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## AGENDA

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### PUBLIC INPUT

1. CALL TO ORDER
2. ADOPTION OF AGENDA
3. DECLARATION OF INTEREST
4. ANNOUNCEMENTS, AWARDS, CEREMONIES & PRESENTATIONS
5. ADMINISTRATIVE ENQUIRIES
6. COMMITTEE REPORTS
  - a. 2024 O&M and Capital Budgets Presentation
7. NOTICE OF MOTIONS
8. ADJOURNMENT



## REPORT TO COMMITTEE

**COMMITTEE: FINANCE COMMITTEE**

**DATE: DECEMBER 18, 2023**

**SUBJECT: 2024 O & M and Capital Budgets**

### **RECOMMENDATION:**

**THAT THE COUNCIL OF THE TOWN OF HAY RIVER approves the 2024 Consolidated O&M and Capital budgets as presented and recommended by the Finance Committee.**

### **BACKGROUND:**

The Capital and Operating and Maintenance Budgets follow a multi-cycle process for review, development, and eventual approval by Council. On December 14, the Finance Committee met to review Cycle 1 versions of the proposed budgets and recommend refinements through a Cycle 2 version of the budgets to be presented to the Standing Committee of Council. Any further recommended changes to the budgets will be incorporated into a Cycle 3 version scheduled for the Regular Meeting of Council on January 8, 2024.

Several planning documents have been reviewed through the budget process to ensure resources are identified to support the strategic and operational interests of the Town. These include the 2022-2025 Strategic Plan, the 10 Year Capital Plan, 2024 Departmental Business Plans, a Protective Services organizational study, and asset management and safety roadmaps.

A 2024 Budget Survey was issued to the public on October 31, 2023 to help gauge public perception of core service performance and prioritization of service provision. It was used as one tool amongst several sources of information to support the development of the budgets and Council's decision-making through the budget process.

In addition to supporting approved Town plans and community consultation, the 2024 budgets are reflective of the impacts of national inflationary pressures, climate change, increasing community social issues, and the continued underfunding of municipal operations and asset replacements by other levels of government. Long-term capital requirements are underfunded by an estimated \$8.8M / year and cannot be appropriately addressed through Town fees and taxation.

### **COUNCIL POLICY / STRATEGY OR GOAL:**

N/A

**APPLICABLE LEGISLATION, BYLAWS, STUDIES, PLANS:**

*Cities, Towns and Villages Act S.N.W.T. 2003, c.22 Sec. 94 (1)*

**FINANCIAL IMPLICATIONS:**

Increase of \$543K property tax revenue requirement  
\$2.29M Contribution to Capital  
\$14.8M Capital Spend

**ALTERNATIVES TO RECOMMENDATIONS:**

N/A

**ATTACHMENTS:**

- 2024 O & M and Capital Budget Presentation

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Prepared by:  
Glenn Smith  
Senior Administrative Officer  
December 12, 2023

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Reviewed By:  
Abena Nyarko  
Director of Finance and Administration  
December 12, 2023



# 2024 Budget


- Cycle 2 -

Council Presentation

December 18<sup>th</sup>, 2023



# Agenda

- Budget Timeline
  - Planning Process
  - Strategic Plan
  - 2024 Budget Survey Results
  - 2024 Cycle 2 O&M Budget
  - 2024 Cycle 2 Capital Budget
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# 2024 Budget Timeline



# Planning Process





# Strategic Plan

## Council High Priority Initiatives for 2024

Work to ensure that reliable water distribution is accessible to all residents and businesses in Hay River.

Complete all new and replacement infrastructure projects identified in the budget.

Divert waste from the landfill through improved recycling and waste management procedures.

Develop and implement wildfire recovery and mitigation plans.

Develop and begin implementation of flood recovery and mitigation plans.

Update planning, mapping, and bylaws to guide land and infrastructure development and flood mitigation strategies.

Develop and implement a Community Housing Plan.

Plan for the increasing likelihood and impact of extreme weather events.

Update the Agriculture Plan.





# Strategic Plan

## Council High Priority Initiatives for 2024

Revitalize community groups and volunteerism through promotion of benefits and recognition of commitment.

Promote a strategy based on supporting mental health and preventing issues arising from mental health challenges.

Update and enforce unsightly and abandoned premises bylaws more strictly.

Complete the electrical services franchise agreement with the Northwest Territories Power Corporation.

Implement efficiencies in town operations.

Employ workforce planning programs in Town departments that encourages training, professional development, and retention of quality staff.

Build a strong safety culture among people who work for the Town.



