



Regional District of **Kitimat-Stikine**

Budget 2020 Five Year Plan (2020-2024)

Committee of the Whole

January 24, 2020

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Chief Financial Officer

Agenda

- Budget Process
- Overview of Budget 2020
- Tax Assessments
- Review of Services Budgets
- Capital
- Reserves

Budget Process

Month	Activity
November 2019	Finance department to meet with departmental managers to discuss operational projects and priorities, staffing, training and capital projects.
December 13, 2019	Draft 2020 Budget on the Board agenda.
January 2020	Review individual budgets with Electoral Area Directors.
January 9, 2020	Deadline for Departments to submit any changes to their function budgets.
January 24, 2020	Submission of proposed changes will be presented as a report at the January Board Meeting.
February 28, 2020	Budget Presentation to the public and Board, including tax implications.
March 20, 2020	Five Year Plan to be adopted at the March Board meeting.

Budget Process

Considerations:

- Strategic Priorities
- Regulatory Requirements
- Contractual Obligations
- Customer Service
 - internal/external
- Maintaining service levels
- Capacity constraints
- Year end not complete
- Surpluses for 2020 are estimates
- Assessments not final
- Partnership costs estimated
- “Tax Rate” is this presentation refers to Residential Tax Rate

Overview 2020 – Totals for RDKS

	2018 Actual	2019	2020	Variance 20-19	
<i>Requisition</i>	\$ 8,437,338	\$ 9,193,047	\$ 9,698,167	\$ 505,120	5.49%
Total Revenue	\$35,234,045	\$30,589,961	\$25,066,715	-\$ 5,523,246	-18.06%
Total Expenditures	\$31,423,726	\$30,589,961	\$25,066,715		
Surplus	\$ 3,810,319				

- Total increase for all services is \$505,120
- In 2020, 39% of all spending is planned to be funded by the requisition.
- The remainder is funded by user fees, grants, reserves and surplus.
- No borrowing is planned for 2020.

Overview 2020 – Totals for RDKS

Impact on \$100K House	General	LSA - Up to Max	Increase/(Decrease)
Area A	\$ 18.75	\$ -	\$ 18.75
Area B	\$ 17.43	\$ (74.52)	\$ (57.10)
Area C	\$ (19.66)	\$ (39.88)	\$ (59.55)
Area D	\$ 18.76	\$ -	\$ 18.76
Area E	\$ (74.50)	\$ (26.81)	\$ (101.31)
Area F	\$ 2.77	\$ (1.83)	\$ 0.94

- Shows change from 2019 tax rates
- Residents in the electoral area pay the general rate.
- Local service area (LSA) amounts depends on where in the electoral area the property is located.
- Residential Tax rates have dropped but average assessments have increased.

