



DISTRICT OF HIGHLANDS
NOTICE OF SPECIAL COMMITTEE OF THE WHOLE MEETING
Monday, March 25, 2019 @ 7:00 PM
School House, 1589 Millstream Road

AGENDA

1. APPROVAL OF THE AGENDA
2. NEW BUSINESS

- 2.1. REPORT - CHIEF ADMINISTRATIVE OFFICER

- RE: BUDGET PRESENTATION AND DRAFT FIVE YEAR FINANCIAL PLAN - 2019-2023**

- Recommendation: That the tax policy be brought forward to a future meeting for review.*

- Documents:

- 2019 Draft 1 budget memo.pdf

3. ADJOURNMENT



REPORT

To: Mayor and Council
File: 1700.20
Date: March 21, 2019

From: Lorraine Hilton
Chief Administrative Officer
To Special CoTW
March 25, 2019

Re: **Draft Five Year Financial Plan – 2019 - 2023**

PURPOSE

To present the draft 2019-2023 Five Year Financial Plan as per the budget review process adopted by Council.

BACKGROUND

In accordance with the Financial Plan review process schedule previously approved, the first draft of the Financial Plan for 2019 is attached for the Committee's consideration and direction.

Legislative Requirements

Municipal Council must annually adopt a Financial Plan Bylaw outlining operating and capital revenues and expenditures over a five year period, setting out the objectives and policies of the District in relation to the distribution of property value taxes among the property classes, and the use of permissive tax exemptions. It must also adopt a bylaw establishing the tax rates for municipal and capital regional district purposes.

A Municipal Council must undertake a process of public consultation regarding the proposed financial plan before it is adopted, and as noted, the review process that will satisfy this requirement has been previously established.

DRAFT FINANCIAL PLAN

The draft Financial Plan is a work in progress, as we will continue to receive information required for the budgeting process, including finalized property assessment information, and strategic priorities. However, it provides a starting point for discussion, and at this point is based on the current policy for a combined Municipal and Fire Tax levy increase of 2% for the average homeowner, plus a 1% Asset Management levy in accordance with the recommendations of the Asset Management Plan approved by Council in February 2018.

The presentation and formatting of the draft budget is intended to work towards a higher level policy based and streamlined approach to budget deliberations, and aligns with the format for the financial statements. The focus is on consolidated totals to provide the larger financial picture, and details have been added in relation to expenses that are new or have more significant changes from 2018 levels. Additionally, the budget provides a direct link to Asset Management Plan funding.

The proposed budget provides for the continuation of services, operating and capital projects, and for continued implementation of Council's strategic priorities, which at this point are subject to change.

Taxation Policy

In 2015 Council embarked upon a four year phased in plan to adjust multiples for various classes. This plan was concluded in 2018 for changes to Class 2 (utilities), 7 (Private Managed Forest) and 9 (Farm). For Class 5 and 6, the multiples, respectively, were set at 4.4 versus the originally intended 4.8 for Class 5 and at 4.3 versus the originally intended 4.3 for Class 6 in light of significant assessment increases in those two classes.

Tax policy is intended to be reviewed on an annual basis. In this regard, staff would bring the item forward for discussion to a future budget discussion meeting, which would also include consideration of the additional 1% Asset Management tax levy as contained in the draft budget.

Reserves

With the adoption of the Asset Management Plan, the long term goal is to build up the District's reserve funds for future infrastructure renewal and replacement in accordance with that Plan. The Plan is expected to change over time likely through an annual review process, and Council will need to consider its policy in respect to funding asset management needs in the future.

In order to incorporate a basis for an approach to building up the reserve funds, as provided for in the ongoing asset management work through the FCM Municipal Asset Management grant program, Council recently adopted a Reserves and Surplus policy and that policy guidance has been incorporated into the draft Financial Plan.

Conclusion

As previously noted, the first draft of the Financial Plan is a starting point for discussion; it contains preliminary numbers in many instances, which will likely change throughout the budgeting process as new information is received from a variety of sources.

RECOMMENDATION:

That the tax policy be brought forward to a future meeting for review.

