



THE CORPORATION OF THE CITY OF VERNON
INTERNAL MEMORANDUM

TO: Will Pearce, CAO **FILE:** 1700-02
FROM: Debra Law, Director, Financial Services **DATE:** November 29, 2019
SUBJECT: 2020-2024 Proposed Budget Non-Market Growth Estimate Update

At the November 12, 2019 Regular Council meeting, the 2020-2024 Proposed Budget was presented to Council. Included in that budget was an estimate of \$400,000 of additional taxation revenues from non-market growth (NMG).

On November 27, 2019 the Director, Financial Services obtained the 2020 Non-Market Change Assessment report. When the 2019 City tax rates are applied to the estimated change in assessments, it is estimated that the City will realize approximately \$600,000 in total taxation from NMG. The additional \$200,000 in taxation revenue is equal to 0.49% of total taxation. \$600,000 of NMG in taxation is equal to 1.48%.

The Proposed Budget included a request for \$50,000 (Change Request #2785) as the differential cost to purchase "clean winter grit". Samples of current winter grit were provided to the City's Geotech (Fletcher Paine) for analysis. Analysis showed the current supply is the recommended grit for low dust production and exceeds (produces lower dust) grit supplies used by numerous other communities in the Okanagan area. Change Request 2785 has been removed.

In addition it was realized that one service level increase, requested by Council resolution, had not been included in the budget package relating to the proposed third downtown washroom. At the October 28, 2019 Regular meeting, Council approved the following resolution:

"AND FURTHER, that Council direct Administration to put forward a request for \$36,500 to be considered during 2020 Budget Deliberations to cover the additional operating and maintenance costs, including cleaning and security."

Change request #2829 – Security and Maintenance for Third Downtown Washroom (Attachment 2) is estimated at \$27,375 in 2020 as it is prorated for 9 months. The Director, Operations will speak to this change request during budget deliberations. This Change Request is now included in the revised summary.

The November 1, 2019 Report to Council titled "2020-2024 Proposed Budget for Council Consideration" stated that the net tax revenue increase required to maintain historic levels of service and continue with the infrastructure levy increase, net of the non-market change in taxation, would be 2.70%. With the new information from BC Assessment, the revised net tax revenue increase would be 2.21% prior to consideration of any service level increases (change requests). This means the net Operating Budget increase, 2019 to 2020, has been held to 0.31%. The revised 2020 Proposed Budget Summary is attached (Attachment 1).

Including all proposed service level increases and the amendments to proposed Change Requests (remove clean winter grit, add security and maintenance for third washroom) the net Operating Budget increase is 1.45%. The 2020 Infrastructure Program will continue to grow at 1.9% which equals a proposed 2020 Tax Revenue increase of 3.35%.

If Council has any questions about the 2020-2024 Proposed Budget, please do not hesitate to contact the Director, Financial Services or Manager, Financial Planning and Reporting.

Attachments (2)

Respectfully submitted,

A handwritten signature in cursive script that reads "Law". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Change Request Information

Change Request: AUTO - 2829 - Security and Maintenance for Third Downtown Washroom

Budget Year: 2020

Change Request Type: Funded by Taxation

Change Request Stage: Requested

Description: Evening security checks and ongoing maintenance for third new public washroom

Justification: At the October 28, 2019 Regular Meeting, Council approved the following resolution:

"THAT Council approves the expenditure of \$40,000 from the Casino Reserves to be combined with the approved funding of \$365,000 for the installation of two permanent washrooms approved in the 2019 Financial Plan, to allow for the installation of three (3) permanent washrooms; at 3007 31 Avenue (replacement of existing washroom at Transit Terminus) and 30 Avenue at 35 Street, as outlined in the report titled 'Downtown Washrooms', dated October 18, 2019 from the Director, Operations;

AND FURTHER, that Council directs Administration to bring forward potential locations for the third facility for consideration;

AND FURTHER, that Council direct Administration to put forward a request for \$36,500 to be considered during 2020 Budget Deliberations to cover the additional operating and maintenance costs, including cleaning and security."

The increase is to cover ongoing maintenance, operating costs and security checks for a third public washroom located in the downtown area. This request is in addition to Change Request 2805 (\$35,000) to cover operating and maintenance costs for the second washroom located on 30 Avenue. The 2020 budget for the third washroom has been prorated to account for an anticipated installation date of April 2020.