# 2024 Budget Survey Results

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## Background

Online and manual collection

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128 respondents

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## Respondent Overall Satisfaction

51% Poor-Very Poor

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49% Fair-Good

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## Service Level Satisfaction

High: Ambulance & Fire; Trucked Water; Waste Collection

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Low: Fire and Flood Preparedness; Roads and Sidewalks; Landfill Mgmt.; Ec. Dev.; Land Planning

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## Service Level Changes

Increase: Fire and Flood Preparedness; Roads and Sidewalks; Utility Services (Water/Sewer)

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Decrease: Bylaw; Recreation; Tourism

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# 2024 Budget Survey Results

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## Taxes

52% Maintain taxes and fees

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21% Increase taxes and fees to increase services

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## Multi-Government Issues

Cost of Living

Housing

Social Issues

Governance and Transparency

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## Evolving Topics

84% User Pay Solid Waste

63% Seniors / Disabled Tax Exemption Cap/Removal

54% Wildfire Prevention - Third Party Funding

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# 2024 Operations & Maintenance Budget

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# 2024 O&M Budget Assumptions

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## Government Funding

No changes to core GNWT / MACA funding.

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## Mayor & Council

Mayor and 7 Councillors honorarium budgeted.

\$20K was added to the budget for the 2024 elections.

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## Salaries & Wages

6% staff vacancy rate included in budget.

New position added to the fire department and increases made to compensation to the firefighters to support increased demand for services.

\$40K was added to the legal fees budget for the collective agreement bargaining.

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## Service Levels

No major changes to the service levels.

Increased resources for Protective Services to support increased ambulance demand, emergency management, and the workplace safety program.

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# 2024 O&M Budget Assumptions

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## Fees & Charges

No changes to the 2024 rates outlined in the Fees and Charges Bylaw 4436.

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Increased rates to be implemented in 2024 for ambulance billing to reflect increased operational costs.

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## External Funding

External revenues and related expenses that haven't been reasonably assured have been excluded from the budget.

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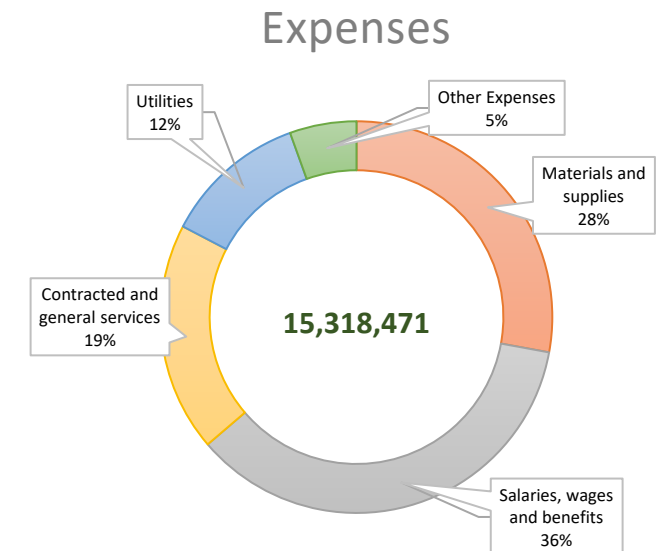
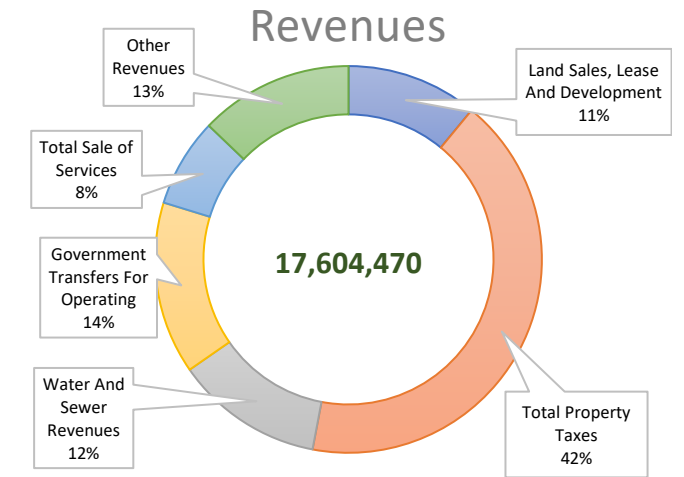
## Contribution to Capital

Any net revenue over expense to be allocated to reserves to fund capital projects. The budget is projected to contribute \$2.3M to capital in 2024. This equates to a \$290k increase from the prior year and is part of a 5-year plan to address capital plan underfunding.

