

THE CORPORATION OF THE CITY OF VERNON

BYLAW NUMBER 5881

A bylaw to adopt the "Financial Plan"
for the Years 2022 – 2026

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 2022 to 2026.

NOW THEREFORE as the Council of The Corporation of the City of Vernon desires to adopt the 2022 Financial Plan, Council, in open meeting assembled, enacts as follows:

1. This bylaw may be cited for all purposes as the "**City of Vernon 2022 Financial Plan Bylaw Number 5881, 2021**".
2. That Schedule "A" attached hereto and forming part of this bylaw is hereby adopted and shall be the 2022 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 2022 - 2026 Financial Plan Revenue Policy.

Public Consultation was held the 29th day of November 2021 pursuant to Section 166 of the *Community Charter*.

READ A FIRST TIME this 13th day of December, 2021.

READ A SECOND TIME this 13th day of December, 2021.

READ A THIRD TIME this 13th day of December, 2021.

ADOPTED this 10th day of January, 2022.



Mayor



Corporate Officer

**THE CORPORATION OF THE CITY OF VERNON
2022 - 2026 FINANCIAL PLAN (CONSOLIDATED)**

SCHEDULE A BYLAW 5881

December 13, 2021

For Year Ended December 31st	Budget 2022	Provisional Budget 2023	Provisional Budget 2024	Provisional Budget 2025	Provisional Budget 2026
Revenue					
Taxation	50,191,876	52,566,789	54,429,146	56,475,959	57,940,416
Sanitary Sewer User Fees	10,998,735	11,128,067	11,259,295	11,392,458	11,372,594
Sale of Goods and Services	20,140,679	20,370,541	20,639,627	20,928,364	21,144,895
Fiscal Services	1,494,000	1,482,000	1,482,000	1,482,000	1,482,000
Natural Gas System Lease & Franchise	441,712	441,712	441,712	441,712	441,712
Government Transfers	7,921,192	8,745,362	8,857,117	8,893,195	8,987,371
Developer Contributions	2,668,927	2,271,927	3,111,927	2,681,927	2,181,927
Total Revenue	93,857,121	97,006,398	100,220,824	102,295,615	103,550,915
Expenses					
Communications, Insurance & Utilities	4,633,169	4,723,656	4,811,035	4,899,459	4,984,871
Cost of Goods Sold	710,500	729,710	744,203	758,987	774,067
Amortization	11,512,623	11,719,851	11,930,807	12,145,559	12,364,181
Supplies, Materials & Contracts	36,535,481	35,779,118	36,133,414	36,757,400	37,594,855
Salaries, Wages, & Benefits	37,603,028	38,300,505	39,221,759	40,000,210	40,686,442
Interest and Fiscal Services	366,129	367,508	368,915	370,352	371,820
Total Expenses	91,360,930	91,620,348	93,210,133	94,931,967	96,776,236
Net Revenues for the Year	2,496,191	5,386,050	7,010,691	7,363,648	6,774,679
Principal Payments on Long Term Debt	(527,249)	(527,249)	(527,249)	(527,249)	(527,249)
Change in Fund Balance	1,968,942	4,858,801	6,483,442	6,836,399	6,247,430
Estimated Closing Fund Balance	664,059,106	668,917,907	675,401,349	682,237,748	688,485,178

Reconciliation to Cash Basis:					
Change in Fund Balance (see above)	1,968,942	4,858,801	6,483,442	6,836,399	6,247,430
Plus: Amortization	11,512,623	11,719,851	11,930,807	12,145,559	12,364,181
Plus: Transfers from Reserves	12,834,047	9,956,962	9,424,315	9,301,119	9,067,819
Less: Transfers to reserves	(8,046,455)	(8,619,591)	(8,732,907)	(8,733,325)	(8,663,185)
Less: Approved capital program	(18,269,157)	(17,916,023)	(19,105,657)	(19,549,752)	(19,016,245)
Reconciled Surplus (Deficit)	-	-	-	-	-

2022-2026 Financial Plan Revenue Policy

Schedule B Bylaw 5881

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 2022 is 53.5% 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 2022 is 33.2% 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 2022 is 13.3% 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 2022 is less than 1.0% of total revenue.

Infrastructure

- Commencing in 2013, Council committed to building the capacity of the City to fund its capital infrastructure obligations. To achieve this a 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 was deferred until 2022 with the program being extended an additional year to 2023.