



AGENDA

Special (Budget) Meeting of the Council of the Village of Chase
Council Chamber of the Village Office at 826 Okanagan Avenue
Monday, April 30, 2018 3:00 p.m.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

Resolution:

"That the April 30, 2018 Village of Chase Special (Budget) Council meeting agenda be adopted as presented."

3. ADOPTION OF MINUTES

Special (Budget) Meeting held April 23, 2018

Pages 1-4

Resolution:

"That the minutes of the April 23, 2018 Special (Budget) Meeting of Council be adopted as presented."

4. NEW BUSINESS

4.1 2018 Capital Budget Review

Council has been provided hand-outs for each fund; water, sewer, and general, outlining capital expenditures and revenue sources.

Additional information will be provided at the meeting.

4.2 2018 to 2022 Financial Plan - Bylaw 852-2018

Pages 5-10

Recommendation:

"That Village of Chase 2018 to 2022 Five Year Financial Plan Bylaw No. 852-2018 be given first and second readings."

4.3 Chase Legion Candlelight Vigil - Road Closure

Page 11

A Council resolution is required to close Shuswap Avenue between Pine Street and Veterans Bridge May 11, 2018 from 7:00 p.m. to 8:00 p.m.

5. ADJOURNMENT

Resolution:

"That the April 30, 2018 Village of Chase Special (Budget) Council meeting be adjourned."



Minutes of the Special (Budget) Meeting of the Council of the Village of Chase
held in the Council Chamber of the Village Office at 826 Okanagan Avenue
on Monday, April 23, 2018, at 4:00 p.m.

PRESENT: Mayor Rick Berrigan
Councillor Nancy Egely
Councillor David Lepsoe
Councillor Ali Maki
Councillor Steve Scott

In Attendance: Joni Heinrich, Chief Administrative Officer
Sean O'Flaherty, Corporate Officer
Joanne Molnar, Chief Financial Officer
Tim Perepolkin, Manager of Public Works
Brian Lauzon, Fire Chief

Public Gallery: 7
Press: 0

1. CALL TO ORDER

Mayor Berrigan called the meeting to order at 4:00 p.m.

2. ADOPTION OF AGENDA

Moved by Councillor Scott

Seconded by Councillor Maki

"That the April 23, 2018 Village of Chase Special (Budget) meeting agenda be adopted as presented."

CARRIED

2018/04/23_SP001

3. NEW BUSINESS

3.1 2018 General Fund Operational Budget Review

The Chief Financial Officer presented information and touched on:

- The General operational budget are the services that are paid for through general taxation – these are annual costs and no capital projects are shown in this budget area
- Administrative (management) wages had previously been distributed throughout all budget areas – in 2018 the wages have all been placed into the budget areas specific to those functions – wages shown in parks, community hall, public works general are associated with 'boots on the ground' or specific administration staff costs to administer that particular service
- Wharf, Dikes, Rental Property (Other Functions) were reviewed, as was recreation facilities costs, Cemetery and Community Hall

Mayor Berrigan stated that in relation to the cleaning contract for the Community Hall, he has been asking Administration to put this contract out to RFP for over a year.

The CFO offered that the 2018 budget needed to be prepared in order to truly see the cost associated with that and other contracts – past budgeting was done a bit differently and it was less clear how much these specific functions cost the Village. The 2018 budget as presented provides more clarity to enable Council and Administration to review the costs and determine if there might be other options besides having the cleaning services contracted out. For example, there may be opportunities to have the service done in-house with other tasks, possibly saving money for the Village.

- The CFO reviewed the Parks and Recreation budget, and storm drainage

Councillor Scott queried whether the Arena drainage issue has been budgeted and if so, why not showing in the Storm drainage budget area. Mayor Berrigan added that this issue has been a problem for some time, and he has been asking that it be fixed.

- The CFO confirmed that the storm drainage budget area does not include the Arena property
- The Manager of Public Works added that the drainage issue at the Arena is more complicated than it appears, and it is being regularly monitored
- The CFO reviewed the Transportation Services budget and the Public Works General Services budget – she noted that the Manager of Public Works had applied for and received funding to purchase trees to be planted at Centennial Park near the Skatepark and at the Sewer Treatment Plant property

Mayor Berrigan asked why trees will be supplied by the Village for the Skatepark when he thought there was a promise by the Society to provide trees.

- The CFO noted that there is no cost to the Village for the subject trees
- The CFO reviewed the Fleet budget area for Public Works – she noted that showing the entire fleet in this manner helps Administration and Council see the ages of the fleet and costs associated with repairs and maintenance

Councillor Egely asked why the garbage truck is not shown in the fleet listing.

