



2025-2029 Budget and Financial Plan

Proposed Water and Sewer Budget

2024-10-25



TOWN OF
COMOX

Self-Funding Services

- Water and Sewer services generally self-funding via cost recovery
- Expenses for service paid for by revenues from service
- Revenues
 - User fees
 - Parcel tax
 - Grants
 - Development Cost Charges (DCCs) and Developer Contributions
 - Debt
 - Internal reserves funded by user fees and parcel taxes

Water Budget and Financial Plan

2025 - 2029



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Water Budget Summary

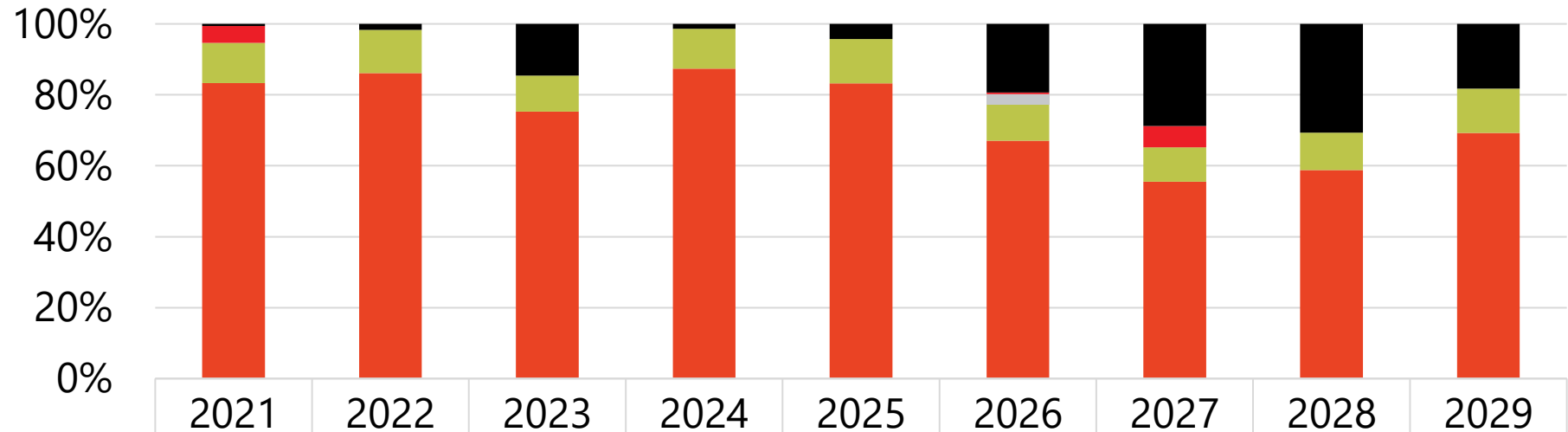
- Transfers from reserves increasing dramatically as deferred water capital repairs due to COVID and funding are budgeted
- Water parcel taxes are forecasted to rise to meet increasing capital replacement costs
 - Focus on matching capital repair revenues with capital repair expenses
- Steady rate of increase in cost of CVRD water = 1% per year
- Comox user rates to shift from previously budgeted 1% annual increase to 3% annual increase to meet capital replacement funding needs

