

23-Mar-20

BUDGET BINDER UPDATES:

REPLACE NEXT PAGES IN SECTION

TAB 5 -- "BUDGET AND FINANCIAL PLANS"

REMOVE & REPLACE:

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**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2020 PROGRAM BUDGET**

Program: 116 -- Enforcement of Noxious Weed Control Bylaw

Department:

General Revenue Fund Budget

	2019 Budget	2019 Actual	Variance 2019 Act. vs. Bud.	2020 Budget	Variance: 2020 vs. 2019 Budget
Revenue:					
Sale of Services	(20,000)	(26,039)	(6,039)	(20,000)	0
Tax Requisition - Kelowna	(83,016)	(83,036)	(20)	(83,114)	(98)
Tax Requisition - Peachland	(3,102)	(3,103)	(1)	(3,006)	96
Tax Requisition - Lake Country	(7,887)	(7,876)	11	(7,909)	(22)
Tax Requisition - Local Service Area	(3,009)	(3,007)	2	(2,986)	23
Grants	(13,500)	(13,560)	(60)	(14,268)	(768)
Previous Year's Surplus/Deficit	(27,771)	(27,771)	(0)	(32,953)	a,c (5,182)
Administration OH	17,451	17,654	203	19,039	1,588
Total Revenue	(140,834)	(146,738)	(5,904)	(145,196)	(4,362)
Expenses:					
Operations	128,790	101,944	a (26,846)	131,304	b 2,514
Transfer to Equip. Reserves	4,500	4,500	0	5,000	500
Transfer to Operating Reserve	7,544	7,341	(203)	8,892	c 1,348
Total Expenses	140,834	113,785	(27,049)	145,196	4,362
(Surplus) / Deficit	0	(32,953)	a (32,953)	(0)	(0)
FTE's	0.868			0.868	0
Tax Levy:					
Tax Requisition	(97,014)			(97,015)	(1)
Residential Tax Rate (per \$1000 of assessment)	0.0017			0.0016	(0.0001)
Equip. Reserve Fund Balance at Y/E		(47,375)		(52,849)	
Operating Reserve Balance at Y/E		(47,204)		(56,568)	c

2020 Budget Notes:

Complaint driven.

- a. Surplus mainly due to unspent payroll, Bylaw Officer left position early and service was covered by existing staff until the end of season. Higher than anticipated Contract invoicing revenues and lower costs for software and licenses.
- b. Increases: Contract Services \$3k, Postage/Freight \$1.5k, Payroll \$1.4k, and misc. \$0.9k. Decreases: Software & Licenses \$4.8k, Telephone \$0.5k.
- c. Transfer a portion of increased surplus carryforward to operating reserve.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2020 - 2024 Five Year Program Budget Projections**

Program: 116 -- Enforcement of Noxious Weed Control Bylaw

Department:

General Revenue Fund Budgets

	2020 Budget	2021 Projected Budget	2022 Projected Budget	2023 Projected Budget	2024 Projected Budget
Revenue:					
Sale of Services	(20,000)	(20,400)	(20,808)	(21,224)	(21,649)
Tax Requisition - Kelowna	(83,114)	(91,397)	(100,011)	(106,625)	(113,286)
Tax Requisition - Peachland	(3,006)	(3,305)	(3,617)	(3,856)	(4,097)
Tax Requisition - Lake Country	(7,909)	(8,697)	(9,517)	(10,146)	(10,780)
Tax Requisition - Local Service Area	(2,986)	(3,283)	(3,593)	(3,830)	(4,069)
Grants	(14,268)	(14,268)	(14,268)	(14,268)	(14,268)
Previous Year's Surplus/Deficit	(32,953) ac	(0)	0	(0)	(0)
Transfer from Operating Reserve	0	(17,000) d	(10,000) d	(5,000) d	0
Administration OH	19,039	19,420	20,204	20,608	21,021
Total Revenue	(145,196)	(138,930)	(141,609)	(144,341)	(147,127)
Expenses:					
Operations	131,304 b	133,930	136,609	139,341	142,128
Transfer to Equip. Reserves	5,000	5,000	5,000	5,000	5,000
Transfer to Operating Reserve	8,892 c	0	0	0	0
Total Expenses	145,196	138,930	141,609	144,341	147,128
(Surplus) / Deficit	(0)	0	(0)	(0)	0
FTE's	0.868	0.868	0.868	0.868	0.868
Tax Levy:					
Tax Requisition	(97,015)	(106,682)	(116,738)	(124,457)	(132,232)
Residential Tax Rate (per \$1000 of assessment)	0.0016	0.0018	0.0019	0.0020	0.0021

