

Welcome to the Budget 2014 Information Session

Handouts Available:

- **Copy of Council's PowerPoint Presentation**
- **Draft 2014 – 2018 Financial Plan Budget Schedules**
- **Detailed Draft Five Year (2014-2018) Capital Plan**
- **Other Informational handouts**

Please help yourself to a “Budget” cookie and something to drink.

Council's Strategic Priorities

Mayor Bachrach

**Priority# 1:
New Arena**

In June 2013 the Town signed a contract with C & M Developments Inc. to construct an NHL sized arena for the price of \$4,695,000.

Construction started last July and is on track to be completed by the end of September 2014.

Funding for the new arena is close to being completed. The Second Sheet of Ice Committee is continuing to work on fundraising for the final \$120,000+ that is required to pay for the balance of the \$4.7M.



Priority #2 Curbside Recycling

Last November 2013 the Town entered into a contract with MMBC (Multi Materials BC) to provide curbside recycling services (on a bi-weekly basis) to residential properties in Smithers starting after May 19, 2014. The Town did not sign onto the “Multi-family building collection” program, nor the “Depot collection” program. Industrial, commercial and institutional organizations are not included.

The Town has budgeted to receive approximately \$30,000 in incentive funding this year from MMBC. The costs to implement the program will exceed this amount. For example the cost of the recycling carts is \$130,000. The Town will be advertising, preparing educational materials and hiring a temporary Community Curbside Recycling Liaison/Educator. Council chose not to add any new fees or add any costs to the taxpayer to cover the additional costs to implement the program.

Information will be posted to the Town’s website regularly as the program gets underway.

[Residential Curbside Recycling »](#)

**Priority#3:
Airport Marketing and
Lands Development**

Last year the Town had a Marketing Strategy completed for the Airport. This included the creation of a new Smithers Regional Airport logo and tagline.



Council has approved an Advertising and Marketing Budget for the Airport. This will be spent on site signage (on the Terminal and along the Highway) and on advertising in key industrial and tourism publications.

The Town plans to continue to market its airport lands. A Block Subdivision plan for future leasehold and lot sale areas will be completed in 2014. Once that is done, specific lot sizes will be created as they are purchase/leased.

**Priority #4:
Fairgrounds**

A Business and Land Use Plan of the Fairgrounds was completed in 2013. The Plan was presented to Council and users of the Fairgrounds in early 2014. Construction of accessible washrooms at the fairgrounds was noted in the plan as being of very high importance to fairground users.

Council has approved a budget of \$100,000 to construct new accessible washrooms at the fairgrounds – in the location where the old ATCO washrooms are located. The goal is to have the new washrooms completed by this year's Fall Fair.

Outcomes from the “Let’s Talk about the Budget” Forum held November 5, 2013

Presented by:
Councillor Briennesse

The “Let’s Talk about the Budget” Forum...

On November 5th, 2013, at the Hudson Bay Lodge, over 40 people attended the “Let’s Talk – Budgeting for Smithers Future” forum.

3 Topics were discussed through round table discussions:

- a) Infrastructure: Roads and Sidewalks
- b) Facilities: Our Arenas- How to pay for the operating costs of both facilities
- c) Services: Bylaw Enforcement

Council participated in the table discussions and heard what people had to say about the 3 topics. Minutes of the Forum were presented to Council on the November 26th, 2013 Council meeting.

Road and Sidewalk Upgrades...

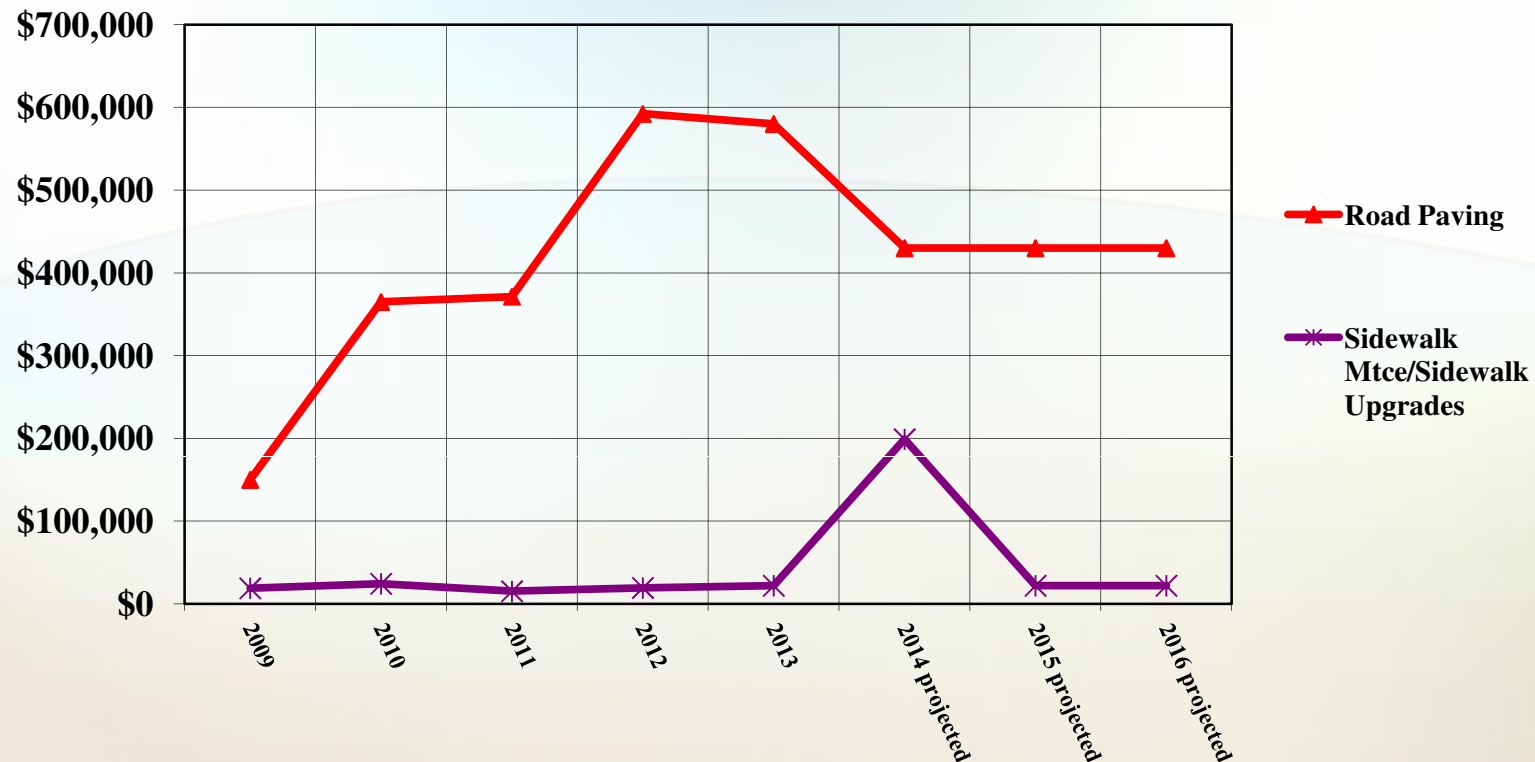
The majority of people felt that the Road Capital tax was an important item to keep within the Town's budget.

