

Report

Date January 17, 2024

File:

Subject 2024 – 2028 Financial Plan Bylaw No. 3953 for first three readings

PURPOSE

To consider the Financial Plan Bylaw, which sets out the Municipality's objectives and policies for the period of 2024 – 2028.

BACKGROUND

Section 173 of the *Community Charter* states that a municipality must have a five-year financial plan that is adopted, by bylaw, before the Annual Property Tax Bylaw is adopted. For certainty, the Financial Plan may be amended at any time.

Section 166 requires that Council undertake a process of public consultation regarding the proposed Financial Plan prior to being adopted. This consultation included detailing the budget process and providing information on budget deliberations on the www.ConnectNorthCowichan.ca page. 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 7, 2023 – Grants-in-Aid
- November 21, 2023 – Business Plan Review Part I
- November 28, 2023 – Business Plan Review Part II
- December 12, 2023 – Operating & Capital Financial Plan Review
- January 9, 2024 – Utility Rate Review

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

During the meetings, Council approved several items impacting the budget, which include new staff positions, a contribution to a Capital Building Reserve, increase to Restorative Justice, and Corridor Clean-up. Mitigation strategies included reducing the RCMP contract amount to 90%, eliminating the contribution to the Insurance and Agricultural reserves and removing two projects from the Parks Capital Plan (Skinner Rd dog park and Richard's Trail sanctioning).

As mentioned in the Operating and Capital Review, RCMP, fire and Vancouver Island Regional Library increases accounted for 4.22% of the increase; however, with the reduction to 90% of the RCMP contract, this increase now accounts for 3.17% of the tax increase.

Throughout the Utility Rate Review, Council approved various increases to parcel taxes for water and sewer systems, which are part of the property tax bill and can be deferred by our aging residents if elected. Also approved was an increase of 6% to excess water charges in 2024 and an additional 0.5% every year thereafter for nine years in an effort to promote water conservation.

The Completed Assessment Roll was issued by BC Assessment, reflecting non-market change levels close to 1.94%. 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 2024; however, staff are reasonably confident that the non-market impact for these preliminary purposes can be increased to 1.50%.

All of the approved items and mitigation strategies result in a net tax increase of 5.18%.

OPTIONS

1. **(Recommended Option)** THAT Council give first, second, and third reading to 2024 – 2028 Financial Plan Bylaw No. 3953, 2024.
 - *The proposed net tax increase for 2024 is 5.18% or \$2.5082 / \$1,000 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 2024 – 2028 Financial Plan Bylaw No. 3953, 2024;
 - (2) THAT Council amend 2024 – 2028 Financial Plan Bylaw No. 3953, 2024, 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 2024 – 2028 Financial Plan Bylaw No. 3953, 2024, 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 \$38,330,877. The budgeted impact for the next four years is as follows:

2025 – 4.18%
 2026 – 4.42%
 2027 – 1.86%
 2028 – 0.83%

RECOMMENDATION

THAT Council give first, second, and third reading to 2024 – 2028 Financial Plan Bylaw No. 3953, 2024.

Report prepared by:

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Report reviewed by:



Talitha Soldera
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Approved to be forwarded to Council:



Ted Swabey
Chief Administrative Officer

Attachment:

(1) 2024 – 2028 Financial Plan Bylaw No. 3953, 2024