



THE CORPORATION OF THE CITY OF VERNON

MINUTES OF THE FINANCE COMMITTEE HELD TUESDAY, APRIL 17, 2018

PRESENT: **VOTING**
Mayor Mund
Councillor Lord
Councillor Spiers

STAFF: Debra Law, Director, Financial Services
Cindy Barker, Manager, Revenue Services
Janice Nicol, Legislative Committee Clerk

ABSENT: Will Pearce, CAO

ORDER The meeting was called to order at 1:31 p.m.

**ADOPTION OF
AGENDA** Moved by Councillor Spiers, seconded by Mayor Mund:

THAT the agenda for the Tuesday, April 17, 2018 meeting of the Finance Committee be adopted.

CARRIED.

**ADOPTION OF
MINUTES** Moved by Mayor Mund, seconded by Councillor Spiers:

THAT the minutes of the Finance Committee meeting held April 5, 2018 be adopted.

CARRIED.

NEW BUSINESS

**PROPOSED
REVISIONS TO
PERMISSIVE TAX
EXEMPTION POLICY**

The Manager, Revenue Services distributed and reviewed the proposed amendments to the Permissive Tax Exemption Policy with focus on increasing efficiencies and providing more clarification. The exemption percentages allocated to the various categories are at Council's discretion as part of the Tax Exemption Bylaw. Some of the following changes were noted:

- Application due date - changed to July 15 (as there is no Council meeting in October following the civic election). The

- July due date aligns with the majority of our benchmark municipalities.
- Elimination of Tax Exemption Review Committee – no other municipality in the Okanagan has a committee like this. Elimination will improve efficiencies and remove an additional approval step. There was concern as the Committee provides an additional review on new and existing applications.
 - It was noted that, on a per capita basis, the number of tax exemptions applications is on par with our benchmark communities.
 - Other changes are for clarification and to assist organizations and increase efficiencies including:
 - The reasoning behind the permissive tax exemption process under Policy
 - Formatting throughout Definition section
 - Clarification on eligibility and intake period
 - Item A – adding ‘property’ to clarify which taxes are provided exemption
 - Item H – budget and financial statements separate as they are two different processes
 - Item I – requirement of the provision of a copy of lease agreement if applicable
 - **ACTION ITEM:** The Committee requested removal of ‘1.’ under *Eligibility Criteria* referring to the conduct of retail operations. Suggestion to add ‘Class 6 operations need not apply.’
 - Clarification for new applicants (Occupancy Permit to be issued prior to application)
 - Addition of Churches and Places of Worship under *Categories*
 - *Procedures/Policies* – 1. advertising guidelines added
 - 3. Section renamed and guidelines clarified
 - 4. Clarification of Short and Long Forms – applications renamed from Long Form to **Comprehensive Application**, Short Form to **Renewal Application**
 - 5. Deadline of July 15 added
 - 6. Organization’s responsibility to notify the City of any changes in ownership and/or use
 - 7. Added ‘all’ for clarification
 - 9. Three year phase in period clarified
 - 13. Additional clause dealing with incomplete applications
 - New section added for *Late Applications* and *Additional Information*. These changes clarify intent and provide consistency throughout the Okanagan with tax exemption applications.

- **ACTION ITEM:** The Committee would like the addition of wording, under *Policy*, as follows '**A tax exemption includes all taxes but excludes local area service fees.**'

Moved by Councillor Spiers, seconded by Mayor Mund;

THAT the Finance Committee recommends Council support the proposed amendments to the Permissive Tax Exemption Policy .

CARRIED.

INFORMATION ITEMS:

WATER RATES

The application of water rates was clarified.

**COUNCIL
REMUNERATION**

Tax exemptions for compensation of Councillors' remuneration was questioned. Many other jurisdictions have averaged the after-tax amount and increased remuneration accordingly. This issue will be reviewed by the *Council Remuneration Committee*.

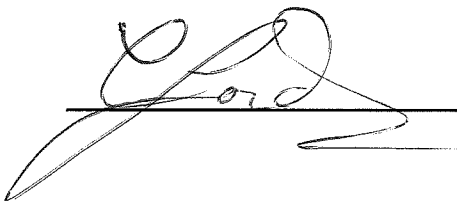
**DATE AND TIME OF
NEXT MEETING**

The next Finance Committee meeting is to be announced.

ADJOURNMENT

The Finance Committee meeting adjourned at 2:34 p.m.

CERTIFIED CORRECT:


_____ Chair