Council has approved keeping the Road Capital Tax in place within the five year plan and it will be increased from \$200,000 to \$250,000, starting in 2014. The impact on the average residential taxpayer will be an estimated additional \$11 in property taxes.

Residents also expressed interest in having the Town spend funds to upgrade its sidewalks. As a result Council has approved a capital budget of \$177,000 (over and above the regular sidewalk maintenance budget of \$22,000) to upgrade approximately 12 sidewalk locations.

The Town will also be spending \$25,000 in 2014 and in 2015 to put in accessibility curb cuts along several downtown sidewalks.

Past Five years of Road Paving & Proposed Future Road Paving Budgets; Past amounts spent on annual Sidewalk Maintenance and Proposed 2014 Sidewalk Upgrade budget..



Note: The amount Budgeted to spend in 2014 for Road Capital (paving) work is less than what was spent over the past couple of years because the Town increased the Road Capital budgets in 2012 and 2013 by using reserve funds (over \$1.2M was spent over those 2 years). Those reserve funds are no longer available so the 2014 Capital Roadwork budget will be an estimated \$430,000 per year.

Funding the Operations of the New Arena...

The majority of the people who attended the Let's Talk Forum mentioned that they would like to see little or no additional property tax impact on Smithers' taxpayers due to the operations of the new arena.

As a result of these discussions, and after a meeting with the Arena users in February 2014, Council approved that all arena fees will increase by 10% as of September 2014. Use of the Second Sheet of Ice Operating funds (from additional fees paid for by the ice users over the past years and totalling close to \$100,000) is budgeted to offset costs of the new arena in 2014 and 2015.

There is no budgeted property tax impact on the Smithers taxpayers in 2014 pertaining to the new arena; and very little budgeted as a taxation impact in 2015.

The arena user fees will be evaluated again in early 2015 and there may be further fee increases to offset future new arena taxation impacts.

Bylaw Enforcement...

The majority of the people who attended the Let's Talk Forum felt that the current level of Bylaw Enforcement was acceptable.

There were, however, recommendations to pursue downtown parking and dog infractions.

As a result of this Council has approved that traffic fines will more than double.

The Prevention and Community Safety Officer (PCSO) is more aggressively patrolling the downtown for parking infractions. Parking fine revenue has more than doubled over the past few months.

The PCSO has also created a new ticket book so he can address dog infractions on the spot. This includes giving fines for dogs off leash and people not picking up after their dogs in parks.

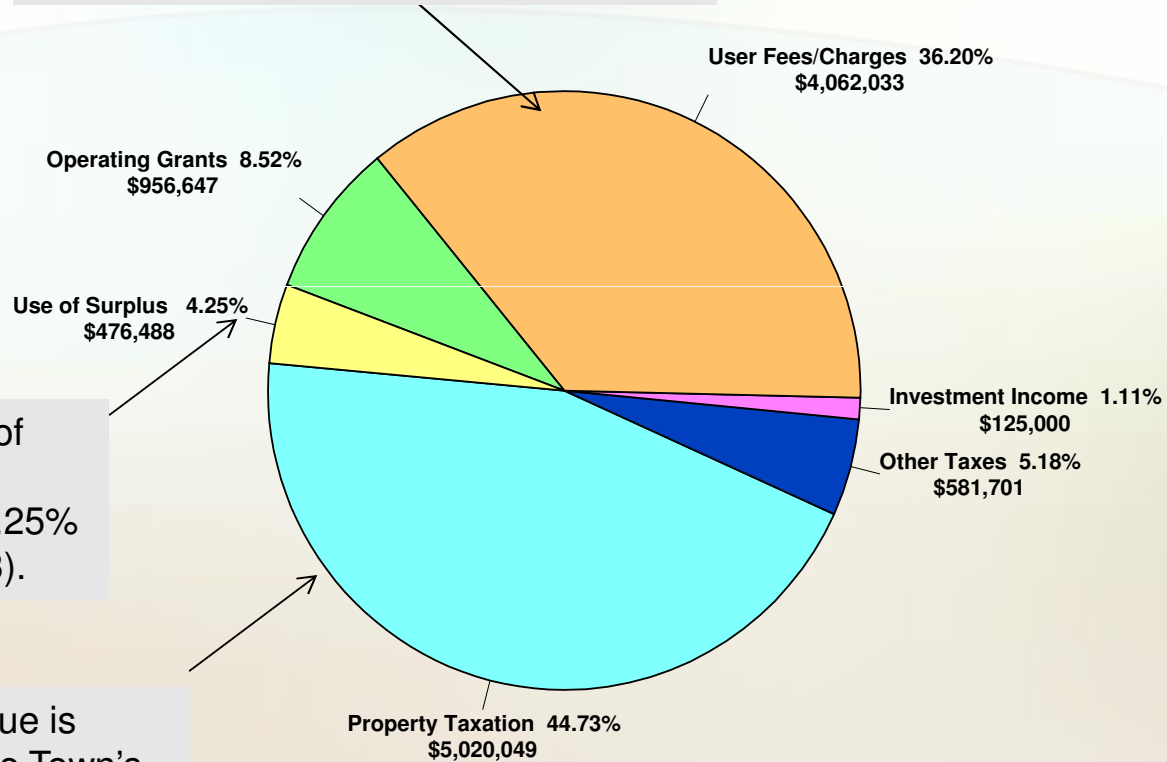
What's New in the 2014 Operating Budgets

