

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #787

A BYLAW TO ADOPT THE FINANCIAL PLAN FOR THE PERIOD OF 2025 to 2029

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 2025 - 2029 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 2025 - 2029 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 2025 - 2029 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 2025 – 2029 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 2025 - 2029 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 2025 – 2029 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 7 th day of April 2025
READ A SECOND TIME	this 7 th day of April 2025
READ A THIRD TIME	this 7 th day of April 2025
PUBLIC CONSULTATION HELD	this 5 th day of May 2025
RECONSIDERED AND FINALLY ADOPTED	this 5 th day of May 2025

Mayor

Corporate Officer

Certified a true copy of Bylaw #787, as adopted

Corporate Officer

THE CORPORATION OF THE VILLAGE OF MONTROSE

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SCHEDULE "A" – GENERAL FUND REVENUES

	2024 <u>BUDGET</u>	2024 <u>PRE- AUDIT</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>	2028 <u>BUDGET</u>	2029 <u>BUDGET</u>
TAXES							
Ad Valorem Taxes	263,220	263,083	276,135	279,250	287,627	296,256	305,144
Drainage Parcel Taxes	25,741	25,410	25,796	25,741	25,741	25,741	25,741
Community Development Parcel Taxes	2,568	2,536	2,340	2,568	2,568	2,568	2,568
Road Maintenance Parcel Taxes	64,352	63,526	64,490	64,352	64,352	64,352	64,352
Utility Taxes	14,340	14,340	14,144	14,340	14,340	14,340	14,340
Grant in Lieu of Taxes	3,306	3,718	3,718	3,306	3,306	3,306	3,306
TOTAL TAXES	373,527	372,613	385,623	389,557	397,934	406,563	415,451
SALE OF SERVICES							
Garbage Service	32,820	29,660	30,320	35,200	35,500	36,000	36,500
Recreation Services	12,000	11,345	12,000	12,800	13,000	13,200	13,500
Other Services	25	-702	550	100	100	100	100
TOTAL SALE OF SERVICES	44,845	40,303	42,870	48,100	48,600	49,300	50,100
OTHER REVENUES FROM OWN SOURCES							
Licenses & Permits	9,160	4,428	7,450	10,500	11,000	11,000	11,000
Rentals	91,724	83,205	92,649	93,500	95,000	97,000	99,000
Miscellaneous	34,125	385,875	76,875	36,000	37,000	38,000	38,000
TOTAL REVENUES FROM OWN SOURCES	135,079	481,722	176,974	140,000	143,000	146,000	148,000
UNCONDITIONAL TRANSFERS	410,000	446,700	405,000	420,000	425,000	430,000	430,000
CONDITIONAL TRANSFERS	407,501	547,589	277,460	160,000	160,000	160,000	160,000
INTERNAL TRANSFER							
Water Fund Administration	0	0	0	0	0	0	0
Sewer Fund Administration	0	0	0	0	0	0	0
Other Transfers	1,807,875	259,039	2,070,332	245,000	245,000	245,000	245,000
TOTAL INTERNAL TRANSFERS	1,807,875	259,039	2,070,332	245,000	245,000	245,000	245,000
COLLECTIONS FOR OTHERS	1,017,682	1,051,075	1,051,075	1,051,075	1,051,075	1,051,075	1,051,075
TOTAL GENERAL FUND REVENUES	4,196,509	3,200,471	4,410,334	2,453,732	2,470,609	2,487,938	2,499,626

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SCHEDULE "B" – GENERAL FUND EXPENDITURES