Department Responsibility: DOWNTOWN WASHROOM (466)

Initial Cost: \$27,375.00

Annual Incremental Operation Cost: \$36,500.00

Non-Tax Funding: \$0.00

Net Tax Requirement:	2020	2021	2022	2023	2024
	27,375.00	36,500.00	37,230.00	37,975.00	38,734.00

CITY OF VERNON BUDGET FOR 2020 - PROPOSED (REVISED)

1.00% = \$405,408

2020 BUDGET SUMMARY TO PROVIDE EXISTING SERVICES					Net Operating Expenditures	Net Capital Expenditures	Total Net Expenditures	Taxation Requirements	Taxation Increase %
2019 TOTAL NET EXPENDITURES & TAXATION					36,143,938	4,396,870	40,540,808	(40,540,808)	0.00%
2020 OPERATING EXPENDITURE INCREASE					725,067	-	725,067	(725,067)	1.79%
2020 INFRASTRUCTURE INCREASE					-	770,275	770,275	(770,275)	1.90%
2020 TOTAL NET EXPENDITURES & TAXATION					36,869,005	5,167,145	42,036,150	(42,036,150)	3.69%

Dept #	Department Name	Change Request #	Page #	Description of Change Request	Change in FTE	Proposed Reserve	Increase / (Decrease) Revenue	Increase / (Decrease) Expenses	Taxation Revenue Required	Cumulative Taxation Increase %
144	TAXATION	N/A		2020 Non Market Growth in Taxation Estimate			600,000		600,000	2.21%

CHANGE REQUESTS

RECOMMENDED EXPENDITURES REQUIRING ONGOING FUNDING (TAXATION)

323	Emergency Management	2757	462	Emergency Program Development				5,000	(5,000)	2.22%
411	Boulevards	2813	463	* Turtle Mountain Boulevard				75,000	(75,000)	2.41%
632	Park Trails	2780	464	Noxious Weed Control on Park Properties				10,000	(10,000)	2.43%
661	DND Park	2781	465	DND Field Maintenance Improvements	2018 PYUUB		10,000	30,000	(20,000)	2.48%
466	Downtown Washroom	2829	466	* Security and Maintenance for third Downtown Washroom				27,375	(27,375)	2.55%
466	Downtown Washroom	2805	467	* Security and Maintenance for Downtown Washroom				35,000	(35,000)	2.63%
145	Grants	2764	469	* O'Keefe Ranch Grant Extension				50,000	(50,000)	2.76%
150	Human Resources	2752	468	Coordinator, Talent Acquisition and Retention	1.0	2018 PYUUB	22,325	117,205	(94,880)	2.99%
345	Bylaw Compliance	2736	470	* Bike Patrol & Assistant Manager	1.2	2018 PYUUB	4,150	120,545	(116,395)	3.28%
345	Bylaw Compliance	2749	471	* Bylaw Seasonal Enforcement Rental Truck				13,300	(13,300)	3.31%
350	Safe Communities	2776	472	WIFI access for 529 Garage Bicycle Registration		2018 PYUUB	300	1,550	(1,250)	3.31%
122	Information Services	2756	473	Information Services Tech 1 - Full time from part time	.2			14,924	(14,924)	3.35%
* Represents items requested from Council by resolution at Regular Council meetings.					2.4	SUBTOTALS	36,775	499,899	(463,124)	3.35%
								TOTAL TAXATION including Non-Market Growth Taxation Estimate		(42,499,274)

RECOMMENDED EXPENDITURES REQUIRING ONE TIME FUNDING ONLY (RESERVES)

