



SPECIAL COUNCIL MEETING AGENDA

Wednesday, May 13, 2015 - 4:00 PM
Council Chambers
Municipal Hall, 13211 Henry Ave.
Summerland, BC

Page

1. Call to Order

2. Unfinished Business - Financial Bylaws

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2.1 2015-2019 Financial Plan Bylaw

Recommendation:

THAT the 'Five Year Financial Plan 2015-2019 Bylaw No. 2015-016', be adopted.

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2.2 2015 Property Tax Rates

Recommendation:

THAT the '2015 Tax Rates Bylaw No. 2015-014', be adopted.

3. Adjourn

THE CORPORATION OF THE DISTRICT OF SUMMERLAND

BYLAW NUMBER 2015-016

Five Year Financial Plan, 2015-2019

WHEREAS pursuant to section 165 of the *Community Charter*, the District must, by bylaw, adopt a financial plan before the annual property tax bylaw is adopted;

NOW THEREFORE the Municipal Council of The Corporation of the District of Summerland in open meeting assembled, enacts as follows:

1. Schedule 'A' entitled '2015-2019 Financial Plan' which is attached to and forms part of this bylaw is hereby declared to be the Five Year Financial Plan of the District of Summerland for the period of January 1, 2015 to and including December 31, 2019.
2. Schedule 'B' entitled Revenue Policy which is attached to and forms part of this bylaw is hereby declared to be the District of Summerland Revenue Policy.
3. This bylaw may be cited for all purposes as Bylaw No. 2015-016 'Five Year Financial Plan, 2015 to 2019.

Read a first, second and third time this 11th day of May, 2015.

Adopted by Municipal Council this day of 2015.

Mayor

Corporate Officer

THE CORPORATION OF THE DISTRICT OF SUMMERLAND
Schedule A - 2014 - 2018 Financial Plan, as Amended
Amended Bylaw No. 2004-001

	2015	2016	2017	2018	2019
Revenue					
Property Value Tax	7,423,190	7,719,274	8,024,241	8,335,807	8,654,170
Parcel Taxes	2,194,300	2,194,300	2,194,300	2,194,300	2,194,300
Fees and Charges	15,911,575	16,500,087	17,104,990	17,735,003	18,401,999
Other Sources	7,310,962	8,158,766	2,716,053	2,702,041	2,791,690
	32,840,026	34,572,426	30,039,585	30,967,151	32,042,159
	100%	100%	100%	100%	100%
Expenses					
General Government	1,664,541	1,300,875	1,307,419	1,338,820	1,370,876
Protective Services	2,283,648	2,307,444	2,331,606	2,346,107	2,360,738
Works & Environmental Health Services	3,535,160	3,291,238	3,331,697	3,362,932	3,394,614
Planning, Development, & Building Services	638,116	692,139	636,326	657,899	679,949
Parks, Recreation, and Community Services	2,101,921	2,051,575	2,086,894	2,098,878	2,110,954
Utilities	12,714,185	13,161,690	13,629,404	14,118,304	14,629,413
Debt Interest	1,733,370	1,749,430	1,714,190	1,701,466	1,688,742
Amortization	3,673,000	3,835,000	4,044,000	4,142,000	4,231,000
	28,343,941	28,389,390	29,081,537	29,766,407	30,486,285
Annual Surplus	4,496,085	6,183,036	958,048	1,200,744	1,575,874
Add Back:					
Transfer from investment in tangible capital assets equal to amortization	3,673,000	3,835,000	4,044,000	4,142,000	4,231,000
Capital Expenditures	(8,915,609)	(9,133,743)	(2,611,733)	(2,530,758)	(3,397,883)
Borrowing Proceeds	1,296,250	1,459,750	30,000	300,000	300,000
Debt Principal	(2,029,748)	(2,314,568)	(2,597,249)	(2,649,354)	(2,535,287)
Transfers from Special Funds	108,460	265,540	795,000	-	380,000
Transfers to Special Funds	-	-	-	-	-
Development Cost Charges	(726,997)	(716,368)	(769,419)	(663,985)	(705,057)
Transfers to Accumulated Surplus	2,098,558	421,353	151,353	201,353	151,353
Transfers from Accumulated Surplus					
NET BUDGET	0	0	0	0	0

SCHEDULE 'B' to BYLAW 2015-016 – Five Year Financial Plan 2015-2019

POLICY STATEMENT AND REGULATIONS

Number: 200.4

REVENUE POLICY

POLICY OBJECTIVE

The Community Charter requires all municipalities to develop specific statements of policy on certain revenues and taxes. This policy will meet the requirements of the Community Charter by stating policy related to the proportion of total revenue by revenue source, the distribution of property taxes among the property classes and the use of permissive tax exemptions.

