

THE CORPORATION OF THE CITY OF VERNON

BYLAW NUMBER 5732

A bylaw to adopt the "Financial Plan"
for the Years 2019 – 2023

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 2019 to 2023.

NOW THEREFORE as the Council of The Corporation of the City of Vernon desires to adopt the 2019 Financial Plan, Council, in open meeting assembled, enacts as follows:

1. This bylaw may be cited for all purposes as the "**City of Vernon 2019 Financial Plan Bylaw Number 5732, 2018**".
2. That Schedule "A" attached hereto and forming part of this bylaw is hereby adopted and shall be the 2019 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 2019 - 2023 Financial Plan Revenue Policy.

Public Consultation was held the 28th and 29th day of November 2018, pursuant to Section 166 of the *Community Charter*.

READ A FIRST TIME this 10th day of December, 2018.

READ A SECOND TIME this 10th day of December, 2018.

READ A THIRD TIME this 10th day of December, 2018.

ADOPTED this 7th day of January, 2019.

Mayor

Corporate Officer

THE CORPORATION OF THE CITY OF
VERNON 2019 - 2023 FINANCIAL
PLAN (CONSOLIDATED)

SCHEDULE A BYLAW 5732

December 10, 2018

For Year Ended December 31st	Budget 2019	Provisional Budget 2020	Provisional Budget 2021	Provisional Budget 2022	Provisional Budget 2023
Revenue					
Taxation	42,579,671	43,716,106	45,194,046	47,424,521	49,430,450
Sanitary Sewer User Fees	9,661,056	9,758,964	9,863,073	9,968,397	10,074,955
Sale of Goods and Services	18,644,568	18,553,592	18,815,699	19,098,230	18,916,512
Fiscal Services	1,399,364	1,403,893	1,423,947	1,423,947	1,423,947
Natural Gas System Lease & Franchise	2,316,000	2,316,000	2,316,000	2,316,000	2,316,000
Government Transfers	12,688,260	8,462,264	8,574,525	8,687,346	8,834,745
Developer Contributions	4,879,554	4,163,762	4,508,343	3,800,772	3,353,284
Total Revenue	92,168,473	88,374,581	90,695,633	92,719,213	94,349,893
Expenses					
Communications, Insurance & Utilities	4,379,945	4,453,255	4,414,686	4,609,428	4,692,338
Cost of Goods Sold	685,707	697,141	711,290	724,689	726,604
Amortization	12,115,656	12,333,737	12,555,745	12,781,749	12,909,564
Supplies, Materials & Contracts	33,656,589	31,388,588	31,542,606	32,682,869	33,344,780
Salaries, Wages, & Benefits	31,797,990	32,329,017	33,107,214	33,857,539	34,536,814
Interest and Fiscal Services	1,180,241	700,688	582,849	580,610	578,121
Total Expenses	83,816,128	81,902,426	82,914,390	85,236,884	86,788,221
Net Revenues for the Year	8,352,345	6,472,155	7,781,243	7,482,329	7,561,672
Principal Payments on Long Term Debt	(1,800,420)	(854,405)	(509,797)	(512,348)	(515,150)
Change in Fund Balance	6,551,925	5,617,750	7,271,446	6,969,981	7,046,522
Estimated Closing Fund Balance	601,643,043	607,260,793	614,532,239	621,502,220	628,548,742
Reconciliation to Cash Basis:					
Change in Fund Balance (see above)	6,551,925	5,617,750	7,271,446	6,969,981	7,046,522
Plus: Amortization	12,115,656	12,333,737	12,555,745	12,781,749	12,909,564
Plus: Transfers from Reserves	11,850,393	11,771,891	7,907,847	8,689,163	9,238,265
Less: Transfers to reserves	(8,616,276)	(10,130,648)	(10,490,798)	(10,351,033)	(10,323,121)
Less: Approved capital asset additions	(21,901,698)	(19,592,730)	(17,244,240)	(18,089,860)	(18,871,230)
Reconciled Surplus (Deficit)	0	0	0	0	0

2019-2023 Financial Plan Revenue Policy

Schedule B Bylaw 5732

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 and capital infrastructure needs of the community 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.

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 2019 is 46.2% 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 2019 is 30.7% 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 2019 is 23.1% 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 2019 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 a 1.9% annual taxation increase is to be levied cumulatively for capital infrastructure funding.