

## **COUNCIL REPORT**

**To:** Mayor and Council

**From:** Finance

**Date:** February 8, 2023

**Subject:** 2023 Provisional Operating and Capital Budgets

### **RECOMMENDATION:**

THAT Council approves the 2023 Provisional Operating and Capital Budgets.

### **BACKGROUND:**

The provisional operating and capital budgets will be effective immediately until the 2023-2027 Financial Plan is adopted, by bylaw, no later than May 12, 2023. Any revisions from the provisional budgets will be reflected in the Financial Plan.

The following table shows the proposed overall municipal tax revenue per property class:

<b>Class</b>	<b>2023 Proposed Tax Revenue</b>	<b>2022 Tax Revenue</b>	<b>Proposed Tax Increase per Property Class</b>	<b>% of Increase</b>
1- Residential	1,806,453	1,703,602	102,851	6.04%
2- Utilities	873,474	856,348	17,126	2.00%
4 - Major Industry	1,889,461	1,808,097	81,364	4.50%
5 - Light Industry	272,222	258,030	14,192	5.50%
6 - Business & Other	556,716	444,234	112,482	25.32%
8 - Recreation Property, Non Profit	196	185	11	6.00%
	<b>5,398,522</b>	<b>5,070,496</b>	<b>328,026</b>	<b>6.47%</b>

\*Class 6 – Business & Other had an increased assessment value of \$9.7M for new construction which equals an additional tax revenue of \$81,000 before any tax revenue increases were considered. Not including the additional tax revenue for new construction, the overall tax revenue increase is 5.6%

The BC Assessment 2023 completed assessment roll showed an overall increase to property assessments in Mackenzie. The following table provides a breakdown of the assessment changes per property class:

<b>Class</b>	<b>2023 Completed Roll Assessed Value</b>	<b>2022 Assessed Value</b>	<b>Increase/Decrease in Assessed Value</b>	<b>% of Increase</b>
1- Residential	260,666,100	250,323,500	10,342,600	4.13%
2- Utilities	22,351,035	21,691,650	659,385	3.04%
4 - Major Industry	38,248,800	37,389,900	858,900	2.30%
5 - Light Industry	11,175,100	10,726,000	449,100	4.19%
6 - Business & Other	62,973,650	51,301,550	11,672,100	22.75%
8 - Recreation Property, Non Profit	34,500	32,300	2,200	6.81%
	<b>395,449,185</b>	<b>371,464,900</b>	<b>23,984,285</b>	<b>6.46%</b>

As assessment values increase, tax rates will decrease to collect the same amount of taxes as the prior year. If a tax increase is proposed, the tax rate will increase but not at the same percentage of additional tax revenue collected. The following table shows the proposed increase/decrease municipal tax rate per property class:

<b>Class</b>	<b>2023 Proposed Tax Rate</b>	<b>2022 Tax Rate</b>	<b>Proposed Tax Rate Increase/Decrease</b>
1- Residential	6.9301	6.8056	1.83%
2- Utilities	39.0798	39.4782	(1.01)%
4 - Major Industry	49.3992	48.3579	2.15%
5 - Light Industry	24.3597	24.0565	1.26%
6 - Business & Other	8.8405	8.6593	2.09%
8 - Recreation Property, Non Profit	5.6923	5.7359	(0.76)%

#### **PUBLIC ENGAGEMENT:**

As part of the budget process, and to engage residents, two special meetings were held regarding the proposed 2023 provisional operating and capital budget. The two meetings took place on November 28, 2022 and again on January 30, 2023. These meetings gave the public an opportunity to provide comments, concepts, provide feedback or ask questions regarding the development of the 2023 Provisional Budget. This year a Budget Survey was introduced to residents in an attempt to gather more input and engage the residents.

The 2023 municipal budget book and the survey "what we heard" report is available on the District of Mackenzie website for further information on the proposed budgets. Proposed 2023 operating and capital budgets are attached.



**COUNCIL PRIORITY:**

**Strong Governance and Finances**

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kerri Borne". The signature is written in a cursive style and is positioned above a horizontal line.

Kerri Borne  
Chief Financial Officer

A handwritten signature in black ink that reads "Diane Smith". The signature is written in a cursive style and is positioned above a horizontal line.

Approved for Submission to Council