

CITY OF MERRITT

BYLAW 2396

A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE PERIOD 2025 - 2029

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 2025 – 2029 Financial Plan Bylaw No. 2396, 2025”.
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 2025 – 2029.
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 2025 – 2029.
4. That Schedule “C”, attached hereto and forming part of this bylaw is hereby declared to be the 2025 – 2029 Financial Plan Revenue Policy.
5. That “City of Merritt Five-Year Financial Plan Bylaw No. 2367, 2024” is hereby repealed.

READ A FIRST TIME this _____ day of _____, 202_

READ A SECOND TIME this _____ day of _____, 202_

READ A THIRD TIME this _____ day of _____, 202_

ADOPTED this _____ day of _____, 202_

Michael Goetz
Mayor

Linda Brick
Corporate Officer

CITY OF MERRITT
2025 to 2029 Financial Plan
Schedule "A"
Bylaw No. 2396, 2025

	2025 Annual Budget	2026 Annual Budget	2027 Annual Budget	2028 Annual Budget	2029 Annual Budget
REVENUE					
Taxation - net	12,839,589	13,776,774	14,672,890	15,346,756	16,389,021
Parcel taxes	1,369,615	1,702,199	1,768,145	1,723,872	1,796,577
1% Utility tax	159,826	159,826	159,826	159,826	159,826
Grants in lieu of taxes	174,366	183,085	192,239	201,851	211,944
Government grants	14,086,965	9,827,000	5,688,464	1,914,308	5,553,913
Regional grants	260,100	262,800	265,500	268,200	268,200
Sale of Services	7,029,254	7,418,107	7,795,308	8,095,250	8,370,997
Licences, permits and fines	360,628	285,630	275,630	260,630	230,630
Penalties and interest on taxes	203,124	203,124	203,124	203,124	203,124
Return on investments	570,436	506,251	442,066	442,066	442,066
Other revenue	870,684	404,751	1,192,306	392,747	366,245
	37,924,588	34,729,547	32,655,498	29,008,630	33,992,541
EXPENDITURE					
Departmental Expenditure					
General Government	3,865,554	3,803,443	3,835,249	3,947,549	4,037,476
Protective Services	6,469,343	6,642,936	6,850,068	7,067,735	7,308,019
Transportation Services	4,096,055	4,418,282	4,816,612	4,888,680	5,088,344
Environmental health services	764,700	805,483	812,625	832,928	885,870
Development services	2,016,302	1,333,013	1,292,729	1,332,083	1,373,011
Public health and welfare services	100,667	107,992	113,832	114,638	117,461
Recreational and cultural services	3,914,085	4,173,745	4,333,665	4,478,112	4,665,210
Water Utility	2,171,433	2,445,438	2,730,409	2,750,660	2,766,395
Sewer Utility	1,749,717	1,767,344	1,802,631	1,831,008	1,869,709
Debt servicing costs	841,731	731,079	759,811	769,085	840,769
Recovery Operations	1,648,695	1,656,901	1,587,174	221,928	0
	27,638,281	27,885,656	28,934,804	28,234,407	28,952,265
Surplus (Deficit for the year)	10,286,306	6,843,891	3,720,694	774,223	5,040,276
Adjust for Cash Items					
MFA debt principal payments	-423,182	-504,116	-519,498	-504,524	-518,107
Short term debt principal payments	-770,637	-815,965	-980,454	-1,222,731	-1,601,419
Capital Expenditures	-17,085,190	-13,695,814	-6,662,500	-3,162,500	-8,140,000
Transfer from reserves	3,874,821	3,835,303	437,500	797,500	335,000
Transfer (to) reserves	-2,649,184	-2,926,093	-3,252,778	-3,329,285	-3,430,817
Transfer (to) from unrestricted surplus	1,223,507	1,668,082	385,000	490,000	65,000
Proceeds from borrowing	1,910,763	1,575,000	2,505,000	1,725,000	3,740,000
Amortization	3,632,794	4,019,712	4,367,036	4,432,317	4,510,068
	-10,286,306	-6,843,891	-3,720,694	-774,223	-5,040,276
Financial Plan Balance	0	0	0	0	0

**CITY OF MERRITT
2025 to 2029 Capital Plan
Schedule "B"
Bylaw No. 2396, 2025**

GENERAL

GENERAL FUND CAPITAL PROJECTS	ALL YEARS	2025	2026	2027	2028	2029
TOTAL ADMINISTRATION	582,500	182,500	100,000	100,000	100,000	100,000
TOTAL PROTECTIVE SERVICES	5,117,694	1,127,694	900,000	1,000,000	90,000	2,000,000
TOTAL PUBLIC WORKS - GENERAL	12,059,311	5,279,311	2,345,000	3,155,000	875,000	405,000
TOTAL REC AND FACILITIES	3,353,500	1,127,500	1,076,000	652,500	467,500	30,000
TOTAL PLANNING AND DEVELOPMENT	4,665,000	125,000	140,000	250,000	150,000	4,000,000
TOTAL RECOVERY	4,948,293	4,381,864	366,429	200,000	-	-
	30,726,298	12,223,869	4,927,429	5,357,500	1,682,500	6,535,000

