



# Preliminary Budget Overview

*Budget Estimates for 2024*

Prepared by

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## 1.0 INTRODUCTION

The purpose of this report is to provide Council with the preliminary estimates for the 2024 operating budgets. This operating budget combined with the capital budget, assessments from BC Assessment and direction from Council on distribution of property taxes will determine the City's tax rates for 2024. The Financial Sustainability and Audit Committee is responsible for providing direction on the budget process.

## 2.0 BUDGET PROCESS

The budget process allows the City of Quesnel to make resource allocation decisions, including choices about staffing, service levels, and which priorities will be addressed in the coming fiscal year. All of the budget meetings are open to the public and a budget survey was conducted to enable the public to inform Council of their ideas and concerns.

The budget process is as follows:

- October / November - department heads complete their budget worksheets and assemble their preliminary budget estimates and capital budgets.
- Public Input – Online survey, Let's Talk Quesnel, open Council and Committee meetings.
- January - the five year capital budget was presented to Council
- February - the preliminary draft budget will be presented to Council
- March - the 2022 yearend is closed.
- April - the final revised assessment data is available, final tax rates will be set.
- Prior to May 15 – the budget bylaw and tax rates bylaw to be approved.

## 3.0 BUDGET PRINCIPLES

Council has adopted a policy of Budget Principles that is used for preparation of the yearly budget with direction from the Financial Sustainability and Audit Committee.

## 4.0 REVIEW OF BUDGET 2023

To review 2023 the key financial impacts are as follows:

- Council approved a budget that resulted in a total tax increase of 5.3%.
- The increase in municipal taxes to the average residence was \$62.40

<b><i>Total Taxes Collected</i></b>	<b><i>Increase from Previous Year</i></b>	
2023 - \$19,361,931	5.3%	<i>Note: This is the increase in total taxes collected or revenue received by the City, not the tax increase to individual property owners.</i>
2022 - \$18,386,953	6.9%	
2021 - \$17,192,952	2.5%	
2020 - \$16,770,816	5.5%	
2019 - \$15,895,511	4.8%	
2018 - \$15,160,644	3.4%	
2017 - \$14,664,844	1.8%	
2016 - \$14,403,128	2.8%	
2015 - \$14,009,503	2.8%	
2014 - \$13,624,422	3.1%	

## 5.0 INTRO TO BUDGET 2024

For 2024, Council continues to drive the City's economic development and transition strategy and housing initiatives. Challenges to supply chains and inflation continue to affect operations.

<i>Total Taxes Collected</i>	<i>Increase from Previous Year</i>
2024 - \$20,637,700	6.6%

The draft increase for the average residence valued at \$354,698 is \$77.70 or \$21.91 per \$100,000 before *any consideration of use of surplus to reduce taxation*.

In January, staff prepared a draft budget based on status quo programs and service levels. The Financial Sustainability and Audit Committee reviewed this and discussed supplemental requests for the budget. The ending result is a budget that will require an increase to the tax levy of 6.6%.

## 6.0 LET'S CONNECT QUESNEL

In January, the City conducted an online survey to collect citizens' thoughts on the Budget for 2024. Attached in Appendix A is the survey summary results. The Financial Sustainability and Audit Committee reviewed all the comments received before determining the final budget to approve to Council.

## 7.0 BUDGET ADDITIONS

### Increases to FTE Count:

The budget is built with the no increases to the City's FTE Count:

Below is the breakdown of additional costs built into the 2024 operating budget and their funding source and a description of the cost item.

<b>2024 BUDGET CHANGES</b>	
Clean Team	75,000
Payroll System Upgrades	25,000
Website Update (Drupal end of life)	50,000
Strategic Landfill Update	50,000
North Cariboo Seniors Council - (2024-2026)	20,000
LeBourdais Park Trail Sign	5,000
Mountain Bike Rentals/Bike Park advertising	3,000
Mountain Bike Marketing/Influencer	10,000
Summer Street Banners (2025)	
Airport Subdivision	20,000
Museum Intern (50% grant/50% Reserve)	12,500
<b><i>Projects that will only proceed if grants received:</i></b>	
Cloud Permit - setup ongoing licencing	18,000
Economic Transition Strategy	50,000
WFTP - Planning for connection/boardwalk	10,000
<b><i>Reserve Increases Required:</i></b>	
Capital Reinvestment Reserve Increase Required	100,000
Increase for Landfill Liability	50,000
<b>TOTAL NEW ITEMS</b>	<b>498,500</b>
<b>Funding Sources</b>	
Tax Stabilization Reserve for One Time Supplemental	108,000
Remaining Covid Funds - Payroll / Bylaw	74,777
Canada Community Building Fund	50,000
Grant Dependent	84,250
Museum Reserve	6,250
Taxation	175,223
<b>TOTAL FUNDING</b>	<b>498,500</b>

<b>TOTAL CHANGE TO TAXATION</b>		
New Items (as per above)	175,223	
Risk Management of RCMP Budget **	(175,000)	
Inflation and other cost Increases	937,657	4.8%
Covid and surplus funds used last year	337,889	
<b>TOTAL TAXATION INCREASE REQUIRED</b>	<b>1,275,769</b>	
<b>Note:</b> In 2023 an additional RCMP FTE was approved. This brings the approved municipal FTE's to 24. Due to approved leaves/vacancies the RCMP are never at their full approved FTE amount. This budget includes risk managing that the RCMP FTE count will be about 22 (approved 24).		

**8.0 COVID SAFE RESTART GRANT**

In 2020, the City of Quesnel received \$2,503,000 from the Province as a COVID Safe Restart Grant to be used to address revenue shortfalls, for computer & other technology costs, for facility and reopening and operating cost, for emergency planning and response costs, for bylaw enforcement and protective services, for services to vulnerable people and for other related costs. The final amount of this grant will be spent in 2024 on technology upgrades and bylaw services.

## 9.0 BUDGET OVERVIEW

### 9.1 Summary of Preliminary 2024 Assessments

For the 2024 budget year, the assessment base increased as per the chart below.

