

## **UNDERSTANDING BUDGETS**

Budgets help the Summer Village deliver services necessary to maintain and enhance our standard of living. That means maintaining roads and infrastructure that serve people; policing, bylaws and fire rescue services to keep people safe; maintaining pathways and recreation areas; waste management to keep our communities clean and healthy and make the Summer Village a great place to live.

The Summer Village of Half Moon Bay Council must make choices that keep us on track to remain a quiet, safe and secure community in serving to meet the lifestyle needs of permanent and seasonal residents. Growing reserve funds will ensure that the community has savings available for projects or undertakings that preserve or enhance the quality of life for our citizens.

## **BUDGETS - OPERATING & CAPITAL**

### **Operating Budget**

The [Municipal Government Act](#) (section 242 and 246) states that every municipality must adopt an operating and capital budget each year. It also dictates that the Tax Rate Bylaw, Utility Rates and Charges Bylaw, and any applicable Borrowing Bylaws be passed after the budget has been approved. These bylaws are approved as an outcome of Council's budget deliberations.

The operating budget provides resources for the day-to-day costs of delivering municipal services to residents. Funding for the services delivered by the Summer Village stems from 2 main sources: property taxes and grants. Some grants can be applied towards general operating expenditures; however the majority can only be used to fund capital (infrastructure) projects.

Costs associated with the delivery of services include labour, fuel, electricity, and contracted services such as solid waste & landfill, road maintenance, green space care and fire services. The operating budget also includes any debenture payments and transfers to reserves in order to grow municipal reserves. For example: future storm drainage, roads, wastewater, recreation areas or equipment purchases.

### **Capital Budget**

Capital project decisions have long-lasting effects on the community and are supported by planning documents. While Administration prepares capital project Plans, it is Council that decides which projects to include or defer.

The purpose of the capital budget is:

- Maintenance and lifecycle repairs of Summer Village Infrastructure;
- One-time and emergent maintenance and repairs;
- Rehabilitation and revitalization;
- Planning and design of future assets; and
- Purchase/construction of new assets.

Capital decisions should consider the ongoing maintenance of existing and new assets to prevent an infrastructure deficit in the future. Investing in infrastructure such as roads, wastewater, equipment, drainage, vehicles, pathways and buildings are an investment in the Summer Village's future. Maintenance and preservation of all assets provides the services residents rely on for a safe, healthy and secure community.

The capital projects budget is where the Summer Village invests in assets that could include the development, construction, maintenance, or repair of capital assets or they can be one-time operational projects that are for periodic maintenance, planning or emergent issues requiring support that are not part of the daily operational budget. Projects are usually approved on the total cost and can be completed over a single year or multiple years depending on the emergent issue or new asset.