

DISTRICT OF MACKENZIE

BYLAW NO. 1498

A bylaw of the District of Mackenzie
Respecting the Financial Plan for the years 2023-2027

The Municipal Council of the District of Mackenzie, in open meeting assembled **HEREBY ENACTS** as follows:

1. Schedules "A", "B", "C" and "D" attached hereto and forming part of this bylaw are hereby adopted and is the Financial Plan of the District of Mackenzie for the period commencing January 1, 2023 and ending December 31, 2027.
2. This bylaw may be cited for all purposes as "Financial Plan Bylaw No.1498, 2027."

READ a first time this _____ 24th _____ day of _____ April _____, 2023.

READ a second time this _____ 24th _____ day of _____ April _____, 2023.

READ a third time this _____ 24th _____ day of _____ April _____, 2023.

ADOPTED this _____ day of _____, 2023.

I hereby certify the foregoing
to be a true and correct copy
of District of Mackenzie Bylaw
No. 1498 cited as "Financial
Plan Bylaw No. 1498, 2023".

Mayor

Corporate Officer

Corporate Officer

SCHEDULE "A"

DISTRICT OF MACKENZIE

2023 – 2027 Financial Plan

Statement of Objectives and Policies

Bylaw No. 1498

Section 165(3.1) of the *Community Charter* requires municipal five-year financial plans to include a more explicit form of revenue and tax policy disclosure. This requires municipalities to include in the five-year financial plan, the 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.
3. The use of permissive tax exemptions.

PURPOSE:

These revenue and tax policy disclosure requirements are intended to further enhance municipal accountability to the public by requiring all municipalities to develop and publicly disclose their objectives and policies in relation to their municipal taxes.

1. PROPORTION OF REVENUE

Proportion of Revenue that is generated by Property Taxes

- 7(a) The District's property tax revenue includes a Municipal Tax increase of 7.2% in total. The decreased percentage varied per property classes as follows:

1 – Residential	8.13%
2 – Utilities	2.00%
4 – Major Industry	4.50%
5 – Minor Industry	5.50%
6 – Business	25.32%
8 – Rec Non-Profit	5.95%

For future years, any changes in tax rates will be determined during the budget process.

Other Revenue Sources Described in Section 165(7) of the *Community Charter*:

- 7(b) **Revenue from fees** – Sales of service and utility user fees for all municipal services (excluding Recreation and Culture) will continue to be set to recover the costs associated with providing these services.

Sales and Service (Recreation and Culture) – These areas recover on average 10% of the expenses incurred to operate the facilities. The District will endeavour to raise rates annually by a reasonable percentage to ensure recovery is at least at 10% - 15% of expenses annually.

Licences and Permits – The fees recover approximately 25% of the costs of the Building Department and Animal Control/Bylaw Enforcement Departments.

- 7(c) **Revenue from other sources** (Grants) – The majority of these revenue sources are established by legislation or are dependent on Crown Corporations or utility revenues. Future budgeting will correspond with any changes to these funds from year to year. For any grants that require the District to apply, both for operational and capital budget, this will remain a priority.

Other Revenue – For tax penalties, the recovery is set by legislation. For the return on investments the District will continue with short and long-term investments held in the Municipal Finance Authority and other investments authorized by Section 183 of the *Community Charter*.

Rentals and lease rates were initially set in 1993 and since the inception rates have been increased by the annual Consumer Price Index (CPI). This policy will be continued as this is incorporated into the District's long-term leases.

- 7(d) Water, Sewer and Garbage rates will be reviewed annually and set to effectively account for and manage the life cycle of water and sewer capital assets.

2. DISTRIBUTION OF TAXES AMONG PROPERTY CLASSES

In 2023, the District's proportion of taxes is as follows:

CLASS	DESCRIPTION	TOTAL % OF TAXES
1	Residential	34%
2	Utility	16%
4	Major Industry	35%
5	Light Industry	5%
6	Business	10%
8	Recreational Non-Profit	0%

As the District annually monitors its rates by property class the District will, subject to decreases or increases by property class due to new construction or changes in assessment classes, maintain the range of property taxes collected by class as:

CLASS	DESCRIPTION	TOTAL % OF TAXES
1	Residential	30% - 40%
2	Utility	10% - 20%
4	Major Industry	30% - 40%
5	Light Industry	5% - 10%
6	Business	5% - 10%
8	Recreational Non-Profit	0% - 5%

3. USE OF PERMISSIVE TAX EXEMPTIONS

Permissive tax exemptions enable municipalities to provide tax breaks to meet the social, economic, environmental or other needs of the community.

In 2016, the District of Mackenzie adopted a "Revitalization Tax Exemption Bylaw No. 1353, 2016" which includes specific tax exemption incentives for construction of new or existing buildings for all lots in the District, in the following eligible classes; Utility, Major Industry, Light Industry and Business and Other.

