
2025-2029 Five Year Financial Plan Presentation

Financial & Corporate Services
February 25, 2025



February 25th Agenda

Five Year Financial Plan Review

- Overview of 2025 Budget Process
- 2025-2029 Key Planning Assumptions
- 2025 Property Tax Analysis
- 2025-2029 Property Tax Analysis
- Reserve Continuity
- Next Steps

Overview of Budget Process to Date

- Initial Council Direction
- Budget Planning Session
- New Projects reviewed at COTW meetings
- Departmental Budgets presented to Council
- Water and Sewer rates renewed based on proposed Budget
- Proposed 2025 budget presented on November 27th
- Decisions made by COTW
- Budget Book made available to public for comments.
- Five Year Financial Plan Review – February 11th, 2025
- Public Meeting February 25th, 2025

2025 – 2029 Budget Planning Guidelines

- No planned municipal contributions for development in the next five years
 - i.e. - no expansion of roads or pipe network
- Continuation of RDCK service contracts except IT service provision
- No reduction of levels of service for departments
- Continued new Infrastructure Reserve taxation - \$30,000 per year over 5 years
- Average 3% wage and benefit increase for five year period.
- Estimated CPI in Five Year Financial Plan (2025-2029) 2.4%, 3%, 3%, 3%, 3%
- Property taxes and fees increases aligning with inflation for 2025-2029

Organizational Risks/Opportunities

Identified Risks

- Inflation lag
- Staff retention and remuneration
- Emergency Management Legislation Change
- Continuing RCMP Contract Increases
- Provincial Downloading
 - Affordable Housing Project Assistance
 - Day Care Project Assistance
- Asset Management – high costs
- Staff Capacity - to get projects implement – Records Management, Emergency Management, Fire Smart
- Trade war could affect our costs – hard estimate at this time

Identified Opportunities

- CUPE 3.25% for 2025 is the last year of the current contract. Collective Bargaining require for new contract.
- Increasing revenues offsetting taxation
- A number of grant programs available to assist with projects
- Process automation – improve services
- Stable workforce – low turnover

2025 Budget Impacts

2025 Known Cost Drivers

- CUPE Collective Agreement 3.25% \$62.5K
- Exempt Staff – Est. \$53K
- BC CPI 2.4% as of October – indicator of cost increases
- RCMP \$103K
- Many inputs such pipes, building supplies are steadily increasing impacting capital costs
- Council Remuneration \$21K
- CPP \$11K – last of implementation
- Pension, benefits, WCB, EI \$26K
- Insurance Costs \$10K
- Core Increases from 2024 \$10K
- Waste water – working towards fixing issues related to MWR permitting – continue cost increases at WWTP

2025 – 2029 Budget Planning Guidelines Cont.

- Current income formula for RCMP costs used - Town working on a new agreement for building rent for Provincial RCMP
- RCMP Staffing – 6.4 F.T.E. vs 7 (vacancy benefit based on experience)
- No change in RCMP F.T.E.'s. Budget increase for RCMP wages is adequate (based on guidance provided by RCMP)

2025 – 2029 Budget Planning Guidelines Cont.

- Creston Education Centre – continued rental income of current tenants (renewals signed until 2028 in 2023)
- Grant Funding
 - 2025-2026 Akuthni Phase 2 (86% funding of 1.2 million) – applied for Provincial ReDIP
 - 2026-2029 Major Road Reconstruction (Federal/Provincial Grant +/- 2.8 million over four years) – grant dependent
 - Childcare Facility – 100% Provincial grant dependent
 - Housing Accelerator Fund Initiatives – 100% Federal Govt Grant Dependent

2025 Budget

(based on Budget revised to February 11, 2025)

