



**DISTRICT OF SECHELT
COMMITTEE OF THE WHOLE MEETING**

**Community Meeting Room, 5797 Cowrie Street, Sechelt, BC
Wednesday, April 10, 2019
3:00 pm**

AGENDA

1. CALL TO ORDER AND DECLARATION OF CONFLICT

2. ADOPTION OF AGENDA

3. APPOINTMENTS AND DELEGATIONS

4. NEW BUSINESS

5. BUSINESS ITEMS

5.1 2019 Municipal Property Tax Rates Pg 2 – 8

- Report from Doug Stewart, Director of Corporate and Financial Services, dated April 2, 2019

5.2 Septage Disposal Costs and Fees Pg 9 – 14

- Report from Ben Currie, Manager of Financial Services, dated April 2, 2019

6. ADJOURNMENT

Public Question and Answer Period



REQUEST FOR DECISION

TO: Committee of the Whole

REPORT DATE: April 2, 2019

TARGET DECISION DATE: April 10, 2019

FROM: The Director of Corporate and Financial Services

RE: **2019 Municipal Property Tax Rates**

FILE NO: 1715-2019

RECOMMENDATION(S)

1. That the report from the Director of Corporate and Financial Services dated April 2, 2019 regarding the 2019 Municipal Property Tax Rates be received.
2. That the Committee recommend to Council that the District of Sechelt 2019 property tax rates be set as shown in Schedule 1 in Attachment 1 in this report.

PURPOSE

To seek the Committee's recommendation to Council for the 2019 District of Sechelt property tax rates.

OPTIONS

1. Endorse the municipal property tax rates as provided in Attachment 1.
2. Endorse different tax rates as determined by the Committee.

DISCUSSION

At the March 27, 2019 Committee of the Whole meeting the Committee endorsed a total property tax increase for 2019 of 8.45% with 5.45% being for operational needs and 3% for general capital requirements as a continuation of a Council initiative started in 2017 to ensure the District has adequate funds available for the repair, refurbishment or replacement of its tangible capital assets.

The total property tax levy in 2018 was \$8,512,387. The 8.45% property tax increase will generate an additional \$718,504. Increased taxes from growth will generate a further \$143,465. The total property tax levy for 2019 will be \$9,374,356.

The first step required to determine the property tax rates is to adjust the rate from the previous year to take into account changes in property assessments due to market forces. The purpose of this step is to ensure the District's property owners do not pay additional taxes simply due to an increase in assessed value. It should be noted that adjustments to the tax rate are done at a property class level (residential, business etc.) so individual property owners may see an impact on their tax bill based on how their assessment changed relative to others within the same property class.

The following chart shows the assessment changes from market and non-market (growth) forces on the property tax roll:

Property Class	2018 Net Assessed Values	2019 Net Assessed Values before Growth	Change from 2018 to 2019	Non-market change (growth)	2019 Net Assessed Values with growth	% of Total Assessments	
						2018	2019
1 Residential	3,200,580,918	3,585,595,581	12.03%	63,493,450	3,649,089,031	93.8%	93.9%
2 Utilities	2,679,000	2,885,900	7.72%	23,900	2,909,800	0.1%	0.1%
5 Light Industrial	7,639,500	8,144,800	6.61%	0	8,144,800	0.2%	0.2%
6 Business/ Other	193,963,959	215,708,908	11.21%	349,600	216,058,508	5.7%	5.6%
7 Managed Forests	511,400	568,100	11.09%	133,000	701,100	0.0%	0.0%
8 Recreation/ Non Profit	6,121,700	6,421,000	4.89%	0	6,421,000	0.2%	0.2%
9 Farm	421,542	425,854	1.02%	(8,050)	417,804	0.0%	0.0%
	<u>3,411,918,019</u>	<u>3,819,750,143</u>		<u>63,991,900</u>	<u>3,883,742,043</u>	<u>100.0%</u>	<u>100.0%</u>

The following chart shows the impact on the property tax rates as a result of the market assessment changes (not including growth):

