

Staff Report to Council

Financial Services

FILE: 05-1900-03/20

REPORT DATE: April 29, 2020

MEETING DATE:

May 05, 2020

TO: Mayor and Council

FROM: Cheryl Harding, Director of Financial Services

SUBJECT: 2020 Tax Rate Bylaw

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:



RECOMMENDATION(S): THAT Council:

- A. Grant First, Second and Third Reading to the 2020 Tax Rate Bylaw No. 2856, 2020; AND
- B. As per the authority granted through Ministerial Order 083 [local government meetings and bylaw process (covid-19) order], ADOPT the 2020 Tax Rate Bylaw No. 2856, 2020; OR
- C. Other.

PURPOSE

To receive Council approval to set the 2020 property tax rates and establish the 2020 late payment penalty date.

☐ Information Report

☒ Decision Report

☐ Direction Report

DISCUSSION

Background:

On April 28th, 2020, Council adopted the 2020 5 Year Financial Plan Bylaw which provided staff the authority to expend funds for operating and capital to deliver all public services within the approved 2020 budgets.

Additionally, on April 28, 2020 Council approved the COVID-19 Financial Relief Grant Program and Policy which also conveyed the new provincial program to delay the property tax penalty date to October 1, 2020 for commercial properties. The provincial program excludes residential and farm property classes. The 2020 Property Tax Bylaw includes provision for the October 1, 2020 delayed penalty date to be applied to all properties, including residential and farm.

Relevant Policy, Bylaw or Legislation:

The Community Charter requires the City to have a Revenue and Taxation Policy to disclose the City's objectives for the collection of revenues, including taxation. Council approved this policy on April 28, 2020. The Community Charter, section 197 (1) requires the annual property tax bylaw be adopted before May 15, 2020.

The provincial Municipal Tax Regulation stipulates the penalty rate of 10% to be applied to unpaid accounts the timing of which is determined by Council bylaw.

Analysis:

The budget for property taxation revenue of \$23,974,300 is included within the Municipal Property and Other Taxes in Schedule A of the adopted 2020 Financial Plan Bylaw (Attachment A), representing revenue needed for the City to pay for its operating and capital costs.

The 2020 Tax Rate Bylaw sets the taxation mill rates and provides staff with the authority to collect the property tax revenue required to balance the budget.

Before the taxation mill rates could be calculated and established by bylaw, the revised roll from BC Assessment Authority and the GVRD levy for 2020 were needed, both of which have been recently received. As a result, staff have prepared the 2020 Tax Rate Bylaw No. 2856, 2020 (Attachment B) for Council adoption.

All property owners are encouraged to pay their property taxes by the July 2 due date, however cash flows will be affected by the province's decision to postpone penalties to October 1 in response to assisting those financially impacted by COVID-19. To be consistent with the province, the City, along with a number of other municipalities, is also delaying penalties from 5% on July 3 and 5% on August 1 for Class 1 Residential and Class 9 Farm to 10% on October 1.

Other:

Each year property owners over the age of 55 or families with children have the option of applying for the property tax deferment program through the province. This is a low interest loan program to help homeowners pay their property taxes on their principle residence. Full details are available online through the province or by calling 1-855-355-2700. In 2019, approximately 290 Pitt Meadows property owners deferred their property taxes.

The City offers a monthly pre-payment plan for next year's property taxes which may be started at any time. Enrollment information is available on the City's website under "Property Taxes: Tax Pre-Payment Plan". Approximately 900 or 12% of property owners are currently registered in this program.

COUNCIL STRATEGIC PLAN ALIGNMENT

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

The tax rate bylaw will generate the revenue to support the Council adopted 2020 5 year financial plan bylaw developed to maintain an appropriate balance of taxes and service levels.

FINANCIAL IMPLICATIONS

- ☐ None ☒ Budget Previously Approved ☐ Referral to Business Planning
☐ Other

The average single family home experiencing the 3.24% average residential decrease from the 2019 assessment value of \$802,139 will see \$144 combined property tax and utility increase. After applying the \$150 COVID-19 Financial Relief Grant the net result is a \$6 decrease to the municipal portion of the property tax notice.

The average multi-family home experiencing the 3.24% average residential decrease from the 2019 assessment value of \$510,744 will see \$95 combined property tax and utility increase. After applying the \$100 COVID-19 Financial Relief Grant the net result is a \$5 decrease to the municipal portion of the property tax notice.

Tax and Utilities	Average Single Family	Average Multi- Family
2019 Total	\$3,186	\$2,101
2020 Increase	144	95
2020 Total	3,330	2,196
COVID-19 Grant	(150)	(100)
2020 Total after Grant	\$3,180	\$2,096

PUBLIC PARTICIPATION

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

Comment(s):

The Tax Rate Bylaw supports the revenue collection needed for the City to pay its operating and capital costs as developed throughout the business planning process which provided opportunities for public comment and feedback.