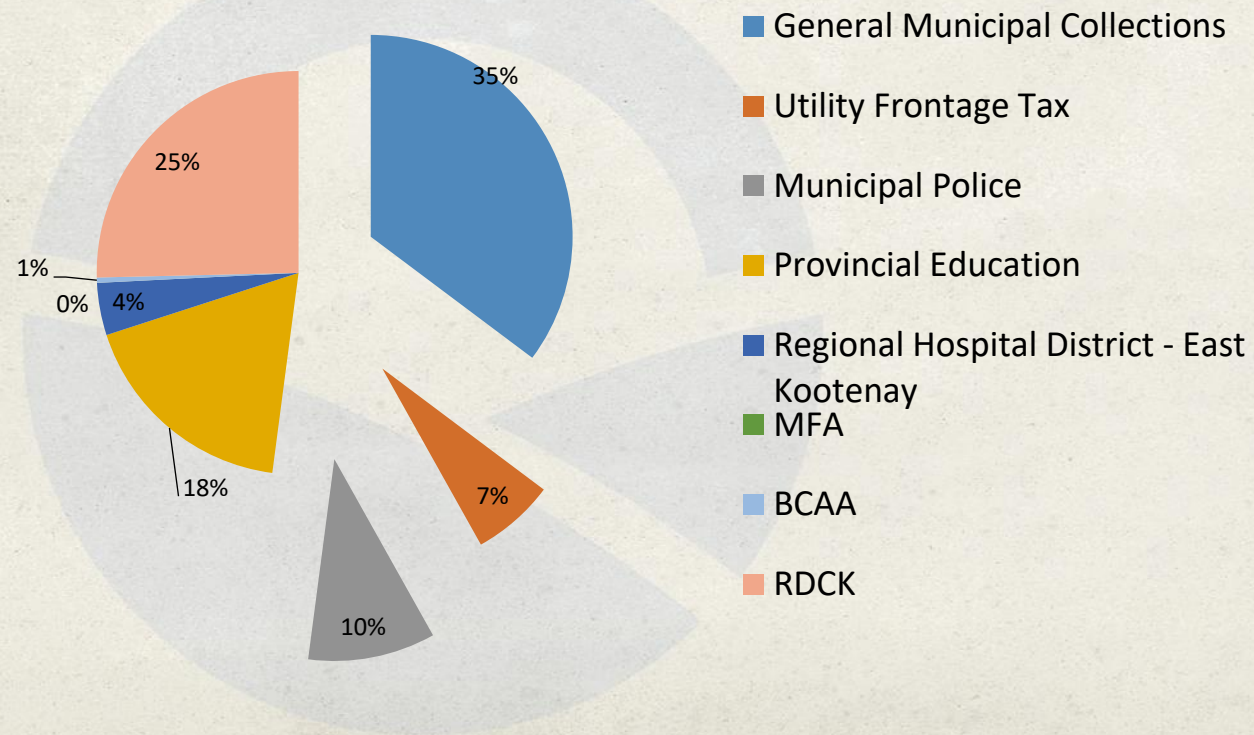
Proposed 2025 Municipal Tax Increase Effect

	Percent	Dollars
CPI Tax Increase <i>(based on known/contractual increases only)</i>	5.37%	\$ 302,932
Estimate Non-Market Change Increase	(0.86%)	(\$ 48,491)
Net Effect of Taxation for CPI on Existing Property Taxpayers	4.51%	\$ 254,441
<u>Other Core Inc./Dec. +/-% (as proposed today)</u>	0.0%	(\$ 271)
Core Revenue Increases	(1.75%)	(\$98,795)
Infrastructure Replacement Reserve Funding	0.53%	\$ 30,000
Net Increase for Municipal Operational Purposes	3.29%	\$ 185,375
Municipal Police Tax – RCMP Increases	2.32%	\$ 131,043
Total Net Increase for Municipal Operations & Policing	5.61%	\$ 316,418

