



TOWN OF VIEW ROYAL 2020-2024 FINANCIAL PLAN

March 13, 2020





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of View Royal

British Columbia

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morrell

Executive Director

View Royal was honoured to receive the Government Finance Officers' Association (GFOA) Distinguished Budget Presentation Award for its 2019-2023 Financial Plan. This award is given to local governments whose budget document meets criteria established by GFOA best practices and industry standards for budgeting and reflects the highest quality achievable. Documents submitted to the Budget Awards Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in public sector budgeting.

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Message from the Chief Administrative Officer

I am pleased to present to Council and the citizens of the Town of View Royal the 2020-2024 Financial Plan. As we enter a new decade, we take the opportunity to look back on our progress and develop our financial plan with a renewed focus on financial stability.

The 2020-2024 Financial Plan focuses on implementing the six key priority areas identified in our [Strategic Plan](#): financial stability and service excellence; environmental stewardship; community and economic growth; enhanced livability; community safety and security; and good governance.

The strategic plan identifies the development of a long-term financial plan that recommends optimal reserve levels to support financial sustainability. This plan will be based in part on an asset management plan that estimates the future cost of renewing the tangible assets that deliver services to the residents and guests of View Royal. This budget includes funding for long-term asset management planning and in the meantime, maintains enough reserves to ensure a level of resiliency for the near horizon. Where possible, major capital acquisitions are funded through sources other than debt because of its negative effect on future flexibility.

During budget working sessions in February 2020, Council specified changes to the draft financial plan that will result in a total tax revenue increase of 5.5% in 2020. The property tax revenue comes from a 2.9% increase in existing property taxes and 2.6% increase in tax revenue resulting from new construction in View Royal. New initiatives that represent one-time costs or changes in levels of service make up 1.6% of the tax revenue increase. Most of these initiatives focus on increased support for policing, parks maintenance and geographical information services.

As we aim for financial sustainability we must carefully consider how the cost of decisions we make today impact the future demand for revenue. In order to convey the future costs of implementing new programs or acquiring assets, proposed projects include the estimated costs to maintain the asset or service level in each of the future five years of the financial plan.

The budget document is provided in two parts – a higher-level overview that describes the implications of budget decisions on services, projects, capital investments, reserves and debt; and a separate appendix document that provides the complete details of the 2020-2024 Financial Plan. Through sharing ideas and discussing the implications of the financial plan for View Royal's residents and guests, we lay a foundation for the "dynamic and inclusive community that manages growth while retaining the charm of its traditional neighbourhoods" idealized by the strategic plan.

In April, Council will consider various tax rate scenarios that will determine the relative tax burden for each property class. In accordance with provincial legislation, municipalities in British Columbia must adopt their budgets in May of each year. While it is a financial document, the plan is also an important policy document, outlining Council's priorities for the upcoming year and showing where funds will be allocated.

This five-year financial plan and budgeting process provides Council the opportunity to adjust the budget each year as part of an annual review process. This year, the Town of View Royal is introducing a two-year pilot online Citizen Budget engagement tool that enables residents to provide input and voice their opinions on the annual budget prior to final adoption in May. We invite your participation and welcome your feedback. You can access the online Citizen Budget at www.viewroyal.ca.

Overall, we believe the preliminary 2020-2024 Financial Plan presents a responsible approach that strikes the right balance between fiscal sustainability while continuing to support key services and investment in infrastructure that will prepare our community for the future while providing certainty and predictability for taxpayers.



Kim Anema, CPA, CGA
Chief Administrative Officer

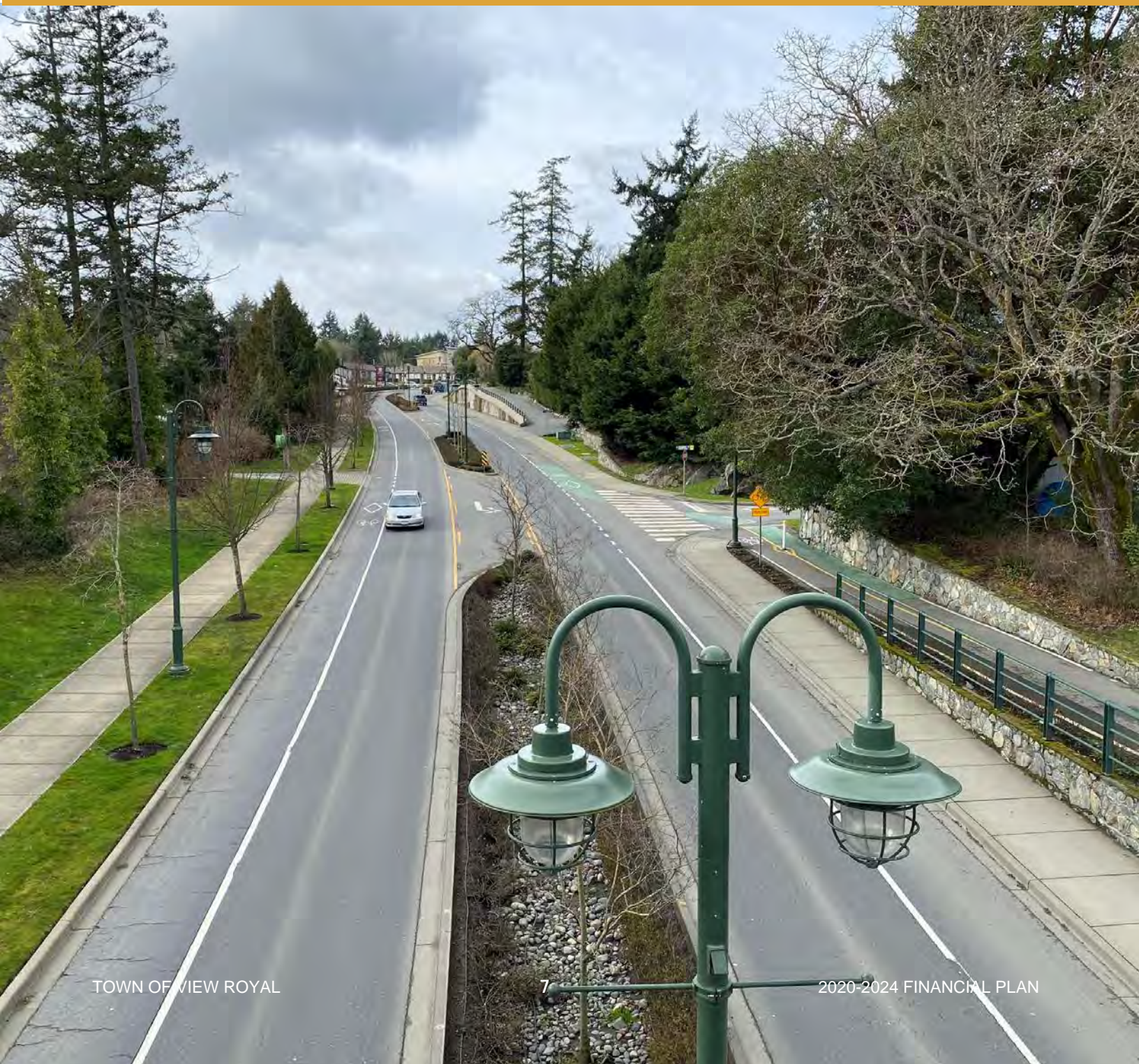
View Royal's Citizen Budget



To **Share Your View** go to www.viewroyal.ca. The online Citizen Budget will be open for input until **March 31, 2020**.



VIEW ROYAL OVERVIEW



The 2020-2024 Financial Plan at a Glance

What You Need to Know

The Financial Plan

- In British Columbia the Local Government Act and Community Charter require **all municipalities to complete a five-year financial plan and budget each year**.
- The 2020-2024 Financial Plan **ensures responsible money management and supports the six themes of Council's strategic priorities** (see page 12).
- It supports the **enhancement of livability in View Royal** through investments in roads, parks and trails, police and fire protection, technology, and a **commitment to service excellence**.

Property Taxes

- The main **sources of revenue (income) are property taxes and user fees** (garbage collection, sanitary sewer).
- **In determining annual property tax rates, Council considers a number of factors:** how much money is needed to fund the services that will meet the community's needs, how much is needed to fund capital projects, and what should be set aside for long-term maintenance, renewal, and expansion of infrastructure.
 - Discussion about tax rates takes place in April after the amount of needed tax revenue has been determined at budget workshops in February and the public has had the opportunity to review and provide feedback on the financial plan.
- **Tax rates are based on assessed property values by assessment classes** set out in provincial legislation. BC Assessment issues the assessment roll, which is the final listing of all properties within the Town of View Royal and their values. While your taxes can't be appealed, you can appeal your property's assessed value.
 - Assessments in View Royal are trending upward in 2020 with a total increase of 4% (\$124 million). Most of this increase – nearly \$113 million – comes from new construction.
 - The impact to taxpayers varies depending on the extent of each property's assessment change in relation to other properties and property classes.
- Currently, the proposed budget results in a **5.5% increase in property tax revenue in 2020** (over 2019) consisting of:
 - 2.6% from new construction (\$229,000) plus
 - 2.9% from all assessed properties (\$259,000).
- For a representative residential property in View Royal with an assessed value of \$730,000 the **increase in property tax is projected to be about \$40-50** in 2020 for View Royal's tax component.
- In 2019, the representative residential property experienced the **fourth lowest total municipal taxes and fees in the Capital Regional District**.

- Of the total \$488,000 increase in 2020 property tax revenue, **\$145,700 will fund new initiatives** such as increased support for policing, parks maintenance and geographical information systems.
- **Property taxes provide 57%-60% of total operating revenue over the five-year plan.** Taxation increases are required primarily in response to the escalating costs for the goods, contracted services, and labour required for the provision of services.

Budget Highlights

Operating Revenue

- Average operating revenue totals \$17.3 million annually. A total of \$7.2 million comes from non-tax sources, including user fees, and government grants and transfers.
- Anticipated government grants and transfers total \$15.3 million over the five-year plan, including casino revenue and transfers under the federal gas tax program (Community Works Fund), which together comprise 15% of total operating revenue.

Operating Expense

- Funding for services such as fire protection, policing, transportation, and parks averages \$15.4 million annually over the five-year plan.
- Operating expenses include “non-core” requests – new initiatives that represent a change to service levels or are one-time or infrequent items. Non-core requests total \$3.4 million over the five-year plan.

Capital Plan

- The 2020-2024 capital plan forecasts \$14.2 million in total investment in the acquisition or renewal of infrastructure.
- Nearly half (46%) of total capital spending is funded from Casino revenue or Community Works Funds reserve accounts.

Reserve Transfers

- Reserves are primarily used to pay for capital projects and smooth out “peaks and valleys” of spending so that property taxes remain consistent and predictable from year to year.
- View Royal receives just over \$2 million each year from Casino revenue. This money supports community groups through grants in aid, West Shore Parks and Recreation, capital projects and other one-time initiatives.
- On average, \$670,000 is expected to be contributed each year to reserves from property taxes and user fees. After planned spending is factored in, total reserves are expected to grow by \$265,000 over the five-year plan.

Community Profile

The Town of View Royal respectfully acknowledges that we operate within the traditional territory of the Lək̓ʷəŋən people of the Songhees and Esquimalt First Nations who have been the stewards of this land from time immemorial and whose relationship with the land continues today.

View Royal is in the centre-west part of the Capital Region (Greater Victoria) on Vancouver Island in British Columbia, Canada. The Town is an attractive, vibrant, largely residential community home to over 10,000 people. We share boundaries with several other jurisdictions – Esquimalt, Saanich, Langford, Colwood, Highlands, and the Esquimalt and Songhees First Nations. The municipality was incorporated in December 1988; previously, it had been an Electoral Area of the Capital Regional District (CRD).

View Royal is traversed by three major transportation routes – Highway 1 (Trans-Canada Highway), the Island Highway and the E & N (Esquimalt and Nanaimo) rail line. These routes have had a significant impact on the development pattern of View Royal for several decades.



The form and character of View Royal has been shaped by a rich variety of ecosystems. These include the saltwater environment of Esquimalt Harbour and Portage Inlet, the blending of salt and fresh waters in Craigflower and Millstream Creeks and their estuaries, and the freshwater ecosystems of Thetis, Prior and McKenzie Lakes. Terrestrial environments are equally varied, ranging from the moist Douglas Fir forest habitat to the drier, rockier areas that produce the unique and rich Garry Oak meadows.

Statistics at a Glance



Incorporated
1988



14.36 km² land area
10,400 population
725 people/km² density



4,300
households

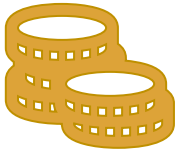
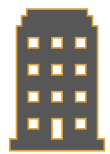


40% single-detached houses
4% semi-detached houses



22% duplex units
17% townhouses

15% apartments <5 stories
2% apartments >5+ stories



69% of property tax base is from residential
30% from business
1% from other property

730 hectares parkland
71 parks
27 km trails



57 km roads
42 km storm sewers
47 km sanitary sewers

73% drive to work **6%** are passengers
12% walk, cycle **9%** use public transit



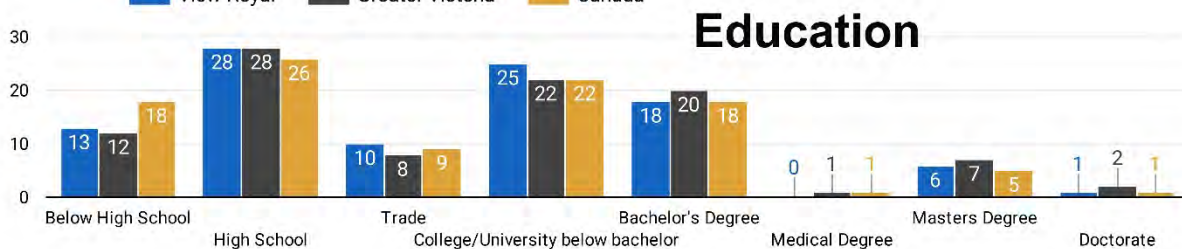
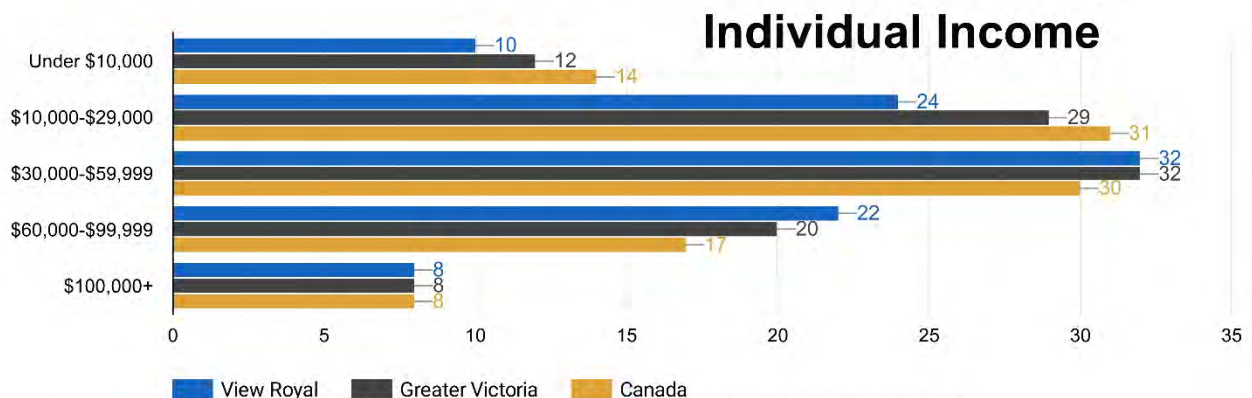
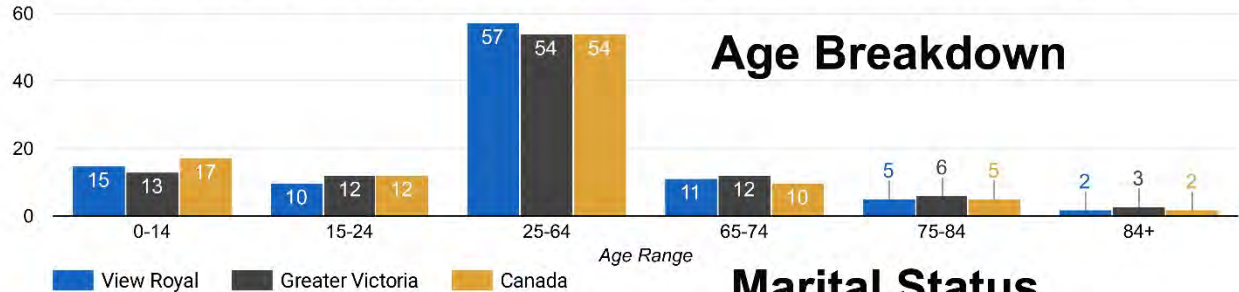
Sources: Statistics Canada, 2016 Census of Population, Town of View Royal

A Village of 100

Based on the 2016 census, if View Royal was made up of 100 people:

48 males and 52 females

compared to 48 males and 52 females in Greater Victoria and 49 males and 51 females in Canada



Miscellaneous

- 4 are unemployed** (5 Greater Victoria 7 Canada)
- 8 are earning a low income** (13 Greater Victoria 14 Canada)
- 28 are renters** (37 Greater Victoria 32 Canada)
- 26 are living alone** (33 Greater Victoria 28 Canada)
- 4 are single parents** (4 Greater Victoria 5 Canada)
- 4 have aboriginal identity** (5 in both Greater Victoria and Canada)
- 14 are visible minorities** (14 in Greater Victoria 22 in Canada)
- 16 are immigrants** (18 in Greater Victoria 22 in Canada)

Language

- 92 speak English most often at home** (92 Greater Victoria 64 Canada)
- 9 have knowledge of both official languages** (10 Greater Victoria 18 Canada)
- 5 speak languages other than English and French most often at home** (5 Greater Victoria 12 Canada)



Town Mission, Vision and Values

Our Mission

To build a resilient, vibrant community that fosters and balances social, environmental and economic well-being.

Our Vision

Liveable View Royal – simply the best place to call home!

Our Values

The Town of View Royal pursues good community through a corporate culture that is:

Accountable

Innovative

Respectful

Proactive

Ethical

Efficient and effective

Collaborative

Strategic Plan

Liveable View Royal – putting vision into action

We're working together to make View Royal better every day by focusing on what's important to the citizens of View Royal, constantly improving how we do business and ensuring we plan for our future to build a strong, healthy and thriving View Royal.

The [Strategic Plan](#) details what we heard from citizens about what is important to them and what they want the Town to do on their behalf. It is reviewed at least quarterly, with additional time spent as required to keep it current and update progress on specific projects.

The strategic plan outlines six key result areas or goals, which describe the focus areas of our work, and which help us prioritize our efforts and resources.



Understanding Property Assessments and Property Taxes

BC Assessment

Your property assessment significantly influences the amount of property taxes you pay. Each year, [BC Assessment](#) sends property owners a Property Assessment Notice telling them the fair market value of their property as of the uniform valuation date of July 1 in the prior year (Source: BC Assessment, 2019).

BC Assessment is a provincial Crown corporation that classifies and values all real property in British Columbia. It is responsible for assessing over 2 million properties in British Columbia as of July 1 each year.

It's important to know that an increase in your property assessment doesn't necessarily result in a significant increase to your property taxes. The most important factor is not how much your assessed value has changed, but how your assessed value has changed relative to the average change for your property class in your municipality or taxing jurisdiction. You can find your property class on your assessment notice next to your assessed value. You can look up your property assessment anytime online by visiting the BC Assessment website www.bccassessment.ca.



