



## **FINANCE COMMITTEE**

**WEDNESDAY, AUGUST 17, 2022 AT 11:00 A.M.**

**OKANAGAN LAKE ROOM**

### **AMENDED AGENDA**

1) **ORDER**

2) **LAND ACKNOWLEDGEMENT**

*As Chair of the City of Vernon's Finance Committee, and in the spirit of this gathering, I recognize the City of Vernon is located in the traditional territory of the Syilx people of the Okanagan Nation.*

3) **ADOPTION OF AGENDA**

4) **ADOPTION OF MINUTES**

May 17, 2022 Regular (attached)

5) **NEW BUSINESS**

a) **Tax Exemption Amendment Bylaw 5818 Update**

b) 2023 Permissive Tax Exemptions

6) **DATE OF NEXT MEETING:**

The next meeting is tentatively scheduled for September 8, 2022.

7) **ADJOURNMENT**



# THE CORPORATION OF THE CITY OF VERNON

## MINUTES OF

### THE FINANCE COMMITTEE

HELD TUESDAY, MAY 17, 2022

**PRESENT:** VOTING  
Councillor Gares, Chair  
Councillor Mund  
Mayor Cumming

NON-VOTING  
Councillor Durning

**STAFF:** Debra Law, Director, Financial Services  
Rena Crosson, Manager, Financial Operations  
Katya Chirkoff, Secretary I - Corporate Services  
Jade Adams-Longworth, Secretary I - Corporate Services

**ORDER** The meeting was called to order at 10:47 a.m.

**LAND ACKNOWLEDGMENT** *As Chair of the City of Vernon's Finance Committee, and in the spirit of this gathering, I recognize the City of Vernon is located in the traditional territory of the Syilx people of the Okanagan Nation.*

**ADOPTION OF AGENDA** Moved by Mayor Cumming, seconded by Councillor Mund;  
THAT the agenda for the Tuesday, May 17, 2022 meeting of the Finance Committee be adopted:  
**CARRIED.**

**ADOPTION OF MINUTES** Moved by Councillor Mund, seconded by Mayor Cumming;  
THAT the minutes of the Finance Committee meeting held November 9, 2021 be adopted.  
**CARRIED.**

### **UNFINISHED BUSINESS**

**COUNCIL DISCRETIONARY GRANT – RECIPIENT REPORTING** Moved by Mayor Cumming, seconded by Councillor Mund;  
THAT the Finance Committee receives the recipient reports as provided in the memorandum dated May 5, 2022 from the Manager, Financial Operations.  
**CARRIED.**

**NEW BUSINESS****SEWER FUND  
REQUEST FOR 1900  
33 STREET**

The Director, Financial Services presented the Committee with a request for a Sewer Adjustment Request for 1900 33<sup>rd</sup> Street. The following was noted:

- Clarification was given on this property is rented as a Triplex. Since April 2022 the homeowner is paying for utilities based on it being a triplex – 3 garbage collection fees, 3 units for flat sewer fees.
- The onus is on the homeowner to prove that there was a leak and that it had been fixed.
- The consumption has increased over the two years; however, the consumption has been inconsistent and erratic.
  - The first quarter in 2019, and 2020 have a larger increase.
  - The property's consumption is at its highest in the off season (during the first and fourth quarters) which is unusual.
  - Consumption appears to pick up mid-December through mid-January.
- The applicant supplied information that the variation in consumption is from repairs done personally, resulting in the inability to provide receipts for the fix.
- The original concern was brought forward this January, which would allow for the applicant to qualify for a refund for the last year only (2021), as per the current practice.
- 2019 and 2020 shouldn't be considered due to the current practice of providing a refund for the past year only – this is considered a reasonable time.
- The applicant hasn't provided evidence of a water leak or of a repair of a water leak.
- The applicant doesn't qualify based on the City's policy requiring proof that a leak was repaired.

Moved by Councillor Mund, seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council receive for information the request for a sewer leak adjustment from Mr. Rhett Vernon-Jarvis for 1900 33 Street reported in the memorandum dated April 29, 2022 from the Director, Financial Services.

AND FURTHER that administration advise the customer that the request is denied as per Bylaw 5400 – Sewer User Rates Bylaw.

**CARRIED.**

**COUNCIL  
DISCRETIONARY  
GRANT  
APPLICATIONS –  
APRIL 2022 INTAKE**

The Director, Financial Operations stated that there was \$50,000 in funds to disburse on Discretionary Grants for 2022. The following was noted:

- Past practices during Election Years show that trying to schedule a secondary meeting for the October Intake is challenging due to the Election and Council Training
- Four years ago, all of the Discretionary Grant Funds were all allocated during the April Intake.
- The Committee noted that they would consider allocating all of the funds once they have reviewed the applications submitted.