Respectfully submitted,



Lorraine Hilton
Chief Administrative Officer

Attachment



2019-2023 Five Year Financial Plan

DRAFT – March 25th, 2019

Introduction

The Community Charter requires that local governments in British Columbia approve a Five Year Financial Plan (in bylaw format) and Property Taxation Bylaw on or before May 15 of each year. Each year the District of Highlands updates its Five Year Financial Plan. This includes Operating budgets and Capital Programs based on a sustainable infrastructure approach. Each year the municipality is faced with the challenge of balancing the budget as mandated by the Community Charter legislation. While a municipality can incur a debt to pay large capital projects it cannot borrow or mortgage to fund day to day operations the same way that other levels of government can. This is a key difference as it means that the municipality must rely on revenue sources to cover off all expenses for the year.

The proposed 2019 - 2023 Financial Plan requires striking a balance between the need to continue increasing asset management, maintaining service levels and keeping operating costs in check. Sound fiscal choices must be made that reflect community priorities and the ability to pay in a moderate economic climate.

The 2019 Budget provides for the continuation of services expected by the community and policy direction of Council. In addition, funding is provided for key projects and initiatives to move strategic priorities of Council forward. Given Council's strategic planning is currently underway, changes to projects may occur throughout budget deliberations.

The plan also incorporates council's approved Asset Management Plan and Reserves & Surplus Policy direction.

The District's Asset Management Plan outlines a long-term approach for capital renewal investment. To provide clarity and transparency an Infrastructure Renewal Levy is introduced in 2019 as recommended. To be sustainable this is projected to gradually increase over a fifteen-year period by the equivalent of a 1% property taxation increase to the average homeowner each year - to eventually reach sustainable levels. Council will be considering this approach during budget deliberations each year.



Financial Implications

The 2019 draft budget is based on the District’s current taxation policy of a maximum 2% property taxation (Municipal and Fire) increase to the average homeowner each year.

For 2019 an Asset Management tax levy is also established to provide awareness and a direct linkage to the cost of replacing the community’s infrastructure over the long term. For 2019 this is a 1% property taxation increase as recommended by the District’s Asset Management Plan as a first step to establish sustainable levels of infrastructure replacement funding over time. This is likely to be a long term, fifteen-year process to gradually increase funding levels by approximately the same 1% each year. This will be considered annually by Council during the budget process.

Average Homeowner:

	<u>2018</u>	<u>2019</u>	<u>Increase</u>
Municipal Taxes	\$1,317	\$1,325	\$ 8
Asset Management	31	69	38
Fire Service	543	554	11
Total	\$1,891	\$1,948	\$57

This is a combined 3% property tax lift or \$57 to the average homeowner which includes the new 1% lift for Infrastructure Replacement, considering modest new growth (non-market change), as per past practice.

Strategic Priorities

The draft budget includes strategic priorities considered by Council to date including; Groundwater Protection Implementation and Work Plan, Secondary Suites/Additional Dwelling Units regulation, consulting costs for the Lime Kiln as recommended by the Heritage Select Committee, review of Ecoasis groundwater reports, possible sale of Eagles Lake Road residential property.

Adding further projects or policy work in 2019 will require additional use of the Financial Stabilization reserve or the reduction of other priorities or operating budgets to offset the new expenses.