Presented by:
Councillor Bandstra
Finance Chair

Operating Revenue Sources...



User fees are an important source of revenue for the Town. They will represent over 36% of the Town's total operating revenue sources in 2014 (compared to 34% in 2013).



There is less budgeted use of operating surplus to cover operating costs in 2014 at 4.25% (compared to 5.63% in 2013).

In 2014 Property Tax revenue is budgeted to be 44.7% of the Town's total operating revenue sources (compared to 44.9% in 2013).

2014 Total Operating Revenue Budget \$11.2M

Operating Revenue: User Fees...

In order to keep user fees up to date and to cover increasing expenses, the Town annually increases many fees.

Increases in user fees in 2014 include:

- Cemetery fees: increased by 5%
- Garbage Fees: increased by 2%
- Water User fees (residential): increased by 2%
- Water User fees (commercial): increased by 1.5%
- Sewer User fees (residential): increased by 2%
- Sewer User fees (commercial): increased by 1.5%
- Field User fees: to increase by 2%
- As mentioned earlier, arena fees will be increasing by 10% starting September 2014
- Traffic Fines to more than double
- All Riverside Campground fees: to increase by \$1 per fee
- Preschool Rates: to increase by \$0.50/hr to \$8/hr as of September

Special Project: Downtown Façade Improvement Program...

The Town has been successful in obtaining another \$20,000 grant through the Northern Development Initiative Trust, under their Business Façade Improvement Program.

This will allow businesses to invest in façade improvements and receive financial assistance to do so.

Under this program the Town can use these grant funds to match, to a maximum of \$5,000 per project, façade development costs paid by a business.

The Application process is currently underway and will close by the first week of May.

Special Project: Trees Along Railway Avenue...

Last year the Town received approval for a grant from the CN EcoConnexion program to plant trees (beside the perimeter trail) along Railway Avenue. Smithers Community Services will also be contributing towards the funding of this project. Total cost is estimated to be \$20,000.

40 Trees will be planted between King Street and Rupert Street

Special Project: Mine Rescue Event – June 2014...

The Ministry of Mines and Energy will be hosting the Mine Rescue competition in June 2014 in Smithers.

The Town will be coordinating with the Ministry regarding the use of Town equipment and Town facilities required to host the event.

New, or Different, Operating Expense Items...

After reviewing the operating budgets Council has approved that current levels of service will remain as is within the current five year plan.

There have been, however, a few small additions/changes to the 2014 Operating Budgets (not previously mentioned)...

- Election costs have been added to the 2014 budget.
- The Town has budgeted to provide a one time \$2,500 contribution to the BC Mountain Bike Association to contribute towards their Northern BC Mountain Biking Tourism Initiative.
- New operating budgets have been included for Bovill Square and Downtown Entrance Square.
- Increased operating funding is being provided to the Library.
- Increased funding is being provided to the Art Gallery (by way of an increased grant to the BV Arts Council).

2014 Capital Projects

Presented by:
Councillor Wray

Buildings/Facilities...

Last year Council reviewed a facility maintenance plan which included recommended Town facility capital maintenance/upgrades required over the next 5 to 10 years.

Under the Town's new facility maintenance upgrade program, the Town has budgeted to complete the following Town facility capital upgrades:

- Exterior Painting at the Town Hall
- Replace washroom flooring at the Town Hall
- Electrical circuit upgrades at Ranger Park Building
- Scrape and paint the sidings/trim at the Library
- Paint the Sewage Treatment Plant building
- Replace single pane windows at Central Park Building

Airport Terminal Upgrades...

In 2013 the Town had an Airport Terminal upgrade study completed.

Council reviewed the study recommendations and approved a \$4M Airport Terminal Upgrade budget within the current five year capital plan - with the intent to apply for grant funding to pay for a large majority of the upgrades.

The upgrade plans include adding 486 sq m to the existing terminal building including new airside washrooms and a new passenger hold room, security and baggage hall. Areas within the existing terminal would be reconfigured to create new spaces for check-in and increased circulation. Also included within the upgrade plans is the installation of fire sprinklers and fire alarm system, replacement of the HVAC system, relocating airside access road, upgrading the boiler system and terminal water main upgrades.

The proposed funding source for the Town's portion of a Terminal Upgrade grant project is long term borrowing of approximately \$1.3M, with the debt costs proposed to be paid for by Airport Infrastructure Reserve funds.

Machinery and Equipment/Fleet Replacement...