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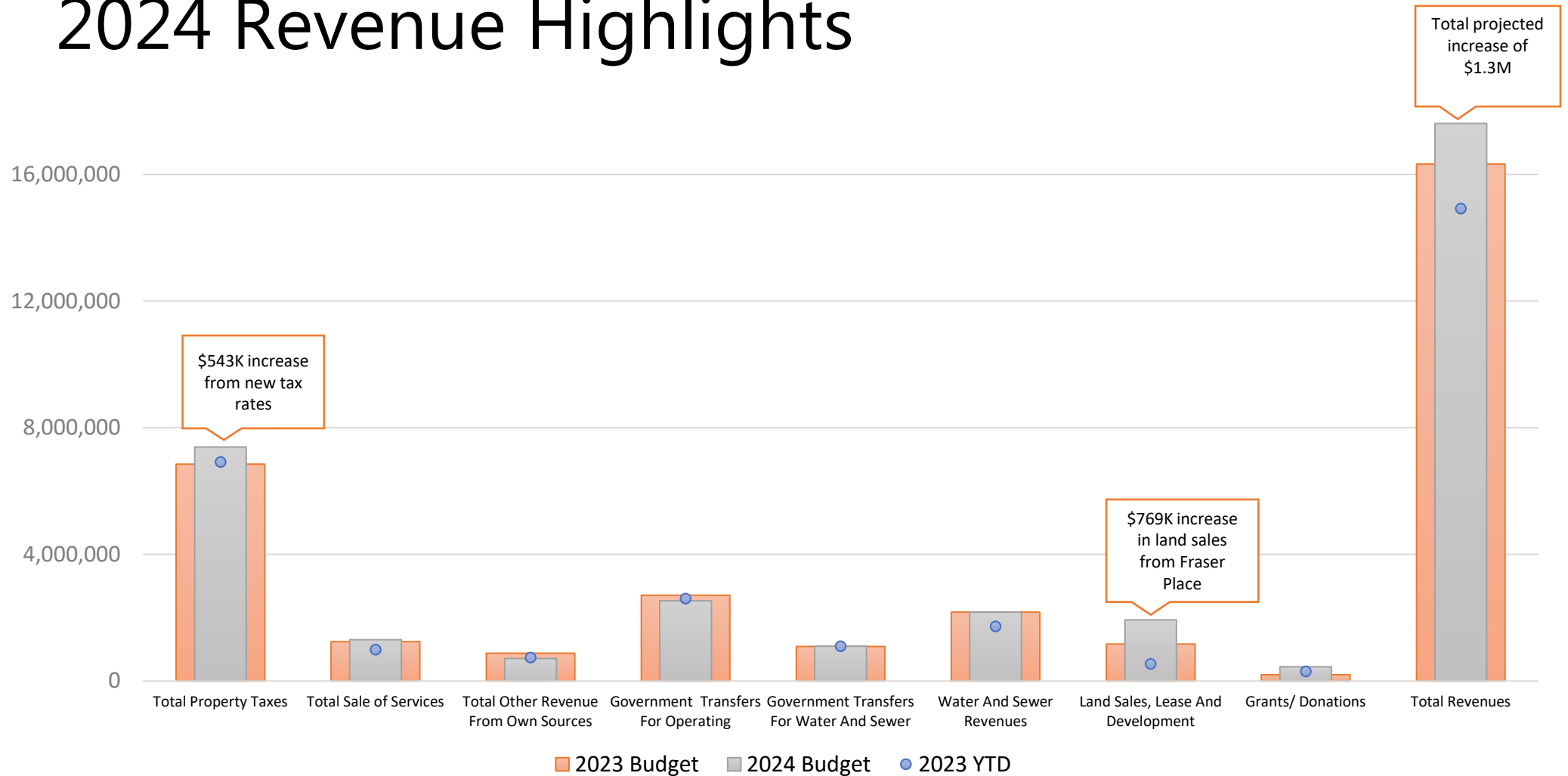
# 2024 Consolidated Total

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Revenues</b>				
Total Property Taxes	6,852,143	7,395,000	542,857	8%
Total Sale of Services	1,241,700	1,304,300	62,600	5%
Total Other Revenue From Own Sources	880,000	711,500	(168,500)	(19%)
Government Transfers For Operating	2,712,500	2,536,670	(175,830)	(6%)
Government Transfers For Water And Sewer	1,095,000	1,097,000	2,000	0%
Water And Sewer Revenues	2,175,000	2,177,000	2,000	0%
Land Sales, Lease And Development	1,165,000	1,934,000	769,000	66%
Grants/ Donations	202,000	453,000	251,000	124%
<b>Total Revenues</b>	<b>16,323,343</b>	<b>17,608,470</b>	<b>1,285,127</b>	<b>8%</b>
<b>Expenses</b>				
Salaries, wages and benefits	5,253,538	5,492,200	238,662	5%
Contracted and general services	3,109,250	2,898,473	(210,778)	(7%)
Materials and supplies	3,353,056	4,271,503	918,447	27%
Provision for bad debts	40,000	40,000		
Mayor and council expenses	171,099	141,350	(29,749)	(17%)
Bank Charges and Interest	60,000	60,000		
Interest on LTD	350,000	300,000	(50,000)	(14%)
Utilities - electricity	795,100	1,007,000	211,900	27%
Utilities - fuel	931,300	805,945	(125,355)	(13%)
Insurance	260,000	302,000	42,000	16%
<b>Total Expenses</b>	<b>14,323,343</b>	<b>15,318,471</b>	<b>995,128</b>	<b>7%</b>
<b>Operating Surplus/(Deficit)</b>	<b>2,000,000</b>	<b>2,290,000</b>	<b>290,000</b>	<b>14%</b>



