

CITY OF MERRITT

BYLAW 2367

A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE PERIOD 2024 - 2028

WHEREAS pursuant to section 165 of the *Community Charter*, the Council for the City of Merritt must adopt a five-year plan;

AND WHEREAS the five-year financial plan must set out the proposed expenditures and proposed revenues for each year of the plan;

NOW THEREFORE the Municipal Council for the City of Merritt in open meeting assembled, **ENACTS AS FOLLOWS:**

Citation

1. This Bylaw shall be cited as the “City of Merritt 2024 – 2028 Financial Plan Bylaw No. 2367, 2024”.
2. That Schedule “A”, attached hereto and forming part of this bylaw is hereby declared to be the Financial Plan of the City of Merritt for the years 2024 – 2028.
3. That Schedule “B”, attached hereto and forming part of this bylaw is hereby declared to be the Capital Plan of the City of Merritt for the years 2024 – 2028.
4. That Schedule “C”, attached hereto and forming part of this bylaw is hereby declared to be the 2024 – 2028 Financial Plan Revenue Policy.
5. That “City of Merritt Five-Year Financial Plan Bylaw No. 2351, 2023” is hereby repealed.

READ A FIRST TIME this _____ day of _____, 2024

READ A SECOND TIME this _____ day of _____, 2024

READ A THIRD TIME this _____ day of _____, 2024

ADOPTED this _____ day of _____, 2024

Michael Goetz
Mayor

Linda Brick
Corporate Officer

**CITY OF MERRITT
2024 to 2028 Financial Plan
Schedule "A"
Bylaw No. 2367, 2024**

	2024 Annual Budget	2025 Annual Budget	2026 Annual Budget	2027 Annual Budget	2028 Annual Budget
REVENUE					
Taxation - net	11,545,664	12,914,177	13,566,960	14,246,999	14,944,530
Parcel taxes	1,840,449	1,899,753	1,962,022	2,027,405	1,982,542
1% Utility tax	152,681	152,681	152,681	152,681	152,681
Grants in lieu of taxes	143,000	143,000	143,000	143,000	143,000
Government grants	29,706,052	7,533,010	9,937,703	4,042,163	1,915,663
Regional grants	257,400	260,100	262,800	265,500	268,200
Sale of Services	6,658,210	6,967,058	6,905,481	7,094,310	7,298,072
Licences, permits and fines	569,080	564,080	564,080	564,080	564,080
Penalties and interest on taxes	154,000	154,000	154,000	154,000	154,000
Return on investments	575,528	575,528	575,528	575,528	575,528
Other revenue	376,342	395,017	416,904	439,570	404,594
	51,978,406	31,558,404	34,641,159	29,705,235	28,402,889
EXPENDITURE					
Departmental Expenditure					
General Government	3,779,176	3,657,633	3,768,852	3,867,095	3,970,427
Protective Services	6,364,918	6,461,775	6,681,061	6,881,442	7,085,749
Transportation Services	4,001,860	4,135,704	4,333,733	4,544,783	4,665,040
Environmental health services	763,194	786,088	817,290	825,849	864,068
Development services	1,845,331	1,755,235	886,137	913,987	942,950
Public health and welfare services	110,649	58,243	59,053	59,879	60,669
Recreational and cultural services	3,755,478	3,930,144	4,081,219	4,208,367	4,340,761
Water Utility	2,110,158	2,198,099	2,481,360	2,764,961	2,776,671
Sewer Utility	1,681,266	1,722,557	1,739,891	1,765,405	1,790,743
Debt servicing costs	859,965	884,096	892,551	954,058	824,863
Recovery Operations	1,797,460	1,225,391	946,401	841,000	846,000
	27,069,455	26,814,965	26,687,547	27,626,826	28,167,941
Surplus (Deficit for the year)	24,908,951	4,743,439	7,953,611	2,078,409	234,948
Adjust for Cash Items					
MFA debt principal payments	-417,309	-610,433	-610,433	-762,941	-700,230
Short term debt principal payments	-855,287	-811,908	-1,008,677	-1,139,837	-1,110,543
Capital Expenditures	-39,025,362	-8,206,100	-12,379,639	-4,499,000	-2,551,500
Transfer from reserves	4,801,975	1,508,000	2,986,000	1,138,500	401,500
Transfer (to) reserves	-1,976,899	-2,249,292	-2,427,574	-2,406,167	-2,851,492
Transfer (to) from unrestricted surplus	3,405,956	480,500	337,000	39,000	510,000
Proceeds from borrowing	5,889,965	1,513,000	1,130,000	1,185,000	1,635,000
Amortization	3,268,010	3,632,794	4,019,712	4,367,036	4,432,317
	-24,908,951	-4,743,439	-7,953,611	-2,078,409	-234,948
Financial Plan Balance	0	0	0	0	0

