

CITY OF MISSION

BYLAW 6071-2021

A bylaw to establish the Financial Plan
for the years 2022 to 2026

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 2022 to 2026 Financial Plan Bylaw 6071-2021".
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, 2022 to December 31, 2026.

READ A FIRST TIME this 6th day of December, 2021

READ A SECOND TIME this 6th day of December, 2021

READ A THIRD TIME this 6th day of December, 2021

ADOPTED this xx day of xx, 2021

PAUL HORN, MAYOR

JENNIFER RUSSELL, CORPORATE OFFICER

**City of Mission
2022 to 2026 Financial Plan**

**Schedule “A” of Bylaw No. 6071-2021
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 (2022 to 2026), 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 (2022 to 2026). 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

	2022	2023	2024	2025	2026
Operating Revenue Sources					
Property value taxation	49%	49%	50%	51%	52%
Parcel tax *	0.05%	0.0%	0.0%	0.0%	0.0%
User fees and charges	40%	40%	40%	40%	39%
Other revenue **	11%	11%	10%	9%	9%
Proceeds from borrowing	0%	0%	0%	0%	0%
Totals	100%	100%	100%	100%	100%
Capital Revenue Sources					
Other sources - Reserves	44%	48%	44%	41%	19%
Other sources - DCCs and developer contributions	54%	47%	32%	33%	54%
Other sources - Grants	2%	0%	0%	0%	0%
Proceeds from borrowing	0%	5%	24%	26%	27%
Totals	100%	100%	100%	100%	100%

* Cedar Valley Sewer 20 year parcel tax ends 2022

** 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 2021. 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 91% 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 2021 Municipal Property Taxes and Assessment Values

Property Class	Property Tax Dollars Raised	% of Total Property Taxation	Assessed Values	% of Assesed Value
(1) Residential	\$ 27,618,448	74.9%	9,510,425,447	91.40%
(2) Utility	272,955	0.7%	7,858,075	0.08%
(3) Social Housing	-	0.0%	-	0.00%
(4) Major Industry	-	0.0%	-	0.00%
(5) Light Industrial	1,128,819	3.1%	155,876,000	1.50%
(6) Business/Other	7,647,667	20.7%	708,616,711	6.80%
(7) Municipal Forest	1,330	<0.1%	127,300	0.00%
(8) Recreation/Non-Profit	148,651	0.4%	19,858,000	0.19%
(9) Farm	66,648	0.2%	3,040,163	0.03%
	\$ 36,884,518	100.00%	\$ 10,405,801,696	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, 2022.

