

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #727

A BYLAW TO ADOPT A FINANCIAL PLAN FOR THE PERIOD OF 2016 to 2020

WHEREAS section 165 of the *Community Charter* SBC Chap. 26 requires that Council adopt a financial plan for a period of five years, and

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 2016-2020**"

SERVICE PRIORITY POLICIES

2. (1) "Essential Service" means a service to which the following criteria apply:
 - (a) Revenues raised to meet the demands of the service;
 - (b) Built-in redundancy;
 - (c) Borrowing to be authorized if current revenues are inadequate.
- (2) Essential Services shall include:
 - (a) The domestic water system;
 - (b) The sanitary sewer system;
 - (c) The storm sewer system.
3. (1) "Secondary Service" means a service to which the following criteria apply:
 - (a) Funding raised to maintain the value of assets;
 - (b) Service quality priority over service quantity;
 - (c) Borrowing only as approved through the budget process.
- (2) Secondary Services shall include:
 - (a) Parks, playgrounds, and playing fields;
 - (b) Municipal buildings;
 - (c) Road system;
 - (d) Solid waste removal;
 - (e) General government.
4. (1) "Tertiary Service" means a service of a special nature identified by Council to which the following criteria apply:
 - (a) Funding capped for the duration of the service;
 - (b) Borrowing by referendum only;
 - (c) Interruptible projects.
- (2) Tertiary Services shall include:
 - (a) Social and Cultural Services.

GENERAL MATTERS

5. (1) For the purpose of this Bylaw, the funding sources and levels indicated shall be considered target levels to be achieved over the term of this financial plan.
- (2) All excess revenues or excess expenditures accrued in the Water Operating Fund or the Sewer Operating Fund over the course of a fiscal year shall be transferred to the General Operating Fund
- (3) All excess revenues accrued in the General Operating Fund, Water Operating Fund and/or the Sewer Operating Fund shall be transferred to an appropriate Reserve Fund.
6. (1) The planned revenues for the years 2016 - 2020 relating to the General Operating Fund shall be those recorded on Schedule "A" attached to, and

forming part of this Bylaw.

- (2) The planned expenditures for the years 2016 - 2020 relating to the General Operating Fund shall be those recorded on Schedule "B" attached to, and forming part of this Bylaw.
- (3) The planned revenues and expenditures for the years 2016 – 2020 relating to the Water Operating Fund shall be those recorded on Schedule "C" attached to, and forming part of this Bylaw.
- (4) The planned revenues and expenditures for the years 2016 - 2020 relating to the Sewer Operating Fund shall be those recorded on Schedule "D" attached to, and forming part of this Bylaw.
- (5) The Statement of Objectives and Policies for the years 2016 – 2020 relating to the Financial Plan shall be those recorded on Schedule "E" attached to, and forming part of this Bylaw.

ENACTMENT

- 7. (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 18 th day of April, 2016
READ A SECOND TIME	this 18 th day of April, 2016
READ A THIRD TIME	this 18 th day of April, 2016
PUBLIC CONSULTATION HELD	this 2 nd day of May, 2016
RECONSIDERED AND FINALLY ADOPTED	this 2 nd day of May, 2016

