

CITY OF PITT MEADOWS  
2021 – 2025 FINANCIAL PLAN  
BYLAW NO. 2882, 2021

A Bylaw to adopt the 2021 to 2025 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 2021 – 2025 Financial Plan Bylaw**".
2. Schedule "A", attached to and forming part of this Bylaw, is adopted as the 2021 - 2025 Financial Plan of the City of Pitt Meadows for the period beginning January 1, 2021 and ending December 31, 2025.
3. Schedule "B", attached to and forming part of this Bylaw, specifies the transfers to, and expenditures from, the City Reserve Funds for the period beginning January 1, 2021 and ending December 31, 2025.
4. Schedule "C", attached to and forming part of this Bylaw, is the Revenue and Taxation Policy for the City of Pitt Meadows.
5. The 2020 – 2024 Financial Plan Bylaw No. 2845, 2020, and its amendments, are repealed.

READ a FIRST, SECOND and THIRD time on April 13, 2021.

As per authority granted under Ministerial Order M192 [*local government meetings and bylaw process (covid-19) order no. 3*], ADOPTED on April 13, 2021.

"Original signed by"

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Bill Dingwall  
Mayor

"Original signed by"

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Kate Barchard  
Corporate Officer

## SCHEDULE "A"

## 2021 - 2025 Financial Plan

<b><u>REVENUES</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Municipal Property and Other Taxes	\$ 25,293,200	\$ 26,473,500	\$ 27,427,800	\$ 28,323,300	\$ 29,191,200
Utility Charges	11,032,000	11,381,900	11,841,400	12,540,800	13,379,800
Sale of Services	1,425,600	1,683,500	1,799,700	1,836,000	1,873,400
Licenses, Permits, Penalties, Fines	2,338,500	1,559,700	1,576,100	1,513,900	1,492,500
Investment Income	455,900	434,400	445,600	451,100	413,100
Government Transfers	1,440,600	809,000	792,500	556,000	552,000
Contributions	9,662,700	3,984,400	1,828,700	33,700	831,100
Other Revenue	483,600	620,600	638,900	641,700	644,400
Total Revenues	<u>\$ 52,132,100</u>	<u>\$ 46,947,000</u>	<u>\$ 46,350,700</u>	<u>\$ 45,896,500</u>	<u>\$ 48,377,500</u>
<b><u>EXPENSES</u></b>					
Operating Expenditures	\$ 30,702,800	\$ 31,891,100	\$ 32,715,000	\$ 33,789,700	\$ 34,961,100
Debt Interest	154,500	141,200	127,500	113,400	65,100
Amortization	5,260,500	5,260,500	5,260,500	5,260,500	5,260,500
Total Operating Expenses	<u>\$ 36,117,800</u>	<u>\$ 37,292,800</u>	<u>\$ 38,103,000</u>	<u>\$ 39,163,600</u>	<u>\$ 40,286,700</u>
Net Revenues (Expenditure)	<u>\$ 16,014,300</u>	<u>\$ 9,654,200</u>	<u>\$ 8,247,700</u>	<u>\$ 6,732,900</u>	<u>\$ 8,090,800</u>
<b><u>ALLOCATIONS</u></b>					
Net Transfers from/(to) Reserves	\$ 11,324,500	\$ 1,668,400	\$ (2,611,900)	\$ (4,726,900)	\$ (68,100)
Capital Expenditures	(32,189,000)	(16,162,700)	(10,465,400)	(6,824,600)	(12,796,100)
Unfunded Amortization	5,260,500	5,260,500	5,260,500	5,260,500	5,260,500
External Debt Principle Repayment	(410,300)	(420,400)	(430,900)	(441,900)	(487,100)
Total Allocations	<u>\$ (16,014,300)</u>	<u>\$ (9,654,200)</u>	<u>\$ (8,247,700)</u>	<u>\$ (6,732,900)</u>	<u>\$ (8,090,800)</u>
<b>BUDGET BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## SCHEDULE "B"

