

THE CORPORATION OF THE  
**CITY OF WHITE ROCK**

15322 BUENA VISTA AVENUE, WHITE ROCK, B.C. V4B 1Y6

**NOTICE OF SPECIAL COUNCIL MEETING**

**MONDAY, JULY 25, 2016**

**NOTICE** is hereby given that the Council of the City of White Rock will hold a **SPECIAL COUNCIL MEETING** in the City Hall **COUNCIL CHAMBERS** on **MONDAY, JULY 25, 2016** beginning at **4:00 p.m.**

**Meeting Date:** Monday, July 25, 2016

**Time:** 4:00 p.m.

**Location:** City Hall Council Chambers,  
15322 Buena Vista Avenue, White Rock, BC

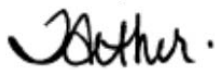
**Purpose:** “Financial Plan (2016-2020) Bylaw, 2016, No. 2132, Amendment No. 2, Bylaw 2016, No. 2160”

The purpose of the Bylaw is to update the cost estimate and timing for the water utility Arsenic/Manganese Treatment Facility project, as well as the phasing of other water infrastructure upgrades.

Copies of the proposed bylaw amendment along with copies of the adopted 2016 – 2020 Financial Plan Bylaw No. 2132 and associated reports may be inspected in the City Clerk’s Office at White Rock City Hall, from Tuesday, July 12, 2016 to Monday, July 25, 2016 between the hours of 8:30 am to 4:30 pm., excluding weekends and statutory holidays. The information will also be included on the City’s website [www.whiterockcity.ca](http://www.whiterockcity.ca) under the regular meeting agenda section for July 25, 2016.

**Note:** There will be an opportunity for public submissions with respect to Bylaw 2160 at a **SPECIAL COUNCIL MEETING** scheduled for **4:00 pm on Monday, July 25, 2016 in the City Hall Council Chamber**. You may also convey your submission by writing to the City Clerk by **12:00 pm (noon), Monday, July 25, 2016**.

Date: July 19, 2016



Tracey Arthur, City Clerk

**WHITE ROCK**  
*My City by the Sea!*

[www.whiterockcity.ca](http://www.whiterockcity.ca)

**THE CORPORATION OF THE  
CITY OF WHITE ROCK  
BYLAW 2160**



A Bylaw to amend the Financial Plan for 2016 to 2020

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WHEREAS the City Council of the Corporation of the City of White Rock is empowered by the provisions of Section 165 of the "Community Charter" to amend the Financial Plan for the five-year period ending the thirty-first day of December 2020.

AND WHEREAS it is necessary for such Financial Plan to be amended

The CITY COUNCIL of The Corporation of the City of White Rock in open meeting assembled, ENACTS as follows:

1. Schedule "A" and Schedule "B" attached hereto and forming part of the "White Rock Financial Plan (2016-2020) Bylaw, 2016, No. 2132", are hereby repealed and replaced by the Schedules "A" and "B" attached hereto and forming part of this bylaw.
2. This Bylaw may be cited for all purposes as the "*Financial Plan (2016-2020) Bylaw, 2016, No. 2132, Amendment No. 2, Bylaw 2016 No. 2160*".

RECEIVED FIRST READING on the	11 <sup>th</sup>	day of	July, 2016
RECEIVED SECOND READING on the	11 <sup>th</sup>	day of	July, 2016
RECEIVED THIRD READING on the	11 <sup>th</sup>	day of	July, 2016
ADOPTED on the		day of	