Property Class	2018 Net Assessed Values	2018 Tax Rate	2018 Tax Levy	2019 Net Assessed Values before Growth	Revised 2018 Tax Rate	2019 Tax Levy	% change
1 Residential	3,200,580,918	2.27239	7,272,968	3,585,595,581	2.02838	7,272,949	0.00%
2 Utilities	2,679,000	40.00000	107,160	2,885,900	40.00000	115,435	7.72%
5 Light Industrial	7,639,500	7.49416	57,252	8,144,800	7.02923	57,251	0.00%
6 Business/Other	193,963,959	5.38504	1,044,504	215,708,908	4.84219	1,044,503	0.00%
7 Managed Forests	511,400	7.95430	4,068	568,100	7.16041	4,067	-0.02%
8 Recreation/Non Profit	6,121,700	4.06046	24,857	6,421,000	3.87119	24,856	0.00%
9 Farm	421,542	3.74356	1,578	425,854	3.70565	1,577	-0.06%
	<u>3,411,918,019</u>		<u>8,512,387</u>	<u>3,819,750,143</u>		<u>8,520,638</u>	

Once the adjusted tax rate is determined, the tax rate increase approved by Council is applied to all of the tax rates evenly. The only exception to this is the Utility Class (class 2) as Provincial legislation caps the rate at \$40 or 2.5 times the rate applicable to class 6 property (Business and Other) for general municipal purposes. As the District is already charging the maximum no further increases can be applied.

The following chart provided the 2019 property tax rates for each property class after applying the proposed tax increase:

Property Class	Revised 2018 Tax Rate	Tax rate increase	2019 Tax Rate
1 Residential	2.02838	8.45%	2.19978
2 Utilities	40.00000	0.00%	40.00000
5 Light Industrial	7.02923	8.45%	7.62320
6 Business/Other	4.84219	8.45%	5.25136
7 Managed Forests	7.16041	8.45%	7.76546
8 Recreation/Non Profit	3.87119	8.45%	4.19831
9 Farm	3.70565	8.45%	4.01878

The following chart shows the total property tax levy before non-market changes (growth) are added:

Property Class	2019 Net Assessed Values before growth	2019 Tax Rate	2019 Tax Revenue before growth	Increase from 2018
1 Residential	3,585,595,581	2.19978	7,887,521	8.45%
2 Utilities	2,885,900	40.00000	115,436	7.72%
5 Light Industrial	8,144,800	7.62320	62,089	8.45%
6 Business/Other	215,708,908	5.25136	1,132,765	8.45%
7 Managed Forests	568,100	7.76546	4,412	8.46%
8 Recreation/Non Profit	6,421,000	4.19831	26,957	8.45%
9 Farm	425,854	4.01878	1,711	8.43%
	<u>3,819,750,143</u>		<u>9,230,891</u>	

The following chart show the total property tax levy for 2019 including increased taxes from non-market changes (growth):

Property Class	2019 Net Assessed Values before growth	2019 Non-Market Change (Growth)	2019 Net Assessed Values with Growth	2019 Tax Rate	Tax Revenue Before Growth	Tax Revenue from Growth	Total 2019 Tax Revenue with Growth
1 Residential	3,585,595,581	63,493,450	3,649,089,031	2.19978	7,887,521	139,672	8,027,193
2 Utilities	2,885,900	23,900	2,909,800	40.00000	115,436	956	116,392
5 Light Industrial	8,144,800	0	8,144,800	7.62320	62,089	0	62,089
6 Business/Other	215,708,908	349,600	216,058,508	5.25136	1,132,765	1,836	1,134,601
7 Managed Forests	568,100	133,000	701,100	7.76546	4,412	1,033	5,445
8 Recreation/Non Profit	6,421,000	0	6,421,000	4.19831	26,957	0	26,957
9 Farm	425,854	(8,050)	417,804	4.01878	1,711	(32)	1,679
	<u>3,819,750,143</u>	<u>63,991,900</u>	<u>3,883,742,043</u>		<u>9,230,891</u>	<u>143,465</u>	<u>9,374,356</u>

Adjusting the property tax rate to ensure each class of property pays the same amount as they paid in the prior year will result in the tax rate multiple between property classes changing due to differences in market and non-market assessment changes among the property classes.

