

CITY OF PORT COQUITLAM
2024-2028 Financial Plan Bylaw
Bylaw No. 4365

The Council of the Corporation of the City of Port Coquitlam enacts as follows:

1. CITATION

This Bylaw is cited as “2024-2028 Financial Plan Bylaw, 2024, No. 4365”.

2. REGULATION

- 2.1 Schedule “A” attached to and forming part of this Bylaw is the proposed funding sources and expenditures for 2024 to 2028.
- 2.2 Schedule “B1” forming part of this Bylaw is expenditures from the City Reserve and Surplus Funds.
- 2.3 Schedule “B2” forming part of this Bylaw is transfers to the City Reserve and Surplus Funds.
- 2.4 Schedule “C” forming part of this Bylaw is the objectives and policies for revenues, property tax distribution and permissive exemptions.

3. REPEAL

2023-2027 Financial Plan Bylaw No. 4305 and all amendments thereto are hereby repealed.

| | | |
|-------------------------|-------------------------|-------------|
| READ A FIRST TIME this | 23 rd day of | April, 2024 |
| READ A SECOND TIME this | 23 rd day of | April, 2024 |
| READ A THIRD TIME this | 23 rd day of | April, 2024 |
| ADOPTED this | day of | , 2024 |

Mayor

Corporate Officer

SCHEDULE "A"

Proposed Funding Sources and Expenditures

| | 2024 Budget | 2025 Budget | 2026 Budget | 2027 Budget | 2028 Budget |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Revenues | | | | | |
| Taxation & Other Levies | \$ 85,504,400 | \$ 88,014,400 | \$ 90,599,700 | \$ 93,262,500 | \$ 96,005,200 |
| Utility Charges | 30,241,400 | 31,157,500 | 32,046,600 | 32,962,200 | 33,905,200 |
| Sale of Services | 8,424,100 | 8,424,100 | 8,424,100 | 8,424,100 | 8,424,100 |
| Contributions | 25,240,200 | 18,539,900 | 3,102,700 | 3,102,700 | 3,102,700 |
| Permits & Licences | 3,702,600 | 3,702,600 | 3,702,600 | 3,702,600 | 3,702,600 |
| Investment Income | 3,047,700 | 3,047,700 | 3,047,700 | 3,047,700 | 3,047,700 |
| Penalties & Fines | 704,000 | 704,000 | 704,000 | 704,000 | 704,000 |
| Other Revenues | 473,800 | 473,800 | 473,800 | 473,800 | 473,800 |
| Total Revenues | \$ 157,338,200 | \$ 154,064,000 | \$ 142,101,200 | \$ 145,679,600 | \$ 149,365,300 |
| Expenditures | | | | | |
| City Operating Expenditures | \$ 111,591,000 | \$ 112,456,800 | \$ 112,258,200 | \$ 114,634,700 | \$ 117,082,200 |
| External Debt Interest Expense | 1,727,300 | 1,727,300 | 1,727,300 | 1,727,300 | 1,727,300 |
| Amortization | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 |
| Total Operating Expenditures | \$ 125,318,300 | \$ 126,184,100 | \$ 125,985,500 | \$ 128,362,000 | \$ 130,809,500 |
| Net Revenue (Expenditure) | \$ 32,019,900 | \$ 27,879,900 | \$ 16,115,700 | \$ 17,317,600 | \$ 18,555,800 |
| Allocations | | | | | |
| Net Transfers from Reserves | \$ 66,394,300 | \$ 20,612,500 | \$ 15,424,800 | \$ 3,221,800 | \$ 3,098,000 |
| Net Transfers (to) Reserves | (23,277,300) | (24,410,100) | (25,576,900) | (26,778,800) | (28,017,000) |
| Capital Expenditures | (84,598,100) | (33,543,500) | (15,424,800) | (3,221,800) | (3,098,000) |
| Capital Contributed by Developers | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) |
| Unfunded Amortization | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 |
| External Debt Principal Repayment | (1,538,800) | (1,538,800) | (1,538,800) | (1,538,800) | (1,538,800) |
| Total Allocations | \$ (32,019,900) | \$ (27,879,900) | \$ (16,115,700) | \$ (17,317,600) | \$ (18,555,800) |
| Financial Plan Balance | \$ - | \$ - | \$ - | \$ - | \$ - |