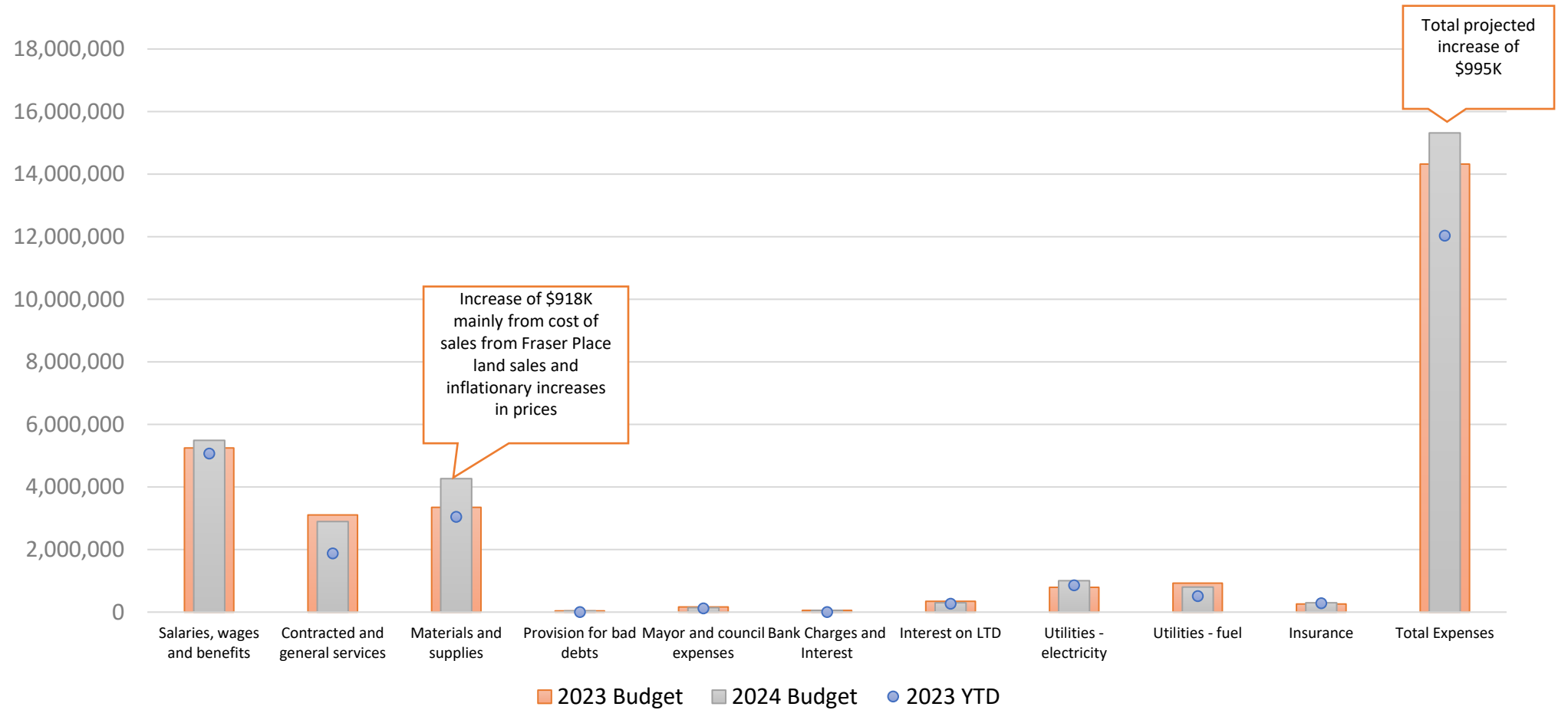


# 2024 Revenue Highlights

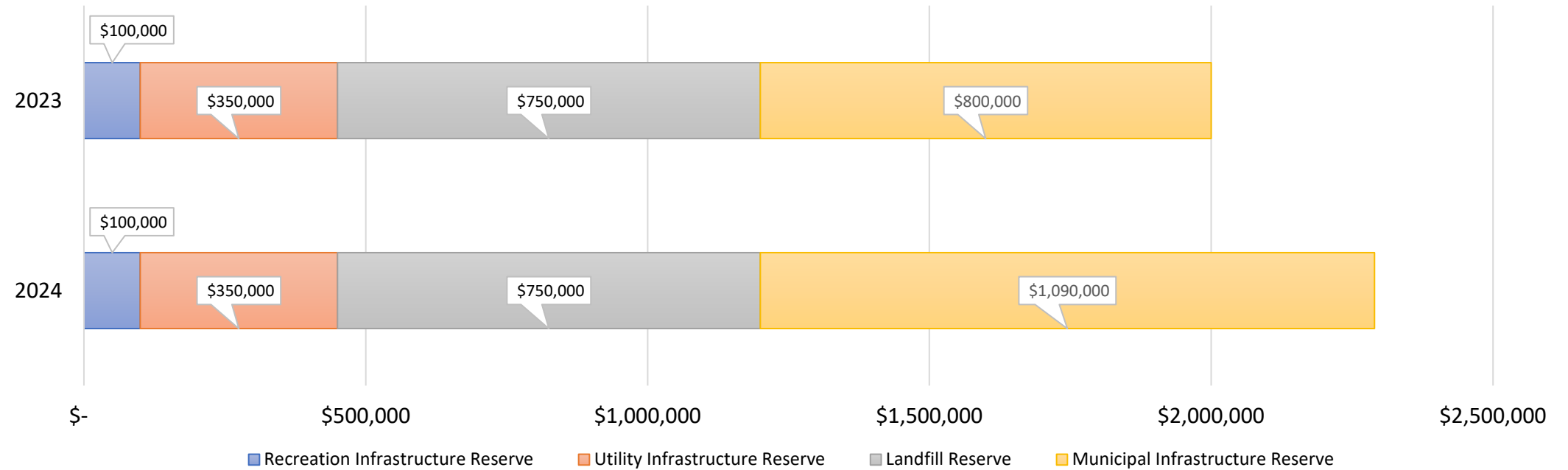




# 2024 Expense Highlights



# 2024 Contributions to Capital Reserves



# 10 Year Capital Funding Shortfall

Total Funding Shortfall

- The 10-year capital plan is underfunded by \$88,000,000 or \$8,800,000 a year

Major projects that are underfunded in the 10-year plan

- Water Treatment Plant - \$20,000,000
- Sundog Land Development - \$17,700,000
- Town Hall - \$7,300,000
- Municipal Solid Waste Facility (Phase I and II)- \$3,800 000
- Hoffman Way - Golf Course \$3,300,000

Funding shortfall excluding major projects

- \$35,900,000 or \$3,590,000 a year

Funding shortfall, if Town obtains 70% infrastructure funding from external sources

- \$1,077,000 per year
- This would require about a 15% increase in property tax revenues



# 2024 Operations & Maintenance Budget by Department

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# General Government Services

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Revenues</b>				
