

Report

Date February 21, 2023
Subject Five Year Financial Plan Bylaw No. 3896

File:

PURPOSE

To introduce Five Year Financial Plan Bylaw No. 3896, 2023, which sets out the Municipality's objectives and policies for the period from 2023 to 2027.

BACKGROUND

Section 173 of the *Community Charter* requires that all expenditures of a municipality be included in its financial plan bylaw, which, in accordance with section 165, may be amended by bylaw at any time.

Section 166 requires that Council undertake a process of public consultation regarding the proposed Financial Plan before it is adopted. This consultation included the release of a [ConnectNorthCowichan.ca](https://connectnorthcowichan.ca) page detailing the budget process and providing information on budget deliberations. Members of the public were invited to participate in each of the meetings identified in the plan's timeline and to provide feedback to staff and Council.

DISCUSSION

Budget deliberations to date include:

- November 22, 2022 Business plan presentations;
- November 29, 2022 Business plan presentations;
- December 13, 2022 Capital budget overview and Operating budget overview; and,
- January 10, 2023 Utility review and grants in aid.

Throughout this process, residents were invited and encouraged to attend online or in-person meetings, listen and learn, ask questions to Council and staff, and provide feedback regarding the budget.

During the meetings, Council approved a number of items impacting the budget as a whole. Some items use reserve funds, so they do not affect property taxation. Some items increase fee revenue to allow additional expenses to be incurred without impacting property taxation. Some items directly impact property taxation.

Since the last budget meeting, staff has confirmed that there will be sufficient funds in the Forest Reserve Fund to cover the entire budget for Forestry for 2023, reducing the taxation impact by \$49,334. Staff have also received confirmation of the expected contribution from Fortis BC for the year, which has been confirmed at \$50,252 higher than initially anticipated, allowing for a reduction in property taxation amount.

During 2022, Council supported an agreement with the City of Duncan and the Canadian Mental Health Association for an enhanced sharps clean up program. Funding for the contribution towards this program for 2023 and future years was included in the budget but was not specifically detailed. Staff has ensured that this line is reflected clearly in the detailed budget documents going forward.

The completed assessment roll was issued by BC Assessment, reflecting non-market change levels close to 1.28%. Initial projections by staff were conservatively estimated at 1.00%. The revised assessment roll, issued at the end of March, will be used to set the property tax rates for the year; however, staff are reasonably confident that the non-market impact for these preliminary purposes can be increased to 1.20%.

All of these items result in a net tax increase of 4.82% for 2023.

Staff is aware of expected grant funding recently announced by the Province of B.C. to be distributed in 2023 but is not yet aware of the amount of funding that will be provided or the stipulations that may be attached to the funding concerning types of projects and timing of expenditures. At this time, the budget does not reflect this potential grant funding. Staff will bring a report for Council consideration once more details are known. However, staff recommends proceeding with the financial plan bylaw approval at this time in order to allow for progress to be made on projects included within the financial plan.

OPTIONS

1. **(Recommended Option)** THAT Council give first, second and third readings to Five Year Financial Plan Bylaw No. 3896, 2023.
 - The proposed net tax increase for 2023 is 4.82% or \$2.3756/\$100,000 of assessment. Council will consider the distribution of the taxes among the property classes in April following the release of the Revised Assessment Roll.
2. This Alternative Option would enable Council to make amendments to the proposed financial plan bylaw. The following motions must be considered individually, as any changes to the bylaw must occur between first and third readings.
 - (1) THAT Council give first and second readings to Five Year Financial Plan Bylaw No. 3896, 2023;
 - (2) THAT Council amend Five Year Financial Plan Bylaw No. 3896, 2023 by:
 - (a) *(Council to identify what is to be changed, including the item number and the text or number that is to be stricken, removed or added)*
 - (3) THAT Council give third reading to Five Year Financial Plan Bylaw No. 3896, 2023 as amended.
 - This allows Council to consider changes to the financial plan bylaw before it is adopted; however, staff may be unable to provide a fulsome evaluation of the impacts of changes made at this meeting. Additional meetings may be required to consider the direction, potentially delaying projects or requiring additional reports to be brought forward for Council consideration of pre-budget approval.

IMPLICATIONS

The Financial Plan Bylaw is consistent with Council direction. The total General Municipal Tax Requisition is \$36,066,037. The budgeted impact for the next four years is as follows:

2024 – 5.72%
2025 – 0.93%
2026 – 3.29%
2027 – 1.39%

RECOMMENDATION

THAT Council give first, second and third readings to Five Year Financial Plan Bylaw No. 3896, 2023.

Report prepared by:



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Approved to be forwarded to Council:



Ted Swabey
Chief Administrative Officer

Attachment: Five Year Financial Plan Bylaw No. 3896, 2023