

**Date:** April 21, 2020  
**To:** Nikki Gilmore, Chief Administrative Officer  
**From:** Lena Martin, Manager of Finance and Administration  
**Subject:** 2020 – 2024 Five Year Financial Plan Bylaw No. 879, 2020

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**PURPOSE**

To present to the Council the 2020 – 2024 Five Year Financial Plan Bylaw No. 879, 2020 for First, Second, Third and Fourth Readings (**Appendix A**).

**BACKGROUND COMMENTS AND DISCUSSION**

The draft 2020 Operating and Capital items worksheets were presented to the Committee of the Whole (COW) Budget Session #3 (continued), held on Tuesday, April 7, 2020, at which the following resolutions were passed:

*Moved/Seconded*

**THAT** the Committee of the Whole supports the following additional budget reductions:

- The annual Consumer Price Index adjustment, noted as 2.2% from the December British Columbia Stat Canada Report, has been reduced to 0% to reflect the current economy. CPI increases to non-union Staff and Village lease holders will be reduced to reflect this change.
- Reductions to Travel, Meals & Accommodation (Staff), Staff Training, Legislative Expenses (travel, training & accommodation) as presented.

**AND THAT** the MFA Bylaw truck borrowing be postponed to 2021.

**CARRIED**

**Capital Projects and Staff:**

*Moved/Seconded*

**THAT** the Committee of the Whole supports the following additional Capital Projects:

- The SLRD/Firehall HVAC cost share;
- Affordable Housing Implementation;
- Development Cost Charge Bylaw Phase I;
- Local Transit Increase;

**AND THAT** the following items be removed/postponed:

- The part time Bylaw Officer (half year) be removed from the budget and ICOMPASS software be postponed to 2021.

**CARRIED**

*Moved/Seconded*

**THAT** the Committee of the Whole supports the establishment of a full time Emergency Program Coordinator to be included in the budget as presented, effective July 2020.

**CARRIED**

**OPPOSED:** Councillor Craddock

*Moved/Seconded*

**THAT** the Committee of the Whole supports the following for Non-Essential Service adjustments:

<i>Legislative Expenses (Council Meals)</i>	<i>Remove from budget</i>
<i>Whistler Animals Galore (WAG) Contribution</i>	<i>Remain in budget</i>
<i>Sea to Sky Invasive Species Contribution</i>	<i>Remain in budget</i>
<i>Free Dog Poo Bags</i>	<i>Remain in budget</i>
<i>Community Enhancement Fund</i>	<i>Reduce by half to \$7,500</i>
<i>Porta-Potty Rentals – Barn</i>	<i>Reduce by half to \$2,850</i>
<i>Train Station Washroom Retrofit</i>	<i>Deferred to 2021</i>
<i>Pemberton Sign Refinishing</i>	<i>Deferred to 2021</i>

**CARRIED**

**Capital Reserve Transfer:**

*Moved/Seconded*

**THAT** the Committee of the Whole support adjusting the Capital Reserve Transfer as required to support a 0% tax increase.

**CARRIED**

**Five Year Financial Plan:**

*Moved/Seconded*

**THAT** Staff incorporate the budget adjustments as supported into the Five (5) Year Financial Plan for consideration by Council.

**CARRIED**

Staff have incorporated the changes from the recommendations from the Committee of the Whole above into the 2020 Fiscal Year in the Five Year Financial Plan 2020 – 2024.

**IMPACT ON BUDGET, POLICY, STAFFING**

Staff have included the following general items and assumptions in the 2020 – 2024 Five-Year Financial Plan Bylaw the following:

**General 2020 Assumptions:**

1. Municipal tax revenues increased by 0% in 2020 to provide assistance to the impact of COVID uncertainty.
2. The change in overall assessment value from 2019 to 2020 is 8.33%; which is made up of new construction assessments of 5.34% and 2.99% in market change.

