



City of Duncan

Financial Plan 2023-2027 Bylaw No. 3232, 2023 (With Amendments to August 14, 2023)

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. 3232.01, 2023 – Adopted August 14, 2023

CITY OF DUNCAN

BYLAW NO. 3232, 2023

A BYLAW TO ESTABLISH THE FINANCIAL PLAN FOR THE YEARS 2023-2027

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 2023-2027 Bylaw No. 3232, 2023."

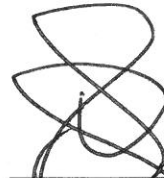
2. Administration

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, 2027.

PASSED FIRST READING 20-MARCH-2023.
PASSED SECOND READING 20-MARCH-2023.
PASSED THIRD READING 20-MARCH-2023.

ADOPTED 03-APRIL-2023



Michelle Staples, Mayor



Paige MacWilliam, Corporate
Officer

**Schedule "A" to Financial Plan Bylaw 3232, 2023
Tax Revenue Policy**

FUNDING SOURCES:

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

	<u>2022</u>		<u>2023</u>	
Taxation	5,525,721	45.3%	6,154,093	46.0%
Grants in Lieu of Taxes	12,145	0.1%	13,200	0.1%
Sales of Services	670,595	5.5%	784,452	5.9%
Sewer User Fees	1,559,385	12.8%	1,662,855	12.4%
Water User Fees	2,726,999	22.4%	2,864,226	21.4%
Other Revenue Own Sources	1,115,847	9.2%	1,218,293	9.1%
Unconditional Transfers from Other Governments	546,000	4.5%	546,000	4.2%
Conditional Transfers from Other Governments	29,681	0.2%	119,082	0.9%
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	12,186,373	100.0%	12,186,373	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).

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 2022 multiple was 2.93. This moves towards the City's long term goal of having the business multiple at the 50th percentile (median) which was 2.80 in 2022.

USE OF PERMISSIVE TAX EXEMPTIONS:

Tax Exemption Bylaws No. 3227, 3228 and 3229, passed in October of 2022, and Bylaw No. 3202, passed in October 2019, contain a list of permissive exemptions granted for the 2023 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 3232, 2023
Five Year Financial Plan (2023-2027)**

	2023	2024	2025	2026	2027
Revenues					
Taxation	5,620,076	6,066,692	6,371,552	6,941,702	7,091,764
Grants in Lieu	13,200	13,596	14,004	14,424	14,857
Sales of Service	5,156,533	5,446,956	5,668,916	5,905,256	6,153,652
Gas Tax and Development Cost Charges	2,034,595	1,328,751	613,743	376,121	189,275
Other	5,786,269	12,278,961	2,975,223	2,807,546	2,015,608
	<u>18,610,673</u>	<u>25,134,956</u>	<u>15,643,439</u>	<u>16,045,049</u>	<u>15,465,156</u>
Expenses					
General Operating	7,633,686	7,305,385	7,433,786	8,028,793	8,171,973
Sanitary Sewer Operating	914,475	896,914	914,997	930,565	960,595
Water Operating	1,679,411	1,713,284	1,747,540	1,782,418	1,817,992
Interest Payments	2,500	2,550	2,601	249,959	497,318
Amortization	2,031,528	2,072,159	2,113,602	2,155,874	2,198,991
	<u>12,261,600</u>	<u>11,990,292</u>	<u>12,212,526</u>	<u>13,147,609</u>	<u>13,646,869</u>
Annual Surplus/Deficit	6,349,073	13,144,664	3,430,913	2,897,440	1,818,287
Add back: Amortization	2,031,528	2,072,159	2,113,602	2,155,874	2,198,991
	<u>8,380,601</u>	<u>15,216,823</u>	<u>5,544,514</u>	<u>5,053,314</u>	<u>4,017,278</u>
Capital Expenditures					
General Capital	11,103,385	12,934,231	2,946,392	2,368,757	1,251,375
Sewer Capital	1,837,887	17,115,335	2,074,916	1,356,482	768,231
Water Capital	4,944,477	1,800,186	1,289,721	1,345,256	1,582,795
	<u>17,885,749</u>	<u>31,849,752</u>	<u>6,311,028</u>	<u>5,070,495</u>	<u>3,602,400</u>
Proceeds from New Debt	-	(13,804,671)	(1,135,741)	(623,025)	(350,000)
Principal Payments	-	-	-	122,583	245,165
Transfers to/(from) reserve funds	(4,016,623)	(898,403)	369,227	483,262	519,713
Transfers to/(from) own funds	(5,488,525)	(1,929,855)	-	-	-
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>