

AGENDA

Special Council Meeting

Monday, November 29, 2021

9:00 a.m.

and

Tuesday, November 30, 2021

9:00 a.m.

Council Chamber of City Hall

500 – 2 Avenue NE



Erin Jackson, Acting Chief Administrative Officer

Page #	Item #	Description
	1.	CALL TO ORDER
	2.	ACKNOWLEDGEMENT OF TRADITIONAL TERRITORY
	3.	DECLARATION OF INTEREST
	4.	PRESENTATIONS
1 - 12	1.	C. Van de Cappelle, Chief Financial Officer – 2022 Budget
13 - 18	5.	INTRODUCTION OF BYLAWS
	1.	City of Salmon Arm Cemetery Management Amendment Bylaw No. 4482 – First, Second and Third Readings
19 - 38	2.	City of Salmon Arm 2022 to 2026 Financial Plan Bylaw No. 4490 – First, Second and Third Readings
	6.	OTHER BUSINESS
	7.	IN-CAMERA SESSION
39 - 40	8.	ADJOURNMENT

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Item 4.1

CITY OF SALMON ARM

Date: November 29, 2021

Presentation
C. Van de Cappelle, Chief Financial Officer
2022 Budget

Vote Record

- ☐ Carried Unanimously
- ☐ Carried
- ☐ Defeated
- ☐ Defeated Unanimously

Opposed:

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

SALMON ARM

SMALL CITY, BIG IDEAS

2022 BUDGET



J. Markle

2022 BUDGET OVERVIEW

2021 Municipal Property Tax Levy	\$ 18,938,250	
City Department Operating & Capital Needs	988,370	5%
Specific Referral Requests	165,300	1%
Sub-Total: 2022 Municipal Property Tax Levy Impact	20,091,920	6%
Less: Estimated Revenue from New Growth	(378,765)	2%
2022 Municipal Property Tax Levy	\$ 19,713,155	4%

The impact of the 2022 Municipal tax increase per \$100,000 of assessed value:

➤ Residential	\$15.36	Total	\$396.42
➤ Business	\$43.47	Total	\$1,122.16

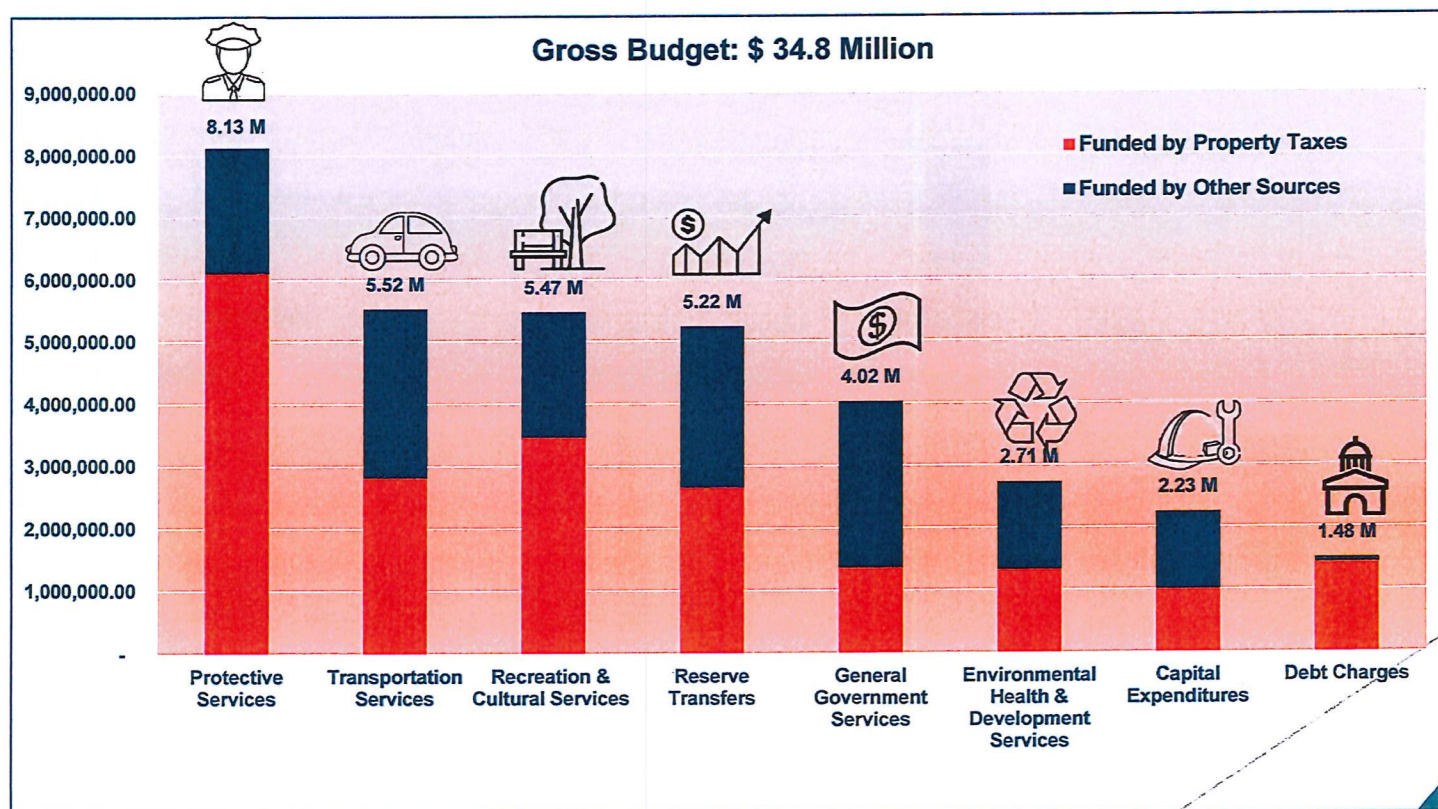
FOR AN AVERAGE RESIDENTIAL HOME

Average Taxable Assessed Value (October 2021)	\$ 422,200	Change (2021-2022) \$	Change (2021-2022) %
2022 Municipal Property Tax Levy	\$ 1,674	\$65	4%
Transportation Parcel Tax Levy	150	-	-
Water & Sewer Frontage Taxes (60 Taxable Feet)	244	-	-
Curbside Collection User Fee	101	-	-
Water User Fee (Annual)	292	6	2%
Sewer User Fee (Annual)	327	6	2%
	\$ 2,788	\$ 77	

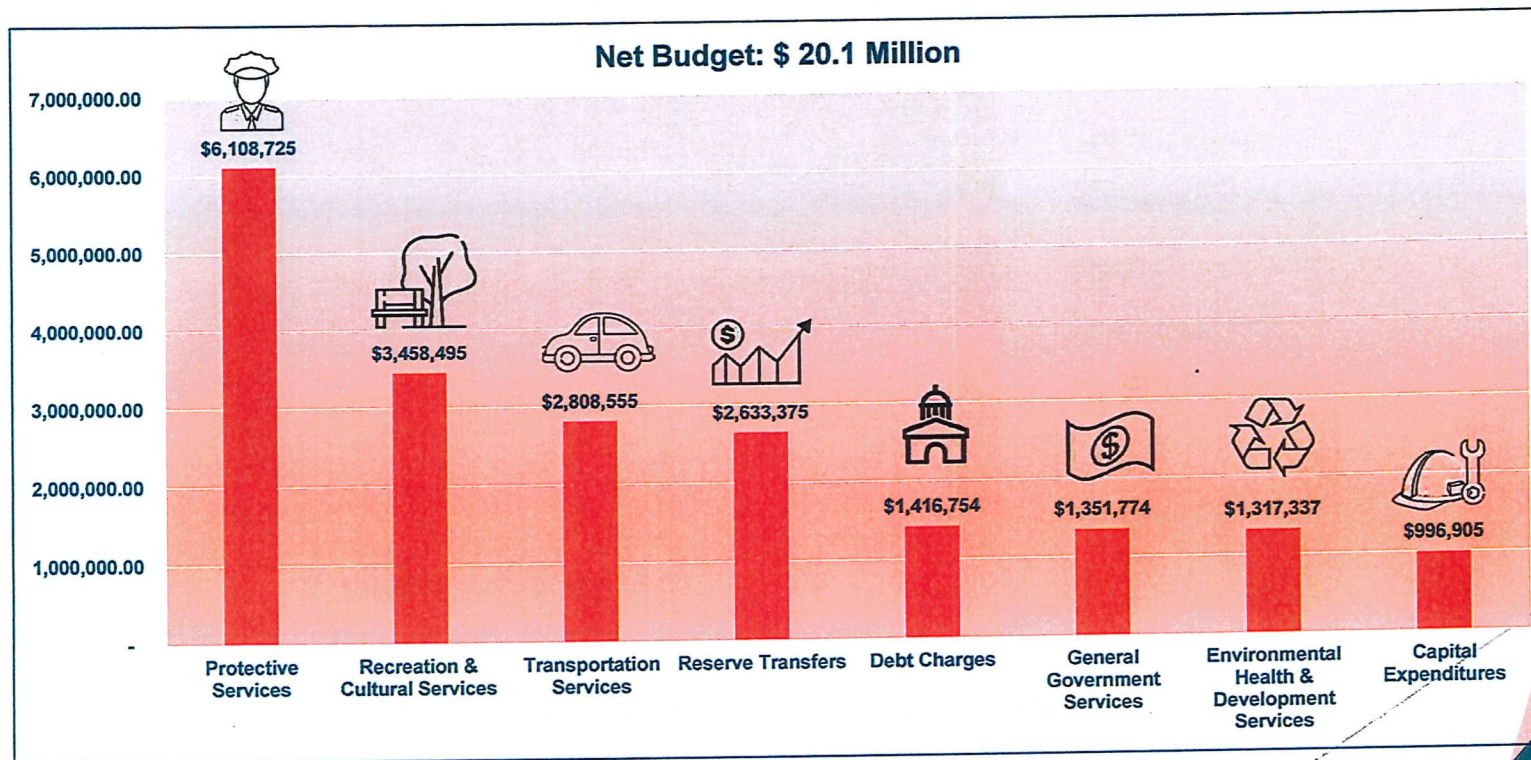
2022 RECOMMENDED GROSS OPERATING REVENUE BY SOURCE