KATZIE FIRST NATION CONSIDERATIONS

Referral ☐ Yes ☒ No

SIGN-OFFS

Written by:

Cheryl Harding, Director of Financial Services

ATTACHMENT(S):

- A. Schedule "A" from the 2020-2024 Financial Plan Bylaw No. 2818, 2020.
- B. 2020 Tax Rate Bylaw No 2856, 2020

SCHEDULE "A"

2020 - 2024 Financial Plan

SCHEDULE "A"

REVENUES

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Municipal Property and Other Taxes	\$ 23,974,300	\$ 24,438,000	\$ 25,369,300	\$ 26,292,100	\$ 27,123,600
Utility Charges	10,730,400	11,475,900	12,234,600	13,050,600	13,824,800
Sale of Services	2,243,100	2,268,100	2,318,700	2,370,900	2,424,600
Licenses, Permits, Penalties, Fines	2,448,900	1,887,100	1,799,600	1,547,600	1,391,600
Investment Income	465,000	465,000	465,000	465,000	465,000
Government Transfers	3,569,100	845,300	564,000	562,700	566,400
Contributions	4,600,300	3,323,600	2,798,400	71,100	31,300
Other Revenue	594,200	624,600	644,900	661,700	671,700
Total Revenues	\$ 48,625,300	\$ 45,327,600	\$ 46,194,500	\$ 45,021,700	\$ 46,499,000

EXPENSES

Operating Expenditures	\$ 31,150,700	\$ 30,925,300	\$ 32,112,800	\$ 33,237,400	\$ 34,436,100
Debt Interest	167,300	154,400	141,200	127,500	113,400
Amortization	5,450,000	5,450,000	5,450,000	5,450,000	5,450,000
Total Operating Expenses	\$ 36,768,000	\$ 36,529,700	\$ 37,704,000	\$ 38,814,900	\$ 39,999,500

Net Revenues (Expenditure)

\$ 11,857,300	\$ 8,797,900	\$ 8,490,500	\$ 6,206,800	\$ 6,499,500
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ALLOCATIONS

Net Transfers from/(to) Reserves	\$ 15,190,800	\$ 3,180,600	\$ (2,950,700)	\$ (2,984,000)	\$ (4,261,000)
Capital Expenditures	(32,097,600)	(17,018,200)	(10,569,400)	(8,241,900)	(7,246,600)
Unfunded Amortization	5,450,000	5,450,000	5,450,000	5,450,000	5,450,000
External Debt Principle Repayment	(400,500)	(410,300)	(420,400)	(430,900)	(441,900)
Total Allocations	\$ (11,857,300)	\$ (8,797,900)	\$ (8,490,500)	\$ (6,206,800)	\$ (6,499,500)

BUDGET BALANCE

\$ -	\$ -	\$ -	\$ -	\$ -
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2020 TAX RATE
Bylaw No. 2856, 2020

A Bylaw for the Levying of Rates for Municipal and Regional Purposes
for the Year 2020

The Council of The City of Pitt Meadows, in open meeting assembled, ENACTS
AS FOLLOWS:

Citation

1. This Bylaw may be cited as the "2020 Tax Rate Bylaw No. 2856, 2020".

Rates

2. The following rates are hereby imposed and levied for the year 2020:
 - (a) For all lawful general purposes of the Municipality on the value of land and improvements taxable for general municipal purposes, rates appear in Column "A" of Schedule "A", attached to and forming part of this Bylaw;
 - (b) For all lawful drainage purposes of the Municipality on the value of land and improvements taxable for general municipal purposes, rates appear in Column "B" of Schedule "A", attached to and forming part of this Bylaw;
 - (c) For purposes of the Greater Vancouver Regional District on the value of land and improvements taxable for hospital purposes, rates appear in Column "C" of Schedule "A", attached to and forming part of this Bylaw.
3. The minimum amount of taxation upon a taxable parcel of real property shall be One Dollar (\$1.00).

Penalties

4. Pursuant to the powers contained in Section 234 of the *Community Charter* and its related regulations, the Collector will, upon the 1st day of October, 2020, add to the unpaid taxes of the current year, for each parcel of land and its improvements on the property tax roll, ten percent (10%) of the amount unpaid on October 1st.
5. The said unpaid taxes, together with amounts added under this section, will be deemed to be taxes of the current year due on such lands and on

the improvements thereon, and the amount added hereunder will, when collected, form part of the general revenue of the Municipality.

READ a FIRST, SECOND, and THIRD time on [DATE].

ADOPTED on [DATE].

Bill Dingwall
Mayor

Kate Barchard
Corporate Officer

SCHEDULE "A"

	"A"	"B"	"C"
	<u>General Municipal</u>	<u>Drainage</u>	<u>Regional District</u>
Residential	2.7552	0.1085	0.0573
Utilities	40.0000	0	0.2006
Major Industry	19.0549	0.7497	0.1948
Light Industry	10.0210	0.3787	0.1948
Business & Other	7.6675	0.3027	0.1404
Recreational & Seasonal	9.9511	0.3917	0.0573
Farm	33.1875	1.2998	0.0573

Tax Rates (Dollars of tax per \$1,000 of taxable value)