



AGENDA

Village of Chase Special Meeting and Public Consultation
Opportunity Regarding the 2018 Budget
Council Chamber of the Village Office at 826 Okanagan Avenue
Monday, May 14, 2018 6:30 p.m.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

Resolution:

“THAT the May 14, 2018 Village of Chase Special Meeting and Public Consultation Opportunity regarding the 2018 Budget be adopted as presented.”

3. ADOPTION OF MINUTES

None

4. DELEGATIONS

None

5. PUBLIC OPPORTUNITY TO DISCUSS THE 2018 VILLAGE OF CHASE BUDGET

Mayor Berrigan will invite those in the gallery to speak regarding the 2018 Budget.

6. UNFINISHED BUSINESS

6.1 2018 to 2022 Financial Plan - Bylaw 852-2018

Pages 1-6

Recommendation:

“THAT Village of Chase 2018 to 2022 Five Year Financial Plan Bylaw No. 852-2018 be adopted.”

6.2 Tax Rate Bylaw 853-2018

Pages 7-8

Recommendation:

“THAT Village of Chase Tax Rate Bylaw No. 853-2018 be adopted.”

7. ADJOURNMENT

Resolution:

“THAT the May 14, 2018 Village of Chase Special Meeting and Public Consultation Opportunity regarding the 2018 Budget be adjourned.”

**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 30th DAY OF APRIL, 2018

READ A SECOND TIME THIS 30th DAY OF APRIL, 2018

READ A THIRD TIME THIS 8th DAY OF MAY, 2018

ADOPTED THIS __ DAY OF __, 2018

Mayor, R. Berrigan

Corporate Officer, S. O'Flaherty

VILLAGE OF CHASE

Bylaw No.
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
Deferred Revenue	0	34,000	0	0	0	0
Gas Tax Reserve	0	0	200,000			
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
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.

VILLAGE OF CHASE

Bylaw No. 853-2018

**To establish 2018 Property Taxation Rates
for Municipal, Regional District and Regional Hospital District Purposes**

WHEREAS the Community Charter requires that a council must, by bylaw, impose property value taxes for the year by establishing tax rates for:

- a) The municipal revenue proposed to be raised for the year from property value taxes, as provided in the financial plan; and
- b) The amounts to be collected for the year by means of rates established by the municipality to meet its taxing obligations in relation to another local government or other public body,

NOW THEREFORE the Council of the Village of Chase, in open meeting assembled, enacts as follows:

- 1. The following rates are hereby imposed and levied for the year 2018:
 - a) For general purposes of the municipality on the value of land and improvements taxable for general municipal purposes, the rates appearing in Column A of Schedule "A" attached to and forming part of this Bylaw shall apply.
 - b) For regional district purposes on the value of land and improvements taxable for regional district purposes, rates appearing in Column B of Schedule "A", attached to and forming part of this Bylaw shall apply.
 - c) For hospital purposes on the value of land and improvements taxable for hospital purposes, rates appearing in Column C of Schedule "A", attached to and forming part of this Bylaw shall apply.
- 2. The minimum amount of taxation upon a parcel of real property shall be One Dollar (\$1.00).
- 3. This Bylaw may be cited as "Village of Chase Tax Rates Bylaw No. 853-2018".

READ A FIRST TIME THIS 8th DAY OF MAY, 2018

READ A SECOND TIME THIS 8th DAY OF MAY, 2018

READ A THIRD TIME THIS 8th DAY OF MAY, 2018

ADOPTED THIS

DAY OF

Mayor, R. Berrigan

Corporate Officer, S. O'Flaherty

VILLAGE OF CHASE

Bylaw No. 853-2018
Schedule "A"

2018 Property Taxation rates
For Municipal, Regional District and Regional Hospital District purposes.

Tax Rates (dollars of tax per \$1,000 of taxable value)

		Column A	Column B	Column C
PROPERTY CLASS	Class Number	GENERAL MUNICIPAL	REGIONAL DISTRICT	REGIONAL HOSPITAL
Residential	1	4.4181	1.1301	0.4750
Utilities	2	40.0000	3.9554	1.6625
Major Industry	4	6.0000	3.8423	1.6150
Business and Other	6	11.4871	2.7687	1.1638
Recreation/Non-Profit	8	9.7198	1.1301	0.4750
Farm	9	16.7888	1.1301	0.4750