The Town has budgeted to replace aging equipment and fleet vehicles in 2014 using Machinery and Equipment Replacement Reserve funds. These replacements include:

- Replace 1990 Grader
- Replace Arena Plant Compressor
- Replace 1998 Steiner Tractor at Airport
- Replace 2002 Line Painter at Airport
- Replace Domestic Pump at Airport
- Replace Survey Equipment

The Town has applied for grant funding to replace 3 aging large fleet items at the Airport. One of the grant applications has recently been approved (to replace the 1989 Loader) and the hope is that the other 2 grant applications (to replace a Dump Truck and Runway Sweeper) are successful.

Parks, Playgrounds and Pathways...

The Town has budgeted for the following parks, playground and pathway capital projects in 2014:

- Install additional slide and ladder for younger children at the Riverside campground
- Complete the pedestrian bridge at Turner Way
- Complete T-ball/softball field upgrades at Elks Park
- Extend the walkway along Fulton Avenue to 16th Avenue (with overhead LED lighting -budget permitting)

Utility (Water, Sewer, Storm) Infrastructure...

The Town has several water/sewer/storm projects planned for 2014:

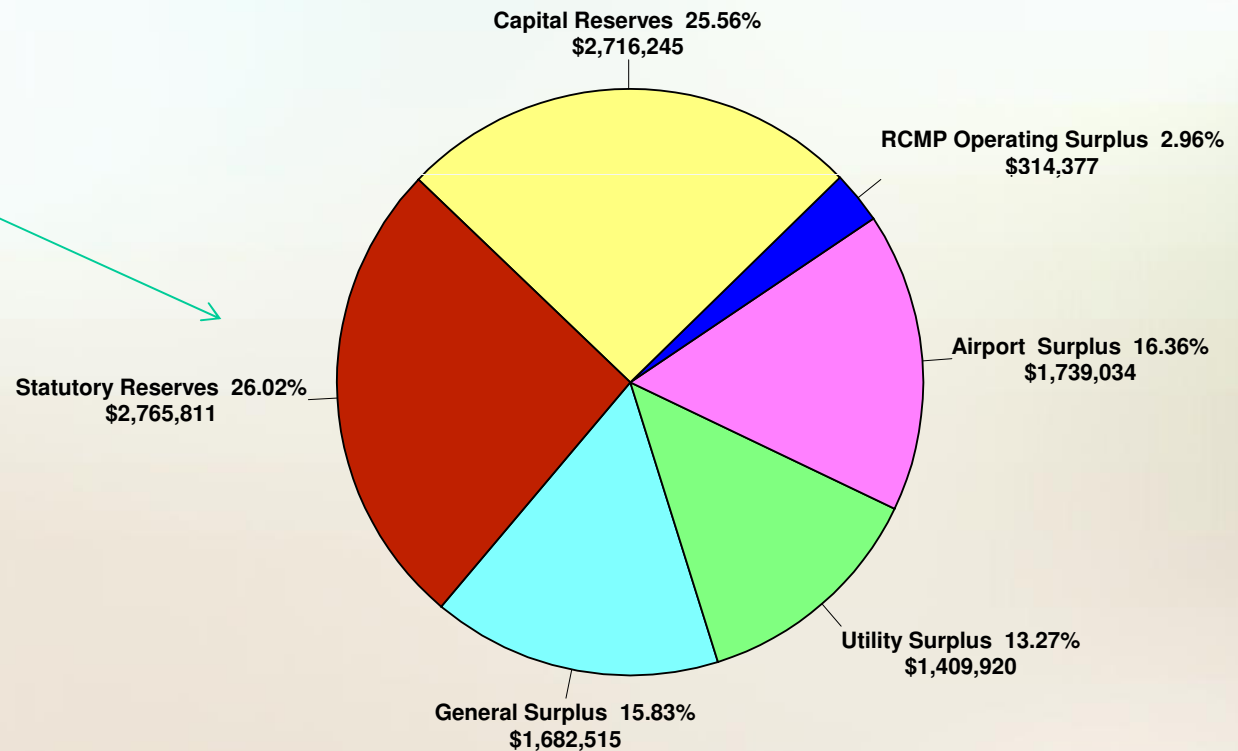
- Apply for a Planning Grant to do a preliminary study on future upgrade requirements to the Water System at the Airport
- Under the storm sewer improvement program: Install a new Catch Basin along Columbia Street
- Replace the Sewer Screen Bar at the Sewer Treatment Plant

