

CITY OF DUNCAN

BYLAW NO. 3207, 2020

A BYLAW TO ESTABLISH THE FINANCIAL PLAN FOR THE YEARS 2020-2024

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

**AND WHEREAS** the British Columbia government has declared a provincial state of emergency to support the province wide response to the novel coronavirus (COVID-19) pandemic;

**AND WHEREAS** Ministerial Order No. M083 under the *Emergency Program Act* permits the Council of the City of Duncan to adopt a bylaw on the same day that it receives third reading;

**NOW THEREFORE** the Council of the City of Duncan hereby enacts as follows:

1. Title

This Bylaw may be cited as the "Financial Plan 2020-2024 Bylaw No. 3207, 2020."

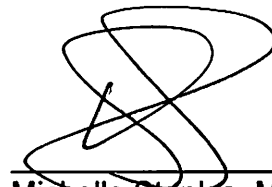
2. Administration

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.

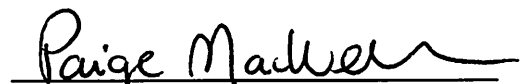
2.2 Schedule "B" attached hereto and made part of this bylaw is hereby declared to be the Five Year Financial Plan for the City of Duncan ending December 31, 2024.

PASSED FIRST READING 06-APRIL-2020  
PASSED SECOND READING 06-APRIL-2020  
PASSED THIRD READING 06-APRIL-2020  
RESCINDED THIRD READING 04-MAY-2020  
REREAD THIRD READING, AS AMENDED 04-MAY-2020

ADOPTED 04-MAY-2020



Michelle Staples, Mayor



Paige MacWilliam,  
Director of Corporate Services

**Schedule "A" to Financial Plan Bylaw 3207, 2020  
Tax Revenue Policy**

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

	<u>2019</u>		<u>2020</u>	
Taxation	4,647,389	45.5%	4,759,546	44.7%
Grants in Lieu of Taxes	12,700	0.1%	10,500	0.1%
Sales of Services	561,872	5.5%	593,582	5.6%
Sewer User Fees	1,349,779	13.2%	1,440,718	13.6%
Water User Fees	2,398,802	23.4%	2,487,493	23.4%
Other Revenue Own Sources	720,363	7.0%	796,469	7.4%
Unconditional Transfers from Other Governments	535,000	5.2%	552,000	5.1%
Conditional Transfers from Other Governments	5,000	0.1%	5,000	0.1%
	<u>10,230,905</u>	<u>100.0%</u>	<u>10,645,308</u>	<u>100.0%</u>

**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>2018 %</u>	<u>2019 %</u>	<u>2020%</u>
Residential	56.83	56.73	56.19
Utilities	1.20	1.22	1.58
Light Industry	0.03	0.03	0.00
Business	41.92	42.00	42.18
Rec/Non profit	0.02	0.02	0.05
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

**Current Property Class Multiples**

<u>Class</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Residential	1.00	1.00	1.00
Utilities	10.38	11.00	11.50
Light Industry	2.53	2.76	2.56
Business	2.53	2.76	2.56
Rec/Non 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 50<sup>th</sup> 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 2020 multiple is 2.56. This achieves the City's long term goal of having the business multiple at the 50<sup>th</sup> percentile (median) which was 2.66 in 2019.

**Use of permissive tax exemptions**

Tax Exemption Bylaws No. 3201 and 3202, passed in September of 2019, contain a list of permissive exemptions granted for the 2020 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 3207, 2020  
Five Year Financial Plan (2020-2024)**

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenues</b>					
Taxation	4,301,761	4,559,433	5,104,560	5,356,075	5,549,647
Grants in Lieu	10,500	10,815	11,139	11,474	11,818
Sales of Service	4,387,333	4,558,462	4,698,689	4,843,580	4,993,300
Gas Tax and Development Cost Charges	869,105	484,780	591,573	63,421	65,323
Other	1,440,674	2,247,463	1,517,021	1,767,407	1,834,482
	<u>11,009,373</u>	<u>11,860,953</u>	<u>11,922,984</u>	<u>12,041,956</u>	<u>12,454,570</u>
<b>Expenses</b>					
General Operating	4,479,703	4,252,163	5,542,394	6,077,879	6,254,445
Sanitary Sewer Operating	865,644	839,443	856,821	869,208	885,371
Water Operating	1,490,819	1,504,769	1,539,343	1,564,773	1,597,277
Interest Payments	49,625	49,625	49,625	100,441	100,441
Amortization	1,605,551	1,637,662	1,670,415	1,703,824	1,737,900
	<u>8,491,342</u>	<u>8,283,662</u>	<u>9,658,599</u>	<u>10,316,125</u>	<u>10,575,434</u>
Annual Surplus/Deficit	2,518,031	3,577,291	2,264,385	1,725,831	1,879,136
Add back: Amortization	1,605,551	1,637,662	1,670,415	1,703,824	1,737,900
	<u>4,123,582</u>	<u>5,214,953</u>	<u>3,934,801</u>	<u>3,429,655</u>	<u>3,617,036</u>
<b>Capital Expenditures</b>					
General Capital	3,679,978	5,464,210	1,618,179	1,651,133	1,333,177
Sewer Capital	681,796	1,690,206	2,633,131	2,364,524	662,161
Water Capital	2,088,274	1,092,315	1,664,666	1,188,961	1,238,566
	<u>6,450,048</u>	<u>8,246,731</u>	<u>5,915,976</u>	<u>5,204,618</u>	<u>3,233,903</u>
Proceeds from New Debt	-	-	(509,728)	(1,748,721)	-
Principal Payments	72,415	72,415	72,415	160,827	160,827
Transfers to/(from) reserve funds	(868,076)	(2,575,556)	(85,251)	(143,299)	267,386
Transfers to/(from) own funds	(1,530,805)	(528,637)	(1,458,611)	(43,770)	(45,080)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial Plan Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>