The municipal increase relative to municipal taxation is 4.3%

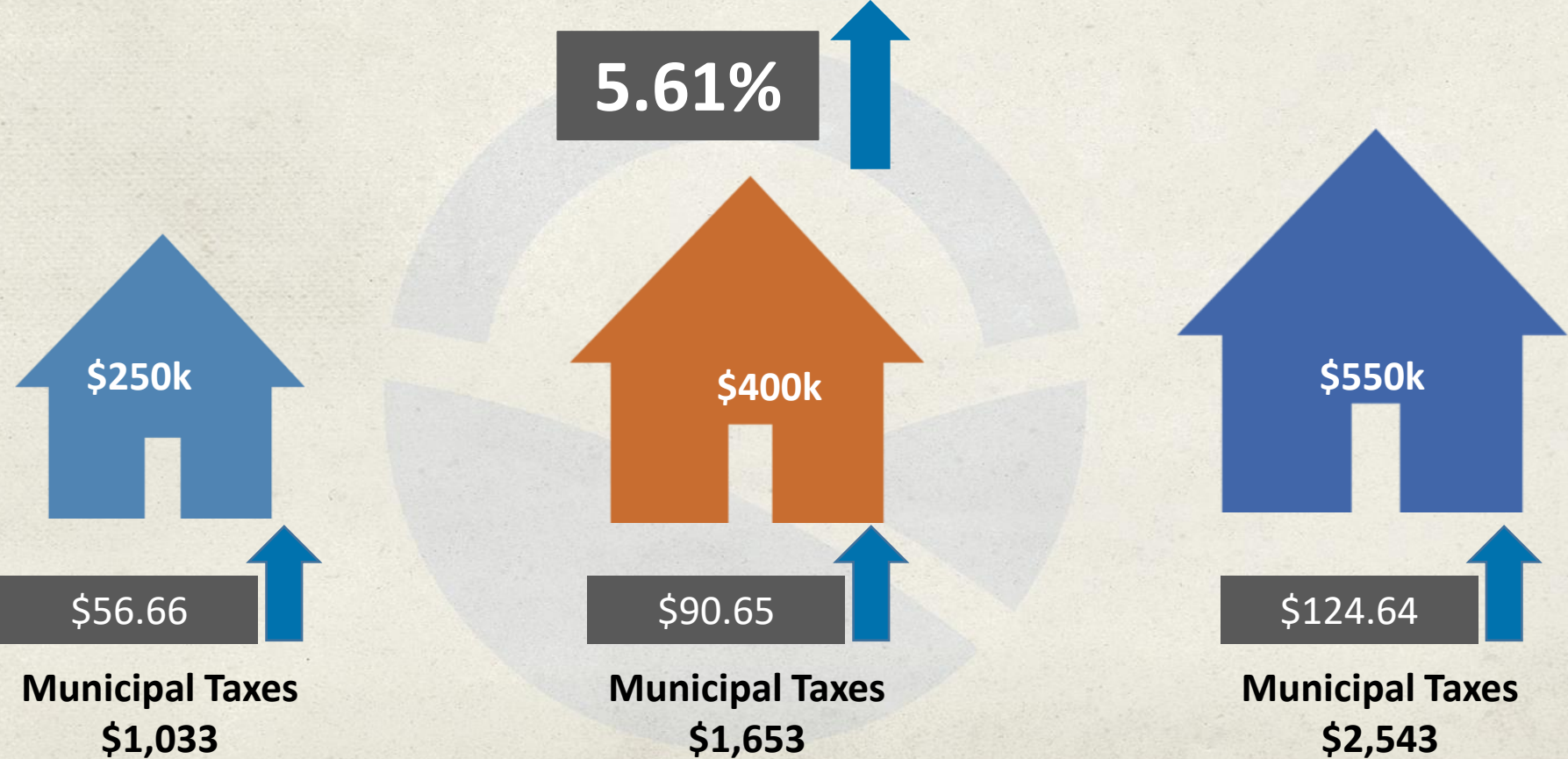
The police increase relative to police taxation is 10.1%