Schedule "B" of Bylaw No. 6071-2021 2022 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	-\$39,482,455	\$0	-\$2,784,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$42,266,830
Local Improvements	0	0	-134,000	0	-42,370	0	0	0	0	0	0	-176,370
Sale of services and regulatory fees	-10,978,800	0	-143,083	-7,041,352	-5,640,235	-5,687,480	-4,905,000	0	0	-306,000	0	-34,701,950
Government transfers	-3,063,251	0	0	0	0	0	0	-596,000	0	0	0	-3,659,249
Amortization of restricted revenue	0	0	0	0	0	0	0	-2,054,052	0	-4,089,987	-318,160	-6,462,199
Investment income	-721,467	0	-22,529	-253,299	-192,044	-18,189	-39,299	0	0	0	0	-1,246,827
Other revenue	-1,919,383	0	0	-16,046	0	-470,000	0	0	0	0	0	-2,405,429
Developer in-kind contribution for capital	0	0	0	0	0	0	0	-4,174,032	-1,226,739	-944,250	-703,669	-7,048,690
Total revenue	-\$56,165,357	\$0	-\$3,083,988	-\$7,310,697	-\$5,874,649	-\$6,175,669	-\$4,944,299	-\$6,824,084	-\$1,226,739	-\$5,340,237	-\$1,021,829	-\$97,967,544
Expenses												
Bylaw enforcement	\$812,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$812,423
Cemetery	280,899	-15,000	0	0	0	0	0	0	0	0	0	265,899
Development services	4,543,722	-3,000	0	0	0	0	0	0	0	0	0	4,540,722
Engineering and public works	9,318,681	-330,079	0	0	0	0	0	0	0	0	0	8,988,600
Fire Rescue services	6,137,431	0	0	0	0	0	0	0	0	0	0	6,137,431
General government & administration	10,474,383	-4,737	0	0	0	0	0	0	0	0	0	10,469,647
Parks, recreation and culture services	11,422,161	0	0	0	0	0	0	0	0	0	0	11,422,160
Police services	14,436,049	0	0	0	0	0	0	0	0	0	0	14,436,049
Transit services	3,508,797	0	0	0	0	0	0	0	0	0	0	3,508,797
Drainage Utility	0	-662,349	3,152,889	0	0	0	0	0	0	0	0	2,490,541
Sewer utility	0	-1,269,658	0	0	5,625,685	0	0	0	0	0	0	4,356,026
Solid waste	0	-1,089,221	0	0	0	6,182,387	0	0	0	0	0	5,093,166
Water utility	0	-1,429,750	0	5,981,253	0	0	0	0	0	0	0	4,551,503
Municipal forest	0	-144,309	0	0	0	0	4,303,521	0	0	0	0	4,159,212
Internal recoveries	-4,404,607	4,948,103	0	-66,496	0	-477,000	0	0	0	0	0	0
Total expenses	\$56,529,940	-\$0	\$3,152,889	\$5,914,757	\$5,625,685	\$5,705,387	\$4,303,521	\$0	\$0	\$0	\$0	\$81,232,176
Annual (surplus) deficit	\$364,583	-\$0	\$68,901	-\$1,395,940	-\$248,964	-\$470,282	-\$640,778	-\$6,824,084	-\$1,226,739	-\$5,340,237	-\$1,021,829	-\$16,735,368
Reserves, capital and debt												
Tangible capital assets purchased	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,023,747	\$625,600	\$7,208,488	\$1,829,609	\$18,687,444
Tangible capital assets contributed by developers	0	0	0	0	0	0	0	4,174,032	1,226,739	944,250	703,669	7,048,690
New debt/temporary borrowing	0	0	0	0	0	0	0	-16,000	0	0	0	-16,000
Repayment of debt	569,594	0	0	0	0	0	0	0	0	0	0	569,594
Transfers to reserves	7,851,290	0	1,087,529	2,946,765	1,920,149	971,227	691,446	0	0	0	0	15,468,405
Amortization & disposals	-7,051,160	0	-1,156,430	-1,550,825	-1,671,185	-500,945	-50,668	0	0	0	0	-11,981,213
Reserves/surplus used for capital funding	0	0	0	0	0	0	0	-6,357,695	-625,600	-2,812,501	-1,511,449	-11,307,245
Reserves/surplus used to fund operations	-1,734,307	0	0	0	0	0	0	0	0	0	0	-1,734,307
Total reserves, capital and debt	-\$364,583	\$0	-\$68,901	\$1,395,940	\$248,964	\$470,282	\$640,778	\$6,824,084	\$1,226,739	\$5,340,237	\$1,021,829	\$16,735,368

