

CITY OF PITT MEADOWS  
2011-2015  
Financial Plan Bylaw

Bylaw No. **2484** and amendments thereto

**CONSOLIDATED FOR CONVENIENCE ONLY**

This is a consolidation of the bylaws listed below. The amending bylaws have been consolidated with the original bylaws for convenience only.

Certified copies of the original bylaws should be consulted for all interpretations and applications of the bylaws on this subject.

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<u>BYLAW NO.</u>	<u>ADOPTED</u>
2484	February 15, 2011
2501	September 6, 2011

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The bylaw numbers in **bold** at the end of the clause refer to the bylaws that amended the principal bylaw.

A Bylaw to adopt the 2011 to 2015 Financial Plan

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

1. This Bylaw may be cited as the "**City of Pitt Meadows 2011 – 2015 Financial Plan Bylaw No. 2484, 2011**".
2. Schedule "A" attached hereto and forming part of this Bylaw, is hereby adopted and is the 2011 - 2015 Financial Plan of the City of Pitt Meadows for the period beginning January 1, 2011 and ending December 31, 2015.
3. Schedule "B" attached hereto and forming part of this Bylaw, is hereby adopted and is the Capital Plan under the Development Cost Charge Program of the City of Pitt Meadows for the period beginning January 1, 2016 and ending December 31, 2025.
4. Schedule "C" attached hereto and forming part of this Bylaw, is hereby declared to be the Revenue and Taxation Policy for the City of Pitt Meadows.

**SCHEDULE "A"**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>FUNDING SOURCES</u></b>					
Property taxes	\$ 14,158,425	\$ 15,943,325	\$ 16,537,025	\$ 17,115,459	\$17,572,989
Parcel taxes	30,000	30,000	30,000	30,000	30,000
Water, Sewer and Solid Waste levies	7,891,165	8,463,091	9,029,823	9,657,325	10,219,204
Fees and charges	1,169,406	1,369,822	1,370,248	1,370,682	1,371,128
Other sources	3,335,236	3,536,852	1,471,827	1,473,525	1,475,283
Proceeds from borrowing	10,605,000	1,233,334	600,000	200,000	-
Development cost charges	985,000	430,000	924,500	657,500	655,500
	<u>38,174,232</u>	<u>31,006,424</u>	<u>29,963,423</u>	<u>30,504,491</u>	<u>31,324,104</u>
<b><u>RESERVES *</u></b>					
Transfers from reserves	10,319,317	5,374,000	4,562,500	4,086,500	4,059,500
Transfers to reserves	(5,408,900)	(5,251,343)	(5,459,965)	(5,634,016)	(5,699,345)
	<u>4,910,417</u>	<u>122,657</u>	<u>(897,465)</u>	<u>(1,547,516)</u>	<u>(1,639,845)</u>
<b><u>EXPENDITURES</u></b>					
Debt servicing	478,253	834,055	966,574	1,089,867	1,213,159
Capital works	22,421,500	8,942,000	6,037,000	4,864,000	4,665,000
Other	20,184,896	21,353,026	22,062,384	23,003,108	23,806,100
	<u>43,084,649</u>	<u>31,129,081</u>	<u>29,065,958</u>	<u>28,956,975</u>	<u>29,684,259</u>
<b><u>BUDGET BALANCE</u></b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*Statutory Reserves as per Part 6 of the Community Charter.

**SCHEDULE "B"**

	<u>2016 - 2020</u>	<u>2021 - 2025</u>
<b><u>FUNDING SOURCES</u></b>		
Other sources	\$ 5,500,000	\$ 31,500,000
Proceeds from borrowing	4,000,000	6,500,000
	9,500,000	38,000,000
 <b><u>TRANSFER FROM RESERVES</u></b>		
Special funds*	2,900,000	100,000
Development cost charges	15,600,000	4,100,000
	18,500,000	4,200,000
 <b><u>EXPENDITURES</u></b>		
Capital works	28,000,000	42,200,000
 <b><u>BALANCE</u></b>	\$ -	\$ -

Values are aggregate for the five years

\* - Statutory Reserves as per Part 6 of the Community Charter.