UNDERSTANDING THE IMPACT OF A CHANGE IN YOUR ASSESSMENT ON PROPERTY TAXES

Remember that your property's assessment determines your share of taxes for your property class, assuming the taxing authority and other taxing agencies do not change their budgetary requirements.

Here is what could happen to your property taxes:

| | Your Property's Value Change | Property Tax Impact |
|----|--|-----------------------------------|
| 1. |  LOWER than Average Change for Property Class | Taxes Likely DECREASE |
| 2. |  SIMILAR to the Average Change for Property Class | Taxes Likely DO NOT CHANGE |
| 3. |  HIGHER than Average Change for Property Class | Taxes Likely INCREASE |

Example A:



Your property is currently assessed at **\$540,000**, based upon a valuation date of July 1 last year. Your previous assessed value was **\$450,000**. Your property increased **20%** in value, while the average increase for your property class was **30%**.

Since your property value increased **LESS THAN** the average for your property class, you will likely see a **DECREASE** in your property taxes.

Note: this example assumes that there are no changes in the budgetary requirements of your taxing authority and/or any other taxing agency.

Example B:



Conversely, your property is currently assessed at **\$630,000**, based on a valuation date of July 1 last year. Your previous assessed value was **\$450,000**. Your property increased **40%** in value, while the average increase for your property class is **30%**.

Since your property increased **MORE THAN** the average, you will likely see an **INCREASE** in your property taxes.

Note: this example assumes that there are no changes in the budgetary requirements of your taxing authority and/or any other taxing agency.

*Source: <https://info.bcassessment.ca/propertytax>

Your Property Tax Notice

Your property tax notice is a bill for services that are available to you as a property owner. The amount you pay depends on the location and classification of your property, its assessed value, and the cost of services.

Your property taxes are calculated using tax rates that are set for each available service. Tax rates are adjusted every year to make sure enough money is raised to provide these services. You can't appeal your property taxes, but you may be able to appeal your property assessment (through BC Assessment).

Property tax notices are sent from View Royal and you pay your property taxes to View Royal. Of the property taxes collected by the Town, just over half remains with the municipality. The rest is collected on behalf of other taxing authorities such as the Capital Regional District, Schools, Hospital, BC Assessment, Greater Victoria Library, BC Transit, and the Municipal Finance Authority. The Town of View Royal does not control these charges.

The overall municipal budget is developed based on the cost of delivering services to property owners. Taxes collected by the Town of View Royal support fire and police services, road maintenance, parks, administration, etc. The budget also predicts future spending and puts a portion of property taxes into reserves (savings accounts) to make sure future property taxes don't have big spikes from year to year.

Utilities such as water, sanitary sewer, and solid waste management are generally self-funding through user fees. User fees are based on consumption, not on your property's assessed value. Properties in View Royal are connected to the Capital Regional District (CRD) water and sanitary sewer systems. The CRD bills user fees directly to its water customers, while View Royal bills for sanitary sewer and garbage user fees.

On your tax notice, you will find information about the services you are being billed for, the amount you owe, when your property taxes are due, applying for a Home Owner Grant, and how to make a payment.

NOTE: Comparing property taxes to other communities is difficult due to variables such as industry and the number/type of commercial businesses within the comparative tax base. Comparing property tax rates to other municipalities can be done by comparing “representative” homes – i.e. an average valued home in View Royal to an average valued home in another community for the average tax burden.

Organization Profile

Mayor and Council

View Royal provides municipal services to the community directly through in-house staff, partnerships with contracted service providers and not-for-profit organizations, and participation in regional services provided through the Capital Regional District.



(Left to right) Councillor Ron Mattson, Councillor Damian Kowalewich, Mayor David Screech, Councillor John Rogers, Councillor Gery Lemon

View Royal's Town Council is comprised of a mayor and four councillors elected by the citizens of View Royal for a four-year term.

The current Council, elected in October 2018, is led by Mayor David Screech, with Councillors Damian Kowalewich, Gery Lemon, Ron Mattson, and John Rogers – a combined total of 61 years as elected officials.

Council is responsible for municipal government services, local government leadership and decision-making in the Town of View Royal and is granted its powers by the provincial government.

The legal framework and foundation for all local governments in British Columbia is set out in the Local Government Act and the Community Charter. Council has the authority to enact and enforce bylaws and policies that relate directly to community needs, and to collect taxes and fees to fund those activities and services. Council is ultimately responsible for establishing the policies, for carrying out those policies, and for the overall administration of civic business.

Council meetings are held on the first and third Tuesday of each month (with a break in August) in the Council Chambers at Town Hall (45 View Royal Avenue). These meetings are open to the public.

Council has established committees, boards, and task forces that perform a variety of tasks as assigned and directed by Council. Each year Council appoints new members from the community to serve on these volunteer-based bodies, which include:

Community Development Advisory Committee – for social and economic development matters as related to land use planning, transportation, community connectivity, and heritage assets as well as the engagement of View Royal residents and businesses in these matters.

Parks & Recreation Advisory Committee – Accountable for policy matters related to the development, maintenance, and operation of parks, recreation and the environment, as well as the engagement of View Royal residents and businesses in these matters.

Board of Variance – The Board of Variance functions separately from Council and has its own authority under the Local Government Act of British Columbia. It is accountable for approving requests for minor variances to View Royal Zoning Bylaws regarding the site, size and dimensions of buildings, but not those involving land use or density. Appeals to the decisions of the Board must be directed through the Provincial Court.

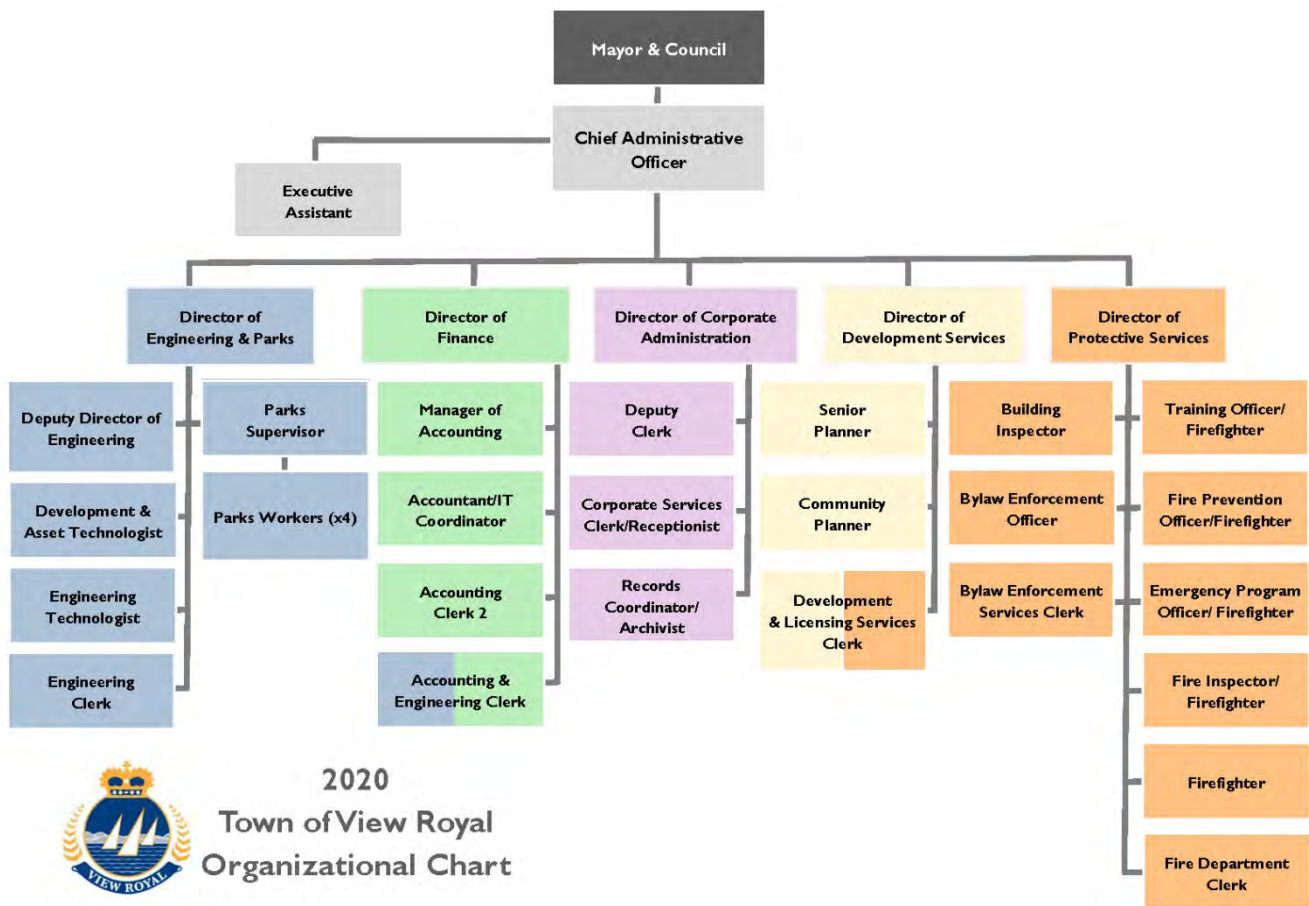
Task Forces – From time to time, Council may choose to convene a task force for a limited time to examine and advise on specific issues.



View Royal Staff

The Chief Administrative Officer leads a small team of employees who are responsible for delivering the services envisioned by Council as identified in the strategic plan and supported by the five-year financial plan.

View Royal employs 40 full and part-time staff and coordinates with approximately 55-60 volunteer firefighters and emergency support personnel. Police services are provided under contract with the RCMP, with municipal administrative support provided by the City of Langford. View Royal provides public works services (road maintenance) through a contract with Victoria Contracting.



How Services are Provided

The Town of View Royal is a diversified municipal organization that provides a wide range of services to its citizens. Municipal services are provided by departments and their activities are reported separately, both in the budget and in reports to Council throughout the year.

Full-time equivalencies (FTEs)

| Service | 2019 | 2020 Proposed | 2021-2024 Proposed | Change | Comments |
|----------------------|------|---------------|--------------------|--------|---|
| General Government | 10.8 | 10.9 | 10.9 | +0.1 | Conversion of part-time to 1 FTE, shared with Transportation |
| Protective | 10.0 | 10.0 | 10.0 | - | See Note |
| Transportation | 5.1 | 6.1 | 6.1 | +1.0 | Conversion of GIS contract to 1 FTE; summer student -0.3; administrative support +0.3, shared with General Government |
| Environmental Health | 0.5 | 0.5 | 0.5 | - | |
| Development | 3.5 | 3.5 | 3.5 | - | |
| Parks | 5.6 | 5.3 | 5.3 | -0.3 | FTE increase from 7 to 8 hours daily; elimination of 1 summer student |
| TOTAL | 35.5 | 36.3 | 36.3 | 0.8 | |

Note: Protective Services FTEs listed here do not include those relating to police services. View Royal pays 70% of RCMP costs, shared on a pooled basis with other municipalities with populations under 15,000. Policing support staff labour costs are shared on a proportional basis with the municipalities of Langford and Colwood. View Royal's share is approximately 15%. This financial plan proposes to increase RCMP policing strength by one member in each of 2020 and 2023 so that the total strength is 13.55 members in 2024 and to increase municipal support staff for the West Shore RCMP detachment by one full-time position and one full-time municipal employees' manager position.

General Government Services

The General Government function provides corporate administration, finance, information technology, human resources support, and legislative services.

Protective Services

The Protective Services function includes View Royal Fire Rescue which is a combined paid and volunteer fire department responsible for fire suppression, fire inspections, and related training and education. This function encompasses policing provided by the RCMP through the West Shore detachment, emergency planning and preparedness, and enforcement of animal control, building, and other municipal bylaws.

Transportation Services

The maintenance and capital programs for View Royal's roads, streets, bridges, sidewalks, street signage, boulevards, bus shelters, street lighting, traffic signals and storm drains are provided by the Transportation Services department. This department works closely with Development Services to support development and growth.

Environmental Health Services

Through its Environmental Health Services function View Royal provides both solid waste and liquid waste management (sanitary sewer) services to properties within its boundaries. Water services are provided by the Capital Regional District (CRD) and billed directly to the consumer; therefore, this financial plan excludes provision of water services.

Development Services

The Development Services function provides the current and future land use, planning, and zoning work for View Royal and is responsible for the Official Community Plan that guides future growth. Additionally, Development Services supports economic development initiatives and programs.

Parks

The Parks department is responsible for the maintenance and development of all parks and green spaces within View Royal, including implementation of the capital program each year.

Recreation and Culture

While View Royal does not have sole ownership or control of any recreational or cultural facilities, it provides these services to its constituents through partnerships with the Greater Victoria Public Library and West Shore Parks and Recreation Society.

Fiscal Services

The Fiscal Services segment of the financial plan supports all other functions and comprises taxation, debt servicing, reserve transfers, grants and other contributions, amortization and revenue not directly attributable to other departments.



FINANCIAL MANAGEMENT



Financial Planning Approach

Financial planning at View Royal is a continuous cycle with efforts more focused in the late fall/early winter when we begin the process of updating the five-year financial plan. The financial plan integrates and aligns resources (staff and funding) with policy directions outlined in the Town's guiding documents: the Official Community Plan, the Strategic Plan, and related master plans (Parks, Transportation, etc.) These plans guide the development of service plans and work projects to ensure progress toward the objectives outlined within them. Department managers examine budgets within their area of responsibility to ensure costs are based on specific activities that deliver the desired levels of service. The financial plan describes projected expense and anticipated revenue for operating and capital activities planned over the five-year horizon and includes actual values from the prior year for comparative purposes. Most importantly, the public have an opportunity to view the proposed financial plan and provide input to Council through an online engagement tool, new for 2020, that describes the implications of the budget, allows users to see the impact of changing service levels on their taxes and provides a forum for feedback. Council and Committee of the Whole meetings at which the financial plan is discussed are open to the public, where individuals can speak to Council.

Provincial legislation requires municipalities to adopt a five-year financial plan by bylaw by May 15 of each year. The tax rate bylaw, also due by May 15, is based on this financial plan. Financial plans must be balanced; that is, expense in any given year must not exceed anticipated revenue from all sources for that year. In any year in which a deficit occurs, legislation requires the amount to be recovered the following year.

The financial plan may be amended at any time by bylaw; typically, this is done near the end of the year to capture unforeseen expenses or Council-approved initiatives that missed the original budget cycle.

Non-core and Capital Priority Ranking

Items that represent a change to a level of service or are infrequent or one-time are identified as “non-core” items – for example, increasing the frequency of garbage pick-up, or a community wide survey that has a significant cost attached.

Each non-core and capital item is given a priority designation based on staff's understanding of the underlying nature of the project in relation to several criteria, including risk, timing, and community interest.

Priority Designations

| Priority | Description |
|---------------|---|
| 1 – Critical | This is this most urgent priority; exclusion of this project increases risk to the municipality, has a negative future cost impact, or both. |
| 2 – Required | External factors drive the need for this project – either outside agencies, internal policy, or previous approval and initiation of the project such that exclusion would risk non-compliance or loss of previous investment. |
| 3 – Strategic | This project is either specifically identified in the municipality's strategic plan or it represents an increase in capacity to achieve Council's strategic goals. |

| Priority | Description |
|-------------------|---|
| 4 – Optimal | The project may have one or more dependencies with another project; while on its own it may be fully discretionary but completing this project at this time represents future a cost savings, an increase in value, or reduction of risk. |
| 5 - Discretionary | The project is a specific request of Council, constituent or other stakeholder that has not been identified in strategic or other master plans and represents no risk to the municipality if it is not approved. |

Budget Calendar

Each year, the financial planning process is presented to Council and dates are set for key budget deliverables and discussions. The detailed financial planning process (see calendar below) results in the approval of the finalized financial plan and tax rate bylaws prior to the legislated May 15 deadline.



REVISED 2020-2024 Financial Planning Calendar

| Year | Month | Purpose | Who | Date |
|------|-----------|--|-------------------------------------|--|
| 2019 | September | Approval of Financial Planning calendar | Committee of the Whole | September 10 |
| | October | Review financial planning policies and fleet replacement plans | Committee of the Whole * | October 8 |
| | | Consideration of Council proposed initiatives | Committee of the Whole * | October 8 |
| 2020 | February | Draft 2020-2024 Financial Plan worksheets | Distribution to Council | February 14 |
| | | Budget workshops: Introduction and overview Consideration of non-core requests Consideration of capital plan Presentation of service plans Consideration of reserve transfers | Council * Special COW– Budget * | Feb 18 – 7 pm Feb 19 – 6 pm Feb 20 – 6 pm Feb 25 – 6 pm <i>if required</i> |
| | March | Consideration of grant-in-aid applications; recommendation for approval | Committee of the Whole * | March 10 |
| | | Proposed 2020-2024 Financial Plan publication and launch of online Citizen Budget engagement tool | Distribution to Council and website | March 13 |
| | | Approval of grants in aid | Council * | March 17 |
| | | Online Citizen Budget engagement tool intake closed | Staff | March 31 |
| | April | Consideration of results from online Citizen Budget engagement tool | Committee of the Whole * | April 14 |
| | | Presentation of consolidated financial plan for approval in principle | Committee of the Whole * | April 14 |
| | | Consideration of tax rate options | Committee of the Whole * | April 14 |
| | | First three readings of financial plan bylaw | Council * | April 21 |
| | | Adoption of financial plan bylaw First three readings of tax rates bylaw | Council | May 5 |
| | May | Adoption of tax rates bylaw | Council (Special meeting) | May 12 |
| | | Information about financial plan, taxes and user fees included with tax notice mail out and on website | Staff | May |

* These sessions will include opportunities to address comments from the public

NOTE: Dates and times are subject to changes; check View Royal's website for updated information at www.viewroyal.ca.

Financial Policies

One of the first steps in the financial planning process is a review of the policies and practices that influence development of the financial plan. These guidelines ensure proper fiscal accountability and stewardship over the Town's funds and that the resulting plan is consistent with Council's goals and objectives. To the extent that policies, principles and practices are documented, they foster a common understanding of the process while increasing transparency.

Over time, Council has considered and approved several financial policies that guide the development of the financial plan, subsequent decisions, and annual financial outcomes. Where there are no stated policies, staff relies on past practice or Council direction.

Summary of Financial Policies and Practices

| Key Topic | Policy or Source | Description | Purpose | Last Update |
|----------------------|-------------------|----------------------------|--|-------------|
| Financial Assistance | 1600-012 | Grants in Aid | To provide financial assistance to non-profit or community organizations that provide a public benefit | 2012 |
| | 1600-018 | Permissive Tax Exemptions | | 2012 |
| Expenditures | 1600-019 | Tangible Capital Assets | To identify specifics for the accounting of capital assets, including definitions, thresholds, and amortization parameters | 2012 |
| | n/a | Asset Management Planning | To identify parameters for the development, maintenance and implementation of asset management plans, such as methodologies, strategies, and acceptable levels of service and risk | n/a |
| | Practice | Budget Variance Reporting | To specify guidelines for periodic financial reporting, such as frequency, report organization, level of detail, and comparative information | n/a |
| | n/a | Debt | To specify acceptable maximums or targets for total debt burden and debt service costs | |
| Revenues | 1600-020 | Reserves and Surplus | To guide the development, maintenance and use of financial reserve funds | 2017 |
| | Practice | Revenue | To guide the management of revenue, including diversification targets, basis for fees and charges, and use of one-time or unpredictable revenues | n/a |
| | Council Direction | Taxation | To identify long-term property taxation strategies, including targets for assessment class multiples | annual |
| Process | Practice | Financial Planning Process | To guide the development, maintenance and implementation of financial plans, including basis of budgeting, definitions of core and non-core items, and opportunities for public consultation | n/a |

Fund Structure

Traditionally, municipalities in Canada use an accounting fund structure to segregate financial reports into various components. Public sector accounting standards now require presentation of financial information on a consolidated basis for the annual financial statements and this financial plan takes a similar approach. However, certain aspects of the financial plan are highlighted as areas that may be of special interest to the reader, which coincide in some cases with the traditional fund structure.