- The CFO responded that the garbage truck is shown in the Solid Waste budget area which is funded through service fees
- The CFO reviewed the Bylaw Enforcement and Animal Control service areas

Mayor Berrigan raised the issue again that the contracts should all go out to RFP every 2 years.

- The CFO added that with the budget presented in this manner, Council can then discuss whether contracting out the services is appropriate or whether there are opportunities to combine functions and hire an employee to perform those tasks
- She added that the Corporate Officer has instructed the Bylaw Enforcement Officer to begin engaging the business community to obtain feedback on how the Village could better assist the businesses and how the businesses could improve their communications with the Village

- In response to a query from Mayor Berrigan the Corporate Officer responded that there is less than \$200 outstanding on levied fines

Mayor Berrigan noted that the Village really needs to look at how we enforce our bylaws – we need to look at that whole function in a different way.

- The CFO reviewed the Economic Development service area and explained that the electric car charging station is costing the Village a large sum in the form of electricity costs

Mayor Berrigan asked that Administration set up a meeting at UBCM with BC Hydro to discuss the costs of electricity relating to car charging stations.

- The CFO reviewed the Chamber of Commerce funding, the Festival Society Events and the Advertising/Promotion which includes Council's "Community Grants" at a value of \$10,000

Mayor Berrigan asked if a fee for service agreement should be considered for the Chamber of Commerce.

Councillor Maki raised concerns about the fact that funding for the Festival Society is shown as reducing overtime – this is in contrast to other Shuswap areas that are increasing their funding for Canada Day and summer music series events.

- The CFO reviewed the Planning and Development service area and explained that the fees should eventually cover the costs of this service
- The CFO reviewed the Road Rescue service budget, noting that the cost to the Village taxpayer for a service outside of the municipal boundaries is \$25,000 annually – she noted that this is a service that Council may wish to discuss in more depth at some point – are there other options for funding contributions to make it easier to justify this service to the Village taxpayers?
- The CFO reviewed the Fire Department budget, noting that changes have been made to reallocated purchases to line items other than 'supplies' – she added that some changes will result showing more 'practice' costs as 'training'
- The CFO explained how she has reallocated wage costs so that they more truly reflect the areas to which they are attributed, and not spread throughout service areas – she added that there is a decrease in wage costs for 2018 in comparison to 2017

The CFO explained the revenues generated for the operational budget:

- Other revenues include sale of goods, fees, rental income and gain on disposal of assets
- Grant revenues include the annual Provincial Unconditional grant, asset management project grant and BC Hydro Tree Canada grant
- Tax related revenues include taxation collected for the municipality, funds collected and remitted to others (school tax, Regional District), interest on penalties, utility taxes and Payment in lieu of taxes

The CFO explained that the assessed values in Chase have increased almost 15% over the 2017 assessed values. This alone will increase the taxes collected by the Village without a change in the tax rate over 2017. The CFO is recommending that the tax rate not change in 2018.

The CFO showed some examples of typical residential properties and taxes paid in 2017 versus what will likely be paid in 2018 as a result of the increase in assessed values.

Finally, the CFO explained amortization, and suggested that while it would be great if the municipality could collect all funds required to amortize all its infrastructure, this is not practical as taxes would have to be so high, no one could afford to live in Chase. She suggested that the municipality must collect some funds for amortization to show that it is putting some funds away for infrastructure renewal – the balance of what that amortization should be is what needs to be determined in order to balance the budget.

3.2 Timing of April 30, 2018 Budget Meeting

Moved by Councillor Scott

Seconded by Councillor Egely

“That the April 30, 2018 budget meeting be held at 3:00 p.m.”

CARRIED
2018/04/23_SP002

3.3 Request for fill and delivery of fill to public water access right of way – Arbutus Street between 1026 and 1016 Arbutus Place

Moved by Mayor Berrigan

Seconded by Councillor Scott

That Public Works be instructed to move dirt from nearby strata property construction site to two small sites on the road right of way lands to facilitate the local area neighbours' efforts to more easily maintain the area.

CARRIED
2018/04/23_SP003

3.4 Two Free Tables at Trade Show – Winners of Draw

Mayor Berrigan announced that the two free tables included in the Village's sponsorship for the May 5, 2018 Trade Show were drawn for the Rotary Club and the Skatepark Society.

4. **ADJOURNMENT**

Moved by Councillor Egely

Seconded by Councillor Maki

“That the April 23, 2018 Village of Chase Special (Budget) meeting be adjourned.”

CARRIED
2018/04/23_SP004

The meeting was adjourned at 6:55 p.m.

Rick Berrigan, Mayor

Sean O'Flaherty, Corporate Officer

**VILLAGE OF CHASE
BYLAW NO. 852-2018**

A Bylaw to Adopt the Village of Chase 2018 to 2022 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 2018 to 2022 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 2018 to 2022 inclusive.
2. This Bylaw may be cited as "Village of Chase 2018 to 2022 Five Year Financial Plan Bylaw No. 852-2018".