	2024	2024	2025	2026	2027	2028	2029
	<u>BUDGET</u>	<u>PRE-AUDIT</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>
GENERAL GOVERNMENT SERVICES							
Legislative	38,500	30,994	39,050	40,000	48,000	50,000	52,000
General Administration	443,105	408,128	441,456	460,000	475,000	490,000	500,000
Other General Government Services	63,314	38,647	70,440	67,000	68,000	70,000	72,000
TOTAL GENERAL GOVT SERVICES	544,919	477,470	550,946	567,000	591,000	610,000	624,000
GENERAL PUBLIC WORKS							
General Public Works	28,240	43,600	32,260	30,500	32,000	34,000	36,000
Workshop	26,451	22,182	24,520	28,000	29,000	31,000	32,000
General Public Works Equipment	31,970	31,373	33,420	34,500	36,000	38,000	40,000
TOTAL GENERAL PUBLIC WORKS	86,661	97,155	89,660	93,000	97,000	103,000	108,000
PROTECTIVE SERVICES							
Bylaw Enforcement	8,820	9,487	9,700	9,000	9,500	10,000	10,000
Other Protective Services	32,530	63,199	29,175	34,000	35,000	37,000	38,000
TOTAL PROTECTIVE SERVICES	41,350	72,687	38,875	43,000	44,500	47,000	48,000
TRANSPORTATION SERVICES							
Equipment Operation & Maintenance	9,930	18,657	11,000	12,500	13,000	14,000	15,000
Road Maintenance	117,100	70,489	113,000	125,000	130,000	135,000	140,000
Traffic Services	20,000	16,956	20,200	21,500	22,000	23,000	24,000
TOTAL TRANSPORTATION SERVICES	147,030	106,102	144,200	157,500	165,000	172,000	189,000
ENVIRONMENTAL HEALTH SERVICES							
	30,870	35,114	32,700	36,000	37,000	38,000	40,000
COMMUNITY & PLANNING SERVICES							
	69,700	28,799	99,700	30,000	30,000	30,000	30,000
RECREATION & CULTURAL SERVICES							
Recreation Commission	16,000	12,186	16,840	16,000	16,000	16,000	18,000
Community Hall	36,275	40,116	36,802	40,000	41,500	43,000	45,000
Parks and Playfields	67,145	82,016	71,442	71,500	74,000	77,000	80,000
TOTAL RECREATION & CULTURE	119,420	134,317	125,084	127,500	131,500	136,000	143,000
FISCAL SERVICES							
Debt Servicing	42,500	45,000	42,500	42,500	42,500	42,500	0
Transfer to Other Funds	253,723	592,757	214,000	110,973	92,350	102,679	104,260
Transfer of Taxes Collected for Others	1,008,336	1,061,477	1,060,569	1,053,366	1,053,366	1,053,366	1,053,366
TOTAL FISCAL SERVICES	1,349,559	1,699,235	1,317,469	1,206,839	1,188,216	1,156,046	1,156,045
CAPITAL PROJECTS							
Administration	37,000	35,488	14,200	5,000	5,000	5,000	5,000
Public Works	1,669,000	126,488	1,855,000	152,893	146,393	155,893	120,000
Recreation	101,000	31,424	142,500	35,000	35,000	35,000	35,000
TOTAL CAPITAL PROJECTS	1,807,000	193,400	2,011,700	192,893	186,393	195,893	160,000
<u>TOTAL GENERAL EXPENDITURES</u>	<u>4,196,509</u>	<u>2,846,992</u>	<u>4,410,334</u>	<u>2,453,732</u>	<u>2,470,609</u>	<u>2,487,938</u>	<u>2,499,626</u>
General Fund Surplus (Deficit)	0	(353,478)	0	0	0	0	0
Consolidated Funds Surplus (Deficit)	0	(187,392)	0	0	0	0	0

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SCHEDULE "C" – WATER FUND REVENUES AND EXPENDITURES

	2024 BUDGET	2024 PRE- AUDIT	2025 BUDGET	2026 BUDGET	2027 BUDGET	2028 BUDGET	2029 BUDGET
<u>WATER FUND REVENUES</u>							
TAXES	116,332	116,840	116,840	116,840	116,840	116,840	116,840
SALE OF SERVICES	179,657	184,300	190,341	199,850	209,842	220,334	231,351
OTHER REVENUES							
Government Grants	0	0	0	0	0	0	0
Own Sources	0	0	0	0	0	0	0
TOTAL OTHER REVENUES	0	5,112	0	0	0	0	0
<u>TOTAL WATER FUND REVENUES</u>	<u>296,497</u>	<u>306,252</u>	<u>307,181</u>	<u>316,698</u>	<u>326,682</u>	<u>337,374</u>	<u>348,191</u>
	2024 BUDGET	2024 PRE- AUDIT	2025 BUDGET	2026 BUDGET	2027 BUDGET	2028 BUDGET	2029 BUDGET
<u>WATER FUND EXPENDITURES</u>							
GENERAL GOVERNMENT SERVICES	10,950	12,237	12,500	13,000	13,500	14,000	15,000
ENVIRONMENTAL HEALTH SERVICES							
Water Supply & Distribution System							
Water Supply and Treatment	43,280	50,072	46,550	48,000	50,000	52,000	54,000
Water Distribution and Fire Hydrants	45,690	50,416	51,750	54,000	58,000	60,000	64,000
Water Storage	19,900	12,346	20,900	21,000	22,000	23,000	24,000
TOTAL ENVIRONMENTAL HEALTH	108,870	112,834	108,870	123,000	130,000	135,000	142,000
ENVIRONMENTAL & PLANNING	19,000	0	26,000	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	82,000	84,000	82,316	85,215
TOTAL FISCAL SERVICES	0	0	0	82,000	84,000	82,316	85,215
TOTAL CAPITAL PROJECTS	105,000	0	149,481	78,698	79,182	86,058	85,976
<u>TOTAL WATER FUND EXPENDITURES</u>	<u>296,497</u>	<u>125,074</u>	<u>307,181</u>	<u>316,698</u>	<u>326,682</u>	<u>337,374</u>	<u>348,191</u>
SURPLUS (DEFICIT)	0	(181,177)	0	0	0	0	0

