

To: Electoral Area Services Committee
From: Mike Veenbaas, Director of Financial Services

Date: 2020-01-14
File No: 3920-20

Subject: North Bend Sewer System Amendment Bylaw

RECOMMENDATION

THAT the Fraser Valley Regional District Board consider giving three readings to the bylaw cited as *Fraser Valley Regional District North Bend Sewer System Local Service Area Amendment Bylaw No. 1568, 2020*.

STRATEGIC AREA(S) OF FOCUS

Support Healthy & Sustainable Community
Provide Responsive & Effective Public Services

PRIORITIES

Priority #2 Air & Water Quality

BACKGROUND

The Regional District of Fraser-Cheam established the North Bend Sewer System Local Service Area in 1991. This service is somewhat unique in that it has two participating areas within the service, one funded via parcel tax and one funded via property value tax. While the annual parcel & value tax requisitions are set during the financial planning process, the maximum allowable requisitions are noted in the establishing bylaw.

DISCUSSION

The North Bend Sewer Service has two participating areas, Highline which has a property value tax and Hallecks Creek which has a parcel tax. There existence of the two areas is tied to historical sewer systems in North Bend.

As part of the 2020 financial planning process it has been noted that the proposed value tax requisition of \$27,270 will be over the maximum allowable for Highline in the establishing bylaw. Staff are proposing to increase the maximum to a level of \$30,000 to accommodate the service's budget over the current 5-year financial plan. In addition, staff are proposing that the amendment bylaw reflect a rate per \$1,000 calculation as allowed under LGA 339(1)(e) in order to provide the Board with flexibility in setting future tax requisition levels during the financial planning process. The 2020 completed roll net

taxable value for the service area is \$2,582,843. The proposed rate of \$11.615 per \$1,000 would calculate a maximum tax requisition of \$30,000 in 2020 with future years' maximum dependent on the annual assessment roll from BC Assessment.

The annual requisition for this service had above normal increases in 2011 and 2012 in response to a need for the service to become financially self sufficient with rising operations and major maintenance costs. As the annual budget was increased, the service area establishment bylaw was not amended to reflect the need for a higher maximum requisition. This was discovered as part of a review of all service area establishment bylaws and service area requisition budgets.

COST

Amendments to service area establishment bylaw requisition limits do not have a direct financial impact as the actual requisition level is set by the Board through the adoption of the annual financial plan bylaw.

CONCLUSION

To align with current and future tax requisition levels, staff are proposing an amendment to the maximum requisition level that is included in the Highline Participating Area of the North Bend Sewer System Local Service Area establishing bylaw.

COMMENTS BY:

Jennifer Kinneman, Acting Chief Administrative Officer

Reviewed and supported.