

CITY OF PITT MEADOWS
2024 – 2028 FINANCIAL PLAN
BYLAW NO. 2979, 2024

A Bylaw to adopt the 2024 to 2028 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 "2024 – 2028 Financial Plan Bylaw No. 2979, 2024".

Schedules

2. The following Schedules are attached to, and form part of, this Bylaw:
 - (a) Schedule "A", is adopted as the 2024 - 2028 Financial Plan of the City of Pitt Meadows for the period beginning January 1, 2024 and ending December 31, 2028.
 - (b) Schedule "B", specifies the transfers to, and expenditures from, the City Reserve Funds for the period beginning January 1, 2024 and ending December 31, 2028.
 - (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"

2024 - 2028 Financial Plan

<u>REVENUES</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Municipal Property and Other Taxes	\$ 32,640,700	\$ 34,586,100	\$ 36,460,700	\$ 38,451,700	\$ 40,450,300
Utility Charges	14,748,100	15,887,600	16,976,400	17,901,000	18,837,800
Sale of Services	2,612,900	2,682,500	2,741,900	2,808,300	2,875,500
Licenses, Permits, Penalties, Fines	1,882,100	1,594,200	1,681,800	1,705,500	1,720,100
Investment Income	1,016,300	802,300	631,300	679,100	788,500
Other Revenue	643,200	655,100	654,400	662,000	667,700
Government Transfers	3,584,900	694,600	818,100	1,335,600	688,400
Contributions	12,746,500	1,090,300	408,900	177,800	403,600
Total Revenues	69,874,700	57,992,700	60,373,500	63,721,000	66,431,900
<u>EXPENSES</u>					
Operating Expenditures	41,346,200	44,216,700	46,101,400	47,260,300	48,843,300
Debt Interest	1,000,700	998,600	968,600	966,500	963,800
Amortization	5,584,000	5,584,000	5,584,000	5,584,000	5,584,000
Total Operating Expenses	47,930,900	50,799,300	52,654,000	53,810,800	55,391,100
Net Revenues (Expenditure)	21,943,800	7,193,400	7,719,500	9,910,200	11,040,800
<u>ALLOCATIONS</u>					
Net Transfers from/(to) Reserves	24,486,400	17,168,200	(558,100)	(4,736,600)	(7,670,900)
Capital Expenditures	(51,169,700)	(29,077,100)	(12,044,900)	(10,038,100)	(8,214,700)
Unfunded Amortization	5,584,000	5,584,000	5,584,000	5,584,000	5,584,000
External Debt Principle Repayment	(844,500)	(868,500)	(700,500)	(719,500)	(739,200)
Total Allocations	(21,943,800)	(7,193,400)	(7,719,500)	(9,910,200)	(11,040,800)
BUDGET BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE "B"

