

THE CORPORATION OF THE VILLAGE OF LYTTON

BYLAW NO.748, 2024

A Bylaw to adopt the Financial Plan for the Years 2024-2028

The Municipal Council of The Corporation of the Village of Lytton, in an open meeting assembled, enacts as follows:

1. **Citation:**

This Bylaw may be cited for all purposes as "Financial Plan 2024-2028 Bylaw No. 748, 2024".

2. **Objectives and Policies**

- Schedule "A" attached to and forming part of this Bylaw, outlines the Five-Year Financial Plan for 2024-2028.
- Schedule "B" attached to and forming part of this Bylaw, sets out objectives and policies for the period January 1, 2024, through December 31, 2028.

3. **Consultation:**

Pursuant to Section 166 of the *Community Charter*, a public presentation was held on February 29, 2024, and a consultation period was from February 29 to March 11, 2024. No comments were received from the public.

4. **Severability:**

If any portion of this Bylaw is held invalid by a court, the invalid portion shall be severed and the invalidity shall not affect the validity of the remainder of the Bylaw.

5. **Repeal**

The "Village of Lytton 2023-2027 Financial Plan Bylaw No. 732, 2023" and all amendments are hereby repealed.

GIVEN FIRST, SECOND AND THIRD READINGS this 9th day of April, 2024.

ADOPTED this 23rd day of April 2024.



Mayor O'Connor



Lisa Storoshenko, Corporate Officer

**SCHEDULE A
REVENUE AND SPENDING**

	Dec 31, 2023 Draft Results	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
CORE BUDGET							
<i>Revenue</i>							
Government transfers	2,015,899	1,993,926	1,294,000	1,494,000	1,494,000	444,000	444,000
Municipal property taxes	358,260	352,040	362,505	380,505	399,405	419,251	440,088
Sales of services	146,161	160,136	175,294	201,672	200,902	212,598	225,035
Investment income	163,924	100,000	100,000	15,000	15,000	5,000	5,000
Other	95,109	95,109	100,000	-	-	-	-
Total Revenues	2,779,353	2,701,211	2,031,799	2,091,177	2,109,307	1,080,848	1,114,123
<i>Operating Expenses</i>							
Fiscal Interest payments on debt	8,550	13,550	13,300	13,220	13,300	13,300	13,380
Amortization expense	-	221,200	191,200	194,120	195,000	195,000	221,200
Total fiscal	8,550	234,750	204,500	207,340	208,300	208,300	234,580
<i>Functions</i>							
General government	857,562	900,765	1,117,950	1,131,641	1,095,561	806,185	824,121
Protective services	75,369	128,249	135,125	115,731	109,125	112,981	113,606
Solid waste management	-	-	800	810	825	825	825
Development services	-	25,000	32,350	32,718	33,103	33,509	33,934
Public works	167,143	160,786	197,158	201,043	209,280	222,887	227,592
Parks, rec, culture	7,648	10,588	4,837	76,004	79,554	83,272	87,087
Water services	147,464	133,705	151,791	154,345	164,162	167,254	174,015
Sewer services	43,825	98,113	95,354	100,973	105,673	110,111	114,747
Total functions	1,299,011	1,457,206	1,735,365	1,813,264	1,797,283	1,537,023	1,575,927
Total Operating Expenses	1,307,561	1,691,956	1,939,865	2,020,604	2,005,583	1,745,323	1,810,507
Revenue over expenses	1,471,792	1,009,255	91,934	70,573	103,724	(664,475)	(696,384)
<i>Add</i>							
Amortization	-	221,200	191,200	185,020	185,900	185,900	212,100
Total Additions	-	221,200	191,200	185,020	185,900	185,900	212,100
<i>Deduct</i>							

Transfers to reserves	1,471,792	807,810	99,034	246,493	280,524	(487,675)	(493,384)
Land	-	278,695					
TCA Equipment	-	134,850					
Principal repayment on debt	-	9,100	9,100	9,100	9,100	9,100	9,100
Special Projects							
OCP	-	-	175,000	-	-	-	-
Total Deductions	<u>1,471,792</u>	<u>1,230,455</u>	<u>283,134</u>	<u>255,593</u>	<u>289,624</u>	<u>(478,575)</u>	<u>(484,284)</u>
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SCHEDULE B

In accordance with Section 165(3.1) of the *Community Charter*, The Village of Lytton is required to include in the Financial Plan, objectives and policies regarding each of the following:

1. For each of the funding sources described in Section 165(7) of the *Community Charter*, the proportion of total revenue that is proposed to come from that funding source;
2. The distribution of property taxes among the property classes that may be subject to taxes; and
3. The use of permissive tax exemptions.