**ARCHWAY SOCIETY  
FOR DOMESTIC  
PEACE**

Moved by Councillor Mund seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council approve a Council Discretionary Grant to Archway Society for Domestic Peace in the amount of \$10,000 to help renovate their existing space to be more functional.

**CARRIED.**

**CANADIAN MENTAL  
HEALTH  
ASSOCIATION**

Moved by Mayor Cumming, seconded by Councillor Mund.

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to Canadian Mental Health Association in the amount of \$10,000 as there was no evidence of financial need.

**CARRIED.**

**FAMILY RESOURCE  
CENTRE SOCIETY  
FOR THE NORTH  
OKANAGAN**

Moved by Mayor Cumming, seconded by Councillor Mund;

THAT the Finance Committee recommends that Council approve a Council Discretionary Grant to Family Resource Centre Society for the North Okanagan in the amount of \$4,000 to expand their Refugee and Immigrant Outreach program.

**CARRIED.**

**KALAMALKA  
HIGHLANDER PIPE  
BAND**

Moved by Councillor Mund, seconded Mayor Cumming;

THAT the Finance Committee recommends that Council approve a Council Discretionary Grant to Kalamalka Highlander Pipe Band in the amount of \$5,000 to purchase new traditional pipe band uniforms.

**CARRIED.**

*Councillor Mund declared a conflict of interest and left the meeting at 11:17 a.m.*

**KINDALE  
DEVELOPMENTAL  
ASSOCIATION**

Moved by Mayor Cumming, seconded by Councillor Gares;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to Kindale Developmental Association in the amount of \$25,000 as there was no evidence of financial need.

**VERNON & DISTRICT  
FUNTASTIC SPORTS  
SOCIETY**

Moved by Mayor Cumming, seconded by Councillor Gares;

THAT the Finance Committee recommends that Council approve a Council Discretionary Grant to Vernon & District Funtastic Sports Society in the amount of \$15,000 to put towards operation of the event including fencing to eliminate the need to rent in the future.

**CARRIED.**

*Councillor Mund returned back to the meeting at 11:21 a.m.*

**NEXUSBC  
COMMUNITY  
RESOURCE CENTRE  
SOCIETY**

Moved by Mayor Cumming, seconded by Councillor Mund;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to NexusBC Community Resource Centre Society in the amount of \$20,000 due to lack of funds.

**CARRIED.**

**NORTH OKANAGAN  
THERAPEUTIC  
RIDING ASSOCIATION**

Moved by Councillor Mund, seconded by Councillor Gares;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to North Okanagan Therapeutic Riding Association in the amount of \$7,500 due to lack of funds.

**CARRIED.**

**NORTH VALLEY  
GYMNASTICS  
SOCIETY**

Moved by Mayor Cumming, seconded by Councillor Mund;

THAT the Finance Committee recommends that Council approve a Council Discretionary Grant to North Valley Gymnastics Society in the amount of \$10,000 to assist with purchasing equipment and help with costs related to new space.

**CARRIED.**

**SOVEREIGN LAKE  
NORDIC CLUB (SLNC)**

Moved by Councillor Mund, seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council approve, a Council Discretionary Grant to Sovereign Lake Nordic Club in the amount of \$4,000 of the \$6,250 requested to fund an economic impact study of the current operations, future events, and new construction projects.

**CARRIED.**

**SQUADRON  
SPONSORING  
COMMITTEE: 223 RED  
LION SQUADRON**

Moved by Councillor Gares seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to the Squadron Sponsoring Committee: 223 Red Lion Squadron in the amount of \$5,000 due to incomplete financial information.

**CARRIED.**

**VERNON & DISTRICT  
ASSOCIATION FOR  
COMMUNITY LIVING  
(VDACL)**

Moved by Councillor Mund, seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to Vernon & District Association for Community Living in the amount of \$1,815 due to no evidence of financial need.

**CARRIED.**

**VERNON ALLIANCE  
CHURCH**

Moved by Mayor Cumming, seconded by Councillor Mund.

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to Vernon Alliance Church in the amount of \$1,650 due to no evidence of financial need.

**CARRIED.**

**VERNON COMMUNITY  
BAND SOCIETY**

Moved by Councillor Gares, seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council approve a Council Discretionary Grant to Vernon Community Band Society in the amount of \$800 to assist with operating expenses.

