

# THE CORPORATION OF THE VILLAGE OF MONTROSE

## **BYLAW #704**

A BYLAW TO ADOPT A FINANCIAL PLAN FOR THE PERIOD OF 2013 to 2017

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 2013-2017**"

### **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 drain 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 2013 - 2017 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 2013 - 2017 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 2013 - 2017 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 2013 - 2017 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 2013 – 2017 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 15 <sup>th</sup> day of April, 2013
READ A SECOND TIME	this 15 <sup>th</sup> day of April, 2013
READ A THIRD TIME	this 15 <sup>th</sup> day of April, 2013
PUBLIC CONSULTATION HELD	this 6 <sup>th</sup> day of May, 2013
RECONSIDERED AND FINALLY ADOPTED	this 6 <sup>th</sup> day of May, 2013

\_\_\_\_\_  
Mayor

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

Certified a true copy of Bylaw #704, as adopted

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

THE CORPORATION OF THE VILLAGE OF MONTROSE

**BYLAW #704**

SCHEDULE "A" – GENERAL FUND REVENUES

	2012 BUDGET	2012 PRE AUDIT	2013 BUDGET	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET
<b>TAXES</b>							
Ad Valorem Taxes	88,164	88,164	115,423	117,731	119,497	121,290	123,109
Drainage Parcel Taxes	23,690	23,690	24,150	24,633	25,002	25,378	25,758
Road Parcel Taxes	121,900	121,900	100,740	102,755	104,296	105,861	107,448
Community Development Parcel Taxes	2,369	2,369	2,415	2,463	2,500	2,538	2,576
Utility Taxes	11,116	11,116	11,406	11,000	11,000	11,000	11,000
Grant in Lieu of Taxes	2,900	2,900	2,900	2,900	2,900	2,900	2,900
<b>TOTAL TAXES</b>	<b>250,139</b>	<b>250,139</b>	<b>257,034</b>	<b>261,483</b>	<b>265,196</b>	<b>268,966</b>	<b>272,792</b>
<b>SALE OF SERVICES</b>							
Garbage Service	19,040	20,754	19,300	19,500	19,695	19,892	20,091
Recreation Services	6,000	8,830	6,000	6,250	6,250	6,500	6,500
Other Services	450	347	150	500	500	600	600
<b>TOTAL SALE OF SERVICES</b>	<b>25,490</b>	<b>29,931</b>	<b>25,450</b>	<b>26,250</b>	<b>26,445</b>	<b>26,992</b>	<b>27,191</b>
<b>OTHER REVENUES FROM OWN SOURCES</b>							
Licenses & Permits	3,250	10,144	3,900	3,500	3,500	3,750	3,750
Rentals	53,800	60,155	64,299	57,000	57,000	57,500	58,000
Miscellaneous	30,600	31,969	23,550	31,000	31,000	31,000	31,000
<b>TOTAL REVENUES FROM OWN SOURCES</b>	<b>87,650</b>	<b>102,268</b>	<b>91,749</b>	<b>91,500</b>	<b>91,500</b>	<b>92,250</b>	<b>92,750</b>
<b>UNCONDITIONAL TRANSFERS</b>							
	<b>527,000</b>	<b>526,961</b>	<b>246,290</b>	<b>246,290</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>CONDITIONAL TRANSFERS</b>							
	<b>865,379</b>	<b>166,678</b>	<b>162,141</b>	<b>163,000</b>	<b>165,000</b>	<b>165,000</b>	<b>170,000</b>
<b>INTERNAL TRANSFER</b>							
Water Fund Administration	19,058	19,058	23,194	15,000	15,500	15,500	16,000
Sewer Fund Administration	32,665	32,665	34,485	37,500	37,500	40,000	40,000
Other Transfers	5,558	26,385	60,000	0	5,000	0	0
<b>TOTAL INTERNAL TRANSFERS</b>	<b>57,281</b>	<b>78,108</b>	<b>117,679</b>	<b>52,500</b>	<b>45,000</b>	<b>55,500</b>	<b>56,000</b>
<b>COLLECTIONS FOR OTHERS</b>							
	<b>739,478</b>	<b>741,715</b>	<b>759,437</b>	<b>760,000</b>	<b>760,000</b>	<b>760,000</b>	<b>760,000</b>
<b><u>TOTAL GENERAL FUND REVENUES</u></b>	<b><u>2,552,417</u></b>	<b><u>1,895,800</u></b>	<b><u>1,659,780</u></b>	<b><u>1,601,023</u></b>	<b><u>1,603,141</u></b>	<b><u>1,618,708</u></b>	<b><u>1,628,733</u></b>

