

District of Ucluelet

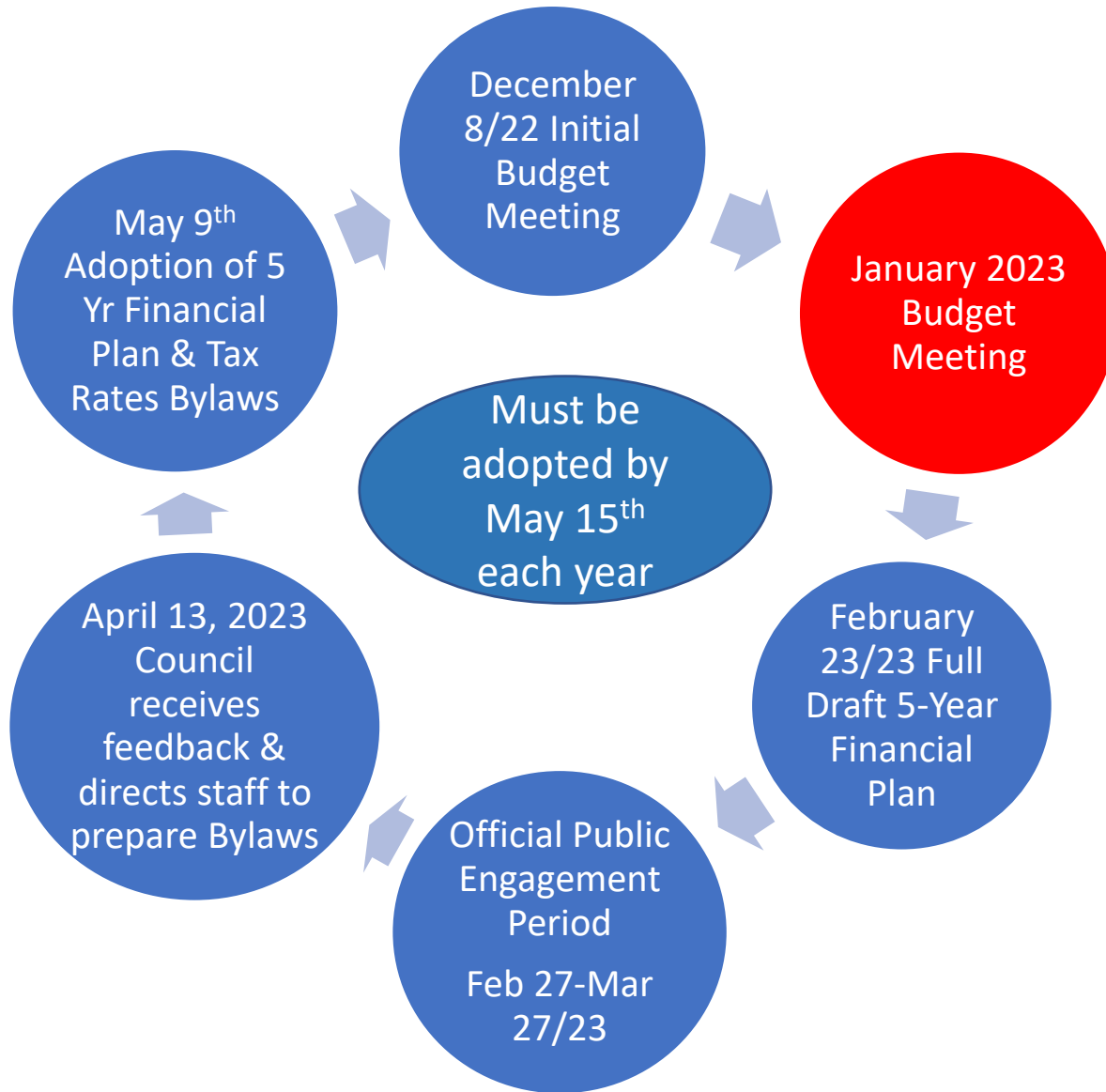


Special Council Budget Meeting January 31, 2023

Donna Monteith, Director of Finance (CFO)



2023-2027 Budget Process Milestones



2023 Budget Focus

Keys to Success

- ✓ Confirm core services
- ✓ Confirm projects (Jan)
- ✓ Incorporate Council's strategic goals for the term (March)
- ✓ Asset Management
- ✓ Reduce reliance on reserve funds to balance core budgets



Budget Challenges

- Inflation
- Increased costs for services and supplies
- Continued supply chain issues
- Increased costs for aging infrastructure
- Cost of construction
- Raising interest rates
- Borrowing capacity
- Accelerated community growth
- Increased service level expectations
- Balancing service levels with capacity



Since Dec 8, 2022



2023 Budget Adjustments

Recommendations since Dec 8/22 Special Budget meeting

Parks & Recreation Master Plan \$40k

- fund through Recreation Infrastructure & Facilities Reserves.

