

**VILLAGE OF CHASE  
BYLAW NO. 774 – 2012**

A Bylaw to Adopt the Village of Chase 2012 – 2016 Financial Plan

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**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 2012 to 2016 Financial Plan and Schedule "B", Statement of Objectives and Policies attached hereto shall form part of this Bylaw are hereby adopted as the Five Year Financial Plan for the Village of Chase for the years 2012 to 2016 inclusive
2. This By-law may be cited as "Village of Chase 2012 to 2016 Five Year Financial Plan Bylaw No. 774 – 2012".

READ A FIRST TIME THIS 10<sup>th</sup> DAY OF APRIL, 2012

READ A SECOND TIME THIS 10<sup>th</sup> DAY OF APRIL, 2012

READ A THIRD TIME THIS 10<sup>th</sup> DAY OF APRIL, 2012

ADOPTED THIS 24<sup>th</sup> DAY OF APRIL, 2012

  
\_\_\_\_\_  
Mayor

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

**VILLAGE OF CHASE**  
**Bylaw No. 774-2012**  
**2012 to 2016 Financial Plan**  
**Schedule "A"**

	2012	2013	2014	2015	2016
<b>Revenues</b>					
Property Taxes	1,366,692	1,407,693	1,449,924	1,493,422	1,538,224
Parcel Taxes					
Sewer Parcel Tax	217,996	217,996	217,996	217,996	217,996
Water Parcel Tax	78,414	78,414	78,414	78,414	78,414
Payments in Lieu of Taxes	63,447	65,351	67,311	69,331	71,411
Collection of taxes for Other Governments	1,849,042	1,849,042	1,849,042	1,849,042	1,849,042
Fees					
Other Revenue Own Sources	40,315	40,606	41,429	42,534	43,672
Licensing	31,092	31,092	31,092	31,092	31,092
Fire Department	30,169	30,669	31,169	31,669	32,169
Parks & Recreation	32,148	32,307	62,471	32,639	32,813
Solid Waste	216,348	216,348	216,348	216,348	216,348
Water Utility	194,659	204,358	214,543	225,236	236,465
Sewer Utility	203,842	209,914	216,167	222,609	229,243
Development Cost Charges	4,500	13,616	0	0	0
Transfers from Reserves					
General	53,890	0	0	0	0
Water	261,150	0	0	0	0
Sewer	33,126	33,126	33,126	33,126	33,126
Proceeds from Borrowing	984,000	0	0	0	0
Other Revenues					
Grants	4,965,537	806,681	267,607	267,607	267,607
Interest Earned	45,226	45,226	45,226	45,226	45,226
<b>Total Revenues</b>	<b>10,671,591</b>	<b>5,282,437</b>	<b>4,821,863</b>	<b>4,856,289</b>	<b>4,922,846</b>
<b>Expenditures</b>					
Debt Repayment	89,638	146,150	146,150	146,150	146,150
Leases	171,981	175,981	170,138	71,837	14,606
Legislative Services	306,300	309,559	310,189	310,831	314,844
Corporate Services	728,724	764,003	752,150	770,597	789,353
Municipal Enforcement	29,000	29,405	29,822	30,252	30,694
Fire Department	137,238	142,460	145,692	148,953	152,247
Public Works	137,926	140,132	142,385	144,687	146,339
Transportation	353,610	352,855	361,119	369,610	378,334
Parks & Recreation	301,841	280,836	286,346	293,496	297,388
Solid Waste	129,826	134,423	138,947	143,657	148,562
Water	200,940	195,024	201,670	200,378	207,150
Sewer	184,600	186,854	189,162	191,524	193,942
Capital Expenditures					
General	744,800	377,700	142,200	31,200	6,200
Water	5,908,346	645,877	8,000	8,000	8,001
Sewer	185,000	140,000	50,000	50,000	50,000
Transfers to Reserves					
General	0	10,000	10,000	10,000	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Payment of taxes to Other Governments	1,849,042	1,849,042	1,849,042	1,849,042	1,849,042
<b>Total Expenses</b>	<b>11,458,811</b>	<b>5,880,300</b>	<b>4,933,012</b>	<b>4,770,214</b>	<b>4,732,851</b>
Annual Cash Surplus/(Deficit)	(\$787,220)	(\$597,863)	(\$111,149)	\$86,074	\$189,995
Transfers (to)/from Surplus	\$787,220	\$597,863	\$111,149	(\$86,074)	(\$189,995)
Financial Plan Balance (will be \$0)	0	0	0	0	0

**Village of Chase**  
**Bylaw No. 774–2012**  
**2012 to 2016 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 2012.

In 2012, grants, included in the “Other Sources” line in Table 1, form the greatest proportion of revenue for the Village. Chase has been very fortunate to secure 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 maintenance of streets, sidewalks, and parks, general administration, fire protection, bylaw enforcement, and snow removal.

Borrowing forms the third largest portion of planned revenue. Borrowing has been necessary to fund part of the Village’s one-third share in the cost of the new Water Treatment Plant. For the WTP, two 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 more closely meet the costs incurred to provide the services.

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**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.
- A billing process for metered water usage is planned for implementation mid 2012. At this time, "sample" bills with anticipated metered rates will be included with the normal utility bills. It is anticipated that actual metered billings will be implemented mid 2013.
- Sewer fees will be reviewed and adjusted.

<u>Revenue Source</u>	<u>Amount</u>	<u>Percentage of Total</u>
Property Taxes	1,366,692	16
Parcel Taxes	296,410	3
Fees	733,571	8
Other Sources	5,426,876	62
Borrowing	984,000	11
<b>Total</b>	<b>8,807,549</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 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% 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.

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- The Village will regularly review the tax rates and revenues relative to the expenses incurred within each property class.

<b>Property Classification</b>	<b>% of Total Property Taxation</b>	<b>Value</b>
Residential (1)	74.41%	1,016,923
Utilities (2)	2.04%	27,948
Major Industry (4)	8.87%	121,247
Business and Other (6)	14.56%	198,978
Recreation / Non-Profit (8)	0.06%	843
Farm (9)	0.06%	753
<b>Total All Sources</b>	<b>100.00%</b>	<b>1,366,692</b>

**PERMISSIVE TAX EXEMPTIONS**

The Village has established past practice 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.
- Consider the development of a tax exemption policy detailing the procedures to be used for all permissive tax exemptions.