

**VILLAGE OF CHASE
BYLAW NO. 888-2020**

A Bylaw to Adopt the Village of Chase 2020 to 2024 Financial Plan

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

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

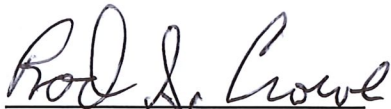
1. Schedule "A", Village of Chase 2020 to 2024 Financial Plan, and Schedule "B" Statement of Objectives and Policies, attached hereto, shall form part of this Bylaw and are hereby adopted as the Five Year Financial Plan for the Village of Chase for the years 2020 to 2024 inclusive.
2. This Bylaw may be cited as "Village of Chase 2020 to 2024 Five Year Financial Plan Bylaw No. 888 - 2020".

READ A FIRST TIME THIS **14th DAY OF APRIL, 2020**

READ A SECOND TIME THIS **14th DAY OF APRIL, 2020**

READ A THIRD TIME THIS **28th DAY OF APRIL, 2020**

ADOPTED THIS **12th DAY OF MAY, 2020**



Mayor, R. Crowe



Corporate Officer, S. O'Flaherty

VILLAGE OF CHASE
Bylaw No. 888 - Schedule "A"
2020 to 2024 Financial Plan

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | |
| Property Taxes | (2,024,823) | (2,065,319) | (2,106,625) | (2,148,758) | (2,191,733) |
| Payments in Lieu of Taxes | (24,750) | (24,750) | (24,750) | (24,850) | (24,900) |
| Utility Tax & Franchise Fees | (67,604) | (68,100) | (68,100) | (69,000) | (69,000) |
| Interest and Penalties on taxes | (29,000) | (26,000) | (25,500) | (24,000) | (24,000) |
| Collection of taxes for Other Governments | (1,744,650) | (1,778,655) | (1,813,455) | (1,813,455) | (1,813,455) |
| Grants General | (585,950) | (593,146) | (593,246) | (600,551) | (600,751) |
| Fees | | | | | |
| Other Revenue Own Sources | (179,875) | (184,175) | (189,875) | (183,075) | (184,075) |
| Water utility | (415,465) | (510,650) | (568,040) | (593,700) | (614,000) |
| Sewer utility | (392,100) | (392,100) | (395,100) | (393,100) | (398,100) |
| Solid Waste Management | (257,600) | (263,600) | (271,600) | (271,600) | (271,600) |
| Other Revenue-COVID 19 | (30,000) | (10,000) | 0 | 0 | 0 |
| Disposal of Tangible Capital Assets | 0 | 0 | 0 | 0 | 0 |
| DCC | (2,000) | (2,000) | (2,000) | (2,000) | -2,000 |
| Disposal of Lands | 0 | 0 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 0 | 0 |
| Conditional Project Grants | | | | | |
| General | (438,887) | (75,000) | 0 | 0 | 0 |
| Water utility | 0 | 0 | 0 | 0 | 0 |
| Sewer utility | 0 | 0 | 0 | 0 | 0 |
| Solid Waste Management | 0 | 0 | 0 | 0 | 0 |
| Transfers from Reserves | | | | | |
| General | 0 | 0 | (300,000) | (200,000) | 0 |
| Water utility | 0 | 0 | 0 | 0 | 0 |
| Sewer utility | 0 | 0 | 0 | 0 | 0 |
| Solid Waste | 0 | 0 | 0 | 0 | 0 |
| Gas Tax Reserve | (70,000) | 0 | 0 | 0 | 0 |
| Transfers from Surplus | | | | | |
| General | (178,500) | (258,500) | (40,000) | (40,000) | (40,000) |
| Water utility | (48,024) | (48,024) | (48,024) | (48,024) | (48,024) |
| Sewer utility | (11,526) | (11,526) | (11,526) | (11,526) | (11,526) |
| Solid Waste Management | 0 | 0 | 0 | 0 | 0 |
| Transfers from Surplus for Capital | | | | | |
| General | (458,500) | (190,000) | (85,000) | (45,000) | (2,500) |
| Water utility | 0 | 0 | 0 | 0 | 0 |
| Sewer utility | (30,000) | 0 | 0 | 0 | 0 |
| Solid Waste | 0 | 0 | 0 | 0 | 0 |
| Proceeds from Borrowing | (200,000) | 0 | 0 | 0 | 0 |
| Total Revenues | (7,189,254) | (6,601,545) | (6,542,841) | (6,468,639) | (6,298,664) |
| Expenditures | | | | | |
| Payment of taxes to Other Governments | 1,744,650 | 1,778,655 | 1,813,455 | 1,813,455 | 1,813,455 |
| Grants in aid | 11,500 | 11,500 | 11,500 | 11,500 | 11,500 |
