

VILLAGE OF CHASE

Bylaw No. 745-2010
2010 to 2014 Financial Plan

WHEREAS the Community Charter requires that municipalities 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, enacts as follows:


1. Schedule "A", Village of Chase 2010 to 2014 Financial Plan, attached hereto, shall form part of this Bylaw.
2. Schedule "B", Statement of Objectives and Policies, attached hereto, shall form part of this Bylaw.
3. This By-law may be cited as "Village of Chase 2010 to 2014 Financial Plan Bylaw No. 745 - 2010".

READ A FIRST TIME THIS 27th DAY OF APRIL, 2010.

READ A SECOND TIME THIS 11th DAY OF MAY, 2010.

READ A THIRD TIME THIS 11th DAY OF MAY, 2010.

RECONSIDERED AND ADOPTED this 13th day of MAY, 2010.



Mayor



Corporate Officer

Certified to be a true copy of "Village of Chase 2010 to 2014 Financial Plan Bylaw No. 745 - 2010".



Corporate Officer

| VILLAGE OF CHASE | | | | | |
|--|-------------------|------------------|------------------|------------------|------------------|
| Bylaw No. 745-2010 | | | | | |
| 2010 to 2014 Financial Plan | | | | | |
| Schedule "A" | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| REVENUE | | | | | |
| Taxes: | | | | | |
| Property Taxes & Grants in Lieu of property taxes | 1,286,129 | 1,324,518 | 1,364,059 | 1,404,785 | 1,446,734 |
| Parcel Taxes | 297,502 | 297,502 | 297,502 | 297,502 | 297,502 |
| 1% Utility tax | 48,320 | 48,320 | 48,320 | 48,320 | 48,320 |
| Collection of taxes for Other Governments | 1,738,025 | 1,719,322 | 1,831,542 | 1,831,542 | 1,831,542 |
| Revenue from Operations: | | | | | |
| Sale of Service: | | | | | |
| Solid Waste rates | 218,250 | 218,250 | 218,250 | 218,250 | 218,250 |
| Water Rates | 194,500 | 194,500 | 194,500 | 194,500 | 194,500 |
| Sewer Rates | 202,000 | 202,000 | 202,000 | 202,000 | 202,000 |
| Other Revenue from Own Sources: | | | | | |
| Licenses, Permits, Fees | 144,600 | 144,600 | 144,600 | 144,600 | 144,600 |
| Return on Investments | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Penalties & Interest | 28,348 | 28,348 | 28,348 | 28,348 | 28,348 |
| Provincial Government Grants | 3,099,484 | 2,329,031 | 802,540 | 417,060 | 417,060 |
| Revenues from operations | 7,262,159 | 6,511,391 | 5,136,661 | 4,791,908 | 4,833,856 |
| Transfers From Funds: | | | | | |
| Transfer from reserve funds general fund | 344,813 | 54,813 | 54,813 | 54,813 | 50,152 |
| Transfer from reserve funds sewer fund | 125,800 | 83,126 | 83,126 | 83,126 | 83,126 |
| Transfer from reserve funds water fund | 300,000 | 110,000 | 110,000 | 0 | 0 |
| Development Cost Charges | 0 | 0 | 0 | 0 | 0 |
| Short Term Borrowing - up to 5 years | 310,000 | 0 | 0 | 0 | 0 |
| Long Term borrowing | 1,000,000 | 0 | 0 | 0 | 0 |
| Accumulated Surplus (prior year) | 928,736 | 1,075,206 | 266,993 | 84,822 | 122,573 |
| Total Revenue | 10,271,508 | 7,834,536 | 5,651,592 | 5,014,668 | 5,089,708 |
| EXPENDITURES: | | | | | |
| Debt Principle and interest | 427,403 | 285,559 | 285,559 | 278,646 | 255,182 |
| Operating Expenses: | | | | | |
| Legislative Services | 287,140 | 287,140 | 284,640 | 287,140 | 284,641 |
| Corporate Services | 740,830 | 689,170 | 684,849 | 695,142 | 720,552 |
| Municipal Enforcement | 16,500 | 15,000 | 15,000 | 15,000 | 15,000 |
| Protective Services | 141,781 | 142,042 | 143,062 | 144,112 | 145,194 |
| Public Works | 138,343 | 146,887 | 149,501 | 152,170 | 154,897 |
| Transportation Services | 318,949 | 317,565 | 320,104 | 332,704 | 325,366 |
| Recreation | 285,698 | 263,384 | 265,538 | 267,738 | 269,984 |
| Solid Waste | 187,992 | 182,184 | 183,336 | 184,510 | 185,708 |
| Water Utility Services | 199,871 | 206,277 | 208,751 | 211,284 | 213,878 |
| Sewer Utility Services | 184,741 | 191,290 | 193,670 | 196,105 | 198,596 |
| Transfers of taxes collected for other Governments | 1,738,025 | 1,719,322 | 1,831,542 | 1,831,542 | 1,831,542 |
| Capital expenditure general | 360,217 | 204,065 | 265,000 | 138,000 | 135,000 |
| Capital expenditure water systems | 4,106,810 | 2,867,658 | 586,219 | 8,000 | 8,000 |
| Capital expenditure sewer systems | 62,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Transfers to reserve for future expenditures | 0 | 0 | 100,000 | 100,000 | 100,000 |
| Development Cost Charges | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 9,196,302 | 7,567,542 | 5,566,771 | 4,892,095 | 4,893,543 |
| Total Revenues | 10,271,508 | 7,834,536 | 5,651,592 | 5,014,668 | 5,089,708 |
| Total Expenditures | 9,196,302 | 7,567,542 | 5,566,771 | 4,892,095 | 4,893,543 |
| Surplus / (Deficit) | 1,075,206 | 266,993 | 84,822 | 122,573 | 196,164 |

