

CAO REPORT

To: Mayor & Council

From: Meredith Starkey, CAO Village of Zeballos

May 06, 2020

Purpose

This report is to provide a 2020 Tax Rate and 5-Year Financial Plan recommendation for Council consideration.

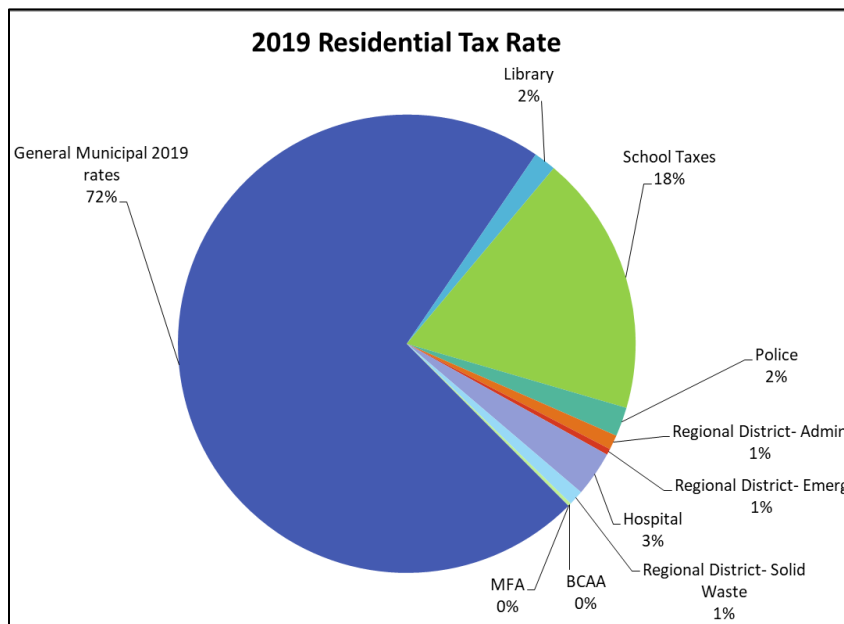
Background

As our community and the world continue to adapt and respond to the COVID-19 pandemic, we are still required to calculate and collect property taxes. Given the challenges of this time, Council has directed staff to evaluate the revenue impact of applying 2019 tax rates for the 2020 tax year, and the Province has suggested that municipalities adopt Five-Year Financial Plan Bylaws based on year two of their 2019 bylaws.

This report was added as a late item to the May 6th meeting agenda to give the public and Council more time to consider these recommendations before the adoption deadline of May 15th.

2019 General Municipal Tax Rate

For your reference, the General Municipal and Debt tax rate is only one part of the overall property tax levied on home owners, and is the only tax rate set by the Village. As shown on each property tax notice, levies are also collected on behalf of other agencies (such as Regional Districts and Hospital Districts) using rates set by those agencies or the Province. The General Municipal tax is also the only piece of property taxes that the Village keeps as revenue.



If the Village adopts the 2019 General Municipal Tax Rates, the total tax rate (including rates set by others) would be as follows:

2020 TAX RATES								
	Residential	Utilities	Major Industry	Light Industry	Business and Other	Managed Forest Land	Recreation/ Non-profit	Farm
			NA			NA		NA
General Municipal 2020 rates	13.1051	45.8680		51.1101	27.5208		13.1051	
Library	0.2782	0.9736		1.0848	0.5841		0.2782	
School Taxes	3.3498	13.2000		3.7000	3.7000		2.3000	
Police	0.3746	1.3112		1.2737	0.9178		0.3746	
Regional District- Admin (on Hosp. Assmt.)	0.1852	0.6481		0.6295	0.4536		0.1852	
Regional District- Emerg (on Gen. Assmt.)	0.0824	0.2884		0.3214	0.1730		0.0824	
Hospital	0.5433	1.9015		1.8472	1.3310		0.5433	
Regional District- Solid Waste	0.1865	0.6526		0.7272	0.3916		0.1865	
BCAA	0.0426	0.4788		0.1099	0.1099		0.0426	
MFA	0.0002	0.0007		0.0007	0.0005		0.0002	
TOTAL \$ per 1000	18.1479	65.3229		60.8045	35.1823		17.0981	

Based on these values, a home owner will pay \$18.1479 per \$1,000 of assessed value. On a home assessed at \$100,000, the property taxes would be \$1,814.79.

