

CITY OF SALMON ARM

BYLAW NO. 4616

A bylaw respecting the 2024 to 2028 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 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 2024 to 2028 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.

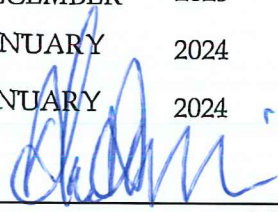
4. EFFECTIVE DATE

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 2024 to 2028 Financial Plan Bylaw No. 4616".

READ A FIRST TIME THIS	5	DAY OF	DECEMBER	2023
READ A SECOND TIME THIS	5	DAY OF	DECEMBER	2023
READ A THIRD TIME THIS	8	DAY OF	JANUARY	2024
ADOPTED BY COUNCIL THIS	8	DAY OF	JANUARY	2024

  
\_\_\_\_\_  
MAYOR

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

**City of Salmon Arm**

**2024 - 2028 Financial Plan**

	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
<b>Consolidated Revenues</b>					
Property and MRDT Taxes - Net	\$23,203,785	\$23,667,861	\$ 24,141,218	\$ 24,624,042	\$ 25,116,523
Frontage & Parcel Taxes	3,682,240	3,755,885	3,831,003	3,907,623	3,985,775
Sales of Service	10,485,920	10,695,638	10,909,551	11,127,742	11,350,297
Revenue From Own Sources	4,316,420	4,402,748	4,490,803	4,580,619	4,672,231
Rentals	602,520	614,570	626,861	639,398	652,186
Federal Government Transfers	707,600	721,752	736,187	750,911	765,929
Provincial Government Transfers	1,222,535	1,246,986	1,271,926	1,297,365	1,323,312
Other Government Transfers	212,300	216,546	220,877	225,295	229,801
Transfer From Prior Year Surplus	573,890	585,368	597,075	609,017	621,197
Transfer From Reserve Accounts	2,987,477	3,047,227	3,108,172	3,170,335	3,233,742
Transfer From Reserve Funds	1,184,000	1,207,680	1,231,834	1,256,471	1,281,600
<b>Total Consolidated Revenues</b>	<b>\$49,178,687</b>	<b>\$50,162,261</b>	<b>\$ 51,165,507</b>	<b>\$ 52,188,818</b>	<b>\$ 53,232,593</b>
<b>Consolidated Expenditures</b>					
General Government Services	\$ 4,796,347	\$ 4,892,274	\$ 4,990,119	\$ 5,089,921	\$ 5,191,719
Protective Services	7,774,595	7,930,087	8,088,689	8,250,463	8,415,472
Transportation Services	6,313,005	6,439,265	6,568,050	6,699,411	6,833,399
Environmental Health Services	257,520	262,670	267,923	273,281	278,747
Environmental Development Service	3,627,190	3,699,734	3,773,729	3,849,204	3,926,188
Recreation and Cultural Services	6,031,435	6,152,064	6,275,105	6,400,607	6,528,619
Fiscal Services - Interest	1,466,770	1,496,105	1,526,027	1,556,548	1,587,679
Fiscal Services - Principal	1,101,645	1,123,678	1,146,152	1,169,075	1,192,457
Capital Expenditures	6,703,280	10,914,851	7,925,647	7,159,696	5,309,071
Transfer to Surplus	-	-	-	-	-
Transfer to Reserve Accounts	4,232,200	239,339	3,451,628	4,445,124	6,527,844
Transfer to Reserve Funds	1,271,700	1,297,134	1,323,077	1,349,539	1,376,530
Water Services	3,025,650	3,086,163	3,147,886	3,210,844	3,275,061
Sewer Services	2,577,350	2,628,897	2,681,475	2,735,105	2,789,807
<b>Total Consolidated Expenditures</b>	<b>\$49,178,687</b>	<b>\$50,162,261</b>	<b>\$ 51,165,507</b>	<b>\$ 52,188,818</b>	<b>\$ 53,232,593</b>

**2024 - 2028 Financial Plan**

**City of Salmon Arm**

2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
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**Capital Projects**

**Finances Acquired**

General Operating Fund	\$ 2,212,010	\$ 6,959,461	\$ 6,138,601	\$ 5,307,650	\$ 4,739,650
Water Operating Fund	2,442,500	2,544,390	1,172,390	808,890	540,390
Sewer Operating Fund	2,048,770	1,411,000	614,656	1,043,156	29,031
Federal Government Grants	1,568,918	3,000,000	-	-	-
Provincial Government Grants	2,045,917	3,000,000	-	-	-
Prior Year Surplus	-	-	-	-	-
Reserve Accounts	7,798,720	2,259,885	954,402	1,978,500	2,077,500
Reserve Funds	8,433,575	4,432,500	2,421,000	2,136,000	469,500
Development Cost Charges	350,750	4,903,901	363,451	472,500	412,500
Short Term Debt	-	1,450,000	-	-	-
Long Term Debt	9,226,850	64,835,000	6,170,000	7,543,000	13,364,000
Developer Contributions	798,510	-	-	-	-