Village of Chase
Bylaw No. 745-2010
2010 to 2014 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 2010.

Grants, included in the "Other Sources" line in Table 1, form the greatest proportion of revenue. The Village of Chase was very fortunate to receive 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 general administration, fire protection, police services, bylaw enforcement, snow removal, and maintenance of streets, sidewalks and parks.

Borrowing forms the third largest portion of planned revenue. Borrowing will be necessary to fund a little less than half of the Village's one-third share in the cost of the new Water Treatment Plant. One 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 by at least 3 percent per year over the current levels until the fees and charges cover the costs incurred for the service or period of usage.

Policies

- The Village will review all user fees and revise them as required to ensure that they are adequately meeting both the capital and operating costs of the service.
- Universal water metering will be instituted to ensure that appropriate user fees (to be determined) are being collected for water usage.

- Sewer fees will be charged a specific percentage (to be determined) of the water fees.
- 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.

| Revenue Source | Amount | Percentage of Total |
|-----------------------|------------------|----------------------------|
| Property Taxes | 1,286,129 | 15 |
| Parcel Taxes | 297,502 | 3 |
| Fees | 759,350 | 9 |
| Other Sources | 4,880,501 | 57 |
| Borrowing | 1,310,000 | 15 |
| Total | 8,533,482 | 100 |

DISTRIBUTION OF PROPERTY TAX RATES

Table 2 outlines the distribution of property taxes 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.

Objective

- The amount of taxes to be collected from all sources will increase by approximately 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.
- The Village will regularly review the tax rates and revenues relative to the expenses incurred within each property class.

| Property Classification | % of Total Property Taxation | Value |
|--------------------------------|-------------------------------------|---------------------|
| Residential (1) | 73.66% | 942,590.90 |
| Utilities (2) | 2.11% | 26,982.00 |
| Major Industry (4) | 9.50% | 121,572.10 |
| Business and Other (6) | 14.61% | 186,980.00 |
| Recreation / Non-Profit (8) | 0.06% | 794.00 |
| Farm (9) | 0.06% | 710.00 |
| Total All Sources | 100.00% | 1,279,629.00 |

PERMISSIVE TAX EXEMPTIONS

The Village has established precedent 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.
- Develop a tax exemption policy detailing the procedures to be used for all permissive tax exemptions.
- While developing the permissive tax exemption policy, to consider adding other exemptions as allowed under the Community Charter.