

**THE CORPORATION OF THE VILLAGE OF WARFIELD
BYLAW 902**

A Bylaw Establishing a Financial Plan Program
to be Undertaken During the Years 2021 to 2025

WHEREAS Section 165, Division 1 of Part 6 of the *Community Charter* [SBC 2003] Chapter 26 requires a municipality to adopt a Five Year Financial Plan;

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

1. Schedule "A" being part of the Five Year Financial Plan for the Years 2021 to 2025 inclusive, attached hereto and forming part of this Bylaw, is hereby adopted and will come into force and effect as of January 1, 2021.
2. Schedule "B", being part of the Five Year Financial Plan for the Years 2021 to 2025 inclusive, attached hereto and forming part of this Bylaw, is hereby adopted and will come into force and effect as of January 1, 2021.
3. Bylaw No. 890 cited as "Warfield Financial Plan 2020-2024 Bylaw 890", is hereby repealed in its entirety.
4. This Bylaw may be cited for all purposes as "Village of Warfield Five Year Financial Plan 2021-2025 Bylaw 902".

PUBLIC CONSULTATION held the 13th day of May, 2021.

READ a first time this 14th day of May, 2021.

READ a second time this 14th day of May, 2021.

READ a third time this 14th day of May, 2021.

RECONSIDERED, FINALLY PASSED AND ADOPTED this 14th day of May, 2021.

Diane Langman

Mayor

Jody-Lynn Cox

Corporate Officer

CERTIFIED a true copy of Bylaw 902 cited as "Village of Warfield Five Year Plan 2021-2025 Bylaw 902" this 14th day of May, 2021.