Schedule “C” of Bylaw No. 6071-2021 2022 to 2026 Summary Financial Plan

	2022	2023	2024	2025	2026	Total
Revenue						
Property taxation	-\$42,266,830	-\$43,955,380	-\$45,787,488	-\$47,616,100	-\$49,397,133	-\$229,022,931
Local Improvements/Parcel Tax	-176,370	-134,000	-134,000	-134,000	-134,000	-712,370
Sale of services and regulatory fees	-34,701,950	-35,238,375	-35,798,088	-36,368,227	-36,948,896	-179,055,536
Government transfers	-3,659,249	-3,280,922	-1,454,433	-1,471,522	-1,488,952	-11,355,078
Amortization of restricted revenue	-6,462,199	-5,361,255	-7,001,257	-8,188,872	-29,840,578	-56,854,161
Investment income	-1,246,827	-1,215,555	-1,252,760	-1,216,585	-1,010,397	-5,942,124
Other revenue	-2,405,429	-2,467,385	-2,530,953	-2,596,640	-2,580,407	-12,580,814
Developer in-kind contribution for capital	-7,048,690	-7,401,126	-7,771,181	-8,159,741	-8,567,727	-38,948,465
Total revenue	-\$97,967,544	-\$99,053,998	-\$101,730,160	-\$105,751,687	-\$129,968,090	-\$534,471,479
Expenses						
Bylaw enforcement	\$812,423	\$824,610	\$836,979	\$849,533	\$862,276	\$4,185,821
Cemetery	265,899	269,901	273,963	278,086	282,271	1,370,120
Development services	4,540,722	4,459,575	4,528,486	4,598,469	4,669,545	22,796,797
Engineering and public works	8,988,600	9,340,953	9,776,663	9,916,705	9,946,693	47,969,614
Fire rescue services	6,137,431	6,243,789	6,380,772	6,436,141	6,525,984	31,724,117
General government & administration	10,469,647	10,469,077	10,681,827	11,082,950	11,745,993	54,449,494
Parks, recreation and culture services	11,422,160	11,387,109	11,555,578	11,757,892	11,973,977	58,096,716
Police services	14,436,049	14,828,339	15,231,788	15,646,722	16,073,474	76,216,372
Transit services	3,508,797	3,596,429	3,719,851	4,104,073	4,159,109	19,088,259
Drainage utility	2,490,541	2,546,151	2,603,139	2,661,535	2,721,378	13,022,744
Sewer utility	4,356,026	4,428,655	4,524,736	4,596,990	4,677,217	22,583,624
Solid waste	5,093,166	5,165,074	5,232,272	5,300,670	5,370,297	26,161,479
Water utility	4,551,503	4,711,680	4,806,724	4,911,718	5,021,285	24,002,910
Municipal forest	4,159,212	4,243,472	4,340,680	4,430,954	4,526,628	21,700,946
Internal recoveries	0	0	0	0	0	0
Total expenses	\$81,232,176	\$82,514,814	\$84,493,458	\$86,572,438	\$88,556,127	\$423,369,013
Annual (surplus) deficit	-\$16,735,368	-\$16,539,184	-\$17,236,702	-\$19,179,249	-\$41,411,963	-\$111,102,466
Reserves, capital and debt						
Tangible capital assets purchased	\$18,687,444	\$20,267,677	\$39,146,759	\$42,020,648	\$63,125,342	\$183,247,870
Tangible capital assets contributed by developers	7,048,690	7,401,126	7,771,181	8,159,741	8,567,727	38,948,465
New debt/temporary borrowing	-16,000	-1,275,000	-11,379,000	-12,805,900	-19,657,100	-45,133,000
Repayment of debt - principal (<i>see information below</i>)	569,594	590,492	663,351	1,143,076	1,475,043	4,441,556
Transfers to reserves	15,468,405	16,232,967	14,999,436	15,439,522	15,699,783	77,840,113
Amortization & disposals	-11,981,213	-12,340,650	-12,710,870	-13,092,194	-13,484,960	-63,609,887
Reserves/surplus used for capital funding	-11,307,245	-13,319,322	-20,448,202	-20,701,176	-13,296,464	-79,072,409
Reserves/surplus used to fund operations	-1,734,307	-1,018,106	-805,953	-984,468	-1,017,408	-5,560,242
	\$16,735,368	\$16,539,184	\$17,236,702	\$19,179,249	\$41,411,963	\$111,102,466
Information details:						
Principal	\$569,594	\$590,492	\$663,351	\$1,143,076	\$1,475,043	\$4,441,556
Interest associated with debt	137,550	137,550	167,895	432,805	738,245	1,614,045
Total payments	\$707,144	\$728,042	\$831,246	\$1,575,881	\$2,213,288	\$6,055,601

