
VILLAGE OF VALEMOUNT FIVE YEAR BUDGET 2024-2028

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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 (2024-2028) is April 4-18, 2024. All comments must be received prior to April 19, 2024 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.



2024 BUDGETED PROJECTS



Taxation

Traffic Study	\$7,000
Contracted Sweeper	\$7,000
CityReport Software	\$20,000
Museum 60 Year Celebration	\$5,000
New Seniors Tax Exemption	\$3,000
Economic Strategy	\$100,000
NDIT Intern	\$25,000
Pump Track Legal Fees	\$10,000

Asset Reserves

Vehicle Repairs	\$10,000
Street Lighting	\$20,000
Council Chamber painting	\$10,000
Airport Brushing	\$40,000
Airport Remote Tank Sensor	\$15,000
Airport Fuel Tank	\$45,000
Office Server Replacement	\$12,000

Surplus (One-time costs)

CN Repairs	\$147,000
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2024 BUDGETED PROJECTS



Grants

Transportation Master Plan	\$140,000
Council Chamber Audio/Visual Upgrades	\$80,000
Road Crack Sealing	\$75,000
Lift Station Hydro Costs	\$126,000
Housing Study	\$155,000
NDIT Intern	\$35,000
Airport Fuel Tank	\$135,000
Indigenous Training	\$40,000
Downtown Christmas Lights	\$7,000

Utility Fees/Surplus

SCADA HMI Replacement	\$50,000
Sportsplex Irrigation	\$60,000
Land Expropriation	\$33,000
Lift Station Control Panel/Pumps	\$40,000
Water/Sewer Asset Mgt Plan	\$100,000

General Surplus

1133 6th Ave Repairs	\$100,000
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BUDGETED PROJECTS



Budget Item: Transportation Study

Expense: \$140,000

Source: Grant

Staff have been working with Urban systems on the development of a trail and park master plan which would include public input. Although previously approved by council, costs have increased from \$100,000 to \$140,000. Previously, funds were to be allocated from Covid 19 Safe Restart, but due to increase in Council Chamber costs, these funds will now be allocated from Gas Tax and other grants recently applied for.



Budget Item: Traffic Committee Study

Expense: \$7,000

Source: Taxation

The Traffic Committee has requested a study on Karas Drive from 9th to 5th Ave and Swift Creek Rd, to better manage truck parking and improvements on Swift Creek Rd's approach to the 5th Ave/Swift Creek Rd intersection, to clarify traffic lanes and prevent trucks from turning into Swift Creek Rd.

Meeting was held with staff and Urban Systems to discuss plan and costs.

Line painting will be included in 2024 budget, with remaining initiatives to be determined and budgeted in 2025

Budget Item: Public Works Vehicle Repairs

Expense: \$10,000

Source: Asset Reserves/Insurance

Complete repairs to PW Vehicles. Will look to see if insurance is a feasible option.



BUDGETED PROJECTS



Budget Item: Contracted Sweeper

Expense: \$7,000

Source: Taxation

Although the PW trackless sweeper can sweep roads and trails, it pushes the dirt and debris to the side of the road. This has caused a build-up of debris on the sides of the roads that PW must then manually remove. Contractor services will be able to conduct this work in minimal time and on a yearly basis. This will not only allow PW to focus on other high priority issues, but will eliminate any health risk of the debris left on public roads. To be budgeted yearly. (Contaminated sites may be affected if this process is



Budget Item: SCADA HMI Replacement

Expense: \$50,000

Source: Surplus



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Supervisory Control and Data Acquisition - help to maintain efficiency, process data for smarter decisions, and communicate system issues to help mitigate downtime.

Software and hardware elements that allows industrial organizations to:

- Control industrial processes locally or at remote locations
- Monitor, gather and process real time data
- Directly interact with devices such as sensors, valves, pumps, motors and more through human machine interface software
- Record events into a log file

BUDGETED PROJECTS



Budget Item: Sportsplex Irrigation

Expense: \$60,000

Source: Surplus

Village staff are looking to incorporate irrigation for all municipal owned properties for the following reasons:

- Conserving water
- Controlling how much water is used
- Scheduling water sessions dependent on need
- Staff time
- Save on cost of replacing equipment
- Adhering to own Village water restriction bylaws



Budget Item: Street Lighting

Expense: \$20,000

Source: Asset Reserve

Previously developed subdivisions used street lighting that is now deteriorating. PW has investigated this issue and it seems there is a deficiency with this particular lighting, used within Valemount and other municipalities.

