

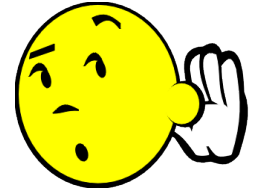
2016-2020 Financial Plan

Workshop #2

Utility Funds Operating Budgets

Weigh in-we are listening...

- Attend open meetings and comment in person
- Email: budgetfeedback@squamish.ca or Council@squamish.ca
- Via Twitter [@Squamishtown](https://twitter.com/Squamishtown), hashtag #SquamishBudget
- Comments section on www.squamish.ca website



Resources



- 2015-2019 Strategic Plan
 - www.squamish.ca
 - Your Government \ projects and initiatives \ 2015 to 2018 Strategic Plan
- Workshop materials:
 - “Let’s Talk Budget”
 - www.squamish.ca
 - Your Government \ Budget\Financial Plan & Annual Reports \Budget 2016\Draft Budget Documents

What's Up Today?

- Utility funds overview
- Water and sewer new requests
- Solid Waste new requests
- Public feedback
- Council direction - utility fee bylaws



Utility Funds Overview

Key Policies & Targets

Long Term Financial Plan Guidelines:

- Adequate user fee revenue to sustain existing service levels and renew existing infrastructure
- Support additional increases by business case
- Maintain relatively stable user fee increases with standard cost of business changes
- Phase in future increases in advance



Key Policies & Targets

- Efficient service delivery pursued
- Examine all options for new facilities and operations

Suggested Targets:

- Target working capital at $1/8^{\text{th}}$ operating expense
- Target capital reserves to average annual capital contribution



Achieving Financial Sustainability

Accumulated Surplus - as at December 31, 2014

Fund	Balance at Dec 31, 2014
Water	\$ 1,399,831
Sewer	2,459,511
Solid Waste	653,207
Total	\$ 4,512,549

Target 12.5% Expense
\$ 403,956
487,755
276,740
\$ 1,168,451

Target per AWWA 1/8th operating expenses (12.5%)

Achieving Financial Sustainability

Capital Reserves - estimated to 2015 year end

Fund	Estimated Balance at Dec 31, 2015
Water	\$ 1,230,818
Sewer	3,288,436
Solid Waste	1,104,770
	\$ 5,624,024

Target Avg Annual Contribution (AMP 2016- 2035)	Target Reserve by 2031 (WMP TM#3)
\$ 1,988,216	\$ 3,500,000
2,379,636	
500,000	
\$ 4,867,852	

Approach to Building The Budget



- Finance prepared labour and corporate-wide existing service changes and removed 2015 non-recurring items
- Department managers reviewed existing service budgets, strategic plan, master plans, regulations, operational efficiencies to determine new requests
- Management reviewed for strategic plan, affordability, prioritization, business case

Highlights

	Water		Sewer		Solid Waste	
	Dollar Amount	Impact On Fees	Dollar Amount	Impact On Fees	Dollar Amount	Impact On Fees
RECONCILIATION OF 2015 BUDGET TO 2016						
2015 Utility Capital Reserve (Contributions) / Draws	\$ 146,919		\$ (333,730)		\$(321,954)	
Net Labour Change (Schedule 1)	(8,617)	-0.3%	(27,061)	-0.5%	(40,272)	-3.2%
Utility Fee Increases	(122,518)	-3.6%	-	0.0%	(431,845)	-34.6%
Contract Changes (Schedule 2)	-	0.0%	-	0.0%	176,425	14.1%
Other Existing Service Level Adjustments (Schedule 3)	8,541	0.2%	3,226	0.1%	390,003	31.3%
2015 Non-Recurring Items Removed	(20,000)	-0.6%	(10,000)	-0.2%	(73,500)	-5.9%
Change in Allocations From Other Funds	107,067	3.1%	106,653	2.2%	77,112	6.2%
Change in Debt Service	39,590	1.2%	(27,949)	-0.6%	5,912	0.5%
Change in Contribution to Capital	(149,589)	-4.4%	735,843	14.9%	-	0.0%
Total Adjustments To Reserve Due To Base Changes	(145,526)	-4.2%	780,712	15.8%	103,835	8.3%
2015 New Initiatives						
2016 Service Level Changes (Schedule 4)	42,699	1.2%	(17,424)	-0.4%	140,000	11.2%
2016 Projects Funded From Fees (Schedule 5)	24,990	0.7%	70,000	1.4%	70,000	5.6%
Total Adjustments To Reserve Due To New Initiatives	67,689	2.0%	52,576	1.1%	210,000	16.8%
2016 Utility Capital Reserve (Contributions)/Draws	\$ 69,082	-2.3%	\$ 499,558	16.9%	\$ (8,119)	25.2%
2016 Water Fund Capital Plan (\$2,503,069) - Total Fees Funding						
	\$ 1,015,883					
2016 Sewer Fund Capital Plan (\$4,400,341) - Total Fees Funding						
			\$ 2,401,488			
2016 SODC Water Fund Capital Plan (\$2,130,300) - Total Fee Funding						
	\$ 21,300					

