

CITY OF MERRITT

AGENDA

SPECIAL MEETING OF COUNCIL

COUNCIL CHAMBERS, CITY HALL

2185 Voght Street
Merritt, B.C.

Tuesday, May 07, 2019
At 7:00 P.M.

Mission Statement: The City of Merritt is a progressive, attractive, economically viable City that is socially responsible and environmentally sustainable.

Council

Mayor Linda A. Brown

Councillor Mike Bhangu

Councillor Adam Etchart

Councillor Tony Luck

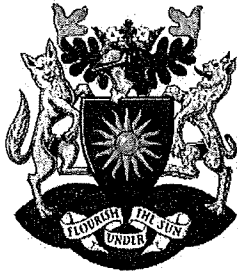
Councillor Kurt Christopherson

Councillor Travis Fehr

Councillor Melvina White

Country Music Capital of Canada

For Enquiries
Telephone - (250) 378-4224
www.merritt.ca



CITY OF MERRITT

A G E N D A

**SPECIAL COUNCIL MEETING
COUNCIL CHAMBERS, CITY HALL
TUESDAY, MAY 07, 2019
AT 7:00 P.M.**

1. PRESENT

2. CALL TO ORDER

3. PUBLIC INPUT (10 Minutes)

4. ADOPTION OF MINUTES

Nil

5. GENERAL MATTERS - Delegations and Recognitions

**DRAFT 2018 AUDITED
FINANCIAL
STATEMENTS**

5.1 Draft 2018 Audited Financial Statements for the City of Merritt Presentation; Mario Piroddi, CPA, CA, CISA Partner through a corporation BDO Canada LLP
File: 1680

**FINANCIAL PLAN
AND TAX RATE
BYLAWS**

5.2 Financial Plan and Tax Rate Bylaw Presentation; Director of Finance & IT
File: 3900.2261 & 3900.2262

6. UNFINISHED BUSINESS

MOTION TO RECONSIDER

Page 5

107/19

- 6.1 Motion to Reconsider Motion from April 23, 2019 Regular Council Meeting
File: 0250

Motion from April 23, 2019 Regular Council Meeting:

Moved, Seconded and CARRIED

THAT the City of Merritt send a letter and a delegation to the Province, opposing the proposed sand and gravel pit on Highway 8

B.C. PNP ENTREPRENEUR IMMIGRATION PILOT COMMITTEE

Page 6-7

- 6.2 City of Merritt B.C. Provincial Nominee Program (B.C. PNP) Entrepreneur Immigration Pilot Committee; Economic Development & Tourism Manager April 30, 2019 Report
File: 0570

Recommendation:

THAT Council selects a Council member to sit on the City of Merritt B.C. PNP Entrepreneur Immigration Pilot Committee

7. BYLAWS

FIVE YEAR FINANCIAL PLAN

Page 8-12

- 7.1 City of Merritt Five-Year Financial Plan Bylaw No. 2261, 2019
File: 3900.2261

Recommendation:

THAT City of Merritt Five-Year Financial Plan Bylaw No. 2261, 2019 be read a first time

Recommendation:

THAT City of Five-Year Merritt Financial Plan Bylaw No. 2261, 2019 be read a second time

Recommendation:

THAT City of Merritt Five-Year Financial Plan Bylaw No. 2261, 2019 be read a third time

TAX RATES

Page 13-15

7.2 City of Merritt 2019 Annual Property Taxes Bylaw No. 2262, 2019
File: 3900.2262

Recommendation:

THAT City of Merritt 2019 Annual Property Taxes Bylaw No. 2262, 2019 be read a first time

Recommendation:

THAT City of Merritt 2019 Annual Property Taxes Bylaw No. 2262, 2019 be read a second time

Recommendation:

THAT City of Merritt 2019 Annual Property Taxes Bylaw No. 2262, 2019 be read a third time

8. NEW BUSINESS

**DRAFT 2018 AUDITED
FINANCIAL
STATEMENTS**

8.1 Draft 2018 Audited Financial Statements for the City of Merritt
File: 1680

Recommendation:

THAT Council accept the Draft 2018 Audited Financial Statements for City of Merritt;

AND THAT the Mayor and Director of Financial Services & IT be authorized to sign on behalf of the City