Jody-Lynn Cox

Corporate Officer

Corporation of the Village of Warfield
Bylaw 902, 2021
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| SCHEDULE "A" to Village of Warfield 5 Year Financial Plan 2021-2025 Bylaw 902 | | | | | |
|--------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUE | 2021 | 2022 | 2023 | 2024 | 2025 |
| General Fund | | | | | |
| Taxes | 792,694 | 816,782 | 840,993 | 873,963 | 908,294 |
| Parcel Taxes | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Sale of Services | 166,611 | 233,474 | 265,116 | 269,945 | 274,967 |
| Other Revenues from Own Sources | 186,142 | 180,142 | 175,142 | 175,142 | 175,142 |
| Grants | 550,898 | 485,800 | 485,900 | 486,000 | 486,100 |
| Prior Year Surplus Utilized | 919,446 | - | - | - | - |
| Transfer from Reserves | - | 127,171 | 88,463 | 69,375 | 52,119 |
| Collections for Other Governments & Age | 1,044,960 | 1,045,244 | 1,045,244 | 1,045,244 | 1,045,244 |
| Total General Fund Revenue | \$3,785,752 | \$3,013,613 | \$3,025,859 | \$3,044,669 | \$3,066,866 |
| Water Fund | | | | | |
| Parcel Taxes | 85,910 | 78,100 | 78,100 | 78,100 | 78,100 |
| Sale of Services | 387,620 | 403,457 | 414,835 | 431,980 | 449,820 |
| Grants | 886,000 | - | - | - | - |
| Transfer from General Prior Year Surplus | - | - | - | - | - |
| Transfer from Reserves | 316,815 | 45,000 | 45,000 | 45,000 | 45,000 |
| Total Water Fund Revenue | \$1,676,345 | \$526,557 | \$537,935 | \$555,080 | \$572,920 |
| Sewer Rate Sales | 31,812 | 32,448 | 33,097 | 33,759 | 34,434 |
| Sewer Connection Charges | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| UBCM gas tax | - | - | - | - | - |
| Prior Year Surplus | - | - | - | - | - |
| Sewer Parcel Tax | 353,067 | 360,128 | 367,331 | 374,677 | 382,171 |
| Total Sewer Fund Revenue | \$ 389,879 | \$ 397,576 | \$ 405,428 | \$ 413,437 | \$ 421,605 |
| TOTAL REVENUES - ALL FUNDS | \$5,851,975 | \$3,937,746 | \$3,969,222 | \$4,013,185 | \$4,061,390 |
| EXPENDITURES | | | | | |
| General Fund | | | | | |
| General Government Services | 538,586 | 572,036 | 569,948 | 583,847 | 588,911 |
| Protective Services | 129,700 | 127,000 | 128,000 | 130,000 | 131,000 |
| Public Works Administration & Facilities | 152,260 | 150,020 | 152,342 | 154,911 | 157,727 |
| Transportation Services | 270,900 | 241,900 | 247,900 | 238,900 | 242,794 |
| Street Lighting & Signage | 54,500 | 44,700 | 44,250 | 44,200 | 44,200 |
| Equipment | 77,090 | 77,090 | 77,090 | 77,090 | 77,090 |
| Environmental Health Services | 161,675 | 157,575 | 159,995 | 162,135 | 164,296 |
| Environmental Development | 108,400 | 27,000 | 27,000 | 27,000 | 27,000 |
| 100% Renewable Energy Fund | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Recreation & Social Programs | 329,650 | 328,950 | 343,750 | 349,550 | 355,350 |
| Recreation Facilities | 138,350 | 135,000 | 134,340 | 135,791 | 137,253 |
| Fiscal Services | 77,098 | 77,098 | 66,000 | 66,000 | 66,000 |
| Transfer to Reserves & Utility Funds | 512,583 | 25,000 | 25,000 | 25,000 | 25,000 |
| Collections for Other Governments & Age | 1,044,960 | 1,045,244 | 1,045,244 | 1,045,244 | 1,045,244 |
| General Fund Capital Expenditures | 185,000 | - | - | - | - |
| Total General Fund Expenditures | \$3,785,752 | \$3,013,613 | \$3,025,859 | \$3,044,669 | \$3,066,865 |
| Water Fund | | | | | |
| Administration | 40,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Training & Development | 9,225 | 9,225 | 9,225 | 9,225 | 9,225 |
| Distribution | 19,800 | 46,800 | 46,800 | 46,800 | 46,800 |
| Testing & Reporting | 10,400 | 10,400 | 10,400 | 10,400 | 10,400 |
| Water Treatment Plant | 190,500 | 190,500 | 190,500 | 190,500 | 190,500 |
| Fiscal Services | 161,420 | 130,862 | 130,862 | 130,862 | 130,862 |
| Transfer to Reserves | - | 83,770 | 95,148 | 112,293 | 130,133 |
| Capital | 1,245,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| Total Water Fund Expenditures | \$1,676,345 | \$526,557 | \$537,935 | \$555,080 | \$572,920 |
| Sewer Fund | | | | | |
| Operations & training | 14,625 | 14,625 | 11,125 | 11,125 | 11,125 |
| Collections | 56,500 | 56,500 | 56,500 | 56,500 | 56,500 |
| Lift Station | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 |
| Contracts | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Transfer to Reserves | 108,254 | 115,951 | 127,303 | 135,312 | 143,480 |
| Capital | - | - | - | - | - |
| Total Sewer Fund Expenditures | \$389,879 | \$397,576 | \$405,428 | \$413,437 | \$421,605 |
| TOTAL EXPENDITURES - ALL FUNDS | \$ 5,851,975 | \$ 3,937,746 | \$ 3,969,222 | \$ 4,013,185 | \$ 4,061,389 |

Schedule “B” to Village of Warfield 5 Year Financial Plan 2021-2025

In accordance with Section 165(3.1) of the *Community Charter*, the Village of Warfield (Village) is required to include in the 5 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.

1. Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised for general municipal purposes from each funding source in 2021. Property taxes are the greatest proportion of revenue while government grants provide a large portion of funding to ensure sustainability of operational services and planning grants for future capital projects.

Representing 41% of overall revenue, property taxation offers several advantages, for example it is simple to administer, and it is relatively 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, bylaw enforcement, building inspection, roads and streets maintenance, sidewalks, street lighting, public parks and playgrounds.