Town Surplus & Reserves; Town Debt

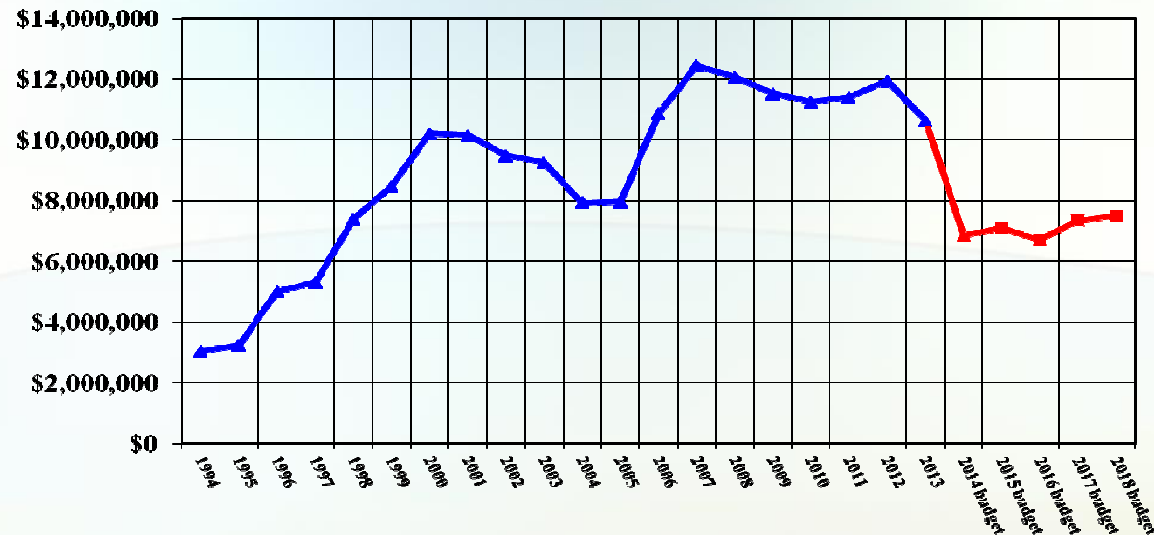
Presented by:
Councillor Goodacre

Total Surplus and Reserves, on hand, at the end of December 31, 2013 were \$10.6M, which is less than the \$11.9M the Town had on hand at the end of 2012. The reduction is due to funding of 2013 projects (such as Road Capital and Utility Projects).

Many of the reserves that the Town has on hand are restricted and can only be used for specific purposes, such as the statutory reserves.



Reserve/Surplus Totals (not including Equity in Capital Assets) over the past 20 years and projected over next 5 years:



The Town's total surplus and reserve balance in 2014 is budgeted to decrease from \$10.6M to \$6.8M due to the proposed use of funds for capital purposes (such as for the New Arena).

Council approved the use of \$35,500 from the General Operating Surplus in the 2014 budget to adjust the 2014 General Municipal Tax levy from 2.88% to 1.85%.

Council approved a use of \$79,772 from the RCMP Operating Surplus in the 2014 Budget to adjust the 2014 RCMP Tax levy from 9.45% to 4%.

Airport Infrastructure Statutory Reserve...

In June 2013 the Town increased the Airport Improvement Fee (AIF) by an additional \$10 at the Airport. The Town also created an Airport Infrastructure Statutory Reserve.

All increased AIF fees (\$10 net of taxes) are being placed into this reserve and the funds will only be used for future Airport capital upgrades (to the terminal, runways etc). This is budgeted to generate over \$299,000 per year to go into this reserve.

Funds from this reserve may also be used to pay for any future debt borrowing costs associated with the proposed Airport Terminal Expansion.

Greenhouse Gas Emission Reduction Reserve...

Under the provisions of the Community Charter the Town is now required to keep track of, and report on, its annual corporate greenhouse gas emissions.

Rather than paying carbon offsets to a carbon offset provider, the Town created a new Statutory Reserve, called the Greenhouse Gas Emission Reduction Reserve.

The Town has budgeted to transfer \$16,500, annually, into this reserve over the next few years.

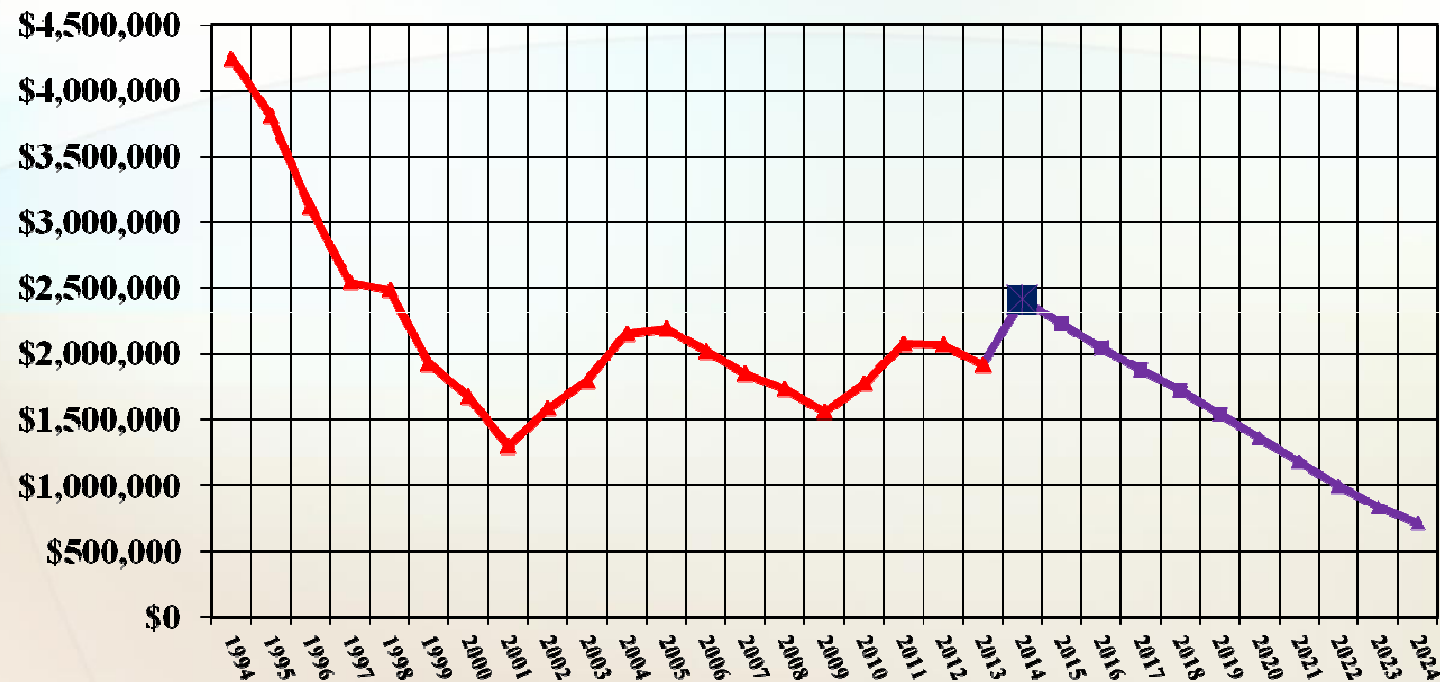
These reserve funds will be used for projects that reduce greenhouse gas emissions (or can be used to purchase carbon offsets if required at a later date).

