I actually look at your Preliminary Financial Plan 2021, there's a few things that stood out to me. Community relations, the office of Legislative Services, costs are up 29%, Corporate Services costs are up 8.5%, Engineering and Transportation are up 25.4%, Human Resources are up 18.1%, I mean these are just a few. The overall cost increase are 6.3% which is way above the rate of inflation. That is one question.

And if I may the second question is the Restart Funds that are being used. I reviewed the list and obviously this was supposed to I believe COVID related, and then I see items in there like Art Facility planning after site selection \$270K, consultant work environmental strategy update \$150K, funding for supporting transportation consultants \$150K, so there are a number of these items and they seem to bear no resemblance to anything to do with COVID. This maybe allowed by the Province but it doesn't seem to be the intent and when I read the instructions, directly that were related, that would have gone to the CAOs of the Districts or the Municipalities, it clearly allows you to use it even against prior year's loss of revenue. There's a lot of other ways we could have done this without spending another \$4M. And my question is, well how did you arrive at doing this? To see an Art Centre after site selection over \$300K we are proposing to spend which has nothing to do with COVID, I don't really see this was the intent of the original intent of the Provincial Government in helping municipalities.

So there are two questions there.

A: I'd just like to be clear that the 5.1% increase you reference refers to the total increase in fees and charges including utilities, which are charged on a user pay metered basis. The tax rate increase proposed is 1.48% for operations, plus 3% for the Asset levy, to address the District's deferred maintenance issue. In terms of the percentage variances mentioned, these are not necessarily cost increases. They mostly represent changes made in cost allocation to better organize the delivery of the services. On an overall basis, the budget will be supported by a very modest increase

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in taxes of 1.48%.

The \$5M COVID Restart grant is to help municipalities restart projects that would have been done if COVID had not hit. That is what is meant by the provincial guidance referencing replacing lost revenues. The GFOABC (Government Finance Officers Association of BC) held a question and answer dialogue with Provincial representatives and they made it clear what the main focus was for this funding. Some of the money was to cover COVID costs, but actually many of the actual expenses related directly to dealing with enhanced cleaning, personal protection equipment (PPE), plexiglass shields and so on are being covered through the Provincial Emergency Program, and the Restart grant is not meant to replace Provincial Emergency Program funding. This \$5M COVID Restart grant is therefore not meant to cover costs directly related to COVID which are paid through the Emergency program.

The grant is the Province's recognition that municipalities had all sorts of strategic objectives and projects underway which were put aside because of COVID. This was not only because we weren't able to operate in the same way, but principally because revenue was lost. That is the principle on which we put this list together so that we can go forward on projects that were put aside a year ago when most of our focus was on responding to COVID such as the Arts Centre location work. There has been almost a year delay in all of the plans that the District had underway, and all of the objectives that Council wanted to move forward because of the loss of revenue and the redirection of capacity to deal with COVID.

As far as specifically confirming the numbers that you've mentioned in terms of the increases for the various departments, I would have to go back and investigate each of the departmental changes. As mentioned in my presentation, we have reorganized the way that we are doing our work, so some of the costs have moved around. One example of that is that a number of regional initiatives have been consolidated and put under the CAO office, such as homelessness, economic development, and regional transportation planning (NXSTPP or Next Step) where funding was distributed throughout all sorts of different departments. Environmental management is another example of this consolidation. So, the variances are partly the result of reorganization but they're also partly the result of reflecting the program increases that are listed on the program list which are there to help us or enable us to carry out Council's strategic plan. Again, I want to emphasize that the budget is supported by a 1.48% tax rate increase, which is very low.

Q: Aligning expenditure with strategic priorities is sensible, but priorities appear to be changing. The mobility strategy language no longer highlights active transportation mode. Has active transportation investment been dropped as a priority?

A: Mobility and active transportation has not dropped off. It is still part of the strategic plan and quite a large part of our budgetary and capital planning processes. The Department of Engineering will respond with additional details regarding some of

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the project specifics via email.

Q: One of my questions has to deal with the casual labour FTEs in the preliminary financial plan. I see that there are 21 FTEs on the permanent staff to be increased, but I don't know how many casual labour, so I'm guessing that there may be five, I don't know, you tell me. So that's one of my questions.

A: We do not have a number of casual labourers, we have casual labour budgets, and those are used to hire. There is no permanent employment relationship between the District and these staff. Under COVID, many of the casual staff working in Parks, Culture & Community Services where operations were greatly impacted by COVID were laid off. The casual labour staff complement is very much dependent on the Public Health Orders, and what is allowed as we keep moving through the pandemic.