An amendment to the bylaw was adopted in September 2022 to amend the eligibility of non-market change value to new construction or renovation of existing buildings that result in non-market change to the value of the lot within the District from \$500,000 to \$150,000 in an effort to increase program participation.

The exemption provided under this Bylaw is as follows:

- 100% exemption in the first year of Municipal Property Tax for the Non-Market Change in assessment of land and improvements.
- 50% exemption in the second year of Municipal Property Tax for the Non-Market Change in assessment of land and improvements.
- 25% exemption in the third year of Municipal Property Tax for the Non-Market Change in assessment of land and improvements.
- There will be no exemption on Municipal Property Tax for the Non-Market Change in assessment of land and improvements in the fourth and succeeding years.

THE DISTRICT OF MACKENZIE
SCHEDULE "B"
BYLAW NO. 1498
2023 ANNUAL BUDGET
CONSOLIDATED OPERATING REVENUES AND EXPENDITURES

REVENUE:

TAXATION	5,431,959
UTILITY USER FEES	1,699,933
GRANTS	5,291,936
LICENSES AND PERMITS	77,725
SALE OF SERVICE	704,837
OTHER REVENUE	862,058
TRANSFER EQUITY IN ASSETS	1,802,308
TRANSFER FROM FUNDS	289,793
ACCUMULATED SURPLUS	0
TOTAL REVENUE	16,160,549

EXPENDITURES:

GENERAL	
GENERAL GOVERNMENT SERVICES	2,616,816
PROTECTIVE SERVICES	1,371,317
TRANSPORTATION SERVICES	2,899,862
ENVIRONMENTAL HEALTH SERVICES	349,111
PUBLIC HEALTH AND WELFARE	150,099
RECREATION AND CULTURE	3,733,084
LESS: RECOVERY FROM UTILITIES	(182,700.00)
TOTAL GENERAL	10,937,589
WATER EXPENDITURE	570,865
SEWER EXPENDITURE	420,248
INTEREST, BANK CHARGES AND BAD DEBTS	10,250
LAND DEVELOPMENT	0
SUBTOTAL	11,938,952

EXCESS OPERATING REVENUE	4,221,597
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OTHER

DEBT INTEREST	0
DEBT PRINCIPAL	0

RESERVE FUNDS	3,889,413
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TRANSFER TO FUNDS	332,185
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CONTINGENCY FOR THE YEAR	0
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DISTRICT OF MACKENZIE
5-YEAR FINANCIAL PLAN
s. 165 COMMUNITY CHARTER

SCHEDULE "C"

	Sec. 165	2023	2024	2025	2026	2027
Revenues	4(b)					
Property Taxes	7(a)	5,431,959	5,703,557	5,988,735	6,288,172	6,602,580
Fees and Charges	7(c)					
Sale of Services		704,837	718,934	733,313	747,979	762,939
Utility User Fees		1,699,933	1,784,930	1,874,177	1,967,885	2,066,280
Licences and Permits		77,725	78,502	79,287	80,080	80,881
Other Sources	7(d)					
Grants		5,291,936	3,604,625	3,640,671	3,677,078	3,713,849
Other Capital Revenue		1,144,841	2,375,545	-	-	-
Other Revenue		862,058	870,678	879,385	888,179	897,061
Transfer Equity in Assets		1,802,308	1,820,331	1,838,534	1,856,920	1,875,489
Borrowing	7(e)	-	-	-	-	-
Transfers from Funds	4(c)	289,793	107,366	-	-	-
Reserve Funds	8(a)	5,241,929	2,344,813	2,560,000	1,057,000	689,000
Accumulated Surplus	8(b)	-	10,674	-	-	-
TOTAL		22,547,319	19,419,956	17,594,102	16,563,293	16,688,078
Expenditures						
Other Municipal:	6(d)					
General Government		2,616,816	2,695,320	2,776,180	2,859,465	2,945,249
Protective Services		1,371,317	1,412,457	1,454,830	1,498,475	1,543,429
Transportation Services		2,899,862	2,986,858	3,076,464	3,168,758	3,263,820
Environmental Health		349,111	359,584	370,372	381,483	392,928
Public Health & Welfare		150,099	154,602	159,240	164,017	168,938
Recreation & Culture		3,733,084	3,845,077	3,960,429	4,079,242	4,201,619
Less: Utilities Recovery		(182,700)	(188,181)	(193,826)	(199,641)	(205,630)
Sub total		10,937,589	11,265,717	11,603,688	11,951,799	12,310,353
Water expenditure		570,865	599,408	629,379	660,848	693,890
Sewer expenditure		420,248	441,260	463,323	486,489	510,814
Interest & Bank Charges		10,250	10,558	10,874	11,200	11,536
Land Development		-	-	-	-	-
Property Tax Appeals	6(d)	-	-	-	-	-
Debt Interest	6(a)	-	-	-	-	-
Debt Principal	6(a)	-	-	-	-	-
Capital Expenditure	6(b)	6,386,770	4,720,358	2,560,000	1,057,000	689,000
Reserve Funds	8(a)	3,889,413	2,107,656	2,051,838	2,120,957	2,197,485
Transfer to Funds	4(c)	332,185	275,000	275,000	275,000	275,000
Accumulated Surplus	8(b)	-	-	-	-	-
Deficiency	6(c)	-	-	-	-	-
TOTAL		22,547,319	19,419,956	17,594,102	16,563,293	16,688,078

