

CITY OF MISSION

BYLAW 6159-2023

A bylaw to establish the Financial Plan
for the years 2023 to 2027

WHEREAS, pursuant to Section 165 of the *Community Charter*, the Council shall, before the 15th day of May in each year, before the annual property tax bylaw is adopted, adopt a financial plan;

NOW THEREFORE the Council of the City of Mission, in open meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "City of Mission 2023 to 2027 Financial Plan Bylaw 6159-2023".
2. Those schedules marked as Schedule "A", "B", "C", and "D" attached hereto, and forming part of this bylaw, are hereby declared to be the Financial Plan for the City of Mission for the period January 1, 2023 to December 31, 2027.

READ A FIRST TIME this 6th day of March, 2023

READ A SECOND TIME this 6th day of March, 2023

READ A THIRD TIME this 6th day of March, 2023

ADOPTED this __ day of ____, 2023

PAUL HORN
MAYOR

JENNIFER RUSSELL
CORPORATE OFFICER

**City of Mission
2023 to 2027 Financial Plan**

**Schedule “A” of Bylaw No. 6159-2023
Statement of Objectives and Policies**

In accordance with Section 165(3.1) of the *Community Charter*, the City of Mission is required to include in its Five-Year Financial Plan (2023 to 2027), objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*;
2. The distribution of property taxes among the property classes; and
3. The use of permissive tax exemptions.

Section 1 Funding Sources

Council’s objectives and policies in regard to operating and capital revenue sources are provided below. Table 1 highlights the various operating and capital revenue sources, including the percentage from each source reflected in the City’s five-year financial plan (2023 to 2027). Over the five years the majority of operating revenue will come from property value taxes (including diking and drainage levy). User fees make up another significant portion of the operating revenue.

Operating Revenue Sources

Objective:

Over the five-year financial plan timeframe, it is Council’s goal to diversify and expand revenue sources where possible.

Policy:

Council recognizes that property taxes fund the majority of the City of Mission’s services/programs and several services are provided on a full or partial cost recovery basis. Council is committed to, on an annual basis, formally reviewing and adjusting, where possible, existing user fees in addition to examining and implementing new user fees where applicable. There is a recognition that raising user fees beyond a certain point may result in less usage or demand and ultimately less revenue and that various services, such as recreation programs, should be subsidized to ensure all citizens can partake. The City of Mission, like other local governments in B.C., also needs access to other sources of revenue to meet growing service demands and to stabilize property tax increases. Grants from senior levels of government are actively sought to maximize other revenue sources.

Capital Revenue Sources

Objective:

Over the five-year financial plan timeframe, it is Council’s goal to increase internal capital funding/financing opportunities.

Policy:

Council sees that increasing internal capital funding capacity can ensure the City can fund capital maintenance activities thus reducing the reliance on external sources of revenue or debt. If a capital project is to be funded from debt, internal debt financing will be considered first, where practical and financially beneficial, before considering external debt with the proviso that internal debt repayments need to take place as scheduled. However, external debt financing may be required for larger, high priority capital projects if sufficient reserves are not in place. Council supports paying down debt early, when practical.

Table 1: Sources of Revenue

	2023	2024	2025	2026	2027
Operating Revenue Sources					
Property value taxation	47%	48%	49%	49%	50%
Parcel tax	0.0%	0.0%	0.0%	0.0%	0.0%
User fees and charges	40%	41%	41%	41%	40%
Other revenue *	13%	11%	10%	10%	10%
Proceeds from borrowing	0%	0%	0%	0%	0%
Totals	100%	100%	100%	100%	100%
Capital Revenue Sources					
Other sources - Reserves	39%	25%	33%	19%	25%
Other sources - DCCs and developer contributions	59%	50%	44%	58%	55%
Other sources - Grants	2%	17%	0%	0%	0%
Proceeds from borrowing	0%	8%	23%	23%	20%
Totals	100%	100%	100%	100%	100%

* Current Gas Tax agreement ends in 2023, reducing other revenue by \$1.84 million

Section 2 Distribution of Property Taxes

Council's objective and policy in regard to the distribution of the property tax burden is provided below. Table 2 highlights the municipal property tax dollars and the respective percentages collected from each of the tax classes in 2022. The City collects approximately 75% of its property taxes from the residential class and approximately 21% from the business/other class with the remaining classes making up the balance. Approximately 92% of Mission's assessment base is residential and about 7% is business/other.