READ A FIRST TIME THIS __ DAY OF __, 2018

READ A SECOND TIME THIS __ DAY OF __, 2018

READ A THIRD TIME THIS __ DAY OF __, 2018

ADOPTED THIS __ DAY OF __, 2018

Mayor, R. Berrigan

Corporate Officer, S. O'Flaherty

VILLAGE OF CHASE

Bylaw No. 852-2018
2018 to 2022 Financial Plan

Schedule "A"

Revenues	2017	2018	2019	2020	2021	2022
Property Taxes	\$1,682,900	\$1,829,157	\$1,865,740	\$1,903,055	\$1,941,116	\$1,979,938
Payments in Lieu of Taxes	15,800	15,159	15,228	15,250	15,300	15,450
Utility Tax	38,000	40,000	40,000	41,000	41,000	42,000
Interest and Penalties on taxes	36,500	33,000	33,000	33,900	34,300	35,000
Collection of taxes for Other Governments	1,763,100	1,688,751	1,700,495	1,733,995	1,768,000	1,802,800
Grants	1,700,200	634,613	619,600	602,300	602,900	603,600
Fees						
Other Revenue Own Sources	365,200	124,752	125,250	128,150	120,650	148,705
Water utility	378,000	366,300	397,300	397,300	397,300	397,300
Sewer utility	437,500	419,300	451,300	451,600	451,100	451,100
Solid Waste Management	0	236,600	296,100	296,100	296,100	296,100
Other Revenues	12,000	6,000	6,100	6,200	6,200	6,300
Development Cost Charges	126,000	2,000	2,000	2,000	2,000	2,000
Disposal of Tangible Capital Assets	12,000	5,000	0	0	0	0
Disposal of Lands	0	30,000	0	0	0	0
Deferred Revenue	0	34,000	0	0	0	0
Gas Tax Reserve	0	0	200,000	0	0	0
Transfers from Reserves						
General	0	30,000	0	0	0	0
Water utility	0	0	0	0	0	0
Sewer utility	0	0	0	0	0	0
Transfers from Surplus						
General	128,000	91,100	25,000	0	0	0
Water utility	0	25,500	10,000	10,000	0	0
Sewer utility	242,000	10,000	0	0	0	0
Proceeds from Borrowing	0	0	195,000	0	0	0
Total Revenues	6,937,200	5,621,232	5,982,113	5,620,850	5,675,966	5,780,293
Expenditures						
Payment of taxes to Other Governments	1,763,100	1,688,751	1,700,495	1,733,995	1,768,000	1,802,800
Grants in aid	166,600	52,750	50,000	51,000	51,000	51,000
Legislative services	76,400	94,400	82,500	83,800	85,200	86,600
Corporate services	563,700	761,312	736,800	748,600	760,900	787,500
Municipal Enforcement	56,400	30,000	30,000	30,000	31,000	31,000
Fire service	268,800	248,100	229,400	221,000	224,000	222,500
Rescue service	30,700	36,400	38,450	38,750	39,350	39,400
Emergency Services	5,100	0	0	0	0	0
Planning	63,400	29,155	13,855	13,855	13,855	13,855
Economic Development	85,400	92,200	38,600	39,300	39,900	40,700
Common Services	337,800	320,100	306,350	291,325	295,000	299,200
Fleet	0	127,200	108,200	108,200	109,200	110,200
Transportation	441,800	346,500	341,300	341,500	341,500	342,700
Storm Drainage	0	32,900	27,600	27,600	27,600	27,700
Parks	675,300	188,300	184,350	187,150	190,550	194,150
Recreation Facilities	0	414,000	414,050	418,350	423,950	426,500
Water	747,800	636,700	627,820	631,830	634,910	635,680
Sewer	373,400	317,550	309,450	300,650	299,850	293,070
Solid Waste	204,100	217,200	279,100	281,500	283,940	287,600
Other	42,600	30,550	29,050	29,050	24,050	30,050
Cemetery	0	15,600	13,350	13,600	13,800	14,150
Arena Debt Payment	0	105,150	105,150	105,150	105,150	105,150
CP Rail Debt Repayment	0	18,500	18,500	18,500	18,500	0
Interest on Debt Repayment	0	85,600	85,600	85,600	85,600	85,600
Debt Repayment	158,300	59,500	59,500	59,500	59,500	59,500
Leases	6,600	0	0	0	0	0
Capital Expenditures						
General	185,800	126,100	30,000	0	0	0
Water	70,000	25,500	210,000	10,000	0	0
Sewer	1,730,000	10,000	195,000	0	0	0
Deduct Amortization	(1,124,400)	(979,200)	(977,200)	(968,700)	(963,300)	(956,900)
Development Cost Charges	0	2,000	2,000	2,000	2,000	2,000
Transfers to Land Reserves	0	30,000	0	0	0	0
Transfer Gas Tax Reserve	0	159,213	159,213	160,000	160,000	160,000
Transfers to Reserves						
General	45,000	100,000	230,000	230,000	230,000	230,000
Solid Waste		40,000	40,000	40,000	40,000	40,000
Water		0	0	0	0	0
Sewer	0	75,000	148,000	140,000	135,000	130,000
Total Expenditures	6,973,700	5,537,031	5,866,483	5,473,105	5,530,005	5,591,705
Annual Cash Surplus/(Deficit)	(36,500)	84,201	115,630	147,745	145,961	188,588
Transfers (to)/from Surplus	36,500	(84,201)	(115,630)	(147,745)	(145,961)	(188,588)
Financial Plan Balance (will be \$0)	\$0	\$0	\$0	\$0	\$0	\$0

