

# CITY OF MISSION 2025 Budget Information



Learn more about the City's Financial Plan and provide your feedback at [engage.mission.ca](https://engage.mission.ca) from October 28 to November 12, 2024. Your feedback will be reported back to Council to support their decision-making.







This Budget 2025 Report was prepared by the Finance Department and Communications and Public Engagement Division in cooperation with all city departments and agencies.

Mission is located on the unceded, ancestral, and shared territory of the Stó:lō People, who have occupied these lands since time immemorial. The City of Mission is located on Leq'á:mel, Semá:th, Kwantlen, Sq'ewlets, Máthexwi, and Katzie traditional territories.



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# Building Foundations: Strategic Plan

**Council has selected four strategic focus areas to guide the City's budget and service delivery.** These Strategic Focus Areas will translate into four goals with the target of bringing tangible results for the organization and the community.

Overall, the focus is on **building foundations** – where the City will invest in organizational resourcing, parks and recreation facilities, industrial and commercial expansion, and public safety.

These are the building blocks for thriving businesses, well-paying jobs, and a safe, family-friendly community with affordable housing options with desirable amenities and services. See the full plan at [mission.ca/strategic-plan](https://mission.ca/strategic-plan).

## Our Vision

Mission is a vibrant, inclusive, and resilient community, where community members thrive and have a coveted quality of life.

## Our Mission

The City of Mission provides sound leadership to its residents and local businesses to balance growth that provides needed amenities, local employment opportunities, utilizing a level of responsiveness that demonstrates exemplary service and efficiency that is the envy in the Fraser Valley.

### Strategic Focus Area #1: Organizational Resourcing

**Goal #1: The City of Mission will provide a workplace culture where employees are valued and equipped with the necessary tools and resources to complete their duties and where the organization achieves an employee Net Promoter Score (eNPS) of +18 or greater.**

#### *How We Will Do This*

- Implement priority action items from the City's Whole Health Organization Action Plan.
- Implement the City's Business Application Software project focussing on Finance, Human Resources, Development Services and Engineering and Asset Management Software solutions.
- Continue expansion of the City's Continuous Improvement Program with focus on:
  - Industrial, Commercial, Building permit processes;
  - Development Planning processes;
  - Asset Management program; and
  - Implementing recommendations within the Human Resources Strategy.
- Keep up to date on staffing level needs based on levels of service priorities and needs.
- Maintain a flexible, and supportive work environment.



## Strategic Focus Area #2: Parks and Recreation Facilities

**Goal #2: The City of Mission will increase citizen satisfaction ratings for parks and recreation facilities by 20%.**

### ***How We Will Do This***

- Invest in an 'Activity Hub' for the Centennial Park/Leisure Centre Complex/Mission Senior Secondary area of the City as a centre of social, recreational, and cultural activity for all Mission residents.
- Ensure co-planning with the School District and the Province to identify potential partnering opportunities for expanded recreation opportunities at the Mission Secondary School site.
- Developing Outdoor/Experiential Education and Recreation programming for the Mission Municipal Forest areas of the City.
- Continue to find efficiencies with service delivery with the Parks, Recreation and Culture department to increase user access.
- Update the Parks, Recreation, Arts & Culture Master Plan with specific management plans for Fraser River Heritage Park in partnership with the Leq'á:mel, Máthexwi and Semá:th Society.

## Strategic Focus Area #3: Industrial & Commercial Expansion

**Goal #3: The City of Mission will increase the total number of local jobs within the Office, Retail, and Industrial categories by 6.6%.**

### ***How We Will Do This***

- Initiate the Waterfront Revitalization Implementation Plan.
- Adopt and implement the Employment Lands Strategy.
- Conduct a review of the City's Official Community Plan to determine priority planning areas for Industrial, Commercial, and Institutional development.
- Determine the City's role and investment potential to catalyze priority planning areas.

## Strategic Focus Area #4: Public Safety

**Goal #4: The City of Mission, utilizing the Crime Severity Index, will be the safest community in the Fraser Valley.**

### ***How We Will Do This***

- The City will prioritize and implement best practices for personnel levels for the fire department and RCMP based on updated Fire Protection Master and RCMP Mission Detachment Strategic Plans.
- Determine level of service for personnel within the Fire department and commit to meeting personnel levels for the Fire department in accordance with the City's Fire Protection Master Plan.
- Invest in facility infrastructure for both the RCMP and Fire Departments in accordance with the City's Fire Protection Master and RCMP Mission Detachment Strategic Plans.
- Develop and implement a communications plan to educate the public on safety initiatives and statistics.
- Dedicate appropriate resources for investment in the City's Transportation Master Plan and Traffic Safety Program including paving, sidewalk, and multiple use pathway capital investment program.
- Continue to address key social issues as identified in the Community Wellness Strategy.





# City Services

The city provides a wide variety of services for the community of Mission, through many departments.

At a high level, there is:

## GENERAL OPERATING DEPARTMENTS

The day-to-day operational activities for services such as recreational programs, planning and inspections, public works for snow clearing, road and sidewalk repairs, corporate financial services and administration, maintenance of parks and trails, police and fire protection and a forestry enterprise.

## UTILITY OPERATING DEPARTMENTS

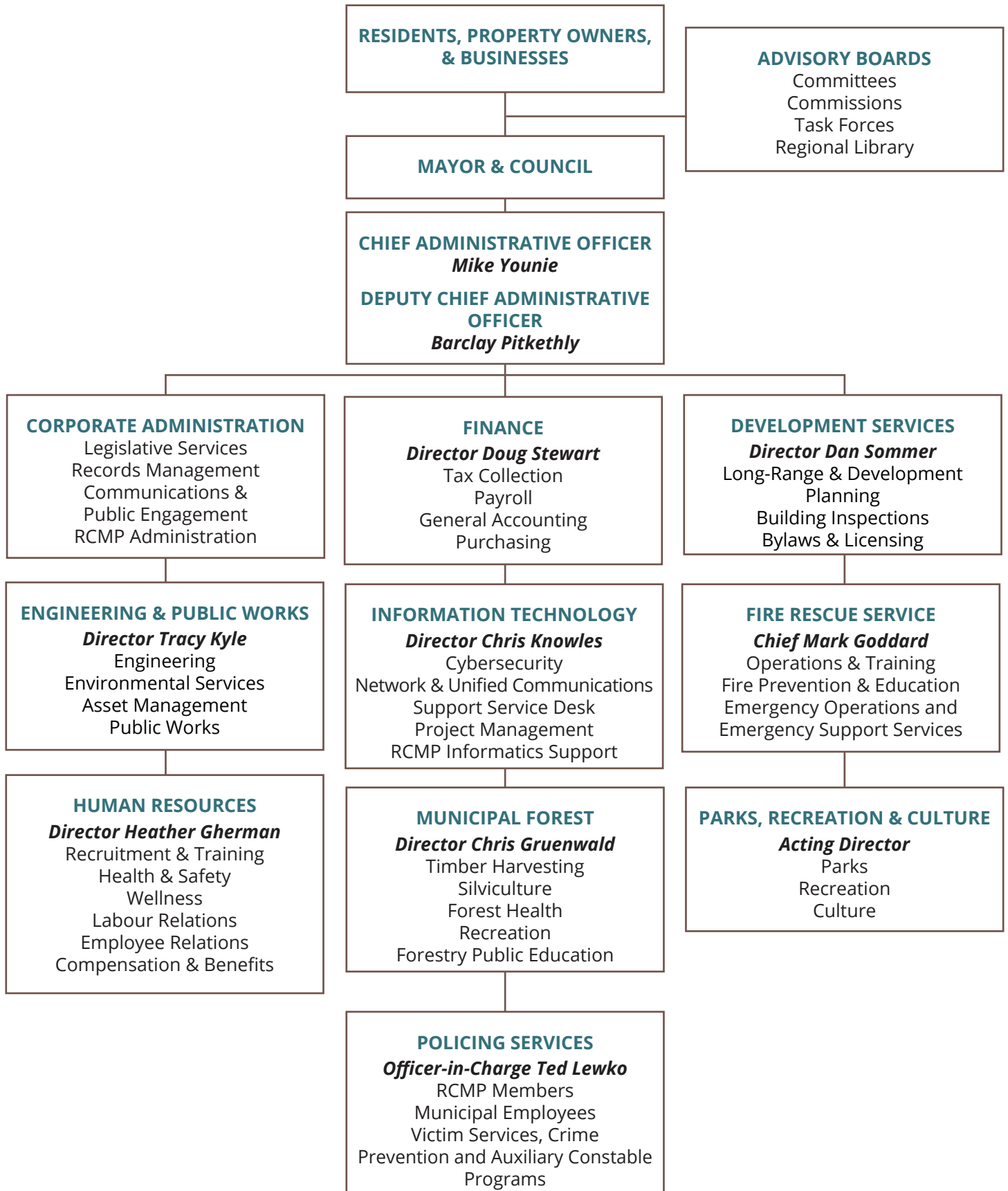
The operating activities for water distribution, sewer conveyancing, storm water management (drainage), and curbside collection of garbage and recycling/compost and landfill management (solid waste).

## CAPITAL

For the upgrades and replacement of aging infrastructure and equipment such as playground equipment, road and bridge repairs, facility construction and improvements, water and sewer main upgrades and landfill expansion.



# Organizational Chart





# Building the Budget: Process and Policies

## INTRODUCTION

The financial plan is guided by Council's strategic direction and related goals and objectives, while also being in accordance with established financial and corporate policies which are approved by Council. Progress towards meeting the goals and objectives is measured annually.

Preparation of the City's financial plan/budget begins in the spring of each year. The draft financial plan is introduced to Council in the Fall, followed by public consultation. Budget deliberations began soon after with the aim of finalizing (adopting) the final financial plan by the end of January. This time table is adjusted in years when elections are held.

Staff are challenged by Council to generate savings through innovation, creativity, revenue enhancement, cost control and/or through productivity improvements. Budgets are developed in order to deliver the same levels of service as was budgeted to be delivered in the prior year.

## OPERATING BUDGETS

The Operating budget covers revenue and expenses related to the daily operations of the organization. These activities keep clean water running through the taps, uninterrupted flow of sewage to the treatment facility, the garbage and recycling trucks on their routes, our streets and homes safe, and recreational and cultural facilities operating. The City must be able to deliver on-going programs and services, and we must have the capacity to respond in emergency situations to protect citizens, businesses and City assets.