965	Projects - Fire Dept	2808	474	Fire Apparatus - Sprinkler Protection Unit		Fortis BC LILO Bylaw	140,000	140,000	-	3.35%
965	Projects - Fire Dept	2816	475	Fire Apparatus - Command/Squad 701		Fortis BC LILO Bylaw Fortis BC Gas Legacy	125,000	125,000	-	3.35%
219	Long Range Planning	2792	476	* Climate Action Plan Acceleration Resources		Development Excess Reserve	115,000	115,000	-	3.35%
220	Development Services	2767	477	* Drainage Engineer (3 years)	1.0	Grant/Development Excess Reserve	122,155	122,155	-	3.35%
415	Paved Streets	2801	478	Extendable Snow Plow		2018 PYUUB	25,000	25,000	-	3.35%
600	Local Parks General	2777	479	Soccer Nets and Sentinel Upgrades		2018 PYUUB	24,000	24,000	-	3.35%
616	Alexis Park	2788	480	Alexis Park Bleacher Replacement		2018 PYUUB	12,500	12,500	-	3.35%
626	Grahame Park	2779	481	Grahame Diamond Fencing Repairs and Dug Outs		2018 PYUUB	30,000	30,000	-	3.35%
632	Park Trails	2789	482	Community Trail System Signs		2018 PYUUB	7,500	7,500	-	3.35%
663	Kin Beach Park	2782	483	Additional Sand and Geese Control at Kin Beach		2018 PYUUB	40,000	40,000	-	3.35%
966	Projects - Facilities	2796	484	Addition to Operations Building		2018 PYUUB	100,000	100,000	-	3.35%
490	Spray Irrigation	2783	485	Spray Irrigation Equipment		Sewer Reserves	50,000	50,000	-	3.35%
491	VWRC Treatment	2794	486	Regional Biosolids Composting Facility		Sewer Reserves	250,000	250,000	-	3.35%
145	Grants	2811	487	* Weekly Cleanup Grant		2018 PYUUB	8,000	8,000	-	3.35%
145	Grants	2824	488	* DVA - Downtown Security Camera Grant		2018 PYUUB	22,000	22,000	-	3.35%
145	Grants	2825	489	* Winter Carnival Society Additional Grant		2018 PYUUB	6,500	6,500	-	3.35%
145	Grants	2812	490	Library Sunday Openings		2018 PYUUB/Library Shelving Reserve	25,803	25,803	-	3.35%
132	Communications/Grants	2751	491	Radio Ad Campaign		2018 PYUUB	32,000	32,000	-	3.35%
345	Bylaw Compliance	2823	492	* Seasonal Security Supplementation		2018 PYUUB	33,125	33,125	-	3.35%
350	Safe Communities	2774	493	* Folks on Spokes /Hotline		2018 PYUUB	27,000	27,000	-	3.35%
350	Safe Communities	2775	494	* Anti-Tag Team		2018 PYUUB	16,380	16,380	-	3.35%
351	Crime Prevention	2748	495	Safe Communities Volunteer Hi-Vis Jackets		2018 PYUUB	5,100	5,100	-	3.35%
351	Crime Prevention	2770	496	Portable Radio purchase for Community Safety Unit/RCMP Volunteers		2018 PYUUB	7,500	7,500	-	3.35%
311	RCMP Support Services	2786	497	SouthEast District RCMP Operational Communication Centre Service Decrease		2018 PYUUB	99,780	99,780	-	3.35%
* Represents items requested from Council by resolution at Regular Council meetings.					1.0	SUBTOTALS	1,324,343	1,324,343	-	3.35%

OTHER REQUESTED EXPENDITURES RECOMMENDED BUT EXCEEDS MANDATED 2.0% INCREASE

						Initial Amount \$	Other Funding \$	Tax Increase \$	Additional Tax Increase %	
321	Fire Fighting	2791	498	Step Change Firefighter to Lieutenant - 4 positions		95,882		(95,882)	0.24%	
850	Recreation Office	2795	499	Additional Recreation Centre Weekend Clerical Hours		12,106	3,826	(8,280)	0.02%	
860	Programming General	2761	500	Recreation Programmer Position	1.0	90,333	44,277	(46,056)	0.11%	
865	Aquatic Centre	2759	501	Aquatic Programmer Position	1.0	90,333	28,545	(61,788)	0.15%	
865	Aquatic Centre	2760	502	Additional Lifeguard Hours	.2	43,047	13,603	(29,444)	0.07%	
981	Projects - Recreation	2778	503	Recreation Major Maintenance Projects		130,000	41,080	(88,920)	0.22%	
					2.2	SUBTOTALS	461,701	131,331	(330,370)	0.81%

OTHER REQUESTED EXPENDITURES FOR COUNCIL CONSIDERATION

321	Fire Fighting	2753	504	Two (2) New FTE Firefighters	2.0	194,606		(194,606)	0.48%	
961	Projects - Public Works	2784	505	* Vacuum Street Sweeper	1.0	507,424	350,000	(157,424)	0.39%	
* Represents items requested from Council by resolution at Regular Council meetings.					3.0	SUBTOTALS	702,030	350,000	(352,030)	0.87%



THE CORPORATION OF THE CITY OF VERNON

M E M O R A N D U M

TO: Will Pearce, CAO **FILE:** 7700-01
PC: Patti Bridal, Deputy CAO, Dir. Corporate Services **DATE:** December 9, 2019
FROM: Doug Ross, Director, Recreation Services
SUBJECT: *Budget Adjustment – Software Licensing*

Administration has realized that a portion of the software licensing renewal required in 2020 was not captured in the 2020 Recreation Services budget. In order to allow for the purchase of the licensing renewals an additional \$13,400 needs to be added to both the revenue and expenses of the Recreation General budget.

The adjustments within department 800 Recreation General are to increase the revenue for Transfer From IT Equipment to \$21,500 and to increase the expense for Network Hardware Replacement to \$23,500. Because this is an in and an out adjustment there is no change to the bottom line of the budget.

RECOMMENDATION:

THAT Council amend the Recreation Services budget as identified in the memo titled Budget Adjustment Software Licensing dated December 9, 2019 from the Director Recreation Services.

Respectfully submitted:

Doug Ross