

VILLAGE OF PEMBERTON

BYLAW No. 943, 2023

A bylaw of the Village of Pemberton respecting the Five (5) Year Financial Plan beginning with the year 2023.

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, 2023.
2. This Bylaw may be cited for all purposes as the "Village of Pemberton 2023-2027 Five (5) Year Financial Plan Bylaw No. 943, 2023."

READ A FIRST TIME this 9th day of May, 2023.

READ A SECOND TIME this 9th day of May, 2023.

READ A THIRD TIME this 9th day of May, 2023.

ADOPTED this 11th day of May, 2023.

Mike Richman
Mayor

Sheena Fraser
Corporate Officer

Village of Pemberton									
Five Year Financial Plan 2023-2027									
Consolidated as at May 2, 2023									
			2022	2023	2024	2025	2026	2027	
			Budget	Budget	Budget	Budget	Budget	Budget	Budget
Revenues:									
	Taxation		2,538,877	3,483,510	4,006,036	4,286,459	4,715,105	4,950,860	
	Water and sewer user rates		2,109,544	2,302,340	2,766,439	2,904,761	3,049,999	3,202,498	
	User charges		2,918,031	2,947,076	3,035,488	3,339,037	3,672,941	4,040,235	
	Penalties and interest income		32,500	23,500	24,205	24,689	25,183	25,687	
	Government transfers:								
	Provincial		5,510,982	6,698,019	10,719,000	1,389,000	4,444,000	1,039,000	
	Federal		119,331	115,900	150,000	200,000	2,650,000		
	Other local governments		1,729,388	2,182,885	2,248,371	2,293,339	2,839,205	2,895,990	
	Investment income		27,860	52,201	53,767	54,842	55,939	57,058	
	Other revenues		418,749	893,185	937,844	956,601	975,733	995,247	
	Collections for other governments		3,582,772	3,611,922	3,720,280	3,794,686	3,870,579	3,947,991	
			18,988,035	22,310,537	27,661,430	19,243,413	26,298,684	21,154,566	
			15,405,263	18,698,614					
Expenditures:									
	General government		3,203,458	3,249,777	3,463,993	3,602,898	3,711,286	3,824,617	
	Fire protection services		896,856	985,691	1,034,975	1,076,374	1,108,665	1,141,925	
	Development and planning services		815,722	812,237	852,849	886,963	913,572	940,979	
	Public works and parks		1,337,626	1,458,424	1,681,346	1,748,599	1,801,057	1,855,089	
	Recreation		1,181,982	1,410,886	1,481,431	1,590,688	1,638,408	1,687,561	
	Water utility		1,036,670	1,004,046	1,054,248	1,096,418	1,129,311	1,163,190	
	Sewer utility		1,002,418	1,036,523	1,088,349	1,131,883	1,165,839	1,200,814	
	Airport services		76,521	89,773	94,261	98,032	100,973	104,002	
	Transfers to other governments		3,582,772	3,611,922	3,720,280	3,869,091	3,985,164	4,104,719	
	Amortization Expense		1,234,067	1,234,068	1,662,953	1,766,388	2,408,280	2,483,383	
			14,368,092	14,893,348	16,134,685	16,867,334	17,962,556	18,506,279	
	Annual Surplus/(Deficit)		4,619,943	7,417,189	11,526,745	2,376,078	8,336,128	2,648,287	
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS									
	Non-cash items included in Annual (Surplus)/ Deficit								
	Amortization on tangible capital assets		(1,234,067)	(1,234,068)	(1,662,953)	(1,766,388)	(2,408,280)	(2,483,383)	
	Cash items NOT included in Annual (Surplus) /Deficit								
	Capital expenditures		7,268,709	9,117,267	12,866,560	3,103,040	19,256,754	2,253,088	
	Loan Proceeds		(345,000)	(345,000)	(500,000)	(500,000)	(9,000,000)	(20,000)	
	Long term debt payments		229,848	258,101	316,572	326,572	526,572	560,000	
	Capital lease payments		210,466	190,690	220,690	291,038	391,038	391,038	
	Transfer to Statutory Reserves		-	1	373,949	523,948	373,946	523,948	
	Transfers from Statutory Reserves		(539,540)	(532,540)	(500,000)	(200,000)	(550,000)	(100,000)	
	Transfers to Non-Statutory Reserves		1,110,949	1,234,336	911,927	947,869	985,035	1,523,595	
	Transfers from Non-Statutory Reserves		(1,203,552)	(888,607)	(500,000)	(350,000)	(1,238,937)		
	Transfers to Unappropriated Surplus		39,198	121,517					
	Transfers from Unappropriated Surplus		(917,069)	(504,502)					
	Financial Plan Balance		(0)	0	(0)	(0)	(0)	0	

**Village of Pemberton
5 Year Financial Plan Bylaw No. 943, 2023
2023 Revenue Policy Disclosure**

- The table below shows the proportion of proposed 2023 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.

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 July 27, 2021. 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 2023	Total Revenue including transfers to other governments	Total Revenue excluding transfers to other governments
	\$ 24,076,683.26	20,464,760.78
Property Taxes	28.27%	15.6%
Parcel Taxes	1.30%	1.5%
User Fees & Charges	21.80%	25.7%
Grants	37.37%	44.0%
DCCs	2.21%	2.6%
Other Revenues	3.93%	4.6%
Proceeds from Borrowing	1.43%	1.7%
Transfers	3.69%	4.3%
	100.00%	100.0%

This Plan includes cost measures and recovery grants that assist with the financial pressures the community faces, and in support of economic recovery, as well as a focus on core service delivery.