9. TERMINATION OF MEETING

10. REPORTS FROM COUNCIL

- GRAVEL PIT LETTER 10.1 Moved, Seconded
THAT the City of Merritt send a letter to the Province, opposing the proposed sand and gravel pit on Highway 8
- 106/19 Moved, Seconded and CARRIED
THAT the main motion be amended to include Council sending a delegation to submit the letter
Voting resumed on the main motion as amended
- 107/19 Moved, Seconded and CARRIED
THAT the City of Merritt send a letter and a delegation to the Province, opposing the proposed sand and gravel pit on Highway 8
- SACRED FIRE 10.2 Moved, Seconded and CARRIED
THAT Council authorize Conayt Friendship Society to have a Sacred Fire at Central Park, subject to park availability and approval of the Fire Chief
- 108/19
- ABORIGINAL DAYS 10.3 Moved, Seconded and CARRIED
THAT Council provide Conayt Friendship Society with a letter of support for Aboriginal Days
- 109/19

11. INFORMATION ITEMS

- CITY OF MAPLE RIDGE 11.1 Ministry of Municipal Affairs & Housing; Michael Morden, Mayor, City of Maple Ridge April 05, 2019 Letter
File: 0135



Report

**City of Merritt
SPECIAL Council Meeting
May 7, 2019**

File Number: 0570

To: Sheila Thiessen, Acting Chief Administrative Officer
From: Will George, Economic Development and Tourism Manager
Date: April 30, 2019
Subject: City of Merritt B.C. Provincial Nominee Program (B.C. PNP) Entrepreneur Immigration Pilot Committee

RECOMMENDATION:

THAT Council selects a Council member to sit on the City of Merritt B.C. PNP Entrepreneur Immigration Pilot Committee.

Background:

In January 2019, the Province launched the two-year BC Provincial Nominee Program Entrepreneur Immigration Regional Pilot (BC PNP), to assist in attracting foreign entrepreneurs to establish new businesses in BC.

At the April 9, 2019 Regular Council Meeting, Council approved the creation of a City of Merritt B.C. PNP Entrepreneur Immigration Pilot Committee. The purpose of the BC PNP Committee is to review and make referrals to the Province regarding the applications of entrepreneurs seeking to immigrate to Canada and establish businesses in Merritt as part of the BC PNP, Entrepreneur Immigration Pilot. This committee consists of: one member of Council, one member from Nicola Valley Community Futures, one member from the Merritt and District Chamber of Commerce

As of April 30, 2019, the City of Merritt has received 85 inquiries from foreign businesses looking to open a business in Merritt since the program opened on March 14th, 2019. This increased interest in Merritt from foreign entrepreneurs has also led to increased interest from Canadian residents looking to open a business.

Reviewed by:			
Director, Finance & IT	Director, Engineering & Development	Director, Corp. Services	Other: CAO

Financial / Risk Implications:

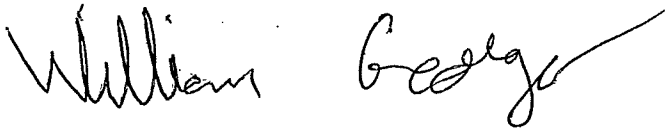
Council time would be required to attend committee meetings, which ideally, will be held during working hours.

Options / discussion

1. THAT Council selects a Council member to sit on the City of Merritt B.C. PNP Entrepreneur Immigration Pilot Committee.
2. THAT Council receives this report for information.

Staff is recommending option 1

Respectfully submitted,

A handwritten signature in black ink that reads "Will George". The signature is written in a cursive, flowing style.

**Will George
Economic Development and Tourism Manager**

CITY OF MERRITT

BYLAW NO. 2261, 2019

A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE PERIOD 2019-2023

WHEREAS pursuant to Section 165 of the *Community Charter*, the Council for the City of Merritt must adopt a five-year financial plan;

AND WHEREAS the five-year financial plan must set out the proposed expenditures and proposed revenues for each year of the plan;

NOW THEREFORE the Council for the City of Merritt in open meeting assembled, **ENACTS AS FOLLOWS:**

1. That this bylaw shall be cited as "CITY OF MERRITT FIVE-YEAR FINANCIAL PLAN BYLAW NO. 2261, 2019".
2. That Schedule "A", attached hereto and forming part of this bylaw is hereby declared to be the Financial Plan of the City of Merritt for the years 2019 - 2023.
3. That Schedule "B", attached hereto and forming part of this bylaw is hereby declared to be the Capital Plan of the City of Merritt for the years 2019 – 2023.
4. That Schedule "C", attached hereto and forming part of this bylaw is hereby declared to be the 2019 - 2023 Financial Plan Revenue Policy.
5. That "City of Merritt Five-Year Financial Plan Bylaw No. 2232, 2018" is hereby repealed.

