

THE CORPORATION OF THE CITY OF VERNON

BYLAW NUMBER 5846

A bylaw to adopt the "Financial Plan"
for the Years 2021 – 2025

WHEREAS Section 165 of the *Community Charter* requires the Council to prepare and adopt a Financial Plan for a five year period for the years 2021 to 2025.

NOW THEREFORE as the Council of The Corporation of the City of Vernon desires to adopt the 2021 Financial Plan, Council, in open meeting assembled, enacts as follows:

1. This bylaw may be cited for all purposes as the "**City of Vernon 2021 Financial Plan Bylaw Number 5846, 2020**".
2. That Schedule "A" attached hereto and forming part of this bylaw is hereby adopted and shall be the 2021 Financial Plan for The Corporation of the City of Vernon.
3. That Schedule "B" attached hereto and forming part of this bylaw is hereby adopted and shall be the 2021 - 2025 Financial Plan Revenue Policy.

Public Consultation was held the 30th day of November 2020 and the 1st day of December 2020, pursuant to Section 166 of the *Community Charter*.

READ A FIRST TIME this 14th day of December, 2020.

READ A SECOND TIME this 14th day of December, 2020.

READ A THIRD TIME this 14th day of December, 2020.

ADOPTED this 11th day of January, 2021.



Mayor



Corporate Officer

**THE CORPORATION OF THE CITY OF VERNON
2021 - 2025 FINANCIAL PLAN (CONSOLIDATED)**

**SCHEDULE A BYLAW 5846
December 14, 2020**

For Year Ended December 31st	Budget 2021	Provisional Budget 2022	Provisional Budget 2023	Provisional Budget 2024	Provisional Budget 2025
Revenue					
Taxation	46,234,633	49,330,354	51,194,877	53,313,909	54,645,228
Sanitary Sewer User Fees	9,931,107	10,348,264	10,462,491	10,578,122	10,695,174
Sale of Goods and Services	17,420,754	19,000,227	19,348,573	19,613,004	19,543,055
Fiscal Services	1,802,000	1,802,000	1,802,000	1,802,000	1,802,000
Natural Gas System Lease & Franchise	441,712	441,712	441,712	441,712	441,712
Government Transfers	7,093,077	8,891,280	8,511,818	8,216,089	8,277,233
Developer Contributions	4,152,647	1,291,647	2,296,647	3,136,647	2,706,647
Total Revenue	87,075,930	91,105,484	94,058,118	97,101,483	98,111,049
Expenses					
Communications, Insurance & Utilities	4,729,860	4,743,306	4,848,541	4,951,828	5,026,564
Cost of Goods Sold	580,325	591,832	603,568	615,540	626,886
Amortization	12,555,745	12,703,456	12,830,489	12,958,794	13,117,141
Supplies, Materials & Contracts	33,715,398	33,651,203	34,062,119	35,069,088	35,191,626
Salaries, Wages, & Benefits	34,235,740	35,217,081	35,940,614	36,684,902	37,184,216
Interest and Fiscal Services	486,944	488,280	489,638	491,016	491,570
Total Expenses	86,304,012	87,395,158	88,774,969	90,771,168	91,638,003
Net Revenues for the Year	771,918	3,710,326	5,283,149	6,330,315	6,473,046
Principal Payments on Long Term Debt	(483,897)	(483,897)	(483,897)	(483,897)	(483,897)
Change in Fund Balance	288,021	3,226,429	4,799,252	5,846,418	5,989,149
Estimated Closing Fund Balance	625,233,453	628,459,882	633,259,134	639,105,552	645,094,701
Reconciliation to Cash Basis:					
Change in Fund Balance (see above)	288,021	3,226,429	4,799,252	5,846,418	5,989,149
Plus: Amortization	12,555,745	12,703,456	12,830,489	12,958,794	13,117,141
Plus: Transfers from Reserves	10,881,710	8,780,335	8,501,892	8,633,392	8,300,992
Less: Transfers to reserves	(5,552,856)	(8,199,377)	(8,215,610)	(8,332,947)	(7,857,530)
Less: Approved capital asset additions	(18,172,620)	(16,510,843)	(17,916,023)	(19,105,657)	(19,549,752)
Reconciled Surplus (Deficit)					

2021-2025 Financial Plan Revenue Policy

Schedule B Bylaw 5846

Property Value taxes

Taxation Revenue of the Corporation of the City of Vernon (the City) will be determined by Council each year according to the operating needs of the community and the 1.9% cumulative infrastructure levy, as part of the annual budget process.

Taxation will be allocated to the various property classes as follows;

- The utility class will be taxed at the maximum combined rate per thousand dollars of value permitted by legislation.
- All remaining classes of property will receive an equal allocation of the percent change in the annual tax levy.
- The City will strive to maintain a business to residential multiplier range not exceeding 3.2 to 1 under optimal conditions by adjusting the allocation of the percent change in the annual tax levy if needed.

The City recognizes the benefits provided to the community through the efforts and activities of volunteer organizations and community groups. Permissive tax exemptions will be extended to such groups and must be renewed annually. New applications will be reviewed each year to ensure the applicants meet the guidelines of the City's Tax Exemption policy.

Taxation

- The proportion of revenues to be raised from taxation in 2021 is 51.4% of total revenue.

Municipal Fees

- Service fee recovery should reflect the full costs of program delivery.
- The proportion of revenues to be raised from fees and charges in 2021 is 30.8% of total revenue.

Other Revenue

- Investment income will be based on prudent investments of taxpayer funds.
- Other revenue flows should be developed and enhanced to maximize the value derived for the benefit of the City's residents.
- The proportion of revenues to be raised from other revenue in 2021 is 17.7% of total revenue.

Parcel Taxes

- Specified areas will bear the net cost of all debt incurred to finance the local improvements.
- The proportion of revenues to be raised from parcel taxes in 2021 is less than 1.0% of total revenue.

Infrastructure

- Commencing for 2013, Council committed to rebuilding the capacity of the City to fund its capital infrastructure obligations. To this end 1.9% annual taxation increase is to be levied cumulatively for capital infrastructure funding; however, due to the COVID-19 pandemic, the 2021 1.9% increase has been deferred until 2022 with the program being extended an additional year to 2023.