

TOWN OF GIBSONS

Bylaw No. 1241

A Bylaw for establishment of a 5-year Financial Plan

WHEREAS Section 165 of the *Community Charter* requires Council to adopt annually a Financial Plan covering a five year period;

NOW THEREFORE the Council of the Town of Gibsons, in open meeting assembled, enacts as follows:

1. This Bylaw may be cited for all purposes as "2017 Financial Plan Bylaw No. 1241, 2017".
2. The Financial Plan for the Town of Gibsons covering the years 2017 - 2021 will be so shown on Schedule "A" attached hereto and forming part of this Bylaw.
3. Pursuant to Section 165 (3.1) of the *Community Charter* the Council of the Town of Gibsons has prepared a statement of revenue and tax policy as shown on Schedule "B" attached hereto and forming part of this bylaw.
4. The Financial Plan shall remain in effect until amended by bylaw or until the next year's Financial Plan is adopted.

READ a First Time this the	2 nd	day of	May,	2017
READ a Second Time this the	2 nd	day of	May,	2017
READ a Third Time this the	2 nd	day of	May,	2017
ADOPTED this the		day of		2017

Wayne Rowe, Mayor

Selina Williams, Corporate Officer

SCHEDULE "A" TO BYLAW 1241

**Town of Gibsons Financial Plan
For the Five Year Period 2017 - 2021**

CONSOLIDATED ALL FUNDS

REVENUES	2017	2018	2019	2020	2021
Taxation					
Property Taxes - Existing	2,822,415	2,886,588	3,010,949	3,073,312	3,160,424
Property Taxes - Growth	0	28,224	29,148	30,401	31,037
1% Utility Tax	90,500	92,310	94,156	96,039	97,960
Fortis BC Operating Fee	33,425	38,770	38,770	38,770	38,770
Parcel Taxes - Water & Sewer	1,229,602	1,275,835	1,301,352	1,327,379	1,353,926
Utility User Fees - Existing	1,388,120	1,457,526	1,500,835	1,545,719	1,591,942
User Fee Growth	0	13,881	14,575	15,008	15,457
Asset Replacement	241,900	253,995	259,075	264,256	269,542
Fees and Charges	648,540	661,511	674,741	688,236	702,001
Other Sources					
Sale of services	774,315	789,801	805,597	821,709	838,143
Reserve Fund Interest	11,524	11,464	13,355	14,316	11,239
Other Revenue	620,638	633,051	645,712	658,626	671,799
Gas Tax Grants (ops)	48,000	91,000	253,444	66,200	48,000
Government Grants (ops)	851,112	859,623	868,219	876,903	885,671
Government Grants (capex)	1,348,334	288,410	1,031,430	0	0
Proceeds from Borrowing	1,872,000	-	276,000	276,000	276,000
Transfers Between Funds					
From Development Cost Chg.	626,589	1,158,038	243,724	69,300	0
From Capital Reserve Funds	309,130	206,400	160,000	435,000	0
From Reserve Funds	9,500	69,900	252,971	0	0
Surplus Accounts	101,571	277,075	-	-	295,369
Transfer Equity in Capital Assets	1,330,080	1,356,682	1,383,815	1,411,492	1,439,721
TOTAL REVENUES	14,357,295	12,450,083	12,857,869	11,708,665	11,727,001
EXPENDITURES					
Municipal Debt					
Debt Interest	363,526	402,090	386,421	371,454	366,504
Debt Principal	432,763	401,924	455,434	442,813	442,401
Capital Expenditures (All Funds)	4,597,700	2,591,100	2,695,600	1,248,000	1,284,100
Amortization	1,330,080	1,356,682	1,383,815	1,411,492	1,439,721
Municipal Operations					
General Government	2,283,605	2,329,277	2,375,863	2,423,380	2,471,847
Protective Services	228,227	232,790	237,445	242,194	247,038
Transportation Services	1,359,081	1,386,263	1,413,988	1,442,268	1,471,113
Planning Services	346,265	353,190	360,254	367,459	374,808
Recreation and Parks	698,656	712,629	726,882	741,419	756,248
Water	1,010,064	1,030,265	1,050,871	1,071,888	1,093,326
Sewer	1,015,891	1,036,209	1,056,933	1,078,072	1,099,633
Transfers to Reserves					
To Reserve Funds	325,196	311,299	265,403	271,403	269,443
To Surplus Accounts	366,240	306,364	448,961	596,821	410,816
TOTAL EXPENDITURES	14,357,295	12,450,083	12,857,869	11,708,665	11,727,001

