

VILLAGE OF PEMBERTON

BYLAW No. 727, 2013

A Bylaw of the Village of Pemberton respecting the Five Year Financial Plan beginning with the year 2013.

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, 2013.
2. This Bylaw may be cited for all purposes as "Village of Pemberton Five Year Financial Plan Bylaw No. 727, 2013."

READ A FIRST TIME this 16th day of April, 2013.

READ A SECOND TIME this 16th day of April, 2013.

READ A THIRD TIME this 16th day of April, 2013.

ADOPTED this 7th day of May, 2013.

Mayor

Corporate Officer

Village of Pemberton
2013 - 2017 Five Year Financial Plan
as at April 16, 2013

	2013	2014	2015	2016	2017
	Budget	Budget	Budget	Budget	Budget
Revenues:					
Taxation	1,968,216	2,003,580	2,039,651	2,076,444	2,113,973
Water and sewer user rates	1,334,943	1,361,642	1,388,875	1,416,652	1,444,985
User charges	957,395	976,542	996,073	1,015,995	1,036,315
Penalties and interest income	15,000	15,300	15,606	15,918	16,236
Government transfers:					
Provincial	1,523,706	316,000	557,100	494,200	250,000
Federal	46,496	0	0	0	0
Other local governments	244,245	249,130	254,112	259,195	264,379
Investment income	8,500	8,670	8,843	9,020	9,201
Other revenues	534,886	110,999	108,870	108,870	103,511
Collections on behalf of other governments	2,319,208	2,365,592	2,412,904	2,461,162	2,510,385
	8,952,593	7,407,454	7,782,035	7,857,456	7,748,985
Expenditures:					
General government	1,795,054	1,830,955	1,867,574	1,904,926	1,943,024
Fire protection services	441,695	450,529	459,539	468,730	478,105
Development and planning services	466,912	476,250	485,775	495,491	505,401
Public works and parks	908,831	927,008	945,548	964,459	983,748
Water utility	701,626	715,658	729,971	744,571	759,462
Sewer utility	802,771	818,826	835,202	851,907	868,945
Airport services	175,048	178,549	182,120	185,762	189,477
Transfers to other governments	2,319,208	2,365,592	2,412,904	2,461,162	2,510,385
	7,611,144	7,763,366	7,918,634	8,077,006	8,238,547
Annual Surplus/(Deficit)	1,341,450	(355,912)	(136,599)	(219,551)	(489,562)
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS					
Non-cash items included in Annual (Surplus)/Deficit					
Amortization on tangible capital assets	(660,000)	(664,000)	(681,200)	(762,480)	(764,480)
Cash items NOT included in Annual (Surplus)/Deficit					
Capital expenditures	3,794,300	100,000	430,000	2,032,000	50,000
Loan Proceeds	(1,528,000)	0	0	(1,712,900)	0
Long term debt payments	165,714	165,714	165,714	165,714	165,714
Capital lease payments	59,204	59,204	59,204	59,204	59,204
Transfers to/(from) Statutory Reserves					
Parkland Acquisition Funds	0	0	0	0	0
Development Cost Charges	(122,000)	(16,830)	(62,271)	(62,271)	0
Transfers to/(from) Non-Statutory Reserves	(150,000)	0	(48,046)	61,182	0
Transfers to/(from) Unappropriated Surplus	(217,768)	0	0	0	0
Financial Plan Balance	-	-	-	-	-

**Village of Pemberton
5 Year Financial Plan Bylaw No. 727, 2013
2013 Revenue Policy Disclosure**

- The table below shows the proportion of proposed 2013 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 continue 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.

Revenue Source	% Total Revenue(\$10,970,362) *Including Transfers to Other Governments	% Total Revenue (\$8,604,770) Excluding Transfers to Other Governments
Property Taxes	48.0%	34.0%
Parcel Taxes	3.3%	4.2%
User Fees & Charges	8.9%	11.3%
Grants	16.5%	21.0%
DCCs	1.1%	1.4%
Other Revenues	4.9%	6.2%
Proceeds from Borrowing	13.9%	17.7%
Transfers	3.4%	4.3%
Total	100%	100%

*School and Police Taxes have not been received and are based on 2012 requisition and 2013 assessments.

