

VILLAGE OF PEMBERTON
BYLAW No. 891, 2020
Five Year Financial Plan Amendment

Being a Bylaw of the Village of Pemberton amending the Five Year Financial Plan beginning with the year 2020.

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 2020-2024 Five Year Financial Plan established with the year ended December 31, 2020.
2. This Bylaw may be cited for all purposes as "Village of Pemberton 2020-2024 Five (5) Year Financial Plan Amendment Bylaw No.891, 2020".

READ A FIRST TIME this 17th day of November, 2020.

READ A SECOND TIME this 17th day of November, 2020.

READ A THIRD TIME this 17th day of November, 2020.

PASSED AND ADOPTED this 17th day of November, 2020.

Mike Richman
Mayor

Sheena Fraser
Corporate Officer

**Village of Pemberton
Five (5) Year Financial Plan Amendment Bylaw No.891, 2020
2020 Revenue Policy Disclosure**

Schedule A

Village of Pemberton						
Consolidated 2020 - 2024	2019 Budget Prior Year	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Revenues:						
Taxation	2,220,877	2,280,892	3,144,841	3,120,819	3,401,199	3,564,087
Water and sewer user rates	1,776,090	1,866,090	1,906,090	1,946,090	1,986,090	2,027,538
User charges	1,965,890	2,552,125	2,552,405	2,688,049	2,814,140	2,920,867
Penalties and interest income	24,354	30,000	30,300	30,606	30,918	31,236
Government transfers:						
Provincial	5,481,658	4,735,836	534,661	417,794	426,090	434,552
Federal	-	2,000	2,000	2,000	2,000	2,000
Other local governments	1,077,516	1,788,214	1,497,623	1,446,093	1,603,546	1,691,069
Investment income	23,055	23,860	24,327	24,804	25,290	25,786
Other revenues	322,528	742,548	219,945	920,503	321,073	5,621,654
Collections on behalf of other governments	2,481,520	2,971,629	3,031,062	3,091,683	3,153,516	3,216,587
	15,373,488	16,993,195	12,943,253	13,688,440	13,763,862	19,535,375
Expenditures:						
General government	2,442,688	2,320,838	2,642,582	2,696,547	2,831,039	2,931,382
General Amortization	633,241	763,369	736,215	880,872	904,436	891,895
Fire protection services	680,366	694,397	707,753	807,141	953,479	1,064,617
Development and planning services	604,913	667,633	698,310	722,277	681,644	699,251
Public works and parks	1,140,171	1,163,646	1,230,679	1,131,613	1,174,794	1,202,170
Recreation	782,121	1,305,213	1,319,831	1,346,016	1,372,727	1,399,976
Water utility	845,473	913,902	893,075	942,217	985,155	1,019,617
Water Amortization	144,789	160,089	165,089	172,935	175,935	285,935
Sewer utility	795,504	873,291	910,380	956,760	998,799	1,032,091
Sewer Amortization	266,827	275,339	278,339	284,339	288,339	288,339
Airport services	58,802	65,637	68,385	73,757	78,516	82,061
Airport Amortization	54,423	54,423	54,423	54,423	54,423	54,423
Transfers to other governments	2,481,520	2,971,629	3,031,062	3,091,683	3,153,516	3,216,587
	10,930,838	12,229,404	12,736,122	13,160,580	13,652,803	14,168,344
Annual (Surplus) / Deficit	(4,442,650)	(4,763,791)	(207,131)	(527,860)	(111,058)	(5,367,030)
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS						
Non-cash items included in Annual (Surplus)/Deficit						
Amortization on tangible capital assets	(1,099,280)	(1,253,220)	(1,234,067)	(1,392,569)	(1,423,133)	(1,520,592)
Cash items NOT included in Annual (Surplus)/Deficit						
Capital expenditures	6,068,175	6,382,320	900,125	9,228,300	1,559,116	5,709,948
Loan proceeds	(54,900)	(320,516)	(140,000)	(8,250,000)	(600,000)	-
Long term debt payments	217,263	217,923	218,216	218,430	364,193	374,693
Capital Equipment payments	130,807	167,410	155,018	115,200	149,076	132,225
Transfers from Statutory Reserves	(50,000)	(532,540)	-	(100,000)	-	-
Transfer to Statutory Reserves		987,000				
Transfers from Non-Statutory Reserves	(745,880)	(577,526)	(611,060)	(305,766)	(1,098,679)	(614,136)
Transfers to Non-Statutory Reserves	757,590	845,207	918,900	1,014,264	1,160,485	1,284,891
Transfers to/(from) Unappropriated Surplus	(781,125)	(1,152,267)	-	-	-	-
Financial Plan Balance	0	(0)	-	-	-	-
General Fund (Surplus) / Deficit	0	(0.00)	(0.00)	0.00	(0.00)	0.00
Water Fund (Surplus) / Deficit	-	-	-	-	-	-
Sewer Fund (Surplus) / Deficit	-	(0.00)	-	-	-	-
Airport Fund (Surplus) / Deficit	-	(0.00)	(0.00)	0.00	-	0.00
	0	(0.00)	(0.00)	0.00	(0.00)	0.00
	(0)	0.00	0.00	(0.00)	0.00	(0.00)