Affordable Housing Study update \$7k

CMRC Rapid Housing \$225k

- fund through Affordable Housing Reserves

Peninsula Storm Water (shared with MOTI) \$240k

- fund through General Capital reserves

Covid-19 Safe Restart Grant

- Re-allocate ~ \$120k to allowable items currently funded by taxes

Early Payout of MFA Equipment Loans \$427k

- fund through General Capital reserves



Provincial Covid-19 Safe Restart Grant

Eligible costs include:

- Addressing revenue shortfalls
- Reopening facilities
- Emergency planning & response
- Bylaw enforcement and Protective Services
- Info Tech
- Services for vulnerable persons

Year		Funds
2022	Balance Forward (incl interest)	\$324,707
	Funds spent in 2022	<u>\$204,210</u>
	Est Balance Forward to 2023	\$120,497
2023	Proposed Expenses:	
	Website Rebuild	\$35,000
	Complete Audio Visual in UCC Main Hall	\$13,577
	InfoTech/PPE/Supplies/Safe Workspaces multi departments	<u>\$70,920</u>
	Balance at end of 2023	\$0

Municipal Financing Authority – Equip Loans

		2023	2024	2025	2026	2027
Fleet – exp 2025	Principal	37,541	39,363	24,698	0	0
Variable 4.77% Jan 24/23	Interest	4,208	2,206	384	0	0
Fleet – exp 2027	Principal	59,641	62,514	65,597	68,795	67,941
Variable 4.77% Jan 24/23	Interest	14,178	11,305	8,222	5,024	1,387
TOTAL		\$115,388	\$115,388	\$98,901	\$73,819	\$69,328

Total of over 5 years \$472,824

Early Payout approx. \$426,981

Total est savings \$45,842

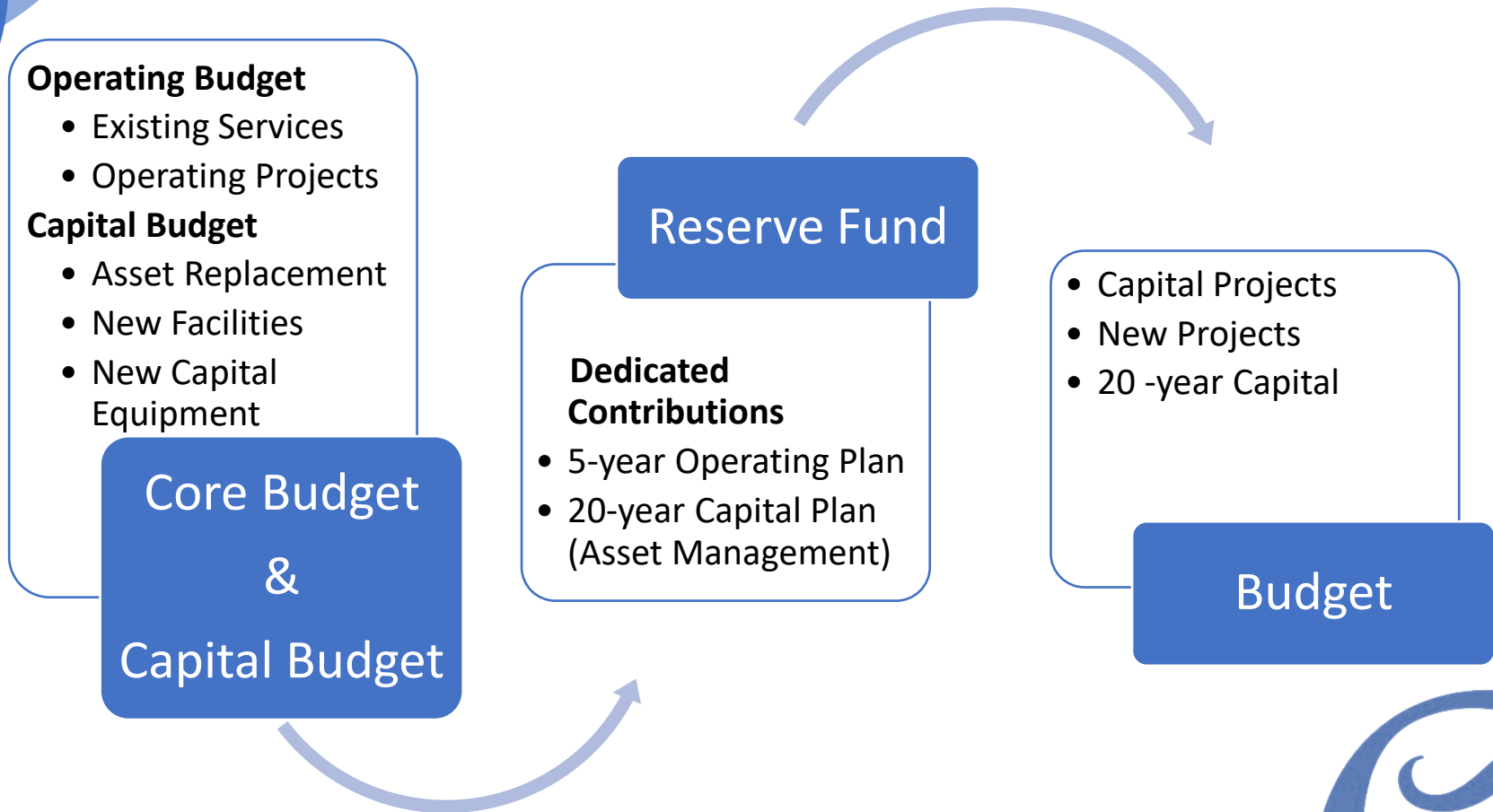


2023 Budget Adjustments

Adjustments since Dec 8/22 Special Budget meeting

Parks Operations decrease (5%)	(\$35,639)
Parks Capital decrease	(\$45,000)
Fire Department Capital decrease (21%)	(\$30,000)
Planning/Bylaw Operations	
increase revenue 1%	\$5,000
decrease expenses (9%)	(\$69,063)
Public Works Operations decrease (3%)	(\$33,702)
General Govt/Council	
increase revenue	\$12,000
decrease expenses	(\$78,150)