**CARRIED.**

**VERNON COMMUNITY MUSIC SCHOOL** Moved by Councillor Gares, seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council approve a Council Discretionary Grant to Vernon Community Music School in the amount of \$1,200 to purchase a PA system for all indoor performances, recitals and outdoor concerts.

**CARRIED.**

**VERNON PADDLING CENTRE SOCIETY** Moved by Councillor Gares seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to Vernon Paddling Centre Society in the amount of \$5,500 due to incomplete financial information.

**CARRIED.**

**VERNON RIBFEST SOCIETY** Moved by Councillor Gares, seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to Vernon Ribfest Society in the amount of \$10,000 due to incomplete financial information.

**CARRIED.**

**VERNON SNOWMOBILE ASSOCIATION** Moved by Councillor Gares, seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to Vernon Snowmobile Association in the amount of \$2,500 due to incomplete financial information.

**CARRIED.**

**VERNON SPEED SKATING CLUB** Moved by Councillor Gares, seconded by Mayor Cumming;

THAT the Finance Committee recommends that Council deny a Council Discretionary Grant to Vernon Speed Skating Club in the amount of \$13,000 due to incomplete financial information.

**CARRIED.**

**COUNCIL DISCRETIONARY GRANT APPLICATIONS – OCTOBER 2022 INTAKE** Moved by Councillor Mund, seconded by Mayor Cumming;

THAT the Finance Committee not have a grant intake period for Council Discretionary Grants this October 2022.

**CARRIED.**

**DATE AND TIME OF  
NEXT MEETING**

The next Finance Committee meeting is to be tentatively scheduled for June 2022.

**ADJOURNMENT**

The Finance Committee meeting adjourned at 11:37 a.m.

**CERTIFIED CORRECT:**

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Chair





THE CORPORATION OF THE CITY OF VERNON

**REPORT/RECOMMENDATION TO COUNCIL**

**SUBMITTED BY:** Rena Crosson,  
Manager, Financial Operations

**DATE:** August 17, 2022  
**FILE:** 3900-02, 1970-16

**SUBJECT: TAX EXEMPTION AMENDMENT BYLAW NUMBER 5818 UPDATE**

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**PURPOSE:**

To advise Finance Committee of changes in the Tax Exemption Amendment Bylaw Number 5818 report originally prepared August 5, 2022.

To amend the City of Vernon Tax Exemption Bylaw Number 5713, 2018.

**RECOMMENDATION:**

THAT the following properties making new application be denied tax exemptions:

- Okanagan Learning Foundation – 102-3126 31 Ave – The lessee does not pay their property taxes directly to the City as is required in the Policy, therefore this property is not eligible to be considered for exemption.
- Okanagan Village Housing Society – 4005 Pleasant Valley Rd – The occupancy permit had not been issued by the City of Vernon prior to July 15<sup>th</sup> as required in the Policy, therefore this property is not yet being used for its intended use and is not eligible to be considered for exemption.
- Okanagan Village Housing Society – 6335 Okanagan Landing Rd – The occupancy permit had not been issued by the City of Vernon prior to July 15<sup>th</sup> as required in the Policy, therefore this property is not yet being used for its intended use and is not eligible to be considered for exemption.

• AND FURTHER, that the following property making a new application be granted tax exemption beginning in 2023 to the extent shown:

- St. Johns Society – A-6135 Okanagan Landing Rd – 100% exemption

**ANALYSIS:**

**A. Committee/Board Recommendations:**

N/A

**B. Rationale:**

Attached to this report and referenced as "Schedule 1" is a summary and description of all of the proposed changes in tax exemptions for the 2023 tax year. The schedule is shown in a continuity format by opening with the 2022 total exemption amount of \$696,266 and ending with the proposed estimated 2023 total exemption amount of \$778,159. The exemption amounts include only City taxes (operating levy, capital levy, and fire levy). This represents the estimated forgone revenue of the City. The difference between the opening and closing amounts are the changes broken down by the following categories:

- New Applications – a total of 7 new applications were received and are described on the schedule. All of the applications meet the criteria of the *Community Charter* and the City of Vernon Permissive Tax Exemption Policy and are being recommended for inclusion in the bylaw. In total, this represents an estimated increase of \$19,001 in exemptions for 2023.

**BUDGET IMPLICATIONS:**

1. For all recommendations being made in this report, the estimated impact to the 2023 budget is a tax revenue reduction of approximately \$81,900.
2. The second and third phase of the new exemption applications, if approved, for 2024 and 2025 will result in estimated further reductions in tax revenue of approximately \$2,500 and \$5,300 respectively.
3. The estimated impact is subject to change once 2023 property assessments are available and 2023 tax rates are approved.

