

Proposed Coldwater Indian Band Tax Rates 2013

PROPERTY CLASS	RATE PER \$1000 OF ASSESSED VALUE
Class 1 – Residential	9.346539
Class 2 – Utilities	60.067180
Class 4 - Major Industry	73.036890
Class 5 - Light Industry	47.547700
Class 6 - Business and Other	26.571800
Class 7 – Managed Forest Land	0.000000
Class 8 - Recreational Property/Non-Profit Organization	12.031420
Class 9 - Farm	31.844170



First Nations Tax Commission

Commission de la fiscalité des premières nations

This form is to be used if a First Nation rates law establishes tax rates that do not meet the criteria set out in section 6 of the FNTC Standards for Rates Laws.

Please check the justification(s) that applies to your community.

The evaluation of annual tax rates increases will be based on the consideration of the following factors:

- A Special Projects**
- B Incremental Growth**
- C Extraordinary Increases in the Costs of Local Services**
- D Taxpayer Support**
- E Changes in Assessment Methods**

In the attached forms, complete the corresponding **Reporting Requirements** for the justification(s) that you have selected.

For any rates increase beyond the criteria established in section 6 of the FNTC rates law review standards, the First Nation is required to notify taxpayers of this increase. Have you given notice to taxpayers of the rate increase and reasons for the rate increase?

Yes, notice has been sent to our taxpayers. Coldwater only has 8 folios (7 utilities and 1 light industry); however two (3) have requested justification for the rate increase.

Kinder Morgan, Spectra Energy and Aspen Planners (light industry)

Please provide a copy of the notice. 



A Special Projects

Special Projects are any expenditure for local services that can be attributable to a distinct project to be completed within a fixed time frame.

A.1 Reporting Requirements for Special Projects

A.1.1 Provide a description of the project.

Sewage Treatment Upgrading/Disposal Field Upgrade (description attached - \$330,000)

Groundwater Supply well Development (\$986,844)

Comprehensive water study/Groundwater Supply Well Development (\$1,355,000)

Kwinshatin Ck. Diversion Structure (\$600,000)

Repairs of Coldwater Community Band Hall (\$159,650)

A.1.2 Complete the following overall project time line. Include month and date for each of the project phases.

Conceptual Plan	Pre-Design	Design	Construction	Completion and Commissioning
June 4, 2009				All completed within 5 years (2019)

Please enter N/A if these project categories do not apply to this special project.

A.1.3 Complete the following construction time line for the special project

	Construction Phase I	Construction Phase II	Construction Phase III	Construction Phase IV
Description of Phase				
Date of Projected Completion				

Please enter N/A if there are fewer than 4 phases or attach an expanded table if there are more than 4 distinct construction phases.



A.1.4 Please attach a signed financial administration law

A.1.5 If you do not have a financial management law (made pursuant to section 9(1)(a) of the FMA), please describe what similar instrument your community uses for long term financial management.

The Coldwater Indian Band has had a Finance Committee in place for several years

A.1.6 What is the operational life span of the special project? You may wish to refer to industry standards developed by professional engineers.

The operational life span of all projects should easily extend past 40 years with regular maintenance and upgrading as required

A.1.7 What type of capital replacement fund has been established?

CIB Capital Reserve Fund

A.1.8 What is the term of the capital replacement fund?

The goal is to secure financing through the FN Finance Authority and complete all projects in 5 years



A.1.9 What is the projected interest rate of the capital replacement fund?

Standard bank rates of 2%

A.1.10 Complete the following table describing the financing for the special project. Please complete the first 5 years of the table.

	Annual Debt Repayment	Annual property tax contribution
<i>Year 1</i>		
<i>Year 2</i>		
<i>Year 3</i>		
<i>Year 4</i>		
<i>Year 5</i>		
<i>Year 6</i>		
<i>Year 7</i>		
<i>Year 8</i>		
<i>Year 9</i>		
<i>Year 10</i>		
<i>Year 11</i>		
<i>Year 12</i>		
<i>Year 13</i>		
<i>Year 14</i>		
<i>Year 15</i>		
<i>Year 16</i>		
<i>Year 17</i>		
<i>Year 18</i>		
<i>Year 19</i>		
<i>Year 20</i>		



	Annual Debt Repayment	Annual property tax contribution
Year 21		
Year 22		
Year 23		
Year 24		
Year 25		

A.1.11 Estimate the percentage growth in the tax base resulting from this project.