WATER SUMMARY	2022		2023		2024		2024-11-01	2025	2026	2027	2028	2029
	Budget	Actual	Budget	Actual	Budget	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	
REVENUE												
1.NR	102,850	62,224	558,000	634,158	55,000	0	180,000	1,033,000	1,915,200	1,985,000	1,040,800	
1.Revenue	3,615,340	3,546,162	3,708,380	3,780,468	4,004,075	3,669,085	4,002,645	4,313,970	4,740,211	4,483,334	4,667,795	
TOTAL REVENUE	3,718,190	3,608,386	4,266,380	4,414,626	4,059,075	3,669,085	4,182,645	5,346,970	6,655,411	6,468,334	5,708,595	
EXPENSES												
Operating Exp.												
<u>Core Services</u>												
2.NR.TsfTo	768,730	768,730	434,059	608,966	447,696	0	459,214	547,111	708,139	804,124	940,004	
2.NR.Debt	18,740	25,153	3,980	8,465	0	0	0	0	0	0	0	
2.Fiscal	380,940	242,042	380,940	229,469	378,400	0	385,900	393,600	401,400	409,430	417,620	
2.Admin	20,400	2,750	20,800	763	21,200	1,000	30,600	31,180	31,800	32,440	33,090	
2.Distribution	2,226,510	2,178,568	2,748,252	2,875,703	3,035,544	2,235,034	3,001,515	3,034,567	3,069,234	3,105,118	3,142,220	
2.HydrantMeter	101,170	92,474	120,349	60,250	121,235	43,823	125,416	132,512	129,638	132,222	134,861	
2.BulkWater	0	0	0	0	0	0	0	0	0	0	0	
2.FleetEquip	0	0	0	0	0	0	0	0	0	0	0	
Total Core Serv.	3,516,490	3,309,717	3,708,380	3,783,615	4,004,075	2,279,858	4,002,645	4,138,970	4,340,211	4,483,334	4,667,795	
<u>Special Projects</u>												
3.Project	26,700	0	0	0	0	0	0	150,000	16,700	0	20,000	
Total Oper. Exp.	3,543,190	3,309,717	3,708,380	3,783,615	4,004,075	2,279,858	4,002,645	4,288,970	4,356,911	4,483,334	4,687,795	
Capital Expenses												
4.Capital	175,000	63,258	558,000	708,736	55,000	94,985	180,000	1,058,000	2,298,500	1,985,000	1,020,800	
Total Capital	175,000	63,258	558,000	708,736	55,000	94,985	180,000	1,058,000	2,298,500	1,985,000	1,020,800	
TOTAL EXP.	3,718,190	3,372,976	4,266,380	4,492,351	4,059,075	2,374,843	4,182,645	5,346,970	6,655,411	6,468,334	5,708,595	
NET EXPENSE	0	235,410	0	-77,725	0	1,294,242	0	0	0	0	0	

Water Capital Projects

- Full list of projects in budget package
- Primarily scheduled watermain replacements
 - Some are timed with scheduled road repaving
- Two largest projects:
 - \$891,000 Church St. watermain replacement Robb to Comox
 - \$850,000 Watermain installation Anderton to Pritchard to loop water system in north Comox and will increase water quality and improved pressure – partly funded by DCCs

Source of Water Revenues



	2021	2022	2023	2024	2025	2026	2027	2028	2029
■ Reserves	1%	2%	15%	1%	4%	19%	29%	31%	18%
■ DCCs and Dev. Cont.	5%	0%	0%	0%	0%	0%	6%	0%	0%
■ Grants	0%	0%	0%	0%	0%	3%	0%	0%	0%
■ Parcel Tax	11%	12%	10%	11%	12%	10%	10%	11%	12%
■ Sale of Services	83%	86%	75%	87%	83%	67%	55%	59%	69%

Challenges in Water Services

- Growing capital replacement costs
- 2024-2028 Water Budget and Financial Plan forecasted a depletion of Water reserves by mid-2027
 - Approximate \$2,000,000 shortfall
 - Unable to fund water capital replacement – some projects deferred
- Staff to review post-2029 expenditures to ensure adequate revenues are collected in advance
 - Future consideration to determine optimum mix of user fees and parcel taxes for capital repairs

Water Reserves Forecast

Water Reserves	2021	2022	2023	2024	2025	2026	2027	2028	2029
Water RFFE		200,000	200,000	195,000	236,700	236,700	220,000	220,000	200,000
Water Capital Works Reserve	2,100,798	2,847,972	2,966,780	2,916,780	3,154,294	2,668,405	1,478,044	297,168	216,372
Total	2,100,798	3,047,972	3,166,780	3,111,780	3,390,994	2,905,105	1,698,044	517,168	416,372