2024 Property Tax Bills (Actual)



2025 Estimated Proposed Municipal Tax Increase

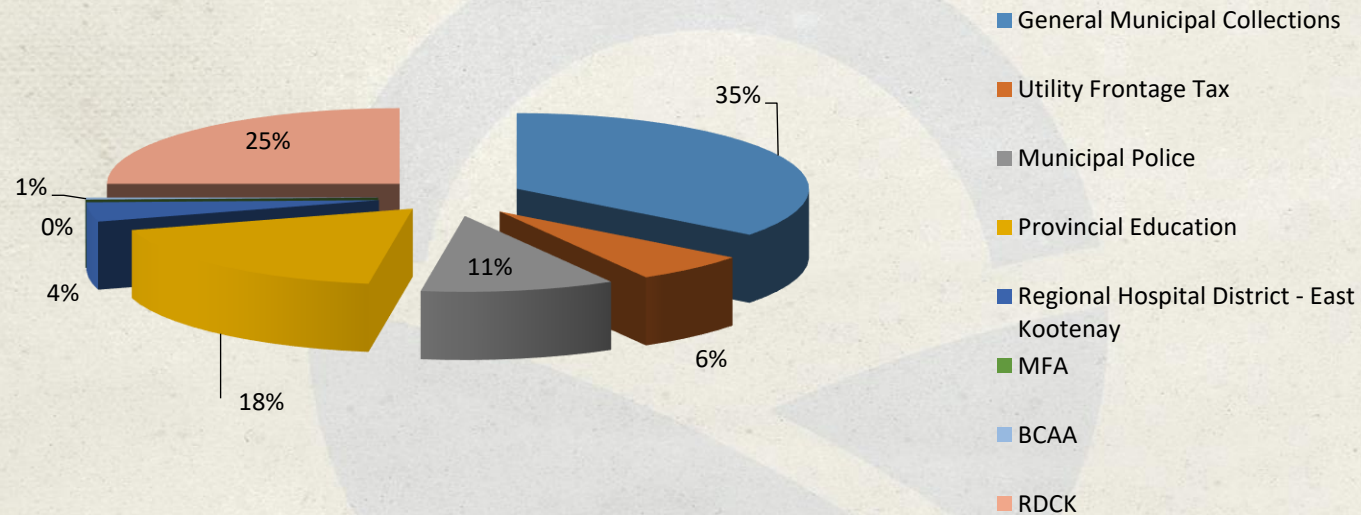
(Exclusive of all other jurisdictional taxes and using 2024 assessed Value)



In 2024 Representative House for Creston was \$425,970 paid \$1,721

Estimated 2025 Property Tax Bills

4.1% Effective Change Net of 0.88% Non-Market Change (new taxation)*



*Using and average of 5.3% increase for other government taxation.

Forecasted Future Year Tax Changes (2026-2029)

	Recommended Budget	
	Percent	Dollars
General CPI Increase (net of new construction)	10.12%	\$ 652,840
Payment for Borrowing		
New Additions to Core Budget	2.21%	\$ 124,400
Tax for RCMP Services	3.30%	\$ 213,000
Infrastructure Replacement Reserve	1.84%	\$ 120,000
<u>Sub-Total (Effect on current taxpayers)</u>	<u>17.47%</u>	<u>\$ 1,110,240</u>
New Construction – no impact on existing rate payers	<u>4.75%</u>	<u>\$ 313,713</u>
TOTAL	22.22%	\$ 1,423,953

General Operating Revenues

	Budget 2024	Budget 2025	% Change
Taxation/Grants in Lieu	5,763,323	6,129,002	6.3%
Grants Provincial	689,284	690,000	0.1%
Grants Federal	553,446	400,000	-27.7%
Fees, Misc. Sales and Services	3,970,319	4,540,890	14.4%
Interest and Penalties	214,500	223,000	4.0%
	11,190,872	11,982,892	7.1%
Service Other Funds	340,000	350,000	2.9%
Previous Years Reserves	1,855,288	998,861	-46.2%
Previous Years Surplus	429,909	308,061	-28.3%
Total REVENUES	13,816,069	13,639,814	-1.3%

General Operating Expenses

	Budget 2024	Budget 2025	% Change
General Government	2,573,812	2,702,562	5.0%
Fire Protection	1,662,718	2,187,664	31.6% *
Bylaw	178,756	173,750	-2.8%
RCMP Costs	1,481,730	1,583,518	6.9%
Works Department	2,582,200	2,628,280	1.8%
Development Services	1,395,933	1,351,993	-3.1%
Debt	233,064	233,064	0.0%
Transfer to Capital	2,896,945	1,910,102	-34.1%
Transfer to Reserve	830,911	868,881	4.6%
Total EXPENSES	13,836,069	13,639,814	-1.4%

* Fire Department increase is 4.4%, remaining increase is Emergency Management Program, funded mostly from grants