Source	2022 Recommended Budget		2021 Budget	
General Taxes	\$ 20,131,920.00	57.88%	18,993,250.00	58.39%
Special Assessments	3,680,695.00	10.58%	3,664,435.00	11.27%
Sales of Service	3,556,210.00	10.22%	3,581,585.00	11.01%
Transfers From Reserve Accounts	3,308,895.00	9.51%	1,897,433.00	5.83%
Other Revenue from Own Sources	2,092,160.00	6.01%	2,143,410.00	6.59%
Transfers from Other Governments	641,310.00	1.84%	807,799.00	2.48%
Rentals	430,945.00	1.24%	423,435.00	1.30%
1% Utility Taxes	316,940.00	0.91%	317,470.00	0.98%
Transfers From Surplus	271,250.00	0.78%	409,620.00	1.26%
Municipal Regional District Tax	200,000.00	0.57%	174,000.00	0.53%
Grants in Lieu	152,670.00	0.44%	115,260.00	0.35%
	\$ 34,782,995.00	100.00%	32,527,697.00	100.00%

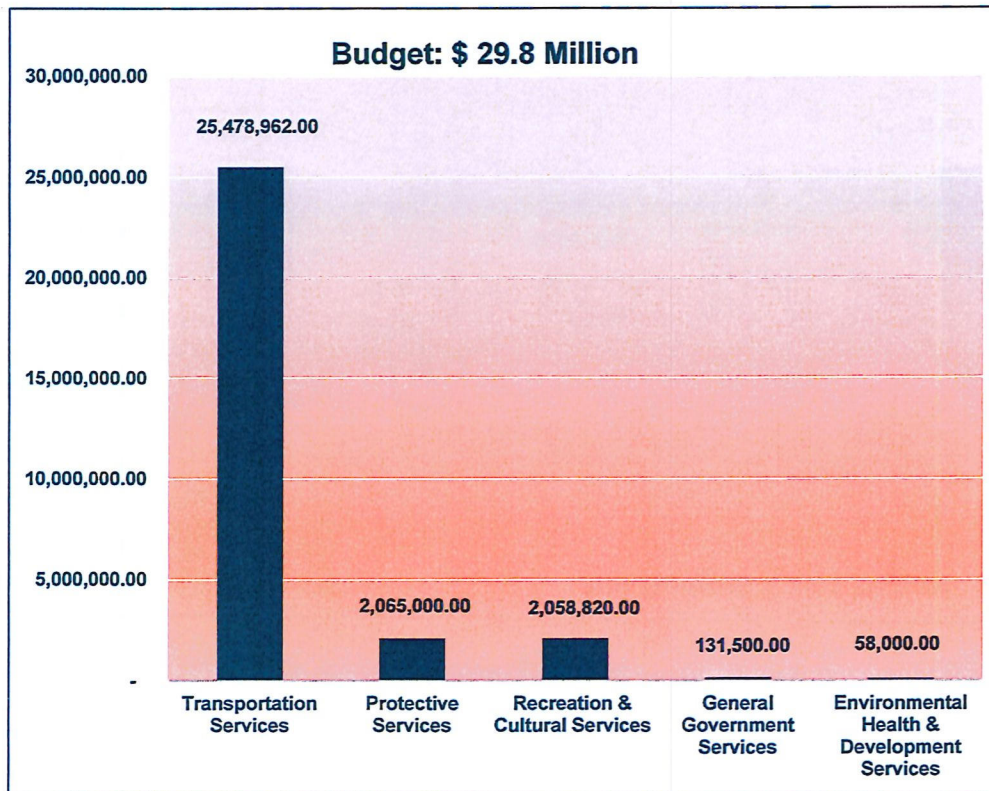
2022 RECOMMENDED GROSS OPERATING EXPENSES BY FUNCTION



WHAT IS THE 2022 PROPOSED PROPERTY TAX LEVY BEING SPENT ON?



2022 CAPITAL BUDGET BY FUNCTION



Source	Funding	
Reserve Accounts	\$ 8,486,365	28.49%
Grants	7,609,212	25.54%
Long Term Debt	4,205,525	14.12%
Reserve Funds	3,634,300	12.20%
Developer Contributions	3,201,530	10.75%
Parcel Tax	1,230,695	4.13%
Property Taxes	996,905	3.35%
DCCs	412,750	1.39%
Surplus	15,000	0.05%
	\$ 29,792,282	100%

2022 BUDGET CHANGE BY FUNCTION

Function	Operating	Capital	Total	Tax Rate	Budget
General Government Services	\$ (295,652)	\$ -	\$ (295,652)	-1.06%	-1.57%
Protective Services	1,387,498	(64,500)	1,322,998	4.69%	6.98%
Transportation Services	(21,065)	61,990	40,925	0.15%	0.22%
Environmental Health & Development Services	(31,153)	-	(31,153)	-0.11%	-0.16%
Recreation & Cultural Services	207,565	(27,900)	179,665	0.64%	0.95%
Fiscal Services	5,004	-	5,004	0.02%	0.03%
Reserves	(68,117)	-	(68,117)	-0.24%	-0.36%
	\$ 1,184,080	\$ (30,410)	\$ 1,153,670	4.09%	6.09%

2022 COVID-19 BUDGET IMPACTS

Revenue Shortfalls	\$ -
Expenditures:	
General Government	50,000
Protective Services	925,000
Transportation Services	565,800
Recreation & Cultural Services	208,500
Grants	92,000
Total 2022 COVID-19 Budget Impacts	\$ 1,841,300

COVID-19 Safe Restart Grant Reserve	
Estimated Opening Balance (December 31, 2021)	\$ 2,088,706
2022 Expenditures	(1,841,300)
Future Earmarked Expenditures	(247,500)
Closing Balance	\$ (94)

2022 WATER & SEWER BUDGET OVERVIEW

	Water	Sewer
2021 User Fees and Charges	\$ 2,730,500	\$ 2,216,500
2021 Frontage and Parcel Taxes	1,472,435	970,000
	4,202,935	3,186,500
Department Operating Needs	211,207	35,575
Department Capital Needs	(266,000)	(50,000)
Transfer to Reserves	(9,912)	1,430
Decrease in Other Revenue Sources	119,665	74,995
	\$ 4,257,895	\$ 3,248,500
2022 User Fees and Charges	\$ 2,781,200	\$ 2,273,500
2022 Frontage and Parcel Taxes	\$ 1,476,695	\$ 975,000

2022 WATER & SEWER CAPITAL BUDGET

Funding Source	Water		Sewer	
Reserve Accounts	\$ 1,117,500	16.05%	\$ 1,035,835	36.14%
Long Term Debt	4,223,000	60.67%	-	-
Reserve Funds	680,000	9.77%	775,000	27.04%
User Fees & Frontage Taxes	500,000	7.18%	670,000	23.38%
DCCs	440,000	16.32%	-	-
Developer Contributions	-	-	385,000	13.43%
	\$ 6,960,500	100%	\$ 2,865,835	100%

Item 5.1

CITY OF SALMON ARM

Date: November 29, 2021

Moved: Councillor

Seconded: Councillor

THAT: the bylaw entitled City of Salmon Arm Cemetery Management Amendment Bylaw No. 4482 be read a first, second and third time.