| Legislative services | 85,350 | 88,500 | 90,600 | 92,700 | 94,450 |
| Corporate services | 841,342 | 867,600 | 895,700 | 893,200 | 906,500 |
| Municipal Enforcement | 29,400 | 30,400 | 30,400 | 30,400 | 30,400 |
| Emergency Response-COVID 19 | 30,000 | 10,000 | 0 | 0 | 0 |
| Fire service | 238,000 | 243,800 | 245,450 | 246,950 | 247,000 |
| Rescue service | 31,550 | 32,350 | 32,900 | 33,150 | 33,450 |
| Planning | 9,500 | 14,500 | 9,250 | 9,250 | 9,250 |
| Economic Development | 65,300 | 67,100 | 66,400 | 62,450 | 63,250 |
| Public Works Admin | 449,700 | 448,150 | 453,350 | 458,000 | 462,200 |
| Fleet | 102,800 | 92,600 | 93,000 | 94,250 | 94,850 |
| Transportation-Rds & Drain | 284,660 | 269,650 | 269,050 | 271,400 | 274,850 |
| Parks | 190,900 | 178,200 | 182,400 | 185,050 | 188,750 |
| Cemetery | 22,800 | 23,400 | 24,000 | 24,600 | 24,960 |
| Recreation Facilities | 395,850 | 395,750 | 396,620 | 397,640 | 398,000 |
| Water | 614,200 | 613,400 | 612,350 | 615,350 | 617,610 |
| Sewer | 345,550 | 346,400 | 346,500 | 346,925 | 346,250 |
| Solid Waste | 257,600 | 253,600 | 231,600 | 231,600 | 239,700 |
| Leases | 0 | 0 | 0 | 0 | 0 |
| Capital Expenditures | | | | | |
| General | 1,167,387 | 265,000 | 385,000 | 245,000 | 2,500 |
| Water | 0 | 0 | 0 | 0 | 0 |
| Sewer | 30,000 | 0 | 0 | 0 | 0 |
| Arena Debt Payment | 0 | 0 | 0 | 0 | 0 |
| CP Rail Debt Repayment | 18,500 | 18,500 | 0 | 0 | 0 |
| Interest on Debt Repayment | | | | | |
| Water | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 |
| Sewer | 21,600 | 21,600 | 21,600 | 21,600 | 21,600 |
| Fire Truck | 2,000 | 13,500 | 13,500 | 13,500 | 13,500 |
| Debt Repayment | | | | | |
| Water | 48,024 | 48,024 | 48,024 | 48,024 | 48,024 |
| Sewer | 11,526 | 11,526 | 11,526 | 11,526 | 11,526 |
| Fire Truck | 10,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| DCC | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Transfers to Land Reserves | 0 | 0 | 0 | 0 | 0 |
| Transfer to Gas Tax Reserve | 151,350 | 158,446 | 158,446 | 165,751 | 165,751 |
| Transfers to Reserves | | | | | |
| General | 150,000 | 200,000 | 0 | 0 | 0 |
| Solid Waste | 0 | 0 | 0 | 0 | 0 |
| Water | 0 | 0 | 0 | 0 | 0 |
| Sewer | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 7,427,039 | 6,608,151 | 6,548,621 | 6,429,271 | 6,225,325 |
| Total Annual Cash (Surplus)/Deficit | 237,785 | 106,606 | 5,780 | (39,368) | (70,338) |
| Transfer to/(from)-General | 0 | (26,044) | (35,530) | (60,443) | (75,798) |
| Transfer to/(from)-Water | 262,735 | 166,750 | 108,310 | 85,650 | 67,610 |
| Transfer to/(from)-Sewer | (24,950) | (24,100) | (27,000) | (24,575) | (30,250) |
| Transfer to/(from)-Solid Waste | 0 | (10,000) | (40,000) | (40,000) | (31,900) |
| Total Transfers | 237,785 | 106,606 | 5,780 | (39,368) | (70,338) |
| Financial Plan Balance (will be \$0) | 0 | 0 | 0 | 0 | 0 |

**Village of Chase
Bylaw No. 888
2020 to 2024 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 2020.

| <u>Table 1 – 2020 Revenue Sources</u> | | |
|--|---------------------------|-----------------------------------|
| <u>Revenue Source</u> | <u>Amount</u> | <u>Percentage of Total</u> |
| Municipal taxes | \$2,024,823 | 28.16% |
| Other Taxes | 1,866,004 | 25.96% |
| Fees | 1,065,165 | 14.82% |
| Grants | 1,024,837 | 14.26% |
| Other Sources | 211,875 | 2.95% |
| Transfers | 796,550 | 11.08% |
| Borrowing | 200,000 | 2.78% |
| <u>Total</u> | <u>\$7,189,254</u> | <u>100.00%</u> |

Municipal property taxation, generally 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.

