

**VILLAGE OF CHASE
BYLAW NO. 868**

A Bylaw to Adopt the Village of Chase 2019 to 2023 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:

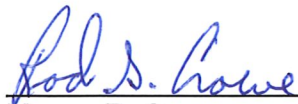
1. Schedule "A", Village of Chase 2019 to 2023 Financial Plan and Schedule "B" Statement of Objectives and Policies, attached hereto, shall form part of this Bylaw and are hereby adopted as the Five Year Financial Plan for the Village of Chase for the years 2019 to 2023 inclusive.
2. This Bylaw may be cited as "Village of Chase 2019 to 2023 Five Year Financial Plan Bylaw No. 868".

READ A FIRST TIME THIS 9th DAY OF **APRIL, 2019**

READ A SECOND TIME THIS 9th DAY OF **APRIL, 2019**

READ A THIRD TIME THIS 16th DAY OF **APRIL, 2019**

ADOPTED THIS 23rd DAY OF **APRIL, 2019**



Mayor, R. Crowe



Corporate Officer, S. O'Flaherty

VILLAGE OF CHASE
 Bylaw No. 868 - Schedule "A"
 2019 to 2023 Financial Plan

	2019	2020	2021	2022	2023
Revenues					
Property Taxes	(1,940,176)	(1,962,000)	(1,980,000)	(1,990,000)	(2,000,000)
Payments in Lieu of Taxes	(15,228)	(15,250)	(15,300)	(15,450)	(15,450)
Utility Tax & Franchise Fees	(63,980)	(65,000)	(67,000)	(67,000)	(67,000)
Interest and Penalties on taxes	(27,500)	(27,500)	(26,300)	(25,800)	(23,100)
Collection of taxes for Other Governments	(1,711,150)	(1,744,650)	(1,778,655)	(1,813,455)	(1,813,455)
Grants	(776,219)	(592,950)	(600,646)	(600,746)	(608,551)
Fees					
Other Revenue Own Sources	(140,750)	(141,950)	(135,350)	(136,050)	(137,550)
Water utility	(500,300)	(522,800)	(587,800)	(612,800)	(662,500)
Sewer utility	(388,350)	(382,100)	(387,100)	(390,100)	(390,100)
Solid Waste Management	(236,600)	(236,600)	(236,600)	(236,600)	(236,600)
Other Revenues	0	0	0	0	0
Disposal of Tangible Capital Assets	(7,500)	(5,000)	(2,000)	0	0
DCC	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Disposal of Lands	0	0	0	0	0
Deferred Revenue	(10,000)	0	0	0	0
Gas Tax Reserve	(70,000)	0	0	0	0
Conditional Project Grants	(1,656,905)	(5,000)	0	0	0
Transfers from Reserves					
General	0	0	(300,000)	0	0
Water utility	0	0	0	0	0
Sewer utility	0	0	0	0	0
Transfers from Surplus Debt	(251,150)	(163,650)	(163,650)	(145,150)	(145,150)
Transfers from Surplus for Capital					
General	(462,350)	(420,000)	(243,446)	(450,000)	(250,000)
Solid Waste	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Water utility	(10,000)	(10,000)	0	0	0
Sewer utility	(15,000)	(50,000)	0	0	0
Proceeds from Borrowing	0	0	0	0	0
Total Revenues	(8,825,158)	(6,386,450)	(6,565,847)	(6,825,151)	(6,391,456)
Expenditures					
Payment of taxes to Other Governments	1,711,150	1,744,650	1,778,655	1,813,455	1,813,455
Grants in aid	31,000	31,000	31,000	31,000	31,000
Legislative services	85,600	83,800	85,300	86,750	90,100
Corporate services	820,930	823,430	830,400	858,300	851,800
Municipal Enforcement	29,300	29,300	30,300	30,300	30,300
Fire service	219,200	234,100	240,700	239,850	239,850
Rescue service	31,750	28,650	29,150	30,250	30,350
Planning	12,500	7,500	7,500	6,000	6,000
Economic Development	66,925	66,525	62,775	62,600	63,850
Public Works Admin	449,700	456,175	439,750	444,950	449,050
Fleet	89,050	91,200	90,900	91,300	92,100
Transportation-Rds & Drain	270,350	265,050	264,250	265,250	267,500
Parks	185,200	185,800	189,200	193,600	196,600
Cemetery	19,290	19,790	20,540	21,040	21,065
Recreation Facilities	401,200	405,000	406,000	406,650	406,700
Water	611,675	611,650	615,225	617,650	620,025
Sewer	333,075	335,550	341,400	341,500	343,925
Solid Waste	213,400	214,850	216,290	218,100	218,100
Leases	0	70,000	70,000	70,000	70,000
Capital Expenditures					
General	1,874,255	40,000	315,000	215,000	15,000
Water	10,000	10,000	0	0	0
Sewer	25,000	50,000	0	0	0
Arena Debt Payment	87,500	0	0	0	0
CP Rail Debt Repayment	18,500	18,500	18,500	0	0
Interest on Debt Repayment	85,600	99,100	99,100	99,100	99,100
Debt Repayment	59,550	59,550	59,550	59,550	59,550
DCC	2,000	2,000	2,000	2,000	2,000
Transfers to Land Reserves	0	0	0	0	0
Transfer Gas Tax Reserve	316,719	151,350	158,446	158,446	165,751
Transfers to Reserves					
General	150,000	150,000	0	0	0
Solid Waste	40,000	40,000	40,000	40,000	40,000
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Total Expenditures	8,250,419	6,324,520	6,441,931	6,402,641	6,223,171
Total Annual Cash (Surplus)/Deficit	(74,739)	(61,930)	(123,916)	(122,510)	(168,285)
Transfer to/(from)-Surplus	74,739	61,930	123,916	122,510	168,285
Financial Plan Balance (will be \$0)	0	0	0	0	0

Village of Chase
Bylaw No. 868
2019 to 2023 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 2019.

<u>Table 1 – 2019 Revenue Sources</u>		
<u>Revenue Source</u>	<u>Amount</u>	<u>Percentage of Total</u>
Municipal taxes	\$1,940,176	23.30%
Other Taxes	1,817,858	21.84%
Fees	1,125,250	13.52%
Grants	2,433,124	29.23%
Other Sources	230,250	2.77%
Transfers	778,500	9.35%
Borrowing	0	0.00%
<u>Total</u>	<u>\$8,325,158</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 2019, 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)	76.73%	\$1,488,693
Utilities (2)	1.56%	30,210
Major Industry (4)	6.98%	135,385
Business and Other (6)	14.60%	283,296
Recreation / Non-Profit (8)	0.06%	1,166
Farm (9)	0.07%	1,425
<u>Total All Sources</u>	<u>100.00%</u>	<u>1,940,175</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 we are already using the maximum tax rate allowed and therefore it cannot change.

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 2019. 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.