Typical examples of operating expenses are:

- Employee salary and wages,
- Supplies, materials and equipment,
- Property, liability and vehicle insurance,
- Maintenance of vehicles, landscaping, sewer/water pipes, and roads
- Heat, light and electricity,
- Training and professional development.

Early on in the budget process, guidelines are established for each department. These guidelines are based on maintaining existing services and providing for any budget increases that Council has approved beforehand. The departments prepare their budget submissions based on these guidelines.

Budgets are prepared on an accrual basis. This means that the budget provides for the obligations of the municipality as expenditures when ownership of goods is transferred or work is completed, as opposed to when expenditures are paid. Likewise, revenues are recognized when the municipality becomes entitled to collect; that is when services are rendered, not when actual payment is received. The City's audited financial statements are also prepared on an accrual basis.

## OPERATING SPENDING PACKAGES

Should a department identify an additional need, they may request operating monies for increased service levels or new programs via spending package submissions. These submissions provide rationale for the requested increase and outline the projected expenditures and any related revenue. Submissions may also include a business case analysis. These requests do not form part of the base budget and are reported separately for Council's consideration during the budget introduction.

## CAPITAL BUDGETS

The City's capital budget fund the larger projects of a long-term nature mostly related to maintaining, upgrading and replacing the City's infrastructure and facilities. Long-term plans that schedule the refurbishment and replacement of these valuable tangible capital assets ensure they are in place to deliver life sustaining and life enhancing services.

The capital planning process involves an annual review of the City's long-term capital expenditure programs, which range from 1 to 20 years into the future. Inflationary adjustments are added to capital projects and project additions, deletions, reductions and movements (between years) are considered. Departments are expected to have more detailed estimates or quotes for capital projects that fall within the initial 5-year time horizon.

The City regularly undertakes a number of master planning processes, the results of which are incorporated into the capital plans, after review and approval by Council. The projected operating impacts of capital projects are also taken into account.





## UTILITIES

The City operates its own internal water distribution and sewer conveyance systems and is a joint partner and owner of the regional water supply and sewer treatment systems, together with the City of Abbotsford. The City of Abbotsford, as the operator, produces draft long-term operating and capital financial plans for the regional water and sewer systems.

The City, together with the City of Abbotsford, are joint owners of a regional recycling center located in Abbotsford. This facility is operated by a non-profit organization on behalf of the two municipalities. The operating and capital requirements for regional recycling are reviewed by staff from both Mission and Abbotsford and are forwarded to Council as part of the financial planning process.

The City of Mission operates its own landfill site; through the solid waste utility. The operating and capital costs are factored into the City's financial plans, together with the cost of curbside collection of garbage, recycling and compost. Solid Waste operation also provides a capital contribution to the refuse reserve and provides for the accrued liabilities associated with operating a landfill site.

The City established the drainage system as a self-funding utility in 2016. The utility manages all aspects of storm water within the City, including snow and rainfall related storm water runoff. The purpose of the drainage system is to convey storm water runoff flows to its downstream destination while minimizing flooding impacts, ditch/creek erosion, and water-quality degradation. The drainage system infrastructure includes ditches, dikes, creeks, culverts, storm sewer pipes, storm sewer manholes, catch-basins, storm water management ponds, underground tanks, pump stations, service connections, and other related infrastructure.

## NON-PROPERTY TAX BASED FEES AND CHARGES

As part of the budget process, the City proactively reviews and adjusts existing fees and charges and considers new fees and charges annually. These reviews are aimed at finding a balance between what users pay to access a service and the subsidy of the cost through property taxes, and at keeping pace with the increased cost of operations. Departments review all existing fees and charges and adjust fees in terms of the cost of providing services.

## INTERIM FINANCIAL REPORTING

Departments are responsible for monitoring and managing their respective operating and capital budgets on an ongoing basis to achieve the objectives set out by Council. Departments undertake a formal budget review and variance analysis in the fall and year-end, each year.

The departments forecast balances for each service area up to year-end (December 31st) and compare it to the current year's amended budget, which is plus/minus any budget amendments approved by Council since the final budget was approved. The difference results in a positive or negative budget variance. As per Council policy, the departments prepare an explanation where a variance is plus or minus \$10,000 and 10%. If an overall budget deficit is projected, the City takes action by adjusting program spending.

The budget review highlights any budgetary issues and ensures departments are on track in terms of meeting their planned spending and revenue targets.

## AMENDING THE FINANCIAL PLAN AFTER ADOPTION

Changes to the City's financial plan are sometimes required after the financial plan bylaw has been adopted. The reasons for amendments vary and can include unforeseen events, project scope changes, new projects or specific direction from Council. Although staff work to anticipate budgetary requirements based on the latest information, plans sometimes have to be adapted to accommodate changes in circumstance or direction. To allow more timely action, individual budget changes are brought forward by department managers to Council throughout the year as the need arises. Department managers present an administrative report to Council, advising of a particular issue, recommending



a course of action and requesting additional budget dollars along with a possible funding source. If Council agrees with the request, approval is provided through a motion to amend the 5-year financial plan.

Individual budget amendment items are accumulated over the year, as well as the year-end results, and an amending Financial Plan Bylaw is brought forward to Council for consideration and adoption. Where the amendments or year-end results exceed the bottom-line departmental budgets as shown in the original financial plan bylaw schedules, staff will report on the variances.

## **FINANCIAL STATEMENTS AND BUDGETING**

The City of Mission is required by provincial legislation to prepare annual financial statements in accordance with Canadian Public Sector Accounting Standards. The financial statements are audited and must be submitted to the Province by May 15th each year.

## **AUDITOR**

Pursuant to the Community Charter, Council must appoint an external auditor for the municipality. The City's auditor is selected through a competitive bid process, usually for a minimum term of three years. The auditor must report to Council on the annual financial statements prepared by staff and financial information of the municipality.

The auditor also produces a management letter highlighting concerns, recommendations, or upcoming accounting standards changes that will impact the City for consideration by staff and Council.



# Staff's 2025 Budget Schedule

DATES	TASK	DESCRIPTION
May 13 to June 14, 2024	Departmental Review of Following Year Budget	Departments analyze trends, seek efficiencies, identify inflation impacts, and review service levels to construct a budget for their department's services. Any changes are communicated through standardized templates for Finance to compile into the budget system. During this time, a review of Council's strategic plan is done to identify new or enhanced services and prepare spending packages.
June 14, 2024	Budget Deadline	Departments must submit any budget increase requests to Finance to provide the same levels of service as provided in 2024. Budget requests are classified and compiled as either inflationary, growth or expansionary.
May 28 to July 12, 2024	Fees and Charges	Departments review their fees and charges for current services provided for cost recovery potential. They will review any new services being requested for potential new fees and charges to be added and to consider if there are services no longer required and where fees can be removed from the bylaws.
July 15 to July 30, 2024	Finance Meets with Departments	Department Heads and Finance do a line-by-line review of the budget details with managers who will answering questions, outlining their challenges and budget drivers, explain the rationale for spending packages submitted, highlight efficiencies and provide overview of fees and charges.
August 22, 2024	Special Senior Management Team Meeting	The Senior Management team and the CAO meet to discuss the overall budget drivers, operational priorities, spending package submissions and potential service level reductions.
October 8 & 9, 2024	Staff Present the Budget to Council	Presentation of the City's general operating budget, the utility funds operating budgets, the capital plans, and spending packages to Council to provide Council with the preliminary property tax and user fee impacts, and to answer questions.
November 6, 2024	Staff Present the Budget to Community	Presentation of the City's general operating budget, the utility funds operating budgets, the capital plans, and spending packages to the public to provide preliminary property tax and user fee impacts, answer question, and receive feedback.
November 19 & 20, 2024	Council to Deliberate Budget	Council to consider the City's general operating budget, the utility funds operating budgets, the capital plans, and spending packages alongside the public input and for Council to finalize the 2025 property tax and user fee increases. Staff will be available to answer any questions.

# Council's 2025 Budget Schedule

EVENT/TASK	DATES	EXPECTED OUTCOMES
<b>Freestanding Committee of the Whole (Corporate Administration &amp; Finance – Budget) Meeting</b>  Introduction of the 2025 budget including budget timeline, known budget drivers, and other issues facing the community as we start the budget process.	<b>Wednesday June 19, 2024</b>  2:30 pm to 4:30 pm	An opportunity for Council to set the tone and direction for the budget. Council can discuss important initiatives, set criteria for a potential tax increase and discuss format options for public consultation and input.
<b>Freestanding Committee of the Whole (Corporate Administration &amp; Finance – Budget) Meeting</b>  Presentation of the City's general operating budget, the utility fund operations, the capital plans, and spending packages to Council.	<b>Tuesday October 8, 2024</b> 1:00 pm to 6:00 pm & <b>Wednesday October 9, 2024</b> 1:00 pm to 4:30 pm	Council to receive reports on the preliminary property tax increase, utility user rates and charges and reserve projections. This will be the same information presented to the public on November 6, 2024.
<b>Public Presentation Community Budget Consultation</b>	<b>Wednesday November 6, 2024</b> 2:00 pm to 4:00 pm & 6:00 pm to 8:00 pm	To present the City's 2025 operational budgets, capital plans and spending packages to the public to receive feedback.
<b>Regular Council Meeting</b> Budget public input session.	<b>November 18, 2024</b>	Budget public input opportunity.
<b>Freestanding Committee of the Whole (Corporate Administration &amp; Finance – Budget) Meeting</b>  Council deliberations of the City's Financial Plan.	<b>Tuesday November 19, 2024</b> 1:00 pm to 4:30 pm & <b>Wednesday November 20, 2024</b> 1:00 pm to 4:30 pm	Two days for Council to discuss and debate the 2025 operational budgets, capital plans, tax and drainage levies, user fees and charges and the input from the public consultation, to refine the budget to meet Council's goals.
<b>Regular Council Meeting</b> First three readings of the 2025 to 2029 Financial Plan Bylaw	<b>December 16, 2024</b>	First three readings given to Financial Plan Bylaw.
<b>Regular Council Meeting</b> Adoption of the 2025 to 2029 Financial Plan Bylaw.	<b>January 20, 2025</b>	(1 <sup>st</sup> scheduled Regular Council meeting) Financial Plan Bylaw adopted.

*Department staff will be on hand at each meeting to answer questions.*



# Debt

## INTRODUCTION

The City of Mission may consider acquiring debt when reserves are insufficient to meet capital infrastructure needs. Generally speaking, the City attempts to recover the cost from the taxpayers or developers who benefit from the asset over the life of the debt. The decision to undertake debt is not taken lightly. Competing priority capital projects, construction cost inflation, prevailing interest rates, and current debt servicing requirements are all considered before obligating the City with debt for a number of years.