Seek to maintain:

\$200,000 in Water RFFE (operating budget fluctuations)

\$300,000 in Water Capital Works Reserve (emergency unbudgeted repairs)

Water User Rates and Parcel Tax Forecast

User Rate Increase Forecast

Year	2025	2026	2027	2028	2029
Increase	3.00%	3.00%	3.00%	3.00%	4.00%

Parcel Taxes Forecast

Year	2024	2025	2026	2027	2028	2029
Charge	\$75	\$85	\$90	\$105	\$110	\$115

Effect of Water Parcel Tax Increases on Reserves



	2021	2022	2023	2024	2025	2026	2027	2028	2029
■ Increase Parcel Tax	2,100,798	3,047,972	3,166,780	3,111,780	3,390,994	2,905,105	1,698,044	517,168	416,372
■ Do not increase parcel tax					3,329,654	2,751,530	1,359,549	-37,592	-386,148

Sewer Budget and Financial Plan

2025 - 2029



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Sewer Budget Summary

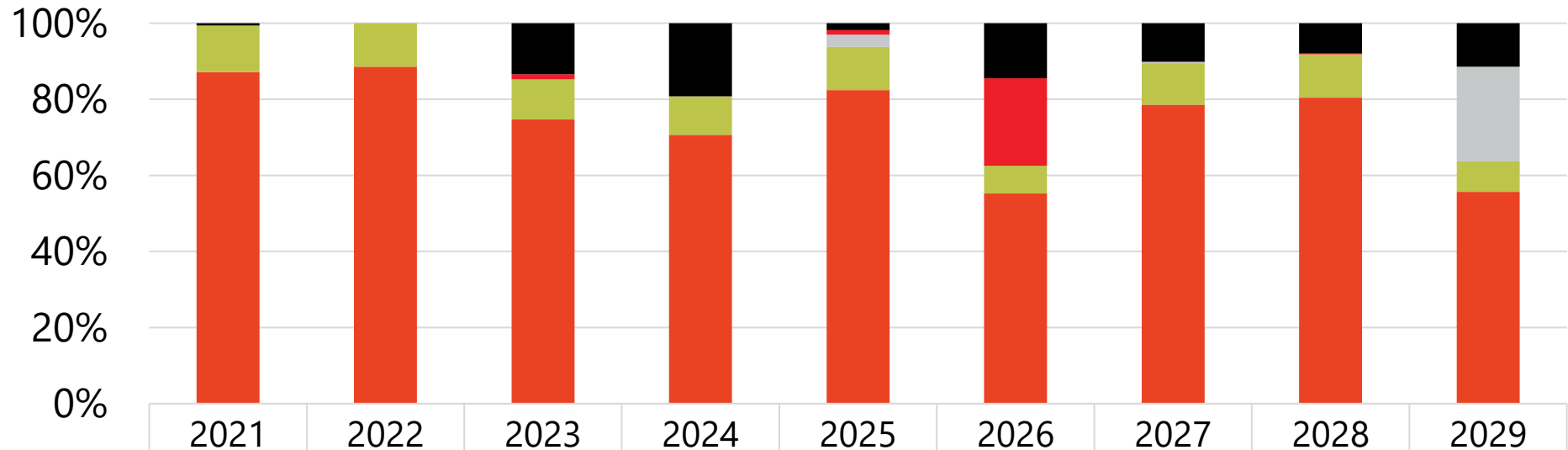
- Large upcoming capital projects required for expansion are dependent upon DCCs that have not yet been collected or grants
- Sewer parcel taxes are forecasted to rise to meet increasing capital replacement costs
 - Focus on matching capital repair revenues with capital repair expenses
- Comox user rate increases to match proposed CVRD rate increases for treatment costs