Existing Service Labour Changes

Schedule 1

CHANGE IN LABOUR TO 2016 EXISTING SERVICE LEVEL	Water		Sewer		Solid Waste	
Contracted Inflation & Step Changes	\$ 11,050	0.3%	\$ 11,809	0.2%	\$ -	0.0%
Benefit Changes	2,354	0.1%	(2,847)	-0.1%	-	0.0%
Transfers to Other Funds	(39,766)	-1.2%	(1,230)	0.0%	(40,272)	-3.2%
Recoveries (from operating, capital and external)	6,985	0.2%	812	0.0%	-	0.0%
Casual, Call out, Acting & Sick Pay, Premiums, Allowances	10,760	0.3%	(35,605)	-0.7%	-	0.0%
Total	\$ (8,617)	-0.3%	\$ (27,061)	-0.5%	\$ (40,272)	-3.2%

FTE Change .02 FTE from water to sewer, .5FTE to from solid waste to general fund

Other Existing Service Changes

Schedule 2

EXISTING SERVICE LEVEL CONTRACT CHANGES	Water		Sewer		Solid Waste	
Collections Contract (annualize 2015 organics & growth)		0.0%		0.0%	\$ 141,905	11.4%
Landfill Contract Adjustments (fence, airspace & attendant)		0.0%		0.0%	34,520	2.8%
	\$ -	0.0%	\$ -	0.0%	\$ 176,425	14.1%

Schedule 3

OTHER EXISTING SERVICE LEVEL CHANGES	Water		Sewer		Solid Waste	
Landfill Post Closure Costs	-	0.0%	-	0.0%	(50,000)	-4.0%
Diversion (including flow through)	-	0.0%	-	0.0%	380,000	30.5%
General Landfill Maintenance Costs	-	0.0%	-	0.0%	40,000	3.2%
Waste Audit Reduction	-	0.0%	-	0.0%	(10,000)	-0.8%
Leachate Treatment Paid to Sewer Fund	-	0.0%	-	0.0%	30,000	2.4%
Utilities	8,110	0.2%	1,590	0.0%	-	0.0%
Insurance	431	0.0%	1,636	0.0%	3	0.0%
	\$ 8,541	0.2%	\$ 3,226	0.1%	\$ 390,003	31.3%

Water & Sewer Service Level Changes

- Bench marking (W \$6552, S \$9,576)
- Eagle Wind subdivision mtce. (\$3,690) (.03FTE)
- Water conservation program (\$57,457) (.5FTE)



Water and Sewer Special Projects

Schedule 5				Funding Source		2016 FTE
Ref	2016 SPECIAL PROJECTS	Project Total	Impact on Fees	User Fees	Accumulated Surplus	
	Water					
1	AC Watermain Testing	20,000	0.6%	20,000		
2	Water Meter / CCC Test Bench	4,990	0.1%	4,990		0.01
		\$ 24,990	0.7%	\$ 24,990	\$ -	0.01
	Sewer					
3	WWTP Buidling Envelope Inspection & Repairs	50,000	1.0%	50,000		
4	Sewer Use Bylaw	15,000	0.3%	15,000		
5	WWTP Odour Charaterization Study	5,000	0.1%	5,000		
6	Sanitary Sewer Master Plan	40,000	0.0%		40,000	
		\$ 110,000	1.4%	\$ 70,000	\$ 40,000	-

Water and Sewer Projects – Future Years

Schedule 6

Ref	FUTURE YEAR SPECIAL PROJECTS - Funded By Fees	2017	2017 FTE	2019	2019 FTE
1	Water AC Watermain Testing (in progress)	20,000			
9	Sewer WWTP Building Envelope Inspection & Repairs	50,000			
10	Source Control Effectiveness Study			10,000	
		\$ 70,000	-	\$ 10,000	-

Are we still awake?



