

THE CORPORATION OF THE VILLAGE OF CUMBERLAND

BYLAW NO. 1252

A Bylaw to amend the 2025 – 2029 Financial Plan.

The Council of the Corporation of the Village of Cumberland in open meeting assembled enacts as follows:

1. This Bylaw may be cited as “2025 - 2029 Financial Plan Amendment Bylaw No. 1252, 2025”.
2. “2025 – 2029 Financial Plan Bylaw No. 1216, 2024” is amended by:
 - (a) repealing Schedule A and substituting Schedule A to this bylaw, and
 - (b) repealing Schedule B and substituting Schedule B to this bylaw.

READ A FIRST TIME THIS	08TH	DAY OF	DECEMBER	2025.
READ A SECOND TIME THIS	08TH	DAY OF	DECEMBER	2025.
READ A THIRD TIME THIS	08TH	DAY OF	DECEMBER	2025.
ADOPTED THIS	09TH	DAY OF	MARCH	2026.

Mayor

Corporate Officer

Schedule A
2025 – 2029 Financial Plan

	<u>2025</u>				
	<u>Amended</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
REVENUES					
Property taxes & payments in lieu	\$ (4,940,060)	\$ (5,231,750)	\$ (5,618,750)	\$ (6,045,930)	\$ (6,292,234)
Parcel taxes	\$ (808,730)	(1,386,060)	(1,431,080)	(1,476,310)	(1,521,760)
Sale of services & fees	\$ (3,029,540)	(3,234,710)	(3,450,480)	(3,632,390)	(3,789,070)
Sale of services to other government	\$ (560,990)	(180,970)	(185,830)	(190,690)	(195,550)
Transfers from other government	\$ (9,708,720)	(1,363,000)	(3,671,050)	(1,665,000)	(1,225,000)
Other revenue	\$ (937,740)	(1,127,260)	(742,660)	(746,110)	(749,590)
	<u>\$ (19,985,780)</u>	<u>\$ (12,523,750)</u>	<u>\$ (15,099,850)</u>	<u>\$ (13,756,430)</u>	<u>\$ (13,773,204)</u>
EXPENSES					
Other municipal purposes	\$ 10,221,430	\$ 9,835,360	\$ 9,388,670	\$ 9,649,950	\$ 9,816,270
Debt interest	\$ 364,240	497,330	554,610	574,620	634,420
Amortization	\$ 1,779,520	1,929,520	2,079,520	2,079,520	2,079,520
	<u>\$ 12,365,190</u>	<u>\$ 12,262,210</u>	<u>\$ 12,022,800</u>	<u>\$ 12,304,090</u>	<u>\$ 12,530,210</u>
NET (REVENUES) EXPENSES	<u>\$ (7,620,590)</u>	<u>\$ (261,540)</u>	<u>\$ (3,077,050)</u>	<u>\$ (1,452,340)</u>	<u>\$ (1,242,994)</u>
ADJUSTMENTS					
Acquisition of capital assets	\$ 19,779,740	\$ 3,410,160	\$ 4,577,440	\$ 2,751,630	\$ 2,489,970
Add back amortization	\$ (1,779,520)	(1,929,520)	(2,079,520)	(2,079,520)	(2,079,520)
Proceeds from borrowing	\$ (4,692,290)	-	(1,510,000)	(253,000)	(800,000)
Principal payments on debt	\$ 523,060	725,810	942,550	999,840	968,770
TOTAL ADJUSTMENTS	<u>\$ 13,830,990</u>	<u>\$ 2,206,450</u>	<u>\$ 1,930,470</u>	<u>\$ 1,418,950</u>	<u>\$ 579,220</u>
CHANGE IN CONSOLIDATED FUNDS	<u>\$ 6,210,400</u>	<u>\$ 1,944,910</u>	<u>\$ (1,146,580)</u>	<u>\$ (33,390)</u>	<u>\$ (663,774)</u>
TRANSFER FROM RESERVES					
Reserves	\$ (8,896,270)	\$ (4,519,120)	\$ (1,455,650)	\$ (2,383,110)	\$ (2,165,166)
Development Cost charges	\$ (267,030)	-	(12,380)	(334,130)	(12,380)
Parking in Lieu	\$ -	-	-	-	-
TRANSFER TO RESERVES					
Reserves	\$ 2,952,900	2,574,210	2,614,610	2,750,630	2,841,320
TRANSFER TO / (FROM) RESERVES	<u>\$ (6,210,400)</u>	<u>\$ (1,944,910)</u>	<u>\$ 1,146,580</u>	<u>\$ 33,390</u>	<u>\$ 663,774</u>
TRANSFER TO/(FROM) ACCUMULATED SURPLUS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule B
Policies and Objectives