Total Property Taxes	6,852,143	7,395,000	542,857	8%
Franchise Fee	340,000	300,000	(40,000)	(12%)
Government Transfers For Operating	2,285,000	2,319,000	34,000	1%
Grants/ Donations	125,000	270,000	145,000	116%
Interest Revenues	105,000	105,000		
Licenses & Permits	150,000	120,500	(29,500)	(20%)
Other Revenue From Own Sources	250,000	166,000	(84,000)	(34%)
Sale of Services	22,500	8,000	(14,500)	(64%)
<b>Total Revenues</b>	<b>10,129,643</b>	<b>10,683,500</b>	<b>553,857</b>	<b>5%</b>
<b>Expenses</b>				
Salaries, wages and benefits	1,282,397	1,524,300	241,903	19%
Contracted and general services	335,000	191,000	(144,000)	(43%)
Materials and supplies	412,500	590,500	178,000	43%
Provision for bad debts	40,000	40,000		
Mayor and council expenses	171,099	141,350	(29,749)	(17%)
Bank Charges and Interest	60,000	60,000		
Interest on LTD	350,000	300,000	(50,000)	(14%)
Insurance	260,000	302,000	42,000	16%
<b>Total Expenses</b>	<b>2,910,996</b>	<b>3,149,150</b>	<b>238,154</b>	<b>8%</b>
<b>Operating Surplus/(Deficit)</b>	<b>7,218,647</b>	<b>7,534,350</b>	<b>315,703</b>	<b>4%</b>