3. Frontage tax is calculated on \$4.36 per meter for water and \$6.67 per meter for sewer. Frontage tax is amended based on the retiring or securing of debt.
4. The Industrial Park Parcel Taxes equal the debt based on the overall costs of the project to install the water infrastructure to the Industrial Park in 2007. Only those properties that did not choose to commute (pay upfront) their cost are levied.
5. User fees for water rates in 2020 will stay the same.
6. User fees for sewer have a \$40,000 budget increase in 2020 for a new Sewer Capital Reserve.

General 2020 – 2024 Assumptions:

1. A 10% Administration Fee will be charged to individual user requests and tasks.
2. General Municipal Property Taxes will be increased for a General Reserve allocation by \$54,000 each year for the years 2021 – 2024.
3. General Operating expenses will be increased for inflation by 2% per year.
4. General Debt Collections, Frontage and/or Parcel Taxes, will equal the general debenture interest and principle payments. This tax is paid by all property owners within the Village of Pemberton who have the ability to connect to the Village's Infrastructure.

**LEGAL CONSIDERATIONS**

The Five Year Financial Plan Bylaw must be adopted by May 15<sup>th</sup> of each year as per sections 165 and 197 of the *Community Charter*.

The preparation of the Five Year Financial Plan Bylaw meets with the requirements of the *Community Charter and Local Government Act*. Further, Ministerial Order M083, issued March 26, 2020, enables municipalities during the Provincial State of Emergency to adopt a bylaw on the same day it receives Third Reading. As such the Five Year Financial Plan Bylaw No. 879, 2020 is being presented for First, Second, Third and Fourth Readings.

**INTERDEPARTMENTAL IMPACT & APPROVAL**

The development of these bylaws is a component of the annual work plan and all departments participate in the budget process.

**IMPACT ON THE REGION OR NEIGHBOURING JURISDICTIONS**

The adoption of the above noted bylaws has no impact on other jurisdictions.

**ALTERNATIVE OPTIONS**

There are not alternative options for consideration at this time.

**POTENTIAL GOVERNANCE CONSIDERATIONS**

The Five Year Financial Plan meets with Strategic Theme Two: Good Governance being an open and accountable government and to fiscal responsibility. As well, it meets with Strategic Theme Three: Excellence in Service by continuing to deliver quality municipal services.

**RECOMMENDATIONS**

**Recommendation: WHEREAS** Ministerial Order MO83, issued March 26, 2020, enables municipalities during the Provincial State of Emergency, issued on March 18, 2020, to adopt bylaw on the same day it receives Third Reading;

**AND WHEREAS** the Village of Pemberton is presenting a Bylaw for Council's consideration;

**THEREFORE BE IT RESOLVED THAT** the Village of Pemberton 2020-2024 Five (5) Year Financial Plan Bylaw No. 879, 2020, be given First, Second, Third and Fourth Readings.

**Attachments:**

**Appendix A:** 2020 – 2024 Five-Year Financial Plan Bylaw No. 879, 2020

Prepared by:	Lena Martin, Manager of Finance & Administration
CAO Approval by:	Nikki Gilmore, Chief Administrative Officer

**VILLAGE OF PEMBERTON**

**BYLAW No. 879, 2020**

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A bylaw of the Village of Pemberton respecting the Five (5) Year Financial Plan beginning with the year 2020.

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The Council of the Village of Pemberton, in open meeting assembled, enacts as follows:

1. Schedule "A" attached hereto and made part of this Bylaw is hereby adopted and is the Village of Pemberton Five Year Financial Plan established with the year ended December 31, 2020.
2. This Bylaw may be cited for all purposes as the "Village of Pemberton 2020-2024 Five (5) Year Financial Plan Bylaw No. 879, 2020."

