
VILLAGE OF VALEMOUNT FIVE YEAR BUDGET 2023-2027

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Note: as updated information is received, figures may change prior to adoption of the bylaw.

The Budget Process



Public Consultation

Prior to adopting the financial plan, a local government must undergo a public consultation. The level is not defined, and may include opportunity for citizens to review, comment and pose questions regarding the financial plan at a local government meeting.

The consultation period for this Financial Plan (2023-2027) is April 5-19, 2023. All comments must be received prior to April 19, 2023 at 12:00pm.

Local Government Financial Budgeting

Financial budgeting is a planning tool that enhances local government accountability and service delivery, and sets out their legal expenditure authority. Legislation establishes requirements and deadlines for adoption of financial plans, and a local government may amend its plan during the year for unexpected expenditures.

Legislated Requirements

Local governments must annually adopt a financial plan in accordance with the *Local Government Act* and the *Community Charter*. The planning period for the financial plan must include the current fiscal year and the next four fiscal years (five year plan). At a minimum, the plan must include:

- Proposed expenditures (operating, capital, interest and principal payment on debt), funding sources (for example: taxes, fees, grants, new borrowing and debenture debt), and transfers to and from reserve funds and surplus.
- Objectives and policies for the fiscal year regarding distribution of funding sources, the distribution of property taxes amongst various property classes, and the use of any permissive tax exemptions.

A local government must not budget for a deficit (planned expenditures and transfers to funds cannot exceed planned revenues, transfers from funds, and other cash contributions). However, if actual expenditures and net transfers from the previous year exceed that year's revenues and contributions, the resulting deficiency must be carried forward to the current year's financial plan as an expenditure.

Municipalities must adopt their financial plans before they adopt their annual tax rate bylaws (which must be adopted before May 15 each year).

The Budget Process



Proposed Finances

Proposed expenditures for local government may include the amounts required:

- To pay interest and principal on debt
- For capital purpose
- To cover a prior year deficiency
- For other purposes (all other expenditures that do not fall into one of the prescribed categories)

Proposed revenue sources may include:

- Property taxes
- Parcel taxes
- Fees and charges
- Grants and transfers
- Development cost charges
- Borrowing and liabilities
- Interest earned on investments



Proposed transfers between funds may include the:

- Amount to be transferred to and from each reserve fund
- Aggregate amount to be transferred to and from accumulated surplus

Limit on Expenditures

The financial plan establishes a local government's expense authority. Thus, a local government cannot make an expenditure that is not included in the financial plan. If an unexpected expenditure arises in the year, the financial plan must be amended prior to the expenditure taking place. This amendment requires the local government to undergo public consultation prior to adopting the amendments.

Emergency Expenditures

If an emergency expenditure arises that was not contemplated in the financial plan, a local government may make an expenditure for the emergency but must, as soon as practicable, amend the financial plan to include the expenditure and the funding source for the expenditure.

A local government should have established procedures to authorize an emergency expenditure and provide a report for such an expenditure to the municipal council at a regular meeting.

COUNCIL STRATEGIC PRIORITIES



Strategic planning allows council to identify priorities that will ensure delivery of services for current and future needs. This document will provide the foundation for staff to monitor progress towards council's desired outcomes and budget accordingly.



Council discussions revolved around the overall safety and diversification of the community.



2023 BUDETED PROJECTS



COVID 19 Safe Restart Remaining

Transportation Master Plan	-\$46,000
Council Chamber Audio Upgrades	-\$20,000

Other Grants

Transportation Master Plan	-\$54,000
Cranberry Marsh Trail Enhancement	-\$150,000
Way Finding Signage	-\$20,000
Public Gathering Infrastructure	-\$150,000
Hwy 5 and Ash St Development Study	-\$50,000
Gorse St Municipal Building Study	-\$55,000
Fire Smart Initiatives	-\$150,000

Utility Fees

Ground Water Study	-\$240,000
Climate Change Considerations	-\$20,000
Misting Station	-\$30,000
Park Irrigation	-\$20,000

Taxation/Surplus/Reserves

Museum Operations	-\$5,000
Bylaw Enhancements	-\$10,000
Park Fencing	-\$50,000

BUDGETED PROJECTS



COUNCIL CHAMBER AUDIO VISUAL ENHANCEMENTS

We plan on adding screens and speakers in the council chamber that would allow for better remote, and in person, viewing of council and other meetings.

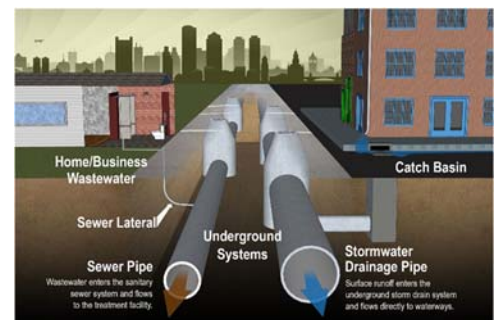


PUBLIC GATHERING PLACE

There is interest in creating more outdoor community spaces such as a covered pavilion where vendors, artists and the broader community can gather.

