



# Budget 2010

## Preliminary Budget Meeting Monday February 15, 2010

### Budget 2010 process continues

Quesnel City Council met for the second time to discuss the 2010 budget.

The purpose of the meeting was for Council to:

- Review the Capital project lists in detail.

No decisions were made by Council at this meeting; it was designed as a budget overview session.

It is anticipated the budget process will be complete in April, with bylaws and tax rates approved prior to May 15.

**All dollar values in the budget are subject to change** and should not be considered final until the budget is approved.

### Budget 2010 progress

The City is facing a significant loss of its industrial assessment base combined with very little new construction.

Council directed staff to prepare a budget targeting an average tax increase of between 2.4% and 3%. As a result, the City had to cut close to \$1 million from its initial "status-quo" operating and capital budgets to achieve that target.

### Capital budget reviewed

This meeting was the first opportunity for Council to review the capital projects list for 2010. Various department heads provided summary descriptions of each project.

The current capital project list stands at \$1.445 million. The proposed budget for capital in 2010 is \$865,000. This does not include projects covered by reserve funds (such as major equipment or the Quesnel Works: Capital Reinvestment Program).

The projects deal with a wide range of City services, from improving emergency services buildings such as the RCMP detachment and downtown firehall, to landfill and community park improvements.

Each project is ranked by staff as being essential, important, or desirable to help Council evaluate them. Each project must be approved by Council, who will vote on capital items and the total spending at a future budget meeting.

### Quesnel Works = Sustainability

The Quesnel Works Capital Reinvestment Program will be used

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once again to fund infrastructure replacement. This program was launched in 2007, and was set as a separate levy on tax notices. Funding collected for Quesnel Works projects is spent only on infrastructure reinvestment.

Currently there is approximately \$2.314 million in the reserve fund. Staff has presented \$1.27 million in projects for Council to consider. These include projects such as rehabilitating the 200 and 300 blocks of St. Laurent Avenue (\$890,000) and various paving jobs throughout Quesnel (\$300,000). Council will determine which jobs are to be completed.

Council will also need to determine the level of funding to be invested this year. About \$900,000 on average is placed in the reserve each year.

Last year several major repaving jobs on Hydraulic Road, North Star Road and North Fraser Drive were part of the Quesnel Works program's third year.

### Next steps

The next budget meeting is scheduled for Monday, February 22 at 7 p.m. in Council Chambers. Council will revisit a number of budget items, including the community support items, the legislative services budget and the public works component of the capital budget.

### Budget 2010 Points of interest

- The budgeted tax levy is \$12,258,000, a real tax increase of 2.7%. **This is a preliminary number that may change once Council has had an opportunity to fully examine all options.**
- The preliminary operating budget decreased from 2009 by \$628,000.
- Each 1% tax increase equals approximately \$121,000.
- The assessment base experienced growth of \$38 million due to market increases. The positive impact of that was more than offset by the 11% decline in major industrial assessment.

#### Next Budget meeting

Feb. 22, 2010 - 7 p.m.

Council Chambers - City Hall