NET TAXABLE ASSESSMENTS						
2024 Completed Roll vs 2023 Revised Roll						
Class	2023	2024	Change	% Change	Market Change	Non Market Change
RESIDENTIAL	1,264,465,052	1,302,821,327	38,356,275	3.0%	2.6%	0.4%
UTILITIES	6,651,626	7,332,171	680,545	10.2%	10.1%	0.2%
MAJOR INDUSTRIAL	105,777,400	111,552,700	5,775,300	5.5%	5.5%	0.0%
LIGHT INDUSTRIAL	14,574,100	15,814,400	1,240,300	8.5%	5.1%	3.5%
BUSINESS	225,153,750	235,232,750	10,079,000	4.5%	3.4%	1.1%
RECREATIONAL	173,400	233,900	60,500	34.9%	5.0%	29.9%
FARM	209,593	202,856	-6,737	-3.2%	-3.2%	0.0%
	<b>1,617,004,921</b>	<b>1,673,190,104</b>	<b>56,185,183</b>	<b>3.5%</b>		

### 9.2 Summary of Taxes by Operating Funds

TAX COLLECTED BY AREA				
	2023	2024	Variance to PY	
General	16,279,972	16,849,890	4%	569,918
Solid Waste	76,180	346,284	355%	270,104
Taxation for CRP	2,037,500	2,137,500	5%	100,000
WQLS Operating	226,580	232,736	3%	6,156
Airport	412,911	552,002	34%	139,091
Transit	349,088	519,065	49%	169,977
Snow Reserve	-	-	0%	-
Supplementals	174,700	183,000	5%	8,300
Reserves for Supplementals	(115,000)	(108,000)	-6%	7,000
COVID Grant	(80,000)	(74,777)	-7%	5,223
				-
<b>TOTAL TAXES</b>	<b>19,361,931</b>	<b>20,637,700</b>	<b>6.6%</b>	<b>1,275,769</b>

*General:* The total General Budget is approximately \$22 million, with the rest of the funding coming from grants, sales of service fees, rental income, etc.

*Solid Waste:* The total Solid Waste Budget is approximately \$1.8 million. Funding in addition to taxation comes from user fees at the landfill, garbage collection fees and contributions from the Cariboo Regional District.

*Airport:* The airport budget is approximately \$1 million, mostly funded by aircraft fees, fuel sales and rental income.



*Transit:* The transit budget is approximately \$0.8 million with the rest of the funding coming from passenger fees, contract services and a contribution from the CRD.

*Forestry:* The Forestry Initiatives budget is approximately \$0.6 million with the funding coming from grants.

*Snow Reserve Levy:* This is a new tax line was introduced in 2020 to enable the City to build a snow reserve so that in significant snow years there are available funds for snow costs in excess of budget. Council has set the maximum level of this reserve at 30% of the next years snow budget. In 2023, the operating snow costs were slightly above budget. At this point the recommendation is to use surplus towards topping up the snow budget.

### 9.3 2024 TAXATION

The chart below shows the final taxation collected for 2023 and the mill rates and tax share to be able to compare to 2024.

CITY OF QUESNEL FINAL 2023 TAXATION							
Class	2023 Revised Roll					Tax Rate **	% Share
	Total Assessment	Municipal	Transit/ Airport	Capital Levy	Total Municipal Taxes		
RESIDENTIAL	1,264,465,052	3,945,162	181,508	485,331	4,612,001	3.65	23.8%
UTILITIES	6,651,626	227,595	10,471	27,999	266,065	40.00	1.4%
MAJOR INDUSTRIAL	105,777,400	8,886,861	408,864	1,093,256	10,388,981	98.22	53.7%
LIGHT INDUSTRIAL	14,574,100	212,879	9,794	26,188	248,861	17.08	1.3%
BUSINESS	225,153,750	3,288,740	151,307	404,579	3,844,626	17.08	19.9%
RECREATIONAL	173,400	541	25	67	632	3.65	0.0%
FARM	209,593	654	30	80	764	3.65	0.0%
	1,617,004,921	16,562,432	761,999	2,037,500	\$ 19,361,931		100.0%

#### PROPOSED 2024:

The proposed 2024 budget based is set out below before any consideration of using surplus to reduce taxation.

CITY OF QUESNEL 2024 TOTAL MUNICIPAL TAXATION							
Class	2024 Completed Roll					Tax Rate **	% Share
	Total Assessment	Municipal/ Snow	Transit/ Airport	Capital Levy	Total Municipal Taxes		
RESIDENTIAL	1,302,821,327	4,151,984	255,151	509,197	4,916,332	3.77	23.8%
UTILITIES	7,332,171	246,500	15,148	30,231	291,879	39.81	1.4%
MAJOR INDUSTRIAL	111,552,700	9,313,323	572,329	1,142,181	11,027,833	98.86	53.4%
LIGHT INDUSTRIAL	15,814,400	234,081	14,385	28,708	277,173	17.53	1.3%
BUSINESS	235,232,750	3,481,853	213,969	427,013	4,122,835	17.53	20.0%
RECREATIONAL	233,900	745	46	91	883	3.77	0.0%
FARM	202,856	646	40	79	765	3.77	0.0%
	1,673,190,104	17,429,133	1,071,067	2,137,500	\$ 20,637,700		100.0%
						6.59%	

This would result in an increase in municipal taxes of \$77.70 for the average residence, valued at \$354,698 (\$21.91 per \$100,000) and \$103.96 per \$100,000 of commercial assessment before any consideration of tax shifting between classes.

*SURPLUS OPTIONS:*

It is anticipated that there will be surplus from the year end for 2023. At this point the following options could be considered. Note that anytime surplus is used, the next year will require the funding to be found again.

- 1) Reduce Airport Taxation by the \$100,000 surplus generated by the airport in 2023.
- 2) Reduce General Taxation by \$100,000
- 3) Top up the Snow Reserve by \$50,000 to bring it back to the 30% target
- 4) Put the Remaining Surplus funds (still to be determined) into the Capital Reinvestment Reserve (or split between the Capital Reinvestment Reserve and the Tax Stabilization Reserve)

OPTION with use of \$200,000 of Surplus:

<b>CITY OF QUESNEL 2024 TOTAL MUNICIPAL TAXATION</b>							
<b>2024 Completed Roll</b>							
Class	Total Assessment	Municipal/ Snow	Transit/ Airport	Capital Levy	Total Municipal Taxes	Tax Rate **	% Share
RESIDENTIAL	1,302,821,327	4,128,162	231,328	509,197	4,868,688	3.74	23.8%
UTILITIES	7,332,171	245,086	13,734	30,231	289,050	39.42	1.4%
MAJOR INDUSTRIAL	111,552,700	9,259,887	518,893	1,142,181	10,920,962	97.90	53.4%
LIGHT INDUSTRIAL	15,814,400	232,738	13,042	28,708	274,487	17.36	1.3%
BUSINESS	235,232,750	3,461,876	193,992	427,013	4,082,881	17.36	20.0%
RECREATIONAL	233,900	741	42	91	874	3.74	0.0%
FARM	202,856	643	36	79	758	3.74	0.0%
	1,673,190,104	17,329,133	971,067	2,137,500	<b>\$ 20,437,700</b>		100.0%
					5.56%		

This would result in an increase in municipal taxes of \$64.73 for the average residence, valued at \$354,698 (\$18.25 per \$100,000) and \$86.40 per \$100,000 of commercial assessment.

