

VILLAGE OF PEMBERTON

BYLAW No. 827, 2018

A bylaw of the Village of Pemberton respecting the Five Year Financial Plan beginning with the year 2018.

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, 2018.
2. This Bylaw may be cited for all purposes as the "Village of Pemberton Five Year Financial Plan Bylaw No. 827, 2018."

READ A FIRST TIME this 24th day of April, 2018.

READ A SECOND TIME this 24th day of April, 2018

READ A THIRD TIME this 24th day of April, 2018.

ADOPTED this 10th day of May, 2018.

Mike Richman
Mayor

Sheena Fraser
Corporate Officer

Village of Pemberton

Village of Pemberton					
2018 - 2022 Five Year Financial Plan					
	2018	2019	2020	2021	2022
	Budget	Budget	Budget	Budget	Budget
Revenues:					
Taxation	2,015,259	2,991,010	2,924,516	2,971,586	3,095,615
Water and sewer user rates	1,682,091	1,736,089	1,736,089	1,736,089	1,746,798
User charges	1,576,620	1,606,097	1,636,164	1,666,832	1,698,114
Penalties and interest income	16,640	16,973	17,312	17,659	18,012
Government transfers:					
Provincial	1,815,825	5,408,000	378,000	378,000	398,000
Federal	-	-	-	-	-
Other local governments	365,870	426,930	334,607	296,382	350,327
Investment income	7,320	5,846	4,373	4,461	4,550
Other revenues	450,741	234,361	60,394	61,447	3,187,521
Collections on behalf of other governments	2,398,058	2,319,929	2,319,929	2,319,929	2,319,929
	10,328,424	14,745,237	9,411,385	9,452,385	12,818,866
Expenditures:					
General government	2,309,315	2,262,880	2,430,353	2,470,891	2,726,679
Fire protection services	615,274	638,109	657,647	671,405	800,138
Development and planning services	593,556	642,017	573,177	584,561	596,172
Public works and parks	1,254,709	1,435,387	1,375,418	1,390,751	1,419,934
Water utility	961,025	859,550	852,719	933,651	947,351
Sewer utility	986,606	1,008,046	1,020,934	1,034,080	1,051,489
Airport services	110,425	111,655	112,909	114,189	115,493
Transfers to other governments	2,398,058	2,319,929	2,319,929	2,319,929	2,319,929
	9,228,969	9,277,573	9,343,086	9,519,456	9,977,186
Annual (Surplus) / Deficit	(1,099,455)	(5,467,664)	(68,299)	67,071	(2,841,680)
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS					
Non-cash items included in Annual (Surplus)/Deficit					
Amortization on tangible capital assets	855,616	1,062,616	1,130,283	1,162,783	1,408,616
Cash items NOT included in Annual (Surplus)/Deficit					
Capital expenditures	2,517,260	5,856,000	2,260,000	1,275,000	6,920,000
Loan proceeds	(120,000)	(300,000)	(2,250,000)	(1,250,000)	(3,125,000)
Long term debt payments	212,270	225,806	247,613	273,887	339,572
Capital lease payments	144,507	143,235	185,273	165,273	122,498
Transfers to/(from) Statutory Reserves	(121,456)	-	-	-	(100,000)
Transfers from Non-Statutory Reserves	(644,339)	(220,000)	(12,807)	(89,645)	(627,971)
Transfers to Non-Statutory Reserves	601,038	825,241	768,503	721,197	721,197
Transfers to/(from) Unappropriated Surplus	(634,209)	-	-	-	-
Financial Plan Balance	0	0	(0)	(0)	0
General Fund (Surplus) / Deficit	0	0	(0)	(0)	0
Water Fund (Surplus) / Deficit	-	-	-	-	-
Sewer Fund (Surplus) / Deficit	-	-	-	-	-
Airport Fund (Surplus) / Deficit	-	-	-	-	-
	0	0	(0)	(0)	0

**Village of Pemberton
5 Year Financial Plan Bylaw No. 827, 2018
2018 Revenue Policy Disclosure**

- The table below shows the proportion of proposed 2018 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 2018, amendments were brought forward for the addition of new parcels to the parcel tax roll.

