

**Date:** Tuesday, April 22, 2025

**To:** Elizabeth Tracy, Chief Administrative Officer

**From:** Thomas Sikora, Manager of Finance

**Subject:** 2025 Budget Session – Budget Final Draft

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## **PURPOSE**

The purpose of this report is to present the updated 2025 budget for Committee of the Whole review, incorporating final revisions before tax and utility bylaws are brought to Council. Updates reflect the BC Assessment Revised Roll received in early April and Committee direction from previous sessions, including refined assumptions from the March 4, 2025 meeting, which includes a \$7,500 increase to the Community Enhancement Fund funded by a Spelkúmtn Community Forest Legacy Fund allocation.

## **BACKGROUND**

This is the sixth session of this budget cycle. The previous draft, reviewed on March 4, incorporated earlier Committee of the Whole direction. The 2024 year-end and audit remain in progress, so figures are preliminary and unaudited, subject to change.

The following resolutions were passed by the Committee of the Whole on February 25, 2025:

- **Resolution No. 270-3:** Directed staff to revise the 2025 operating budget by eliminating the external compensation review and making minor adjustments as needed.
- **Resolution No. 270-4:** Directed staff to include a **5% contribution to reserves** (4% to general reserves, 1% to RCMP service cost reserves).
- **Resolution No. 270-5:** Directed staff to include a **2.3% contribution to water reserves** and a **3% contribution to sewer reserves** in the draft budget.
- **Resolution No. 270-6:** Directed staff to amend the Spelkúmtn Community Forest Spending Policy (FIN-009) to establish a discretionary fund for Council-aligned projects.

## **DISCUSSION & COMMENTS**

The 2025 budget, developed in collaboration with department managers, was designed to align with Council's strategic plan. As discussed in previous sessions, there is significant pressure to maintain existing service levels as defined in the operate with excellence strategic priority. In addition, there is an overall inability to sustain continued low tax rates while maintaining aging and additional infrastructure, keeping up with rapid community growth, and developing reserves to support this plan.

### **2025 Budget**

Based on the Committee's resolutions and direction to date, the 2025 budget includes the following:

- Operating budget to increase by \$255,000
- 5% additional contribution to reserves, allocated as:
  - 4% to general reserves.
  - 1% to a dedicated RCMP reserve.

### **Five-Year Financial Plan**

The Village of Pemberton continues to balance sustainable financial planning with infrastructure investment and service level maintenance. The five-year financial plan incorporates:

- **Reserve Contributions:** A structured increase to ensure long-term asset sustainability and preparation for policing cost transition
- **Infrastructure Planning:** Significant capital projects, including water and sewer upgrades, requiring long-term funding strategies, some of which are still to be determined
- **Tax Rate Stability:** Phased increases to mitigate sharp tax spikes while maintaining service delivery
- **Growth Considerations:** Adjustments in development revenue assumptions based on market conditions

### **Utilities & Reserve Contributions**

As directed by the Committee, the 2025 budget will include:

- **Water Reserves:** 2.3% contribution to support long-term infrastructure needs and maintenance
- **Sewer Reserves:** 3% contribution to address future capacity and end-of-life asset replacement
- **RCMP Reserves:** 1% dedicated contribution to prepare for the financial transition upon reaching a population of 5,000

### **Water and Sewer Rates**

Water and Sewer Rates have been updated to align with Council's direction to increase reserve contributions, ensuring financial sustainability while considering affordability for residents.

### **Speikúmtn Community Forest Policy and Updated Budget**

- **Policy Amendment:** Staff returned March 15, 2025 with amendments to the Speikúmtn Community Forest Legacy Spending Policy for Council review.
- **Budget Adjustment:** The Community Enhancement Fund will be topped up by \$7,500 from Speikúmtn Community Forest revenues.

### **COMMUNICATIONS**

Residents were welcome to participate in the budget process through attendance at the Budget Open House on March 4, 2025. The Village has not received direct feedback or questions from that event or through Village budget emails.

Budget information has been included in the Village's eNEWS, on the Village Website and Facebook page, and updates have been features in the Pique Newsmagazine.

### **LEGAL CONSIDERATIONS**

The development and review of the annual budget meets with the requirements set out in legislation.

### **BUDGET & STAFFING**

The development of the annual budget is a component of the day-to-day operations of the Finance Department and has been incorporated into the annual work plan.

### **INTERDEPARTMENTAL IMPACT**

The budget was created in collaboration with department managers.

### **COMMUNITY CLIMATE ACTION PLAN**

Initiatives of the Community Climate Action are incorporated in departmental budgets and work plans.

### **STRATEGIC PRIORITIES**

The budget has been designed to align with the following strategic priorities:

- Plan and manage growth;
- Be prepared;
- Protect our environment;
- Cultivate trust; and
- Operate with excellence.

### **IMPACT ON THE REGION**

Development of the 2025 draft budget has no immediate impact on the region or neighboring jurisdictions. Of note, both Recreation and Fire and Rescue draft budgets will be presented to and reviewed with the Squamish-Lillooet Regional District at the Pemberton Valley Utilities and Services Committee and Fire Committee Meetings.

### **ALTERNATIVE OPTIONS**

There are no alternative options for consideration.

### **RECOMMENDATIONS**

**THAT** the Committee of the Whole accepts the 2025 draft budget as presented;

**AND THAT** the Committee of the Whole directs staff to prepare the 2025 five-year financial plan, tax, and utility rate bylaws for Council consideration in May.

**ATTACHMENTS:**

**Appendix A:** 2025 Draft Operating Budget

**Appendix B:** 2025 Draft Capital Budget

**Appendix C:** 2025-2029 Draft 5 Year Plan

**Appendix D:** 2025 BC Assessment Revised Roll Report

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CAO approval:	Elizabeth Tracy, Chief Administrative Officer