

***AGENDA***

**Special Council Meeting**

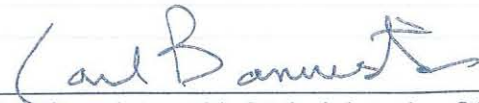
**Monday, January 21, 2019**

**10:00 a.m.**

**Council Chamber, City Hall**

**500 – 2 Avenue NE**

**Salmon Arm, BC**



Carl Bannister, Chief Administrative Officer

<u>Page #</u>	<u>Item #</u>	<u>Description</u>
	1.	CALL TO ORDER
	2.	IN-CAMERA SESSION
	3.	ADOPTION OF AGENDA
	4.	DISCLOSURE OF INTEREST
	5.	RECONSIDERATION OF BYLAWS
1 - 10	1.	City of Salmon Arm 2019 to 2023 Financial Plan Bylaw No. 4302- Final Reading (2019 Budget)
	6.	CORRESPONDENCE
11 - 12	1.	P. McIntyre-Paul - email dated January 15, 2019 - Urgent action required for Rail-Trail Governance Advisory
13 - 14	7.	ADJOURNMENT

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Item 5.1

### CITY OF SALMON ARM

Date: January 21, 2019

Moved: Councillor

Seconded: Councillor

THAT: the bylaw cited as the City of Salmon Arm 2019 to 2023 Financial Plan Bylaw No. 4302 be read a final time.

**Vote Record**

- Carried Unanimously
- Carried
- Defeated
- Defeated Unanimously

Opposed:

- Harrison
- Cannon
- Eliason
- Flynn
- Lavery
- Lindgren
- Wallace Richmond

**CITY OF SALMON ARM**

**BYLAW NO. 4302**

**A bylaw respecting the 2019 to 2023 Financial Plan**

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WHEREAS in accordance with the provisions of Section 165 of the Community Charter, the Council is required, by bylaw, to adopted a financial plan for the period of at least five years;

NOW THEREFORE the Council of the City of Salmon Arm, in the Province of British Columbia, in an open meeting assembled, hereby enacts as follows:

1. "Schedule "A" attached hereto, and forming part of the bylaw is hereby declared to be the 2019 to 2023 Financial Plan of the City of Salmon Arm.

2. SEVERABILITY

If any part, section, sub-section, clause of this bylaw for any reason is held to be invalid by the decisions of a Court of competent jurisdiction, the invalid portion shall be severed and the decisions that it is invalid shall not affect the validity of the remaining portions of this bylaw.

3. ENACTMENT

Any enactment referred to herein is a reference to an enactment of British Columbia and regulations thereto as amended, revised, consolidated or replaced from time to time.

4. EFFECTIVE DATE

This bylaw shall come into full force and effect upon adoption of same.

5. CITATION

This bylaw may be cited for all purposes as "City of Salmon Arm 2019 to 2023 Financial Plan Bylaw No. 4302".

READ A FIRST TIME THIS	14th	DAY OF	January	2019
READ A SECOND TIME THIS	14th	DAY OF	January	2019
READ A THIRD TIME THIS	14th	DAY OF	January	2019
ADOPTED BY COUNCIL THIS		DAY OF		2019

