

CITY OF PITT MEADOWS
2023 – 2027 FINANCIAL PLAN
BYLAW NO. 2949, 2023

Attachment A

A Bylaw to adopt the 2023 to 2027 Financial Plan

WHEREAS in accordance with Section 165 of the Community Charter, the Council of the City of Pitt Meadows is required, by bylaw, to adopt a Financial Plan for the municipality before the annual property tax bylaw is adopted;

NOW THEREFORE the Council of the City of Pitt Meadows enacts as follows:

Citation/Title

1. This Bylaw may be cited as the "2023 – 2027 Financial Plan Bylaw No. 2949, 2023".

Schedules

2. The following Schedules are attached to, and form part of, this Bylaw:
 - (a) Schedule "A", is adopted as the 2023 - 2027 Financial Plan of the City of Pitt Meadows for the period beginning January 1, 2023 and ending December 31, 2027.
 - (b) Schedule "B", specifies the transfers to, and expenditures from, the City Reserve Funds for the period beginning January 1, 2023 and ending December 31, 2027.
 - (c) Schedule "C", is the Revenue and Taxation Policy for the City of Pitt Meadows.

READ a FIRST, SECOND and THIRD time on

ADOPTED ON

Nicole MacDonald
Mayor

Kate Barchard
Corporate Officer

SCHEDULE "A"

2023 - 2027 Financial Plan

REVENUES	2023	2024	2025	2026	2027
Municipal Property and Other Taxes	\$ 30,165,500	\$ 31,777,500	\$ 33,368,800	\$ 34,624,300	\$ 35,940,900
Utility Charges	12,274,900	13,290,300	14,353,200	15,541,100	17,087,200
Sale of Services	2,370,600	2,428,800	2,488,600	2,545,000	2,603,100
Licenses, Permits, Penalties, Fines	1,820,300	1,798,000	1,554,700	1,624,000	1,624,800
Investment Income	1,331,700	986,600	728,500	664,100	776,200
Government Transfers	2,918,700	698,200	704,300	1,738,800	718,300
Contributions	4,433,600	1,545,100	681,100	114,800	114,800
Other Revenue	626,200	646,900	616,000	621,300	607,500
Total Revenues	55,941,500	53,171,400	54,495,200	57,473,400	59,472,800
EXPENSES					
Operating Expenditures	37,027,800	38,765,900	40,908,800	43,045,100	45,309,800
Debt Interest	961,300	959,200	957,000	927,100	924,400
Amortization	5,389,500	5,389,500	5,389,500	5,389,500	5,389,500
Total Operating Expenses	43,378,600	45,114,600	47,255,300	49,361,700	51,623,700
Net Revenues (Expenditure)	12,562,900	8,056,800	7,239,900	8,111,700	7,849,100
ALLOCATIONS					
Net Transfers from/(to) Reserves	20,475,400	10,707,200	2,773,600	(4,861,300)	(7,061,200)
Capital Expenditures	(37,606,600)	(23,309,000)	(14,534,500)	(7,939,400)	(5,457,800)
Unfunded Amortization	5,389,500	5,389,500	5,389,500	5,389,500	5,389,500
External Debt Principle Repayment	(821,200)	(844,500)	(868,500)	(700,500)	(719,600)
Total Allocations	(12,562,900)	(8,056,800)	(7,239,900)	(8,111,700)	(7,849,100)
BUDGET BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE "B"

Transfers from Reserves:	2023	2024	2025	2026	2027
Arena Capital Reserve Fund	\$ 344,300	\$ 230,000	\$ 235,000	\$ 240,000	\$ 245,000
Community Amenity Fund	150,000	3,000,000	430,000	410,000	-
Carbon Neutrality Reserve Fund	41,100	115,000	15,000	-	-
Diking Capital Reserve Fund	389,100	75,200	75,600	76,000	76,600
Drainage Capital Reserve Fund	1,286,800	2,525,200	1,230,700	1,001,500	242,000
Equipment Replacement Reserve Fund	1,762,200	1,742,400	983,500	846,700	616,700
Future Capital Reserve Fund	403,600	25,000	25,000	-	-
Facilities & Fixtures Lifecycle Reserve Fund	22,369,500	8,958,400	4,830,100	2,082,700	1,317,100
Minor Capital Reserve Fund	14,000	14,500	15,000	505,500	16,000
Operating Reserve Fund	1,798,700	258,000	347,100	380,200	272,100
Sanitary Sewer Capital Reserve Fund	822,100	1,770,100	223,200	348,300	285,300
South Bonson Amenities Reserve Fund	44,200	41,100	37,900	34,800	31,600
Transportation Infrastructure Reserve Fund	2,503,700	4,307,100	5,765,700	1,908,800	1,403,400
Waterworks Capital Reserve Fund	2,298,900	1,227,300	2,184,100	1,222,300	2,492,000
Total Transfers from Reserves	34,228,200	24,289,300	16,397,900	9,056,800	6,997,800

