



**THE CORPORATION OF THE
CITY OF PORT COQUITLAM**

BYLAW NO. 3753

A Bylaw to adopt the 2011 to 2015 Financial Plan

Whereas the Community Charter, Section 165, directs that a Five Year Financial Plan shall be adopted annually, by Bylaw, before the annual property tax bylaw is adopted;

And whereas the said Annual Financial Plan for the years 2011 to 2015 is appended hereto as Schedule "A" to this Bylaw;

Now therefore the Municipal Council of The Corporation of the City of Port Coquitlam, in open meeting assembled, enacts as follows:

- 1. This Bylaw may be cited for all purposes as the "2011 to 2015 Financial Plan Bylaw, 2011, No. 3753".*
- 2. Schedule "A" attached to and forming part of this Bylaw is the 2011 to 2015 Financial Plan Bylaw.*
- 3. Schedule "B" forming part of this Bylaw is transfers to and expenditures from the City Reserve and Surplus Funds.*
- 4. Schedule "C" forming part of this Bylaw is the objectives and policies for revenues, property tax distribution and permissive exemptions.*

Read a first time by the Municipal Council this 28th day of March, 2011.

Read a second time by the Municipal Council this 28th day of March, 2011.

Read a third time by the Municipal Council this 28th day of March, 2011.

Adopted by the Municipal Council of the Corporation of the City of Port Coquitlam this 11th day of April, 2011.

G. MOORE

Mayor

S. RAUH

Corporate Officer

Schedule A - 2011 to 2015 Financial Plan Bylaw, 2011, No. 3753

	2011 Budget	2012 Budget	2013 Budget	2014 Budget	2015 Budget
<u>Revenues</u>					
Taxation	\$ (49,450,200)	\$ (52,221,000)	\$ (54,243,700)	\$ (56,333,500)	\$ (58,550,300)
Sale of Services	(29,335,600)	(30,957,600)	(32,526,400)	(33,855,200)	(35,224,400)
Grants from Other Governments	(1,651,000)	(1,661,000)	(1,661,000)	(1,661,000)	(1,661,000)
Other Revenue	(923,500)	(941,500)	(963,500)	(993,500)	(1,031,500)
DCC's and Contributions	(9,888,800)	(2,056,500)	(2,184,500)	(1,911,900)	(3,868,900)
Total Revenues	\$ (91,249,100)	\$ (87,837,600)	\$ (91,579,100)	\$ (94,755,100)	\$ (100,336,100)
<u>Expenditures</u>					
City Operating Expenditures	\$ 71,287,000	\$ 73,926,200	\$ 76,619,900	\$ 79,022,900	\$ 81,635,500
Debt Interest	1,032,500	1,032,500	1,032,500	1,032,500	1,032,500
Amortization	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total Operating Expenses	\$ 84,319,500	\$ 86,958,700	\$ 89,652,400	\$ 92,055,400	\$ 94,668,000
Net (Revenue) Expenditure	\$ (6,929,600)	\$ (878,900)	\$ (1,926,700)	\$ (2,699,700)	\$ (5,668,100)
<u>Allocations</u>					
Transfers to (from) Reserves	\$ (3,787,100)	\$ 4,488,800	\$ 5,999,500	\$ 6,668,000	\$ 5,885,900
Transfers to (from) Surplus	(150,400)	(50,000)	(50,000)	(50,000)	(50,000)
Capital Expenditures	21,421,300	6,994,300	6,531,400	6,635,900	10,386,400
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)
Debt Principle	445,800	445,800	445,800	445,800	445,800
Total Allocations	\$ 6,929,600	\$ 878,900	\$ 1,926,700	\$ 2,699,700	\$ 5,668,100
Financial Plan Balance	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule B - 2011 to 2015 Financial Plan Bylaw, 2011, No. 3753