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Prepared by:



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Rena Crosson  
Manager, Financial Operations

Approved for submission to Finance  
Committee:



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Debra Law  
Director, Financial Services

**CITY OF VERNON**  
**2023 PERMISSIVE TAX EXEMPTION CHANGES UPDATED**

**SCHEDULE 1**

**2022 TOTAL PERMISSIVE TAX EXEMPTIONS**

**\$ 696,266**

**Deletions:**

New Apostolic Church	4203 Pleasant Valley Rd	Property sold	\$ (1,212)	
St Johns Ambulance	1905-1901 47 Ave	Were asked to move out of a City of Vernon location. New application completed for new location	\$ (9,056)	
North Okanagan Community Life Society	2400 46 Avenue	Building now occupied by Archway . A new application has been submitted	\$ (11,561)	
Turning Points Collaborative Society	2500 43rd Avenue	Class 3 property - already exempt - remove from bylaw.	\$ -	
Canadian Mental Health Association	3405 Okanagan Ave	This property transitioned from Class 1 to Class 3 so is already tax exempt	\$ (2,005)	
North Valley Gymnastics	4700 31 St	Property is listed for sale	\$ (4,017)	<b>\$ (27,851)</b>

**Changes to Existing Properties:**

Various	Various	Changes in exemptions due to 3-year phase in requirements.	\$ 26,831	<b>\$ 26,831</b>
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**New Applications:**

Archway Society for Domestic Peace	2400 46 Ave	100%	\$ 9,133	occupancy change
North Okanagan Community Life Society	4203 Pleasant Valley Rd	33%	\$ 839	
	505 - 1607 43 Ave	33%	\$ 442	
	3209 22 St	33%	\$ 496	
	3213 22 St	33%	\$ 519	
St. John Society	A-6135 Okanagan Landing Rd	100%	\$ 5,202	new location
Vernon Gospel Chapel	4106 Pleasant Valley Rd	100%	\$ 2,370	<b>\$ 19,001</b>

**Change due to Assessment and Tax Rate Effects:**

**\$ 63,912**

**2023 PROPOSED TOTAL PERMISSIVE TAX EXEMPTIONS**

**\$ 778,159**



THE CORPORATION OF THE CITY OF VERNON

**REPORT/RECOMMENDATION TO COUNCIL**

**SUBMITTED BY:** Rena Crosson,  
Manager, Financial Operations

**DATE:** August 5, 2022  
**FILE:** 3900-02, 1970-16

**SUBJECT: TAX EXEMPTION AMENDMENT BYLAW NUMBER 5818**

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**PURPOSE:**

To advise Council of new applications and amendments for tax exemption and emerging issues concerning tax exemptions; and to ensure compliance with Council's policy regarding permissive tax exemptions.

To amend the City of Vernon Tax Exemption Bylaw Number 5713, 2018.

**RECOMMENDATION:**

THAT the following properties making new application be granted tax exemptions beginning in 2023 to the extent shown:

- Archway Society for Domestic Peace – 2400 46 Ave – 100% exemption
- North Okanagan Community Life Society – 4203 Pleasant Valley Rd – 100% exemption phased in over 3 years
- North Okanagan Community Life Society – 505-1607 43 Ave – 100% exemption phased in over 3 years
- North Okanagan Community Life Society – 3209 22 St – 100% exemption phased in over 3 years
- North Okanagan Community Life Society – 3213 22 St – 100% exemption phased in over 3 years
- Okanagan Learning Foundation – 102-3126 31 Ave – 100% exemption phased in over 3 years
- Okanagan Village Housing Society – 4005 Pleasant Valley Rd – 100% exemption phased in over 3 years
- Okanagan Village Housing Society – 6335 Okanagan Landing Rd – 100% exemption phased in over 3 years
- St. Johns Society – A-6135 Okanagan Landing Rd – 75% exemption
- Vernon Gospel Chapel – 4106 Pleasant Valley Rd – 100% exemption

AND FURTHER, that the tax exemptions for the following properties be deleted beginning in 2023 for the reasons shown:

- New Apostolic Church - 4203 Pleasant Valley Rd – due to the sale of the property

- St Johns Ambulance – 1905-1901 47 Ave – due to the need to move out of a City owned location to a new location
- North Okanagan Community Life Society – 2400 46 Ave - due to the building being occupied by a new tenant
- Turning Points Collaborative Society – 2500 43 Ave – due to the property already being exempt as a Class 3 property
- Canadian Mental Health Association – 3405 Okanagan Ave – due to the property transitioning from Class 1 to Class 3
- North Valley Gymnastics – 4700 31 St – due to property being listed for sale

AND FURTHER, that housekeeping corrections be made to Schedule “C” (“Social Services Properties”) and Schedule “F” (Mixed and Unique Properties) of City of Vernon Tax Exemption Bylaw Number 5713, 2018 for the following properties.

