

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #774

A BYLAW TO ADOPT THE FINANCIAL PLAN FOR THE PERIOD OF 2023 to 2027

WHEREAS the Council of the Village of Montrose deems it necessary to amend the current financial plan,

NOW THEREFORE, the Council of the Village of Montrose, in open meeting assembled, hereby ENACTS AS FOLLOWS:

SHORT TITLE

1. (1) This Bylaw may be cited as the "**MONTROSE FINANCIAL PLAN 2023 - 2027 BYLAW**"

SERVICE PRIORITY POLICIES

2. (1) "Essential Service" means a service to which the following criteria apply:
 - (a) Revenues raised to meet the demands of the service;
 - (b) Built-in redundancy;
 - (c) Borrowing to be authorized if current revenues are inadequate.
- (2) Essential Services shall include:
 - (a) The domestic water system;
 - (b) The sanitary sewer system;
 - (c) The storm sewer system.
3. (1) "Secondary Service" means a service to which the following criteria apply:
 - (a) Funding raised to maintain the value of assets;
 - (b) Service quality priority over service quantity;
 - (c) Borrowing only as approved through the budget process.
- (2) Secondary Services shall include:
 - (a) Parks, playgrounds, and playing fields;
 - (b) Municipal buildings;
 - (c) Road system;
 - (d) Solid waste removal;
 - (e) General government.
4. (1) "Tertiary Service" means a service of a special nature identified by Council to which the following criteria apply:
 - (a) Funding capped for the duration of the service;
 - (b) Borrowing by referendum only;
 - (c) Interruptible projects.
- (2) Tertiary Services shall include:
 - (a) Social and Cultural Services.

GENERAL MATTERS

5. (1) For the purpose of this Bylaw, the funding sources and levels indicated shall be considered target levels to be achieved over the term of this financial plan.
 - (2) All excess revenues or excess expenditures accrued in the Water Operating Fund or the Sewer Operating Fund over the course of a fiscal year shall be transferred to the General Operating Fund
 - (3) All excess revenues accrued in the General Operating Fund, Water Operating Fund and/or the Sewer Operating Fund shall be transferred to an appropriate Reserve Fund.
6. (1) The planned revenues for the years 2023 - 2027 relating to the General Operating Fund shall be those recorded on Schedule "A" attached to and

forming part of this Bylaw.

- (2) The planned expenditures for the years 2023 - 2027 relating to the General Operating Fund shall be those recorded on Schedule "B" attached to and forming part of this Bylaw.
- (3) The planned revenues and expenditures for the years 2023 – 2027 relating to the Water Operating Fund shall be those recorded on Schedule "C" attached to and forming part of this Bylaw.
- (4) The planned revenues and expenditures for the years 2023 - 2027 relating to the Sewer Operating Fund shall be those recorded on Schedule "D" attached to and forming part of this Bylaw.
- (5) The Statement of Objectives and Policies for the years 2023 – 2027 relating to the Financial Plan shall be those recorded on Schedule "E" attached to and forming part of this Bylaw.

ENACTMENT

- 7. (1) If any section, subsection, sentence, clause or phrase of this Bylaw is for any reason held to be invalid by the decision of any court of competent jurisdiction, the invalid portion shall be severed and the part that is invalid shall not affect the validity of the remainder.
- (2) This Bylaw shall come into full force and effect on final adoption.

READ A FIRST TIME	this 17 th day of April 2023
READ A SECOND TIME	this 17 th day of April 2023
READ A THIRD TIME	this 17 th day of April 2023
PUBLIC CONSULTATION HELD	this 1st day of May 2023
RECONSIDERED AND FINALLY ADOPTED	this day of May 2023

