

2009 Budget Background Document
April 20, 2009
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Process

- April 18th – Public presentation of draft budget.
- **April 20th – Reg Council meeting to give budget and Tax rates bylaws 1st, 2nd and 3rd reading**
- May 4th – Special Council – Approval of budget and Tax rates bylaws.

Average assessments

The average home decreased from \$258,237 in 2008 to \$256,116 in 2009 (-0.8%) due to the Province's assessment freeze.

The average Business decreased from \$373,513 to \$371,693 (-0.5%)

Increase on the Average Home and Business

The Municipal tax increase on the average home is 11.7% (\$96)

The Municipal tax increase on the average business is 9.7% (\$386)

11% was anticipated for 2009 in the 2008-2012 financial plan.

These increases are almost entirely due to Policing (7% or \$58) and increased costs of debt and operating for the pool (2% or \$16).

Most other expenses have been held down to keep the increases down to this level, while incorporating a 3.75% increase in wages for 2009 which was previously set in the collective agreement. This was partly helped by assessments from new construction.

Budget Items/Changes for 2009

- Policing – Council negotiated hard to keep these costs as low as possible, however the increases are still significant. Council has been working with the Police Services Branch of the Provincial Government to implement Municipal Policing Services for the City.
- Cowichan Aquatic Centre - Increases to the budget for Aquatic Centre operating. Costs are higher than anticipated from budget established based on Nanaimo Pool.
- Parking Fees to increase – Council will be increasing the all day parking areas to \$2 per day. However, the monthly passes will only increase in cost by 50%.
- The Environment - Budget of \$30,000 for Environmental initiatives such as an environmental strategy, a woodstove exchange program, and an Urban Forest strategy.
- Craig Street Revitalization – Council was successful in securing \$400,000 from the Province and \$190,000 from the Island Coastal Economic Trust to go towards completing the vision for Craig Street. The remainder of the costs are being paid by prior surpluses, with no impact on taxes.
- Centennial Park Revitalization – Council was successful in securing almost \$300,000 in grants towards the costs of the first phase of Centennial Park estimated at \$700,000, Community Support is hoped to assist in funding the improvements so that some of City's funds can be used to finance the remaining phases. The Spraypark, Playground and Loop trail will be completed in 2009, hopefully before the end of summer.
- A light at the Cowichan Way, Trunk Rd, Duncan Street is in the Detailed design Stages and will hopefully begin construction in early September. Other components such as the Roundabout at Allenby and the Duncan/Canada one way couplets are awaiting funding from grant applications.
- Organics collection is in the works, the city is currently investigating its vehicle options.

Future budget items

- Council will consider possible Gateway road construction in 2011 of \$1,000,000 paid for by debt, therefore increased debt payments in 2011.
- Council will consider future phases of Centennial Park Upgrades in 2010 and 11 depending on community support.
- Annual paving budget of approximately \$300,000 maintained to address paving priorities.

Future Increases in Taxes Collected

The increases in taxes collected from 2010 onward are budgeted at:

2010	13.7% (7.8% due to Policing)
2011	10.3% (6.0% due to Policing)
2012	5.7% (1.3% due to Policing)
2013	2.5%

Average Home	2008	2009	% Increase	\$ Increase
Assessment	\$258,267	\$256,116	-0.8%	
Municipal	752	790	5.1%	\$38
Policing	70	128	82.8%	\$58
CVRD	320	301	-5.8%	(\$19)
Hospital	44	49	12.4%	\$5
BCAA	16	17	3.4%	\$1
School* ¹	567	590	4.0%	\$23
TOTAL	\$1,769	\$1,875	6.0%	\$106

*¹ – Assume Increases 4%

Average Business	2008	2009	% Increase	\$ Increase
Assessment	\$373,513	\$371,693	-0.5%	
Municipal	3,746	3,768	0.6%	\$22
Policing	248	613	147.1%	\$365
CVRD	1,134	1,071	-5.5%	(\$63)
Hospital	155	175	12.8%	\$20
BCAA	73	75	3.7%	\$2
School* ¹	2,540	2,642	4.0%	\$102
TOTAL	\$7,896	\$8,344	5.7%	\$448

*¹ – Assume Increases 4%

Per \$100,000	2008 Home	2009 Home	2008 Business	2009 Business
Municipal	291	309	1,003	1,014
Mun Policing		50		165
Prov Policing	27		66	
CVRD	124	118	303	288
Hospital	17	19	41	47
BCAA	6	6	19	20
School* ¹	219	228	680	707
TOTAL	\$684	\$730	\$2,112	\$2,241

*¹ – Assume Increases 4%

Business Taxes Policy

The business multiple is now 3.29, down from 3.44 in both 2008 and 2007.

2008-2012 Financial Plan - Policy Excerpt

City Council considers the current proportions of taxes collected and current assessment class multiples as reasonable; however, as opportunities arise, Council will attempt to lower the percentage of taxes collected from the business class and attempt to hold or lower the business class multiple with a goal to have a multiple at the 50th percentile of other municipalities (median).

In 2007 3.44 put Duncan at 113th out of 156 municipalities. (72nd percentile)

In 2008 3.44 put Duncan at 116th out of 160 municipalities. (72nd percentile)

If all others stay the same

3.29 puts Duncan at 107th out of 160 (67th percentile)

2.90 would put Duncan at the 50th percentile