Tax Assessments

Based on converted assessments supplied by B.C. Assessment Authority

Using 2020 Completed Roll

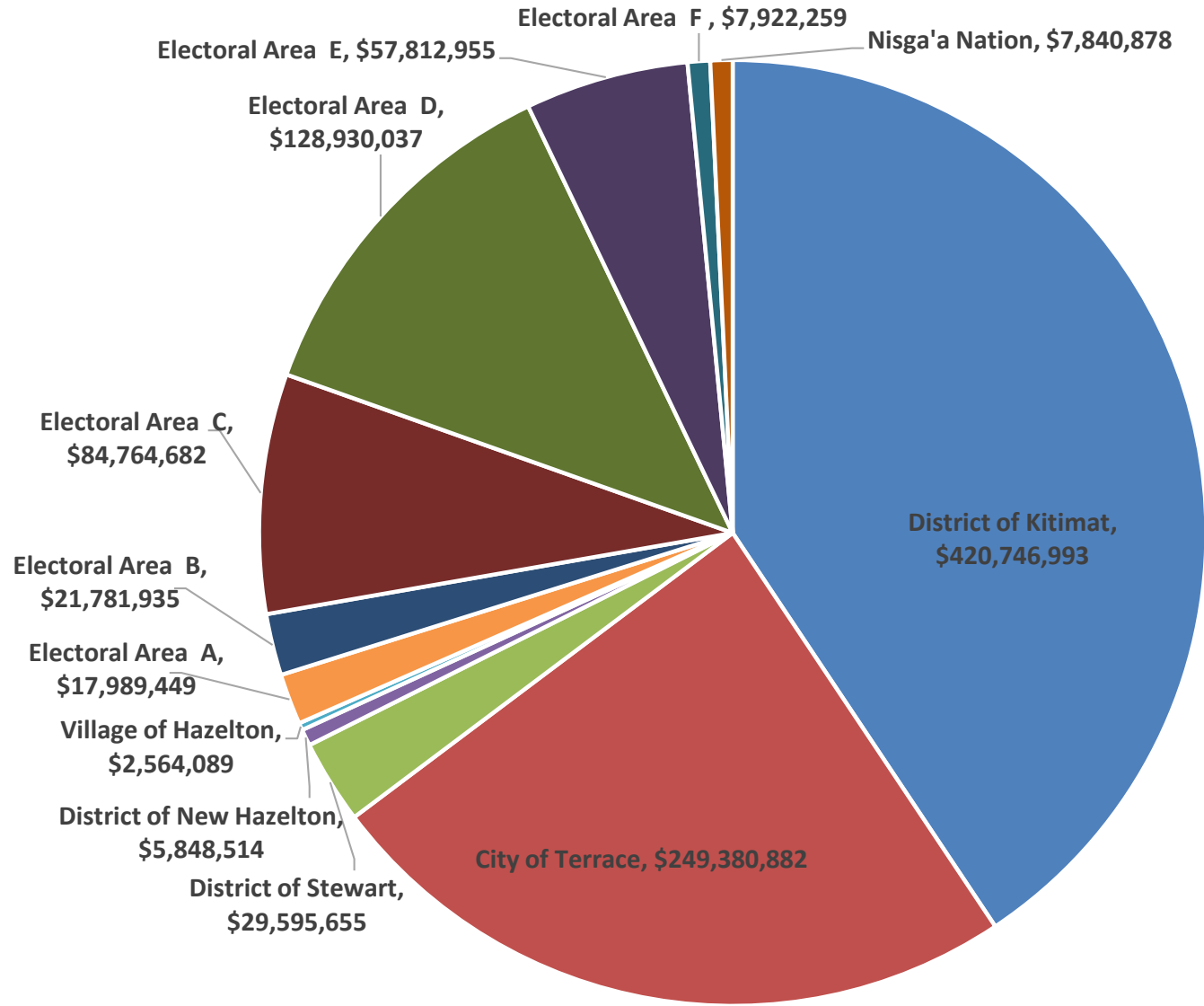
Municipality - Hospital

Electoral Areas - Hospital

	2020 Assessment \$	2020 Share	2019 Assessment \$	2019 Share	% Increase - Decrease
District of Kitimat	420,746,993	41.0%	378,152,138	41.6%	11.3%
City of Terrace	249,380,882	24.3%	212,196,744	22.9%	17.5%
District of Stewart	29,595,655	2.9%	28,603,922	3.2%	3.5%
District of New Hazelton	5,848,514	0.6%	5,426,252	0.6%	7.8%
Village of Hazelton	2,564,089	0.2%	2,139,696	0.2%	19.8%
Electoral Area A	17,989,449	1.8%	17,022,603	1.9%	5.7%
Electoral Area B	21,781,935	2.1%	18,602,826	2.0%	17.1%
Electoral Area C	84,764,682	8.3%	73,515,537	7.6%	15.3%
Electoral Area D	128,930,037	12.5%	129,266,664	13.9%	-0.3%
Electoral Area E	57,812,955	5.6%	50,023,137	5.3%	15.6%
Electoral Area F	7,922,259	0.8%	7,829,528	0.9%	1.2%
	1,027,337,450	100.0%	922,779,047	100.0%	10.2%

This is the roll published Jan 3, 2020. Challenges of assessments can be made until January 31, 2020. An updated roll will be used for actual requisition calculations.

