



Celebrating our Past. Building our Future.

## Proposed Budget 2015

# City and new council propose two percent tax increase

Mayor Kozak says City is aiming to provide the best service-for-taxation value in the nation; stresses importance of public attendance at 2015 Proposed Budget Open House slated for Thursday, March 12.

With a new era now underway at Nelson City Hall, Mayor Deb Kozak and council say they are very pleased with the outcome of their first proposed budget.

Nelson's new council and senior staff have spent the past eight weeks pouring over the City's \$40 million budget, combing through the books for cost savings and new ways to increase the City's reserves.

"We've implemented a number of new programs that have generated new cash flow and held costs on critical services like sewer, water and electrical rates," says Mayor Kozak. Thanks to the prudent effort, council is proposing an inflationary tax increase of two percent. For the owner of a \$320,000 residential property, the two percent bump equals \$2.34 per month – or \$28.00 per year. In return, the City will generate an extra \$150,000 in general taxation.

"The City of Nelson provides an amazing number of services for its size," adds the Mayor, "and council endeavours to do it all at a reasonable cost. Earlier this year, senior staff made it their primary goal to ensure the City of Nelson offered the best service-for-taxation value of any municipality in Canada."

"The City does a great job looking for entrepreneurial ways in which to increase its revenues," adds City Chief Financial Officer Colin McClure. Here are a number of examples.

The City is earning new revenues from its innovative

**Small Municipalities Financial Services Program**, which generates new earnings while helping neighbouring West Kootenay communities manage their finances.

Last year, thanks to wise planning, the City was well positioned to benefit from the **new province-wide recycling program** introduced in 2014. The City is now receiving new revenues of \$140,000 per year and has incurred few additional costs to meet new provincial standards.

By tackling its engineering work in-house, rather than contracting the work out, the City is **saving \$500,000 a year on the design work for water main replacements**.

Further, the City's Public Works and Utilities Department has **brought the cost of water main replacements down from over \$1,000 per meter to less than \$500 per meter**, again due to the fact the projects were delivered by City employees.

Public Works has also been able to **re-line many of Nelson's sanitary sewer mains, instead of replacing them** – and this has cut costs by a further 50 percent. Considering the City has almost 80 kilometres of water main and another 80 kilometres of sanitary sewer main, **the savings are tremendous** – totalling tens of millions of dollars.

Up and running for the past year, **the City's fibre optic network is now generating over \$80,000** in new revenues and providing high speed connectivity for Nelson's business community.

Looking forward to the exciting **Stores To Shores** project, slated to begin this Spring, the City was able to fund the \$4 million downtown revitalization effort through a **combination of reserves and**

**grants – not through additional taxation.**

Mayor Kozak notes that thanks to the efforts of Public Works staff to diligently address Nelson's aging infrastructure, the City has also been able to reduce anticipated hikes in water and sewer rates.

There's good news from Nelson Hydro too. The City's vital utility has been able to upgrade Nelson's electrical generation, transmission and distribution systems and build reserves while keeping rate increases amongst the lowest anywhere in British Columbia.

"Your new council has stepped to the plate and has had staff on its toes looking for new ways to deliver all the city's services, and has been very successful in finding ways to generate new revenue," says Mayor Kozak, who's sat in on ten City budget processes since she was first elected to council in 2005.

The City remains committed to financial sustainability, stewardship and taxpayer value, ensuring revenues and reserves are in good shape, and expenditures are under control.

But before the City signs off on the proposed budget, it wants your feedback.

"We don't want to move forward without the public's awareness and approval," says Mayor Kozak. "We need you all to come out to our budget open house next week."

"When most people think about going out for an evening, they don't usually think about attending the City's annual budget presentation," she smiles, "but I'm hoping they will. It's an interesting evening where you can learn where your hard-earned tax dollars are spent."

"So come out, and tell us what you think."



photo by davidlongphotography.com

## How will the proposed increase affect homes and businesses? Come find out.

Before Nelson City Council makes its final decision on the proposed 2015 budget, all members of the public will be able to share their thoughts and learn more about

the City's financial standing at the 2015 Budget Open House, slated for Thursday, March 12 at the Nelson Library. Staff will be available to answer questions from the public, from 1:00 p.m. to 4:00 p.m., then from 6:00 to 8:00 p.m.. There'll be a formal presentation at 7:00 p.m.

Here's a breakdown of the impacts the proposed budget will have on you and your home:

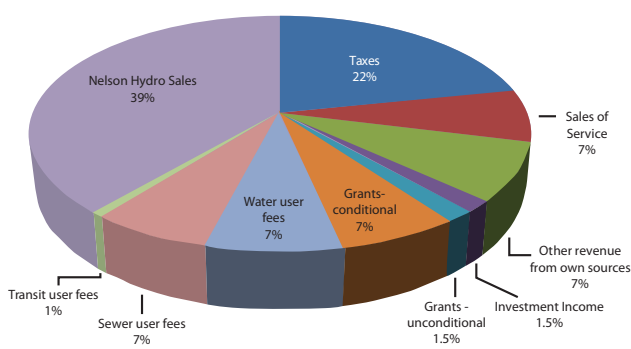
Residential	2014	2015 proposed	Net Annual Change	Net monthly change
Property Tax (municipal only)	\$1,401	\$1,429	\$28	\$2.34
Water Rates (after discount)	\$497	\$512	\$15	\$1.24
Sewer Rates (after discount)	\$436	\$445	\$9	\$0.73
Garbage & recycling	\$118	\$118	\$0	\$0
<b>Total</b>	<b>\$2,452</b>	<b>\$2,504</b>	<b>\$52</b>	<b>\$4.31</b>

### A Month In The Life:

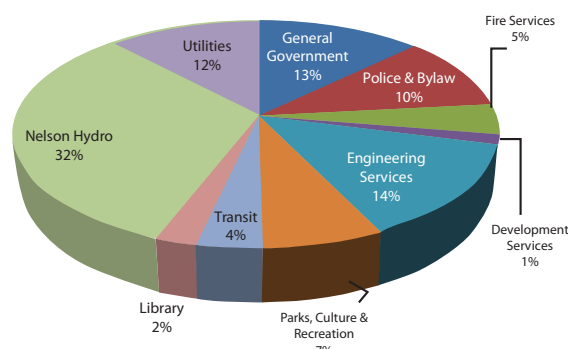
Here's what the average BC homeowner pays for typical household expenses every four weeks, compared to vital municipal basics like those provide by the City of Nelson.

- Cable: \$439/year, \$36.58/month
- Internet: \$388/year, \$32.33/month
- Fuel: \$2,012/year, \$167.66/month
- Groceries: \$7,443/year, \$620.50/month
- Lottery tickets (government run): \$113/year, \$9.41/month
- Water rates (City of Nelson): \$512/year, \$42.67/month
- Sewer rates (City of Nelson): \$445/year, \$37.08/month
- Municipal taxes on an average priced Nelson home: \$1,429/year, \$119.08/month

Where does it all come from?  
City of Nelson operating revenues



Where does it all go?  
Annual operating expenses, by City department



### The City Of Nelson: It's Your Business

Here's an inside look at the dollars and staff required to make the City tick.

- The City of Nelson's annual budget: \$40 million
- Total worth of assets: \$210 million
- Cost to replace those assets today: \$600 million
- Number of employees: 160:
- Number of departments: 8
- Reserves: \$9.5 million
- Vehicles and equipment: 150
- Transactions processed per year: 47,500—not including those on-line
- Total dollar value in supplies and services purchased a year: \$15 million