Financial Plan Model – Best Practice





Capital Projects





Rick Geddes
Fire Chief



Fire and Emergency Services Capital Projects

2023 Projects

- Emergency response vehicle \$70,000
- Positive pressure ventilation fan \$9,000
- Ongoing hall renovations \$15,000 (if new fire hall grant not successful)
- Turnout gear now rolled into Operations yearly budget

Future Projects

- 2024 Replacement of Self-Contained Breathing Apparatus \$150,000 (taxes)
- Roof replacement at fire hall - \$44,000 (taxes – if fire hall grant not successful)
- Engine 2 Replacement -2026 (reserves, taxes, loan options) \$800,000
- Tsunami Warning System Sirens \$50,000 each (grant dependant)
- Firehall Replacement \$7.5M (grant dependant) – next slide



Firehall Replacement

Estimated Cost: \$7.5M – grant dependant
Schedule: TBD

Funded by: \$6M grant pending – UBCM Strategic Priorities Fund
\$1.5 max DOU



Example of a recent similar concept from Bowen Island





Abby Fortune
Director of Parks & Recreations



Village Green Playground

Building a playground connected to Village Green park expansion


Project Budget : \$370,000

Schedule: 2022-2024

Funded by: \$370,000 RMI


Spent to date: \$10,285
Remaining: \$359,714

Work Completed
Public Engagement
Funding secured




Plan Your Playground!
Wednesday August 17, 2022
Village Green Playground
9:30 AM to 12:00 PM

The District of Ucluelet is beginning the process of redesigning the playground at the Village Green!




We welcome all families to join us and to bring your ideas for the new concept design. Snacks and drinks will be provided!



Ucluelet.ca/VillageGreen

PLAN YOUR PLAYGROUND!



Next Steps

Design
RFP and purchase equipment
Install
Play!



Inner Boat Basin Pathway (Safe Harbour Pathway)

Construction of a safe and accessible pathway along the inner boat basin creating safe connection between popular visitor sites in the Harbour

Project Budget: \$735,000

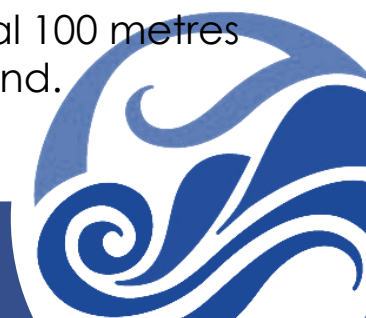
Schedule: 2023-2025

Funded by: \$435,000 RMI
\$300,000 SCH Reserve



Next Steps:

- RMI funds would be allocated to this project for planning, environmental and indigenous consulting
- and to connect with Small Craft Harbour - DFO and the Province
- Pathway sections would be approx: 120 metres for the causeway; 65 metres for the gazebo section, 300 metres frontage by the inner harbour, possible additional 100 metres by the campground.





Bruce Grieg
Director of Community Planning



Affordable Housing

Current Initiatives funded by AH Reserve

- ✓ Lot 13 - 731 Marine Drive (33 units)
\$320,000
- ✓ 1300 Peninsula Rd (5 units)
\$225,000
- ✓ Housing Authority and/or Housing Corp
contracts (annually) \$50-80k




AH Reserve balance

Dec 31/21 \$901,227

2022 Contrib ~ \$200k

Est Bal Dec 31/22 \$1.1M





James MacIntosh
Director of Engineering Services



Village Green Revitalization Phase 1

Improving accessibility and functionality, providing a safe and pedestrian friendly area for gathering and events, offering a larger green space

