

**VILLAGE OF CHASE
BYLAW NO. 806 – 2015**

A Bylaw to Adopt the Village of Chase 2015 – 2019 Financial Plan

WHEREAS the Community Charter requires that municipalities must establish a five year financial plan that is adopted annually by bylaw;

WHEREAS there are changes to the Financial Plan having a material impact upon the presentation of the financial information for the 2013 financial year

NOW THEREFORE the Council of the Village of Chase, in the Province of British Columbia, in an open meeting assembled enacts as follows:

1. Schedule "A", Village of Chase 2015 to 2019 Financial Plan and Schedule "B" Statement of Objectives and Policies, attached hereto, shall form part of this Bylaw and are hereby adopted as the Five Year Financial Plan for the Village of Chase for the years 2015 to 2019 inclusive
2. This Bylaw may be cited as "Village of Chase 2015 to 2019 Five Year Financial Plan Bylaw No. 806-2015".

READ A FIRST TIME THIS 5th DAY OF May, 2015

READ A SECOND TIME THIS 5th DAY OF May, 2015

READ A THIRD TIME THIS 5th DAY OF May, 2015

ADOPTED THIS 12th DAY OF May, 2015



Mayor, R. Berrigan



Chief Administrative Officer, J. Heinrich

VILLAGE OF CHASE
 Bylaw No. 806-2015
 2015 to 2019 Financial Plan
 Schedule "A"

	2015	2016	2017	2018	2019
Revenues					
Property Taxes	\$1,509,000	\$1,553,000	\$1,598,800	\$1,645,900	\$1,694,500
Payments in Lieu of Taxes	21,000	21,400	21,800	22,300	22,800
Utility Tax	39,000	39,800	40,600	41,400	42,200
Interest and Penalties on taxes	33,200	33,600	34,600	35,800	37,000
Parcel Taxes					
Water Parcel Tax	84,000	-	-	-	-
Waste Water Parcel Tax	218,000	-	-	-	-
Collection of taxes for Other Governments	1,781,100	1,816,600	1,852,600	1,889,100	1,926,100
Grants	1,201,000	1,891,700	328,400	319,100	319,900
Fees					
Other Revenue Own Sources	330,200	335,600	341,400	346,900	352,700
Water utility	229,000	344,000	378,000	415,000	456,000
Waste Water utility	206,500	428,500	432,500	436,500	441,500
Other Revenues	7,000	6,000	5,000	5,000	5,000
Development Cost Charges	-	130,000	-	-	-
Disposal of Tangible Capital Assets	198,800	76,200	-	-	-
Transfers from Reserves					
General	54,000	241,200	-	-	-
Water utility	184,000	156,000	-	-	-
Waste Water utility	-	123,800	-	-	-
Proceeds from Borrowing	280,000	260,000	-	-	-
Total Revenues	6,375,800	7,457,400	5,033,700	5,157,000	5,297,700
Expenditures					
Payment of taxes to Other Governments	1,781,100	1,816,600	1,852,600	1,889,100	1,926,100
Legislative services	121,600	90,900	91,200	91,500	91,800
Corporate services	503,400	508,600	514,100	531,000	522,400
Municipal Enforcement	51,300	52,000	52,900	53,600	54,300
Fire service	329,800	209,400	209,400	215,000	213,100
Rescue service	16,100	16,200	16,500	16,700	16,900
Emergency services	3,900	4,000	4,100	4,100	4,200
Planning	34,700	34,500	35,000	35,400	35,700
Economic Development	86,000	75,000	75,600	76,000	76,500
Public Works	307,700	311,300	315,900	325,600	326,800
Transportation	496,200	504,000	511,800	513,500	516,000
Parks & Recreation	657,200	667,800	674,700	680,100	685,300
Solid Waste	196,700	222,300	196,300	201,700	208,100
Water	506,000	584,400	595,000	600,900	606,900
Sewer	381,100	385,600	390,100	394,600	397,800
Other	38,800	39,000	39,200	39,300	39,600
Capital Expenditures					
General	379,000	1,097,000	235,500	115,000	261,000
Water	761,800	895,000	-	-	-
Sewer	550,000	1,100,000	-	-	-
Deduct Amortization	(906,700)	(994,400)	(991,600)	(979,000)	(970,900)
Debt Repayment	59,500	54,700	75,000	74,700	74,400
Leases	168,800	146,100	143,500	143,500	143,500
Transfers to Reserves					
General	25,000	25,000	35,000	35,000	35,000
Water	-	-	-	-	-
Sewer	-	-	-	-	-
Total Expenditures	6,549,000	7,845,000	5,071,800	5,057,300	5,264,500
Annual Cash Surplus/(Deficit)	(173,200)	(387,600)	(38,100)	99,700	33,200
Transfers (to)/from Surplus	173,200	387,600	38,100	(99,700)	(33,200)
Financial Plan Balance (will be \$0)	\$0	\$0	\$0	\$0	\$0

Village of Chase
Bylaw No. 806-2015
2014 to 2018 Financial Plan
Schedule "B" – Statement of Objectives and Policies

In accordance with Section 165(3.1) of the *Community Charter*, the Five Year Financial Plan must include objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from the following funding sources described in Section 165(7) of the *Community Charter*:
 - (a) revenue from property value taxes;
 - (b) revenue from parcel taxes;
 - (c) revenue from fees;
 - (d) revenue from other sources;
 - (e) proceeds from borrowing.
2. The distribution of property taxes among the property classes, and
3. The use of permissive tax exemptions.