BUDGETED PROJECTS



Budget Item: Council Chamber Repairs

Expense: 10,000

Source: Asset Reserve

With the audio and visual upgrades to the Council Chambers, there will be work required for the installation of equipment which will require repairs. Once repairs are complete, the chambers will need a fresh coat of paint.

Price is based on current costs to paint 1133 6th Ave housing, but will go to tender.



Budget Item: 1133 6th Ave

Expense: \$100,000

Source: General Surplus

With the purchase of this property, it was known that there would be maintenance associated. Costs to be budgeted over three years, based on priority. The following are some of the projects that have high priority:

- New roofing
- Basement suite painted
- Replace decking
- Replace fencing



BUDGETED PROJECTS



Budget Item: Crack Sealing

Expense: \$75,000

Source: Grant

Last year, PW scheduled crack sealing of the airport and 5th Avenue. Unfortunately, the airport required more material than anticipated, so 5th Avenue was only partially completed. Remaining 5th Ave will be completed in 2024 with additional side streets with high priority.



Budget Item: Lift Station Additional Costs

Expense: \$126,000

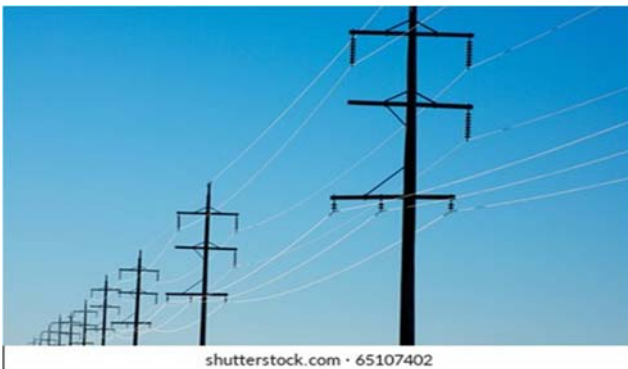
Source: Grant

Through the initial installation process, it was realized that the overall bids did not have a cost for hydro pole installation. To date there are estimates for additional poles required for Dogwood and Ash St areas.

Dogwood - \$85,000

Ash St - \$65,000

(Valemount Seniors Citizens Housing to contribute 22% to the Ash Street costs)



Budget Item: Housing Study & OCP Update

Expense: \$155,000

Source: Grant

Funding allocation for the Village of Valemount from the \$51 million capacity funding for local government implementation of the legislative changes to support housing initiatives, including small-scale multi-unit housing and proactive planning, development finance, and transit-oriented development.

This funding is intended to support activities or projects local governments must undertake to meet the new legislative requirements.



BUDGETED PROJECTS

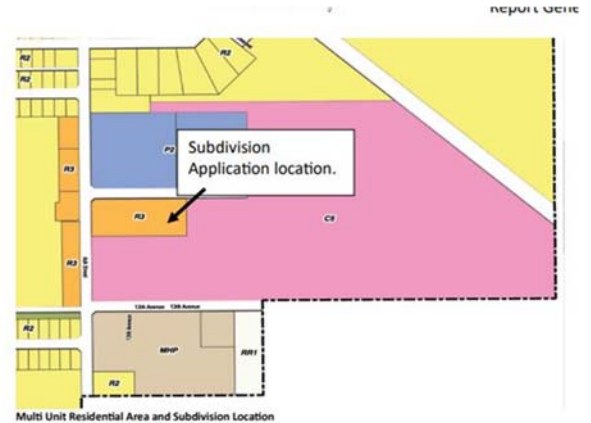


Budget Item: New Seniors Development Tax Exemption

Expense: \$3,000

Source: Taxation

Due to the timing of the lease of the land, this property was not included within the permissive tax exemption report. Unfortunately, the property was assessed for the 2024 year with no exemption provided and therefore a tax bill will be required to be issued. It is requested that Council approve a line item to cover the taxes for this property and recover through residential taxes.