The City's external debt is borrowed through the Municipal Finance Authority of British Columbia, as required by legislation. External debt financing usually is done over 20 year periods though there is the option to borrow up to 30 years if desired.

The City is obligated to pay semi-annual repayments, which include interest, over the life of the debt. Interest costs add to the overall cost of the project.

## AVAILABLE BORROWING CAPACITY

Provincial legislation defines how much external debt the City can carry at any one time. Restrictions are also in place to ensure that only certain revenue sources are used to fund the repayment of debt and that municipalities do not rely on unpredictable revenue sources for debt servicing. The annual debt repayment limit in any one year is 25% of the revenue collected in the previous year.

The City's total legislated borrowing capacity or limit is approximately \$315.6 million, which means, theoretically speaking, that the City could undertake approximately \$298.2 million dollars of additional borrowing based on the 2023 revenue.

Some of this debt capacity will likely be required in the future for major regional water and sewer infrastructure projects, civic buildings and other infrastructure.

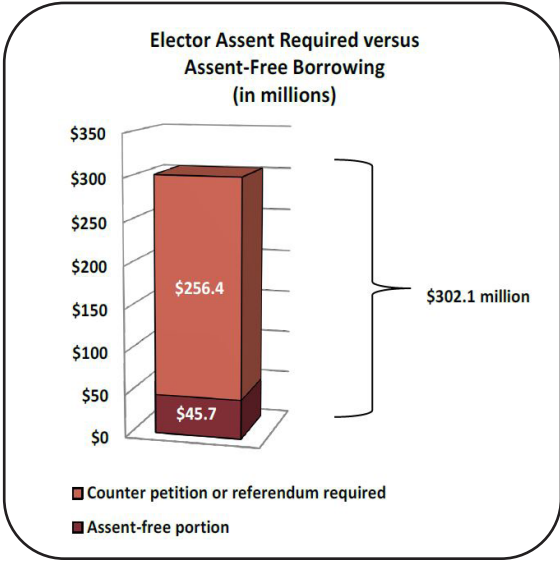
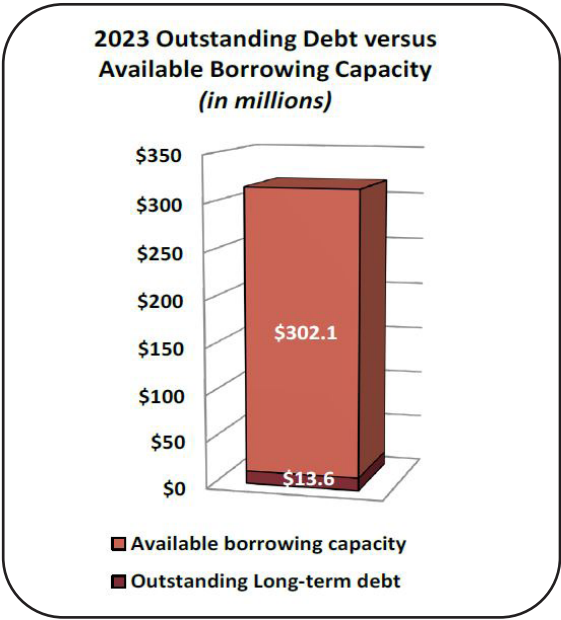
At the end of 2024, the City of Mission anticipates having approximately \$12.7 million of external long-term debt outstanding, which translates into annual debt servicing costs of approximately \$1.4 million for principal and interest.

## BORROWING REQUIRING ELECTORAL ASSENT

Under the BC Community Charter, a municipality can borrow up to a specific maximum threshold (dependent upon overall revenues) without elector assent or approval.

Borrowing above the maximum threshold must be approved by the electorate either through a counter petition or referendum process.

The City of Mission currently has the capacity to borrow approximately \$45.7 million without electoral approval.



## EXTERNAL LONG-TERM DEBT AND FUTURE DEBT SERVICING COSTS

Based on existing debt that is outstanding, the City is obligated to make ongoing principal and interest payments to service this debt until it matures. The City generally undertakes borrowing for 20 year terms, which means debt servicing payments are required annually for the 20 year term. However, most 20 year debt issues have an option to pay out the debt early at year 10, and at year 15. This is referred to as early debt retirement.

The City takes advantage of early debt retirement opportunities to reduce its debt load wherever possible but is mindful that this strategy is dependent upon reserve levels and prevailing market interest rates.

Outstanding Debt as at December 31, 2023				
Year Issued	Purpose	Year of Maturity	Rate	Balance
<b>General Debt</b>				
2005	Leisure Centre/Sports Park/Water Park	2025	0.91%	\$ 406,126
2006	Leisure Centre/Sports Park/Water Park	2027	1.53%	1,286,435
Subtotal General Debt				\$1,692,561
<b>Sewer Utility Debt</b>				
2022	Fraser River Secondary Sewer Crossing	2042	4.09%	12,057,987
Subtotal Sewer Utility Debt				\$12,057,987
Total Long-Term Debt				\$13,750,548

The City estimates of the principal amounts that are payable over the next five years and thereafter will total \$9.3 million plus \$4.5 million in actuarial adjustments.

Future Principal Payments			
Year	General	Sewer	Total
2024	333,811	442,013	775,824
2025	333,811	442,013	775,824
2026	211,565	442,013	653,578
2027	-	442,013	442,013
2028	-	442,013	442,013
2029	-	442,013	442,013
2030 and thereafter	-	5,746,176	5,746,176
Subtotal	\$879,187	\$8,398,254	\$9,277,441
Actuarial adjustment*	813,374	3,659,733	4,473,107
Total	\$1,692,561	\$12,057,987	\$13,750,548

*\*actuarial adjustments are funds applied to scheduled principal debt payments from a deposit held with the Municipal Finance Authority of BC.*



# Financial Policies

## INTRODUCTION

A number of formalized financial policies, procedures and practices serve as the foundation for financial management best practices at the City of Mission.

## BASIS OF BUDGETING

The City's operating and capital budgets are prepared on an accrual basis, and amortization of capital assets is budgeted for in the respective operating funds. Debt principal repayments are budgeted for in the period in which the payments will be made.

## INTERNAL CONTROLS

The City has established a number of safeguards to protect the City's financial assets. Management is responsible for the oversight and adherence to these internal controls. Furthermore, the City's auditor reviews, tests, and comments on any deficiencies discovered.

## BALANCED BUDGET

Pursuant to the Community Charter, by May 15th of each year, local governments must adopt a balanced budget whereby total proposed expenditures and transfers to other funds for the year must not exceed the total of the proposed funding sources and transfers from other funds for the year. The City's financial plan conforms to this balanced budget requirement.

## BUDGET MONITORING AND ACCOUNTABILITY

As per the City's budget management policy and procedure, departments are responsible for monitoring their expenditures and revenues regularly to ensure they remain within their budget targets. Each department has access to reports that compare actual results to budget and are expected to work within their overall departmental budgets. Any deviation from the overall budget, and any new programs or services must be approved by Council through budget amendments.

## LONG-RANGE PLANNING

The City compiles five-year operating projections for all of its operating funds. The City also maintains capital plans of 15 years and beyond in duration (actual duration is dependent upon the capital program) and estimates the operating impact of capital projects within the first five years of all capital programs. Capital plans are reviewed and updated annually based on the latest information.

## USE OF ONE-TIME REVENUE

One-time revenues are generally restricted to funding specific time-limited expenditures or projects. In other words, the City does not rely on one-time revenues to offset the operational costs of ongoing programs.

## PERMISSIVE TAX EXEMPTION

Mission Council considers permissive property tax exemptions each year for certain categories of land or improvements, as permitted by the enabling legislation, and which are understood to provide some general public benefit or good. Some issues that Council considers in relation to the applications for permissive exemptions include:

- Type of benefit (programs and services) the organization provides to the community;
- Ensuring exemptions are only provided to non-profit or charitable organizations (i.e. not providing benefit to businesses);

- Impact of the exemption on the City's tax revenue and resulting ability to provide services to Mission residents;
- Whether associations benefit primarily Mission residents;
- Whether associations programs are readily accessible to residents; and
- Whether applicants are operating consistently with City policies and bylaws.

## RESERVE AND SURPLUS FUNDS

The City has an extensive reserve/surplus policy that sets out the purpose of each reserve/surplus, and the optimal and minimal dollar levels that the City is working towards. Operating reserves are used to fund unexpected or emergency expenditures or one-time projects approved by Council. Capital reserves are used to fund projects in the City's long-term capital plan.

## CASH FLOW AND DEBT

The City uses a comprehensive cash flow model to ensure that it has adequate funds on hand for daily operations and to ensure that it is maximizing investment earnings.

In general, the City has adopted a "pay as you go" funding policy. Building up reserves to fund projects, and internal borrowing from one reserve to another, when needed, are both utilized. Internal borrowing is preferable to external borrowing, as internal borrowing is more flexible i.e. can pay out the loans at any time, have increased flexibility around the length of the pay-back period, and the interest remains within the City. Any external borrowing is undertaken through the Municipal Financing Authority (MFA), as dictated by legislation. The term of any borrowing would never exceed the lesser of the useful life of the asset or 30 years. In the past, the City has typically borrowed for 20-year terms. There are several projects in the capital that may require debt if alternative revenue sources are not available (grants, cost share).

## INVESTMENT POLICY

It is the City's policy to invest and manage its cash in a prudent and conservative manner that focuses on capital and earnings preservation while meeting its daily cash flow requirements and complying with statutory requirements.

The following key principles guide decisions regarding the City's investments:

- Investments will comply with the statutory requirements of the *Community Charter*.
- The objectives of the City's investment policy, in order of priority, are:
  - Safety—ensure the preservation of capital and interest earnings
  - Liquidity—to meet both foreseeable and unforeseeable cash flow requirements
  - Return on investments—attain the highest possible return, subject to the above higher priority objectives





# Financial Plan Policies and Objectives

Council has adopted and follows the following policy and objective statements around operating and capital revenue sources, distribution of property taxes and permissive and revitalization tax exemptions, within its annual financial plan bylaw, pursuant to legislative requirements.