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CORPORATE OFFICER

Schedule "A" - Bylaw #4302

**City of Salmon Arm****2019 - 2023 Financial Plan**

	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
<b>Consolidated Revenues</b>					
Property and MRDT Taxes - Net	\$ 18,932,740	\$ 19,311,395	\$ 19,697,623	\$ 20,091,575	\$ 20,493,407
Frontage & Parcel Taxes	3,367,800	3,435,156	3,503,859	3,573,936	3,645,415
Sales of Service	8,100,130	8,262,133	8,427,376	8,595,924	8,767,842
Revenue From Own Sources	3,333,050	3,399,711	3,467,705	3,537,059	3,607,800
Rentals	779,545	795,136	811,039	827,260	843,805
Federal Government Transfers	-	-	-	-	-
Provincial Government Transfers	373,100	380,562	388,173	395,936	403,855
Other Government Transfers	226,333	230,860	235,477	240,187	244,991
Transfer From Prior Year Surplus	579,400	590,988	602,808	614,864	627,161
Transfer From Reserve Accounts	900,095	918,097	936,459	955,188	974,292
Transfer From Reserve Funds	-	-	-	-	-
<b>Total Consolidated Revenues</b>	<b>\$36,592,193</b>	<b>\$37,324,038</b>	<b>\$ 38,070,519</b>	<b>\$ 38,831,929</b>	<b>\$ 39,608,568</b>
<b>Consolidated Expenditures</b>					
General Government Services	3,547,935	\$ 3,618,894	\$ 3,691,272	\$ 3,765,097	\$ 3,840,399
Protective Services	6,190,645	6,314,458	6,440,747	6,569,562	6,700,953
Transportation Services	5,431,330	5,539,957	5,650,756	5,763,771	5,879,046
Environmental Health Services	69,872	71,269	72,694	74,148	75,631
Environmental Development Service	3,153,645	3,216,718	3,281,052	3,346,673	3,413,606
Recreation and Cultural Services	4,469,185	4,558,569	4,649,740	4,742,735	4,837,590
Fiscal Services - Interest	1,346,843	1,373,780	1,401,256	1,429,281	1,457,867
Fiscal Services - Principal	1,316,705	1,343,039	1,369,900	1,397,298	1,425,244
Capital Expenditures	2,501,400	3,021,834	2,943,280	2,332,092	3,034,371
Transfer to Surplus	-	-	-	-	-
Transfer to Reserve Accounts	2,909,878	2,497,670	2,686,615	3,410,402	2,822,974
Transfer to Reserve Funds	1,111,855	1,134,092	1,156,774	1,179,909	1,203,507
Water Services	2,443,500	2,492,370	2,542,217	2,593,061	2,644,922
Sewer Services	2,099,400	2,141,388	2,184,216	2,227,900	2,272,458
<b>Total Consolidated Expenditures</b>	<b>\$36,592,193</b>	<b>\$37,324,038</b>	<b>\$ 38,070,519</b>	<b>\$ 38,831,929</b>	<b>\$ 39,608,568</b>

Schedule "A" - Bylaw #4302

**2019 - 2023 Financial Plan****City of Salmon Arm**

	2019	2020	2021	2022	2023
	Budget	Budget	Budget	Budget	Budget

**Capital Projects****Finances Acquired**

General Operating Fund	\$ 1,646,400	\$ 1,896,834	\$ 1,953,280	\$ 1,305,092	\$ 1,959,371
Water Operating Fund	547,500	450,000	490,000	500,000	500,000
Sewer Operating Fund	307,500	675,000	500,000	527,000	575,000
Federal Government Grants	2,901,500	-	-	-	-
Provincial Government Grants	2,996,500	-	-	-	-
Prior Year Surplus	56,000	-	510,000	-	-
Reserve Accounts	5,412,895	530,000	690,000	15,000	340,000
Reserve Funds	2,655,000	323,500	2,808,750	710,000	550,000
Development Cost Charges	334,000	2,125,000	2,307,500	3,335,000	3,445,000
Short Term Debt	55,000	-	-	-	-
Long Term Debt	5,820,000	-	-	-	-
Developer Contributions	1,177,000	40,000	40,000	44,000	40,000

**Total Funding Sources**

<b>Total Funding Sources</b>	<b>\$ 23,909,295</b>	<b>\$ 6,040,334</b>	<b>\$ 9,299,530</b>	<b>\$ 6,436,092</b>	<b>\$ 7,409,371</b>
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**Finances Applied**

Transportation Infrastructure	\$ 17,420,195	\$ 3,979,500	\$ 4,222,000	\$ 3,622,000	\$ 3,619,500
Buildings	698,470	117,000	197,000	144,000	458,500
Land	720,000	-	-	-	300,000
IT Infrastructure	482,000	125,000	721,500	55,000	65,000
Machinery and Equipment	1,744,400	383,834	1,192,780	513,092	443,871
Vehicles	300,000	90,000	35,000	-	-
Parks Infrastructure	774,630	260,000	966,250	260,000	262,500
Utility Infrastructure	1,769,600	1,085,000	1,965,000	1,842,000	2,260,000

**Total Capital Expense**

<b>Total Capital Expense</b>	<b>\$ 23,909,295</b>	<b>\$ 6,040,334</b>	<b>\$ 9,299,530</b>	<b>\$ 6,436,092</b>	<b>\$ 7,409,371</b>
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**Departmental Summary:**