2020 Converted Assessments

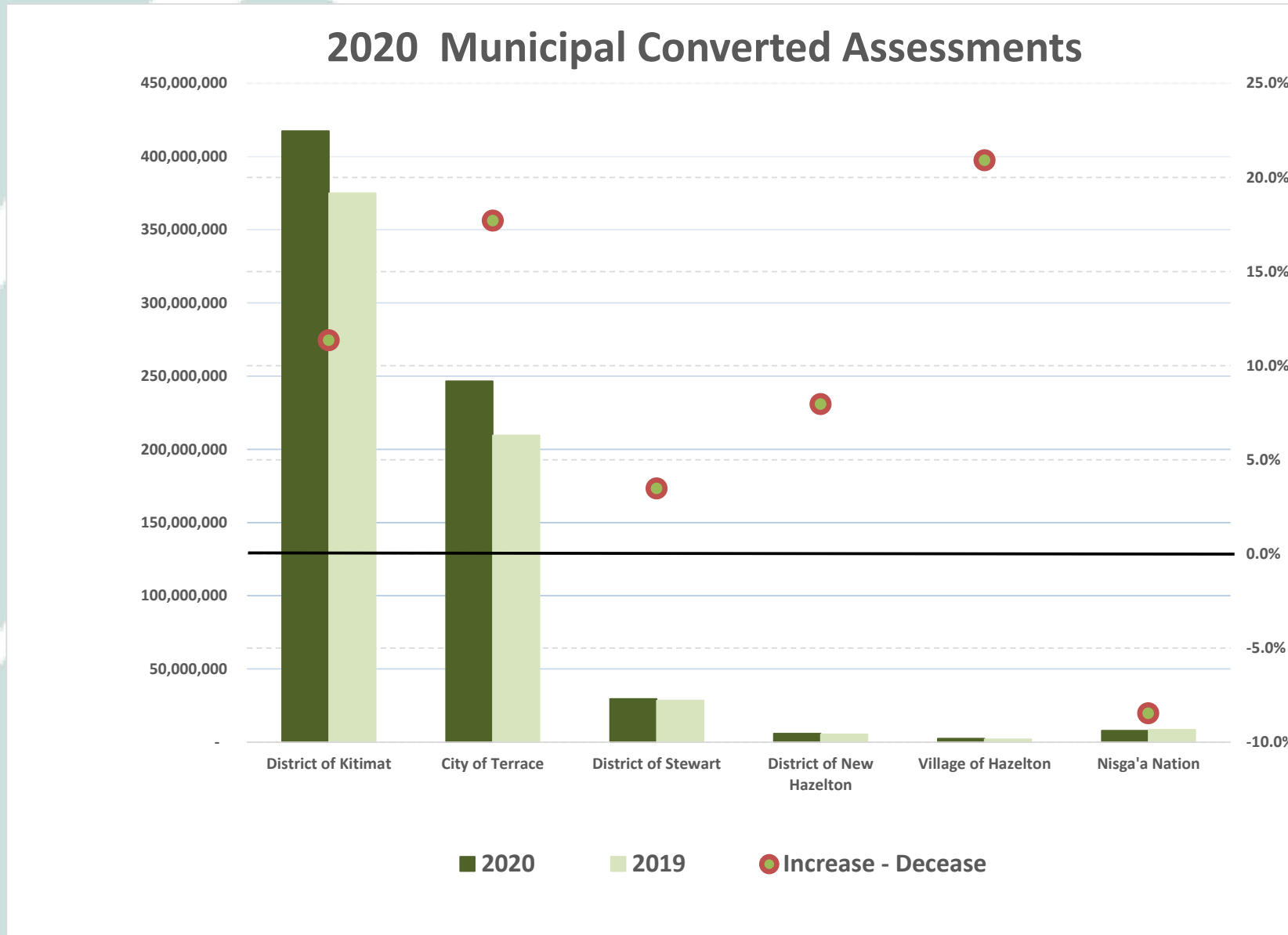


- District of Kitimat
- City of Terrace
- District of Stewart
- District of New Hazelton
- Village of Hazelton
- Electoral Area A
- Electoral Area B
- Electoral Area C
- Electoral Area D
- Electoral Area E
- Electoral Area F
- Nisga'a Nation