PUBLIC HWY 5 & ASH STREET DEVELOPMENT

We want to see vacant lots infilled and continued growth within the municipal boundaries. To support that we need to plan additional services (water, sewer) to the area west of Highway 5 and other large vacant lands such as the municipal land near Ash Street and the 13th avenue.



BUDGETED PROJECTS



GORSE ST AREA, PUBLIC BUILDINGS

We have buildings that have served the community for many years and we need to start thinking about what these spaces will be in the future and whether that means upgrades or new buildings (the previous Municipal Office, Community Hall and Public Works yard as example).

To do this we need to start looking at grants, plans and the communities' vision for these spaces.



CLIMATE CHANGE

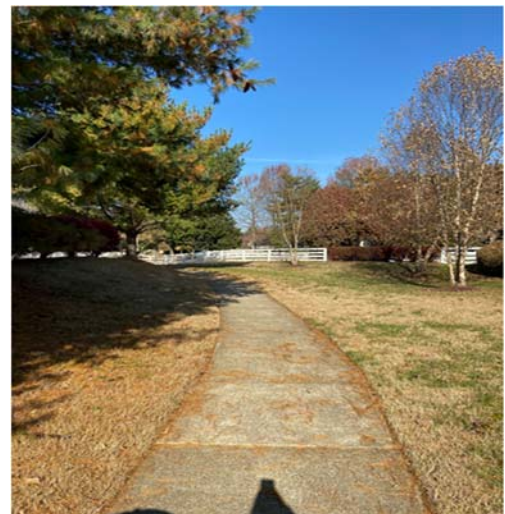
Seasons are becoming less predictable with higher highs and lower lows. We need to look at our operations and ask how we anticipate this to impact the community in the coming years.

TRANSPORTATION (TRAIL) PLAN

More trails!

We want to enhance the Villages active transportation Infrastructure to make the community more walkable, age friendly and accessible.

Staff have been working with Urban systems on the development of a trail and park master plan which will include future public input on what is needed.



BUDGETED PROJECTS



GROUND WATER

Swift Creek is the Villages primary source of water. We want to ensure that there are multiple, long term, sources of water for the community. The Village is working to explore the feasibility of ground water wells as a supplement to the current municipal water system.

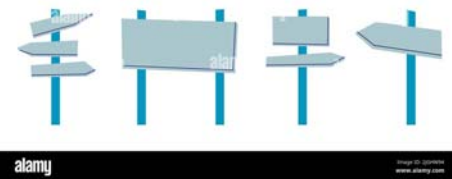


MISTING STATION

When the new self cleaning washrooms were installed, the previous (home made) misting station needed to be removed. As part of freshening up Centennial Park the Village plans to include a purpose built misting station that will be better able to conserve water and help us all to beat the summer heat.

Way Finding Signage

The Village plans on adding signage to help attract visitors to all of the great places Valemount has to offer.



BUDGETED PROJECTS



FIRE SMART

We want to be ready for anything. The Village is looking to continue partnerships with local agencies to work

toward a Fire Smart, or similar, designation for the Village of Valemount as a sign that we are on the right path.



PARK FENCING

We want everyone to be able to enjoy the outdoors year round. In order to prevent overlap at existing spaces staff are suggesting that another fenced in area be provided as Valemount first designated dog park. The costs are initially being budgeted from surplus, but the Village continues to review in-kind and granting opportunities.

MUSEUM OPERATIONS

With Council approval, Village staff has been working with the Valemount Historic Society to partner in the operations of our local Museum. The Village will be responsible for daily operations while the board will continue to oversee the archives. Together, focusing on our strengths, we think the museum can take on an even bigger role in the community.



BUDGETED PROJECTS



CRANBERRY MARSH TRAIL ENHANCEMENTS

Wouldn't it be nice to walk all the way around Cranberry Marsh on the beautiful trail system? We want to work to complete the trail and add more, signage and information.



PARK IRRIGATION

As part of freshening up Centennial Park, and to free up Public Works for other tasks, the Village would like to add irrigation to Centennial Park.

BYLAW ENHANCEMENTS

We hear the complaints about speeding and traffic within the Village. We want to look at what tools Bylaw has available to help deal with these issues - more signs, looking at traffic patterns and temporary speed bumps are a few of the ways that we hope to continue working toward better compliance.



BC Assessment Process



Where does BC Assessment get property information?