## OPERATING REVENUE SOURCES

**Policy:** Council recognizes that property taxes fund the majority of the City of Mission's services/programs; and several services are provided on a full or partial cost recovery basis. Council is committed to, on an annual basis, formally reviewing and adjusting, where possible, existing user fees in addition to examining and implementing new user fees where applicable. There is a recognition that raising user fees beyond a certain point will result in less usage or demand and ultimately less revenue and that various services such as recreation programs, should be subsidized to ensure all citizens can partake. The City of Mission, like other local governments in British Columbia, also needs access to other sources of revenue to meet growing service demands and to stabilize property tax increases. Grants from senior levels of government are actively sought to maximize other revenue sources.

**Objective:** Over the five-year financial plan timeframe, it is Council's goal to diversify and expand its revenue base as much as possible.

## CAPITAL REVENUE SOURCES

**Policy:** Council sees that increasing internal capital funding capacity can ensure the City can fund capital maintenance activities thus reducing the reliance on external sources of revenue or debt. If a capital project is to be funded by debt, internal debt financing will be considered first, where practical and financially beneficial, with the proviso that internal debt repayments need to take place as scheduled. However, external debt financing may be required for larger, high priority capital projects if sufficient reserves are not in place. Council supports paying down debt early, when practical.

**Objective:** Over the five-year financial plan timeframe, it is Council's goal to increase internal capital funding/financing opportunities.



## DISTRIBUTION OF PROPERTY TAXES

**Policy:** Council recognizes the need to rationalize its property tax distribution among the various tax classes; however, more importantly Council recognizes the need to diversify and expand its assessment/tax base. Council is committed to aggressively pursuing development of business and commercial properties to provide economic opportunities and allow for the possibility of reducing the tax burden on the residential property class. Council understands that the level of property taxation for each of the tax classes does not necessarily correlate with the amount of services provided; however, quantifying and costing the services provided to each tax class is difficult and subjective at the very least. It should also be recognized that many businesses in the community have employees that benefit from and use many City services, facilities and amenities and that additional services and amenities benefit all of the tax classes, both directly and indirectly.

**Objective:** Over the five-year financial plan timeframe, it is Council's goal to diversify and expand its tax base.

## PERMISSIVE AND REVITALIZATION TAX EXEMPTIONS

**Policy:** Council chooses to support charitable/non-profit organizations (churches, social, recreational, health and housing organizations) that provide valuable services to the community through permissive tax exemptions as allowed for by legislation. Council is committed to continuing with these tax exemptions and to treating all organizations with similar mandates equally when it comes to property tax exemptions. The Mission Downtown Development Incentive Program, offering a 10-year revitalization tax exemption, is available within the defined Downtown Planning area and provides a financial incentive to encourage development in the downtown area. The revitalization tax exemption program will accept applications up to December 31, 2024

**Objective:** Over the five-year financial plan timeframe, Council will continue supporting local charitable/ non-profit organizations that provide valuable services to the community as allowed by legislation, and will continue to utilize revitalization tax exemptions to encourage development.



# Financials

## *Consolidated Financial Budgets*

### INTRODUCTION

Each year Mission updates its five-year Financial Plan to ensure its finances are managed responsibly and reflect the priorities identified by Council and the community. Council is currently reviewing the City's Financial Plan to fund specific requirements in 2025, and develop projections for 2026 to 2029. This budget report reflects the best information available when the draft budget numbers are compiled. It is acknowledged that as we progress through budget discussions with Council there can be new information, new direction or unforeseen circumstances which can impact or change the budget numbers and projections.

The City of Mission's budgeting process involves a realistic approach to estimating or projecting budget numbers, whereby reductions in budgeted expenditures and increases in budgeted revenue are only used if they are achievable on an on-going basis. This conservative approach to budgeting is prudent so that structural deficits are not created.

### CONSOLIDATED DRAFT BUDGET

The City of Mission manages a broad range of services split over six operational areas or funds. Each fund provides specific services to specific user groups who are charged either by a user fee or levy or directly for the specific goods or services received.

At a high level, the Financial Plan combines the following:

**General Operating Budget** – The day-to-day operational expenses, such as recreation, inspections, policing and fire protection. Any proposed changes to this budget allow the City to continue to provide the same services, at the same levels.

**Capital Budget** – For general municipal capital projects such as playground equipment and upgrades, road and bridge repairs, facility construction and improvements, and life-cycle equipment replacements.

**Utility Budgets** – The operating budgets for water, sewer, drainage, and solid waste. These expenses are funded through user-fees and levies. Flat rate user fees and levies are included on your property tax notice, while metered utilities are billed separately, quarterly.

**Growth Related Costs** – These are costs required to maintain the existing operations and levels of service to the community. As a City grows additional resources are needed to meet the current demands of its citizens.

**Expansionary Costs** – These are new initiatives or increased service level changes based on Council's Strategic Plan, Master Plans, and ongoing works to improve operations and services to the community.

Each fund has a separate budget prepared which is consolidated into the City's Financial Plan bylaw:

- General Operating fund;
- Drainage Utility fund;
- Sewer Utility fund;
- Solid Waste Utility fund (curbside pick-up & landfill);
- Water Utility fund; and
- Forestry enterprise.

# Consolidated Budgets for 2025

## REVENUE

The revenue to deliver the services over these operational areas can be divided into three main sources:

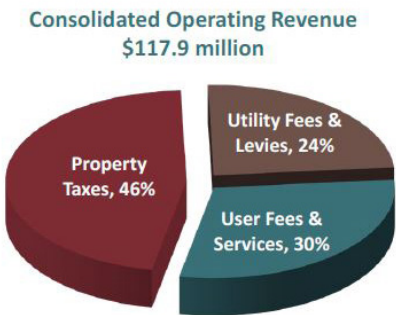
- Taxation based on the assessed value of the property (taxation & drainage)
- Utility fees either metered or flat rate (water, sewer & solid waste); and
- User fees (recreational fees, business licenses, building permits).

Revenue from all sources for all operational areas is approximately \$117.9 million of which \$54.7 million is collected from Property Taxes; \$34.8 million is collected from User Fees & Services; and \$28.4 million is collected from Utility Fees & Levies.

Property taxes are the main revenue source for the General Operating expenditures while utility fees and levies are the main source of revenue for the utility areas.

The City proactively reviews and adjusts existing fees and charges and considers new fees and charges on an annual basis.

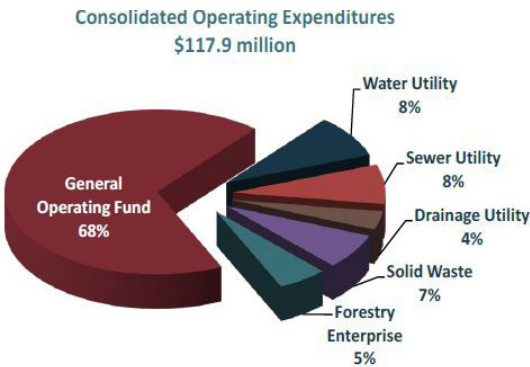
Of the \$54.7 million in property taxes budgeted for collections \$2.5 million are collected as grants in lieu of taxes from the senior levels of government and crown corporations.



## EXPENDITURES

Most operating expenditures, approximately 68%, support the General Operating fund for services such as Police, Fire, Development Services, Transit, Administration, Public Works, Recreation, etc. Approximately 8% of expenditures support the Water Utility fund, 8% support the Sewer Utility fund, 7% support the Solid Waste Utility fund, 4% support the Drainage Utility Fund, and 5% support the Forestry Enterprise.

Expenditures to provide all City services plus operate the Forestry Enterprise are approximately \$117.9 million, including funds transferred to reserves for future expenditures. The chart below shows the consolidated operating expenditures for all funds. A more detailed breakdown of the general fund is provided later in this section.





# General Operating Fund

## INTRODUCTION

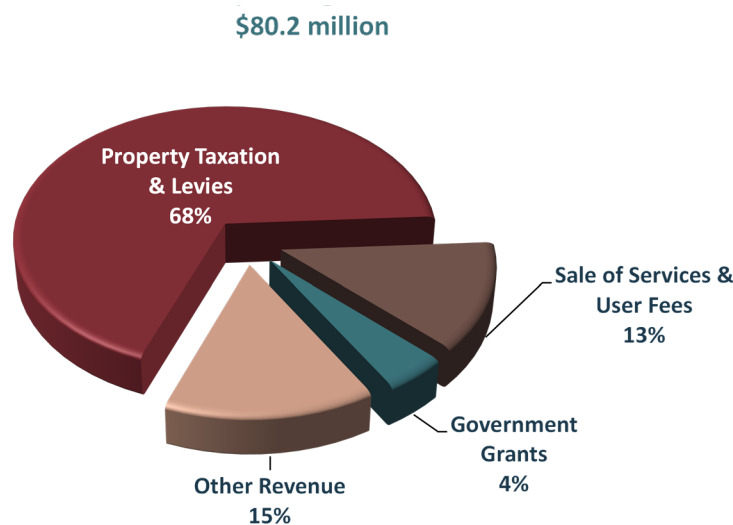
The primary operational area for municipal programs and services provided to the community is the General Operating fund. To fund these programs and services, the General Operating fund has a number of revenue sources, the largest of which is property taxation. Main services provided by the General Operating fund are:

- Police Services: Enforce laws, prevent crime, and maintain order via the RCMP and municipal staff.
- Fire Rescue Service: Provides fire suppression, first responders and non-emergency services.
- Recreational Programs: Provides recreational services to all ages. Road Maintenance: Traffic control, repair roads, signs, streetlights, sidewalks, traffic signals, bridges, and culverts.
- Parks and Trails: Provides and maintains parks, open spaces, boulevards, and trails.
- Planning and Development Services: Provides community and transportation planning, building and development approval services.
- Administration: Provides financial services, facility maintenance, corporate records, human resources, and information technology.
- General Operating Fund Revenue
- Mission offers a broad range of services but only has a few sources of revenue. The main operating revenue sources are property taxes at 68%, user fees at 13% (e.g., recreational fees, business licenses, building permits etc.) government grants and other total 19% (recoveries, administration fees, library levy).
- The City proactively reviews and adjusts existing fees and charges and considers new fees and charges on an annual basis.

## GENERAL OPERATING FUND REVENUE

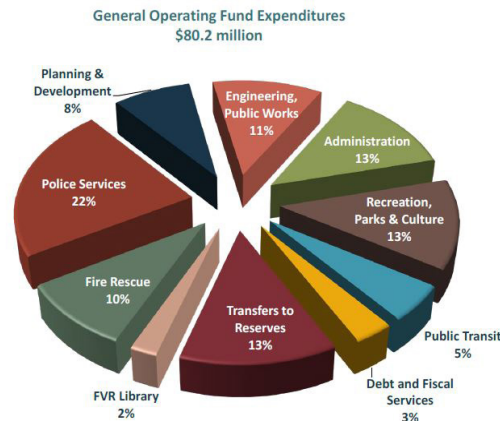
Mission offers a broad range of services but only has a few sources of revenue. The main operating revenue sources are property taxes at 68%, user fees at 13% (e.g., recreational fees, business licenses, building permits etc.) government grants and other total 19% (recoveries, administration fees, library levy).