Pursuant to section 165 (3.1) of the *Community Charter*

Part A: Proportion of Total Revenue Proposed to Come From Each Funding Source

Table 1: The proportion of total revenue proposed to be raised from each funding source in 2025 (based on 2025 revised Assessment Roll).

Revenue Source	% Total Revenue	Dollar Value
Government Grants	39%	9,708,720
Property Value Taxes & Payments in Lieu	20%	4,940,060
Proceeds from Borrowing	19%	4,692,290
Sale of Services and Fees	15%	3,590,530
Other Revenue	4%	937,740
Parcel Taxes	3%	808,730
Total	100%	24,678,070

1. The Village seeks out all grant opportunities that become available. The Comox Valley Regional District as part of a landfill host agreement provides amenity funds to the Village and this funding will continue until 2032. The municipality also receives funds under the Strategic Community Initiative (Small Community grant) which provides a significant source of funds for operations and capital maintenance programs. Funding from Government Grant is mostly comprised of the grant funding approved for the Wastewater Treatment Plant and Cumberland #2 Dam making government grants the largest funding source in 2025 for the Village.
2. Property value tax is typically the primary source for operating funds for general municipal purposes. Property taxation is simple to administer, and offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. However, due to a federal and provincial grant that the Village will receive for the construction of the new Wastewater Treatment Plant and reconstruction of the Cumberland #2 Dam infrastructure, government grants are the larger source of funding for the Village in 2025.
3. The municipality finances vehicles and equipment and secures debenture financing for portions of large committed projects not funded by grants or development cost charges. The municipality reviews all other funding options prior to financing recognizing that borrowing constitutes a long-term commitment and because borrowing authority is limited for an organization of this size. There is a commitment to borrow \$6.9 million for the wastewater treatment upgrades expected in 2026.

4. Sale of services and fees form another significant portion of planned revenue. Many municipal services, such as utilities and recreation, lend well to a fee for service basis. Costs can be associated to a level of service provided, particularly where services are optional. In addition, the municipality sells water, fire protection and animal control services to other municipalities.
5. Other revenue includes sources of funds which do not fit in another category and include donations, developer amenity funds, grants from non-government sources, investment revenue, permits and licensing.
6. Parcel taxes fund the capital costs of providing water, sewer and storm water infrastructure. The intention is to use these taxes toward the replacement of water, sewer and storm water infrastructure as well as reducing the Village’s wet weather flows through storm and sewer inflow and infiltration.

Objective and Policies

Over the next five years, the municipality has the following objectives and policies:

- to actively seek grants for major infrastructure repair and replacement;
- to annually review utility rates to ensure water, sewer and storm water operating and delivery costs are fully funded; and
- to review all other services to determine optimal proportions of cost recovery from fees versus general revenues and taxation.

Part B: Distribution of Property Taxes among Property Classes

Table 2: The distribution of property tax revenue among the property classes (based on 2024 revised Assessment Roll)

Property Class	% Total Property Tax	Dollar Value
1. Residential	74%	3,656,137
2. Utilities	2%	92,765
3. Supportive Housing		
4. Major Industry		
5. Light Industry	4%	177,460
6. Business and Other	17%	828,366
7. Managed forest	3%	173,243
8. Recreation & Non Profit	0%	12,083
9. Farm		6
Total	100%	4,940,060

Tax rates are set in order to maintain tax stability. Annual tax increases are apportioned over the classes to ensure stability.