Mayor

Corporate Officer

Certified a true copy of Bylaw #774, as adopted

Corporate Officer

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #774

SCHEDULE "A" – GENERAL FUND REVENUES

	<u>2022</u> <u>BUDGET</u>	<u>2022</u> <u>PRE-</u> <u>AUDIT</u>	<u>2023</u> <u>BUDGET</u>	<u>2024</u> <u>BUDGET</u>	<u>2025</u> <u>BUDGET</u>	<u>2026</u> <u>BUDGET</u>	<u>2027</u> <u>BUDGET</u>
TAXES							
Ad Valorem Taxes	235,071	235,062	249,904	254,903	260,000	265,200	270,504
Drainage Parcel Taxes	22,950	23,000	24,380	24,380	24,380	24,380	24,380
Community Development Parcel Taxes	2,295	2,300	2,438	2,438	2,438	2,438	2,438
Road Maintenance Parcel Taxes	57,375	57,500	60,950	60,950	60,950	60,950	60,950
Utility Taxes	12,686	12,645	13,167	13,167	13,167	13,167	13,167
Grant in Lieu of Taxes	3,007	3,035	3,035	3,035	3,035	3,035	3,035
TOTAL TAXES	333,336	333,542	353,874	358,873	363,970	369,170	374,474
SALE OF SERVICES							
Garbage Service	33,320	37,062	34,820	35,000	35,200	35,500	36,000
Recreation Services	12,000	6,727	12,000	12,500	12,800	13,000	13,200
Other Services	40	3	30	100	100	100	100
TOTAL SALE OF SERVICES	45,360	43,792	46,850	47,600	48,100	48,600	49,300
OTHER REVENUES FROM OWN SOURCES							
Licenses & Permits	10,350	11,049	8,240	10,000	10,500	11,000	11,500
Rentals	74,400	83,421	79,808	82,000	83,500	85,000	86,500
Miscellaneous	223,389	129,671	284,804	35,000	38,000	40,000	43,000
TOTAL REVENUES FROM OWN SOURCES	308,139	224,141	372,852	127,000	132,000	136,000	141,000
UNCONDITIONAL TRANSFERS	430,000	537,000	435,000	435,000	435,000	435,000	435,000
CONDITIONAL TRANSFERS	282,494	244,033	1,127,094	200,000	200,000	200,000	200,000
INTERNAL TRANSFER							
Water Fund Administration	22,212	0	22,212	22,250	22,300	22,350	22,400
Sewer Fund Administration	18,174	0	18,174	18,220	18,260	18,300	18,340
Other Transfers	457,133	0	398,139	245,000	140,000	140,000	140,000
TOTAL INTERNAL TRANSFERS	497,519	0	438,525	180,470	180,560	180,650	180,740
COLLECTIONS FOR OTHERS	902,252	912,874	949,278	949,278	949,278	949,278	949,278
TOTAL GENERAL FUND REVENUES	2,799,091	2,295,382	3,723,473	2,298,221	2,308,908	2,318,698	2,329,792

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SCHEDULE "B" – GENERAL FUND EXPENDITURES

