



**SPECIAL MEETING OF COUNCIL TO BE HELD IN
THE CONFERENCE ROOM,
AT THE DISTRICT OF KITIMAT OFFICES – 270 CITY CENTRE,
ON WEDNESDAY, MAY 10, 2017 AT 12:15 pm**

1. Call to Order
2. Public Input/Questions on Agenda Items
3. Media Inquiries
- Page 3 4. Adoption: “Five Year Financial Plan Bylaw No. 1906, 2017”
- Page 13 5. Adoption: “Property Tax Rates Bylaw No. 1907, 2017”
- Page 17 6. Adoption: “Residential Flat Rate Tax Bylaw No. 1908, 2017”
- Page 19 7. Adoption: “Commercial Avenue Paving Local Area Service Parcel Tax Bylaw No. 1909, 2017”
8. Adjournment

DISTRICT OF KITIMAT
FINANCIAL PLAN BY REVENUE OPERATIONAL EXPENDITURE CATEGORY
FOR THE FIVE YEAR PERIOD 2017 - 2021

Appendix A

	2017	2018	2019	2020	2021
REVENUES					
Taxation and grants in lieu	-27,788,170	-27,029,418	-27,850,600	-28,696,418	-29,567,611
Sale of Services	-1,218,258	-1,234,704	-1,251,373	-1,268,266	-1,285,388
Water Utility Rates	-628,000	-1,086,534	-1,086,534	-1,086,534	-1,086,534
Revenue from own sources	-529,289	-536,435	-543,677	-551,016	-558,455
Return on investments	-434,000	-535,903	-448,041	-343,960	-276,717
Contributions from other governments	-3,768,436	-8,958,011	-13,798,011	-16,137,018	-1,775,020
Borrowing Proceeds	0	-6,000,000	-15,000,000	-7,433,000	0
Other Revenue	-75,000	-1,200,000	0	0	0
Transfers from Funds					
Reserve Funds	-522,526	-650,000	-1,728,604	-113,948	-210,769
Accumulated Surplus	-4,728,120	-3,322,173	-2,791,693	-3,190,221	-6,475,036
TOTAL REVENUE	-39,691,800	-50,553,178	-64,498,533	-58,820,382	-41,235,530
EXPENDITURES					
Debt Interest	147,768	147,768	430,780	1,138,310	1,488,914
Debt Principal	327,364	146,968	406,361	1,054,843	1,376,187
Capital Expenditure	7,700,442	20,718,100	33,728,680	26,296,850	7,662,132
<u>Other Municipal Purposes</u>					
General Government Services	4,143,043	4,187,579	4,244,111	4,301,407	4,334,358
Protective Services	6,447,813	6,534,859	6,623,080	6,712,491	6,803,110
Transportation Services	6,359,275	6,445,125	6,532,134	6,620,318	6,709,693
Environmental Health Services	501,300	508,068	514,926	521,878	528,923
Public Health & Welfare Services	123,788	125,459	127,153	128,869	130,609
Environmental Development Services	2,179,089	2,208,506	2,238,321	2,268,538	2,299,164
Recreation & Cultural Services	6,261,476	6,346,006	6,431,677	6,518,505	6,606,505
Sewer	792,850	803,553	814,401	825,396	836,539
Water	1,027,640	1,041,513	1,055,574	1,069,824	1,084,266
Cemetery	177,950	180,352	182,787	185,255	187,756
Transfer to					
Reserve Funds	2,079,892	1,159,321	1,168,547	1,177,898	1,187,375
Accumulated Surplus	1,422,109			0	
TOTAL EXPENDITURE	39,691,800	50,553,178	64,498,533	58,820,382	41,235,530

APPENDIX "B"

DISTRICT OF KITIMAT
2017 FINANCIAL PLAN

OBJECTIVES AND POLICIES

AS PER SECTIONS 165 & 197 OF THE *COMMUNITY CHARTER*

BYLAW NO. 1906, 2017

The following statements of objectives and policies are to comply with Sections 165 & 197 of the *Community Charter*.

A. OVERALL MUNICIPAL OBJECTIVES

1. To raise revenues sufficient to cover all expenditures and financial requirements of the municipality consistent with the mission statement of the Municipality:

"To facilitate a high quality of community life for citizens of all ages." and,

"To provide high quality municipal services at the lowest possible cost".

2. To provide municipal services at a sufficiently wide variety and high level to facilitate the recruitment and retention of necessary employees for the major industries upon which the municipality is based, and supporting services businesses, and to offset, more or less, the perceived disadvantages to employee recruitment and retention of the community's remote location.
3. To encourage and foster cultural diversity.
4. To encourage a community balance among recreational opportunity, environmental integrity, and industrial growth.
5. To foster industrial and business development and tourism through the promotion of the natural business advantages of the area and community.
6. To encourage the retention and recruitment of retirees to the community.
7. To respect taxpayers ability to pay and to keep tax increases reasonably in line with inflationary cost increases.
8. To meet community needs prior to the final investment decisions being made on LNG and other major industrial projects.