Schedule “D” of Bylaw No. 6071-2021 2022 to 2026 Summary Capital Plan

PLANNED CAPITAL EXPENDITURES	2022	2023	2024	2025	2026	Totals
General Capital Plan						
Cemetery	\$0	\$100,000	\$0	\$508,000	\$35,000	\$643,000
Corporate Administration	35,700	19,100	19,500	19,900	20,300	114,500
Engineering & Public Works	3,515,404	4,325,200	12,483,800	17,695,500	24,220,100	62,240,004
Finance & Purchasing	4,500	4,600	4,700	4,800	4,900	23,500
Fire/Rescue Services	236,000	82,600	834,200	352,800	354,400	1,860,000
General Government - Major Projects	17,500	-	-	18,600	-	36,100
Information Services	224,800	140,100	275,400	279,100	337,300	1,256,700
Inspection Services	8,400	3,500	3,600	11,700	3,800	31,000
Library	1,100	1,100	1,100	1,100	1,100	5,500
Parks, Recreation & Culture	2,276,750	1,447,875	6,600,400	1,461,000	1,168,500	12,954,525
Planning	3,400	3,500	3,600	3,700	3,800	18,000
Police	8,000	8,200	8,400	8,600	8,800	42,000
Subtotal General Capital Plan	6,331,554	6,135,775	20,234,700	20,364,800	26,158,000	79,224,829
General Development Cost Charge (DCC) Capital Plan						
Cedar Valley Environmentally Sensitive Parkland	-	-	-	-	101,800	101,800
Cedar Valley Roads	2,016,300	382,000	636,800	84,800	5,638,200	8,758,100
Roads - All Areas	-	1,910,200	1,910,200	4,004,900	15,688,700	23,514,000
Silver Creek Parkway Parkland	58,500	-	-	-	2,226,400	2,284,900
Subtotal General DCC Capital Plan	2,074,800	2,292,200	2,547,000	4,089,700	23,655,100	34,658,800
Solid Waste Capital Plan						
Landfill	72,000	73,440	74,909	76,407	77,935	374,691
Abbotsford/Mission Recycling Depot	88,074	79,569	44,037	879,039	20,979	1,111,698
Subtotal Solid Waste Capital Plan	160,074	153,009	118,946	955,446	98,914	1,486,389
Equipment Replacement Capital Plan	57,319	1,479,448	980,601	946,116	347,914	3,811,398
Forestry Capital Plan	400,000	-	-	-	150,000	550,000
Drainage Utility Capital Plan						
Drainage Capital	625,600	920,700	731,800	1,769,600	59,500	4,107,200
Cedar Valley Drainage DCCs	-	-	-	-	1,876,200	1,876,200
Subtotal Drainage Utility Capital Plan	625,600	920,700	731,800	1,769,600	1,935,700	5,983,400
Water Utility Capital Plan						
Cedar Valley Water DCC	-	-	950,800	-	-	950,800
Water Capital - Local	1,961,200	1,454,900	1,394,400	1,510,300	1,368,800	7,689,600
Water Capital - Regional	1,115,988	2,258,192	4,719,558	3,570,574	956,432	12,620,744
Regional Water Supply DCC	4,131,300	3,149,819	3,495,200	4,112,000	3,906,400	18,794,719
Subtotal Water Utility Capital Plan	7,208,488	6,862,911	10,559,958	9,192,874	6,231,632	40,055,863
Sewer Utility Capital Plan						
Sewer Capital - Local	767,800	347,100	395,000	564,800	368,300	2,443,000
Sewer Capital - Regional	705,176	2,061,763	3,430,818	4,006,646	3,349,002	13,553,405
Sewer Capital - Local DCC	281,500	-	-	-	600,000	881,500
Regional Sewage Treatment DCC	75,133	14,771	147,936	130,666	230,780	599,286
Subtotal Sewer Utility Capital Plan	1,829,609	2,423,634	3,973,754	4,702,112	4,548,082	17,477,191
TOTAL PLANNED CAPITAL EXPENDITURES	\$18,687,444	\$20,267,677	\$39,146,759	\$42,020,648	\$63,125,342	\$183,247,870