Presentation of Funds

| Accounting | Financial Plan | Financial Statements |
|--|--|-----------------------------------|
| General operating fund Sewer operating fund | Operating budget by functional unit | Financial position and operations |
| General capital fund Sewer capital fund | Capital budget by functional unit | Non-financial assets |
| Reserve funds | Reserve funds | Reserves and equity |

Basis of Budgeting

The Town of View Royal develops its five-year financial plan in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Account Board. The Town uses the accrual method of accounting in which revenues and expenses are recognized at the time they happen. The budget is prepared on the same basis, with a few key differences:

- View Royal is a part owner in the West Shore Parks and Recreation Society (WSPRS) that operates the Juan de Fuca Recreation Centre. The financial plan includes the annual contribution required by the agreements governing the partnership, however it does not incorporate its proportionate share of the WSPRS budgeted operating and capital budgets. The financial statements consolidate these numbers and provide detailed note disclosure.
- The five-year financial plan includes amortization expense, but because amortization represents a reduction in the equity in tangible capital assets which is not funded by taxation, the budget also includes a “transfer from equity in capital assets” to offset the amortization expense.
- The capital plan and related funding sources are treated as revenues and expenses in the financial plan, however, these items result in an increase to tangible capital assets on the balance sheet (Consolidated Statement of Financial Position) rather than the income statement (Consolidated Statement of Operations) in the annual financial statements. Likewise, debt principle repayments and debt proceeds result in changes to long-term debt liabilities on the balance sheet (Consolidated Statement of Financial Position) but are included as expenses or revenue for the purposes of the financial plan.
- Inter-fund transfers, such as transfers to or from reserves or surplus accounts are excluded from the financial statements but are identified in the financial plan as required by legislation. Similarly, internal borrowing and internal debt repayment is treated as internal transfers and described in the debt section of the financial plan but is not included with external debt on the financial statements.

- Legislation requires that the financial plan be balanced; that is, that the total of all proposed expenses must not exceed the total of all proposed funding sources. The financial statements include a reconciliation to the financial plan of all revenues, expenses and the annual deficit or surplus.



Consolidated Financial Plan

The Town of View Royal's principal activity is to provide local government services to residents. These services include police and fire protection; solid waste collection; the management of roads, sidewalks and traffic control; sanitary and storm sewers; parks infrastructure; and the delivery of leisure and recreation services. In addition, the Town also acts as a regulatory body with respect to business licensing, building permits and inspections, land use, development planning, and subdivision approval services. Services such as library and cultural pursuits are delivered in partnerships with other municipalities in the Capital Region.

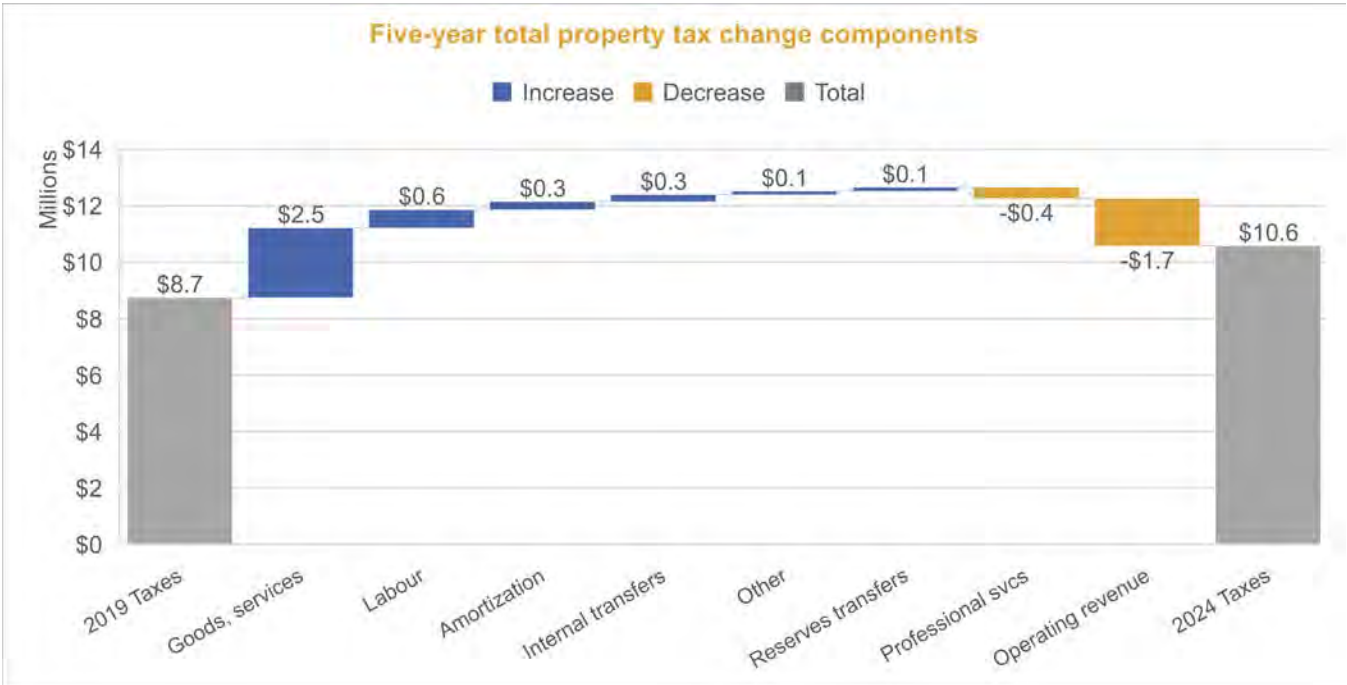
The consolidated financial plan provides a “bird’s eye view” of View Royal’s planned expenditures and sources of revenue for all five years of the plan. More detailed views are provided in other sections of this document. The consolidated financial plan is summarized as follows:

| | 2020 Budget | % Change over 2019 Budget | 2021-2024 Average Annual Budget | 2021-2024 Average Annual % Change |
|-------------------------------|------------------------|--|--|--|
| Revenue | | | | |
| Operating revenue | \$16,584,057 | 14% | \$17,480,869 | 2% |
| Transfers for operations | 5,508,986 | 1% | 5,225,739 | -2% |
| Revenue from capital sources | 241,887 | 26% | 1,219,605 | 20% |
| Transfers for capital | 2,586,238 | -25% | 1,635,775 | -24% |
| | 24,921,168 | 5% | 25,561,988 | 0% |
| Expense | | | | |
| Operating expense | 14,984,844 | 15% | 15,460,351 | 1% |
| Internal cost allocations | 513,441 | 2% | 539,377 | 2% |
| Capital expenditures | 2,828,125 | -22% | 2,855,380 | -10% |
| Amortization | 3,032,988 | 2% | 3,172,398 | 2% |
| Transfers to reserves/surplus | 3,255,300 | 4% | 3,228,013 | 0% |
| Principal payment on debt | 306,470 | 0% | 306,470 | 0% |
| | \$24,921,168 | 5% | \$25,561,989 | 0% |

The 2020 plan projects an overall 5.4% increase in both total revenue and expense, of which 2.6% is supported by growth in property assessments. Over the five-year plan, increases in the cost of goods, services and labour total \$3.1 million. These cost increases are offset by increases in operating revenue or decreases in other expense categories so that the projected net effect to property taxes is an average of about 3% in each year of the plan.

The primary funding source in 2020 for services outlined in the financial plan is taxation at approximately \$9.4 million, which represents nearly 43% of the Town’s total operating revenue. The increase in taxes to fund municipal services in 2020 is nearly \$490,000 which results in a 2.9% average residential property tax increase in addition to new tax revenue supplied by new construction (2.6%).

The chart below describes the various components of the budget that result in a total \$1.8 million increase in taxation revenue by 2024, and indicates that inflationary increases in the cost of goods, services and labour are not fully offset by net reductions in other cost categories or increases in operating revenue.



Sixty-two percent of total expense is funded from revenue sources other than taxation. The financial plan predicts receipt of gas tax and casino revenue grants totaling nearly \$2.5 million annually. Capital expenditures are financed primarily from reserves, casino revenue, and gas tax (Community Works Fund). Transfers from reserves and surplus (excluding transfer from equity in capital assets) represent 23% of the total revenue requirement. One of Council’s strategic priorities is to develop a long-term financial plan that will identify optimal levels of reserves to ensure future financial sustainability.

Proposed capital investments in new, renewed or improved assets represent 11% of total consolidated expense over the five-year plan. Debt remains low with 2% of total expense required for principal and interest payments.

The complete consolidated five-year plan with prior year comparative figures is presented in [Appendix 1 Schedule 1.1 Consolidated Financial Plan](#).

Operating Revenue and Transfers for Operations – Where the Money Comes From

Operating revenue comprises primarily property taxes, user fees and other income that results from the provision of services such as fire protection or development services. Transfers for operations are the use of “savings” or reserves to support planned operating activities. It is important to be aware of and monitor the extent to which balancing the budget relies on reserves and surplus, since doing so is not sustainable in the long term.

| Revenue | 2020 Budget | % Change over 2019 | 2021-2024 Average Annual Budget | 2021-2024 Average Annual % Change |
|--|---------------------|--------------------|---------------------------------|-----------------------------------|
| Taxation | \$ 9,418,711 | 5% | \$ 10,278,884 | 3% |
| User fees – see note | 2,781,240 | 104% | 2,912,958 | 2% |
| Sales of services | 817,225 | 0% | 860,277 | 2% |
| Penalties and fines | 60,000 | 3% | 60,000 | 0% |
| Investment income | 110,000 | 0% | 110,000 | 0% |
| Other revenue | 198,743 | 10% | 197,663 | 0% |
| Government grants and transfers | 3,198,138 | 4% | 3,023,588 | -1% |
| Contributions from developers and others | 0 | 0% | 37,500 | 0% |
| Total operating revenue | 16,584,057 | 14% | 17,480,870 | 2% |
| Transfers for operations | 5,508,986 | 1% | 5,225,739 | -2% |
| Total operating revenue and transfers | \$22,093,043 | 10% | \$22,706,609 | 1% |

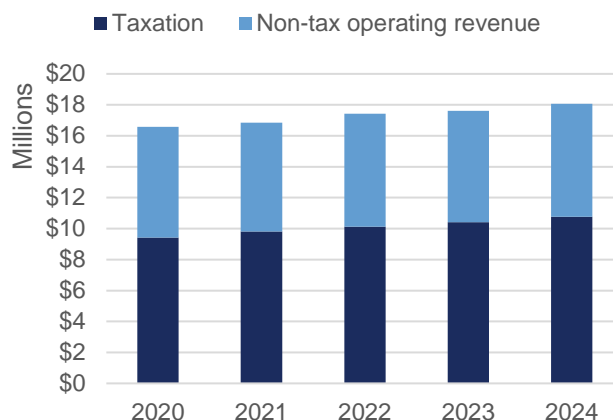
Appendix 1 Schedule 1.2 Consolidated Operating Financial Plan provides a detailed breakdown of operating revenue for all five years of the plan.

Assumptions and Trends

Taxation provides funding to the extent that other operational revenue or funding sources are unavailable. Tax revenue provides 57%-60% of the total operating revenue. Taxation increases are required primarily in response to the escalating costs for the goods, contracted services and labour required for the provision of services. Future years' anticipated annual tax increases average 3.5% per year; however, the component funded from new construction for these years is not yet known.

NOTE: The 104% increase in user fees revenue includes a shift in the way sanitary sewer costs are recovered for that portion of the system owned and operated by the Capital Regional District (CRD).

Taxation and non-tax operating revenue



In prior years, these costs were recovered by way of a tax based on property assessment values. This tax was in addition to the sewer user fee for the use of View Royal’s sewer system, billed annually in October and based on winter water consumption. In 2020, View Royal property owners will not be charged the CRD sewer tax. Instead, a new CRD user fee will be added to the annual sewer utility invoice issued in October. Since the CRD user fee will be based on consumption, users will be able to influence their total cost by reducing water consumption. User fees will be determined in April or May 2020, but it is anticipated that property owners with residential properties assessed at \$730,000 with average annual water consumption of 77 cubic metres can expect to pay about the same in total sewer fees as they did in the prior year.

The financial plan predicts user fees for curbside solid waste collection will increase by about 1% or \$2 per household.

Assessments and Taxation

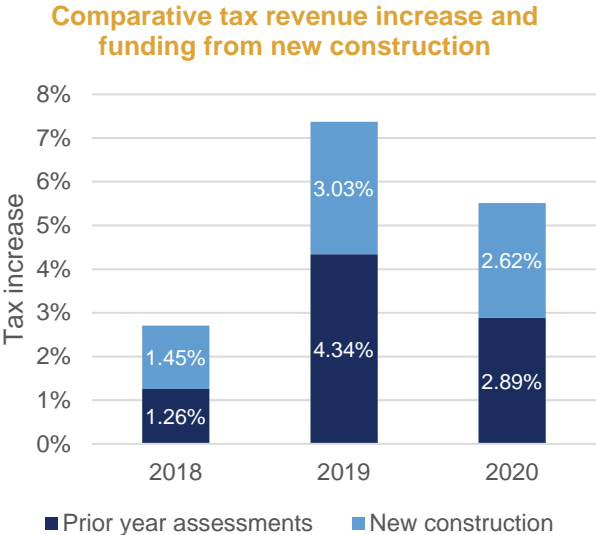
Assessed Taxable Values

BC Assessment values are trending upward in View Royal, with a total increase of 4% in 2020 (\$124 million). Non-market change in assessed values comes from subdivisions, rezoning and new construction, while market value change is the result of a variety of factors, such as supply and demand. This non-market change comprises nearly \$113 million of the total \$124 million increase in assessments in 2020, giving rise to an estimated \$229,000 or 2.6% increase in tax revenue.

2020 Property Taxes

The financial plan is funded with a total tax revenue increase of 5.5%. In addition to the 2.6% increase from new construction noted above, the overall tax increase for existing properties will be 2.9%. Each assessment class may be affected by this increase differently. Council considers tax rates in April and adopts the tax rates bylaw by May 15 each year.

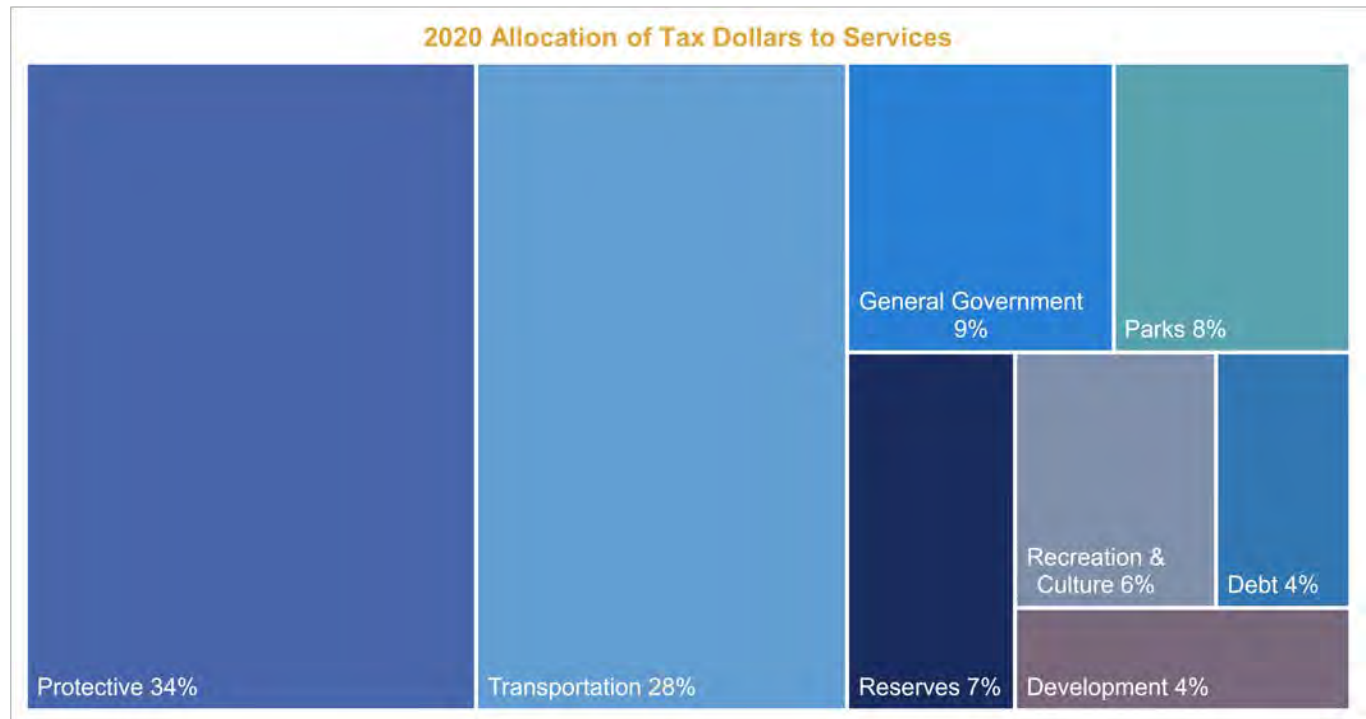
For a representative residential property in View Royal with an assessed value of \$730,000 the increase in property tax is projected to be about \$40-50 in 2020 for View Royal’s tax component.



