



City of Duncan

Financial Plan Bylaw No. 3137

(With Amendments to December 21, 2015)

Consolidated for Convenience Only

This consolidation is not a legal document. Certified copies of the original bylaws should be consulted for all interpretations and applications of the bylaws of this subject

Bylaw No. 3137.01 – Adopted November 16, 2015

Bylaw No. 3137.02 – Adopted December 21, 2015

CITY OF DUNCAN

BYLAW NO. 3137, 2015

A BYLAW TO ESTABLISH THE FINANCIAL PLAN FOR THE YEARS 2015-2020

WHEREAS Section 165 of the “Community Charter” requires a Municipality to prepare and adopt, by bylaw, a financial plan annually;

NOW THEREFORE the Council of the City of Duncan in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. Title

This Bylaw may be cited as the “Financial Plan 2015-2020 Bylaw No. 3137, 2015.”

2. Administration

2.1 Schedule “A” attached hereto and made part of this bylaw is hereby declared to be the Tax Revenue Policy for the City of Duncan.

2.2 Schedule “B” attached hereto and made part of this bylaw is hereby declared to be the Six Year Financial Plan for the City of Duncan ending December 31, 2020.

PASSED FIRST READING 2015-APRIL-20
PASSED SECOND READING 2015-APRIL-20
PASSED THIRD READING 2015-APRIL-20

ADOPTED 2105-MAY-04

Phil Kent, Mayor

Karen Robertson,
Director of Corporate Services

**Financial Plan
2015 – 2020
Bylaw No. 3137, 2015
Schedule “A” – Tax Revenue Policy**

**Current Revenue Proportions by Funding Source for Operating
(excluding Transfers from Reserves and Surpluses and Capital financing)**

	<u>2014</u>		<u>2015</u>	
Taxation	4,043,699	48.7%	4,147,511	47.2%
Grants in Lieu of Taxes	10,000	0.1%	9,400	0.1%
Sales of Services	496,668	6.0%	525,149	6.0%
Sewer User Fees	926,663	11.2%	1,006,786	11.5%
Water User Fees	1,843,904	22.2%	1,952,754	22.2%
Other Revenue Own Sources	610,513	7.4%	608,548	6.9%
Unconditional Transfers from Other Governments	345,675	4.2%	510,000	5.8%
Conditional Transfers from Other Governments	<u>24,306</u>	<u>0.3%</u>	<u>19,000</u>	<u>0.2%</u>
	8,301,428	100.0%	8,779,148	100.0%

POLICY STATEMENT

City Council considers the current mix of user fees and tax levies sufficient; noting however, that Council intends to shift water and sewer fees to being charged on a metered basis.

Distribution of Property Taxes Collected

<u>Class</u>	<u>2013 %</u>	<u>2014 %</u>	<u>2015 %</u>
Residential	54.96	55.57	56.05
Utilities	1.01	0.99	0.94
Light Industry	0.01	0.01	0.03
Business	43.98	43.39	42.94
Rec/Non profit	0.04	0.04	0.04
	<hr/> 100.00	<hr/> 100.00	<hr/> 100.00

Current Property Class Multiples

<u>Class</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Residential	1.00	1.00	1.00
Utilities	9.54	8.77	8.44
Light Industry	2.96	2.71	2.56
Business	2.89	2.64	2.51
Rec/Non profit	1.00	1.00	1.00
Farm	1.00	1.00	1.00

Historically, the City has kept its percentages of taxes collected from each class relatively static, varying only slightly from year to year. In times when one class of property is seeing large growth in assessment, this means that the benefits of increased new assessments are kept within that one class of property.

In the last several years (since 2006), Council has strived to limit the increases to the business class. The 2006 Business class multiple was 3.53 whereas the 2015 multiple is 2.51. This brings the City much closer to its long term goal of having the business multiple at the 50th percentile (median) which was 2.45 in 2014.