	2022 <u>BUDGET</u>	2022 <u>PRE- AUDIT</u>	2023 <u>BUDGET</u>	2024 <u>BUDGET</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>
GENERAL GOVERNMENT SERVICES							
Legislative	34,820	27,189	36,630	37,500	38,300	38,900	39,600
General Administration	460,955	440,468	441,429	460,000	470,000	480,000	490,000
Other General Government Services	59,020	31,967	58,412	59,200	60,000	61,000	62,000
TOTAL GENERAL GOVT SERVICES	554,835	499,624	536,471	556,700	568,300	579,900	591,600
GENERAL PUBLIC WORKS							
General Public Works	17,980	23,504	23,180	24,200	25,000	25,800	26,600
Workshop	20,955	27,388	26,609	22,500	23,000	23,500	24,000
General Public Works Equipment	32,390	31,719	26,580	29,000	29,800	31,000	32,000
TOTAL GENERAL PUBLIC WORKS	71,325	82,611	79,769	75,700	77,800	80,300	82,600
PROTECTIVE SERVICES							
Bylaw Enforcement	8,660	8,342	8,660	8,800	9,000	9,300	9,500
Other Protective Services	29,185	27,544	27,559	28,500	29,000	29,500	30,000
TOTAL PROTECTIVE SERVICES	37,845	35,886	36,219	36,500	37,000	38,800	39,500
TRANSPORTATION SERVICES							
Equipment Operation & Maintenance	13,790	18,930	11,100	13,200	14,000	15,000	16,000
Road Maintenance	108,100	102,502	108,800	112,000	115,000	118,000	120,000
Traffic Services	19,850	17,750	20,000	20,400	21,000	21,600	22,000
TOTAL TRANSPORTATION SERVICES	141,740	139,182	139,900	145,600	150,000	154,600	158,000
ENVIRONMENTAL HEALTH SERVICES							
	36,750	33,013	35,450	37,000	37,600	38,500	39,300
COMMUNITY & PLANNING SERVICES							
	57,200	85,542	41,200	40,000	40,000	40,000	40,000
RECREATION & CULTURAL SERVICES							
Recreation Commission	16,373	9,634	16,610	16,800	17,400	17,900	18,400
Community Hall	31,123	29,226	32,779	33,500	34,000	35,000	36,000
Parks and Playfields	56,097	59,232	64,592	65,500	66,500	67,500	68,500
TOTAL RECREATION & CULTURE	103,593	98,092	113,981	115,800	117,900	120,400	122,900
FISCAL SERVICES							
Debt Servicing	46,000	26,757	67,000	41,047	41,000	41,000	40,162
Transfer to Other Funds	290,925	290,204	1,100,450	125,975	128,153	101,299	100,000
Transfer of Taxes Collected for Others	874,378	949,271	983,899	983,899	983,899	983,899	983,899
TOTAL FISCAL SERVICES	1,211,303	1,266,232	2,151,349	1,150,927	1,153,052	1,126,198	1,124,061
CAPITAL PROJECTS							
Administration	24,000	0	34,133	5,000	5,000	5,000	5,000
Public Works	360,000	7,500	442,000	100,000	87,256	100,000	91,831
Recreation	200,500	58,086	113,000	35,000	35,000	35,000	35,000
TOTAL CAPITAL PROJECTS	584,500	65,586	589,133	140,000	127,256	140,000	131,831
TOTAL GENERAL EXPENDITURES	<u>2,799,091</u>	<u>2,306,139</u>	<u>3,723,473</u>	<u>2,298,221</u>	<u>2,308,908</u>	<u>2,318,698</u>	<u>2,329,792</u>
General Fund Surplus (Deficit)	0	(10,757)	0	0	0	0	0
Consolidated Funds Surplus (Deficit)	0	(391,986)	0	0	0	0	0

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SCHEDULE "C" – WATER FUND REVENUES AND EXPENDITURES

	2022 <u>BUDGET</u>	2022 <u>PRE- AUDIT</u>	2023 <u>BUDGET</u>	2024 <u>BUDGET</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>
<u>WATER FUND REVENUES</u>							
TAXES	116,332	116,332	116,332	116,332	116,332	116,332	116,332
SALE OF SERVICES	162,880	166,382	171,103	179,658	188,641	198,072	207,976
OTHER REVENUES							
Government Grants	0	9,234	0	0	0	0	0
Own Sources	0	0	0	0	20,000	20,000	20,000
TOTAL OTHER REVENUES	0	9,234	0	0	20,000	20,000	20,000
<u>TOTAL WATER FUND REVENUES</u>	<u>279,212</u>	<u>292,202</u>	<u>287,435</u>	<u>295,990</u>	<u>324,973</u>	<u>334,404</u>	<u>344,308</u>
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	2022 <u>BUDGET</u>	2022 <u>PRE- AUDIT</u>	2023 <u>BUDGET</u>	2024 <u>BUDGET</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>
<u>WATER FUND EXPENDITURES</u>							
GENERAL GOVERNMENT SERVICES	32,751	7,531	32,800	33,400	34,000	34,700	35,500
ENVIRONMENTAL HEALTH SERVICES							
Water Supply & Distribution System							
Water Supply and Treatment	41,780	43,211	41,330	45,000	46,000	47,500	49,000
Water Distribution and Fire Hydrants	56,582	30,280	50,430	58,300	60,000	62,000	64,000
Water Storage	16,000	13,702	16,000	16,000	17,000	17,500	18,000
TOTAL ENVIRONMENTAL HEALTH	114,362	87,193	107,760	119,300	123,000	127,000	131,000
ENVIRONMENTAL & PLANNING	22,500	9,765	30,875	20,000	20,000	20,000	20,000
FISCAL SERVICES							
Long-Term Interest	0	0	0	0	0	0	0
Principal Installments	0	0	0	0	0	0	0
Transfers to other funds	0	0	0	82,634	100,000	100,000	100,000
TOTAL FISCAL SERVICES	0	0	0	82,634	100,000	100,000	100,000
TOTAL CAPITAL PROJECTS	111,000	99,643	46,000	40,656	47,973	52,704	57,808
<u>TOTAL WATER FUND EXPENDITURES</u>	<u>279,212</u>	<u>204,132</u>	<u>287,435</u>	<u>295,990</u>	<u>324,973</u>	<u>334,404</u>	<u>334,308</u>
SURPLUS (DEFICIT)	0	88,070	0	0	0	0	0