Property Tax Distribution to Services

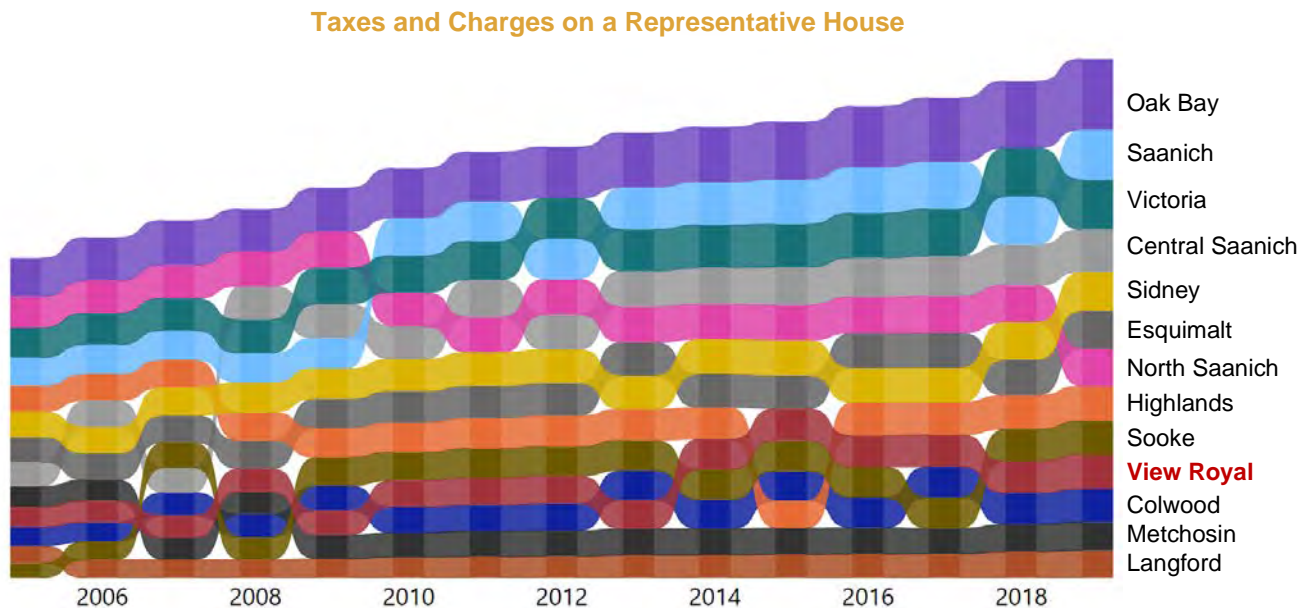
Nearly \$63 out of every \$100 of property taxes funds protective and transportation services, while about \$9 - \$11 funds general government services including support to Council and overall corporate administration.

| Service | 2020 | Change over 2019 | Average 2021-2024 |
|---------------------------------|----------|------------------|-------------------|
| Protective Services | \$ 34.22 | \$0.08 | \$ 34.58 |
| Transportation Services | 28.61 | - 1.92 | 27.92 |
| General Government Services | 8.68 | - 0.99 | 10.54 |
| Parks Services | 7.86 | 0.23 | 7.95 |
| Reserve Contributions | 6.78 | 3.13 | 5.71 |
| Recreation and Culture Services | 5.98 | 0.08 | 5.75 |
| Development Services | 3.96 | - 0.39 | 3.92 |
| Debt | 3.91 | - 0.22 | 3.63 |
| Property taxes | \$100.00 | | \$100.00 |



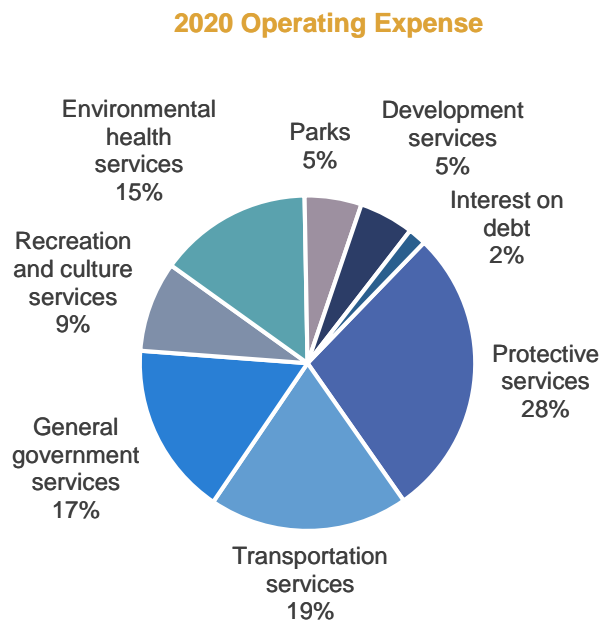
Regional Comparisons

A comparison of the total property taxes and charges per household for the 13 municipalities in the Capital Regional District indicates that in 2019 View Royal had the fourth lowest taxes and charges per household in the region.



Operating Expense and Transfers – Where the Money Goes

Operating expenses are those costs incurred in the normal course of providing services to View Royal residents, business and visitors. Transfers are like expenses, except they are amounts relating to capital such as debt and amortization or are amounts transferred between View Royal’s accounts or funds rather than to an external party. Not all operating expense is paid for by taxes; this chart shows the proportion of total expense, regardless of funding source, planned for 2020 to provide services in the service areas. Protective services and transportation services comprise almost half of the 2020 operating expense budget, while general government, including administrative support for Council is 17%. Together, parks services and recreation and culture services consume 14% of total operating expense. View Royal has very little debt, with only 2% of total operating expense allocated to debt interest.



Assumptions and Trends

Staff generally make conservative inflationary assumptions when projecting expenses; market inflation is assumed to be 2% for most operating items. Contingencies are not automatically built into budgets in order to ensure a more accurate projection of cost. Many of View Royal's services are provided through contractual arrangements with external service providers, such as RCMP and West Shore Parks and Recreation Society. Labour costs in 2020 comprise just over \$4.7 million or 32% of the \$15 million operating budget and will increase to \$5.1 million by 2024. View Royal does not generally charge administrative services to other internal departments (for example protective services, transportation services, etc.). These costs are included in the general government services category.

An exception to this rule is made for services that are funded from user fees. An administration fee is charged as an internal cost allocation to both garbage collection and sanitary sewer functions to ensure that user fees collected represent the full cost of providing the service. In the proposed 2020-2024 Financial Plan, cost allocations for user fee funded services total just over \$500,000 in 2020 and increase by 2% per year thereafter.

Just as we saw with user fees, we see a significant increase in 2020 in environmental health services. This is the result of shifting the cost recovery method from taxation to user fees for costs relating to the Capital Regional Districts' component of the sanitary sewer system that provides conveyance and tertiary treatment of sewer waste originating in View Royal. Previously these costs were not included in View Royal's budget.

Details about operating expenses and the changes from the prior year are provided in the service plan for each function.

| Expense | 2020 Budget | % Change over 2019 Budget | 2021-2024 Average Annual Budget | 2021-2024 Average Annual % Change |
|------------------------------------|---------------------|---------------------------|---------------------------------|-----------------------------------|
| General government services | \$ 2,499,733 | 1% | \$ 2,545,055 | 1% |
| Protective services | 4,204,941 | 7% | 4,520,875 | 3% |
| Transportation services | 2,880,233 | -2% | 2,982,523 | 1% |
| Environmental health services | 2,220,175 | 175% | 2,332,238 | 2% |
| Development services | 789,877 | 17% | 622,571 | -9% |
| Parks | 823,220 | 16% | 804,790 | 0% |
| Recreation and culture services | 1,306,032 | 3% | 1,391,666 | 2% |
| Interest on debt | 260,633 | 0% | 260,633 | 0% |
| Total operating expense | 14,984,844 | 15% | 15,460,351 | 1% |
| Amortization, debt and transfers | 7,108,199 | 3% | 7,246,258 | 1% |
| Total expense and transfers | \$22,093,043 | 10% | \$22,706,609 | 1% |

Appendix 1 Schedule 1.2 Consolidated Operating Financial Plan provides a detailed breakdown of operating expense for all five years of the plan.

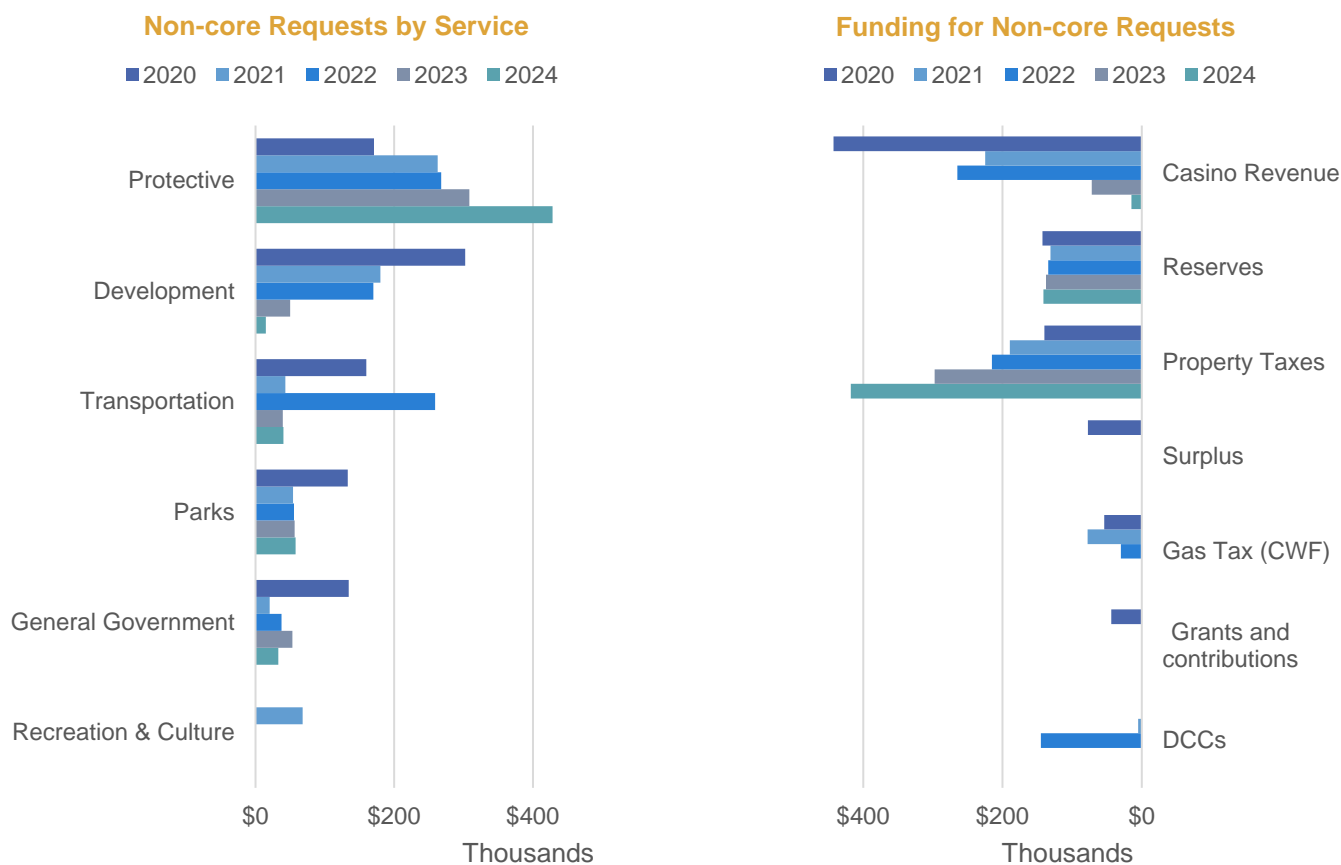
Non-core Requests

Non-core requests are those projects or activities that represent a change to service levels or are new non-recurring or infrequent items. These projects are different from capital projects, as they don't involve the purchase or improvement of an asset. These requests arise from Council or constituents' initiatives, recommendations from staff, or in response to factors external to the municipality. Both the source of funding and the anticipated costs of non-core requests are included in the operating revenue and expense budgets, and in some cases may explain significant variances when comparing one year with another. Ongoing non-core requests approved in prior years become operational items in subsequent budgets, typically funded by taxation.

Included in non-core requests is a strategic commitment to public safety by an increase in the level of service for policing, both for RCMP members (two additional members over five years), and administrative policing support personnel. As this represents a long-term service level increase, they are funded primarily from taxation, supplemented by funding from police operating reserves.

| Non-core requests by service | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| General government services | \$134,350 | \$ 20,500 | \$ 37,410 | \$ 53,120 | \$ 33,035 |
| Protective services | 170,700 | 262,800 | 267,775 | 308,250 | 428,000 |
| Transportation services | 159,800 | 43,004 | 258,727 | 39,480 | 40,243 |
| Development services | 302,476 | 180,000 | 170,000 | 50,000 | 15,000 |
| Parks services | 133,165 | 54,240 | 55,400 | 56,580 | 57,800 |
| Recreation and culture services | 0 | 68,000 | 0 | 0 | 0 |
| Total non-core requests | \$900,491 | \$628,544 | \$789,312 | \$507,430 | \$574,078 |

| Funding | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Casino Revenue | \$442,738 | \$225,000 | \$265,000 | \$ 72,000 | \$ 15,000 |
| Reserves | 142,700 | 131,100 | 134,300 | 137,700 | 141,100 |
| Property Taxes | 139,815 | 189,444 | 215,012 | 297,730 | 417,978 |
| Surplus | 77,500 | 0 | 0 | 0 | 0 |
| Gas Tax (CWF) | 54,000 | 78,000 | 30,000 | 0 | 0 |
| Grants and contributions | 43,738 | 0 | 0 | 0 | 0 |
| Development cost charges (DCCs) | 0 | 5,000 | 145,000 | 0 | 0 |
| Total funding | \$900,491 | \$628,544 | \$789,312 | \$507,430 | \$574,078 |



Non-core requests are listed in the service plans for each department. [Appendix 2 Non-core Requests](#) provides the complete five-year listing of all non-core requests including planned sources of funding.

Each project is described in detail in project summaries contained in [Appendix 5 Project Summaries](#) organized sequentially by unique reference number.

Capital Plan

Capital items are those projects or activities that result in the acquisition of tangible capital assets as defined by policy. These items arise from Council's or constituents' initiatives, recommendations from staff, master plans or factors external to the municipality.

View Royal's Strategic Plan includes the development of an asset management plan that will outline a long-term approach for capital renewal and move the Town toward long-term financial sustainability. The asset management plan will confirm the timing and costs of renewing assets to ensure continued service delivery, while ensuring the burden on the taxpayer is stable and affordable. This plan will be used to predict levels of reserve funds and debt required to support the renewal of capital assets. While this comprehensive plan is being developed, capital asset replacement planning for the 2020-2024 Financial Plan considers all available information such as asset age, condition, history of failure, maintenance requirements, ability to meet service requirements, and other factors. Projects are prioritized based on these and other factors, such as availability of grants and community expectations.

View Royal's investment in new or replacement capital infrastructure totals \$14 million over the five-year planning horizon, or about 91% of projected amortization over the same term. Since amortization is based on the historical cost of assets, rather than projected replacement costs, this rough measure indicates that assets are being depreciated at a faster rate than they are being replaced, given estimated life expectancies. Strategies in the asset management plan will need to include extending the service life of assets to help move View Royal toward greater financial sustainability.

Overview

The capital plan has been developed with consideration of View Royal's Strategic Plan and other master plans, such as the Transportation and Parks Master Plans that identify areas of priority for investment in tangible assets. The plan builds on previous plans with investments in technology that enhance taxpayers' and visitors' experience and ensures up to date technology. Capital investments in protective services support continued reliable service delivery and expanded emergency program capability. Transportation capital projects replace or enhance existing networked systems and improve pedestrian and cyclist safety. Sanitary sewer projects comprise upgrades or replacements of infrastructure to ensure continued dependable service. Investments in parks infrastructure improve the safety, accessibility and availability of recreational opportunities in View Royal.

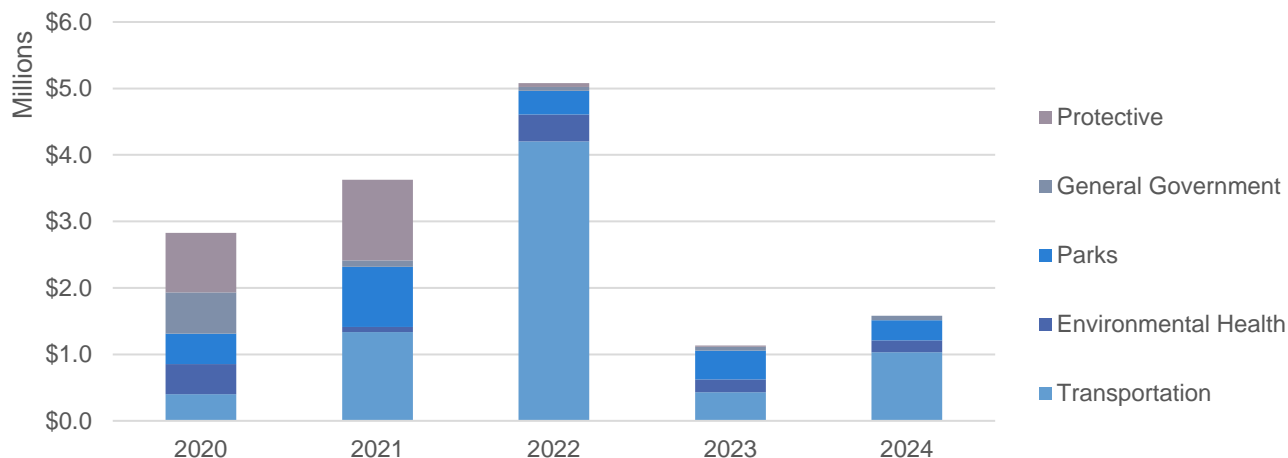
The capital plan includes \$4.6 million in significant upgrades to the old Island Highway, most of which will proceed only if infrastructure grant funding becomes available.

Capital Plan Summary

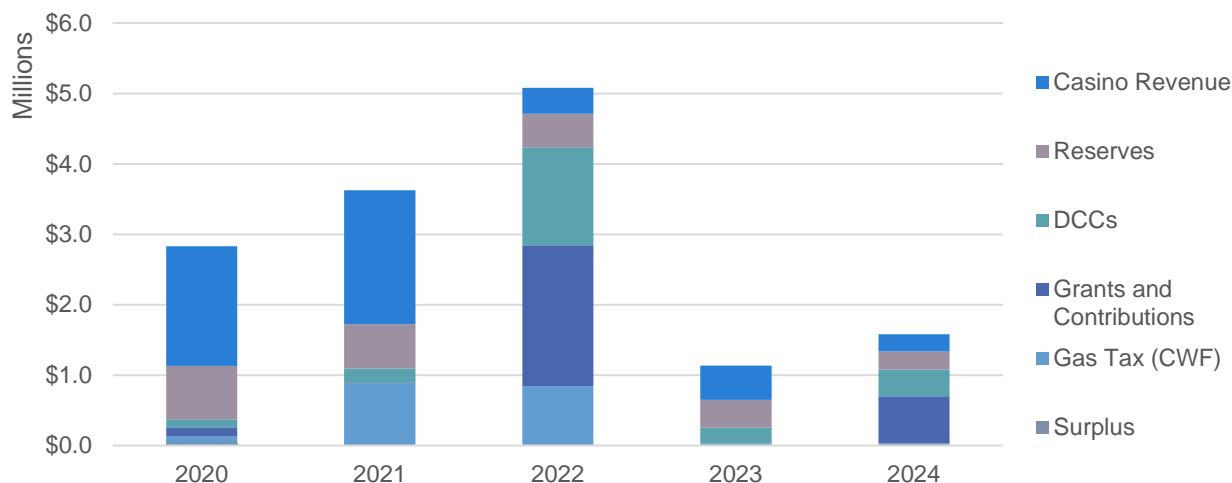
| Capital projects | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General government services | \$ 624,300 | \$ 96,200 | \$ 58,700 | \$ 58,700 | \$ 68,500 |
| Protective services | 893,420 | 1,212,520 | 55,760 | 20,000 | 0 |
| Parks | 456,405 | 906,000 | 355,900 | 435,640 | 300,000 |
| Environmental health services | 453,000 | 78,000 | 402,000 | 191,000 | 181,600 |
| Transportation services | 401,000 | 1,335,000 | 4,206,000 | 430,000 | 1,030,000 |
| Total capital projects | \$2,828,125 | \$3,627,720 | \$5,078,360 | \$1,135,340 | \$1,580,100 |

| Funding | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Casino reserve | \$1,699,743 | \$1,906,220 | \$ 368,695 | \$ 486,065 | \$ 246,845 |
| Reserves | 758,495 | 625,057 | 474,586 | 397,713 | 254,944 |
| Development cost charges (DCCs) | 109,887 | 206,693 | 1,391,854 | 221,562 | 381,645 |
| Grants and contributions | 132,000 | 10,000 | 2,000,000 | 0 | 666,666 |
| Gas Tax (CWF) | 93,000 | 879,750 | 843,225 | 30,000 | 30,000 |
| Surplus | 35,000 | 0 | 0 | 0 | 0 |
| Total funding | \$2,828,125 | \$3,627,720 | \$5,078,360 | \$1,135,340 | \$1,580,100 |

Capital Expenditures by Service



Capital Plan Funding



Operational Costs of Capital

As capital projects are completed, ongoing costs to maintain the asset are included in future years' core operating budgets. These future costs are one of several factors considered before each project is recommended for approval. If a capital item has an estimated cost for ongoing maintenance, that cost is included in the operating budget as shown on the project summary. These costs include items such as the supply of electricity or gas, or inspection and maintenance. They do not include amortization or the cost to replace the asset at the end of its service life.

