

CITY OF COURTENAY

BYLAW NO. 3096, 2023

**A bylaw for the City of Courtenay
Five-Year Financial Plan for the period 2023 to 2027 inclusive**

WHEREAS

- A. Section 165 of the *Community Charter* requires that every municipality must have a five-year financial plan that is adopted annual, by bylaw, before the annual property tax bylaw is adopted and that the financial plan must set out the objectives, and policies of the municipality for the planning period in relation to the funding sources, the proportion of total revenue from the funding sources, the distribution of property value taxes among the property classes and the use of permissive tax exemptions;
- B. Section 166 of the *Community Charter* requires that, before adopting a bylaw under section 165, a council must undertake a process of public consultation regarding the proposed financial plan; and
- C. Council for the City of Courtenay has complied with section 166 of the *Community Charter*.

NOW THEREFORE

- A. the Council of the City of Courtenay, in open meeting assembled, enacts as follows:
 - 1. This bylaw may be cited for all purposes as “**2023 – 2027 Consolidated Financial Plan Bylaw 3096, 2023**”.
 - 2. Schedules A and B attached hereto and forming part of this bylaw are hereby declared to be the Five-Year Financial Plan of the City of Courtenay for the years 2023 to 2027 inclusive.
 - 3. “The 2022 – 2026 Consolidated Financial Plan Bylaw No. 3060, 2022” is hereby repealed.

Read a first time this 12th day of April, 2023

Read a second time this 12th day of April, 2023

Read a third time this 12th day of April, 2023

Finally passed and adopted this day of April, 2023

Mayor Bob Wells

Adriana Proton, Corporate Officer

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 Schedule A

	2023	2024	2025	2026	2027
Revenue					
Property taxation	\$ 31,508,700	\$ 33,905,100	\$ 35,005,000	\$ 35,780,300	\$ 37,196,200
Frontage and parcel taxes	3,355,100	3,371,800	3,388,500	3,405,400	3,422,400
Fees and charges	22,551,400	23,545,500	24,569,500	25,498,300	26,370,500
Government transfers	7,350,700	3,268,500	3,992,600	4,002,200	12,880,600
Other revenue	2,259,000	2,168,900	2,171,100	2,373,500	2,375,800
Total Revenue	\$ 67,024,900	\$ 66,259,800	\$ 69,126,700	\$ 71,059,700	\$ 82,245,500
Expenses					
General Government	\$ 5,921,500	\$ 6,002,300	\$ 6,004,900	\$ 6,109,700	\$ 6,192,600
Protective Services	11,822,000	12,016,200	12,306,200	12,889,500	13,164,400
Public Works Services	9,828,200	9,890,200	10,037,300	10,156,800	10,173,800
Engineering Services	1,087,200	750,900	763,100	775,500	788,600
Environmental Health Services	19,329,500	20,599,100	21,191,900	21,762,800	22,381,500
Public Health Services	425,300	431,400	438,200	444,900	446,600
Development Services	2,994,000	2,716,800	2,765,200	2,729,200	2,771,300
Recreation & Cultural Services	6,291,500	6,396,500	6,421,300	6,568,100	6,698,800
Fiscal services debt interest	641,500	791,800	1,002,100	1,286,900	1,603,400
Amortization	6,661,000	6,661,000	6,661,000	6,661,000	6,661,000
Total Expense	\$ 65,001,700	\$ 66,256,200	\$ 67,591,200	\$ 69,384,400	\$ 70,882,000
Annual Operating (Deficit) Surplus	\$ 2,023,200	\$ 3,600	\$ 1,535,500	\$ 1,675,300	\$ 11,363,500
Transfers and Acquisitions					
Remove amortization	\$ 6,661,000	\$ 6,661,000	\$ 6,661,000	\$ 6,661,000	\$ 6,661,000
Principal payments	(1,008,300)	(1,217,200)	(1,166,200)	(1,581,500)	(1,614,100)
Capital acquisitions	(25,039,200)	(11,339,400)	(19,836,000)	(10,571,000)	(30,467,000)
Borrowing	5,278,000	2,500,000	11,350,000	3,250,000	14,403,000
Transfer to reserve	(4,391,100)	(4,652,700)	(5,580,100)	(4,327,100)	(5,139,700)
Transfer from reserve	16,476,400	8,044,700	7,035,800	4,893,300	4,793,300
Total Transfers and Acquisitions	\$ (2,023,200)	\$ (3,600)	\$ (1,535,500)	\$ (1,675,300)	\$ (11,363,500)
Annual Surplus / (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