Over time, BC Assessment has collected information about each property in British Columbia from many sources, including: the province, your municipality, site visits, and even homeowners. These include:

- Building permits
- Land title office
- Real estate transactions
- Property owner initiated updates
- Requests sent to property owners
- A visit to the property
- Aerial and street-front imagery



How does BC Assessment determine property values?

Your assessment is based on the market value of your property as of July 1st of the previous year. When determining the assessed value, the appraisers consider your property's unique characteristics, including:

- The location of the home
- The view from the home
- The size of the home
- Garages, carports, decks, pools, etc.
- Comparable sales prices and other real estate market information

BC Assessment appraisers also considers recent sales of properties with similar characteristics to your property.

Why is my assessment based on market value?

Market Value Assessment is widely considered the fairest system for distributing the property tax burden. In any tax area, properties of equal value contribute the same tax. Higher-value properties will contribute more. Assessment Search is available for you to compare your property with recent sales and assessments of similar properties in your neighborhood.



Your Tax Bill Based on 2022 Average Residential Assessment



PREVIOUS ASSESSMENT		CURRENT ASSESSMENT	
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
Residential Improvements	167,000	Residential Land	75,800
Residential Land	66,000	Residential Improvements	192,000
TOTAL ASSESSMENT	233,000	TOTAL ASSESSMENT	267,800
		EXEMPT	0
		TAXABLE	267,800
EDUCATION TAXES		TAX RATE	% OF TOTAL
Basic School - Residential		0.001924900	23.38926
TOTAL 2022 EDUCATION TAXES			515.49
SUB TOTAL 2022 TAXES			515.49
MUNICIPAL AND OTHER TAXES		TAX RATE	% OF TOTAL
B.C. Assessment Auth. - Residential		0.000034900	0.42424
General Municipal - Residential		0.003064889	37.24115
Municipal Finance Auth. - Residential		0.000000200	0.00272
Policing - Residential		0.000229800	2.79225
Regional District - Residential		0.002287491	27.79497
Regional Hospital - Residential		0.000687631	8.35541
TOTAL 2022 MUNICIPAL AND OTHER TAXES			1,688.47
ADDITIONAL SCHOOL TAXES			0.00
SUB TOTAL 2022 TAXES			2,203.96
LOCAL IMPROVEMENTS		YEARS	EXP
WTP Parcel Tax		20	2028
TOTAL 2022 LOCAL IMPROVEMENTS			95.11
TOTAL 2022 TAXES			2,299.07
CURRENT OUTSTANDING (including interest)			0.00
TOTAL CURRENT TAXES PAYABLE FOR 2022			2,299.07
PLEASE PAY THIS AMOUNT IF PAYING AFTER JULY 4, 2022			2,528.98

Total Assessment - Your total property tax assessment is determined by BC Assessment.

The Village then applies the approved tax rates to your property's assessed value.

Taxes Collected for Other Agencies - The Village collects and forwards taxes for other agencies such as the School District, Policing, Regional District of Fraser-Fort George and Fraser-Fort George Regional Hospital. The Village does not keep any portion of these taxes.

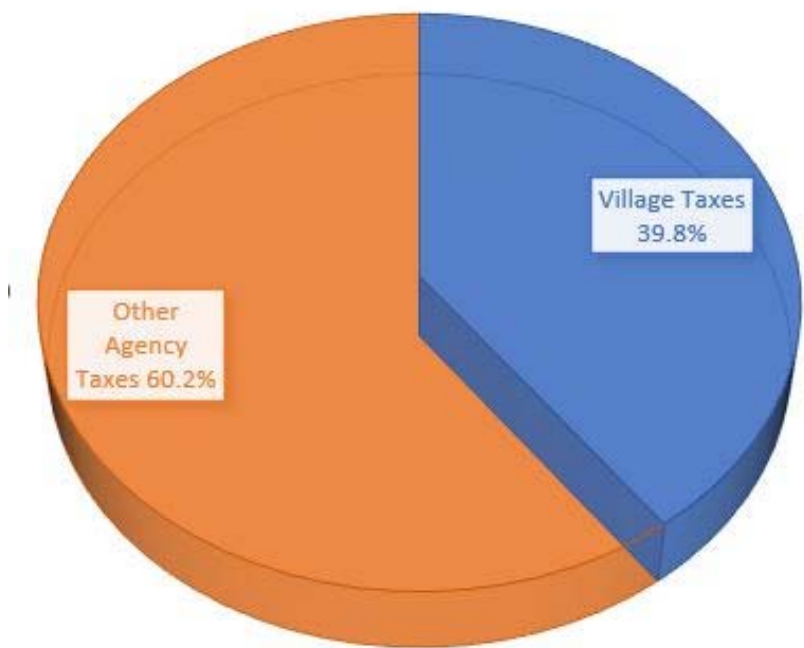
Municipal Taxes - The Village collects taxes to cover the necessary costs of general operations.