Consolidated Budget Summary

District of Highlands	Consolidated Five Year Financial Plan								
	2018 Budget	2018 Actual	2019 Budget	Change		2020 Budget	2021 Budget	2022 Budget	2023 Budget
				\$\$	%				
Operating Revenues									
Taxation	1,895,000	1,902,690	1,942,900	47,900	2.5%	1,985,100	2,039,700	2,089,500	2,143,300
Sales of Services	67,600	123,356	68,100	500	0.7%	68,600	68,600	68,600	68,600
Other Revenue	74,000	81,807	57,200	(16,800)	-22.7%	82,200	59,700	59,700	59,700
Grants and Contributions	769,300	670,540	771,000	1,700	0.2%	617,000	617,000	617,000	617,000
Total Operating Revenues	2,805,900	2,778,393	2,839,200	33,300	1.2%	2,752,900	2,785,000	2,834,800	2,888,600
Operating Expenses									
General Government Services	785,900	735,703	889,800	103,900	13.2%	820,200	826,100	826,800	831,900
Protective Services	453,300	404,047	477,300	24,000	5.3%	447,500	451,800	472,100	493,700
Transportation Services	285,000	208,285	263,000	(22,000)	-7.7%	272,100	281,300	290,800	300,400
Planning Services	317,000	169,104	332,500	15,500	4.9%	243,700	246,100	248,600	251,100
Recreation and Cultural Services	375,200	359,229	396,900	21,700	5.8%	405,700	414,500	422,900	431,400
Total Operating Expenses	2,216,400	1,876,368	2,359,500	143,100	6.5%	2,189,200	2,219,800	2,261,200	2,308,500
Net from Operations	589,500	902,025	479,700	(109,800)		563,700	565,200	573,600	580,100
Add									
Surplus Used for Capital and Projects	52,300	9,300	82,000	29,700		30,000	30,000	40,000	58,500
Equity for Amortization	862,200	875,852	875,900	13,700		875,900	875,900	875,900	875,900
Reserves Used for Capital	456,700	241,789	407,500	(49,200)		978,500	240,000	265,000	265,000
Proceeds of Debt	-	-	-	-		-	-	-	-
Deduct									
Capital Expenses	509,000	251,054	407,500	(101,500)		978,500	240,000	265,000	265,000
Amortization Expense	862,200	875,852	875,900	13,700		875,900	875,900	875,900	875,900
Transfer to Reserves	528,600	839,517	500,800	(27,800)		532,800	534,300	552,700	577,700
Debt Servicing	60,900	60,885	60,900	-		60,900	60,900	60,900	60,900
Total Budget for the Year	-	1,658	-	-		-	-	-	-

District of Highlands

2019-2023 Five Year Financial Plan

District of Highlands		Consolidated Five Year Financial Plan								
Operating Revenues	2018	2018	2019	Change		2020	2021	2022	2023	
	Budget	Actual	Budget	\$\$	%	Budget	Budget	Budget	Budget	
Taxation										
Municipal	1,327,000	1,324,837	1,286,800	(40,200)	-3.0%	1,318,100	1,347,200	1,371,000	1,399,700	*1
Asset Management	-	-	70,700	70,700	n/a	70,200	85,200	100,200	115,200	*1
Fire	535,000	538,097	545,100	10,100	1.9%	556,600	567,200	578,100	588,400	*2
Utilities (1% in Lieu)	29,100	34,371	36,400	7,300	25.1%	36,400	36,400	36,400	36,400	*2
School Tax Administration	3,900	5,385	3,900	-	0.0%	3,900	3,900	3,900	3,900	
	<u>1,895,000</u>	<u>1,902,690</u>	<u>1,942,900</u>	<u>47,900</u>	<u>2.5%</u>	<u>1,985,200</u>	<u>2,039,900</u>	<u>2,089,600</u>	<u>2,143,600</u>	
Sales of Services										
Rentals	4,700	7,315	4,700	-	0.0%	4,700	4,700	4,700	4,700	
Westshore Sewer	-	10,776	11,000	11,000	n/a	11,000	11,000	11,000	11,000	*3
Business Licences	3,600	3,800	3,600	-	0.0%	3,600	3,600	3,600	3,600	
Building Permits	30,000	49,466	20,000	(10,000)	-33.3%	20,000	20,000	20,000	20,000	*4
Development Fees	24,100	47,412	25,600	1,500	6.2%	25,600	25,600	25,600	25,600	
Fortis Operating	5,200	4,587	3,200	(2,000)	-38.5%	3,700	3,700	3,700	3,700	
	<u>67,600</u>	<u>123,356</u>	<u>68,100</u>	<u>500</u>	<u>0.7%</u>	<u>68,600</u>	<u>68,600</u>	<u>68,600</u>	<u>68,600</u>	
Other Revenue										
Investment Interest	12,000	37,267	20,200	8,200	68.3%	20,200	20,200	20,200	20,200	*5
Penalties and Interest	13,000	13,672	13,000	-	0.0%	13,000	13,000	13,000	13,000	
Amenity Contributions	47,500	25,741	22,500	(25,000)	-52.6%	47,500	25,000	25,000	25,000	*6
Miscellaneous	1,500	5,127	1,500	-	0.0%	1,500	1,500	1,500	1,500	
	<u>74,000</u>	<u>81,807</u>	<u>57,200</u>	<u>(16,800)</u>	<u>-22.7%</u>	<u>82,200</u>	<u>59,700</u>	<u>59,700</u>	<u>59,700</u>	
Grants and Contributions										
Provincial Unconditional	376,000	390,201	390,000	14,000	3.7%	390,000	390,000	390,000	390,000	
Casino	40,000	43,790	42,000	2,000	5.0%	42,000	42,000	42,000	42,000	
Arena Debt	10,300	10,263	10,300	-	0.0%	10,300	10,300	10,300	10,300	
Gas Tax	142,000	148,799	149,000	7,000	4.9%	149,000	149,000	149,000	149,000	
Other	160,700	77,487	179,700	19,000	11.8%	25,700	25,700	25,700	25,700	*7
	<u>729,000</u>	<u>670,540</u>	<u>771,000</u>	<u>42,000</u>	<u>5.8%</u>	<u>617,000</u>	<u>617,000</u>	<u>617,000</u>	<u>617,000</u>	
Total Operating Revenue for the Year	<u>2,765,600</u>	<u>2,778,393</u>	<u>2,839,200</u>	<u>73,600</u>	<u>2.7%</u>	<u>2,753,000</u>	<u>2,785,200</u>	<u>2,834,900</u>	<u>2,888,900</u>	