B. OBJECTIVES FOR SOURCES OF REVENUES

There are two basic methods of raising revenues for municipal services:

1. Taxation
2. User pay

There are numerous options of each and/or mixtures of both.

1. Taxation

In general, taxation is the preferred method if the service has broad public benefit regardless of the quantity of the service any individual citizen consumes, and if market rationing of the quantity consumed is either unnecessary or undesirable.

For instance, if the marginal cost of consumption is zero or close to zero, there is little need to ration consumption through user fees. The next amount consumed does not add any extra cost.

As well, if consumption of the service provides a benefit to others, it is undesirable to discourage consumption through user fees, and taxation is the preferred revenue choice.

2. User Pay

User pay is preferable when the marginal costs of consumption is positive so that the more consumed the higher the cost of the service, and/or if there is no broad public benefit accruing to those who do not consume the service.

User pay therefore is a method of rationing the service and of controlling costs. It is seen as equitable as it does not impart costs on those who do not benefit from the provision of the service, either directly or indirectly.

The District of Kitimat recognizes that an important objective is to offset the location disadvantages of the community's remoteness and wet climate in order to attract and retain a qualified workforce for the large complex industries for which the municipality was established and to attract and retain retirees to the community.

Therefore an important objective is to ensure consumption of quality services, particularly recreation, is not discouraged by price. This was done at the request of major industry prior to 1983 to create and maintain the most livable of communities. As well this objective remains critical in the fostering of the community to persons on fixed incomes seeking high quality of life in their senior years.

Accordingly, the policy for sources of funding is as follows.

C. POLICY FOR SOURCES OF FUNDING

- To have user fees, where applied, to enhance responsible consumption of municipal services while promoting the public benefit of maximum participation in healthy activities provided by the community, and yet not create a financial barrier to the access and enjoyment of municipal facilities and services to all citizens;
- For recreation facilities and services is to recover 24-28% of total cost of providing such services;
- For water which incurs a marginal cost of production only after a significant use as the reticulation system can deliver more water than the community can consume and there is no raw water supply shortage, user pay shall be an average of operating costs;
- All other services will be funded by taxation supplemented by vigorous pursuit of grant funding.

The following is the Proportion of Revenues in 2017 from each source:

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	78.13%	\$25,768,549
Utility revenue tax	1.17%	\$387,534
User fees and charges	5.60%	\$1,848,258
Other sources	3.68%	\$1,215,136
Government grants	11.42%	\$3,768,436
Total	100%	\$32,987,913

D. OBJECTIVES FOR TAX APPORTIONMENT AMONG ASSESSMENT CLASSES

- a. To set Commercial and Residential taxes in the lowest quartile of municipalities in British Columbia to foster the development of retail and commercial services, and to assist with the recruitment and retention of quality industrial employees, employees for supporting commercial businesses, and the retention and recruitment of retirees.
- b. To have the Light Industry property tax rates in the midrange of municipalities in British Columbia.

- c. To have Major Industry municipal property taxes reflect a stable portion of the municipal property tax burden *relative to the period prior to the Variable Tax Rate Legislation of 1983*.
- d. To seek other industries to provide for a reduction in property tax rates as assessments and the number of properties increase.

E. POLICIES FOR TAX APPORTIONMENT

The following policies are to advance the above municipal objectives:

1. POLICY FOR TAX APPORTIONMENT AMONG PROPERTY CLASSES:

In pursuit of the above objectives, the policy of the District of Kitimat for the apportionment of municipal property tax burden will be, in the approximate ranges, as follows:

- a. Class One Residential 12 - 25%
- b. Class Two Utility, As per Local Government Act..... 0.1 – 0.5%
- c. Class Four Major Industry..... 60 – 80%
- d. Class Five Light Industry 5 – 12%
- e. Class Six Business and Commercial 5 – 12%

The target range for the apportionment of taxes is kept deliberately broad to accommodate the anticipated construction of significant new projects which have been announced.

2. ACTUAL 2017 TAX APPORTIONMENT AND RATES

Class	1992 Actual	2016 Actual	2017 Actual	2017 Dollar Value
One – Residential	13.22%	16.57%	15.63%	\$4,027,217
Two – Utility	0.81%	0.14%	0.14%	\$37,082
Four - Major Industry	82.14%	61.93%	67.14%	\$17,302,504
Five - Light Industry	0.58%	10.56%	9.55%	\$2,460,718
Six - Business/Commercial	3.17%	10.72%	7.43%	\$1,913,365
Other	0.08%	0.08%	0.11%	\$27,663
Total	100%	100%	100%	\$25,768,549

F. OBJECTIVES OF PERMISSIVE TAX EXEMPTIONS

(SECTION 224 OF THE COMMUNITY CHARTER)

Permissive tax exemptions, allowed by Section 224 of the Community Charter, will be considered to encourage activities consistent with the quality of life objectives of the municipality; which provide direct access and benefit to the public; and which would otherwise be provided by the municipality.