**Village of Pemberton
Five (5) Year Financial Plan Amendment Bylaw No.891, 2020
2020 Revenue Policy Disclosure**

The development of the 2020 – 2024 Five Year Financial Plan was completed during the onset of the COVID-19 Pandemic. The Village of Pemberton and its government partners monitor and continue to assess the impact of COVID-19 on our community and local government operations and finances. This Plan was amended to include cost measures that could assist the financial pressures the community faces, to support the economic recovery, as well as to focus on core service delivery. The Village will continue to work with our Federal and Provincial partners to support a coordinated response to COVID-19.

1. The table below shows the proportion of proposed 2020 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, and 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.

Parcel Taxes are taxes levied for the purpose of paying the debt on the Municipality’s Water and Sewer Infrastructure. The rates are reviewed annually to determine if they meet the required debt payment schedule for the upcoming fiscal year. Parcel Taxes are reviewed annually and updated in accordance with the Community Charter Sec. 204.

Revenue Sources 2020	% Total Revenue(\$18,423,777) Including Transfers to Other Governments*	% Total Revenue(\$15,452,148) Excluding Transfers to Other Governments
Property Taxes	37.2%	25.1%
Parcel Taxes	1.6%	1.9%
User Fees & Charges	13.9%	16.5%
Grants	35.4%	42.2%
DCCs	2.9%	3.4%
Other Revenues	4.2%	5.0%
Proceeds from Borrowing	1.7%	2.1%
Transfers	3.1%	3.7%
Total	100.0%	100%

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2. a) The Provincial Class Multiples are established by the Provincial Government by British Columbia Regulations 426/2003 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
Class 1 - Residential	1.00	1.00
Class 2 - Utilities	5.63	3.50
Class 5 – Light Industry	3.40	3.40
Class 6 - Commercial	2.25	2.45
Class 7 – Non Profit	1.00	1.00
Class 8 - Farm	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.”

- 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.

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

Property Class	Municipal Tax Rates	% of Total Property Assessment Value (\$943,301,365)	% of Total Property Tax
Residential (Class 01)	1.5707	83.22%	67.8%
Utilities (Class 02)	8.8354	0.17%	0.8%
Utilities (Class 02) Rural	3.9400	1.51%	3.1%
Light Industry (Class 05)	5.3405	1.15%	3.2%
Business/Commercial (Class 06)	3.5341	13.51%	24.8%
Rec/Non-Profit (Class 08)	1.5707	0.40%	0.3%
Farm (Class 09)	1.5707	0.04%	0.0%
Total		100%	100%

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* The 2020 Class 2 (Utility) Rural Tax Rate is 3.94 per each \$1,000 of actual value of property. This rate is set each year as per Sections 5 and 6 of the Taxation (Rural Area) Act Regulation, BC Reg. 387/82 as per Order in Council No. 165 (2011) Village Boundary Extension.

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	\$4,932
BC Conference of Mennonite Brethren	\$435
Pemberton Childcare Society	\$1,161
Pemberton Lion's Society	\$1,775
Stewardship Pemberton	\$314
Pemberton Search and Rescue	\$421
	<hr/>
Total Municipal Tax Revenue Forgone	<u><u>\$9,226</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*.

