

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: April 17, 2023

TO: Mayor and Council

FROM: Candice Gartry, Director, Financial Services

SUBJECT: City of White Rock Financial Plan (2023-2027) Bylaw, 2023, No. 2458

RECOMMENDATIONS

THAT Council receive the April 17, 2023, corporate report from the Director of Financial Services, titled "City of White Rock Financial Plan (2023-2027) Bylaw, 2023, No. 2458" and give 1st, 2nd, and 3rd readings to City of White Rock Financial Plan (2023-2027) Bylaw, 2023, No. 2458.

EXECUTIVE SUMMARY

The Corporation of the City of White Rock is governed by the *Community Charter* (the "Charter"). The *Charter* requires that a Five-Year Financial Plan be adopted annually, by May 15th of each year, and include both operating and capital expenditures. The *Charter* directs that the public must be consulted prior to the Five-Year Financial Plan being adopted. The Financial Plan must be adopted by bylaw and cover a five-year period, with the first year of the Financial Plan being the year that the plan comes into force. The Financial Plan can be amended by bylaw at any time.

Section 165 of the *Charter* directs that the Five-Year Financial Plan must be balanced for each year. Meaning that the total of the proposed expenditures and transfers to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year.

The purpose of this report is to introduce the City of White Rock Financial Plan (2023-2027) Bylaw, 2023, No. 2458 and present the 5-year financial plan document to Council.

This 5-year Financial Plan includes the operating budgets as well as the asset improvement (capital) and reserve fund budgets.

This 5-year Financial Plan has been prepared in a similar format to the prior year's Financial Plan, which was awarded the GFOA Distinguished Budget Presentation Award, and includes additional information as recommended by the GFOA reviewers of the prior year's financial plan.

The city's 2023 – 2027 Financial Plan has had input from the public, Council, and staff. The 2023 residential property tax increase for 2023 as listed in the appended 5-year Consolidated Financial Plan is 6.59%. This is a 0.43% decrease from the 7.02% property tax rate increase discussed at the March 27, 2023, Finance & Audit Committee meeting (which included the removal of free winter parking at the waterfront). This further decrease to 6.59% is the result of

additional non-market change revenue based on the revised role and now included operating revenue.

PREVIOUS COUNCIL DIRECTION

Motion # & Meeting Date	Motion Details
2023-F&A-041 March 27, 2023	THAT the Finance and Audit Committee direct staff to draft the Financial Plan Bylaw for 2023 – 2027 and bring it to Council for first, second, and third reading (to include impact of removal of free winter parking). CARRIED
2023-F&A-040 March 27, 2023	THAT the Finance and Audit Committee endorse and direct staff to remove free parking in the winter months from the 2023 Fees and Charges Bylaw, 2022. CARRIED
2023-F&A-033 March 13, 2023	THAT the Finance and Audit Committee endorses: 1. A 25 cent hourly increase in waterfront parking for the summer season; and further 2. Directs amending the summer season to now be as follows: March 1 – October 31. CARRIED
2023-F&A-034 March 13, 2023	THAT the Finance and Audit Committee endorses a 25 cent hourly increase in parking at the waterfront for the winter season (November 1 to last day of February). CARRIED
2023-F&A-030 February 23, 2023	THAT the Finance and Audit Committee: Approve the City of White Rock Draft 2023 – 2027 Operational Financial Plan; and Direct staff to bring the Draft 2023 – 2027 Asset Management (Capital) Financial Plan to the March 13, 2023, Finance and Audit Committee meeting. Note: (resulting in 8.90%) CARRIED
2023-F&A-029 February 23, 2023	THAT the Finance and Audit Committee direct funds be added to the budget for litter service pick up on the promenade in the amount of \$25,000. CARRIED
2023-F&A-028 February 23, 2023	THAT The Finance and Audit Committee directs staff to remove from the budget the parade portion from the Sea Festival event in the amount of \$35,900. CARRIED
2023-F&A-027 February 23, 2023	THAT The Finance and Audit Committee direct staff to include in the budget vegetation control on the hump in the amount of \$10,000. CARRIED