READ A FIRST TIME THIS _____ day of _____, 2019

READ A SECOND TIME THIS _____ day of _____, 2019

READ A THIRD TIME THIS _____ day of _____, 2019

ADOPTED THIS _____ day of _____, 2019

Linda A. Brown,
MAYOR

Sean Smith,
CORPORATE OFFICER

CITY OF MERRITT
2019 to 2023 Financial Plan
Schedule "A"
Bylaw 2261, 2019

	2019 Annual Budget	2020 Annual Budget	2021 Annual Budget	2022 Annual Budget	2023 Annual Budget
REVENUE					
Taxation, net	7,571,549	7,904,878	8,241,114	8,580,315	8,922,540
Parcel taxes	1,231,395	1,231,395	1,231,395	1,231,395	1,231,395
1% Utility Tax	154,138	154,138	154,138	154,138	154,138
Grants in lieu of taxes	136,500	136,500	136,500	136,500	136,500
Federal government grants	1,500	1,500	1,500	1,500	1,500
Provincial government grants	1,443,440	715,000	615,000	615,000	615,000
Regional grants	309,866	315,732	321,714	327,817	334,041
Sales of services and rentals	4,352,526	4,352,526	4,352,526	4,352,526	4,352,526
Licenses, permits and fines	220,800	220,800	220,800	220,800	220,800
Penalties and interest on taxes	155,000	155,000	155,000	155,000	155,000
Return on investments	225,000	225,000	225,000	225,000	225,000
Other revenue	280,500	280,500	280,500	280,500	280,500
Transfer from Utilities	520,000	520,000	520,000	520,000	520,000
Gas Tax Funds	726,149	356,730	356,730	356,730	356,730
	17,328,363	16,569,699	16,811,917	17,157,221	17,505,670
EXPENDITURE					
Departmental expenditure					
General government	2,333,360	2,359,963	2,387,099	2,414,777	2,443,009
Protective services	4,154,794	4,244,245	4,336,135	4,430,533	4,527,509
Transportation services	2,605,538	2,620,663	2,636,090	2,651,825	2,667,875
Environmental health services	718,465	722,278	726,168	730,135	734,182
Development services	699,540	581,528	488,655	495,925	503,341
Public health and welfare services	102,185	102,628	103,080	103,541	104,012
Recreational and cultural services	3,133,321	3,164,851	3,197,012	3,229,816	3,263,276
Water utility	1,204,669	1,212,833	1,221,161	1,229,655	1,238,318
Sewer utility	1,180,320	1,188,335	1,196,511	1,204,850	1,213,356
Debt servicing costs	308,414	308,414	308,414	305,700	305,700
Bank charges	15,000	15,000	15,000	15,000	15,000
	16,455,606	16,520,738	16,615,325	16,811,757	17,015,578
Surplus (Deficit for the year)	872,757	48,961	196,592	345,464	490,092
Adjust for Cash Items					
MFA debt principal payments	(360,399)	(360,399)	(360,399)	(311,301)	(311,301)
Short term debt principal payments	(39,709)	(39,709)	(39,709)	(39,709)	(39,709)
Capital expenditures	(8,146,502)	(2,097,400)	(1,685,000)	(1,685,000)	(1,685,000)
Transfer from (to) reserve for future	760,865	300,000			
Transfer (to) from reserve funds	1,157,881	(401,730)	(401,730)	(401,730)	(401,730)
Transfer from prior years surplus	1,196,857	801,527	541,496	343,526	198,898
Proceeds from debt	2,809,500				
Amortization	1,748,750	1,748,750	1,748,750	1,748,750	1,748,750
	(872,757)	(48,961)	(196,592)	(345,464)	(490,092)
Financial Plan Balance	0	0	0	0	0

CITY OF MERRITT
2019 - 2023 CAPITAL PLAN
Schedule "B"
Bylaw 2261, 2019

GENERAL FUND CAPITAL PROJECTS

	ALL YEARS	2019	2020	2021	2022	2023
ADMINISTRATION	460,500	260,500	50,000	50,000	50,000	50,000
PROTECTIVE SERVICES	3,268,625	2,816,225	422,400	10,000	10,000	10,000
PUBLIC WORKS	4,576,945	2,456,945	530,000	530,000	530,000	530,000
RECREATION AND FACILITIES	645,560	605,560	10,000	10,000	10,000	10,000
	8,951,630	6,139,230	1,012,400	600,000	600,000	600,000

FUNDING SOURCES

	ALL YEARS	2019	2020	2021	2022	2023
General Revenue	4,909,649	2,497,249	612,400	600,000	600,000	600,000
Non-statutory Reserves	826,011	526,011	300,000	0	0	0
Grant	406,470	306,470	100,000	0	0	0
Proceeds from Debt	2,809,500	2,809,500	0	0	0	0
	8,951,630	6,139,230	1,012,400	600,000	600,000	600,000

