

TOWN OF OSOYOOS
BYLAW NO. 1381, 2022

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

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. 1381, 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 2023-2027.
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 2023-2027.
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. Fire Chief
5. Financial Plan Bylaw No. 1376, 2022 is hereby repealed.

Read a first, second and third time this 13th day of December, 2022.

Adopted this 10th day of December, 2023.

Original signed by Mayor Sue McKortoff

MAYOR

Original signed by Brianne Hillson

CORPORATE OFFICER

Town of Osoyoos
2023 - 2027 Financial Plan
Schedule "A" of Bylaw No. 1381, 2022

	2023	2024	2025	2026	2027
REVENUES					
Property Taxes – Municipal	3,195,629	3,436,874	3,685,357	3,941,294	4,204,909
Property Taxes - Policing	1,187,070	1,263,410	1,298,860	1,335,370	1,372,980
Property Taxes – General Debt	30,500	30,500	323,983	323,983	561,900
Property Taxes – Fire Protection	652,404	659,095	750,637	769,420	786,122
Property Taxes – Fire Hall Debt	175,137	175,137	175,137	175,137	175,137
Utility Taxes	134,000	136,700	139,450	142,260	145,120
Parcel Taxes	571,760	571,760	571,760	571,760	571,760
USER FEES & CHARGES					
Sale of Services	1,935,035	1,973,170	2,006,006	2,039,466	2,073,570
Other	569,110	571,180	573,300	1,002,511	577,660
User Fees	5,115,890	5,908,396	6,999,005	8,193,820	8,917,669
BORROWING PROCEEDS	350,000	7,558,300	7,558,300	2,118,433	11,460,796
OTHER REVENUE					
Interest/Donations	270,000	270,000	270,000	270,000	270,000
Grants	5,290,424	5,365,531	3,599,371	1,877,021	1,726,721
Other	592,131	604,753	1,106,070	673,024	675,682
TRANSFERS FROM FUNDS					
Reserve Funds	4,802,123	2,018,135	1,049,672	429,164	165,132
Development Cost Charge Fund	160,000	0	0	0	0
Accumulated Surplus	2,830,558	1,726,898	982,179	762,368	70,432
TOTAL	27,861,771	32,269,839	31,223,960	24,625,031	33,755,590
EXPENDITURES					
Debt Interest	316,735	316,735	647,789	910,291	1,056,295
Debt Principal	355,335	355,335	615,810	822,347	937,224
Capital Expenses	13,777,768	17,434,848	15,323,368	7,441,049	15,374,918
OTHER MUNICIPAL PURPOSES					
General	5,890,740	5,929,510	6,041,070	6,134,340	6,353,260
Fire Protection	1,118,720	1,129,940	1,283,400	1,314,890	1,342,890
Policing	1,222,070	1,228,410	1,263,860	1,300,370	1,337,980
Water	2,258,220	2,326,540	2,369,620	2,413,760	2,454,600
Sewer	1,775,400	1,835,970	1,869,200	1,903,190	1,933,880
TRANSFER TO					
Reserve Funds	1,138,183	1,703,951	1,801,243	2,376,194	2,955,943
Other Government	8,600	8,600	8,600	8,600	8,600
TOTAL	27,861,771	32,269,839	31,223,960	24,625,031	33,755,590

**Town of Osoyoos
2023-2027 Financial Plan
Statement of Objectives and Policies
Schedule 'B' of Bylaw No. 1381, 2022**

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 2023. 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

Revenue Source	% of Total Revenue	Dollar Value
Property Taxes - Municipal	11.47%	\$3,195,629
Property Taxes - Policing	4.26%	\$1,187,070
Property Taxes – General Debt	0.11%	\$30,500
Property Taxes – Fire Protection	2.34%	\$652,404
Property Taxes – Fire Hall Debt	0.63%	\$175,137
Utility Taxes	0.48%	\$134,000
Parcel Taxes	2.05%	\$571,760
Sales of Services	6.95%	\$1,935,035
Fees and Charges - Other	2.04%	\$569,110
User Fees	18.36%	\$5,115,890

Borrowing	1.26%	\$350,000
Interest/Donations	0.97%	\$270,000
Grants	18.99%	\$5,290,424
Other sources	2.13%	\$592,131
Transfer from Funds	27.96%	\$7,792,681
Total	100%	\$27,861,771

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

Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	82.32%	\$2,630,391
Utilities (2)	0.15%	\$4,952
Social Housing (3)	0.00%	\$0
Major Industrial (4)	0.00%	\$0
Light Industrial (5)	0.46%	\$14,662
Business and Other (6)	16.95%	\$541,558
Recreation/Non-profit (8)	0.10%	\$3,332
Farmland (9)	0.02%	\$734,697
Total	100.00%	\$3,195,629

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.