Direction from Council will be required to determine whether or not to incorporate using some surplus for this budget.

It is important to note that the revised assessment roll will be received in late March. Changes on this roll often result in the tax rate changing slightly.

## 10.0 FINANCIAL RISKS / CHALLENGES

There are a several significant risk factors associated with our five year budgets which will impact the ability of the City to achieve its long term objectives. The key risks are as follows:

- Inflation – the latest inflation rate reported by BC Stats was 3.4% for December 2023 (6.6% in December 2022). Inflation over the last few years is driving the City’s budget higher.
- Contractor availability and construction inflation continues to be a challenge.
- Landfill - The City completed a Strategic Review of the Landfill in 2020. Significant funds will be needed in the future for expansion, gas collection and closure.
- In addition, the City has several large unfunded capital projects and planning projects currently identified that need to be reviewed and potentially incorporated into capital planning.

Water Treatment

\$25 million (based on 2021 \$’s)

- A conceptual design plan has been completed. Public engagement has been limited due to COVID. This project would require significant grants to proceed.

West Fraser Timber Park Ball Field Plan  
North Fraser Revitalization Plan  
Davie Street Revitalization Plan

The Johnston Bridge project has received a grant of \$6 million. The City is currently working through the planning stages of this project.

- Through Council’s Strategic Plan and the City’s Economic Transition Plan, the City is working on ways to see the City through these challenges. Innovative projects such as the Food Hub and the Forestry Innovation Centre are primarily grant funded.

## 11.0 TOTAL COMBINED BUDGET SUMMARY

This section summarizes the preliminary 2024 budget by groups of major funds. Fund accounting is central to local governmental budgeting, with each fund representing a self-balancing set of revenues, expenditures, and transfer accounts. This means that General fund expenditures must be funded through General fund revenue sources.

The City's total combined operating budget is \$28,770,000 for 2024, an 2.4% increase from 2023 operating budgets. The seven operating funds listed in the table below comprise the majority of the day-to-day operating activities of the City.

The chart below is total spending by each area. The spending is funded by taxation, reserves, grants, utilities, etc.

City of Quesnel - Total Combined Budget Overview (in \$000's)					
		2023	2024		
		Approved	Preliminary	Change	% Change
Expenditures		Budget	Budget		
General Operating		21,361	21,725	364	1.7%
Solid Waste Operating		1,571	1,801	230	14.6%
Water Operating		1,731	1,783	52	3.0%
Sewer Operating		1,004	1,047	44	4.4%
Airport Operating		930	1,032	102	11.0%
Transit Operating		595	768	173	29.1%
Forestry Initiatives		902	615	(288)	-31.9%
<b>Combined Operating Budgets</b>		<b>28,095</b>	<b>28,773</b>	<b>677</b>	<b>2.4%</b>
** The Forestry Initiatives fund was created in 2019 to track all the various forestry initiatives funded by grants. This fund is grant funded.					
** The Airport operations were severely affected by COVID in 2020 and 2021 and have never fully recovered to previous operation levels.					

## 12.0 GENERAL OPERATING BUDGET

The General Operating Budget pays for core City services such as public works, policing, fire protection, corporate and community services, planning, and development services which are utilized across the community. The revenues to pay for these services are comprised of property taxes, as well as fees for licenses and permits, conditional and unconditional grants, rental income, interest earnings on investments, and a variety of other revenues.

The 2024 preliminary budget for the general operating fund is \$21,725,000. This amount is before capital and transfers to the various reserves included.

<b>General Operating Budget Summary</b>					
		2023	2024	Change	Net Change
		Budget	Preliminary		%
<b>Revenue</b>					
Property Taxes		18,599,932	19,466,410	866,478	4.7%
Grants-in-lieu / 1% Tax		1,067,905	1,096,584	28,679	2.7%
Sale of Services		605,980	662,659	56,679	9.4%
Government Grants		1,853,855	1,462,986	(390,869)	-21.1%
Services Provided to Other Governments		711,975	758,405	46,430	6.5%
Investment Income		275,000	375,000	100,000	36.4%
Other Revenue		577,863	719,714	141,851	24.5%
Transfer from Reserves		1,220,425	1,102,900	(117,525)	-9.6%
<b>Total Revenue</b>		<b>24,912,935</b>	<b>25,644,658</b>	<b>731,723</b>	<b>2.9%</b>
<b>Expenditures</b>					
General Government		3,109,014	3,120,611	11,597	0.4%
Protective Services		7,190,432	7,386,133	195,701	2.7%
Transportation (Public Works)		5,880,643	6,021,928	141,285	2.4%
Development Services and Planning		619,527	757,235	137,708	22.2%
Economic Development		1,353,044	970,378	(382,666)	-28.3%
Recreation and Cultural Services		1,744,407	1,824,953	80,546	4.6%
Cemetery		215,129	247,895	32,766	15.2%
Debt Servicing		1,248,853	1,396,033	147,181	11.8%
Transfer to Own funds		3,475,707	3,573,207	97,500	2.8%
Transfer to Solid Waste		76,180	346,284	270,104	0.0%
<b>Total Expenditures</b>		<b>24,912,935</b>	<b>25,644,658</b>	<b>731,723</b>	<b>2.9%</b>

Note: The 2023 final budget includes capital carryforwards and 2023 surplus allocations in the transfer to/from own funds lines. Later in the budget 2024 process, these adjustments will be made to these lines.

## 12.1 Revenue

### Property Taxes

The preliminary budget calls for an increase in total tax revenue of 7.1%. Various one time supplementals are funded by the tax stabilization reserve and the COVID Safe Restart grant.

