

# 2024-2028 Financial Plan Bylaw

## RECOMMENDATION:

*That 2024-2028 Financial Plan Bylaw, 2024, No. 4365 be given first three readings.*

## PREVIOUS COUNCIL/COMMITTEE ACTION

February 27, 2024 – Committee of Council:

*That Committee of Council:*

- 1. Approve the capital plan as presented on December 5<sup>th</sup>, as updated, for inclusion in the 2024-2028 Financial Plan Bylaw;*
- 2. Approve the operating budget as presented on December 12<sup>th</sup>, as updated, for inclusion in the 2024-2028 Financial Plan Bylaw; and*
- 3. Direct staff to prepare the 2024-2028 Financial Plan Bylaw, 2024 Tax Rate Bylaw and 2024 Solid Waste Rate Bylaw for Council approval.*

## REPORT SUMMARY

This report presents the 2024-2028 Financial Plan Bylaw for Council approval. The Financial Plan, which includes the current year's budget and taxes, sets out the planned services and initiatives for the next five years and the corresponding funding for those services. The 2024-2028 Financial Plan addresses Council's priorities of getting the basics right while supporting community safety, City infrastructure and current and future needs.

## BACKGROUND

Section 165 of the *Community Charter* requires that the City annually adopt a Five-Year Financial Plan which sets out the planned services and initiatives and their corresponding funding.

The City split development of the 2024-2028 Financial Plan into multiple phases, with Committee of Council approving capital (funded through reserves and surplus) on December 5<sup>th</sup> 2023, the draft operating budget (funded through taxation, levies and other revenues), on December 12<sup>th</sup>, 2023.

In early January, the City mailed the 2024 Budget at a Glance brochure to every home and business to obtain feedback on the draft operating budget. Public consultation for the draft operating budget concluded on January 29, 2024. The City received 1,524 responses which were considered by Committee of Council on February 27, 2024. The input was considered when finalizing the 2024 financial plan and to help guide establishing infrastructure policies and capital program priorities. The public input will also be considered as part of the 2025 financial planning process.

## **DISCUSSION**

For the average home, the budget includes an increase of 3.56 percent for City services and 2.02 percent increase for rising RCMP costs, resulting in a total increase of 5.58 percent (\$117.39 for the average household). Tactics to reduce taxpayer impact included a line-by-line review of proposed expenditures and revenues, deferral of non-critical items, selective use of reserves and surplus accounts, and leveraging of provincial and federal grant funding. As a result, Port Coquitlam's proposed tax increase for 2024 is well below the average in Metro Vancouver based on reported information.

Development of the proposed 2024 budget was affected by a variety of factors, including:

- Increased costs based on regional or provincial contract negotiations, including CUPE representing civic workers and IAFF representing firefighters,
- Rising costs from the RCMP contract and Public Safety Building due to inflation and the federally-negotiated collective agreement,
- Increased costs from external service providers such as Fraser Valley Regional Library and Metro Vancouver water, sewer and waste services,
- Inflation and escalating costs for supplies, and
- New responsibilities from provincial legislation related to accessibility and housing, leading to significant new costs.

In addition to maintaining current service levels and setting aside funds for replacing and renewing infrastructure, the 2024 budget will fund enhanced services such as:

- Improved safety: One new firefighter,
- Enhanced special events: Includes the grand opening of the upgraded Leigh Square and support for City and community events,
- Improved waste services: Formalizing the large-item pickup program and developing a curbside glass collection program for rollout in 2025,
- Increased support for cybersecurity and technology to deliver service,
- Access support: Removing barriers for access to City recreational programs, and
- Assistance for community organizations: Providing with operating grants.

The budget will also bring some new staff and improved services without any impact on taxation. These include:

- Improved safety: Additional bylaw officers who will provide a stronger bylaw presence on City streets, funded through increased revenue from bylaw enforcement,
- Reduced approval time for housing projects: Additional planning staff that will allow the City to process more development applications, funded through increased development revenue,
- Dedicated attention to the City's land holdings: A new real estate manager, funded through the savings in real estate fees,
- Increased recreation services: Additional program resources at the Recreation Centres, funded through additional program revenues, and
- Optimal maintenance and cleanliness of City recreation facilities: A new facility maintenance coordinator, funded through increased concession and program revenue at

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the Port Coquitlam Community Centre (PCCC).

In addition to the property tax increase, the user-pay levies for utilities will go up 2.96 percent (\$13.95) for water and 14.71 percent (\$51.50) for sewer for all properties, and 25.34 percent (\$62.67) for households receiving City waste collection services. These increases primarily relate to increases in Metro Vancouver charges for both bulk water purchases and levy for sanitary sewer discharge, along with the additional services provided in solid waste including preparation for curb-side glass pick-up beginning in 2025.

Section 165 of the *Community Charter* requires the municipality to set out in their financial plan, objectives and policies in relation to:

- the proportion of total revenue that is proposed to come from funding sources;
- the distribution of property taxes amongst the various property classes; and
- the use of permissive tax exemptions.

These policies remain unchanged from the prior year and are included under "Schedule C" of the Financial Plan Bylaw.

### Next Steps

In accordance with Section 197 of the *Community Charter*, once the City's financial plan is adopted, property tax and solid waste rates are calculated to raise the revenue approved by Council. A separate report will bring forward the appropriate bylaws for adoption prior to the deadline of May 15, 2024 to enable the City to levy this revenue.

### FINANCIAL IMPLICATIONS

Property taxes and levies for the average Port Coquitlam home (assessed at \$1,078,237) will increase by the following amounts in 2024:

| Category           | 2023            | 2024            | \$ Change     | \$ Change    |
|--------------------|-----------------|-----------------|---------------|--------------|
| Property Tax       | \$ 1,631.99     | \$ 1,706.88     | \$ 74.89      | 3.56%        |
| RCMP               | 472.51          | 515.01          | 42.50         | 2.02%        |
| Total Property Tax | <b>2,104.50</b> | <b>2,221.89</b> | <b>117.39</b> | <b>5.58%</b> |
| Water              | 471.05          | 485.00          | 13.82         | 2.96%        |
| Sewer              | 350.46          | 402.00          | 51.78         | 14.71%       |
| Solid Waste        | 247.32          | 310.00          | 62.67         | 25.34%       |

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### **OPTIONS** (✓= Staff Recommendation)

|                                                                                   | # | Description                                                               |
|-----------------------------------------------------------------------------------|---|---------------------------------------------------------------------------|
|  | 1 | Give first three readings to the 2024-2028 Financial Plan Bylaw No. 4365. |
|                                                                                   | 2 | Refer the bylaw back to staff for amendments.                             |

### **ATTACHMENTS**

Attachment 1 - Bylaw No. 4365

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