The City proactively reviews and adjusts existing fees and charges and considers new fees and charges on an annual basis.



## GENERAL OPERATING FUND EXPENDITURES

The City provides many services to the community. The largest part of the budget goes towards public safety, with Police Services at 22% and Fire Rescue at 10%, accounting for approximately 32% of the City's total budget for the General Operating Fund.



The City dedicates approximately 13% of the budget to reserves to plan for the future. The Parks, Recreation and Culture programs are 13% of the operating budget to promote healthy lifestyle choices and cultural opportunities and the Engineering and Public Works department has 11% of the budget for infrastructure design and maintenance.

## CHANGES TO THE 2025 GENERAL OPERATING FUND

The 2025 operating budget is organized into three categories: Inflationary, Growth, and Expansionary. Inflationary cost increases relate to fixed, unavoidable costs that the City will be facing in 2025. These costs are due to contractual obligations, policies, and regulatory agencies for the year. Only service reductions can offset this increase. Any new staffing requests are considered as either growth or expansionary related.

Growth cost increases provide residents with the same level of service next year as they currently are receiving in the current year and accommodate growth in the community. It is recognized that the need to increase resources to accommodate growth does not always occur at the same pace as the growth itself. Often an activity can withstand some growth pressure for a few years and then eventually an increase in resources is required. Fire and police services are examples of this. One or two years of growth in the number of homes and business in the City may not warrant an increase in staffing, but after several years, an increase may be required that is larger than the growth in the year it is determined to be needed. The City has adopted the strategy of having growth costs paid for from the addition of new homes and commercial buildings and industrial buildings.

Expansionary cost increases aim to increase service levels or provide a new service to the residents of the City that aim to advance Council's Strategic Goals. Proposals are categorized as either recommended for inclusion into the Financial Plan or not recommended.

## NOTABLE REDUCTIONS AND EFFICIENCIES

A line-by-line review of each operating activity's operating budget was undertaken. Evaluations of departmental activities, efficiencies, and budget savings were considered and applied to the departmental operating budgets where possible. Departments were questioned on requests that exceeded the average of the prior five years (pre and post COVID) actuals to provide the same levels of service. As a result, budgets were realigned and savings from one service area was moved to another service area where costs were increasing faster than the historical average or inflation.

Furthermore, Council directed reductions in several areas, including disbanding the Tourism and Film Division, reducing all Departmental budgets by an average of 0.75%, suspending the 1% general capital reserve transfer for 2025, reducing Victim Services on evenings and weekends, and other areas. These were difficult decisions for Council to make, but essential in the current economy.



	Dollars	Tax Impact	Impact *
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### Inflation and Contractual Increases

Impacts from Previous Years' Decisions	\$1,311,413	2.82%	\$73.74
Impacts from Wages, Salary & Benefits	1,578,332	3.40%	88.91
Contractual, Policy and Regulated Obligations	2,002,132	4.31%	112.70
Proposed Fees and Charges Bylaw Revenue Increase	(111,000)	(0.24%)	(6.28)
Subtotal	<b>\$4,780,877</b>	<b>10.29%</b>	<b>\$269.07</b>

### Growth Related Increases

New construction/development revenue estimate (NCR)	(700,000)	(1.51%)	(39.49)
Revenue (Increases) or Decreases	43,030	0.09%	2.35
Expenses Increases (or Decreases)	94,870	0.20%	5.23
Tier 1 Spending Packages Proposed	562,100	1.21%	31.64
Subtotal	<b>\$0</b>	<b>0.00%</b>	<b>\$0.00</b>

### Expansionary Service Increases

Tier 1 Spending Package Proposed	10,000	0.02%	0.52
Subtotal	<b>\$10,000</b>	<b>0.02%</b>	<b>\$0.52</b>

<b>Total</b>	<b>\$4,790,877</b>	<b>10.31%</b>	<b>\$269.60</b>
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### Add/(deduct)

Council Directed Service Reductions	(635,190)	(1.37%)	(35.82)
Pause Annual Planned Increase of Funding to General Capital Reserve transfer	(464,732)	(1.00%)	(26.15)
Blanket Budget Reduction Exercise - Various Departments	(183,032)	(0.39%)	(10.20)

<b>Revised Total</b>	<b>\$3,507,923</b>	<b>7.55%</b>	<b>\$197.43</b>
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\* Using average home value of \$1,132,676 (2024)

## GENERAL OPERATING FUND KEY BUDGET DRIVERS

Notable budget changes are attributed to the following:

- 3.4% for wages, salary, & benefits
- 2.68% for RCMP contract costs and police services
- 1.13% BC Transit contract
- 0.78% for all other inflationary increases and prior years' decisions
- 0.51% for the change to the Secondary Dwelling Units program
- 0.50% for all other contractual obligations
- 0.42% operating costs associated with capital projects
- 0.39% for transit expansion
- 0.25% for fee-for-service grants
- 0.23% for fleet maintenance
- 0.00% for net growth related increases
- 0.02% for expansionary services proposed
- **2.76% savings** due to service level and other budget reductions

This brings the total potential property tax increase to 7.53% to maintain existing services. Net growth related increases added 0% and recommended expansionary services add an additional 0.02%, bringing the total proposed general operating increase to 7.55%.

## OPERATIONAL SPENDING PACKAGES

There are a number of spending packages recommended for inclusion into the City's financial plan. Growth related spending packages have been applied to the conservative estimate of non-market construction (new taxation revenue) resulting in a net zero increase. The concept is that growth related pressures on a growing community require additional resources to meet the same levels of service to a larger population.

Title of Initiative and Project Description	FTE Count	2025 Net Impact on Operating Budgets	Potential Tax Impact	Capital One-time Funding	
				Source	Value

### General Operating Fund

<i>Communications Assistant (Recreation)</i>	0.50	\$46,600	0.10%	General Capital	\$3,000
<i>Engineering Tech 2 - Projects (80% funded through capital accounts annually)</i>	1.00	\$32,000	0.07%	General Capital	\$5,000
<i>Engineering and Public Works Inspector (See budget amendment BAO.12)</i>	1.00	\$0	0.00%		
<i>Assistant Fire Chief Operations and Communications Technology (Originally submitted in 2023)</i>	1.00	\$257,200	0.55%	General Capital	\$181,000
<i>Health &amp; Safety Assistant (Originally submitted in 2023)</i>	0.50	\$0	0.00%	General Capital	\$5,000
<i>1 Additional Police Officer</i>	1.00	\$200,000	0.43%		
<i>Senior Buyer (80% funded by capital)</i>	1.00	\$26,300	0.06%	General Capital	\$5,750
<i>Recreation Leader for Club Kids (due to new Morning Program)</i>	1.00	\$0	0.00%		
<i>Club Kids Receptionist hours (due to new Morning Program)</i>	0.16	\$0	0.00%		
<i>Recreation Leader for Aquatics</i>	0.75	\$0	0.00%		
<i>Community Events and advertising (Public Works costs to support)</i>	0.00	\$10,000	0.02%		

Spending Packages Recommended by Staff	7.91	\$572,100	1.23%		\$199,750
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Impact on property tax notice of average home value \$1,132,676 \$32.16

<i>Medic Truck Expansion (2 Full-time Firefighters)</i>	2.00	\$332,500	0.72%	General Capital	\$10,000
<i>Maintenance of Boulevard Trees (RC22/296) (Originally submitted in 2022)</i>	0.36	\$73,565	0.16%		
Total Spending Package Requests Being Considered by Council with Taxation Impacts	10.27	\$978,165	2.11%		\$209,750

Impact on property tax notice of average home value \$1,132,676 \$55.18

### Forestry & Utility Operations

<i>Forestry Technician Position</i>	1.00	\$119,400		Forestry Capital	\$5,000
<i>Trail Maintenance</i>	0.00	\$0			
<i>Drainage costs for media</i>	0.00	\$5,000			
<i>Sewer costs for media</i>	0.00	\$5,000			
<i>Water costs for media</i>	0.00	\$5,000			
Total Spending Package Requests for Utility Operations	1.00	\$134,400			\$5,000



# Utilities

## DRAINAGE

The City owns and operates over 158 km of stormwater drainage systems that serves all of Mission. This utility charges a levy based on a property's assessed value.

For every 1% increase in the drainage levy, approximately \$34,984 in revenue will be generated.

Proposed - 7.61% Increase for Drainage

## KEY BUDGET DRIVERS

	Budget Dollars	Potential Tax Impact	Dollar Impact *
Revenue Increases	(86,488)	(2.47%)	(4.86)
Expenditure Changes	99,000	2.83%	5.57
Transfer to Drainage Capital Reserve	250,000	7.15%	14.06
<b>Subtotal</b>	<b>\$262,512</b>	<b>7.50%</b>	<b>\$14.75</b>
Spending Packages	3,708	0.11%	0.22
<b>Net Potential Changes</b>	<b>\$266,220</b>	<b>7.61%</b>	<b>\$14.97</b>

\* Using average home value of \$1,132,676 (2024)

## WATER

The City owns and operates over 193 km of water mains in the local water distribution system that serves over 11,600 customer accounts. Although the City solely operates the local water distribution system and local sewer conveyance system, the City of Mission and the City of Abbotsford are joint partners in the water supply and sewage treatment systems, which benefit residents in both communities. These services are cost-shared based on each community's usage.

For every 1% increase to the water user fees, approximately \$78,202 in revenue will be generated.

Proposed - 2% Increase for Water Rates

## KEY BUDGET DRIVERS

	2025 Budget Impact	Rate Increase to Fund	Flat-Rate User Fee Increase	Average Metered Customer*
Inflationary	215,555	2.76%	15.70	10.92
Contingency**	102,415	1.31%	7.46	5.19
Regional Water	(14,162)	(0.18%)	(1.03)	(0.72)
Revenue	(66,439)	(0.85%)	(4.84)	(3.36)
Admin Fee Recovery	(80,965)	(1.04%)	(5.90)	(4.10)
<b>Totals</b>	<b>\$156,404</b>	<b>2.00%</b>	<b>\$11.39</b>	<b>\$7.92</b>

\* based on an annual consumption of 275 cubic meters

Water User Fee History



## SEWER

The City owns and operates over 172 km of sewer mains in the local sewer conveyance system that serves over 9,990 customer accounts. Similarly to the water system, a part of the sewer system is jointly operated by the City of Mission and the City of Abbotsford. The sewage treatment system treats the sewage outflow received from the two cities.