G. POLICY FOR SECTION 224 EXEMPTIONS

Section 224 permissive tax exemptions may be granted at the discretion of Council, in the following circumstances:

- a. To activities provided by Not for Profit organizations that provide public access to services consistent with the mission of the municipality which would otherwise be provided by the municipality.
- b. To activities provided by private citizens who provide public access to services consistent with the mission of the municipality which would otherwise be provided by the municipality.

H. REVITALIZATION TAX EXEMPTIONS

(SECTION 226 OF THE COMMUNITY CHARTER)

Revitalization tax exemptions, allowed by Section 226 of the Community Charter, have been considered in order to encourage new buildings or improvements in existing buildings that support environmental, economic, social, beautification or other Council objectives.

DISTRICT OF KITIMAT

SCHEDULE A

BYLAW NO. 1907, 2017

2017 Tax Rates (Dollars of Tax Per \$1,000 Taxable Value)

PROPERTY CLASS	A. GENERAL MUNICIPAL	B. DEBT	C. KIT-STIKINE REGIONAL DISTRICT
1. Residential			
Land or Improvements/Other	1.74002	0.07602	0.12248
Land with Improvements/Other	594.00		
2. Utilities	34.08601	0.65600	1.05692
4. Major Industry	25.44533	0.48971	0.78900
5. Light Industry	57.93097	1.11491	1.79630
6. Business/Other	14.13326	0.27200	0.43824
8. Recreational Property/Non-Profit Organization	21.20350	0.40807	0.65747

PROPERTY CLASS	C. TRANSIT	D. KIT-STIKINE REGIONAL HOSPITAL	E. NORTH WEST REGIONAL HOSPITAL
1. Residential			
Land or Improvements/Other	0.16515		0.69482
2. Utilities	0.57803		2.43187
4. Major Industry	0.56151		2.36239
5. Light Industry	0.56151		2.36239
6. Business/Other	0.40462		1.70231
8. Recreational Property/Non-Profit Organization	0.16515		0.69482

DISTRICT OF KITIMAT

2017 Tax Rates (Dollars of Tax Per \$1,000 Taxable Value)

PROPERTY CLASS	MFA	BCAA	SCHOOL
1. Residential			
Land or Improvements/Other	0.0002	0.0432	2.6119
2. Utilities	0.0007	0.4981	13.4000
4. Major Industry	0.0007	0.4981	4.8000
5. Light Industry	0.0007	0.1393	4.8000
6. Business/Other	0.0005	0.1393	4.8000
8. Recreational Property/Non-Profit Organization	0.0002	0.0432	2.7000

PROPERTY CLASS	TAX RATE GRAND TOTALS	
1. Residential		
Vacant Land		5.45379
Land with Improvements/Other	594.00 plus rate	5.45379
2. Utilities		52.70763
4. Major Industry		34.94674
5. Light Industry		68.70608
6. Business/Other		21.89023
8. Recreational Property/Non-Profit Organization		25.87241

DISTRICT OF KITIMAT

BYLAW NO. 1909

A BYLAW TO IMPOSE A PARCEL TAX FOR THE COMMERCIAL AVENUE PAVING LOCAL AREA SERVICE

WHEREAS the Council of the District of Kitimat established the Commercial Avenue Paving Local Area Service pursuant to the *Commercial Avenue Paving Local Area Service Bylaw No. 1889, 2016*;

WHEREAS the form of local service tax specified for the Commercial Avenue Paving Local Area Service is a parcel tax;

WHEREAS the Collector has prepared a parcel tax roll in accordance with the *Commercial Avenue Paving Local Service Area Parcel Tax Roll Direction Bylaw No. 1904, 2017*, and that roll has been authenticated for the 2017 tax year; and

WHEREAS pursuant to section 200 of the *Community Charter*, the Council may, by bylaw, impose a parcel tax;

NOW THEREFORE the Municipal Council of the District of Kitimat in open meeting assembled enacts as follows:

Levy

1. A parcel tax is hereby imposed as follows:
 - (a) the Service for which the tax is imposed is the Commercial Avenue Paving Local Area Service;
 - (b) the parcel tax roll that shall be used to impose the tax is the Commercial Avenue Paving Local Service Area Parcel Tax Roll; and
 - (c) the tax shall be imposed annually for 10 years, commencing in 2017 and ending in 2026;
 - (d) the basis on which the tax is to be imposed pursuant to section 202(2) of the *Community Charter* is a single amount per parcel of \$2150.90.
2. The parcel tax imposed by this bylaw on each parcel of land shall be shown by the Collector on the real property tax roll, and the payment of the parcel tax shall be made in the same manner and on or before the same dates as other real property taxes.
3. The District of Kitimat shall have the same rights and remedies in respect of the parcel tax as other real property taxes.

Citation

4. This bylaw may be cited as "Commercial Avenue Paving Local Area Service Parcel Tax Bylaw No. 1909, 2017".

READ a first time this	day of	, 2017
READ a second time this	day of	, 2017
READ a third time this	day of	, 2017
FINALLY ADOPTED this	day of	, 2017

Mayor _____
Phil Germuth

Corporate Officer _____
Debbie Godfrey