



DISTRICT OF 100 MILE HOUSE
TO BE HELD IN DISTRICT COUNCIL CHAMBERS
WEDNESDAY, FEBRUARY 8th, 2023, AT 1:00 PM

	<u>CALL TO ORDER</u> Mayor to call the Committee of the Whole meeting to order.
A.	<u>APPROVAL OF AGENDA:</u>
	BE IT RESOLVED THAT the February 8 th , 2023, Committee of the Whole agenda <u>be approved</u> .
B.	<u>INTRODUCTION OF LATE ITEMS</u>
C.	<u>DELEGATIONS:</u>
D.	<u>UNFINISHED BUSINESS</u>
E.	<u>CORRESPONDENCE</u>
F.	<u>STAFF REPORTS:</u>
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Financial Plan Bylaw #1399 - 2023	BE IT RESOLVED THAT the memo from Finance dated February 1 st regarding the 2023 Financial Plan Bylaw be received.
G.	<u>BYLAWS:</u>
H.	<u>OTHER BUSINESS:</u>
I.	<u>QUESTION PERIOD:</u>
J.	<u>ADJOURNMENT:</u> BE IT RESOLVED THAT the Committee of the Whole meeting of February 8th, 2023, adjourn: Time:



DISTRICT OF 100 MILE HOUSE

M E M O

Date: February 1st , 2023
To: Mayor & Council
From: Finance
Subject: Financial Plan Bylaw #1399 - 2023

Section 165 of the Community Charter requires each municipality in British Columbia adopt a five-(5) year financial plan, updated and approved annually. The plan must include the following:

Objectives and Policies related to:

- Funding sources
- Distribution of property taxes by assessment class
- The use of Permissive Tax Exemptions

Proposed expenditures indicating:

- Interest & Principal payments on municipal debt
- Amounts required for Capital purposes
- Deficiencies from previous years, if applicable
- Other purposes

Proposed funding sources indicating:

- Revenue from property and parcel taxes
- Fees & charges
- Other sources
- Proceeds from borrowing

Proposed transfers to or between funds and the total of proposed expenditures and transfers to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year.

If actual expenditures and transfer to other funds for a year exceed actual revenues and transfers from other funds for the year, the resulting deficiency must be included in the next year's financial plan as an expenditure in that year.

Members of the public are provided an opportunity to address Council to discuss the proposed plan. A financial plan may be amended by bylaw at any time.

Purpose

This memo provides a broad overview of the financial plan, any material changes from previous year's budget and identification of capital projects. The District of 100 Mile House has three funds: General Fund, Sewer Fund and Water fund, each has a balanced budget for both operations and capital expenditures.

General Fund - Revenues

Proposed tax rates are subject to change until the revised roll is received from BC Assessment Authority in early 2023. The proposed collection amount is based on the 2023 Completed Roll totals. Although calculated tax *rates* have decreased, with the substantial increase in property assessments residential property owners would have to see an approximate 22.5% increase in assessment before an increase in municipal property tax is realized. For business class it would be closer to 6%.

Over the five-year plan there is a 1% increase in overall collection of property taxation. The property tax rates associated with the collection cannot be finalized until the assessment roll has been received in each corresponding year.

The District of 100 Mile House acquired the 100 Mile House Community Hall in 2022. Revenue has been modestly estimated for 2023.

Return on investments (Bank interest, MFA bond and money market funds) continues to experience reduced yields over prior years.

Multiple projects under planning and economic development have received grant funding and have been brought forward into 2023 (Outdoor washroom project, Community Transition Capacity Funding, BC flood hazard mapping, BC active transportation project, and funds through the Forestry Employment Program).

Funding was received from the Commemorate Canada Reopening Fund to hold a community event – The March into spring event planning is underway for March 24th-25th, 2023.

Funds were received from the Local Government Climate Action program, these funds will be used to continue to improve building efficiencies and help reach legislated climate targets. Community streetlights and lighting within the Fire Hall and Community Services are currently being upgraded to LED.

Funding contributions from the CRD remain static, supporting various functions, amounts are as per contracts in place. The CRD is funding the upgrades to the court facilities in Centennial Park with a budget of \$225,000.

The "Small Communities Grant" is budgeted at \$385,000; these funds are used to offset current year operating expenses.

The Community Works funding (Gas Tax Contribution) is determined by the UBCM Federal Gas Tax Agreement Allocation Schedule. These funds are to be used for the eligible projects identified within the funding program or transferred at the year end to the reserve fund. It has not been announced what the future payments through this funding program will be, for planning purposes the same amount was allotted in the five-year period.