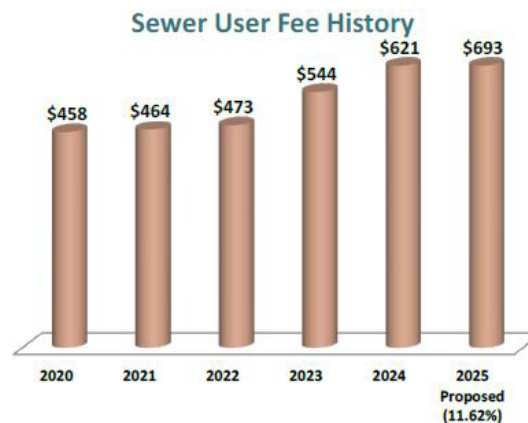
For every 1% increase to the sewer user fees, approximately \$69,376 in revenue will be generated.

Proposed - 11.62% Increase for Sewer Rates

## KEY BUDGET DRIVERS

	2025 Budget Impact	Rate Increase to Fund	Flat-Rate User Fee Increase	Average Metered Customer*
JAMES Upgrades (transfer to capital reserve)	416,256	6.00%	37.26	25.74
Increased transfer to capital reserve	390,000	5.62%	34.91	24.12
Inflationary	161,289	2.32%	14.44	9.97
Contingency	142,981	2.06%	12.80	8.84
Admin Fee Recovery	(40,599)	(0.59%)	(3.63)	(2.51)
Regional Sewer	(47,372)	(0.68%)	(4.24)	(2.93)
Revenue changes	(216,299)	(3.12%)	(19.36)	(13.38)
<b>Subtotals</b>	<b>\$806,256</b>	<b>11.62%</b>	<b>\$72.17</b>	<b>\$49.86</b>

\* based on an annual consumption of 275 cubic meters



Note: Based on flat-rate utility charges for a single-family residential property

## SOLID WASTE

The City of Mission provides curbside collection for refuse, recycling and compost to its residents. Rural residents that do not have curbside collection are charged a nominal annual fee so these residents can take their recyclables to a recycling location. Mission owns and operates Landfill (Minnie's Pit) and the Mershon Street Recycling Depot. Operating a landfill, unlike a refuse transfer station, means the City has obligations set by the province to ensure that the refuse sites are properly closed and monitored (post-closure) to minimize groundwater contamination or release of other materials.

For every 1% increase in curbside collection for recycling and compost user fees, approximately \$26,400 in revenue will be generated.

For every 1% increase in curbside collection for garbage user fees, approximately \$13,600 in revenue will be generated.

		2025 Budget Impact
<b>Revenue Changes *</b>		
Increase to AMRD & RecycleBC Incentive	\$	(116,360)
Increase to curbside pick-up		(108,744)
Decrease in investment revenue		46,022
Decrease in landfill operations		153,376
Subtotal - Revenue Increases		(25,706)
<b>Expense Changes</b>		
Revised projections for landfill closure and post-closure costs		701,326
Increase to curbside pick-up		587,965
Increase in landfill operations		146,430
Increase in administration overhead		79,897
Increase to Environmental Stewardship		18,951
Decrease in transfer of investment income to reserves		(46,022)
Decrease to AMRD expenditures		(98,000)
Decrease in litter management		(162,240)
Subtotal - Expense Increases		1,228,308
Decrease to 2025 transfer to Refuse Reserve		1,202,602
Proposed 12% Increase to Recycling/Composting Levy		(321,325)
Proposed 12% Increase to Refuse Collection Levy		(163,050)
Proposed Increases to Minnie's Pit Disposal Fees		(272,000)
Proposed Increase to Rural Recycling Levy		(43,794)
Reduction in transfer to Refuse Reserve		\$ 402,433

\*Increases to revenue appear as negative values



Note: Based on flat-rate utility charges for a single-family residential property.



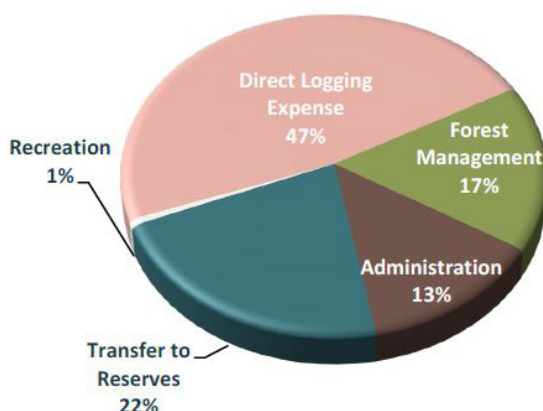
## FORESTRY

The City operates Tree Farm License #26 (TFL26), which covers 10,900 ha. In addition to a working forestry operation that provides direct revenue to our Community, the TFL26 also includes over 59 km of trails for all levels of walking and biking enjoyment. A portion of these trails is managed under a partnership between the Ministry of Forest, Lands, Natural Resource Operations and Rural Development, and the Fraser Valley Mountain Biking Association. Forestry does not rely on taxation and all of its expenses are paid from revenues generated from the sales of services (mostly timber sales).

Highlights of the 2025 Forestry Enterprise Budget:

- Increase to Timber Sales, \$112,000
- Decrease to Operational Expenses, \$231,000
- Estimated Forestry Surplus, \$251,100, transferred to Forestry Legacy Reserve

**Forestry Enterprise Expenditures**  
**\$6.2 million**



# Introduction to the Long-Term Capital Program

## INTRODUCTION

The City has extensive long-term capital plans that range from 1 years to 20 years into the future. The capital budget provides for major maintenance expenditures, the replacement of existing infrastructure, and the building of new infrastructure and facilities.

Capital assets are non-financial, physical assets that have a useful economic life that extends beyond one year and that exceed certain minimum dollar thresholds. The City's capital assets thresholds vary for different types of assets.

The City updates the long-term capital plan as part of the City's annual budget process. The capital budget identifies project expenditures and funding sources. The amounts identified for projects and years slated for construction/acquisition that are included in the capital plan are provided on a provisional basis to allow for planning purposes.

Priority is given to those projects that are maintaining current assets/infrastructure before adding additional assets. Any new assets are reviewed and evaluated as to how it fits with Council's strategic priorities and implementation of approved City master plans. Capital projects may commence once Council approves the budget. Contracts and purchase orders are awarded and issued pursuant to the City's Procurement, Stores and Disposition Policy. If contract or project costs are going to exceed the original budgets and a particular funding source, on a department by department basis, approval is required from Council before proceeding.

## CONSOLIDATED CAPITAL PROGRAM

The City's total capital program for all funds for 2025 shows projected expenditures of \$59 million and totaling over \$261 million over five years.

In circumstances where reserves are insufficient to fund all the projects, the City may consider external debt.

Planned Capital Expenditures	2025	2026	2027	2028	2029	Totals
General Capital Plan	\$ 10,660,101	\$ 8,287,316	\$ 7,904,750	\$ 9,933,300	\$ 8,092,200	\$ 44,877,667
General Development Cost Charge Capital Plan	16,300,357	14,964,489	1,846,637	14,638,159	3,637,931	51,387,573
Solid Waste Capital Plan	141,473	1,426,534	4,608,748	5,920,807	91,075	12,188,637
Fleet Replacement Capital Plan	1,338,828	510,355	1,714,662	5,536,566	2,705,028	11,805,439
Drainage Utility Capital Plan	3,341,254	4,346,215	6,037,409	6,981,294	13,587,228	34,293,400
Water Utility Capital Plan	19,392,721	4,005,519	4,324,380	6,224,382	15,936,122	49,883,124
Sewer Utility Capital Plan	7,882,975	12,310,879	7,604,426	7,539,921	21,400,729	56,738,930
<b>Totals</b>	<b>\$ 59,057,709</b>	<b>\$ 45,851,307</b>	<b>\$ 34,041,012</b>	<b>\$ 56,774,429</b>	<b>\$ 65,450,313</b>	<b>\$ 261,174,770</b>



## OPERATIONAL IMPACTS

Each capital project in the first five years of the long-term capital program budget is reviewed for the financial impact on operations. This review not only projects future operating expenditures inherent in some capital projects, but also includes evaluating if any potential new or increased revenue may develop or if budget savings are created from found efficiencies once the capital project is completed.

