

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #781

A BYLAW TO ADOPT THE FINANCIAL PLAN FOR THE PERIOD OF 2024 to 2028

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 2024 - 2028 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 2024 - 2028 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 2024 - 2028 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 2024 – 2028 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 2024 - 2028 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 2024 – 2028 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 15 th day of April 2024
READ A SECOND TIME	this 15 th day of April 2024
READ A THIRD TIME	this 15 th day of April 2024
PUBLIC CONSULTATION HELD	this 6 th day of May 2024
RECONSIDERED AND FINALLY ADOPTED	this 6 th day of May 2024

Mayor

Corporate Officer

Certified a true copy of Bylaw #781, as adopted

Corporate Officer

THE CORPORATION OF THE VILLAGE OF MONTROSE

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SCHEDULE "A" – GENERAL FUND REVENUES

	2023 <u>BUDGET</u>	2023 <u>PRE- AUDIT</u>	2024 <u>BUDGET</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>	2028 <u>BUDGET</u>
TAXES							
Ad Valorem Taxes	249,904	249,904	263,220	271,117	279,250	287,627	296,256
Drainage Parcel Taxes	24,380	24,433	25,741	25,741	25,741	25,741	25,741
Community Development Parcel Taxes	2,438	2,443	2,568	2,568	2,568	2,568	2,568
Road Maintenance Parcel Taxes	60,950	61,082	64,352	64,352	64,352	64,352	64,352
Utility Taxes	13,167	13,166	14,340	14,340	14,340	14,340	14,340
Grant in Lieu of Taxes	3,035	3,306	3,306	3,306	3,306	3,306	3,306
TOTAL TAXES	353,874	354,355	373,527	381,424	389,557	397,934	406,563
SALE OF SERVICES							
Garbage Service	34,820	38,029	32,820	35,000	35,200	35,500	36,000
Recreation Services	12,000	10,411	12,000	12,500	12,800	13,000	13,200
Other Services	30	219	25	100	100	100	100
TOTAL SALE OF SERVICES	46,850	48,660	44,845	47,600	48,100	48,600	49,300
OTHER REVENUES FROM OWN SOURCES							
Licenses & Permits	8,240	10,340	9,160	10,000	10,500	11,000	11,500
Rentals	79,808	97,130	91,724	92,000	93,500	95,000	97,000
Miscellaneous	284,804	40,063	34,195	35,000	36,000	37,000	38,000
TOTAL REVENUES FROM OWN SOURCES	372,852	147,534	135,079	137,000	140,000	143,000	146,500
UNCONDITIONAL TRANSFERS	435,000	408,000	410,000	415,000	420,000	425,000	430,000
CONDITIONAL TRANSFERS	1,127,094	1,298,051	407,501	160,000	160,000	160,000	160,000
INTERNAL TRANSFER							
Water Fund Administration	22,212	0	0	0	0	0	0
Sewer Fund Administration	18,174	0	0	0	0	0	0
Other Transfers	398,139	960,991	1,807,875	245,000	245,000	245,000	245,000
TOTAL INTERNAL TRANSFERS	438,525	960,991	1,807,875	245,000	245,000	245,000	245,000
COLLECTIONS FOR OTHERS	949,278	986,370	1,017,682	1,017,682	1,017,682	1,017,682	1,107,682
TOTAL GENERAL FUND REVENUES	3,723,473	4,203,943	4,196,509	2,403,706	2,420,339	2,437,216	2,455,045

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SCHEDULE "B" – GENERAL FUND EXPENDITURES