Your Tax Bill

Based on 2022 Average Residential Assessment



TAXES COLLECTED



The Village of Valemount collects taxes for both the municipality and a number of other governing agencies, such as the Regional District of Fraser-Fort George, the Regional Hospital District, and Schools. Of the total property tax you pay, 39.8% is applied directly to municipal services. The balance and majority of property taxes collected, 60.2%, are collected on behalf of and transferred to other taxing authorities.

Provincial legislation sets out very detailed regulations of municipal taxation.

Taxes Collected for other agencies	60.2%
TOTAL	\$1,383.18
Basic School	\$515.49
BC Assessment	\$9.35
Municipal Finance Authority	\$.06
Policing	\$61.54
RDDFG	\$612.59
Hospital	\$184.15

Village Taxes	39.8%
TOTAL	\$915.89
General Municipal	\$820.78
Water Treatment Plant Loan	\$95.11

Tax Increases



Council has approved a 5.5% tax increase for the 2023 Five Year Financial Plan.

If your BC Assessment increased as per the average assessment, your overall Municipal taxes will increase by approximately 5.5%. Otherwise, your taxes will either be higher or lower than the 5.5% increase depending if your assessment was higher or lower than the average assessment.

Currently, the average tax increase is equal to approximately \$13.16 per \$100,000.

<u>1% Taxation increase</u>	<u>5.5% Taxation increase</u>
\$9,300 in revenues	\$51,500 in revenues
\$2.39 /\$100,000 residential assessment or; \$8.40 /average residential assessment of \$349,277	\$13.16 /\$100,000 residential assessment or; \$45.96 /average residential assessment of \$349,277
\$6.46 /\$100,000 business assessment or; \$31.70 /average commercial assessment of \$489,995	\$35.55 /\$100,000 business assessment or; \$174.19 /average commercial assessment of \$489,995



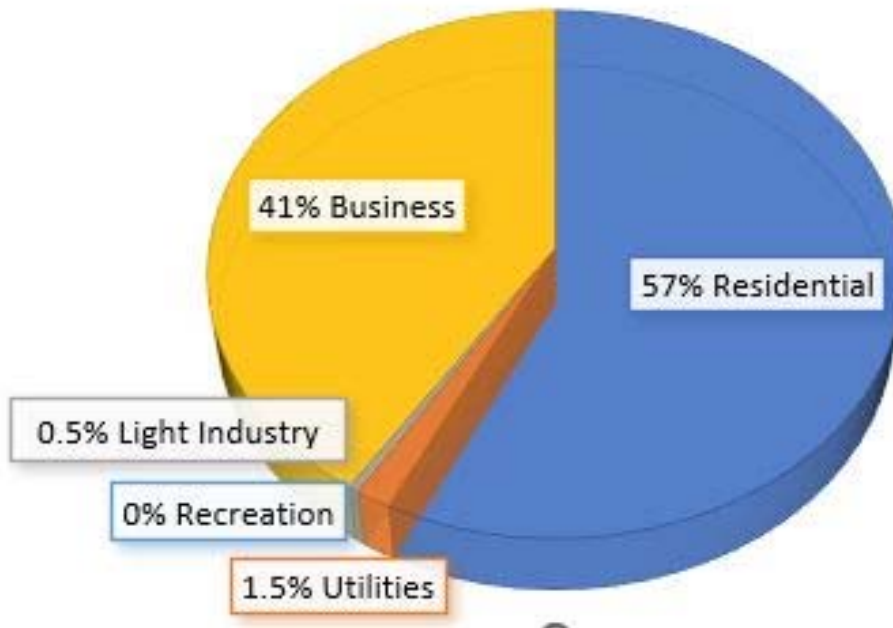
It should be noted that this change in taxes is only calculated for the municipal residential portion of taxes.
All other taxing agencies set their own increases.

Tax Distribution & Ratios



Council wishes to spread the tax ratio between all classes in order to maintain overall tax dollars with a minimum increase of the annual inflation rate.

2023 TAX DISTRIBUTION



Property Class	Amount	% Property Value Tax
Residential	\$ 562,765	57.24%
Utilities	\$ 14,874	1.51%
Light Industry	\$ 4,497	0.46%
Business	\$ 400,980	40.78%
Recreation	\$ 120	0.01%
TOTAL	\$ 983,238	100%

What Do Your Taxes Pay For?