Tax Rate Evaluation

If the Village adopts the 2019 General Municipal Tax Rate for the 2020 tax year, the Village's anticipated taxation revenue is \$190,060. This represents an increase of 0.85% in revenue over last year, resulting from increased assessment values on non-residential properties.

Overall, residential property assessments declined by a little over 1%. This means that, if the Village adopts the 2019 property tax rates, most residential property owners will pay less property tax in 2020 than they paid in 2019.

If this is the will of Council, please see the recommended Motion below, and draft Tax Rate bylaw attached.

Recommendation Motion

THAT Staff proceed with the budget preparation using the 2019 General Municipal Tax Rate for the 2020 Tax Year.

Five-Year Financial Plan Bylaw

As suggested by the Province, the Village has prepared a 5-Year Financial Plan for 2020-2024 based on the 5-Year Financial Plan adopted in 2019. Please see attached for the bylaw for consideration and discussion.

CORPORATION OF THE VILLAGE OF ZEBALLOS
BYLAW # 529-2020
FIVE YEAR FINANCIAL PLAN BYLAW 2020 - 2024

WHEREAS the Local Government Act provides requirements for financial planning;

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

1. Bylaw #529-2020 may be cited as "Five Year Financial Plan Bylaw, 2020 – 2024".
2. Schedule "A" attached hereto and forming part of this bylaw sets out the authorized Schedule of Consolidated Sources of Funding and Expenses for the Five Year Period 2020 - 2024.
3. Schedule "B" attached hereto and forming part of this bylaw, sets out the Schedule of Capital Expenditure for the Five Year Period 2020 - 2024.
4. Schedule "C" attached hereto and forming part of this bylaw, sets out the Statement of Objectives and Policies for the Five Year Period 2020 - 2024.
5. Bylaw No 524-2019 is hereby rescinded.

READ A FIRST TIME this _____day of May, 2020

READ A SECOND TIME this _____day of May, 2020

READ A THIRD TIME this _____day of May, 2020

RECONSIDERED AND ADOPTED THIS _____day of May, 2020

Mayor

Corporate Officer

Certified to be a true copy of Bylaw #529-2020

Corporate Officer

CORPORATION OF THE VILLAGE OF ZEBALLOS
BYLAW # 529-2020

SCHEDULE "A"

Consolidated Sources of Funding and Expenses for the Five Year Period 2020 – 2024

SOURCES OF FUNDS	2020	2021	2022	2023	2024
Property Value Taxation	190,060	191,961	193,880	195,819	197,777
Grants in Lieu	6,013	6,074	6,134	6,196	6,258
1% Utility	4,479	4,524	4,569	4,615	4,661
Taxation Levied for Others	61,223	61,835	62,453	63,078	63,709
Sales of Services and Fees	34,875	35,224	35,576	35,932	36,291
Rental Income	45,000	45,450	45,905	46,364	46,827
Recreation Fees	7,750	7,828	7,906	7,985	8,065
Fiscal / Return on Investments	11,350	11,464	11,578	11,694	11,811
Transfers from Other Governments	574,254	579,997	585,797	591,655	597,571
Water/Sewer Utility Fees	41,150	41,562	41,977	42,397	42,821
Capital Funding - Grants	25,000	25,250	25,503	25,758	26,015
Capital Funding - Transfer from Stat. Reserve	115,000	0	0	0	0
Capital Funding - Transfer from Current Fund	42,000	42,420	42,844	43,273	43,705
TOTAL SOURCES OF FUNDS	1,158,154	1,053,586	1,064,122	1,074,763	1,085,511
EXPENDITURES					
Capital: Planned Spending	182,000	10,000	10,000	10,000	10,000
Contribution to Reserves	79,905				
Taxes collected for others	61,223	61,835	62,453	63,078	63,709
Other Municipal Purposes:					
Legislative	35,802	36,160	36,522	36,887	37,256
Administration	329,600	332,896	336,225	339,587	342,983
Protective	59,500	60,095	60,696	61,303	61,916
Environmental Health	28,300	28,583	28,869	29,158	29,449
Transportation	205,450	207,505	209,580	211,675	213,792
Recreation / Culture	87,005	87,875	88,754	89,641	90,538
Water	29,650	29,947	30,246	30,548	30,854
Sewer	59,720	60,317	60,920	61,530	62,145
TOTAL EXPENDITURES	1,158,155	915,212	924,264	933,407	942,741