THE CORPORATION OF THE VILLAGE OF MONTROSE

**BYLAW #704**

SCHEDULE "B" – GENERAL FUND EXPENDITURES

	2012	2012	2013	2014	2015	2016	2017
	BUDGET	PRE AUDIT	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
<b>GENERAL GOVERNMENT SERVICES</b>							
Legislative	22,500	21,531	22,000	22,440	22,777	23,118	23,465
General Administration	318,985	310,751	321,680	328,114	333,035	338,031	343,101
Other General Government Services	62,500	48,102	52,800	53,856	54,933	56,032	57,152
<b>TOTAL GENERAL GOVT SERVICES</b>	<b>403,985</b>	<b>380,384</b>	<b>396,480</b>	<b>401,500</b>	<b>407,000</b>	<b>412,500</b>	<b>420,000</b>
<b>GENERAL PUBLIC WORKS</b>							
General Public Works	9,898	7,141	7,377	7,488	7,600	7,714	7,830
Workshop	24,030	16,013	13,553	13,756	13,963	14,172	14,385
General Public Works Equipment	26,071	21,052	26,198	26,591	26,990	27,395	27,806
<b>TOTAL GENERAL PUBLIC WORKS</b>	<b>59,999</b>	<b>44,206</b>	<b>47,128</b>	<b>47,835</b>	<b>48,552</b>	<b>49,281</b>	<b>50,020</b>
<b>PROTECTIVE SERVICES</b>							
Bylaw Enforcement	9,950	8,574	10,150	10,252	10,354	10,509	10,667
Other Protective Services	15,837	11,166	15,372	15,526	15,681	15,838	15,996
<b>TOTAL PROTECTIVE SERVICES</b>	<b>25,787</b>	<b>19,740</b>	<b>25,522</b>	<b>25,777</b>	<b>26,035</b>	<b>26,347</b>	<b>26,663</b>
<b>TRANSPORTATION SERVICES</b>							
Equipment Operation & Maintenance	10,963	13,904	11,171	11,339	11,452	11,566	11,682
Road Maintenance	82,599	72,726	73,720	74,826	75,948	77,087	77,858
Traffic Services	13,834	14,967	15,838	16,076	16,317	16,561	16,727
<b>TOTAL TRANSPORTATION SERVICES</b>	<b>107,396</b>	<b>101,597</b>	<b>100,729</b>	<b>102,240</b>	<b>103,717</b>	<b>105,215</b>	<b>106,267</b>
<b>ENVIRONMENTAL HEALTH SERVICES</b>							
	28,248	25,064	26,121	26,643	27,176	27,720	28,274
<b>COMMUNITY &amp; PLANNING SERVICES</b>							
	33,119	4,330	43,065	15,000	15,000	15,000	20,000
<b>RECREATION &amp; CULTURAL SERVICES</b>							
Recreation Commission	11,255	10,955	10,683	12,000	12,000	12,000	12,000
Community Hall	29,586	53,026	29,467	29,909	30,358	30,813	31,275
Parks	48,557	27,378	33,997	34,718	35,239	35,767	36,304
<b>TOTAL RECREATION &amp; CULTURE</b>	<b>89,398</b>	<b>91,359</b>	<b>74,147</b>	<b>76,627</b>	<b>77,661</b>	<b>78,645</b>	<b>79,758</b>
<b>FISCAL SERVICES</b>							
Debt Servicing	0	0	0	0	0	0	0
Transfer to Other Funds	994,028	330,508	90,800	60,400	65,000	65,000	50,000
Transfer of Taxes Collected for Others	759,958	764,179	780,788	760,000	760,000	760,000	760,000
<b>TOTAL FISCAL SERVICES</b>	<b>1,753,986</b>	<b>1,094,687</b>	<b>871,588</b>	<b>820,400</b>	<b>825,000</b>	<b>825,000</b>	<b>810,000</b>
<b>CAPITAL PROJECTS</b>							
Administration	5,500	5,452	0	10,000	0	0	10,000
Public Works	15,000	36,550	50,000	55,000	53,000	59,000	67,750
Recreation	30,000	8,693	25,000	20,000	20,000	20,000	10,000
<b>TOTAL CAPITAL PROJECTS</b>	<b>50,500</b>	<b>50,695</b>	<b>75,000</b>	<b>85,000</b>	<b>73,000</b>	<b>79,000</b>	<b>87,750</b>
<b>TOTAL GENERAL EXPENDITURES</b>	<b>2,552,418</b>	<b>1,812,062</b>	<b>1,659,780</b>	<b>1,601,023</b>	<b>1,603,142</b>	<b>1,618,708</b>	<b>1,628,733</b>
<b>General Fund Surplus (Deficit)</b>	<b>0</b>	<b>83,738</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Consolidated Funds Surplus (Deficit)</b>	<b>0</b>	<b>221,086</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