There are no class 3 or 4 or 9 properties located within the Village.

The municipality recognizes the need to attract and retain businesses and industry for economic development and not to rely heavily on any one industry as a tax source. Council believes that the non-residential rates based on these ratios reflect that philosophy.

Part C: The Use of Permissive Tax Exemptions

Council does not generally support exemptions. Taxpayers within the various property classes are treated equitably and policies are established for each class and not for individual property owners. There are four exceptions to this policy:

1. Grounds surrounding places of worship

Parcels that qualify for partial statutory exemption, such as the grounds surrounding places of worship, are granted an exemption from taxes. These exemptions represent a very small dollar value which would not recover the associated costs of administering the taxes.

2. Municipal properties occupied by a community group or partner agency where the group or agency has been granted a reduced or zero lease rate

Permissive tax exemptions will also be provided for municipal properties occupied by a community group or partner agency where the group or agency has been granted a reduced or zero lease rate but may be subject to property tax under section 229 of the *Community Charter*. This exemption recognizes that municipal buildings are not subject to property taxes when used for municipal purposes; the groups or agencies are deemed by Council to be providing a valuable community benefit or municipal service; that the group or agency may not be granted exclusive use of the building and/or that the space may be reclaimed by the municipality as and when needed.

3. Properties offering affordable rental housing

Permissive property tax exemptions will be considered on assessed improvement value of properties offering affordable rental housing when the organization owning or leasing and managing the property meet the following qualifying criteria:

1. Have a signed current housing agreement with the Village
2. Be the registered owner of the property, or a tenant under a lease requiring it to pay taxes directly to the Village
3. Be a British Columbia registered charity or not for profit society

4. Qualifies for an exemption under the provisions of the Community Charter Part 7, Division 7, Section 224 2 (a):
 - (a) land or improvements that
 - (i) are owned or held by a charitable, philanthropic or other not for profit corporation, and
 - (ii) the council considers are used for a purpose that is directly related to the purposes of the corporation;
5. Principal use meets Council's objective of offering affordable rental housing to the residents of the Village
6. Follows municipal policies, plans, bylaws, and regulations (i.e. zoning, permits, etc.)

Applicants are required to provide annually:

- a. Copy of financial statements for last 3 years for first time applicants and for the last year for current tax exemption recipients
- b. Copy of current and next year operating budget
- c. Copy of registered charity or not for profit society information
- d. Copy of title certificate or lease agreement, as applicable
- e. In the case of a lease agreement, documents are required which indicate that the applicant will benefit from the exemption. Documents should demonstrate that the lease is currently, or will, on approval of the exemption, be reduced by the amount of the exemption, or that other considerations will be provided by the landlord equivalent to the value of the exemption.
- f. Scale drawing of property (buildings, parking lots, landscaping, etc.)
- g. Description of any third-party use of the subject land/improvements including user group names, fees charged, space used, terms of use.

The organization applying for a permissive property tax exemption for affordable rental housing will provide the required documentation by July 15, in order to be considered for an exemption the next year.

4. *Properties held for conservation purposes*

Permissive tax exemptions for lands held for conservation purposes shall only be considered where the applicant is a registered not-for-profit society or charity with a primary purpose of ecological conservation, and where the land is subject to a registered Section 219 (Land Title Act) conservation covenant or long-term management agreement that ensures ecological protection in perpetuity. All applications shall demonstrate alignment with the Village's Official Community Plan and be subject to annual review.

Applicants are required to provide annually:

- a. Copy of financial statements for last 3 years for first time applicants and for the last year for current tax exemption recipients
- b. Copy of current and next year operating budget
- c. Copy of registered charity or not for profit society information
- d. Copy of title certificate or lease agreement, as applicable
- e. Statement of use from the organization, along with a copy of their non-profit constitution