

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

Date: 2018-09-05
File No: 3920-20

Subject: Parcel Tax Establishment and Parcel Tax Roll Preparation Bylaws

RECOMMENDATION

THAT the Fraser Valley Regional District Board give three readings and adoption to the following bylaws:

Bylaw 1484, 2018 Hatzic Prairie Water System Capital Construction Service Parcel Tax Establishment Bylaw

Bylaw 1496, 2018 Lake Errock Water System Capital Construction Service Parcel Tax Establishment Bylaw

Bylaw 1497, 2018 South Cultus Lake Sewage Treatment Service Parcel Tax Establishment Bylaw

Bylaw 1498, 2018 Popkum Sewer Service Parcel Tax Establishment Bylaw

Bylaw 1499, 2018 Cultus Lake Park Collector Sewer System Service Parcel Tax Establishment Bylaw

Bylaw 1485, 2018 Parcel Tax Roll Preparation Bylaw

STRATEGIC AREA(S) OF FOCUS

Provide Responsive & Effective Public Services

BACKGROUND

Service area establishment bylaws have been adopted by the Board for a number of new services. These bylaws provide the Board with the ability to fund the service via property value tax, parcel tax, fees/charges or a combination of these three. Staff are proposing to utilize the parcel tax option which requires the Board to consider adopting further bylaws to allow for funding via parcel tax.

DISCUSSION

Funding a utility based service via parcel tax has been the typical approach for Fraser Valley Regional District services. The parcel tax method is seen as a fair model for allocating costs equally to all properties within a service area for the fixed costs of the infrastructure needed to supply the water or treat the sewer. Often, the service's operational costs are then recovered via a user fee that is reflective of the actual consumption/usage of the service. Under this model only those connected to a service pay for the operational costs whereas all properties within the service pay for the infrastructure. The rationale being that even if a property is not connected, there is a value to the property in having the service available at the property line.

Bylaw 1467, 2018 South Cultus Lake Sewage Treatment Service Parcel Tax Establishment Bylaw

This is a new service area established in 2017 for the Aquadel Crossing development located near the south end of Cultus Lake. Staff are expecting the new sewage treatment plant to come online Fall 2018 with costs to be recovered starting in 2019. This service is proposed to be funded via parcel tax.

Bylaw 1484, 2018 Hatzic Prairie Water System Capital Construction Service Parcel Tax Establishment Bylaw

This service represents an extension to the existing Hatzic Prairie Water System that included capital works funded using a provincial grant, community works funds and debt proceeds. The proposed parcel tax for this service would be used to cover the debt servicing expenses for the 20 year term.

Bylaw 1496, 2018 Lake Errock Water System Capital Construction Service Parcel Tax Establishment Bylaw

This service represents an extension to the existing Lake Errock Water System that included capital works funded using a provincial grant, community works funds and debt proceeds. The proposed parcel tax for this service would be used to cover the debt servicing expenses for the 20 year term.

Bylaw 1498, 2018 Popkum Sewer Service Parcel Tax Establishment Bylaw

This is a new service area established in 2017 in response to infill development occurring in the Popkum area. Staff are expecting the new sewage treatment plant to come online Fall 2018 with costs to be recovered starting in 2019. This service is proposed to be funded via parcel tax.

Bylaw 1499, 2018 Cultus Lake Park Collector Sewer System Service Parcel Tax Establishment Bylaw

This service was first established in 1979 and converted to a local service area in 1990. A parcel tax establishment bylaw was adopted in 1986 and has been in effect since then. With the significant changes occurring in this service area as a result of the new sewage treatment plant, Staff are

proposing a new establishing bylaw be adopted under the new bylaw format with the existing bylaw being rescinded. The new bylaw will also provide for the flexibility to set the parcel tax rate sufficient to cover the new debt servicing expenses.

Bylaw 1485, 2018 Parcel Tax Roll Preparation Bylaw

This bylaw is a legislative formality to allow Staff to prepare parcel tax rolls for each of the services listed in the bylaw. The proposed bylaw reflects the current bylaw's listing plus the additional services noted above.

COST

Funds collected via parcel taxes are set by the Board via the annual financial planning process.

CONCLUSION

Staff are proposing a number of parcel tax establishment bylaws to allow for the use of the parcel tax funding method, in keeping with past practice of funding FVRD utility based services.

COMMENTS BY:

Paul Gipps, Chief Administrative Officer

Reviewed and supported