

# **TOWN OF OSOYOOS**



## **5 YEAR FINANCIAL PLAN**

### **BYLAW NO 1376, 2022**

# ***CONSOLIDATED VERSION***

Adopted February 22, 2022  
Updated May 13, 2022

(CONSOLIDATED FOR CONVENIENCE PURPOSES ONLY)

Consolidated Version should be read in conjunction with the complete document.

**TOWN OF OSOYOOS**  
**BYLAW NO. 1376, 2022**

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A Bylaw of the Town of Osoyoos respecting the five-year financial plan.

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The Council of the Town of Osoyoos in open meeting assembled **ENACTS AS FOLLOWS:**

1. This Bylaw may be cited for all purposes as the "5 Year Financial Plan Bylaw No. 1376, 2022".
2. Schedule "A" attached hereto and forming part of this bylaw is hereby declared to be the 5 Year Financial Plan of the Town of Osoyoos for the years 2022-2026.
3. Schedule "B" attached hereto and forming part of this bylaw is hereby declared to be the Statement of Objectives and Policies for the Five-Year Financial Plan of the Town of Osoyoos for the years 2022-2026.
4. Authority to make expenditures in accordance with the 5-year financial plan is hereby delegated to the following Officers:
  1. Chief Administrative Officer
  2. Director of Finance/ Deputy C.A.O.
  3. Director of Corporate Services
  4. Director of Planning & Development Services
  5. Director of Operational Services
  6. Director of Community Services
  7. Executive Assistant/Communications Coordinator
  8. Fire Chief
5. Financial Plan Bylaw No. 1371, 2021 is hereby repealed.

Read a first, second and third time and amended this 15<sup>th</sup> day of February, 2022.

Adopted this 22<sup>nd</sup> day of February, 2022.

*Original signed by Mayor Sue McKortoff*

MAYOR

*Original signed by Brianne Hillson*

CORPORATE OFFICER

**Town of Osoyoos**  
**2022 - 2026 Financial Plan**  
**Schedule "A"**

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>REVENUES</b>					
Property Taxes – Municipal	2,825,545	2,910,320	2,997,630	3,087,560	3,180,190
Property Taxes - Policing	1,147,000	1,181,410	1,216,860	1,253,370	1,290,980
Property Taxes – General Debt	30,500	30,500	128,699	128,699	504,594
Property Taxes – Fire Protection	533,414	595,754	662,861	701,591	712,794
Property Taxes – Fire Hall Debt	175,137	175,137	175,137	175,137	175,137
Utility Taxes	122,030	124,490	126,990	129,550	132,150
Parcel Taxes	570,974	570,974	570,974	570,974	570,974
<b>USER FEES &amp; CHARGES</b>					
Sale of Services	1,803,430	1,924,742	1,956,398	1,988,738	2,021,692
Other	540,240	541,950	1,395,761	545,490	547,300
User Fees	4,247,200	4,457,510	4,678,340	4,910,150	5,668,206
<b>BORROWING PROCEEDS</b>	509,400	3,198,300	11,077,241	7,579,338	3,254,968
<b>OTHER REVENUE</b>					
Interest/Donations	270,000	270,000	270,000	270,000	270,000
Grants	4,011,902	4,892,531	4,349,371	2,059,425	601,721
Other	622,294	562,069	596,454	623,194	631,081
<b>TRANSFERS FROM FUNDS</b>					
Reserve Funds	4,743,699	2,742,444	1,301,938	735,658	467,188
Development Cost Charge Fund	0	160,000	0	0	0
Accumulated Surplus	1,790,112	792,954	2,656,660	951,731	187,515
<b>TOTAL</b>	<b>23,942,877</b>	<b>25,131,085</b>	<b>34,161,314</b>	<b>25,710,605</b>	<b>20,216,420</b>
<b>EXPENDITURES</b>					
Debt Interest	321,453	321,453	411,035	489,509	944,127
Debt Principal	350,643	350,643	463,838	563,341	1,014,238
Capital Expenses	11,430,420	12,740,659	21,272,491	12,095,001	5,592,246
<b>OTHER MUNICIPAL PURPOSES</b>					
General	5,643,466	5,688,960	5,774,910	5,946,640	6,076,470
Fire Protection	919,240	1,023,750	1,136,250	1,201,180	1,219,960
Policing	1,194,000	1,228,410	1,263,860	1,300,370	1,337,980
Water	2,025,255	2,085,040	2,119,770	2,159,050	2,199,130
Sewer	1,559,215	1,613,440	1,640,430	1,669,910	1,699,950
<b>TRANSFER TO</b>					
Reserve Funds	490,585	70,130	70,130	277,004	123,719
Other Government	8,600	8,600	8,600	8,600	8,600
<b>TOTAL</b>	<b>23,942,877</b>	<b>25,131,085</b>	<b>34,161,314</b>	<b>25,710,605</b>	<b>20,216,420</b>