## 12.2 Key Revenue / Expenditure Items

Most of the expenditure items are dealt with later in this report under the departmental reviews. Some key items not discussed at the departmental level include the following:

Cariboo Regional District (CRD) Contributions to Services:

CRD Contributions	Operating	Capital			
Fire Protection	219,177	58,157	Red Bluff and Two Mile		
Landfill	238,081	-	Areas A, B, C, I - costs based on population		
Recycling	37,043		Areas A, B, C, I - costs based on population		
Cemeteries	78,155	22,500	Areas A, B, C, I - costs based on population		
Transit/Handydart	85,465		Areas A, B, C, I		
Airport	68,500		Areas A, B, C, I		
Emergency Services	5,000		Areas A, B, C, I		
Library Maintenance	12,764				
Parks and Recreation	204,217		Areas A, B, C, I		
Visitor Centre	15,000				
Fire Training Centre	12,500				
	<b>\$ 975,902</b>	<b>\$ 80,657</b>			
<b>Payable to CRD</b>					
Invasive Weeds	41,833				
	<b>\$ 41,833</b>				

- The Memorandums of Understanding (MOU's) with the CRD expire at the end of 2024 and will need to be renewed.
- The Parks and Recreation service agreement with the Subregional Recreation (SRR) function of the CRD is included in General Revenue for \$204,217. In reality, the net positive impact is approximately \$68,000 to City residents, since those residents fund approximately 62% of the SRR budget.
- As per our CUPE agreements, wages are up 2.0% in June 2023. The contracts expire June 7<sup>th</sup>, 2024 and an estimate has been included in the budget for wage increases.

### 13.0 WATER OPERATING FUND

The City’s water operations are treated as a distinct operating entity, and as such are accounted for in a separate fund. The City’s Utility Department is responsible for water distribution and production functions, while the Finance Department administers the utility collection activities.

#### 13.1 Revenue Sources

The City’s Water Operating Fund is supported primarily through the City’s water user charges and frontage taxes. Parcel taxes have been used to pay for extensions to new areas. Council approved raising water utility fees by 10% in 2024 to continue building the reserve for future required capital replacements.

#### 13.2 Expenditures

The Water Operating Fund supports the Supply and Distribution Services and the Water Administration budget. Total operating expenditures for the water fund total \$2,658,184 of which \$874,684 represents a transfer to the surplus/capital program.

<b>Water Operating Budget Summary</b>					
	2023	2024	Change	Net Change	
	Budget	Preliminary		%	
<b>Revenue</b>					
Customer Billings	1,962,135	2,157,949	195,814	10%	
Less: Discounts	(138,479)	(152,327)	(13,848)	10%	
Connection Charges / Custom Work	9,000	4,000	(5,000)	-56%	
Bulk Water	110,000	125,000	15,000	14%	
Frontage Taxes	476,062	476,062	-	0%	
Parcel Taxes	47,500	47,500	-	0%	
Interest Income					
Surplus FROM Reserves					
<b>Total Revenue</b>	<b>2,466,218</b>	<b>2,658,184</b>	<b>191,966</b>	<b>7.8%</b>	
<b>Expenditures</b>					
Administration	417,096	410,940	(6,156)	-1%	
Distribution	837,651	880,137	42,486	5%	
Leak Detection	31,730	23,839	(7,891)	-25%	
Pump Houses	368,865	378,215	9,350	3%	
Hydrants	52,130	62,949	10,819	21%	
Bulk Water	24,025	27,420	3,395	14%	
Debt Servicing	-	-	-	0%	
Transfer to Water Surplus/Capital	734,721	874,684	139,963	19%	
<b>Total Expenditures</b>	<b>2,466,218</b>	<b>2,658,184</b>	<b>191,966</b>	<b>7.8%</b>	

## 14.0 SEWER OPERATING FUND

Like water operations, the City's sewer operations are treated as a distinct operating entity, and as such are accounted for in a separate fund. The City's Utility Division of the Public Works and Engineering Department is responsible for wastewater collection, while Cariboo Pulp is responsible for wastewater treatment through a contract arrangement with the City (and the CRD for the Red Bluff Sewerage). The arrangement with Cariboo Pulp is lower cost than if the City had to build and maintain its own secondary treatment plant. The Finance Department administers the sewer utility collection activities.

The sewer fund has reached a level of sustainability for the near future. Increases at this point are to cover inflation. No increase to frontage taxes have been included in the budget.

### 14.1 Revenue Sources

The City's sewer operating fund is supported primarily by the City's sewer user fees and frontage taxes. Council agreed to raise sewer fees by 5% in 2024 to deal with inflation and to continue to support the capital program.

### 14.2 Fund Expenditures

Sewer operating costs for 202 are \$1,523,813 including \$476,334 for surplus/capital projects.

<b>Sewer Operating Budget Summary</b>					
	2023	2024	Change	Net Change	
	Budget	Prelim. Budget		%	
<b>Revenue</b>					
Customer Billings	1,317,972	1,383,871	65,899	5%	
Less: Discounts	(93,491)	(98,166)	(4,675)	5%	
Connection Charges / Custom Work / Other	22,100	22,100	-	0%	
Frontage Taxes	216,008	216,008	-	0%	
Interest Income					
Surplus FROM Reserves	-	-	-	0%	
<b>Total Revenue</b>	<b>1,462,589</b>	<b>1,523,813</b>	<b>61,224</b>	<b>4.2%</b>	
<b>Expenditures</b>					
Administration	231,905	247,375	15,470	7%	
Collection System	346,925	360,056	13,131	4%	
Line Cleaning	67,770	69,948	2,178	3%	
Treatment & Disposal	356,947	370,100	13,153	4%	
Debt Servicing	-	-	-		
Transfer to Sewer Capital	459,042	476,334	17,292	4%	
<b>Total Expenditures</b>	<b>1,462,589</b>	<b>1,523,813</b>	<b>61,224</b>	<b>4.2%</b>	



## 15.0 SOLID WASTE OPERATING FUND

The Solid Waste Operating Fund is responsible for residential garbage collection, the landfill operations, contracts for the reuse centre and recycling depot and zero waste initiatives.

### 15.1 Revenue Sources

The City's solid waste operating fund receives funding from a variety of sources. Collection costs are covered by utility charges. The landfill costs and recycling costs are covered by taxation with the Cariboo Regional District contributing to these services based on population.

### 15.2 Fund Expenditures

Solid Waste Operating costs for 2023 are budgeted for \$1,801,217 with general taxation supporting this function by \$296,284.