User fees and charges form another significant portion of discretionary revenue. Many services can be measured and charged on a user pay basis. Services where fees and charges may be easily administered include utilities usage and connections, building permits, business and other licenses, recreational services and sales of specific services and therefore, are charged on a user pay basis. User fees attempt to allocate the value of a service to those who use the service.

| Table 1: Sources of Revenue | | |
|------------------------------------|------------------|-------------|
| | \$ | % |
| Property Taxes | 1,837,654 | 31% |
| Parcel Taxes | 563,977 | 10% |
| User Fees & Charges | 586,043 | 10% |
| Other Sources | 191,142 | 3% |
| Surplus & Own Sources | 919,446 | 16% |
| Reserve Transfers | 316,815 | 5% |
| Government Grants | 1,436,898 | 25% |
| | <u>5,851,975</u> | <u>100%</u> |

Objective

Over the next five years, the Village will review the proportion of revenue that is received from user fees and charges and gradually adjust the fees and charges to fully cover the operational costs of the services provided by these fees and charges. The Village will also analyze the use of parcel taxes in respect to the following:

- building future reserve funds to be used for infrastructure replacement/renewal and future capital projects;
- funding operations; and
- funding new capital projects.

Policies

The Village will review user fee and parcel tax levels annually to ensure they adequately meet both the capital and delivery costs of the service. Where possible the Village will allocate taxation on a progressive rather than regressive taxation policy.

Where possible, the Village will endeavor to supplement revenues from user fees and charges rather than taxation in order to lessen the burden on the residential property tax class which currently is 98% of the assessment base.

2. Distribution of Property Tax Rates

Table 2 outlines the distribution of municipal property taxes among the property classes. 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 largest amount of Village services.

| Table 2: Distribution of Municipal Property Taxation | | |
|-------------------------------------------------------------|-----------|----------|
| | \$ | % |
| Class 1 Residential | 754,645 | 97.72% |
| Class 2 Utilities | 4,424 | 0.57% |
| Class 3 Supportive Housing | - | 0.00% |
| Class 4 Major Industry | - | 0.00% |
| Class 5 Light Industry | 2,325 | 0.30% |
| Class 6 Business & Other | 10,822 | 1.40% |
| Class 7 Managed Forest | - | 0.00% |
| Class 8 Rec/Non Profit | - | 0.00% |
| Class 9 Farm | - | 0.00% |
| | 772,216 | 100% |

Objective

The Village will maintain the property tax levy near a 2.5% increase in 2021 over the prior year while dedicating funds to future reserves from parcel taxes to enable better management of assets.

Policies

The Village will create financial sustainability and build reserves for the Village by increasing awareness of the future major asset needs such as a new water treatment system and participation in the new regional liquid waste project. Asset management planning has highlighted the need for increased funding to maintain service levels appropriately in future and to ensure proper maintenance, operation and replacement of assets. The Village will annually review and compare the Village’s distributions of tax burden relative to other municipalities in British Columbia of comparable size and assessment.

3. Permissive Tax Exemptions

The Village evaluates permissive exemptions on eligibility criteria for permissive tax exemptions including 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 conflict with those of the Village.
- The organization receiving the exemption must be a registered non-profit society or charity, as the support of Village cannot be used for commercial or private gain.
- Permissive tax exemptions will be considered in conjunction with:
 - other forms of assistance 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 forego if the exemption is granted.

| Exemption Bylaw | Assessed Owner | Roll # | Assessment Class | 2021 Assessed Value | Municipal Rate | General Municipal Taxes | Parcel Taxes | Total Taxes |
|-----------------|----------------------------------------|---------------|------------------|---------------------|----------------|-------------------------|--------------|-------------|
| 892-2020 | Trail Association for Community Living | 588.00490.000 | 1 Residential | 963,000.0 | 3.46103 | \$ 3,332.97 | \$210.00 | \$ 3,542.97 |
| 892-2020 | Trail Association for Community Living | 588.00533.000 | 1 Residential | 1,190,400 | 3.46103 | \$ 4,120.01 | \$210.00 | \$ 4,330.01 |
| | | | | | | \$ 7,452.98 | \$420.00 | \$ 7,872.98 |

Objective

The Village will review permissive tax exemptions to non-profit societies or charities that provide a benefit to the community before the expiration of the exemption bylaws in 2023.

Policies

Review the permissive tax exemptions to assess activities that will be targeted in compliance with the Official Community Plan guidelines and update policy statement.