Water & Sewer Thoughts or Questions

- Proposed programs?
- Proposed projects?
- Do we have it all?
- How about those fees?



Solid Waste Service Level Changes

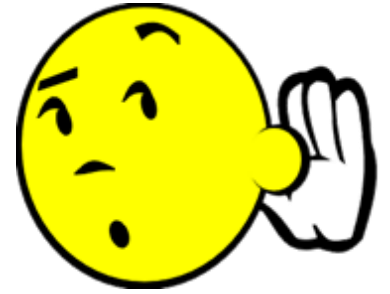
- Enhanced organics collection (\$140K to \$90K)



Solid Waste Special Projects

- Landfill Gas Assessment \$10K
- Zero Waste Strategy \$60K

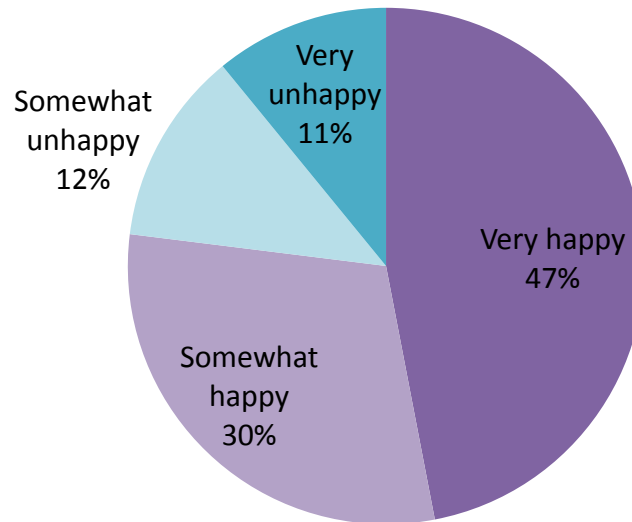




Let's Hear From Our Community

Organics Survey - Satisfaction with program

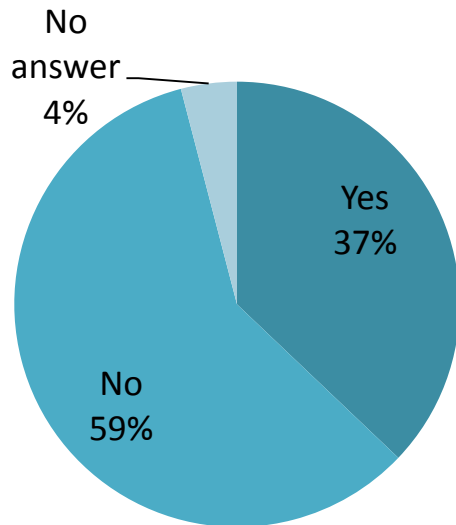
Overall, my feelings about the new residential organics collection program are:



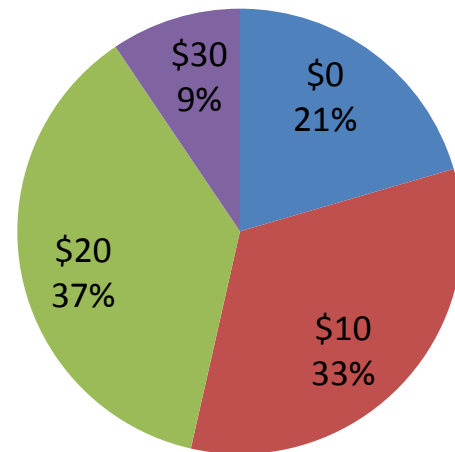
Very happy and somewhat happy together = 77%

Organics Survey - Interest in weekly collection during summer

Would you be interested in weekly organics collection over the summer months at an additional annual cost?