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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
Class 1 – Residential	1.00	1.00
Class 2 – Utilities	5.63	3.50
Class 5 – Light Industry	3.40	3.40
Class 6 – Commercial	2.25	2.45
Class 7 – Non-Profit	1.00	1.00
Class 8 – Farm	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 Rate	% of Total Property Assessment Value (\$1,614,334,138)	% of Total Property Tax
Residential (Class 01)	1.1721	65.31%	82.37%
Utilities (Class 02)	6.5933	0.55%	0.12%
Utilities (Class 02) Rural	3.7500	2.33%	0.92%
Light Industry (Class 05)	3.9853	7.46%	2.77%
Business/Commercial (Class 06)	2.6373	24.10%	13.51%
Rec/Non-Profit (Class 08)	1.1721	0.24%	0.30%
Farm (Class 09)	1.1721	0.02%	0.02%
Total		100.00%	100.00%

The 2023 Class 2 (Utility) Rural Tax Rate is 3.75 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.

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

Organization	Municipal Exemption
Municipal Land and Buildings	\$ 4,952.85
BC Conference of Mennonite Brethren (St Davids)	\$ 422.07
Pemberton Childcare Society	\$ 1,500.29
Pemberton Lion's Society	\$ 1,924.59
Stewardship Pemberton	\$ 264.54
Pemberton Search and Rescue	\$ 426.88
Pemberton Legion	\$ 192.22
Total Municipal Revenue Forgone	\$ 9,683.44

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:

http://www.pemberton.ca/media/177127/Permissive_Tax_Exempt_Policy-Jun2013.pdf

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Note 1

General 2023 Assumptions:

- Municipal tax revenues increased by 8% in 2023 with 4% to Capital and 4% to Operating Reserve.
- Non-Market Change (NMC) for 2023 Net General Taxable Values shows an average change in assessment value of 24.85% (NMC 7.22%, Market 17.63%). Some classes show higher change while others show lower change, than the average.
- Frontage tax is calculated on \$3.53 per meter for water and \$5.79 per meter for sewer. Frontage tax is amended based on the retiring or securing of debt.
- 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.
- User fees for water rates in 2023 will show increases compared with 2022 to reflect increases noted in the Water Service Agreement Schedule “C” Rates.
- User fees for sewer have a \$40,000 budget increase in 2023.

General 2023 – 2027 Assumptions:

- A 10% Administration Fee will be charged to individual user requests and tasks.
- Operating costs are increased to reflected ongoing pressures from inflation. Rates increase in 2023, and assumed to increase 5% in 2024, 4% in 2025, 3% in 2026 and 2027. This represents higher than average, and also highlight a gradual return to normal operation while transitioning out of impacts experienced as a result of the COVID – 19 pandemic, including but not limited to supply chain issues and labor challenges.
- Payroll and benefit related costs are projected to increase at a rate of 4% market (non-union) and 2.5% (union) in 2023. Non-union roles additionally include increases resulting from the Salary Review, which impacts roles differently in the organization.
- Union wages increase by 2.75% in in 2024, and non-unionized wages are forecast to increase by market, with the above stated operating costs increases expected to align with non union payroll and benefit cost assumptions.
- 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.
- Transfers to external agencies are forecasted to increase at a rate of 3% in 2024 and 2% per year through 2027.
- Detailed plans for costing of Community Climate Action plan objectives will be introduced and reflected in the 2024-2028 Five Year Financial Plan.

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Recreation Projects					
Fitness Centre Equipment	29,800	31,060	33,040	26,754	43,088
Basketball Court	15,000				
Accessibility Project with Pemberton & District Library	60,000				
Hardscape Landscaping at Youth Centre					
HVAC at Youth Centre					
Soccer Net at Den Duyf Park	15,000				
Capital General - PCC					
Capital Building Plan - PCC					
Capital Building Plan - Youth Centre					
PTO Electric Mower	80,000				
	199,800	31,060	33,040	26,754	43,088
Water Projects					
Scada Improvements	50,000	20,000	20,000		
Fernwood Watermain & PRV Replacement	280,000	274,000			
Leak Detection Device	18,000	-			
Hatch Alarm					
Chlorine Pump Replacement					
Reservoir mixer motor					
Commercial Meters	30,000				
Test Well Exploration	80,000				
Water Treatment Facility	600,000	7,500,000			
Water Feasibility/Water Source			100,000		
Industrial Park Looping			500,000		
McRae Rd Water Main Upsizing	270,000	300,000	300,000		
	1,328,000	8,094,000	920,000	-	-
Sewer Projects					
Village Wide Scada Upgrades	50,000	20,000	20,000		
Outfall Inline Flushing System	10,000				
Variable Frequency Drives	36,000				
Industrial Park Generator	100,000				
Inflow/Infiltration Study		50,000			
Walnut Lift Station Design					
Walnut Lift Station Upgrade	556,000				
Lift Station #1			1,000,000		
UV System Upgrade	20,000				
	772,000	70,000	1,020,000	-	-
Airport Projects					
Tarmac Upgrades- Sealing Crack Surfacing		100,000			
Fencing			150,000		
	-	100,000	150,000	-	-
Total Capital Expenditures	8,021,477	12,866,560	3,103,040	19,256,754	253,088