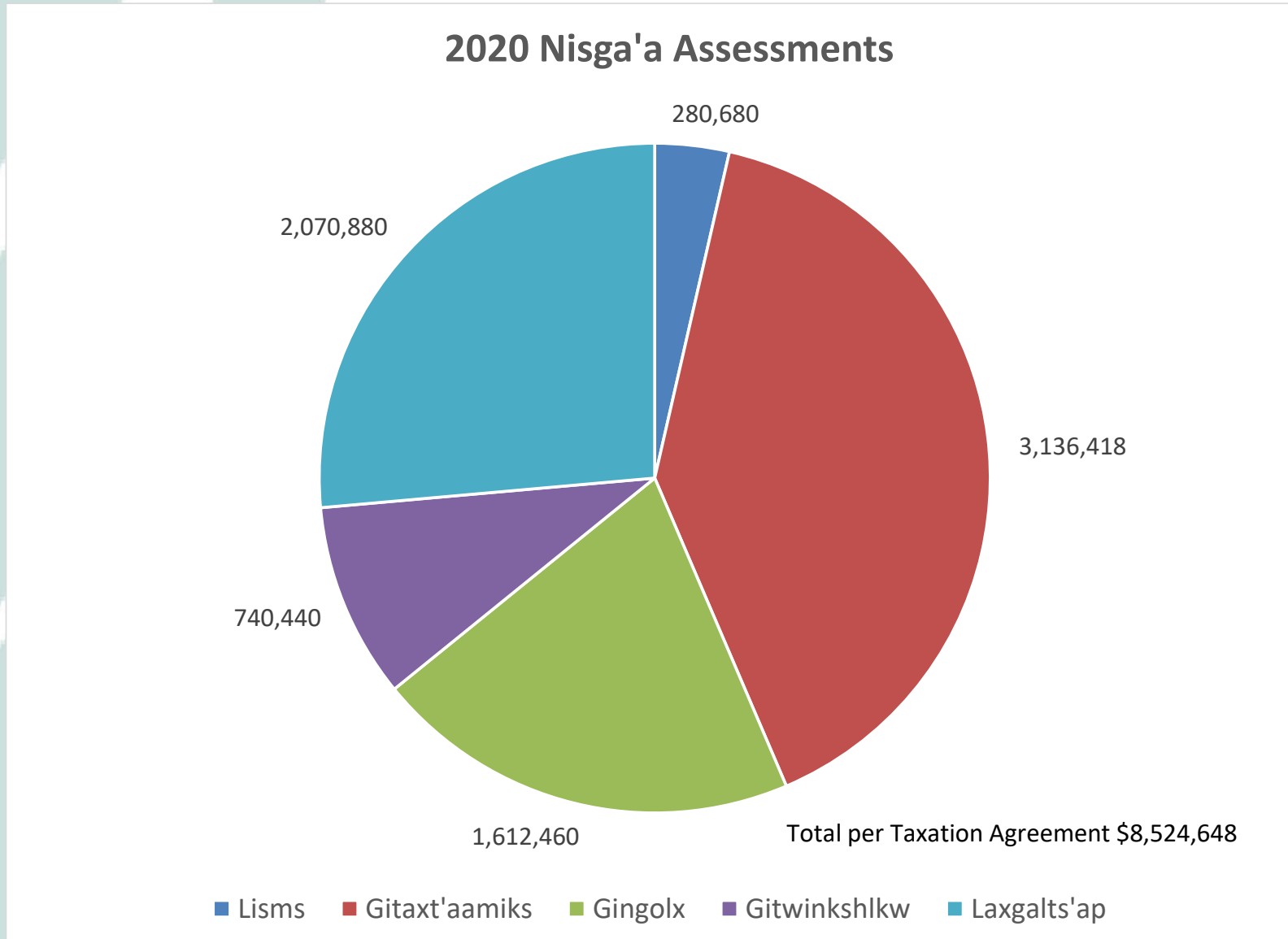
Tax Assessments

<i>Municipality - General</i>	2020 \$	2019 \$	Increase - Decease
District of Kitimat	417,482,788	374,957,478	11.3%
City of Terrace	246,632,570	209,546,761	17.7%
District of Stewart	29,537,555	28,545,472	3.5%
District of New Hazelton	5,844,092	5,413,167	8.0%
Village of Hazelton	2,455,939	2,031,196	20.9%
As per Nisga'a taxation agreement			
Lisms	280,680	737,929	
Gitaxt'aamiks	3,136,418	3,348,164	
Gingolx	1,612,460	1,671,545	
Gitwinkshlkw	740,440	750,030	
Laxgalts'ap	2,070,880	2,059,860	
Nisga'a Nation	7,840,878	8,567,528	-8.5%

Tax Assessments



Tax Assessments



General Government

Requisition	2019	2020	Increase	%
General - All	\$ 1,188,593	\$ 1,058,566	-\$ 130,027	-10.94%
General - Electoral	\$ 43,607	\$ 39,707	-\$ 3,900	-8.94%
	<u>\$ 1,232,200</u>	<u>\$ 1,098,273</u>	<u>-\$ 133,927</u>	<u>-10.87%</u>

