

CITY OF MERRITT

BYLAW NO. 2281, 2020

A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE PERIOD 2020-2024

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

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

WHEREAS pursuant to *Emergency Program Act Ministerial Order No. 139*, a council may adopt a bylaw on the same day that it has been given third reading;

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

1. That this bylaw shall be cited as “**CITY OF MERRITT FIVE-YEAR FINANCIAL PLAN BYLAW NO. 2281, 2020**”.
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 2020 - 2024.
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 2020 – 2024.
4. That Schedule “C”, attached hereto and forming part of this bylaw is hereby declared to be the 2020 - 2024 Financial Plan Revenue Policy.
5. That “City of Merritt Five-Year Financial Plan Bylaw No. 2261, 2019” is hereby repealed.

READ A FIRST TIME THIS

READ A SECOND TIME THIS

READ A THIRD TIME THIS

ADOPTED THIS

**Linda A. Brown,
MAYOR**

**Sean Smith,
CORPORATE OFFICER**

CITY OF MERRITT
2020 to 2024 Financial Plan
Schedule "A"
Bylaw No. 2281, 2020

	2020	2021	2022	2023	2024
	Annual	Annual	Annual	Annual	Annual
	Budget	Budget	Budget	Budget	Budget
REVENUE					
Taxation, net	7,852,614	8,192,280	8,544,613	8,894,675	9,070,556
Parcel taxes	1,233,995	1,233,995	1,233,995	1,233,995	1,233,995
1% Utility Tax	148,959	147,460	146,260	148,560	148,960
Grants in lieu of taxes	137,500	137,500	137,500	137,500	137,500
Government grants	2,641,850	1,001,130	1,002,130	1,003,130	1,004,130
Regional grants	315,732	321,715	331,217	337,441	347,790
Sale of services	3,889,179	4,411,150	4,433,946	4,460,423	4,481,004
Licenses, permits and fines	250,000	261,700	270,434	275,203	282,007
Penalties and interest on taxes	120,000	140,000	140,000	140,000	140,000
Return on investments	175,000	250,000	250,000	250,000	225,000
Other revenue	342,333	363,545	383,742	404,672	426,205
	17,107,162	16,460,475	16,873,837	17,285,599	17,497,147
EXPENDITURE					
Departmental expenditure					
General government	2,417,464	2,401,899	2,436,360	2,476,618	2,512,488
Protective services	4,488,578	4,446,778	4,520,772	4,596,244	4,673,223
Transportation services	2,596,990	2,703,659	2,716,314	2,747,381	2,760,869
Environmental health services	753,319	749,888	753,732	757,653	761,653
Development services	971,570	567,518	549,927	557,485	565,194
Public health and welfare services	91,954	92,406	92,866	93,336	93,815
Recreational and cultural services	3,035,687	3,250,058	3,288,687	3,328,072	3,368,229
Water utility	1,362,501	1,382,803	1,391,768	1,400,912	1,410,239
Sewer utility	953,685	959,595	967,871	976,311	984,921
Debt servicing costs	308,726	351,346	342,446	335,042	327,565
	16,980,474	16,905,950	17,060,743	17,269,054	17,458,196
Surplus (Deficit for the year)	126,688	(445,475)	(186,906)	16,545	38,951
Adjust for Cash Items					
MFA debt principal payments	(438,875)	(523,772)	(543,729)	(564,458)	(585,991)
Short term debt principal payments	(254,030)	(396,163)	(292,317)	(299,671)	(281,451)
Capital expenditures	(8,472,508)	(1,660,000)	(1,660,000)	(1,660,000)	(1,660,000)
Transfer from (to) reserve for future	76,357				
Transfer (to) from reserve funds	1,016,374	(400,630)	(400,630)	(400,630)	(400,630)
Transfer from prior years surplus	2,548,490	1,061,940	719,482	544,114	525,021
Proceeds from borrowing	3,033,404				
Amortization	2,364,100	2,364,100	2,364,100	2,364,100	2,364,100
	(126,688)	445,475	186,906	(16,545)	(38,951)
Financial Plan Balance	0	0	0	0	0