2023-F&A-025 February 23, 2023	THAT The Finance and Audit Committee direct staff to fund in the budget \$5,000 for additional Indigenous Relations Projects. CARRIED
2023-F&A-023 February 23, 2023	THAT The Finance and Audit Committee direct staff to fund in the budget for celebrations and ceremonies on National Day for Truth & Reconciliation and National Indigenous People's Day in the amount of \$5,000. CARRIED
2023-F&A-022 February 23, 2023	THAT The Finance and Audit Committee endorse the keep maintenance of current software subscriptions (\$45,800) within the budget. CARRIED
2023-F&A-019 February 23, 2023	THAT The Finance and Audit Committee direct staff to keep the full-time Human Resources Advisor (senior level / not junior level) in the budget. CARRIED
2023-F&A-018 February 23, 2023	THAT the Finance and Audit Committee direct staff to fund the White Rock Museum and Archive request at \$45,000. CARRIED
2023-F&A-016 February 23, 2023	That the Finance and Audit Committee direct staff to place \$125,000 from the Non-Market Fund towards the City's operating budget with the balance to then be placed in the City's capital funds. CARRIED
2023-F&A-006 February 13, 2023	THAT the Finance and Audit Committee direct there be a further meeting scheduled next week of the Committee regarding the Draft 2023 – 2027 Draft Operational Budget. CARRIED
2023-F&A-006 February 13, 2023	THAT the Finance and Audit Committee direct staff to add the White Rock Museum request in the amount of \$45,000 to the budget for staff adjustments and additional storage. CARRIED
2021-F&A-068 September 22, 2021	THAT the Finance and Audit Committee endorse: 1. The proposed budget format for 2022 based on the GFOA Distinguished Budget Presentation Award Program; and 2. The 2022 budget presentation schedule and approximate timeline of meetings. CARRIED

INTRODUCTION/BACKGROUND

The Corporation of the City of White Rock is governed by the *Charter*. The *Charter* requires that a Five-Year Financial Plan be adopted annually, by May 15th of each year, and include both

operating and capital expenditures. The *Charter* directs that the public must be consulted prior to the Five-Year Financial Plan being adopted. The Financial Plan must be adopted by bylaw and cover a five-year period, with the first year of the Financial Plan being the year that the plan comes into force. The Financial Plan can be amended by bylaw at any time.

Section 165 of the *Charter* directs that the Five-Year Financial Plan must be balanced for each year. Meaning that the total of the proposed expenditures and transfers to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year.

The purpose of this report is to introduce the City of White Rock Financial Plan (2023-2027) Bylaw, 2023, No. 2458 and present the 5-year financial plan document to Council.

This 5-year Financial Plan includes the operating budgets as well as the asset improvement (capital) and reserve fund budgets.

This 5-year Financial Plan has been prepared in a similar format to the prior year's Financial Plan, which was awarded the GFOA Distinguished Budget Presentation Award, and includes additional information as recommended by the GFOA reviewers of the prior year's financial plan.

Community Engagement

From March 3 – 17, 2023, the City of White Rock's "Talk White Rock" online community engagement platform provided the public with the opportunity to review and comment on the 2023 – 2027 Draft Financial Plan. On March 3, the Draft 2023 – 2027 Operational Financial Plan was posted, followed by the 2023 – 2027 Draft Consolidated Financial Plan on March 8, 2023. Public commenting was closed on March 19, 2023.

Staff sorted the comments and questions into themes and provided responses in the corporate report titled "City of White Rock 2023 – 2027 Consolidated Financial Plan Update" at the March 27, 2023, meeting of the Finance and Audit Committee. Appended to that report was a copy of the public comments received.

The public had an additional opportunity to provide comments in-person at the March 27, 2023, Finance and Audit Committee meeting.

Consolidated Financial Plan

Appendix A presents the City's 2023 — 2027 Financial Plan Bylaw, 2023, No. 2458, prepared in accordance with Section 165 of the Community Charter. Schedule A to the Bylaw provides the Consolidated Financial Plan table of amounts for 2023 through 2027 which is aligned with the 2023 – 2027 Consolidated Financial Plan document included as Appendix B. Schedule B summarizes the city's revenues by source and Council's property taxation and permissive tax exemption policy approaches, which is required by the Community Charter and remain unchanged from prior years.

The Financial Plan complements the strategic priorities process and funding is provided for key projects and initiatives to move strategic priorities of Council forward, such as building and affordable housing project, a new community hub, investment in long term infrastructure, improving the permit process to reduce wait times, revitalize public spaces, as well as other strategic projects.

To provide clarity and transparency, the amount of property taxation charged for Policing and Asset Improvement have been separately identified in the 2023 Draft Financial Plan. Similar approaches have been employed to produce the Solid Waste, Drainage, Sanitary and Sewer, and

Water Utility budgets. Costs to replace infrastructure are the predominant factor in developing those Utility Budgets along with the cost of Metro sanitary sewer treatment.

The impact of the appended 2023 – 2027 Consolidated Financial Plan is a 6.59% increase in property tax for an average single-family household which translates to an average annual increase of \$261 per year or \$22/month. This is a 0.43% decrease from the 7.02% property tax increase discussed at the March 27, 2023, Finance and Audit Committee meeting. This 0.43% decrease represents the impact of the additional non-market change revenue as per the revised roll.

Utility rates for a single-family household have increased by \$92 per year, or \$8/month for a combined increase of 6.08% or \$353/year for both property taxes and utilities for an average single-family household.