Transfers from (to) Reserve

	2011		2012		2013		2014		2015
	Budget		Budget		Budget		Budget		Budget
<u>Transfers from Reserve Funds</u>									
Transportation Infrastructure	\$ 3,037,300	\$	1,224,000	\$	1,480,000	\$	2,456,700	\$	2,692,300
Special Public Works	51,000		36,000		40,000		50,000		50,000
Environmental	131,100		40,000		100,000		40,000		115,000
Land Sale	432,400		-		-		-		-
Sewer Infrastructure	1,287,900		853,500		798,500		798,500		798,500
Water Infrastructure	2,694,100		1,026,600		1,026,600		1,026,600		1,026,600
Parks Infrastructure	1,274,000		729,400		744,000		758,900		976,200
Building Maintenance	430,500		260,000		265,300		270,600		276,000
Public Safety Building	59,300		-		-		-		-
Vehicles, Equip. & Machinery - Public Works	3,108,000		1,908,400		1,118,600		310,700		1,648,900
Vehicles, Equip. & Machinery - Parks & Rec	331,000		175,000		175,000		175,000		175,000
Vehicles, Equip. & Machinery - Fire	170,900		80,000		80,000		133,000		142,000
IT Infrastructure	1,179,000		555,000		514,000		643,000		587,000
Downtown Parking	112,000		-		-		-		-
Artificial Field	30,000		-		-		-		-
Total Transfers from Reserves	\$ 14,328,500	\$	6,887,900	\$	6,342,000	\$	6,663,000	\$	8,487,500
<u>Transfers to Reserve Funds</u>									
Transportation Infrastructure	\$ (2,109,400)	\$	(2,201,000)	\$	(2,251,000)	\$	(2,303,000)	\$	(2,356,000)
Special Public Works	(417,000)		(396,000)		(396,000)		-		-
Environmental	(79,000)		(78,000)		(80,000)		(82,000)		(84,000)
Land Sale	(396,000)		(396,000)		(396,000)		(1,504,700)		(1,504,700)
Sewer Infrastructure	(570,500)		(584,500)		(598,500)		(612,500)		(627,500)
Water Infrastructure	(1,027,600)		(1,054,600)		(1,080,600)		(1,107,600)		(1,135,600)
Parks Infrastructure	(768,200)		(733,000)		(751,000)		(770,000)		(789,000)
Building Maintenance	(272,600)		(261,000)		(268,000)		(275,000)		(282,000)
Public Safety Building	(35,600)		(31,000)		(32,000)		(33,000)		(34,000)
Vehicles, Equip. & Machinery - Public Works	(1,620,000)		(1,649,800)		(1,717,800)		(1,242,500)		(1,282,700)
Vehicles, Equip. & Machinery - Parks & Rec	(158,500)		(162,400)		(166,400)		(170,500)		(174,600)
Vehicles, Equip. & Machinery - Fire	(468,600)		(447,300)		(458,300)		(469,300)		(481,300)
IT Infrastructure	(821,500)		(799,000)		(819,000)		(840,000)		(861,000)
Arts & Cultural	(1,000)		-		-		-		-
Downtown Parking	(222,800)		(205,200)		(204,600)		(6,000)		(5,400)
GVTA	(256,700)		(255,900)		(262,300)		(268,900)		(275,600)
Long Term Infrastructure Replacement - General	(921,000)		(1,434,000)		(1,981,000)		(2,561,000)		(3,174,000)
Long Term Infrastructure Replacement - Sewer	(137,000)		(275,500)		(358,500)		(446,500)		(540,500)
Long Term Infrastructure Replacement - Water	(156,000)		(318,500)		(423,500)		(538,500)		(662,500)
Snow Removal	(1,000)		-		-		-		-
Artificial Field	(66,400)		(65,000)		(67,000)		(69,000)		(71,000)
Self Insurance	(4,000)		-		-		-		-
Election	(30,000)		(29,000)		(30,000)		(31,000)		(32,000)
Canada Day/May Day	(1,000)		-		-		-		-
Total Transfers to Reserve Funds	\$ (10,541,400)	\$	(11,376,700)	\$	(12,341,500)	\$	(13,331,000)	\$	(14,373,400)
Total Transfers from (to) Reserve Funds	\$ 3,787,100	\$	(4,488,800)	\$	(5,999,500)	\$	(6,668,000)	\$	(5,885,900)

Schedule C - 2011 to 2015 Financial Plan Bylaw, 2011, No. 3753

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

Revenue Source	% of Total 2011 Revenue
Property Taxes	58.4%
User Fees & Charges	34.7%
Other Revenue	1.0%
Grants, DCCs, & Cost Sharing	5.9%

Objective

Over the next five years, the City will lobby for new revenue sources in order to reduce the burden on property taxes.

Policies

The City's Financial Management Policy (7.16.02) 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 generally accepted accounting practices (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:

- The amount of property taxes levied per capita as compared with other BC municipalities;
- Tax levies on a representative home as compared with other Metro Vancouver municipalities;
- The tax share borne by each property class historically, and
- The amount of taxes generated from new development; and

- The tax ratios of each property classification along with tax ratios of other municipalities within the Metro Vancouver; and
- The competitiveness of the City tax rates as compared to nearby jurisdictions of Port Moody and Coquitlam.

The City will receive the Revised Assessment Roll for 2011 in April and will set the property tax rates based on the assessment before May 15, 2011. The 2011 distribution of property tax rates amongst all the property classifications will not be known until then.

Below is the distribution for 2010.

Property Class	% of General Property Taxation
Residential	59.75%
Light Industrial	9.24%
Business and Other	30.12%
Recreation/Non-profit	0.19%
Utilities	0.66%
Farmland	0.04%

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 objectives that Council may determine.

Permissive Tax Exemptions

The City has an existing permissive tax exemption policy (7.02.03) 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.
- 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.

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 to 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 at its discretion provide a partial exemption.

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