Objective:

Over the five-year financial plan timeframe, it is Council's goal to encourage diversification and expansion to the tax base.

Policy:

Council recognizes the need to rationalize its property tax distribution among the various tax classes; however, more importantly Council recognizes the need to diversify and expand its assessment/tax base. Council is committed to aggressively pursuing development of business and commercial properties to provide economic opportunities and allow for the possibility of reducing the tax burden on the residential property class. Council understands that the level of property taxation for each of the tax classes does not necessarily correlate with the amount of services provided; however, quantifying and costing the services provided to each tax class is difficult and subjective at the very least. It should also be recognized that many businesses in the community have employees that benefit from, and use, many City services, facilities and amenities, and that additional services and amenities benefit all of the tax classes, both directly and indirectly.

Table 2: Distribution of 2022 Municipal Property Taxes and Assessment Values

Property Class	Property Tax Dollars Raised	% of Property Tax Dollars Raised	Assessed Values	% of Assessed Values
1 Residential	\$29,734,003	74.8%	\$13,013,034,620	92.19%
2 Utilities	314,132	0.8%	\$8,719,565	0.06%
3 Supportive Housing	-	0.0%	-	0.00%
4 Major Industry	-	0.0%	-	0.00%
5 Light Industry	1,251,007	3.2%	\$205,116,700	1.45%
6 Business/Other	8,200,344	20.6%	\$857,407,913	6.07%
7 Managed Forest	1,409	<0.1%	\$127,300	<0.01%
8 Recreational/Non-profit	157,512	0.4%	\$29,285,000	0.21%
9 Farm	69,087	0.2%	\$2,973,940	0.02%
	\$39,727,494	100.00%	\$14,116,665,038	100.00%

Section 3 Permissive Tax Exemptions (including Revitalization Tax Exemptions)

Council's objective and policy in regard to permissive tax exemptions (including revitalization tax exemptions) are provided below.

Objective:

Over the five-year financial plan timeframe, Council will continue supporting local charitable/non-profit organizations that provide valuable services to the community as allowed by legislation, and will continue to utilize revitalization tax exemptions to encourage development.

Policy:

Council chooses to support local charitable/non-profit organizations (churches, social, recreational, health and housing organizations) that provide valuable services to the community through permissive tax exemptions as allowed for by legislation. Council is committed to continuing with these tax exemptions and to treating all organizations with similar mandates equally when it comes to granting property tax exemptions.

The Mission Downtown Development Incentive Program, offering a 10-year revitalization tax exemption, is available within the defined Downtown Planning area and provides a financial incentive to encourage development in the downtown area. The revitalization tax exemption program will accept applications up to December 31, 2024.