Mayor

Corporate Officer

Certified a true copy of Bylaw #727, as adopted

Corporate Officer

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #727

SCHEDULE "A" – GENERAL FUND REVENUES

	2015	2015	2016	2017	2018	2019	2020
	BUDGET	PRE-AUDIT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
TAXES							
Ad Valorem Taxes	202,555	202,555	202,696	202,696	202,696	202,696	202,696
Drainage Parcel Taxes	24,150	24,097	22,900	22,900	22,900	22,900	22,900
Community Development Parcel Taxes	0	0	2,290	2,290	2,290	2,290	2,290
Road/Transportation Parcel Taxes	46,000	45,900	57,250	57,250	57,250	57,250	57,250
Utility Taxes	11,458	11,458	12,296	12,500	13,000	13,500	14,000
Grant in Lieu of Taxes	3,000	2,946	2,928	3,000	3,000	3,000	3,000
TOTAL TAXES	287,163	286,956	300,360	300,636	301,136	301,636	302,136
SALE OF SERVICES							
Garbage Service	21,300	25,013	27,344	27,300	27,500	27,500	27,500
Recreation Services	10,000	9,948	15,000	10,000	10,000	10,000	10,000
Other Services	400	110	100	100	100	100	100
TOTAL SALE OF SERVICES	31,700	35,071	42,444	37,400	37,600	37,600	37,600
OTHER REVENUES FROM OWN SOURCES							
Licenses & Permits	5,100	8,332	6,500	6,500	6,500	6,500	6,500
Rentals	73,437	63,846	75,895	76,900	76,900	77,000	77,000
Miscellaneous	90,733	112,964	28,950	29,000	25,000	25,000	25,000
TOTAL REVENUES FROM OWN SOURCES	169,270	185,142	111,345	112,400	108,400	108,500	108,500
UNCONDITIONAL TRANSFERS							
	395,338	395,338	366,000	366,000	366,000	366,000	366,000
CONDITIONAL TRANSFERS							
	179,155	192,294	434,935	185,000	185,000	188,000	188,000
INTERNAL TRANSFER							
Water Fund Administration	20,017	20,017	20,821	21,000	21,420	21,848	22,537
Sewer Fund Administration	16,378	16,925	17,035	17,250	17,595	17,947	18,306
Other Transfers	59,380	-15,970	272,919	15,000	15,000	17,000	17,000
TOTAL INTERNAL TRANSFERS	95,775	20,972	310,775	53,250	54,015	56,795	57,843
COLLECTIONS FOR OTHERS							
	740,940	740,940	770,841	786,258	745,000	750,000	750,000
TOTAL GENERAL FUND REVENUES	1,899,341	1,856,713	2,336,700	1,840,944	1,797,151	1,808,531	1,810,079

	2015	2015	2016	2017	2018	2019	2020
	BUDGET	PRE-AUDIT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
TAXES							
Ad Valorem Taxes	202,555	202,555	202,696	202,696	202,696	202,696	202,696
Drainage Parcel Taxes	24,150	24,097	22,900	22,900	22,900	22,900	22,900
Community Development Parcel Taxes	0	0	2,290	2,290	2,290	2,290	2,290
Road/Transportation Parcel Taxes	46,000	45,900	57,250	57,250	57,250	57,250	57,250
Utility Taxes	11,458	11,458	12,296	12,500	13,000	13,500	14,000
Grant in Lieu of Taxes	3,000	2,946	2,928	3,000	3,000	3,000	3,000
TOTAL TAXES	287,163	286,956	300,360	300,636	301,136	301,636	302,136
SALE OF SERVICES							
Garbage Service	21,300	25,013	27,344	27,300	27,500	27,500	27,500
Recreation Services	10,000	9,948	15,000	10,000	10,000	10,000	10,000
Other Services	400	110	100	100	100	100	100
TOTAL SALE OF SERVICES	31,700	35,071	42,444	37,400	37,600	37,600	37,600
OTHER REVENUES FROM OWN							

SOURCES							
Licenses & Permits	5,100	8,332	6,500	6,500	6,500	6,500	6,500
Rentals	73,437	63,846	75,895	76,900	76,900	77,000	77,000
Miscellaneous	90,733	112,964	28,950	29,000	25,000	25,000	25,000
TOTAL REVENUES FROM OWN SOURCES	169,270	185,142	111,345	112,400	108,400	108,500	108,500
UNCONDITIONAL TRANSFERS	395,338	395,338	366,000	366,000	366,000	366,000	366,000
CONDITIONAL TRANSFERS	179,155	192,294	434,935	185,000	185,000	188,000	188,000
INTERNAL TRANSFER							
Water Fund Administration	20,017	20,017	20,821	21,000	21,420	21,848	22,537
Sewer Fund Administration	16,378	16,925	17,035	17,250	17,595	17,947	18,306
Other Transfers	59,380	-15,970	272,919	15,000	15,000	17,000	17,000
TOTAL INTERNAL TRANSFERS	95,775	20,972	310,775	53,250	54,015	56,795	57,843
COLLECTIONS FOR OTHERS	740,940	740,940	770,841	786,258	745,000	750,000	750,000
<u>TOTAL GENERAL FUND REVENUES</u>	<u>1,899,341</u>	<u>1,856,713</u>	<u>2,336,700</u>	<u>1,840,944</u>	<u>1,797,151</u>	<u>1,808,531</u>	<u>1,810,079</u>