Vote Record

- ☐ Carried Unanimously
- ☐ Carried
- ☐ Defeated
- ☐ Defeated Unanimously

Opposed:

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

CITY OF
SALMON ARM

Date: November 11, 2021
To: Mayor Harrison and Members of Council
From: Chelsea Van de Cappelle, Chief Financial Officer
Subject: Cemetery Rates - 2022

Recommendation:

THAT: Bylaw No. 4482 cited as the "City of Salmon Arm Cemetery Management Amendment Bylaw No. 4482" be given three readings.

Background:

It is recommended that the fees for the Cemetery functions be increased by 2% for 2022. Inflation for 2021 (January to September) is approximately 2.65%.

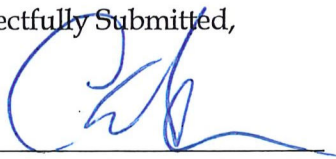
As Council is aware, the City undertook a Cemetery Price Study in 2018 and increased fees to bring cemetery offerings closer to regional averages and to address underpricing risks. The City's current strategy is to increase fees as required to address inflation.

While the estimated annual inflationary increase for 2021 is 2.65%, staff are proposing an increase of 2% given the uncertainty in the economic environment as a result of COVID-19. The proposed increase in rates has been included in the 2022 Budget.

In addition, it is recommended that an "Administration Fee" of \$56.00 be authorized through the adoption of Bylaw No. 4482. This fee will be charged on surrendered interment rights as required in the Cemetery Management Bylaw No. 4280 and is inclusive of the cost of staff time to review and amend necessary cemetery records and issue a refund. While infrequent, surrendered interment rights require a significant amount of staff time to reverse.

Attached (Appendix A) is a comparative of the proposed rate increases, associated required Care Fund contributions and impact to users. The bylaw (Appendix B) proposes rates for both Mt. Ida and Shuswap Memorial Cemetery for 2022.

Respectfully Submitted,


Chelsea Van de Cappelle, CPA

Cemetery Rates

	2021 Cemetery Rates			Care Fund %	2022 Cemetery Rates			Care Fund %	\$ Change
	Net Rate	Care Fund	Total Rate		Net Rate	Care Fund	Total Rate		
Proposed Rate Increase	1.00%				2.00%				
Estimated Inflationary Increase (BC CPI)	1.00%				2.65%				
Grave Space									
Ground Burial									
Adult Res	821.00	275.00	1,096.00	25.09%	837.00	281.00	1,118.00	25.13%	22.00
Adult Non-Res	1,085.00	362.00	1,447.00	25.02%	1,107.00	369.00	1,476.00	25.00%	29.00
Child/Infant Res	496.00	166.00	662.00	25.08%	506.00	169.00	675.00	25.04%	13.00
Child/Infant Non-Res	707.00	236.00	943.00	25.03%	721.00	241.00	962.00	25.05%	19.00
Cremation Res	338.00	113.00	451.00	25.06%	345.00	115.00	460.00	25.00%	9.00
Cremation Non-Res	457.00	153.00	610.00	25.08%	466.00	156.00	622.00	25.08%	12.00
Family Estate Res	1,242.00	414.00	1,656.00	25.00%	1,267.00	425.00	1,692.00	25.12%	36.00
Family Estate Non-Res	1,615.00	538.00	2,153.00	24.99%	1,647.00	552.00	2,199.00	25.10%	46.00
Cremation									
Columbarium Niche Res	2,000.00	668.00	2,668.00	25.04%	2,040.00	681.00	2,721.00	25.03%	53.00
Columbarium Niche Non-Res	2,615.00	873.00	3,488.00	25.03%	2,667.00	890.00	3,557.00	25.02%	69.00
Family Vessel Res	5,047.00	1,683.00	6,730.00	25.01%	5,148.00	1,728.00	6,876.00	25.13%	146.00
Family Vessel Non-Res	6,560.00	2,188.00	8,748.00	25.01%	6,691.00	2,246.00	8,937.00	25.13%	189.00
Ossuary Res	318.00	106.00	424.00	25.00%	324.00	109.00	433.00	25.17%	9.00
Ossuary Non-Res	409.00	136.00	545.00	24.95%	417.00	140.00	557.00	25.13%	12.00
Scattering Res	157.00	53.00	210.00	25.24%	160.00	54.00	214.00	25.23%	4.00
Scattering Non-Res	202.00	68.00	270.00	25.19%	206.00	70.00	276.00	25.36%	6.00
Services									
License Transfer Fee	95.00	-	95.00	0.00%	97.00	-	97.00	0.00%	2.00
Administration Fee	-	-	-	0.00%	56.00	-	56.00	0.00%	56.00
Interment (Open/Close)									
Adult	1,031.00	-	1,031.00	0.00%	1,052.00	-	1,052.00	0.00%	21.00
Child/Infant	694.00	-	694.00	0.00%	708.00	-	708.00	0.00%	14.00
Cremation/Family Estate	461.00	-	461.00	0.00%	470.00	-	470.00	0.00%	9.00
Niche/Vessel/Ossuary	311.00	-	311.00	0.00%	317.00	-	317.00	0.00%	6.00
Scattering	311.00	-	311.00	0.00%	317.00	-	317.00	0.00%	6.00
Extra Depth	407.00	-	407.00	0.00%	415.00	-	415.00	0.00%	8.00
After 3:30pm/Weekends/Holidays									
Adult	524.00	-	524.00	0.00%	534.00	-	534.00	0.00%	10.00
Child/Infant	524.00	-	524.00	0.00%	534.00	-	534.00	0.00%	10.00
Cremation/Family Estate	272.00	-	272.00	0.00%	277.00	-	277.00	0.00%	5.00
Niche/Vessel/Ossuary	164.00	-	164.00	0.00%	167.00	-	167.00	0.00%	3.00
Scattering	164.00	-	164.00	0.00%	167.00	-	167.00	0.00%	3.00
Disinterment (Open/Close)									
Adult	1,583.00	-	1,583.00	0.00%	1,615.00	-	1,615.00	0.00%	32.00
Child/Infant	1,182.00	-	1,182.00	0.00%	1,206.00	-	1,206.00	0.00%	24.00
Cremation/Family Estate	594.00	-	594.00	0.00%	606.00	-	606.00	0.00%	12.00
After 3:30pm/Weekends/Holidays									
Adult	524.00	-	524.00	0.00%	534.00	-	534.00	0.00%	10.00
Child/Infant	524.00	-	524.00	0.00%	534.00	-	534.00	0.00%	10.00
Cremation/Family Estate	272.00	-	272.00	0.00%	277.00	-	277.00	0.00%	5.00
Memorials									
Marker Installation Permit									
Flat Marker Memorial	106.00	35.00	141.00	24.82%	108.00	36.00	144.00	25.00%	3.00
Upright Monument Memorial	106.00	35.00	141.00	24.82%	108.00	36.00	144.00	25.00%	3.00
Columbarium Niche Plate	106.00	35.00	141.00	24.82%	108.00	36.00	144.00	25.00%	3.00
Memorial Wall Plaque	106.00	35.00	141.00	24.82%	108.00	36.00	144.00	25.00%	3.00
Community Memorial Wall Plaque	106.00	35.00	141.00	24.82%	108.00	36.00	144.00	25.00%	3.00
Granite Memorial Wall Plaque									
Individual/Family	233.00	78.00	311.00	25.08%	238.00	80.00	318.00	25.16%	7.00
Cemetery Products									
Grave Liners									
Single	512.00	-	512.00	0.00%	522.00	-	522.00	0.00%	10.00
Double	512.00	-	512.00	0.00%	522.00	-	522.00	0.00%	10.00
Cremation Vault - Double	134.00	-	134.00	0.00%	137.00	-	137.00	0.00%	3.00
	35,627.00	8,285.00	43,912.00		36,391.00	8,486.00	44,877.00		965.00

Notes:

* 2020 BC CPI per Stats Canada = 0.8%

* 2021 BC CPI per Stats Canada (up to Sept) = 2.65%

P16

Appendix B

GRAVE SPACE (RIGHT OF INTERMENT)		2022		
	DESCRIPTION	RATE	CARE FUND	TOTAL
Ground Burial				
Adult	Resident	\$ 837.00	\$ 281.00	\$ 1,118.00
	Non-Resident	1,107.00	369.00	1,476.00
Child/Infant	Resident	506.00	169.00	675.00
	Non-Resident	721.00	241.00	962.00
Cremation	Resident	345.00	115.00	460.00
	Non-Resident	466.00	156.00	622.00
* Family Estate - Cremation	Resident	1,267.00	425.00	1,692.00
	Non-Resident	1,647.00	552.00	2,199.00
Cremation				
Columbarium Niche	Resident	2,040.00	681.00	2,721.00
	Non-Resident	2,667.00	890.00	3,557.00
* Family Vessel	Resident	5,148.00	1,728.00	6,876.00
	Non-Resident	6,691.00	2,246.00	8,937.00
* Ossuary	Resident	324.00	109.00	433.00
	Non-Resident	417.00	140.00	557.00
* Scattering	Resident	160.00	54.00	214.00
	Non-Resident	206.00	70.00	276.00
SERVICE FEES				
Regular services rendered Monday to Friday 8:00am until 3:30pm.				
After 3:30pm on weekdays, weekends and statutory holidays are subject to an additional charge over the weekday interment fee.				
License Transfer Fee		97.00	-	97.00
Administration Fee		56.00	-	56.00
Interment (Open/Close)				
Adult	Weekday	1,052.00	-	1,052.00
	After Regular Hours	534.00	-	534.00
Child/Infant	Weekday	708.00	-	708.00
	After Regular Hours	534.00	-	534.00
Cremation/Family Estate - Cremation	Weekday	470.00	-	470.00
	After Regular Hours	277.00	-	277.00
Columbarium Niche/Vessel/Ossuary	Weekday	317.00	-	317.00
	After Regular Hours	167.00	-	167.00
Scattering	Weekday	317.00	-	317.00
	After Regular Hours	167.00	-	167.00
Extra Depth		415.00	-	415.00
Disinterment (Open/Close)				
Adult	Weekday	1,615.00	-	1,615.00
	After Regular Hours	534.00	-	534.00
Child/Infant	Weekday	1,206.00	-	1,206.00
	After Regular Hours	534.00	-	534.00
Cremation/Family Estate - Cremation	Weekday	606.00	-	606.00
	After Regular Hours	277.00	-	277.00
MEMORIALS				
Marker Installation Permit				
Flat Marker Memorial		108.00	36.00	144.00
Upright Monument Memorial		108.00	36.00	144.00
Columbarium Niche Plate		108.00	36.00	144.00
* Memorial Wall Plaque		108.00	36.00	144.00
* Community Memorial Wall Plaque		108.00	36.00	144.00
Granite Memorial Wall Plaques				
* Individual/Family Plaque	Plaque/Installation	238.00	80.00	318.00
CEMETERY PRODUCTS				
Grave Liners	Single	520.00	-	520.00
	Double	520.00	-	520.00
Cremation Vault	Cremation	136.00	-	136.00

* Only Available at the Shuswap Memorial Cemetery
All Cemetery Charges are Subject to GST at the Prescribed Rate

CITY OF SALMON ARM
BYLAW NO. 4482

A bylaw to amend "City of Salmon Arm Cemetery Management Bylaw No. 4280"

WHEREAS it is deemed desirable and expedient to amend the fees imposed by "Cemetery Management Bylaw No. 4280";

NOW THEREFORE the Council of the City of Salmon Arm, in open meeting assembled, enacts as follows:

1. Schedule "A" of Bylaw No. 4280 is hereby repealed in its entirety and replaced with Schedule "A" attached hereto and forming part of this bylaw.

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 on January 1, 2022.

5. CITATION

This bylaw may be cited as "City of Salmon Arm Cemetery Management Amendment Bylaw No. 4482."

READ A FIRST TIME THIS	DAY OF	2021
READ A SECOND TIME THIS	DAY OF	2021
READ A THIRD TIME THIS	DAY OF	2021
ADOPTED BY COUNCIL THIS	DAY OF	2021

MAYOR

CORPORATE OFFICER

SCHEDULE "A" CEMETERY

GRAVE SPACE		2022		
(RIGHT OF INTERMENT)	DESCRIPTION	RATE	CARE FUND	TOTAL
<u>Ground Burial</u>				
Adult	Resident	\$ 837.00	\$ 281.00	\$ 1,118.00
	Non-Resident	1,107.00	369.00	1,476.00
Child/Infant	Resident	506.00	169.00	675.00
	Non-Resident	721.00	241.00	962.00
Cremation	Resident	345.00	115.00	460.00
	Non-Resident	466.00	156.00	622.00
Family Estate - Cremation	Resident	1,267.00	425.00	1,692.00
	Non-Resident	1,647.00	552.00	2,199.00
<u>Cremation</u>				
Columbarium Niche	Resident	2,040.00	681.00	2,721.00
	Non-Resident	2,667.00	890.00	3,557.00
Family Vessel	Resident	5,148.00	1,728.00	6,876.00
	Non-Resident	6,691.00	2,246.00	8,937.00
Ossuary	Resident	324.00	109.00	433.00
	Non-Resident	417.00	140.00	557.00
Scattering	Resident	160.00	54.00	214.00
	Non-Resident	206.00	70.00	276.00
<u>SERVICE FEES</u>				
Regular services rendered Monday to Friday 8:00am until 3:30pm.				
After 3:30pm on weekdays, weekends and statutory holidays are subject to an additional charge over the weekday interment fee.				
License Transfer Fee		97.00	-	97.00
Administration Fee		56.00	-	56.00
<u>Interment (Open/Close)</u>				
Adult	Weekday	1,052.00	-	1,052.00
	After Regular Hours	534.00	-	534.00
Child/Infant	Weekday	708.00	-	708.00
	After Regular Hours	534.00	-	534.00
Cremation/Family Estate - Cremation	Weekday	470.00	-	470.00
	After Regular Hours	277.00	-	277.00
Columbarium Niche/Vessel/Ossuary	Weekday	317.00	-	317.00
	After Regular Hours	167.00	-	167.00
Scattering	Weekday	317.00	-	317.00
	After Regular Hours	167.00	-	167.00
Extra Depth		415.00	-	415.00
<u>Disinterment (Open/Close)</u>				
Adult	Weekday	1,615.00	-	1,615.00
	After Regular Hours	534.00	-	534.00
Child/Infant	Weekday	1,206.00	-	1,206.00
	After Regular Hours	534.00	-	534.00
Cremation/Family Estate - Cremation	Weekday	606.00	-	606.00
	After Regular Hours	277.00	-	277.00
<u>MEMORIALS</u>				
<u>Marker Installation Permit</u>				
Flat Marker Memorial		108.00	36.00	144.00
Upright Monument Memorial		108.00	36.00	144.00
Columbarium Niche Plate		108.00	36.00	144.00
Memorial Wall Plaque		108.00	36.00	144.00
Community Memorial Wall Plaque		108.00	36.00	144.00
<u>Granite Memorial Wall Plaques</u>				
Individual/Family Plaque	Plaque/Installation	238.00	80.00	318.00
<u>CEMETERY PRODUCTS</u>				
Grave Liners	Single	520.00	-	520.00
	Double	520.00	-	520.00
Cremation Vault	Cremation	136.00	-	136.00

Only Available at the Shuswap Memorial Cemetery
All Cemetery Charges are Subject to GST at the Prescribed Rate

Item 5.2

CITY OF SALMON ARM

Date: November 29, 2021

Moved: Councillor

Seconded: Councillor

THAT: the bylaw entitled City of Salmon Arm 2022 to 2026 Financial Plan Bylaw No. 4490 be read a first, second and third time.

Vote Record

- ☐ Carried Unanimously
 - ☐ Carried
 - ☐ Defeated
 - ☐ Defeated Unanimously
- Opposed:

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



Date: November 25, 2021
 To: Mayor Harrison and Members of Council
 From: Chelsea Van de Cappelle, Chief Financial Officer
 Subject: 2022 Budget

Recommendation

THAT: Bylaw No. 4490 cited as "City of Salmon Arm 2022 to 2026 Financial Plan Bylaw No. 4490" be given 3 readings.

Background

The 2022 Budget reflects a 4.03% tax increase and a 2% new growth factor. New growth is based on the previous year's development to October 31st. The new growth factor is estimated new tax revenue as a result of new assessments on construction.

Historically, the City's new growth factor has been fairly strong and has assisted in providing funding for new services and initiatives as opposed to funding existing services.

Historical Growth Rates:

Year	Rate	Year	Rate	Year	Rate
2021	1.22%	2014	2.33%	2007	3.64%
2020	2.03%	2013	2.32%	2006	2.80%
2019	2.01%	2012	1.53%	2005	3.06%
2018	2.15%	2011	1.20%	2004	2.38%
2017	1.91%	2010	0.20%	2003	1.30%
2016	2.07%	2009	2.53%	2002	4.04%
2015	1.24%	2008	3.66%	2001	1.55%

The 2022 Budget also includes a 2% increase in Water and Sewer User Fees as approved by Council in August 2020. It should be noted, however, that the 2022 Budget does not reflect an increase to the Water and Sewer Frontage Taxes, Transportation Parcel Tax or the Solid Waste and Recycling levy.