Budget Item: Economic Development Strategy

Expense: \$100,000

Source: Taxation

With the establishment of Tourism Valemount as a separate entity from the Village, and the accompanying transfer of control of MRDT funds to Tourism Valemount, the Economic Development department is no longer guided by the MRDT Five Year Plan. The Economic Dev Strategy will establish short, mid and long term Economic Dev goals for the Village and provide guidance to the EDO in effectively carrying out their role. Will look for any compatible grants. To be budgeted in 2026.

Budget Item: CityReport Software

Expense: \$20,000

Source: Taxation

CityReport provides solution for industries including Parks & Rec, Facilities, Public Works, Permits & Planning, Fire Prevention and Code Enforcement, Roads and Hwys, Sports Fields and Stadiums, and Private Contractors. This will be used by multiple departments and will enhance the overall information database of the Village.

The Village will use this software to improve asset management processes, as well as for permit tracking



BUDGETED PROJECTS



Budget Item: NDIT Intern

Expense: \$35,000/\$25,000 = \$60,000

Source: Grant/Taxation

The Village had applied for an Intern and has been accepted, based on NDIT intern availability. Will assist Village with the following:

Indigenous training, Records Mgt, Public Works record keeping, bylaw consolidation, policies, public engagement, UBCM conference, public education publications, committee participation, etc.



Budget Item: Airport Brushing

Expense: \$40,000

Source: Asset Reserve

Mandated to have clear sight lines for planes. To be budgeted every 5 years. Previously budgeted through grants, but is now considered maintenance and should be paid through Village funds. Will continue to review eligible grants.

Budget Item: Airport Remote Tank Sensor

Expense: \$15,000

Source: Grants/Asset Reserve

Reliable fuel data for pilots.

Replaces manual dipping and testing, reducing risks associated with extreme weather conditions and exposure to harmful vapors

Real-time fuel data enhances the efficiency of medivac and wildfire suppression operations, reducing response time.

Operational costs savings

Will continue to review eligible grants.



BUDGETED PROJECTS



Budget Item: Airport Fuel Tank

Expense: \$135,000/\$45,000 = \$180,000

Source: Grant/Asset Reserve

To replace the fuel tank at the airport due to deteriorating state.

Will be applying to BC Air Access for funding.

RES # 325/22 THAT staff be directed to apply to the Ministry of Transportation and Infrastructure (MOTI), B.C. Air Access Program in the amount up to \$180,311.



Budget Item: Lift Station Repairs

Expense: \$40,000

Source: Utility Fees/Surplus

To replace control panel and pumps for lift stations.

Budget Item: Land Expropriation

Expense: \$33,000

Source: Utility Fees/Surplus

Through the initial Lift Station installation process, it was realized that an easement is required on a private property for the sewer lines. This process led to property expropriation and the Village is required to pay the property owner the assessed value of the land. A contingency has been budgeted in the event the property owner disputes the amount.

Will work to see if we can have covered through grants used for the lift station installs.



BUDGETED PROJECTS



Budget Item: Downtown Christmas Lights

Expense: \$7,000

Source: Grant

The Current Christmas lights are starting to fade and show wear and tear. Looking to upgrade. Will review RMI funding to see if eligible through this grant.

Budget Item: Asset Mgt Plan

Expense: \$100,000

Source: Utility Fees/Surplus

To work with Urban Systems on a new asset management plan in regards to increased revenues during the Pipeline. Set specific priority project for coming years.



Budget Item: Office Server Replacement

Expense: \$12,000

Source: Asset Reserve

The current Village of Valemount server was manufactured in 2018 and should be replaced. Without this backup server, main server failure would result in needing to recreate a whole new domain.

Budget Item: Indigenous Training

Expense: \$40,000

Source: Grant

The Province has provided the Village a grant of up to \$40,000 to support implementation of the Indigenous Engagement Requirements set out in the Emergency and Disaster Management Act, which came into law in late 2023.

With this grant, the Village intends to provide Indigenous Awareness and Cultural Safety and Humility training, and offer that to organizations and people in the community involved in emergency response, including RCMP, BCEHS, the Fire Department, SAR, Medical staff, municipal staff and Council, ESS, and affordable housing providers.