Board Expenditures – remuneration, board meeting travel,
Administration – staff, contract HR, professional fees, training, recruitment
General Operating Expenditures
Memberships - FCM, UBCM, NCLGA, LGMA, GFOA
NW RBA, Grant In-Aid & Regional Trust & RBA Funding

New for 2020:

*IT Position, Senior Engineer, Contract HR, Organizational Review,
Capital - Fleet Vehicle, Office building improvements*

Grant In-Aid

- Current RDKS Policy is that the RDKS does not give out Grants In-Aid. Policy allows for exceptions to be made by the Board.
- Intent is for one-time donations to local events or societies.
- Events without a service area have been support this way.
- Ability to tax up to \$0.10 per \$1000 of assessment value.

2019 Grants in Aid Provided		
CITY OF TERRACE;11390;COST SHARING HERITAGE PARK/RIVERBOAT DAYS	\$33,450	C & E
TERRACE & DISTRICT ARTS COUNCIL;230819;2019 GRANT IN AID FROM ELECTORIAL AREA C & E	\$6,750	C & E
TERRACE PEAKS GYMNASTICS;101219;GRANT IN AID AREA C & E RE: AED PURCHASE	\$1,433	C & E
VOLUNTEER TERRACE;230819;GRANT IN AID FROM ELECTORIAL AREA C & E	\$2,500	C & E
HAZELTON DISTRICT CEMETERY (bill not received for 2019 will be actual cost)	\$4,000	B

	Electoral Area C & E	Electoral Area D	Electoral Area F	Electoral Area B	Total Grants
Grant Amount	\$ 92,504	\$ 109,984	\$ 21,808	\$ 16,000	\$ 240,296

Grant In-Aid

Two-Mile Cemetery

- Request from Village of Hazelton to contribute towards fencing older portion and expanding and building a Columbarium. Estimate \$60,000
- No Service exists
- Currently RDKS contributes to maintenance using Area B Grant in Aid
- Village of Hazelton manages but the cemetery is not in their boundary

Options

- Area B increase Grant In-Aid Requisition to contribute
- The project is broken into two parts and old section is turned into a heritage site and added to the heritage register. RDKS could fund this portion with CW Gas Tax
- Create a service. Could be a challenge to define users

Feasibility

Lakelse Jackpine Septic Tank Management	\$50,000
Two Mile Water / Sewer Study	\$210,000
Lakelse Sewer	\$100,000
Solid Waste Management Plan	\$230,000
Area C Dog Control Pilot	\$20,000
Copperside Water Review	\$10,000
Dease Lake Water	\$170,000
Contingency	<u>\$37,020</u>
	\$827,020

No change to requisition - \$58,020

Covered by NCPG & Kemano Grant in lieu

New for 2020:

Senior Engineer and additional planning services

Fire Protection - Hazeltons

Focus on capital for fleet and building for all areas

Hazeltons received a new truck in 2019

Paid in full (NCPG \$40K used)

Rebuild reserves

Fire Protection – Dease Lake

Northern Capital Planning Grant Funds

Capital:

Building needing improvements, roof \$50,000

Replace water tender \$50,000

Fire Protection Thornhill

Requisition	2019	2020	Increase	%
	\$ 883,893	\$1,009,652	\$ 125,759	14.23%

- Building at capacity – assessing options
- Fleet Long Term Plan to 2055
 - Decisions to be made later in 2020 - lease vs borrow
 - Potentially order 4 new trucks in 2021 – 18-month lead time
 - Down payment in 2022
- NCPG funds and reserve contributions will allow for all without borrowing under leasing option
- Reserve currently at \$1.1 million

Capital:

Fire Fleet	2020	2021	2022	2023	2024
Five Year Plan	\$ 50,000		\$ 1,305,000	\$ 305,032	\$ 305,032

Emergency Measures

Projects continuing in 2020:

- Community Wildfire Protection Plan
- Fuel Management Treatment Program
- Skeena River Channel Management
- No change to requisition \$294,360,
- Deficit from 2018 wildfire paid back

New for 2020:

ESS Director position brought in house & located at Thornhill Fire Department

Capital: *mobile satellite system to be purchased using Northern Capital and Planning Grant Funds \$100,000*

