

CITY OF PORT COQUITLAM
 2019-2023 FINANCIAL PLAN BYLAW, 2019
 Bylaw No. 4124

The Council of the Corporation of the City of Port Coquitlam enacts as follows:

1. CITATION

This Bylaw is cited as “2019-2023 Financial Plan Bylaw, 2019, No. 4124”.

2. REGULATION

- 2.1 Schedule "A" attached to and forming part of this Bylaw is the proposed funding sources and expenditures for 2019 to 2023.
- 2.2 Schedule “B” forming part of this Bylaw is transfers to and expenditures from the City Reserve and Surplus Funds.
- 2.3 Schedule “C” forming part of this Bylaw is the objectives and policies for revenues, property tax distribution and permissive exemptions.

READ A FIRST TIME this	7 day of	May, 2019
READ A SECOND TIME this	7 day of	May, 2019
READ A THIRD TIME this	7 day of	May, 2019
ADOPTED this	14 day of	May, 2019

 Mayor

 Corporate Officer

Record of Amendments

Bylaw	Section	Date
4160	Schedule A & B	02-11-2020

SCHEDULE "A"
Proposed Funding Sources and Expenditures

	2019	2020	2021	2022	2023
	Budget	Budget	Budget	Budget	Budget
Revenues					
Taxation & Other Levies	\$ 68,731,200	\$ 70,734,800	\$ 71,737,650	\$ 74,376,300	\$ 76,553,600
Utility Charges	24,206,700	25,101,500	26,030,900	26,996,400	27,999,300
Sale of Services	7,175,600	6,596,600	6,470,300	6,470,300	6,470,300
Contributions	4,364,700	3,117,600	3,390,300	3,065,300	3,076,300
Permits & Licences	2,812,600	2,812,600	2,812,600	2,752,600	2,752,600
Investment Income	2,039,900	2,039,900	2,039,900	2,039,900	2,039,900
Penalties & Fines	429,500	429,500	429,500	429,500	429,500
Other Revenues	62,500	62,500	62,500	62,500	62,500
Total Revenues	\$ 109,822,700	\$ 110,895,000	\$ 112,973,650	\$ 116,192,800	\$ 119,384,000
Expenditures					
City Operating Expenditures	\$ 85,803,400	\$ 85,359,200	\$ 87,597,500	\$ 90,275,000	\$ 92,266,600
External Debt Interest Expense	1,032,500	2,307,500	2,982,500	2,982,500	2,982,500
Amortization	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total Operating Expenditures	\$ 98,835,900	\$ 99,666,700	\$ 102,580,000	\$ 105,257,500	\$ 107,249,100
Net Revenue (Expenditure)	\$ 10,986,800	\$ 11,228,300	\$ 10,393,650	\$ 10,935,300	\$ 12,134,900
Allocations					
Net Transfers from (to) Reserves	\$ 42,869,700	\$ (258,000)	\$ (8,692,850)	\$ (9,559,500)	\$ (8,009,100)
Capital Expenditures	(80,410,700)	(57,184,500)	(11,155,000)	(10,830,000)	(13,580,000)
Capital Contributed by Developers	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Unfunded Amortization	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Proceeds from External Borrowing	16,000,000	36,000,000	-	-	-
External Debt Principal Repayment	(445,800)	(785,800)	(1,545,800)	(1,545,800)	(1,545,800)
Total Allocations	\$ (10,986,800)	\$ (11,228,300)	\$ (10,393,650)	\$ (10,935,300)	\$ (12,134,900)
Financial Plan Balance	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE "B"
Transfers from (to) Reserves

	2019	2020	2021	2022	2023
	Budget	Budget	Budget	Budget	Budget
<u>Transfers from Reserve Funds</u>					
General Capital	\$ 17,520,500	\$ 8,720,000	\$ 4,478,000	\$ 4,478,000	\$ 4,478,000
Community Recreation Complex	17,506,200	1,000,000	-	-	-
Land Sale	12,438,200	2,000,000	2,000,000	2,000,000	2,000,000
Water Infrastructure	4,467,100	1,345,000	2,000,000	2,000,000	2,000,000
Vehicles & Equipment	3,003,700	4,680,500	1,500,000	1,500,000	1,500,000
Sewer Infrastructure	2,604,300	455,000	750,000	750,000	750,000
Long Term General Infrastructure	1,053,200	-	-	-	-
Information Systems	1,051,100	-	-	-	-
Parking	1,020,000	-	-	-	-
RCMP	600,000	600,000	300,000	200,000	95,000
Building Maintenance	596,700	35,000	-	-	-
Special Needs Housing	41,000	-	-	-	-
Roads & Drainage	679,400	-	-	-	-
Roads (MRN)	124,700	1,210,000	-	-	-
Public Safety Building	120,900	-	-	-	-
Parks & Recreation	111,700	-	-	-	-
Arts & Culture	247,600	95,000	-	-	-
Cemetery	61,700	-	-	-	-
Cart Replacement	50,000	50,000	-	-	2,750,000
Transit Shelters	50,000	50,000	50,000	50,000	50,000
Downtown Projects	13,500	-	-	-	-
Election	-	-	-	100,000	-
Allocated Accumulated Surplus - General	3,676,600	231,000	15,000	-	-
Allocated Accumulated Surplus - Water	144,100	-	-	-	-
Allocated Accumulated Surplus - Sewer	75,000	-	-	-	-
Total Transfers from Reserves	\$ 67,257,200	\$ 20,471,500	\$ 11,093,000	\$ 11,078,000	\$ 13,623,000
<u>Transfers to Reserve Funds</u>					
General Capital	\$ 9,433,400	\$ 9,222,500	\$ 4,845,400	\$ 4,845,400	\$ 4,845,400
Community Recreation Complex	4,868,300	2,053,300	93,550	-	-
Water Infrastructure	2,960,500	2,960,500	2,067,900	2,067,900	2,067,900
Sewer Infrastructure	2,720,300	1,431,300	762,200	762,200	762,200
Vehicle & Equipment	1,338,500	1,338,500	1,338,500	1,338,500	1,338,500
Federal Gas Tax	451,600	230,500	241,200	241,200	252,200
Land Sale	317,400	317,400	317,400	317,400	317,400
Downtown Projects	304,800	304,800	304,800	304,800	304,800
Roads (MRN)	492,500	492,500	492,500	492,500	492,500
Cart Replacement	248,800	248,800	248,800	248,800	248,800
Sewer Rate Stabilization	85,900	85,900	85,900	85,900	85,900
Parking	64,800	64,800	64,800	64,800	64,800
Transit Shelters	50,000	50,000	50,000	50,000	50,000
RCMP	24,400	24,400	24,400	24,400	24,400
Water Rate Stabilization	17,000	17,000	17,000	17,000	17,000
Election	-	-	21,400	21,400	21,400
Long Term General Infrastructure	708,100	1,377,300	6,521,900	7,241,500	7,990,300
Long Term Water Infrastructure	175,600	294,000	1,308,100	1,433,500	1,562,700
Long Term Sewer Infrastructure	125,600	216,000	980,100	1,080,300	1,185,900
Total Transfers to Reserve Funds	\$ 24,387,500	\$ 20,729,500	\$ 19,785,850	\$ 20,637,500	\$ 21,632,100
Total Transfers from (to) Reserve Funds	\$ 42,869,700	\$ (258,000)	\$ (8,692,850)	\$ (9,559,500)	\$ (8,009,100)