The estimated operational costs of capital total \$5,900 in 2020 and increase to \$101,000 by 2024 as capital projects are completed and maintenance of the new assets begin.

| Operating expense | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--|-----------------|-----------------|-----------------|-----------------|------------------|
| Increase in supplies of goods and services | \$ 5,900 | \$33,530 | \$67,600 | \$99,910 | \$101,000 |
| Total operational costs of capital | \$ 5,900 | \$33,530 | \$67,600 | \$99,910 | \$101,000 |
| Estimated property tax impact | 0.1% | 0.4% | 0.8% | 1.1% | 1.1% |

Appendix 3 Capital Plan provides the complete five-year listing of all capital projects, the planned sources of funding, and estimates of future operating costs relating to each project.

Appendix 5 Project Summaries includes detailed information for all proposed projects to be completed in the term of this financial plan, outlining the scope, objectives and risks, costs and benefits, estimates of future operating costs, and proposed sources of funding. Project summaries are organized sequentially by unique reference number.



Debt

Overview

View Royal uses debt for infrastructure renewal or replacement and structures the term to be less than the estimated useful life of the underlying asset.

Provincial legislation requires municipalities to undertake an elector approval process for any proposed new external debt with a term of greater than five years or if the total annual debt service cost exceeds 5% of core operating revenue. Additionally, there is a legislated ceiling, called a liability limit, based on the municipality's core operating revenues that ensures the ability to service the debt.

External Debt

External debt is any form of financing from an entity external to View Royal for a term that exceeds the current fiscal period. The Municipal Finance Authority (MFA) provides economical financing through a variety of structures, such as short-term capital financing for up to five years and bond issues ideal for terms greater than five years. Currently, rates projected for new MFA debt are 2.63% for short-term financing and 3.06% for long-term debt fixed for a 10-year term.

Internal Debt

View Royal may borrow internally from its own funds provided the loan amount is not required by the lending fund prior to repayment. Interest is repaid at the rate the fund would have earned had it not been loaned. Internal loans are not classified as debt on the annual financial statements but are disclosed for information. This budget accounts for internal debt repayment as transfers rather than debt service costs. Some presentations may combine internal and external debt for illustrative purposes only.

Current Debt

Annual external debt service costs total \$567,102; View Royal does not currently have any internal debt.

Current Debt Structure

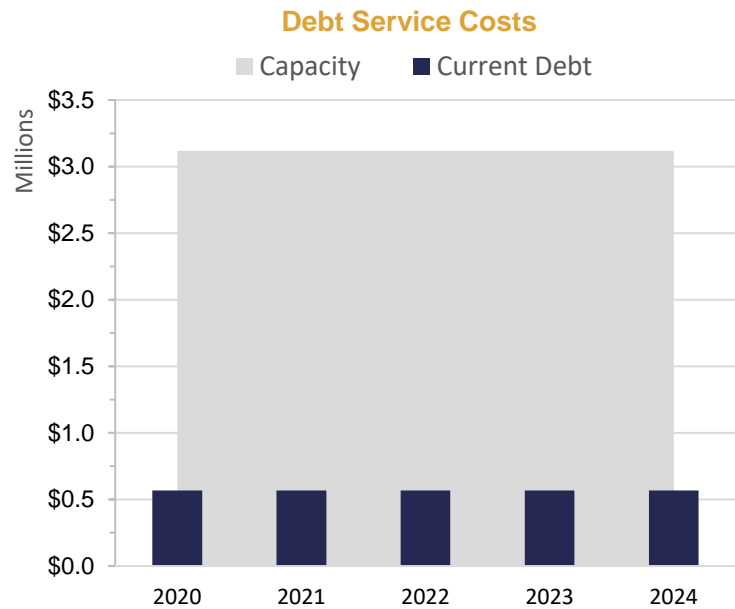
| Debt purpose | Initial Balance | Rate | 2019 Balance | 2024 Balance | Maturity | Annual service costs |
|-----------------------------|--------------------|-------|--------------------|--------------------|--------------|----------------------|
| View Royal Fire Rescue Land | \$2,445,000 | 3.25% | \$1,319,888 | \$ 414,764 | October 2026 | \$201,568 |
| Public Safety Building | 5,490,000 | 3.30% | 4,491,426 | 3,276,508 | April 2034 | 365,534 |
| Total | \$7,935,000 | | \$5,811,314 | \$3,691,272 | | \$567,102 |

Projected Debt

The 2020-2024 Financial Plan projects no new debt, internal or external for the five-year term.

Debt Service Costs

Legislation requires municipalities to calculate and report debt service capacity each year, based on core operating revenues. Currently, View Royal's annual debt service costs consume 18% of the \$3.1 million capacity available with no change expected over the five-year plan.



Reserves and Surplus

Adequate reserves serve to mitigate current and future financial risks, ensure stable taxation and demonstrate financial commitment to long-range infrastructure and master plans. The 2020-2024 Financial Plan includes transfers to and from reserves based on guidelines established by View Royal's reserves and surplus policy.

View Royal's reserves and surpluses are categorized according to the nature of the reserve as operating, capital, statutory and reserve accounts as defined by policy and summarized below.

Reserve and Surplus Categories

| Reserve category | Definition | Reserves |
|-------------------------|---|---|
| Capital reserve funds | Funds set aside for a specified capital purpose by Council pursuant to the <i>Community Charter</i> , established by bylaw. | Capital works and land Capital renewal Park improvement Machinery and equipment Fire department equipment Police capitalization Sewer capital |
| Operating reserve funds | Funds set aside for a specified operating purpose by Council pursuant to the <i>Community Charter</i> , established by bylaw. | Future expenditures Police operating |
| Statutory reserve funds | Funds set aside for a specified purpose as required by and pursuant to specific legislation, established by bylaw; non-discretionary. | Development cost charges (DCCs) Parks and open space |
| Reserve accounts | Appropriations of surplus designated by Council for specific uses; discretionary to extent permitted by grantor (where applicable) | Casino revenue Community Works Funds (gas tax) Tree replacement |

The 2020-2024 Financial Plan includes contributions to capital reserve funds of just over \$500,000 annually, equivalent to 5.6% of budgeted tax revenue. View Royal's Strategic Plan has identified development of a long-term financial plan that includes the maintenance of reserve funds as a priority to support financial sustainability.

One of the uses of the Future Expenditures reserve is to offset a potential shortfall of tax revenue due to property reassessments mid-year. Each year BC Assessment advises of the risk to the assessment roll due to property owners appealing their assessment. The latest information indicates that up to \$90,000 in property tax revenue is under appeal for the 2019 tax year. If this loss is realized and the reserve is used to offset the revenue shortfall, contributions to the Future Expenditures may need to be increased in subsequent years to maintain an optimal balance.

Reserves and Surplus Policy

In 2016, Council approved a Reserves and Surplus Policy (#1600-020) to provide guidance on the development, maintenance and use of financial reserve funds. The policy is based on the following principles:

- Reserves are important in achieving financial health and stability for View Royal
- Reserve goals need to be consistent with and supportive of established long-term financial plans
- Reserve fund management needs to confirm to statutory and legal requirements and to generally accepted accounting standards and public sector accounting board recommendations.

The Reserves and Surplus Policy identifies the purpose, minimum and optimum targets for each established reserve as follows:

| Reserve name | Purpose | Minimum | Optimum |
|----------------------------------|--|--|---|
| Future Expenditures | For one-time and intermittent projects, and to offset unrealized revenues | 1% of General Operating Fund Revenues | 2.5% of General Operating Fund Revenues |
| Police Operating | For future police operating costs | 20% of RCMP contract expenditures rounded to nearest \$10,000 | Adequate to fund police funding strategy, including increased costs related to reaching population of 15,000 |
| Capital Works and Land | For new or enhanced infrastructure or equipment (one-time capital) not specifically funded from other established Reserves | N/A | Adequate to fund all one-time capital projects and new / additional assets identified as capital funded in the long-term capital plan |
| Capital Renewal | For expenditures associated with the rehabilitation, renewal or replacement of existing transportation and storm drain infrastructure | 1% of original cost of transportation and storm drain Engineering structures | Minimum 1% of original cost plus forecasted cash flow requirements of the planned long-term capital renewal program |
| Park Improvement | For expenditures associated with park improvements, including playground | N/A | Forecasted cash flow requirements for park improvements identified in the approved parks master plan and long-term capital plan |
| Machinery and Equipment | To replace municipal vehicles and equipment included in the Town's fleet (excluding Fire) | 1% of original cost of machinery & equipment | Minimum 1% of original cost plus forecasted cash flow requirements of the vehicle and equipment replacement plan |
| Fire Department Equipment | To replace Fire vehicles and licenced equipment and other equipment such as self-contained breathing apparatus | 1% of original cost of Fire vehicles and equipment | Minimum 1% of original cost plus forecasted cash flow requirements of the Fire vehicle and equipment replacement plan |
| Sewer Capital | To fund sewer utility capital projects required for sewer operations or identified in the Sewer Master Plan, and Sewer equipment not included in the Town's licenced fleet | 1% of original cost of Sewer Engineering structures | Minimum 1% of original cost plus forecasted cash flow requirements of the planned sewer capital program |
| Police Capitalization | To fund the Town's share of the Police building repairs and upgrades, and equipment. | Adequate to fund 2 years of police capital per 5-year plan | Adequate to fund forecasted cash flow requirements of the planned 5-year Police capital program |

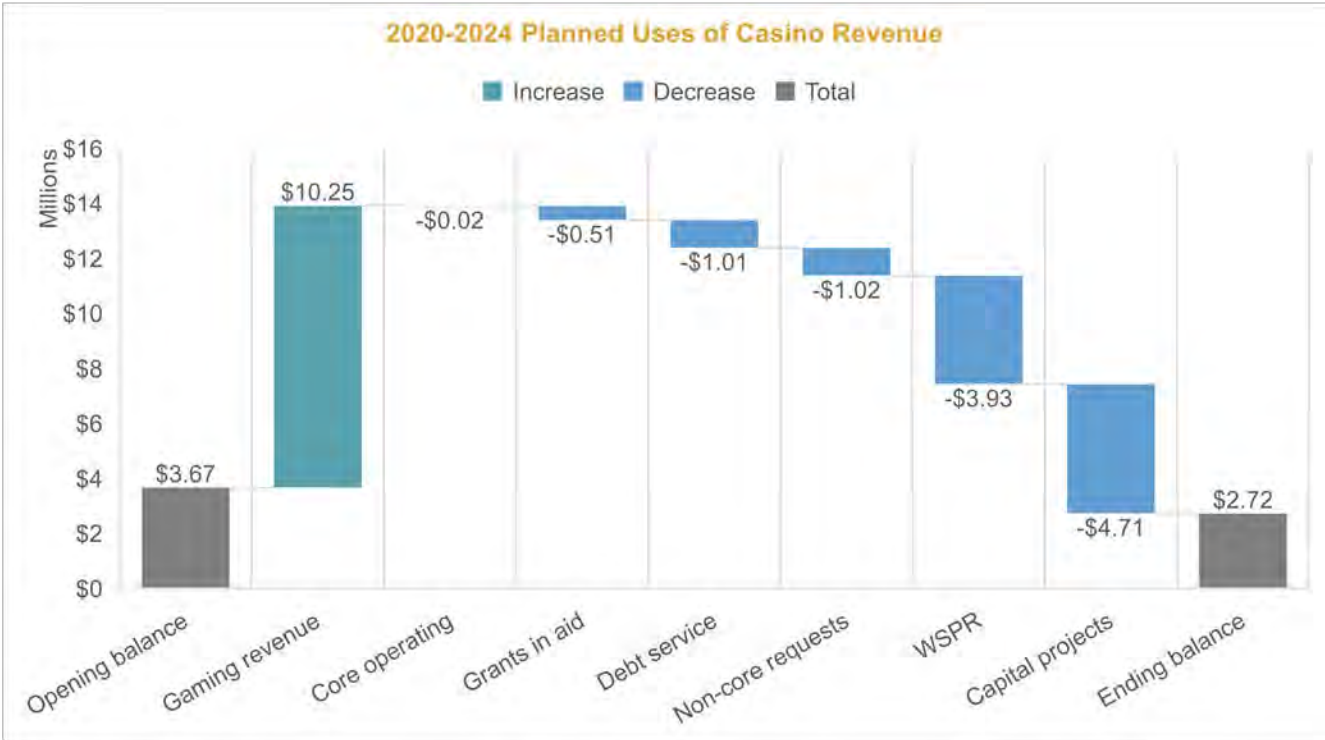
Projected Reserves Balances

The proposed 2020-2024 Financial Plan predicts an overall reduction in total reserves for the first three years of the plan, due primarily to funding requirements for significant capital projects in those years.



Planned Uses of Casino Revenue

The Casino revenue reserve account is used to enhance livability and affordability in View Royal. Planned uses of Casino revenue for operating purposes average \$1.3 million annually, including grants in aid that support community groups and West Shore Parks and Recreation (WSPR) operational funding. Casino revenue will fund capital projects totaling over \$4.7 million over the five years of the plan.



Appendix 6 Projected Reserve Balances contains a listing of View Royal’s reserves and shows the anticipated contributions, planned uses and projected balances for each year and at the end of the five-year plan.

SERVICE PLANS



General Government



Overview

General Government services provides administrative support for Council and all other service divisions. While the Chief Administrative Officer's primary responsibility is to implement Council's Strategic Plan and other key objectives set by Council, this administrative division provides operational support through customer service, meeting management, communications, web and social media, archives and records management, information and privacy compliance, legal and risk management and elections administration. This division plays a key role in strategic planning and community engagement.

Finance and information technology functions also support all other divisions by providing the systems, tools, processes and personnel to plan, record and report View Royal's financial position and operations. The Finance department is instrumental in preparing the annual five-year financial plan, financial statements, tax and utility billings and ensuring suppliers and employees are paid accurately and on time.

Performance Measures and Key Statistics

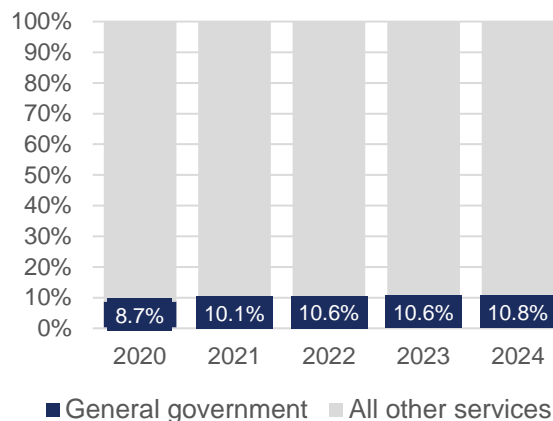
| Activity / statistic | 2018 | 2019 | 2020 Plan | Comments |
|--|--------|--------|-----------|---|
| Employees (FTEs) | 10.6 | 10.8 | 10.9 | Conversion of part-time to 1 FTE, shared with Transportation Services |
| WorkSafe BC claims | 4 | 2 | 3 | |
| Freedom of information requests | 32 | 51 | 50 | |
| Agenda packages & minutes | 120 | 108 | 95 | |
| Website page views | 36,427 | 42,154 | 50,000 | |
| Social media followers | 1,969 | 2,404 | 2,800 | |
| Direct deposits to vendors (% of total payments) | 68% | 71% | 75% | |
| Online payments from customers (% of total receipts) | 26% | 27% | 30% | |
| Electronic billing – tax and utility invoices (% of total) | n/a | n/a | 30% | Program implemented mid-2019 |

2020 Budget Summary

The proposed 2020 General Government Services budget totals nearly \$2.5 million, supporting Council and the whole organization in delivering services to View Royal.

| Incremental analysis | \$ | Change % |
|---------------------------------|---------------------|-------------|
| 2019 budget | \$ 2,429,322 | |
| Net decrease in core operations | -101,251 | -4.2% |
| Non-core requests | 134,350 | 5.5% |
| 2020 proposed budget | \$ 2,462,421 | 1.3% |

How much of my property taxes pay for this service?



Core Operations

| Funding | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|------------------------------------|---------------|---------------|---------------|--------------|-------------|
| Sale of services and other revenue | \$ 40,533 | \$ 18,100 | \$ 19,400 | \$ 1,300 | 7.2% |
| Total funding | 40,533 | 18,100 | 19,400 | 1,300 | 7.2% |

| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|--------------------------------|------------------|------------------|------------------|----------------|-------------|
| Legislative | 135,016 | 155,798 | 158,339 | 2,541 | 1.6% |
| Public relations | 220,730 | 279,859 | 226,262 | -53,597 | -19.1% |
| Administrative | 982,434 | 1,240,119 | 1,200,203 | -39,916 | -3.2% |
| Finance | 601,712 | 622,366 | 601,911 | -20,455 | -3.3% |
| Information technology | 199,544 | 149,280 | 160,756 | 11,476 | 7.6% |
| Total operating expense | 2,139,436 | 2,447,422 | 2,347,471 | -99,951 | 4.1% |

| | | | | | |
|---------------------------|--------------|--------------|--------------|-------------|-------|
| Net property tax required | \$ 2,098,903 | \$ 2,429,322 | \$ 2,328,071 | \$ -101,251 | -4.2% |
|---------------------------|--------------|--------------|--------------|-------------|-------|

| | | | | | |
|-------------------------------|--|--|--|-------|--|
| Estimated property tax impact | | | | -1.1% | |
|-------------------------------|--|--|--|-------|--|

[Appendix 4 Service Plan Budget Details](#) provides a detailed look at all five years of this service plan budget.

Legislative and Elections

The legislative and elections function supports Council and includes costs for remuneration as set by policy. Costs for elections are included in the financial plan only for election years.

Public Relations and Archives

Public relations include grants in aid, set by policy to a maximum of 5% of the prior year’s Casino revenue. Grants in aid are available to not-for-profit groups through an application process each spring.

The public relations budget includes funding for community events, such as the Canada Day celebration, volunteer outreach and View Royal’s semi-annual newsletter.

The archives function is responsible for cataloging and safekeeping both corporate and community documents in paper and electronic formats. This financial plan includes a proposal for implementing an electronic records management system.

Administration

The administration function provides the corporate foundation for the entire organization and is staffed by the Chief Administrative Officer, Director of Corporate Administration and support staff. Administration assists Council and committees, provides front counter reception, and supports main office operations, legal matters, communications, minutes and agenda preparation, special events and human resources. This function also manages the Town Hall facility.

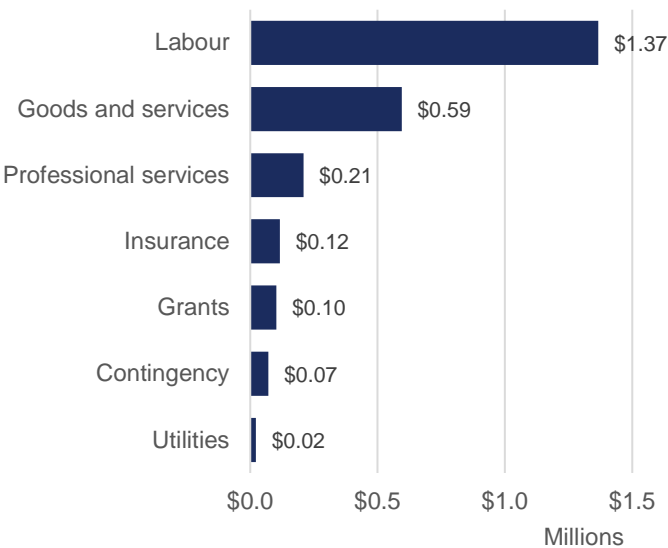
Finance

The finance function supports all other departments by recording and reporting financial transactions, collecting tax, user fees, permits and licensing payments and assisting taxpayers with claiming Home Owner grants.