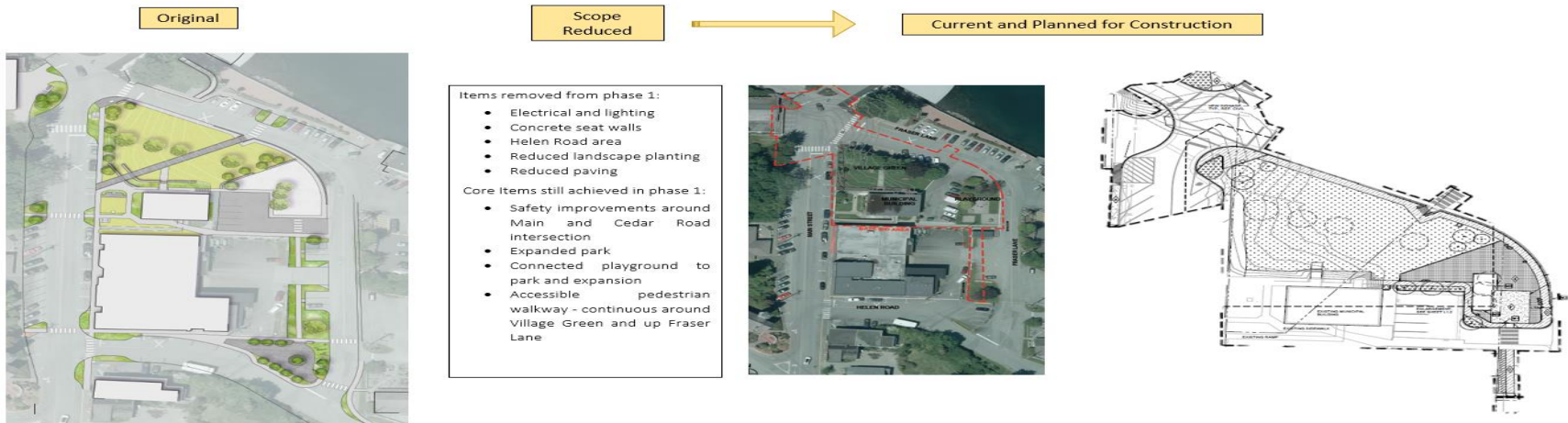
Project Budget : \$1,475,000

Funded by: \$700,000 Grant – Tourism Dependant Community Fund
\$225,000 Gas Tax (primarily design)
\$550,000 RMI

Spent to date: \$200,876

Schedule: 2019-2022 Design/Public Engagement
2023 Construction Feb 1st - June 1st

Remaining: \$1,274,124



Amphitrite House

Transformation of the former lightkeeper's residence and green space into a safe and accessible gathering place for residents and visitors

Project Budget: \$1,692,000

Schedule: 2022-2024

Funded by: \$997,874 ICIP (Community, Culture & Recreation Projects Stream)

\$594,126 RMI

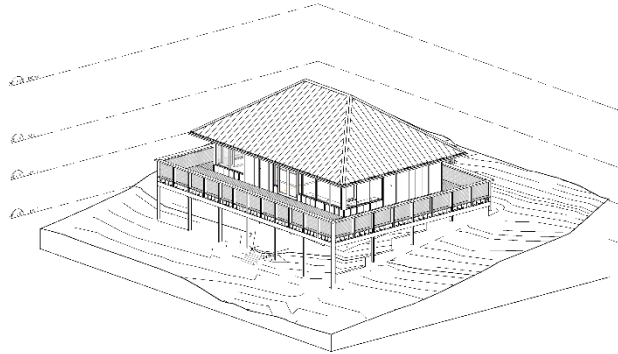
\$100,000 Tourism Vancouver Island

Spent to date: \$267,182

Remaining: \$1,424,818

Next Steps

Saltwater Building Co. to construct in 2023



Peninsula Road Revitalization

Enhance pedestrian and traffic safety, and beautify 1.6 km's of Ucluelet's main commercial area

Project Budget: \$1,890,000
Funded by: \$1,000,000 Gas Tax
\$140,000 RMI
\$750,000 CCRF grant

Spent to date: \$255,473
Remaining: \$1,634,527

Schedule: 2019-2022 (design)
2023-2024 (construction)

Work Completed

Site analysis, concept plan, public consultation and Open House engagement. 70% preliminary design and cost estimate.

Next Steps

We have commissioned a concept study from McElhaney/Lanarc to provide options for the cross-section

CONTEXT MAP - PROJECT AREA

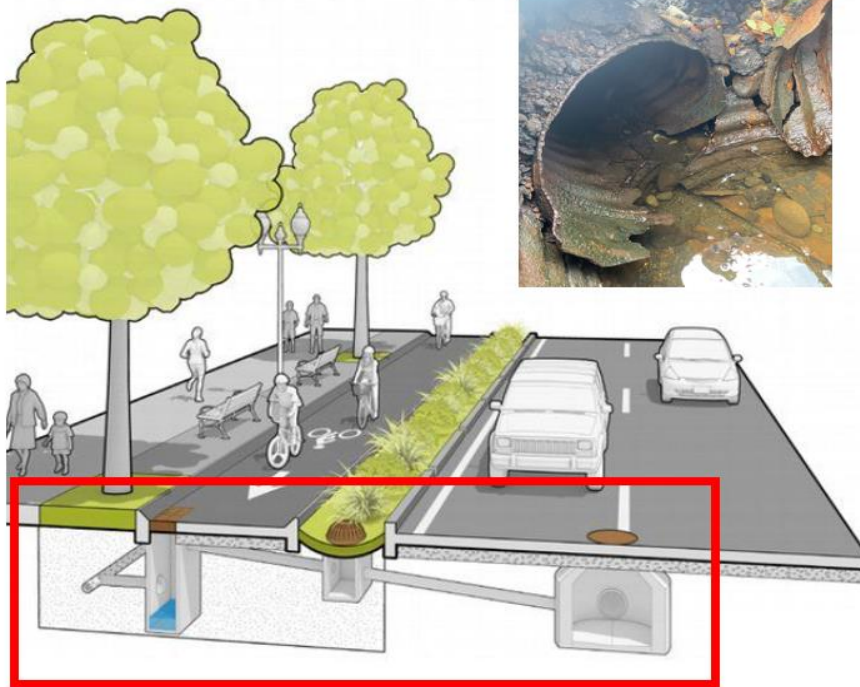


Peninsula Road Stormwater

Project Budget: \$2.18M

Schedule: 2023-2024

Funded by: \$180,000 MOTI (Design)
\$400,000 DOU Capital Reserves ('23-24)
\$1,600,000 MOTI ('23-24)