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SCHEDULE "D" – SEWER FUND REVENUES AND EXPENDITURES

	2022 <u>BUDGET</u>	2022 <u>PRE- AUDIT</u>	2023 <u>BUDGET</u>	2024 <u>BUDGET</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>
<u>SEWER FUND REVENUES</u>							
TAXES	64,468	64,468	65,320	65,320	65,320	65,320	65,320
SALE OF SERVICES	205,325	206,869	215,147	226,370	237,689	249,573	262,052
OWN SOURCES	2,905,427	59,867	2,940,000	30,000	20,000	20,000	20,000
<u>TOTAL SEWER FUND REVENUES</u>	<u>3,175,220</u>	<u>331,346</u>	<u>3,220,467</u>	<u>321,690</u>	<u>323,009</u>	<u>334,893</u>	<u>347,372</u>
<u>SEWER FUND EXPENDITURES</u>							
GENERAL GOVERNMENT SERVICES	27,010	2,360	25,200	27,600	28,200	28,900	29,500
ENVIRONMENTAL HEALTH SERVICES							
Collection System Maintenance	16,000	26,659	17,400	18,200	19,000	20,000	21,000
Lift Station Maintenance	21,410	26,972	23,650	25,000	26,000	27,500	29,000
Sewage Treatment Plant	120,200	104,836	124,100	135,000	137,000	139,000	140,000
TOTAL ENVIRONMENTAL HEALTH	157,610	158,467	165,150	178,200	182,000	186,500	190,000
ENVIRONMENTAL & PLANNING	5,600	0	10,000	10,000	10,000	10,000	10,000
FISCAL SERVICES							
Debt Servicing							
Long-Term Interest	0	0	0	0	0	0	0
Principal Installments	0	0	0	0	0	0	0
Other Transfers	0	0	0	40,000	40,000	40,000	40,000
TOTAL FISCAL SERVICES	0	0	0	40,000	40,000	40,000	40,000
TOTAL CAPITAL PROJECTS	2,985,000	639,818	3,020,117	65,890	62,809	69,493	77,872
<u>TOTAL SEWER FUND EXPENDITURES</u>	<u>3,175,220</u>	<u>800,645</u>	<u>3,220,467</u>	<u>321,690</u>	<u>323,009</u>	<u>334,893</u>	<u>347,372</u>
SURPLUS (DEFICIT)	0	(469,299)	0	0	0	0	0

THE CORPORATION OF THE VILLAGE OF MONTROSE

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SCHEDULE “E” – Statement of Objectives and Policies

In accordance with Section 165(3.1) of the *Community Charter*, the Village of Montrose (Village) is required to include in the Five-Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*;
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

FUNDING SOURCES

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2023. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer, and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, planning services, fire protection, police services, and bylaw enforcement.

Many services can be measured and charged on a user pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and sale of specific services and therefore, these are charged on a user pay basis. User fees attempt to allocate the value of a service to those who use the service.

Parcel Taxes:

A water parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading water infrastructure.