Operations:

- *1 Municipal and Infrastructure Replacement property tax separated per Asset Management Plan, overall is 3% increase to average home
- *2 Hydro 1% revenue in lieu of taxation increased to actual
- *3 Rivers Crossing Sewer charges now included for disclosure
- *4 Conservative estimate of permit revenue outlook for 2019.
- *5 Increased as interest rate returns have risen
- *6 Amenity contributions outlook reduced for 2019.
- *7 Grant Funding (Asset Management \$54,000, Groundwater \$100,000, CARIP \$700 and Evacuation Routes \$25,000)

General Government Administration

The role of Administration is to assist in carrying out Council’s key objectives, direct business operations and enable an open, inclusive and participatory municipal government. The department facilitates the delivery of services to the public, supports the business operation of Council and Committees as well as providing counsel, support, strategic planning and other resources to departments and the public.

The Chief Administrative Officer oversees the overall conduct of the municipality in pursuing the District’s strategic goals; reviews departmental programs; budgets and policy initiatives; makes recommendations to Council; ensures Council’s directives are carried out; manages significant corporate initiatives; establishes standards and priorities for civic administration; motivates and monitors performance to ensure standards are met, priorities are pursued and high-quality services are consistently delivered.

District of Highlands		Five Year Financial Plan								
		2018 Budget	2018 Actual	2019 Budget	Change		2020 Budget	2021 Budget	2022 Budget	2023 Budget
Operating Expenses					\$\$	%				
General Government										
Legislative		121,300	102,417	125,400	4,100	3.4%	120,000	121,500	123,100	124,600 *1
Administrative		459,500	422,306	469,300	9,800	2.1%	476,600	477,900	482,300	485,500
Financial		179,300	185,289	187,600	8,300	4.6%	197,800	200,600	195,100	195,100 *2
Office Maintenance		25,800	25,691	25,500	(300)	-1.2%	25,800	26,100	26,400	26,700
Projects		-	-	82,000	82,000	n/a	-	-	-	-
		<u>785,900</u>	<u>735,703</u>	<u>889,800</u>	<u>103,900</u>		<u>820,200</u>	<u>826,100</u>	<u>826,900</u>	<u>831,900</u>

Operations:

*1 Legislative: Council Indemnity and conference travel increased, offset partially by reduced election expenses

*2 Computer licencing and financial consulting capacity

Projects:

FCM Asset Management Plan \$72,000 funded by FCM grant (\$54,000) and Financial Stabilization Reserve (\$18,000)

Compensation Review \$10,000 funded from Financial Stabilization Reserve

Protective Services

The Protective Services Budget includes the Fire Service, Emergency Measures, Bylaw Enforcement and Building Inspection. Fire Protection is provided by the Highlands Volunteer Fire Department under the direction of Fire Chief Dean Ford, with five Officers and 29 Firefighters. Staff provides Building Inspection and some Bylaw Enforcement services supplemented by some Bylaw Enforcement and Animal Control by CRD.