POLICY STATEMENT

City Council considers the current proportions of taxes collected and current assessment class multiples as reasonable; however, as opportunities arise, Council will attempt to lower the percentage of taxes collected from the business class and attempt to hold or lower the business class multiple with a goal to have a multiple at the 50th percentile of other municipalities (median).

Use of permissive tax exemptions

Tax Exemption Bylaws No. 3131, 3132 and 3133 passed in October of 2014, contains a list of permissive exemptions granted for the 2015 taxation year and the estimated amount of tax revenue foregone. The list demonstrates the policy of council that permissive exemptions are granted to not-for-profit institutions that form a valuable part of our community. These include religious institutions, historical societies, some recreational facilities and service organizations. Council will continue to support local organizations through permissive exemptions. These organizations provide services to our community that should be supported by residents. In the future, after appropriate consultation, Council may choose to provide permissive exemptions to property owners who contribute to our community in other ways. These may include investments made in greenhouse gas reduction technology or alternative energy, the provision of affordable housing, or revitalization of buildings or areas of the municipality.

POLICY STATEMENT

City Council will examine its permissive tax exemption policy to determine if it should be expanded.

**Schedule B to Financial Plan Bylaw 3137, 2015
Six Year Financial Plan (2015-2020)**

	2015	2016	2017	2018	2019	2020
Revenues						
Taxation	3,759,306	3,875,726	4,309,061	4,571,088	4,687,304	4,812,889
Grants in Lieu	9,400	10,000	10,000	10,000	10,000	10,000
Sales of Service	3,350,371	3,313,508	3,415,708	3,521,242	3,630,225	3,742,773
Gas Tax and Development Cost Charges	707,966	191,250	75,000	50,000	175,000	300,000
Other	1,266,936	1,184,293	1,184,863	1,195,649	1,206,655	1,217,887
	<u>9,093,979</u>	<u>8,574,777</u>	<u>8,994,632</u>	<u>9,347,979</u>	<u>9,709,184</u>	<u>10,083,549</u>
Expenses						
General Operating	3,902,434	3,789,491	4,835,258	5,233,130	5,307,457	5,409,635
Sanitary Sewer Operating	807,891	815,296	842,808	871,459	901,302	932,390
Water Operating	1,175,016	1,198,516	1,222,083	1,246,324	1,271,051	1,296,272
Interest Payments	57,245	56,945	56,945	56,945	56,945	48,125
Amortization	1,148,692	1,170,815	1,194,232	1,218,116	1,242,479	1,267,328
	<u>7,091,278</u>	<u>7,031,063</u>	<u>8,151,326</u>	<u>8,625,974</u>	<u>8,779,233</u>	<u>8,953,750</u>
Annual Surplus/Deficit	2,002,701	1,543,714	843,306	722,004	929,951	1,129,798
Add back: Amortization	1,148,692	1,170,815	1,194,232	1,218,116	1,242,479	1,267,328
	<u>3,151,393</u>	<u>2,714,529</u>	<u>2,037,537</u>	<u>1,940,121</u>	<u>2,172,429</u>	<u>2,397,126</u>
Capital Expenditures						
General Capital	4,098,990	1,281,202	1,443,914	929,023	1,061,715	1,206,576
Sewer Capital	852,400	396,000	157,933	266,000	483,000	211,947
Water Capital	2,403,371	2,004,670	974,447	1,369,888	1,556,678	826,186
	<u>7,354,761</u>	<u>3,681,872</u>	<u>2,576,294</u>	<u>2,564,911</u>	<u>3,101,393</u>	<u>2,244,709</u>
Proceeds from New Debt	-	-	-	-	-	-
Principal Payments	99,660	86,338	86,338	86,338	86,338	72,415
Transfers to (from) reserve funds	(1,827,303)	223,394	(369,236)	5,538	(129,119)	86,002
Transfers to/(from) own funds	<u>(2,475,725)</u>	<u>(1,277,074)</u>	<u>(255,859)</u>	<u>(716,667)</u>	<u>(886,183)</u>	<u>(6,000)</u>
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>