**CITY OF MERRITT
2024 to 2028 Capital Plan
Schedule "B"
Bylaw No. 2367, 2024**

GENERAL

GENERAL FUND CAPITAL PROJECTS	ALL YEARS	2024	2025	2026	2027	2028
TOTAL ADMINISTRATION	657,000	161,000	160,000	112,000	112,000	112,000
TOTAL PROTECTIVE SERVICES	2,411,019	1,338,019	970,000	103,000	-	-
TOTAL PUBLIC WORKS - GENERAL	15,268,099	9,032,599	1,364,500	1,487,000	2,489,000	895,000
TOTAL REC AND FACILITIES	2,690,270	581,270	1,044,500	498,000	549,000	17,500
TOTAL PLANNING AND DEVELOPMENT	8,000	8,000	-	-	-	-
TOTAL RECOVERY	26,789,356	19,945,617	4,373,100	2,460,639	5,000	5,000
	47,823,744	31,066,505	7,912,100	4,660,639	3,155,000	1,029,500

FUNDING SOURCES

	ALL YEARS	2024	2025	2026	2027	2028
Active Transportation & Parking	47,179	47,179	-	-	-	-
Community Works Gas Tax	1,477,565	762,565	673,500	23,500	9,000	9,000
DCC - Roads	150,000	150,000	-	-	-	-
Equipment Acquisition & Replacement Facilities	257,000	7,000	250,000	-	-	-
Facilities	156,570	122,570	8,500	8,500	8,500	8,500
Fire Protection Facilities & Equipment	160,000	67,000	70,000	23,000	-	-
Information Technology	584,000	136,000	112,000	112,000	112,000	112,000
Transportation Infrastructure	500,000	100,000	100,000	100,000	100,000	100,000
Total From Reserve	3,332,314	1,392,314	1,214,000	267,000	229,500	229,500
Proceeds from Debt	5,091,728	1,413,728	1,513,000	1,130,000	750,000	285,000
Surplus	3,987,190	2,620,690	480,500	337,000	39,000	510,000
Grant	35,412,512	25,639,773	4,704,600	2,926,639	2,136,500	5,000
	47,823,744	31,066,505	7,912,100	4,660,639	3,155,000	1,029,500

WATER

WATER FUND CAPITAL PROJECTS	ALL YEARS	2024	2025	2026	2027	2028
TOTAL PUBLIC WORKS - WATER	14,387,269	6,296,269	122,000	7,697,000	122,000	150,000

FUNDING SOURCES

	ALL YEARS	2024	2025	2026	2027	2028
Transfer from Surplus	520,331	520,331	-	-	-	-
Transfer from Gas Tax Reserve	2,046,944	1,350,000	-	696,944	-	-
Water Operations	541,000	-	122,000	147,000	122,000	150,000
Water System Infrastructure	1,853,056	-	-	1,853,056	-	-
Total From Reserve	4,441,000	1,350,000	122,000	2,697,000	122,000	150,000
Deposits	595,980	595,980	-	-	-	-
Proceeds from Debt	3,487,190	3,487,190	-	-	-	-
Grant Funding	5,342,768	342,768	-	5,000,000	-	-
	14,387,269	6,296,269	122,000	7,697,000	122,000	150,000

**CITY OF MERRITT
2024 to 2028 Capital Plan
Schedule "B" cont.
Bylaw No. 2367, 2024**

SEWER

SEWER FUND CAPITAL PROJECTS

	ALL YEARS	2024	2025	2026	2027	2028
TOTAL PUBLIC WORKS - SEWER	4,450,588	1,662,588	172,000	22,000	1,222,000	1,372,000

FUNDING SOURCES

	ALL YEARS	2024	2025	2026	2027	2028
Transfer from Surplus	191,371	191,371	-	-	-	-
DCC - Sewer	765,000	-	-	-	765,000	-
Sewer Operations	370,150	132,150	172,000	22,000	22,000	22,000
Total From Reserve	1,135,150	132,150	172,000	22,000	787,000	22,000
Deposits	350,020	350,020	-	-	-	-
Proceeds from Debt	2,774,047	989,047	-	-	435,000	1,350,000
	4,450,588	1,662,588	172,000	22,000	1,222,000	1,372,000