	2019	2020	2021	2022	2023
	Budget	Budget	Budget	Budget	Budget

General Government Services	\$ 875,970	\$ 108,500	\$ 193,500	\$ 122,500	\$ 138,500
Protective Services	509,000	145,000	805,000	140,000	55,000
Transportation Services	19,318,195	4,276,000	4,523,500	3,918,500	4,233,500
Environmental Health Services	73,660	12,500	2,500	2,500	327,500
Environmental Development Services	-	-	-	-	-
Recreation and Cultural Services	923,870	333,334	1,235,030	335,592	319,871
Water Services	1,003,100	490,000	2,040,000	1,390,000	1,760,000
Sewer Services	1,205,500	675,000	500,000	527,000	575,000
<b>Total by Department</b>	<b>\$ 23,909,295</b>	<b>\$ 6,040,334</b>	<b>\$ 9,299,530</b>	<b>\$ 6,436,092</b>	<b>\$ 7,409,371</b>

10/01/2019

2019-2023 FP Bylaw (Cap)

Schedule "B" – Bylaw #4302  
2019 Revenue Policy Disclosure

1. Table One (1) reflects the proportion of total revenue proposed to be raised from each funding source in 2019. Property taxes form the greatest proportion of revenue of the City. The first column details the proposed percentage of revenue including Conditional Government Transfers and the second column shows the proposed percentage of revenue excluding Conditional Government Transfers. Conditional Government Transfers are funds provided by other levels of government or government agencies to fund specific projects. The absence of this funding would result in an increase to property taxes, debt borrowing or funding from reserves or other sources (ie. developers, donations, etc.) or result in the project not being undertaken.

The City collects three (3) types of parcel tax; a water frontage tax; a sewer frontage tax and a transportation parcel tax. The water and sewer frontage tax rate is applied to each parcel of land taxable foot frontage. The frontage rate is comprised of a capital debt repayment component plus 10% of the water and sewer operation and maintenance budget for preventative maintenance of the utilities infrastructure. The City introduced a transportation parcel tax in 2003. The transportation parcel tax is collected to maintain the City's transportation network to an adequate level to minimize future reconstruction costs and ensure the network is safe from hazards and disrepair. To this end, the transportation parcel tax provides a stable and dedicated source of funding. The transportation parcel tax was specifically implemented on a "flat rate per parcel" rather than an "ad velorum tax" basis recognizing that all classes of property are afforded equal access to the City's transportation network and should contribute to its sustainability equally. This method directed tax dollars away from business and industry to residential.

The City also anticipates receiving a Municipal Regional District Tax (MRDT) which will be levied and collected by the Provincial Government on all daily accommodation rentals within the City. Under the direction and approval of the Accommodation Industry, the City has applied to the Provincial Government to levy a 2% MRDT which will be utilized on initiatives that will increase exposure/awareness of Salmon Arm as a tourism destination with emphasis on off-season event expansion.

The City endorses a 'user pay' philosophy in its collection of fees and charges. Such fees and charges (ie. development, building, plumbing and fire permits, recreational program and rental fees and cemetery services) are reviewed annually to ensure adequate cost recovery for the provision of services. The policy of the City is to work towards full cost recovery for services provided. The objective in reviewing fees and charges periodically is to measure the cost of providing municipal services versus the cost recovery established through user fees and charges. Development Cost Charges are based on the City's Long Term Financial Plan. Included in this percentage is the City's investment income. The City exercises a stringent cash management plan to maximize investment and interest income.

Other sources of revenue provide funding for specific functions such as the Columbia Shuswap Regional District's contribution to the Shuswap Regional Airport, Recreation Centre, Sunwave Centre, Cemetery and Fire Training Centre.

The proceeds from borrowing and developer contributions fund capital projects pursuant to the City's Long Term Financial Plan.

Schedule "B" – Bylaw #4302  
2019 Revenue Policy Disclosure

Table 1: Proportions of Total Revenue

Revenue Source	Percentage to Total Revenue	Percentage to Total Revenue
	Includes Conditional Government Transfers	Excludes Conditional Government Transfers
Property Taxes	39.39%	46.45%
Parcel Taxes	7.01%	8.26%
User Fees, Charges and Interest Income	25.41%	29.96%
Other Sources	15.97%	0.92%
Proceeds From Borrowing	12.22%	14.41%
	100.00%	100.00%

2. Table Two (2) reflects the distribution of property tax between the different property classes. The objective of the City is to set tax rates in order to maintain tax stability while maintaining equality between the property classes. The policy of the City is to develop a tax rate which maintains the proportionate relationship between the property classes. Inflationary increases in assessments are reduced to reflect only the 'real' increase attributed to new construction for each property class. This allows the property owner to be confident that, in any year, their property tax bill will only increase as much as their proportion of the increase in tax revenue required year to year.

