

CITY OF MERRITT

BYLAW NO. 2261, 2019

A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE PERIOD 2019-2023

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 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. 2261, 2019**”.
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 2019 - 2023.
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 2019 – 2023.
4. That Schedule “C”, attached hereto and forming part of this bylaw is hereby declared to be the 2019 - 2023 Financial Plan Revenue Policy.
5. That “City of Merritt Five-Year Financial Plan Bylaw No. 2232, 2018” is hereby repealed.

READ A FIRST TIME THIS

07th day of May, 2019

READ A SECOND TIME THIS

07th day of May, 2019

READ A THIRD TIME THIS

07th day of May, 2019

ADOPTED THIS

14th day of May, 2019

Original signed by
Linda A. Brown,
MAYOR

Original signed by
Sean Smith,
CORPORATE OFFICER

CITY OF MERRITT
2019 to 2023 Financial Plan
Schedule "A"
Bylaw 2261, 2019

	2019	2020	2021	2022	2023
	Annual	Annual	Annual	Annual	Annual
	Budget	Budget	Budget	Budget	Budget
REVENUE					
Taxation, net	7,571,549	7,904,878	8,241,114	8,580,315	8,922,540
Parcel taxes	1,231,395	1,231,395	1,231,395	1,231,395	1,231,395
1% Utility Tax	154,138	154,138	154,138	154,138	154,138
Grants in lieu of taxes	136,500	136,500	136,500	136,500	136,500
Federal government grants	1,500	1,500	1,500	1,500	1,500
Provincial government grants	1,443,440	715,000	615,000	615,000	615,000
Regional grants	309,866	315,732	321,714	327,817	334,041
Sales of services and rentals	4,352,526	4,352,526	4,352,526	4,352,526	4,352,526
Licenses, permits and fines	220,800	220,800	220,800	220,800	220,800
Penalties and interest on taxes	155,000	155,000	155,000	155,000	155,000
Return on investments	225,000	225,000	225,000	225,000	225,000
Other revenue	280,500	280,500	280,500	280,500	280,500
Transfer from Utilities	520,000	520,000	520,000	520,000	520,000
Gas Tax Funds	726,149	356,730	356,730	356,730	356,730
	17,328,363	16,569,699	16,811,917	17,157,221	17,505,670
EXPENDITURE					
Departmental expenditure					
General government	2,333,360	2,359,963	2,387,099	2,414,777	2,443,009
Protective services	4,154,794	4,244,245	4,336,135	4,430,533	4,527,509
Transportation services	2,605,538	2,620,663	2,636,090	2,651,825	2,667,875
Environmental health services	718,465	722,278	726,168	730,135	734,182
Development services	699,540	581,528	488,655	495,925	503,341
Public health and welfare services	102,185	102,628	103,080	103,541	104,012
Recreational and cultural services	3,133,321	3,164,851	3,197,012	3,229,816	3,263,276
Water utility	1,204,669	1,212,833	1,221,161	1,229,655	1,238,318
Sewer utility	1,180,320	1,188,335	1,196,511	1,204,850	1,213,356
Debt servicing costs	308,414	308,414	308,414	305,700	305,700
Bank charges	15,000	15,000	15,000	15,000	15,000
	16,455,606	16,520,738	16,615,325	16,811,757	17,015,578
Surplus (Deficit for the year)	872,757	48,961	196,592	345,464	490,092
Adjust for Cash Items					
MFA debt principal payments	(360,399)	(360,399)	(360,399)	(311,301)	(311,301)
Short term debt principal payments	(39,709)	(39,709)	(39,709)	(39,709)	(39,709)
Capital expenditures	(8,146,502)	(2,097,400)	(1,685,000)	(1,685,000)	(1,685,000)
Transfer from (to) reserve for future	760,865	300,000			
Transfer (to) from reserve funds	1,157,881	(401,730)	(401,730)	(401,730)	(401,730)
Transfer from prior years surplus	1,196,857	801,527	541,496	343,526	198,898
Proceeds from debt	2,809,500				
Amortization	1,748,750	1,748,750	1,748,750	1,748,750	1,748,750
	(872,757)	(48,961)	(196,592)	(345,464)	(490,092)
Financial Plan Balance	0	0	0	0	0