BUDGETED PROJECTS



Budget Item: Pump Track

Expense: \$10,000

Source: Taxation

Currently, council has decided to lease the land to VARDa, however there may be up-front costs associated with legal and surveying of land.

Budget Item: Council Chambers Audio/
Visual Upgrades

Expense: \$80,000

Source: Grant

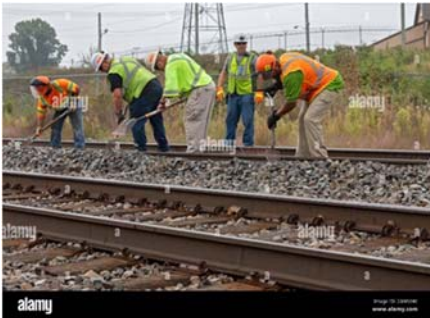
Originally estimated at \$20,000 but with quotes and contracts, price has been increased to \$80,000. Funds will continue to come from Covid 19 Safe Restart Grant with funds being allocated from the Traffic Study. Funds for the Traffic Study will come from Gas Tax Funding



Budget Item: CN Crossing Upgrades

Expense: \$147,000

Source: Surplus



As per 2024 CN Crossing maintenance Pre Construction Notice.

The maintenance work will include rehabilitation of the existing crossing in order to renew the supporting components of the crossing including the damaged rail, track ties, fasteners, removal and replacement of existing track ballast, and removal and replacement of planking or pavement.

Taxpayer estimated implications =

Residential - approx. \$38 additional taxes per \$100,000

Business – approx. \$107 additional taxes per \$100,000

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.

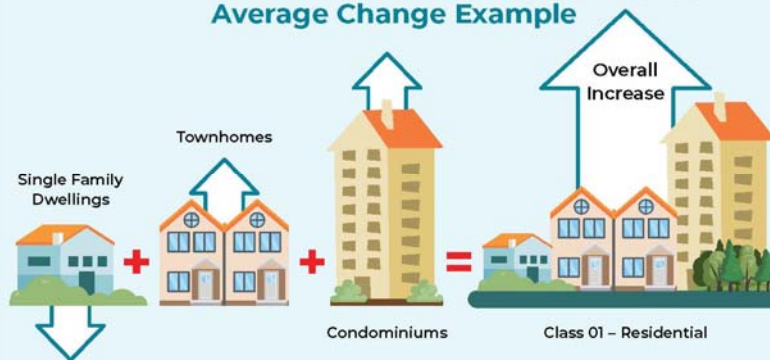
UNDERSTANDING THE IMPACT OF A CHANGE IN YOUR ASSESSMENT ON PROPERTY TAXES

Assumes stable tax rates and no changes in the distribution of budget funding between property classes for your taxing jurisdiction and/or any other taxing agency.

Here is what could happen to your property taxes:

	Your Property's Value Change	Property Tax Impact
1.	 LOWER than Average Change for Property Class	Taxes Likely DECREASE
2.	 SIMILAR to the Average Change for Property Class	Taxes Likely DO NOT CHANGE
3.	 HIGHER than Average Change for Property Class	Taxes Likely INCREASE

Class 01 – A mixture of residential property types Average Change Example



The Residential property class includes properties like single-family dwellings, townhomes, and condominiums. The average change will be impacted by the magnitude of change for each property type, and how many of each property type there are in your municipality or taxing jurisdiction.

Example A:



Your property is currently assessed at **\$540,000**, based upon a valuation date of July 1 last year. Your previous assessed value was **\$450,000**. Your property increased **20%** in value, while the average increase for your property class was **30%**.

Since your property value increased **LESS THAN** the average for your property class, you will likely see a **DECREASE** in your property taxes.
Note: this example assumes that there are no changes in the budgetary requirements of your taxing authority and/or any other taxing agency.

Example B:



Conversely, your property is currently assessed at **\$630,000**, based on a valuation date of July 1 last year. Your previous assessed value was **\$450,000**. Your property increased **40%** in value, while the average increase for your property class is **30%**.

Since your property increased **MORE THAN** the average, you will likely see an **INCREASE** in your property taxes.
Note: this example assumes that there are no changes in the budgetary requirements of your taxing authority and/or any other taxing agency.

