



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

A G E N D A **SPECIAL MEETING OF COUNCIL**

Wednesday, May 13, 2009

5:45 p.m.

Esquimalt Council Chambers

1. **CALL TO ORDER**

2. **LATE ITEMS**

3. **APPROVAL OF THE AGENDA**

4. **STAFF REPORT**

Parks and Recreation

- (1) ABSC Grant Application Resolution, Staff Report No. P&R-09-019 Pg. 1

5. **BYLAWS**

For Adoption

- (1) Financial Plan Bylaw, 2009, No. 2709 Pg. 2 – 5

- (2) Tax Rates Bylaw, 2009, No.2710 Pg. 6 – 8

6. **MOTION TO GO IN CAMERA**

- (1) Motion to go *In Camera* pursuant to Section 90 of the *Community Charter* to discuss labour relations and other employee relations and negotiations and related discussions respecting the proposed provision of a municipal service, pursuant to Section 90 (1) (c) and (k) and that the general public be excluded.

7. **ADJOURNMENT**



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall, 1229 Esquimalt Road, Esquimalt, B.C. V9A 3P1
Telephone (250) 414-7100 Fax (250) 414-7111

STAFF REPORT

DATE: May 7, 2009 **REPORT NO.** FIN-09-012
TO: Mayor and Council
FROM: Laurie Hurst, Director of Financial Services
SUBJECT: Financial Plan 2009 to 2013 AND Property Tax Rates 2009

RECOMMENDATION:

That *Financial Plan Bylaw, 2009, No. 2709* and *Tax Rates Bylaw, 2009, No. 2710* be given 1st, 2nd and 3rd reading.

BACKGROUND:

As Council is aware, the Financial Plan and Tax Rates must be adopted annually, by bylaw, prior to May 15th each year.

The attached summary Financial Plan has been produced based upon Committee of the Whole and Council discussions throughout March and April, 2009 and in particular the directions from COTW meetings held March 18 and March 30, 2009 where supplementary and capital requests were considered. The objectives and policies are as presented and approved in principle at the Special COTW meeting held May 4, 2009.

The tax rates are based on the revenue requirements in the Financial Plan and the increase in municipal tax revenue is 5.02% over 2008. The overall increase in municipal tax revenue is reflective of the loss of assessment in the light industry property class and also the Council decision to limit the tax increase in both residential and business property classes presented as Scenario 4 at the Special COTW meeting held May 4, 2009.

Laurie Hurst, CGA
Director of Financial Services

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

BYLAW NO. 2709

A Bylaw to adopt the Financial Plan for the years 2009 to 2013.

THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT, in open meeting assembled, enacts as follows:

1. This Bylaw may be cited for all purposes as the "*FINANCIAL PLAN BYLAW, 2009, NO. 2709*".
2. Schedule "A" attached hereto and made part of this Bylaw is hereby adopted as the Financial Plan of the Corporation of the Township of Esquimalt for the period 2009 to 2013.

READ a first time by the Municipal Council on the day of May, 2009.

READ a second time by the Municipal Council on the day of May, 2009.

READ a third time by the Municipal Council on the day of May, 2009.

ADOPTED by the Municipal Council on the day of May, 2009.