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SCHEDULE "D" – SEWER FUND REVENUES AND EXPENDITURES

	2024 <u>BUDGET</u>	2024 <u>PRE- AUDIT</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>	2028 <u>BUDGET</u>	2029 <u>BUDGET</u>
<u>SEWER FUND REVENUES</u>							
TAXES	65,320	64,752	64,752	64,752	64,752	64,752	64,752
SALE OF SERVICES	225,904	229,497	238,199	250,108	262,615	275,745	289,532
OWN SOURCES	875,511	142,472	447,799	20,000	20,000	20,000	20,000
<u>TOTAL SEWER FUND REVENUES</u>	<u>1,165,735</u>	<u>436,721</u>	<u>750,750</u>	<u>334,860</u>	<u>347,367</u>	<u>360,497</u>	<u>374,284</u>
	2024 <u>BUDGET</u>	2024 <u>PRE- AUDIT</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>	2028 <u>BUDGET</u>	2029 <u>BUDGET</u>
<u>SEWER FUND EXPENDITURES</u>							
GENERAL GOVERNMENT SERVICES	7,600	6,135	8,500	8,500	9,000	9,000	9,500
ENVIRONMENTAL HEALTH SERVICES							
Collection System Maintenance	16,300	9,748	16,700	18,000	20,000	21,000	23,000
Lift Station Maintenance	24,300	15,958	24,450	28,000	29,000	30,000	32,000
Sewage Treatment Plant	114,000	144,384	128,100	135,000	140,000	144,000	150,000
<u>TOTAL ENVIRONMENTAL HEALTH</u>	<u>154,730</u>	<u>170,092</u>	<u>169,250</u>	<u>181,000</u>	<u>189,000</u>	<u>195,000</u>	<u>205,000</u>
ENVIRONMENTAL & PLANNING	5,000	0	5,000	5,000	7000	15,000	15,000
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	45,360	42,367	41,497	44,784
<u>TOTAL FISCAL SERVICES</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,360</u>	<u>42,367</u>	<u>41,497</u>	<u>44,784</u>
TOTAL CAPITAL PROJECTS	998,405	607,757	568,000	95,000	100,000	100,000	100,000
<u>TOTAL SEWER FUND EXPENDITURES</u>	<u>1,165,735</u>	<u>793,985</u>	<u>750,750</u>	<u>335,180</u>	<u>347,367</u>	<u>360,497</u>	<u>374,284</u>
SURPLUS (DEFICIT)	0	347,263	0	0	0	0	0

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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 2025. 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	5.4%	\$293,997
Parcel Taxes	5.0%	\$274,218
User Fees and Charges	11.9%	\$648,384
Other Sources	46.0%	\$2,518,131
Government Grants	12.5%	\$682,480
Tax Collected for Other	19.2%	\$1,051,075
Total	100.0%	\$5,468,285

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)	97.2%	\$268,444
Utilities (2)	0.1%	\$257
Social Housing (3)	0.0%	\$0
Major Industrial (4)	0.0%	\$0
Light Industrial (5)	0.0%	\$0
Business and Other (6)	2.7%	\$7,434
Recreation/Non-profit (8)	0.0%	\$0
Farmland (9)	0.0%	\$0
Total	100.00%	\$276,135

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.