Your Tax Bill Based on 2022 Average Residential Assessment



PREVIOUS ASSESSMENT		CURRENT ASSESSMENT	
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
Residential Improvemen	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	TAX AMOUNT
Basic School - Residential	0.001924900	23.38926	515.49
TOTAL 2022 EDUCATION TAXES			515.49
SUB TOTAL 2022 TAXES			515.49

MUNICIPAL AND OTHER TAXES	TAX RATE	% OF TOTAL	TAX AMOUNT
B.C. Assessment Auth. - Residential	0.000034900	0.42424	9.35
General Municipal - Residential	0.003064889	37.24115	820.78
Municipal Finance Auth. - Residential	0.000000200	0.00272	0.06
Policing - Residential	0.000229800	2.79225	61.54
Regional District - Residential	0.002287491	27.79497	612.59
Regional Hospital - Residential	0.000687631	8.35541	184.15
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	TAX AMOUNT
WTP Parcel Tax	20	2028	95.11
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
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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.

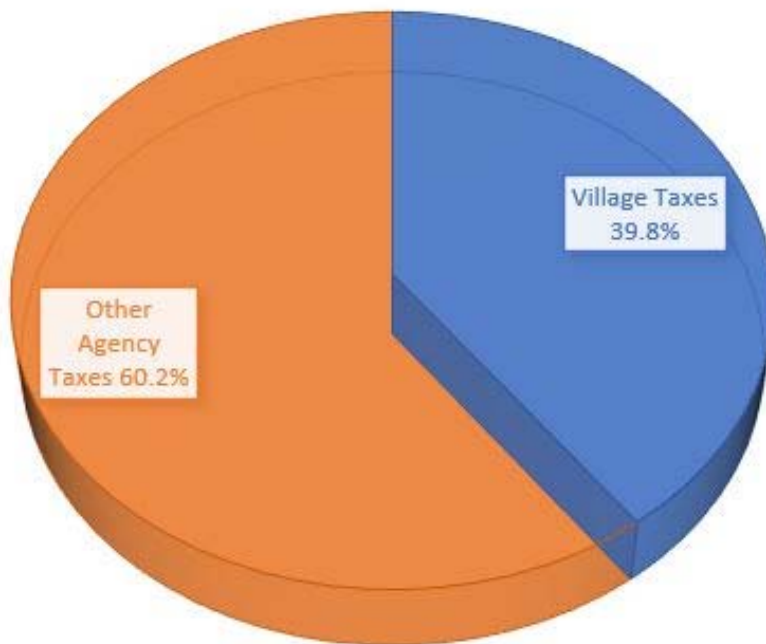
Taxes Collected for Other Agencies - The Village collects and forwards taxes for other agencies such as the School District, Policing, Regional District of Fraser-Fort George and Fraser-Fort George Regional Hospital. The Village does not keep any portion of these taxes.

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%	Village Taxes	39.8%
TOTAL	\$1,383.18	TOTAL	\$915.89
Basic School	\$515.49	General Municipal	\$820.78
BC Assessment	\$9.35	Water Treatment Plant Loan	\$95.11
Municipal Finance Authority	\$.06		
Policing	\$61.54		
RDFFG	\$612.59		
Hospital	\$184.15		

Tax Increases



Council has approved a 5.5% tax increase for the 2024 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.

<u>5.5% Taxation increase</u>
\$55,405 revenues
\$280 per year \$100,000 residential assessment
\$816 per year based on average assessed property of \$291,507
\$689 per year \$100,000 business assessment
\$3,696 per year based on average assessed property of \$536,509