FUNDING SOURCES

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2015.

In 2015, grants, included in the "Other Sources" line in Table 1, form a major proportion of revenue for the Village. Chase has been very fortunate to secure over 4.5 million dollars from the Canada – British Columbia Building Canada Fund which will pay for two-thirds of the new Water Treatment Plant. Construction of the plant was begun in 2013 and was mostly completed in 2014. Final works are being completed in 2015 and will generate approximately \$370,000 in grant revenues. We are also applying for additional grants for a wastewater lagoon infrastructure project which will require additional grant funding of \$366,000 and additional funding from reserves in 2015 and the balance of the project will be completed in 2016.

Borrowing of \$280,000 through short term loans will finance the acquisition of two firetrucks and will pay for a half ton budgeted previously to be funded from borrowing.

Property taxation, the largest revenue source, offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as maintenance of streets, sidewalks, parks, general administration, fire protection, bylaw enforcement, and snow removal.

Objective

Over the next five years, the Village will increase the proportion of revenue that is received from user fees and charges until the fees and charges more closely meet the costs incurred to provide the services.

Policies

- Where possible, the Village will supplement revenues from user fees and charges, rather than taxation, to lessen the burden on its limited, primarily residential, property tax base.
- Based on the above statement, the Village will be reviewing and revising user fees to ensure that they are adequately meeting both the capital and operating costs of the services for which they are collected.
- The metered water system has been tested during 2013 and 2014 in order to ensure the system is operating satisfactorily. During 2014 we replaced some equipment which was not functioning properly and the last several meter readings have had no significant glitches. We anticipate producing test utility billings throughout 2015. It is anticipated that metered utility billings will begin in April 2016.
- All utility bylaws will be reviewed and amended with the intention of simplifying billing procedures and setting guidelines for users.

Revenue Source	Amount	Percentage of Total
Property Taxes	\$1,509,000	24
Parcel Taxes	302,000	5
Fees	765,700	12
Other Sources	3,519,100	55
Borrowing	280,000	4
Total	\$6,375,800	100

DISTRIBUTION OF PROPERTY TAX RATES

Table 2 outlines the distribution of property tax rates among the property classes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class forms the largest proportion of the assessment base and consumes the majority of Village services.

Our only "Major Industry" class, Adams Lake Lumber, is exempted from any Village of Chase property tax rate increases, as the Letters Patent by which their property was incorporated into the Village of Chase requires that the tax rate to be used is set by the provincial "Taxation (Rural Area) Act Regulation". The "Utility" class is also determined by the province under that same regulation and we are already using the maximum tax rate allowed and therefore it cannot change.

Objective

- The amount of taxes to be collected from the “Residential”, “Business and Other”, “Recreation/Non-Profit” and “Farm” classes will increase by about 3% per year. This will be reviewed in future as user fees are implemented to offset property taxes.

Policies

- The Village will supplement its revenues from user fees and charges to keep property tax increases to a minimum.
- The Village will continue to maintain and encourage economic development initiatives designed to attract more retail and commercial businesses to invest in the community and create new jobs.
- The Village will regularly review the tax rates and revenues relative to the expenses incurred within each property class.

Table 2 - Distribution of Property Taxes

Property Classification	% of Total Property Taxation	Value
Residential (1)	73.36%	1,110,200
Utilities (2)	1.98%	27,900
Major Industry (4)	8.63%	132,900
Business and Other (6)	15.90%	239,900
Recreation / Non-Profit (8)	0.06%	1,000
Farm (9)	0.07%	1,100
Total All Sources	100.00%	1,513,000

PERMISSIVE TAX EXEMPTIONS

The Village has adopted a Permissive Tax Exemption policy in 2015 which provides guidelines for applications and review by council of those applications to determine the nature and the purpose of the exemptions being given. Council considers the following criteria before granting permissive tax exemptions:

- The tax exemption must demonstrate benefit to the community and residents of the Village by enhancing the quality of life economically, socially and/or culturally.
- The goals, policies and principles of the organization receiving the exemption must be consistent with those of the Village.
- The organization receiving the exemption must be a registered non-profit organization or government institution.
- Permissive tax exemptions will be considered in conjunction with:
 - (a) Other assistance being provided by the Village;
 - (b) The potential demand for Village services or infrastructure arising from the property; and
 - (c) The amount of revenue that the Village will lose if the exemption is granted.

Objective

- The Village will continue to provide permissive tax exemptions to non-profit societies, agencies and government institutions providing services to the community.
- The Village will consider the benefits to the community being provided by the recipients of the exemptions.
- The Village will consider additional permissive tax exemptions as allowed under the *Community Charter*.

Policies

- The new policy is in effect for 2015. The process will be reviewed and any changes required to improve accountability and provide fair access to the exemptions will be considered by council in the future.

Goal of Council

A major goal of this council is to improve the village's financial situation over the next several years. In pursuit of this goal council did make major cuts to its operating budget expenditures in 2015 while maintaining a tax increase. This will change the direction of the village finances to begin to provide future funding for asset repair and replacement with less reliance on senior government funding.