

VILLAGE OF PEMBERTON

BYLAW No. 762, 2014

A bylaw of the Village of Pemberton respecting the Five Year Financial Plan beginning with the year 2014.

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, 2014.
2. This Bylaw may be cited for all purposes as the "Village of Pemberton Five Year Financial Plan Bylaw No. 762, 2014."

READ A FIRST TIME this 6th day of May, 2014.

READ A SECOND TIME this 6th day of May, 2014.

READ A THIRD TIME this 6th day of May, 2014.

ADOPTED this 13th day of May, 2014.

Alan LeBlanc
Acting Mayor

Sheena Fraser
Corporate Officer

Village of Pemberton

2014 - 2018 Five Year Financial Plan

as at May 6, 2014

	2014 Budget	2015 Budget	2016 Budget	2017 Budget	2018 Budget
Revenues:					
Taxation	1,937,610	2,272,362	2,313,809	2,586,085	2,633,807
Water and sewer user rates	1,435,919	1,464,637	1,493,930	1,523,809	1,554,285
User charges	817,738	834,093	850,775	867,790	885,146
Penalties and interest income	18,000	18,360	18,727	19,102	19,484
Government transfers:					
Provincial	981,205	250,000	250,000	250,000	250,000
Federal	0	0	370,000		
Other local governments	235,124	239,826	244,623	249,515	254,506
Investment income	6,500	6,630	6,763	6,898	7,036
Other revenues	1,017,801	108,870	108,870	103,511	103,511
Development Cost Charges	0	100,000		0	0
Collections on behalf of other governments	2,323,072	2,369,533	2,416,924	2,465,262	2,514,567
	8,772,968	7,664,311	8,074,420	8,071,972	8,222,341
	10,153,275				
Expenditures:					
General government	1,597,024	1,678,964	1,862,544	1,899,795	1,937,790
Fire protection services	450,696	459,710	468,904	478,282	487,848
Development and planning services	412,121	420,363	428,771	437,346	446,093
Public works and parks	873,749	891,224	909,048	927,229	945,774
Water utility	768,820	784,196	799,880	815,878	832,195
Sewer utility	931,009	949,629	968,622	987,994	1,007,754
Airport services	133,200	135,864	138,581	141,353	144,180
Transfers to other governments	2,323,072	2,369,533	2,416,924	2,465,262	2,514,567
	7,489,690	7,689,484	7,993,274	8,153,139	8,316,202
Annual Surplus/(Deficit)	1,283,278	(25,173)	81,146	(81,168)	(93,861)
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS					
Non-cash items included in Annual (Surplus)/Deficit					
Amortization on tangible capital assets	(674,978)	(892,378)	(908,258)	(1,066,858)	(1,069,458)
Cash items NOT included in Annual (Surplus)/Deficit					
Capital expenditures	3,059,547	5,435,000	397,000	3,965,000	65,000
Loan Proceeds	(1,250,000)	(5,250,000)		(3,900,000)	0
Long term debt payments	162,792	462,792	462,792	692,792	692,792
Capital lease payments	116,224	116,224	116,224	116,224	116,224
Transfers to/(from) Statutory Reserves					
Parkland Acquisition Funds	0	0	0	0	0
Transfers to/(from) Non-Statutory Reserves	(184,307)			0	0
Transfers to/(from) Unappropriated Surplus	54,000	103,189	13,388	111,675	101,582
Financial Plan Balance	0	0	0	0	0

**Village of Pemberton
5 Year Financial Plan Bylaw No. 762, 2014
2014 Revenue Policy Disclosure**

- The table below shows the proportion of proposed 2014 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).

Revenue Source	% Total Revenue(\$10,153,275) *Including Transfers to Other Governments	% Total Revenue (\$8,772,968) Excluding Transfers to Other Governments
Property Taxes	52.6%	38.5%
Parcel Taxes	3.5%	4.6%
User Fees & Charges	8.3%	10.8%
Grants	12.0%	15.5%
DCCs	0.0%	0.0%
Other Revenues	10.0%	13.0%
Proceeds from Borrowing	12.3%	16.0%
Transfers	1.3%	1.7%
Total	100.0%	100%

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2. a) The Provincial Class Multiples are established by the Provincial Government by British Columbia Regulations 426/203 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:

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 (\$400,197,257)	% of Total Property Value Tax (\$1,247,992)
Residential (Class 01)	1.00	82.96%	67.82%
*Utilities (Class 02)	3.50	0.43%	2.13%
Light Industry (Class 05)	3.40	0.55%	1.53%
Business/Commercial (Class 06)	2.25	15.06%	27.70%
Rec/Non-Profit (Class 08)	1.00	0.90%	0.73%
Farm (Class 09)	1.00	0.09%	0.08%
Total		100%	100%

**Village of Pemberton
5 Year Financial Plan Bylaw No. 762, 2014
2013 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	\$8,649
*St. David's United Church (Land only)	334
Pemberton Childcare Society	1,986
Pemberton Lion's Society	5,491
Stewardship Pemberton	476
 Total Municipal Tax Revenue Forgone	 \$16,936

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. 762, 2014
Notes to the Village of Pemberton's
Financial Plan

Note 1

General 2014 Assumptions:

1. Municipal tax revenues increased by 1% in 2014.
2. The Community Centre Parcel Tax has decreased from \$150/parcel to \$73.30/parcel in 2014.
3. User fees for water have yet to be established by Bylaw. Further review and determination as to which Alternative of the Kerr Wood Leidal (KWL) Implementation of Water Rates 2014 – 2019 Report, the Village will implement is required. This review provided two Alternatives; for the purposes of the 2014 fiscal year, rates have been estimated based on Alternative 2. This report can be found on the Village website at the following link: <http://www.pemberton.ca/municipal-hall/reports-and-publications/>
4. User fees for sewer have a 0% increase in 2014.
5. One additional position in the Administrative and Financial Services Department has been added.

General 2015 – 2018 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 for the years 2014 to 2018.
3. Operating expenses will be increased for inflation by 2% per year for the years 2014 to 2018.
4. Water rates will be increased by 7% (see number 3 above), while Sewer Rates will be increased for inflation by 2% per year for the years 2014 to 2018 (pending a Sewer Rate Review).
5. There are no new construction assessments for 2014.
6. The average percentage change in assessments from 2013 to 2014 is 0.05%.
7. 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.
8. Frontage tax is calculated on \$4.09 per meter for water and \$8.16 per meter for sewer. Frontage tax is amended based on the retiring or securing of debt.
9. 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.

**Village of Pemberton
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Notes to the Village of Pemberton's
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Note 2

2014 Capital Projects (\$3,059,547):

Administrative and Financial Services

Community Centre Parcel Tax Expenses	\$100,000
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Development Services

Recreation Site Investigation/Prep	50,000
Downtown Barn	375,000
	425,000

Public Works & Parks

Friendship Trail Bridge	1,185,155
BMX Park Upgrades	43,000
Disc Golf	1,852
TD Green Streets Trees & Landscaping	44,540
HVAC - 1350 Aster Street	20,000
	1,294,547

Water

New Reservoir	1,200,000
Well #2 Rejuvenation	40,000
	1,240,000

Total Project Costs 2014 - 2018	<u>\$3,059,547</u>
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