General Capital Fund Budgets

	2020 Budget	2021 Projected Budget	2022 Projected Budget	2023 Projected Budget	2024 Projected Budget
Revenue					
Transfer From Equip. Reserves	0	0	0	(37,740)	0
Total Revenue	0	0	0	(37,740)	0
Expenses					
Vehicles	0	0	0	37,740	0
Total Expenses	0	0	0	37,740	0
(Surplus) / Deficit	0	0	0	0	0
Equip. Reserve Fund Balance at Y/E	(52,849)	(58,377)	(63,961)	(31,861)	(37,179)
Operating Reserve Balance at Y/E	(56,568) c	(39,964) d	(30,263) d	(25,516) d	(25,771)

Notes

- Complaint driven.
- a. Surplus mainly due to unspent payroll, Bylaw Officer left position early and service was covered by existing staff until the end of season. Higher than anticipated Contract invoicing revenues and lower costs for software and licenses.
 - b. Increases: Contract Services \$3k, Postage/Freight \$1.5k, Payroll \$1.4k, and misc. \$0.9k. Decreases: Software & Licenses \$4.8k, Telephone \$0.5k.
 - c. Transfer a portion of increased surplus carryforward to operating reserve.
 - d. Use Operating Reserve to reduce tax impact of surplus swing.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2020 PROGRAM BUDGET**

Program: 401 -- Westside Sewer System: Wastewater Treatment Plant m

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budget

	2019 Budget	2019 Actual	Variance 2019 Act. vs. Bud.	2020 Budget	Variance: 2020 vs. 2019 Budget
Revenue:					
Insurance Claim Recovery & Misc Rev.	(2,400)	(2,718)	(318)	(2,400)	0
Services - Peachland	(347,648)	(347,648)	(0)	(353,008) a	(5,360) a
Services - West Kelowna	(3,151,589)	(3,151,589)	(0)	(3,282,883) a	(131,295) a
Previous Year's Surplus/Deficit	(80,914)	(80,914)	0	(97,339) c	(16,425)
Engineering Admin OH	101,600	101,600	0	106,202	4,602
Administration OH	430,212	430,212	0	466,647	36,435
Transfer from Operating Reserve	(100,000)	0 b	100,000 b	(69,000) b	31,000 b
Services - WFN	(810,805)	(810,805)	0	(866,760) a	(55,955) a
Total Revenue	(3,961,544)	(3,861,862)	99,682	(4,098,542)	(136,998)
Expenses:					
Operations	3,174,999	2,977,978	(197,021)	3,218,257 d	43,258 d
Transfer to Equip. Reserves	55,000	55,000	0	55,000 e	0
Transfer to Cap Fac. Reserves	731,545	731,545	0	825,285 f	93,740 f
Total Expenses	3,961,544	3,764,523	(197,021)	4,098,542	136,998
(Surplus) / Deficit	0	(97,339) c	(97,339)	0	(0)
FTE's	8.715			10.355 g	1.64 g
Total Service Cost Recovered From Partners/Participants	(4,310,042)	(4,310,042)		(4,502,652)	(192,610) 4.47%