<b>Solid Waste Management</b>					
	2023	2024	Change	Net Change	
	Budget	Preliminary		%	
<b>Revenue</b>					
RECYCLING - C R D CONTRIBUTION	70,764	37,043	(33,721)	-48%	
LANDFILL SITE - REGIONAL DISTRICT	242,747	238,081	(4,666)	-2%	
REFUSE DISCOUNTS	(24,429)	(28,093)	(3,664)	15%	
RESIDENTIAL GARBAGE COLLECTION FEES	344,881	396,538	51,657	15%	
LANDFILL FEES	852,000	802,000	(50,000)	-6%	
PROPERTY TAXATION	76,180	346,284	270,104	355%	
LANDFILL LEASES	9,180	9,364	184	2%	
Transfer from Surplus	157,888	-			
<b>Total Revenue</b>	<b>1,729,211</b>	<b>1,801,217</b>	<b>72,006</b>	<b>4.2%</b>	
<b>Expenditures</b>					
GARBAGE COLLECTION - RESIDENTIAL	188,290	195,719	7,429	4%	
SANITARY LANDFILL	1,310,084	1,374,033	63,949	5%	
WASTE EDUCATION	5,000	5,000	-	0%	
RECYCLING	175,837	176,465	628	0%	
Transfer to Landfill Capital	50,000	50,000	-	0%	
Transfer to Landfill Liability	-	-	-	0%	
<b>Total Expenditures</b>	<b>1,729,211</b>	<b>1,801,217</b>	<b>72,006</b>	<b>4.2%</b>	

**16.0 TRANSIT OPERATING FUND**

The Transit Fund is set up to administer all transit operations within the City of Quesnel. The primary service is the city wide and Red Bluff area fixed route bus service, and also includes a handyDART Service, which provides door-to-door service for the elderly and for those with a disability to residents both in the City and in the CRD Rural Areas A,B,C and I. Transit also provides weekly service to Wells and monthly service to Nazko through partnership agreements that are based on full cost recovery.

**16.1 Revenue Sources**

The Quesnel Transit system is provided to the community by a partnership between the provincial crown corporation, B.C. Transit, the City of Quesnel, and the operating company, Whistler Connection. The City’s gross share of overall operating expenses is 57.1%, while B.C. Transit’s share is 42.9%. The City receives all revenue derived from the Transit operation. In addition the CRD supports transit by contributing \$7,433 to Transit and \$78,035 to handyDART.

The main source of revenue for the Transit system is property taxation. This is done on a separate line on the tax bill and all funds raised are dedicated to Transit.

**16.2 Fund Expenditures**

The total projected cost to operate the City’s transit system in 2024 is \$768,430 with a net cost to the taxpayers of \$519,065. The vast majority of these expenditures cover the contractor’s operating costs, which includes the leases for the buses. B.C. Transit is responsible for providing the necessary fleet equipment.

<b>Transit Operating Budget Summary</b>					
	2023	2024	Change	Net Change	
	Budget	Preliminary		%	
<b>Revenue</b>					
Transit Fares	129,449	133,900	4,451	3%	
Nazko Contract	6,000	6,000	-	0%	
Wells Contract	28,000	24,000	(4,000)	-14%	
Transit Property Taxes	349,088	519,065	169,977	49%	
Interest Income					
CRD Contribution	82,738	85,465	2,727	3%	
From Surplus	-	-	-		
<b>Total Revenue</b>	<b>595,275</b>	<b>768,430</b>	<b>173,155</b>	<b>29%</b>	
<b>Expenditures</b>					
Contract - BC Transit	545,820	715,000	169,180	31%	
Other Expenses	49,455	53,430	3,975	8%	
<b>Total Expenditures</b>	<b>595,275</b>	<b>768,430</b>	<b>173,155</b>	<b>29%</b>	

## 17.0 AIRPORT OPERATING FUND

The Airport Fund, which administers the financial operations of the Quesnel Regional Airport, is also treated as a distinct operating entity, and as such is accounted for in a separate fund. For 2024, the total airport-operating budget is \$1,164,402 including \$132,000 to the airport capital reserves. The Airport Division of the Community Service department is responsible for airport operations, while the Finance Department assists with administering the revenue collection activities.

### 17.1 Revenue Sources

The City's airport fund is supported through passenger fees, landing fees, rental income, parking fees, aviation fuel sales and a property tax levy. The Cariboo Regional District contributes \$68,500 to operating the airport fund.

COVID-19 had a significant effect on air travel. Operations have resumed but not to the full commercial operating schedule that was in place before COVID-19.

### 17.2 Fund Expenditures

The City's airport operations are broken into the following categories: Administration, Equipment & Machinery, and Buildings & Grounds.

<b>Airport Operating Budget Summary</b>					
	2023	2024	Change	Net Change	
	Budget	Preliminary		%	
<b>Revenue</b>					
Property Tax	412,911	552,002	139,091	34%	
Rentals	77,200	78,350	1,150	1%	
Concessions/Other	78,100	75,050	(3,050)	-4%	
Fuel Sales	200,000	250,000	50,000	25%	
Landing Fees	125,500	140,500	15,000	12%	
CRD Contribution	68,500	68,500	-	0%	
Other Grants			-	0%	
Transfer from Surplus/Reserves	100,000	-	(100,000)	0%	
<b>Total Revenue</b>	<b>1,062,211</b>	<b>1,164,402</b>	<b>102,191</b>	<b>9.6%</b>	
<b>Expenditures</b>					
Administration	176,836	161,927	(14,909)	-8%	
Aviation Fuel System	155,400	191,900	36,500	23%	
Air Services	50,000	49,000	(1,000)	-2%	
Buildings & Grounds & Equipment	517,975	541,575	23,600	5%	
Transfer to Airport Reserve	132,000	132,000	-	0%	
Airport Capital	30,000	88,000	58,000	193%	
<b>Total Expenditures</b>	<b>1,062,211</b>	<b>1,164,402</b>	<b>102,191</b>	<b>9.6%</b>	

## 18.0 FORESTRY INITIATIVES FUND

The Forestry Initiatives Fund was created in 2019 to track all the Forestry Initiatives the City is currently undertaking that are fully grant funded. The Forestry Initiatives Manager was hired in 2019 to manage all these projects. Grants are from a variety of sources including the Rural Dividend Program, UBCM's Strategic Wildfire Prevention Initiative (SWPI), UBCM's Community Resiliency Investment Program (CRIP) and Forest Enhancement Society (FES).

<b>Forestry Initiatives Budget Summary</b>					
		2023	2024	Change	Net Change
		Budget	Preliminary		%
<b>Revenue</b>					
Government Grants		867,446	579,613	(287,833)	-33%
Other Income		35,000	35,000	-	0%
Logging Income		-	-	-	0%
<b>Total Revenue</b>		<b>867,446</b>	<b>614,613</b>	<b>(252,833)</b>	<b>-29.1%</b>
<b>Expenditures</b>					
Administration		130,008	126,274	(3,734)	-3%
Consultants/Treatments		757,301	526,752	(230,549)	-30%
Transfer to/from Surplus		15,137	(38,413)	(53,550)	-354%
<b>Total Expenditures</b>		<b>902,446</b>	<b>614,613</b>	<b>(287,833)</b>	<b>-31.9%</b>
This budget includes grants from UBCM and FES.					