**READ A FIRST TIME** this \_\_\_\_\_ day of April, 2020.

**READ A SECOND TIME** this \_\_\_\_\_ day of April, 2020.

**READ A THIRD TIME** this \_\_\_\_\_ day of April, 2020.

**ADOPTED** this \_\_\_\_\_ day of April, 2020.

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Mike Richman  
Mayor

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Sheena Fraser  
Corporate Officer

## Village of Pemberton

Village of Pemberton					
Consolidated 2020 - 2024	2020	2021	2022	2023	2024
	Budget	Budget	Budget	Budget	Budget
<b>Revenues:</b>					
Taxation	2,280,892	3,253,295	3,090,764	3,449,770	3,635,305
Water and sewer user rates	1,866,090	1,906,090	1,946,090	1,986,090	2,027,538
User charges	2,552,125	2,637,494	2,739,501	2,844,561	2,952,808
Penalties and interest income	30,000	30,300	30,606	30,918	31,236
Government transfers:					
Provincial	3,748,836	534,661	417,794	426,090	434,552
Federal	2,000	2,000	2,000	2,000	2,000
Other local governments	1,788,214	1,522,247	1,445,527	1,602,990	1,691,603
Investment income	23,860	24,327	24,804	25,290	25,786
Other revenues	742,548	219,945	920,503	321,073	5,621,654
Collections on behalf of other governments	2,971,629	3,031,062	3,091,683	3,153,516	3,216,587
	16,006,195	13,161,420	13,709,272	13,842,297	19,639,069
<b>Expenditures:</b>					
General government	2,320,838	2,754,575	2,722,339	2,830,304	2,930,599
<b>General Amortization</b>	817,792	790,638	935,295	958,859	946,318
Fire protection services	694,397	789,833	805,255	951,627	1,066,400
Development and planning services	667,633	689,310	713,277	672,644	699,251
Public works and parks	1,163,646	1,254,552	1,130,177	1,258,531	1,298,265
Recreation	1,305,213	1,319,831	1,346,016	1,372,727	1,399,976
Water utility	913,902	932,658	965,220	997,746	1,032,839
<b>Water Amortization</b>	160,089	165,089	172,935	175,935	285,935
Sewer utility	873,291	946,665	977,847	1,010,343	1,044,211
<b>Sewer Amortization</b>	275,339	278,339	284,339	288,339	288,339
Airport services	65,637	77,606	81,120	84,802	88,661
Transfers to other governments	2,971,629	3,031,062	3,091,683	3,153,516	3,216,587
	12,229,404	13,030,157	13,225,502	13,755,374	14,297,381
<b>Annual (Surplus) / Deficit</b>	(3,776,791)	(131,264)	(483,769)	(86,923)	(5,341,688)
<b>ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS</b>					
<b>Non-cash items included in Annual (Surplus)/Deficit</b>					
Amortization on tangible capital assets	(1,253,220)	(1,234,067)	(1,392,569)	(1,423,133)	(1,520,592)
<b>Cash items NOT included in Annual (Surplus)/Deficit</b>					
Capital expenditures	6,382,320	900,125	9,228,300	1,559,116	5,709,948
Loan proceeds	(320,516)	(140,000)	(8,250,000)	(600,000)	-
Long term debt payments	217,923	218,216	218,430	364,193	374,693
Capital Equipment payments	167,410	155,018	115,200	149,076	132,225
Transfers to/from Statutory Reserves	(532,540)	-	(100,000)	-	-
Transfers from Non-Statutory Reserves	(577,526)	(686,928)	(349,856)	(1,122,814)	(639,478)
Transfers to Non-Statutory Reserves	845,207	918,900	1,014,264	1,160,485	1,284,891
Transfers to/(from) Unappropriated Surplus	(1,152,267)	-	-	-	-
<b>Financial Plan Balance</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>
General Fund (Surplus) / Deficit	(0.00)	(0.00)	0.00	(0.00)	(0.00)
Water Fund (Surplus) / Deficit	-	-	(0.00)	(0.00)	(0.00)
Sewer Fund (Surplus) / Deficit	(0.00)	-	-	-	-
Airport Fund (Surplus) / Deficit	(0.00)	-	(0.00)	-	0.00

**Village of Pemberton  
5 Year Financial Plan Bylaw No. 879, 2020  
2020 Revenue Policy Disclosure**

- The table below shows the proportion of proposed 2020 revenue raised from each funding source. One column shows the proposed revenue including Transfer to Other Governments and the other excluding the Transfers to Other Governments. Transfers to Other Governments are funds requisitioned by other government or government agencies for specifically defined projects (*SLRD, School Tax, Police Tax, MFA, BCAA*).