**Schedule “B” of Bylaw No. 6159-2023
 2023 Detailed Financial Plan**

	General Operating	Internal Adjustments	Drainage Operating	Water Operating	Sewer Operating	Refuse/ Recycling	Forestry	General Capital	Drainage Capital	Water Capital	Sewer Capital	Total
Revenue												
Property taxation	-\$42,247,938	\$0	-\$3,076,532	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$45,324,471
Local Improvements	0	0	-134,000	0	0	0	0	0	0	0	0	-134,000
Sale of services and regulatory fees	-13,142,671	0	-140,718	-7,558,123	-6,506,609	-6,344,841	-5,247,000	0	-23,240	-62,000	-23,000	-39,048,202
Government transfers	-3,385,228	0	0	0	0	0	0	0	0	-362,480	-784,113	-4,531,821
Amortization of restricted revenue	0	0	0	0	-457,566	0	0	-2,269,278	0	-129,650	-39,764	-2,896,258
Investment income	-2,152,824	0	-59,357	-232,238	-172,368	-53,842	-100,480	0	0	0	0	-2,771,109
Other revenue	-1,983,181	0	0	-14,355	0	-512,550	0	0	0	0	0	-2,510,086
Developer in-kind contribution for capital	0	0	0	0	0	0	0	-16,664,727	-3,575,202	-2,772,899	-2,461,651	-25,474,479
Total revenue	-\$62,911,842	\$0	-\$3,410,607	-\$7,804,716	-\$7,136,544	-\$6,911,233	-\$5,347,480	-\$18,934,005	-\$3,598,442	-\$3,327,029	-\$3,308,528	-\$122,690,426
Expenses												
Bylaw enforcement	\$865,470	\$0	\$0	\$0	\$0	\$0	\$0	\$649	\$0	\$0	\$0	\$866,119
Cemetery	293,588	-15,000	0	0	0	0	0	2,653	0	0	0	281,241
Development services	4,931,851	-3,000	0	0	0	0	0	602	0	0	0	4,929,453
Engineering and public works	10,575,523	-345,430	0	0	0	0	0	727,635	0	0	0	10,957,729
Fire Rescue services	6,810,754	0	0	0	0	0	0	30,545	0	0	0	6,841,299
General government & administration	11,123,413	-4,737	0	0	0	0	0	15,035	0	0	0	11,133,710
Parks, recreation and culture services	11,823,647	0	0	0	0	0	0	131,700	0	0	0	11,955,346
Police services	15,672,326	0	0	0	0	0	0	37,909	0	0	0	15,710,236
Transit services	3,146,453	0	0	0	0	0	0	0	0	0	0	3,146,453
Drainage Utility	0	-695,316	3,247,922	0	0	0	0	0	71,820	0	0	2,624,426
Sewer utility	0	-1,327,830	0	0	6,090,318	0	0	0	0	0	77,002	4,839,490
Solid waste	0	-1,061,134	0	0	0	7,056,584	0	64,574	0	0	0	6,060,024
Water utility	0	-1,507,752	0	6,573,716	0	0	0	0	0	414,301	0	5,480,265
Municipal forest	0	-132,296	0	0	0	0	4,784,064	79,358	0	0	0	4,731,126
Internal recoveries	-4,500,654	5,092,495	0	-74,841	0	-517,000	0	0	0	0	0	0
Total expenses	\$60,742,371	-\$0	\$3,247,922	\$6,498,875	\$6,090,318	\$6,539,584	\$4,784,064	\$1,090,660	\$71,820	\$414,301	\$77,002	\$89,556,917
Annual (surplus) deficit	-\$2,169,471	-\$0	-\$162,685	-\$1,305,841	-\$1,046,226	-\$371,650	-\$563,416	-\$17,843,345	-\$3,526,622	-\$2,912,728	-\$3,231,525	-\$33,133,509
Reserves, capital and debt												
Tangible capital assets purchased	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,006,142	\$816,420	\$3,820,859	\$5,162,276	\$21,805,697
Tangible capital assets contributed by developers	0	0	0	0	0	0	0	16,664,727	3,575,202	2,772,899	2,461,651	25,474,479
New debt/temporary borrowing	0	0	0	0	0	0	0	-1,110,000	0	0	0	-1,110,000
Repayment of debt	590,492	0	0	0	442,013	0	0	0	0	0	0	1,032,505
Transfers to reserves	10,165,503	0	1,376,751	2,928,216	1,909,392	865,074	606,352	0	0	0	0	17,851,287
Amortization & disposals	-7,528,487	0	-1,214,066	-1,622,375	-1,305,179	-493,424	-42,936	0	0	0	0	-12,206,467
Reserves/surplus used for capital funding	0	0	0	0	0	0	0	-9,717,524	-865,000	-3,681,030	-4,392,401	-18,655,955
Reserves/surplus used to fund operations	-1,058,037	0	0	0	0	0	0	0	0	0	0	-1,058,037
Total reserves, capital and debt	\$2,169,471	\$0	\$162,685	\$1,305,841	\$1,046,226	\$371,650	\$563,416	\$17,843,345	\$3,526,622	\$2,912,728	\$3,231,525	\$33,133,509