Continued - Schedule "D" of Bylaw No. 6071-2021
2022 to 2026 Summary Capital Plan

PLANNED CAPITAL FUNDING	2022	2023	2024	2025	2026	Totals
General Capital Plan						
Reserve Funds	\$5,358,613	\$4,710,775	\$8,855,700	\$7,558,900	\$6,500,900	\$32,984,888
Surplus	360,941	150,000	-	-	-	510,941
Grants	596,000	-	-	-	-	596,000
Long-Term Debt	16,000	1,275,000	11,379,000	12,805,900	19,657,100	45,133,000
Subtotal General Capital Plan	6,331,554	6,135,775	20,234,700	20,364,800	26,158,000	79,224,829
General Development Cost Charge (DCC) Capital Plan						
DCCs	2,054,052	2,269,278	2,521,530	4,048,803	23,399,400	34,293,063
Reserve Funds	20,748	22,922	25,470	40,897	255,700	365,737
Subtotal General DCC Capital Plan	2,074,800	2,292,200	2,547,000	4,089,700	23,655,100	34,658,800
Solid Waste Capital Plan						
Refuse Reserve Fund	160,074	153,009	118,946	955,446	98,914	1,486,389
Subtotal Solid Waste Capital Plan	160,074	153,009	118,946	955,446	98,914	1,486,389
Equipment Replacement Capital Plan						
Vehicle and Equipment Reserve Fund	57,319	1,479,448	980,601	946,116	347,914	3,811,398
Subtotal Equipment Replacement Capital Plan	57,319	1,479,448	980,601	946,116	347,914	3,811,398
Forestry Capital Plan						
Forestry Reserve Fund	400,000	-	-	-	150,000	550,000
Subtotal Forestry Capital Plan	400,000	-	-	-	150,000	550,000
Drainage Utility Capital Plan						
Reserve Funds	625,600	920,700	731,800	1,769,600	78,262	4,125,962
Cedar Valley Drainage DCCs	-	-	-	-	1,857,438	1,857,438
Subtotal Drainage Utility Capital Plan	625,600	920,700	731,800	1,769,600	1,935,700	5,983,400
Water Utility Capital Plan						
Water Capital Reserve Fund	2,809,168	3,466,611	5,840,118	4,797,294	2,033,096	18,946,287
DCCs	4,089,987	3,084,200	4,401,540	4,070,880	3,867,336	19,513,943
Sewer Capital Reserve Fund	1,667	-	-	-	-	1,667
Drainage Capital Reserve Fund	1,666	-	-	-	-	1,666
Third Party Recoveries	306,000	312,100	318,300	324,700	331,200	1,592,300
Subtotal Water Utility Capital Plan	7,208,488	6,862,911	10,559,958	9,192,874	6,231,632	40,055,863
Sewer Utility Capital Plan						
Sewer Capital Reserve Fund	1,511,449	2,415,857	3,895,567	4,632,923	3,831,678	16,287,474
Sewer Capital DCCs - Local	278,685	-	-	-	594,000	872,685
Sewer Capital DCCs - Regional	39,475	7,777	78,187	69,189	122,404	317,032
Subtotal Sewer Utility Capital Plan	1,829,609	2,423,634	3,973,754	4,702,112	4,548,082	17,477,191
TOTAL PLANNED CAPITAL FUNDING	\$18,687,444	\$20,267,677	\$39,146,759	\$42,020,648	\$63,125,342	\$183,247,870