SEWER SUMMARY	2022	2022	2023	2023	2024	2024-11-01	2025	2026	2027	2028	2029
	Budget	Actual	Budget	Actual	Budget	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
REVENUE											
1.NR	1,742,000	0	1,353,500	595,020	991,000	0	84,750	1,060,500	523,950	418,200	897,000
1.Revenue	3,932,130	3,526,358	3,674,073	3,850,520	4,157,519	3,969,349	4,587,680	6,265,980	4,673,130	4,837,759	6,965,430
TOTAL REVENUE	5,674,130	3,526,358	5,027,573	4,445,540	5,148,519	3,969,349	4,672,430	7,326,480	5,197,080	5,255,959	7,862,430
EXPENSES											
Operating Exp.											
<u>Core Services</u>											
2.NR.TsfTo	522,803	522,803	664,689	1,061,263	677,352	0	719,553	757,891	657,421	720,041	784,631
2.NR.Debt	4,510	0	4,510	0	0	0	0	0	0	0	0
2.Fiscal	376,320	180,266	376,320	180,312	393,740	3,485	387,960	395,680	403,500	411,572	419,804
2.Admin	18,510	0	18,510	0	18,520	0	9,530	9,720	9,910	10,110	10,310
2.Collection	247,258	83,766	264,081	85,450	274,054	94,575	255,861	261,004	266,224	271,548	276,982
2.LiftStn	59,069	62,999	56,103	50,905	57,853	26,163	59,712	60,930	62,157	63,388	64,645
2.CVRDReq	2,277,360	2,274,480	2,277,360	2,475,737	2,736,000	2,781,900	2,948,814	3,096,255	3,251,068	3,348,600	3,449,058
2.FleetEquip	0	0	0	0	0	0	0	0	0	0	0
Total Core Serv.	3,505,830	3,124,315	3,661,573	3,853,667	4,157,519	2,906,122	4,381,430	4,581,480	4,650,280	4,825,259	5,005,430
<u>Special Projects</u>											
3.Project	175,000	2,700	100,000	44,082	100,000	0	150,000	0	16,600	0	0
Total Oper. Exp.	3,680,830	3,127,015	3,761,573	3,897,750	4,257,519	2,906,122	4,531,430	4,581,480	4,666,880	4,825,259	5,005,430
Capital Expenses											
4.Capital	2,052,000	771	1,266,000	655,554	891,000	1,741,020	141,000	2,745,000	530,200	430,700	2,857,000
Total Capital	2,052,000	771	1,266,000	655,554	891,000	1,741,020	141,000	2,745,000	530,200	430,700	2,857,000
TOTAL EXP.	5,732,830	3,127,786	5,027,573	4,553,304	5,148,519	4,647,142	4,672,430	7,326,480	5,197,080	5,255,959	7,862,430
NET EXPENSE	-58,700	398,572	0	-107,764	0	-677,793	0	0	0	0	0

Sewer Capital Projects

- Full list of projects in budget package
- Primarily scheduled sewer main replacements
 - Some are timed with scheduled road repaving
- Two largest projects:
 - \$2,275,000 Central Foreshore Main (Port Augusta to Main)
 - Partial funding by reserves and HAF grant or DCCs
 - \$2,575,000 Foreshore Main (Carthew to Ellis)
 - Partial funding by reserves and HAF grant or DCCs
 - Sufficient DCCs not yet collected, HAF grant at risk of cancellation

Source of Sewer Revenues



	2021	2022	2023	2024	2025	2026	2027	2028	2029
■ Reserves	1%	0%	13%	19%	2%	14%	10%	8%	11%
■ DCCs and Dev. Cont.	0%	0%	1%	0%	1%	23%	0%	0%	0%
■ Grants	0%	0%	0%	0%	3%	0%	0%	0%	25%
■ Parcel Tax	12%	11%	11%	10%	11%	7%	11%	11%	8%
■ Sale of Services	87%	89%	75%	71%	82%	55%	79%	80%	56%