Next Steps

- Finalize agreements with MOTI
- \$180k storm system design
- Storm design work to coincide with above ground revitalization



Peninsula Road Summary

Project	Schedule	District of Ucluelet Estimated Portion	Ministry of Transportation & Infrastructure
Peninsula Rd Revitalization	2023-2024	\$1.89M (CCRF grant, gas tax, RMI)	\$0
Peninsula Rd Stormwater	2023-2024	\$400,000 (Reserves)	\$1.6M
Peninsula Rd Paving	2024	\$0	\$4.5M

Larch Road Multi Use Pathway

An accessible and age-friendly Multi-Use Path in the Larch Road corridor

Estimated Cost: \$662,500

Schedule: 2024

Funded by: BCAT Grant \$463,750 (pending)
DOU \$198,750



Work Completed

70% preliminary design and cost estimate received

Next Steps

Recently submitted BC Active Transportation Grant – pending
Once funding is available, RFP for construction will be issued



Water Supply Submarine Replacement Line

Design and install replacement water supply submarine line in the inlet connecting Mercantile Creek to Bay Street Pump House

Estimated Cost: \$1,000,000

Schedule: 2023

**Funded by: EMBC \$652,000
Reserves \$348,000**



Victoria Lift Station Bypass

Bypassing Victoria lift station in preparation for repair or replacement

Estimated Cost: \$135,000

Schedule: 2023

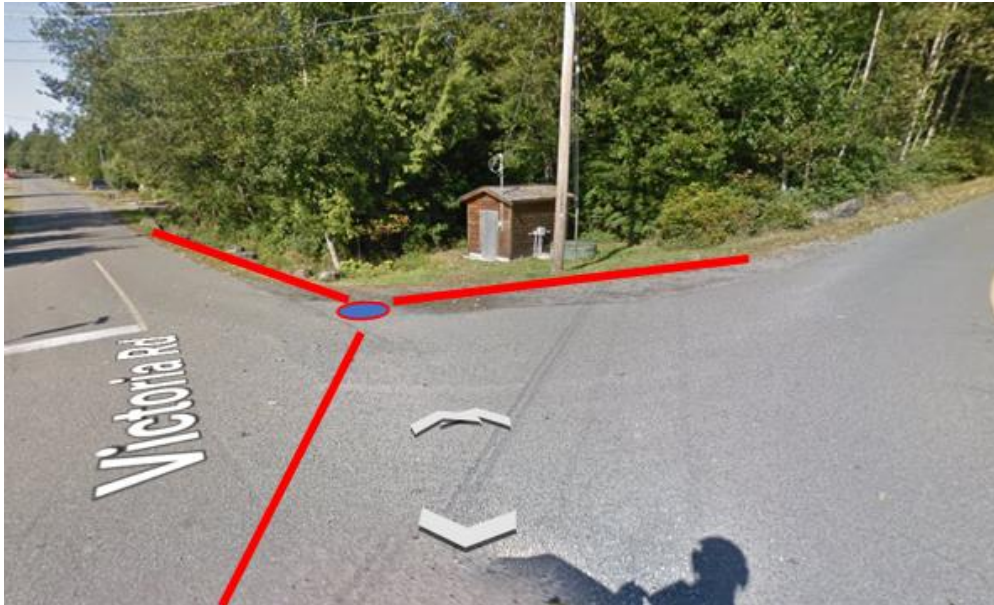
Funded by: Sewer Capital Reserve

Work Completed (for all lift stations)

Lift station capacity, Koers' Duncan Electric maintenance recommendations
Verification of highest priority repairs
Quotes for all lift stations
Victoria lift station critical need for bypass

Next Steps (Victoria Lift Stn)

Manhole, new lines, new valves, bypass, pump rental
Inspection



Vehicle Fleet Review

	2023	2024	2025	2026	2027
1 Ton – replacement (old 1 Ton is out service)	\$65,000				
2012 F150 Truck - replacement		\$50,000			
Pickup Truck - replacement	\$45,000				
Emergency Response vehicle	\$70,000				
Engine #2 replacement (20+ years)			\$200,000	\$600k MFA Loan	
Total	\$180,000	\$50,000	\$200,000	\$600,000	\$0



Water Treatment & Filtration - Revised

Water Treatment System Upgrades Project includes:

1. Filtration at Bay Street treatment plant
2. Filtration at Well Field
3. 3rd Reservoir

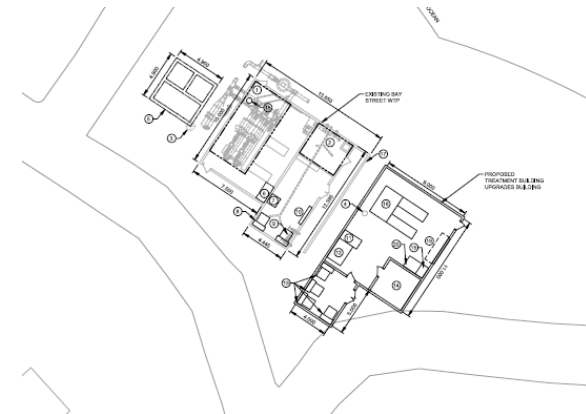
Revised Project Budget: \$20,745,000

Schedule: 2022-2026

Funded by: \$7,039,680 Investing in Canada Infrastructure Program Grant (Green Infrastructure Stream)
\$13,000,000 DOU Loan (max)
\$705,320 Unfunded

Next Steps:

Design
Drafted Qualification Based Selection (QBS) procurement documents that includes RFQ and RFP
Confirm Project Costs
Continue reviewing funding options



Impacts of Borrowing

Loan Amount	Interest Rate (Jan 31/23)	Yearly Loan Pymt (30 yrs)	Liability Servicing Limit
\$2,600,000	1.98%	\$101,343	7%
\$5,000,000	4.28%	\$306,938	20%
\$8,000,000	4.28%	\$491,101	33%
\$13,000,000	4.28%	\$798,039	53%
UCC & Fire Engine #1	Current Yearly Debt Payments	\$119,669	8%

Debt servicing was to be supplemented by a 4.5% water fee increase each year for 5 years 2021-2025 (Bylaw No 1294, 2021)

Average debt servicing in BC in 2021 was 15%



Impacts of Borrowing – Path Forward

- ✓ Taking steps to refining the project, while still meeting the objectives of the grant, and guidelines for drinking water in BC
- ✓ Collected 3% in 2022 property taxes specifically towards paying for the increased projected costs
- ✓ Proposing another 3% in property taxes in 2023
- ✓ Reviewing water user fees
- ✓ Deferring Long-Term Borrowing as much as possible by using water capital reserves, and Temporary Loans
- ✓ Looking at options to decrease total borrowing by maximizing cash contributions



2023 Capital Project Summary - Proposed

Project	New/Carry Forward/Approved	2023 Budget	Funded By
UCC Storage	New	\$68,000	Taxes
Sewer Victoria Lift Station Bypass	New	\$135,000	Sewer Reserves
Water Supply Sub Marine Replace	New	\$1M	EMBC \$652k, Res \$438k
CMHC Rapid Housing	New	\$225,000	Affordable Housing Reserves
Fire Hall upgrades/safe workspace	New	\$15,000	Covid grant
Stormwater Peninsula Road	New	\$1,380,000	MOTI \$1.78M Reserves \$400k (\$2.18M multi yr)
Inner Boat Basin Walkway	New	\$35,000	2023 RMI 2024 \$400k RMI, \$300k SCH Res
Larch Road Multi Use Path	New		2024 \$662,500 Grant/DOU
Firehall Replacement	New		\$6M grant pending, up to \$1.5M DOU
Public Washrooms	New	\$340,000	2023 Grant Pending 2024 \$150k RMI

2023 Capital Project Summary - Proposed

Project	New/Carry Forward/Approved	2023 Budget	Funded By
Emergency Kiosk	CFW	\$15,311	RMI
Storage Shed Public Works Yard	CFW	\$100,000	Gen Reserves
Kayak boat launch	CFW	\$45,000	RMI
Generator UCC	CFW	\$120,000	Gen Reserves
Electric Charging Stations	CFW	\$39,564	RMI
UCC Audio Visual Main Hall	CFW	\$13,577	Covid grant
Sewer Lot 16 (DOU portion)	CFW	\$136,000	Sewer Reserves
Sewer SCADA	CFW	\$32,000	Sewer User Fees
Amphitrite House	CFW	\$1,364,818	2023 Grants/RMI 1.379M 2024 RMI \$60k
Peninsula Road Revitalization	CFW	\$1,494,527	2023 Gas Tax/Grant 2024 \$140k RMI
Village Green Phase 1	CFW	\$1,274,124	Grant/RMI/Gas Tax
Village Green Playground	CFW	\$359,714	RMI

2023 Capital Project Summary -proposed

Project	Carry Forward/ Approved	2023 Budget	Funded By
Water Filtration and Treatment	CFW	\$363,335	Grant \$7.039M/\$8M est Loan (Multi Yr 2022-2026)
Tugwell Fields Rec Facility - concept	CFW	\$75,000	2023 Recreation reserve 2026 est \$5M unfunded
Vehicles and Equipment	Approved	\$110,000	Taxes
Emergency Response Vehicle	Approved	\$70,000	Taxes
Positive Pressure Ventilation Fan	Approved	\$9,000	Taxes
Harbour Capital Projects	Approved	\$136,000	Harbour Reserves
Wild Pacific Trail Upgrades	ongoing	\$70,000	2023 RMI 2026 \$150k RMI
TOTAL 2023 Capital		\$9,025,970	