Information Technology (IT)

This function is responsible for the maintenance and security of electronic information systems and the delivery of technology enabled projects.

2020 General Government Expense



Non-core Requests

| Project expense | Ref | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|---|------|----------------|---------------|---------------|---------------|---------------|
| Council Chambers orthophoto mural ² | N-62 | \$ 1,850 | \$ - | \$ 1,850 | \$ - | \$ 1,850 |
| Cybersecurity training and testing service ² | N-60 | 2,500 | 2,500 | 2,500 | 3,000 | 3,000 |
| Electronic access to archives repository ^{2,3} | N-33 | 7,500 | 3,000 | 3,060 | 3,120 | 3,185 |
| Energy audit of municipal buildings ¹ | N-69 | 15,000 | - | - | - | - |
| Investment program development ¹ | N-66 | 25,000 | - | - | - | - |
| IT Strategic Plan update ¹ | N-28 | 20,000 | - | - | 22,000 | - |
| L/T financial plan and sustainability review ^{2,4,5} | N-42 | 46,000 | 10,000 | 30,000 | 25,000 | 25,000 |
| Online citizen budget engagement ² | N-65 | 6,500 | 5,000 | - | - | - |
| Truth and Reconciliation awareness ³ | N-68 | 10,000 | - | - | - | - |
| Total project expense | | 134,350 | 20,500 | 37,410 | 53,120 | 33,035 |

| Funding | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| ¹ Casino reserve account | 60,000 | - | - | 22,000 | - |
| ² Taxation | 10,850 | 10,500 | 7,410 | 31,120 | 33,035 |
| ³ Prior year surplus | 17,500 | - | - | - | - |
| ⁴ Gas Tax reserve account | 38,000 | 10,000 | 30,000 | - | - |
| ⁵ Grants | 8,000 | - | - | - | - |
| Total funding | \$134,350 | \$ 20,500 | \$ 37,410 | \$ 53,120 | \$ 33,035 |
| Estimated property tax impact | 0.1% | 0.1% | 0.1% | 0.4% | 0.5% |

[Appendix 2 Non-core Requests](#) provides the complete five-year listing of all non-core requests including planned sources of funding.

Each project is described in detail in project summaries contained in [Appendix 5 Project Summaries](#) organized sequentially by unique reference number.

Operational Costs of Capital

As capital projects are completed, ongoing costs to maintain the asset are included in future years’ operational budgets. These future costs are one of several factors considered before each project is recommended for approval. Details of operational costs are presented in [Appendix 3 Schedule 3.3 Operational Costs of Capital Projects Detail](#).

| Operating expense | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--|-------------|------------------|------------------|------------------|------------------|
| Increase in supplies of goods and services | \$ - | \$ 18,080 | \$ 40,400 | \$ 41,210 | \$ 42,050 |
| Total operational cost of capital | \$ - | \$ 18,080 | \$ 40,400 | \$ 41,210 | \$ 42,050 |
| Estimated property tax impact | 0.0% | 0.2% | 0.5% | 0.5% | 0.5% |



Protective Services



Overview

The Protective Services function includes View Royal Fire Rescue which is a combined paid and volunteer fire department responsible for fire suppression, fire inspections, and related training and education. This function also encompasses policing provided under contract with the RCMP through the West Shore detachment, emergency planning and preparedness, and enforcement of animal control, building, and other municipal bylaws.

Performance Measures and Key Statistics

| Activity / statistic | 2018 | 2019 | 2020 Plan | Comments |
|--|------|---------------|---------------|-------------------------------------|
| Employees (FTEs) | 10 | 10 | 10 | See Note |
| Volunteers | 59 | 65 | 70 | Fire and emergency program services |
| Emergency response 90% of the time | n/a | 4 min, 25 sec | 4 min, 20 sec | |
| Bylaw complaints concluded within 4 days | 77% | 82% | 83% | |

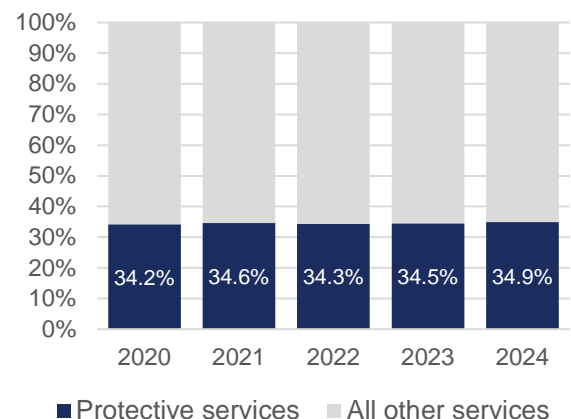
Note: Protective Services FTEs listed here do not include those relating to police services. View Royal pays 70% of RCMP costs, shared on a pooled basis with other municipalities with populations under 15,000. Policing support staff labour costs are shared on a proportional basis with the municipalities of Langford and Colwood. View Royal's share is approximately 15%. This financial plan proposes to increase RCMP policing strength by one member in each of 2020 and 2023 so that the total strength is 13.55 members in 2024 and to increase municipal support staff for the West Shore RCMP detachment by one full-time position and one full-time municipal employees' manager position.

2020 Budget Summary

The proposed 2020 Protective Services budget totals nearly \$3 million to provide the full range of protective services to View Royal.

| Incremental analysis | \$ | Change % |
|---------------------------------|--------------------|-------------|
| 2019 budget | \$3,098,861 | |
| Net increase in core operations | 86,682 | 2.8% |
| Non-core requests | 170,700 | 5.5% |
| Operational costs of capital | 2,400 | 0.1% |
| 2020 proposed budget | \$3,358,643 | 8.4% |

How much of my property taxes pay for this service?



Core Operations

| Funding | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|------------------------------------|----------------|----------------|----------------|--------------|-------------|
| Sales of services-fire protection | \$ 230,619 | \$ 234,750 | \$ 239,440 | \$ 4,690 | 2.0% |
| Suite rentals | 10,950 | 22,032 | 22,473 | 441 | 2.0% |
| Sales of services-ESS | 6,885 | 6,800 | 6,885 | 85 | 1.3% |
| Building permits | 269,087 | 384,540 | 374,000 | -10,540 | -2.8% |
| Business licences | 45,495 | 40,800 | 42,000 | 1,200 | 3.0% |
| Animal control licences | 8,345 | 9,180 | 8,500 | -680 | -7.4% |
| RCMP building rental | 75,343 | 62,000 | 62,000 | 0 | 0% |
| Other policing revenue | 12,714 | 15,300 | 12,000 | -3,300 | -21.6% |
| Traffic fine revenue sharing grant | 72,012 | 55,000 | 70,000 | 15,000 | 27.3% |
| Bylaw fines and MTI | 13,872 | 9,180 | 9,000 | -180 | -2.0% |
| Revenue total | 745,322 | 839,582 | 846,298 | 6,716 | 0.8% |

| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|--------------------------------|------------------|------------------|------------------|---------------|-------------|
| Fire protection services | 1,486,424 | 1,447,158 | 1,507,482 | 60,324 | 4.2% |
| Emergency planning | 214,710 | 218,940 | 194,053 | -24,887 | -11.4% |
| Building inspection | 157,445 | 160,483 | 163,201 | 2,718 | 1.7% |
| Other protective services | 41,250 | 45,000 | 46,200 | 1,200 | 2.6% |
| Bylaw enforcement | 131,257 | 152,337 | 141,085 | -11,252 | -7.4% |
| Police | 1,631,087 | 1,914,525 | 1,979,820 | 65,295 | 3.4% |
| Total operating expense | 3,662,173 | 3,938,443 | 4,031,841 | 93,398 | 2.4% |

| | | | | | |
|--------------------------------------|---------------------|---------------------|---------------------|------------------|-------------|
| Net property tax required | \$ 2,916,850 | \$ 3,098,861 | \$ 3,185,543 | \$ 86,682 | 2.8% |
| Estimated property tax impact | 1.0% | | | | |

Appendix 4 Service Plan Budget Details provides a detailed look at all five years of this service plan budget.

Fire Protection Services

Responding to just under 850 emergency calls in 2019, the fire department is responsible for all aspects of emergency and non-emergency response in the community. Functions include response to medical emergencies, vehicle accidents, structure fires, marine emergencies, technical rescues and searches as well as non-emergency assist calls. Six career staff and one administrative position manage all aspects of training, fire prevention, and maintenance within this division. We are continuously monitoring service level expectations and the potential effect on future staffing levels. Key drivers of cost increases include rising costs for goods and services, and labour and related benefits costs.

Emergency Planning

Emergency planning includes both preparing for and responding to emergency and disaster situations such as earthquakes and tsunamis. The department is managed by one career officer that supports 25-30 volunteers. This division is responsible for disaster planning, business resumption, business continuity and community response to fires and displaced residents due to an emergency.

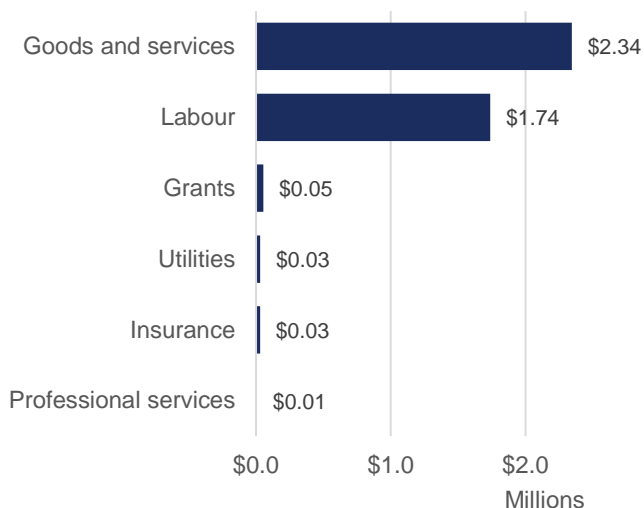
Bylaw Enforcement and Animal Control

This division of protective services manages over 500 files per year. Working with RCMP and other View Royal departments the officer attends to a variety of calls for service. Homeless issues, vigils, parking, secondary suites and sign bylaw enforcement are an example of the types of files that are managed. Bylaw enforcement services are provided by one officer and one 0.5 FTE clerk.

Building Inspection

This office is responsible for all aspects of building inspection, plan review, oversight of permit issuance and secondary suite compliance. One full time inspector and one 0.5 FTE clerk supports this function. In addition to the building inspection role, the inspector is also back up for bylaw enforcement.

2020 Protective Services Expense



Policing

Police services are provided under contract with the RCMP located at the shared municipal West Shore detachment. Because View Royal's population is currently less than 15,000, the financial obligation is 70% of the total costs for municipalities with populations between 5,000 and 15,000 under contract with the RCMP through the province. These pooled costs are allocated to each municipality based on the number of RCMP members servicing the municipality; View Royal has a policing strength of 11.35 members, and this is proposed to increase to 13.55 by the end of 2024.

This financial plan also proposes to increase the number of municipal support staff that perform much of the administrative tasks for the police. These costs are shared on a proportional basis with the other West Shore municipalities (Colwood and Langford).

Non-core Requests

| Project expense | Ref | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--|------|------------------|-------------------|------------------|-------------------|-------------------|
| EOC equipment and supplies ³ | C-59 | \$ 8,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Additional RCMP members ^{2,4} | N-54 | 42,700 | 131,100 | 134,300 | 193,000 | 311,000 |
| Community wildfire protection plan update ¹ | N-76 | 0 | 25,000 | 0 | 0 | 0 |
| Emergency evacuation route plan ³ | N-49 | 19,000 | 0 | 0 | 0 | 0 |
| Emergency Response and Recovery Plan update ¹ | N-72 | 0 | 20,000 | 0 | 0 | 0 |
| Energy audit of municipal buildings ¹ | N-69 | 15,000 | 0 | 0 | 0 | 0 |
| Energy Step Code implementation ¹ | N-75 | 7,500 | 0 | 0 | 0 | 0 |
| Hazard risk vulnerability assessment ¹ | N-71 | 15,000 | 0 | 0 | 0 | 0 |
| Policing municipal employees ⁴ | N-53 | 40,000 | 71,400 | 72,850 | 74,300 | 75,750 |
| Policing municipal employees' manager ⁴ | N-70 | 15,000 | 15,300 | 15,625 | 15,950 | 16,250 |
| PSB interior lighting replacement ¹ | N-56 | 8,500 | 0 | 0 | 0 | 0 |
| Wildfire fuel management plan ⁴ | N-78 | 0 | 0 | 25,000 | 25,000 | 25,000 |
| Protective Services housing feasibility study ¹ | N-61 | 0 | 0 | 20,000 | 0 | 0 |
| Total project expense | | 170,700 | 262,800 | 267,775 | 308,250 | 428,000 |
| Funding | | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
| ¹ Casino reserve account | | 46,000 | 45,000 | 20,000 | 0 | 0 |
| ² Reserves | | 42,700 | 131,100 | 134,300 | 137,700 | 141,100 |
| ³ Grants | | 27,000 | 0 | 0 | 0 | 0 |
| ⁴ Taxation | | 55,000 | 86,700 | 113,475 | 170,550 | 286,900 |
| Total funding | | \$170,700 | \$ 262,800 | \$267,775 | \$ 308,250 | \$ 428,000 |
| Estimated property tax impact | | 0.6% | 1.0% | 1.3% | 1.9% | 3.2% |

Appendix 2 Non-core Requests provides the complete five-year listing of all non-core requests including planned sources of funding.

Each project is described in detail in project summaries contained in **Appendix 5 Project Summaries** organized sequentially by unique reference number.

Operational Costs of Capital

As capital projects are completed, ongoing costs to maintain the asset are included in future years' operational budgets. These future costs are one of several factors considered before each project is recommended for approval. Details of operational costs are presented in **Appendix 3 Schedule 3.3 Operational Costs of Capital Projects Detail**.

| Operating expense | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Increase in supplies of goods and services | \$ 2,400 | \$ 3,400 | \$ 3,400 | \$ 3,400 | \$ 3,400 |
| Total operational costs of capital | \$ 2,400 | \$ 3,400 | \$ 3,400 | \$ 3,400 | \$ 3,400 |
| Estimated property tax impact | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |



Transportation



Overview

The maintenance and capital programs for View Royal's roads, streets, bridges, sidewalks, street signage, boulevards, bus shelters, street lighting, traffic signals and storm drains are provided by the Engineering Department. This department works closely with Development Services to support development and growth.

Performance Measures and Key Statistics

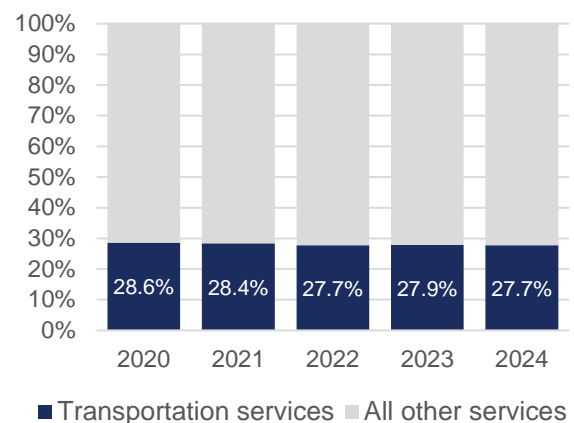
| Activity / statistic | 2018 | 2019 | 2020 Plan | Comments |
|---|-------|-------|-----------|---|
| Employees (FTEs) | 4.5 | 4.5 | 5.8 | Conversion of GIS contract to 1 FTE; +0.3, shared with General Government -0.3 Engineering student |
| Summer students (FTEs) | 0.3 | 0.6 | 0.3 | |
| Tree permits (count) | 114 | 122 | 100 | |
| Customer issues or concerns | 960 | 905 | 1,000 | |
| Catch basins cleaned | 793 | 825 | 813 | |
| Drainage mains videoed (metres) | 1,995 | 2,150 | 2,000 | |
| Subdivision application reviews (count) | 15 | 20 | 20 | |

2020 Budget Summary

The proposed 2020 Transportation Services budget totals nearly \$3 million to provide the full range of services to keep people moving safely. About two-thirds of the costs are provided through contracts with external providers.

| Incremental analysis | \$ | Change % |
|---------------------------------|---------------------|--------------|
| 2019 budget | \$ 2,856,576 | |
| Net decrease in core operations | -249,313 | -8.7% |
| Non-core requests | 159,800 | 5.6% |
| 2020 proposed budget | \$ 2,767,063 | -3.1% |

How much of my property taxes pay for this service?



Core Operations

| Funding | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|--|----------------|----------------|----------------|---------------|--------------|
| Sale of services, fees and other revenue | \$ 172,167 | \$ 94,750 | \$ 113,170 | \$ 18,420 | 19.4% |
| Total funding | 172,167 | 94,750 | 113,170 | 18,420 | 19.4% |

| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|-------------------------------|------------------|------------------|------------------|-----------------|--------------|
| Transportation administration | 721,479 | 861,754 | 711,401 | -150,353 | -17.5% |
| Transportation roads | 1,709,158 | 1,817,451 | 1,770,559 | -46,892 | -2.6% |
| Drainage | 250,003 | 272,121 | 238,473 | -33,648 | -12.4% |
| Expense total | 2,680,640 | 2,951,326 | 2,720,433 | -230,893 | -7.8% |

| | | | | | |
|--------------------------------------|---------------------|---------------------|---------------------|-------------------|--------------|
| Net property tax required | \$ 2,508,473 | \$ 2,856,576 | \$ 2,607,263 | \$-249,313 | -8.7% |
| Estimated property tax impact | -2.8% | | | | |

[Appendix 4 Service Plan Budget Details](#) provides a detailed look at all five years of this service plan budget.

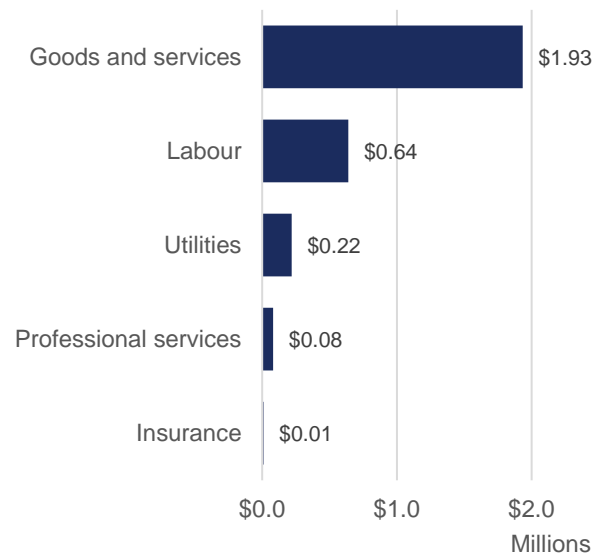
Transportation Administration and Roads

The transportation function includes maintenance of View Royal's 57 kilometres of roads, as well as sidewalks, boulevards, signage, bridges, traffic signals and street lighting and offsite servicing for new developments. Most of the outside work is performed under contract with an external service provider. This section of the budget also includes administration of the engineering department that supports other related services such as parks maintenance. Key drivers for changes in expenses include inflationary increases for contracted services and labour costs.