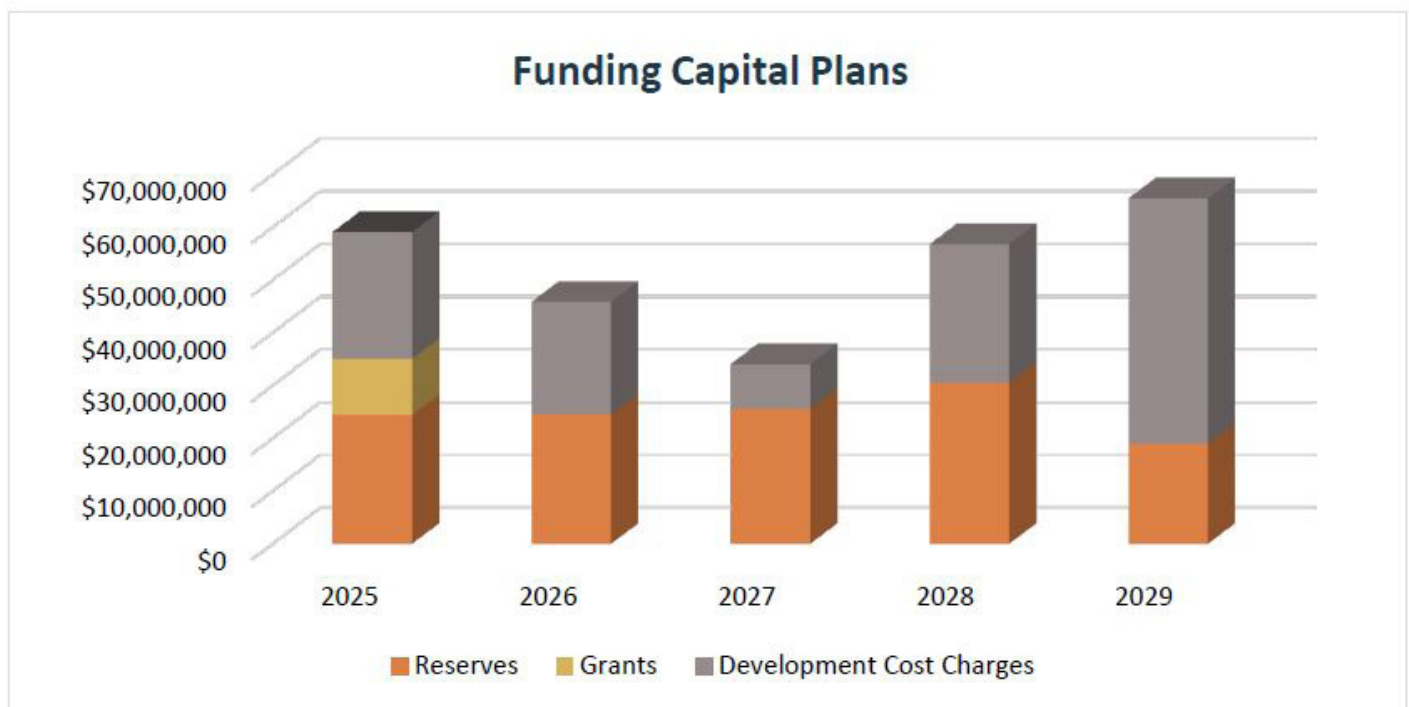
## FUNDING SOURCES

Funding for the City's capital program is primarily from reserves such as the General Capital Reserve, the Community Works Gas Tax Reserve, the Sewer Capital Reserve, the Water Capital Reserve, and the Vehicle and Fleet reserve. Whenever possible, the City will fund capital projects with grants or developers' contributions.

Growth related projects can be funded from the development cost charge reserves, a restricted revenue. These projects are highlighted in the City's Development Cost Charges bylaw and include several growth-related projects including upgrades to roads.

Funding Capital Plan	2025	2026	2027	2028	2029	Totals
Reserves	\$24,408,308	\$24,541,333	\$25,624,421	\$30,554,142	\$18,988,688	\$124,116,892
Grants	10,598,590	-	-	-	-	10,598,590
Development Cost Charges	24,050,811	21,309,974	8,416,591	26,220,287	46,461,625	126,459,288
Totals	\$59,057,709	\$45,851,307	\$34,041,012	\$56,774,429	\$65,450,313	\$261,174,770

Capital Projects are paid for from the City's reserves (accumulated savings) whereas Operating Expenditures are paid for from the current year's revenue collections.





## Consolidated Capital Plan Expenditures

Planned Capital Expenditures	2025	2026	2027	2028	2029	Totals
<b>General Capital Plan</b>						
Cemetery	\$ 78,000	\$ 465,000	\$ 127,400	\$ 17,200	\$ 170,000	\$ 857,600
Corporate Administration	19,900	20,300	20,700	21,100	41,500	123,500
Engineering & Public Works	6,622,000	5,450,015	4,757,000	5,549,600	5,696,000	28,074,615
Finance & Purchasing	9,800	4,900	5,000	5,100	5,200	30,000
Fire/Rescue Services	1,637,051	454,651	182,400	155,600	140,700	2,570,402
Forestry	500,000	260,000	-	-	-	760,000
General Government - Major Projects	18,600	-	-	19,700	-	38,300
Information Services	132,950	178,550	493,950	387,100	256,000	1,448,550
Inspection Services	11,700	3,800	3,900	4,000	4,100	27,500
Parks, Recreation & Culture	1,534,300	1,430,000	2,294,000	3,753,200	1,757,700	10,769,200
Planning	3,700	3,800	3,900	4,000	4,100	19,500
Police	92,100	16,300	16,500	16,700	16,900	158,500
Subtotal General Capital Plan	10,660,101	8,287,316	7,904,750	9,933,300	8,092,200	44,877,667
<b>General Development Cost Charge (DCC) Capital Plan</b>						
Parkland	-	-	-	7,793,780	-	7,793,780
Cedar Valley Roads	84,800	-	-	121,957	182,936	389,693
Roads - All Areas	16,215,557	14,964,489	1,846,638	6,722,422	3,454,995	43,204,101
Subtotal Development Cost Charge (DCC) Capital Plan	16,300,357	14,964,489	1,846,638	14,638,159	3,637,931	51,387,574
<b>Solid Waste Management Capital Plan</b>						
Landfill	126,407	1,411,133	4,593,012	5,904,737	82,705	12,117,994
Abbotsford/Mission Recycling Depot	15,066	15,401	15,736	16,070	8,370	70,643
Subtotal Solid Waste Management Capital Plan	141,473	1,426,534	4,608,748	5,920,807	91,075	12,188,637
<b>Fleet Replacement Capital Plan</b>	1,338,828	510,355	1,714,662	5,536,566	2,705,028	11,805,439
<b>Drainage Utility Capital Plan</b>						
Drainage Capital	1,129,116	2,951,500	1,140,600	1,075,000	1,175,000	7,471,216
Drainage DCCs	2,212,138	1,394,715	4,896,809	5,906,294	12,412,228	26,822,184
Subtotal Drainage Utility Capital Plan	3,341,254	4,346,215	6,037,409	6,981,294	13,587,228	34,293,400
<b>Water Utility Capital Plan</b>						
Water Capital - Local	2,807,865	2,423,400	2,514,800	2,625,900	2,280,600	12,652,565
Water Capital - Regional	1,119,935	666,930	786,685	701,115	702,835	3,977,500
Water DCC	348,753	473,235	685,250	2,728,734	12,040,027	16,275,998
Cedar Valley Water DCC	-	-	112,422	168,633	843,167	1,124,222
Regional Water Supply DCC	15,116,168	441,954	225,223	-	69,493	15,852,838
Subtotal Water Utility Capital Plan	19,392,721	4,005,519	4,324,380	6,224,382	15,936,122	49,883,123
<b>Sewer Utility Capital Plan</b>						
Sewer Capital - Local	2,022,865	1,575,500	1,978,100	2,076,400	2,297,300	9,950,165
Sewer Capital - Regional	4,430,585	5,695,464	3,705,291	1,706,812	1,009,762	16,547,914
Sewer Capital - Local DCC	1,228,289	4,814,745	1,826,665	3,756,709	18,002,107	29,628,515
Regional Sewage Treatment DCC	201,236	225,170	94,370	-	91,560	612,336
Subtotal Sewer Utility Capital Plan	7,882,975	12,310,879	7,604,426	7,539,921	21,400,729	56,738,930
<b>Total Planned Capital Expenditures</b>	<b>\$59,057,709</b>	<b>\$45,851,307</b>	<b>\$34,041,012</b>	<b>\$56,774,429</b>	<b>\$65,450,313</b>	<b>\$261,174,770</b>

## Consolidated Capital Plan Funding Sources

Funding Capital Plan	2025	2026	2027	2028	2029	Totals
<b>General Capital Plan</b>						
Cemetery Reserve Fund	\$ 25,000	\$ 35,000	\$ 127,400	\$ 17,200	\$ 170,000	
Community Works Gas Tax Reserve Fund	2,523,200	1,712,500	1,797,900	2,043,300	2,043,700	
Forestry Reserve Fund	500,000	260,000	-	-	-	
Forestry Legacy Reserve Fund	114,800	117,100	119,400	121,800	124,200	
Gaming Reserve Fund	1,017,651	548,651	451,700	291,500	768,700	
General Capital Reserve Fund	4,303,500	3,825,515	3,403,600	4,382,400	2,017,600	
Growing Communities Reserve Fund	-	-	-	-	22,000	
Information Systems Reserve Fund	132,950	178,550	493,950	387,100	256,000	
Public Safety Reserve Fund	233,000	-	-	-	-	
Roads Capital Reserve Fund	1,790,000	1,590,000	1,290,000	2,690,000	2,690,000	
Reserve Funds	10,640,101	8,267,316	7,683,950	9,933,300	8,092,200	\$ 44,616,867
Accumulated Surplus General Operating Fund	20,000	20,000	220,800	-	-	260,800
Subtotal General Capital Plan	10,660,101	8,287,316	7,904,750	9,933,300	8,092,200	44,877,667
<b>General Development Cost Charge (DCC) Capital Plan</b>						
Development Cost Charges	15,041,317	14,814,844	1,360,576	11,726,791	2,961,044	45,904,572
DCC Contributions from Reserves	1,259,040	149,645	486,062	2,911,368	676,887	5,483,002
Subtotal Development Cost Charge (DCC) Capital Plan	16,300,357	14,964,489	1,846,638	14,638,159	3,637,931	51,387,574
<b>Solid Waste Management Capital Plan</b>						
Landfill Post-Closure Equity	-	1,273,198	4,513,518	-	-	5,786,716
Refuse Reserve Fund	141,473	153,336	95,230	5,920,807	91,075	6,401,921
Subtotal Solid Waste Management Capital Plan	141,473	1,426,534	4,608,748	5,920,807	91,075	12,188,637
<b>Fleet Replacement Capital Plan</b>						
Vehicle and Fleet Reserve Fund	1,338,828	510,355	1,714,662	5,536,566	2,705,028	11,805,439
Subtotal Fleet Capital Plan	1,338,828	510,355	1,714,662	5,536,566	2,705,028	11,805,439
<b>Drainage Utility Capital Plan</b>						
Drainage Capital Reserve Fund - TCA	1,326,866	3,176,500	2,115,600	1,911,250	1,311,250	9,841,466
Drainage Capital Reserve Fund - Growth	19,895	11,448	38,969	50,452	122,511	243,275
Drainage DCCs	1,969,493	1,133,267	3,857,840	4,994,592	12,128,467	24,083,659
Revenue	25,000	25,000	25,000	25,000	25,000	125,000
Subtotal Drainage Utility Capital Plan	3,341,254	4,346,215	6,037,409	6,981,294	13,587,228	34,293,400
<b>Water Utility Capital Plan</b>						
Water Capital Reserve Fund - TCA	3,695,006	3,046,147	2,951,447	2,945,315	2,921,435	15,559,350
Water Capital Reserve Fund - Growth	364,149	305,974	458,610	348,673	129,527	1,606,932
Development Cost Charges - Water	4,509,376	591,398	852,323	2,868,394	12,823,160	21,644,651
Sewer Capital Reserve Fund	142,400	-	-	-	-	142,400
Drainage Capital Reserve Fund	21,200	-	-	-	-	21,200
Grants	10,598,590	-	-	-	-	10,598,590
Revenue	62,000	62,000	62,000	62,000	62,000	310,000
Subtotal Water Utility Capital Plan	19,392,721	4,005,519	4,324,380	6,224,382	15,936,122	49,883,123
<b>Sewer Utility Capital Plan</b>						
Sewer Capital Reserve Fund - TCA	6,556,945	7,620,385	5,702,850	3,740,512	3,325,136	26,945,827
Sewer Capital Reserve Fund - Growth	31,445	46,675	18,786	57,267	180,526	334,699
Development Cost Charges - Sewer	1,271,585	4,620,820	1,859,790	3,719,142	17,872,067	29,343,404
Revenue	23,000	23,000	23,000	23,000	23,000	115,000
Subtotal Sewer Utility Capital Plan	7,882,975	12,310,879	7,604,426	7,539,921	21,400,729	56,738,930
<b>Total Funding Capital Plan</b>	<b>\$59,057,709</b>	<b>\$45,851,307</b>	<b>\$34,041,012</b>	<b>\$56,774,429</b>	<b>\$65,450,313</b>	<b>\$261,174,770</b>