As of the end of December 31, 2013 the Town had over \$34,000 in this reserve.

Outstanding Long Term Debt...

Current long-term debt outstanding is at \$1.9M.

The following is the outstanding Debt Balances over the past 20 years and Projections of debt balances (based on Current debt) over next 10 years:



Second Sheet Ice Debt of \$650,000 will be received in 2014.

Note: Highway 16 Improvement debt (totalling \$1.5M) will be paid by 2024.

Note: A new Long-Term borrowing amount being considered at this time is for the Town's one third portion of an Airport Terminal Upgrade project - approximately \$1.33M (which is not included above).

Municipal Property Taxes

Presented by:
Councillor Bandstra
on behalf of
Councillor Northrup

Municipal Property Tax Revenue...



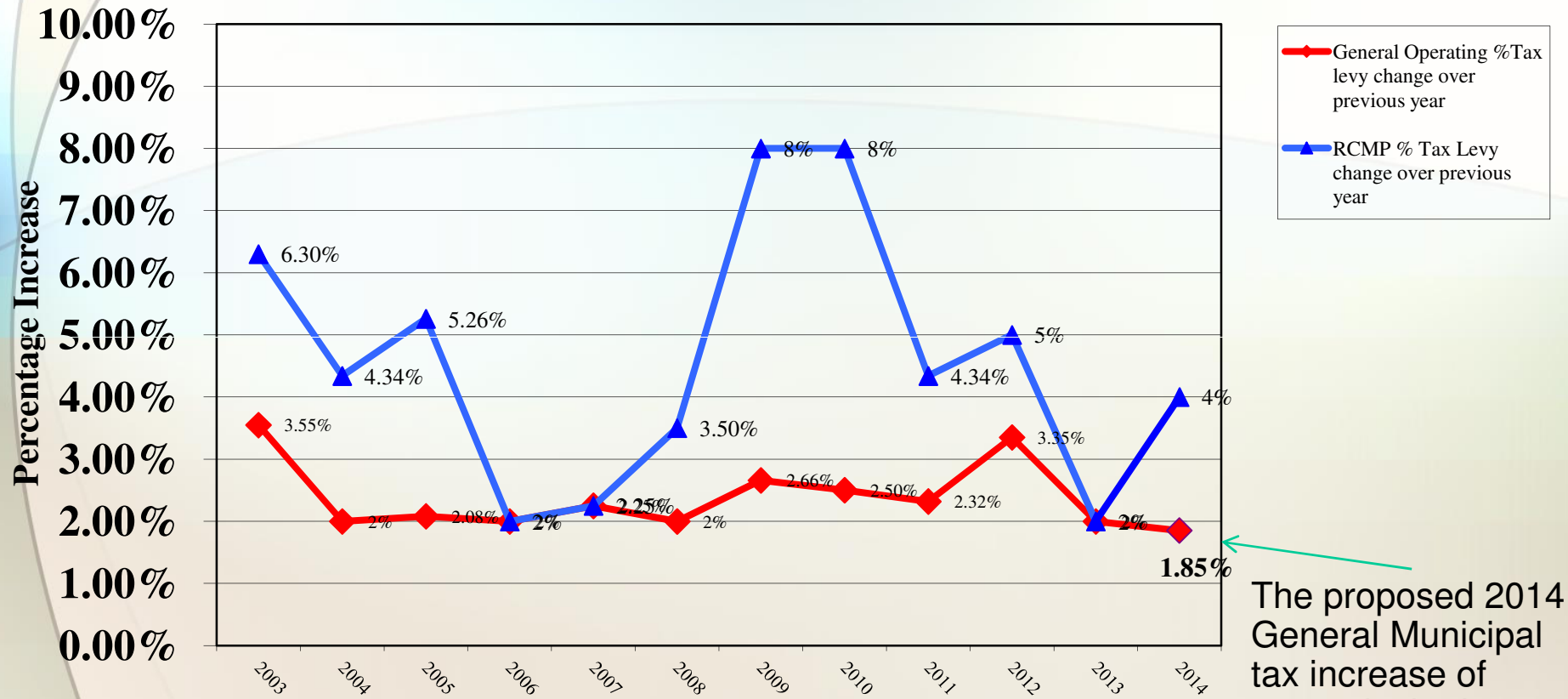
	2012 BUDGET	2013 BUDGET	2014 Budget
Municipal (General) Tax levy	\$3,365,909	\$3,433,227	\$3,496,641
General Tax levy Increase over previous year	3.35%	2%	1.85%
Municipal (RCMP) Tax levy	\$1,436,093	\$1,464,815	\$1,523,408
RCMP Tax levy Increase over previous year	5%	2%	4%
Total % change combined General & RCMP tax levy	3.84%	2%	2.49%
Road Capital Tax levy	\$200,000	\$200,000	\$250,000
Total Municipal Property tax levies	\$5,002,002	\$5,098,042	\$5,270,049
Total % overall – Operations and Capital	8.17%	1.92%	3.37%