THE CORPORATION OF THE VILLAGE OF MONTROSE

**BYLAW #704**

SCHEDULE "C" – WATER FUND REVENUES & EXPENDITURES

	2012 BUDGET	2012 PRE AUDIT	2013 BUDGET	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET
<b><u>WATER FUND REVENUES</u></b>							
<b>TAXES</b>	109,020	109,020	111,205	113,985	116,835	119,756	122,750
<b>SALE OF SERVICES</b>	107,105	110,175	109,868	112,615	115,430	118,316	121,274
<b>OTHER REVENUES</b>							
Government Grants	765,338	404,569	1,087,404				
Own Sources	189,400	189,562	89,317	0	0	0	0
<b>TOTAL OTHER REVENUES</b>	<b>954,738</b>	<b>594,131</b>	<b>1,176,721</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>TOTAL WATER FUND REVENUES</u></b>	<b><u>1,170,863</u></b>	<b><u>813,326</u></b>	<b><u>1,397,794</u></b>	<b><u>226,600</u></b>	<b><u>232,265</u></b>	<b><u>238,071</u></b>	<b><u>244,023</u></b>
<hr/>							
	2012 BUDGET	2012 PRE AUDIT	2013 BUDGET	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET
<b><u>WATER FUND EXPENDITURES</u></b>							
<b>GENERAL GOVERNMENT SERVICES</b>	42,158	38,879	41,794	39,000	39,585	40,179	40,781
<b>ENVIRONMENTAL HEALTH SERVICES</b>							
<b>Water Supply &amp; Distribution System</b>							
Pumping	38,723	27,114	39,033	39,618	40,213	40,816	41,428
Water Supply and Distribution	178,812	202,600	79,113	55,981	57,467	58,577	59,814
<b>TOTAL ENVIRONMENTAL HEALTH</b>	<b>217,535</b>	<b>229,714</b>	<b>118,146</b>	<b>95,599</b>	<b>97,680</b>	<b>99,393</b>	<b>101,242</b>
<b>ENVIRONMENTAL &amp; PLANNING</b>	4,500	3177	15,000	12,000	5,000	30,000	0
<b>FISCAL SERVICES</b>							
<b>Debt Servicing</b>							
Long-Term Interest	6,308	6,308	6,308	0	0	0	0
Principal Installments	26,770	26,771	26,771	0	0	0	0
<b>TOTAL FISCAL SERVICES</b>	<b>33,078</b>	<b>33,079</b>	<b>33,079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROJECTS</b>	<b>873,592</b>	<b>414,953</b>	<b>1,189,775</b>	<b>80,000</b>	<b>90,000</b>	<b>68,500</b>	<b>102,000</b>
<b><u>TOTAL WATER FUND EXPENDITURES</u></b>	<b><u>1,170,863</u></b>	<b><u>719,802</u></b>	<b><u>1,397,794</u></b>	<b><u>226,599</u></b>	<b><u>232,265</u></b>	<b><u>238,072</u></b>	<b><u>244,024</u></b>
<b>SURPLUS (DEFICIT)</b>	<b>0</b>	<b>93,524</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