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MAYOR

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CITY CLERK

	2016	2017	2018	2019	2020
<b>Revenues:</b>					
Municipal property taxes	\$ 19,495,760	\$ 20,186,552	\$ 21,175,930	\$ 22,263,003	\$ 22,923,726
Regional library levy	870,288	887,694	905,448	923,557	942,028
BIA levy	312,000	318,000	324,000	330,000	330,000
Sewer parcel tax	153,500	153,500	153,500	153,500	153,500
Local improvement parcel tax	5,206	5,206	5,206	5,206	5,206
Grant in lieu of taxes & utility levy	266,700	272,034	277,475	283,024	288,685
Development cost charges	661,100	4,031,800	733,800	897,100	695,600
Fees & charges	13,177,900	14,148,481	14,775,684	15,562,753	16,303,231
Own/other sources	13,968,205	16,562,389	9,389,442	8,176,271	8,376,854
Government grants	1,139,840	3,330,840	7,805,340	4,844,840	1,804,440
<b>Total Revenues</b>	<b>\$ 50,050,499</b>	<b>\$ 59,896,496</b>	<b>\$ 55,545,825</b>	<b>\$ 53,439,254</b>	<b>\$ 51,823,270</b>
<b>Expenses:</b>					
Interest on debt	400,030	618,028	886,928	978,093	1,021,488
Other municipal purposes	34,259,117	32,907,779	34,096,455	35,121,567	36,064,377
Amortization expense	5,022,500	6,320,500	7,591,400	8,031,300	8,373,700
<b>Total Expenses</b>	<b>\$ 39,681,647</b>	<b>\$ 39,846,307</b>	<b>\$ 42,574,783</b>	<b>\$ 44,130,960</b>	<b>\$ 45,459,565</b>
<b>Surplus/(Deficit) before adjustments</b>	<b>\$ 10,368,852</b>	<b>\$ 20,050,189</b>	<b>\$ 12,971,042</b>	<b>\$ 9,308,294</b>	<b>\$ 6,363,705</b>
<b>Adjustment for non cash items:</b>					
Amortization expense	5,022,500	6,320,500	7,591,400	8,031,300	8,373,700
<b>Adjustments for cash items not recognized as revenues or expenses in the Statement of Operations:</b>					
Tangible capital asset expenditures	(26,660,000)	(33,452,000)	(24,048,000)	(16,747,000)	(13,365,000)
Principal payments on capital leases	(20,900)	(21,900)	(15,700)	(4,500)	-
Principal payments on long term debt	(12,197)	(438,302)	(752,457)	(863,051)	(925,493)
Debt financing received	6,446,700	7,491,000	2,979,000	1,653,000	-
Transfer from capital works reserve	1,651,800	812,800	394,000	700,000	75,000
Transfer from land sale reserve	1,380,000	-	-	-	-
Transfer from off street parking reserve	-	7,600	-	-	-
Transfer from equipment replacement reserve	1,303,800	1,409,400	81,000	263,000	87,000
Transfer from other reserves	13,451,798	11,603,648	6,815,448	4,371,448	6,411,448
Transfer from operating funds	3,910,300	3,870,900	4,163,000	4,093,200	4,259,200
Transfer to Surplus	(407,200)	(35,000)	(35,000)	(35,000)	(35,000)
Transfer to capital works reserve	(976,800)	(1,014,300)	(1,136,200)	(1,176,100)	(1,196,400)
Transfer to equipment replacement reserve	(552,700)	(583,500)	(610,300)	(621,600)	(633,100)
Transfer to other reserves	(10,995,653)	(12,150,135)	(4,234,233)	(4,879,791)	(5,155,860)
Transfer to capital funds	(3,910,300)	(3,870,900)	(4,163,000)	(4,093,200)	(4,259,200)
<b>Financial Plan Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Financial Plan (2016 to 2020) Bylaw, 2016, No. 2132, Amendment No. 2, 2016  
No. 2160  
Schedule B - Revenue and Tax Policy Statements**

**1. Proportions of 2016 Revenue:**

Property Value Taxes	42%
Fees & Charges	26%
Other Sources	32%

Property value taxes are the largest revenue source in 2016. This is typical of municipalities. Property value taxes include municipal, Fraser Valley Regional Library, and Business Improvement Area levies as well as grants & levies received in lieu of taxes from certain utility companies.

Fees and charges represent 26% of 2016 budgeted revenue. The most significant of these are water, sanitary sewer, drainage and solid waste user fees, as well as Leisure Services program revenue.