# Water & Sewer Services

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Revenues</b>				
Government Transfers For Water And Sewer	1,095,000	1,097,000	2,000	0%
Water And Sewer Revenues	2,175,000	2,177,000	2,000	0%
<b>Total Revenues</b>	<b>3,270,000</b>	<b>3,274,000</b>	<b>4,000</b>	<b>0%</b>
<b>Expenses</b>				
Salaries, wages and benefits	446,585	478,800	32,215	7%
Contracted and general services	1,475,000	1,454,000	(21,000)	(1%)
Materials and supplies	345,000	322,500	(22,500)	(7%)
Utilities - electricity	165,000	178,000	13,000	8%
Utilities - fuel	315,000	250,000	(65,000)	(21%)
<b>Total Expenses</b>	<b>2,746,585</b>	<b>2,683,300</b>	<b>(63,285)</b>	<b>(2%)</b>
<b>Operating Surplus/(Deficit)</b>	<b>523,415</b>	<b>590,700</b>	<b>67,285</b>	<b>13%</b>

# Protective Services

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Revenues</b>				
Ambulance Billings	550,300	686,300	136,000	25%
Fire Hall	35,000		(35,000)	(100%)
Other Revenue From Own Sources	35,000	20,000	(15,000)	(43%)
Government Transfers For Operating	37,000	57,000	20,000	54%
Total Revenues	657,300	763,300	106,000	16%
<b>Expenses</b>				
Salaries, wages and benefits	454,380	607,600	153,220	34%
Contracted and general services	110,550	92,515	(18,035)	(16%)
Materials and supplies	256,006	237,815	(18,191)	(7%)
Utilities - electricity	67,500	76,000	8,500	13%
Utilities - fuel	60,900	63,945	3,045	5%
Total Expenses	949,336	1,077,875	128,539	14%
Operating Surplus/(Deficit)	(292,036)	(314,575)	(22,539)	8%



# Recreational and Cultural Services

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Revenues</b>				
Recreation Other Revenues	15,000	10,000	(5,000)	(33%)
Recreation Rental Revenues	276,000	219,000	(57,000)	(21%)
Recreation Ice Revenues	5,000	6,000	1,000	20%
Recreation Program Revenues	60,000	54,000	(6,000)	(10%)
Sale of Services	87,500	67,000	(20,500)	(23%)
Grants/ Donations	12,000		(12,000)	(100%)
Recreation Advertising	35,000	26,000	(9,000)	(26%)
Government Transfers For Operating	390,500	160,670	(229,830)	(59%)
<b>Total Revenues</b>	<b>881,000</b>	<b>542,670</b>	<b>(338,330)</b>	<b>(38%)</b>
<b>Expenses</b>				
Salaries, wages and benefits	1,622,500	1,574,600	(47,900)	(3%)
Contracted and general services	554,000	304,850	(249,150)	(45%)
Materials and supplies	421,000	400,476	(20,524)	(5%)
Utilities - electricity	315,500	416,000	100,500	32%
Utilities - fuel	510,000	440,000	(70,000)	(14%)
<b>Total Expenses</b>	<b>3,423,000</b>	<b>3,135,926</b>	<b>(287,074)</b>	<b>(8%)</b>
<b>Operating Surplus/(Deficit)</b>	<b>(2,542,000)</b>	<b>(2,593,256)</b>	<b>(51,256)</b>	<b>2%</b>



# Environmental Services

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Revenues</b>				
Landfill Revenues	125,000	220,000	95,000	76%
Total Revenues	125,000	220,000	95,000	76%
<b>Expenses</b>				
Salaries, wages and benefits	92,000	60,200	(31,800)	(35%)
Contracted and general services	61,200	121,508	60,308	99%
Materials and supplies	386,000	465,000	79,000	20%
Utilities - electricity	3,500	3,000	(500)	(14%)
Total Expenses	542,700	649,708	107,008	20%
Operating Surplus/(Deficit)	(417,700)	(429,708)	(12,008)	3%

# Transportation and Public Works

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Expenses</b>				
Salaries, wages and benefits	1,223,626	1,093,700	(129,926)	(11%)
Contracted and general services	488,500	572,000	83,500	17%
Materials and supplies	615,650	598,412	(17,238)	(3%)
Utilities - electricity	241,000	330,000	89,000	37%
Utilities - fuel	43,000	50,000	7,000	16%
Total Expenses	2,611,776	2,644,112	32,336	1%
Operating Surplus/(Deficit)	(2,611,776)	(2,644,112)	(32,336)	1%