Village of Chase
Bylaw No. 852-2018
2018 to 2022 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 2018.

Property taxation, 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.

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.

Other Sources include revenues collected from the use and rental of Village assets; interest and penalties from outstanding account and investments; as well as disposition of capital assets, franchise fees and payments in lieu of taxes.

Transfers consist of revenues transferred from reserve or surplus funds.

Objective

In 2016 the Village implemented its new metered billing rates based on water consumption. Parcel Taxes for utility revenues were eliminated and utilities were changed to full funding from user fees. Water fees are low and the Village will continue to increase the water utility rates until the revenues fully fund the costs of providing the service.

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 was implemented in April 2016. The metered usage will bring forward issues pertaining to leakages and faulty meters which can then be resolved.
- The new utility billing procedures are being monitored to ensure they are efficient and effective. Additional procedures are being developed to deal with issues as they arise.
- The Village will continue to seek grant funding opportunities to offset capital costs

<u>Table 1 – 2018 Revenue Sources</u>		
<u>Revenue Source</u>	<u>Amount</u>	<u>Percentage of Total</u>
Municipal taxes	\$1,829,157	32.54%
Other Taxes	1,688,751	30.04%
Fees	1,022,200	18.18%
Grants	634,613	11.29%
Other Sources	289,911	5.16%
Transfers	156,600	2.79%
Borrowing	0	0.00%
<u>Total</u>	<u>\$5,621,232</u>	<u>100.00%</u>

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.

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

- 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.

<u>Table 2 - Distribution of Municipal Property Taxes</u>		
<u>Property Classification</u>	<u>% of Total Property Taxation</u>	<u>Value</u>
Residential (1)	75.82%	\$1,386,899
Utilities (2)	1.62%	29,562
Major Industry (4)	7.33%	134,026
Business and Other (6)	15.09%	276,079
Recreation / Non-Profit (8)	0.06%	1,166
Farm (9)	0.08%	1,425
<u>Total All Sources</u>	<u>100.00%</u>	<u>1,829,157</u>

PERMISSIVE TAX EXEMPTIONS

The Village has adopted a Permissive Tax Exemption policy in 2015 which provides guidelines for applications and review by council of those applications to determine the nature and the purpose of the exemptions being given. 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 the benefits to the community being provided by the recipients of the exemptions.
- The Village will consider additional permissive tax exemptions as allowed under the *Community Charter*.
- Council will review the level of permissive tax exemptions being granted and determine if the value granted is appropriate.

Policies

- The new policy was in effect for 2015. The process is regularly reviewed and any changes required to improve accountability and provide fair access to the exemptions will be considered by council in the future.

Goal of Council

The major goal of this council is to improve the financial health of the Village of Chase, while maintaining the current service levels. Council is maintaining the direction of the Village finances to begin to provide future funding for asset repair and replacement with less reliance on senior government funding. In keeping with the obligations under the Gas Tax Community Works Fund Agreement, the Village will begin to develop and implement asset management planning in 2018. The introduction of asset management will require the assessment and evaluation of all major infrastructure. This information may then be utilized to develop a capital projects guide of needs and priorities.

ROYAL CANADIAN LEGION #107
CHASE

RECEIVED
Village of Chase
APR 16 2018

APRIL 16TH 2018

Original _____
File _____
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Agenda _____

To Village of Chase,

The Chase Legion will hold a Candlelight Vigil on May 11th 2018 at 7pm.

We request a road closure on Shuswap Avenue, from Pine Street to the Veterans Bridge from 7pm to 8pm for a short parade of flag bearers and piper.

Thanking you for your attention to this request.

Please contact President Paul Lamoureux at 250-679-2326

Sincerely Paul Lamoureux