Transfers to Reserves:					
Arena Capital Reserve Fund	(247,500)	(252,200)	(257,200)	(262,300)	(267,500)
Community Amenity Fund	(107,300)	(106,700)	(59,100)	(53,000)	(47,200)
Carbon Neutrality Reserve Fund	(150,300)	(152,500)	(153,100)	(155,400)	(158,000)
Diking Capital Reserve Fund	(170,000)	(171,300)	(172,900)	(174,500)	(176,100)
Drainage Capital Reserve Fund	(1,115,500)	(1,696,500)	(1,208,500)	(1,258,900)	(1,314,000)
Equipment Replacement Reserve Fund	(1,119,000)	(1,493,100)	(1,275,000)	(1,359,900)	(1,448,300)
Future Capital Reserve Fund	(4,700)	(1,100)	(700)	(300)	(300)
Facilities & Fixtures Lifecycle Reserve Fund	(4,045,900)	(3,911,000)	(4,750,000)	(4,858,900)	(5,319,800)
Minor Capital Reserve Fund	(62,900)	(63,700)	(64,500)	(65,300)	(58,100)
Operating Reserve Fund	(284,500)	(269,700)	(163,000)	(163,600)	(163,600)
Parkland Reserve Fund	(5,100)	(5,200)	(5,200)	(5,200)	(5,200)
Sanitary Sewer Capital Reserve Fund	(585,200)	(961,400)	(614,900)	(1,342,000)	(677,700)
South Bonson Amenities Reserve Fund	(14,500)	(14,000)	(13,500)	(13,100)	(12,800)
Transportation Infrastructure Reserve Fund	(4,114,500)	(2,898,700)	(3,060,300)	(2,500,700)	(2,401,100)
Waterworks Capital Reserve Fund	(1,725,900)	(1,585,000)	(1,826,400)	(1,705,000)	(2,009,300)
Total Transfers to Reserves	(13,752,800)	(13,582,100)	(13,624,300)	(13,918,100)	(14,059,000)
Total Transfers from (to) Reserves	\$ 20,475,400	\$ 10,707,200	\$ 2,773,600	\$ (4,861,300)	\$ (7,061,200)

* - Statutory Reserves as per Part 6 of the Community Charter

SCHEDULE "C"

POLICY NO. C049 – Revenue and Taxation

Policy Statement

1. To comply with the disclosure requirements as set out in section 165 (3.1) of the Community Charter.

Policy

2. Total Revenue

Charter Requirement: Set out the objectives and policies regarding the proportion of total revenue proposed to come from each funding source.

The proportion of funding sources included in the financial plan is as follows:

	2023	2024	2025	2026	2027
Municipal Property & Other Taxes	53.9%	59.8%	61.2%	60.2%	60.4%
Utility Charges	21.9%	25.0%	26.3%	27.1%	28.7%
Sale of Services	4.3%	4.6%	4.6%	4.4%	4.4%
Licenses, Permits, Penalties, Fines	3.3%	3.4%	2.9%	2.8%	2.8%
Investment Income	2.4%	1.8%	1.4%	1.2%	1.3%
Government Transfers	5.2%	1.3%	1.3%	3.0%	1.2%
Contributions	7.9%	2.9%	1.2%	0.2%	0.2%
Other Revenue	1.1%	1.2%	1.1%	1.1%	1.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

3. Property Tax is the City’s largest source of revenue and provides funding for the “public type” services provided by the City which cannot be or are undesirable to be funded on a user pay basis such as parks and leisure services, public safety, transportation and general government. Its proportion of total revenue will vary from year to year depending on the capital program and the use of reserves, borrowing or grants for the capital program.
4. **Policy:** The City is committed to, where feasible and for appropriate municipal services, shifting the payment of the services from property taxes to user fees. To this end, the City will review user fees and charges annually

and compare to the costs to provide the services and comparative costs from other municipalities.

The City will also regularly review Development Cost Charge rates to ensure that developers who profit from development in the municipality pay an appropriate share of the cost of the municipal infrastructure required to service new developments.

5. **Objective:** That “private type” services provided by the City are charged and paid for on a full cost recovery basis.
6. Taxation Revenue

Charter Requirement: Set out the objectives and policies regarding the distribution of property taxes among the property classes.

The distribution of general property tax revenue across different property taxes is as follows:

	Class	Assessment %	Revenue %
Residential	1	78.12%	54.45%
Utilities	2	0.11%	1.11%
Major Industry	4	0.17%	0.63%
Light Industry	5	3.24%	7.46%
Business & Other	6	17.38%	32.60%
Recreation / Non-Profit	8	0.79%	1.37%
Farm	9	0.19%	2.38%
Total		100.00%	100.00%

The City remains heavily reliant on residential property taxation at 54.45% of total general property tax revenue. For 2023, approximately 45.55% is budgeted to come from non-residential assessment classes which make up only 21.88% of the total assessed value for the City.

7. **Policy:** The City is committed to increasing the overall proportion of revenue from non-residential classes through growth and development while working to ensure that the amount of property taxes paid by business and industry does not harm the ability for existing businesses to operate effectively in the community and is not a deterrent for business considering locating in the community.

The City will regularly review growth in the respective classes of the tax base and compare the City's tax ratio between residential property owners and business owners relative to other municipalities in Metro Vancouver.

8. **Objective:** That the City has a broad assessment base in which each class share an equitable portion of the general property tax burden.

9. Permissive Exemptions

Charter Requirement: Set out the objectives and policies regarding the use of permissive tax exemptions.

10. **Policy:** The City of Pitt Meadows uses Policy C061 – Permissive Tax Exemptions, which has been approved by Council. The purpose of the policy is as follows:

“A permissive tax exemption is a means for Council to support organizations within the community which further Council’s objectives of enhancing quality of life (economic, social, cultural) and delivering services economically. This policy guides identification of organizations meeting Council’s objectives.”

This policy demonstrates that Council will consider providing permissive exemptions to not-for-profit institutions that form a valuable part of our community. These include religious institutions, historical societies, some recreational facilities, service organizations and cultural institutions.

11. **Objective:** Council will periodically examine its permissive tax exemption policy to determine if changes are necessary. The policy was last reviewed by Council in 2015 and an updated policy will be brought to Council this year to review.

Related Policies or Bylaws

12. 2023 to 2027 Financial Plan Bylaw No. 2949, 2023