General Fund – Expenditures

The Districts largest operating fund provides a variety of services including general government, protective services, community services including transit, roads, fleet, cemetery, parks, garbage and recycling collection, building inspection services and development services. Any capital items related to the general fund are funded through grants and reserves.

The current collective agreement is under re-negotiation, for planning purposes, a 5% increase was applied for 2023 and 2% for the remaining four years of the financial plan.

Total employer benefit expense has been increased to 29%.

As per Council remuneration bylaw stipends are increased at 1% per annum.

Audit services contract is up for renewal in 2023, projected 5% increase annually.

Insurance coverage for all municipal buildings and activities was estimated to increase 5% annually.

The 100 Mile House Community Hall general operational expenses were estimated for the 2023 budget year.

100 Mile House Fire-Rescue has requested an increase in the fire hall line item to install appropriate LED warning lights for Horse Lake Road to warn drivers of emergency vehicles.

Works around the 100 Mile Marsh will continue with the completion of the new outdoor washroom facility and improvement to picnic grounds with assistance of a BC Hydro Tree-Canada grant funding application pending.

2022 figures for Community Events (Music in the park) and Vandalism and Clean-Up were brought forward into the 2023 budget for discussion.

For planning purposes line items in the five-year financial plan associated with contracts increased as per agreements in place. (janitor, garbage collection, line painting). All utilities were projected to increase at 5% annually.

Sewer & Water Fund

Sewer & water frontage taxes are increased annually at 5% as per the current frontage tax bylaws.

Sewer & water user fees are increased annually at 5%, as per current bylaw that expires on December 31st, 2023.

A solid overview of the water and sewer infrastructure, rate schedules and cost recovery will be completed before the renewal of the user fee bylaws. It is advisable that the system recover sufficient funds each year to offset the annual depreciation values. This action would adhere to the District philosophy to “pay as we go” and minimize long term debt.

Debt Principal Payments:

The remaining Blackstock sewer specified area debt will be retired in **2024**. Once complete all applicable properties will be subject to regular sewer frontage tax rates.

CAPITAL

The long-term capital plan is subject to change; grant funding availability can significantly impact proposed projects. Discussions on the replacement of major pieces of equipment and projects will always be brought forward to Council during budget discussions.

Community Service 2023

CS Fleet Upgrades – Gardening Truck Replacement (Unit#308)
CS Fleet Upgrades – #340 Replacement
CS Building Upgrades – Shop hoist/door
CS Fleet – Water Sewer Truck awarded in 2022 will be delivered in 2023.

Fire Department 2023

FD Fleet Upgrades – Squad 2 Replacement
FD Small Equipment / Communication Tower
FD Small Equipment – Sprinkler Protection Unit
FD Turn Out Gear Washing Machine / Turn Out Gear
FD Fleet – Fire Truck awarded in 2022 will be delivered in 2023

All community service and fire department items are funded through the machinery and equipment reserve. The Sprinkler Protection Unit may be partially funded with a pending grant funding application.

CAPITAL Cont.

General 2023

Municipal Building Roof
Public Outdoor Washrooms completed 2023
Outdoor pickleball courts

Sewer & Water 2023

Wastewater treatment facility upgrades
Watermain loop upgrades

The upgrades to the wastewater treatment facility are funded through a combination of grant funding and utility infrastructure reserves. The watermain loop upgrades are funded completely with the community works fund reserve.

Capital 2024 – 2027

Multiple items are proposed for the 2024 – 2027 fiscal years, as previously noted the long-term capital plan is subject to change with funding a major contributing factor. Grant funding, reserves and contractor availability during construction season can all have an impact on the final plan. The long-term plan includes the following:

- CS fleet upgrades
- FD fleet upgrades
- Paving upgrades
- Horse Lake Bridge and associated utility and road works

The District is continuously on the lookout for third party funding programs that support major capital projects. It is essential that the District continues to balance the provision of services to meet the community needs while at the same time maintaining and replacing aging infrastructure and equipment with an eye to minimizing the need to enter long-term borrowing commitments. We are and we continue to debt averse.

Prior to the adoption of the “2023 Financial Plan Bylaw”, an opportunity for public consultation is required, therefore be advised that the presentation and Bylaw will be available to the public on our website www.100milehouse.com and hard copies will be made available upon request. An open public event will be held March 2nd, 2023 prior to the three readings of the bylaw during the regular scheduled council meeting on March 7th, 2023. Public comments are welcome and encouraged.


T. Boulanger; Dir. of Finance


R. Scott, CAO

**DISTRICT OF 100 MILE HOUSE
Bylaw No. 1399, 2023**

A bylaw to adopt the 2023 to 2027 Financial Plan.