Sewer Capital Fund Budget

	2019 Budget	2019 Actual	Variance 2019 Act. vs. Bud.	2020 Budget	Variance: 2020 vs. 2019 Budget
Revenue					
Grants	0	0	0	(690,000) h	(690,000)
Sale of Assets	(86,000)	(84,910)	1,090	(2,000)	84,000
From Equipment Reserves	(28,763)	0	28,763	(389,400)	(360,637)
From Capital Facility Reserves	(575,460)	(214,941)	360,519	(1,455,380) h, j	(879,920)
From DCC Reserve Fund	0	0	0	(1,266,667) j	(1,266,667)
Total Revenue	(690,223)	(299,851)	390,372	(3,803,447)	(3,113,224)
Expenses					
HVAC	135,960	12,469	(123,491)	122,960	(13,000)
Vehicles	105,263	0	(105,263)	268,571 i	163,308
Engineering & Design Costs	130,500	83,844	(46,656)	27,488	(103,012)
TWAS Vault Expansion	0	0	0	1,900,000 j	1,900,000
Headworks Pumps	270,000	186,643	(83,357)	371,568	101,568
Equipment/Improvements	0	0	0	25,000 k	25,000
Lab Equipment	6,500	6,793	293	45,000	38,500
Security System	10,000	0	(10,000)	10,000	0
Bioreactors	32,000	10,102	(21,898)	32,860	860
Blowers	0	0	0	1,000,000 h	1,000,000
Total Expenses	690,223	299,851	(390,372)	3,803,447	3,113,224
(Surplus) / Deficit	0	(0)	0	0	0
Equip. Reserve Fund Balance at Y/E		(335,002)		(58) e	
Capital Facility Reserve Balance at Y/E		(1,150,719)		(517,577) f,h	
DCC Reserve Fund		(3,580,958)		(2,937,434) l	
Operating Reserve Fund Bal. at Y/E		(198,435)		(130,729) c	

2020 Budget Notes:

- Updated 5 year average flow splits. Shift in splits from West Kelowna (-0.21%) & Peachland (-0.23%) to WFN totalling 0.44%.
- \$100k of operating reserve not required as budgeted in 2019. Use a portion - \$69k in 2020 to mitigate increased costs.
- Surplus resulting from under expenditures for Contract services \$89.4k, Biosolids removal \$78.3k, Biosolids mgmt \$37.2k, Centrifuge mtce \$25k, Electricity-Plant \$15.5k, Alum \$8.3k, and various line items. Payroll \$75.5k and Polymer Chemicals \$9.6k higher than expected.
- Increases: Payroll \$163.8k (FTE increase), Travel \$3k, Training \$4k, Permits & Lic. \$3.5k, Insurance \$5.7k, Office Supplies \$1k, Software & Lic. \$10k, Garbage \$5k, Biofilter Mtce. \$20k, Centrifuge Mtce. \$5k, Equipment Rep & Mtce. \$55k, & Bldg/Equip. Assessment \$10k.
Decreases: Telephone \$4k, Chemicals \$2.5k, Tools \$1k, Electrical Rep & Mtce \$4k, Biosolids Mngt. \$9k, Biosolids Removal \$171k, & Contract Services \$50k.
- As per previous financial plans, \$55k is to be transferred annually to equipment reserve (not included in facility replacement calculations.)
- The approved Capital / Reserve Contribution Level was raised to 40% of the estimated annual capital cost replacement level in 2019 based on updated Urban Systems Report. Reserve balances are still falling behind capital needs. The funding level must continue to increase. It is imperative that the funding level be raised to at least 45% to be able to fund anticipated upcoming capital needs. Staff has advised of Roof replacement coming in 2027 estimated at \$2m. Future project needs are also being examined. If grant not received for \$1m blower project, they will still need to be done within the next couple of years.
- FTE increase
- Blower project added in 2020 due to grant opportunity. If the 2/3 grant is not approved, this project must then be done in a future year as insufficient currently there are reserves to fully fund this project, or the project would have to be financed. If grant is not approved, \$25k of work would still need to be done. Again, it is imperative to increase reserve funding as per note f, as grant funding cannot be relied upon.
- Includes 2019 carry forwards.
- Increasing capacity. 2/3 of project funded with DCC's as per Engineering Staff.
- Concrete
- Conservatively assumes \$600k in DCC's are collected annually, however this is likely to be higher.
- Lift Stations and Collector Systems are budgeted as separate cost centres 470, 471 & 472 simply to track the costs at the request of the partners, but are part of the overall Westside Sewer Service.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2020 - 2024 Five Year Program Budget Projections**

Program: 401 -- Westside Sewer System: Wastewater Treatment Plant n

Department: Engineering Services (Sewer Systems)