Challenges in Sewer Services

- Growing capital replacement costs
- Foreshore projects are dependent upon Sewer DCCs that have not yet been received or on the Housing Accelerator Fund grant
- Concerns by municipalities that HAF grant could be cancelled mid-stream causing uncertainty in operating and capital project funding
- Staff to review post-2029 expenditures to ensure adequate revenues are collected in advance
 - Future consideration to determine optimum mix of user fees and parcel taxes for capital repairs

Sewer Reserves Forecast

Sewer Reserves	2021	2022	2023	2024	2025	2026	2027	2028	2029
Sewer RFFE		360,000	560,000	560,000	560,000	560,000	560,000	560,000	560,000
Sewer Capital Works Reserve	4,961,449	5,480,297	6,223,635	5,542,737	6,177,540	5,874,931	6,008,402	6,310,243	6,197,874
Lancaster Lift Stn Cap Reserve	81,236	82,808	86,995	86,995	86,995	86,995	86,995	86,995	86,995
Pt Holmes Lift Stn Cap Reserve	53,574	54,611	57,373	57,373	57,373	57,373	57,373	57,373	57,373
Total	5,096,259	5,977,716	6,928,003	6,247,105	6,881,908	6,579,299	6,712,770	7,014,611	6,902,242

Seek to maintain:

\$200,000 in Sewer RFFE (operating budget fluctuations)

\$300,000 in Sewer Capital Works Reserve (emergency unbudgeted repairs)

