

THE CORPORATION OF THE VILLAGE OF MONTROSE

**BYLAW #716**

A BYLAW TO AMEND THE FINANCIAL PLAN FOR THE PERIOD OF 2014 to 2018

WHEREAS the Council of the Village of Montrose deems it necessary to amend the current financial plan,

NOW THEREFORE, the Council of the Village of Montrose, in open meeting assembled, hereby ENACTS AS FOLLOWS:

**SHORT TITLE**

- 1. (1) This Bylaw may be cited as the "**MONTROSE FINANCIAL PLAN 2014-2018 AMENDMENT BYLAW**"

**AMENDMENTS**

- 2. (1) Schedule "C" of Bylaw #713 is hereby deleted and replace with Schedule "C" attached to, and forming part of this Bylaw.
- (2) Schedule "E" of Bylaw #713 is hereby deleted and replace with Schedule "D" attached to, and forming part of this Bylaw.

**ENACTMENT**

- 3. (1) If any section, subsection, sentence, clause or phrase of this Bylaw is for any reason held to be invalid by the decision of any court of competent jurisdiction, the invalid portion shall be severed and the part that is invalid shall not affect the validity of the remainder.
- (2) This Bylaw shall come into full force and effect on final adoption.

READ A FIRST TIME	this 2 <sup>nd</sup> day of September, 2014
READ A SECOND TIME	this 2 <sup>nd</sup> day of September, 2014
READ A THIRD TIME	this 2 <sup>nd</sup> day of September, 2014
PUBLIC CONSULTATION HELD	this 6 <sup>th</sup> day of October, 2014
RECONSIDERED AND FINALLY ADOPTED	this 6 <sup>th</sup> day of October, 2014

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Corporate Officer

Certified a true copy of Bylaw #716, as adopted

\_\_\_\_\_  
Corporate Officer

THE CORPORATION OF THE VILLAGE OF MONTROSE

**BYLAW #716**

SCHEDULE "C" – WATER FUND REVENUES & EXPENDITURES

	2013 BUDGET	2013 PRE AUDIT	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET
<b><u>WATER FUND REVENUES</u></b>							
<b>TAXES</b>	111,205	111,205	111,205	113,985	116,835	119,756	122,750
<b>SALE OF SERVICES</b>	109,868	111,943	112,185	114,990	117,864	120,811	123,831
<b>OTHER REVENUES</b>							
Government Grants	1,087,404	1,087,741	0				
Own Sources	89,317	562,695	164,904	0	0	0	0
<b>TOTAL OTHER REVENUES</b>	<b>1,176,721</b>	<b>1,650,436</b>	<b>164,904</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>TOTAL WATER FUND REVENUES</u></b>	<b><u>1,397,794</u></b>	<b><u>1,873,584</u></b>	<b><u>388,294</u></b>	<b><u>228,975</u></b>	<b><u>234,699</u></b>	<b><u>240,567</u></b>	<b><u>246,581</u></b>
<hr/>							
	2013 BUDGET	2013 AUDITED	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET
<b><u>WATER FUND EXPENDITURES</u></b>							
			-				
<b>GENERAL GOVERNMENT SERVICES</b>	41,794	34,855	41,741	39,000	39,585	40,179	40,781
<b>ENVIRONMENTAL HEALTH SERVICES</b>							
<b>Water Supply &amp; Distribution System</b>							
Water Supply and Treatment	39,033	189,507	41,217	41,835	42,463	43,100	43,746
Water Distribution	45,968	42,046	156,766	38,854	39,437	40,028	40,629
Water Storage	33,145	25,238	118,570	11,285	11,454	11,626	11,824
<b>TOTAL ENVIRONMENTAL HEALTH</b>	<b>118,146</b>	<b>256,791</b>	<b>316,553</b>	<b>91,974</b>	<b>93,354</b>	<b>94,754</b>	<b>96,199</b>
<b>ENVIRONMENTAL &amp; PLANNING</b>	<b>15,000</b>	<b>13365</b>	<b>12,500</b>	<b>12,000</b>	<b>11,760</b>	<b>30,000</b>	<b>7,600</b>
<b>FISCAL SERVICES</b>							
Long-Term Interest	6,308	6,308	0	0	0	0	0
Principal Installments	26,771	26,771	0	0	0	0	0
Transfers to other funds	0	497,460	0	0	0	0	0
<b>TOTAL FISCAL SERVICES</b>	<b>33,079</b>	<b>530,539</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROJECTS</b>	<b>1,189,775</b>	<b>1,022,113</b>	<b>17,500</b>	<b>86,000</b>	<b>90,000</b>	<b>75,634</b>	<b>102,000</b>
<b><u>TOTAL WATER FUND EXPENDITURES</u></b>	<b><u>1,397,794</u></b>	<b><u>1,857,663</u></b>	<b><u>388,294</u></b>	<b><u>228,974</u></b>	<b><u>234,699</u></b>	<b><u>240,567</u></b>	<b><u>246,580</u></b>
<b>SURPLUS (DEFICIT)</b>	<b>0</b>	<b>15,921</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

THE CORPORATION OF THE VILLAGE OF MONTROSE

**BYLAW #716**

**SCHEDULE “E” – Statement of Objectives and Policies**

In accordance with Section 165(3.1) of the *Community Charter*, the Village of Montrose (Village) is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*;
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. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It 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, planning services, fire protection, police services, and bylaw enforcement.