District of Highlands		Five Year Financial Plan							
Operating Expenses	2018	2018	2019	Change		2020	2021	2022	2023
	Budget	Actual	Budget	\$\$	%	Budget	Budget	Budget	Budget
Protective Services									
Fire									
Fire Administration	25,100	20,668	23,200	(1,900)	-7.6%	23,200	23,200	23,200	23,200
Fire Fighting Force	54,400	49,589	54,900	500	0.9%	54,900	54,900	60,900	60,900
Fire Alarms and Pagers	6,000	3,591	4,700	(1,300)	-21.7%	4,700	4,700	4,700	4,700
Training, Inspections & Maintenance	30,000	25,691	34,000	4,000	13.3%	34,000	34,000	34,000	34,000 *1
Water Supply and Hydrants	12,000	13,052	12,000	-	0.0%	12,000	12,000	12,000	12,000
Fire Building Maintenance	29,600	30,017	31,000	1,400	4.7%	31,500	32,100	32,600	32,900 *2
Fire Fighting Equipment	101,300	99,158	111,300	10,000	9.9%	112,300	113,300	114,300	114,300 *3
Projects	-	-	-	-	-	-	-	-	-
	<u>258,400</u>	<u>241,766</u>	<u>271,100</u>	<u>12,700</u>	<u>4.9%</u>	<u>272,600</u>	<u>274,200</u>	<u>281,700</u>	<u>282,000</u>
Other									
Emergency Measures	11,500	33,315	20,500	9,000	78.3%	20,900	21,300	21,700	22,100 *4
Bylaw Enforcement	47,500	30,484	47,500	-	0.0%	48,100	48,700	49,300	49,900
Building Inspection	90,900	87,706	93,200	2,300	2.5%	94,900	96,600	98,400	100,200
Animal Control	20,000	-	-	(20,000)	n/a	-	-	-	- *5
Environmental Health	-	10,776	11,000	11,000	n/a	11,000	11,000	11,000	11,000 *6
Projects	25,000	-	34,000	9,000	36.0%	-	-	10,000	28,500
	<u>453,300</u>	<u>404,047</u>	<u>477,300</u>	<u>15,000</u>	<u>3.3%</u>	<u>447,500</u>	<u>451,800</u>	<u>472,100</u>	<u>493,700</u>

Operations:

- *1 Expected number of inspections increased
- *2 Insurance and Hydro increase
- *3 CREST Radio licence fee increase
- *4 Emergency Program Strategic Plan increase per Council March 18 resolution
- *5 Animal control charged via CRD Requisition
- *6 River's Crossing sewer system charges funded by user fees

Projects:

Emergency Program Strategic Plan - Year one start up costs \$9,000 per Council resolution

Transportation Services

The District is responsible for the maintenance of 46 kilometres of roads via a road maintenance contract and consulting engineering assistance. Four bridges are inspected regularly, and a Pavement Management Plan is being implemented.

The Transportation operations budget is projected to increase by \$13,000 in 2019, primarily to provide capacity of contracted road management as noted in the Districts Asset Management Plan.

District of Highlands		Five Year Financial Plan							
Operating Expenses	2018	2018	2019	Change		2020	2021	2022	2023
	Budget	Actual	Budget	\$\$	%	Budget	Budget	Budget	Budget
Transportation									
Road Management	11,500	43,528	23,500	12,000	104.3%	25,500	27,500	29,500	31,500 *1
Road Maintenance	208,500	164,757	209,500	1,000	0.5%	215,700	222,000	228,500	235,200
Snow Contingency	30,000	-	30,000	-	0.0%	30,900	31,800	32,800	33,700
Projects	35,000	-	-	(35,000)	-100.0%	-	-	-	-
	<u>285,000</u>	<u>208,285</u>	<u>263,000</u>	<u>(22,000)</u>	<u>-7.7%</u>	<u>272,100</u>	<u>281,300</u>	<u>290,800</u>	<u>300,400</u>

Operations:

*1 Road management contracted support - Asset Management Plan

Projects:

No road projects in 2019, 2018 was consulting for Pavement Management Plan and Road Contract

Planning Services

A full range of planning services are provided by the District. Funding for a series of special projects is identified below.

Environmental Services are focused on the purchase of carbon offsets to maintain carbon neutral status and a budget for invasive species removal and groundwater aquifer monitoring continues.