DISTRICT OF MACKENZIE
NOTES TO ACCOMPANY 5-YEAR FINANCIAL PLAN
s. 165 COMMUNITY CHARTER

ASSUMPTIONS OF THE PLAN:

<u>RATES OF CHANGE</u>	
REVENUE:	
PROPERTY TAXES	5.00%
SALE OF SERVICES	2.00%
UTILITY USER FEES	5.00%
LICENCES AND PERMITS	1.00%
GRANTS	1.00%
OTHER REVENUE	1.00%
TRANSFER EQUITY IN ASSETS	1.00%
EXPENSES:	
MUNICIPAL PURPOSES	3.00%
WATER	5.00%
SEWER	5.00%

PROPORTIONS OF TOTAL REVENUE:

Revenue Source	% Total Revenue
Property taxes	24%
User fees and charges	11%
Other sources	40%
Proceeds from borrowing	0%
Transfer from Funds	1%
Reserve Funds	24%
Accumulated surplus	0%
TOTAL	100%

DISTRIBUTION OF PROPERTY TAXES AMONG THE PROPERTY CLASSES:

Property class	% Overall Taxes
Residential (1)	34%
Utilities (2)	16%
Major Industry (4)	35%
Light Industry (5)	5%
Business (6)	10%
Rec Non Profit (8)	0%
TOTAL	100%

PERMISSIVE TAX EXEMPTIONS:

The Annual Municipal Report for 2022 contains a list of permissive exemptions granted for the taxation year and the foregone revenue. Council grants exemptions to not-for-profit organizations that it deems provide a benefit to the residents of Mackenzie.

DISTRICT OF MACKENZIE

(Not Including Applicable Taxes)

"SCHEDULE D"

	2023	2024	2025	2026	2027	TOTAL	FUNDED RESERVES	RELATED RESERVE FUND	FUNDED GRANTS - OTHERS	FUNDER NAME
GENERAL GOVERNMENT										
Community Signage	56,767	41,426				98,193	98,193	General/Capital Renewal Reserve		
Audio Visual Upgrades	91,403					91,403			91,403	Prior Year Surplus
IT Upgrades			15,000			15,000	15,000	Capital Renewal Reserve		
TOTAL GENERAL GOVERNMENT	148,170	41,426	15,000	-	-	204,596	113,193		91,403	
PROTECTIVE SERVICES										
Fire Hall Project	1,034,336					1,034,336	1,007,443	NCPG	26,893	UBCM, private donations
Superior Fire Truck #2 Replacement	1,633,826					1,633,826	1,500,000	Firefighting Equipment Reserve	133,826	Prior Year Surplus
Pierce Ladder Truck Equipment	150,000					150,000	135,000	Firefighting Equipment Reserve	15,000	Regional District of Fraser Fort George
Turnout Gear		40,000	40,000			80,000	80,000	Firefighting Equipment Reserve		
Narrow Band Equipment		10,000				10,000	10,000	Firefighting Equipment Reserve		
Pagers		19,500				19,500	19,500	Firefighting Equipment Reserve		
Air Bag System			10,000			10,000	10,000	Firefighting Equipment Reserve		
TOTAL PROTECTIVE SERVICES	2,818,162	69,500	50,000	-	-	2,937,662	2,761,943		175,719	
TRANSPORTATION SERVICES										
Road paving	822,010					822,010	822,010	General Capital Reserve		
Commercial Garbage Truck	500,000					500,000	500,000	Vehicle and Equipment Reserve		
Hot Patch Paver	92,000					92,000	92,000	Vehicle and Equipment Reserve		
Air Compressor	9,968					9,968	9,968	Vehicle and Equipment Reserve		
All Terrain Vehicle	45,000					45,000	45,000	Vehicle and Equipment Reserve		
Active Transportation Master Plan	50,000					50,000			50,000	Infrastructure Canada Grant
Paving Plan	95,000					95,000	95,000	General Capital Reserve		
Inspections Pickup Replacement		50,000				50,000	50,000	Vehicle and Equipment Reserve		
Grader #2 Replacement		400,000				400,000	400,000	Vehicle and Equipment Reserve		
Airport Sweeper		60,000				60,000	60,000	Vehicle and Equipment Reserve		
Lawnmower Replacement			65,000			65,000	65,000	Vehicle and Equipment Reserve		
Olympia Resurfacer			150,000			150,000	150,000	Vehicle and Equipment Reserve		
Loader #2 Replacement			200,000			200,000	200,000	Vehicle and Equipment Reserve		
Tractor Replacement			65,000			65,000	65,000	Vehicle and Equipment Reserve		
Public Works Building Expansion			1,500,000			1,500,000	1,500,000	General Capital Reserve		
Mechanic Pickup Replacement			80,000			80,000	80,000	Vehicle and Equipment Reserve		
Loader #3 Replacement				305,000		305,000	305,000	Vehicle and Equipment Reserve		
Dump Truck Replacement				367,000		367,000	367,000	Vehicle and Equipment Reserve		
Snow Blower Attachment Replacement					140,000	140,000	140,000	Vehicle and Equipment Reserve		
Snow Groomer					184,000	184,000	184,000	Vehicle and Equipment Reserve		
PW Yard Pickup Replacement					40,000	40,000	40,000	Vehicle and Equipment Reserve		