**Schedule “C” of Bylaw No. 6159-2023
2023 to 2027 Summary Financial Plan**

	2023	2024	2025	2026	2027	Total
Revenue						
Property taxation	-\$45,324,471	-\$47,588,096	-\$49,382,733	-\$51,449,327	-\$54,182,986	-\$247,927,613
Local Improvements/Parcel Tax	-134,000	-134,000	-134,000	-134,000	-134,000	-670,000
Sale of services and regulatory fees	-39,048,202	-39,922,965	-40,888,763	-41,830,484	-42,805,836	-204,496,250
Government transfers	-4,531,821	-13,639,439	-1,369,881	-1,385,278	-1,400,984	-22,327,403
Amortization of restricted revenue	-2,896,258	-8,351,460	-4,506,369	-25,930,224	-6,975,093	-48,659,404
Investment income	-2,771,109	-2,622,504	-2,539,057	-2,242,116	-2,336,537	-12,511,323
Other revenue	-2,510,086	-2,574,178	-2,641,061	-2,625,849	-2,463,292	-12,814,466
Developer in-kind contribution for capital	-25,474,479	-26,748,202	-28,085,613	-29,489,893	-30,964,388	-140,762,575
Total revenue	-\$122,690,426	-\$141,580,844	-\$129,547,477	-\$155,087,171	-\$141,263,116	-\$690,169,034
Expenses						
Bylaw enforcement	\$866,119	\$879,119	\$893,798	\$905,707	\$919,301	\$4,464,044
Cemetery	281,241	282,780	300,512	292,284	299,121	1,455,938
Development services	4,929,453	4,758,065	4,831,540	4,906,160	5,481,941	24,907,159
Engineering and public works	10,957,729	11,607,982	13,893,498	14,185,227	13,498,072	64,142,508
Fire rescue services	6,841,299	6,974,603	7,112,830	7,151,877	7,248,184	35,328,793
General government & administration	11,133,710	11,405,279	11,765,653	12,824,734	13,614,588	60,743,964
Parks, recreation and culture services	11,955,346	12,560,337	12,296,062	12,491,059	12,826,270	62,129,074
Police services	15,710,236	16,099,571	16,536,551	16,985,949	17,448,127	82,780,434
Transit services	3,146,453	3,559,347	3,607,252	3,661,361	3,716,281	17,690,694
Drainage utility	2,624,426	2,677,782	2,760,489	3,158,448	2,925,136	14,146,281
Sewer utility	4,839,490	4,915,954	4,984,477	5,096,171	5,187,965	25,024,057
Solid waste	6,060,024	6,690,592	7,125,635	6,847,520	6,932,928	33,656,699
Water utility	5,480,265	5,740,483	5,737,044	5,740,645	5,771,688	28,470,125
Municipal forest	4,731,126	4,770,744	4,881,223	5,036,258	5,117,361	24,536,712
Total expenses	\$89,556,917	\$92,922,638	\$96,726,564	\$99,283,400	\$100,986,963	\$479,476,482
Annual (surplus) deficit	-\$33,133,509	-\$48,658,206	-\$32,820,913	-\$55,803,771	-\$40,276,153	-\$210,692,552
Reserves, capital and debt						
Tangible capital assets purchased	\$21,805,697	\$40,904,036	\$41,837,173	\$61,032,544	\$33,938,285	\$199,517,735
Tangible capital assets contributed by developers	25,474,479	26,748,202	28,085,613	29,489,893	30,964,388	140,762,575
New debt/temporary borrowing	-1,110,000	-5,498,400	-16,951,500	-22,157,100	-13,725,800	-59,442,800
Repayment of debt - principal (<i>see information below</i>)	1,032,505	1,096,368	1,329,892	1,787,656	2,197,966	7,444,387
Transfers to reserves	17,851,287	16,277,986	16,855,851	17,363,291	18,310,309	86,658,724
Amortization & disposals	-12,206,467	-12,572,661	-12,949,842	-13,338,336	-13,738,485	-64,805,791
Reserves/surplus used for capital funding	-18,655,955	-17,784,380	-24,949,310	-17,872,188	-16,862,579	-96,124,412
Reserves/surplus used to fund operations	-1,058,037	-512,945	-436,964	-501,989	-807,931	-3,317,866
	\$33,133,509	\$48,658,206	\$32,820,913	\$55,803,771	\$40,276,153	\$210,692,552
Information details:						
Principal	\$1,032,505	\$1,096,368	\$1,329,892	\$1,787,656	\$2,197,966	\$7,444,387
Interest associated with debt	123,690	163,686	376,147	1,049,274	1,811,028	3,523,825
Total payments	\$1,156,195	\$1,260,054	\$1,706,039	\$2,836,930	\$4,008,994	\$10,968,212