Transit Services–Hazelton Area

Include Hwy 16 Routes

Need for Increased Funding

Requisition funding limited by current bylaw \$59,975

Contract costs increasing

Discussions with BC Transit & cost share partners for assistance

Leased buses reaching end of life

Terrace Area Solid Waste

Requisition	2019	2020	Increase	%
	\$ 1,366,541	\$ 1,150,000	-\$ 216,541	-15.85%

- Major Capital Projects Complete
- Increased revenue from Industrial Tipping Fees but creates other challenges
- Fee structures and impact from industry to be reviewed as part of the New Solid Waste Management Plan
- Capital reserve created in 2019 with NCPG

New for 2020:

- \$200K contribution to Reserve in 2020
- Financial Working Group setup as part of SWMP

Hazeltons & Stewart Area Solid Waste

2020 Capital Projects – Total \$710,000:

Hazelton Phase 2- \$350,000

Meziadin Landfill - \$240,000

Kitwanga Transfer Station - \$40,000

Stewart Transfer Station - \$80,000

- \$500K of NCPG in 2020 Budget, remaining costs to be paid with requisition and internally financed
- Capital could be funded with Community Works Gas Tax Funds

Hazeltons & Stewart Area Solid Waste

- 2020 Operations & Maintenance costs increasing as new facilities come online
- Deficit at the end of 2019 estimated to be \$837,000
- If requisition is not increased deficit will increase to \$1,484,339
- Funding Structure to be reviewed as part of the Solid Waste Management Plan.
- Need to investigate ways to reduce costs.
- Unclear how much operating costs will be in full operation.

Decision needs to be made as to how much of an increase can occur in one year.

Hazeltons & Stewart Area Solid Waste

Draft # 1 includes an increase that will cover operating expenses for 2020 while SWMP is completed

	B 2020	B 2021	B 2022	B 2023	B 2024	Per \$100,000*	%
Prior Year Deficit	\$ 837,000	\$ 1,047,000	\$ 1,282,942	\$ 1,249,345	\$ 1,253,142		
RDKS Operational	\$ 406,200	\$ 406,200	\$ 300,000	\$ 300,000	\$ 300,000		
Contractors	\$ 1,797,100	\$ 1,833,042	\$ 1,869,703	\$ 1,907,097	\$ 1,945,239		
Loan Pmt & Interest	\$ 263,551	\$ 263,551	\$ 263,551	\$ 263,551	\$ 263,551		
Capital	\$ 710,000	\$ 200,000					
	\$ 4,013,851	\$ 3,749,793	\$ 3,716,196	\$ 3,719,993	\$ 3,761,932		
2019 Requisition	\$ 1,338,610	\$ 1,338,610	\$ 1,338,610	\$ 1,338,610	\$ 1,338,610	\$ 68.16	
Additional Req	\$ 424,241	\$ 424,241	\$ 424,241	\$ 424,241	\$ 424,241	\$ 89.76	31.69%
Tipping/Cost Share	\$ 704,000	\$ 704,000	\$ 704,000	\$ 704,000	\$ 704,000	\$ 21.60	
NCPG Grant	\$ 500,000						
	\$ 2,966,851	\$ 2,466,851	\$ 2,466,851	\$ 2,466,851	\$ 2,466,851		
Shortfall	\$ 1,047,000	\$ 1,282,942	\$ 1,249,345	\$ 1,253,142	\$ 1,295,081		

Residential Rate per \$100,000. 2019 \$70.07

Hazeltons & Stewart Area Solid Waste

Draft # 3 includes an increase that covers operating expenses and eliminates deficit in 5 years

	B 2020	B 2021	B 2022	B 2023	B 2024	Per \$100,000	%
Prior Year Deficit	\$ 837,000	\$ 787,000	\$ 762,942	\$ 469,345	\$ 213,142		
RDKS Operational	\$ 406,200	\$ 406,200	\$ 300,000	\$ 300,000	\$ 300,000		
Contractors	\$ 1,797,100	\$ 1,833,042	\$ 1,869,703	\$ 1,907,097	\$ 1,945,239		
Loan Pmt & Interest	\$ 263,551	\$ 263,551	\$ 263,551	\$ 263,551	\$ 263,551		
Capital	\$ 710,000	\$ 200,000					
	\$ 4,013,851	\$ 3,489,793	\$ 3,196,196	\$ 2,939,993	\$ 2,721,932		
2019 Requisition	\$ 1,338,610	\$ 1,338,610	\$ 1,338,610	\$ 1,338,610	\$ 1,338,610	\$ 68.16	
Additional Req	\$ 684,241	\$ 684,241	\$ 684,241	\$ 684,241	\$ 684,241	\$ 103.00	51.12%
Tipping/Cost Share	\$ 704,000	\$ 704,000	\$ 704,000	\$ 704,000	\$ 704,000	\$ 34.84	
NCPG Grant	\$ 500,000						
	\$ 3,226,851	\$ 2,726,851	\$ 2,726,851	\$ 2,726,851	\$ 2,726,851		
Shortfall	\$ 787,000	\$ 762,942	\$ 469,345	\$ 213,142	-\$ 4,919		