FUNDING SOURCES

	ALL YEARS	2025	2026	2027	2028	2029
Community Works Gas Tax	2,199,500	975,000	611,500	124,000	459,000	30,000
Equipment Acquisition & Replacement Facilities	262,500	262,500	-	-	-	-
Fire Protection Facilities & Equipment	107,000	66,500	23,500	8,500	8,500	-
Information Technology	187,694	187,694	-	-	-	-
Climate Action	500,000	100,000	100,000	100,000	100,000	100,000
Transportation Infrastructure	100,681	100,681	-	-	-	-
Total From Reserve	500,000	100,000	100,000	100,000	100,000	100,000
	3,857,375	1,792,375	835,000	332,500	667,500	230,000
Proceeds from Debt	8,170,763	1,910,763	1,575,000	2,070,000	375,000	2,240,000
Surplus	3,547,458	1,002,458	1,605,000	385,000	490,000	65,000
Grant	15,150,703	7,518,274	912,429	2,570,000	150,000	4,000,000
	30,726,298	12,223,869	4,927,429	5,357,500	1,682,500	6,535,000

WATER

WATER FUND CAPITAL PROJECTS	ALL YEARS	2025	2026	2027	2028	2029
TOTAL PUBLIC WORKS - WATER	13,001,610	4,241,110	8,450,500	95,000	120,000	95,000

FUNDING SOURCES

	ALL YEARS	2025	2026	2027	2028	2029
Community Works Gas Tax	2,669,312	1,360,304	1,309,008	-	-	-
Water Reserve	2,189,088	487,596	1,391,492	95,000	120,000	95,000
Total From Reserve	4,858,400	1,847,900	2,700,500	95,000	120,000	95,000
Grant Funding	8,143,210	2,393,210	5,750,000	-	-	-
	13,001,610	4,241,110	8,450,500	95,000	120,000	95,000

**CITY OF MERRITT
2025 to 2029 Capital Plan
Schedule "B" cont.
Bylaw No. 2396, 2025**

SEWER

SEWER FUND CAPITAL PROJECTS

	ALL YEARS	2025	2026	2027	2028	2029
TOTAL PUBLIC WORKS - SEWER	5,018,096	620,211	317,885	1,210,000	1,360,000	1,510,000

FUNDING SOURCES

	ALL YEARS	2025	2026	2027	2028	2029
Transfer from Surplus	284,132	221,049	63,082	-	-	-
Sewer Reserve	455,349	170,546	254,803	10,000	10,000	10,000
Total From Reserve	455,349	170,546	254,803	10,000	10,000	10,000
DCC - Sewer	765,000	-	-	765,000	-	-
Deposits	228,615	228,615	-	-	-	-
Proceeds from Debt	3,285,000	-	-	435,000	1,350,000	1,500,000
	5,018,096	620,211	317,885	1,210,000	1,360,000	1,510,000

GRAND TOTAL CAPITAL PROJECTS

	ALL YEARS	2025	2026	2027	2028	2029
TOTAL ALL DEPARTMENTS	48,746,004	17,085,190	13,695,814	6,662,500	3,162,500	8,140,000

FUNDING SOURCES

	ALL YEARS	2025	2026	2027	2028	2029
Community Works Gas Tax	4,868,812	2,335,304	1,920,508	124,000	459,000	30,000
Equipment Acquisition & Replacement	262,500	262,500	-	-	-	-
Facilities	107,000	66,500	23,500	8,500	8,500	-
Fire Protection Facilities & Equipment	187,694	187,694	-	-	-	-
Information Technology	500,000	100,000	100,000	100,000	100,000	100,000
Climate Action	100,681	100,681	-	-	-	-
Transportation Infrastructure	500,000	100,000	100,000	100,000	100,000	100,000
Water Reserve	2,189,088	487,596	1,391,492	95,000	120,000	95,000
Sewer Reserve	455,349	170,546	254,803	10,000	10,000	10,000
Total From Reserve	9,171,124	3,810,821	3,790,303	437,500	797,500	335,000
Proceeds from Debt	11,455,763	1,910,763	1,575,000	2,505,000	1,725,000	3,740,000
Deposits	228,615	228,615	-	-	-	-
DCC - Sewer	765,000	-	-	765,000	-	-
Unrestricted Surplus	3,831,590	1,223,507	1,668,082	385,000	490,000	65,000
Grant	23,293,912	9,911,483	6,662,429	2,570,000	150,000	4,000,000
	48,746,004	17,085,190	13,695,814	6,662,500	3,162,500	8,140,000

CITY OF MERRITT
2025 to 2029 Financial Revenue Policy
Schedule “C”
Bylaw No. 2396, 2025

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	51.5%
Utilities	10.2%
Major Industry	7.2%
Light Industry	2.6%
Business/Other	28.4%
Rec/Non-Profit	0.0%
Farm	0.1%
Total	100.0%

The proportion of revenues to be raised from property taxation in 2025 is **34%** 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 2025 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 2025 is **19%**.

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 2025 is **11%** of capital funding.

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 2025 – 2029 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. New applications will be considered each year under a process and committee, as defined by existing City policy.