# Tourism

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Revenues</b>				
Tourism Revenue	30,400	8,000	(22,400)	(74%)
Grants/ Donations	65,000	183,000	118,000	182%
Total Revenues	95,400	191,000	95,600	100%
<b>Expenses</b>				
Salaries, wages and benefits	132,050	153,000	20,950	16%
Contracted and general services	12,000	162,600	150,600	1255%
Materials and supplies	71,900	66,800	(5,100)	(7%)
Utilities - electricity	2,600	4,000	1,400	54%
Utilities - fuel	2,400	2,000	(400)	(17%)
Total Expenses	220,950	388,400	167,450	76%
Operating Surplus/(Deficit)	(125,550)	(197,400)	(71,850)	57%

# Land Development

Statement of Operations	2023 Budget	2024 Budget	Variance	% Variance
<b>Revenues</b>				
Land Sales, Lease And Development	1,165,000	1,934,000	769,000	66%
Total Revenues	1,165,000	1,934,000	769,000	66%
<b>Expenses</b>				
Contracted and general services	73,000		(73,000)	(100%)
Materials and supplies	845,000	1,590,000	745,000	88%
Total Expenses	918,000	1,590,000	672,000	73%
Operating Surplus/(Deficit)	247,000	344,000	97,000	39%



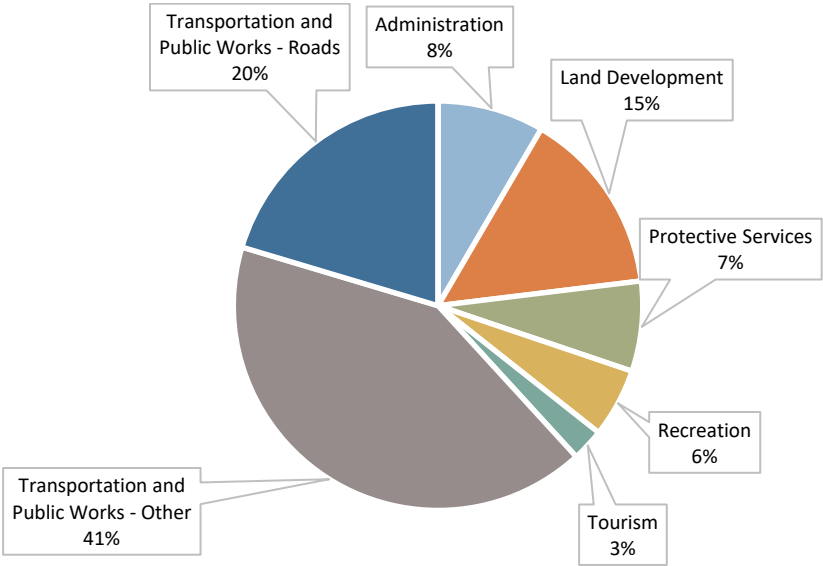
# 2024 Capital Plan

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# Expenditure Summary: 2024 Budget vs. 2023 Budget

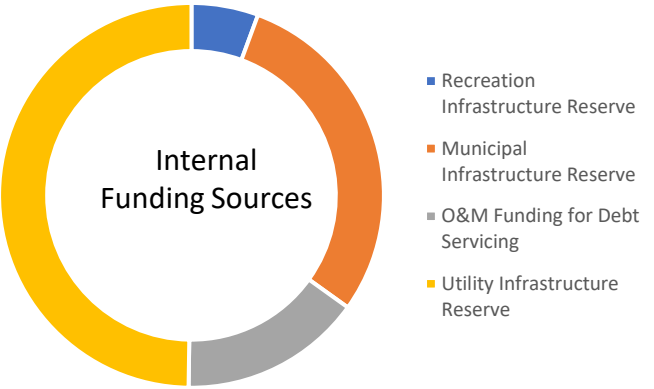
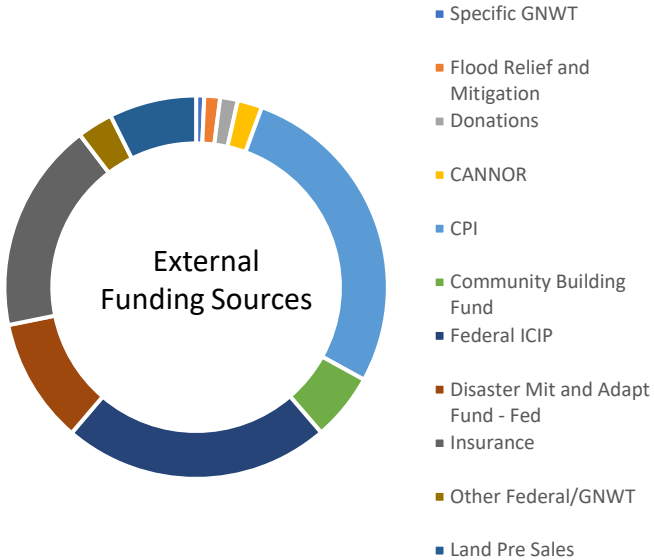
Department	2024 Budget	2023 Budget
Administration	1,016,000	819,000
Land Development	1,767,968	1,500,000
Protective Services	859,000	517,500
Recreation	659,000	1,794,000
Tourism	309,000	47,000
Transportation and Public Works	7,458,250	10,155,050
	<b>12,069,218</b>	<b>14,832,550</b>