District of Highlands		Five Year Financial Plan							
Operating Expenses	2018 Budget	2018 Actual	2019 Budget	Change		2020 Budget	2021 Budget	2022 Budget	2023 Budget
				\$\$	%				
Planning									
Planning	159,600	139,447	180,600	21,000	13.2%	196,300	198,700	201,200	203,700 *1
Environmental Services	8,600	3,280	8,600	-	0.0%	8,600	8,600	8,600	8,600
Groundwater Monitoring	8,800	11,700	8,800	-	0.0%	8,800	8,800	8,800	8,800
Projects	140,000	14,677	134,500	(5,500)	-3.9%	30,000	30,000	30,000	30,000
	<u>317,000</u>	<u>169,104</u>	<u>332,500</u>	<u>15,500</u>	<u>4.9%</u>	<u>243,700</u>	<u>246,100</u>	<u>248,600</u>	<u>251,100</u>

Operations:

*1 Increase in Approving Officer/planning consulting contracted support - 2 days per week

Projects:

- Groundwater Protection
- Eagles Lake - potential sale
- Secondary Suites/Accessory Dwelling Units
- Ecoasis GroundWater Report Review
- Subdivision Bylaw - remaining amendments
- Regional Context Statement for Regional Growth Strategy
- Lime Kiln - consultant's report

Note: All funded from grants and Stabilization Reserve Fund

Recreation and Cultural Services

The District maintains a significant inventory of park land including Twinflower Park, Eagles Lake and several conservation areas and informal trail systems. Modest park maintenance is funded, and the District’s Community Hall is maintained as a community meeting resource.

The District is a contributing member of the West Shore Parks and Recreation system and the Greater Victoria Public Library system.

The overall budget is projected to increase by \$21,700 or 5.8% for 2019. This is mostly attributable to an increased contribution to the Greater Victoria Public Library as per the funding model which is based on a combination of property assessment and population. Increased costs for Community Hall maintenance are also accommodated.

District of Highlands		Five Year Financial Plan							
Operating Expenses	2018	2018	2019	Change		2020	2021	2022	2023
	Budget	Actual	Budget	\$\$	%	Budget	Budget	Budget	Budget
Recreation									
Parks Maintenance	25,000	21,103	25,500	500	2.0%	26,000	26,500	26,500	26,500
Community Hall	30,500	31,945	32,700	2,200	7.2%	34,500	36,100	37,800	39,400 *1
West Shore Parks and Recreation	203,700	191,976	206,700	3,000	1.5%	210,600	214,500	218,500	222,600
Library	116,000	114,205	132,000	16,000	13.8%	134,600	137,300	140,100	142,900 *2
Projects	-	-	-	-	-	-	-	-	-
	<u>375,200</u>	<u>359,229</u>	<u>396,900</u>	<u>21,700</u>	<u>5.8%</u>	<u>405,700</u>	<u>414,400</u>	<u>422,900</u>	<u>431,400</u>

Operations:

- *1 increased in line with actuals including higher hydro costs
- *2 Library requisition increased significantly based on assessment and population formula

Projects:

No projects planned for 2019

Capital Program

The District is in the process of funding a sustainable infrastructure replacement program. Asset Management Plans were approved in 2018, and a strategy is in place to improve funding levels to reach sustainability over a ten to fifteen-year period.

The capital program for 2019 is focused on road work recommended as a result of the pavement assessment project recently undertaken, replacement of vehicles and equipment, landscaping of the Community Hall, remediation of the School House at the Caleb Pike Heritage Park. Also included is funding for additional community signboards.

District of Highlands	Asset Management - Five Year Capital Plan						
	2018 Budget	2018 Actual	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Infrastructure Renewal							
Roads	100,000	-	250,000	250,000	200,000	225,000	225,000
Facilities	50,000	10,304	30,000	-	-	-	-
Park Improvements	22,500	7,516	42,500	-	-	-	-
Vehicles and Equipment	336,500	233,234	115,000	698,500	40,000	40,000	40,000
	<u>509,000</u>	<u>251,055</u>	<u>437,500</u>	<u>948,500</u>	<u>240,000</u>	<u>265,000</u>	<u>265,000</u>
Funding							
Operating	52,300	9,265	-	-	-	-	-
Reserves	456,700	241,790	437,500	948,500	240,000	265,000	265,000
	<u>509,000</u>	<u>251,055</u>	<u>437,500</u>	<u>948,500</u>	<u>240,000</u>	<u>265,000</u>	<u>265,000</u>