- North Okanagan Valley Gleaners Society – 4405 - 29<sup>th</sup> St – move from Schedule “C” (Social Services Properties) to Schedule “F” (Mixed and Unique Properties)
- Vernon Book Volunteers Society – 35 - 100 Kalamalka Lake Rd - move from Schedule “C” (Social Services Properties) to Schedule “F” (Mixed and Unique Properties)
- Vernon Curling and Athletic Club – correct address from 3400 39<sup>th</sup> Ave to 3800 33 St
- Vernon Senior Citizens’ Society – Halina Seniors Centre – correct address from 3310 37<sup>th</sup> Ave to 3800 33 St
- Boys and Girls Club – Centennial Building – correct address from 3600 33<sup>rd</sup> Street to 3300 37 Ave

**ALTERNATIVES & IMPLICATIONS:**

1. THAT Council resolves to deny new applications for tax exemption. This would result in no additional burden on the taxpayer, but would not be in accordance with the Tax Exemption Policy.

**ANALYSIS:**

**A. Committee/Board Recommendations:**

N/A

**B. Rationale:**

The 2022 tax exemption bylaw contained a total of 126 properties and segregates them by use and by percentage in six sections as shown below. The exemption percentage is dictated by the Tax Exemption Policy.

- Churches and Places of Worship – 100% (34 properties)
- Social Services – 100% (63 properties)
- Educational Institutions – 100% (2 properties)

- Educational Services – 75% (2 properties)
- Cultural Services – 75% (2 properties)
- Recreational Services – 50% (2 properties)
- Mixed and Unique Services – ranges from 33% to 100% depending on the unique situation of each property (21 properties)

Attached to this report and referenced as “Schedule 1” is a summary and description of all of the proposed changes in tax exemptions for the 2023 tax year. The schedule is shown in a continuity format by opening with the 2022 total exemption amount of \$696,266 and ending with the proposed estimated 2023 total exemption amount of \$780,711. The exemption amounts include only City taxes (operating levy, capital levy, and fire levy). This represents the estimated forgone revenue of the City. The difference between the opening and closing amounts are the changes broken down by the following categories:

- Deletions – a total of 6 properties are proposed to be deleted from the bylaw for reasons of change of use, change in location, change in property class or sale of the property. In total, this represents a decrease of \$27,851.
- Changes to Existing Exemptions – The percentage phase-in changes for 2023 are already reflected in the existing bylaw and are therefore not included in the recommendation to Council even though they are shown on the schedule. In total, this represents an increase of \$26,831.
- New Applications – a total of 10 new applications were received and are described on the schedule. All of the applications meet the criteria of the *Community Charter* and the City of Vernon Permissive Tax Exemption Policy and are being recommended for inclusion in the bylaw. In total, this represents an estimated increase of \$21,553 in exemptions for 2023.
- Changes due to Assessment and Tax Rate Effects – the 2023 amounts are based on 2022 assessments and 2022 tax rates. The change in totals from 2022 to 2023 reflects a net increase of \$63,912 due to tax increases and assessment fluctuations.

**C. Attachments:**

- Schedule 1 – 2023 Permissive Tax Exemption Changes

**D. Strategic Plan Objectives:**

N/A

**E. Policy (Existing/Relevance/None):**

- Corporate Policy: Tax Exemptions - Permissive.

**F. Relevant History:**

N/A

**G. Applicants Response:**

N/A

**H. Reasons for Bylaw:**

The City of Vernon recognizes the significant value of volunteers and volunteer groups and agencies to the social, spiritual, cultural, educational and physical well-being of the community, and deems it appropriate that they be assisted through reduction in property taxation.

**I. Resources:**

- Tax exemption applications and correspondence.

**BUDGET IMPLICATIONS:**

1. For all recommendations being made in this report, the estimated impact to the 2023 budget is a tax revenue reduction of approximately \$84,400.
2. The second and third phase of the new exemption applications, if approved, for 2024 and 2025 will result in estimated further reductions in tax revenue of approximately \$6,800 and \$14,100 respectively.
3. The estimated impact is subject to change once 2023 property assessments are available and 2023 tax rates are approved.

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Prepared by:



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Rena Crosson  
Manager, Financial Operations

Approved for submission to Finance  
Committee:



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Debra Law  
Director, Financial Services