



CULTUS LAKE PARK

REPORT/RECOMMENDATION TO BOARD

DATE: September 13, 2023 **FILE:** 0550/1660

SUBMITTED BY: Erica Lee,
Chief Financial Officer

SUBJECT: Review of taxes, fees, and charges borne by Cultus Lake Park Residents in comparison to residents in Area H and other comparable municipalities.

PURPOSE:

The purpose of this report is to provide the Board with information regarding the taxes, fees and charges that Cultus Lake Park residents bear in comparison to other Area H residents and residents of other municipalities, while also considering the breadth of services provided in separate locations.

RECOMMENDATION:

***THAT** the Cultus Lake Park Board receive the report from the Chief Financial Officer regarding the review of taxes, fees and charges borne by Cultus Lake Park residents in comparison to residents in Area H and other comparable municipalities.*

DISCUSSION:

The Board has asked staff to compile a review of the taxes, fees and charges that a resident of Cultus Lake Park (CLP) bears in comparison to other residents in Area H as well as similar charges that other comparable municipalities would be responsible for. The Board also asked staff to consider the scope of services that Cultus Lake Park Board residents receive as part of the comparison.

I. Area H vs. CLPB Residents Summary

Staff reviewed in detail each of the areas of taxes, fees and charges that a resident in Area H (outside CLP) and CLP residents would be charged for services, the detailed review and analysis of services can be found in **Addendum #1**. The detailed review includes analyzing the rates both Area H and CLP residents are paying, finding where the rates are the same and where the rates differ and review to ensure the rates are appropriate considering the level of services provided.

The results of this detailed review has allowed staff to summarize the different charges borne by CLP residents into three (3) categories

- 1) Areas where charges and services are the same for Area H and CLP residents.
- 2) Areas where charges are different, but services are the same for Area H and CLP residents.
- 3) Areas where only CLP residents are charged because Area H is not provided the service.

The following table outlines which charges fit into which of the three (3) categories and compares the costs of the services in Area H vs. CLP.

Area H vs CLP Summary (charges on a representative house)	Area H	CLP	Difference
1) Areas where charges and services are the same for Area H and CLP residents			
General Taxes	2,165	2,165	0
Area H Taxes	768	768	0
Water	633	633	0
Subtotal	\$ 3,566	\$ 3,566	\$0
2) Areas where charges are different, but services are same for Area H and CLP residents			
Cultus Lake Fire Services	408	376	(32)
Streetlights	108	79	(29)
Subtotal	\$516	\$455	(\$61)
TOTAL	\$4,082	\$4,021	(\$61)
3) Areas where only CLP residents are charged because Area H is not provided the service			
Other Services on Annual Lease (Operating levy/Insurance/Milfoil/Inf. Charges/bylaw)	0	794	794
Garbage	0	224	224
Sewer ** (Corix \$910)	0	1595	1595
Subtotal	0	\$2,613	\$2,613
TOTAL	\$4,082	\$6,634	\$2,552

- 1) Areas where services and charges are the same for Area H and CLP residents - From our discussions above, both residents in Area H and CLP receive equivalent levels of service in the areas covered by General Taxes (School/Provincial/Hospital/Police and Other), Area H taxes and Water Fees. Therefore, it is appropriate that we find that all Area H and CLP residents both pay the same amount in charges for these services.
- 2) Areas where charges are different, but services are the same for Area H and CLP residents - The same or similar services are provided to both CLP residents for both Cultus Lake Fire Services and Streetlight Services, however the amount the average resident pays in Area H is slightly more for these services than CLP residents. This is because CLP residents pay for these services as a flat fee on their annual lease invoices, where the rest of Area H pay for these services on their annual property taxes and the rate fluctuates with the value of their home. Overall, the fees paid for these services is only marginally different between CLP residents and the rest of Area H, which is appropriate as the level of service is equal for both.

Overall, CLP residents and the rest of Area H residents pay very similar amounts for the equivalent services they are provided for General Taxes, Area H Taxes, Water Services, Fire Services and Streetlights.

- 3) Areas where CLP residents are charged because Area H is not provided the service - From the summary table above there are three (3) service areas that CLP participates in that the rest of Area H does not have access to unless paid for privately.
 - i. Other Services on Annual Lease – Residents pay an Operating Levy, Infrastructure fees and bylaw fees totaling \$794 that, along with other sources of revenue, allows the Cultus Lake Park Board to provide services to CLP residents that other Area H residents do not receive through any level of government.