Sewer Revenue Fund Budgets

	2020 Budget	2021 Projected Budget	2022 Projected Budget	2023 Projected Budget	2024 Projected Budget
Revenue:					
Misc. Rev.	(2,400)	0	0	0	0
Services - Peachland	(353,008) a	(374,490)	(378,245)	(384,430)	(390,738)
Services - West Kelowna	(3,282,883) a	(3,482,666)	(3,517,581)	(3,575,096)	(3,633,761)
Previous Year's Surplus/Deficit	(97,339) c	0	0	0	0
Engineering Admin OH	106,202	109,152	110,493	112,703	114,957
Administration OH	466,647	479,605	485,500	495,210	505,114
Transfer from Operating Reserve	(69,000) b	0	0	0	0
Services - WFN	(866,760) a	(919,508)	(928,726)	(943,912)	(959,401)
Total Revenue	(4,098,542)	(4,187,907)	(4,228,559)	(4,295,525)	(4,363,829)
Expenses:					
Operations	3,218,257 d	3,307,622 l	3,348,275 l	3,415,240	3,483,545
Transfer to Equip. Reserves	55,000 e	55,000 e	55,000 e	55,000 e	55,000 e
Transfer Cap. Facility Reserves	825,285 f	825,285	825,285	825,285	825,285
Total Expenses	4,098,542	4,187,907	4,228,559	4,295,525	4,363,830
(Surplus) / Deficit	0	0	0	0	0
FTE's	10.355 g	10.355	10.355	10.355	10.355
Total Service Cost Recovered From Partners/Participants	(4,502,652)	(4,776,664)	(4,824,552)	(4,903,438)	(4,983,900)

Sewer Capital Fund Budgets

	2020 Budget	2021 Projected Budget	2022 Projected Budget	2023 Projected Budget	2024 Projected Budget
Revenue					
Grants	(690,000) h	0	0	0	0
Sale of Assets	(2,000)	0	0	0	0
From Equipment Reserves	(389,400) e	(52,000) e	(20,400) e	0	0
From Capital Facility Reserves	(1,455,380) h,j	(43,460)	(320,360)	(300,960)	(43,460)
From DCC Reserve Fund	(1,266,667) j	0	0	0	0
Total Revenue	(3,803,447)	(95,460)	(340,760)	(300,960)	(43,460)
Expenses					
HVAC	122,960	0	0	0	0
Vehicles	268,571 i	52,000	20,400	0	0
Engineering & Design Costs	27,488	0	0	0	0
TWAS Vault Expansion	1,900,000 j	0	0	0	0
Headworks Pumps	371,568	0	257,500	257,500	0
Equipment/Improvements	25,000 k	0	0	0	0
Lab Equipment	45,000	0	0	0	0
Security System	10,000	0	0	0	0
Bioreactors	32,860	32,860	32,860	32,860	32,860
Odor Control	0	10,600	30,000	10,600	10,600
Blowers	1,000,000 h	0	0	0	0
Total Expenses	3,803,447	95,460	340,760	300,960	43,460
(Surplus) / Deficit	0	0	0	0	0
Equip. Reserve Fund Balance at Y/E	(58) e	(2,539) e	(36,960) e	(92,330) e	(148,253) e
Capital Facility Reserve Bal. at Y/E	(517,577)	(1,304,143)	(1,818,906)	(2,358,410)	(3,163,385)
DCC Reserve Fund	(2,937,434) m	(3,566,808) m	(4,202,476) m	(4,844,501) m	(5,492,946) m
Operating Reserve Bal. at Y/E	(130,729)	(132,037)	(133,357)	(134,691)	(136,037)