## 19.0 DEPARTMENTAL BUDGETS – Core City Services

In developing the preliminary draft budget for 2024, city staff reviewed the 2023 budgeted and actual expenditures and estimated the revenues and expenditures anticipated for the coming year. Note the supplemental requests have not been built into the individual department budgets at this point.

### 19.1 Legislative Services and Community Support

The Legislative Services budget is a sub-component of the General Government Services budget. The majority of the costs in the Legislative Service’s budget are dedicated toward supporting the activities of the Mayor and Council. The functions of the department are to provide good government to the citizens of Quesnel through the development of policies, consideration of bylaws, budget approval, and appointment of statutory officials and the regional district representative. In addition to the above functions, the Mayor performs other duties which include, among other things: providing leadership for Council, performing various statutory duties, representing the City at local functions, and providing access to City government for the taxpayer.

<b>Legislative Services - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
INDEMNITIES		210,484	217,009	6,525	3%
EXECUTIVE ASSISTANT		44,563	46,345	1,782	4%
MEMBERSHIPS & SUBSCRIPTIONS		16,000	16,000	-	0%
TELEPHONE		500	500	-	0%
ADVERTISING		4,000	1,000	(3,000)	-75%
PUBLIC RELATIONS / HOSTING/SUPPLIES		5,000	5,000	-	0%
COUNCIL TRAVEL & TRAINING		32,100	56,000	23,900	74%
COUNCIL COMMITTEES		2,000	2,000	-	0%
COUNCIL INITIATIVES		75,000	25,000	(50,000)	-67%
<b>Total Expenditures</b>		<b>389,647</b>	<b>368,854</b>	<b>(20,793)</b>	<b>-5%</b>

### Community Support

The Community Support budget covers activities that are Council Initiatives and discretionary in nature. The rationale behind this is to help Council exercise closer oversight and scrutiny by grouping these items.

<b>Community Support - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
INSURANCE		1,000	1,000	-	0%
QUESNEL TILlicum POWWOW		300	300	-	0%
TWIN CITY DELEGATION			2,000	2,000	0%
PROMOTIONAL SUPPLIES		2,500	2,500	-	0%
SECONDARY SCHOOL BURSARY		2,400	1,600	(800)	-33%
VOLUNTEER RECOGNITION		2,500	2,500	-	0%
FIRST NATIONS RELATIONS		5,000	5,000	-	0%
BEAR AWARE PROGRAM		2,000	2,000	-	0%
NORTH CARIBOO HIGHWAY RESCUE		12,250	12,250	-	0%
QUESNEL AMBASSADORS PROGRAM		5,600	5,600	-	0%
QUESNEL SEARCH & RESCUE SOCIETY		14,750	14,750	-	0%
BAKER CREEK ENHANCEMENT SOCIETY		10,000	10,000	-	0%
NORTH CARIBOO SENIORS COUNCIL		33,333	-	(33,333)	-100%
<b>Total Expenditures</b>		<b>91,633</b>	<b>59,500</b>	<b>1,200</b>	<b>1%</b>
Considering ongoing support to North Cariboo Seniors Council in Supplementary Budget Requests					

**19.2 City Manager & Corporate Services**

The City Manager’s and Corporate Services budget represents the resources needed to provide administrative services to the organization and the community. The City Manager’s Office and the Corporate Services function is a department that provides services to City Council, the community, businesses, other agencies, and City staff. The following areas are represented within the City Manager and Corporate Services’ budget: General Administration, Finance, Human Resources, Technology, Communications and other Government Services, which includes such items as: legal, auditing, and other consulting fees.

<b>Corporate Services - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
ADMINISTRATIVE		524,710	530,500	5,790	1%
INFORMATION REQUESTS		500	500	-	0%
CORPORATE COMMUNICATIONS		161,242	172,229	10,987	7%
WEBSITE		13,525	14,075	550	4%
FINANCE		763,543	803,057	39,514	5%
NDIT INTERN		31,792	-	(31,792)	-100%
PURCHASING DEPT		219,891	224,518	4,627	2%
HUMAN RESOURCES		227,660	243,226	15,566	7%
TECHNOLOGY		538,959	570,150	31,191	6%
VIDEO SURVEILLIANCE		5,000	5,000	-	0%
OTHER GOVERNMENT SERVICES		199,033	206,319	7,286	4%
ADMIN FEES RECOVERY		(693,884)	(721,727)	(27,843)	4%
<b>Total Expenditures</b>		<b>1,991,971</b>	<b>2,047,847</b>	<b>55,876</b>	<b>3%</b>

### 19.3 Community Services

The Community Services Department contains such functions as recreation and leisure services, facility maintenance, museum and archives, and overseeing visitor information activities.

<b>Community Services - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
JOHN ERNST BUILDING		422,163	421,333	(830)	0%
WEST QUESNEL REC CENTRE		3,065	3,582	517	17%
BCR RAILSTATION		14,714	14,915	201	1%
HUDSON BAY BUILDING		13,356	14,235	879	7%
SHIRAOI HOUSE		27,525	33,950	6,425	23%
BUILDING MAINTENANCE - RCMP		305,345	312,696	7,351	2%
BUILDING MAINTENANCE - MENTAL HEALTH		18,150	14,250	(3,900)	-21%
OTHER BUILDINGS/LAND		7,500	7,500	-	0%
COMMUNITY SERVICES		67,878	70,489	2,611	4%
TOURIST BUREAU		100,825	101,700	875	1%
SPIRIT CENTRE		129,290	134,645	5,355	4%
RV PARK		5,000	40,825	35,825	717%
MUSEUM		229,302	238,184	8,882	4%
<b>Total Expenditures</b>		<b>1,344,113</b>	<b>1,408,304</b>	<b>64,191</b>	<b>5%</b>
AIRPORT OPERATING		1,062,211	1,164,402	102,191	10%
TRANSIT OPERATING		595,275	768,430	173,155	29%
<b>Total Community Services Operating - All Div</b>		<b>3,001,599</b>	<b>3,341,136</b>	<b>348,419</b>	<b>11.6%</b>

Note: The following buildings have rental income: John Ernst, BCR Railstation, Hudson Bay Building, Shiraoi House, Health Care, RCMP Detachment

## 19.4 Planning & Development Services

The Planning and Development Services contains such functions as building permits and inspections, code enforcement, bylaw enforcement, GIS mapping applications, community planning, and the review of development applications.

