

VILLAGE OF PEMBERTON

BY-LAW NO. 632, 2009

Being a Bylaw of the Village of Pemberton respecting the Five Year Financial Plan beginning with the year 2009.

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, 2009.
2. This Bylaw may be cited for all purposes as "Village of Pemberton Five Year Financial Plan Bylaw No. 632, 2009".

READ A FIRST TIME this 7th day of April, 2009.

READ A SECOND TIME this 7th day of April, 2009.

READ A THIRD TIME this 7th day of April, 2009.

RECONSIDERED, FINALLY PASSED AND ADOPTED this 21st day of April, 2009.

Mayor

Administrator

VILLAGE OF PEMBERTON

Five Year Financial Plan 2009 - 2013

as at April 7, 2009

	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget
Revenue:					
Taxation	\$ 1,386,408	\$ 1,616,515	\$ 1,653,526	\$ 1,769,281	\$ 1,808,546
Grants in lieu of taxation	46,041	47,422	48,845	50,310	51,820
Fees, rates and service fees	336,498	345,152	354,065	383,595	441,589
Grants	2,467,500	678,333	365,000	365,000	2,365,000
Licences and permits	66,425	68,418	70,470	72,584	74,762
Investment income	4,000	4,120	4,244	4,371	4,502
Interest and penalties on taxes	95,000	97,850	100,786	103,809	106,923
Water user rates	487,960	516,504	516,658	516,817	516,981
Sewer user rates	547,000	566,150	566,305	566,464	566,628
Airport Revenue	27,374	28,195	29,041	29,913	30,810
Collections for other governments	1,911,011	1,968,341	2,027,391	2,088,213	2,150,859
Contributions and Other	498,401	121,757	264,953	435,606	163,344
Development cost charges	70,000	136,594	50,000	50,000	50,000
	7,943,618	6,195,351	6,051,284	6,435,963	8,331,765
Expenditures:					
General government	630,775	649,699	669,190	689,265	709,943
Protective services	392,164	403,928	416,046	428,528	441,384
Public works	331,680	341,631	351,880	362,436	373,309
Planning and development	162,651	120,369	123,980	127,700	131,531
Community services	108,558	111,815	115,169	118,624	122,183
Parks and cultural services	232,000	120,360	123,820	127,385	131,057
Water utility	397,980	409,919	422,217	434,883	447,930
Sewer utility	405,860	462,586	514,663	507,103	519,916
Airport expenditures	698,078	60,850	62,676	64,556	66,493
Debt interest charges	258,580	269,212	274,085	344,965	430,848
Capital expenditures	2,243,107	720,000	400,000	1,505,000	4,050,000
Transfer to other governments	1,911,011	1,968,341	2,027,391	2,088,213	2,150,859
	7,772,443	5,638,709	5,501,117	6,798,658	9,575,452
Net operating activity	171,176	556,642	550,167	(362,695)	(1,243,688)
Proceeds received from issuance of debt	250,000	0	0	1,000,000	1,750,000
Reduction in long-term debt	(171,850)	(187,850)	(187,850)	(251,183)	(342,850)
Capital expenditures through capital lease obligations	(26,000)	(140,000)	(110,000)	(300,000)	
Repayment of obligations under capital lease	(46,367)	(81,034)	(103,034)	(133,034)	(126,813)
Transfer from/to surplus	(176,960)	(147,759)	(149,283)	46,911	(36,649)
Increase (decrease) in financial equity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Village of Pemberton
5 Year Financial Plan Bylaw No. 632, 2009
2009 Revenue Policy Disclosure

- The table below shows the proportion of proposed 2009 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 when needed, 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 our new Sewer Treatment Plant and our New 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 (\$8,193,618) Including Transfers to Other Governments*	% Total Revenue (\$6,282,607) Excluding Transfers to Other Governments
Property Taxes	48.65%	33.02%
Parcel Taxes	4.72%	6.20%
User Fees & Charges	7.39%	9.60%
Grants	30.11%	39.27%
Other Revenues	6.08%	7.93%
Proceeds from Borrowing	3.05%	3.98%
Total	100%	100%

*Requisitions have not yet been received; therefore, this is an estimate based on last year's tax rate with the revised roll's assessment.

**Village of Pemberton
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2009 Revenue Policy Disclosure**

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 Value Tax (\$971,665)	% of Total Property Assessment Value (\$367,473,099)
Residential (Class 01)	1.00	62.61%	80.57%
Utilities (Class 02)	3.50	1.08%	0.23%
Light Industry (Class 05)	3.40	1.62%	0.61%
Business/Commercial (Class 06)	2.45	34.21%	17.97%
Rec/Non-Profit (Class 08)	1.00	0.47%	0.61%
Farm (Class 09)	1.00	0.01%	0.01%
Total		100%	100%

There has been discussion with regard to shifting a component of the commercial multiple rate to the other multiple rates. At this time, Council has not made a decision in this respect or on the percentage of shift.

Village of Pemberton
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2009 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:	\$8,774.75
St. David's United Church:	499.32
Pemberton Childcare Society:	<u>1,573.98</u>
Total Municipal Revenue Forgone:	\$10,118.08

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. 632, 2009
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 3% per year for the years 2009 to 2013. For the 2009, BC Assessment has implemented an assessment freeze and has offered the following explanation:

In light of recent global economic events, the provincial government has taken steps to provide new stability for homeowners concerned about fluctuating property values.

For the 2009 Property Assessment Roll only, BC Assessment will be providing property owners with the market value of properties as of both July 1, 2007 and July 1, 2008. The lower of these two values will become the 2009 assessed value for most properties.
3. There is no new construction for 2009.
4. Operating expenses will increase by 3% each year.
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.
6. The Industrial Park parcel taxes will 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.
7. User fees for water increased for 2009, however, have not increased over the remainder of Financial Plan 2009 -2013 term. Sewer rates have remained unchanged.

Note 2

2009 Capital Projects (\$2,904,107):

• Works Equipment	
- Flail Mower Attachment	\$6,000
- New Sander Hopper	20,000
• Parks	
- Pemberton Creek Bridge (completion)	120,000
• Development	
- Skateboard Park & Bike Park	345,000
• Water	
- New Well (completion)	666,107
- Water Looping	600,000
- Water Metering	500,000
• Sewer	
- New Sludge Bin for Sewer Treatment Plant	12,000
• Airport	
- Environmental, Archeological and Economic Study	500,000
- AWOS III Project	<u>120,000</u>
Total	\$2,889,107