

District of Invermere 2018 Budget Municipal Finance 101



Get involved!

Whether it is providing us input through our online survey or whether it is attending one of the budget open houses to either ask questions and find out more information or if it is to express an opinion and inform council members- your participation and perspective is important.

Although the budget process is about money and numbers, it is also the opportunity to put ideals and objectives into action. Through our budgeting process we not only allocate the money which puts the priorities for 2018 into action, but we also build the basis of a five year financial plan which will provide direction and guidance going forward, including for the next Invermere council after the October 2018 municipal elections.

Council is looking forward to hearing from you!

Mayor Gerry Taft

SURVEY! SURVEY! SURVEY! SURVEY!

Visit one of our events or check out our website to fill out the budget survey.
We want to hear from you!!

Public Consultation

Please join Council for two planned Open Houses:

- Nov 22nd at 6:00 p.m.
- Dec 6th at 6:00 p.m.

Both meetings to be held in our new Columbia Valley Centre at 646—4th Street!

Municipal Budget Process ~ Priority Setting:

Municipal Councils generally have three main choices at budget time, none of which are easy:

1. Increase taxes and maintain an existing level of service, or add further services;
2. Maintain the existing tax rates (or reduce tax rates) and reduce services;
3. Find other sources of revenue or find efficiencies.

Just like your homes and businesses, external costs for the District increase. Hydro costs, postal costs, insurance, permits and licenses, contractors, parts and equipment, fuel ~ these are all costs we cannot control. Delivery of many of the services also has little room for adjustment for example water and sewer infrastructure is already in place and a reduction of certification and service is not allowed or possible. This means that a Cost of Living Adjustment (COLA) to the taxes is required to maintain the same level of service. Council aims to provide good stewardship of District funds while striking a balance keeping costs affordable, maintaining existing services and providing new services and facilities, like our new Columbia Valley Centre! Good fiscal stewardship involves ensuring that we have a balanced budget every year, that there are sufficient funds budgeted for the delivery of services, that there are sufficient funds budgeted as contingencies for unexpected expenses, and that the reserves are built and maintained for infrastructure replacement.

Money put in reserve for future capital expenditures demonstrates good fiscal management and preparedness. However, local government is also held to a principle of temporal fiscal equivalence, which states that payments should be matched to the time when benefits are received (in other words, financing through borrowing). In the first instance, you pay so that your children can benefit. In the second, the user of a service both pays and benefits. In reality, most capital projects will be paid for by some combination of reserve funding, grant funding and borrowed monies.

Municipal Budget Process ~ Introduction:

Taxes are a means for people to accomplish together what they cannot do individually. Water treatment and distribution, sewer treatment, paved roads, street lights, fire protection, cemetery ~ these and many more services are the result of collective action. The annual budget is the most important decision that Council makes every year, because that is where they operationalize their priorities. It is policy into action! The process of draft budget review and debate is legislated to be held in meetings open to the public, with opportunity for the public to provide comments. In addition to levying taxes for their own purposes, municipalities also levy taxes for other public authorities, such as school taxes, policing, Regional District, Regional Hospital, BC Assessment Authority and Municipal Finance Authority. 44% of your tax bill is collected and remitted to these other agencies.

Municipal Budget Process ~ Getting Involved:

There are many opportunities to get involved in assisting us with finalizing the 2018-2022 Financial Plan! Join us next week for Coffee with Council on November 7th and 8th, attend the Senior's lunch on November 9th. Partake in our 2018 budget survey either online at www.invermere.net or via paper copy picked up at our office, or join us at two Open House Opportunities on November 22nd and December 6th. Let your voices be heard!

Taxes are a means for people to accomplish together what they cannot do individually.

Should user fees cover more of the cost of facility use?

When are those budget meetings again?

What do I value more, lower taxes or services?

Should taxes pay for facilities and users pay lower fees?

Should the District play a more active role addressing social issues?

How much do we need to allocate to the environment?



How much do we need to put away for future infrastructure?

Municipal Budget Process ~ running 3 businesses:

The District runs 3 distinct businesses ~ sewer, water and general and each operating fund has its own capital fund. Sewer fees generated through your semi-annual utility bill is the primary source of revenue for the entire sewer system and water fees generated is the primary source of revenue for the entire water system. Everything else is captured under general and the revenue stream is primarily property taxes and user fees. District staff and elected officials spend significant time, through their member organizations such as RMLGMA, AKBLG, UBCM, FCM and others advocating for more direct transfers of funds from other levels of government to address municipal infrastructure concerns. Your elected officials and your municipal organization ~ working and advocating for a better system to serve you and your children into the future.