<b>Planning &amp; Development Services - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
GIS / MAPPING		35,250	36,580	1,330	4%
BUILDING INSPECTION		223,662	225,531	1,869	1%
BYLAW		447,358	466,999	19,641	4%
SPCA		57,500	59,225	1,725	3%
PLANNING		354,417	368,930	14,513	4%
PLANNING PROJECTS		152,360	100,000	(52,360)	-34%
FAÇADE GRANT		20,000	20,000	-	0%
SOCIAL PLANNING		-	172,500	172,500	0%
SQUATTER CLEANUP					
<b>Total Expenditures</b>		<b>1,290,547</b>	<b>1,449,765</b>	<b>159,218</b>	<b>12%</b>

Note: The Social Planning function is currently funded by Northern Health

## 19.5 Economic Development

The Economic Development department focuses on activities that support business retention and expansion, resident, visitor, and business attraction, workforce development and attraction, and occasional sector specific projects.

<b>Economic Development - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
ECONOMIC DEVELOPMENT		257,444	278,939	21,495	8%
ECONOMIC DEVELOPMENT PROJECTS		189,400	155,000	(34,400)	-18%
COMMUNITY PROJECTS		50,000	5,000	(45,000)	-90%
MINERAL NORTH		162,000	80,000	(82,000)	-51%
RURAL DIVIDEND					
FOOD HUB (Largely Grant Funded)		282,200	30,475	(251,725)	-89%
HEALTH CARE RENTAL PROPERTY		14,670	14,691	21	0%
COMMUNITY DEVELOPMENT		106,125	111,000	4,875	5%
<b>Total Expenditures</b>		<b>1,061,839</b>	<b>675,105</b>	<b>(386,734)</b>	<b>-36%</b>



## 19.6 Emergency Services

The Quesnel Volunteer Fire Department is a composite department (a combination of career and volunteer fire fighters). Currently there are 4 career fire fighters and 33 volunteer fire fighters. The City has two firehalls, and one contract firehall which is located outside the municipality in the Red Bluff area. Fire Department services include fire suppression, special industrial rescue, fire prevention, training, public education, and disaster preparedness activities.

The department's service area is the City of Quesnel, as well as a portion of Electoral Area "A" within the Cariboo Regional District.

<b>Emergency Fire Services - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
ADMINISTRATION		281,052	290,329	9,277	3%
VOLUNTEER SERVICES		66,550	66,825	275	0%
SUPPRESSION		79,866	84,497	4,631	6%
PREVENTION		119,867	124,862	4,995	4%
COMMUNICATION		9,100	9,650	550	6%
TRAINING		136,644	147,694	11,050	8%
FIRE TRAINING FACILITY		5,900	5,450	(450)	-8%
FIRE HALL MAINTENANCE		110,809	102,683	(8,126)	-7%
VEHICLES		194,518	201,032	6,514	3%
SPECIAL RESCUE		9,000	10,000	1,000	11%
EMERGENCY MEASURES		20,500	45,500	25,000	122%
<b>Total Expenditures</b>		<b>1,033,806</b>	<b>1,088,523</b>	<b>54,717</b>	<b>5%</b>

## 19.7 RCMP

This section of the budget represents the costs of contracting for police services with the Royal Canadian Mounted Police (RCMP). It also covers the costs for Community Policing and Victims Assistance. The Municipality picks up 70% of the fully loaded cost of the police officers. The City's current authorized strength is 24 officers. The budget is set at the full cost of 22 FTE's as the RCMP always has approved leaves and positions being recruited.

<b>RCMP Quesnel Detachment - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
RCMP OPERATIONS		4,928,604	5,056,840	128,236	3%
COMMUNITY POLICING		1,100	2,327	1,227	112%
VICTIMS ASSISTANCE		142,047	146,437	4,390	3%
BUILDING MAINTENANCE - DETACHMENT		305,345	312,696	7,351	2%
<b>Total Expenditures</b>		<b>5,377,096</b>	<b>5,518,300</b>	<b>141,204</b>	<b>3%</b>

NOTE: The building maintenance for the RCMP building is shown above to indicate the full cost of providing policing services. In reality, the building is managed by our facilities manager and remains his budget responsibility along with other city buildings.

## 19.8 Public Works & Engineering

Public Works & Engineering - Budget Overview					
		2023	2024	Change	Net Change
Operating Expenditures		Budget	Preliminary		%
FLOOD CONTROL		15,020	15,545	525	3%
PROTECTION TO PERSONS		93,490	71,235	(22,255)	-24%
ADMINISTRATION		508,852	610,465	101,613	20%
GENERAL EQUIPMENT		274,445	268,189	(6,256)	-2%
SHOP & YARD		16,200	20,700	4,500	28%
NEW SHOP & YARD		537,526	496,315	(41,211)	-8%
OTHER SHOPS & OFFICES		10,260	10,577	317	3%
STREET MAINTENANCE		638,366	663,261	24,895	4%
ASPHALT PATCHING		224,773	232,218	7,445	3%
DITCHING		36,125	41,800	5,675	16%
DUST SUPPRESSANT		48,258	60,341	12,083	25%
WINTER SHIFT WORK		213,119	221,656	8,537	4%
STREET CLEANING		305,426	317,756	12,330	4%
SNOW REMOVAL		780,699	809,315	28,616	4%
DRIVEWAY ENTRANCE CLEARING		109,168	112,728	3,560	3%
SANDING		268,961	284,379	15,418	6%
SIDEWALKS		97,799	101,403	3,604	4%
LEGION MEMORIAL CENOTAPH		1,315	1,365	50	4%
STORM SEWERS		109,254	113,066	3,812	3%
DRAGON LAKE (DAM SAFETY REVIEW 2023)		68,505	13,868	(54,637)	-80%
BRIDGE MAINTENANCE		209,140	195,727	(13,413)	-6%
STREET LIGHTING		390,930	402,723	11,793	3%
TRAFFIC CONTROL		179,648	185,572	5,924	3%
LINE PAINTING		76,410	82,131	5,721	7%
PRE-PROJECT PLANNING		508,387	501,800	(6,587)	-1%
INVASIVE PLANT CONTROL		40,497	41,833	1,336	3%
CEMETERIES		167,455	198,420	30,965	18%
CEMETERY - BURIALS		47,674	49,475	1,801	4%
PARKS AND PLAYGROUND		680,788	677,315	(3,473)	-1%
PIONEER & COMMEMORATIVE TREES		6,050	6,246	196	3%
SOUTH QUESNEL PARK		12,665	13,086	421	3%
DOG PARK		11,170	11,535	365	3%
WF TIMBER PARK		109,536	121,158	11,622	11%
LEBOURDAIS PARK		114,359	118,834	4,475	4%
CARIBOO FIELDS		15,068	15,659	591	4%
PUBLIC SERVICE		85,677	88,753	3,076	4%
CITY BEAUTIFICATION		268,474	278,727	10,253	4%
SPRAY PARK		12,895	13,361	466	4%
RIVERFRONT TRAIL		69,327	71,794	2,467	4%
BALL PARKS		56,218	58,988	2,770	5%
<b>Total Operating - General Public Works</b>		<b>7,419,929</b>	<b>7,599,322</b>	<b>179,393</b>	<b>2.4%</b>