Over the five (5) year period of the financial plan, that taxation requirement is estimated to increase initially by a growth factor of 4% and will be adjusted moving forward as the Village of Lytton returns to normal operations.

The Corporation of the Village of Lytton has various objectives and policies that govern and affect the budget process and include:

Revenue Objectives

- a) The Village will review fees and charges annually to ensure that it keeps pace with changes in the cost of living as well as changes in the methods or levels of service delivery;
- b) The Village will actively pursue alternative revenue sources to assist in minimizing property tax levies;
- c) The Village will consider market rates and charges levied by other public and private organization for similar services in establishing rates, fees and charges;
- d) The Village will establish cost recovery policies for services provided for other levels of government including but not limited to recovery expenditures;
- e) General Revenue will not be dedicated for specific purposes unless required by law or Canadian Generally Accepted Accounting Principles (GAAP); and
- f) The Village will develop and pursue new and creative partnerships with government, local First Nations, community institutions (Churches and schools) and community groups as well as private non-profit organizations to reduce costs and enhance service to the community.

Revenue Sources

Revenue Source	2023 Budget	2023 Draft Actuals	2024 Budget
Municipal Property Taxes	\$ 352,040	\$ 358,260	\$ 362,505
Government Transfers	1,293,926	1,315,899	594,000
Operational Budget Support	700,000	700,000	700,000
Sale of Services	160,136	146,161	175,294
Investment Income	100,000	163,924	100,000
Other	95,109	95,109	100,000
Total	\$2,701,211	\$2,779,353	\$2,031,799

Surplus Funds

The *Community Charter* does not permit municipalities to plan an operating deficit (i.e. where expenditures exceed revenues). To ensure that this situation does not occur, revenue projections are conservative and authorized expenditures are closely monitored. The combination of conservative revenue projections and controlled expenditures should produce a modest annual operating surplus. For the later years in the Financial Plan where a deficit is forecast, surpluses from previous years will be used to offset the deficit to bring the Net Financial Plan to zero.

Use of Surplus Funds

- a) Council will review options and provide direction to staff regarding the allocation of any operating surplus prior to completion of the budget process for the following year.
- b) To ensure any Accumulated Surplus is not excessive, the balance in the accumulated surplus account should not exceed 10% of the net operating budget.
- c) Accumulated Surplus funds in excess of the 10% guideline may be used to:
 - i. Fund capital expenditures or to increase reserves;
 - ii. Reduce the principal balance of capital debt, including internal borrowing;
 - iii. Stabilize Village property tax and utility rate increases;
 - iv. Fund other items as Council deems appropriate.
- d) Staff will facilitate Council's review of the amount of Accumulated Surplus funds available on an annual basis.

Debt Objectives

- a) One-time capital improvements and unusual equipment purchases;
- b) When the useful project life will exceed the term of financing;
- c) Major equipment purchases;
- d) The maximum amount of borrowing amount be limited to what is set and defined by the Community Charter, and
- e) Reserves are to be considered as a funding source before debt.

There is no new debt forecast in the Financial Plan.

Reserve Funds

- a) Provide Sources of funds for future capital expenditures;
- b) Provide a source of funding for areas of expenditure that fluctuate significantly from year to year (equipment replacement, special building and maintenance, etc.);
- c) Protect the Village from uncontrollable or unexpected increases in expenditures or unforeseen reductions in revenues, or a combination of the two;
- d) Provide for working capital to ensure sufficient cash flow to meet the Village's needs throughout the year;
- e) Reserve funds utilized in any year should be returned to the fund in the following year.

Proportion of Taxes Allocated to Classes

It is Council's goal to ensure that there is a fair and equitable apportionment of taxes to each property class. The apportionment to each class is calculated using the multipliers determined by Council prior to preparing the annual tax rate Bylaw. The tax multipliers will be reviewed and set by Council annually.

Class	Class Name	2024 Assessment	2024 Rate	Ratio	Total Tax Levy
1	Residential	15,084,404	3.5340	1.00:1	53,308
2	Utilities	5,010,190	40.0000	3.75:1	200,407
4	Major Industry	540,000	97.9093	1.00:1	52,871
6	Commercial	5,180,500	7.0989	0.69:1	36,776
8	Rec / Non-profit	100,200	3.2159	0.01:1	322
		25,915,294			343,684

Permissive Tax Exemptions

Permissive Tax Exemptions may be approved by Council. All applications for Permissive Tax Exemptions shall be considered in accordance with the Permissive Tax Exemption Policy.

Borrowing

- a) Borrowing should be used on a limited basis for large infrastructure projects.
- b) The objective is to identify required projects in advance and save.