The following table shows the difference between 2018 and 2019 of three ratios:

Property Class	% of Total Assessments			% of Total Taxes			Tax Rate Multiple		
	2018	2019	Change	2018	2019	Change	2018	2019	Change
1 Residential	93.8%	93.9%	0.1%	85.4%	85.6%	0.2%	1.00	1.00	
2 Utilities	0.1%	0.1%	0.0%	1.3%	1.2%	-0.1%	17.60	18.18	0.58
5 Light Industrial	0.2%	0.2%	0.0%	0.7%	0.7%	0.0%	3.30	3.47	0.17
6 Business/Other	5.7%	5.6%	-0.1%	12.3%	12.1%	-0.2%	2.37	2.39	0.02
7 Managed Forests	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	3.50	3.53	0.03
8 Recreation/Non Profit	0.2%	0.2%	0.0%	0.3%	0.3%	0.0%	1.79	1.91	0.12
9 Farm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.65	1.83	0.18

As the assessments for both the residential class and business class increased by similar amounts the tax rate multiple between the two classes did not change significantly from 2018 to 2019. Should Committee wish to adjust the tax rate multiple for the business class, the impact on the other property classes is detailed in the charts that follow.

Property Class	2019 Tax Rate	Total 2019 Tax Levy	Tax Rate Multiple	Tax Levy Change
1 Residential	2.19978	8,027,193	1.00	0
2 Utilities	40.00000	116,392	18.19	0
5 Light Industrial	7.62320	62,089	3.47	0
6 Business/Other	5.25136	1,134,601	2.39	0
7 Managed Forests	7.76546	5,445	3.53	0
8 Recreation/Non Profit	4.19831	26,957	1.91	0
9 Farm	4.01878	1,679	1.83	0
		<u>9,374,356</u>		<u>0</u>

Property Class	2019 Tax Rate	Total 2019 Tax Levy	Tax Rate Multiple	Tax Levy Change
1 Residential	2.18821	7,986,205	1.00	(40,988)
2 Utilities	40.00000	116,392	18.28	0
5 Light Industrial	7.59309	61,771	3.47	(318)
6 Business/Other	5.44864	1,176,081	2.49	41,480
7 Managed Forests	7.72438	5,418	3.53	(27)
8 Recreation/Non Profit	4.17948	26,819	1.91	(138)
9 Farm	4.00442	1,670	1.83	(9)
		9,374,356		0

Property Class	2019 Tax Rate	Total 2019 Tax Levy	Tax Rate Multiple	Tax Levy Change
1 Residential	2.21079	8,068,603	1.00	41,410
2 Utilities	40.00000	116,392	18.09	0
5 Light Industrial	7.67144	62,409	3.47	320
6 Business/Other	5.06271	1,092,696	2.29	(41,905)
7 Managed Forests	7.80409	5,473	3.53	28
8 Recreation/Non Profit	4.22261	27,096	1.91	139
9 Farm	4.04575	1,687	1.83	8
		9,374,356		0

As noted in the charts above, each +/- 0.1 change in the tax multiple for business class properties shifts approximately \$41,000 between residential properties and business properties. A \$41,000 shift equates to an approximate 0.5% property tax change for the residential class.

Respectfully submitted,



Doug Stewart, CGA, CPA
 Director of Corporate and Financial Services

REVIEWED
 By Andrew Yeates (ayeates@secheft.ca) at 9:25 am, Apr 03, 2019

Attachments:

1 – Municipal Property Tax Rates.

SCHEDULE 1

Property Class	2019 Net Taxable Value	2019 Tax Rate	Total 2019 Tax Levy
1 Residential	3,649,089,031	2.19978	8,027,193
2 Utilities	2,909,800	40.00000	116,392
5 Light Industrial	8,144,800	7.62320	62,089
6 Business/Other	216,058,508	5.25136	1,134,601
7 Managed Forests	701,100	7.76546	5,445
8 Recreation/Non Profit	6,421,000	4.19831	26,957
9 Farm	417,804	4.01878	1,679
	<u>3,883,742,043</u>		<u>9,374,356</u>



REQUEST FOR DECISION

TO: Committee of the Whole

REPORT DATE: April 2, 2019

TARGET DECISION DATE: April 10, 2019

FROM: Ben Currie, Manager of Financial Services

RE: **Septage Disposal Costs and Fees**

FILE NO: 1700-20-2019

RECOMMENDATION(S)

1. That the report from the Manager of Financial Services dated April 2, 2019 regarding the Septage Disposal Costs and Fees be received.
2. That the Committee recommend to Council that Biosolids Disposal Fees Bylaw No. 483, 2017-1 be updated to increase the General Biosolids Disposal Fee by 15% to 23 cents per imperial gallon and increase the refund to property owners with permitted holding tanks to 21.9 cents per imperial gallon.

