

VILLAGE OF PEMBERTON

BYLAW No. 801, 2016

A bylaw of the Village of Pemberton respecting the Five Year Financial Plan beginning with the year 2016.

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, 2016.
2. This Bylaw may be cited for all purposes as the "Village of Pemberton Five Year Financial Plan Bylaw No. 801, 2016."

READ A FIRST TIME this 19th day of April, 2016.

READ A SECOND TIME this 19th day of April, 2016.

READ A THIRD TIME this 19th day of April, 2016.

ADOPTED this 3rd day of May, 2016.

Mike Richman
Mayor

Sheena Fraser
Corporate Officer

**Village of Pemberton
2016 - 2020 Five Year Financial Plan**

	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Revenues:					
Taxation	1,898,332	2,113,294	2,154,843	2,382,591	2,429,527
Water and sewer user rates	1,538,459	1,623,228	1,709,693	1,797,887	1,887,844
User charges	1,363,263	1,390,528	1,418,338	1,446,706	1,475,640
Penalties and interest income	19,000	19,380	19,768	20,163	20,566
Government transfers:					
Provincial	1,705,980	560,000	571,200	582,624	594,276
Federal	-	-	-	-	-
Other local governments	265,624	270,936	276,355	281,882	287,520
Investment income	6,500	6,630	6,763	6,898	7,036
Other revenues	366,000	500,000	510,000	520,200	530,604
Collections on behalf of other governments	2,349,314	2,396,300	2,444,226	2,493,111	2,542,973
	9,512,472	8,880,296	9,111,186	9,532,062	9,775,986
Expenditures:					
General government	2,347,812	2,404,767	2,452,863	2,585,255	2,646,959
Fire protection services	502,926	512,985	523,244	533,709	544,383
Development and planning services	435,790	444,506	453,396	462,464	471,713
Public works and parks	912,561	932,312	952,459	1,018,174	1,038,538
Water utility	832,777	955,254	974,359	993,846	1,013,723
Sewer utility	941,985	1,230,825	1,256,641	1,281,774	1,307,409
Airport services	173,200	276,664	282,197	287,841	293,598
Transfers to other governments	2,349,314	2,396,300	2,444,226	2,493,111	2,542,973
	8,496,365	9,153,613	9,339,385	9,656,174	9,859,296
Annual Surplus/(Deficit)	1,016,107	(273,317)	(228,199)	(124,112)	(83,310)
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS					
Non-cash items included in Annual (Surplus)/Deficit					
Amortization on tangible capital assets	899,220	910,720	913,420	1,043,420	1,053,420
Cash items NOT included in Annual (Surplus)/Deficit					
Capital expenditures	2,369,485	65,000	27,000	3,900,000	50,000
Loan proceeds	(533,536)	0	0	(3,900,000)	(50,000)
Long term debt payments	205,667	383,377	383,377	568,745	568,745
Capital lease payments	138,000	138,000	138,000	138,000	138,000
Transfers to/(from) Statutory Reserves					
Transfers to/(from) Non-Statutory Reserves	97,790	216,000	270,000	324,000	378,000
Transfers to/(from) Unappropriated Surplus	(362,079)	(164,974)	(133,156)	(111,436)	(114,634)
Financial Plan Balance	0	0	0	0	0

**Village of Pemberton
5 Year Financial Plan Bylaw No. 801, 2016
2016 Revenue Policy Disclosure**

- The table below shows the proportion of proposed 2016 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 2014, amendments were brought forward for the construction of a new sewer line on Poplar Street (2013) and the construction of a new reservoir (2014). A further amendment was brought forward in 2015 to reflect the full year payments for the sewer line and a further amendment will be required in 2016 for the full year payments of the new reservoir.

Revenue Source	% Total Revenue(\$10,508,087) Including Transfers to Other Governments*	% Total Revenue(\$8,158,773) Excluding Transfers to Other Governments
Property Taxes	51.5%	37.5%
Parcel Taxes	3.6%	4.6%
User Fees & Charges	13.2%	17.0%
Grants	18.8%	24.2%
DCCs	0.0%	0.0%
Other Revenues	3.5%	4.5%
Proceeds from Borrowing	5.1%	6.5%
Transfers	4.4%	5.7%
Total	100.0%	100%

*School and Police Taxes were based on the 2016 assessments and 2015 tax rates.

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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
3.50	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.”

The Village falls within this acceptable range.

- 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, and as a result are not included in the table below.

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

Property Class	Village Multiples	% of Total Property Assessment Value (\$439,072,642)	% of Total Property Value Tax (\$1,308,160)
Residential (Class 01)	1.00	83.44%	68.95%
*Utilities (Class 02)	3.50	0.26%	1.26%
Light Industry (Class 05)	3.40	0.56%	1.56%
Business/Commercial (Class 06)	2.25	14.73%	27.39%
Rec/Non-Profit (Class 08)	1.00	0.93%	0.77%
Farm (Class 09)	1.00	0.08%	0.07%
Total		100%	100%

**Village of Pemberton
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2016 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	\$6,591
St. David's United Church (Land only)	313
Pemberton Childcare Society	1,871
Pemberton Lion's Society	2,587
Stewardship Pemberton	<u>465</u>
Total Municipal Tax Revenue Forgone	<u><u>\$11,827</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. 801, 2016
Notes to the Village of Pemberton's
Financial Plan

Note 1

General 2016 Assumptions:

1. Municipal tax revenues increased by 2% in 2016 to provide for an allocation to reserves.
2. The percentage change in overall assessments from 2015 to 2016 is 6.20%; which is made up of new construction assessments of 0.88% and 5.32% in market change.
3. Frontage tax is calculated on \$1.37 per meter for water and \$4.32 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 2016 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 2016.

General 2016 – 2020 Assumptions:

1. A 10% Administration Fee will be charged to individual user requests and tasks.
2. General Municipal Property Taxes will be increased for inflation by 2% per year.
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 increased for inflation by 2% per year (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

2016 Capital Projects (\$2,569,485):

Administrative and Financial Services

Community Centre Parcel Tax Expenses (Carryover)	\$9,459
Website	30,000
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	\$39,459

Public Works & Parks

Friendship Trail Bridge	\$1,143,490
Streetlight Conversion	35,000
Train Station Roof Repairs	25,000
One Mike Lake Parking Lot Upgrades	8,000
One Mile Lake Boardwalk Upgrades	15,000
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	\$1,226,490

Fire Department

New Fire Truck	\$533,536
FireHall Renovations	25,000
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	\$558,536

Water

Water Conditioning System	\$425,000
Cedar Lane Water Line Upgrade	20,000
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	\$445,000

Airport

Cracksealing	\$100,000
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Total Capital Project Costs 2016	<u><u>\$2,369,485</u></u>
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