<b>Transfers from Reserves:</b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
Arena Capital Reserve Fund	262,100	220,000	225,000	230,000	235,000
Community Amenity Fund	-	-	410,000	-	430,000
Carbon Neutrality Reserve Fund	52,500	15,000	15,000	15,000	15,000
Drainage Capital Reserve Fund	1,767,000	2,605,100	1,149,900	225,800	1,086,200
Diking Capital Reserve Fund	139,300	66,300	66,500	66,800	67,000
Equipment Replacement Reserve Fund	2,602,400	1,409,400	1,388,000	1,059,500	1,057,400
Future Capital Reserve Fund	541,900	346,500	262,500	25,000	25,000
Facilities & Fixtures Lifecycle Reserve Fund	14,336,200	2,542,000	1,921,700	1,086,600	1,591,300
Minor Capital Reserve Fund	14,000	14,000	504,000	14,000	14,000
Operating Reserve Fund	2,697,800	403,000	198,600	201,000	272,400
Parkland Reserve Fund	1,200,000	-	-	-	-
Sanitary Sewer Capital Reserve Fund	536,100	242,400	197,800	343,100	941,200
South Bonson Amenities Reserve Fund	50,500	47,400	44,200	41,100	37,900
Transportation Infrastructure Reserve Fund	2,663,100	2,742,400	692,200	3,575,500	4,561,700
Waterworks Capital Reserve Fund	1,867,900	2,050,400	1,911,100	716,200	2,256,900
<b>Total Transfers from Reserves</b>	<b>28,730,800</b>	<b>12,703,900</b>	<b>8,986,500</b>	<b>7,599,600</b>	<b>12,591,000</b>
<b>Transfers to Reserves:</b>					
Arena Capital Reserve Fund	(174,400)	(171,500)	(174,700)	(175,700)	(175,300)
Carbon Neutrality/Sustainability Reserve Fund	(23,700)	(23,500)	(23,700)	(23,700)	(23,600)
Community Amenity Reserve Fund	(4,749,200)	(86,400)	(96,400)	(85,400)	(64,400)
Drainage Capital Reserve Fund	(1,004,500)	(1,056,300)	(1,106,300)	(1,156,300)	(1,206,900)
Diking Capital Reserve Fund	(169,300)	(167,800)	(169,700)	(170,000)	(168,100)
Equipment Replacement Reserve Fund	(1,063,900)	(1,143,600)	(1,223,100)	(1,501,200)	(1,381,700)
Facilities & Fixtures Lifecycle Reserve Fund	(4,403,200)	(3,403,200)	(3,698,600)	(4,024,900)	(4,372,400)
Future Capital Reserve Fund	(577,300)	(578,000)	(581,000)	(583,700)	(584,600)
Minor Capital Reserve Fund	(64,500)	(62,000)	(63,400)	(58,200)	(57,800)
Operating Reserve Fund	(1,038,800)	(151,900)	(177,400)	(144,300)	(139,700)
Insurance and Liability Reserve Fund	(3,200)	(2,100)	(2,400)	(2,200)	(1,500)
Parkland Acquisition Reserve Fund	(8,600)	(7,400)	(7,800)	(7,600)	(6,800)
Sanitary Sewer Capital Reserve Fund	(524,900)	(531,900)	(541,300)	(565,500)	(589,400)
South Bonson Amenities Reserve Fund	(15,200)	(13,100)	(13,100)	(12,500)	(11,500)
Transportation Infrastructure Reserve Fund	(2,174,000)	(2,160,700)	(2,188,400)	(2,228,700)	(2,223,400)
Waterworks Capital Reserve Fund	(1,411,600)	(1,476,100)	(1,531,100)	(1,586,600)	(1,652,000)
<b>Total Transfers to Reserves</b>	<b>(17,406,300)</b>	<b>(11,035,500)</b>	<b>(11,598,400)</b>	<b>(12,326,500)</b>	<b>(12,659,100)</b>
<b>Total Transfers from (To) Reserve Funds</b>	<b>\$ 11,324,500</b>	<b>\$ 1,668,400</b>	<b>\$ (2,611,900)</b>	<b>\$ (4,726,900)</b>	<b>\$ (68,100)</b>

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

## SCHEDULE "C"

### POLICY NO. C049 – Revenue and Taxation

PITT MEADOWS POLICY MANUAL	POLICY NO. C049
SUBJECT: Revenue and Taxation	Approved by Council:

#### PURPOSE:

To comply with the disclosure requirements as set out in section 165 (3.1) 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.

The proportion of funding sources included in the financial plan is as follows:

	2021	2022	2023	2024	2025
Municipal Property & Other Taxes	48.5%	56.5%	59.2%	61.7%	60.3%
Utility Charges	21.2%	24.2%	25.5%	27.3%	27.7%
Sale of Services	2.7%	3.6%	3.9%	4.0%	3.9%
Licenses, Permits, Penalties, Fines	4.5%	3.3%	3.4%	3.3%	3.1%
Investment Income	0.9%	0.9%	1.0%	1.0%	0.9%
Government Transfers	2.8%	1.7%	1.7%	1.2%	1.1%
Contributions	18.5%	8.5%	3.9%	0.1%	1.7%
Other Revenue	0.9%	1.3%	1.4%	1.4%	1.3%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

Property Tax is the City's largest source of revenue and provides funding for the "public type" services provided by the City which cannot be or are undesirable to be funded on a user pay basis such as parks and leisure services, public safety, transportation and general government. Its proportion of total revenue will vary

from year to year depending on the capital program and the use of reserves, borrowing or grants for the capital program.

**Policy:** The City is committed to, where feasible and for appropriate municipal services, shifting the payment of the services from property taxes to user fees. To this end, the City will review user fees and charges annually and compare to the costs to provide the services and comparative costs from other municipalities.

The City will also regularly review 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:** That “private type” services provided by the City are charged and paid for on a full cost recovery basis.

#### Taxation Revenue

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

The distribution of general property tax revenue across different property taxes is as follows:

	Class	Assessment %	Revenue %
Residential	1	78.82%	54.50%
Utilities	2	0.12%	1.17%
Major Industry	4	0.14%	0.64%
Light Industry	5	3.31%	7.99%
Business & Other	6	16.91%	32.14%
Recreation / Non-Profit	8	0.42%	1.14%
Farm	9	0.28%	2.42%
<b>Total</b>		100.00%	100.00%

The City remains heavily reliant on residential property taxation at 54.50% of total general property tax revenue. For 2021, approximately 45.5% is budgeted to come from non-residential assessment classes which make up only 21.18% of the total assessed value for the City.

**Policy:** The City is committed to increasing the overall proportion of 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.

The City will regularly review growth in the respective classes of the tax base and compare the City's tax ratio between residential property owners and business owners relative to other municipalities in Metro Vancouver.

**Objective:** That the City has a broad assessment base in which each class share an equitable portion of the general property tax burden.

#### 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 C061 – 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:** Council will periodically examine its permissive tax exemption policy to determine if changes are necessary. The policy was last reviewed by Council in 2015.