Highlights

Service Delivery Management

The City has been building our asset management practices in an informal manner over the last few years and has successfully completed two draft Asset Management Plans (water and sewer), trained several employees on asset management practices and has begun mapping out an overall strategy.

At present the City is formalizing a Service Delivery Management Policy, Strategy and five (5) year Road Map to provide a framework and direction to the program. As a result the 2022 budget proposes to add a Service Delivery (Asset) Management Coordinator to provide a lead role in the development and ongoing maintenance of the City's Service Delivery Management Program.

Debenture Debt

The 2022 Budget recommends borrowing for the following (provided in more detail in the respective section below):

- | | |
|--------------------------|------------------------------------|
| • Zone 2 Booster Station | \$1,925,000.00 – Water Fund |
| • Zone 5 Booster Station | <u>\$2,298,000.00</u> – Water Fund |
| | \$4,223,000.00 |

The repayment of these debts are to be funded, in part, by the 2% increase in water user fees in 2022, as previously approved by Council. A staff report, including the Loan Authorization Bylaw, will be forthcoming to Council in 2022 and will outline the public assent process that must be undertaken prior commencing these projects.

While long-term debt should not be a means to finance all projects, projects with an expenditure threshold of one-half million dollars or more should generally be financed through long-term debt or a combination of debt and reserves.

The borrowing limit established pursuant to Provincial Legislation is based on the City's ability to pay. Municipalities are empowered to borrow to a maximum of 25% of revenues. The City's current debt capacity ratio is approximately 31% of this prescribed limit.

The City's outstanding debt at December 31, 2020 was:

- | | |
|-----------|------------------------|
| • General | \$16,238,071.00 |
| • Water | \$ 6,326,782.00 |
| • Sewer | <u>\$ 2,087,581.00</u> |
| | \$24,652,434.00 |

Note: The above noted figures do not include proposed debts that may or may not be undertaken

Solid Waste and Recycling

The 2022 Budget reflects a user fee levy of \$101.00 and the estimated number of residential users is 6,750. Budget changes to note:

- An increase to Curbside Collection costs due to rising diesel fuel prices and inflation;
- A reduction in garbage and food waste tipping fees;
- As a whole, the Solid Waste and Recycling function is projecting a deficit in 2022 resulting in a transfer from reserve of \$20,475.00, similar to 2021.

Fire Protective Services

The Fire Services budget essentially reflects the same level of service. Budget changes to note:

- An increase to Fire Hydrant Maintenance;
- An increase to reserves for Fire Emergency Apparatus and Fire Buildings and Equipment as a result of rising replacement costs;
- An allocation to undertake a Fire Services Strategy, funded from reserve;
- An allocation to undertake phased replacement of Self Contained Breathing Apparatus (SCBA) over three years (funded from reserve); and
- An allocation for a design to expanded Fire Hall No. 2.

Fire Training Centre

The Fire Training Centre is a shared function with the CSRD and Sicamous. Budget changes to note:

- An increase to the major maintenance reserve as a result of rising facility maintenance and replacement costs; and
- An allocation to purchase a steel car fire prop for training and practice.

Building Services

The 2022 Budget reflects the same level of service.

Police Services

Overall, the Police Services budget reflects a net increase of \$384,630.00. The Police budget has consistently over the past years, been a prominent factor behind the tax increases and this year is no exception. As outlined by E Division (report to Council June 2021), the Police Force budget projects an increase of \$80,808.00 which is largely attributed to increases in wages (i.e. estimated salary increases), pensions and increasing special leaves offset in part by reduced training and technology costs.

As approved by Council in 2021, the proposed budget includes an increase in member strength from twenty (20) to twenty-one (21) members. The budget increase has been adjusted to reflect approximately a four month vacancy in this regard.

Based on historical data, the detachment has never been at full complement, typically averaging 1-2 position vacancies experienced throughout the year. Consequently the budget allocation has been reduced by \$140,000.00 (as per Council past practice). When dealing with scarce dollars it is not prudent to budget for items that likely will not materialize. There is a risk with this practice; however, Council has sufficient funds within the Special Investigations and Major Maintenance Reserves to cover the shortfall in the event that the City is billed for twenty-one (21) members.

2022 Police Force Budget Summary:

		Tax Rate Impact
Estimated Annual Cost of Additional Member	\$162,000.00	
Less: Vacancy	(41,000.00)	
Budget Increase – Additional Member	121,000.00	0.64%
E Division Projected Budget Increase (Adjusted to Calendar)	89,000.00	0.46%
Plus: Estimated Salary Increases (Collective Agreement)	273,000.00	1.44%
E-Division Budget Changes/Rounding Estimates	(2,000.00)	
	481,000.00	2.54%
Plus: Estimated Retroactive Pay	1,500,000.00	7.92%
Budget Increase	1,981,000.00	10.46%
Offset by Reserves	(1,625,000.00)	(8.58%)
Net Budget Increase	\$356,000.00	1.88%

The RCMP ratified a six (6) year collective agreement dating back to April 1, 2017 on August 6, 2021. As a result of the Federal General Election and the "Caretaker Convention" formal details of contract changes and retroactive pay have not been made available to municipalities.

The collective agreement is available for review and includes an economic increase of 1.75% each year as well as market adjustments distributed over the course of the contract valued at 11.53%. The City has been diligent in its planning for these future costs and has reallocated any police force savings to reserve. Unfortunately the finalized contract wages are significantly higher than the estimated 2.5% annual increase the RCMP projected.

To minimize the impact on taxpayers, it is proposed to fund the policing increases from the RCMP Operating Reserve (\$600,000.00), RCMP Special Investigations Reserve (\$100,000.00) and the COVID 19 Safe Restart Grant Reserve (\$925,000.00).

Transportation Services

Operation and Maintenance

The increases to the Transportation Services budget are as a result of a number of factors such as:

- A reduction in Administration Revenue attributed to reduced costs associated with shared administration, assessments and studies and capital of the public works function;
- An increase in Common Services costs attributed to increases in labour and equipment charges related to Gravel Pit Operations and the purchase of public works staff overalls;
- A reduction in Machinery and Equipment attributed to reduced repair and maintenance costs. Net impact is zero as the decreased costs are reflected in the charge out rate of the equipment and expensed within the equipment accounts throughout all of the City's departmental budgets;
- An increase in Storm Sewer costs as a result of the recently completed Storm Water Master Plan and the maintenance requirements as detailed within it;

- An increase in Snow Removal and Sanding costs reflective of increasing labour and equipment costs;
- A decrease in Street Lighting attributed to reduced hydro costs;
- An increase in Major Maintenance – Gravel Pit Remediation primarily related to permit renewals; and
- An increase in Capital expenditures (net of asphaltic overlays) to address priority projects more specifically itemized in the Transportation Capital Budget.

Transportation Capital Projects

The issue of General Revenue funding for transportation capital projects has been brought to the attention of Council for a number years and it cannot be stressed enough. The City has been able to fund many of its capital projects from the Community Works Fund (e.g. Gas Tax) or reserves. However, the amount of General Revenue funding being allocated to transportation capital must be increased. The allocation is too low and it is simply not sustainable. It is strongly recommended that this budget be increased to better reflect the needs of the community.

Based on past budget requests and actual expenditures it was recommended that transportation projects funded from General Revenue should be approximately one (1) million dollars (inclusive of sidewalks, curb and gutter, major maintenance for public works buildings, drainage, road studies, new machinery and equipment, roads). The initial projections from the Asset Management Summaries suggest that overall annual ‘replacements’ for these asset classes will be five (5) to six (6) million dollars. This does not consider any ‘improvements or new infrastructure’, but does include two (2) million per year in asphaltic overlays.

The Pavement Management System, which refers largely to roads and asphaltic overlays, recommends an annual allocation of \$2.7 million to improve its network rating, which is currently on the low side of a “poor” rating. The Transportation Parcel Tax, which funds the current Asphaltic Overlays program, was increased in 2019 to \$150.00 per parcel to assist with the funding deficit. While the increase did provide additional revenues, it is still significantly below the recommended level to maintain or improve the City’s road network.