In exchange for these additional fees, CLP residents are provided with an onsite and dedicated administration team, maintenance team, and bylaw team that oversee the many crucial operations in the park and provide a level of service that is beyond the expectations of most other communities. In addition, Cultus Lake Park has a large amount of manicured public land and beach areas that are maintained regularly year-round in comparison to Area H where minimal space is maintained and manicured to the level that is seen in Cultus Lake Park.
 - ii. Garbage/Recycling – CLP residents pay \$224 annually for Garbage/Recycling pickup on their annual lease invoices, while the rest of Area H residents do not pay anything for garbage/recycling

pick-up because Fraser Valley Regional District (FVRD) does not provide garbage and recycling services in Area H and residents are responsible for arranging their own garbage/recycling pick-up services.

- iii. Sewer – CLP residents connected to the community sewer system pay \$1,595 annually for Sewer Services, while most Area H residents do not currently have access to a community sewer system. Therefore, most Area H residents have to pay to maintain their own personal septic system. A few subdivisions in Area H have sewer services through Corix Utilities and they pay \$910 annually for this service. (Note: Park Drive and Mountain View Drive are not currently connected).

Overall, CLP residents pay approximately \$2,550 more in taxes, user fees and charges annually, when compared to residents in Area H. However, these additional charges are used to fund services that CLP residents are provided – dedicated administration, maintenance, park manicuring and bylaw - that Area H residents are required to acquire or provide for themselves through a private provider.

II. Municipalities vs CLP Residents Summary

Staff also assessed the level of taxes, fees and charges on a representative residential property owned by CLP residents with the average taxes, parcel taxes and user fees paid by residents of thirteen (13) comparable municipalities. The full comparison can be found in **Addendum #2**.

Generally, overall in a municipality most municipal services are included on a Property Tax Notice as general municipal taxes where typically only items like Water, Sewer and Garbage/Recycling billing are included as Parcel Taxes or User Fees. Therefore, all taxes, fees and charges borne by CLP residents, except water, sewer and garbage/recycling charges, were considered general taxes in the comparison. Additionally, water, sewer and garbage/recycling fees borne by CLP residents were considered parcel taxes/user fees in the comparison.

The results of the comparison of CLPB residents versus thirteen (13) comparable municipalities provides a separate conclusion for both general taxes and parcel taxes/user fees.

1. General Taxes

When weighing the average tax costs to a representative residential house for the comparable thirteen (13) municipalities to the cost of a representative residential house at Cultus Lake Park (tax costs and services included on Annual Lease Invoice) there is little differentiation in costs. The average CLP resident is paying about \$220 less per year than the average residents in the selected municipalities. In addition, many of the resort type municipalities listed (Sun Peaks, Tofino, White Rock and Qualicum Beach) have average annual taxes well above the amount the average CLP resident is paying annually.

Overall, the average CLP resident is paying a similar amount in general taxes/charges in comparison to the representative thirteen (13) municipalities and CLP residents are provided extensive service coverage that are similar to the services provided in the other comparable municipalities.

2. Parcel Taxes and User Fees

As discussed, parcel taxes and user fees are typically water, sewer and garbage/recycling fees. Therefore, CLP water sewer and garbage/recycling fees were compared against the thirteen (13) municipalities average total parcel taxes and user fees.

After comparing, it shows that CLP residents are paying more for these utility and garbage/recycling services than the thirteen (13) comparable municipalities.

Garbage/recycling costs are comparable to other municipalities, while the cost for water and even more so for sewer for CLP residents is higher than other municipalities. This, more than average costs are due to recent capital costs for both the water and the new Class A Sewer System.

Therefore, the only area where CLP residents pay a noteworthy amount more than other residents in other municipalities, with similar services, is for water and sewer services.

III. Overall Conclusion

Two (2) overall conclusions have been gathered from this review:

- 1) CLP vs. Area H - CLP residents and the rest of Area H residents pay very similar amounts for the equivalent services they are provided for General Taxes, Area H Taxes, Water Services, Fire Services and Streetlights. Appropriately, CLP residents only pay further amounts to fund additional services that the rest of Area H does not have access to through a government body but could acquire only privately.
- 2) CLP vs. Municipalities - CLP residents pay comparable taxes, charges and fees when assessed against other municipalities that provide similar services for their residents, with the exception being higher than average costs for water and sewer for CLP residents.

STRATEGIC PLAN:

This report does not impact the Cultus Lake Park Board's Strategic Plan Initiative.

Prepared by:



Erica Lee, CPA, CA
Chief Financial Officer

Approved for submission to the Board:



Joe Lamb
Chief Administrative Officer