GRAND TOTAL CAPITAL PROJECTS

	ALL YEARS	2024	2025	2026	2027	2028
TOTAL ALL DEPARTMENTS	66,661,601	39,025,362	8,206,100	12,379,639	4,499,000	2,551,500

FUNDING SOURCES

	ALL YEARS	2024	2025	2026	2027	2028
Community Works Gas Tax	3,524,509	2,112,565	673,500	720,444	9,000	9,000
DCC - Roads	150,000	150,000	-	-	-	-
Equipment Acquisition & Replacement Facilities	257,000	7,000	250,000	-	-	-
Fire Protection Facilities & Equipment	156,570	122,570	8,500	8,500	8,500	8,500
Information Technology	160,000	67,000	70,000	23,000	-	-
Transportation Infrastructure	584,000	136,000	112,000	112,000	112,000	112,000
Water Operations	500,000	100,000	100,000	100,000	100,000	100,000
Water Infrastructure	541,000	-	122,000	147,000	122,000	150,000
DCC - Sewer	1,853,056	-	-	1,853,056	-	-
Sewer Operations	765,000	-	-	-	765,000	-
Total From Reserve	370,150	132,150	172,000	22,000	22,000	22,000
	8,908,464	2,874,464	1,508,000	2,986,000	1,138,500	401,500
Proceeds from Debt	11,352,965	5,889,965	1,513,000	1,130,000	1,185,000	1,635,000
Deposits	946,000	946,000	-	-	-	-
Surplus	4,698,892	3,332,392	480,500	337,000	39,000	510,000
Grant	40,755,280	25,982,541	4,704,600	7,926,639	2,136,500	5,000
	66,661,601	39,025,362	8,206,100	12,379,639	4,499,000	2,551,500

**CITY OF MERRITT
2024 to 2028 Financial Revenue Policy
Schedule "C"
Bylaw No. 2367, 2024**

Under the requirements of the *Community Charter* Section 165 (3.1) the Financial Plan must set out the objectives and policies of the municipality.

Property Taxes

Property taxation revenue will be determined by Council each year according to the operating and capital needs of the community, as part of the annual budget process. Taxation will be based on the service level delivery priorities of Council, in balance with preserving and enhancing the financial health and sustainability of the City.

Taxes will be allocated to the various classes of property as follows, to preserve and maintain the existing equity between assessment classes:

- a) The utility class will be taxed at the maximum combined rate per thousand dollars of assessed value permitted by legislation.
- b) All remaining assessment classes of property will receive an equal allocation of the percentage change in the annual tax levy.
- c)

Property Class	% of Tax Revenue
Residential	51.7%
Utilities	10.2%
Major Industry	7.2%
Light Industry	1.9%
Business/Other	28.9%
Rec/Non-Profit	0.0%
Farm	0.1%
Total	100.0%

The proportion of revenues to be raised from property taxation in 2024 is **22%** of total revenue.

Parcel Taxes

The City of Merritt charges parcel taxes for the collection of funds used within the water and sewer funds. Parcel taxes are also charged for local service areas.

Parcel taxes related to a local service area are collected for a specific period. Once all costs for which the parcel taxes are being collected have been paid, the parcel taxes are no longer collected.

The proportion of revenues to be raised from parcel taxes in 2024 is **4%**.

Sale of Services

Service fee recovery should reflect the full costs of the program delivery unless the program is directed towards children or where Council has determined that the cost of delivery should be subsidized.

The proportion of revenues to be raised from fees and charges in 2024 is **13%**.

Other Revenues

Investment income will be based on prudent investments of taxpayer funds.

Other revenues and fees and charges should be developed and enhanced to maximize the value derived for the benefit of the residents of the City of Merritt.

Proceeds from Borrowing

The City of Merritt accesses funds by borrowing through long term (>5 years) and short-term debt. Long term debt is used for major capital projects with elector approval. Short term debt and leasing is used for purchases of equipment and vehicles.

The proportion of proceeds from borrowing in 2024 is **15%** of capital funding, because of borrowing for a Local Area Service.

Development Cost Charges

The City of Merritt collects development cost charges (DCC's), per Bylaw No. 1964, 2007, "City of Merritt Development Cost Charge Bylaw". These funds are held in deferred revenue until projects identified in the bylaw are planned. Currently, there are two DCC eligible projects in the 2024 – 2028 Financial Plan.

Permissive Tax Exemptions

The City of Merritt recognizes the benefits accruing to the community through the efforts and activities of volunteer organizations and community groups. Permissive Tax Exemptions extend a financial benefit to such groups. The exemptions must be reviewed each year and new applications will be considered each year under a process and committee, as defined by existing City policy.