



# REPORT

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**TO:** Mayor and Council

File: 1700.20

Date: March 26, 2021

**FROM:** Chief Administrative Officer

To Committee  
of the Whole  
April 12, 2021

**RE: DRAFT 2 - 2021-2025 FIVE YEAR FINANCIAL PLAN**

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## PURPOSE

To present the second draft of the 2021-2025 Five Year Financial Plan, confirm Council's taxation policy approach and provide direction to staff to prepare the 2021-2025 Five Year Financial Plan and Tax Rates Bylaws.

## BACKGROUND

### Budget:

The 2021-2025 Five Year Financial Plan was presented and discussed at the March 8th Committee of the Whole meeting. The attached budget has been updated from the March 8<sup>th</sup> version as a result of the year end process for 2020, final property assessment data, and changes in the use of various reserve funds in future years. However, the tax impact for 2021 has not changed.

At the meeting held March 8<sup>th</sup>, staff was directed to provide information on the taxation impact of including an additional \$150,000 into the budget for the potential addition of staff and/or consultant or combination. It was acknowledged at that time, that a report outlining the implications of additional staffing or consulting resources, including what work would be the focus of new resources, would be required.

## OPTIONS

The following options are suggested for Council's consideration:

Option 1: That staff be directed to bring forward a Financial Plan Bylaw and Tax Rates Bylaw to the May 3, 2021 Council meeting based on the current tax policy and current draft budget attached to the report from the Chief Administrative Officer.

Option 2: That Council provide direction on changes to incorporate into the Financial Plan, including any policy changes, and direct staff to bring forward a Financial Plan Bylaw and Tax Rates Bylaw to the May 3, 2021 Council meeting or direct a sooner Special meeting be called to consider a revised draft of the Budget.

**DISCUSSION**

**Tax Policy:**

In 2019 Council formalized integration of the asset management plan into the budget by incorporating a 1% Asset Management tax levy in addition to the 2% combined General Municipal and Fire tax increase for the average residential dwelling. This policy is embedded in the Financial Plan Bylaw and is annually reviewed by Council during the budget process.

Accordingly, the 2021 budget is based on the District’s current taxation policy. Council’s proposed strategic priorities and the maintenance of District operations have been incorporated within this limit.

The following table illustrates the impact to the average residential dwelling with the proposed combined 2% Municipal and Fire Tax Levy plus 1% Asset Management Tax Levy for the average residential dwelling (assessed at \$891,174).

Average Homeowner:			
	<u>2020</u>	<u>2021</u>	<u>Increase</u>
Municipal Taxes	\$1,327	\$1,355	\$ 28
Asset Management	100	120	20
Fire Service	560	571	11
<b>Total</b>	<b>\$1,987</b>	<b>\$2,047</b>	<b>\$ 59</b>

The table below reflects the direction received on March 8<sup>th</sup> to report back on the taxation implications for an additional \$150,000 added to the budget for a potential new position or consulting assistance. Overall, the addition of resources would see an increase of approximately 9.6% to the average homeowner, over the 2020 taxes.

Average Homeowner:			
	<u>2020</u>	<u>2021</u>	<u>Increase</u>
Municipal Taxes	\$1,327	\$1,486	\$ 159
Asset Management	100	120	20
Fire Service	560	571	11
<b>Total</b>	<b>\$1,987</b>	<b>\$2,177</b>	<b>\$ 190</b>

**Tax Rate Multiples:**

In 2015 Council began a phased in plan to adjust multiples for various classes. This plan was concluded for changes to Class 2 (Utilities), 6 (Commercial), 7 (Private Managed Forest), and 9 (Farm).

Given significant assessment increases in Class 5 and 6 over the past few years, assessment appeals, and more recently, COVID-19, no further tax multiple increases have been implemented. Therefore the budget has been prepared based upon current multiples.

## **PUBLIC CONSULTATION**

In terms of public consultation, our website reflects the Financial Plan meeting review schedule, approved by Council, which has also been advertised in the Goldstream Gazette. The public has been invited to submit any comments on the budget in writing for inclusion on meeting agendas, or to participate in the meetings electronically.

## **CONCLUSION**

The budget as presented with this report represents a 2% combined General Municipal and Fire Tax levy increase and an additional 1% Asset Management Tax levy, for the average residential dwelling.

As directed by Council, a scenario for an additional \$150,000 for potential new staff and/or consulting assistance has also been provided, which would equate to an approximate 9.6% tax increase over 2020 taxes for the average residential dwelling.

Should Council request additional information from staff or direct substantive changes to the draft budget as it has been presented, a further Special meeting to review may be needed.

Otherwise, staff would propose to bring forward the appropriate bylaws to the May 3, 2021 Council meeting for formal consideration.

## **RECOMMENDATION**

That staff be directed to bring forward a Financial Plan Bylaw and Tax Rates Bylaw to the May 3, 2021 Council meeting based on the current tax policy and current draft budget attached to the report from the Chief Administrative Officer.

## **OR**

That Council provide direction on changes to incorporate into the Financial Plan and direct staff to bring forward a Financial Plan Bylaw and Tax Rates Bylaw to the May 3, 2021 Council meeting **or** direct a sooner Special meeting be called to consider a revised draft of the Budget.

Respectfully submitted,



Lorraine Hilton  
Chief Administrative Officer

Attachments:

[Draft 2 Budget – April 12, 2021](#)  
[Draft Budget – March 8, 2021](#)