

CITY OF MERRITT

BYLAW 2351

A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE PERIOD 2023-2027

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;

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 2023-2027 Financial Plan Bylaw No. 2351, 2023”.
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 2023-2027.
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 2023-2027.
4. That Schedule “C”, attached hereto and forming part of this bylaw is hereby declared to be the 2023-2027 Financial Plan Revenue Policy.
5. That “City of Merritt Five-Year Financial Plan Bylaw No. 2332, 2022” is hereby repealed.

READ A FIRST TIME this 9th day of May, 2023

READ A SECOND TIME this 9th day of May, 2023

READ A THIRD TIME this 9th day of May, 2023

ADOPTED this ___ day of ___, 2023

Michael Geotz
Mayor

Greg Lewis
Corporate Officer

CITY OF MERRITT
2023 to 2027 Financial Plan
Schedule "A"
Bylaw No. 2351, 2023

	2023 Annual Budget	2024 Annual Budget	2025 Annual Budget	2026 Annual Budget	2027 Annual Budget
REVENUE					
Taxation - net	10,262,812	11,279,153	12,396,632	13,016,463	13,667,286
Parcel taxes	1,243,115	1,843,468	1,843,468	1,843,468	1,843,468
1% Utility tax	148,240	149,700	150,300	151,200	151,800
Grants in lieu of taxes	143,000	150,150	157,658	165,540	173,817
Government grants	21,597,732	12,912,881	1,909,639	986,581	986,581
Regional grants	340,736	357,773	375,661	394,445	414,167
Sale of Services	5,411,465	5,204,946	5,219,101	5,233,964	5,249,570
Licences, permits and fines	329,230	336,230	343,580	351,298	359,401
Penalties and interest on taxes	155,000	155,000	155,000	155,000	155,000
Return on investments	400,000	200,000	150,000	100,000	100,000
Other revenue	411,779	428,950	466,143	491,868	518,536
	40,443,109	33,018,251	23,167,182	22,889,827	23,619,626
EXPENDITURE					
Departmental Expenditure					
General Government	3,163,286	3,167,362	3,239,009	3,313,512	3,390,998
Protective Services	5,809,632	5,876,079	6,143,013	6,403,001	6,674,513
Transportation Services	3,386,290	3,397,693	3,470,054	3,545,513	3,624,212
Environmental health services	767,160	775,696	784,538	793,701	803,197
Development services	1,287,655	944,471	971,350	999,240	1,028,187
Public health and welfare services	113,635	114,889	116,183	117,519	118,900
Recreational and cultural services	3,550,346	3,531,053	3,593,656	3,658,228	3,724,842
Water Utility	2,291,499	2,300,955	2,312,940	2,325,354	2,338,215
Sewer Utility	1,446,762	1,473,148	1,500,560	1,529,042	1,558,644
Debt servicing costs	318,139	697,212	694,479	692,294	690,952
Recovery Operations	1,154,454	1,061,196	804,208	0	0
	23,288,858	23,339,754	23,629,990	23,377,404	23,952,660
Surplus (Deficit for the year)	17,154,251	9,678,497	-462,808	-487,577	-333,034
Adjust for Cash Items					
MFA debt principal payments	-399,975	-617,828	-617,828	-617,828	-617,828
Short term debt principal payments	-335,013	-299,982	-226,774	-176,485	
Capital Expenditures	-33,674,797	-14,744,967	-1,975,500	-522,000	-522,000
Transfer from reserves	5,555,855	3,105,361	734,630	73,078	106,582
Transfer (to) reserves	-372,081	-372,081	-572,720	-749,188	-1,113,720
Transfer (to) from surplus					
Proceeds from borrowing	9,591,760	771,000	641,000	0	0
Amortization	2,480,000	2,480,000	2,480,000	2,480,000	2,480,000
	-17,154,251	-9,678,497	462,808	487,577	333,034
Financial Plan Balance	0	0	0	0	0

CITY OF MERRITT
2023 to 2027 Capital Plan
Schedule "B"
Bylaw No. 2351, 2023

GENERAL

GENERAL FUND CAPITAL PROJECTS	ALL YEARS	2023	2024	2025	2026	2027
TOTAL ADMINISTRATION	813,979	461,979	103,000	83,000	83,000	83,000
TOTAL PROTECTIVE SERVICES	2,027,460	450,460	836,000	741,000		
TOTAL PUBLIC WORKS - GENERAL	12,914,859	9,543,646	1,785,713	928,500	328,500	328,500
TOTAL REC AND FACILITIES	1,055,310	323,160	682,650	16,500	16,500	16,500
TOTAL PLANNING AND DEVELOPMENT	449,102	45,102	404,000	-		
TOTAL RECOVERY	23,112,264	12,649,660	10,462,604	-		
	40,372,974	23,474,007	14,273,967	1,769,000	428,000	428,000