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #727

SCHEDULE "B" – GENERAL FUND EXPENDITURES

	2015	2015	2016	2017	2018	2019	2020
	BUDGET	PRE-AUDIT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
GENERAL GOVERNMENT SERVICES							
Legislative	28,500	24,343	29,220	29,500	30,000	30,500	30,500
General Administration	366,896	353,514	367,498	368,000	369,000	370,000	370,000
Other General Government Services	46,850	46,396	51,428	52,000	52,000	52,000	56,000
TOTAL GENERAL GOVT SERVICES	442,246	424,253	448,146	449,500	451,000	452,500	456,500
GENERAL PUBLIC WORKS							
General Public Works	10,671	8,882	10,785	11,000	11,500	11,500	11,500
Workshop	20,325	12,899	20,600	21,000	21,000	22,000	22,000
General Public Works Equipment	45,587	23,186	40,025	40,000	40,000	40,000	40,000
TOTAL GENERAL PUBLIC WORKS	76,583	44,967	71,410	72,000	72,500	73,500	73,500
PROTECTIVE SERVICES							
Bylaw Enforcement	9,650	9,107	9,650	9,795	9,942	10,091	10,242
Other Protective Services	17,645	16,169	27,688	28,000	28,280	28,563	28,848
TOTAL PROTECTIVE SERVICES	27,295	25,276	37,338	37,795	38,222	38,654	39,091
TRANSPORTATION SERVICES							
Equipment Operation & Maintenance	15,057	15,022	16,574	16,740	16,907	17,076	17,247
Road Maintenance	86,086	64,291	91,074	92,440	93,365	94,298	95,241
Traffic Services	21,009	19,844	21,447	21,769	21,986	22,206	22,428
TOTAL TRANSPORTATION SERVICES	122,152	99,157	129,095	130,949	132,258	133,581	134,916
ENVIRONMENTAL HEALTH SERVICES	34,426	32,058	32,401	32,500	32,500	33,500	34,000
COMMUNITY & PLANNING SERVICES	110,000	84,640	54,814	12,300	10,000	10,000	10,000
RECREATION & CULTURAL SERVICES							
Recreation Commission	11,032	12,252	16,053	11,000	11,000	11,000	11,000
Community Hall	28,258	26,598	29,400	29,872	30,350	30,835	31,329
Parks and Playfields	52,114	38,331	52,551	53,339	54,139	54,951	55,776
TOTAL RECREATION & CULTURE	91,404	77,181	98,004	94,211	95,489	96,786	98,105
FISCAL SERVICES							
Debt Servicing	0	0	0	0	0	0	0
Transfer to Other Funds	130,900	126,900	277,118	124,433	60,875	49,116	26,002
Transfer of Taxes Collected for Others	761,337	763,280	792,474	808,323	824,490	840,980	857,799
TOTAL FISCAL SERVICES	892,237	890,180	1,069,592	932,756	885,365	890,096	883,801
CAPITAL PROJECTS							
Administration	0	0	55,000	0	0	0	0
Public Works	73,000	72,081	70,900	48,933	49,817	49,915	50,166
Recreation	30,000	30,836	270,000	30,000	30,000	30,000	30,000
TOTAL CAPITAL PROJECTS	103,000	102,917	395,900	78,933	79,817	79,915	80,166
TOTAL GENERAL EXPENDITURES	1,899,343	1,780,629	2,336,700	1,840,944	1,797,151	1,808,531	1,810,079
General Fund Surplus (Deficit)	-2	76,084	0	0	0	0	0
Consolidated Funds Surplus (Deficit)	2	159,396	0	0	0	0	0

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #727

SCHEDULE "C" – WATER FUND REVENUES & EXPENDITURES

	2015	2015	2016	2017	2018	2019	2020
	BUDGET	PRE-AUDIT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<u>WATER FUND REVENUES</u>							
TAXES	111,205	110,722	116,332	116,332	116,332	116,332	116,332
SALE OF SERVICES	114,684	116,245	120,279	126,293	132,608	139,238	146,200
OTHER REVENUES							
Government Grants	15,000	3,600	0	0	0	0	0
Own Sources	132,184	4,570	290,430	50,000	50,000	50,000	50,000
TOTAL OTHER REVENUES	147,184	8,170	290,430	50,000	50,000	50,000	50,000
<u>TOTAL WATER FUND REVENUES</u>	<u>373,073</u>	<u>235,137</u>	<u>527,041</u>	<u>292,625</u>	<u>298,940</u>	<u>305,570</u>	<u>312,532</u>
<u>WATER FUND EXPENDITURES</u>							
GENERAL GOVERNMENT SERVICES	32,117	28,338	32,921	33,000	34,000	34,000	35,000
ENVIRONMENTAL HEALTH SERVICES							
Water Supply & Distribution System							
Water Supply and Treatment	46,176	39,417	47,120	48,000	48,000	50,000	50,000
Water Distribution and Fire Hydrants	52,515	30,233	45,188	47,000	47,000	49,000	49,000
Water Storage	14,737	13,578	13,611	14,000	14,000	15,000	15,000
TOTAL ENVIRONMENTAL HEALTH	113,428	83,228	105,919	109,000	109,000	114,000	114,000
ENVIRONMENTAL & PLANNING	27,526	15,866	37,433	10,000	10,000	10,000	10,000
FISCAL SERVICES							
Long-Term Interest	0	0	0	0	0	0	0
Principal Installments	0	0	0	0	0	0	0
Transfers to other funds	0	0	0	50,000	33,257	36,338	36,338
TOTAL FISCAL SERVICES	0	0	0	50,000	33,257	36,338	36,338
TOTAL CAPITAL PROJECTS	200,000	38,564	350,768	90,625	112,683	111,232	117,194
<u>TOTAL WATER FUND EXPENDITURES</u>	<u>373,071</u>	<u>165,996</u>	<u>527,041</u>	<u>292,625</u>	<u>298,940</u>	<u>305,570</u>	<u>312,532</u>
SURPLUS (DEFICIT)	2	69,141	0	0	0	0	0