WQ LAND STABILITY (operations only)	226,580	232,736	6,156	3%
WATER OPERATING	1,731,497	1,783,500	52,003	3%
SEWER OPERATING	1,003,547	1,047,479	43,932	4%
<b>Total Public Works Operating - All Divisions</b>	<b>10,381,553</b>	<b>10,663,037</b>	<b>281,484</b>	<b>2.7%</b>

## 20.0 RESERVES

The City maintains several reserves for its operations, and these funds form an essential part of sound financial management. The funds are set aside for both planned and unplanned future expenses, primarily future capital works.

The City has a number of reserves for various functions. Some reserves are statutory including: Development Cost Charges, City property sales, Tax Sale, General Capital and the Capital Reinvestment funds. Other reserves are to take care of recognized future needs on a proactive basis, such as the Landfill Closure reserve account, and Capital Equipment Replacement reserves. The chart below highlights these reserve allocations.

<b>Continuing Transfers to Capital Funds - Budget Overview</b>					
	2023	2024	Change	Net Change	
<b>Transfers</b>	<b>Budget</b>	<b>Preliminary</b>		<b>%</b>	
GENERAL CAPITAL - from taxation	130,000	130,000	-	0%	
GENERAL CAPITAL - contributions/carryforwards			-		
INTEREST TO RESERVES	200,000	200,000	-	0%	
FIRE CAP. RESERVE	108,147	108,147	-	0%	
FIRE TRAINING FACILITY	12,500	12,500	-	0%	
CARBON OFFSET FUND	107,082	107,082	-	0%	
TAXLEVY TO CRP RESERVE	2,037,500	2,037,500	-	0%	
SCPG TO CRP RESERVE	448,000	448,000	-	0%	
NEW DEAL - COMMUNITY WORKS	492,478	492,478	-	0%	
CEMETERY CAPITAL - CRD/CITY	-	22,500	22,500		
TRANSFER TO EQUIPMENT FUND	834,356	876,074	41,718	5%	
MUSEUM RESERVE	5,000	15,000	10,000	200%	
<b>Total Transfers to Reserves</b>	<b>4,375,063</b>	<b>4,449,281</b>	<b>74,218</b>	<b>2%</b>	
TRANSFER FROM TAX STABILIZATION	35,000	-	35,000	-100%	
TRANSFER FROM EQPT RESERVE	546,678	682,860	136,182	25%	
TRANSFER FROM CRP RESERVE	411,067	420,040	8,973	2%	
TRANSFER FROM COVID RESERVE	80,000	-	-	0%	
TRANSFER FROM PRIOR YEAR SURPLUS	147,680	-	-	0%	
<b>Total Transfers FROM Reserves</b>	<b>1,220,425</b>	<b>1,102,900</b>	<b>110,155 -</b>	<b>1</b>	

In addition to these allocation, Council has approved that if any operating funds are leftover in the West Quesnel Land Stability Account each year, those funds will be transferred to the West Quesnel Land Stability Reserve for future maintenance work.

## 20.1 Surplus

Surplus funds are important and required for a variety of reasons.

- Surplus funds fund expenditures until major revenue collection occurs (property taxes/utilities).
- Surplus funds form a contingency account for unbudgeted emergencies or unusual expenses.

## 21.0 DEBT FINANCING

In 2023, the City took another MFA equipment loan for public works equipment. In the next few years, the City is using MFA equipment loans to bring the fleet up to date while increasing the amount put into the equipment reserve each year to bring that reserve back up to a self-sustaining level.

The following table summarizes the debt payments from the general, water, and sewer operating funds. The debt payment totals include principal and interest payments.

<b>Debt Servicing Summary - Budget Overview</b>					
		2023	2024	Change	Net Change
<b>Operating Expenditures</b>		Budget	Preliminary		%
<b>GENERAL DEBT</b>					
Fire Truck	Due Date: 2029	47,798	47,798	-	0%
City Hall	Due Date: 2030	236,081	236,081	(0)	0%
Public Works	Due Date: 2051	406,294	406,294	-	0%
<b>Debt Payments</b>					
Equipment	Multiple	546,679	682,860	136,181	25%
<b>TOTAL DEBT SERVICING</b>		<b>1,236,853</b>	<b>1,373,033</b>	<b>136,181</b>	<b>11.0%</b>
<b>BANK &amp; INTEREST CHARGES</b>		12,000	23,000	11,000	92%
<b>WATER DEBT</b>		-	-	-	#DIV/0!
<b>SEWER DEBT</b>		-	-	-	0%
<b>Total Debt Servicing Costs</b>		<b>1,248,853</b>	<b>1,396,033</b>	<b>147,181</b>	<b>12%</b>
Percentage of Total Operating Costs		4%	5%		

### 21.1 Current Debt Status

As of December 31, 2023, the City of Quesnel has the following outstanding debt balances, all through the Municipal Finance Authority:

- General Fund Debt \$10,741,000
- Equipment Financing \$ 1,728,000
- Total Debt \$12,469,000

At the beginning of 2023, the City's total debenture debt was \$12,683,000

## **22.0 CAPITAL EXPENDITURE PROGRAM**

Capital expenditures are made to purchase, develop, and renovate assets that support City services and whose lives extend beyond one year. What the City spends on these activities forms the City's capital funding requirement.

In January 2024, staff reviewed the 5 year capital plan with Council. Capital projects related to the City's water system are funded through the water fund. Projects related to the City's sewer system are funded through the sewer fund. The City's water and sewer utilities charge user fees, and these fees are intended to cover the full cost of these respective functions.

All other capital expenditures are funded through the general operating budget fund, including the annual top-up from the Casino reserve, from special reserves which have been created in the past, and from the Capital Replacement reserve. Other revenue, such as government grants and Development Cost Charges reduce the City's funding requirements from general revenue.

## **23.0 CONCLUSION**

The preliminary budget reflects a concerted effort on the part of staff to maintain existing levels of service within the constraints of our revenue resources, except where specifically noted for Council's attention. The Financial Sustainability and Audit Committee has reviewed and recommends this budget.

## APPENDIX A – BUDGET SURVEY RESULTS