The other sources category represents 32% of 2016 budgeted revenue. The revenue proportions are skewed this year due to the significant amount of community amenity contribution revenue budgeted to be received. Typically this category represents 19% to 24% of total revenue, but it is higher this year for that reason. Other components of “other sources” revenues include pay parking, investment income, building permits and business licences.

Over the four years 2017 to 2020, these proportions are projected to remain similar, except for a reduction in “other sources” revenue in the latter years of the Financial Plan period when community amenity contribution revenue is projected to be significantly lower.

**2. 2016 Municipal Property Tax Distribution:**

Class 1 Residential	89.56%
Class 2 Utility	0.21%
Class 6 Business & Other	10.20%
Class 8 Recreational & Nonprofit	0.03%

The calculation of municipal property tax distribution is based on historical class multiples, as adjusted by new development.

### **3. Permissive Tax Exemptions:**

White Rock Council Policy No. 317 details the City's policy for permissive property tax exemptions, in accordance with Section 224 of the Community Charter. This policy provides the criteria for granting permissive tax exemptions to certain properties in the following categories:

- Land surrounding the buildings of places of worship;
- Burlington Northern Santa Fe Railway property leased by the City;
- City properties leased to not-for-profit organizations that are providing a community service not currently available through the City and have not previously paid property taxes on the City property in question;
- Property owned by organizations whose principal purpose is to directly support Peace Arch Hospital's provision of health and wellness services to citizens of White Rock;
- Property owned by a charitable, philanthropic or other not-for-profit organization whose principal purpose is delivery of social services to citizens of White Rock, provided that the property is being used for that purpose and it provides a beneficial service to the Community; and
- Property owned by not-for-profit organizations whose principal purpose is delivery of cultural services to citizens of White Rock, provided that the property is being used for that purpose and it provides a beneficial service to the Community.

At this time there is no change anticipated to the City's Permissive Tax Exemption Policy.

Permissive tax exemptions granted for 2016 will be listed in the City's 2016 Annual Report.

THE CORPORATION OF THE  
**CITY OF WHITE ROCK**  
CORPORATE REPORT



**DATE:** July 11, 2016

**TO:** Mayor and Council

**FROM:** Sandra Kurylo, Director of Financial Services

**SUBJECT:** Financial Plan (2016 to 2020) Bylaw, 2016, No. 2132, Amendment No. 2, Bylaw 2016, No. 2160

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**RECOMMENDATIONS**

THAT Council receive for information the July 11, 2016 report from the Director of Financial Services titled "*Financial Plan (2016 to 2020) Bylaw, 2016, No. 2132, Amendment No. 2, Bylaw 2016, No. 2160*".

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**INTRODUCTION**

The purpose of this report is to introduce *Financial Plan (2016 to 2020) Bylaw, 2016, No. 2132, Amendment No. 2, Bylaw 2016, No. 2160* and to advise Council of the amendments that are incorporated into the Bylaw.

**PAST PRACTICE/POLICY/LEGISLATION**

The Community Charter stipulates that a municipal financial plan can be amended, by bylaw, at any time, and that municipalities can only make expenditures that are included in the financial plan for that year.

**ANALYSIS**

*Financial Plan (2016 to 2020) Bylaw, 2016, No. 2132* was adopted by Council on April 25, 2016. It has become necessary to amend the 2016 to 2020 Financial Plan, in particular to update the cost estimate and timing for the water utility Arsenic/Manganese Treatment Facility project, as well as the phasing of other water infrastructure upgrades. This is necessary before the associated 2016 loan authorization bylaw comes forward to Council.

The 2016 to 2020 Financial Plan currently includes \$13 million for the Arsenic/Manganese Treatment Facility project, with the following phasing:

	2016	2017	2018	Total
Merklin Design	\$730,000			\$730,000
Merklin Construction		\$5,130,000		\$5,130,000
Oxford Design	\$890,000			\$890,000
Oxford Construction			\$6,250,000	\$6,250,000
Totals	\$1,620,000	\$5,130,000	\$6,250,000	\$13,000,000

All design costs and one-third of project construction costs, totaling \$5,413,000, are funded from long term debt. The remaining amount of \$7,587,000 is assumed to be funded from grants.