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #727

SCHEDULE "D" – SEWER FUND REVENUES & EXPENDITURES

	2015	2015	2016	2017	2018	2019	2020
	BUDGET	PRE-AUDIT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<u>SEWER FUND REVENUES</u>							
TAXES	58,710	58,453	64,468	64,468	64,468	64,468	64,468
SALE OF SERVICES	142,180	144,211	149,417	156,888	164,732	172,969	181,617
OWN SOURCES	47,000	0	25,000	0	0	0	0
<u>TOTAL SEWER FUND REVENUES</u>	<u>247,890</u>	<u>202,664</u>	<u>238,885</u>	<u>221,356</u>	<u>229,200</u>	<u>237,437</u>	<u>246,085</u>
<u>SEWER FUND EXPENDITURES</u>							
GENERAL GOVERNMENT SERVICES	22,003	17,441	22,647	23,000	24,000	24,000	25,000
ENVIRONMENTAL HEALTH SERVICES							
Collection System Maintenance	31,049	12,031	26,170	26,300	27,000	27,000	28,000
Lift Station Maintenance	30,272	24,426	27,452	27,700	28,000	30,000	30,000
Sew age Treatment Plant	84,328	88,723	87,616	88,500	90,000	90,000	92,000
TOTAL ENVIRONMENTAL HEALTH	145,649	125,180	141,238	142,500	145,000	147,000	150,000
ENVIRONMENTAL & PLANNING	31,736	14,268	0	25,000	25,000	25,000	25,000
FISCAL SERVICES							
Debt Servicing							
Long-Term Interest	0	0	0	0	0	0	0
Principal Installments	0	0	0	0	0	0	0
Other Transfers	0	0	0	0	0	0	0
TOTAL FISCAL SERVICES	0	0	0	0	0	0	0
TOTAL CAPITAL PROJECTS	48,500	31,604	75,000	30,856	35,200	41,437	46,085
<u>TOTAL SEWER FUND EXPENDITURES</u>	<u>247,888</u>	<u>188,493</u>	<u>238,885</u>	<u>221,356</u>	<u>229,200</u>	<u>237,437</u>	<u>246,085</u>
SURPLUS (DEFICIT)	2	14,171	0	0	0	0	0

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #727

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 2016.

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 parcel tax and user fee levels annually to ensure they are adequately meeting both the capital and delivery costs of the service, and
- 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.

Small Communities Grant (Strategic Community Investment Fund):

Government grants include the Small Communities Grant (Strategic Community Investment Funds) which are provided by the Province of British Columbia to reduce the level of municipal taxation. For a smaller municipality, these funds are instrumental to help maintaining existing municipal service levels.

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, and
- 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 for 2016. 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

Taxes - Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	97.72%	\$198,110
Utilities (2)	0.18%	\$375
Social Housing (3)	0.00%	\$0
Major Industrial (4)	0.00%	\$0
Light Industrial (5)	0.00%	\$0
Business and Other (6)	2.09%	\$4,239
Recreation/Non-profit (8)	0.00%	\$0
Farmland (9)	0.00%	\$0
Total	100.00%	\$202,724

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

PERMISSIVE TAX EXEMPTIONS

The Village will maintain 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 direct conflict with those of the Village,
- The organization receiving the exemption must be a registered non-profit society or organization, as the support of the municipality will not be used for commercial or private gain, and
- 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 and/or organizations that meet the criteria described above.

Policies

- Possible expand the permissive tax exemption policy to include eligibility requirements for green revitalization tax exemptions, and
- Look into the development of a revitalization tax exemption program which details the kinds of green activities that the exemption program will target.