General Municipal Taxes will be increasing by 1.85%

RCMP Municipal Taxes will be increasing by 4%

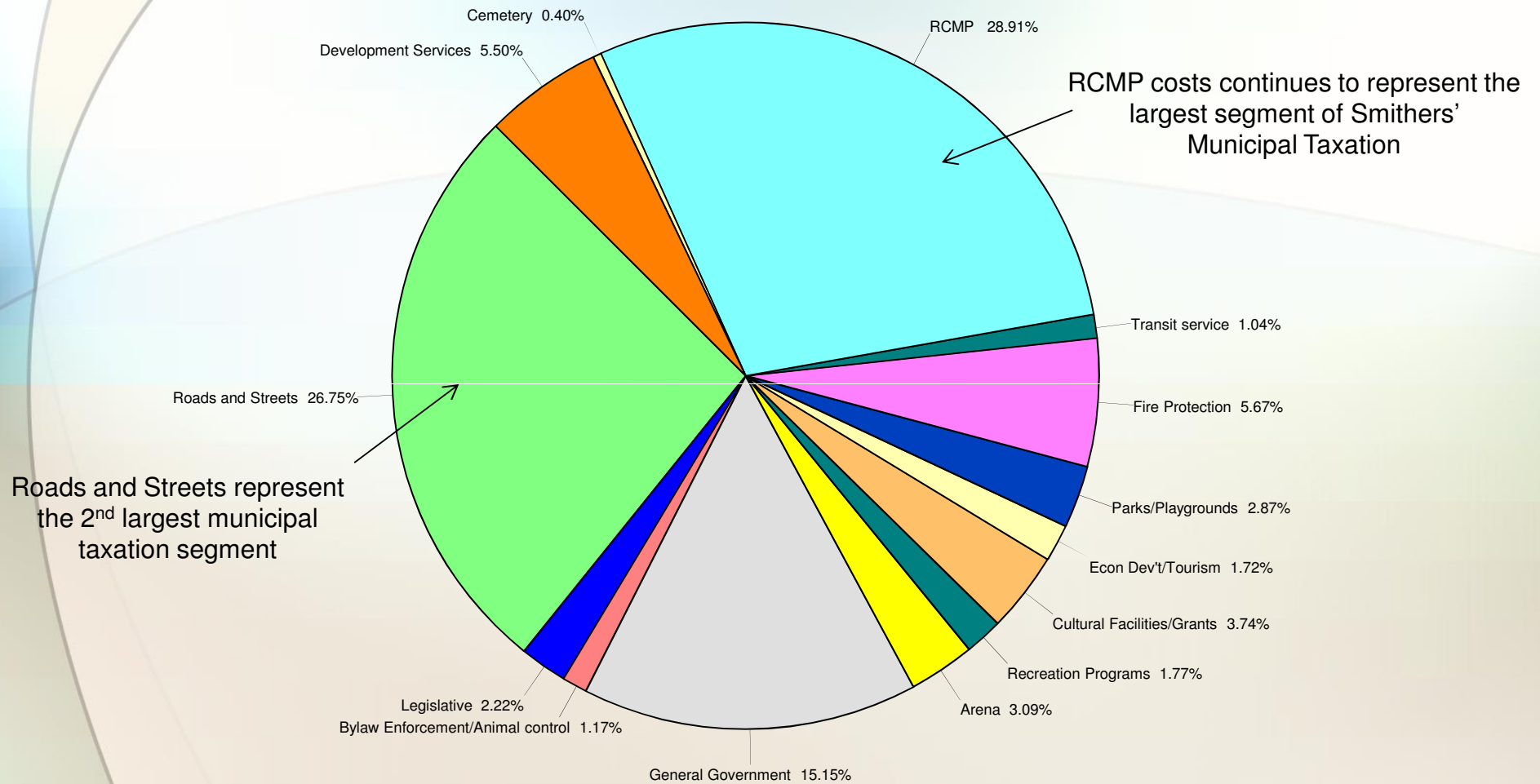
Road Capital tax will be increasing by \$50,000

GENERAL & RCMP Municipal Tax Levy % Changes over the past years..



The proposed 2014 General Municipal tax increase of 1.85% is the lowest General municipal tax increase in more than a decade

MUNICIPAL SERVICES BUDGETED IN 2014 TO BE FUNDED FROM TOTAL MUNICIPAL PROPERTY TAX REVENUE OF \$5,270,049 ..



Allocation of Municipal Tax Revenue...



The allocation of Municipal tax revenue to Class 1 Residential has been increasing since 2003 due to the fact that the residential assessment base has been increasing, annually, as a percentage of the total assessment. For example: in 2004 Class 1 represented 54.5% of the total assessment base whereas in 2014 Class 1 now represents 75.5% of the total assessment base.

The allocation of Municipal tax revenue to the Class 6 Business assessment base has been decreasing since 2003 and will be reduced again in 2014.

2014	41.643%
2013	41.4409%
2012	41.2020%
2011	40.4065%
2010	40.00%
2009	39.0259%
2008	38.8758%
2007	38.3618%
2006	38.1546%
2005	36.5412%
2004	36.5412%
2003	34.331%

2003	48.227%
2004	47.0366%
2005	44.7766%
2006	44.7766%
2007	44.7766%
2008	44.5684%
2009	44.6884%
2010	44.3683%
2011	44.1714%
2012	43.6315%
2013	43.4016%
2014	43.1703%

Average Municipal Tax Increases...

Increases in total **Municipal taxes** (General, RCMP and Road Capital Tax combined) will vary, depending on how each property owners' assessed values changed compared to the percent changes of their assessment class.

- 1) The *average* single family Residential dwelling, with an average assessment increase of 3.97% (having an average assessment of \$248,011) will see a combined **\$43** increase in total Municipal taxes (of this: \$18 relates to increased General Municipal taxes, \$14 from increased RCMP taxes and \$11 from increased Road Capital Taxes).
- 2) The *average* class 6 Business assessment, with an average assessment increase of 3.04%, will see a combined **\$142** increase in total Municipal taxes (of this \$44 relates to increased General Municipal taxes, \$50 from increased RCMP taxes and \$48 from increased Road Capital Taxes).

Other Information

Presented by:
Councillor Adomeit

Senior Fee Exemption Program...