Wages	Infrastructure	Equipment	Road/Land	Administration
Administrative	Municipal Office	Backhoe	Sidewalks	Council Conferences
Building Inspector	Information Centre	Public Works Trucks (5)	Signage	Staff Conferences
Bylaw Officer	Public Works Office	Trackless Tractor	Storm Drains	Staff Training
Public Works	Public Works Shop	Grader	Airport Runway	Hydro
Corporate	Community Services Bldg.	Tractor	Big Foot Trail	Insurance
Finance	Airport Terminal	Dump Truck	Dust Control	Legal Fees
Marketing	Airport Control Bldg.	Large Generators	Paving	Computers
Economic	Sports Plex Concession	Garbage Truck (2)	Crack Sealing	Software
Emergency	Sports Plex Beer Gardens	Equipment Attachments	Snow Removal	Alarm Systems
Airport	Community Hall	Playground Equipment	Grading	Bylaws
Cemetery	Courthouse	Airport Fuel Station	CN Intersections	Public Correspondence
Grants	Library	Airport Lighting	Sand/salt	Government Reporting
Planning	Museum	Fencing	Line Painting	Human Resources
Communications	Dog Pound		Street Lighting	Meetings
	Village Street Lights		Cemetery	Cemetery Admin.
	Osadchuk Park Concession		Centennial Park	Permits
	Water Treatment Plant		Osadchuk Park	Lease Agreements
	Fire Hydrants		Kinnikinnick Park	Grants
	Water Intake Pond		George Hicks Park	Licensing
	Pump House		Cedarside Park	Communications
	Underground Water Pipes			
	Underground Sewer Pipes			
	Lift Stations			
	Polishing Pond			



Other Revenue Sources

Taxes	Grant Revenue	Sales & User Fees Licenses & Permits	Rentals	Investments & Penalties
Property taxes	Small Communities	Cemetery fees	Community Services	Investment returns
New construction Taxes	BC Hydro	Business licenses	Building leases	Tax interest & penalties
Taxes In lieu	Gas Tax	Bylaw fines	Courthouse lease	
Water utility fees	NDIT/VCF Grant Writer	Dog licenses	Community Hall rentals	
Sewer utility fees	NDIT Economic	Permits	Airport Hangar leases	
Garbage utility fees	NDIT Façade	<ul style="list-style-type: none"> • Building • Zoning • Burning • Street vendor • Sign • Variance • Development 		
	Tourism Grants	Airport fuel		
	COVID-19	VIC Merchandise		
	Enabling/Accessibility	Administration Revenue		
	Emergency Preparedness	Water sales		
	Visitor Centre	Sewer sales		
	Columbia Basin Trust			
	Trans Mountain			
	Northern Capital Planning			
	Air Quality			
	Airport			
	Woodstove			

Annual Municipal Tax Sale



An Annual Municipal Tax Sale is a public auction of properties within a municipality which have unpaid property taxes from two years prior to the current year.

At 10:00 am on the last Monday in September, the municipal collector must conduct an annual tax sale. This is completed by offering for sale, by public auction, each parcel of real property on which taxes are delinquent.

Delinquent taxes are any taxes remaining unpaid on December 31, two years after the year the tax was imposed. For example, taxes imposed in 2020 and still unpaid become delinquent on January 1, 2022.

The tax sale is held in the council chambers at the municipal hall of each municipality in BC.

The Upset Price is the lowest price that a property may be sold for at tax sale. The upset price is the total amount of current year taxes receivable, plus the prior year's taxes currently in arrears, plus two years prior delinquent taxes, plus any penalties and interest that have accrued on each of those three years taxes unpaid.

For example, a property going to tax sale in September 2022, will have unpaid taxes from 2022 (current year), 2021 (arrears), and 2020 (delinquent), plus applicable penalties and interest for each.

An additional 5% of all taxes, penalties and interest is included in the upset price plus any applicable fees prescribed under the *Land Title Act*.



Annual Municipal Tax Sale



Declared Purchaser & Payment

The highest bidder above the upset price or, if there is no bid above the upset price, the bidder at the upset price must be declared the purchaser. If there is no bid, or no bid equal to the upset price, the municipality must be declared the purchaser. If the municipality has been declared the purchaser, the collector may offer the same property for sale again later at the annual tax sale on the same conditions as before.

The purchaser must immediately pay the collector the amount of the purchase price. If the purchaser fails to do so, the collector must promptly offer the property for sale again.

Redemption Period

A property sold at tax sale may be redeemed by the owner within one year from the day the annual tax sale began. A redemption is made by paying to the collector the total of:

- the upset price;
- all costs incurred by the purchaser in the maintenance of the property and in prevention of waste;
- taxes advance by the purchaser; plus
- interest to the date of redemption.

During the redemption period, the property must continue to be assessed and taxed in the name of the owner, who at the time of tax sale appeared on the assessment roll as the owner of the property.



Permissive Tax Exemptions



Local governments have the authority to exempt eligible properties from property taxation for a specified period of time. Such exemptions must be provided by bylaw. Permissive exemptions are different to statutory exemptions, which are automatic and therefore not at the discretion of local council. Local governments may provide such exemptions for periods of up to 10 years.