# 2024 Capital Funding Sources

External Capital Funding Source	2024
Specific GNWT	69,000
Flood Relief and Mitigation	135,000
Donations	150,000
CANNOR	209,600
CPI	2,775,703
Community Building Fund	574,221
Federal ICIP	2,280,610
Disaster Mit and Adapt Fund - Fed	1,070,716
Insurance	1,800,000
Other Federal/GNWT	304,000
Land Pre Sales	745,000
<b>Total</b>	<b>10,113,850</b>

Internal Capital Funding Sources	2024
Recreation Infrastructure Reserve	110,000
Municipal Infrastructure Reserve	572,400
O&M Funding for Debt Servicing	300,000
Utility Infrastructure Reserve	972,968
<b>Total</b>	<b>1,955,368</b>





# 2024 Capital Plan -Public Works-Roads

Project Name	2024 Total	Debt and/or Unfunded
553 - Preliminary Drainage Plan		
Airport Road Repair and Upgrade		
Beaver Cres. Water, Sewer and Drainage Replacement		
Capital Drive Watermain, Sidewalk and Roadworks		
Industrial Drive Base Upgrade, Paving and Underground		
Paradise Road Repair and Replacement		
Riverview Drive Upgrades		
Lagoon Road Fire Abatement & Cleanup		
Paradise Access Road Erosion Assessment		

Legend
Less than 100,000
100,001 to 499,999
Over \$500,000



# 2024 Capital Plan -Public Works-Other

Project Name	2024 Total	Debt and/or Unfunded
Aspen Heights Subdivision Development		
Biomass District Heating System		
Cemetery Expansion - New Site		
Fire Hall/Town Hall Demolition		
Fraser Place Subdivision Development		
Hazardous Waste Removal		
Industrial Area Drainage		
Infrastructure Planning and Studies		
Lift Station 1 Mitigation		
Lift station 1 Repair		
Miron Storm Outlets Improvements		
Miron/ John Mapes/ Riverbend Storm and Sewer Manhole Upgrades		
Municipal Solid Waste Facility (Phase I and II)		
Pickup Truck Replacements		
Pumps and Generator Replacements at Lift Stations		
Shoreline Flood Mitigation		
Storm Backflow Flood Valves		
Tire Recycling Program		
Vale Island/West Channel Drainage		
Water Treatment Plant Feasibility Study and Preliminary Design		
Lift Station # 3 Replacement		
Small Capital		
NFTI Remediation (cleanup and removal of old structures)		
Grader Repair		
Industrial Area Expansion- preliminary design		

Legend
Less than 100,000
100,001 to 499,999
Over \$500,000

# 2024 Capital Plan - Recreation

Project Name	2024 Total	Debt and/or Unfunded
Bob McMeekin Park Enhancements		
Don Wright Park Revitalization		
Ice Resurfacer		
Replace Playground Fall Zones		
Riding Mower Replacements		
Skatepark Upgrades		
Skating ice surface painting machine		
Vale Island Multi-Use Recreation Area		
Hay River Golf Course - Golf Green Replacements & Clubhouse enhancements		
Small Capital Program - Recreation		
Ray Benoit Rink Replacement		

Legend
Less than 100,000
100,001 to 499,999
Over \$500,000

# 2024 Capital Plan –Administration & Tourism

Project Name	2024 Total	Debt and/or Unfunded
Asset Management System Implementation		
Computer Equipment Replacement Program		
Debt Service Community Center - CPI and Donation Portion		
Downtown Beautification and Accessibility Project		
Kayak Stations		
Online Payroll System		
Small Capital Program - Tourism and Economic Development		
VIC Septic Tank Replacement		
Virtual Server		
EV Charging Station		
Visitor Information Way finder Signage Development		

Legend
Less than 100,000
100,001 to 499,999
Over \$500,000

# 2024 Capital Plan – Protective Services

Project Name	2024 Total	Debt and/or Unfunded
Bylaw Truck Replacement		
Heavy Rescue Truck Replacement		
Vehicle extrication tools		

Legend
Less than 100,000
100,001 to 499,999
Over \$500,000