The updated cost estimate for engineering and construction is \$14,215,000, and this has been reflected in the New Building Canada Fund grant application. Updated phasing is now as follows:

	2016	2017	2018	2019	Total
Merklin Design	\$140,000*	\$141,000	\$15,000		\$296,000
Merklin Const.		\$1,154,000	\$4,569,000		\$5,723,000
Oxford Design		\$296,000*	\$76,000	\$15,000	\$387,000
Oxford Const.			\$2,894,000	\$4,915,000	\$7,809,000
Total	\$140,000	\$1,591,000	\$7,554,000	\$4,930,000	\$14,215,000

\*Includes \$50,000 for public engagement

The amount assumed to be funded from long term debt is now \$5,194,000, and it is still comprised of all design and one-third of the construction costs. The remaining amount of \$9,021,000 is assumed to be funded from grants. Incremental operating costs have been re-phased to correspond with this new schedule.

As well, the following other water utility budget adjustments are included in *Financial Plan (2016 to 2020) Bylaw, 2016, No. 2132, Amendment No. 2, Bylaw 2016, No. 2160*:

Description	Amount	Funding Source
Increase Total Water Quality Management (TWQM) Phase 1 Oxford Budget	\$39,000	Long Term Debt
Bring forward design and some construction of new well at the Oxford Site, from 2017 to 2016	\$440,000	Long Term Debt
Defer Marine Dr. Water Main Upgrade – Vidal to Martin, from 2016 to 2017	(\$234,000)	Long Term Debt
Defer 13600 to 13800 Marine Dr. Water Main Upgrade, from 2016 to 2017	(\$554,000)	Long Term Debt

These adjustments and the re-phasing of the Arsenic/Manganese Treatment Facility project reduce the 2016 required new debt by \$1,789,000, from \$7,721,000 to \$5,932,000. Assumed interest rates for future debt are 3.5% for 30 year borrowing and 3% for 10 year borrowing. This compares to the Municipal Finance Authority’s 2016 spring issue 10 year rate of 2.6%. Budgeted interest payments on the existing debt of \$14,250,000 have also been reduced in this Bylaw to reflect the 10 year secured rate of 2.6%.

The reductions in annual debt servicing costs resulting from these adjustments range from \$269,000 in 2017 to \$184,000 in 2020. These savings have been applied to reduce annual water user fee revenues for 2017 to 2020, with the exception of \$50,000 which has been applied to increase the annual water utility operating budget.

When the 2016 to 2020 Financial Plan was prepared it was anticipated that the first principal payment on the existing debt of \$14,250,000 would be due in late 2016. The final repayment schedule issued by the Municipal Finance Authority confirms it is not due until 2017. As a result, the 2016 budgeted principal payment of \$207,000 has been re-allocated to the water utility capital reserve. This will assist in reducing debt in a future year and will be adjusted accordingly during the 2017 to 2021 Financial Plan process.

Other 2016 to 2020 Financial Plan amendments incorporated into this Bylaw include previously approved budget re-allocations and/or increases for the Columbia Lane Storm Sewer Replacement, Marine Drive/Buena Vista Avenue/Oxford Street project, and Community Public Art. In addition, \$130,000 has been re-allocated from the Drainage Fund Renew and Replacement project to the Habgood Pumpstation design, and other minor adjustments have been made.



**CONCLUSION**

It is recommended that *Financial Plan (2016 to 2020) Bylaw, 2016, No. 2132, Amendment No. 2, Bylaw 2016, No. 2160* be given first, second and third readings.

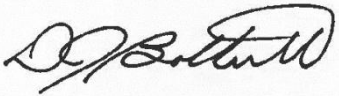
Respectfully submitted,



Sandra Kurylo  
Director of Financial Services

**Comments from the Chief Administrative Officer:**

I concur with the recommendations of this corporate report.



Dan Bottrill  
Chief Administrative Officer