Drainage

This section includes all direct costs relating to the 42 kilometres of storm drainage pipes within View Royal.

2020 Transportation Services Expense



Non-core Requests

| Project expense | Ref | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|---|------|------------------|------------------|------------------|------------------|------------------|
| Active Transportation Plan ⁴ | N-73 | \$ 0 | \$ 5,000 | \$ 145,000 | \$ 0 | \$ 0 |
| GIS Technician position ⁵ | N-77 | 35,800 | 36,504 | 37,227 | 37,980 | 38,743 |
| Urban forestry strategy ¹ | N-74 | 0 | 0 | 75,000 | 0 | 0 |
| Road network asset inventory data collection ^{2,5} | N-44 | 16,000 | 1,500 | 1,500 | 1,500 | 1,500 |
| Stoneridge wetland parrot feather removal ³ | N-52 | 100,000 | 0 | 0 | 0 | 0 |
| Stormont Road traffic calming ¹ | N-81 | 8,000 | 0 | 0 | 0 | 0 |
| Total project expense | | 159,800 | 43,004 | 258,727 | 39,480 | 40,243 |
| Funding | | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
| ¹ Casino reserve account | | 8,000 | 0 | 75,000 | 0 | 0 |
| ² Gas Tax reserve account | | 16,000 | 0 | 0 | 0 | 0 |
| ³ Reserves | | 100,000 | 0 | 0 | 0 | 0 |
| ⁴ Development cost charges (DCCs) | | 0 | 5,000 | 145,000 | 0 | 0 |
| ⁵ Taxation | | 35,800 | 38,004 | 38,727 | 39,480 | 40,243 |
| Total funding | | \$159,800 | \$ 43,004 | \$258,727 | \$ 39,480 | \$ 40,243 |
| Estimated property tax impact | | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% |

[Appendix 2 Non-core Requests](#) provides the complete five-year listing of all non-core requests including planned sources of funding.

Each project is described in detail in project summaries contained in [Appendix 5 Project Summaries](#) organized sequentially by unique reference number.

Operational Costs of Capital

As capital projects are completed, ongoing costs to maintain the asset are included in future years' operational budgets. These future costs are one of several factors considered before each project is recommended for approval. Details of operational costs are presented in [Appendix 3 Schedule 3.3 Operational Costs of Capital Projects Detail](#).

| Operating expense | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--|----------------|-----------------|-----------------|------------------|------------------|
| Increase in supplies of goods and services | \$ 0 | \$ 1,700 | \$ 4,700 | \$ 35,200 | \$ 35,200 |
| Total operational costs of capital | \$ 0 | \$ 1,700 | \$ 4,700 | \$ 35,200 | \$ 35,200 |
| Estimated property tax impact | 0.0% | 0.0% | 0.1% | 0.4% | 0.4% |



Environmental Health



Overview

Through its Environmental Health Services function View Royal provides both solid waste (garbage) and liquid waste management (sanitary sewer) services to properties within its boundaries. Water services are provided by the Capital Regional District (CRD) and billed directly to the consumer; therefore, this financial plan excludes financial impacts relating to the provision of water services.

New for 2020 is the change in the way costs for the Capital Regional District's sanitary sewer system are recovered. The CRD's system conveys sewage from View Royal to the new treatment plant at McLoughlin Point. Previously, the cost of CRD's system was funded through a separate sewer tax on the property tax notice each year. In 2020, these costs will be included on the annual sewer user fee bill, based on the volume of winter water consumption. This means the amount charged will be more closely related to the use of the system rather than property assessments. For most residential users with average water consumption, the total cost will be about the same.

Performance Measures and Key Statistics

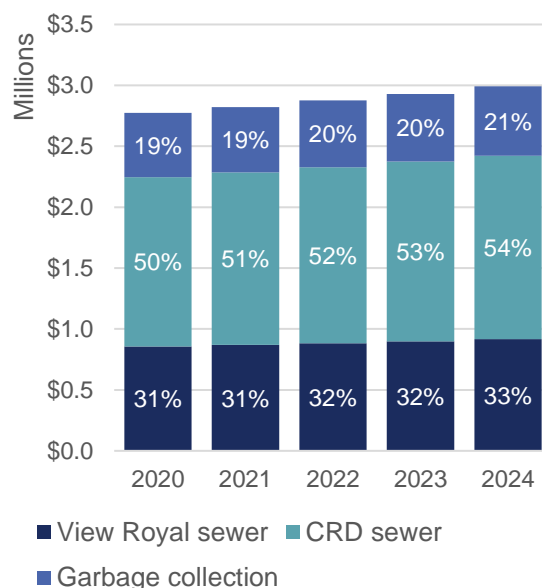
| Activity / statistic | 2018 | 2019 | 2020 Plan |
|---------------------------------|-------|-------|-----------|
| Employees (FTEs) | 0.5 | 0.5 | 0.5 |
| Sanitary mains videoed (metres) | 4,313 | 4,750 | 4,000 |
| Solid waste new customers | 46 | 39 | 50 |

2020 Budget Summary

The proposed 2020 Environmental Health Services budget totals nearly \$2.8 million funded from user fees collected from View Royal properties that benefit from the services. These services do not have any non-core requests.

| Incremental analysis | \$ | Change % |
|---------------------------------|---------------------|---------------|
| 2019 budget | \$ 1,396,131 | |
| Net increase in core operations | 34,285 | 2.5% |
| Addition of CRD sewer | 1,390,000 | 99.6% |
| 2020 proposed budget | \$ 2,820,416 | 102.1% |

What do my user fees pay for?



Core Operations

Since garbage collection and sanitary sewer functions are funded from specific user fees, revenue and expense is presented separately for each.

| Garbage Collection | | | | | |
|----------------------------------|---------------------|------------------------|------------------------|----------------------|---------------------|
| Funding | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
| User fee revenue | \$ 517,096 | \$ 512,516 | \$ 527,265 | \$ 14,749 | 2.9% |
| Total funding | 517,096 | 512,516 | 527,265 | 14,749 | 2.9% |
| | | | | | |
| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
| Garbage collection | 442,961 | 446,138 | 458,491 | 12,353 | 2.7% |
| Internal cost allocation | 66,378 | 66,378 | 68,774 | 2,396 | 3.6% |
| Total operating expense | 509,339 | 512,516 | 527,265 | 14,749 | 2.9% |
| | | | | | |
| Net property tax required | \$ - | \$ - | \$ - | \$ - | - |

Sanitary Sewer

| Funding | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|--|---------------------|------------------------|------------------------|----------------------|---------------------|
| User fee revenue – View Royal | \$ 853,655 | \$ 847,950 | \$ 856,375 | \$ 8,425 | 1.0% |
| User fee revenue – CRD | 0 | 0 | 1,390,000 | 1,390,000 | n/a |
| Interest on investments | 18,371 | 10,000 | 10,000 | 0 | 0% |
| Transfers from surplus | 0 | 25,665 | 36,776 | 11,111 | 43.3% |
| Total funding | 872,026 | 883,615 | 2,293,151 | 1,409,536 | 159.5% |
| | | | | | |
| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
| Sanitary sewer collection – View Royal | 284,366 | 360,867 | 371,684 | 10,817 | 3.0% |
| Sanitary sewer collection – CRD | 0 | 0 | 1,390,000 | 1,390,000 | n/a |
| Internal cost allocation | 435,948 | 435,948 | 444,667 | 8,719 | 2.0% |
| Transfer to reserve | 109,913 | 86,800 | 86,800 | 0 | 0.0% |
| Total operating expense | 830,227 | 883,615 | 2,293,151 | 1,409,536 | 159.5% |
| | | | | | |
| Net property tax required | \$ - | \$ - | \$ - | \$ - | - |

Appendix 4 Service Plan Budget Details provides a detailed look at all five years of this service plan budget. The Fiscal Services function accounts for internal cost allocation and transfer to reserve details.

Internal Cost Allocation

Both garbage collection and sanitary sewer services are charged an internal fee for general administration to ensure the user fees that fund the services recover the full cost of providing the services.

Garbage Collection

The garbage collection service includes weekly waste collection for over 2,700 homes. In addition to garbage and organics collection, the Town provides an annual autumn lawn and garden pickup, and year-round drop off service for residents.

As this service is provided under contract, it has no direct internal labour costs. However, contract fees are subject to inflationary increases.

User fees for garbage collection are charged a flat amount for each dwelling unit. The rate is expected to increase by \$2.00 in 2020, from \$187.00 to \$189.00 per dwelling unit.

Sanitary Sewer

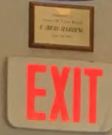
The sanitary sewer system comprises 47 kilometres of pipes and 17 pump stations. The system is monitored via an electronic SCADA system to ensure continuous secure operations. View Royal's sanitary sewer system connects with the Capital Regional District's sanitary system, which provides treatment and discharge.

This function supports 0.5 FTE, with no changes anticipated in the five-year plan.

Starting in 2020, property owners connected to the sanitary sewer system will pay user fees for both View Royal's and the Capital Regional District's components of the system. In prior years, costs relating to the CRD system were recovered through a tax on the annual property tax notice. Sewer user fees are billed in October and are based on winter water consumption.

View Royal's user fee includes a base charge which represents 15% of the total cost of sewer collection operations, and a consumption charge based on the quantity of metered water consumed in the winter season. In 2019, the base charge was \$20.27 per dwelling unit and the consumption charge was \$1.53 per cubic metre. Based on an average home's winter water consumption of 77 cubic metres, the annual charge for a dwelling unit was about \$138 in 2019. The 2020 sewer user charge is projected to increase by an estimated \$4 or 2.9% to a total of nearly \$142 per dwelling unit.

In 2019, a residential property with the average assessed value of \$730,000 paid about \$265 as a sewer tax for use of the Capital Regional District's sanitary sewer system. While new CRD user rates have not yet been determined, homeowners whose property value was near the average and whose winter water consumption was near the annual average of 77 cubic metres should expect to pay a similar amount in 2020. View Royal Council will be considering CRD sewer rates in May or June of 2020, and more information will be available at www.viewroyal.ca.



Development Services



Overview

The Development Services function provides the current and future land use, planning, and zoning work for View Royal and is responsible for the Official Community Plan that guides future growth. Additionally, Development Services supports economic development initiatives and programs.

Performance Measures and Key Statistics

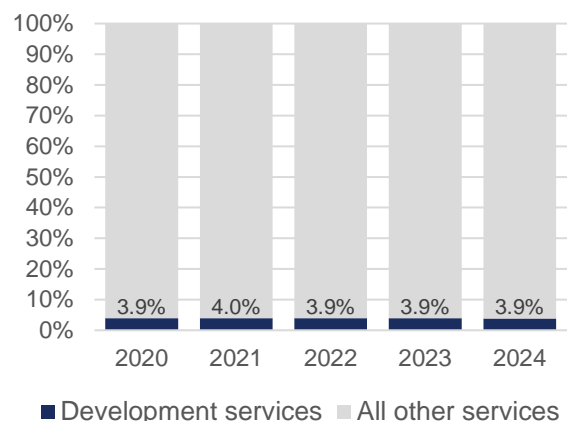
| Activity / statistic | 2018 | 2019 | 2020 Plan | Comments |
|---|------|------|-----------|-----------|
| Employees (FTEs) | 3.5 | 3.5 | 3.5 | No change |
| Development permit applications | 4 | 12 | 6 | |
| Development variance permits applications | 4 | 3 | 6 | |
| Subdivision applications | 4 | 3 | 3 | |
| Rezoning applications | 9 | 2 | 5 | |
| Secondary suite permits issued | 393 | 374 | 385 | |

2020 Budget Summary

The proposed 2020 Development Services budget totals nearly \$700,000 to provide the full range of planning and economic services to View Royal. Almost half of the budget is allocated to significant major planning projects.

| Incremental analysis | \$ | Change % |
|---------------------------------|-------------------|--------------|
| 2019 budget | \$ 570,803 | |
| Net decrease in core operations | -200,402 | -35.1% |
| Non-core requests | 302,476 | 53.0% |
| 2020 proposed budget | \$ 672,877 | 17.9% |

How much of my property taxes pay for this service?



Core Operations

The 2020 budget is based on conservative growth estimates. Increases in labour and benefits costs are offset by the elimination of consulting fees for prior year one-time projects not required in 2020.

| Funding | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|----------------------|---------------|----------------|----------------|---------------|--------------|
| Permits revenue | \$ 80,357 | \$ 105,570 | \$ 117,000 | \$ 11,430 | 10.8% |
| Total funding | 80,357 | 105,570 | 117,000 | 11,430 | 10.8% |

| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|---------------------------------|----------------|----------------|----------------|-----------------|---------------|
| Planning services | 457,405 | 592,333 | 459,619 | -132,714 | -22.4% |
| Economic development | 21,979 | 84,040 | 27,782 | -56,258 | -67.0% |
| Total operating expenses | 479,384 | 676,373 | 487,401 | -188,972 | -27.9% |

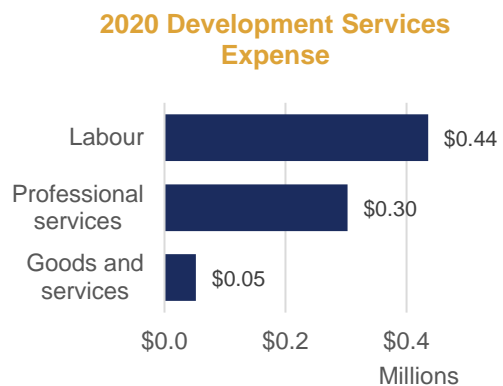
Net property tax required **\$ 399,027 \$ 570,803 \$ 370,401 \$-200,402 -35.1%**

Estimated property tax impact **-2.2%**

[Appendix 4 Service Plan Budget Details](#) provides a detailed look at all five years of this service plan budget.

Planning Services

Planning services for View Royal include managing development applications of all types and long-range planning for the community through the development of bylaws or plans such as the Official Community Plan and the zoning bylaw. The department also takes on issues related to parks planning, heritage matters and provides support to other departments by writing policy or bylaws on their behalf. The Approving Officer function relating to subdivision of land is also included in the work performed by the department.



The department consists of 3.5 FTE staff and this is not expected to change in the next 5 years.

Economic Development

Economic development is a recent addition to View Royal's portfolio of activities. We work closely with external organizations like the [South Island Prosperity Project](#) and ensure that statistics with respect to the demographic and economic profile of the View Royal are available to interested parties.

Non-core Requests

| Project expense | Ref | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--|------|----------------|----------------|----------------|---------------|---------------|
| Climate action strategy ¹ | N-63 | \$ 0 | \$ 70,000 | \$ 40,000 | \$ 0 | \$ 0 |
| Commercial precinct plans ^{1,2} | N-16 | 120,000 | 0 | 0 | 0 | 0 |
| Community engagement strategy ¹ | N-36 | 0 | 0 | 80,000 | 0 | 0 |
| Development of road ends ¹ | N-12 | 20,000 | 0 | 0 | 0 | 0 |
| Housing gaps and needs study ^{1,3} | N-40 | 22,476 | 0 | 0 | 0 | 15,000 |
| Parks signage and wayfinding ¹ | N-14 | 0 | 40,000 | 0 | 0 | 0 |
| Pedestrian Connectivity Master Plan ¹ | N-15 | 60,000 | 0 | 0 | 0 | 0 |
| Placemaking Urban Design Plan ¹ | N-67 | 0 | 0 | 50,000 | 50,000 | 0 |
| OCP review ¹ | N-25 | 80,000 | 70,000 | 0 | 0 | 0 |
| Total project expense | | 302,476 | 180,000 | 170,000 | 50,000 | 15,000 |

| Funding | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|---------------------------------|-------------------|-------------------|-------------------|------------------|------------------|
| ¹ Casino revenue | 233,738 | 180,000 | 170,000 | 50,000 | 15,000 |
| ² Prior year surplus | 60,000 | 0 | 0 | 0 | 0 |
| ³ Grants | 8,738 | 0 | 0 | 0 | 0 |
| Total funding | \$ 302,476 | \$ 180,000 | \$ 170,000 | \$ 50,000 | \$ 15,000 |

[Appendix 2 Non-core Requests](#) provides the complete five-year listing of all non-core requests including planned sources of funding.

Each project is described in detail in project summaries contained in [Appendix 5 Project Summaries](#) organized sequentially by unique reference number.



Parks



Overview

The Parks department is responsible for the maintenance and development of over 70 parks in View Royal, including manicured and natural green spaces, trails and sport fields.

The parks department also maintains the grounds at View Royal's Town Hall and oversees building and fleet maintenance.

Performance Measures and Key Statistics

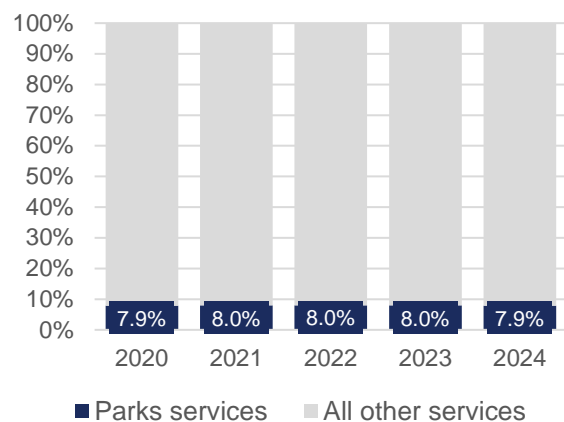
| Activity / statistic | 2018 | 2019 | 2020 Plan | Comments |
|------------------------|------|------|-----------|--------------------------------|
| Employees (FTEs) | 5.0 | 5.0 | 5.0 | No change |
| Summer students (FTEs) | 0.6 | 0.6 | 0.3 | -0.3 parks maintenance student |

2020 Budget Summary

The proposed 2020 Parks Services budget totals just over \$820,000, including all non-core requests.

| Incremental analysis | \$ | Change % |
|---------------------------------------|-------------------|--------------|
| 2019 approved budget | \$ 708,501 | |
| Net decrease in core operations | -21,946 | -3.1% |
| Non-core requests | 133,165 | 18.8% |
| Operational costs of capital projects | 3,500 | 0.5% |
| 2020 proposed budget | \$ 823,220 | 16.2% |

How much of my property taxes pay for this service?



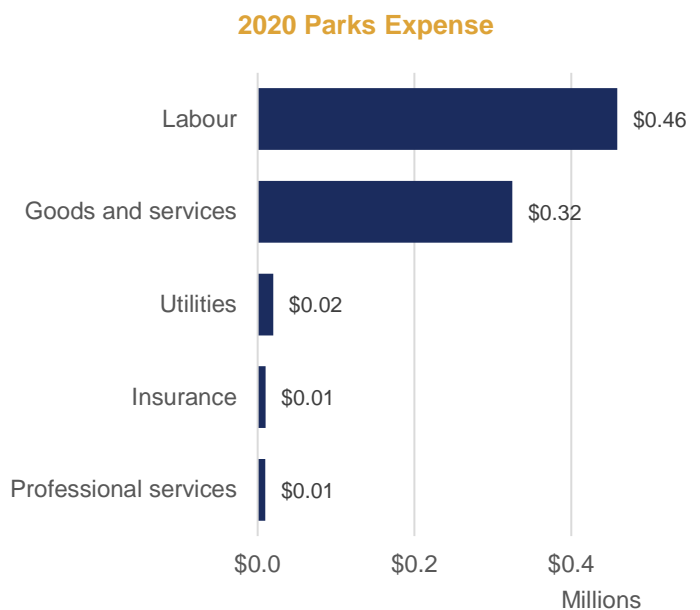
Core Operations

Parks services are primarily delivered through in-house staff. The key driver for 2020 core increases are the result of increasing labour and benefits costs. The function is funded fully from taxation.

| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| Parks services | \$ 668,890 | \$ 708,501 | \$ 686,555 | \$ -21,946 | -3.1% |
| Total operating expenses | 668,890 | 708,501 | 686,555 | -21,946 | -3.1% |
| Net property tax required | \$ 668,890 | \$ 708,501 | \$ 686,555 | \$ -21,946 | -3.1% |
| Estimated property tax impact | -0.2% | | | | |

Increased costs reflect increased labour and benefits costs and operational costs to inspect and maintain capital projects installed in the prior year.

