

VILLAGE OF PEMBERTON

BYLAW No. 857, 2019

A bylaw of the Village of Pemberton respecting the Five Year Financial Plan beginning with the year 2019.

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, 2019.
2. This Bylaw may be cited for all purposes as the "Village of Pemberton 2019-2023 5 Year Financial Plan Bylaw No. 857 2019."

READ A FIRST TIME this 2nd day of April, 2019.

READ A SECOND TIME this 2nd day of April, 2019.

READ A THIRD TIME this 2nd day of April, 2019.

ADOPTED this 16th day of April, 2019.

Mike Richman
Mayor

Sheena Fraser
Corporate Officer

**Village of Pemberton
5 Year Financial Plan Bylaw No. 857, 2019
2019-2023 Consolidated Statement of Operations**

Village of Pemberton					
Statement of Operation ending December 31					
Consolidated	2019	2020	2021	2022	2023
	Budget	Budget	Budget	Budget	Budget
Revenues:					
Taxation	2,220,877	3,161,034	3,210,362	3,409,152	3,505,721
Water and sewer user rates	1,776,090	1,850,022	1,933,375	2,018,016	2,103,985
User charges	2,026,485	2,183,174	2,185,978	2,240,290	2,296,157
Penalties and interest income	24,354	24,414	24,476	24,540	24,605
Government transfers:					
Provincial	5,488,240	383,000	1,704,803	383,000	383,000
Federal	1,160	2,000	2,000	2,000	2,000
Other local governments	1,177,186	5,133,117	1,555,318	1,623,932	1,660,284
Investment income	23,033	26,150	27,119	28,229	29,598
Other revenues	325,502	825,160	119,013	1,204,889	95,787
Collections on behalf of other governments	2,481,520	2,555,966	2,632,645	2,711,624	2,792,973
	15,544,447	16,144,037	13,395,088	13,645,672	12,894,110
Expenditures:					
General government	3,045,483	3,048,942	3,091,692	3,132,364	3,112,328
Fire protection services	680,366	726,196	743,750	959,871	978,335
Development and planning services	604,913	601,612	607,110	608,073	614,515
Public works and parks	1,140,171	1,271,510	1,164,493	1,195,548	1,219,388
Recreation	790,653	1,385,084	1,369,440	1,392,248	1,416,050
Water utility	987,302	897,488	918,380	937,743	950,532
Sewer utility	1,062,331	1,090,702	1,112,950	1,135,865	1,159,468
Airport services	113,225	114,989	84,248	86,119	88,047
Transfers to other governments	2,481,520	2,555,966	2,632,645	2,711,624	2,792,973
	10,905,964	11,692,489	11,724,708	12,159,456	12,331,635
Annual (Surplus) / Deficit	(4,638,483)	(4,451,548)	(1,670,380)	(1,486,216)	(562,475)
ADJUSTMENTS REQUIRED TO BALANCE FINANCIAL PLAN TO CONFORM WITH LEGISLATIVE REQUIREMENTS					
Non-cash items included in Annual (Surplus)/Deficit					
Amortization on tangible capital assets	(1,065,874)	(1,177,055)	(1,121,862)	(1,095,372)	(1,007,617)
Cash items NOT included in Annual (Surplus)/Deficit					
Capital expenditures	6,038,812	5,800,404	3,764,302	7,562,500	992,501
Loan proceeds	(44,442)	(1,020,000)	(2,100,000)	(6,250,000)	(400,000)
Long term debt payments	217,263	225,945	226,242	226,544	343,531
Capital Equipment payments	257,039	348,808	353,145	297,405	242,136
Transfers to/from Statutory Reserves	(50,000)	(315,540)	-	(100,000)	-
Transfers from Non-Statutory Reserves	(745,880)	(200,000)	(250,000)	-	(500,000)
Transfers to Non-Statutory Reserves	812,690	788,987	798,553	845,140	891,924
Transfers to/(from) Unappropriated Surplus	(781,125)	-	-	-	-
Financial Plan Balance	0	0	(0)	0	(0)

**Village of Pemberton
5 Year Financial Plan Bylaw No. 857, 2019
2019 Revenue Policy Disclosure**

1. The table below shows the proportion of proposed 2019 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 (SLRD, School Tax, Police Tax, MFA, BCAA).*

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 and annual consumer price index (CPI) increase. 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.

In June of 2019, the Village of Pemberton will become the primary manager of Recreation Services (PVUS). Revenue sources for these services will not change and continue to be a combination of taxes, grants and user fees, from the Village of Pemberton and Electoral Area C of the Squamish-Lillooet Regional District (SLRD).