CORPORATION OF THE VILLAGE OF ZEBALLOS
BYLAW # 529-2020

SCHEDULE "B"

Schedule of Capital Expenditure for the Five Year Period 2020 – 2024

		2020	2021	2022	2023	2024
General Capital Expense Fund						
Admin	Buildings	0	0	0	0	0
Admin	Fix, Furn, Veh, Equip	0	0	0	0	0
Fire	Buildings	0	0	0	0	0
Fire	Fix, Furn, Veh, Equip	0	0	0	0	0
Fire	Other Emergency	0	0	0	0	0
Environmental	Fix, Furn, Veh, Equip	0	0	0	0	0
Roads	Roads and Bridges	0	0	0	0	0
Public Works	Fix, Furn, Veh, Equip	5000	5000	5000	5000	5000
Community Hall	Buildings	25000	0	0	0	0
Museum	Buildings	0	0	0	0	0
Parks	Buildings	5000	5000	5000	5000	5000
Parks	Fix, Furn, Veh, Equip	32000	0	0	0	0
Library	Buildings	0	0	0	0	0
Water Capital Fund						
Water	Water Infrastructure	65000	0	0	0	0
Sewer Capital Fund						
Sewer	Sewer Infrastructure	50000	0	0	0	0
		182000	10000	10000	10000	10000
Source of Funds						
UNRESTRICTED		0	0	0	0	0
FIRE EQUIPMENT		0	0	0	0	0
GGG EQUIPMENT		5000	5000	5000	5000	5000
PARKS AND LANDSCAPE		37000	5000	5000	5000	5000
ENVIRONMENTAL HEALTH		0	0	0	0	0
GAS TAX		115000	0	0	0	0
INFRASTRUCTURE PLANNING GRANT		0	0	0	0	0
CENOTAPH PROJECT		0	0	0	0	0
STAT- CAPITAL WORKS		0	0	0	0	0
STAT- ECONOMIC DEVELOPMENT		0	0	0	0	0
DONATIONS: Cemetery Improvement Fund		0	0	0	0	0
GRANT: Community Emergency Preparedness Fund		25000	0	0	0	0
GRANT: Strategic Priorities Fund		0	0	0	0	0
		182000	10000	10000	10000	10000

CORPORATION OF THE VILLAGE OF ZEBALLOS
BYLAW # 529-2020

SCHEDULE "C"

Statement of Objectives and Policies for the Five Year Period 2020 - 2024

Funding (Revenue) Sources

TABLE 1

The proportion of total revenue proposed to be raised from each funding source.

SOURCES OF REVENUE		% of total
Property Value Taxation	\$ 190,060	18
Parcel Taxes/ In Lieu	\$ 10,493	1
User Fees/ Rentals	\$ 86,150	8
Fiscal/ ROI/other	\$ 53,975	5
Government Grants	\$ 574,254	53
Capital Funding from Reserves	\$ 157,000	15
TOTAL	\$ 1,071,932	100

The Village will continue its policy of "pay as you go" with no borrowing but rather use of its reserves for replacements/updates to equipment or major repairs.

