

Proposed Coldwater Indian Band Tax Rates 2013

Tax Rates, 2013

PROPERTY CLASS	RATE PER \$1000 OF ASSESSED VALUE
Class 1 – Residential	7.5831
Class 2 – Utilities	34.4450
Class 3 – Supportive Housing	3.4729
Class 4 - Major Industry	27.6065
Class 5 - Light Industry	23.7229
Class 6 - Business and Other	20.6183
Class 7 – Managed Forest Land	14.4585
Class 8 - Recreational Property/Non-Profit Organization	9.0170
Class 9 - Farm	13.0554

Attachments:

[Rates Increase Justification Form](#) (December 6, 2013)

[Letter from Kinder Morgan Canada dated October 10, 2013](#)

[Letter from Spectra Energy dated December 5, 2013](#)

[Letter from FortisBC Energy Inc. dated December 9, 2013](#)



First Nations Tax Commission

Commission de la fiscalité des premières nations

Prepared by: Coldwater Indian Band
December 6, 2013

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?

Notice of the proposed rates is published on the FNG website along with justification. Notice has also been sent to taxpayers by email. Four of the five Coldwater Indian Band taxpayers have expressed no opposition to the proposed and revised rates (see attached letters).

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)

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

The Coldwater Band is facing a housing shortage and has 8 serviced lots ready for new housing; however, Health Canada will not support additional housing in this subdivision unless the Sewage Treatment Upgrading and Disposal Field Expansion is completed.

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				Completion anticipated in summer of 2014

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



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?

E-mail notices have been sent and I have had a few phone conversations with our taxpayers (Aspen Planners, Spectra Energy , Kinder Morgan, and Fortis BC).

Kinder Morgan was not opposed to the rate increase (letter attached)

Spectra Energy was not opposed to the rate increase (letter attached)

Fortis BC was not opposed to the rate increased (letter attached)

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
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.

Notice of the proposed rates is published on the FNG website along with justification. Notice has also been sent to taxpayers by email. Four of the five Coldwater Indian Band taxpayers have expressed no opposition to the proposed and revised rates (see attached letters).

Fortis BC, Kinder Morgan, and Spectra Energy



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. 



October 10, 2013

Coldwater Indian Band
2249 Quilchena Avenue
P.O. Box 4600
Stn Main Merritt, B.C.
V1K 1B8

Attn: Donald Kraus, Taxation Administrator

Dear Don,

Re: Trans Mountain Pipeline – Coldwater Indian Band Tax Rates Law

In our e-mail of September 23, 2013, we had advised that Trans Mountain objected to the proposed new mill rates as we required more information regarding the rationale and procedure used to establish the revised rate. We have now reviewed the legal procedures applicable to this issue, and specifically the use of “reference jurisdictions” in establishing rates.

We would advise that Trans Mountain will not oppose the proposed tax rate law that is set out in the City of Merritt Bylaw No. 2148 - 2013 Property Tax Rate that establishes a total mill rate for class 02 Utility at 60.06718, and will abide by the decision made by the First Nations Tax Commission.

Thank you for providing the opportunity to comment on this matter and we look forward to seeing you again soon.

Yours Truly,

A handwritten signature in blue ink, appearing to read 'Bob Love', written over the 'Yours Truly,' text.

Bob Love
Manager of Land & Rights-of-Way
Kinder Morgan Canada
604-268-3097 off
604-992-1955 cell

CC. **Ron Aljam** (by e-mail)
Chief Harold Aljam (by e-mail)
First Nations Tax Commission - 321, 345 Chief Alex Thomas Way, Kamloops, BC, V2H 1H1
(by mail)

December 5, 2013

Mr. Donald Kraus
Tax Administrator
Coldwater Indian Band
PO Box 4600
2249 Quilchena Avenue
Merritt, BC V1K 1B8

Dear Mr. Kraus: *Donald*

Re: 2013 Rates Law – 25% Proposal

Thank you for your emails on the latest proposal and for our discussion yesterday Donald. Spectra Energy (SE) has discussed this matter at great length and while we are still wrestling with stability and predictable of future tax increases, we do understand the urgency for CIB to enact a 2013 Rates Law.

To that end, SE will not oppose CIB's latest proposal to the FNTC to increase the 2013 Tax Rates by 25%.

SE is committed to working with our communities; we have demonstrated this for over 50 years, and we will continue to seek partnership opportunities with our communities.

Very early in the new year, SE will plan on meeting with the FNTC to discuss our process concerns. As discussed on our call yesterday, we know that CIB is committed to meeting with SE to build on our relationship and to finalize tax matters related to 2014 and future years.

We thank you for the opportunity to comment on the revised Rates Law. We wish you luck in your presentation to the FNTC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Glenn S. Dobie". The signature is written in a cursive, flowing style.

Glenn S. Dobie
Manager, Canadian Property Tax
Spectra Energy

c.c. Trenton Paul, Advisor, FNTC
Gary C. Weiling, Vice President, External Affairs, SE
Steve Henderson, Manager, Community & Aboriginal Affairs, SE



Norm Stickelmann, MBA, CGA
Property Tax Specialist

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December 9, 2013

Mr. Donald Kraus
Tax Administrator
Coldwater Indian Band
P.O. Box 4600
2249 Quilchena Avenue,
Merritt, BC, V1K 1B8

Dear Mr. Kraus;

Re: 2013 Rates Law

FortisBC Energy Inc. (FortisBC) acknowledges receipt of your email sent December 3. Given the urgency to set tax rates for 2013 FortisBC does not oppose the planned increases in the Annual Rates Law, 2013 by the Band and will abide by the decision of First Nations Tax Commission (FNTC).

We trust the above is satisfactory for your deliberations, but should you have any questions or concerns please call me at (604) 576-7101.

Yours truly
FORTISBC ENERGY INC.

A handwritten signature in blue ink, appearing to read "Norm Stickelmann".

Norm Stickelmann
Property Tax Specialist

cc: Bob Gibney, Senior Manager Municipal and Aboriginal Relations