SCHEDULE "B1"

Transfers from Reserves

| | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|
| | Budget | Budget | Budget | Budget | Budget |
| General Capital | \$ 19,312,900 | \$ 10,960,200 | \$ 13,158,500 | \$ 2,113,600 | \$ 1,457,000 |
| Sewer Infrastructure | 8,738,400 | 730,000 | 110,000 | - | - |
| Growing Communities Grant | 8,016,800 | - | - | - | - |
| Vehicles & Equipment | 6,417,100 | 960,000 | - | - | - |
| Amenities | 4,858,900 | - | - | - | - |
| Water Infrastructure | 3,612,200 | 2,096,100 | 472,500 | - | - |
| Roads (MRN) | 1,250,000 | - | - | - | - |
| Long Term Sewer Infrastructure | 1,200,000 | - | - | - | - |
| Land Sale | 841,100 | 170,000 | 170,000 | 170,000 | 170,000 |
| Long Term General Infrastructure | 644,200 | 3,775,000 | - | - | - |
| Water Rate Stabilization | 535,000 | 535,000 | 535,000 | - | 535,000 |
| RCMP | 500,300 | 495,400 | 492,100 | 440,000 | 425,900 |
| Downtown | 402,000 | 275,700 | 286,700 | 298,200 | 310,100 |
| Cart Replacement | 294,600 | 170,000 | 170,000 | 170,000 | - |
| Sewer Rate Stabilization | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Transit Shelters | 164,100 | 165,000 | - | - | - |
| Parking | 156,700 | - | - | - | - |
| Cemetery | 115,100 | - | - | - | - |
| Election | - | - | - | - | - |
| Allocated Accumulated Surplus - General | 8,999,600 | - | - | - | - |
| Allocated Accumulated Surplus - Water | 122,800 | - | - | - | - |
| Allocated Accumulated Surplus - Sewer | 48,400 | - | - | - | - |
| Long Term Water Infrastructure | | | | | |
| Total Transfers from Reserves | \$ 66,430,200 | \$ 20,532,400 | \$ 15,594,800 | \$ 3,391,800 | \$ 3,098,000 |

SCHEDULE "B2"
Transfers (to) Reserves

| | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|
| | Budget | Budget | Budget | Budget | Budget |
| General Capital | \$ 19,312,900 | \$ 10,960,200 | \$ 13,158,500 | \$ 2,113,600 | \$ 1,457,000 |
| Sewer Infrastructure | 8,738,400 | 730,000 | 110,000 | - | - |
| Growing Communities Grant | 8,016,800 | - | - | - | - |
| Vehicles & Equipment | 6,417,100 | 960,000 | - | - | - |
| Amenities | 4,858,900 | - | - | - | - |
| Water Infrastructure | 3,612,200 | 2,096,100 | 472,500 | - | - |
| Roads (MRN) | 1,250,000 | - | - | - | - |
| Long Term Sewer Infrastructure | 1,200,000 | - | - | - | - |
| Land Sale | 841,100 | 170,000 | 170,000 | 170,000 | 170,000 |
| Long Term General Infrastructure | 644,200 | 3,775,000 | - | - | - |
| Water Rate Stabilization | 535,000 | 535,000 | 535,000 | - | 535,000 |
| RCMP | 500,300 | 495,400 | 492,100 | 440,000 | 425,900 |
| Downtown | 402,000 | 275,700 | 286,700 | 298,200 | 310,100 |
| Cart Replacement | 294,600 | 170,000 | 170,000 | 170,000 | - |
| Sewer Rate Stabilization | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Transit Shelters | 164,100 | 165,000 | - | - | - |
| Parking | 156,700 | - | - | - | - |
| Cemetery | 115,100 | - | - | - | - |
| Election | - | - | - | - | - |
| Allocated Accumulated Surplus - General | 8,999,600 | - | - | - | - |
| Allocated Accumulated Surplus - Water | 122,800 | - | - | - | - |
| Allocated Accumulated Surplus - Sewer | 48,400 | - | - | - | - |
| Long Term Water Infrastructure | | | | | |
| Total Transfers from Reserves | \$ 66,430,200 | \$ 20,532,400 | \$ 15,594,800 | \$ 3,391,800 | \$ 3,098,000 |

Transfers (to) Reserves

SCHEDULE “C”

Revenue Plan Objectives and Policies

In accordance with Section 165(3.1) of the Community Charter, The City of Port Coquitlam is required to include in the Five-Year Financial Plan Bylaw, 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; and
3. The use of permissive tax exemptions.

