

VILLAGE OF PEMBERTON

BYLAW No. 811, 2017

A bylaw of the Village of Pemberton respecting the Five Year Financial Plan beginning with the year 2017.

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, 2017.
2. This Bylaw may be cited for all purposes as the "Village of Pemberton Five Year Financial Plan Bylaw No. 811, 2017."

READ A FIRST TIME this 2nd day of May, 2017.

READ A SECOND TIME this 2nd day of May, 2017.

READ A THIRD TIME this 2nd day of May, 2017.

ADOPTED this 4th day of May, 2017.

Mike Richman
Mayor

Sheena Fraser
Corporate Officer

Village of Pemberton

2017 - 2021 Five Year Financial Plan					
	2017	2018	2019	2020	2021
	Budget	Budget	Budget	Budget	Budget
Revenues:					
Taxation	\$ 1,932,042	\$ 2,385,519	\$ 2,413,053	\$ 2,460,303	\$ 2,524,658
Water and sewer user rates	\$ 1,588,090	\$ 1,650,090	\$ 1,712,090	\$ 1,712,090	\$ 1,712,090
User charges	\$ 1,426,401	\$ 1,454,474	\$ 1,483,108	\$ 1,512,315	\$ 1,542,106
Penalties and interest income	\$ 19,279	\$ 19,665	\$ 20,058	\$ 20,459	\$ 20,868
Government transfers:					
Provincial	\$ 1,699,878	\$ 378,000	\$ 3,753,000	\$ 378,000	\$ 378,000
Federal	\$ -	\$ -	\$ -	\$ -	\$ -
Other local governments	\$ 271,095	\$ 248,207	\$ 238,525	\$ 242,890	\$ 247,341
Investment income	\$ 8,727	\$ 8,901	\$ 9,079	\$ 9,261	\$ 9,446
Other revenues	\$ 791,272	\$ 453,123	\$ 254,031	\$ 404,957	\$ 3,380,901
Collections on behalf of other governments	\$ 2,334,224	\$ 2,250,137	\$ 2,250,137	\$ 2,250,137	\$ 2,250,137
	10,071,007	8,848,114	12,133,080	8,990,411	12,065,547
Expenditures:					
General government	2,145,558	2,107,742	2,158,117	2,204,248	2,556,153
Fire protection services	670,590	692,028	702,266	712,710	723,362
Development and planning services	463,090	430,982	439,521	448,232	457,116
Public works and parks	1,155,680	1,153,632	1,293,137	1,320,498	1,348,222
Water utility	937,475	836,496	849,488	862,739	907,506
Sewer utility	967,792	988,021	1,007,810	1,020,856	1,034,163
Airport services	111,768	104,718	113,688	106,677	115,686
Transfers to other governments	2,334,224	2,250,137	2,250,137	2,250,137	2,250,137
	8,786,176	8,563,756	8,814,164	8,926,097	9,392,344
Annual (Surplus) / Deficit	(1,284,831)	(284,359)	(3,318,916)	(64,314)	(2,673,203)
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS					
Non-cash items included in Annual (Surplus)/Deficit					
Amortization on tangible capital assets	858,325	901,075	1,042,275	1,058,975	1,411,925
Cash items NOT included in Annual (Surplus)/Deficit					
Capital expenditures	2,227,573	540,000	5,076,000	196,000	7,546,000
Loan proceeds	0	0	(1,655,000)	0	(4,375,000)
Long term debt payments	205,949	205,949	205,949	205,949	205,949
Capital lease payments	149,579	100,879	82,270	82,270	82,270
Transfers to/(from) Statutory Reserves	0	0	0	0	0
Transfers from Non-Statutory Reserves	(134,468)	(115,000)	(12,649)	(25,551)	(38,711)
Transfers to Non-Statutory Reserves	335,164	453,605	664,621	664,621	664,621
Transfers to/(from) Unappropriated Surplus	(640,642)	0	0	0	0
Financial Plan Balance	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ 0

**Village of Pemberton
5 Year Financial Plan Bylaw No. 811, 2017
2017 Revenue Policy Disclosure**

- The table below shows the proportion of proposed 2017 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 December 18th, 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.

In 2007, Council realized that the creation of a Capital Reserve and Equipment Reserve was prudent to reducing potential tax rate increases and borrowing for future capital projects. As such the Village will endeavor to build up reserves to fund major capital projects. Borrowing will be considered when a capital project will provide benefits to taxpayers over a long period.