Notes

- Updated 5 year average flow splits. Shift in splits from West Kelowna (-0.21%) & Peachland (-0.23%) to WFN totalling 0.44%.
- \$100k of operating reserve not required as budgeted in 2019. Use a portion - \$69k in 2020 to mitigate increased costs.
- Surplus resulting from under expenditures for Contract services \$89.4k, Biosolids removal \$78.3k, Biosolids mgmt \$37.2k, Centrifuge mtce \$25k, Electricity-Plant \$15.5k, Alum \$8.3k, and various line items. Payroll \$75.5k and Polymer Chemicals \$9.6k higher than expected.
- Increases: Payroll \$163.8k (FTE increase), Travel \$3k, Training \$4k, Permits & Lic. \$3.5k, Insurance \$5.7k, Office Supplies \$1k, Software & Lic. \$10k, Garbage \$5k, Biofilter Mtce. \$20k, Centrifuge Mtce. \$5k, Equipment Rep & Mtce. \$55k, & Bldg/Equip. Assessment \$10k.
Decreases: Telephone \$4k, Chemicals \$2.5k, Tools \$1k, Electrical Rep & Mtce \$4k, Biosolids Mngt. \$9k, Biosolids Removal \$171k, & Contract Services \$50k.
- As per previous financial plans, \$55k is to be transferred annually to equipment reserve (not included in facility replacement calculations.)
- The approved Capital / Reserve Contribution Level was raised to 40% of the estimated annual capital cost replacement level in 2019 based on updated Urban Systems Report. Reserve balances are still falling behind capital needs. The funding level must continue to increase. It is imperative that the funding level be raised to at least 45% to be able to fund anticipated upcoming capital needs. Staff has advised of Roof replacement coming in 2027 estimated at \$2m. Future project needs are also being examined. If grant not received for \$1m blower project, they will still need to be done within the next couple of years.
- FTE increase
- Blower project added in 2020 due to grant opportunity. If the 2/3 grant is not approved, this project must then be done in a future year as insufficient currently there are reserves to fully fund this project, or the project would have to be financed.
If grant is not approved, \$25k of work would still need to be done.
Again, it is imperative to increase reserve funding as per note f, as grant funding cannot be relied upon.
- Includes 2019 carry forwards.
- Increasing capacity. 2/3 of project funded with DCC's as per Engineering Staff.
- Concrete
- Add \$25k for Chemsan rebuild maintenance, remove following year.
- Conservatively assumes \$600k in DCC's are collected annually, however this is likely to be higher.
- Lift Stations and Collector Systems are budgeted as separate cost centres 470, 471 & 472 simply to track the costs at the request of the partners, but are part of the overall Westside Sewer Service.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2020 PROGRAM BUDGET**

Program: DCC -- Development Cost Charges

Department: Fiscal Services

General Revenue Fund Budget

	2019 Budget	2019 Actual	Variance 2019 Act. vs. Bud.	2020 Budget	Variance: 2020 vs. 2019 Budget
Revenue:					
Interest Earned	0	(63,503)	(63,503)	0	0
Sewer DCC's	(600,000)	(1,615,445)	(1,015,445)	(600,000)	0
From DCC Reserve Fund	(19,800)	0	19,800	(1,923,333)	(1,903,533)
East Trunk DCC's	(70,000)	(212,127)	(142,127)	(100,000)	(30,000)
Total Revenue	<u>(689,800)</u>	<u>(1,891,075)</u>	<u>(1,201,275)</u>	<u>(2,623,333)</u>	<u>(1,933,533)</u>
Expenses:					
Transfer to Sewer Cap. Fund	19,800	0	(19,800)	1,923,333	1,903,533
Transfer to DCC Reserve	670,000	1,891,075	1,221,075	700,000	30,000
Total Expenses	<u>689,800</u>	<u>1,891,075</u>	<u>1,201,275</u>	<u>2,623,333</u>	<u>1,933,533</u>
(Surplus) / Deficit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
East Trunk Sewer Line DCC Reserve Balance at Y/E		<u>(2,279,085)</u>		<u>(1,411,876)</u>	a
Sewer Plant DCC Reserve Balance at Year End		<u>(3,580,958)</u>		<u>(2,937,434)</u>	a

2020 Budget Notes:

a. See Engineering Programs 401 & 470 -- Westside Sewer System for usage of DCC reserves.

**REGIONAL DISTRICT OF CENTRAL OKANAGAN
2020 - 2024 Five Year Program Budget Projections**

Program: DCC -- Development Cost Charges

Department: Fiscal Services

General Revenue Fund Budgets

	2020 Budget	2021 Projected Budget	2022 Projected Budget	2023 Projected Budget	2024 Projected Budget
Revenue:					
Sewer DCC's	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
Previous Year's Surplus/Deficit	(1,923,333)	(1,525,995)	0	0	0
East Trunk DCC's	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Total Revenue	(2,623,333)	(2,225,995)	(700,000)	(700,000)	(700,000)
Expenses:					
Transfer to Sewer Cap. Fund	1,923,333	1,525,995	0	0	0
Transfer to DCC Reserve	700,000	700,000	700,000	700,000	700,000
Total Expenses	2,623,333	2,225,995	700,000	700,000	700,000
(Surplus) / Deficit	0	0	0	0	0
East Trunk Sewer Line DCC Reserve	(1,411,876) a	0	(100,000)	0	0
Sewer Plant DCC Reserve Balance	(2,937,434) a	(3,566,808)	(4,202,476)	(4,844,501)	(5,492,946)

Notes

a. See Engineering Program 401 & 470 -- Westside Sewer System for usage of DCC reserves.