

**VILLAGE OF CHASE**

Bylaw No. 765-2011  
2011 to 2015 Financial Plan

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**WHEREAS** the Community Charter requires that municipalities 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, enacts as follows:

1. Schedule "A", Village of Chase 2011 to 2015 Financial Plan, attached hereto, shall form part of this Bylaw.
2. Schedule "B", Statement of Objectives and Policies, attached hereto, shall form part of this Bylaw.
3. This By-law may be cited as "Village of Chase 2011 to 2015 Financial Plan Bylaw No. 765 – 2011".
4. Village of Chase 2010 to 2014 Financial Plan Bylaw No. 745 – 2010 is hereby repealed.


READ A FIRST TIME THIS 22<sup>ND</sup> DAY OF FEBRUARY, 2011.

READ A SECOND TIME THIS 22<sup>ND</sup> DAY OF FEBRUARY, 2011.

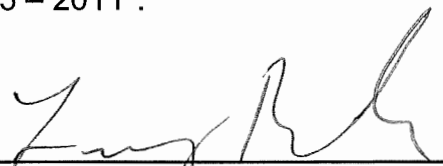
READ A THIRD TIME THIS 8<sup>th</sup> DAY OF MARCH, 2011.

RECONSIDERED AND ADOPTED THIS 10<sup>th</sup> DAY OF MARCH, 2011.

  
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Mayor

  
\_\_\_\_\_  
Corporate Officer

Certified to be a true copy of "Village of Chase 2011 to 2015 Financial Plan Bylaw No. 765 – 2011".

  
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Corporate Officer

<b>VILLAGE OF CHASE</b>					
<b>Bylaw No. 765-2011</b>					
<b>2011 to 2015 Financial Plan</b>					
<b>Schedule "A"</b>					
	2011	2012	2013	2014	2015
<b>REVENUE</b>					
Property Taxes & Grants in Lieu of property taxes	1,326,881	1,366,688	1,407,688	1,449,919	1,493,416
Parcel Taxes	297,502	297,502	297,502	297,502	297,502
1% Utility tax	45,715	45,715	45,715	45,715	45,715
Collection of taxes for Other Governments	1,719,322	1,831,542	1,831,542	1,831,542	1,831,542
Utility Rates (Solid Waste, Water & Sewer)	613,000	613,000	613,000	613,000	613,000
Licenses, Permits, Fees	137,900	138,400	138,900	139,400	139,900
Return on Investments	5,000	5,000	5,000	5,000	5,000
Penalties & Interest	28,348	28,348	28,348	28,348	28,348
Grants	4,031,709	974,739	422,593	422,593	422,593
Transfers from Reserves	1,256,146	357,939	137,939	133,278	83,126
Proceeds from Short Term Borrowing - up to 5 years	0	0	0	0	0
Proceeds from Long Term borrowing	984,000	0	0	0	0
Development Cost Charges	111,458	111,458	111,458	111,458	111,458
Accumulated Surplus (prior year)	1,114,942	732,318	774,680	815,719	930,629
<b>Total Revenue</b>	<b>11,671,922</b>	<b>6,502,648</b>	<b>5,814,364</b>	<b>5,893,474</b>	<b>6,002,229</b>
<b>EXPENDITURES:</b>					
Debt Principle and interest	278,076	273,714	270,208	252,818	164,695
Legislative Services	304,045	299,045	304,045	299,045	304,045
Corporate Services	700,502	696,010	739,864	723,336	727,534
Municipal Enforcement	15,200	15,200	15,700	15,200	15,200
Protective Services	170,223	171,059	174,438	177,836	181,279
Public Works	145,680	148,132	150,636	153,193	155,805
Transportation Services	313,764	316,337	328,973	321,672	324,437
Recreation	263,642	250,618	252,635	254,694	256,795
Utility Services (Solid Waste, Water & Sewer)	563,513	570,756	574,928	580,831	588,468
Transfers of taxes collected for other Governments	1,719,322	1,831,542	1,831,542	1,831,542	1,831,542
Capital expenditures (General, Water & Sewer)	6,363,960	1,060,877	186,000	183,000	183,000
Transfers to Reserves (non-DCC)	47,000	40,000	115,000	115,000	178,000
Transfers to Development Cost Charges Reserves	54,677	54,677	54,677	54,677	54,677
<b>Total Expenditures</b>	<b>10,939,604</b>	<b>5,727,968</b>	<b>4,998,645</b>	<b>4,962,844</b>	<b>4,965,476</b>
<b>Total Revenues</b>	<b>11,671,922</b>	<b>6,502,648</b>	<b>5,814,364</b>	<b>5,893,474</b>	<b>6,002,229</b>
<b>Total Expenditures</b>	<b>10,939,604</b>	<b>5,727,968</b>	<b>4,998,645</b>	<b>4,962,844</b>	<b>4,965,476</b>
<b>Surplus / (Deficit)</b>	<b>732,318</b>	<b>774,680</b>	<b>815,719</b>	<b>930,629</b>	<b>1,036,753</b>

**Village of Chase**  
**Bylaw No. 765–2011**  
**2011 to 2015 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 2010.

Grants, included in the “Other Sources” line in Table 1, form the greatest proportion of revenue. The Village of Chase was very fortunate to receive 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.

Property taxation, the second 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 general administration, fire protection, police services, bylaw enforcement, snow removal, and maintenance of streets, sidewalks and parks.

Borrowing forms the third largest portion of planned revenue. Borrowing will be necessary to fund a little less than half of the Village’s one-third share in the cost of the new Water Treatment Plant. One million dollars will be borrowed, to be paid back over the next 25 years. With a life expectancy of forty to fifty years for the water treatment plant, funding in this manner is justifiable. Other borrowing will be for five year leases for equipment.

**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 cover the costs incurred for the service or period of usage.

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**Policies**

- The Village will review all user fees and revise them as required to ensure that they are adequately meeting both the capital and operating costs of the service.
- A new billing process for metered water usage will be developed in 2011, "sample" bills with the new fees will be included with the normal billings for 2012 and metered billing will be implemented in 2013.
- Sewer fees will be charged a specific percentage (to be determined) of the water fees.
- 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.

<u>Revenue Source</u>	<u>Amount</u>	<u>Percentage of Total</u>
Property Taxes	1,326,881	13
Parcel Taxes	297,502	3
Fees	862,358	9
Other Sources	6,481,859	65
Borrowing	984,000	10
<b>Total</b>	<b>9,952,600</b>	<b>100</b>

**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 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.

**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.

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**Table 2 - Distribution of Property Taxes**

<u>Property Classification</u>	<u>% of Total Property Taxation</u>	<u>Value</u>
Residential (1)	73.66%	977,397
Utilities (2)	2.11%	27,978
Major Industry (4)	9.50%	126,061
Business and Other (6)	14.61%	193,884
Recreation / Non-Profit (8)	0.06%	823
Farm (9)	0.06%	736
<b>Total All Sources</b>	<b>100.00%</b>	<b>1,326,881</b>

**PERMISSIVE TAX EXEMPTIONS**

The Village has established precedent to guide decision making for permissive tax exemptions, but has no specific policy. 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 not be inconsistent with or in conflict 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.
- The Village will consider additional permissive tax exemptions as allowed under the *Community Charter*.

**Policies**

- Continue to provide permissive tax exemptions to non-profit organizations and government institutions.
- Develop a tax exemption policy detailing the procedures to be used for all permissive tax exemptions.
- While developing the permissive tax exemption policy, to consider adding other exemptions as allowed under the *Community Charter*.