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

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General 2020 Assumptions:

1. Municipal tax revenues increased by 0% in 2020 to provide assistance to the impact of COVID uncertainty.
2. The change in overall assessment value from 2019 to 2020 is 8.33%; which is made up of new construction assessments of 5.34% and 2.99% in market change.
3. Frontage tax is calculated on \$4.36 per meter for water and \$6.67 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 2020 will stay the same.
6. User fees for sewer have a \$40,000 budget increase in 2020 for a new Sewer Capital Reserve.

General 2020 – 2024 Assumptions:

1. A 10% Administration Fee will be charged to individual user requests and tasks.
2. General Reserve allocation increases will resume in 2021 and be increased by \$54,000 each year for the years 2021 – 2024 as part of an Asset Management Plan.
3. Operating costs will increase at annual rates ranging from a low of 2% to 5%, depending on the nature of the expenditure, with the majority set to a 2% CPI increase.
4. Payroll and benefit related costs are projected to increase at a rate of 2% to 5% per year, reflecting anticipated settlements under the Village's collective bargaining agreements, corresponding increases for non-union staff, escalations in benefit costs and other staffing adjustments.
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. Transfers to external agencies are forecasted to increase at a rate of 2% per 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.

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2020 – 2024 Capital Expenditures:

	2020	2021	2022	2023	2024
Admin Department					
Bylaw Truck		40,000			
White Building Paint and Roof Repair		55,000			
E Charging Station			20,000		
Municipal Hall			2,000,000		
Total Admin Department	-	95,000	2,020,000	-	-
Fire Department					
SCBA Replacements	7,500				
Portable Radios, New Recruits	8,232				
IPAD for Engine 1	2,800				
Rope Rescue Training Materials	3,000				
Fire hall Design	20,000				
SCBA Replacements		7,500	7,500	7,500	7,500
Equipment		10,000	10,000	10,000	10,000
Capital Building			6,250,000		
New Fire Truck				900,000	
Used Fire Truck					150,000
Total Fire Department	41,532	17,500	6,267,500	917,500	167,500
Public Works & Parks					
PW Washroom Phase I	25,000				
Farm Road E Trail (Funded)	306,000				
Tiyata Area Sidewalk (Funded)	76,000				
Downtown Enhancements Final (MFA Funded)	300,000				
Soccer Field II (only if funded)	4,224,405				
Farm Road East Paving (DCC)	217,000				
One Mile Lake Swingset (only if funded)	50,000				
PW Equipment		100,000		150,000	
PW Washroom Phase II		45,000			
Boardwalk		150,000			
Frontier Drainage			100,000		
PW Building				100,000	
Total PW/Parks Department	5,198,405	295,000	100,000	250,000	-
Water (Reserves)					
Well 4 Construct	168,000				
**Standby Generator	192,000				
Fencing for Reservoir (Benchlands)	45,000				
Chlorine Booster Pump	60,000				
Water Truck w/crane	60,000				
Water Feasibility		100,000			
Fernwood Watermain		150,000			
Water Well Design			500,000		
AC Line Trailer Park				150,000	
Gen Set					500,000
New Well					5,000,000
Total Water Department	525,000	250,000	500,000	150,000	5,500,000
Sewer (Reserves)					
Air Valves (2019 Project)	50,000				
Scada/ 9 Lift Stations/ Software + Radio	50,000				
Confined Space Winch (2019 Project)	11,500				
Outfall NHC initial report/Outfall Cascade	92,133				
Outfall NHC permanent fix - Emergency Fund 20%	200,000				
Liftstation Pump Replace and Rebuild Industrial Park	22,000				
Inflow/Infiltration Study		50,000			
Walnut Lift Station		100,000			
Frontier Drainage			100,000		
Liftstation #1 Move			200,000		
Inflow/Infiltration Repair				200,000	
Total Sewer Department	425,633	150,000	300,000	200,000	-
Total Capital Expenditures	6,190,570	807,500	9,187,500	1,517,500	5,667,500