1. Sources of Revenue

| Funding Source 165(7) | Details | % of Total 2023 Revenue | % of Total 2024 Revenue |
|-----------------------|----------------------|-------------------------------|-------------------------------|
| Property Value Taxes | Property Taxes | 57.3% | 54.3% |
| Fees | Utility Levies | 19.5% | 19.2% |
| | Sale of Services | 5.9% | 5.4% |
| | Permits and Licenses | 2.2% | 2.4% |
| Other Sources | Contributions | 12.4% | 16.0% |
| | Investment Income | 2.0% | 2.0% |
| | Penalties and Fines | 0.4% | 0.4% |
| | Other Revenue | 0.3% | 0.3% |

Objective

Over the next five years, the City will continue to seek new revenue sources to reduce the burden on property taxes.

Policies

The City's Financial Management Policy (7.16.03) states:

- The City will review fees/charges, at a minimum on a biennial basis, to ensure that they keep pace with changes in the cost-of-living, as well as, changes in the methods or levels of service delivery.
- The City will encourage the use of alternate revenue sources instead of property taxes.
- General Revenues will not be dedicated for specific purposes, unless required by law or the Generally Accepted Accounting Principles (GAAP).
- User fees will be set to recover the full cost of services except where Council determines that a subsidy is in the general public interest.

2. Distribution of Property Taxes

The 2024 distribution of property taxes amongst all the property classifications is provided below:

| Property Class | 2024 % of General Property Taxation | 2023 % of General Property Taxation |
|---|-------------------------------------|-------------------------------------|
| Residential | 56.34% | 56.35% |
| Utilities | 0.79% | 0.79% |
| Light Industry | 9.39% | 9.41% |
| Business Other | 33.32% | 33.27% |
| Recreational Property / Non-Profit Organization | 0.13% | 0.15% |
| Farm | 0.03% | 0.03% |

Objective

The desired result is property taxes that are stable and predictable as well as fair in comparison to others within Metro Vancouver.

Policies

City tax rates (Policy 7.01) will be set to maintain each property classification's tax share, adjusted for property tax growth from new development in the classification, unless Council determines that adjustments are necessary to maintain the City's tax competitiveness within Metro Vancouver or to attain other Council objectives.

In establishing property tax rates Council will take into consideration:

- Property taxes levied per capita as compared with other BC municipalities;
- Tax levies on a representative home compared with other Metro Vancouver municipalities;
- Tax share borne by each property class historically;
- Taxes generated from new development;
- Tax ratios of each property classification along with tax ratios of other municipalities within the Metro Vancouver; and
- Tax rate competitiveness compared to the neighboring cities of Port Moody and Coquitlam.

3. Permissive Tax Exemptions

Objective

The purpose of this policy is to:

- Optimize the provision of charitable and not for profit services for the benefit of Port Coquitlam residents.
- Provide property tax exemptions as permitted under the Community Charter in a consistent and fair manner.
- Restrict provision of exemption to those providing an extension to city services.
- Reduce impact on city revenues.

Policies

Port Coquitlam residents must be primary beneficiaries of the organization's services. The services provided on the property must be accessible to the public. Council may provide a partial exemption.

The intent of this guideline is to ensure Port Coquitlam residents will generally benefit from the municipal support provided, and will not be restricted from accessing the services of the organization.

The City has an existing permissive tax exemption policy (7.02.04) which guides the administration and approval of permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions that are outlined in the policy include the following:

- Not-for-profit occupiers of City property for the duration of their occupancy.
- Land and improvements surrounding a statutorily exempt building for public worship.
- Land and improvements surrounding a statutorily exempt building owned by an incorporated institution of learning (private school) that is equivalent to that given in a public school.
- Properties on which a building for public worship or private school is to be built.
- Full or partial property tax exemption for properties that are to be awarded a grant under an existing City grant program and would qualify for property tax exemption under the Community Charter. Property tax exemption would be provided instead of a cash grant to the organization.
- Non-profit occupiers of school premises.
- Registered charities who provide services to the community where 75% of the services of their organization are open to and used by residents of Port Coquitlam.