The Town will continue with the Senior water and sewer user fee exemption program that was initiated in 2012, whereby seniors will automatically receive a 50% fee exemption on water/sewer user fees if they are eligible for an annual Provincial Home Owner Grant. However seniors who are undergoing financial hardship can claim the 100% water/sewer fee exemption.

For Information:

In 2013 - 114 seniors claimed the 100% fee exemption (or 30.3% of all senior fee waiver claims) and 262 claimed the 50% fee exemption. The total claims were 376.

Residential Cart Program for Regular Garbage Collection...

The Town is continuing with the residential garbage cart program for regular garbage pickup (not the curbside recycling). Carts can be purchased through the Town Office at the Town's cost plus PST and GST.

There are 2 sizes: 240 litre (\$110) or 135 litre (\$80).

Use of residential carts for regular garbage collection will be mandatory starting January 1, 2015.

Over 1240 residential carts have been purchased to date (out of 1600) and those that have residential carts will receive the final year of the annual \$25 discounts of their residential garbage fee on their tax notice in 2014.

The \$25 discount program has been in place for 10 years (since 2005).

General Property Tax Payment Information...

Property Taxes Due Date:
WEDNESDAY July 2nd, 2014

to avoid the 10% penalty

2014 Tax notices will be mailed by May 23rd, 2014.

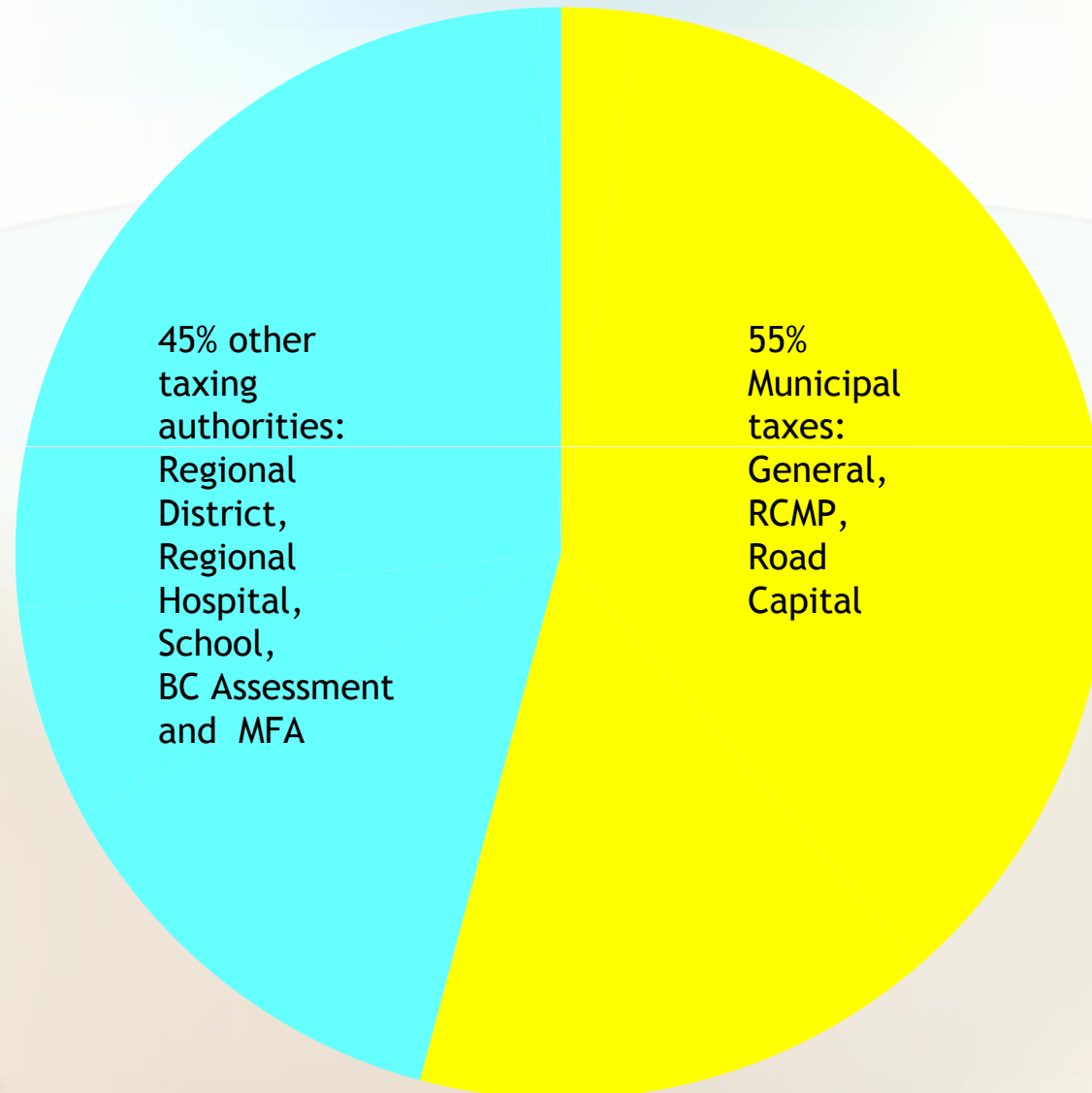
Home Owner Grants...

Home Owner grants can be claimed on-line through the **Town's website (E-HOG)**, directly at the Town Office or at the BV Credit Union.

The process for claiming a home owner grant on-line has changed slightly in that taxpayers will see a slightly different look to the E-HOG main webpage but the process will remain the same as in past years whereby you will need your roll number and the access code, which are located on your tax notice.

The Northern and Rural Provincial Home Owner grant will remain at **\$770** for the regular homeowner grant, and **\$1,045** for the over 65-years/disability homeowner grant.

45% of the total annual property taxes paid by Smithers taxpayers is collected on behalf of other taxing authorities...



Thank you for listening to our
presentation.

Questions?