Residential Rate per \$100,000. 2019 \$70.07

Skeena Television Rebroadcasting Grant in Aid

Budget received from the Skeena TV Association
Funds collected on their behalf
Increase within the bylaw

	2019	2020	Increase	%
Requisition Request	\$ 31,349	\$ 35,455	\$ 4,106	13.10%

Heritage Register

Heritage Signage Project in Dease Lake in 2020

Planning Services

	2018	2019	2020	Var 20-19	
Requisition	\$ 604,098	\$ 716,605	\$ 592,467	-\$ 124,138	-17%

- 2019 Requisition included 2018 costs, lowered to 2018 levels
- Budget allows for extra capacity for project work
- Equipment Upgrades plotter & scanner

Economic Development Commission

- Major projects in process
 - Workforce and Resident Attraction
 - Regional Connectivity Study
- New Economic Development Officer hired
- No requisition change - \$64,473

Thornhill Community Centre

- Renovation fully paid for in 2020
- Upgrade planned for bar area
- Applications made for a grant for new kitchen
- Local share could be funded by Northern Capital and Planning Grant
- No change to requisition \$108,000
- Reserve created for Asset Management

Terrace Recreation and Cemetery

	2019	2020	Increase		Per \$100,000
Requisition	\$ 643,086	\$ 975,295	\$ 332,209	51.66%	\$ 68.16
deficit	\$ 130,349				

- Cost Share Agreement with Terrace
- Pool reopened for full year
- RDKS Budget for 2019 was insufficient
- Aquatic Centre debt payment \$133,541

Upper Skeena Recreation Centre

- Requisition at maximum, \$285,773
- Budget remains unchanged since operating agreement signed
- All Operating Funding confirmed till Dec 2020
- Additional capital required for park lot and demolition of old building
- Humidity Control system not included
- Additional capital for five-year plan currently not included

Capital - \$292,000 local share of grants, biomass

Thornhill Parks and Recreation

	2019	2020	Increase	
Requisition	\$ 94,335	\$ 95,535	\$ 1,200	1.27%

- One new playground planned in Copper Mountain
- Thornhill Landing – repair to monument
- Toynee – fencing and maintenance around orphan park area
- Tennis Court – reurf / crackseal, nets

Lakelse Watershed Initiatives

- Program funded with Kemano Grant In Lieu
- Increased to \$66,000 in 2020 from \$40,000 in 2019
- Surplus funds available for additional studies

Thornhill Water System Terrace Rural Water South Hazelton Water

Funded with user fees and requisitions

Budget at 2019 rates

Rate Review to be completed in 2020

New requirements under the water act related re-chlorination stations. Estimates not available currently.

Queensway Sewer

Funded with user fees

Part of Rate Review with Thornhill Water

Budget includes Queensway Erosion Phase 2 Project

- Grant Applied for, awaiting response
- Cost share agreement required with local partner
- Northern Capital and Planning grant available for local share

Thornhill Core Sewer

Requisition covers debt payment

Capital Plans 2020

General Government	\$ 40,000	Furnace Replacements
General Government	\$ 30,000	Vehicle
Dease Lake Fire	\$ 50,000	Equipment
Emergency Measures	\$ 100,000	Mobile Satellite
Hazelton Landfill Phase 2	\$ 350,000	Infrastructure
Meziadin	\$ 240,000	Infrastructure
Kitwanga Transfer Station	\$ 40,000	Infrastructure
Stewart Transfer Station	\$ 80,000	Infrastructure
Upper Skeena Recreation Centre	\$ 292,000	Building
Queensway Sewer	\$ 200,000	Erosion Project
	\$ 1,422,000	