Water Operating Fund

	<u>Budget 2024</u>	<u>Budget 2025</u>	
REVENUES			
Frontage Taxes	391,000	390,500	-0.1%
Rates, rental fees	1,444,250	1,491,242	3.3%
Interest and misc.	120,000	120,000	0.0%
Transfer from reserves	4,000	4,000	0.0%
Total REVENUES	<u>1,959,250</u>	<u>2,005,742</u>	2.4%
EXPENSES			
Administration	215,738	290,361	34.6%
Arrow Creek	738,222	738,222	0.0%
System maintenance costs	405,827	474,021	16.8%
Transfer to capital	322,000	307,000	-4.7%
Transfer to reserves	299,463	196,138	-34.5%
Total EXPENSES	<u>1,981,250</u>	<u>2,005,742</u>	1.2%

Waste Water Operating Fund

	Budget 2024	Budget 2025	
REVENUES			
Frontage Taxes	432,700	432,400	-0.1%
Rates, rental fees	3,470,229	3,831,942	10.4%
Grants	1,470,000	1,605,000	9.2%
Interest	70,000	70,000	0.0%
Transfer from Reserves	816,800	1,117,522	36.8%
Previous Year's Surplus	63,589	24,450	-61.5%
Total REVENUES	6,323,318	7,081,314	12.0%
EXPENSES			
Administration	256,762	313,462	22.1%
System Maintenance Costs	246,296	293,996	19.4%
Treatment Plant Operations	1,161,352	1,273,948	9.7%
transfer to Capital	4,218,000	4,759,000	12.8%
Debt Charges	200,908	200,908	0.0%
Transfer to Reserve	240,000	240,000	0.0%
Total EXPENSES	6,323,318	7,081,314	12.0%

2025 General Fund Contributions to Reserves

Municipal Software Replacement Reserve	\$100,000
Public Works Equipment Reserves	\$200,000
Infrastructure Replacement*	\$421,671
Bin Replacement Reserves	\$27,634
Green Initiatives Reserves	\$8,000
Fire Equipment Reserves	\$98,750
Cemetery Operating Reserve	\$12,826
<u>TOTAL RESERVE CONTRIBUTIONS</u>	<u>\$868,881</u>

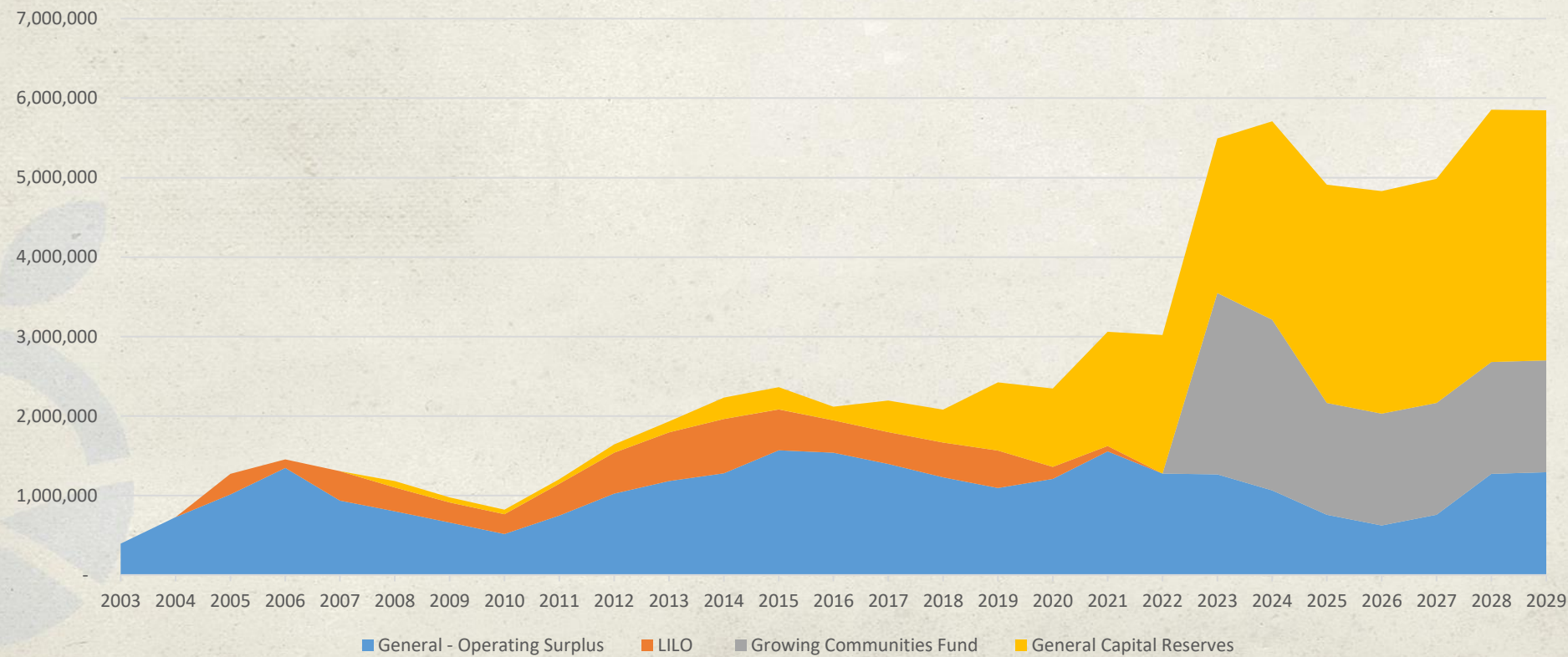
* Includes \$56,686 for Net CEC Rents vs Expenses – to be used for CEC Capital

