

INFORMATION REPORT

2024/25 Draft Operating & Capital Budgets V2



To: Town Council
From: Director of Finance
Date: February 13th, 2024
Subject: 2024/25 Draft Operating & Capital Budgets V2

References/Attachments

- 2024/25 Draft Operating Budget V1 Package
- 2024/25 Draft Operating Budget V1 Presentation
- 2024/25 Draft 5-Year Capital Budget V1
- 2024/25 Draft Operating Budget V2
- 2024/25 Draft 5-Year Capital Budget V2
- 2024-25 Draft 2024-25 Budget V2 Presentation

Legislation

- MGA Section 65

Background

Version 1 of the draft 2024/25 operating and capital budgets were presented during the month of January 2024 for Council's review and discussion. Version 2 of the draft 2024/25 operating and capital budgets have been revised based on receipt of additional budget-related information and feedback from Council.

There is no change to the tax rate proposed within this draft of the operating budget.
1 cent on the tax rates equal \$22,800.

Council may wish to direct staff to include changes to the tax rate to be presented in version 3 of the 2024/25 Draft Operating Budget in the Committee of the Whole meeting on February 27th, 2024.

Version 2 of the draft 2024/25 operating and capital budgets are presented this evening for discussion, and staff is seeking direction from Council as we move toward presenting a final budget for approval on March 12th, 2024.

Key Changes included in V2 of the Draft 2024/25 Operating Budget

REVENUE

Deed Transfer Tax: Added \$15,000 to budgeted revenue. The proposed revenue has been conservatively adjusted to reflect year to date activity in fiscal 2023/24.

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AREA Dividend: The budgeted dividend has been increased by \$35,000. Staff and Council are expecting to have direction regarding the expected dividend upon conclusion of the strategic planning session with AREA at the end of February.

Bylaw Revenue: The expected revenue has been reduced by \$5,000 to 0, as the proposed bylaw officer position will focus on community education, rather than fines during the 2024/25 fiscal year.

Sewer Administration Fees: Reduced by \$20,000, which is off set by the reduction in expenses (see below). This is a net 0 impact on the budget.

Safe Restart: Staff are proposing to fund the following, qualifying items, from the safe restart funds:

Project	Amount
Cell Phone Purchases	\$2,400
Two-way Radios for Public Works	\$4,000
Elections (Offered 100% Virtually)	\$15,000
Town Video Cameras System Upgrade (<i>Capital</i>)	\$15,000
MESH Upgrade (<i>Capital</i>)	\$15,000
Total	\$51,400
<i>Safe Restart Est. Balance</i>	<i>\$150,000</i>

EXPENSES

Education Increase: The Town has a mandatory annual education contribution. Staff confirmed the annual contribution amount for 2024 /25, which is a 10% increase, bringing the annual contribution to \$641,677. This is an increase of \$29,500 from draft V1.

Salaries: The new positions of Customer Service Representative, Bylaw Officer and Parks Coordinator have been adjusted to reduce the start date by one month, resulting in collective savings of \$10,000.

Sewer Rate Study: Staff have removed the external consultant fee of \$20,000 and plan to update in-house as a 2024/25 operational priority. Staff are confident this can be successfully executed with the resources as proposed in V2 of the budget.

Human Resources: The consultant fee for the recruitment of the Director of Public Works role has been removed, resulting in savings of \$20,000.

Public Works:

- Two-way radios for equipment have been added with an expense of \$4,000.

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- The \$4,000 expense of the traffic sensor has been removed as the need for a capital project has been identified.
- The heavy equipment training for a skilled labourer has been deferred, resulting in a saving of \$5,300 from draft V1. This will be put forth for consideration in a future years' budget.

Key Changes included in V2 of the Draft 2024/25 5-Year Capital Budget

Based on feedback from Council and sub-committees of Council, the following projects have been removed from the V2 of the draft 2024/25 5-Year Capital Budget:

Project Removed	Cost
Box Cars Interior Finishing	\$25,000
Trail Head Land Purchase	\$10,000
Rainforth Park Study	\$10,000
Basketball Court Fence	\$40,000
Downtown Streetscape Design	\$80,000
Downtown Streetscape Phase 1	\$250,000

Departments have proposed the following additions to Draft 2024/25 Capital Plan V2:

Project Added	Cost
Traffic Light Control Panel	\$50,000
Public Works Shop Heaters	\$7,200
Town Video Camera Security System Upgrade	\$15,000
MESH Upgrade	\$15,000
Fire Department Phase 2 Water Storage Building	\$72,500

Carry-forward projects from the 2023/24 5-year Capital Budget, as approved by Council, are:

- Fire Department Water Storage Tank: \$389,500 (Berwick's portion of \$194,732 funded by debt)
- Renovation of Town Hall customer service area to provide accessible service: \$100,000 funded 50% by grants.

Outstanding Budget Items:

- 2024/25 Insurance Renewal Figures
- Sewer Revenue- awaiting updated data from the WWTP Operator, which is used to inform the revenue.
- Council Remuneration review.
- Information Technology Budgets- currently an estimate has been included in both draft operating and capital budgets and will be finalized for draft V3.

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Financial Implications

Currently, draft 2024/25 Operating Budget V2 is presenting a shortfall of **\$191,000**, compared to the shortfall presented in draft 2024/25 Operating Budget V1 of \$306,000.

In accordance with the MGA, Berwick must present a balanced budget. Staff welcomes questions, feedback and direction from Council to prepare for review in V3 of the draft 2024/25 Operating Budget.

Options for direction may include proposed increase(s) to tax rates, reduction to specific expenses, utilization of operating reserves for one-time expenses or any combination thereof or additional directives Council elects to provide.

Priority Alignment

Check Applicable	Strategic Priority Area	Comments
X	Economic	
X	Environmental	
X	Social	
X	Cultural	

Community Engagement/Communication

The original public budget engagement session to be held on January 29th, 2024, was postponed due to poor weather conditions. The public engagement session will be held on February 20th, 2024, in Council Chambers at Town Hall.

A budget survey was launched on February 7th, 2024, to solicit feedback from residents to help inform the budget process. This survey may be completed online, or residents may pick-up and submit a paper copy at Town Hall.

Feedback from both the public engagement session and the survey will be compiled and presented for Council's review at the Committee of the Whole meeting on February 27th, 2024.

All budget information is posted on Berwick's website at: Berwick.ca/2024/25-budget.

CAO Initials: JB