DISTRICT OF MACKENZIE

(Not Including Applicable Taxes)

"SCHEDULE D"

	2023	2024	2025	2026	2027	TOTAL	FUNDED RESERVES	RELATED RESERVE FUND	FUNDED GRANTS - OTHERS	FUNDER NAME
Dump Truck Replacement					120,000	120,000	120,000	Vehicle and Equipment Reserve		
Administration Van Replacement					40,000	40,000	40,000	Vehicle and Equipment Reserve		
TOTAL PUBLIC WORKS	1,613,978	510,000	2,060,000	672,000	524,000	5,379,978	5,329,978		50,000	
<u>PARKS AND RECREATION SERVICES</u>										
Recreation building roof replacement	183,000					183,000	183,000	Capital Renewal Reserve		
Signature Trail Project	330,000					330,000			330,000	FLINRO, NDIT, South Peace Mackenzie Trust, Deferred Revenue
Energy Reductions Project	25,260	2,969,432				2,994,692	598,939	Capital Renewal Reserve	2,395,753	Community Buildings Program Grant (approval pending)
Audio Visual Upgrades	79,500					79,500			79,500	Prior Year Surplus
Pool Upgrades		220,000	50,000			270,000	270,000	Capital Renewal Reserve		
Ice-edger		17,000				17,000	17,000	Capital Renewal Reserve		
Library Floor Replacement		45,000				45,000	45,000	Capital Renewal Reserve		
Rec Centre Upgrades		50,000	50,000	50,000		150,000	150,000	Capital Renewal Reserve		
Park/Beach Master Plan		25,000				25,000	25,000	General Capital Reserve		
Spirit Square Park Master Plan		20,000				20,000	20,000	General Capital Reserve		
TOTAL RECREATION SERVICES	617,760	3,346,432	100,000	50,000	-	4,114,192	1,308,939		2,805,253	
TOTAL GENERAL CAPITAL	5,198,070	3,967,358	2,225,000	722,000	524,000	12,636,428	9,514,053		3,122,375	
<u>WATER</u>										
Pressure Reducing Valves Replacement	342,000	335,000	335,000	335,000		1,347,000	1,347,000	Water Reserve		
Gantahaz Well #4 Rehabilitation	73,500					73,500	73,500	Water Reserve		
Gantahaz Water Treatment (pending grant approval)	590,000					590,000	157,353	Water Reserve	432,647	Investing in Canada Infrastructure Program (pending)
Brine Tank Water Station		18,000				18,000	18,000	Water Reserve		
Booster Station Controls and Energy Efficiency Upgrade		200,000				200,000	200,000	Water Reserve		
Fire Hydrants on Coquiwaldie		200,000				200,000	200,000	Water Reserve		
TOTAL WATER	1,005,500	753,000	335,000	335,000	-	2,428,500	1,995,853		432,647	
<u>SEWER</u>										
Lagoon Outfall Chamber Building Replacement	83,200					83,200	83,200	Sewer Reserve		
Sewer Flusher	100,000					100,000	100,000	Sewer Reserve		
Lagoon Outfall Chamber Structural Upgrade					165,000	165,000	165,000	Sewer Reserve		
TOTAL SEWER	183,200	-	-	-	165,000	348,200	348,200			
TOTAL CAPITAL	6,386,770	4,720,358	2,560,000	1,057,000	689,000	15,413,128	11,858,106		3,555,022	