	2023	2023	2024	2025	2026	2027	2028
	<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	36,630	29,222	38,500	39,500	40,000	41,000	43,000
General Administration	441,429	383,158	443,105	450,000	460,000	475,000	490,000
Other General Government Services	58,412	43,542	63,314	65,000	67,000	68,000	70,000
TOTAL GENERAL GOVT SERVICES	536,471	455,922	544,919	554,500	567,000	584,000	603,000
GENERAL PUBLIC WORKS							
General Public Works	23,180	37,712	28,240	29,200	30,500	32,000	34,000
Workshop	26,609	22,487	26,451	27,000	28,000	29,000	31,000
General Public Works Equipment	26,580	38,260	31,970	33,000	34,500	36,000	38,000
TOTAL GENERAL PUBLIC WORKS	79,769	98,459	86,661	89,200	93,000	97,000	103,000
PROTECTIVE SERVICES							
Bylaw Enforcement	8,660	8,926	8,820	9,000	9,000	9,500	10,000
Other Protective Services	27,559	34,481	32,530	33,000	34,000	35,000	37,000
TOTAL PROTECTIVE SERVICES	36,219	43,407	41,350	42,000	43,000	44,500	47,000
TRANSPORTATION SERVICES							
Equipment Operation & Maintenance	11,100	12,046	9,930	12,000	12,500	13,000	14,000
Road Maintenance	108,100	95,260	117,100	120,000	125,000	130,000	135,000
Traffic Services	20,000	23,560	20,000	20,500	21,500	22,000	23,000
TOTAL TRANSPORTATION SERVICES	139,900	130,866	147,030	152,500	157,000	165,000	172,000
ENVIRONMENTAL HEALTH SERVICES							
	35,450	32,538	30,870	35,000	36,000	37,000	48,000
COMMUNITY & PLANNING SERVICES							
	41,200	28,632	69,700	30,000	30,000	30,000	30,000
RECREATION & CULTURAL SERVICES							
Recreation Commission	16,610	12,638	16,000	16,000	16,000	16,000	16,000
Community Hall	32,779	40,617	36,275	38,000	40,000	41,500	43,000
Parks and Playfields	64,592	69,016	67,145	69,000	71,500	74,000	77,000
TOTAL RECREATION & CULTURE	113,981	122,271	119,420	123,000	127,500	131,500	136,000
FISCAL SERVICES							
Debt Servicing	67,000	(135,884)	42,500	42,500	42,500	42,500	0
Transfer to Other Funds	1,100,450	1,115,172	253,723	121,640	110,973	92,350	102,679
Transfer of Taxes Collected for Others	983,899	1,008,805	1,053,336	1,053,366	1,053,366	1,053,366	1,053,366
TOTAL FISCAL SERVICES	2,151,349	1,988,093	1,349,559	1,217,506	1,206,839	1,188,216	1,156,045
CAPITAL PROJECTS							
Administration	34,133	3,167	37,000	5,000	5,000	5,000	5,000
Public Works	442,000	347,481	1,669,000	120,000	120,000	120,000	120,000
Recreation	113,000	0	101,000	35,000	35,000	35,000	35,000
TOTAL CAPITAL PROJECTS	589,133	350,648	1,807,000	160,000	160,000	160,000	160,000
<u>TOTAL GENERAL EXPENDITURES</u>	<u>3,723,473</u>	<u>3,250,841</u>	<u>4,196,509</u>	<u>2,403,706</u>	<u>2,420,339</u>	<u>2,437,216</u>	<u>2,455,045</u>
General Fund Surplus (Deficit)	0	(953,102)	0	0	0	0	0
Consolidated Funds Surplus (Deficit)	0	(282,244)	0	0	0	0	0