THE CORPORATION OF THE VILLAGE OF MONTROSE

**BYLAW #704**

SCHEDULE "D" – SEWER FUND REVENUES & EXPENDITURES

	2012 BUDGET	2012 PRE AUDIT	2013 BUDGET	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET
<b><u>SEWER FUND REVENUES</u></b>							
TAXES	58,710	58,710	58,710	59,603	60,497	61,400	62,321
SALE OF SERVICES	133,599	135,819	135,928	137,967	140,036	142,137	144,269
INTERNAL TRANSFERS	0	0	0	0	0	0	0
<b><u>TOTAL SEWER FUND REVENUES</u></b>	<b><u>192,309</u></b>	<b><u>194,529</u></b>	<b><u>194,638</u></b>	<b><u>197,570</u></b>	<b><u>200,533</u></b>	<b><u>203,537</u></b>	<b><u>206,590</u></b>
<hr/>							
	2012 BUDGET	2012 PRE AUDIT	2013 BUDGET	2014 BUDGET	2015 BUDGET	2016 BUDGET	2017 BUDGET
<b><u>SEWER FUND EXPENDITURES</u></b>							
GENERAL GOVERNMENT SERVICES	34,290	33,272	42,110	38,000	40,000	40,000	40,000
ENVIRONMENTAL HEALTH SERVICES			-				
Collection System Maintenance	9,579	9,385	13,977	12,070	12,646	12,741	13,115
Lift Station Maintenance	17,268	14,662	17,453	17,500	17,763	18,029	18,299
Sewage Treatment Plant	81,623	80,161	73,879	75,000	76,125	77,267	78,426
<b>TOTAL ENVIRONMENTAL HEALTH</b>	<b>108,470</b>	<b>104,208</b>	<b>105,309</b>	<b>104,570</b>	<b>106,534</b>	<b>108,037</b>	<b>109,840</b>
ENVIRONMENTAL & PLANNING	12,500	13,224	31,500	20,000	0	20,000	1,750
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	37,049	0	719	0	0	0	0
<b>TOTAL FISCAL SERVICES</b>	<b>37,049</b>	<b>0</b>	<b>719</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROJECTS</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>35,000</b>	<b>54,000</b>	<b>35,500</b>	<b>55,000</b>
<b><u>TOTAL SEWER FUND EXPENDITURES</u></b>	<b><u>192,309</u></b>	<b><u>150,704</u></b>	<b><u>194,638</u></b>	<b><u>197,570</u></b>	<b><u>200,534</u></b>	<b><u>203,537</u></b>	<b><u>206,590</u></b>
<b>SURPLUS (DEFICIT)</b>	<b>0</b>	<b>43,825</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

THE CORPORATION OF THE VILLAGE OF MONTROSE

**BYLAW #704**

**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 2013. Property taxes form the greatest proportion of revenue. 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.

User fees and charges form the second largest portion of planned revenue. 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.

**Table 1: Sources of Revenue**

<b>Revenue Source</b>	<b>% of Total Revenue</b>	<b>Dollar Value</b>
Property Taxes	5.2%	\$129,729
Parcel Taxes	11.9%	\$297,220
User Fees and Charges	10.6%	\$265,096
Other Sources	12.2%	\$304,895
Government Grants	60.0%	\$1,495,835
<b>Total</b>	<b>100.0%</b>	<b>\$2,492,775</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.

**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)	97.57%	\$112,618
Utilities (2)	0.28%	\$323
Social Housing (3)	0.00%	\$0
Major Industrial (4)	0.00%	\$0
Light Industrial (5)	0.00%	\$0
Business and Other (6)	2.15%	\$2,482
Recreation/Non-profit (8)	0.00%	\$0
Farmland (9)	0.00%	\$0
<b>Total</b>	<b>100.00%</b>	<b>\$115,423</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.