

**VILLAGE OF CHASE
BYLAW NO. 852-2018**

A Bylaw to Adopt the Village of Chase 2018 to 2022 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 2018 to 2022 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 2018 to 2022 inclusive.
2. This Bylaw may be cited as "Village of Chase 2018 to 2022 Five Year Financial Plan Bylaw No. 852-2018".

READ A FIRST TIME THIS 30th DAY OF APRIL, 2018

READ A SECOND TIME THIS 30th DAY OF APRIL, 2018

READ A THIRD TIME THIS 8th DAY OF MAY, 2018

ADOPTED THIS 14th DAY OF MAY, 2018



Mayor, R. Berrigan



Corporate Officer, S. O'Flaherty

Village of Chase
Bylaw No. 852-2018
2018 to 2022 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 2018.

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.

Other taxes are taxes collected on behalf of other authorities, which are then remitted to the corresponding taxing authority.

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.

Other Sources include revenues collected from the use and rental of Village assets; interest and penalties from outstanding account and investments; as well as disposition of capital assets, franchise fees and payments in lieu of taxes.

Transfers consist of revenues transferred from reserve or surplus funds.

Objective

In 2016 the Village implemented its new metered billing rates based on water consumption. Parcel Taxes for utility revenues were eliminated and utilities were changed to full funding from user fees. Water fees are low and 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 was implemented in April 2016. The metered usage will bring forward issues pertaining to leakages and faulty meters which can then be resolved.
- The new utility billing procedures are being monitored to ensure they are efficient and effective. Additional procedures are being developed to deal with issues as they arise.
- The Village will continue to seek grant funding opportunities to offset capital costs

<u>Revenue Source</u>	<u>Amount</u>	<u>Percentage of Total</u>
Municipal taxes	\$1,829,157	32.54%
Other Taxes	1,688,751	30.04%
Fees	1,022,200	18.18%
Grants	634,613	11.29%
Other Sources	289,911	5.16%
Transfers	156,600	2.79%
Borrowing	0	0.00%
Total	\$5,621,232	100.00%

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 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 we are already using the maximum tax rate allowed and therefore it cannot change.

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.

<u>Table 2 - Distribution of Municipal Property Taxes</u>		
<u>Property Classification</u>	<u>% of Total Property Taxation</u>	<u>Value</u>
Residential (1)	75.82%	\$1,386,899
Utilities (2)	1.62%	29,562
Major Industry (4)	7.33%	134,026
Business and Other (6)	15.09%	276,079
Recreation / Non-Profit (8)	0.06%	1,166
Farm (9)	0.08%	1,425
<u>Total All Sources</u>	<u>100.00%</u>	<u>1,829,157</u>

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 is regularly 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

The major goal of this council is to improve the financial health of the Village of Chase, while maintaining the current service levels. 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. In keeping with the obligations under the Gas Tax Community Works Fund Agreement, the Village will begin to develop and implement asset management planning in 2018. The introduction of asset management will require the assessment and evaluation of all major infrastructure. This information may then be utilized to develop a capital projects guide of needs and priorities.