The City reviewed the property tax multiple structure and equalized the general municipal property tax rate and associated multiple for Class 5 (Light Industry) and Class 6 (Business) by shifting general municipal property taxes from Class 5 (Light Industry) to Class 6 (Business) commencing in 2017. This property tax stability strategy is in keeping with its objective to maintain tax stability while maintaining equality between property classifications.

Assessment values fluctuate as market values change in one class or another. It is this market value change that may precipitate an amendment to the class multiple.

The Provincial Government has legislated a municipal taxation rate cap for the Class 2 (Utilities) assessments. The City of Salmon Arm Class 2 (Utilities) general municipal property tax rate adheres to this legislation.



Schedule "B" – Bylaw #4302  
 2019 Revenue Policy Disclosure

Table 2: Distribution of Property Taxes Between Property Classes

Property Class	2018 Tax Rate	Class Multiple	Percentage to Total Property Tax	Percentage to Total Property Assessment Value
Residential	4.0360	1.00:1	65.40%	85.28%
Utilities	26.3875	6.54:1	0.84%	0.17%
Supportive Housing	0.000	0:1	0.00%	0.00%
Major Industry	70.6999	17.52:1	3.02%	0.22%
Light Industry	11.3951	2.82:1	2.20%	1.01%
Business	11.3951	2.82:1	27.80%	12.84%
Managed Forest Land	8.7758	2.17:1	0.00%	0.00%
Recreational/Non Profit	2.9873	0.74:1	0.12%	0.22%
Farm	12.3901	3.07:1	0.62%	0.26%

- The City adopted a Permissive Tax Exemption Policy in 1998 which outlines the eligibility criteria to receive a permissive tax exemption. The Annual Municipal Report for 2013 contains a schedule of permissive tax exemptions granted for the year and the amount of tax revenue exempted.

Commencing in 1999, the City provided a three (3) year permissive tax exemption for each eligible organization. These include religious institutions, historical societies, some recreational facilities, service organizations and cultural institutions.

Table 3: Permissive Tax Exemptions

Organization	General Municipal Tax Exemption	Other Government Tax Exemption	Total
Churches	\$ 45,996.50	\$ 37,726.50	\$ 83,723.00
Non Profit Societies	409,140.00	243,030.00	652,170.00
Senior Centers	19,019.00	9,965.00	28,984.00
Other	15,104.00	11,523.00	26,627.00
Sports Clubs	271,559.00	146,616.00	418,175.00
<b>Total</b>	<b>\$ 760,818.50</b>	<b>\$ 448,860.50</b>	<b>\$ 1,209,679.00</b>

Schedule "B" – Bylaw #4302  
2019 Revenue Policy Disclosure

4. The Official Community Plan for the City of Salmon Arm identifies the revitalization of the downtown as a priority. As a result, in 2005, the City established a Downtown Revitalization Tax Exemption Program pursuant to City of Salmon Arm Revitalization Tax Exemption Bylaw No. 3471.

The Revitalization Tax Exemption Program is a tool that Council is using to encourage property investment in the downtown area (hereinafter referred to as the Revitalization Area). Council's objective is to stimulate and reinforce development initiatives in the Revitalization Area by promoting property investment within the C-2, "Town Centre Commercial Zone" and to reinforce the City's investment in infrastructure upgrades and beautification projects.

City of Salmon Arm Revitalization Tax Exemption Bylaw No. 3741 establishes property tax exemptions in respect of construction of a new improvement or alteration of an existing improvement where the alteration has a value in excess of \$75,000.00 to encourage revitalization in the Revitalization Area.

Table 4: Revitalization Tax Exemptions

Area	2013 General Municipal Tax Exemption	2014 General Municipal Tax Exemption	2015 General Municipal Tax Exemption	2016 General Municipal Tax Exemption	2017 General Municipal Tax Exemption	2018 General Municipal Tax Exemption
C-2. "Downtown Commercial Zone"	\$ 46,974.30	\$ 47,032.50	\$ 45,846.66	\$ 34,828.47	\$ 29,851.20	\$ 24,304.74

5. The Official Community Plan for the City of Salmon Arm identifies the revitalization of the "Industrial Zones" as a priority. As a result, in 2014, the City established an Industrial Revitalization Tax Exemption Program pursuant to City of Salmon Arm Revitalization Tax Exemption Bylaw No. 4020.