**Schedule “D” of Bylaw No. 6159-2023
 2023 to 2027 Summary Capital Plan**

PLANNED CAPITAL EXPENDITURES	2023	2024	2025	2026	2027	Totals
General Capital Plan						
Cemetery	\$100,000	\$0	\$78,000	\$465,000	\$127,400	\$770,400
Corporate Administration	29,100	19,500	19,900	20,300	20,700	109,500
Engineering & Public Works	5,513,700	9,387,500	22,325,500	25,100,000	16,402,800	78,729,500
Finance & Purchasing	4,600	4,700	4,800	4,900	5,000	24,000
Fire/Rescue Services	619,251	401,151	1,338,751	399,451	125,800	2,884,404
General Government - Major Projects	800,000	-	18,600	-	-	818,600
Information Services	340,100	157,400	102,200	74,700	465,700	1,140,100
Inspection Services	3,500	3,600	11,700	3,800	3,900	26,500
Parks, Recreation & Culture	1,247,875	4,149,900	1,099,900	1,223,500	2,193,900	9,915,075
Planning	13,500	3,600	3,700	3,800	3,900	28,500
Police	203,200	8,400	8,600	8,800	9,000	238,000
Subtotal General Capital Plan	8,874,826	14,135,751	25,011,651	27,304,251	19,358,100	94,684,579
General Development Cost Charge (DCC) Capital Plan						
Cedar Valley Environmentally Sensitive Parkland	-	-	-	101,800	264,500	366,300
Cedar Valley Roads	382,000	636,800	84,800	5,638,200	-	6,741,800
Roads - All Areas	1,910,200	1,910,200	4,004,900	15,306,700	5,942,700	29,074,700
Silver Creek Parkway Parkland	-	-	-	2,226,400	-	2,226,400
Subtotal General DCC Capital Plan	2,292,200	2,547,000	4,089,700	23,273,100	6,207,200	38,409,200
Solid Waste Capital Plan						
Landfill	73,440	74,909	76,407	77,935	79,494	382,185
Abbotsford/Mission Recycling Depot	16,703	45,786	913,922	21,812	21,812	1,020,035
Subtotal Solid Waste Capital Plan	90,143	120,695	990,329	99,747	101,306	1,402,220
Equipment Replacement Capital Plan						
	1,839,633	1,104,078	1,242,020	395,902	1,447,118	6,028,751
Forestry Capital Plan						
	-	-	-	260,000	-	260,000
Drainage Utility Capital Plan						
Drainage Capital	888,240	750,000	988,000	2,473,700	1,140,600	6,240,540
Cedar Valley Drainage DCCs	-	-	-	1,876,200	271,700	2,147,900
Subtotal Drainage Utility Capital Plan	888,240	750,000	988,000	4,349,900	1,412,300	8,388,440
Water Utility Capital Plan						
Cedar Valley Water DCC	-	950,800	-	-	-	950,800
Water Capital - Local	1,857,300	1,685,100	1,777,600	1,919,600	2,207,600	9,447,200
Water Capital - Regional	1,884,420	1,544,033	6,510,428	1,919,220	1,061,400	12,919,501
Regional Water Supply DCC	493,440	16,514,215	-	-	-	17,007,655
Subtotal Water Utility Capital Plan	4,235,160	20,694,148	8,288,028	3,838,820	3,269,000	40,325,156
Sewer Utility Capital Plan						
Sewer Capital - Local	1,028,700	1,135,300	1,388,600	1,575,500	1,978,100	7,106,200
Sewer Capital - Regional	4,136,526	2,738,516	4,061,285	3,914,726	3,254,181	18,105,234
Sewer Capital - Local DCC	-	-	-	600,000	113,750	713,750
Regional Sewage Treatment DCC	74,052	143,840	-	-	74,851	292,743
Subtotal Sewer Utility Capital Plan	5,239,278	4,017,656	5,449,885	6,090,226	5,420,882	26,217,927
TOTAL PLANNED CAPITAL EXPENDITURES	\$23,459,480	\$43,369,328	\$46,059,613	\$65,611,946	\$37,215,906	\$215,716,273