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SCHEDULE "C" – WATER FUND REVENUES AND EXPENDITURES

	2023 <u>BUDGET</u>	2023 PRE- AUDIT	2024 <u>BUDGET</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>	2028 <u>BUDGET</u>
<u>WATER FUND REVENUES</u>							
TAXES	116,332	116,840	116,840	116,840	116,840	116,840	116,840
SALE OF SERVICES	171,103	175,377	179,657	188,641	198,071	207,976	218,375
OTHER REVENUES							
Government Grants	0	19,375	0	0	0	0	0
Own Sources	0	0	0	0	0	0	0
TOTAL OTHER REVENUES	0	19,375	0	0	0	0	0
<u>TOTAL WATER FUND REVENUES</u>	<u>287,435</u>	<u>311,592</u>	<u>296,497</u>	<u>305,481</u>	<u>314,911</u>	<u>324,816</u>	<u>335,215</u>
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	2023 <u>BUDGET</u>	2023 PRE- AUDIT	2024 <u>BUDGET</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>	2028 <u>BUDGET</u>
<u>WATER FUND EXPENDITURES</u>							
GENERAL GOVERNMENT SERVICES	32,800	6,098	10,950	11,500	12,000	12,500	13,000
ENVIRONMENTAL HEALTH SERVICES							
Water Supply & Distribution System							
Water Supply and Treatment	41,330	46,286	43,280	46,000	48,000	50,000	52,000
Water Distribution and Fire Hydrants	50,430	39,493	45,690	50,000	54,000	58,000	62,000
Water Storage	16,000	33,680	19,900	20,000	21,000	22,000	23,000
TOTAL ENVIRONMENTAL HEALTH	107,760	119,459	108,870	116,000	123,000	130,000	137,000
ENVIRONMENTAL & PLANNING	30,875	15,240	19,000	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	70,000	0	0	82,981	84,911	82,316	85,215
TOTAL FISCAL SERVICES	0	0	0	82,981	84,911	82,316	85,215
TOTAL CAPITAL PROJECTS	46,000	1,392	105,000	75,000	75,000	80,000	80,000
<u>TOTAL WATER FUND EXPENDITURES</u>	<u>287,435</u>	<u>142,189</u>	<u>296,497</u>	<u>295,990</u>	<u>314,911</u>	<u>324,816</u>	<u>335,215</u>
SURPLUS (DEFICIT)	0	(169,403)	0	0	0	0	0

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SCHEDULE "D" – SEWER FUND REVENUES AND EXPENDITURES

	2023 <u>BUDGET</u>	2023 <u>PRE- AUDIT</u>	2024 <u>BUDGET</u>	2025 <u>BUDGET</u>	2025 <u>BUDGET</u>	2026 <u>BUDGET</u>	2027 <u>BUDGET</u>
<u>SEWER FUND REVENUES</u>							
TAXES	65,320	64,752	65,320	65,320	65,320	65,320	65,320
SALE OF SERVICES	215,145	218,367	225,904	237,200	249,060	261,512	274,588
OWN SOURCES	2,940,000	562,226	874,511	20,000	20,000	20,000	20,000
<u>TOTAL SEWER FUND REVENUES</u>	<u>3,220,467</u>	<u>845,345</u>	<u>1,165,735</u>	<u>322,520</u>	<u>334,380</u>	<u>346,832</u>	<u>359,908</u>
<u>SEWER FUND EXPENDITURES</u>							
GENERAL GOVERNMENT SERVICES	25,200	2,767	7,600	8,000	8,500	9,000	9,500
ENVIRONMENTAL HEALTH SERVICES							
Collection System Maintenance	17,400	4,132	16,300	18,000	20,000	22,000	24,000
Lift Station Maintenance	23,650	21,990	24,430	27,000	29,000	31,000	33,000
Sewage Treatment Plant	124,100	124,476	114,000	120,000	125,000	129,000	134,000
TOTAL ENVIRONMENTAL HEALTH	165,150	150,598	154,730	165,000	174,000	182,000	191,000
ENVIRONMENTAL & PLANNING	10,000	0	5,000	10,000	10,000	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	44,520	41,880	40,832	44,408
TOTAL FISCAL SERVICES	0	0	0	44,520	41,880	40,832	44,408
TOTAL CAPITAL PROJECTS	3,020,117	1,532,484	998,405	95,000	100,000	100,000	100,000
<u>TOTAL SEWER FUND EXPENDITURES</u>	<u>3,220,467</u>	<u>1,685,849</u>	<u>1,165,735</u>	<u>322,520</u>	<u>331,500</u>	<u>346,832</u>	<u>355,500</u>
SURPLUS (DEFICIT)	0	840,504	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 2024. 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	4.9%	\$280,866
Parcel Taxes	4.8%	\$274,821
User Fees and Charges	9.5%	\$539,265
Other Sources	41.5%	\$2,341,095
Government Grants	21.3%	\$1,205,012
Tax Collected for Other	18.0%	\$1,017,682
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)	97.2%	\$255,883
Utilities (2)	0.1%	\$241
Social Housing (3)	0.0%	\$0
Major Industrial (4)	0.0%	\$0
Light Industrial (5)	0.0%	\$0
Business and Other (6)	2.7%	\$7,096
Recreation/Non-profit (8)	0.0%	\$0
Farmland (9)	0.0%	\$0
Total	100.00%	\$263,220

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.