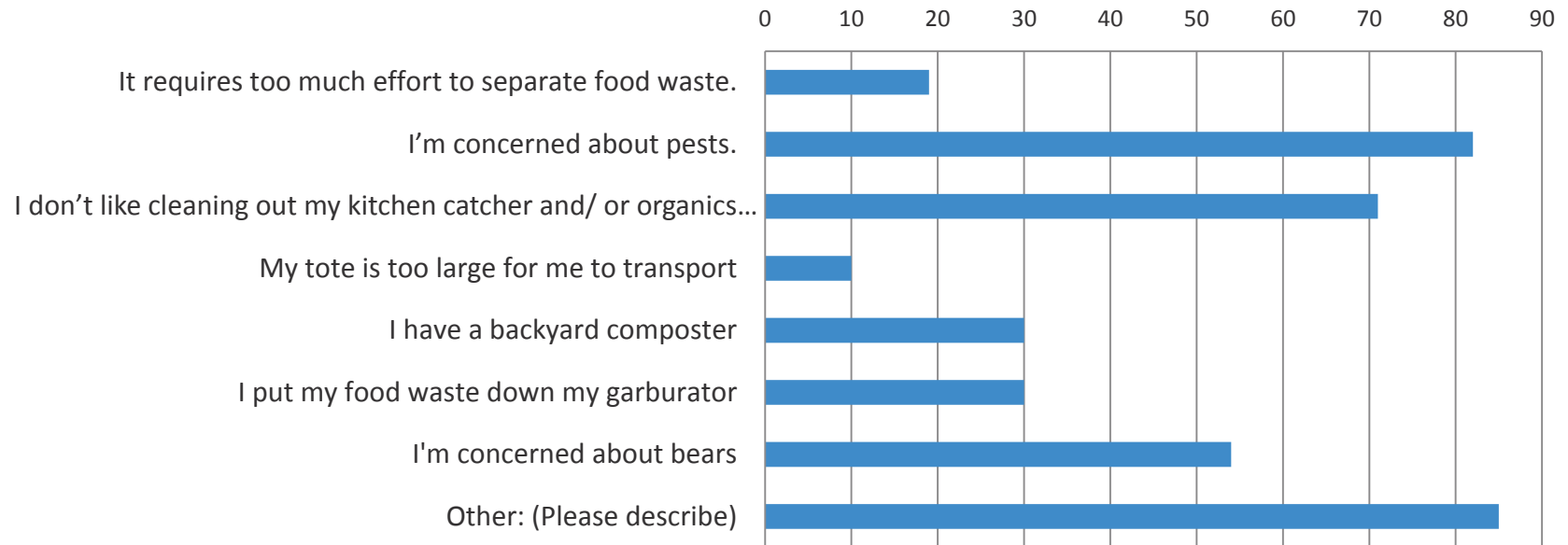


How much more would you be willing to pay annually for weekly collection in summer (\$0/\$10/\$20/\$30)? Results below include only those who answered “yes” to weekly organics collection in the previous question.



Barriers to using organics tote for food scraps

If you hesitate to use your organics tote for food scraps, is it because:



