

**VILLAGE OF CHASE  
BYLAW NO. 786 – 2013**

A Bylaw to Adopt the Village of Chase 2013 – 2017 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 2013 to 2017 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 2013 to 2017 inclusive
2. This Bylaw may be cited as "Village of Chase 2013 to 2017 Five Year Financial Plan Bylaw No. 786 – 2013".

READ A FIRST TIME THIS 7<sup>th</sup> DAY OF MAY, 2013

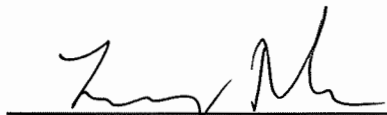
READ A SECOND TIME THIS 7<sup>th</sup> DAY OF MAY, 2013

READ A THIRD TIME THIS 7<sup>th</sup> DAY OF MAY, 2013

ADOPTED THIS 14<sup>th</sup> DAY OF MAY, 2013



Mayor, R. Anderson



Corporate Officer, L. Randle

**VILLAGE OF CHASE**  
**Bylaw No.786 -2013**  
**2013 to 2017 Financial Plan**  
**Schedule "A"**

	2013	2014	2015	2016	2017
<b>Revenues</b>					
Property Taxes	1,435,000	1,500,700	1,570,300	1,641,000	1,714,800
Utility Tax	35,600	35,900	36,300	36,700	37,100
Parcel Taxes					
Sewer Parcel Tax	78,400	78,400	78,400	78,400	78,400
Water Parcel Tax	218,000	218,000	218,000	218,000	218,000
Payments in Lieu of Taxes	13,700	14,000	14,300	14,600	14,900
Collection of taxes for Other Governments	1,778,900	1,813,800	1,849,800	1,886,200	1,923,000
Other Revenues					
Grants	5,409,000	379,400	326,600	326,600	326,600
Interest Earned	63,000	58,500	57,500	58,500	59,500
Fees					
Other Revenue Own Sources	342,100	349,700	357,200	364,300	371,500
Water Utility	224,700	229,200	233,800	238,500	243,200
Sewer Utility	207,200	207,800	208,400	208,800	210,100
Development Cost Charges	129,500	0	0	0	0
Transfers from Reserves					
General	431,100	206,300	69,000	0	7,400
Water	864,300	0	0	0	0
Sewer	8,000	0	0	0	0
Proceeds from Borrowing	1,077,400	1,297,200	0	0	0
<b>Total Revenues</b>	<b>12,315,900</b>	<b>6,388,900</b>	<b>5,019,600</b>	<b>5,071,600</b>	<b>5,204,500</b>
<b>Expenditures</b>					
Payment of taxes to Other Governments	1,778,900	1,813,800	1,849,800	1,886,200	1,923,000
Legislative Services	125,600	85,000	85,500	88,700	89,100
Corporate Services	574,400	592,400	593,600	605,600	628,400
Municipal Enforcement	69,100	70,400	71,900	72,600	74,600
Fire Department	238,000	236,300	238,400	244,100	245,100
Planning and Development	48,000	43,800	44,700	45,400	46,200
Public Works	150,200	158,400	160,900	163,400	164,700
Transportation	581,600	567,100	580,700	590,400	597,800
Parks & Recreation	590,800	611,700	614,300	621,400	629,500
Solid Waste	169,200	174,100	176,200	178,900	181,900
Water	362,600	479,200	522,100	527,700	531,500
Sewer	417,200	460,800	480,350	483,400	487,500
Other	24,300	30,100	30,400	30,700	31,100
Capital Expenditures					
General	1,021,400	744,000	267,000	27,000	0
Water	6,343,200	325,000	0	0	0
Sewer	8,000	500,000	0	0	0
Deduct Amortization	-649,800	-718,300	-767,800	-768,800	-768,800
Debt Repayment	27,500	98,900	82,700	82,700	82,700
Leases	311,400	289,800	223,900	193,000	185,900
Transfers to Reserves					
General	58,300	55,000	58,700	53,700	50,000
Water	0	0	0	0	0
Sewer	0	0	0	0	0
<b>Total Expenses</b>	<b>12,249,900</b>	<b>6,617,500</b>	<b>5,313,350</b>	<b>5,126,100</b>	<b>5,180,200</b>
Annual Cash Surplus/(Deficit)	\$66,000	(\$228,600)	(\$293,750)	(\$54,500)	\$24,300
Transfers (to)/from Surplus	(\$66,000)	\$228,600	\$293,750	\$54,500	(\$24,300)
Financial Plan Balance (will be \$0)	0	0	0	0	0

**Village of Chase**  
**Bylaw No. 786-2013**  
**2013 to 2017 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 2013.

In 2013, 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. Construction of the plant was delayed from 2012 and is proceeding in 2013.

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 source of funds. Borrowing has been necessary to fund part of the Village's one-third share in the cost of the new Water Treatment Plant. 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 borrowings 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.

## 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 in early 2014. At this time, “sample” bills with anticipated metered rates will be included with the normal utility bills as soon as the bugs have been worked out of the system. It is anticipated that actual metered billings will be implemented in early 2014.
- Sewer fees will be reviewed and adjusted.

<b>Revenue Source</b>	<b>Amount</b>	<b>Percentage of Total</b>
Property Taxes	1,435,000	18
Parcel Taxes	296,400	4
Fees	774,000	7
Other Sources	5,650,800	61
Borrowing	1,077,400	10
<b>Total</b>	<b>9,233,600</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 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 4% per year. This will be reviewed as user fees are implemented to offset property taxes.

## **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.

**Table 2 - Distribution of Property Taxes**

<b>Property Classification</b>	<b>% of Total Property Taxation</b>	<b>Value</b>
Residential (1)	73.68%	1,039,214
Utilities (2)	2.02%	28,422
Major Industry (4)	9.08%	128,065
Business and Other (6)	15.08%	212,738
Recreation / Non-Profit (8)	0.06%	908
Farm (9)	0.08%	1074
<b>Total All Sources</b>	<b>100.00%</b>	<b>1,410,421</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 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 additional permissive tax exemptions as allowed under the *Community Charter*.

**Policies**

- Consider the development of a tax exemption policy detailing the procedures to be used for all permissive tax exemptions.