Many services can be measured and charged on a user pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and sale of specific services and therefore, these are charged on a user pay basis. User fees attempt to allocate the value of a service to those who use the service.

Parcel taxes:

A water parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading water infrastructure.

A sewer parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading sewer infrastructure.

A drainage parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of capital maintenance and the upgrading of drainage infrastructure.

A transportation parcel tax is a source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of capital maintenance and the upgrading of road infrastructure.

**Table 1: Sources of Revenue**

<b>Revenue Source</b>	<b>% of Total Revenue</b>	<b>Dollar Value</b>
Property Taxes	13.5%	\$205,827
Parcel Taxes	15.8%	\$240,065
User Fees and Charges	17.9%	\$272,596
Other Sources	25.5%	\$388,695
Government Grants	27.2%	\$414,503
<b>Total</b>	<b>100.0%</b>	<b>\$1,521,687</b>

**Objective**

- Taxation Revenue will be determined by Council each year according to the operating and capital needs of the community, as part of the annual budget process. Taxation will be based on the service level priorities of Council, in balance with preserving and enhancing the financial health of the Village.

**Policies**

- The Village will review all user fee levels annually to ensure they are adequately meeting both the capital and delivery costs of the service.
- Where possible, the Village will endeavor to supplement revenues from user fees and charges and alternate sources, rather than taxation, to lessen the burden on its limited property tax base.

Strategic Community Investment Funds:

Government grants include the Strategic Community Investment Funds which are provided by the Province of British Columbia. These funds reduce the level of municipal taxation and for a smaller municipality these funds are instrumental to maintaining existing municipal service levels. In 2014, funds in the amount of \$246,290 have been allocated to the Village.

**Objective:**

The Village will attempt to increase the sources of government grants to complete much needed infrastructure capital projects in the municipality. Where feasible user fees will be levied where measurable level of services are rendered or provided.

**Policies:**

- Where possible the Village will substitute revenues from user fees and charges and government grants rather than taxation.
- The Village will review municipal services and user fees to ensure that the operating and capital budgets are adequate while providing the residents with the expected service levels of previous years.

**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 also forms the largest portion of the assessment base and consumes the majority of Village services.

**Table 2: Distribution of Property Tax Rates**

<b>Property Class</b>	<b>% of Total Property Taxation</b>	<b>Dollar Value</b>
Residential (1)	97.58%	\$188,960
Utilities (2)	0.25%	\$492
Social Housing (3)	0.00%	\$0
Major Industrial (4)	0.00%	\$0
Light Industrial (5)	0.00%	\$0
Business and Other (6)	2.16%	\$4,185
Recreation/Non-profit (8)	0.00%	\$0
Farmland (9)	0.00%	\$0
<b>Total</b>	<b>100.00%</b>	<b>\$193,637</b>

**Objective**

- The distribution of property taxes among the property classes will be maintained similar to the distribution in prior years.

**Policies**

- Supplement, where possible, revenues from user fees and charges to help to offset the burden on the entire property tax base as a result of rising operating and capital replacement costs.
- To pursue additional revenue opportunities.
- Consider economic development initiatives designed to attract more retail and commercial businesses to invest in the community. Align the distribution of tax

rates among the property classes with the social and economic goals of the community, particularly to encourage a range of employment opportunities.

- Regularly review and compare the Village's distribution of tax burden relative to other municipalities in British Columbia.

### **Permissive Tax Exemptions**

The Village will draft a 'Permissive Tax Exemption' Policy to guide the administration and approval of permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions that will be outlined in the policy include the following:

- The tax exemption must demonstrate benefit to the community and residents of the Village by enhancing the quality of life, economically, socially or culturally, within the community.
- The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in conflict with those of the Village.
- The organization receiving the exemption must be a registered non-profit society, as the support of the municipality will not be used for commercial or private gain.
- Permissive tax exemptions will be considered in conjunction with:
  - other assistance being provided by the Village;
  - the potential demands for Village services or infrastructure arising from the property; and
  - 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.

### **Policies**

- Expand the permissive tax exemption policy to include eligibility requirements for green revitalization tax exemptions.
- Develop a revitalization tax exemption program which details the kinds of green activities that the exemption program will target.