Fire Fleet	2020	2021	2022	2023	2024
Five Year Plan	\$ 50,000		\$ 1,305,000	\$ 305,032	\$ 305,032

Gas Tax – Community Works Fund

Current Balances (All 2019 Funds Received)

	A	B	C	D	E	F	Total
Total Revenue available	932,899	1,401,818	1,752,158	330,946	47,017	159,170	4,624,008
Approved Funds to be used for Future projects							
Upper Skeena Recreation Centre (approved commitments not yet moved to project)		(615,179)					(615,179)
Dease Lake Recreation Centre R482-2015						(27,500)	(27,500)
Welcome House Café (Village of Gitwinksihklw)	(50,401)						(50,401)
Total Commitments	(50,401)	(615,179)				(27,500)	(693,080)
Balance after commitments	882,498	786,639	1,752,158	330,946	47,017	131,670	3,930,928

Gingolx	267,507
Gitwinksihkw	128,725
Lagalts'ap	317,507
Gitlaxt'aamiks	168,756
Totals	882,497

Gas Tax – Community Works Fund

Current Balances (All 2019 Funds Received)

Community Works Funds	A	B	C	D	E	F
Balance after commitments	882,498	786,639	1,752,158	330,946	47,017	131,670
<i>2020 Projects Discussed</i>						
Electric Charging Station	X					
Lease Fees for Transit Bus		X	X		X	
Welcome to Dease Lake Sign						X

Reserves

- All planned reserve fund transfers for 2020 are funds from the Northern Capital Planning Grant
- NCPG Balance will be \$2,608,021 end of 2020

Reserve	2019 YE	2020 B	F 2020 YE
General Government	\$ 751,979	\$ 70,000	\$ 681,979
Feasibility	\$ 439,240	\$ 340,000	\$ 99,240
Thornhill Fire	\$ 1,100,000		\$ 1,100,000
Dease Lake Fire	\$ 100,000	\$ 50,000	\$ 50,000
Hazleton Fire	\$ 60,479		\$ 60,479
Regional 911	\$ 50,000		\$ 50,000
Emergency Measures	\$ 100,000	\$ 100,000	\$ -
Thornhill Dog Control	\$ 35,797		\$ 35,797
Hazleton Regional Transit	\$ 100,000		\$ 100,000
Solid Waste - Terrace	\$ 100,000		\$ 100,000
Solid Waste - Hazleton	\$ 500,000	\$ 500,000	\$ -
Thornhill Community Centre	\$ 100,000		\$ 100,000
Thornhill Parks	\$ 100,000		\$ 100,000
Thornhill Water	\$ 379,886		\$ 379,886
South Hazleton Water	\$ 200,000		\$ 200,000
Queensway Sewer	\$ 200,000	\$ 200,000	\$ -
	\$ 4,317,381	\$ 1,260,000	\$ 3,057,381



- Questions?

Gas Tax – Community Works Fund

- The Community Works Fund (CWF) is delivered to all local governments in British Columbia through a direct annual allocation to support local priorities.
- CWF is based on a per capita formula with a funding floor and delivered twice annually.
- Local governments make local choices about which eligible projects to fund and report annually on these projects and their outcomes.
- The Agreement stipulates that eligible investments are those associated with acquiring, planning, designing, constructing or renovating a tangible capital asset; or strengthening the ability of local governments to improve local and regional planning and asset management; and joint communications activities or federal signage.

Gas Tax – Community Works Fund

Public Use:

- Does the proposed project primarily provide a service that is available or open to the public?
- Does the proposed project result in a service that is not limited by private membership?
- Does proposed project primarily result in a publicly owned asset or delivers a public service that a local government traditionally provides?

Benefit:

- Does the project provide a service that is a tangible benefit that aligns with the national outcomes of productivity and economic growth; a clean environment; or strong cities and communities?
- Does the project result in a service that benefits a sufficiently large segment of the public or community?

Gas Tax – Community Works Fund

Eligible Investment Categories:

- Local roads, bridges
- Short-sea shipping
- Short-line rail
- Regional and local airports
- Broadband connectivity
- Public transit
- Drinking water
- Wastewater
- Solid waste
- Community energy systems
- Brownfield redevelopment
- Sport infrastructure
- Recreational infrastructure
- Cultural infrastructure
- Tourism infrastructure
- Disaster mitigation
- Capacity building