



## THE CORPORATION OF THE CITY OF VERNON

### MEMORANDUM

**TO:** Will Pearce, CAO **FILE:** 1700-02 (2023)

**FROM:** Debra Law, Director, Financial Services **DATE:** November 23, 2022

**SUBJECT: 2023-2027 PROPOSED FINANCIAL PLAN - REVISED**

The 2023-2027 Proposed Financial Plan was presented to Council on Monday, November 14, 2022. On Friday, November 25, 2022 Administration was advised that the Non-Market Change Roll was available from BC Assessment.

Administration has reviewed the 2023 Non-Market Change Roll report from BC Assessment and can report the following: the total increase in all assessment classes is \$121,980,577 (2022 - \$187,319,781); the total increase in Residential assessments is \$126,377,500 (2022 - \$176,825,475); The total **decrease** in Non-Residential assessments is \$4,396,923 (2022 - \$10,494,306 increase). The Non-Market Change Roll report identifies the reason for decrease in Property Class 05 – Light Industry is due to a change in property tax classification.

In the table below, Administration used the prior year tax rates, plus an estimated 4.9% increase in 2023, to calculate the estimated additional taxation that will be earned from the Non-Market Change Roll. The resulting estimated additional taxation totals \$304,105. This is considerably less than the estimate of \$750,000 provided at the November 14, 2022 meeting. The first estimate was based on the 2022 realized increase in taxation from Non-Market Change (\$800,000) from the 2022 Non-Market Change Roll. The new estimate below, based on the 2023 Non-Market Change Roll, is a much more accurate estimate and will better reflect the total taxation amount realized in 2023.

2023 Non-Market Change (NMC) Roll Estimated Additional 2023 Taxation				
Property Class	Property Class Description	Non-Market Change Total	2022 Tax Rate – City Only	Estimated 2023 Taxation
01	Residential	\$126,377,500	2.82280	\$356,738
05	Light Industry	-7,537,500	12.90184	-97,248
06	Business & Other	3,345,280	9.42035	31,514
08	Recreation/Non-Profit	-152,000	6.86620	-1,044
09	Farm	-52,703	1.13385	-60
Subtotal		\$121,980,577		\$289,900
	Add 4.9% (estimated 2023 taxation increase)			14,205
		2023 Total Taxation from NMC		\$304,105

Due to the new Non-Market Change estimate, Administration has adjusted the Proposed Budget in Attachment 2 as follows: increased Investment income for 2023 by \$100,000 to \$2.2 million, resulting in a proposed operating increase of \$715,819 or 1.47% (from \$815,819 or 1.68%); reduced the 2023 Non-Market Change estimate to \$300,000 (from \$750,000); removed the recommendation to approve service level increase #4012 – Firefighter Apparatus Reserve

Contribution of \$350,000. Administration will present alternate proposals for funding fire apparatus purchases in the new year. In the 2023 Proposed Budget Summary (Revised) Options 1, 2 and 3 continue to present a 5.22%, 4.89% and 5.10% increase respectively.

In addition, Administration has updated the 2024 – 2027 list of capital programs to match the information being presented to Council at the November 28, 2022 Committee of the Whole meeting.

Administration has updated the 2023 – 2027 Draft Financial Plan on the City's website and will provide revised hardcopies to replace affected pages in Council's budget binders.

**RECOMMENDATION:**

THAT Council receive for information the memorandum titled "2023-2027 Proposed Financial Plan - Revised" dated November 23, 2022 respectfully submitted by the Director, Financial Services.

Respectfully submitted:

A handwritten signature in cursive script, appearing to read "Law", is written in black ink.

Attachment – 2023 Proposed Budget Summary - REVISED

## City of Vernon

### 2023 Proposed Budget Summary (Revised)

<b>2022 Total Property Taxation (2023 Base Budget)</b>	<b>\$ 48,657,779</b>	
		<b>% CHANGE</b>
2023 Proposed Operating increase	\$ 715,819	1.47%
2023 Proposed Infrastructure Levy increase	924,498	1.90%
<b>2023 Proposed Property Taxation increase</b>	<b>\$ 1,640,317</b>	<b>3.37%</b>
2023 Non-Market Change	(300,000)	-0.62%
2023 PROPOSED Service Level Increases:		
3985 - Marshall Field Washroom Extension of Operation	35,000	0.07%
3998 - Talent Acquisition & Retention Position	87,500	0.18%
3999 - Additional Deputy Fire Chief	171,321	0.35%
4000 - Additional Bylaw Compliance Officer	92,741	0.19%
4001 - Additional 2 RCMP Members	414,000	0.85%
4002 - Service Level Increases due to Development	105,567	0.22%
4011 - Library Sunday Opening Costs	18,728	0.04%
4007 - Snow Plowing Enhancements to Priority Lanes	15,000	0.03%
4008 - Snow Plowing Enhancements to Cul-de-sacs	80,000	0.16%
4009 - Snow Plowing Sidewalks - Weekend & Holiday Response	20,000	0.04%
4006 - Snow Removal Enhancements to Bus Stops	160,000	0.33%
4010 - O'Keefe Ranch Additional Funding (\$100,000 Casino Reserve)	-	0.00%
<b>2023 Proposed Property Taxation increase - OPTION 1</b>	<b>\$ 2,540,174.00</b>	<b>5.22%</b>
Defer Snow Removal/Plowing Enhancements	\$ (160,000.00)	-0.33%
<b>2023 Proposed Property Taxation increase - OPTION 2</b>	<b>\$ 2,380,174.00</b>	<b>4.89%</b>
Tax-Fund O'Keefe Ranch Additional Funding Request	\$ 100,000.00	0.21%
<b>2023 Proposed Property Taxation increase - OPTION 3</b>	<b>\$ 2,480,174.00</b>	<b>5.10%</b>