Historical funding from General Revenue (net of Transportation Parcel Tax Funding):

- 2017 – \$813,000.00
- 2018 – \$499,000.00
- 2019 – \$415,000.00
- 2020 – \$779,000.00
- 2021 – \$800,000.00 (Budget)
- 2022 – \$866,000.00 (Proposed Budget)

Downtown Parking

In keeping with the Long Term Debt Strategy and Capital Plan (LTDS), the budget proposes to decrease the Specified Area Tax Levy while increasing the General Revenue funding for this function. Other budgetary changes to note:

- A reduction in parking revenues due to the vandalism and elimination of metered parking and overall reduced revenues, possibly due to COVID and reduced tourism; and
- An allocation to purchase three (3) new pay by plate ticket machines to replace the meters, funded from reserve.

Airport Services

The Shuswap Regional (Salmon Arm) Airport function largely reflects regular operations. Budget changes to note:

- An allocation for an Air Appreciation Day, funded from reserve;
- An allocation for an aeronautical assessment which will provide the City with guidance on how to best respond to the recently completed quality assurance audit;
- Increases in Major Maintenance expenditures for PAPI light relocation, Hazard OLS lighting and Runway OLS Area Maintenance, funded from reserve;
- Transfers to reserves have been reviewed in conjunction with a reserve benchmark review and have been adjusted as necessary;
- It is proposed to amalgamate the Fuel System and Taxiway Runway Reserve as the fuel system was replaced with the use of grant funding and through the last couple of BC Air Access Grant applications for repaving, these funds were approved to be used for this project. The runway is at the end of its useful life and will require repaving in the very near future. The estimated cost to repave is \$1.5 million and the City is hopeful to apply for another BC Air Access Grant to assist with cost of this project; and
- An allocation in the capital budget for apron paving, fully funded by the City.

Cemetery Services

The 2022 budget includes a proposed 2% increase in Cemetery Fees, discussed in further detail under separate memorandum.

The Mt. Ida Cemetery function reflects the same level of service with no significant budget changes to note.

The Shuswap Memorial Cemetery reflects the same level of service with no significant budget changes to note.

Planning and Development

Overall, the Planning and Development budget reflects an increase of \$34,900.00. In June 2019, Council approved changes and increases to the same level of service with no significant budget changes to note.

Park Services

The increases to the Parks Services budget are as a result of a number of factors such as:

- A reduction in Rental Revenue attributed to the Canoe Beach Rentals. The Canoe Beach Rental Agreements expired in 2021. The City will see a net reduction in revenue of \$59,140.00 (\$109,140.00 less transfer to reserve for Canoe Beach - Rental Lot Area of \$50,000.00) moving forward.
- An allocation in Other Rental Revenue related to Canoe Beach Rental Contributions for demolition and remediation as well as a transfer from the Canoe Beach Rental Reserve for same, offsetting the proposed increase to Canoe Beach Maintenance;
- An increase to Urban Street Tree Maintenance to provide necessary pruning of over 400 City owned trees;
- An increase to Marine Park Washroom and Marine Wharf Washroom Maintenance as a result of contractual lease changes;
- A reduction in more significant Major Maintenance expenditures with the inclusion of smaller items deferred from the prior year budget cycle;
- A net reduction in Transfer to Reserves as account balances are considered sufficient;
- While the capital budget does not propose any projects as related to the Canoe Beach, Blackburn Park or Klahani Park Master Plans, it does include allocations to reserves established to assist in funding these initiatives in the future.

Greenways

The Greenways Committee has recommended that \$40,300.00 be included in the 2022 Budget as follows:

Trail Planning – East Canoe Creek	\$ 2,700.00
Hoadly Park Improvements	3,100.00
Turner Creek Trail Improvements	7,500.00
South Canoe Bike Wash Station	12,000.00
Trail Planning – Kela7scen *	15,000.00
	<u>\$ 40,300.00</u>

Given the constraints on funding in the 2022 Budget, this amount has been reduced to \$15,000.00 and allocated to Future Trails.

Shaw Centre

Due to continuing COVID 19 implications, the 2022 budget proposes a return to normal operations (costs) without certainty of a return in activity levels (revenues). Significant losses remain related to Facility Rentals and Special Events, resulting in a transfer from the COVID 19 Safe Restart Reserve to offset the operating loss. Given the uncertainty around COVID 19 and its impacts, it is recommended that \$100,000.00 remain within the COVID 19 Grant Reserve to offset the potential increase in operating deficit.

The net increase to the operating budget is a result of a number of factors, changes to note include:

- An overall increase in revenues primarily attributed to Rentals (facility and ice) as users return and the re-opening of Food Services;
- Increases in Shuswap Recreation staff wages and benefits to reflect market adjustments for staff with increased responsibilities and inflationary increases of 2%, notably Administration (\$20,000.00) and Facility Maintenance (\$15,000.00).
- Increase to Contracted Maintenance (City of Salmon Arm) staff wages and benefits due to anticipated increases in certified staffing requirements (\$20,000.00);
- The wages and benefit increases are proposed to be phased in over two years with an offsetting transfer from the Shaw Centre Operating Reserve;
- Major Maintenance expenditures contained in the operating budget include Foyer Lighting Replacements (\$7,000.00) and a Compressor Motor Replacement (\$8,500.00); and
- An allocation in the capital budget for the final phase of the Shaw Centre roof replacement, funded from reserve.

Recreation Centre

Due to lingering COVID 19 impacts the 2022 budget proposes a minor increase in revenues and an increase in standard operating costs resulting in an overall budget increase. Significant losses remain related to Pool Programs, Rentals and Sales of Services, resulting in a transfer from the COVID 19 Safe Restart Reserve to offset the operating loss. Given the uncertainty around COVID 19 and its impacts, it is recommended that \$100,000.00 remain within the COVID 19 Grant Reserve to offset the potential increase in operating deficit.

The net increase to the operating budget is a result of a number of factors, changes to note include:

- An overall increase in revenues primarily attributed to Pool Programs and Rentals. These revenue streams continue to be the most volatile and at the greatest risk of estimation error due to user comfort levels and family circumstances. While it is anticipated to improve in 2022, budgeted revenues continue to be 25% less than pre-pandemic levels;
- An increase in Administration and Facility Maintenance wages and benefits as operating hours are increased compared to 2021;
- The wages and benefit increases are proposed to be phased in over two years with an offsetting transfer from the Recreation Centre Operating Reserve; and
- Major Maintenance expenditures contained in the operating budget include Canopy Lighting (\$5,000.00), a Tot Teaching Table (\$2,595.00) and Deck Storage Equipment (\$2,200.00).

Wharf

The 2022 Budget reflects the same level of service, however estimated wharf rental revenues have been reduced while the City proceeds through the required RFP phase for a new lease.

Specific Referrals

Please refer to the Specific Referral Summary to review which allocations have been included in the budget.

Water and Sewer Funds

The Water and Sewer Funds reflect an increase of 2% to address increasing costs pertaining to labour, equipment and materials; maintain reserves and adequate annual capital upgrades.

The impact of the residential water and sewer user fee increase is as follows:

	2022	2021	Difference
Sewer	\$ 327.40	\$ 321.00	\$ 6.40
Water	292.00	286.30	5.70
	619.40	607.30	12.10
Discount	(61.94)	(60.73)	(1.21)
Net	\$ 557.46	\$ 546.57	\$ 10.89

The annual net increase to a residential user is \$10.89 in 2022.

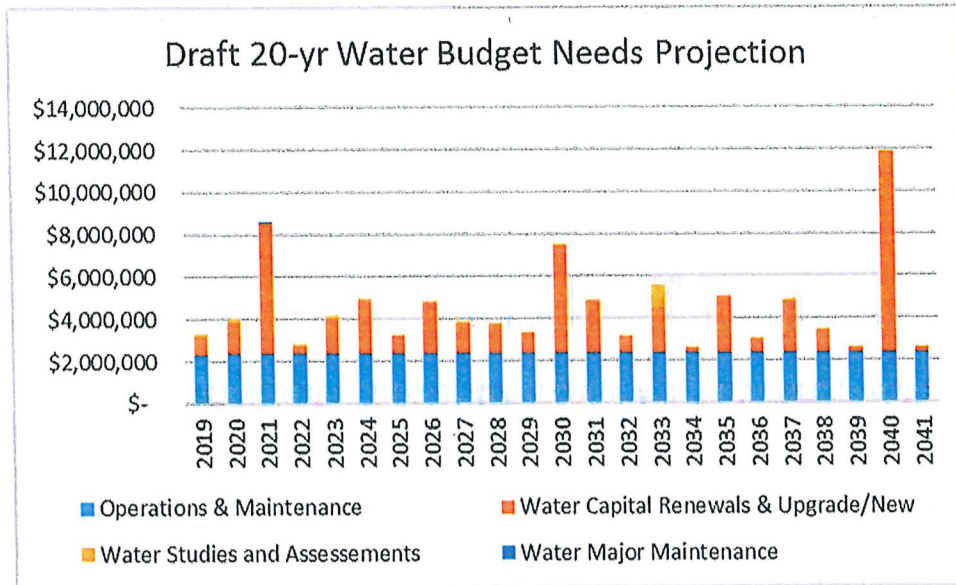
The increase in user fees will result in new water and sewer revenue of approximately \$50,000.00 and \$45,000.00 respectively.