BARBARA DESJARDINS
MAYOR

LAURIE HURST
ACTING DEPUTY CORPORATE
ADMINISTRATOR

**CORPORATION OF THE TOWNSHIP OF ESQUIMALT
FINANCIAL PLAN - 2009 TO 2013**

	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$
REVENUE					
Taxes					
Property Value Taxes	12,370,243	12,840,539	13,269,331	13,663,683	14,193,490
Parcel Taxes	0	8,900	8,900	8,900	8,900
Utility Taxes	221,965	224,190	226,430	228,680	230,970
Payments/Grants in Lieu of Taxes					
Federal	8,605,250	8,930,000	9,228,000	9,503,000	9,872,000
Provincial Agencies	145,510	146,960	148,430	149,920	151,420
Fees and Charges	3,152,351	3,135,360	3,171,270	3,207,680	3,244,640
Other Revenue					
Services to Other Governments	0	0	10,000	0	0
Grants from Other Governments	4,830,175	5,868,190	632,050	635,950	639,890
Other	2,537,660	1,275,530	1,280,330	1,286,160	1,289,020
Proceeds from Borrowing	1,589,738	0	0	0	0
Proceeds from Leases	0	0	0	0	0
Transfers from Statutory Reserve Funds					
Capital Projects Reserve Fund	2,161,331	1,132,097	517,430	88,430	88,430
Local Improvement Fund	93,000	25,000	25,000	25,000	25,000
Machinery & Equipment Depreciation Reserve Fund	2,056,850	419,175	336,950	280,350	58,950
Park Land Acquisition reserve Fund	0	0	0	0	0
Off-Street Parking Reserve Fund	0	0	0	0	0
Tax Sale Lands Reserve Fund	0	0	0	0	0
Transfers from Accumulated Surplus	0	0	0	0	0
Transfers from Operating Reserves	719,704	50,000	50,000	50,000	50,000
	<u>38,483,777</u>	<u>34,055,941</u>	<u>28,904,121</u>	<u>29,127,753</u>	<u>29,852,710</u>
EXPENDITURE					
Debt Interest	683,190	683,190	683,190	683,190	658,326
Debt Principal	447,840	540,154	540,154	540,154	522,455
Capital Expenditure	11,584,619	7,190,122	1,265,490	772,220	758,210
Other Municipal Purposes					
General Government	2,955,902	2,810,205	2,928,330	2,962,660	3,042,030
Protective	9,588,680	9,795,833	10,138,877	10,495,009	10,862,139
Transportation (Public Works)	2,237,193	2,194,497	2,252,140	2,313,020	2,375,560
Environmental Health (Garbage and Sewer)	834,121	857,490	881,510	906,210	931,620
Environmental Development (Planning)	638,289	411,760	422,590	433,710	445,130
Recreation and Cultural	7,529,763	7,786,010	7,994,090	8,212,730	8,437,350
Other Fiscal	44,600	56,100	57,170	58,270	59,310
Other (Contingency)	546,000	322,000	332,000	342,000	352,000
Transfers to Statutory Reserve Funds					
Capital Projects Reserve Fund	902,580	917,580	917,580	917,580	917,580
Local Improvement Fund	0	0	0	0	0
Machinery & Equipment Depreciation Reserve Fund	441,000	441,000	441,000	441,000	441,000
Tax Sale Lands Reserve Fund	0	0	0	0	0
Transfers to Operating Reserves	50,000	50,000	50,000	50,000	50,000
	<u>38,483,777</u>	<u>34,055,941</u>	<u>28,904,121</u>	<u>29,127,753</u>	<u>29,852,710</u>

OBJECTIVES AND POLICIES RE:

- (1) FUNDING SOURCES**
- (2) PROPERTY VALUE TAX DISTRIBUTION**
- (3) PERMISSIVE TAX EXEMPTIONS**

(1) FUNDING SOURCES**(a) Revenue from Property Value Taxes****Objectives and Policies**

Property value taxes form the greatest proportion of revenue for the Township at approximately 42%. Property value taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. Property value taxes are more predictable than other revenue sources and therefore the likelihood of a shortfall relative to budgeted revenue is lower.

The presence of CFB Esquimalt results in the second largest source of revenue being payments in lieu of taxes at approximately 29%.

The objective of Council is to increase the percentage of revenue from sources other than property value taxes over time.

Council policies are:

- *to use the property tax levy and payments in lieu of taxes to balance the budget each year after reviewing the potential for sustainable revenue from all other sources.*
- *to mitigate the impact on property taxes by researching non-property tax revenue sources whenever possible, applying for government grants and charging user fees at appropriate levels.*

(b) Revenue from Parcel Taxes**Objectives and Policies**

There are currently no parcel tax levies in use by the Township of Esquimalt.

(c) Revenue from Fees**Objectives and Policies**

Fees and charges form another large source of revenue for the Township at approximately 12%. While this revenue source also includes revenue generated from licences and permits, the largest component of user fee revenue is that generated from recreation programs.

The objective of Council is to ensure that user fees are charged at appropriate levels.

Council policy is to review recreation user fees and other fees and charges not less than annually to ensure that increases are in line with inflation while ensuring that services remain affordable and competitive within the regional market

(d) Revenue from Other Sources**Objectives and Policies**

Revenue from other sources consists of return on investments, Provincial and Federal grants and revenues received from agreements such as Traffic Fine Revenue, Casino Revenue Sharing and Community Works Funds and vary from year to year.