**Continued - Schedule "D" of Bylaw No. 6159-2023
 2023 to 2027 Summary Capital Plan**

PLANNED CAPITAL FUNDING	2023	2024	2025	2026	2027	Totals
General Capital Plan						
Reserve Funds	\$7,114,826	\$8,637,351	\$8,060,151	\$5,147,151	\$5,411,500	\$34,370,979
Surplus	650,000	-	-	-	220,800	870,800
Long-Term Debt	1,110,000	5,498,400	16,951,500	22,157,100	13,725,800	59,442,800
Subtotal General Capital Plan	8,874,826	14,135,751	25,011,651	27,304,251	19,358,100	94,684,579
General Development Cost Charge (DCC) Capital Plan						
DCCs	2,269,278	2,521,530	4,048,803	23,021,220	6,095,376	37,956,207
Reserve Funds	22,922	25,470	40,897	251,880	111,824	452,993
Subtotal General DCC Capital Plan	2,292,200	2,547,000	4,089,700	23,273,100	6,207,200	38,409,200
Solid Waste Capital Plan						
Refuse Reserve Fund	90,143	120,695	990,329	99,747	101,306	1,402,220
Subtotal Solid Waste Capital Plan	90,143	120,695	990,329	99,747	101,306	1,402,220
Equipment Replacement Capital Plan						
Vehicle and Equipment Reserve Fund	1,839,633	1,104,078	1,242,020	395,902	1,447,118	6,028,751
Subtotal Equipment Replacement Capital Plan	1,839,633	1,104,078	1,242,020	395,902	1,447,118	6,028,751
Forestry Capital Plan						
Forestry Reserve Fund	-	-	-	260,000	-	260,000
Subtotal Forestry Capital Plan	-	-	-	260,000	-	260,000
Drainage Utility Capital Plan						
Reserve Funds	865,000	725,000	963,000	2,467,462	1,118,317	6,138,779
Cedar Valley Drainage DCCs	-	-	-	1,857,438	268,983	2,126,421
Revenue	23,240	25,000	25,000	25,000	25,000	123,240
Subtotal Drainage Utility Capital Plan	888,240	750,000	988,000	4,349,900	1,412,300	8,388,440
Water Utility Capital Plan						
Water Capital Reserve Fund - TCA	3,467,220	3,154,172	8,207,428	3,776,820	3,057,000	21,662,640
Water Capital Reserve Fund - Growth	213,810	100,483	18,600	-	150,000	482,893
DCCs	129,650	5,294,839	-	-	-	5,424,489
Grants	362,480	12,082,654	-	-	-	12,445,134
Revenue	62,000	62,000	62,000	62,000	62,000	310,000
Subtotal Water Utility Capital Plan	4,235,160	20,694,148	8,288,028	3,838,820	3,269,000	40,325,156
Sewer Utility Capital Plan						
Sewer Capital Reserve Fund - TCA	4,391,999	3,916,348	5,408,285	5,467,226	5,243,167	24,427,025
Sewer Capital Reserve Fund - Growth	402	783	18,600	6,000	1,547	27,332
Sewer Capital DCCs - Local	-	-	-	594,000	112,613	706,613
Sewer Capital DCCs - Regional	39,764	77,525	-	-	40,555	157,844
Grants	784,113	-	-	-	-	784,113
Revenue	23,000	23,000	23,000	23,000	23,000	115,000
Subtotal Sewer Utility Capital Plan	5,239,278	4,017,656	5,449,885	6,090,226	5,420,882	26,217,927
TOTAL PLANNED CAPITAL FUNDING	\$23,459,480	\$43,369,328	\$46,059,613	\$65,611,946	\$37,215,906	\$215,716,273