**Total Funding Sources**

<b>\$ 36,926,520</b>	<b>\$ 94,796,137</b>	<b>\$ 17,834,500</b>	<b>\$ 19,289,696</b>	<b>\$ 21,632,571</b>
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**Finances Applied**

Transportation Infrastructure	\$ 10,073,225	\$ 19,978,254	\$ 9,627,454	\$ 5,313,650	\$ 14,418,650
Buildings	6,700,440	1,175,000	538,000	358,000	330,000
Land	-	-	-	-	-
IT Infrastructure	78,410	105,000	-	-	-
Machinery and Equipment	2,488,920	3,725,000	896,000	1,086,000	604,500
Vehicles	721,250	505,000	95,000	110,000	180,000
Parks Infrastructure	2,240,495	2,987,493	2,014,000	1,607,500	2,760,000
Utility Infrastructure	14,623,780	66,320,390	4,664,046	10,814,546	3,339,421

**Total Capital Expense**

<b>\$ 36,926,520</b>	<b>\$ 94,796,137</b>	<b>\$ 17,834,500</b>	<b>\$ 19,289,696</b>	<b>\$ 21,632,571</b>
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**Departmental Summary:**

2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
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General Government Services	\$ 94,910	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000
Protective Services	1,359,500	957,000	267,000	687,000	437,000
Transportation Services	11,997,580	23,931,254	10,391,454	5,842,650	14,686,150
Environmental Health Services	109,715	255,000	210,000	60,000	60,000
Environmental Development Services	-	-	-	-	-
Recreation and Cultural Services	3,369,185	3,097,493	2,172,000	1,755,500	2,980,000
Water Services	9,244,850	2,544,390	4,079,390	1,306,390	3,340,390
Sewer Services	10,750,780	63,811,000	614,656	9,538,156	29,031

**Total by Department**

<b>\$ 36,926,520</b>	<b>\$ 94,796,137</b>	<b>\$ 17,834,500</b>	<b>\$ 19,289,696</b>	<b>\$ 21,632,571</b>
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Schedule "B" – Bylaw #4616  
2024 Revenue Policy Disclosure

1. Table One (1) reflects the proportion of total revenue proposed to be raised from each funding source in 2024. 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 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 #4616  
 2024 Revenue Policy Disclosure

Table 1: Proportions of Total Revenue

<b>Revenue Source</b>	<b>Percentage to Total Revenue</b> Includes Conditional Government Transfers	<b>Percentage to Total Revenue</b> Excludes Conditional Government Transfers
Property Taxes	39.95%	43.94%
Parcel Taxes	6.34%	6.97%
User Fees, Charges and Interest Income	26.53%	29.17%
Other Sources	11.29%	2.45%
Proceeds From Borrowing	15.89%	17.47%
	100.00%	100.00%

- 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 between Class 5 (Light Industry) and 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 #4616  
 2024 Revenue Policy Disclosure

Table 2: Distribution of Property Taxes Between Property Classes

Property Class	2023 Tax Rate	Class Multiple	Percentage to Total Property Tax	Percentage to Total Property Assessment Value
Residential	2.7440	1.00:1	66.70%	88.44%
Utilities	22.7936	8.31:1	0.79%	0.13%
Supportive Housing	0.000	0.00:1	0.00%	0.00%
Major Industry	65.3352	23.81:1	2.71%	0.15%
Light Industry	9.7008	3.54:1	2.72%	1.02%
Business	9.7008	3.54:1	26.32%	9.87%
Managed Forest Land	7.3849	2.69:1	0.04%	0.02%
Recreational/Non Profit	2.2831	0.83:1	0.14%	0.22%
Farm	13.7992	5.03:1	0.58%	0.15%

- 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 2022 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	\$ 39,385.50	\$ 33,556.50	\$ 72,942.00
Non Profit Societies	411,176.00	256,499.00	697,675.00
Senior Centers	13,090.00	6,498.00	19,588.00
Other	-	-	-
Sports Clubs	306,647.00	158,217.00	464,864.00
<b>Total</b>	<b>\$ 800,298.50</b>	<b>\$ 454,770.50</b>	<b>\$ 1,255,069.00</b>

Schedule "B" – Bylaw #4616  
2024 Revenue Policy Disclosure

- 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	2018 General Municipal Tax Exemption	2019 General Municipal Tax Exemption	2020 General Municipal Tax Exemption	2021 General Municipal Tax Exemption	2022 General Municipal Tax Exemption	2023 General Municipal Tax Exemption
C-2 "Downtown Commercial Zone"	\$ 24,304.74	\$ 24,657.03	\$ 18,939.56	\$ 14,424.23	\$ 10,358.95	\$ 7,115.36

- 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	2018 General Municipal Tax Exemption	2019 General Municipal Tax Exemption	2020 General Municipal Tax Exemption	2021 General Municipal Tax Exemption	2022 General Municipal Tax Exemption	2023 General Municipal Tax Exemption
"Industrial Zone"	\$ 5,425.51	\$ 5,400.26	\$ 7,614.60	\$ 36,999.43	\$ 91,830.85	\$122,924.53