* Includes \$13,600 for Ken Huscroft Park Rents vs Expenses – to be used for future park needs

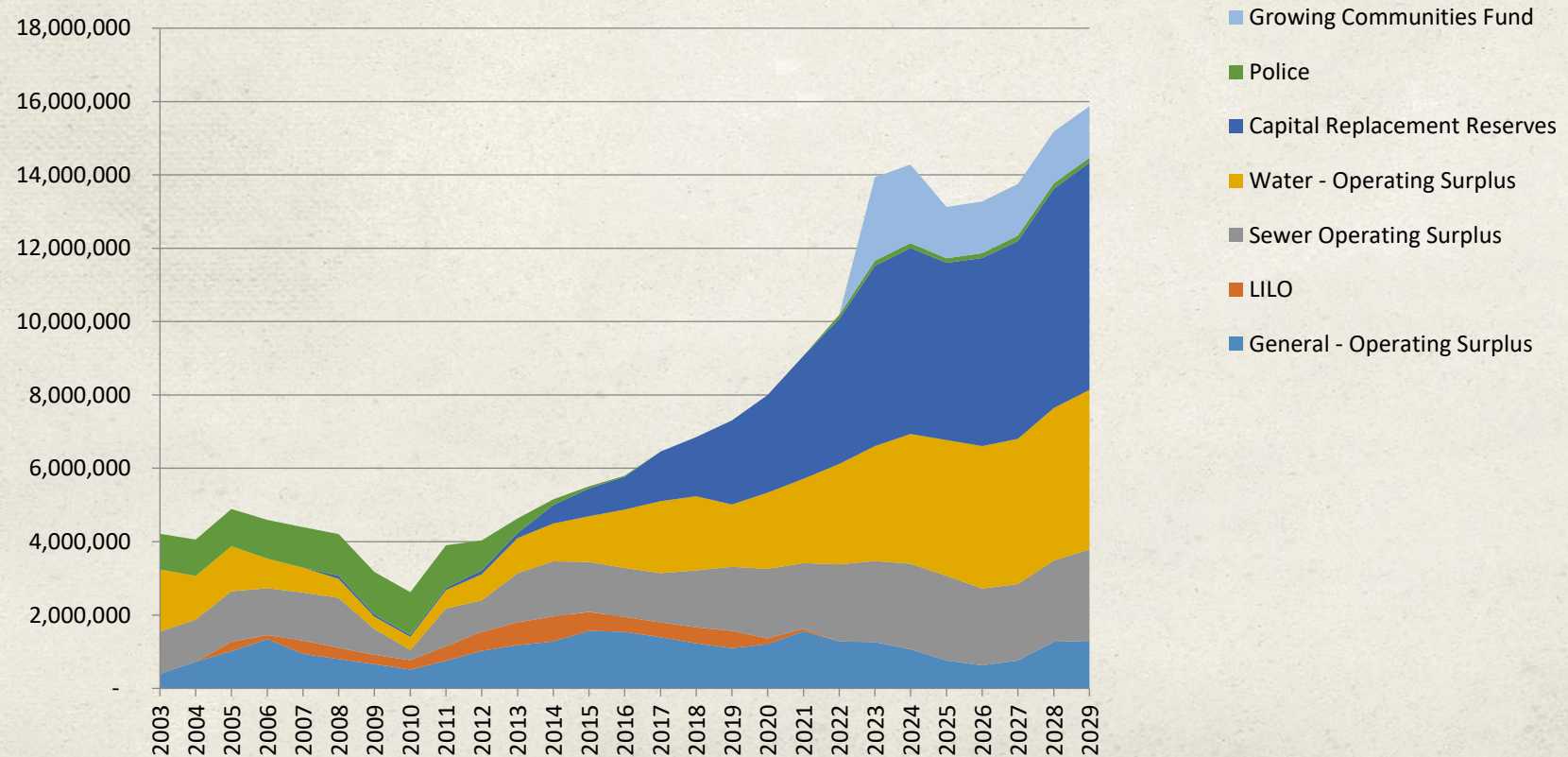
* Includes \$9,385 for Armitage Centre Rents vs Expenses – to be used for Armitage Centre capital