POLICY

A. PROPORTION OF REVENUE BY SOURCE

Property Value Taxes

The District of Summerland (District) will attempt to keep the proportional share of revenue from property value taxes at a level similar to historical amounts, adjusted for non-market changes and the changing priorities of the Council.

The District will continue to use property value taxation as a primary source of revenue in the general fund. When new sources of revenue are made available to the District from senior governments, these revenues will be used to reduce dependency on property value taxation wherever possible.

Parcel taxes

Parcel taxes will continue to be utilized to raise revenues where Council determines they are more appropriate than property value taxes. Parcel taxes are most appropriate in situations such as utility services where only a portion of the community benefits from the service.

Fees and charges

Fees and charges will be utilized when they are both easily attributable to the service user and directly beneficial to those who utilize the service. The proportion of the costs recovered by the fees and charges will vary with the nature of the service provided.

The District will establish cost recovery policies for fee-supported services. The policies will consider whether the benefits received from the service are public and/or private.

The District will review fees/charges every two years, at a minimum, to ensure that they keep pace with changes in the cost-of-living as well as changes in the methods or levels of service delivery.

The District will consider market rates and charges levied by other public and private organizations for similar services in establishing rates, fees and charges.

Proceeds of borrowing

Borrowing will be considered when determining the funding source of large capital projects that provide benefits to taxpayers over a long period of time (20 years or more). The District will consider leasing opportunities when acquiring assets that provide benefits over a shorter period of time.

Other revenue sources

The District will actively pursue alternative revenue sources to reduce reliance on property value taxes.

The District will utilize surplus funds when appropriate. The *Community Charter* does not allow municipalities to plan an operating deficit (i.e. where expenditures exceed revenues). To ensure this situation does not occur, revenue projections are conservative and authorized expenditures are closely monitored. The combination of conservative revenue projections and controlled expenditures should produce a modest annual operating surplus. Council will review options and provide direction to staff regarding the allocation of any operating surplus.

The District will establish and utilize reserve funds when appropriate. Reserve funds shall be set aside to:

- a. Provide sources of funds for future capital expenditures;
- b. Provide a source of funding for areas of expenditure that fluctuate significantly from year to year (ex. snow removal);
- c. Protect the District from uncontrollable or unexpected increases in expenditures or unforeseen reductions in revenues, or a combination of the two; and
- d. Provide for working capital to ensure sufficient cash flow to meet the District's needs throughout the year.

The District will utilize development cost charges to help fund capital projects deemed to be required in whole or in part due to development in the community. These charges will be set by bylaw and reviewed at a minimum every 5 years to ensure that project estimates remain reasonable and the development costs charges are aligned with the strategic goals of Council.

The District will develop and pursue new and creative partnerships with government, community institutions (churches, schools), and community groups as well as private and non-profit organizations to generate revenues, reduce costs and enhance service to the community

B. DISTRIBUTION OF PROPERTY VALUE TAXES

Council will set tax rates with the goal of tax stability. This is accomplished by Council first considering the historical proportion of taxes paid by each property classification before consideration of non-market changes in the property classes and then the tax levy on a typical home and the average assessed value for a business.

C. USE OF PERMISSIVE TAX EXEMPTIONS

The District believes that the Permissive Tax Exemption is an appropriate way to recognize the value of the services provided to the community by non-profit organizations. Permissive tax exemptions will be considered annually by Council. All applications for permissive tax exemptions will be reviewed in accordance with the current Permissive Tax Exemption Policy. Permissive Tax Exemptions will be reviewed at least every three years to ensure that the organization and property still meets the criteria established by Council.