The Revitalization Tax Exemption Program is a tool that Council is using to encourage property investment in the "Industrial Zones" (hereinafter referred to as the Revitalization Area). Council's objective is to stimulate and reinforce development initiatives in the Revitalization Area by promoting property investment within the "Industrial Zone" and to reinforce the City's investment in infrastructure upgrades and beautification projects.

City of Salmon Arm Revitalization Tax Exemption Bylaw No. 4020 establishes general municipal property tax exemptions in respect of construction of a new improvement or alteration of an existing improvement where the alteration has a value in excess of \$300,000.00 to encourage revitalization in the Revitalization Area.

This bylaw shall have an expiration date of five (5) years from the date of adoption.

Schedule "B" – Bylaw #4302  
2019 Revenue Policy Disclosure

Table 5: Revitalization Tax Exemptions

<b>Area</b>	<b>2014 General Municipal Tax Exemption</b>	<b>2015 General Municipal Tax Exemption</b>	<b>2016 General Municipal Tax Exemption</b>	<b>2017 General Municipal Tax Exemption</b>	<b>2018 General Municipal Tax Exemption</b>
"Industrial Zone"	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,425.51

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Item 6.1

## CITY OF SALMON ARM

Date: January 21, 2019

P. McIntyre-Paul – email dated January 15, 2019

Urgent action required for Rail-Trail Governance Advisory

### Vote Record

- Carried Unanimously
- Carried
- Defeated
- Defeated Unanimously

Opposed:

- Harrison
- Cannon
- Eliason
- Flynn
- Lavery
- Lindgren
- Wallace Richmond

**From:** Phil McIntyre-Paul  
**Sent:** January 15, 2019 12:13 PM  
**Subject:** Attn: CAOs - Urgent action required for Rail-Trail Governance Advisory

Dear CAOs for the Sicamous-to-Armstrong Rail-Trail inter-jurisdictional partners,

The Shuswap Trail Alliance has been asked by Splatsin, RDNO, and CSRD to provide interim secretariat and administrative support to the Rail Trail Inter-Jurisdictional Governance Advisory Committee and Rail Trail Operational Committee, commencing immediately.

In order to initiate the first Governance Advisory Committee meeting, two urgent actions are required to proceed:

1. **appoint a representative:** each inter-jurisdictional partner needs to appoint their representative to the Governance Committee (as per the terms of reference, see below)
2. **indicate which date/times are available** for the first meeting using this [Doodle Poll link](#). (Note: it is anticipated the date will constitute a regular monthly meeting initially to work through the decisions and actions that need to be made in order to move things forward)

We would like to confirm a date by week's end, so having your responses by Thursday morning would be greatly appreciated. An agenda and final location will be circulated to the appointed representatives once the date/time is secure.

Thank you for your response to this request. It is a privilege supporting this important initiative on your behalf.

With regards,

Phil McIntyre-Paul  
 for the Sicamous-to-Armstrong Rail-Trail Governance Advisory Committee  
 250-804-1964

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 "1. The parties hereby agree that a interjurisdictional governance advisory committee shall be formed which will include the following representation:

- (a) A member from Salmon Arm City Council;
- (b) A member from Sicamous District Council;
- (c) The CSRD Directors from electoral areas E, D, C and F;
- (d) A member from Enderby City Council;
- (e) A member from Armstrong City Council;
- (f) A member from Spallumcheen Township Council;
- (g) A member from Lumby Village Council;
- (h) The RDNO Directors from electoral areas F and D; and
- (i) And two members from the Splatsin Council."

--  
 Phil McIntyre-Paul  
 The Shuswap Trail Alliance  
 c/o 250-804-1964  
[phil@shuswaptrails.com](mailto:phil@shuswaptrails.com)  
[www.shuswaptrailalliance.com](http://www.shuswaptrailalliance.com)

Item 7.

## CITY OF SALMON ARM

Date: January 21, 2019

Moved: Councillor Eliason

Seconded: Councillor Lindgren

THAT: the Special Council Meeting of January 21, 2019, be adjourned.

### Vote Record

- Carried Unanimously
- Carried
- Defeated
- Defeated Unanimously

Opposed:

- Harrison
- Cannon
- Eliason
- Flynn
- Lavery
- Lindgren
- Wallace Richmond

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