Revenue Sources 2018	% Total Revenue(\$11,214,219) Including Transfers to Other Governments*	% Total Revenue(\$8,816,161) Excluding Transfers to Other Governments
Property Taxes	51.7%	38.5%
Parcel Taxes	2.7%	3.4%
User Fees & Charges	14.3%	18.2%
Grants	19.5%	24.7%
DCCs	1.1%	1.4%
Other Revenues	4.0%	5.1%
Proceeds from Borrowing	1.1%	1.4%
Transfers	5.7%	7.3%
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
1.00	1.00
5.63	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.”

- 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 (\$686,317,918)	% of Total Property Tax
Residential (Class 01)	1.8836	83.93%	70.06%
Utilities (Class 02)	10.5951	0.20%	0.92%
Utilities (Class 02) Rural	3.8700	2.05%	3.51%
Light Industry (Class 05)	6.4042	0.41%	1.16%
Business/Commercial (Class 06)	4.2380	12.60%	23.67%
Rec/Non-Profit (Class 08)	1.8836	0.77%	0.64%
Farm (Class 09)	1.8836	0.05%	0.04%
Total		100%	100%

* The 2018 Class 2 (Utility) Rural Tax Rate is 3.93 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.

Village of Pemberton
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2018 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	\$5,374
St. David's United Church (Land only)	466
Pemberton Childcare Society	1,413
Pemberton Lion's Society	3,106
Stewardship Pemberton	368
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Total Municipal Tax Revenue Forgone	<u><u>\$10,726</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*.

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. 827, 2018
Notes to the Village of Pemberton's
Financial Plan

Note 1

General 2018 Assumptions:

1. Municipal tax revenues increased by 4.45% (\$62,735) in 2018 to provide for additional allocations to reserves and contract operations.
2. The change in overall assessment value from 2017 to 2018 is 21.93%; which is made up of new construction assessments of 3.46% and 18.47% 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 2018 will be set as per the Kerr Wood Leidal (KWL) Implementation of Water Rates 2014 – 2019 Report under Alternative 1. This report can be found on the Village website at the following link: <http://www.pemberton.ca/municipal-hall/reports-and-publications/>
6. User fees for sewer have a \$40,000 budget increase in 2018 for a new Sewer Capital Reserve.

General 2018 – 2022 Assumptions:

1. A 10% Administration Fee will be charged to individual user requests and tasks.
2. General Municipal Property Taxes will be increased for a road reserve allocation by 4% each year for the years 2019 and 2020
3. General Operating expenses will be increased for inflation by 2% per year.
4. Water rates will be increased by 7% (see number 3 above) up to 2019, and will be reassessed in 2020.
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.

**Village of Pemberton
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Note 2

2018 Capital Projects (\$2,552,154):

Administrative and Financial Services

Admin/ Development Vehicle	\$30,000
Bylaw Vehicle	30,000
New Office Server (reserves)	30,000
	\$90,000

Public Works & Parks

Friendship Trail Bridge	\$1,108,154
Downtown Enhancement Grant Design & Engineering	300,000
Soccer Field Grant	300,000
Zurcher Park Playground Upgrade	35,000
New Park Land Purchase	300,000
Installation of New Hydrants	20,000
Pemberton Farm Road East Paving	100,000
	\$2,163,154

Fire Department

Wireless System upgrade	\$3,000
Office Improvement	30,000
Fire Exhaust Ventilation	60,000
New Duty Truck	60,000
SCBA Equipment Grant	38,000
	\$191,000

Water

Pioneer Waterline Upgrade	\$43,000
Surge Tanks	15,000
	\$58,000

Sewer

Air Valves	\$50,000
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Total Capital Project Costs 2018	\$2,552,154
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