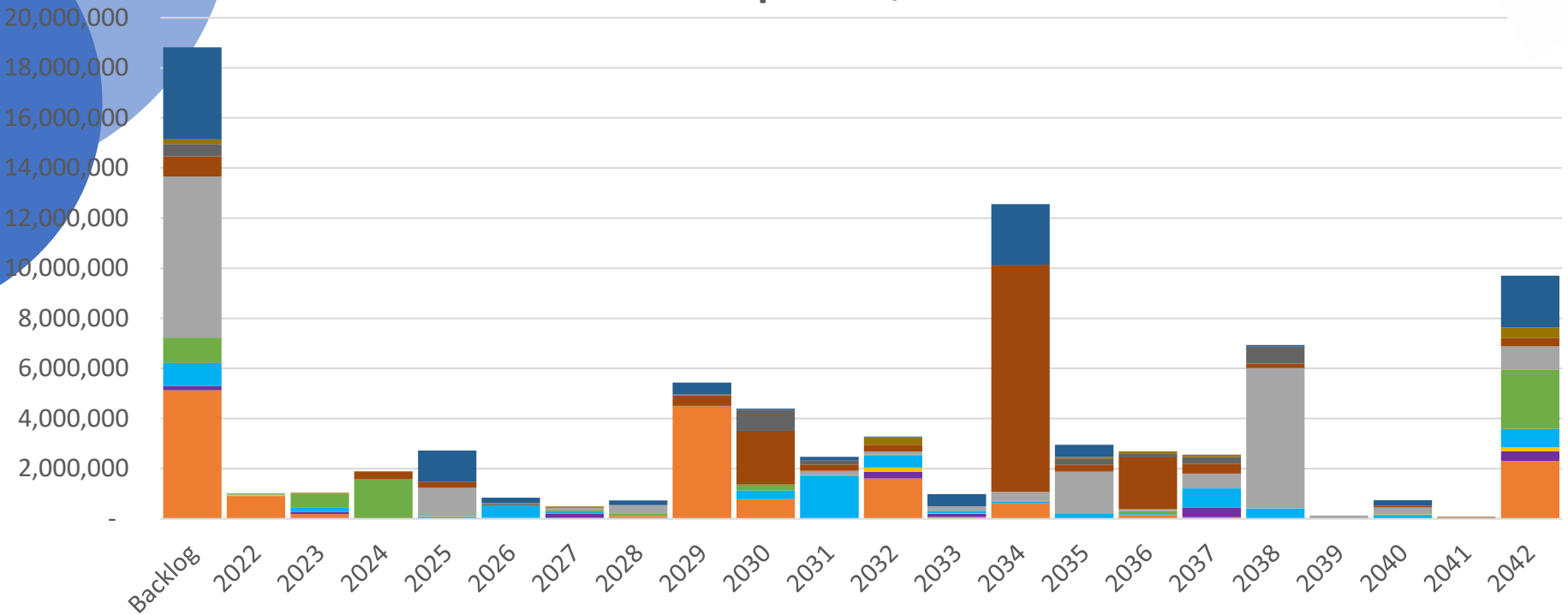
Asset Management



20-YEAR CAPITAL RENEWAL NEEDS – (Feb 2022)

Total Capital = \$82m

DRAFT



Buildings & Structures Total 16,539,323

Electricity Network Total 407,707

Land Total 6,171,051

Sanitary Sewer Network Total 16,816,323

Unclassified Category Total 1,305,701

Communications Network Total 1,649,628

Fleet, Mech. & Equip. Total 6,670,647

Road Network Total 18,140,723

Storm Water Network Total 2,913,839

Water Network Total 11,806,645



20-YEAR CAPITAL RENEWAL & GROWTH NEEDS

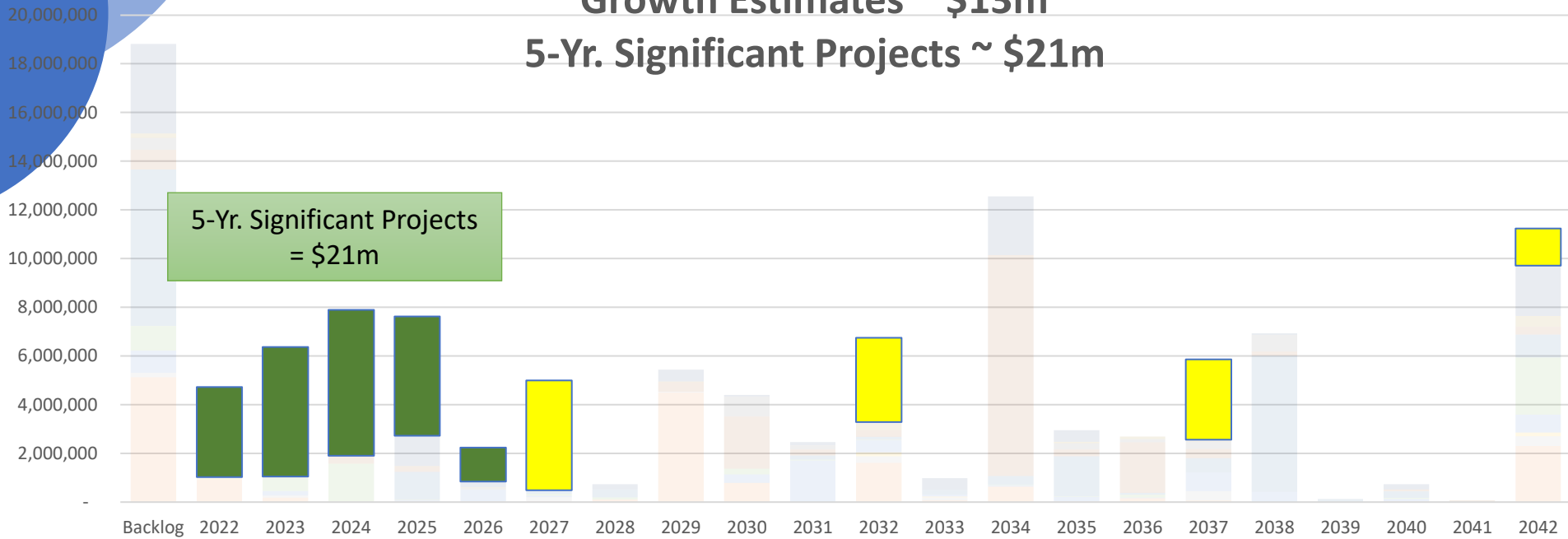
(Feb 2022)