Capital Program - Detail

District of Highlands		Asset Management - Five Year Capital Plan				
		2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Infrastructure Renewal						
Roads						
	Pavement Management Plan (Road Top)	250,000	250,000	200,000	225,000	225,000
Facilities						
	Community Hall landscaping	30,000				
Park Improvements						
	Slope Stability	10,000				
	Caleb Pike	10,300				
	Community Signboards	18,200				
	Community Garden	4,000				
Vehicles and Equipment						
	District Pick Up	45,000				
	Fire Service Utility Vehicle		45,000			
	Fire Truck		613,500			
	Fire SCBA					
	Fire Equipment	60,000	30,000	30,000	30,000	30,000
	District Equipment	10,000	10,000	10,000	10,000	10,000
		437,500	948,500	240,000	265,000	265,000

Capital:

All capital funded from reserves

Reserves Management

The District's newly approved reserves and surplus policy is being implemented in 2019 and requires reporting out on reserves as part of the budget process. Incremental increases in reserve contributions are planned within the taxation policy limits established by Council each year.

Working Capital and Operating Reserves are maintained at reasonable levels over the five-year term of the plan. The snow contingency will be increased each year there is favourable winter snow experience and budget savings occur.

Overall reserve levels are planned to increase gradually over the next five years as anticipated by the Asset Management Plan and the Reserves and Surplus Policy. Transfers to reserves will gradually increase to reach sustainable levels in approximately fifteen years.

2019 to 2023 Reserves Scorecard

	Policy Target		Balance	Balance	Balance	Balance	Balance	Balance	Status	Status
	Minimum	Preferred	2018	2019	2020	2021	2022	2023	2018	2023
WORKING CAPITAL										
Accumulated Surplus	3 months Revenue \$700,000	6 Months Revenues \$1,400,000	1,412,155	1,440,398	1,419,206	1,422,590	1,401,042	1,404,063	Good	Good
GENERAL FUND (Reserve Accounts)										
Financial Stabilization Reserve	1 Months Revenue \$235,000	2 Months Revenue \$470,000	325,000	293,000	318,860	320,237	336,642	309,875	Good	Good
Snow Contingency Reserve	Min \$75,000	\$150,000	60,499	61,709	62,943	64,202	65,486	66,796	Low	Low
Westshore Recreation Reserve	Min \$25,000	As Received	60,699	61,913	63,151	64,414	65,703	67,017	Good	Good
RESERVE FUND (Statutory Reserves)										
Community Works Gas Tax	No Minimum	As received	468,171	376,333	282,659	237,111	165,652	92,765	Good	Good
Fire Buildings, Vehicles and Equipment	Min \$100,000	Per AMP	873,166	1,146,979	777,769	1,068,674	1,368,798	1,684,924	Good	Good
Municipal Buildings, Vehicles and Equipment Replacement	Min \$100,000	Per AMP	60,110	61,312	62,538	63,789	65,065	66,366	Low	Low
Heritage Structures Replacement	No Minimum	Per AMP	10,000	17,200	25,544	37,055	49,796	63,792	Low	Low
Community Hall Replacement	Min \$100,000	Per AMP	161,171	171,394	181,822	194,459	209,348	226,535	Low	Low
Park Facilities Replacement	Min \$25,000	Per AMP	-	2,000	4,040	7,121	11,263	16,488	Low	Low
Road Replacement	Min \$250,000	Per AMP	935,958	996,177	1,052,601	1,090,653	1,136,466	1,186,195	Good	Good
Bridge Replacement	Min \$50,000	Per AMP	8,000	11,160	14,383	19,671	27,064	36,606	Low	Low
Groundwater and Drainage	No Minimum	Per AMP	-	10,200	10,404	10,612	10,824	11,041	Low	Low
General Capital Project	Min \$100,000	\$250,000	199,777	221,973	244,612	267,704	291,258	315,283	Good	Good
Parkland Acquisition	No Minimum	As received	14,784	17,080	19,421	22,810	27,266	32,811		
General Land Sale	No Minimum	As received	105	107	109	111	114	116		
OVERALL			3,177,440	3,448,538	3,120,858	3,468,624	3,830,745	4,176,609		