The Council of the District of 100 Mile House in open meeting assembled, hereby enacts as follows:

TITLE

1. This bylaw may be cited for all purposes as "**District of 100 Mile House 2023 Financial Plan Bylaw No. 1399, 2023**".

ENACTMENT

2. THAT, the Five-Year Financial Plan hereto annexed and marked as Schedule "A" and Schedule "B" is hereby approved and authorized and shall be in full force and effect from January 1, 2023 until amended, repealed or replaced.

READ A FIRST, SECOND AND THIRD TIME this _____ day of _____, 2023.

ADOPTED this _____ day of _____, 2023.

Mayor

Corporate Officer

DISTRICT OF 100 MILE HOUSE
2023 Financial Plan Bylaw No. 1399, 2023
Schedule "A"

REVENUES	2023	2024	2025	2026	2027
Taxes & Grants In Lieu	\$ 3,091,975	\$ 3,125,695	\$ 3,159,910	\$ 3,199,410	\$ 3,239,785
Utility Rates	1,018,183	1,068,950	1,122,155	1,178,020	1,236,680
Sales of Services	183,385	177,394	179,425	181,520	183,685
Government Grants	1,504,880	1,112,462	1,117,170	1,121,967	1,122,507
Contributions & DCC	4,090	4,090	4,090	4,090	4,090
Other Revenue	298,385	308,385	308,385	308,385	308,385
Transfer from Reserves	97,115	43,500	43,500	43,500	43,500
Transfer from Other	1,467,660	1,464,585	1,411,350	1,373,490	1,333,595
	\$ 7,665,673	\$ 7,305,061	\$ 7,345,985	\$ 7,410,382	\$ 7,472,227

EXPENDITURES	2023	2024	2025	2026	2027
General Government	\$ 1,038,630	\$ 1,017,605	\$ 1,033,345	\$ 1,059,685	\$ 1,066,475
Protective Services	774,075	751,145	757,405	763,820	770,395
Transportation Services	1,505,027	1,459,560	1,480,850	1,502,760	\$ 1,525,395
Environmental & Public Health	135,130	137,710	140,340	143,025	144,930
Recreation & Culture	214,685	206,660	209,705	212,805	216,020
Utility Operations	974,394	938,344	958,610	979,650	1,001,500
Development & Planning	643,205	298,460	302,088	305,794	309,568
Interest & Bank Charges	7,130	7,130	7,130	3,200	3,200
Principal Debt Payment	5,275	5,280	5,280	-	-
Amortization	1,467,655	1,464,585	1,411,350	1,373,490	1,333,595
Transfer to Capital Reserve	255,064	352,901	392,750	448,705	498,035
Transfer to Equipment Reserve	156,000	156,000	156,000	156,000	156,000
Transfer to Other Reserves	489,403	509,681	491,132	461,448	447,114
	\$ 7,665,673	\$ 7,305,061	\$ 7,345,985	\$ 7,410,382	\$ 7,472,227

	\$ -	\$ -	\$ -	\$ -	\$ -
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CAPITAL	2022	2023	2024	2025	2026
Capital Expenditure	5,619,275	9,450,345	1,083,000	530,000	544,000
Transfer from Operating Surplus	-	-	-	-	-
Transfer from Reserves	4,403,515	7,702,345	1,083,000	530,000	544,000
Grant Funding	1,215,760	1,748,000	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -

**DISTRICT OF 100 MILE HOUSE
2023 Financial Plan Bylaw No. 1399, 2023
Schedule "B"**

STATEMENT OF OBJECTIVES & POLICIES

In accordance with the Sec 165 (3.1) of the *Community Charter*, the Council of the District of 100 Mile House must set out objectives and policies of the municipality in relation to the following:

- a) The proportion of total revenue that is proposed to come from each of the funding sources;
- b) The distribution of property taxes among the property classes; and
- c) The use of permissive tax exemptions.

FUNDING SOURCES

The table below shows the proportion of total revenue to be raised from each funding source in 2023. Property taxes, which provide a stable and consistent source of funding, are the primary revenue source for the District, while Government grants and transfers from other and reserves, (which will fluctuate year to year) are second highest for planned funding sources.

Revenue Distribution	% of Total Revenue	Dollar Value
Property & Parcel Taxes	40.0%	\$ 3,091,975
Government Grants	21.0%	1,504,880
Transfers from Other	19.0%	1,467,660
Utility User Fees	13.0%	1,018,183
Other Revenue	6.0%	485,860
Transfer from Own Reserves	1.0%	97,115
	100%	\$ 7,665,673

Objectives

- To adequately maintain core municipal services exclusive of alternative local government funding programs.
- That the cost of living increases reduce the net worth of municipal taxation dollars.
- To review user fees and charges on an ongoing basis.