Capital Expenditures

For the most part, the Utility Funds are funding approximately \$500,000.00 - \$700,000.00 in infrastructure upgrades from water/sewer revenues. This reflects that user fees and frontage taxes are not 'only' funding maintenance and debenture payments, but are also contributing to capital infrastructure thus reducing the need to borrow funds for smaller scale upgrades.

Water Fund

The Water Asset Management planning process has significantly advanced allowing a draft projection of the water funding requirements over a twenty (20) year planning horizon based on preliminary 'useful life' estimates for infrastructure. More detailed condition assessments will be prioritized for assets that are nearing the end of their anticipated useful life and those deemed critical. This will adjust the anticipated required expenditures. The draft twenty (20) year Water Budget Needs Projection is illustrated below.



The majority of the spikes in the chart above are a result of aging infrastructure; however, some are capacity related upgrades. Significant planned projects include:

Zone 2 Pump Station – 2.04 Million

The Zone 2 Booster Station, located at Canoe Beach, is one of two main boosters that feeds the treated water from the Water Treatment Plant into the water system. As discussed in the prior year, the Zone 2 Booster Station has reached its anticipated useful life. Through the Asset Management Risk Evaluation process, the Zone 2 Booster was considered to be a “Very High” risk with immediate corrective action required.

The repayment of this debt is estimated to be \$101,640.00 annually and has been included in the 2022 proposed budget.

Zone 5 Booster Station – \$2.52 Million

The Zone 5 Booster Station feeds into the Zone 5 reservoir providing water to large portions of the SE quadrant of the City including the Industrial Park. The existing booster station has exceeded its useful life and the existing reservoir is incapable of providing volumes required for four (4) hour fire flows. Similar to the Zone 2 Pump Station, the Zone 5 Booster Station is considered “Very High” risk due to increased development in the lower SE quadrant putting further usage pressure on the system.

The repayment of this debt is estimated to be \$121,335.00 annually and has been included in the 2022 proposed budget.

Future Capital Expenditures

As previously noted, the City’s water infrastructure is starting to reach its anticipated useful life. Not all will require replacement on schedule (where possible, condition assessments will be used to delay investments until truly necessary); however, the scale of potential replacements is significant. Specifically there was incredible investments into water infrastructure between 1966 and 1970 that will be potentially aging out within the planning horizon.

The estimates below are based on \$350.00 per meter pro-rated from a detailed cost estimate of the Trans Canada Highway East project.

Date Range	Pre 1950	1951 – 1955	1956 – 1960	1961 – 1965	1966 - 1970
Kilometers	6.4	3.0	6.6	8.0	30.0
Est. \$ Million	\$2.2	\$1.0	\$2.3	\$2.8	\$10.5

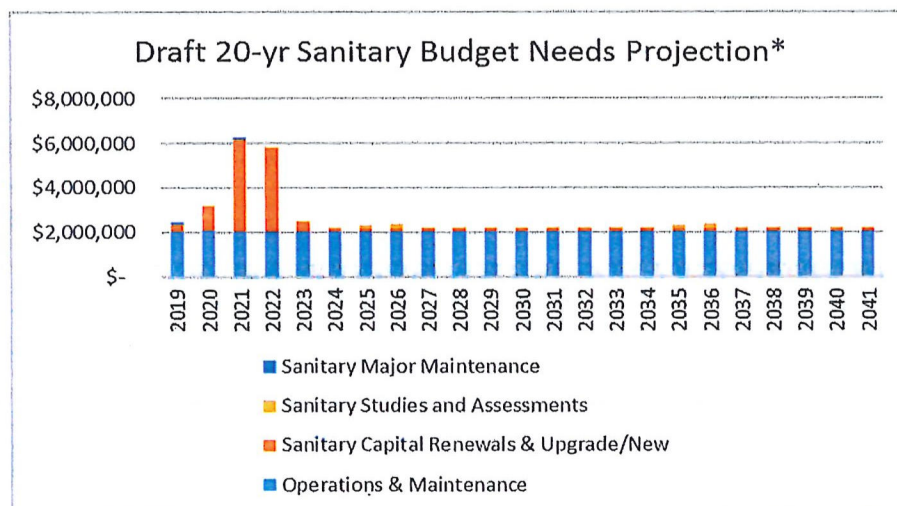
The City's Water Master Plan was completed in 2010. Some significant future projects of note are listed below:

- Trans Canada Highway East (from 20 Ave NE to 50 St NE), installed in 1949, 3.8 kilometers in length and replacement cost is estimated at \$1.3 million dollars;
- Highway 97B from Countryside Mobile Park to 20 Ave SE, installed between 1948 and 1962 is 1.9 kilometers in length and replacement cost is estimated at \$1.5 million dollars;
- Foothills Road from 10 Ave SE and 10 St SW, installed in 1955 and 1.3 kilometers in length and replacement cost is estimated at \$1.35 million (partially completed in 2017);
- Zone 5 Watermain Extension/Upgrade, estimated construction cost at \$3 million dollars; and
- Zone 2 Reservoir Reconstruction, estimated construction cost at \$1 million.

As a result, \$140,000.00 has been transferred to the Water Major Maintenance Reserve Fund in 2022.

Sewer Fund

The Sanitary Asset Management planning process has significantly advanced and similar to Water, has allowed for a draft projection of sewer funding requirements over a twenty (20) year planning horizon. More detailed condition assessments will be prioritized for assets that are nearing the end of their anticipated useful life and those deemed critical. This will adjust the anticipated required expenditures. The draft twenty (20) year Sewer Budget Needs Projection is illustrated below.



**The 2022 budget does not include the WPCC Stage IV Upgrade, as the scale of the chart renders other years illegible.*

Unlike the water system, the majority of the sanitary sewer infrastructure is not expected to age out over the twenty (20) year project horizon having been installed in the 1970's and newer. However there are upgrades required to increase capacity due to development; as well as some infrastructure that is not performing up to anticipated useful life and will require 'early' replacement (i.e. Sanitary Foreshore Main).

WPCC Stage IV Upgrade

The WPCC is quickly reaching its design capacity of 15,000 people with the most recent study indicating capacity will be reached in 2020, after which a deterioration in effluent quality can be expected. Planning for the Stage IV Upgrade has been ongoing. Current estimates indicate the Stage IV upgrade will cost upwards of \$50 million dollars. The 2022 budget includes funding for facility expansion design, with an additional current year allocation of \$500,000.00.

This project is likely to have a significant impact on the City's debt position and the Long Term Debt Strategy and as discussed above is restricted by Provincial Legislation on the City's ability to pay.

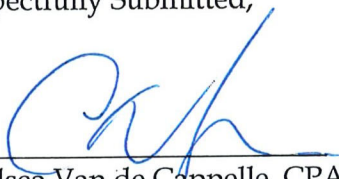
Future Sewer Capital Expenditures

The City completed its Sanitary Sewer Master Plan in 2016, as part of this process a risk evaluation was completed on the City's 125 km of sanitary sewer mains. Findings estimate that 1,200 metres of clay tile pipe will have exceeded its useful life in 2034. In addition, promoted by growth, the City may need to address system capacity constraints resulting in capital upgrades to gravity mains, pump stations and forcemains, etc.

Some significant future projects of note are listed below:

- Water Pollution Control Centre - Stage IV Upgrade, estimated construction cost of \$50 million; and
- Foreshore Main - Stage 2 (of 4), estimated construction cost at \$3.6 million, and stage 3 (of 4) at \$3 million.

Respectfully Submitted,


Chelsea Van de Cappelle, CPA

CITY OF SALMON ARM

BYLAW NO. 4490**A bylaw respecting the 2022 to 2026 Financial Plan**

WHEREAS in accordance with the provisions of Section 165 of the Community Charter, the Council is required, by bylaw, to adopt 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 2022 to 2026 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 2022 to 2026 Financial Plan Bylaw No. 4490".

