

THE CORPORATION OF THE CITY OF VERNON

BYLAW NUMBER 5794

A bylaw to adopt the "Financial Plan"  
for the Years 2020 – 2024

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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 2020 to 2024.

NOW THEREFORE as the Council of The Corporation of the City of Vernon desires to adopt the 2020 Financial Plan, Council, in open meeting assembled, enacts as follows:

1. This bylaw may be cited for all purposes as the "**City of Vernon 2020 Financial Plan Bylaw Number 5794, 2020**".
2. That Schedule "A" attached hereto and forming part of this bylaw is hereby adopted and shall be the 2020 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 2020 - 2024 Financial Plan Revenue Policy.

Public Consultation was held the 9<sup>th</sup> and 10<sup>th</sup> day of December 2019, pursuant to Section 166 of the *Community Charter*.

READ A FIRST TIME this 13<sup>th</sup> day of January, 2020.

READ A SECOND TIME this 13<sup>th</sup> day of January, 2020.

READ A THIRD TIME this 13<sup>th</sup> day of January, 2020.

ADOPTED this 27<sup>th</sup> day of January, 2020.

  
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Mayor

  
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4y Corporate Officer

THE CORPORATION OF THE CITY OF VERNON  
2020 - 2024 FINANCIAL PLAN (CONSOLIDATED)

SCHEDULE A BYLAW 5794  
January 13, 2020

For Year Ended December 31st	Budget 2020	Provisional Budget 2021	Provisional Budget 2022	Provisional Budget 2023	Provisional Budget 2024
<b>Revenue</b>					
Taxation	44,882,521	46,141,780	48,174,611	50,061,681	50,693,890
Sanitary Sewer User Fees	10,047,757	10,173,981	10,281,685	10,390,631	10,500,834
Sale of Goods and Services	19,084,627	19,331,878	19,617,291	19,898,739	20,190,424
Fiscal Services	1,756,900	1,760,869	1,764,878	1,768,926	1,775,175
Natural Gas System Lease & Franchise	441,712	441,712	441,712	441,712	441,712
Government Transfers	11,171,245	9,497,816	9,600,927	9,223,996	8,856,057
Developer Contributions	1,368,146	766,096	1,298,646	2,303,646	3,643,646
<b>Total Revenue</b>	<b>88,752,908</b>	<b>88,114,132</b>	<b>91,179,750</b>	<b>94,089,331</b>	<b>96,101,738</b>
<b>Expenses</b>					
Communications, Insurance & Utilities	4,544,096	4,617,855	4,687,976	4,758,825	4,816,348
Cost of Goods Sold	681,493	677,203	688,075	699,110	710,311
Amortization	12,333,737	12,555,745	12,781,749	12,909,564	13,038,658
Supplies, Materials & Contracts	35,869,382	33,163,406	33,885,544	34,590,870	34,161,540
Salaries, Wages, & Benefits	33,578,230	34,213,895	35,036,384	35,682,245	36,462,584
Interest and Fiscal Services	609,708	486,944	488,280	489,638	490,016
<b>Total Expenses</b>	<b>87,616,646</b>	<b>85,715,048</b>	<b>87,568,008</b>	<b>89,130,252</b>	<b>89,679,457</b>
<b>Net Revenues for the Year</b>	<b>1,136,262</b>	<b>2,399,084</b>	<b>3,611,742</b>	<b>4,959,079</b>	<b>6,422,281</b>
<b>Principal Payments on Long Term Debt</b>	<b>-830,827</b>	<b>-483,897</b>	<b>-483,897</b>	<b>-483,897</b>	<b>-483,897</b>
<b>Change in Fund Balance</b>	<b>305,435</b>	<b>1,915,187</b>	<b>3,127,845</b>	<b>4,475,182</b>	<b>5,938,384</b>
<b>Estimated Closing Fund Balance</b>	<b>628,924,935</b>	<b>630,840,122</b>	<b>633,967,967</b>	<b>638,443,149</b>	<b>644,381,533</b>
<b>Reconciliation to Cash Basis:</b>					
Change in Fund Balance (see above)	305,435	1,915,187	3,127,845	4,475,182	5,938,384
Plus: Amortization	12,333,737	12,555,745	12,781,749	12,909,564	13,038,658
Plus: Transfers from Reserves	11,990,711	8,133,325	8,634,163	8,525,642	8,576,692
Less: Transfers to reserves	-8,088,715	-8,068,912	-8,053,905	-8,034,317	-8,005,830
Less: Approved capital asset additions	-16,541,168	-14,535,345	-16,489,852	-17,876,071	-19,547,904
Reconciled Surplus (Deficit)	0	0	0	0	0

# 2020-2024 Financial Plan Revenue Policy

## Schedule B Bylaw 5794

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### 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 2020 is 50.6% 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 2020 is 32.8% 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 2020 is 16.6% 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 2020 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.