SCHEDULE "B" TO BYLAW 1241

2017 FINANCIAL PLAN STATEMENT OF REVENUE AND TAX POLICY

1. PROPORTION OF TOTAL REVENUES BY SOURCE

Objective

- Seek alternate and innovative revenue streams with the aim of lessening the reliance on property taxes.

Policies

- The Town will annually review user fees and charges to ensure they continue to provide cost recovery.
- The Town completed a program, begun in 2009, to install residential water meters that form the basis of a consumption based billing. The first metered based invoice were issued in April, 2011. Semi-annual invoices are issued in April and October.
- Utility fees (water, sewer, garbage) are set at rates to achieve cost recovery.
- Alternate revenue sources are examined to reduce reliance on property taxes as being the major source of funding (i.e. geo-thermal utility, natural gas franchise fees)

REVENUE SOURCE	TOTAL REVENUE		
	2017 %	2017 \$	2016 %
Property Taxes	20.30	\$2,912,915	25.75
Parcel Taxes	8.56	\$1,229,602	12.18
User Fees and Charges	15.87	\$2,278,560	17.57
Other Sources - include DCC's, Sales, Reserves	26.58	\$3,816,772	29.21
Government Grants	15.65	\$2,247,446	11.69
Proceeds from Borrowings	13.04	\$1,872,000	3.60
TOTAL	<u>100.00</u>	<u>\$14,357,295</u>	<u>100.00</u>

2. DISTRIBUTION OF PROPERTY TAXES BY CLASS

Objective

- To maintain ensure an appropriate tax burden ratio of Class 6 - Business to Class 1 - Residential

Policies

- Staff continues to review other local governments Business Tax Rate Multiples (BTRM) to ensure we remain competitive and that our BTRM is not a disincentive to businesses in choosing Gibsons as a place to invest. Gibson's BTRM remains competitive with other local governments of similar size.

- To regularly review and compare the Town's tax distribution of burden relative to other local jurisdictions.

Property Class	TOTAL REVENUE		
	2017 %	2017 \$	2016 %
Class 1 – Residential	66.63	\$1,940,878	65.43
Class 2 – Utility	3.36	\$97,993	3.65
Class 5 – Light Industrial	0.38	\$11,030	0.38
Class 6 – Commercial	29.43	\$857,248	30.21
Class 8 – Recreation	0.19	\$5,551	0.32
Class 9 – Farm	0.01	\$215	0.01
TOTAL	<u>100.00</u>	<u>\$2,912,915</u>	<u>100.00</u>

3. PERMISSIVE TAX EXEMPTIONS

Objective

- The Town of Gibsons realizes that many volunteer organizations contribute to the well-being of the community and are an essential component to the social fabric which we honour and cherish. Council wishes to ensure that there be an alignment of the Town's goals and culture with those of the organization who are being granted a permissive tax exemption.
- Council will consider the total exemptions granted each year having given consideration to the total tax impact of granting exemptions realizing that in doing so will shift the taxation burden to the remaining taxable properties.
- The Town will continue discussions with benefiting organizations so that all concerned are cognizant of the services provided by others to avoid duplication of services.

Policies

- The Town requires benefiting organizations to apply every five years for a permissive tax exemption
- The Town will request an annual update from the requesting organization to ensure the property continues to be used for the purpose intended by the initial application. If an organization has discontinued providing services at the property then an amendment bylaw will be requested.

Background

In 2016 the Town adopted Property Tax Exemption Bylaw No. 1216 which gave permissive tax exemptions for the years 2016 - 2019 to thirteen (13) organizations covering sixteen (16) properties. The estimated permissive taxation exemption (2016) was \$187,944.