

CITY OF DUNCAN

BYLAW NO. 3223, 2022

A BYLAW TO ESTABLISH THE FINANCIAL PLAN FOR THE YEARS 2022-2026

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 2022-2026 Bylaw No. 3223, 2022."

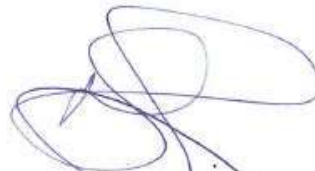
2. Administration

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.

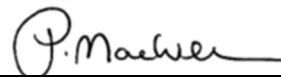
2.2 Schedule "B" attached hereto and made part of this bylaw is hereby declared to be the Five Year Financial Plan for the City of Duncan ending December 31, 2026.

PASSED FIRST READING 02-MAY-2022.
PASSED SECOND READING 02-MAY-2022.
PASSED THIRD READING 02-MAY-2022.

ADOPTED 09-MAY-2022.



Michelle Staples, Mayor



Paige MacWilliam, Corporate
Officer

**Schedule "A" to Financial Plan Bylaw 3223, 2022
Tax Revenue Policy**

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

	<u>2021</u>		<u>2022</u>	
Taxation	4,917,965	44.0%	5,525,721	45.3%
Grants in Lieu of Taxes	12,175	0.1%	12,145	0.1%
Sales of Services	595,426	5.3%	670,595	5.5%
Sewer User Fees	1,481,228	13.3%	1,559,385	12.8%
Water User Fees	2,536,768	22.7%	2,726,999	22.4%
Other Revenue Own Sources	1,014,008	9.1%	1,115,847	9.2%
Unconditional Transfers from Other Governments	555,000	5.0%	546,000	4.5%
Conditional Transfers from Other Governments	50,322	0.5%	29,681	0.2%
	<hr/>		<hr/>	
	11,162,892	100.0%	12,186,373	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>2020 %</u>	<u>2021 %</u>	<u>2022%</u>
Residential	56.19	56.24	55.68
Utilities	1.58	1.64	1.38
Light Industry	0.00	0.00	0.00
Business	42.18	42.05	42.89
Rec/Not-for-profit	0.05	0.07	0.05
	<hr/>		
	100.00	100.00	100.00

Current Property Class Multiples

<u>Class</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Residential	1.00	1.00	1.00
Utilities	11.50	11.50	11.50
Light Industry	2.56	2.56	2.93
Business	2.56	2.56	2.93
Rec/Not-for-profit	1.00	1.00	1.00
Farm	1.00	1.00	1.00

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).

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 is 2.93. This moves towards the City's long term goal of having the business multiple at the 50th percentile (median) which was 2.57 in 2021.

Use of permissive tax exemptions

Tax Exemption Bylaws No. 3219 and 3220, passed in October of 2021, contain a list of permissive exemptions granted for the 2022 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 3223, 2022
Five Year Financial Plan (2022-2026)**

	2022	2023	2024	2025	2026
Revenues					
Taxation	5,045,513	5,450,360	5,852,891	5,972,783	6,089,018
Grants in Lieu	12,145	12,509	12,885	13,271	13,669
Sales of Service	4,827,899	5,024,718	5,231,428	5,385,167	5,543,425
Gas Tax and Development Cost Charges	1,733,155	1,021,070	809,420	730,762	243,501
Other	4,387,525	3,115,745	2,244,330	3,023,493	1,873,248
	<u>16,006,237</u>	<u>14,624,402</u>	<u>14,150,954</u>	<u>15,125,475</u>	<u>13,762,861</u>
Expenses					
General Operating	6,697,054	6,534,430	6,656,457	6,800,555	6,923,099
Sanitary Sewer Operating	897,039	876,797	894,677	911,389	942,739
Water Operating	1,591,650	1,623,474	1,655,933	1,688,974	1,722,675
Interest Payments	2,500	2,550	2,601	79,902	157,204
Amortization	2,111,924	2,154,162	2,197,246	2,241,191	2,286,014
	<u>11,300,167</u>	<u>11,191,413</u>	<u>11,406,914</u>	<u>11,722,011</u>	<u>12,031,731</u>
Annual Surplus/Deficit	4,706,070	3,432,989	2,744,040	3,403,464	1,731,130
Add back: Amortization	2,111,924	2,154,162	2,197,246	2,241,191	2,286,014
	6,817,994	5,587,152	4,941,286	5,644,655	4,017,144
Capital Expenditures					
General Capital	9,905,352	3,850,050	2,232,980	2,953,518	1,426,114
Sewer Capital	1,700,391	6,152,169	4,338,334	744,316	1,653,010
Water Capital	3,655,020	1,214,815	1,766,075	1,459,256	1,344,354
	<u>15,260,763</u>	<u>11,217,034</u>	<u>8,337,389</u>	<u>5,157,090</u>	<u>4,423,478</u>
Proceeds from New Debt	-	(3,266,786)	(3,490,741)	-	(973,025)
Principal Payments	-	-	-	63,130	126,259
Transfers to/(from) reserve funds	(4,489,439)	(1,041,573)	212,638	424,436	440,432
Transfers to/(from) own funds	<u>(3,953,330)</u>	<u>(1,321,524)</u>	<u>(118,000)</u>	-	-
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>