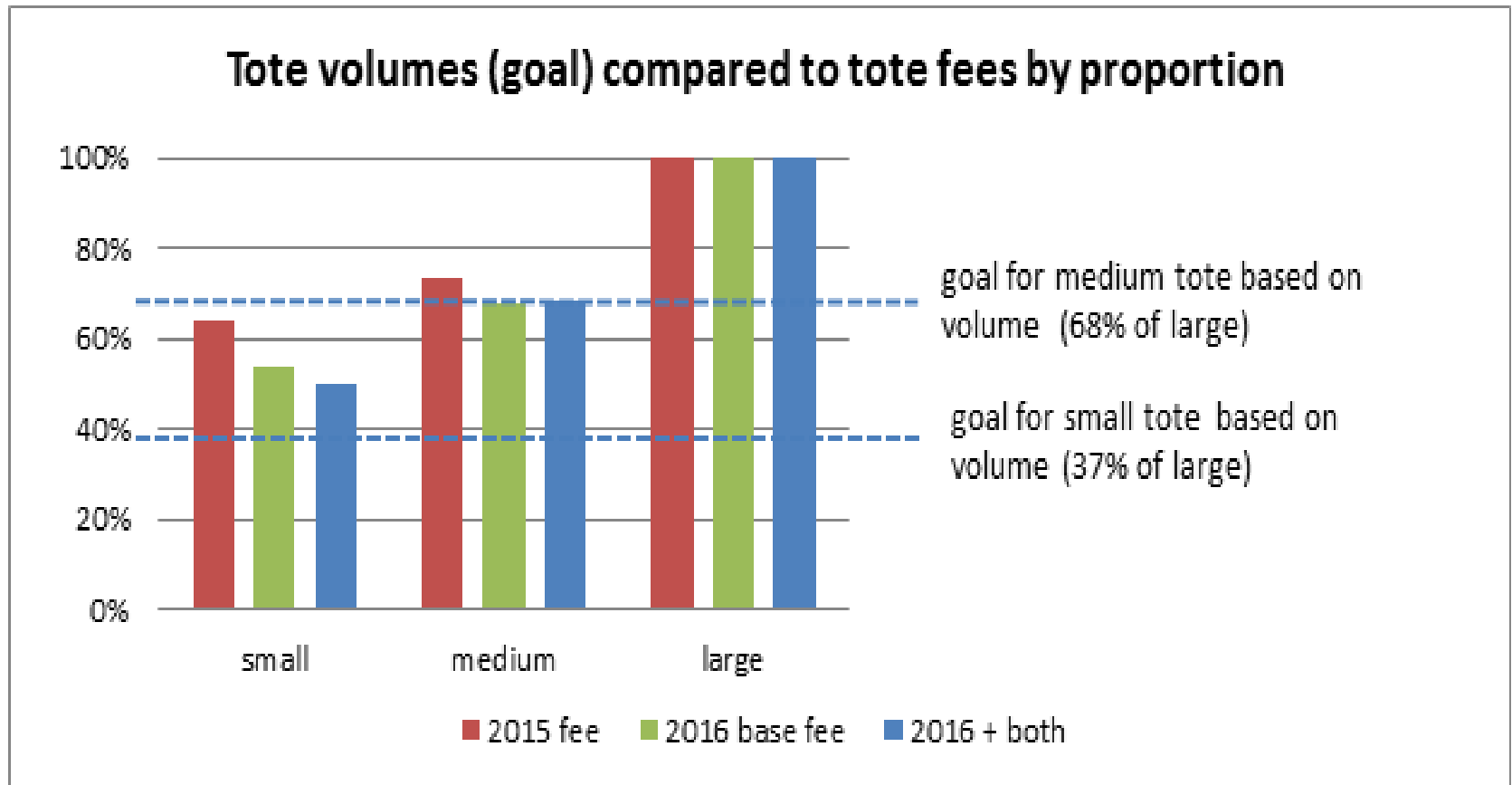
Additional concerns included: smell, tote doesn't fit in garage, would like weekly collection, want to use compostable plastic bags.

Let's Talk About Solid Waste Fees...

Tote Size	2014	2015	2016 Base	2016 + ZWS	2016 + Enhanced Organics	2016 + ZWS + Enhanced Organics
small	\$160	\$185	\$190	\$190	\$190	\$190
medium	\$160	\$212	\$230	\$242	\$248	\$259
large	n/a	\$289	\$345	\$355	\$365	\$380



Let's Talk About Solid Waste Fees...



Landfill Future & Fees

- Vertical expansion proposal
- Options and impact on fees



Solid Waste Thoughts or Questions

- Proposed programs?
- Proposed projects?
- Do we have it all?
- How about those fees?



Wrapping It Up



- Public feedback, Q&A for audience
- Council direction or recap
 - Edits
 - Authorization to proceed with utility fee bylaws
 - Water 4%
 - Sewer 2%
 - Solid Waste

Next Workshop:
Capital Revisit
General Fund Overview
Recreation, Parks & Culture
Cemetery