Share of Property Tax Revenue by Class

Land and Improvement values from BC Assessment have continued to decline. There has been a reduction in value of more than \$800,000 since 2010 which measures 7.5%. A significant impact to the security of Village services.

TABLE 2

Over the term of the plan, municipal property taxes are distributed across five property tax classes as shows in Table 2 below. The absence of developable property results in the assessment based solely on market conditions.

Property Class	Dollar Value Tax Levy	% of Total Tax Levy	% of Total Property Value per BCAA
Residential	98,550.35	52%	79
Utility	3,912.54	2%	>1
Light Industry	67,521.55	36%	13
Business/Other	19,831.49	10%	7
Recreation/ Non Profit	243.75	0%	>1
	190,059.68	100%	100%

Permissive Tax Exemptions

The Village has no qualifying applicants (non-profit societies) for permissive tax exemptions.

CORPORATION OF THE VILLAGE OF ZEBALLOS
BYLAW # 530-2020
2020 TAX RATE BYLAW

Being a bylaw for the levying of rates for Municipal, Hospital District and Regional District purposes for the year 2020.

The Council of the Village of Zeballos in open meeting assembled, ENACTS AS FOLLOWS:

1. This bylaw may be cited as the "Corporation of the Village of Zeballos Tax Rate Bylaw # 530-2020".
2. The rates in Schedule A attached are hereby imposed and levied for the year 2020:
 - (a) For all lawful general purposes of the municipality on the value of land and improvements taxable for general municipal purposes, rates appearing in column "A" of the schedule attached hereto and forming a part thereof;
 - (b) For hospital district purposes on the value of land and improvements taxable for regional hospital district purposes, rates appearing in column "B" of the schedule attached hereto and forming a part thereof;
 - (c) For Emergency Preparedness Program purposes of the Strathcona Regional District on the value of land and improvements taxable for hospital purposes, rates appearing in column "C" attached hereto and forming a part thereof;
 - (d) For Administration purposes of the Strathcona Regional District on the value of land and improvements taxable for general municipal purposes, rates appearing in column "D" attached hereto and forming a part thereof;
 - (e) For Solid Waste Management purposes of the Comox Strathcona Solid Waste Management on the value of land and improvements taxable for general municipal purposes, rates appearing in column "E" attached hereto and forming a part thereof; and
 - (f) For library purposes of the Vancouver Island Regional Library on the value of land and improvements taxable for general municipal purposes, rates appearing in column "F" of the schedule attached hereto and forming a part thereof.
3. The minimum amount of taxation upon a parcel of real property shall be ONE DOLLAR (\$1.00)

READ a first time this _____ day of May, 2020

READ a second time _____ day of May, 2020

READ a third time this _____ day of May, 2020

RECONSIDERED AND ADOPTED this _____ day of May, 2020

Mayor

Corporate Officer

Certified to be a true copy of Bylaw # 530-2020

Corporate Officer

**CORPORATION OF THE VILLAGE OF
ZEBALLOS BYLAW # 530-2020
2020 TAX RATE BYLAW**

Schedule A

		Dollars of Tax Per \$1,000 of Taxable Assessed Value					
		A	B	C	D	E	F
Property Classification		General Municipal and Debt	Regional Hospital District	Regional District on Hospital Assessments	Regional District on Municipal Assessments	CVRD Waste Management on Municipal Assessments	VIRL District
1	Residential	13.1051	0.5433	0.1852	0.0824	0.1865	0.2782
2	Utilities	45.8680	1.9015	0.6481	0.2884	0.6526	0.9736
3	Unmanaged Forest Land	-	-	-	-	-	-
4	Major Industrial	-	-	-	-	-	-
5	Light Industrial	51.1101	1.8472	0.6295	0.3214	0.7272	1.0848
6	Business/ Other	27.5208	1.3310	0.4536	0.1730	0.3916	0.5841
7	Managed Forest Land	-	-	-	-	-	-
8	Recreation/ Non Profit	13.1051	0.5433	0.1852	0.0824	0.1865	0.2782
9	Farm	-	-	-	-	-	-