The Village has a bylaw to charge specific administrative fees for various tasks, such as tax certificates, titles searches, rentals as well as other tasks including a 10% administrative fee. This bylaw was last updated December 18<sup>th</sup>, 2012. By billing these fees to individual users, this allows a more realistic tax levy as the tax payers are not subjected to funding these miscellaneous expenses.

The Village of Pemberton will continue to seek other sources of revenue to reduce the reliance on property taxes.

Parcel Taxes are taxes levied for the purpose of paying the debt on the Municipality's Water and Sewer Infrastructure. The rates are reviewed annually to determine if they meet the required debt payment schedule for the upcoming fiscal year. Parcel Taxes are reviewed annually and updated in accordance with the *Community Charter* Sec. 204.

Revenue Sources 2020	% Total Revenue(\$17,436,777) Including Transfers to Other Governments*	% Total Revenue(\$14,465,148) Excluding Transfers to Other Governments
Property Taxes	39.3%	26.8%
Parcel Taxes	1.7%	2.1%
User Fees & Charges	14.6%	17.6%
Grants	31.8%	38.3%
DCCs	3.1%	3.7%
Other Revenues	4.4%	5.3%
Proceeds from Borrowing	1.8%	2.2%
Transfers	3.3%	4.0%
<b>Total</b>	<b>100.0%</b>	<b>100%</b>

**Village of Pemberton  
5 Year Financial Plan Bylaw No. 879, 2020  
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2. a) The Provincial Class Multiples are established by the Provincial Government by *British Columbia Regulations* 426/2003 and 439/2003. These rates are used to calculate the tax rates for other government bodies (Collections for Other Governments) with the exception of the Squamish-Lillooet Regional District (SLRD). Both the Village and the SLRD's tax rates are established by the multiples set by Council. Following is a comparison of the two multiples with the variance identified in bold:

Village Multiples	Provincial Multiples
1.00	1.00
<b>5.63</b>	<b>3.50</b>
3.40	3.40
<b>2.25</b>	<b>2.45</b>
1.00	1.00
1.00	1.00

- b) In addition, the Ministry also sets a ceiling for the maximum allowable rate for Class 2 (Utilities). Following is the regulation:

*BC Regulation 329/96* defines a rate ceiling for class 02 property for 2000 and subsequent years. The regulation states:

"2. In setting the tax or levy rate for class 2 property for general municipal purposes, a municipality must not exceed the greater of

- a) \$40 for each \$1,000 of assessed value, and
- b) 2.5 times the rate applicable to class 6 property for general municipal purposes in the municipality for the same taxation year."

- c) Furthermore, those properties that were included in the 2011 Boundary Extension (Order in Council No. 165) under Class 2 (\*Utility), the tax rate is set each year as per Sections 5 and 6 of the Taxation (Rural Area) Act Regulation, BC Reg. 387/82.

The following table outlines the distribution of taxes between the property tax classes.

Property Class	Municipal Tax Rates	% of Total Property Assessment Value (\$943,301,365)	% of Total Property Tax
Residential (Class 01)	1.5707	83.22%	67.8%
Utilities (Class 02)	8.8354	0.17%	0.8%
Utilities (Class 02) Rural	3.9400	1.51%	3.1%
Light Industry (Class 05)	5.3405	1.15%	3.2%
Business/Commercial (Class 06)	3.5341	13.51%	24.8%
Rec/Non-Profit (Class 08)	1.5707	0.40%	0.3%
Farm (Class 09)	1.5707	0.04%	0.0%
<b>Total</b>		<b>100%</b>	<b>100%</b>

\* The 2020 Class 2 (Utility) Rural Tax Rate is 3.94 per each \$1,000 of actual value of property. This rate is set each year as per Sections 5 and 6 of the Taxation (Rural Area) Act Regulation, BC Reg. 387/82 as per Order in Council No. 165 (2011) Village Boundary Extension.