The objective of Council is to use these funds strategically to offset some very specific operating costs, but primarily to finance capital and one time projects.

Council policy is to use these funds on projects rather than on long term operating costs as this may not be sustainable in the long term.

**(e) Revenue from Borrowing
Objectives and Policies**

Revenue from borrowing for the Township has been maintained at a fairly low level in recent years. The Township debt servicing liability is low in comparison with the limit that is available.

The objective of Council is to maintain the long term debt servicing liability at a manageable level.

Council policy is to limit the creation of long term debt to financing of large infrastructure projects and to minimize any potential debt costs by seeking out, applying for and managing provincial and federal government grants.

(2) PROPERTY VALUE TAX DISTRIBUTION

The Township of Esquimalt has a typical distribution among the property classes where the residential class is proportionately the largest of the total tax base at approximately 71%. Properties in the business class provide the second largest portion of the tax base at approximately 17%. The major industry class contains only 8 properties, light industry 14 and recreation/non-profit 62 and together these three classes provide the remaining 12% of the tax base.

The objective of Council is to distribute future property tax increases equitably among the classes of property within the Township.

Council policy is to adjust the tax rate ratios each year so that the tax rate is reflective of both market and non market changes and that setting property tax rates will take into account significant new growth or loss of assessment in each property class.

(3) PERMISSIVE TAX EXEMPTIONS

The Township has historically granted permissive tax exemptions to those properties within the community that qualify under Section 224 of the Community Charter. There are currently 12 properties that receive a permissive exemption for land and improvements within the municipal boundaries.

The objective of Council is to continue to provide permissive tax exemptions to those agencies that provide social benefit to the community and to consider implementing permissive tax exemptions that promote economic development within the community.

Council policies are:

- to review and consider the provision of revitalization and heritage tax exemptions that are consistent with the quality of life (social, economic and environmental) objectives of the community*
- to develop a formal Council policy on permissive tax exemption guidelines*
- to revise or coordinate economic development and heritage plans to determine where opportunities for permissive tax exemptions may exist*
- granting of permissive tax exemptions will be considered to agencies that provide social benefits to the community and that qualify under the legislation and any formal policy adopted by Council*

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

BYLAW NO. 2710

A Bylaw for the levying of rates for Municipal,
Regional District and Regional Hospital District purposes for the year 2009.

THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF
ESQUIMALT, in open meeting assembled, enacts as follows:

1. This Bylaw may be cited as the "*TAX RATES BYLAW, 2009, NO. 2710*".
2. The following rates are hereby imposed and levied for the year 2009:
 - (a) For all lawful purposes of the municipality on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "1" of Schedule "A" attached hereto and forming a part hereof.
 - (b) For purposes of the Capital Regional District on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "2" of Schedule "A" attached hereto and forming a part hereof.
 - (c) For purposes of the Capital Regional Hospital District on the assessed value of land and improvements taxable for regional hospital district purposes, rates appearing in column "3" of Schedule "A" attached hereto and forming a part hereof.
3. The minimum amount of taxation upon a parcel of real property shall be One Dollar (\$1.00).
4. The aforesaid rates and taxes shall be considered to have been imposed on and from January 1, 2009 and shall be due and payable at the office of the Collector of Taxes of the Corporation of the Township of Esquimalt, in the Province of British Columbia, by July 2, 2009 or mailed within Canada with a legible postmark dated June 23, 2009 or prior; or paid at a financial institution in Canada on or before July 2, 2009.

READ a first time by the Municipal Council on the day of May, 2009.

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BARBARA DESJARDINS
MAYOR

LAURIE HURST
ACTING DEPUTY CORPORATE
ADMINISTRATOR

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

TAX RATES - 2007

(Dollars of tax per \$1,000 value)

Property Class	1 Municipal	2 Regional District	3 Hospital District
1 Residential	4.70087	0.52333	0.23436
2 Utilities	28.39499	3.16111	0.82026
4 Major Industry	30.44108	3.38890	0.79683
5 Light Industry	17.10122	1.90382	0.79683
6 Business & Other	14.04079	1.56311	0.57418
8 Recreational & Non-Profit	5.09220	0.56690	0.23436