Sewer User Rates and Parcel Tax Forecast

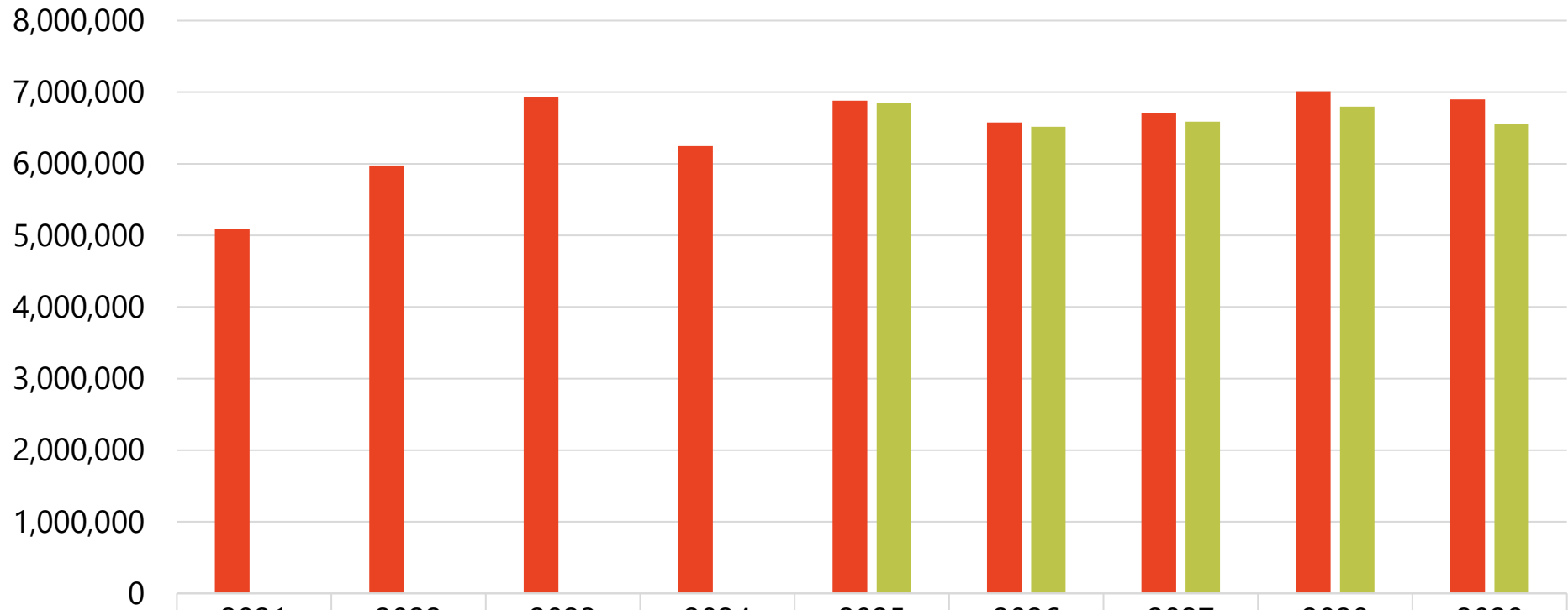
User Rate Increase Forecast

Year	2025	2026	2027	2028	2029
Increase	6.00%	5.00%	0.00%	3.00%	3.00%

Parcel Taxes Forecast

Year	2024	2025	2026	2027	2028	2029
Charge	\$75	\$80	\$80	\$85	\$90	\$95

Effect of Sewer Parcel Tax Increases on Reserves

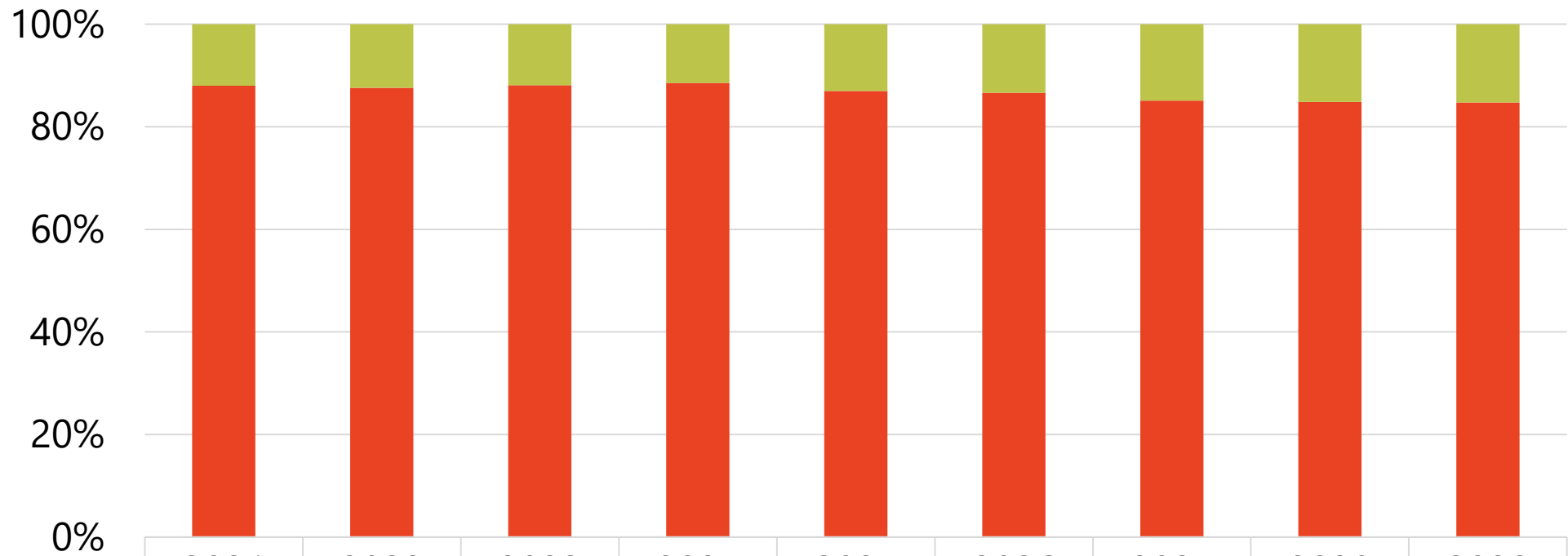


■ Increase Parcel Tax	5,096,259	5,977,716	6,928,003	6,247,105	6,881,908	6,579,299	6,712,770	7,014,611	6,902,242
■ Do not increase parcel tax					6,851,238	6,517,884	6,589,715	6,798,871	6,562,622