CITY OF MERRITT
2020 - 2024 CAPITAL PLAN
Schedule "B"
Bylaw No. 2281, 2020

GENERAL FUND CAPITAL PROJECTS

ALL YEARS	2020	2021	2022	2023	2024
ADMINISTRATION	332,105	132,105	50,000	50,000	50,000
PROTECTIVE SERVICES	2,708,580	2,668,580	10,000	10,000	10,000
PUBLIC WORKS	5,857,604	3,737,604	530,000	530,000	530,000
ECONOMIC DEVELOPMENT	112,000	112,000			
RECREATION AND FACILITIES	329,963	309,963	5,000	5,000	5,000
9,340,252	6,960,252	595,000	595,000	595,000	595,000

FUNDING SOURCES

ALL YEARS	2020	2021	2022	2023	2024
General Revenue\Surplus	3,586,793	1,206,793	595,000	595,000	595,000
Non-statutory Reserves	1,543,361	1,543,361	0	0	0
Statutory Reserves	0	0	0	0	0
Grant	1,176,694	1,176,694	0	0	0
Proceeds from Debt	3,033,404	3,033,404	0	0	0
9,340,252	6,960,252	595,000	595,000	595,000	595,000

WATER FUND CAPITAL PROJECTS

ALL YEARS	2020	2021	2022	2023	2024
2,920,832	660,832	565,000	565,000	565,000	565,000

FUNDING SOURCES

ALL YEARS	2020	2021	2022	2023	2024
Water Revenue\Surplus	2,904,832	644,832	565,000	565,000	565,000
Statutory Reserves	16,000	16,000			
2,920,832	660,832	565,000	565,000	565,000	565,000

SEWER FUND CAPITAL PROJECTS

ALL YEARS	2020	2021	2022	2023	2024
2,851,424	851,424	500,000	500,000	500,000	500,000

FUNDING SOURCES

ALL YEARS	2020	2021	2022	2023	2024
Sewer Revenue\Surplus	2,851,424	851,424	500,000	500,000	500,000
2,851,424	851,424	500,000	500,000	500,000	500,000

GRAND TOTAL CAPITAL PROJECTS

ALL YEARS	2020	2021	2022	2023	2024
15,112,508	8,472,508	1,660,000	1,660,000	1,660,000	1,660,000

GRAND TOTAL FUNDING SOURCES

ALL YEARS	2020	2021	2022	2023	2024
General Revenue\Surplus	9,343,049	2,703,049	1,660,000	1,660,000	1,660,000
Non-Statutory Reserves	1,543,361	1,543,361	0	0	0
Statutory Reserves	16,000	16,000	0	0	0
Grants	1,176,694	1,176,694	0	0	0
Proceeds from Debt	3,033,404	3,033,404	0	0	0
15,112,508	8,472,508	1,660,000	1,660,000	1,660,000	1,660,000

City of Merritt
2020 – 2024 Financial Revenue Policy
Schedule “C”
Bylaw No. 2281, 2020

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.

Property Class	% of Tax Revenue
Residential	54%
Utilities	4%
Major Industry	9%
Light Industry	2%
Business	31%
Recreation	0%
Farm	0%
Total	100.00%

The proportion of revenues to be raised from property taxation in 2020 is 39% 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 2020 is 6%

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 2020 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 2020 is 15% of 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. At this point in time, the funding from DCC's will be identified in the Financial Plan. Currently, there are no DCC eligible projects in the 2020 – 2024 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.

Revitalization Tax Exemptions

The City of Merritt recognizes the benefit of a healthy economy and a vibrant community and has adopted a revitalization tax exemption bylaw that provides for a property tax incentive for improvements made to existing buildings and for certain new construction undertaken by property owners. Qualifying property owners can apply to receive a property tax exemption as provided by the revitalization tax exemption bylaw which is reviewed by committee for approval.