SCHEDULE "C"

Revenues, Property Taxes and Exemptions

In accordance with Section 165(3.1) of the Community Charter, The City of Port Coquitlam is required to include in the Five Year Financial Plan Bylaw, objectives and policies regarding each of the following:

- The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter;
- The distribution of property taxes among the property classes; and
- The use of permissive tax exemptions.

Sources of Revenue

Funding Source 165(7)	Details	% of Total 2019 Revenue
Property Value Taxes	Property Taxes	62.5%
Parcel Tax	Parcel Tax	0.5%
Fees	Utility Levies	22.2%
	Sale of Services	6.1%
	Permits and Licenses	2.5%
Other Sources	Contributions	3.8%
	Investment Income	1.9%
	Penalties and Fines	0.4%
	Other Revenue	0.1%

Objective

Over the next five years, the City will continue to seek new revenue sources to reduce the burden on property taxes.

Policies

The City's Financial Management Policy (7.16.03) states:

- The City will review fees/charges, at a minimum on a biennial basis, to ensure that they keep pace with changes in the cost-of-living, as well as, changes in the methods or levels of service delivery.
- The City will encourage the use of alternate revenue sources instead of property taxes.
- General Revenues will not be dedicated for specific purposes, unless required by law or the Generally Accepted Accounting Principles (GAAP).
- User fees will be set to recover the full cost of services except where Council determines that a subsidy is in the general public interest.

Distribution of Property Tax Rates

In establishing property tax rates Council will take into consideration:

- Property taxes levied per capita as compared with other BC municipalities;
- Tax levies on a representative home compared with other Metro Vancouver municipalities;
- Tax share borne by each property class historically;
- Taxes generated from new development;
- Tax ratios of each property classification along with tax ratios of other municipalities within the Metro Vancouver; and
- Tax rate competitiveness compared to the neighboring cities of Port Moody and Coquitlam.

The 2019 distribution of property tax rates amongst all the property classifications is provided below:

Property Class	% of General Property Taxation
Residential	57.82%
Utilities	0.76%
Light Industry	9.40%
Business Other	31.85%
Recreational Property / Non-Profit Organization	0.14%
Farm	0.03%

Objective

The desired result is property taxes that are stable and predictable as well as fair in comparison to others within Metro Vancouver.

Policies

City tax rates (Policy 7.01) will be set to maintain each property classification's tax share, adjusted for property tax growth from new development in the classification, unless Council determines that adjustments are necessary to maintain the City's tax competitiveness within Metro Vancouver or to attain other Council objectives.

Permissive Tax Exemptions

The City has an existing permissive tax exemption policy (7.02.04) which guides the administration and approval of permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions that are outlined in the policy include the following:

- Not-for-profit occupiers of City property for the duration of their occupancy.
- Land and improvements surrounding a statutorily exempt building for public worship.
- Land and improvements surrounding a statutorily exempt building owned by an incorporated institution of learning (private school) that is equivalent to that given in a public school.
- Properties on which a building for public worship or private school is to be built.
- Full or partial property tax exemption for properties that are to be awarded a grant under an existing City grant program and would qualify for property tax exemption under the Community Charter. Property tax exemption would be provided instead of a cash grant to the organization.
- Non-profit occupiers of school premises.
- Registered charities who provide services to the community where 75% of the services of their organization are open to and used by residents of Port Coquitlam.

Objective

The purpose of this policy is to:

- Optimize the provision of charitable and not for profit services for the benefit of Port Coquitlam residents.
- Provide property tax exemptions as permitted under the Community Charter in a consistent and fair manner.
- Restrict provision of exemption to those providing an extension to city services.
- Reduce impact on city revenues.

Policies

Port Coquitlam residents must be primary beneficiaries of the organization's services. The services provided on the property must be accessible to the public. Council may provide a partial exemption.

The intent of this guideline is to ensure Port Coquitlam residents will generally benefit from the municipal support provided, and will not be restricted from accessing the services of the organization.