Adopted: November 10, 2014

THE CORPORATION OF THE DISTRICT OF SUMMERLAND

BYLAW NUMBER 2015-014

2015 Tax Rates

WHEREAS pursuant to section 197 of the *Community Charter*, Council must, by bylaw, impose property value taxes for the year by establishing tax rates for the municipal revenue proposed to be raised for the year from property value taxes as provided in the financial plan, and the amounts to be collected for the year by means of rates established by the municipality to meet its taxing obligations in relation to another local government or other public body;

NOW THEREFORE, the Council of the Corporation of the District of Summerland in open meeting assembled, enacts as follows:

1. The following taxation rates are hereby imposed and levied for the year 2015:
 - a) For general purposes of the Municipality on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in Column "A" of the Schedule attached to and forming part of this bylaw.
 - b) For purposes of the Regional District of Okanagan-Similkameen on the assessed value of land and improvements taxable for hospital assessment base purposes, rates appearing in Column "B" of the Schedule attached to and forming part of this bylaw.
 - c) For purposes of the Regional District of Okanagan-Similkameen for the Sterile Insect Release Program on the assessed land taxable for hospital assessment base purposes, rates appearing in Column "C" of the Schedule attached to and forming part of this bylaw.
 - d) For the purposes of the Regional District of Okanagan-Similkameen for 911 Emergency Call System and the Mosquito Control Program on the assessed improvements taxable for hospital assessment base purposes, rates appearing in Column "D" of the Schedule attached to and forming part of this bylaw.
 - e) For hospital purposes on the assessed value of land and improvements taxable for hospital assessment base purposes, rates appearing in Column "E" of the Schedule attached to and forming a part of this bylaw.
 - f) For the purposes of the Okanagan Regional Library on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in Column "F" of the Schedule attached to and forming a part of this bylaw.

- g) For the purposes of the Prairie Valley Road Rosedale Avenue Debt on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in Column "G" of the Schedule attached to and forming a part of this bylaw.
 - h) For the purposes of the RCMP Detachment Building Debt on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in Column "H" of the Schedule attached to and forming a part of this bylaw.
- 2. The minimum amount of taxation upon a parcel of real property shall be One Dollar (\$1.00).
 - 3. On or after the 3rd day of July, 2015, the Director of Finance for the Corporation of the District of Summerland shall add to the current year's taxes unpaid at 4:00 p.m. on the 3rd day of July, 2015, on each parcel of land on the assessment roll, ten per cent (10%) of the amount thereof and the said unpaid taxes, together with amounts added as aforesaid shall from the 3rd day of July, 2015, to deemed to be the amount of the current year's taxes upon such land.
 - 4. This Bylaw may be cited as "2015 Tax Rates Bylaw Number 2015-014".

Read a first, second and third time this 11th day of May, 2015.

Adopted by Municipal Council this day of 2015.

Mayor

Corporate Officer

SCHEDULE TO BY-LAW 2015-014

2015 Tax Rates (dollars of tax per \$1,000 taxable values)

Property Class	A General Municipal & Debt	B R.D.O.S.	C R.D.O.S. S.I.R.	D R.D.O.S. 911 / Mosquito Control	Multiples for General Purposes
1 Residential	2.98356	0.19277	0.09220	0.05708	1.00000
2 Utilities	21.36414	0.67471	0.32271	0.19980	7.16062
3 Supportive Housing	3.04253	0.19277	0.09220	0.05708	1.01976
4 Major Industry	7.60632	0.65543	0.31349	0.19409	2.54941
5 Light Industry	6.06456	0.65543	0.31349	0.19409	2.03266
6 Business / Other	8.20348	0.47229	0.22590	0.13986	2.74956
7 Managed Forest Land	9.12758	0.57832	0.27661	0.17125	3.05929
8 Recreation / Non-Profit	5.82813	0.19277	0.09220	0.05708	1.95341
9 Farm	8.37649	0.19277	0.09220	0.05708	2.80755

Property Class	E O.S.R.H.D.	F Regional Library	G Prairie Valley Rosedale Levy	H RCMP Building Levy
1 Residential	0.31637	0.19676	0.06744	0.10136
2 Utilities	1.10731	1.40896	0.48293	0.72578
3 Supportive Housing	0.31637	0.20065	0.06878	0.10336
4 Major Industry	1.07567	0.50163	0.17194	0.25840
5 Light Industry	1.07567	0.39996	0.13709	0.20602
6 Business / Other	0.77512	0.54102	0.18544	0.27869
7 Managed Forest Land	0.94912	0.60196	0.20633	0.31008
8 Recreation / Non-Profit	0.31637	0.38436	0.13174	0.19799
9 Farm	0.31637	0.55243	0.18935	0.28456