Eligible properties may include:

- Property owned or held by a charitable, philanthropic, and non-profit corporation and used for the purposes of the corporation.
- Property owned by a local authority and used for the purposes of that local authority (e.g. property owned by Municipality X but located within the boundaries of Municipality Y).
- Properties owned or held by a public authority that is not statutorily exempt from taxes.
- Properties occupied by a public authority or non-profit organization but owned by a different public authority.
- Properties owned by a person (including a business, society or corporation) providing a partnering agreement, but only in relation to the provision of the agreement.

The authority to grant permissive exemptions allows municipalities and regional districts to promote or achieve goals, such as:

- Encouraging certain development that are deemed to benefit the community, such as athletic clubs, that will make their fields and facilities available to the general public.
- Supporting non-profit groups that provide services to the community that help meet municipal council's objectives, such as a non-profit organization that offers programs for at-risk youth.
- Supporting heritage properties if conservation has been identified as important to the community's character.
- Attracting new residents and businesses and encouraging economic development.
- Supporting riparian properties that help meet municipal conservation and environmental goals.
- Providing additional exemptions to statutory tax-exempted properties, such as places of worship, to include the ancillary lands surrounding the exempted properties.

Permissive Tax Exemptions



Permissive Tax Exemption Bylaw No. 864, 2022

Folio	Owner	Description	
97.000	United Church of Canada 100% Exemption	Lot Plan District Lot PID	A PGP11201 7355 012-559-547
124.050	Roman Catholic Bishop of Kamloops 75% of the land and 88% of the building Exemption, the non-exempt portion being used as a residence	Lot Plan District Lot PID	4 PGP8948 7356 010-571-370
159.000	Valemount New Life Centre 100% Exemption	Lot Block Plan District Lot PID PID	2 & 3 2 PGP10449 7356 012-675-423 012-675-440
125.001	Valemount Senior Citizen Housing 100% Exemption	Lot Plan District Lot PID	B PGP31083 7356 005-229-618
125.005	Valemount Senior Citizen Housing Leased Land from Village of Valemount Part of Lot A & B Plan 31083 100% Exemption	Parcel Plan District Lot Easement	B 23940 7356 04502
180.000	Provincial Rental Housing Corp (New Seniors Housing) 100% Exemption	Lot Block Plan District Lot PID	8 3 PGP10449 7356 012-675-563
182.000	Provincial Rental Housing Corp (New Seniors Housing) 100% Exemption	Lot Block Plan District Lot PID	10 3 PGP10449 7356 012-675-580

Permissive Tax Exemptions



Permissive Tax Exemption Bylaw No. 864, 2022

252.500	Valemount Lions Club 25% Exemption	Lot Plan District Lot PID	A EPP68609 9778 030-232-198
265.100	Royal Canadian Legion Valemount & District Branch No 256 25% Exemption	Lot Plan District Lot PID	A PGP14950 9778 009-014-276
435.012	Valemount Curling Club Except Plan PGP23132, & EXC PL PGP 43828 25% Exemption on Improvements 100% Exemption on Land	Lot Plan District Lot PID	9 PGP21237 7354 009-580-905
128.200	Valemount Affordable Rentals Society 25% Exemption	Lot Plan District Lot PID	A PGP9569 7356 013-899-783
203.100	Fraser-Fort George (Regional District) Valemount Fire Department 100% Exemption	Lot Block Plan District Lot PID	1 6 PGP10449 7356 012-694-151
412.100	Fraser-Fort George (Regional District) Robson Valley Recreation Centre 100% Exemption	Lot Plan District Lot PID	1 PGP43828 7354 024-468-240

Debt



Local Government Long-Term Capital Borrowing

Municipalities can enter into long-term capital borrowing to finance the purchase or construction of capital assets, such as land, emergency vehicles, buildings, water mains and roads.

Local governments may undertake long-term capital borrowing through a loan authorization bylaw. The bylaw must include the purpose of the borrowing, the maximum amount to be borrowed and the maximum duration of the borrowing.

All loan authorization bylaws must receive approval of the Inspector of Municipalities before any borrowing can be done.

<u>Water Treatment Plant Loan</u>					
Bylaw	Original Loan	Year	Term	Expires	Balance
622	\$ 766,668	2009	20	2029	\$ 338,592
<u>Hwy 5 West Water Extension Loan</u>					
Bylaw	Original Loan	Year	Term	Expires	Balance
587	\$ 360,500	2007	20	2027	\$ 96,287.40



Parcel Taxes



Parcel Taxes

Parcel taxes are local government taxes levied on the unit frontage or area of property. Parcel taxes are distinct and separate from the property value taxes, which are levied on the assessed value of a property.

A parcel tax may be imposed on the basis of a single amount for each parcel (unit), the taxable area of a parcel, or the taxable linear frontage of the parcel.

Local governments cannot use parcel taxes to recover costs for general administration.