Budget Impact to Average Single-Family Household in 2023				
	2022	2023	Change \$\$	% of Total
Property Taxation				
Municipal Operations	\$2,173	\$2,315	\$ 142	3.59%
Police Service	1,000	1,036	36	0.91%
Asset Improvement	791	874	83	2.09%
Total Property Taxes	\$3,964	\$4,226	\$ 261	6.59%
Utilities				
Drainage Utility Charge	\$ 555	\$ 579	\$ 24	1.30%
Solid Waste Utility Charge	345	355	10	0.54%
Sanitary Sewer Utility Charge	265	278	13	0.70%
Water Utility Charge	686	731	45	2.43%
Total Utilities	\$ 1,851	\$ 1,943	\$ 92	4.97%
Total Annual Cost	\$ 5,815	\$ 6,169	\$ 353	6.08%

*Please note that the actual amount charged for property taxation and utilities will vary per household depending on assessed value and usage for utilities (where applicable).

For an average strata-family property, a 6.59% increase in property tax translates to an average annual increase of \$97 per year or \$8/month. Utility rates for an average strata-family household have increased by \$52/year or \$4/month. This equates to a combined property tax and utility rate increase of 6.93% or \$149/year for an average strata-family household.

Budget Impact to Average Strata Unit in 2023				
	2022	2023	Change \$\$	% of Total
Property Taxation				
Municipal Operations	\$ 805	\$ 858	\$ 53	3.59%
Police Service	371	384	13	0.91%
Asset Improvement	293	324	31	2.09%
Total Property Taxes	\$1,469	\$1,566	\$ 97	6.59%
Utilities				
Drainage Utility Charge	\$ 167	\$ 175	\$ 8	1.18%
Sanitary Sewer Utility Charge	265	278	13	1.91%
Water Utility Charge	247	278	31	4.57%
Total Utilities	\$ 679	\$ 731	\$ 52	7.66%
Total Annual Cost	\$ 2,148	\$ 2,297	\$ 149	6.93%

*Please note that the actual amount charged for property taxation and utilities will vary per household depending on assessed value and usage for utilities (where applicable).

FINANCIAL IMPLICATIONS

The City of White Rock Financial Plan (2023-2027) Bylaw, 2023, No. 2458 provides for a residential property taxation by 6.59%.

LEGAL IMPLICATIONS

No specific legal implications to note. Council approval required to authorize the budget, utility charges and property taxation rates. Financial Plan Bylaw, and property tax rates, must be adopted prior to May 15 in accordance with the *Charter*. Financial plan bylaw must be approved and adopted prior to the property tax rates bylaw per the *Charter*.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

From March 3 – 17, 2023, the City of White Rock’s “Talk White Rock” online community engagement platform provided the public with the opportunity to review and comment on the 2023 – 2027 Draft Financial Plan. On March 3, the Draft 2023 – 2027 Operational Financial Plan was posted, followed by the 2023 – 2027 Draft Consolidated Financial Plan on March 8, 2023. Public commenting was closed on March 19, 2023.

The public had an additional opportunity to provide comments in-person at the March 27, 2023, Finance and Audit Committee meeting.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

No specific interdepartmental capacity or other implications from the proposed budget. All city departments were involved in the preparation of the 2023 – 2027 Draft Financial Plan.

ALIGNMENT WITH STRATEGIC PRIORITIES

2023-2026 Council Strategic Priorities inform the 2023 – 2027 Financial Plan to ensure that budget is allocated to fulfil the priorities.

OPTIONS / RISKS / ALTERNATIVES

The following options are available for Council's consideration:

1. Not approve and provide 1st, 2nd, and 3rd readings to the Financial Plan bylaw for 2023 – 2027 which would delay the city in meeting the legislated terms of the Community Charter, that requires a Five-Year Financial Plan to be adopted by May 15th annually and prior to the annual property tax rates bylaw.

CONCLUSION

It is recommended that Council:

1. Receive the April 17, 2023, Corporate Report from the Director, Financial Services, titled "City of White Rock Financial Plan (2023-2027) Bylaw, 2023, No. 2458" and
2. Give 1st, 2nd, and 3rd readings to City of White Rock Financial Plan (2023-2027) Bylaw, 2023, No. 2458.

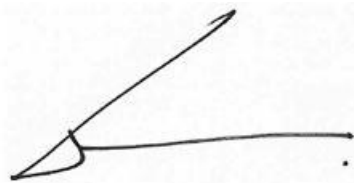
Respectfully submitted,



Candice Gartry
Director, Financial Services

Comments from the Chief Administrative Officer

I concur with the recommendations of this corporate report.



Guillermo Ferrero
Chief Administrative Officer

Appendix A: City of White Rock Bylaw, 2023, No. 2458 Financial Plan

Appendix B: City of White Rock 2023-2027 Consolidated Financial Plan Apr 17 2023