

CITY OF PITT MEADOWS
2022 – 2026 FINANCIAL PLAN
BYLAW NO. 2920, 2022

A Bylaw to adopt the 2022 to 2026 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 "City of Pitt Meadows 2022 – 2026 Financial Plan Bylaw".

Schedules

2. The following Schedules are attached to, and form part of, this Bylaw:
 - (a) Schedule "A", is adopted as the 2022 - 2026 Financial Plan of the City of Pitt Meadows for the period beginning January 1, 2022 and ending December 31, 2026.
 - (b) Schedule "B", specifies the transfers to, and expenditures from, the City Reserve Funds for the period beginning January 1, 2022 and ending December 31, 2026.
 - (c) Schedule "C", is the Revenue and Taxation Policy for the City of Pitt Meadows.

READ a FIRST, SECOND and THIRD time on March 29, 2022.

ADOPTED ON [DATE].

Bill Dingwall
Mayor

Kate Barchard
Corporate Officer

SCHEDULE "A"

2022 - 2026 Financial Plan

<u>REVENUES</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Municipal Property and Other Taxes	\$ 27,310,100	\$ 28,353,000	\$ 29,425,500	\$ 30,437,800	\$ 31,362,700
Utility Charges	11,524,200	12,315,400	13,262,300	14,372,300	15,890,200
Sale of Services	2,042,400	2,086,500	2,131,900	2,178,700	2,226,900
Licenses, Permits, Penalties, Fines	2,202,600	1,519,100	1,507,800	1,502,700	1,609,100
Investment Income	449,300	452,500	475,400	491,500	477,800
Government Transfers	3,540,000	562,600	566,900	573,100	1,259,400
Contributions	3,888,700	423,600	1,492,300	628,300	62,000
Other Revenue	614,300	636,300	617,200	623,000	645,700
Total Revenues	51,571,600	46,349,000	49,479,300	50,807,400	53,533,800
<u>EXPENSES</u>					
Operating Expenditures	33,108,000	34,232,500	35,692,100	37,336,800	39,396,100
Debt Interest	304,200	692,500	667,400	608,700	621,800
Amortization	5,181,500	5,181,500	5,181,500	5,181,500	5,181,500
Total Operating Expenses	38,593,700	40,106,500	41,541,000	43,127,000	45,199,400
Net Revenues (Expenditure)	12,977,900	6,242,500	7,938,300	7,680,400	8,334,400
<u>ALLOCATIONS</u>					
Net Transfers from/(to) Reserves	1,170,200	10,545,900	(276,800)	1,583,100	(6,129,700)
Capital Expenditures	(38,909,200)	(21,065,000)	(11,916,100)	(13,461,900)	(6,609,700)
Unfunded Amortization	5,181,500	5,181,500	5,181,500	5,181,500	5,181,500
External Debt Principle Repayment	(420,400)	(904,900)	(926,900)	(983,100)	(776,500)
Police Building Debt Principle	20,000,000	-	-	-	-
Total Allocations	(12,977,900)	(6,242,500)	(7,938,300)	(7,680,400)	(8,334,400)
BUDGET BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE "B"