**Town of Osoyoos  
2022-2026 Financial Plan  
Statement of Objectives and Policies  
Schedule “B”**

In accordance with Section 165(3.1) of the *Community Charter*, the Town of Osoyoos (Town) is required to include in the Five-Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*;
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

**Funding Sources**

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2022. Property taxes form a large proportion of revenue of the municipality. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, bylaw enforcement, parks maintenance, snow removal, recreation, roads maintenance, sidewalks and street lighting.

Sale of Service and User Fees are another large portion of planned revenue. Many services can be measured and charged on a user-pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, cemetery, landfill and sale of services – these are charged on a user pay basis. User fees attempt to apportion the value of a service to those who use the service.

**Objective**

- Over the next four years, the Town will increase the proportion of revenue that is received from user fees and charges by at least 3 percent over the current levels.

**Policies**

- The Town will review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service.
- Where possible, the Town will endeavor to supplement revenues from user fees and charges, rather than taxation, to lessen the burden on its limited property tax base.

**Table 1: Sources of Revenue**

<b>Revenue Source</b>	<b>% of Total Revenue</b>	<b>Dollar Value</b>
Property Taxes - Municipal	11.80%	2,825,545
Property Taxes - Policing	4.79%	1,147,000
Property Taxes – General Debt	0.13%	30,500
Property Taxes – Fire Protection	2.23%	533,414
Property Taxes – Fire Hall Debt	0.73%	175,137
Utility Taxes	0.51%	122,030
Parcel Taxes	2.38%	570,974
Sales of Services	7.53%	1,803,430
Fees and Charges - Other	2.26%	540,240
User Fees	17.74%	4,247,200
Borrowing	2.13%	509,400

Interest/Donations	1.13%	270,000
Grants	16.76%	4,011,902
Other sources	2.60%	622,294
Transfer from Funds	27.28%	6,533,811
<b>Total</b>	<b>100%</b>	<b>23,942,877</b>

### **Distribution of Municipal Property Tax Rates**

Table 2 outlines the distribution of property taxes among the property classes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base and consumes the majority of Town services.

### **Objectives**

- Over the next four years, keep the property tax increase close to the cost of living.
- Maintain the property tax rate for business and other (Class 6) at the current ratio of 1.9 times the residential rate.

### **Policies**

- Supplement, where possible, revenues from user fees and charges to help to offset the burden on the entire property tax base.
- Continue to maintain and encourage economic development initiatives designed to attract more retail and commercial businesses to invest in the community.
- Regularly review and compare the Town's distributions of tax burden relative to other municipalities in the South Okanagan.

**Table 2: Distribution of Property Tax Rates**

<b>Property Class</b>	<b>% of Total Property Taxation</b>	<b>Dollar Value</b>
Residential (1)	82.32%	\$2,325,780
Utilities (2)	0.15%	\$4,378
Social Housing (3)	0.00%	\$0
Major Industrial (4)	0.00%	\$0
Light Industrial (5)	0.46%	\$12,964
Business and Other (6)	16.95%	\$478,828
Recreation/Non-profit (8)	0.10%	\$2,946
Farmland (9)	0.02%	\$649
<b>Total</b>	<b>100.00%</b>	<b>\$2,825,545</b>

### **Permissive Tax Exemptions**

The Town has an existing permissive tax exemption policy which guides the administration and approval of permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions that are outlined in the policy include the following:

- The tax exemption must demonstrate benefit to the community and residents of the Town by enhancing the quality of life (economically, socially and culturally) within the community.
- The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in conflict with those of the Town.
- The organization receiving the exemption must be a registered non-profit society, as the support of the municipality will not be used for commercial and private gain.
- Permissive tax exemptions will be considered in conjunction with: (a) other assistance being provided by the Town; (b) the potential demands for Town services or infrastructure arising

from the property; and (c) the amount of revenue that the Town will lose if the exemption is granted.

**Objective**

- The Town will continue to provide permissive tax exemptions to non-profit societies. Over the next three years, the Town will look at expanding its offering of permissive tax exemptions to include revitalization tax exemptions targeted at green development for the purposes of encouraging development that will meet our *Climate Action Charter* commitments.

**Policies**

- Expand the permissive tax exemption policy to include eligibility requirements for green revitalization tax exemptions.
- Develop a revitalization tax exemption program which details the kind of green activities that the exemption program will target.