ALL YEARS	2019	2020	2021	2022	2023
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WATER FUND CAPITAL PROJECTS

	3,515,000	1,255,000	565,000	565,000	565,000	565,000
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FUNDING SOURCES

	ALL YEARS	2019	2020	2021	2022	2023
Water Revenue	2,825,000	565,000	565,000	565,000	565,000	565,000
Statutory Reserves	690,000	690,000	0	0	0	0
	3,515,000	1,255,000	565,000	565,000	565,000	565,000

ALL YEARS	2019	2020	2021	2022	2023
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SEWER FUND CAPITAL PROJECTS

	2,732,272	732,272	500,000	500,000	500,000	500,000
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FUNDING SOURCES

	ALL YEARS	2019	2020	2021	2022	2023
Sewer Revenue	2,732,272	732,272	500,000	500,000	500,000	500,000
	2,732,272	732,272	500,000	500,000	500,000	500,000

ALL YEARS	2019	2020	2021	2022	2023
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TRANSIT FUND CAPITAL PROJECTS

	100,000	20,000	20,000	20,000	20,000	20,000
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FUNDING SOURCES

	ALL YEARS	2019	2020	2021	2022	2023
Transit Revenue	100,000	20,000	20,000	20,000	20,000	20,000
	100,000	20,000	20,000	20,000	20,000	20,000

ALL YEARS	2019	2020	2021	2022	2023
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GRAND TOTAL CAPITAL PROJECTS

	15,298,902	8,146,502	2,097,400	1,685,000	1,685,000	1,685,000
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ALL YEARS	2019	2020	2021	2022	2023
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General Revenue	10,566,921	3,814,521	1,697,400	1,685,000	1,685,000	1,685,000
Non-Statutory Reserves	826,011	526,011	300,000	0	0	0
Statutory Reserves	690,000	690,000	0	0	0	0
Grants	406,470	306,470	100,000	0	0	0
Proceeds from Debt	2,809,500	2,809,500	0	0	0	0
GRAND TOTAL FUNDING SOURCES	15,298,902	8,146,502	2,097,400	1,685,000	1,685,000	1,685,000

City of Merritt
2019 – 2023 Financial Revenue Policy
Schedule “C”
Bylaw No. 2261, 2019

Under the requirements of the *Community Charter* Section 165 (3.1) the Financial Plan must set out the objectives and policies of the municipality.

Property Taxes

Property taxation revenue will be determined by Council each year according to the operating and capital needs of the community, as part of the annual budget process. Taxation will be based on the service level delivery priorities of Council, in balance with preserving and enhancing the financial health and sustainability of the City.

Taxes will be allocated to the various classes of property as follows, to preserve and maintain the existing equity between assessment classes:

- a) The utility class will be taxed at the maximum combined rate per thousand dollars of assessed value permitted by legislation.
- b) All remaining assessment classes of property will receive an equal allocation of the percentage change in the annual tax levy.

Property Class	% of Tax Revenue
Residential	54%
Utilities	2%
Major Industry	10%
Light Industry	2%
Business	32%
Recreation	0%
Farm	0%
Total	100.00%

The proportion of revenues to be raised from property taxation in 2019 is 39% of total revenue.

Parcel Taxes

The City of Merritt also utilizes parcel taxes for the collection of costs associated with local service areas. Parcel taxes are collected for a specific period of time during which the costs are incurred. Once all costs for which the parcel taxes are being collected have been paid, the parcel taxes are no longer collected.

The proportion of revenues to be raised from parcel taxes in 2019 is 6%

Municipal Fees and Charges

Service fee recovery should reflect the full costs of the program delivery unless the program is directed towards children or where Council has determined that the cost of delivery should be subsidized.

The proportion of revenues to be raised from fees and charges in 2019 is 22%.

Other Revenues

Investment income will be based on prudent investments of taxpayer funds.

Other revenues and fees and charges should be developed and enhanced to maximize the value derived for the benefit of the residents of the City of Merritt.

Proceeds from Borrowing

The City of Merritt accesses funds by borrowing through long term (>5 years) and short-term debt. Long term debt is used for major capital projects with elector approval. Short term debt and leasing is used for purchases of equipment and vehicles.

The proportion of proceeds from borrowing in 2019 is 14% of funding.

Development Cost Charges

The City of Merritt collects development cost charges (DCC's), per Bylaw No. 1964, 2007, "City of Merritt Development Cost Charge Bylaw". These funds are held in deferred revenue until projects identified in the bylaw are planned. At this point in time, the funding from DCC's will be identified in the Financial Plan. Currently, there are no DCC eligible projects in the 2019 – 2023 Financial Plan.