Application of Parcel Tax

A parcel tax may only be levied on properties that are currently receiving (or have a reasonable opportunity to receive) a specific service.

For example, if a water line affronts a property and the property is not connected to that line, that property may still be liable to pay a water parcel tax because it has the opportunity to connect. This may also apply even if there is no water line and there is a firm plan to build a water line within a reasonable timeframe. If that property cannot be serviced by the water line, the parcel tax must not be levied on the property.

Water Treatment Plant Parcel Tax					
Bylaw	Original Loan	Year	Term	Expires	Balance
635	\$ 766,668.00	2008	20	2028	\$ 95.11

Local Area Service Taxes



Local Area Service Taxes

A municipal council may, by bylaw, provide for services to only a portion of the municipality. The tax levied within this area is referred to as a local service tax.

A local service tax is a property value tax or parcel tax levied over a “sub-area” of a municipality (e.g. neighborhood within a municipality).

A municipal council may establish a local area service to provide any type of service that will benefit a portion of the municipality. For example:

- Sewer service
- Water service
- Sidewalks for a neighborhood
- Downtown revitalization
- Recreation facilities to serve a part of a large municipality

Approval to Establish Local Area Services

A local service must be established through bylaw with the approval of the municipal council. In addition, the bylaw must receive the approval of the property owners or electors within the proposed local service area. There are three methods that may be used by the municipality to obtain the approval of owners/electors:

1. Petition: A successful petition must be signed by:
 - at least 50 percent of the owners of properties
 - representing at least 50 percent of the assessed value of land and improvements that will be subject to the local service tax
2. Council initiative: An initiative of the municipal council would be successful, providing no more than the following petition against the proposed local service area within 30 days of a public notice of the initiative:
 - less than 50 percent of the owners of properties
 - representing less than 50 percent of the assessed value of land improvements that will be subject to the local service tax
3. Assent voting: Often known as a referenda; electors in the proposed local service area vote whether or not to provide the service.

Local Area Service Taxes



Borrowing for Local Area Service Capital Works

A municipality may borrow money for capital works required by a local area service through a loan authorization bylaw. If all of the costs of borrowing for a local area service are to be recovered by a local service tax, the loan bylaw does not require the approval of the broader municipality. However, the loan bylaw does require the approval of the owners/electors within the local service area through petition, council initiative, or assent voting.

If part of the cost of borrowing for the purposes of a local area service will be repaid by the broader municipality, that part of the borrowing must be approved on a municipal-wide basis (through assent voting or an alternative approval process).

Business Improvement Area

A business improvement area is a special type of local area service where the local service tax may only be levied against properties classified as business or light industrial properties within the designated area.

<u>West Water Extension</u>					
Bylaw	Original Loan	Year	Term	Expires	Yearly Tax
587	\$ 232,382.00	2006	20	2026	depends on property size
<u>Cranberry Sewer Extension</u>					
Bylaw	Original Cost	Year	Term	Expires	Yearly Tax
776	\$ 131,495.70	2017	10	2027	\$ 5,204.18

Reserve Funds



The Village adopted Reserve Fund, Bylaw No. 804. This bylaw allows for the monies to be reserved for the following:

Financial Stabilization Reserve Fund

To offset unrealized revenues

Some of the Village's revenue sources (i.e. development fees, building permits) are recurring in nature and thus are subject to downturns in the economy. The Village tries to anticipate economic downturns during budget processes but despite best efforts may be exposed to the possibility of unrealized or declining revenues. Funds may be used during the budget process as a transfer from reserves to offset recurring revenue declines.

One time and intermittent projects

The Village undertakes certain one-time and or intermittent projects that are larger in terms of costs. If these projects were funded from property taxation, annual spikes and declines in taxation would result. Therefore, it is not prudent to fund these projects from ongoing property taxation revenue (i.e. include such items as OCP updates).

Recurring expenditures

The Village has some recurring expenditures that do not reoccur annually but may reoccur every two to four years. An annual cost would be determined and included as an expenditure in the Financial Plan with an offsetting transfer to the reserve until the year required (i.e. elections).

Capital Reserve Fund

To fund general capital projects that are not specifically funded from other establishment reserves or user fees. Capital projects that will be funded from this reserve are budgeted within the Village's long term capital plan.

Northern Capital and Planning Grant Reserve Fund

Funds are to be used at the discretion of the municipality, but may only be used for capital and long-term planning purpose in accordance with Section 32 of the *Local Government Grants Regulation* (BC Reg 221/95) which cross references with Section 4(1)(a)&(c) of the *Local Government Grants Act*.

Community Works Gas Tax Reserve Fund

To account for funds received and used pursuant to the Community Works Gas Tax Agreement. Projects funded by this account must be in compliance with acceptable uses as defined in the Community Works Gas Tax Agreement. The intent is to spend all funds received, per our Community Works Gas Tax Agreement.