	Year 1	Year 2	Year 3	Year 4	Year 5
Percentage growth					

A.1.12 Describe the consultation you have had with your taxpayers about this tax rate change?

Notices have been sent and I have had a few phone conversations with our utility taxpayers (Aspen Planners, Spectra Energy and Kinder Morgan). I discussed the situation with Spectra Energy and Aspen Planners and sent them justification for the increase and they did not reply negatively, so we are taking that as a positive response and their support for the band's decision.

Kinder Morgan was supportive (e-mail attached)

All other taxpayers did not respond so this is also being considered as support for the band's decision to adopt the City of Merritt (neighboring jurisdiction) mill rates.

A.1.13 Please attach a summary report of total assessed values for the past three years. 

B Incremental Growth

Incremental Growth is the effect on tax rates from increases in the population base in or around the First Nation's jurisdiction leading to increased demand, by taxpayers, for local services.

B.1 Reporting Requirements for Incremental Growth

B.1.1 Please complete the following table.


	2001	2003	2005	2006	2007
<i>On reserve Population</i>					
<i>Regional population</i>					

B.1.2 What source did you use for your population forecasts?

B.1.3 Describe all requests for improved services that you have received from your taxpayers?



B.1.4 Describe the consultation you have had with your taxpayers about this tax rate change?

B.1.5 Please attach the summary report of total assessed values for the past three years. 

C Extraordinary Increases in the Cost of Local Services

Extraordinary increases in the cost of local services can be attributable to the effects of general inflation and changes to property tax policy or legislation in other jurisdictions.

C.1 Reporting Requirements for Extraordinary Increases in the Cost of Local Services

C.1.1 Please complete the following table.

	2005	2006	2007
On Reserve Population			

C.1.2 Please complete the following table of service contract costs. Specify with whom the service contract is held and the service provided in the appropriate column.

Year	Cost (\$)	Service Term	Service Provider	Service Type
2006	\$48,860		Thompson-Nicola Regional District	Solid Waste Reduction, Recycling and Disposal Agreement
Year	Cost (\$)	Service Term	Service Provider	Service Type
2007				



Year	Cost (\$)	Service Term	Service Provider	Service Type
2008				

C.1.3 Please specify any other costs for your governments that are rising.

C.1.4 Please attach a summary report of total assessed values for the past three years. 

D Taxpayer Support

Taxpayer support for the proposed rate increase should be based on a process described in the First Nation taxpayer relations law or other similar law.

D.1 Reporting Requirements for Taxpayer Support

D.1.1 Do you have a taxpayer relations law (made pursuant to section 5(1)(c) of the FMA) or similar law?

NO

D.1.2 Describe the provisions in your taxpayer relations law or similar law for indicating taxpayer support.

N/A

D.1.3 Describe evidence of taxpayer support for the rates increase as per your taxpayer relations law or other similar law.

Notices have been sent and I have had a few phone conversations with our utility taxpayers (Aspen Planners, Spectra Energy and Kinder Morgan). I discussed the situation with Spectra Energy and Aspen Planners and sent them justification for the increase and they did not reply negatively, so we are taking that as a positive response and their support for the band's decision.

Kinder Morgan was supportive (e-mail attached)

All other taxpayers did not respond so this is also being considered as support for the band's decision to adopt the City of Merritt (neighboring jurisdiction) mill rates



E Changes in Assessment Methods

Changes in assessment practices resulting in lower assessed values can lead to significant tax rate increases provided that the First Nation is bound to adopt these different assessment methods in order to maintain a fair and equitable taxation regime vis-à-vis adjacent taxation jurisdictions.

E.1 Reporting Requirements for Changes in Assessment Methods

E.1.1 Describe the changes in assessment practices.

E.1.2 What is the name address and telephone number of your property tax assessor?

E.1.3 How did these changes in assessment methods affect surrounding tax jurisdictions?

E.1.4 Please attach a summary report of total assessed values for the past three years. 