

Staff Report to Council

Financial Services

FILE: 05-1700-01/23

REPORT DATE: March 20, 2023 **MEETING DATE:** March 28, 2023
TO: Mayor and Council
FROM: Cheryl Harding, Director Financial Services
SUBJECT: 2023 Financial Plan and Utility Fees Bylaws

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:



RECOMMENDATION(S):

THAT Council:

- A. Approve updated Policy C049 – Revenue and Taxation for inclusion as an attachment in the 2023 to 2027 Financial Plan Bylaw No. 2949, 2023 as required by the Community Charter; AND
- B. Grant first, second, and third readings to the 2023 – 2027 Financial Plan Bylaw No. 2949, 2023; AND
- C. Grant first, second and third readings to the Drainage System Protection Amendment Bylaw No. 2947, 2023; AND
- D. Grant first, second and third readings to the Sanitary Sewer and Drainage Amendment Bylaw No. 2945, 2023; AND
- E. Grant first, second and third readings to the Solid Waste Collection and Disposal Amendment Bylaw No. 2946, 2023; AND
- F. Grant first, second and third readings to the Waterworks Amendment Bylaw No. 2944, 2023; OR
- G. Other.

PURPOSE

The purpose of this report is to obtain Council’s approval of the 2023 Utility Fee bylaws and the 2023 to 2027 Financial Plan Bylaw.

Information Report

Decision Report

Direction Report

DISCUSSION

Background:

The 2023 to 2027 budget and business planning process consisted of budget workshops, business plan presentations, and meetings for Council budget deliberations. The process commenced in June 2022 when the budget principles and guidelines were approved and culminated with Council deliberating on and approving the provisional budgets in December 2022.

The Corporate Leadership Team undertook a rigorous budget review process that involved significant scrutiny of operational activities in all City departments. Many staff were involved in the process and significant management feedback occurred at several stages throughout budget development.

The process included assessment of budget resources needed to deliver the same services as in 2022 by utilizing a number of mechanisms including:

- Contemplating new revenue opportunities;
- Reviewing revenue streams to ensure better cost recovery;
- Rationalizing use of staff overtime;
- Extending tool and equipment life where possible;
- Changing the way we perform tasks to be more efficient; and
- Matching budget to historical costs.

Relevant Policy, Bylaw or Legislation:

In accordance with Section 165(1) of the Community Charter, the City must adopt a five year financial plan prior to adopting the annual property tax bylaw. The annual property tax bylaw must be adopted by May 15th per the Community Charter Section 197(1).

Analysis:

The 2023 budget focuses on the City's key strategic priorities regarding enhancing safety, maintaining services, and supporting cultural awareness. It includes a combined property tax and utilities increase of 7.61 percent or \$283 for the average single-family home with a 2022 assessed value of \$1,034,819. Average 2023 assessed values will become available in April after BC Assessment issues the Revised Assessment Roll.

Operating Budget

The financial plan bylaw provides the authority for the City to expend funds in accordance with Council's budget deliberations in November and December 2022. The approved budget provides for continuing to deliver City services to the citizens of Pitt Meadows. The annualized cost of the nine firefighters and the Labourer II, approved in December 2022, are incorporated in this budget

as well as planned union wage increases based on recent but, limited settlements in the region and without full context of the current inflationary environment.

Utilities

The breakdown of the single family 2023 utility fees supporting the budget approved by Council in December 2022 is summarized below:

Service Type	2023
Diking	\$ 20
Drainage Services	54
Sanitary Sewer Services	372
Solid Waste Services	223
Water Services	615
Subtotal User Fees	\$1,284
Drainage Services (mill rate)	94
Total Utility Fees	\$1,378

Capital Budget

The 2023 capital budget is \$14.2 million. Significant projects include:

- New RCMP Detachment – Year 2 of 4 - \$4.5 million
- Recreation Centre Roof Replacement – \$1.1 million
- Baynes Pump Station Upgrade – \$860,000
- Water Main Replacements 195B, 119A, 119B, 120B, 115A, 197A, 197B, 196B - \$1.6 million
- Paving & Roadwork Hammond Rd, Airport Way, 188St \$791,000
- Bridge Deck Joint Repairs \$390,000
- Tractor Mower Replacement \$360,000
- Parks, Recreation & Culture studies \$300,000 for
 - Pitt Meadows Athletic Park Space Planning, Conceptual Design, Cost Estimates
 - Harris Rd Park Space Planning, Conceptual Design, Cost Estimates
 - Pitt Meadows Family Recreation Centre Space Planning, Preliminary Design, Cost Estimates
 - Aquatics Feasibility Study

Carry Forward Projects

During the January/February period all 2022 projects were reviewed through the yearend process. Projects that were incomplete at the end of 2022 and carried forward to 2023, including the continuation of the Fire Hall replacement, have been incorporated into the 2023 Financial Plan Bylaw and amount to \$23.4 million. These projects are listed in Attachment F.

COUNCIL STRATEGIC PLAN ALIGNMENT

- Principled Governance Balanced Economic Prosperity Corporate Excellence
 Community Spirit & Wellbeing Transportation & Infrastructure Initiatives
 Not Applicable
-

WORKPLAN IMPLICATIONS

- Already accounted for in department workplan / no adjustments required
 Emergent issue / will require deferral of other priority(ies)
 Other
-

FINANCIAL IMPLICATIONS

- None Budget Previously Approved Referral to Business Planning
 Other

As events occur or new information becomes known staff must adjust their plans accordingly. Staff are committed to exercising financial prudence in ensuring the City's budget remains balanced while making these adjustments.

Many of these adjustments will require amendments to the financial plan bylaw. As has been the City's past practice, adjustments will be accumulated throughout the year and one amended financial plan bylaw will be presented to Council after the yearend process is completed.

Council directed staff to bring forward the 2023 Financial Plan and Utility Fee Bylaws based on the budget information referred to earlier in this report. Staff has prepared the bylaw for Council consideration which includes the following attachments:

2023-2027 Consolidated Financial Plan Bylaw (Attachment A)

Includes the general, water, sewer, solid waste, and drainage and diking funds set out in the format as prescribed by section 165 of the Community Charter.

Taxation and Revenue Policy C049 (Attachment A)

This policy addresses the requirements of section 165 of the Community Charter which requires the financial plan to establish the objectives and policies of the City for the planning period for:

- The proportion of total revenue that is proposed to come from each funding source;
- The distribution of property taxes among the property classes;
- The use of permissive tax exemptions.

Utility Fee Bylaws (Attachments B to E)

The Utility fee bylaws for drainage, solid waste, sewer and water provide staff with the authority to levy utility fees on properties within the City.

Capital Project Carry Forwards (Attachment F)

Capital projects carried forward from 2022 to 2023 have been incorporated into the 2023 to 2027 Financial Plan Bylaw. Funding for all projects has been provided for in the 2022 approved budget therefore, there is no impact to 2023 taxation or 2023 reserve funding levels.

PUBLIC PARTICIPATION

Inform Consult Involve Collaborate Empower

Comment(s):

Business and financial plans have been available at City Hall and on the City’s website. Throughout the year there have been advertisements with respect to budget meetings and presentations to encourage public attendance and provide the public with opportunities to ask questions and provide comments throughout.

Advertisements and promotions of the business and budget planning process have also been provided on the City’s website.

KATZIE FIRST NATION CONSIDERATIONS

Referral Yes No

SIGN-OFFS

Written by:

Cheryl Harding,
Director Financial Services

Reviewed by:

Mark Roberts,
Chief Administrative Officer

ATTACHMENT(S):

- A. 2023 – 2027 Financial Plan Bylaw No. 2949, 2023 and Policy C049 – Revenue and Taxation
- B. Drainage System Protection Amendment Bylaw No. 2947, 2023
- C. Sanitary Sewer and Drainage Amendment Bylaw No. 2945, 2023
- D. Solid Waste Collection and Disposal Amendment Bylaw No. 2946, 2023
- E. Waterworks Amendment Bylaw No. 2944, 2023
- F. 2022 Capital Carry Forward Listing to 2023