Reserve Funds



Climate Action Fund

Capital expenditures for Village replacement of new buildings, infrastructure, equipment and fleet, to increase energy efficiency, reduce greenhouse gas emissions or improve sustainability, or fund early retirement of related debt as funds permit.

Solid Waste Reserve Fund

To assist with the funding of solid waste containers, which are required to be replaced or upgraded on a regular two to three year cycle. This reserve could also be used to assist with capital costs for the purposes of solid waste services (e.g. new garbage truck).

Insurance and Legal Reserve Fund

To provide a source of funds for liability claims not covered under our insurance policies and to offset the cost of major legal costs or claims of which the magnitude and timing is often indeterminable.

Equipment Acquisition and Replacement Reserve Fund

To fund the acquisition of municipal vehicles and equipment in accordance with an acquisition plan and the replacement of municipal vehicles and equipment according to planned replacement schedules.

Information Technology (IT) Reserve Fund

To fund information system and technology projects including communications systems, which are capital in nature. Technology can change rapidly within the information technology area and often comes at a large cost. This reserve is needed to keep pace with technology and to take advantage of technological improvements/efficiency opportunities.

Facility Reserve Fund

To fund expenditures for major repairs, upgrading, replacement or expansion of municipal buildings, ancillary structures and site services that serve as public spaces.

Water Capital Reserve Fund

To fund water utility capital projects as required for water operations.

Sewer Capital Reserve Fund

To fund sewer utility capital projects as required for sewer operations.

Snow Removal Reserve Fund

To ensure there is adequate funding to accommodate an unprecedented heavy snowfall year.

Reserve Funds



Statutory Development Cost Charge (DCC) Reserve Fund

As per subsection 188(2)(a) of the *Community Charter*, separate reserves need to be established for DCC collections and use, under section 566 of the *Local Government Act*. The following DCC Reserves are hereby established for the purpose identified in Column 3 and are as follows:

- Roads
- Water
- Sanitary Sewer
- Parks

Statutory Parkland Acquisition Reserve Fund

As per subsection 188(2)(b) of the *Community Charter*, funds received from the sale or disposal of parkland, as well as funds received pursuant to section 510 of the *Local Government Act* (parkland funds received upon subdivision) must be set aside in a reserve and be used exclusively to purchase parkland.

Statutory Parking Reserve Fund

As per subsection 188(2)(d) of the *Community Charter*, funds received under section 525(2) [parking space requirements] of the *Local Government Act*, which must be placed to the credit of a reserve fund for the purpose of providing

- i) off street parking, or
- ii) transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation

Statutory Land Sale Reserve Fund

As per subsection 188(2)(e) of the *Community Charter* funds received from the sale of land and improvements must be set aside for paying any debt remaining in relation to the property and for acquiring land, improvements and other assets of a capital nature. The Land Sale Reserve has been established for accumulating and expending monies as per this requirement.



Reserve Funds



RESERVE ACCOUNTS

In addition to Council budget consideration and tax rate increase, transfers to the newly developed reserve accounts are being included within this five-year financial budget. Transfer amounts have been determined based on previous budgets and estimated potential future cost, e.g.: insurance and legal fees, offset unrealized revenues, information technology etc. It is recommended the general surplus hold a balance of \$1,00,000 for emergency purpose.

Figures are based on 2021 audited financial statements and may change once the 2022 audit is complete.

Surplus		
Unrestricted	\$4,050,104	
Water utility fund	\$895,094	
Sewer utility fund	\$1,143,220	
Reserves		
Capital Works machinery & equipment	\$392,229	
Land sales	\$68,733	
Northern Capital Planning Grant	\$3,512,199	
MFA unexpended funds Water	\$15,703	
MFA unexpended funds Sewer	\$272,379	
TOTAL		\$10,349,661



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Reserve Funds



RESERVE ACCOUNTS

New Distribution		
General Surplus	\$1,017,058	
Covid 19 Safe Restart Grant	\$418,654	
To offset unrealized revenues	\$50,000	
One-time Intermittent projects	\$150,000	
Recurring expenditures	\$50,000	
Capital	\$983,750	
Northern Capital Planning Grant	\$3,512,199	
Climate Action	\$32,000	
Solid Waste	\$42,000	
Insurance and Legal	\$50,000	
Equipment Acquisition	\$392,229	
Community Works Gas Tax Grant	\$718,192	
Information Technology	\$50,000	
Facility	\$76,500	
Water Capital	933,297	
Sewer Capital	\$1,415,599	
Snow Removal	\$20,000	
DCC	369,450	
Land Sales	\$68,733	
TOTAL		\$10,349,661
Growing Communities Fund: 2023	To be incorporated into reserve bylaw once received.	\$954,000