

VILLAGE OF CHASE
Bylaw No. 792 – 2014

A Bylaw to Adopt the Village of Chase 2014 – 2018 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 2014 to 2018 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 2014 to 2018 inclusive

2. This Bylaw may be cited as "Village of Chase 2014 to 2018 Five Year Financial Plan Bylaw No. 792 – 2014".

READ A FIRST TIME THIS 22nd DAY OF April, 2014


READ A SECOND TIME THIS 22nd DAY OF April, 2014

READ A THIRD TIME THIS 22nd DAY OF April, 2014

ADOPTED THIS 13th DAY OF May, 2014



Mayor, R. Anderson



Chief Administrative Officer, J. Heinrich

VILLAGE OF CHASE
 Bylaw No. 792-2014
 2014 to 2018 Financial Plan
 Schedule "A"

	2014	2015	2016	2017	2018
Revenues					
Property Taxes	\$1,465,000	\$1,531,000	\$1,601,000	\$1,673,000	\$1,749,000
Payments in Lieu of Taxes	22,300	22,600	23,100	23,600	24,000
Utility Tax	38,200	39,000	39,800	40,600	41,400
Interest and Penalties on taxes	32,800	33,300	33,800	34,300	34,800
Parcel Taxes					
Water Parcel Tax	78,000	78,000	78,000	78,000	78,000
Waste Water Parcel Tax	218,000	218,000	218,000	218,000	218,000
Collection of taxes for Other Governments	1,806,200	1,852,000	1,897,000	1,945,900	1,993,800
Grants	5,332,900	331,500	318,200	324,000	330,700
Fees					
Other Revenue Own Sources	329,300	335,500	342,100	348,400	354,900
Water utility	219,000	240,000	263,000	289,000	318,000
Waste Water utility	204,500	206,500	208,500	210,500	212,500
Other Revenues	(43,000)	11,800	12,200	10,600	11,000
Development Cost Charges	124,700	0	0	0	0
Disposal of Tangible Capital Assets	236,900	0	0	0	0
Transfers from Reserves					
General	240,200	86,000	0	7,400	90,000
Water utility	1,190,400	0	0	0	0
Waste Water utility	90,000	0	0	0	0
Proceeds from Borrowing	1,191,000	70,000	0	0	160,000
Total Revenues	12,776,400	5,055,200	5,034,700	5,203,300	5,616,100
Expenditures					
Payment of taxes to Other Governments	1,806,200	1,852,000	1,897,000	1,945,900	1,993,800
Legislative services	117,900	93,200	94,500	95,900	97,300
Corporate services	583,600	579,600	588,600	596,500	610,000
Municipal Enforcement	49,200	50,100	51,000	52,200	53,100
Fire service	197,500	194,400	196,800	198,200	203,400
Rescue service	17,700	19,200	19,300	19,400	19,400
Emergency services	6,600	6,700	6,700	6,800	6,900
Planning	32,400	47,800	26,200	28,600	29,000
Economic Development	95,600	73,000	63,400	63,800	64,200
Public Works	212,600	221,500	224,300	228,300	230,400
Transportation	565,700	594,500	593,800	597,400	598,300
Parks & Recreation	677,700	706,900	705,200	712,200	716,400
Solid Waste	209,400	196,200	198,600	203,500	196,700
Water	474,600	554,700	558,200	562,300	567,100
Sewer	471,100	488,000	491,200	494,900	498,100
Other	45,500	46,100	46,400	46,700	57,200
Capital Expenditures					
General	986,500	270,000	27,000	0	249,600
Water	5,289,500				
Sewer	1,049,000				
Deduct Amortization	(885,700)	(981,400)	(984,900)	(979,000)	(958,300)
Debt Repayment	384,300	72,500	72,500	72,500	72,500
Leases	262,400	170,200	140,900	132,700	139,600
Transfers to Reserves					
General					
Water					
Sewer					
Total Expenditures	12,849,500	5,255,200	5,016,700	5,078,800	5,444,700
Annual Cash Surplus/(Deficit)	(73,100)	(200,000)	18,000	124,500	171,400
Transfers (to)/from Surplus	72,100	200,000	(18,000)	(124,500)	(171,400)
Financial Plan Balance (will be \$0)	\$0	\$0	\$0	\$0	\$0

Village of Chase
Bylaw No. 792-2014
2014 to 2018 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 2014.

In 2014, 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 begun in 2013 and will be completed in 2014 generating \$3,200,000 in grant revenues. We are also applying for additional grants for major road, water distribution and wastewater infrastructure projects which require additional grant funding of \$1,300,000 and debenture funding of up to \$500,000.

Borrowing forms the second largest portion of planned source of funds. Borrowing of up to \$500,000 will be required for planned roads, water distribution lines and waste water treatment. We are also refinancing the Arena mortgage in the amount of \$525,000 to take advantage of significantly lower interest rates available.

Property taxation, the third 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.

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.
- The metered water system has been tested during 2013 and 2014 in order to ensure the system is operating satisfactorily. During 2013 we replaced some equipment which was not functioning properly and the last several meter reading have had no significant glitches. We anticipate producing test utility billings in the next couple of months. It is anticipated that metered utility billings will begin in the first third of 2015.
- Water and Sewer fees will be reviewed and adjusted.

Revenue Source	Amount	Percentage of Total
Property Taxes	\$1,465,000	16
Parcel Taxes	296,000	3
Fees	752,800	8
Other Sources	5,660,300	60
Borrowing	1,266,000	13
Total	\$9,440,100	100

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. 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

<u>Property Classification</u>	<u>% of Total Property Taxation</u>	<u>Value</u>
Residential (1)	73.36%	1,074,864
Utilities (2)	1.98%	28,990
Major Industry (4)	8.63%	126,450
Business and Other (6)	15.90%	232,956
Recreation / Non-Profit (8)	0.06%	970
Farm (9)	0.07%	1053
<u>Total All Sources</u>	<u>100.00%</u>	<u>1,465,283</u>

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.