Estimated General Reserve & Surplus Continuity 2003 - 2029

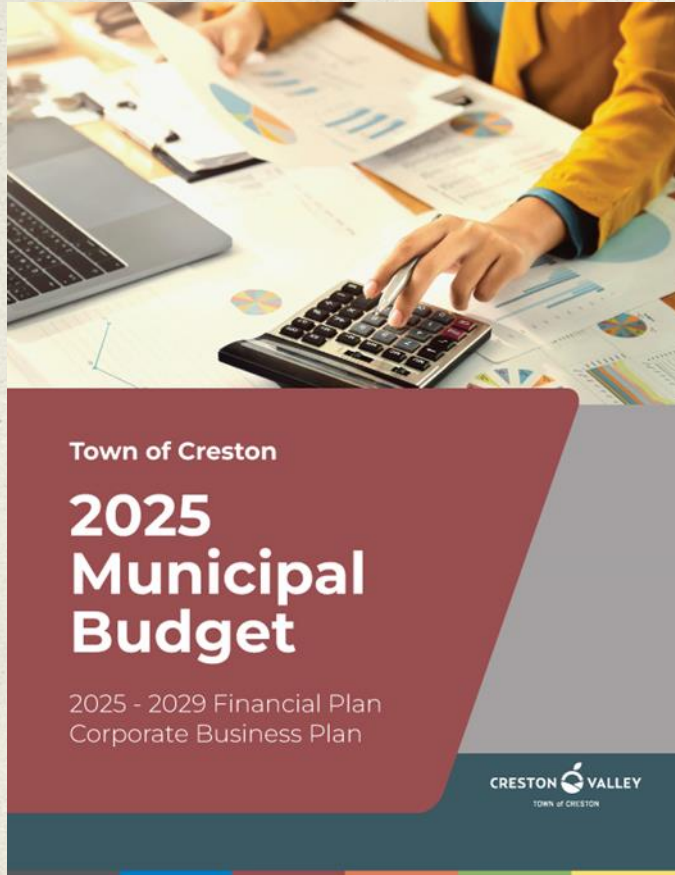
General Fund Reserve and Surplus Balances



Estimated Reserve Continuity with Utilities 2003 - 2029



Public Budget Document



Comprehensive budget document.

Available on-line to the public since early January 2025

Questions

Discussion

Remaining Steps



Next Steps

- February 25, 2025
 - Public Budget Meeting (at Council) 1st, 2nd, and 3rd Readings of 2025 to 2029 Five Year Financial Plan Bylaw
- March 11, 2025
 - Adoption of 2025 to 2029 Five Year Financial Plan Bylaw
- April 15, 2025
 - Review of Tax Rates (Special COTW)
- April 22, 2025
 - 1st, 2nd, and 3rd Readings of 2025 Tax Rates Bylaw

Next Steps

- April 29, 2025
 - Adoption of 2025 Tax Rates Bylaw (Special Council)
- May 2025
 - Tax Notices are mailed out