<u>Transfers from Reserves:</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Arena Capital Reserve Fund	\$ 230,000	\$ 550,000	\$ 150,000	\$ 150,000	\$ 250,000
Carbon Neutrality Reserve Fund	186,500	15,000	7,500	7,500	-
Community Amenity Fund	246,500	8,993,000	2,779,900	1,555,500	922,300
Diking Capital Reserve Fund	206,800	77,000	77,400	77,800	78,300
Drainage Capital Reserve Fund	3,408,200	874,900	1,320,100	465,700	539,600
Equipment Replacement Reserve Fund	2,364,200	1,386,400	1,362,100	959,300	1,428,400
Facilities & Fixtures Lifecycle Reserve Fund	22,397,700	7,679,500	2,169,300	1,023,200	1,195,500
Future Capital Reserve Fund	75,200	25,000	-	12,500	12,500
Growing Communities Reserve Fund	-	5,170,000	-	-	-
Minor Capital Reserve Fund	14,700	15,400	16,100	817,700	17,700
Operating Reserve Fund	2,396,500	1,592,600	1,384,000	554,300	218,700
Parkland Reserve Fund	-	-	-	-	-
Sanitary Sewer Capital Reserve Fund	761,700	3,459,500	1,272,800	70,700	406,400
South Bonson Amenities Reserve Fund	41,100	38,000	34,800	32,000	28,500
Transportation Infrastructure Reserve Fund	5,446,600	3,037,100	1,852,300	3,802,600	2,112,100
Waterworks Capital Reserve Fund	486,700	2,835,300	2,224,300	1,078,000	2,535,600
Total Transfers from Reserves	38,262,400	35,748,700	14,650,600	10,606,800	9,745,600
<u>Transfers to Reserves:</u>					
Arena Capital Reserve Fund	(376,300)	(387,100)	(392,900)	(405,700)	(418,900)
Carbon Neutrality Reserve Fund	(155,000)	(154,800)	(157,100)	(159,600)	(162,100)
Community Amenity Fund	(110,900)	(4,565,700)	(2,774,900)	(1,550,500)	(917,300)
Diking Capital Reserve Fund	(171,400)	(173,000)	(174,500)	(176,100)	(177,800)
Drainage Capital Reserve Fund	(1,360,000)	(1,513,800)	(1,639,900)	(1,816,200)	(2,009,500)
Equipment Replacement Reserve Fund	(1,620,800)	(1,282,100)	(1,450,400)	(1,441,800)	(1,529,800)
Facilities & Fixtures Lifecycle Reserve Fund	(4,788,800)	(3,967,200)	(2,190,100)	(3,207,000)	(4,296,500)
Future Capital Reserve Fund	(1,200)	(800)	(400)	(400)	(200)
Growing Communities Reserve Fund	-	-	-	-	-
Minor Capital Reserve Fund	(63,800)	(64,700)	(65,400)	(66,300)	(53,900)
Operating Reserve Fund	(168,600)	(151,900)	(146,300)	(137,500)	(134,800)
Parkland Reserve Fund	(5,200)	(5,200)	(5,200)	(5,200)	(5,200)
Sanitary Sewer Capital Reserve Fund	(662,000)	(737,100)	(762,200)	(923,000)	(1,830,100)
South Bonson Amenities Reserve Fund	(14,000)	(13,600)	(13,200)	(12,800)	(12,500)
Transportation Infrastructure Reserve Fund	(2,679,100)	(3,885,400)	(3,717,200)	(3,670,300)	(4,025,400)
Waterworks Capital Reserve Fund	(1,598,900)	(1,678,100)	(1,719,000)	(1,771,000)	(1,842,500)
Total Transfers to Reserves	(13,776,000)	(18,580,500)	(15,208,700)	(15,343,400)	(17,416,500)
Total Transfers from (to) Reserves	\$ 24,486,400	\$ 17,168,200	\$ (558,100)	\$ (4,736,600)	\$ (7,670,900)

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:

	2024	2025	2026	2027	2028
Municipal Property and Other Taxes	46.7%	59.6%	60.4%	60.3%	60.9%
Utility Charges	21.1%	27.4%	28.1%	28.1%	28.4%
Sale of Services	3.7%	4.6%	4.5%	4.4%	4.3%
Licenses, Permits, Penalties, Fines	2.7%	2.7%	2.8%	2.7%	2.6%
Investment Income	1.5%	1.4%	1.0%	1.1%	1.2%
Other Revenue	1.0%	1.2%	1.1%	1.0%	1.0%
Government Transfers	5.1%	1.2%	1.4%	2.1%	1.0%
Contributions	18.2%	1.9%	0.7%	0.3%	0.6%
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	75.92%	53.16%
Utilities	2	0.12%	1.07%
Major Industry	4	0.19%	0.61%
Light Industry	5	3.44%	7.24%
Business & Other	6	19.52%	34.60%
Recreation / Non-Profit	8	0.63%	1.00%
Farm	9	0.18%	2.32%
Total		100.00%	100.00%

The City remains heavily reliant on residential property taxation at 53.16% of total general property tax revenue. For 2024, approximately 46.84% is budgeted to come from non-residential assessment classes which make up only 24.08% 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.

Related Policies or Bylaws

12. 2024 to 2028 Financial Plan Bylaw No. 2979, 2024