

CITY OF DUNCAN

BYLAW NO. 3241, 2024

A BYLAW TO ESTABLISH THE FINANCIAL PLAN FOR THE YEARS 2024-2028

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 hereby enacts as follows:

1. Title

This Bylaw may be cited as the "Financial Plan 2024-2028 Bylaw No. 3241, 2024."

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 Five Year Financial Plan for the City of Duncan ending December 31, 2028.

PASSED FIRST READING 20-FEBRUARY-2024.
PASSED SECOND READING 20-FEBRUARY-2024.
PASSED THIRD READING 20-FEBRUARY-2024.

ADOPTED 04-MARCH-2024.



Michelle Staples, Mayor



Paige MacWilliam, Corporate
Officer

**Schedule "A" to Financial Plan Bylaw 3241, 2024
Tax Revenue Policy**

FUNDING SOURCES:

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

	<u>2023</u>		<u>2024</u>	
Taxation	6,154,093	46.0%	6,769,397	44.1%
Grants in Lieu of Taxes	13,200	0.1%	16,000	0.1%
Sales of Services	784,452	5.9%	967,644	6.3%
Sewer User Fees	1,662,855	12.4%	1,822,406	11.9%
Water User Fees	2,864,226	21.4%	3,369,700	22.0%
Other Revenue Own Sources	1,218,293	9.1%	1,056,606	6.9%
Unconditional Transfers from Other Governments	546,000	4.2%	535,000	3.5%
Conditional Transfers from Other Governments	119,082	0.9%	129,167	5.1%
	<hr/> 13,362,201	100.0%	<hr/> 14,665,920	<hr/> 100.0%

DISTRIBUTION OF PROPERTY TAXES:

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.

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).

Since 2006, Council has strived to limit the increases to the business class. The 2006 Business class multiple was 3.53 whereas the 2023 multiple was 3.2. This moves towards the City's long term goal of having the business multiple at the 50th percentile (median) which was 2.8 in 2023.

USE OF PERMISSIVE TAX EXEMPTIONS:

Tax Exemption Bylaws No. 3238, 3239 and 3240, passed in October of 2023, and Bylaw No. 3202, passed in October of 2019, contain a list of permissive exemptions granted for the 2024 taxation year. 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.

**Schedule B to Financial Plan Bylaw 3241, 2024
Five Year Financial Plan (2024-2028)**

	2024	2025	2026	2027	2028
Revenues					
Taxation	6,168,953	6,720,653	7,195,477	7,413,554	7,643,059
Grants in Lieu	16,000	16,480	16,974	17,484	18,008
Sales of Service	5,947,770	6,223,045	6,478,870	6,747,339	7,029,182
Gas Tax and Development Cost Charges	2,581,789	1,787,959	848,598	152,291	437,965
Other	6,233,387	12,287,354	3,784,407	2,182,869	2,232,695
	<u>20,947,899</u>	<u>27,035,491</u>	<u>18,324,325</u>	<u>16,513,537</u>	<u>17,360,909</u>
Expenses					
General Operating	8,250,755	8,068,758	8,504,501	8,746,118	8,999,213
Sanitary Sewer Operating	941,550	923,331	943,272	961,569	994,453
Water Operating	1,729,359	1,768,357	1,807,881	1,848,320	1,889,696
Interest Payments	10,000	10,300	10,609	258,233	505,867
Amortization	2,031,528	2,072,159	2,113,602	2,155,874	2,198,991
	<u>12,963,192</u>	<u>12,842,905</u>	<u>13,379,865</u>	<u>13,970,114</u>	<u>14,588,220</u>
Annual Surplus/Deficit	7,984,707	14,192,587	4,944,460	2,543,423	2,772,690
Add back: Amortization	2,031,528	2,072,159	2,113,602	2,155,874	2,198,991
	<u>10,016,235</u>	<u>16,264,745</u>	<u>7,058,062</u>	<u>4,699,297</u>	<u>4,971,681</u>
Capital Expenditures					
General Capital	14,065,853	13,543,154	4,250,148	1,322,804	1,326,137
Sewer Capital	2,078,835	2,928,105	22,776,013	1,192,713	689,024
Water Capital	6,523,193	2,787,108	2,056,343	1,867,746	2,216,389
	<u>22,667,881</u>	<u>19,258,366</u>	<u>29,082,504</u>	<u>4,383,263</u>	<u>4,231,550</u>
Proceeds from New Debt	-	-	(20,400,000)	(250,000)	-
Principal Payments	-	-	-	122,583	245,165
Transfers to/(from) reserve funds	(7,065,431)	(2,533,621)	(491,565)	443,451	494,966
Transfers to/(from) own funds	(5,586,215)	(460,000)	(1,132,877)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>