Q: So the 21 permanent staff increase, that I'm seeing, is before the casual labour, and so how many, I convert that, you know, the budget to FTEs, so how many casual jobs shall we say are involved in the casual labour on top of the 21 permanent staff that you are going to hire?

A: We do not have a "number" of casual jobs, it is a very flexible budget. It depends entirely on how many days people are working, what they are doing, and there are regulations about what they get paid. There is no such thing as a number of casual jobs. The proposal is for thirteen additional staff, not 21. I will reply to you by email to explain the difference in numbers shown on page nine of the budget book.

Q: Why don't you use the General Fund's revenues to fund the capital, the deferred maintenance and capital expenditures?

A: The District is using the General Fund's revenues but we may not have any general fund revenues that are available to fund the capital. We will not know whether we do or not until we complete our 2020 year end work. If we do have any funds available, we will certainly use them for the capital budget, which is currently showing a shortfall.

The \$5M Provincial grant is not to fund capital or general expenses. The fund is for projects that otherwise would not be funded because of the lost revenue from the COVID situation. The restrictions were outlined in the award letter which came with the grant along with the Q&A that were developed with the Province which are available on their website. I can forward that information to you, if that's helpful.

Q: When will a list of capital expenditures become available? Will the list also show the relative cost benefit analysis per each of the projects?

A: The list of capital requests amounting to \$19M will be posted to the budget webpage. We will try to upload the list tomorrow morning. These projects are not at this point totally funded, because we don't know whether we are going to be able to

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fund them. Also note that none of the projects have priority, they are all still up for evaluation.

We do have documents and a project analysis, which goes with each project. Cost benefit, in the public realm, is rather difficult to quantify. For example, what is the benefit of a tennis court, some people would like to have it because of the health benefits and for recreational use, but these kinds of benefits are difficult to quantify. However we do have cost justification, information about the rationale behind each project and where it fits in the overall strategic priorities of the District. We can certainly include those backup documents as well.

Q: Thank you for all the work on the budget, huge undertaking. As a citizen, I just had a few questions to ask, and that related to your comments about major projects that you were looking at the endowment fund for major projects, and that you were looking at the highest priority projects that would require funds right away. I wondered if you could give an example of what those top priorities projects are and if there is a price tag attached to them, maybe the top three or something.

A: There is a list of potential projects amounting to approximately \$19M. This needs to be discussed with Council to determine what their major priorities are and so there is not a top three list. However, there are renovation projects for the Seniors Centre, and many of the other facilities, and quite a few in the infrastructure area that would be considered major, amounting to over \$1M. They are not in priority order at the moment that will happen when we find out how much funding will be available.

Q: Great well I understand that the Council have a strategic plan in place and they had the top three new projects, one was the Arts Centre, it was the updated Seniors Centre, and replacement of the Youth Centre. And I further understand that Council will be reviewing their strategic plan so are the citizens of the District to understand that the budget is coming forward. But until the strategic plan is once again reviewed and revised, that we need to work hand in hand to determine final outcomes. Is that correct?

A: Council are reconsidering the various priorities that they have, thus I am unable to pre-empt their decision. It is quite clear that we don't have the resources to do everything at once.

Q: I do not see any budget items related to climate change initiatives. Often this takes up front investment that pays off in the long run - example electric vehicle fleet. Many other examples. So my question relates to lack of items in this area is missing.

A: That is an excellent question. When the list of capital investment projects is posted, you will see that there are projects related to moving towards electric fleet and hybrid vehicles and so on. The infrastructure to support an all-electric fleet will have to be put in place. Also, it may not be apparent, but there is quite a bit of work being done on

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understanding our natural assets. For example, there is a working group focusing on a coastal marine management project. We are looking for an urban forest management plan, and updating the information we have on the forest canopy, and we have developed a wildfire protection plan. Planning has been working very diligently on upgrading energy standards for building construction and I believe that we have some of the strongest language in our planning documents of any municipality in that area. Thus we are focused on climate change, climate response and the climate emergency initiatives have certainly not been forgotten. It is at the top of Council's list of the things that they want us to think about and what we are trying to do is actually shift all of our operations towards being able to maintain our natural assets. We are looking at things like carbon budgeting and a great deal of work is going on behind the scenes, not necessarily related to certain projects, but related to moving forward in this area.

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