Future Areas for Review

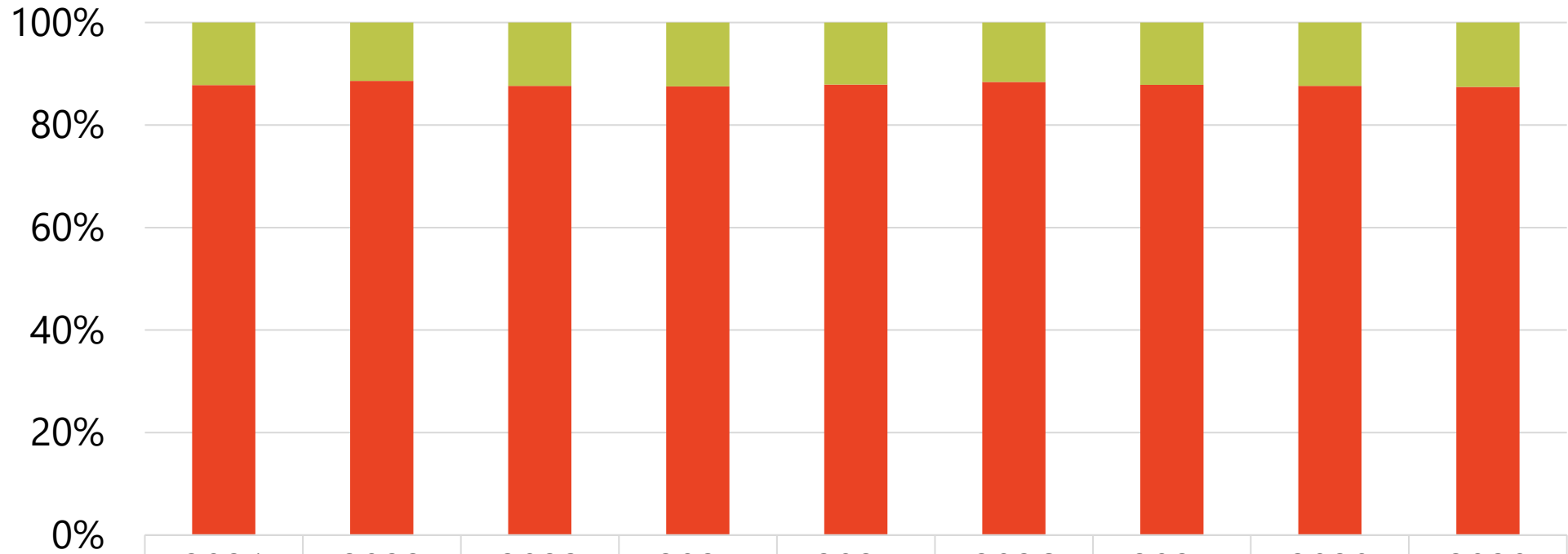
- Concerns HAF grant funding at risk of cancellation mid-stream
- Review adding fleet costs to water and sewer budget for more complete cost recovery
- Review future capital projects for DCC and ACC funding based on 2025 study
- Future upgrades to CVRD sewer treatment system may have financial implications
- Review proportions of revenue source for capital expenses and gain strategic direction

Water Revenue – User Fees vs Parcel Tax



	2021	2022	2023	2024	2025	2026	2027	2028	2029
Parcel Tax	12%	12%	12%	11%	13%	13%	15%	15%	15%
Sale of Services	88%	88%	88%	89%	87%	87%	85%	85%	85%

Sewer Revenue – User Fees vs Parcel Tax



	2021	2022	2023	2024	2025	2026	2027	2028	2029
Parcel Tax	12%	11%	12%	12%	12%	12%	12%	12%	13%
Sale of Services	88%	89%	88%	88%	88%	88%	88%	88%	87%



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Thank you

Questions?