**SCHEDULE “C”**

**POLICY NO. C28 – REVENUE AND TAXATION**

<b>PITT MEADOWS POLICY MANUAL</b>	<b>POLICY NO. C28</b>
<b>SUBJECT: Revenue and Taxation</b>	<b>Approved by Council:</b>

**PURPOSE:**

The purpose of this policy is to provide guidance when determining the proportion of total revenue to come from each funding source and to comply with section 165 of the Community Charter.

**POLICY:**

Total Revenue

**Charter Requirement: Set out the objectives and policies regarding the proportion of total revenue proposed to come from each funding source.**

**Policy:** Council is committed to, where feasible and for appropriate municipal services, shifting the payment of the services from property taxes to user fees.

Council commits to regularly review the fees that it has in place and the Development Cost Charge rates to ensure that developers who profit from development in the municipality pay an appropriate share of the cost of the municipal infrastructure required to service new developments.

**Objective:** Over the five year period of this financial plan, the City will endeavour to shift the distribution of total ongoing own source revenue from property taxes to other sources (not including proceeds from borrowing, grants or transfers from reserves) as noted in the targets below:

Table One - Target Proportion of Total Revenue:

	2010 Budget % Total Operating Revenue	2011 Budget % Total Operating Revenue	Target % Total Operating Revenue
Property value taxes	58.5%	58.4%	54.1%
Parcel taxes	0.1%	0.1%	0.1%
Utility levies	31.9%	32.6%	32.7%
User fees and charges	5.5%	4.8%	8.0%
Other sources	4.0%	4.0%	5.1%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

As per Council policy C26 – Debt Funding, proceeds from borrowing are to be used for capital project purposes and will fluctuate annually depending upon the projects being undertaken. For this reason, proceeds from borrowing are not included on this table.

Taxation Revenue

**Charter Requirement: Set out the objectives and policies regarding the distribution of property taxes among the property classes.**

**Policy:** For 2011, approximately 37.2% of taxation revenue is budgeted to come from non-residential assessment classes which make up only 13.3% of the total assessed value for the City. Council is committed to increasing the overall proportion revenue from non residential classes through growth and development while working to ensure that the amount of property taxes paid by business and industry does not harm the ability for existing businesses to operate effectively in the community and is not a deterrent for business considering locating in the community.

Council has become concerned that the current property tax rates on business and industry do not proportionately correlate with the actual use of services by these property classes. While actual correlation would require an extensive study of service use, Council will work towards closing the gap between the proportionate share of property tax paid by non-residential property classes and that of the residential property class.

**Objective:** Over the five year period of this financial plan, the City will endeavour to reduce the mill rate multiplier between Class 1 (Residential) and Class 6 (Business and Other) to 1:3.50 adjusted for market impact on the classes. With the expected 2011 market adjustments, the multiplier is expected to be 1:3.58.

Permissive Exemptions

**Charter Requirement: Set out the objectives and policies regarding the use of permissive tax exemptions.**

**Policy:** The City of Pitt Meadows uses Policy C24 – Permissive Tax Exemptions, which has been approved by Council. The purpose of the policy is as follows:

*“A permissive tax exemption is a means for Council to support organizations within the community which further Council’s objectives of enhancing quality of life (economic, social, cultural) and delivering services economically. This policy guides identification of organizations meeting Council’s objectives.”*

This policy demonstrates that Council will consider providing permissive exemptions to not-for-profit institutions that form a valuable part of our community. These include religious institutions, historical societies, some recreational facilities, service organizations and cultural institutions.

**Objective:** In the next five years, Council will examine its permissive tax exemption policy to determine if changes are necessary.