CITY OF MERRITT
2019 - 2023 CAPITAL PLAN
Schedule "B"
Bylaw 2261, 2019

GENERAL FUND CAPITAL PROJECTS

ALL YEARS	2019	2020	2021	2022	2023
ADMINISTRATION	460,500	260,500	50,000	50,000	50,000
PROTECTIVE SERVICES	3,268,625	2,816,225	422,400	10,000	10,000
PUBLIC WORKS	4,576,945	2,456,945	530,000	530,000	530,000
RECREATION AND FACILITIES	645,560	605,560	10,000	10,000	10,000
8,951,630	6,139,230	1,012,400	600,000	600,000	600,000

FUNDING SOURCES

ALL YEARS	2019	2020	2021	2022	2023
General Revenue	4,909,649	2,497,249	612,400	600,000	600,000
Non-statutory Reserves	826,011	526,011	300,000	0	0
Grant	406,470	306,470	100,000	0	0
Proceeds from Debt	2,809,500	2,809,500	0	0	0
8,951,630	6,139,230	1,012,400	600,000	600,000	600,000

WATER FUND CAPITAL PROJECTS

ALL YEARS	2019	2020	2021	2022	2023
3,515,000	1,255,000	565,000	565,000	565,000	565,000

FUNDING SOURCES

ALL YEARS	2019	2020	2021	2022	2023
Water Revenue	2,825,000	565,000	565,000	565,000	565,000
Statutory Reserves	690,000	690,000	0	0	0
3,515,000	1,255,000	565,000	565,000	565,000	565,000

SEWER FUND CAPITAL PROJECTS

ALL YEARS	2019	2020	2021	2022	2023
2,732,272	732,272	500,000	500,000	500,000	500,000

FUNDING SOURCES

ALL YEARS	2019	2020	2021	2022	2023
Sewer Revenue	2,732,272	732,272	500,000	500,000	500,000
2,732,272	732,272	500,000	500,000	500,000	500,000

TRANSIT FUND CAPITAL PROJECTS

ALL YEARS	2019	2020	2021	2022	2023
100,000	20,000	20,000	20,000	20,000	20,000

FUNDING SOURCES

ALL YEARS	2019	2020	2021	2022	2023
Transit Revenue	100,000	20,000	20,000	20,000	20,000
100,000	20,000	20,000	20,000	20,000	20,000

GRAND TOTAL CAPITAL PROJECTS

ALL YEARS	2019	2020	2021	2022	2023
15,298,902	8,146,502	2,097,400	1,685,000	1,685,000	1,685,000

ALL YEARS	2019	2020	2021	2022	2023
General Revenue	10,566,921	3,814,521	1,697,400	1,685,000	1,685,000
Non-Statutory Reserves	826,011	526,011	300,000	0	0
Statutory Reserves	690,000	690,000	0	0	0
Grants	406,470	306,470	100,000	0	0
Proceeds from Debt	2,809,500	2,809,500	0	0	0
GRAND TOTAL FUNDING SOURCES	15,298,902	8,146,502	2,097,400	1,685,000	1,685,000

City of Merritt
2019 – 2023 Financial Revenue Policy
Schedule “C”
Bylaw No. 2261, 2019

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	2%
Major Industry	10%
Light Industry	2%
Business	32%
Recreation	0%
Farm	0%
Total	100.00%

The proportion of revenues to be raised from property taxation in 2019 is 39% of total revenue.

Parcel Taxes

The City of Merritt also utilizes parcel taxes for the collection of costs associated with local service areas. Parcel taxes are collected for a specific period of time during which the costs are incurred. 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 2019 is 6%

Municipal Fees and Charges

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 2019 is 22%.

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 2019 is 14% 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 2019 – 2023 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 reviewed 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.