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 Bylaw was prudent to reducing potential tax rate increases and borrowing for future capital projects. Since that time, Council has also committed General Reserve Allocations for asset renewal for Roads, Water and Sewer. 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 2019, amendments were brought forward to the Parcel Tax Review Panel for the addition of new parcels to the parcel tax roll.

Revenue Sources 2019	% Total Revenue (\$16,384,769) Including Transfers to Other Governments*	% Total Revenue (\$13,903,249) Excluding Transfers to Other Governments
Property Taxes	35.9%	24.4%
User Fees & Charges	23.2%	27.4%
Grants	33.5%	39.5%
DCCs	0.3%	0.4%
Other Revenues	2.3%	2.7%
Proceeds from Borrowing	0.3%	0.3%
Reserve Transfers	4.6%	5.4%
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 (\$871,996,895)	% of Total Property Tax
Residential (Class 01)	1.6107	81.12%	64.81%
Utilities (Class 02)	9.0599	0.18%	0.80%
Utilities (Class 02) Rural	3.9300	1.62%	3.15%
Light Industry (Class 05)	5.4762	1.27%	3.44%
Business/Commercial (Class 06)	3.6240	15.18%	27.29%
Rec/Non-Profit (Class 08)	1.6107	0.59%	0.47%
Farm (Class 09)	1.6107	0.04%	0.03%
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.

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2019 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	\$5,074
United Church (Land only)	454
Pemberton Childcare Society	1,214
Pemberton Lion's Society	1,777
Stewardship Pemberton	324
Pemberton Search and Rescue	176
Total Municipal Tax Revenue Forgone	<u><u>\$9,018</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
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Notes to the Village of Pemberton's
Financial Plan

Note 1

General 2019 Assumptions:

1. Municipal tax revenues increased by 6.32% (\$92,583) in 2019 to provide for the addition of the new Provincial Employer Health Tax (EHT) and a one-time contingent legal liability.
2. The change in overall assessment value from 2018 to 2019 is 27%; which is made up of new construction assessments of 7.13% and 19.87% in market change.
3. Frontage tax is calculated on \$3.884 per meter for water and \$5.875 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 2019 for a new Sewer Capital Reserve.

General 2019-2023 Assumptions:

1. A 10% Administration Fee will be charged to individual user requests and tasks.
2. Capital Reserves will continue as part of an Asset Management Plan for future capital expenditures and to reduce future debt financing as infrastructure retires.
3. General Operating expenses will be increased for inflation by 3% per year as set by the BC CPI index at December 31st.
4. Water rates will be increased by 7% (see number 3 above) in 2019, and will be reassessed for 2020. Sewer Rates will be increased by \$40,000 in order to build a sewer reserve for future capital expenditures.
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

2019 Capital Projects:

Administrative and Financial Services

Vadim Upgrade	\$2,150
Computer Workstation Upgrades (4)	8,000
Website Upgrades	30,000
Emergency Operations Grant	27,045
Municipal Hall Office/Fire Upgrades	5,000
Economic Development Strategy	25,000
Senior Housing Needs Grant	10,000
Rural Dividend Grant (SLRD, Chamber of Commerce)	125,000
Municipal Hall Design Plan	10,000
	\$242,195

Development

Hillside Development Standards Guidelines	\$5,000
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Public Works & Parks

PW Building Washroom	\$30,000
Bike BC Cycling Network Grant	15,000
Train Station Washroom upgrade	5,000
Crab Apple Tree Replacement and Grant	30,000
Pemberton Sign upgrade	3,000
Snow Blower Skid Steer	7,000
Friendship Trail Connector	25,000
Summer Student Grant	12,000
Asset Management Phase II	55,000
Downtown Enhancement	5,871,200
	\$6,053,200

Fire Department

SCBA Tank upgrades	\$7,500
Rope Rescue Equipment	10,000
Radio Repeater	5,000
Fire Extinguisher Training Equipment	16,000
AED (3)	10,000
	\$48,500

Water

Hydrant Replacement	\$20,000
Backup Genset	100,000
Cross Connection Control Valves	10,000
Water Rates Study	20,000

\$150,000

Sewer

Confined Space Program	\$3,000
Scada Computer	20,000
Outfall Cleaning	10,000
Lift Station Scada (2)	8,000
Environmental Monitoring Program	12,000

\$53,000

Total Capital Project Costs 2019

\$6,551,895