

**VILLAGE OF CHASE
BYLAW NO. 816 – 2016**

A Bylaw to Adopt the Village of Chase 2016 – 2020 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 2016 to 2020 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 2016 to 2020 inclusive
2. This Bylaw may be cited as "Village of Chase 2016 to 2020 Five Year Financial Plan Bylaw No. 816-2016".


READ A FIRST TIME THIS 26TH DAY OF APRIL, 2016

READ A SECOND TIME THIS 26TH DAY OF APRIL, 2016

READ A THIRD TIME THIS 26TH DAY OF APRIL, 2016

ADOPTED THIS 10TH DAY OF MAY, 2016


Mayor, R. Berrigan


Deputy Corporate Officer, T. Pretty

Village of Chase
Bylaw No. 816-2016
2016 to 2020 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 2016.

In 2016, 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 1.0 million dollars from the Canada – British Columbia Building Canada Fund which will pay for two-thirds of the new Waste Water Treatment Plant. Construction of the plant will begin in 2016 and will be completed during the year. A new garbage truck will be ordered in 2016 and will be funded from reserves set aside for the purpose from funds generated by the solid waste utility fees.

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

In 2016 the Village will implement its new metered billing rates based on water consumption. Council is considering the change over from Parcel Taxes for a portion of the utility service to full funding from user fees. This reduces water tax by \$100,000 and sewer tax by \$200,000 per year which will be moved to the utility billing system. The Village will continue to increase the water utility rates until the revenues fully fund the costs of providing the service.

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 produced test utility billings during 2015 to evaluate the system processes and obtain customer feedback regarding the billing assumptions made. All of the defective meters have been replaced and we have arranged to have several commercial meters upgraded or replaced. 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	\$1,566,000	22
Parcel Taxes	0	0
Fees	1,116,400	15
Other Sources	4,572,400	63
Borrowing	0	0
Total	\$7,254,800	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.

Municipalities generally

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 3.5 % in 2016. This will be reviewed in future as user fees are implemented

to offset property taxes. Council will conduct a review of the tax multiples utilized by the village to determine if they are still appropriate.

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.

Property Classification	% of Total Property Taxation	Value
Residential (1)	73.90%	1,157,200
Utilities (2)	1.83%	28,600
Major Industry (4)	8.43%	132,000
Business and Other (6)	15.71%	246,100
Recreation / Non-Profit (8)	0.06%	1,000
Farm (9)	0.07%	1,100
Total All Sources	100.00%	1,566,000

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*.
- Council will review the level of permissive tax exemptions being granted and determine if the value granted is appropriate.

Policies

- The new policy was 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 2016 and deferred several capital projects beyond the five year plan while maintaining a tax increase. Council is maintaining the direction of the village finances to begin to provide future funding for asset repair and replacement with less reliance on senior government funding.

VILLAGE OF CHASE

Bylaw No. 816-2016

2016 to 2020 Financial Plan

Schedule "A"

Revenues	2016	2017	2018	2019	2020
Property Taxes	\$1,566,000	\$1,613,000	\$1,661,000	\$1,711,000	\$1,762,000
Payments in Lieu of Taxes	11,300	11,600	11,900	12,200	12,500
Utility Tax	38,000	38,000	37,500	37,500	37,000
Interest and Penalties on taxes	38,000	38,700	39,800	40,900	42,000
Collection of taxes for Other Governments	1,816,600	1,852,600	1,889,100	1,926,100	1,964,600
Grants	2,038,300	1,153,000	327,500	337,200	346,000
Fees					
Other Revenue Own Sources	343,900	355,700	364,300	373,100	381,600
Water utility	344,000	378,000	415,000	456,000	501,000
Waste Water utility	428,500	432,500	436,500	441,500	445,500
Other Revenues	9,000	7,000	6,000	5,000	5,000
Development Cost Charges	124,000	0	0	0	325,000
Disposal of Tangible Capital Assets	86,200	0	0	0	0
Transfers from Reserves					
General	255,000	16,200	0	0	0
Water utility	0	0	0	0	0
Waste Water utility	156,000	0	0	0	0
Proceeds from Borrowing	0	383,800	0	0	0
Total Revenues	7,254,800	6,280,100	5,188,600	5,340,500	5,822,200
Expenditures					
Payment of taxes to Other Governments	1,816,600	1,852,600	1,889,100	1,926,100	1,964,600
Legislative services	96,100	96,400	96,700	97,000	97,300
Corporate services	536,900	533,700	557,300	546,600	556,100
Municipal Enforcement	53,600	53,700	54,400	55,200	56,000
Fire service	232,100	241,100	243,000	245,400	258,900
Rescue service	24,400	40,700	46,000	60,600	73,900
Emergency services	4,000	4,000	4,100	4,100	4,200
Planning	49,200	32,300	32,600	33,000	33,500
Economic Development	93,900	78,700	79,100	79,600	80,200
Common Services	312,400	317,400	327,700	323,900	321,700
Transportation	457,300	471,000	481,600	486,400	497,500
Parks & Recreation	740,200	750,900	735,000	739,900	747,400
Solid Waste	250,500	207,700	213,200	219,800	219,100
Water	734,700	753,900	767,500	772,600	777,400
Sewer	379,500	392,400	397,300	399,500	401,000
Other	44,000	44,200	44,400	44,500	48,700
Capital Expenditures					
General	1,119,000	691,300	285,600	208,900	691,200
Water	34,800	845,000	0	0	0
Sewer	1,675,000	0	0	0	0
Deduct Amortization	(1,095,500)	(1,161,200)	(1,172,800)	(1,179,600)	(1,190,000)
Debt Repayment	147,000	152,200	157,300	157,300	69,400
Leases	22,000				
Transfers to Reserves					
General	25,000	45,000	45,000	45,000	45,000
Water					
Sewer					
Total Expenditures	7,752,700	6,443,000	5,284,100	5,265,800	5,753,100
Annual Cash Surplus/(Deficit)	(497,900)	(162,900)	(95,500)	74,700	69,100
Transfers (to)/from Surplus	497,900	162,900	95,500	(74,700)	(69,100)
Financial Plan Balance (will be \$0)	\$0	\$0	\$0	\$0	\$0