Permissive Tax Exemptions

The City of Merritt recognizes the benefits accruing to the community through the efforts and activities of volunteer organizations and community groups. Permissive Tax Exemptions extend a financial benefit to such groups. The exemptions must be reviewed each year and new applications will be reviewed each year under a process and committee, as defined by existing City policy.

Revitalization Tax Exemptions

The City of Merritt recognizes the benefit of a healthy economy and a vibrant community and has adopted a revitalization tax exemption bylaw that provides for a property tax incentive for improvements made to existing buildings and for certain new construction undertaken by property owners. Qualifying property owners can apply to receive a property tax exemption as provided by the revitalization tax exemption bylaw which is reviewed by committee for approval.

CITY OF MERRITT
BYLAW NUMBER 2262, 2019

**A BYLAW TO ESTABLISH THE ANNUAL PROPERTY
TAX RATES FOR 2019**

WHEREAS pursuant to section 197 of the *Community Charter*, Council must, by bylaw, impose property value taxes for the year by establishing tax rates for the municipal revenue proposed to be raised for the year from property value taxes as provided in the financial plan, and the amounts to be collected for the year by means of rates established by the municipality to meet its taxing obligations in relation to another local government or other public body;

NOW THEREFORE the Council for the City of Merritt in open meeting assembled, **ENACTS AS FOLLOWS:**

Citation

1. This Bylaw may be cited as "**CITY OF MERRITT 2019 ANNUAL PROPERTY TAXES BYLAW NO. 2262, 2019**".

General

2. The following taxation rates are hereby imposed and levied for the year 2019:

- a) General Municipal and Debt Rate

For all lawful general and debt purposes of the municipality, on the assessed value of land and improvements taxable for general municipal purposes, appearing in Column "A" of the Schedule attached to and forming part of this bylaw.

- b) Thompson – Nicola Regional District Rate

For purposes of the Thompson-Nicola Regional District, on the assessed value of land and improvements taxable for hospital assessment base purposes, appearing in Column "B" of the Schedule attached to and forming part of this bylaw.

c) Thompson Regional Hospital District Rate

For the purposes of the Thompson Regional Hospital District, on the assessed value of land and improvements taxable for hospital assessment base purposes, appearing in Column "C" of the Schedule attached to and forming a part of this bylaw.

d) Transit Rate

For the purposes of transit services, on the assessed value of land and improvements taxable for general municipal purposes, appearing in Column "D" of the Schedule attached to and forming a part of this bylaw.

3. The minimum amount of taxation upon a parcel of real property shall be One Dollar (\$1.00).
4. For the purposes of Section 237 of the *Community Charter*, the tax notice will provide for a tax due date of July 2nd, 2019 at 4:30 p.m. and state that a 10% penalty will be applied to any outstanding tax balances as of that date and time.
5. "City of Merritt Annual Property Taxes for 2018, Bylaw No. 2233, 2018" is hereby repealed.

READ A FIRST TIME THIS _____ day of _____, 2019

READ A SECOND TIME THIS _____ day of _____, 2019

READ A THIRD TIME THIS _____ day of _____, 2019

ADOPTED THIS _____ day of _____, 2019

Linda A. Brown,
MAYOR

Sean Smith,
CORPORATE OFFICER

**CITY OF MERRITT
2019 Tax Rates Schedule
Bylaw No. 2262, 2019**

(dollars of tax per \$1,000 taxable values)

Property Class	A General Municipal & Debt	B TNRD	C TRHD	D Transit	Multiples for General Purposes
1 Residential	5.1790	0.9138	0.4569	0.1243	1.000
2 Utilities	39.9301	3.1985	1.5990	0.9472	7.71
4 Major Industry	65.7941	3.1071	1.5533	1.5792	12.704
5 Light Industry	30.5509	3.1071	1.5533	0.7333	5.899
6 Business / Other	15.6820	2.2389	1.1193	0.3764	3.028
8 Recreation / Non-Profit	6.2562	0.9138	0.4569	0.1502	1.208
9 Farm	24.1083	0.9138	0.4569	0.5786	4.655

For information only

Property Class	E School	F B.C.A.A.	G M.F.A.
1 Residential	2.2639	0.0389	0.0002
2 Utilities	13.2000	0.4830	0.0007
4 Major Industry	3.7000	0.4830	0.0007
5 Light Industry	3.7000	0.1082	0.0007
6 Business / Other	3.7000	0.1082	0.0005
8 Recreation / Non-Profit	2.3000	0.0389	0.0002
9 Farm	7.1000	0.0389	0.0002