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Schedule B

Objectives and Policies for Schedule “B” Bylaw 3096

In accordance with section 165 (3.1) of the *Community Charter*, the City of Courtenay is required to include in the Five-Year Financial Plan, objectives, and policies regarding each of the following:

- The proportion of total revenue that is proposed to come from that funding source.
- The distribution of property value taxes among the property classes that may be subject to the taxes.
- The provision of development potential relief under section 198.1 of the *Community Charter*.
- The use of permissive tax exemptions.

Proportion of Revenue by Source

Property Tax

- The City of Courtenay will attempt to keep the proportional share of revenue from property taxes at a level similar to the average of comparable municipalities.
- Where new sources of revenue are made available to the City from senior governments, wherever possible these revenues will be used to reduce dependency on property taxation revenue.

Parcel Tax

- Parcel taxes will be used whenever Council determines that they are more appropriate than property taxes.

Fees & Charges

- Wherever possible, fees & charges will be used to assign costs to those who benefit from the service provided. The proportion of costs recovered by fees and charges will vary with the nature of the service provided.

Proceeds of Borrowing

- Borrowing will be considered when determining the funding sources of large capital projects that provide benefits to taxpayers over a long period of time.

Transfers from other Governments and Agencies

- The City will ensure that all government transfers are used in accordance with the terms and conditions attached to the funding and that all reporting requirements are met.
- Unconditional government transfers will be considered as general revenue in the financial plan.

Other Sources of Revenue

- The City will continue to seek other sources of revenue in order to reduce reliance on property taxes.

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Proportions of Total Revenue

Revenue Source	2022		2023	
	Amount (\$)	% of Total Revenue	Amount (\$)	% of Total Revenue
Property Tax	\$ 27,905,700	47%	\$ 31,145,000	43%
Frontage and Parcel Tax	3,333,700	6%	3,355,100	5%
Fees and Charges	21,705,400	36%	22,551,400	31%
Transfers from Other Govt	4,683,500	8%	7,350,700	10%
Other Sources	2,081,100	3%	2,622,700	4%
Borrowing	-	0%	5,278,000	7%
Total	\$ 59,709,400	100%	\$ 72,302,900	100%

Distribution of Property Tax Revenue by Class

Class no.	Property Class	Tax Revenue	% of Total Tax	Property Assessment \$ Value	% of Total Assessment
1	Residential	\$ 20,427,570	65%	\$ 8,766,620,525	89%
2	Utilities	61,690	0%	3,250,600	0%
3	Supportive Housing	-	0%	-	0%
5	Light Industry	96,120	0%	10,259,900	0%
6	Commercial	10,591,459	34%	1,017,929,393	10%
8	Recreational	14,768	0%	5,090,900	0%
9	Farm	3,393	0%	1,288,077	0%
		\$ 31,195,000	100%	\$ 9,804,439,395	100%

Permissive Tax Exemptions

- A permissive tax exemption is strictly at the discretion of the City of Courtenay Council. After careful consideration of all applications Council may approve a full, a partial, or no tax exemption. The tax exemption may vary for the different applicants.
- The cumulative value of permissive tax exemptions shall not exceed 2% of the total tax levy of the previous year.
- The Annual Municipal Report for 2022 contains a list of permissive exemptions granted to not-for-profit institutions that form a valuable part of our community. These include religious institutions, historical societies, service societies and recreational organizations.