PURPOSE

To seek the Committee's recommendation to Council to increase the General Biosolids Disposal fee.

OPTIONS

1. Endorse the recommended fee increase.
2. Endorse a different fee increase determined by the Committee.
3. The Committee could choose to leave the fee as is.

DISCUSSION

At the March 13, 2019 and March 27, 2019 Committee of the Whole meetings the Committee requested that staff separate the septage receiving operating costs from the overall sewer operation costs and provide a review of the septage fee.

The District of Sechelt operates a septage receiving station on Dusty Road that provides service to all property owners with septic, holding tanks and portable washrooms on the Sunshine Coast. The property at Dusty Road is located on provincially owned land and is currently under a lease agreement with the Ministry of Sustainable Resource Management starting September 26, 2001 and ending on September 26, 2031.

All septage or trucked waste received at the Dusty Road treatment plant is discharged through an automatic valve, macerator, flow meter, rock trap and screen complete with a plastic bagger for the screenings. The septage receiving facility is automatically activated by cards held by preauthorized companies. The bulk of the trucked waste is conveyed by gravity to the existing oxidation ditch where it is treated in combination with the existing clarifier.

This effluent is then conveyed down the existing effluent pipe. A new connection from this effluent pipe was connected to the existing sewer system, so that the pretreated septage mixes with the raw sewage in the collection system before it reaches the influent pump station at the Water Resource Centre (WRC). The cost for the affluent that flows from Dusty Road for treatment at WRC has been factored into the budget and the calculation has been included on Figure 2.

Staff estimate the operating costs for the District’s septage receiving to be \$298,490 per year. A transfer to capital has been included with the operations budget to reserve funds to maintain the facility including capital equipment replacement and future infrastructural renewal based on life cycle replacement programs. Staff plan to recommend adding funds to budget in 2020 for a further review of the septage receiving options and to determine the post closure costs for the site. Once the costs and direction for septage receiving are determined, the future capital costs will be recalculated.

The total revenue earned from septage receiving fees equals \$258,925 for 2018. For the septic receiving operations to become self-funded, staff recommend that the General Biosolids Disposal Fee be increased by 15%. The proposed increase would equal \$39,000 in receiving fees. The current fee has not be updated since 2009 and the fee increase would impact property owners requiring septic hauling services. The septic haulers on the Sunshine Coast typically charge the volume at the District’s bylaw rate plus an additional hauling fee.

The historical revenue for septage receiving fees is as follows:

	2018	2017	2016	2015
Total Septage Receiving Fees	\$258,925.00	\$190,077.00	\$152,035.54	\$153,052.09

Note: the 2017 & 2018 revenue have increased due to a bylaw update that changed the process for billing properties with holding tanks.

Staff recommend increasing the refund to property owners with permitted holding tanks to match the increase for the general biosolid fee. Increasing the holding tank refund would ensure property owners with holding tanks are not impacted by the rate increase. The District receives regular refund requests from three different property owners with approved holding tanks and process on average 6 – 10 refunds per year.

Figure 1:

Septage Receiving and Treatment Budget	
Revenue:	
Current Septage Receiving Fees	260,000.00
Proposed Septage Fee Increase	39,000.00
Total Septage (Revenue)	\$ 299,000.00
Expenses:	
Wages - Dusty Road	37,221
Benefits - Dusty Road	12,369
Training	1,000
Security Cameras	900
Contracted Services - trades callouts	5,500
Equipment Maintenance - Pumps	6,500
Road Maintenance	2,000
Licences and Permits - Dusty Road	100
Supplies - Dusty Road	4,900
Utilities - Potable Water	6,000
Hydro - Sewer Treatment	24,000
Insurance - Property Treatment	2,000
Transfer to Capital	163,000
Transfer to WRC (Figure 2)	18,000
Administration Overhead	15,000
Total Septage (Expense)	\$ 298,490.00

Note: The \$163,000 transfer to Capital includes capital equipment replacement, costs for lagoon dredging and future infrastructural renewal based on life cycle replacement programs.