**Village of Pemberton  
5 Year Financial Plan Bylaw No. 879, 2020  
2020 Revenue Policy Disclosure**

3. Following is a list of permissive exemptions granted for the taxation year and the amount of municipal tax revenue forgone:

Municipal Land and Buildings	\$4,932
BC Conference of Mennonite Brethren	\$435
Pemberton Childcare Society	\$1,161
Pemberton Lion's Society	\$1,775
Stewardship Pemberton	\$314
Pemberton Search and Rescue	\$421
	<hr/>
Total Municipal Tax Revenue Forgone	<b><u><u>\$9,226</u></u></b>

In 2013, Council updated the Permissive Tax Exemption Policy to clarify the criteria, establish timelines for submission and to include an application form which will provide clear guidelines and deliverables for both Staff and the Applicant. Following is the updated Policy and Purpose:

**Permissive Tax Exemption Policy:**

The Village of Pemberton recognizes the significant value of organizations and groups in our community who provide worthwhile programs and services to our residents

The purpose of this policy is to ensure that the organizations applying for a permissive tax exemption meet the criteria and that the application process is consistent and meets the goals, policies and general operating principles of the Village. The sources of Municipal revenue are limited and a request for an exemption must be considered in concert with other needs of the Village. Council will determine the amount of revenue to be foregone by permissive tax exemptions for non-profit organizations. Council at its sole discretion may grant varying percentages of tax exemptions up to 100% of the tax exemption.

Exemptions are not given to services that are otherwise provided on a private or for profit bases. This would provide an unfair competitive advantage and is not permitted as per Section 25 of the *Community Charter*.

Requests for permissive tax exemptions for organizations whose facilities are outside the boundaries of the Village of Pemberton will not be considered.

Further information, including the complete Policy and Application can be found on the following link on Village website:

<https://www.pemberton.ca/public/download/documents/37506>

**Village of Pemberton**  
**5 Year Financial Plan Bylaw No. 879, 2020**  
**2020 Revenue Policy Disclosure**

**Note 1**

General 2020 Assumptions:

1. Municipal tax revenues increased by 0% in 2020 to provide assistance to the impact of COVID-19 Pandemic uncertainty.
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General 2020 – 2024 Assumptions:

1. A 10% Administration Fee will be charged to individual user requests and tasks.
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**Village of Pemberton  
5 Year Financial Plan Bylaw No. 879, 2020  
2020 Revenue Policy Disclosure**

**Note 2**

**2020 Capital Projects:**

**Public Works & Parks**

PW Washroom Phase I	\$25,000
Farm Road E Trail (Funded)	306,000
Tiyata Area Sidewalk (Funded)	76,000
Downtown Enhancements Final (MFA Funded)	300,000
Soccer Field II (only if funded)	4,224,405
Farm Road East Paving (DCC)	217,000
One Mile Lake Swing Set (only if funded)	50,000
	<b>\$5,198,405</b>

**Fire Department**

SCBA Replacements	\$7,500
Portable Radios, New Recruits	8,232
IPAD for Engine 1	2,800
Rope Rescue Training Materials	3,000
Fire hall Design	20,000
	<b>\$41,532</b>

**Water (Reserves)**

"A" Service Hydrants	\$22,000
Hydrant Repair (Mountain View Manor)	5,000
Design Fernwood Watermain	5,000
Culvert Installation	5,000
PRV Service and Repair	10,000
Scada/ Eagle Drive, Aster, Ridge, Software + Radio	70,000
Well 4 Construct	360,000
Fencing for Reservoir (Benchlands)	45,000
Chlorine Booster Pump	60,000
Water Truck w/crane	60,000
	<b>\$642,000</b>

**Sewer (Reserves)**

Eagle Drive Pump rebuild	\$4,800
Scada/ 9 Lift Stations/ Software + Radio	50,000
Lift Station Pump Replace and Rebuild Industrial Park	22,000
Outfall NHC initial report/Outfall Cascade	92,133
Outfall NHC permanent fix - Emergency Fund 20%	200,000
	<b>\$368,933</b>

<b>Total Capital Project Costs 2020</b>	<b>\$6,250,870</b>
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