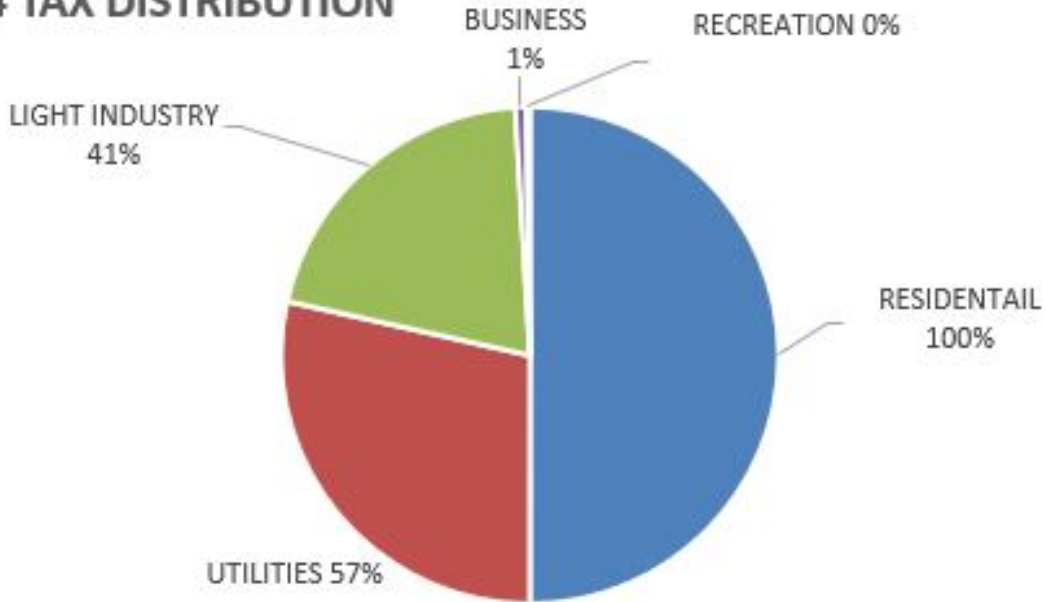
It should be noted that this change in taxes is only calculated for the municipal residential portion of taxes. All other taxing agencies set their own increases.

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.

2024 TAX DISTRIBUTION



Property Class	Amount	% Property Value Tax
Residential	\$ 605,442	56.97%
Utilities	\$ 15,333	1.44%
Light Industry	\$ 4,745	0.45%
Business	\$ 436,989	41.12%
Recreation	\$ 266	0.03%
TOTAL	\$ 1,062,776	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

Property taxes
 New construction Taxes
 Taxes In lieu
 Water utility fees
 Sewer utility fees
 Garbage utility fees

Grant Revenue

Small Communities
 BC Hydro
 Gas Tax
 NDIT/VCF Grant Writer
 NDIT Economic
 NDIT Façade
 Tourism Grants
 COVID-19
 Enabling/Accessibility
 Emergency Preparedness
 Visitor Centre
 Columbia Basin Trust
 Trans Mountain
 Northern Capital Planning
 Air Quality
 Airport
 Woodstove

Sales & User Fees

Licenses & Permits

Cemetery fees
 Business licenses
 Bylaw fines
 Dog licenses
 Permits

- Building
- Zoning
- Burning
- Street vendor
- Sign
- Variance
- Development

 Airport fuel
 VIC Merchandise
 Administration Revenue
 Water sales
 Sewer sales

Rentals

Community Services
 Building leases
 Courthouse lease
 Community Hall rentals
 Airport Hangar leases

Investments & Penalties

Investment returns
 Tax interest & penalties



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 A Plan PGP11201 District Lot 7355 PID 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 4 Plan PGP8948 District Lot 7356 PID 010-571-370
159.000	Valemount New Life Centre 100% Exemption	Lot 2 & 3 Block 2 Plan PGP10449 District Lot 7356 PID 012-675-423 PID 012-675-440
125.001	Valemount Senior Citizen Housing 100% Exemption	Lot B Plan PGP31083 District Lot 7356 PID 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 B Plan 23940 District Lot 7356 Easement 04502
180.000	Provincial Rental Housing Corp (New Seniors Housing) 100% Exemption	Lot 8 Block 3 Plan PGP10449 District Lot 7356 PID 012-675-563
182.000	Provincial Rental Housing Corp (New Seniors Housing) 100% Exemption	Lot 10 Block 3 Plan PGP10449 District Lot 7356 PID 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
217.000	Valemount Learning Society 25% Exemption	Lot Plan District Lot PID	A PGP10449 7356 012-499-030
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.

Water Treatment Plant Loan					
Bylaw	Original Loan	Year	Term	Expires	Balance
622	\$ 766,668	2009	20	2029	\$ 295,723
Hwy 5 West Water Extension Loan					
Bylaw	Original Loan	Year	Term	Expires	Balance
587	\$ 360,500	2007	20	2027	\$ 73,612



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	Yearly Tax
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.