DRAFT

Total Capital ~ \$82m

Growth Estimates ~ \$13m

5-Yr. Significant Projects ~ \$21m



- Buildings & Structures Total 16,539,323
- Electricity Network Total 407,707
- Land Total 6,171,051
- Sanitary Sewer Network Total 16,816,323
- Unclassified Category Total 1,305,701
- Growth Bundle Project Year 1-5 Total
- Growth Bundle Project Year 11-15 Total

- Communications Network Total 1,649,628
- Fleet, Mech. & Equip. Total 6,670,647
- Road Network Total 18,140,723
- Storm Water Network Total 2,913,839
- Water Network Total 11,806,645
- Growth Bundle Project Year 6-10 Total
- Growth Bundle Project Year 16-20 Total





Reserves & Unallocated Funds



Reserve Funds

Reserve Fund	Balance Ending Dec 2021
Affordable Housing	\$901,227
Land Sale	\$62,670
Community Social Reserve	\$122,152
Recreation Facilities	\$20,750
Park Land	\$323,704
Parking	\$19,586
Sewer Debt	\$56,283
Equipment	\$11,940
*Barkley Community Forest	\$2,803,065
*Community Works (Gas Tax)	\$1,279,120
*COVID-19	\$324,706
*Small Craft Harbours	\$333,196
Total Reserves (not including DCC's)	\$6.258m

Prior to Reserves and Surplus Policy 5-1860-1 and Bylaw No. 1317, 2022

*Note 13 - 2021 Audited Financial Statements

Reserve Funds

District of Ucluelet Reserves Establishment Bylaw No. 1317, 2022

Reserve Fund	2022 Opening Bal	2022 Est Closing Bal	Minimum Target
Recreation Infrastructure & Facilities	\$142,902	\$1,022,900	Fully funded infrastructure program
Equipment	\$11,940	\$12,000	Fully funded infrastructure program
Fire Facilities, Vehicle & Equipment	\$28,970	\$41,000	Fully funded infrastructure program
Financial Stabilization	\$0	Tba	1%-2.5% of General Operations
Legal and Insurance	\$0	Tba	\$50,000-\$200,000
Barkley Community Forest Legacy Fund	\$0	Tba	Min principal amount required to earn enough interest to fund Grant in Aid
Information Systems	\$0	Tba	\$50,000-\$100,000
General Capital	\$0	\$3,000,000	Fully funded infrastructure program
Sewer Capital	\$0	\$250,000	Fully funded infrastructure program
Water Capital	\$0	\$1,200,000	Fully funded infrastructure program

Reserve Funds

District of Ucluelet Reserves Establishment Bylaw No. 1317, 2022

Reserve Fund	2022 Opening Bal	Minimum Target
DCC	\$1,038,469	n/a
Parkland Acquisition	\$323,704	n/a
Parking Spaces & Alternative Transportation	\$19,586	n/a
Land Sale	\$62,670	n/a
Community Works (Gas Tax)	\$1,279,120	n/a
Small Craft Harbours	\$333,196	n/a
Affordable Housing	\$901,227	n/a
Barkley Community Forest	\$2,803,065	n/a

Progress

- ✓ Adopted a Reserves and Surplus Policy (1-1580-1)
- ✓ Adopted a Reserves and Surplus Establishment Bylaw (No. 1317,2022)
- ✓ Established and Re-established Reserve Funds
- ✓ Initial contributions to reserves from unrestricted surplus
- ✓ Re-invested funds to take advantage of higher interest rates (c.c.183)
- ✓ Refining the 2023 Core Budget



Budget Process Next Steps

Feb 23rd

- Special Budget Meeting – Taxation & 5 Yr Plan Draft

Feb 27-Mar
27th

- Official Public Feedback Period.
- Email to communityinput@ucluelet.ca

May 9th

- Adoption of 5 Yr Financial Plan Bylaw
- Adoption of Tax Rates Bylaw