READ A FIRST TIME THIS	DAY OF	2021
READ A SECOND TIME THIS	DAY OF	2021
READ A THIRD TIME THIS	DAY OF	2021
ADOPTED BY COUNCIL THIS	DAY OF	2021

MAYOR

CORPORATE OFFICER

Schedule "A" - Bylaw #4490

City of Salmon Arm**2022 - 2026 Financial Plan**

	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Consolidated Revenues					
Property and MRDT Taxes - Net	\$20,795,930	\$21,211,849	\$ 21,636,086	\$ 22,068,808	\$ 22,510,184
Frontage & Parcel Taxes	3,686,295	3,760,021	3,835,221	3,911,925	3,990,164
Sales of Service	8,610,910	8,783,128	8,958,791	9,137,967	9,320,726
Revenue From Own Sources	2,281,155	2,326,778	2,373,314	2,420,780	2,469,196
Rentals	430,945	439,564	448,355	457,322	466,468
Federal Government Transfers	-	-	-	-	-
Provincial Government Transfers	422,100	430,542	439,153	447,936	456,895
Other Government Transfers	219,210	223,594	228,066	232,627	237,280
Transfer From Prior Year Surplus	315,250	321,555	327,986	334,546	341,237
Transfer From Reserve Accounts	3,325,895	3,392,413	3,460,261	3,529,466	3,600,055
Transfer From Reserve Funds	-	-	-	-	-
Total Consolidated Revenues	\$40,087,690	\$40,889,444	\$ 41,707,233	\$ 42,541,377	\$ 43,392,205
Consolidated Expenditures					
General Government Services	\$ 4,016,320	\$ 4,096,646	\$ 4,178,579	\$ 4,262,151	\$ 4,347,394
Protective Services	8,128,080	8,290,642	8,456,455	8,625,584	8,798,096
Transportation Services	5,521,385	5,631,813	5,744,449	5,859,338	5,976,525
Environmental Health Services	62,850	64,107	65,389	66,697	68,031
Environmental Development Service	2,652,025	2,705,066	2,759,167	2,814,350	2,870,637
Recreation and Cultural Services	5,474,215	5,583,699	5,695,373	5,809,280	5,925,466
Fiscal Services - Interest	1,388,950	1,416,729	1,445,064	1,473,965	1,503,444
Fiscal Services - Principal	1,304,380	1,330,468	1,357,077	1,384,219	1,411,903
Capital Expenditures	3,397,600	3,034,371	2,929,967	4,160,000	4,223,131
Transfer to Surplus	-	-	-	-	-
Transfer to Reserve Accounts	2,002,285	2,473,511	2,688,073	1,570,400	1,621,877
Transfer to Reserve Funds	1,095,000	1,116,900	1,139,238	1,162,023	1,185,263
Water Services	2,707,850	2,762,007	2,817,247	2,873,592	2,931,064
Sewer Services	2,336,750	2,383,485	2,431,155	2,479,778	2,529,374
Total Consolidated Expenditures	\$40,087,690	\$40,889,444	\$ 41,707,233	\$ 42,541,377	\$ 43,392,205

2022 - 2026 Financial Plan**City of Salmon Arm**

2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget
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Capital Projects**Finances Acquired**

General Operating Fund	\$ 2,227,600	\$ 1,959,371	\$ 1,954,967	\$ 2,968,000	\$ 2,924,150
Water Operating Fund	500,000	500,000	800,000	391,000	892,825
Sewer Operating Fund	670,000	575,000	175,000	801,000	406,156
Federal Government Grants	3,252,456	-	-	100,000	187,500
Provincial Government Grants	4,356,756	-	-	100,000	187,500
Prior Year Surplus	15,000	-	-	-	-
Reserve Accounts	10,639,700	340,000	1,200,000	2,842,500	937,500
Reserve Funds	5,089,300	550,000	1,122,000	1,936,000	1,363,500
Development Cost Charges	852,750	3,445,000	3,373,000	225,000	480,000
Short Term Debt	-	-	-	-	-
Long Term Debt	8,428,525	-	500,000	2,000,000	3,470,000
Developer Contributions	3,586,530	40,000	40,000	-	-

Total Funding Sources

\$ 39,618,617	\$ 7,409,371	\$ 9,164,967	\$ 11,363,500	\$ 10,849,131
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Finances Applied

Transportation Infrastructure	\$ 23,495,817	\$ 3,619,500	\$ 5,219,500	\$ 5,193,000	\$ 5,851,650
Buildings	1,685,845	458,500	140,000	20,000	150,000
Land	-	300,000	-	-	-
IT Infrastructure	131,500	65,000	185,000	70,000	20,000
Machinery and Equipment	1,760,800	443,871	397,967	1,341,000	718,500
Vehicles	1,708,000	-	-	555,000	140,000
Parks Infrastructure	1,401,320	262,500	782,500	212,500	440,000
Utility Infrastructure	9,435,335	2,260,000	2,440,000	3,972,000	3,528,981

Total Capital Expense

\$ 39,618,617	\$ 7,409,371	\$ 9,164,967	\$ 11,363,500	\$ 10,849,131
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Departmental Summary:

2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget
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General Government Services	\$ 131,500	\$ 138,500	\$ 208,500	\$ 120,000	\$ 100,000
Protective Services	2,065,000	55,000	55,000	125,000	125,000
Transportation Services	25,478,962	4,233,500	5,518,500	6,849,000	6,545,150
Environmental Health Services	58,000	327,500	27,500	2,500	60,000
Environmental Development Services	-	-	-	-	-
Recreation and Cultural Services	2,058,820	319,871	840,467	275,000	470,000
Water Services	6,960,500	1,760,000	2,340,000	691,000	3,142,825
Sewer Services	2,865,835	575,000	175,000	3,301,000	406,156

Total by Department

\$ 39,618,617	\$ 7,409,371	\$ 9,164,967	\$ 11,363,500	\$ 10,849,131
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Schedule "B" – Bylaw #4490
2022 Revenue Policy Disclosure

1. Table One (1) reflects the proportion of total revenue proposed to be raised from each funding source in 2022. 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 valorem 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 receives a Municipal Regional District Tax (MRDT) which is 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, Shaw Centre, Cemeteries 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 #4490
2022 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	37.10%	46.64%
Parcel Taxes	6.57%	8.27%
User Fees, Charges and Interest Income	20.19%	25.40%
Other Sources	21.11%	0.79%
Proceeds From Borrowing	15.03%	18.90%
	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 #4490
2022 Revenue Policy Disclosure

Table 2: Distribution of Property Taxes Between Property Classes

Property Class	2021 Tax Rate	Class Multiple	Percentage to Total Property Tax	Percentage to Total Property Assessment Value
Residential	3.8106	1.00:1	66.54%	85.86%
Utilities	23.3118	6.12:1	0.82%	0.17%
Supportive Housing	0.000	0.00:1	0.00%	0.00%
Major Industry	65.7256	17.25:1	2.78%	0.21%
Light Industry	10.7869	2.83:1	2.42%	1.10%
Business	10.7869	2.83:1	26.71%	12.17%
Managed Forest Land	8.2540	2.17:1	0.00%	0.00%
Recreational/Non Profit	2.7756	0.73:1	0.14%	0.26%
Farm	12.8055	3.36:1	0.59%	0.23%

3. 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 2020 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	\$ 44,493.00	\$ 37,836.00	\$ 82,329.00
Non Profit Societies	391,404.00	225,824.00	617,228.00
Senior Centers	13,689.00	7,328.00	21,017.00
Other	4,035.00	2,180.00	6,215.00
Sports Clubs	285,388.00	157,953.00	443,341.00
Total	\$ 739,009.00	\$ 431,121.00	\$ 1,170,130.00

Schedule "B" – Bylaw #4490
2022 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	2016 General Municipal Tax Exemption	2017 General Municipal Tax Exemption	2018 General Municipal Tax Exemption	2019 General Municipal Tax Exemption	2020 General Municipal Tax Exemption	2021 General Municipal Tax Exemption
C-2 "Downtown Commercial Zone"	\$ 34,828.47	\$ 29,851.20	\$ 24,304.74	\$ 24,657.03	\$ 18,939.56	\$ 14,424.23

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.

Area	2016 General Municipal Tax Exemption	2017 General Municipal Tax Exemption	2018 General Municipal Tax Exemption	2019 General Municipal Tax Exemption	2020 General Municipal Tax Exemption	2021 General Municipal Tax Exemption
"Industrial Zone"	\$ 0.00	\$ 0.00	\$ 5,425.51	\$ 5,400.26	\$ 7,614.60	\$ 36,999.43

Item 8.

CITY OF SALMON ARM

Date: November 29, 2021

Moved: Councillor Flynn

Seconded: Councillor Lindgren

THAT: the Special Council Meeting of November 29, 2021, be adjourned.

Vote Record

- ☐ Carried Unanimously
- ☐ Carried
- ☐ Defeated
- ☐ Defeated Unanimously

Opposed:

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

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