

VILLAGE OF PEMBERTON

BYLAW No. 700, 2012

A Bylaw of the Village of Pemberton respecting the Five Year Financial Plan beginning with the year 2012.

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, 2012.
2. This Bylaw may be cited for all purposes as "Village of Pemberton Five Year Financial Plan Bylaw No. 700, 2012."

READ A FIRST TIME this 1st day of May, 2012.

READ A SECOND TIME this 1st day of May, 2012.

READ A THIRD TIME this 1st day of May, 2012.

ADOPTED this 8th day of May, 2012.

Mayor

Corporate Officer

Village of Pemberton
Five Year Financial Plan - 2012 to 2016
as at May 1, 2012

	2012	2013	2014	2015	2016
	Budget	Budget	Budget	Budget	Budget
Revenues:					
Taxation	1,667,095	1,680,037	1,713,638	1,747,910	1,782,869
Water and sewer user rates	1,353,903	1,380,981	1,408,601	1,436,773	1,465,508
User charges	751,686	766,720	782,054	797,695	813,649
Penalties and interest income	123,000	125,460	127,969	130,529	133,139
Government transfers:					
Provincial	981,200	249,206	449,205	250,000	250,000
Federal	0			590,000	
Other local governments	220,669	201,112	205,135	209,237	213,422
Investment income	8,500	8,670	8,843	9,020	9,201
Other revenues	106,735	108,870	111,047	113,268	115,533
Collections for other governments	2,122,693	2,165,147	2,208,450	2,252,619	2,297,671
	7,315,481	6,686,203	7,014,942	7,537,051	7,080,992
Expenditures:					
General government	1,624,082	1,652,193	1,680,305	1,708,417	1,781,195
Fire protection services	402,315	410,361	418,569	426,940	435,479
Development and planning services	464,054	473,335	482,802	492,458	502,307
Public works and parks	933,118	951,780	970,816	990,232	1,010,037
Water utility	668,273	715,868	729,262	755,656	767,250
Sewer utility	813,742	824,737	841,482	852,476	863,471
Airport services	161,093	162,545	163,997	165,449	166,901
Transfers to other governments	2,122,693	2,165,147	2,208,450	2,252,619	2,297,671
	7,189,370	7,355,967	7,495,681	7,644,247	7,824,311
Annual Surplus/(Deficit)	126,111	(669,764)	(480,740)	(107,195)	(743,318)
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS					
Non-cash items included in Annual (Surplus)/Deficit					
Amortization on tangible capital assets	(659,569)	(695,569)	(703,119)	(717,919)	(762,586)
Cash items NOT included in Annual (Surplus)/Deficit					
Capital expenditures	1,427,185	1,800,000	320,000	740,000	1,650,000
Loan Proceeds	(168,000)	(1,800,000)		(150,000)	(1,650,000)
Long term debt payments	145,691				
Capital lease payments	54,304				
Transfers to/(from) Statutory Reserves					
Parkland Acquisition Funds	(143,155)				
Development Cost Charges	(260,345)		(30,000)		
Transfers to/(from) Non-Statutory Reserves	(250,000)	46,206	(46,812)	41,948	40,917
Transfers to/(from) Unappropriated Surplus					
Financial Plan Balance	-	-	-	-	-

**Village of Pemberton
5 Year Financial Plan Bylaw No. 700, 2012
2012 Revenue Policy Disclosure**

- The table below shows the proportion of proposed 2012 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 is updated on an as need basis, with the last amendment being March 2008. 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(\$8,156,981) *Including Transfers to Other Governments	% Total Revenue (\$6,034,288) Excluding Transfers to Other Governments
Property Taxes	42.2%	21.9%
Parcel Taxes	5.7%	5.7%
User Fees & Charges	27.4%	31.3%
Grants	14.7%	19.9%
DCCs	3.2%	4.3%
Other Revenues	1.3%	1.8%
Proceeds from Borrowing	2.1%	2.8%
Transfers	4.8%	6.5%
Total	100%	100%

*School and Police Taxes have not been received and are based on 2011 requisition and 2012 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 (\$432,959,743)	% of Total Property Value Tax (\$1,213,188)
Residential (Class 01)	1.00	80.83%	65.77%
Utilities (Class 02)	3.50	3.46%	5.99%
Light Industry (Class 05)	3.40	0.49%	1.35%
Business/Commercial (Class 06)	2.25	14.26%	26.11%
Rec/Non-Profit (Class 08)	1.00	0.89%	0.71%
Farm (Class 09)	1.00	0.08%	0.06%
Total		100%	100%

**Village of Pemberton
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2012 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 Buildings:	\$ 7,549
St. David's United Church:	498
Pemberton Childcare Society:	3,748
Stewardship Pemberton:	397
Pemberton Lion's Society:	<u>1,910</u>
 Total Municipal Revenue Forgone:	 <u>\$14,101</u>

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. 700, 2012
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 2012 to 2016.
3. There are new construction assessments of \$\$3,756,390 for 2012.
4. There are additional assessments of \$27,628,126, resulting from the boundary extension, for 2012.
5. The average percentage change in assessments from 2011 to 2012 is -5.07% (excluding boundary extension assessments).
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 4% in 2012
11. User fees for water and sewer increased 3% in 2012.

**Village of Pemberton
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Note 2

2012 Capital Projects (\$1,427,185):

• Administration	
- IT Infrastructure	17,450
- Land Acquisition (Train Station)	285,000
• Public Works	
- Bus Shelter Project (Lighting and Benches)	8,000
- Skateboard Park (Landscaping & Irrigation)	29,800
- Bike Park Works	15,000
• Fire Department	
- New Truck	120,000
• Development	
- Disc Golf Course	8,900
• Water	
- Reservoir 2 nd Transducer Installation	10,000
- Museum Water Service	18,000
• Sewer	
- Cottonwood to Hwy 99 sewer line upgrade	840,000
• Airport	
- AWOS III (Completion)	75,035
Total	<u>\$1,427,185</u>