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2023 Financial Plan Bylaw No. 1399, 2023
Schedule “B”

Policies

- Utility user fees have been established and if needed, will be adjusted to ensure that these funds are self-liquidating.
 - Other revenues including franchise fees will be considered as general revenue in the financial plan and any restrictions placed on these revenues will be determined annually.
 - The District will ensure that all government transfers are used in accordance with the terms and conditions attached to the funding and that all reporting requirements are met. Unconditional government transfers will be considered as general revenue in the financial plan. The District will continue to apply for grant funding to support projects and initiatives.
 - The District will initiate partnerships and other measures that will diversify revenues in order to provide services and opportunities to the community that may have not otherwise been possible.
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DISTRICT OF 100 MILE HOUSE
2023 Financial Plan Bylaw No. 1399, 2023
Schedule "B"

DISTRIBUTION OF PROPERTY TAXES

The projected distribution of property tax values included in the financial plan among the property classes for 2023 is as follows:

Assessment Class	% of Total Collection	Collection Dollar Value
Class 1 - Residential	26%	700,758
Class 2 - Utilities	20%	541,554
Class 4 - Major Industry	23%	625,661
Class 5 - Light Industry	1%	22,451
Class 6 - Business	30%	809,824
Class 8 - Recreation & Non-Profit	0.07%	1,808
Class 9 - Farm	0.05%	1,356
	100%	\$ 2,703,412

Objectives

- To have stable taxation rates and that Council give consideration to cost of living increase for all classes.
- To have user fees that cover the cost of the service and reduce the burden on the entire tax base.
- Continue to encourage economic development initiatives designed to attract more investment in the community to expand the tax base.

Policy

- It is the policy of Council to approve Municipal property tax rates annually by considering changes in the assessment base, inflationary factors and economic conditions and costs of providing ongoing and new District services.

DISTRICT OF 100 MILE HOUSE
2023 Financial Plan Bylaw No. 1399, 2023
Schedule "B"

PERMISSIVE TAX EXEMPTIONS

Objectives

- To exempt certain parcels of land in the District of 100 Mile House from taxation as provided by Section 220 and 224 of the Community Charter, Chapter 26.

Policy

- To continue to provide permissive exemptions to include religious institutions, not for profit societies and service organizations that the District feels are a benefit to the community. Historically these exemptions have been granted at 100% of taxes payable.
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DISTRICT OF 100 MILE HOUSE
2023 Financial Plan Bylaw No. 1399, 2023
Schedule "B"

SURPLUS AND RESERVES

It is in the best interest of the District of 100 Mile House to maintain healthy and functional surplus accounts and reserve funds in order to ensure long term financial sustainability.

Objectives

- Capital funding provided through the annual process will be adequate to maintain the District's capital assets and infrastructure and provide for the replenishment of capital assets.
- Establish and maintain reserves to provide stability to municipal operations and ensure the District can meet both current fiscal requirements and future obligations.
- Strive to increase the sum of the balances of the reserve funds and unappropriated surplus accounts.

Policies

- To establish a target of operational surplus in the General Fund in the amount of twenty percent (20%), of the total revenues to a maximum of \$500,000, in a given fiscal year. Any accumulated surplus which exceeds this amount shall be allocated to capital reserves.
 - To establish a target of operational surplus in each of the Sewer and Water funds in the amount of twenty percent (20%) of the total revenues from sales of sewer and water services in a given fiscal year and any accumulated surplus which exceeds these amounts shall be allocated to the Utility Infrastructure Reserve Fund.
 - To increase the following reserves annually from revenues in accordance with the annual approved budget:
 - Municipal Infrastructure Reserve Fund
 - Mobile Equipment Replacement Reserve Fund
 - Emergency Equipment Replacement Reserve Fund
 - Computer System Reserve Fund
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DISTRICT OF 100 MILE HOUSE
2023 Financial Plan Bylaw No. 1399, 2023
Schedule "B"

DEBT MANAGEMENT

Proceeds from borrowing will be used within the guidelines of the bylaw established to borrow the funds. The maximum amount of accumulated borrowings will be in accordance with the regulations outlined in the Community Charter.

Objectives

- Maintain the long-term debt servicing liability at a manageable level.

Policies

- Limit the creation of long-term debt to the financing of large infrastructure and economic development projects.
- Minimize debt costs by seeking out and applying for provincial and federal government grants whenever possible.



The objectives and policies as stated above are broad in nature to assist Council in their decision-making process. Rate capping and ratio limitations on property tax were intentionally excluded so as not to restrict Council's ability to make future decisions.