[Appendix 4 Service Plan Budget Details](#) provides a detailed look at all five years of this service plan budget.



Non-core Requests

| Project expense | Ref | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--|------|----------------|---------------|---------------|---------------|---------------|
| Resident tree planting program ¹ | N-80 | \$ 10,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| View Royal Park development-Master Plan ¹ | C-35 | 35,000 | 0 | 0 | 0 | 0 |
| Welland Legacy Park seed garden bed ² | N-58 | 1,500 | 0 | 0 | 0 | 0 |
| Helmcken Centennial Park Master Plan ¹ | N-64 | 50,000 | 0 | 0 | 0 | 0 |
| Outside employee shifts ² | N-57 | 36,665 | 54,240 | 55,400 | 56,580 | 57,800 |
| Total project expense | | 133,165 | 54,240 | 55,400 | 56,580 | 57,800 |

| Funding | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| ¹ Casino revenue | 95,000 | 0 | 0 | 0 | 0 |
| ² Taxation | 38,165 | 54,240 | 55,400 | 56,580 | 57,800 |
| Total funding | \$133,165 | \$ 54,240 | \$ 55,400 | \$ 56,580 | \$ 57,800 |

| | | | | | |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Estimated property tax impact | 0.4% | 0.6% | 0.6% | 0.6% | 0.6% |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|

[Appendix 2 Non-core Requests](#) provides the complete five-year listing of all non-core requests including planned sources of funding.

Each project is described in detail in project summaries contained in [Appendix 5 Project Summaries](#) organized sequentially by unique reference number.

Operational Costs of Capital

As capital projects are completed, ongoing costs to maintain the asset are included in future years' operational budgets. These future costs are one of several factors considered before each project is recommended for approval. Details of operational costs are presented in [Appendix 3 Schedule 3.3 Operational Costs of Capital Projects Detail](#).

| Operating expense | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Increase in park maintenance, inspections and supplies | \$ 3,500 | \$10,350 | \$19,100 | \$20,100 | \$20,350 |
| Total operational costs of capital projects | \$ 3,500 | \$10,350 | \$19,100 | \$20,100 | \$20,350 |

| | | | | | |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Estimated property tax impact | 0.0% | 0.1% | 0.2% | 0.2% | 0.2% |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|



Recreation and Culture



Overview

Library

View Royal contributes to the Greater Victoria Public Library system through an annual requisition and shares in the cost of maintaining the central library branch.

Recreation

View Royal is one of five municipal owners of the West Shore Parks and Recreation Society which operates the Juan de Fuca Recreation Centre under an agreement with the Society.

The Centre provides multiple recreational opportunities for the citizens and guests with an arena, indoor sports complex with artificial turf, pool and water slide, weight room, and viewing areas. There is also a nine-hole golf course and many other outdoor park amenities and sports fields.

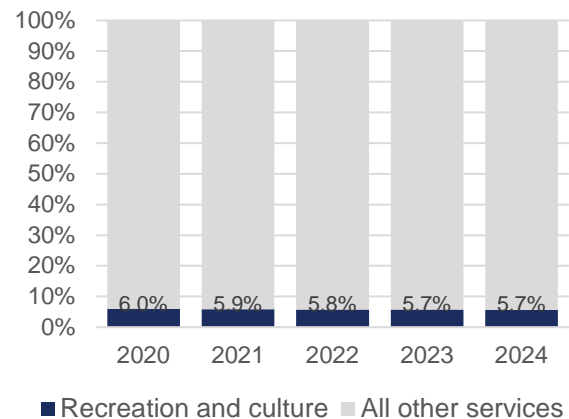
Library and recreation services are provided under contract and have no direct internal labour cost allocation.

2020 Budget Summary

The proposed Recreation and Culture budget totals nearly \$1.3 million to contribute to recreational and library services for View Royal residents and visitors.

| Incremental analysis | \$ | Change % |
|---------------------------------|---------------------|-------------|
| 2019 budget | \$ 1,261,969 | |
| Net increase in core operations | 44,063 | 3.5% |
| 2020 proposed budget | \$ 1,306,032 | 3.5% |

How much of my property taxes pay for this service?



Core Operations

Historically, both the library and recreation services budgets were funded from Casino revenue. As a result of a strategic focus on financial sustainability, the dependence on Casino revenue has been reduced to support the recreation service only.

| Funding | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|---|----------------|----------------|----------------|--------------|-------------|
| Casino revenue (see Fiscal Services budget) | \$ 726,451 | \$ 746,000 | \$ 753,874 | \$ 7,874 | 1.1% |
| Total funding | 726,451 | 746,000 | 753,874 | 7,874 | 1.1% |

| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|---------------------------------|------------------|------------------|------------------|---------------|-------------|
| Library services | 515,461 | 515,969 | 552,158 | 36,189 | 7.0% |
| Recreation services | 726,451 | 746,000 | 753,874 | 7,874 | 1.0% |
| Total operating expenses | 1,241,912 | 1,261,969 | 1,306,032 | 44,063 | 3.5% |

Net property tax required **\$ 515,461** **\$ 515,969** **\$ 552,158** **\$ 36,189** **7.0%**

Estimated property tax impact **0.4%**

[Appendix 4 Service Plan Budget Details](#) provides a detailed look at all five years of this service plan budget.



Non-core Requests

While there generally are no direct non-core requests for the recreation and culture service, the financial plan includes a one-time contribution to the development of a new outdoor skateboard park at the Juan de Fuca Recreation Centre in 2021. Forty percent of the total \$766,000 estimated cost is expected to come from the municipal owners; View Royal's contribution is \$68,000 or 15% of the total funding from municipalities and will come from Community Works Fund reserve account (gas tax).

Fiscal Services



Overview

The fiscal services function administers property taxes, internal transfers, grants, contributions and government transfers not allocated to a specific project. This section also manages debt service costs and annual amortization of tangible capital assets.

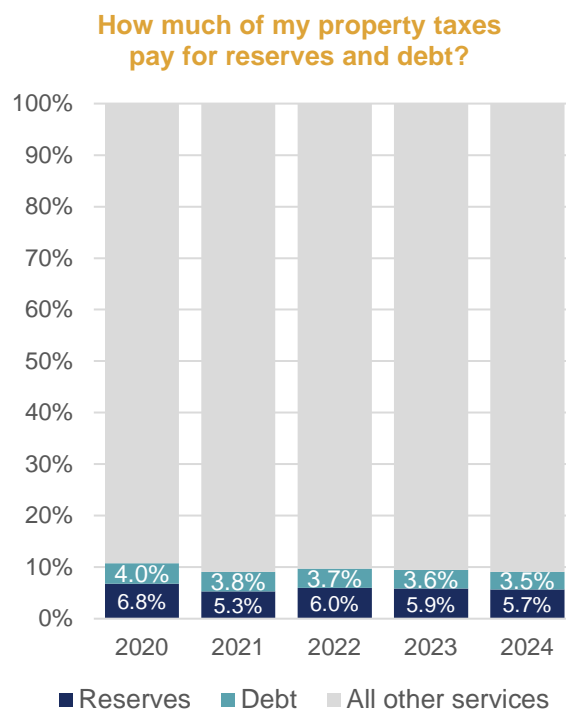
View Royal receives a share of revenue from Elements Casino and is a recipient of federal gas tax under the Community Works Fund program. The financial plan doesn't anticipate consuming 100% of these grants each year, so the money is transferred to reserve accounts until needed to fund specific projects as approved by the financial plan each year.

Fiscal services activities are provided by corporate administration personnel. There are no direct labour costs allocated to this function.

2020 Budget Summary

The proposed 2020 Fiscal Services budget provides funding to all other service plans, primarily through taxation revenue and transfers from other funds.

| Incremental analysis | \$ | Change % |
|---|---------------------|-------------|
| 2019 budgeted funding | \$10,336,906 | |
| Net decrease in core operations funding | -453,282 | -4.4% |
| Non-core requests funding | 900,491 | 8.7% |
| Operational costs of capital projects funding | 5,900 | 0.1% |
| 2020 proposed budget | \$10,790,015 | 4.4% |



Core Operations

The 2020 budget provides funding for all other services and facilitates contributions to reserves and debt repayment. Planned uses of Casino revenue and gas tax totals just over \$1 million in 2020, shown here as transfers from reserve accounts.

| Funding | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|--|---------------------|------------------------|------------------------|----------------------|---------------------|
| Property taxes and payments in lieu | \$ 8,923,954 | \$ 8,929,261 | \$ 9,272,996 | \$ 343,735 | 3.8% |
| Interest, penalties and commissions | 393,640 | 155,000 | 157,700 | 2,700 | 1.7% |
| Grants and contributions | 3,586,524 | 3,005,915 | 3,084,400 | 78,485 | 2.6% |
| Transfers from reserves | 0 | 50,200 | 85,400 | 35,200 | 70.1% |
| Transfers from reserve accounts | 1,476,144 | 1,691,908 | 1,057,943 | -633,965 | -37.5% |
| Transfers from surplus | 45,010 | 226,000 | 65,500 | -160,500 | -71.0% |
| Transfer from equity in capital assets | 2,896,060 | 2,979,400 | 3,032,988 | 53,588 | 1.8% |
| Internal cost allocations | 502,326 | 502,326 | 513,441 | 11,115 | 2.2% |
| Total funding | 17,823,658 | 17,540,010 | 17,270,368 | -269,642 | -1.5% |

| Operating expense | 2019 YTD | 2019 Budget | 2020 Budget | Change \$ | Change % |
|---------------------------------|---------------------|------------------------|------------------------|----------------------|---------------------|
| Other fiscal services | 29,015 | 17,806 | 17,912 | 106 | 0.6% |
| Transfers to reserves | 998,789 | 666,469 | 712,300 | 45,831 | 6.9% |
| Transfers to reserve accounts | 3,037,364 | 2,470,000 | 2,543,000 | 73,000 | 3.0% |
| Amortization | 2,896,060 | 2,979,400 | 3,032,988 | 53,588 | 1.8% |
| External debt | 567,102 | 567,103 | 567,103 | 0 | 0.0% |
| Internal cost allocations | 502,326 | 502,326 | 513,441 | 11,115 | 2.2% |
| Total operating expenses | 8,030,656 | 7,203,104 | 7,386,744 | 183,640 | 2.5% |

| | | | | | |
|--------------------------------------|---------------------|----------------------|---------------------|--------------------|--------------|
| Net funding to other services | \$ 9,793,002 | \$ 10,336,906 | \$ 9,883,624 | \$ -453,282 | -4.4% |
|--------------------------------------|---------------------|----------------------|---------------------|--------------------|--------------|

[**Appendix 4 Service Plan Budget Details**](#) provides a detailed look at all five years of this service plan budget.

Non-core Requests

Fiscal services provides funding for non-core requests from taxation, grants and transfers from reserves or surplus.

| Project funding | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Taxation | \$ 139,815 | \$ 189,444 | \$ 215,012 | \$ 297,730 | \$ 417,978 |
| Casino revenue | 442,738 | 225,000 | 265,000 | 72,000 | 15,000 |
| Reserves | 142,700 | 131,100 | 134,300 | 137,700 | 141,100 |
| Grant funding | 43,738 | 0 | 0 | 0 | 0 |
| Transfers from surplus | 77,500 | 0 | 0 | 0 | 0 |
| Development cost charges (DCCs) | 0 | 5,000 | 145,000 | 0 | 0 |
| Gas tax (Community Works Fund) | 54,000 | 78,000 | 30,000 | 0 | 0 |
| Total project funding | \$ 900,491 | \$ 628,544 | \$ 789,312 | \$ 507,430 | \$ 574,078 |
| Estimated property tax impact | 1.6% | 2.1% | 2.4% | 3.3% | 4.7% |

[Appendix 2 Non-core Requests](#) provides the complete five-year listing of all non-core requests including planned sources of funding.

Each project is described in detail in project summaries contained in [Appendix 5 Project Summaries](#) organized sequentially by unique reference number.

Operational Costs of Capital

As capital projects are completed, ongoing costs to maintain the asset are included in future years' operational budgets. These future costs are one of several factors considered before each project is recommended for approval. Details of operational costs are presented in [Appendix 3 Schedule 3.3 Operational Costs of Capital Projects Detail](#). Because of the ongoing nature of these costs, they are funded from taxation each year.

| Operating funding | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Increase in taxation for costs of capital | \$ 5,900 | \$ 33,530 | \$ 67,600 | \$ 99,910 | \$ 101,000 |
| Total funding for operational costs of capital | \$ 5,900 | \$ 33,530 | \$ 67,600 | \$ 99,910 | \$ 101,000 |
| Estimated property tax impact | 0.1% | 0.4% | 0.8% | 1.1% | 1.1% |

GLOSSARY AND REFERENCE

Glossary

| | |
|---|--|
| Appropriated surplus | Surplus funds arising from an excess of revenue over expense from prior years that are unrestricted by any external entity or legislation and which have been internally designated for a specified purpose. |
| Capital budget | Planned expenses and sources of funding for the acquisition of tangible capital assets, construction of infrastructure, or the betterment of existing assets. |
| Carry forward | An expense item or project that was approved but not completed in a prior year. |
| Community Charter | Provincial legislation applicable to municipalities in British Columbia. |
| Community Works Funds (CWF) (Gas tax revenue) | Federal grant transfers under agreement with British Columbia and BC municipalities for predictable, long-term and stable funding for investment in infrastructure and capacity building projects. |
| Debt service | Annual principal and interest payments on debt. |
| Deficit | The net result of operating activities when actual expenses exceed actual revenues in a year. A deficit must be “paid back” by being included in the next year’s financial plan as an expenditure in that year. |
| Development cost charges (DCCs) | Fees collected from land developers to offset that portion of the costs related to municipal services that are incurred as a direct result of new development. |
| Direct costs | Expenses for goods or services that are clearly attributable to a specific service or function, such as maintenance of a park or snow removal. |
| Financial plan | Also referred to as the <i>budget</i> , the financial plan identifies the proposed expenditures, funding sources and transfers to or between funds for the next five years. The <i>Community Charter</i> requires the financial plan to balance; that is the total of all proposed expenditures and transfers to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year. |
| Full-time equivalents (FTEs) | The number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. For example, an employee who works a 3.5 hour shift where a 7-hour day is considered full-time is expressed as a 0.5 FTE. |
| Functional unit | A reporting classification for expenses according to the activity for which the expense was incurred, such as protective or transportation services. Both legislation and accounting standards require the reporting of expenses by function. |
| Fund | A set of self-balancing accounts to record assets, liabilities, residual equity balances and the results of operations for specific set of activities or purpose. |
| Grant | A transfer of money from one organization to another other than payment for goods or services received. Local government grants are usually classified as either <i>conditional</i> or <i>unconditional</i> . Conditional grants are monies transferred for a specific purpose that may not be used for any other project. Unconditional grants can be used for any purpose the recipient sees fit. |
| Grants in aid | A grant program designed to assist not-for-profit and community organizations in achieving their objectives for the benefit of the municipality and its constituents. |
| Indirect costs | Expenses for goods or services that are <i>not</i> clearly attributable to a specific service or function, such as the maintenance of Town Hall or liability insurance. |

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| Local Government Act | Provincial legislation applicable to municipalities in British Columbia. |
| Municipality | An incorporated area within a regional district with an elected governing body (mayor and council). |
| Non-core items | Projects or activities that represent a change to service levels or are non-recurring or infrequent items. These items arise from Council or constituents' initiatives, recommendations from staff, or factors external to the municipality. |
| Operating budget | Planned expenses, estimated future costs and forecasted income required for the delivery of services. |
| Operational costs of capital | Estimated incremental future costs of new assets. This may include costs such as the supply of electricity or gas, inspection, or maintenance. It does not include amortization or the cost to replace the asset at the end of its service life. |
| Payments in lieu of taxes (PILTs) | Also known as <i>grants in lieu of taxes</i> , these are payments transferred by both the federal and provincial governments under special legislation. Crown properties are exempt from local government taxation, but special legislation allows payments to local governments in the place of property taxes. |
| Public Sector Accounting Board (PSAB) | An independent body with the authority to set accounting standards for the public sector. Legislation applicable to municipalities requires the adherence to standards set by PSAB and generally accepted accounting principles. |
| Regional service | An activity, work or facility undertaken or provided by or on behalf of the regional district. |
| Reserve accounts | Appropriations of accumulated surplus designated at the discretion of Council for specific uses. |
| Reserve funds | Money that is set aside for a specified purpose by Council pursuant to the <i>Community Charter</i> . These reserves are established by bylaws at the discretion of Council. Reserve funds may be used for operating or capital purposes as stated in the establishing bylaw. |
| Service | Basic services that residents expect the government to provide in exchange for taxes and user fees. Typical services include sanitation, sewer collection and treatment, parks, recreation and culture, fire protection, and bylaw enforcement. |
| Statutory reserve funds | Money designated for a specified purpose by bylaw as required by specific legislation rather than at the discretion of Council. |
| Surplus | Funds arising from an excess of revenue over expense; may be appropriated or unappropriated and accumulated over time. |
| Tangible capital assets | Non-financial assets having physical substance that are held for use in the production or supply of goods and services, have useful economic lives beyond the fiscal period, will be used on a continuing basis, and are not for sale in the ordinary course of business. |
| Tax rates | Rates expressed as an amount per \$1,000 of assessed net taxable property value that result in revenue to support municipal services. |
| Unappropriated surplus | Surplus funds arising from an excess of revenue over expense from prior years that are unrestricted by any external entity or legislation and which have not been internally designated for a specified purpose. |
| User fees | An alternative to property taxation for generating revenue and recovering the cost of providing services. User fees are generally applied on a user-pay basis so that those who benefit from the operation of a service bear the costs. |

Reference

Information about the following topics are available on View Royal's website at www.viewroyal.ca and are hyperlinked in the electronic version of this document.

[DRAFT 2019-2022 View Royal Strategic Plan](#)

[2015-2018 View Royal Strategic Plan](#)

[Official Community Plan](#)

[Council Remuneration Policy](#)

[Permissive Tax Exemptions](#)

[Grants in aid](#)

[User fees](#)

APPENDICES

The following appendices containing the details of this financial plan are available in a supplementary document titled **2020-2024 Financial Plan Appendices** available from View Royal's website at www.viewroyal.ca.

Appendix 1 Consolidated Financial Plan

- Schedule 1.1 Consolidated Financial Plan
- Schedule 1.2 Consolidated Operating Financial Plan
- Schedule 1.3 Consolidated Capital Financial Plan

Appendix 2 Non-core Requests

- Schedule 2.1 Non-core Requests Detail
- Schedule 2.2 Non-core Requests Funding Detail

Appendix 3 Capital Plan

- Schedule 3.1 Capital Plan Detail
- Schedule 3.2 Capital Plan Funding Detail
- Schedule 3.3 Operational Costs of Capital Projects Detail

Appendix 4 Service Plans Budget Details

Appendix 5 Project Summaries

Appendix 6 Projected Reserve Balances



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