Frontage and/or Parcel Taxes are taxes levied for the purpose of paying the debt on the Municipality's Infrastructure, such as the Sewer Treatment Plant and the Well. The rates are reviewed annually to determine if they meet the required debt payment schedule for the upcoming fiscal year. In 2016, amendments were brought forward for the full year payments of the new reservoir and the retirement and subsequent purchase of the new fire truck. Surplus Frontage Taxes were used in 2016 which reduced the taxes levied. 2017 will show a return to the taxes required for the purpose of paying the current year debt.

Revenue Source	% Total Revenue(\$10,325,941) Including Transfers to Other Governments*	% Total Revenue(\$7,991,717) Excluding Transfers to Other Governments
Property Taxes	53.8%	40.3%
Parcel Taxes	2.9%	3.8%
User Fees & Charges	14.1%	18.2%
Grants	19.1%	24.7%
DCCs	0.0%	0.0%
Other Revenues	2.6%	3.4%
Proceeds from Borrowing	0.0%	0.0%
Transfers	7.5%	9.7%
Total	100.0%	100%

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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
6.00	3.50
3.40	3.40
2.25	2.45
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 (\$439,072,642)	% of Total Property Value Tax (\$1,308,160)
Residential (Class 01)	2.1269	82.82%	68.28%
Utilities (Class 02)	12.7613	0.39%	1.91%
Utilities (Class 02) Rural	3.8700	2.52%	3.77%
Light Industry (Class 05)	7.2314	0.48%	1.33%
Business/Commercial (Class 06)	4.7855	12.93%	23.99%
Rec/Non-Profit (Class 08)	2.1269	0.83%	0.69%
Farm (Class 09)	2.1269	0.04%	0.03%
Total		100%	100%

* The 2017 Class 2 (Utility) Rural Tax Rate is 3.87 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
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2017 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	\$5,671
St. David's United Church (Land only)	295
Pemberton Childcare Society	1,610
Pemberton Lion's Society	2,255
Stewardship Pemberton	<u>409</u>
Total Municipal Tax Revenue Forgone	<u><u>\$10,239</u></u>

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

Village of Pemberton
5 Year Financial Plan Bylaw No. 811, 2017
Notes to the Village of Pemberton's
Financial Plan

Note 1

General 2017 Assumptions:

1. Municipal tax revenues increased by 4% in 2017 to provide for an allocation to reserves.
2. The percentage change in overall assessments from 2016 to 2017 is 23.75%; which is made up of new construction assessments of 3.87% and 19.88% in market change.
3. Frontage tax is calculated on \$4.52 per meter for water and \$6.91 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 2017 will be set as per the Kerr Wood Leidal (KWL) Implementation of Water Rates 2014 – 2019 Report under Alternative 1. This report can be found on the Village website at the following link: <http://www.pemberton.ca/municipal-hall/reports-and-publications/>
6. User fees for sewer have a 0% increase in 2017.

General 2017 – 2021 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 reserve allocation by 4% each year for the years 2017, 2018 and 2019.
3. Operating expenses will be increased for inflation by 2% per year.
4. Water rates will be increased by 7% (see number 3 above), while Sewer Rates will be remain the same pending a Sewer Rate Review.
5. 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.

**Village of Pemberton
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Note 2

2017 Capital Projects (\$2,227,573):

Administrative and Financial Services

Community Centre Parcel Tax Expenses (Carryover)	\$5,959
Website	14,460
New Office Server	30,000
White Building Painting	15,000
White Building Reroofing	20,000
	\$85,419

Public Works & Parks

Friendship Trail Bridge	\$1,108,154
Streetlight Conversion	32,597
Soccer Field Project	300,000
Zurcher Park Playground Upgrade	20,000
One Mile Lake Lower Parking and Landscape	20,000
Boardwalk Upgrade	15,000
Holland Tractor Attachment	10,000
Used Vehicle	10,000
	\$1,515,751

Fire Department

Fire Compressor	\$30,000
Fire Hoses and Apparatus	25,000
Fire Exhaust Vent. Stage I	20,000
	\$75,000

Water

Pioneer Waterline	\$35,000
Cross Connection	15,000
PH Water System Phase II	291,648
Ground Penetrating Radar	15,000
	\$356,658

Airport

Cracksealing Grant	\$194,755
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Total Capital Project Costs 2017	\$2,227,583
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