Figure 2:

WRC Treatment Cost:	
2018 Net Operating (based on 2018 Budget)	\$ 2,425,511.00
<i>divided by</i>	
2018 WRC Treated Volume (cubic meters)	850,841.00
Treatment Cost per Cubic Meter	\$ 2.85
Septage Receiving Treatment Costs at WRC	
Average estimated Flow from Dusty Road and treated at WRC (cubic meters)	6,300.00
<i>multiplied by</i>	
Treatment Cost per Cubic Meter	2.85
Septage Treatment Cost at WRC	\$ 17,955.00

Respectfully submitted,



Ben Currie
 Manager of Financial Services

Attachments:

1. Biosolids Disposal Fees Bylaw No. 483-1, 2017

REVIEWED
 By Doug Stewart (dstewart@secheft.ca) at 5:08 pm, Apr 03, 2019

REVIEWED
 By Andrew Yeates (ayeates@secheft.ca) at 12:44 pm, Apr 04, 2019

DISTRICT OF SEHELDT

Bylaw No. 483-1, 2017

A bylaw to amend District of Sechelt Biosolids Disposal Fees Bylaw No. 483, 2009

WHEREAS the Council of the District of Sechelt has adopted "District of Sechelt Biosolids Disposal Fees Bylaw No. 483, 2009";

AND WHEREAS Council deems it appropriate to amend Schedule "A" to Bylaw No. 483, 2009 by removing the holding tank sewage disposal fee;

NOW THEREFORE the Council of the District of Sechelt, in open meeting assembled, enacts as follows:

TITLE

1. This Bylaw may be cited for all purposes as "District of Sechelt Biosolids Disposal Fees Amendment Bylaw No. 483-1, 2017".

2. **AMENDMENTS**

- (1) Schedule "A" of Bylaw No. 483, 2009 is deleted in its entirety.
- (2) Schedule "A" which is attached to and forms part of this Bylaw, is hereby added to Bylaw No. 483, 2009.

READ A FIRST TIME THIS 2nd DAY OF August, 2017


READ A SECOND TIME THIS 2nd DAY OF August, 2017

READ A THIRD TIME THIS 2nd DAY OF August, 2017

THIRD READING RESCINDED THIS 6th DAY OF December, 2017

READ A THIRD TIME THIS 6th DAY OF December, 2017

ADOPTED THIS 20th DAY OF December, 2017



Mayor



Corporate Officer

SCHEDULE "A"

BIOSOLIDS DISPOSAL FEES/REFUNDS

- | | | |
|----|---|--|
| 1. | General Biosolids Disposal Fee | 20 cents per imperial gallon
(4.4 cents per litre) |
| 2. | Refund to property owners within the Sewer Specified Area (as provided for in Bylaw No. 393, 2001) based on the volume of disposed biosolids (with submission of the disposal invoice) | 2.2 cents per imperial gallon
(.48 cents per litre) |
| 3. | Refund to property owners with permitted holding tanks; a BC Health Act Order; or a non-conforming holding tank "acknowledged" by Vancouver Coastal Health Authority (with submission of the disposal invoice); | 18.9 cents per imperial gallon
(4.16 cents per litre) |

This acknowledgement would take the form of the following:

- i. A letter from VCH acknowledging the existence of a non-conforming holding tank and providing recommended conditions in order for the holding tank to be brought up to date to meet the requirements under Sewerage System Regulation (BC Reg. 326/2004) .
 - ii. The District of Sechelt will adhere to any conditions imposed in the letter received from VCH.
4. Property owners within the Sewer Specified Area which are paying the sewer user fees are eligible for a full refund of the tipping fees for biosolids disposal (with the submission of the disposal invoice).