A sewer parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading sewer infrastructure.

A drainage parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of capital maintenance and the upgrading of drainage infrastructure.

A road maintenance parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of capital maintenance and the upgrading of road infrastructure.

A community development parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of capital maintenance and the upgrading of general community development and beautification projects.

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
General Taxes	3.6%	\$266,106
Parcel Taxes	3.7%	\$270,143
User Fees and Charges	7.7%	\$547,962
Other Sources	37.1%	\$2,685,792
Government Grants	34.7%	\$2,512,094
Tax Collected for Other	13.2%	\$949,278
Total	100.0%	\$7,231,375

Objective

- Taxation Revenue will be determined by Council each year according to the operating and capital needs of the community, as part of the annual budget process. Taxation will be based on the service level priorities of Council, in balance with preserving and enhancing the financial health of the Village.

Policies

- The Village will review all parcel tax and user fee levels annually to ensure they are adequately meeting both the capital and delivery costs of the service, and
- Where possible, the Village will endeavor to supplement revenues from user fees and charges and alternate sources, rather than taxation, to lessen the burden on its limited property tax base.

Small Communities Grant (Strategic Community Investment Fund):

Government grants include the Small Communities Grant (Strategic Community Investment Funds) which are provided by the Province of British Columbia to reduce the level of municipal taxation. For a smaller municipality, these funds are instrumental to help maintaining existing municipal service levels.

Objective:

- The Village will attempt to increase the sources of government grants to complete much needed infrastructure capital projects in the municipality. Where feasible user fees will be levied where measurable level of services are rendered or provided.

Policies:

- Where possible the Village will substitute revenues from user fees and charges and government grants rather than taxation, and
- The Village will review municipal services and user fees to ensure that the operating and capital budgets are adequate while providing the residents with the expected service levels of previous years.

DISTRIBUTION OF PROPERTY TAX RATES

Table 2 outlines the distribution of property taxes among the property classes for 2022. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base and consumes the majority of Village services.

Table 2: Distribution of Property Tax Rates

Taxes - Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	97.4%	\$243,603
Utilities (2)	0.1%	\$218
Social Housing (3)	0.0%	\$0
Major Industrial (4)	0.0%	\$0
Light Industrial (5)	0.0%	\$0
Business and Other (6)	2.5%	\$6,083
Recreation/Non-profit (8)	0.0%	\$0
Farmland (9)	0.0%	\$0
Total	100.00%	\$249,904

Objective

- The distribution of property taxes among the property classes will be maintained similar to the distribution in prior years.

Policies

- Supplement, where possible, revenues from user fees and charges to help to offset the burden on the entire property tax base as a result of rising operating and capital replacement costs,
- To pursue additional revenue opportunities,
- Consider economic development initiatives designed to attract more retail and commercial businesses to invest in the community. Align the distribution of tax rates among the property classes with the social and economic goals of the community, particularly to encourage a range of employment opportunities, and
- Regularly review and compare the Village's distribution of tax burden relative to other municipalities in British Columbia.

PERMISSIVE TAX EXEMPTIONS

The Village will maintain a 'Permissive Tax Exemption' Policy to guide the administration and approval of permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions that will be outlined in the policy include the following:

- The tax exemption must demonstrate benefit to the community and residents of the Village by enhancing the quality of life, economically, socially or culturally, within the community,
- The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in direct conflict with those of the Village,
- The organization receiving the exemption must be a registered non-profit society or organization, as the support of the municipality will not be used for commercial or private gain, and
- Permissive tax exemptions will be considered in conjunction with:
 - other assistance being provided by the Village;
 - the potential demands for Village services or infrastructure arising from the property; and
 - the amount of revenue that the Village will lose if the exemption is granted.

Objective

- The Village will continue to provide permissive tax exemptions to non-profit societies and/or organizations that meet the criteria described above.

Policies

- Possibly expand the permissive tax exemption policy to include eligibility requirements for green revitalization tax exemptions, and
- Look into the development of a revitalization tax exemption program which details the kinds of green activities that the exemption program will target.