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2. The Village follows the Ministry's Provincial Class Multiples established by British Columbia Regulations 426/203 and 439/2003 shown below.

In addition, the Ministry also sets a ceiling for the maximum allowable rate for class 02. 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.

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

Property Class	Multiples	% of Total Property Assessment Value (\$413,370,347)	% of Total Property Value Tax (\$1,230,323)
Residential (Class 01)	1.00	80.51%	65.56%
Utilities (Class 02)	3.50	3.57%	6.09%
Light Industry (Class 05)	3.40	0.53%	1.45%
Business/Commercial (Class 06)	2.25	14.44%	26.11%
Rec/Non-Profit (Class 08)	1.00	0.87%	0.73%
Farm (Class 09)	1.00	0.08%	0.06%
Total		100%	100%

**Village of Pemberton
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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:

Municipal Buildings:	\$ 8,317
*St. David's United Church:	320
**Pemberton Childcare Society:	4,366
Stewardship Pemberton:	461
**Pemberton Lion's Society:	<u>5,428</u>
Total Municipal Revenue Forgone:	<u>\$18,892</u>

*Land only

**Subject to application and approval

These exemptions follow the requirements of Council's Permissive Exemption Policy adopted in 2006.

Permissive Tax Exemption Policy:

Council will support local organizations through permissive tax exemptions as provided under the *Community Charter*.

In reviewing the request for permissive exemptions, Council Members should ensure:

1. The use is consistent with Municipal policies, plans, bylaws, codes and regulations. This will ensure the goals, policies, and general operating principles of the Municipality as a whole are reflected in the organizations that receive Municipal support.
2. Exemptions are not given to services that are otherwise provided on a private, for profit basis. This would provide an unfair competitive advantage.
3. The services provided by the organization should be an extension of Municipal services and programs and must fall under the responsibility of local government. Senior government program costs must not be transferred to property taxpayers, as this would represent double taxation and an inequitable tax burden.
4. Primarily Village of Pemberton residents should use the services and the organization's regulations must allow all Pemberton residents to participate.
5. The taxation burden resulting from the exemption must be a justifiable expense to the taxpayers of the Village of Pemberton. The sources of Municipal revenue are limited and request for exemption must be considered in concert with other needs of the Municipality.

**Village of Pemberton
5 Year Financial Plan Bylaw No. 727, 2013
Notes to the Village of Pemberton's
Financial Plan**

Note 1

General 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 2013 to 2017.
3. Water and Sewer rates will be increased for inflation by 2% per year for the years 2014 – 2017.
4. There are new construction assessments of \$657,900 for 2013.
5. The average percentage change in assessments from 2012 to 2013 is -4.52%.
6. Operating expenses will increase by 2% each year.
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 \$4.05 per meter for water and \$8.11 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. Only those properties that did not choose to commute their cost will be levied.
10. Municipal tax revenues increased by 2% in 2013.
11. User fees for water and sewer did not increase in 2013.

**Village of Pemberton
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Note 2

2013 Capital Projects (\$3,794,300):

Administrative and Financial Services

IT Infrastructure Upgrades \$41,000

Development Services

Expedition Streetlighting 90,000

Disc Golf 8,770

Public Works

Friendship Trail Bridge 1,200,000

Charging Stations 12,834

BMX Park Upgrades 77,975

Bus Shelter Project 6,500

New Equipment (Lawnmower & Bobcat) 35,000

Train Station Upgrades 75,721

One Mile Lake Upgrades 39,000

Sewer

Poplar Street Sewer Line Upgrades 1,000,000

Water

New Reservoir 1,200,000

Airport

AWOS III Fencing 7,500

\$3,794,300