Other taxes are taxes collected on behalf of other authorities, which are then remitted to the corresponding taxing authority. Franchise fees and payments in lieu of taxes and interest and penalties collected on outstanding property taxes are also included as other taxes.

Fees are user fees and charges which fund specific service including water, sewer and solid waste collection.

The major contributions to the Grant funding are the Small Community Grant and Community Works Fund. There are several other federal, provincial and regional sources which support Village initiatives.

For 2020, the Village of Chase has applied for a significant amount of additional grant funding for several major Capital projects, which shall only be undertaken if the grant funding applications are successful.

Other Sources include revenues collected from the use and rental of Village assets; investment interest and disposition of capital assets.

Transfers consist of revenues transferred from reserve or surplus funds.

Policies and Objectives

Property Taxes: The objective is to balance the budget each year and maintain a reasonable tax burden. That the Village shall strive to implement stable, fair and representative tax rates for all property classes, while seeking funding sources and opportunities to offset tax collection requirements.

Parcel Taxes: The Village of Chase no longer collects parcel taxes within the municipality.

Fees: The Village shall strive to ensure the fees charged for water, sanitary sewer and solid waste services be on a cost recovery basis. The Village shall review and revise the user fees to ensure they are meeting the capital and operational costs of the services for which they are collected.

Other Sources: The objective is to maximize other revenue sources including, grant funding from higher levels of government, to reduce the taxation burden and provide support to Council priorities and directives.

Borrowing: The objective is to identify the borrowing needs in advance and ensure the funding option supports the objectives noted above.

DISTRIBUTION OF PROPERTY TAX RATES

Table 2 outlines the distribution of property tax rates among the property classes.

| <u>Table 2 - Distribution of Municipal Property Taxes</u> | | |
|--|--|-------------------------|
| <u>Property Classification</u> | <u>% of Total Property Taxation</u> | <u>Value</u> |
| Residential (1) | 77.64% | \$1,572,151 |
| Utilities (2) | 1.67% | 33,740 |
| Major Industry (4) | 6.82% | 137,993 |
| Business and Other (6) | 13.75% | 278,387 |
| Recreation / Non-Profit (8) | 0.06% | 1,167 |
| Farm (9) | 0.07% | 1,385 |
| <u>Total All Sources</u> | <u>100.00%</u> | <u>2,024,823</u> |

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.

Municipalities generally charge a higher rate of tax to business and industry based on the theory that they proportionately consume a greater portion of the Village services.

Our only “Major Industry” class, Adams Lake Lumber, is a special situation 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 the Village is charging the maximum tax rate allowed for this class.

Policies and Objectives

- The Village shall continue to maintain and encourage economic development initiatives designed to attract more retail, commercial and industrial businesses to invest in the community to create employment.
- The Village shall continue to seek opportunities to increase densification and development to increase the tax base and provide additional housing.
- The Village shall regularly review the property tax rates and revenue distribution to maintain proportional consistency within the property classes.

PERMISSIVE TAX EXEMPTIONS

The Village has adopted a Permissive Tax Exemption policy which outlines the goals and objectives and provides guidelines for the administration and approval of permissive tax exemptions.

Objectives and Policies: The Village will consider additional permissive tax exemptions as allowed under the Community Charter. Council shall review the permissive tax exemptions being granted, in keeping with the policy, to ensure fair access, consistent standards and appropriate allocations are implemented.

Goal of Council

The goal of Council is to improve the financial health of the Village of Chase, while maintaining the current service levels and protecting the health and sustainability of the community infrastructure. In keeping with the obligations under the Gas Tax Community Works Fund Agreement, the Village will continue to develop and implement asset management planning in 2020. The municipality will continue to seek funding opportunities for infrastructure assessments, evaluations and reviews to be utilized in the development of an Infrastructure Master Plan which shall outline the need and priorities necessary for the protection and sustainability of the Village's infrastructure. The Village shall continue to seek grant funding opportunities for all projects related to infrastructure sustainability, community health and safety and ongoing community development.