FUNDING SOURCES

	ALL YEARS	2023	2024	2025	2026	2027
Active Transportation & Parking	955,404	535,141	314,013	106,250		
Airport	736,867	132,867	4,000	600,000		
Aquatic Centre	222,695	21,695	175,500	8,500	8,500	8,500
Arena	327,523	12,473	315,050			
Cemetery	223,459	223,459				
Climate Action	-					
Community Works Gas Tax	508,704	488,704	20,000			
DCC - Roads	40,000		40,000			
Equipment Acquisition & Replacement	104,000	104,000				
Facilities	459,600	68,000	367,600	8,000	8,000	8,000
Fire Protection Facilities & Equipment	61,500	11,500		50,000		
General Capital	658,118	596,118	62,000			
Information Technology	493,980	161,980	83,000	83,000	83,000	83,000
Land Acquisition	100,000	-	100,000			
Transportation Infrastructure	3,249,470	1,282,270	1,156,700	153,500	328,500	328,500
Total From Reserve	8,141,320	3,638,207	2,637,863	1,009,250	428,000	428,000
Proceeds from Debt	2,503,760	1,091,760	771,000	641,000		-
Grant	29,727,894	18,744,040	10,865,104	118,750		-
	40,372,974	23,474,007	14,273,967	1,769,000	428,000	428,000

WATER

WATER FUND CAPITAL PROJECTS	ALL YEARS	2023	2024	2025	2026	2027
TOTAL PUBLIC WORKS - WATER	6,816,194	6,248,194	352,000	72,000	72,000	72,000

FUNDING SOURCES

	ALL YEARS	2023	2024	2025	2026	2027
Water System Infrastructure	1,461,194	893,194	352,000	72,000	72,000	72,000
Total From Reserve	1,461,194	893,194	352,000	72,000	72,000	72,000
Proceeds from Debt	5,355,000	5,355,000		-	-	-
Grant	-				-	-
	6,816,194	6,248,194	352,000	72,000	72,000	72,000

CITY OF MERRITT
2023 to 2027 Capital Plan
Schedule "B" cont.
Bylaw No. 2351, 2023

SEWER

SEWER FUND CAPITAL PROJECTS

	ALL YEARS	2023	2024	2025	2026	2027
TOTAL PUBLIC WORKS - SEWER	4,250,096	3,952,596	119,000	134,500	22,000	22,000

FUNDING SOURCES

	ALL YEARS	2023	2024	2025	2026	2027
Sewer System Infrastructure	1,105,096	807,596	119,000	134,500	22,000	22,000
Total From Reserve	1,105,096	807,596	119,000	134,500	22,000	22,000
Proceeds from Debt	3,145,000	3,145,000	-	-	-	-
Grant	-	-	-	-	-	-
	4,250,096	3,952,596	119,000	134,500	22,000	22,000
	-	-	-	-	-	-

GRAND TOTAL CAPITAL PROJECTS

	ALL YEARS	2023	2024	2025	2026	2027
TOTAL ALL DEPARTMENTS	51,439,264	33,674,797	14,744,967	1,975,500	522,000	522,000

FUNDING SOURCES

	ALL YEARS	2023	2024	2025	2026	2027
Active Transportation & Parking	955,404	535,141	314,013	106,250	-	-
Airport	736,867	132,867	4,000	600,000	-	-
Aquatic Centre	222,695	21,695	175,500	8,500	8,500	8,500
Arena	327,523	12,473	315,050	-	-	-
Cemetery	223,459	223,459	-	-	-	-
Climate Action	-	-	-	-	-	-
Community Works Gas Tax	508,704	488,704	20,000	-	-	-
Equipment Acquisition & Replacement	104,000	104,000	-	-	-	-
Facilities	459,600	68,000	367,600	8,000	8,000	8,000
Fire Protection Facilities & Equipment	61,500	11,500	-	50,000	-	-
General Capital	658,118	596,118	62,000	-	-	-
Information Technology	493,980	161,980	83,000	83,000	83,000	83,000
Sewer System Infrastructure	1,105,096	807,596	119,000	134,500	22,000	22,000
Transportation Infrastructure	3,249,470	1,282,270	1,156,700	153,500	328,500	328,500
Water System Infrastructure	1,461,194	893,194	352,000	72,000	72,000	72,000
Total From Reserve	10,707,610	5,338,997	3,108,863	1,215,750	522,000	522,000
Proceeds from Debt	11,003,760	9,591,760	771,000	641,000	-	-
Grant	29,727,894	18,744,040	10,865,104	118,750	-	-
	51,439,264	33,674,797	14,744,967	1,975,500	522,000	522,000
	-	-	-	-	-	-

CITY OF MERRITT
2023 to 2027 Financial Revenue Policy
Schedule “C”
Bylaw No. 2351, 2023

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	51.2%
Utilities	10.9%
Major Industry	7.2%
Light Industry	1.8%
Business/Other	28.7%
Rec/Non-Profit	0.0%
Farm	0.1%
Total	100.0%

The proportion of revenues to be raised from property taxation in 2023 is **25%** 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 2023 is **3%**

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 2023 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 2023 is **28%** of capital funding, because of proposed 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. At this point in time, the funding from DCC's will be identified in the Financial Plan. Currently, there is one DCC eligible project in the 2023 – 2027 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.