<u>Transfers from Reserves:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Arena Capital Reserve Fund	\$ 330,000	\$ 225,000	\$ 230,000	\$ 235,000	\$ 240,000
Community Amenity Fund	-	-	-	840,000	-
Carbon Neutrality Reserve Fund	31,500	15,000	15,000	15,000	-
Diking Capital Reserve Fund	370,200	74,900	75,200	75,500	75,900
Drainage Capital Reserve Fund	1,507,200	3,157,100	340,100	1,000,600	821,000
Equipment Replacement Reserve Fund	2,051,700	1,265,300	1,208,300	910,900	578,300
Future Capital Reserve Fund	539,500	25,000	25,000	25,000	25,000
Facilities & Fixtures Lifecycle Reserve Fund	18,814,700	13,646,600	2,565,600	1,730,200	1,237,500
Minor Capital Reserve Fund	14,000	14,000	14,000	504,000	14,000
Operating Reserve Fund	1,757,500	437,300	337,700	338,200	318,600
Sanitary Sewer Capital Reserve Fund	467,600	201,700	1,244,800	47,600	348,000
South Bonson Amenities Reserve Fund	55,700	44,200	41,100	37,900	34,800
Transportation Infrastructure Reserve Fund	4,149,400	762,300	4,285,200	5,722,700	1,929,600
Waterworks Capital Reserve Fund	2,906,400	1,632,700	848,100	2,162,500	1,035,000
Total Transfers from Reserves	32,995,400	21,501,100	11,230,100	13,645,100	6,657,700
<u>Transfers to Reserves:</u>					
Arena Capital Reserve Fund	(314,300)	(322,200)	(330,600)	(339,700)	(349,500)
Community Amenity Fund	(86,500)	(87,400)	(88,300)	(89,100)	(81,600)
Carbon Neutrality Reserve Fund	(600)	(500)	(300)	(200)	-
Diking Capital Reserve Fund	(167,800)	(166,500)	(167,000)	(162,000)	(162,900)
Drainage Capital Reserve Fund	(1,056,300)	(1,110,500)	(1,156,100)	(1,207,100)	(1,258,000)
Equipment Replacement Reserve Fund	(1,039,700)	(1,119,300)	(1,193,700)	(1,271,300)	(1,352,700)
Future Capital Reserve Fund	(443,800)	(3,200)	(8,700)	(8,500)	(8,400)
Facilities & Fixtures Lifecycle Reserve Fund	(23,718,500)	(3,563,900)	(3,868,900)	(4,200,000)	(4,534,900)
Minor Capital Reserve Fund	(58,200)	(58,700)	(59,100)	(59,500)	(55,100)
Operating Reserve Fund	(629,200)	(119,800)	(120,200)	(121,000)	(121,900)
Parkland Reserve Fund	(7,500)	(7,600)	(7,600)	(7,700)	(7,800)
Sanitary Sewer Capital Reserve Fund	(536,700)	(559,600)	(572,000)	(593,300)	(615,300)
South Bonson Amenities Reserve Fund	(13,100)	(12,700)	(12,400)	(12,100)	(11,900)
Transportation Infrastructure Reserve Fund	(2,277,000)	(2,297,300)	(2,337,000)	(2,338,100)	(2,520,000)
Waterworks Capital Reserve Fund	(1,476,000)	(1,526,000)	(1,585,000)	(1,652,400)	(1,707,400)
Total Transfers to Reserves	(31,825,200)	(10,955,200)	(11,506,900)	(12,062,000)	(12,787,400)
Total Transfers from (to) Reserves	\$ 1,170,200	\$ 10,545,900	\$ (276,800)	\$ 1,583,100	\$ (6,129,700)

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

SCHEDULE "C"

POLICY NO. C049 – Revenue and Taxation

PITT MEADOWS POLICY MANUAL	POLICY NO. C049
SUBJECT: Revenue and Taxation	Approved by Council:

PURPOSE:

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

POLICY: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:

	2022	2023	2024	2025	2026
Municipal Property & Other Taxes	53.0%	61.2%	59.5%	59.9%	58.6%
Utility Charges	22.3%	26.5%	26.8%	28.3%	29.7%
Sale of Services	4.0%	4.5%	4.3%	4.3%	4.1%
Licenses, Permits, Penalties, Fines	4.3%	3.3%	3.1%	3.0%	3.0%
Investment Income	0.9%	1.0%	1.0%	1.0%	0.9%
Government Transfers	6.8%	1.2%	1.1%	1.1%	2.4%
Contributions	7.5%	0.9%	3.0%	1.2%	0.1%
Other Revenue	1.2%	1.4%	1.2%	1.2%	1.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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.

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.

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

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	79.76%	54.44%
Utilities	2	0.12%	1.13%
Major Industry	4	0.15%	0.63%
Light Industry	5	2.95%	7.70%
Business & Other	6	16.05%	32.58%
Recreation / Non-Profit	8	0.75%	1.13%
Farm	9	0.22%	2.39%
Total		100.00%	100.00%

The City remains heavily reliant on residential property taxation at 54.44% of total general property tax revenue. For 2022, approximately 45.56% is budgeted to come from non-residential assessment classes which make up only 20.24% of the total assessed value for the City.

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.

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

Permissive Exemptions

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

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.

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.