

**To:** Mayor and Council  
**From:** Paul Gipps, CAO

**Meeting Date:** February 18, 2025  
**Meeting Type:** Regular Council Meeting

**Prepared by:** Trevor James, CFO, Director of Finance & Administration  
**Department:** Finance & Administration

**Title:** 2025 – 2029 Draft Financial Plan 2nd & 3rd Reading  
**Description:** 2025 – 2029 Financial Plan

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## RECOMMENDATION

THAT the 2025 – 2029 Financial Plan Bylaw 1255, 2025 be read a second and third time;  
AND THAT the Capital Carryforwards 2024 to 2025 (\$16,490,713) projects, attached to the report from the Chief Financial Officer dated February 18, 2025, be carried over from 2024 to 2025 to allow expenditure in the 2025 – 2029 Financial Plan.

## EXECUTIVE SUMMARY

Council provided first reading of the Financial Plan Bylaw on December 3, 2024. The annual tax rates bylaw for property taxes must be adopted prior to May 15<sup>th</sup> every year, and the annual Financial Plan Bylaw must be adopted prior to this to set the tax rates. The 2025 – 2029 Financial Plan Bylaw 1255, 2025 is attached to this report.

Public input opportunities were provided through a number of different mediums including two in person Open House events. The summary can be found in the attachments.

Council gave first reading to a draft budget that included \$1.676 million in changes from 2024 to 2025 in general taxation, partially offset by \$223,000 in anticipated growth for a potential required property tax increase of \$1,453,000 or 6.45%. This was made up of the following:

- Base increase to account for inflationary, contractual, and wage rate increases - \$594,000
- Infrastructure funding - \$160,000
- Increase to support RCMP - \$330,000
- Transit increase - \$202,000
- Increase to Fire Equipment Reserve - \$110,000
- Taxation portion of additional full time equivalent (FTE) employees - \$280,000
- Partially offset by non-market change (growth) – \$223,000

Since first reading, the completed roll report from BC Assessment is now showing non-market change as 1.67%. Changes and appeals typically drop this percentage by the time the revised roll comes in March. Additionally, a supplemental from BC Assessment mid year in 2024 resulted in our 2024 Non-Market Change being overstated by approximately 0.45%. As such, the \$223,000 included for growth or approximately 1% has remained at 1% for 2<sup>nd</sup> & 3<sup>rd</sup> reading.

Capital Budget Request 23036 Swalwell (Beaver) Lake Intake Tower Upgrades – Construction located on page 145 of the draft budget package was listed as \$4,500,000 to be entirely grant funded from the UBCM Community Emergency Preparedness Fund – Disaster Risk Reduction – Climate Adaptation funding stream. The District has confirmed that this grant is actually \$4,550,000 and as such the grant funding and project expense amounts have both been updated (no impact on taxation or user fees).

The proposed tax increase for 2<sup>nd</sup> & 3<sup>rd</sup> reading remains at 6.45%.

## DISCUSSION/ANALYSIS

### Changes Since First Reading

Since first reading of the bylaw, some other changes have occurred in the capital expenses of the Financial Plan:

#### Capital Plan

All capital projects included in the first reading of the bylaw remain in the financial plan. As previously mentioned the 23036 Swalwell (Beaver) Lake Intake Tower Upgrades – Construction has been updated from \$4,500,000 to \$4,550,000 in both the expenditure and grant funding amounts.

Added to the capital expenditures line item is \$16,490,713 in 2024 capital project carry forward requests.

Capital projects do not always get completed during one calendar year. Each year the unused funds must be carried forward to allow expenditure in the next fiscal year. The list of 2024 capital project carry forward requests have been included as an attached report.

Some reasons that not all projects get completed or that there is unspent funding:

- Delay in billing, the project may be complete during the year but not all invoices have arrived. Staff does their best to estimate the remaining invoices, but this is not always possible.
- The project may be complete but there is a period where funds are held back relating to defects or potential defects in a project.
- Weather or timing may not allow a project to be completed prior to December 31.
- Some projects are delayed pending the outcome of other projects or initiatives.
- Some projects are projected as multiyear projects.

#### Financial Plan

- The total revenue is \$62,066,134 compared to \$57,726,152 at first reading. This increase is primarily a result of carryforward capital projects including expected grant funding and development cost funds used.
- To balance the budget and support carryforward amounts, miscellaneous changes were made to the transfers to reserves.
- The proposed increase of 6.45% represents approximately a \$169 increase annually or \$14 monthly to the typical single-family home valued at \$930,000 for 2025 (\$955,000 for 2024) in Lake Country.

The completed roll report from BC Assessment is now showing non-market change as 1.67% compared to 1.49% that was shown in the preview in the fall. Changes and appeals typically drop this percentage by the time the revised roll comes out in March. Here is the movement we have seen historically from Completed Roll in December to Revised Roll in March:

	Completed Roll	Revised Roll	Decrease
2024	2.22%	1.30%	-0.92%
2023	2.32%	1.96%	-0.36%
2022	2.88%	2.65%	-0.23%
2021	2.97%	2.63%	-0.34%
2020	3.57%	3.21%	-0.36%

\*as previously noted a supplemental in 2024 resulted in a much larger drop than the usual 0.2 – 0.4% drop.

Given the typical historical drop and the fact that 1.75% was built into the 2024 budget and the additional supplemental drop resulted in ending growth of 1.30%, the 2025 financial plan growth number is staying at 1.00% despite 1.67% completed roll.

The following approximate tax breakdown for a typical single family home was provided at the open house budget events and was well received as an easy to understand graphic of how a typical house’s municipal taxes are spent per the 2025 draft financial plan:



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**APPLICABLE LEGISLATION, BYLAWS AND POLICY**

Section 165 of the Community Charter sets out the requirements for a financial plan and section 166 states that public consultation must occur prior to adoption of the financial plan. Adoption of the financial plan must occur prior to May 15.

**FINANCIAL IMPLICATIONS**

None                       Budget Previously Approved     Other (see below)

The Financial Plan lays out much of the work plan for staff over the next year.

**COMMUNICATION**

See attached report for Communication and Engagement Plan.

**ALTERNATE RECOMMENDATION(S)**

THAT the 2025 – 2029 Financial Plan Bylaw 1255, 2025 be held pending additional information or specific requests prior to additional readings.

Respectfully Submitted.

**Trevor James, CFO, Director of Finance & Administration**

**Report Approval Details**

Document Title:	2025-2029 Draft Financial Plan 2nd and 3rd Reading.docx
Attachments:	- Attachment A-2025-2029 Financial Plan Bylaw 1255, 2025.docx - Attachment B Carryforwards.pdf - Attachment C-2025 Budget Comms Engagement Report.docx
Final Approval Date:	Feb 13, 2025

This report and all of its attachments were approved and signed as outlined below:

**Reyna Seabrook, Director of Corporate Services - Feb 13, 2025 - 10:10 AM**

**Paul Gipps, Chief Administrative Officer - Feb 13, 2025 - 10:34 AM**

**Makayla Ablitt, Legislative & FOI Coordinator - Feb 13, 2025 - 11:56 AM**