# Reserve & Surplus Projections Summary

	Minimum Recommended Balance	2025	2026	2027	2028	2029	Optimum Recommended Balance
<b>GENERAL FUND</b>							
<b>Operating Reserve Funds</b>							
Benefit Premium Fund	N/A	\$ 433,573	\$ 447,664	\$ 462,213	\$ 477,004	\$ 492,506	N/A
Engineering Surplus Revenue	N/A	-	-	-	-	-	N/A
Financial Stabilization	N/A	1,313,780	1,339,110	1,056,234	1,292,068	1,561,411	N/A
Insurance	260,000	678,236	721,823	759,891	791,532	816,936	390,000
Legal	250,000	232,278	239,827	247,621	255,545	263,850	500,000
Subtotal Operating Reserve Fund		\$ 2,657,867	\$ 2,748,424	\$ 2,525,960	\$ 2,816,149	\$ 3,134,703	
<b>Reserve Funds Capital</b>							
Accumulated Surplus (unappropriated)	5,445,000	5,372,516	5,547,123	5,503,016	5,679,113	5,863,684	10,890,000
Affordable Housing	N/A	279,197	288,271	297,640	307,164	317,147	N/A
Cemetery	N/A	258,634	251,795	150,834	158,505	11,219	N/A
Clark Theatre Capital	N/A	69,264	87,764	106,264	124,764	143,264	N/A
Community Amenity	fully funded plan	5,017,984	5,181,068	5,349,453	5,520,636	5,700,056	fully funded plan
Community Works Gas Tax	N/A	4,750,882	4,998,969	4,905,470	2,173,529	1,546,341	N/A
Debt	N/A	2,250,432	2,725,366	3,215,736	3,720,335	4,243,041	N/A
Electric Vehicle Charging Stations	N/A	6,974	7,966	8,959	9,952	10,945	N/A
Forestry Legacy Reserve	N/A	4,888,999	5,979,859	7,369,293	8,924,412	10,404,160	N/A
Gaming	N/A	220,590	381,568	646,304	1,082,021	1,047,371	N/A
General Capital	5,850,000	3,230,147	4,835,382	6,801,320	6,514,263	8,462,107	9,749,000
Grants - Transit, Carbon Tax, Climate Action	N/A	666,318	495,124	343,930	343,930	343,930	N/A
Growing Community Grant	N/A	574,756	593,436	612,722	632,329	630,523	N/A
Information Systems	402,000	256,722	347,201	128,004	18,377	46,844	603,000
Land Sale	N/A	(534,832)	(552,214)	(570,161)	(588,407)	(607,530)	N/A
Parkland Improvements	N/A	-	-	-	-	-	N/A
Public Safety	900,000	2,100,834	2,169,111	2,239,607	2,311,274	2,386,391	1,800,000
Vehicle and Equipment	2,098,000	3,556,562	5,026,118	5,380,042	1,922,101	1,231,125	3,147,000
Subtotal Capital Reserve Fund		\$ 32,965,980	\$ 38,363,908	\$ 42,488,432	\$ 38,854,301	\$ 41,780,617	
General Fund Reserve Totals		\$ 35,623,847	\$ 41,112,332	\$ 45,014,392	\$ 41,670,449	\$ 44,915,320	
<b>DRAINAGE UTILITY</b>							
Drainage Capital Reserve Fund - TCA	3,624,000	\$ 3,829,928	\$ 2,776,459	\$ 2,766,892	\$ 2,963,275	\$ 3,777,201	6,040,000
Drainage Capital Reserve Fund - Growth	N/A	22,009	61,903	75,125	77,070	5,885	N/A
Drainage Stabilization Reserve	N/A	25,930	(39,015)	(13,359)	12,912	39,816	N/A
Accumulated Surplus (unappropriated)	579,000	339,400	350,431	361,820	373,398	385,533	868,000
Drainage Utility Fund Totals		\$ 4,217,268	\$ 3,149,778	\$ 3,190,478	\$ 3,426,655	\$ 4,208,436	
<b>WATER UTILITY</b>							
Water Capital Reserve Fund - TCA	9,504,000	\$ 15,897,058	\$ 15,477,878	\$ 15,141,314	\$ 15,300,678	\$ 15,598,604	12,507,000
Water Capital Reserve Fund - Growth	N/A	1,288,451	1,019,380	586,448	250,962	737,237	N/A
Water Meter Program Reserve	N/A	157,451	240,006	325,245	413,072	503,935	N/A
Water Stabilization Reserve	N/A	36,285	(33,674)	(14,443)	5,415	25,916	N/A
Accumulated Surplus (unappropriated)	1,290,000	836,762	762,332	787,108	812,295	838,695	1,935,000
Water Utility Fund Totals		\$ 18,216,007	\$ 17,465,923	\$ 16,825,672	\$ 16,782,422	\$ 17,704,387	
<b>SEWER UTILITY</b>							
Sewer Capital Reserve Fund - TCA	8,975,000	\$ 4,146,234	\$ 548,642	\$ 1,770,598	\$ 3,444,942	\$ 5,531,054	11,625,000
Sewer Capital Reserve Fund - Growth	N/A	4,755,816	4,862,947	5,001,901	5,103,779	5,086,192	N/A
Sewer Stabilization Reserve	N/A	20,000	(50,000)	(30,000)	(10,000)	10,000	N/A
Sewer Major Capital		1,616,233	1,389,381	4,461	89,501	1,173,775	
Accumulated Surplus (unappropriated)	1,052,000	2,042,816	2,109,207	1,212,319	1,251,113	1,291,774	1,578,000
Sewer Utility Fund Totals		\$ 12,581,099	\$ 8,860,178	\$ 7,959,280	\$ 9,879,335	\$ 13,092,796	
<b>SOLID WASTE UTILITY</b>							
Refuse Reserve Fund	1,436,000	\$ 2,172,310	\$ 2,198,869	\$ 2,285,343	\$ 2,371,526	\$ 2,467,832	2,393,000
Accumulated Surplus (unappropriated)	1,067,000	-	-	-	-	-	1,600,000
Landfill Post-Closure Reserve	N/A	7,507,357	7,192,845	3,868,528	4,929,440	6,056,804	N/A
Solid Waste Utility Fund Totals		\$ 9,679,666	\$ 9,391,714	\$ 6,153,871	\$ 7,300,965	\$ 8,524,636	
<b>FORESTRY ENTERPRISE</b>							
Forestry Operating Surplus	932,000	\$ 1,985,712	\$ 2,050,247	\$ 2,116,880	\$ 2,184,620	\$ 2,255,621	1,863,000
Forestry Capital Reserve	127,000	13,743	4,027	105,783	210,768	319,243	190,000
Forestry Reserve Fund Totals		\$ 1,999,454	\$ 2,054,274	\$ 2,222,663	\$ 2,395,388	\$ 2,574,863	



# ESTIMATED 2025 PROPERTY TAX NOTICE FOR MUNICIPAL SERVICES

In 2024, the average assessed home in Mission paid \$2,614.94 in property taxes for general municipal services. That same home, in 2025, would pay \$2,812.39. For every \$180,000 change to the City's operating budget for municipal services, the property tax notice of an average assessed home will be impacted by \$10.00.

User Fee/Levy	Monthly Increase	Annual Increase	Estimated 2025 User Fee / Levy	%
Water Flat Rate User Fee	\$0.95	\$11.40	\$580.92	2.00%
Sewer Flat Rate User Fee	\$6.01	\$72.12	\$693.12	11.62%
Curbside Collection Garbage	\$1.07	\$12.84	\$119.40	12%
Curbside Collection Recycling/Compost	\$1.91	\$22.92	\$213.60	12%
Drainage Utility Fee *	\$1.25	\$14.97	\$211.64	7.61%
Property tax * Municipal Services Only	\$16.45	\$197.43	\$2,812.39	7.55%
<b>Totals</b>	<b>\$27.64</b>	<b>\$331.68</b>	<b>\$4,631.07</b>	<b>7.71%</b>
* Estimated dollar Impact using average assessed home value of \$1,132,676 (2024)				
Increase over 2024 property tax notice for municipal services:			<b>7.71%</b>	

Municipal Services	Annual	Monthly
Police Services	\$868	\$71
Fire Rescue	387	32
Legislative & Administration	368	31
Parks, Recreation and Culture	316	26
Engineering and Public Works	302	25
Transfer to Reserves	195	16
Public Transit	167	14
Development and Bylaw	138	12
General Government	71	6
<b>Estimated Municipal Taxes</b>	<b>\$2,812</b>	<b>\$234</b>

This budget status report reflects the best information available when the draft budget numbers are compiled.

It is acknowledged that as we progress through budget discussions with Council there can be new information, new direction or unforeseen circumstances which can impact or change the budget numbers and projections.

## SHARE YOUR FEEDBACK

You can do this online at: [engage.mission.ca](https://engage.mission.ca) or by email at [budget@mission.ca](mailto:budget@mission.ca) until Tuesday, Nov. 12, 2024.

Council and staff are committed to an open and transparent budget process, and want to make sure residents, local businesses and organizations have the opportunity to have their voices heard.

Your feedback is presented to Council and is a crucial part of the decision-making process for the budget and Financial Plan.



**ENGAGE  
MISSION**

### INFORMATION SESSION

**Leisure Centre Gym**

7650 Grand Street

November 6, 2024

2 - 4 pm and 6 - 8 pm



## **BUDGET 2025 INFORMATION SESSION**

**Leisure Centre Gym**

7650 Grand Street

November 6, 2024

2 - 4 pm and 6 - 8 pm

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