

**DISTRICT OF CHETWYND
BYLAW NO. 939, 2011**

**A Bylaw of the District of Chetwynd Respecting
the Financial Plan for the Years 2011 – 2015**

The Council of the District of Chetwynd, in open meeting assembled, enacts as follows:

1. Schedule “A”, attached hereto and forming part of this Bylaw, is hereby adopted and is the Financial Plan of the District of Chetwynd for the years ending December 31, 2011 to 2015.
2. Schedule “B”, attached hereto and forming part of this Bylaw, is hereby adopted and is the Statement of Taxation Objectives and Policies of the District of Chetwynd.
3. Schedule “C”, attached hereto and forming part of this Bylaw, is hereby adopted and is the Revitalization Tax Exemption Area Designation of the District of Chetwynd.
4. This Bylaw may be cited for all purposes as “Financial Plan 2011 – 2015 Bylaw No. 939, 2011”.

Read a First Time This 18th day of April, 2011

Read a Second Time This 18th day of April, 2011

Read a Third Time This 18th day of April, 2011

ADOPTED THIS 2nd day of May, 2011

Director of Corporate Administration

Mayor

Schedule "A"
Financial Plan 2011-2015 Bylaw No. 939, 2011
General Revenue Fund

	2011	2012	2013	2014	2015
Revenues					
Taxes	\$ 2,546,558	\$ 2,636,758	\$ 2,688,763	\$ 2,741,806	\$ 2,796,057
Frontage taxes	29,750	29,750	29,750	29,750	29,750
Services provided to other governments	158,054	159,520	159,994	160,478	160,972
Sales of services	276,847	309,322	345,148	386,212	433,288
Other revenue from own sources	827,237	835,584	840,440	842,305	843,178
Unconditional transfers from other governments	2,633,360	2,759,502	2,826,357	2,895,217	2,966,144
Conditional transfers from other governments	38,000	38,000	38,000	38,000	38,000
Conditional transfers from regional government	53,000	53,000	53,000	53,000	53,000
	<u>6,562,806</u>	<u>6,821,436</u>	<u>6,981,452</u>	<u>7,146,768</u>	<u>7,320,389</u>
Expenditures					
General Government Services	1,393,985	1,405,396	1,422,233	1,446,559	1,457,389
Protective Services	492,009	496,598	501,021	505,530	510,127
Transportation	1,714,220	1,716,418	1,729,461	1,742,739	1,756,256
Environmental Health Services	397,029	397,679	398,340	399,013	399,698
Public Health Services	201,312	201,435	201,073	202,226	203,394
Economic Development	783,272	826,779	832,588	839,727	847,221
Parks and Recreation	525,912	528,287	532,104	535,165	538,272
Fiscal Services	11,000	11,000	11,000	11,000	11,000
	<u>5,518,739</u>	<u>5,583,591</u>	<u>5,627,819</u>	<u>5,681,958</u>	<u>5,723,357</u>
Excess Revenues over Expenditures	1,044,067	1,237,845	1,353,632	1,464,810	1,597,032
General Capital from Revenue	-	-	-	-	-
Water Capital from Revenue	-	-	-	-	-
Transfer from Reserves					
Sewer Capital from Revenue	-	-	-	-	-
Transfer from (to) Reserves (from Fair Share)	(505,360)	(303,502)	(599,357)	(603,217)	(599,144)
Net transfers to other funds	(29,750)	(29,750)	(29,750)	(79,750)	(129,750)
Net appropriations (to)/from reserves	<u>(1,328,190)</u>	<u>(954,763)</u>	<u>(703,888)</u>	<u>(703,005)</u>	<u>(701,566)</u>
Total Transfers out of General Operations	(1,863,300)	(1,288,015)	(1,332,995)	(1,385,972)	(1,430,460)
Transfer to Accumulated Fund Equity (Total annual operating deficit)	<u>(819,233)</u>	<u>(50,170)</u>	<u>20,637</u>	<u>78,838</u>	<u>166,572</u>
Accumulated Fund Equity, January 1	<u>914,334</u>	<u>95,101</u>	<u>44,932</u>	<u>65,539</u>	<u>144,407</u>
Accumulated Fund Equity, December 31	<u>\$ 95,101</u>	<u>\$ 44,932</u>	<u>\$ 65,569</u>	<u>\$ 144,407</u>	<u>\$ 310,979</u>

Schedule "A"
Financial Plan 2011-2015 Bylaw No. 939, 2011
Water Revenue Fund

	2011	2012	2013	2014	2015
Revenues					
User Fees	\$ 692,837	\$ 704,462	\$ 716,309	\$ 728,384	\$ 680,690
Grants	-	-	-	-	-
Return on investments	-	-	-	-	-
	<u>692,837</u>	<u>704,462</u>	<u>716,309</u>	<u>728,384</u>	<u>680,690</u>
Expenditures					
Administration	292,244	300,894	307,237	313,767	320,488
Purification and treatment	244,187	211,596	212,420	213,259	214,115
Transmission and distribution	205,479	210,806	211,450	212,106	212,775
Debt interest	-	-	-	-	-
	<u>741,910</u>	<u>723,296</u>	<u>731,107</u>	<u>739,132</u>	<u>747,378</u>
Excess of Expenditures over Revenues	(49,073)	(18,834)	(14,798)	(10,748)	(66,688)
Debt repayment	-	-	-	-	-
Transfer from (to) Reserves					
Net transfer from other funds	278,750	278,750	28,750	28,750	28,750
Water Capital from revenue	-	-	-	-	-
	<u>229,677</u>	<u>259,916</u>	<u>13,952</u>	<u>18,002</u>	<u>(37,938)</u>
Transfer (from)/to Accumulated Fund Equity					
Accumulated Fund Equity, January 1	<u>(315,868)</u>	<u>(86,191)</u>	<u>173,725</u>	<u>187,677</u>	<u>205,679</u>
Accumulated Fund Equity, December 31	<u>\$ (86,191)</u>	<u>\$ 173,725</u>	<u>\$ 187,677</u>	<u>\$ 205,679</u>	<u>\$ 167,741</u>

Schedule "A"
Financial Plan 2011-2015 Bylaw No. 939, 2011
Sewer Revenue Fund

	2011	2012	2013	2014	2015
Revenues					
User Fees	\$ 322,635	\$ 329,521	\$ 336,210	\$ 342,893	\$ 349,293
Grants	-	-	-	-	-
Return on investments	-	-	-	-	-
	<u>322,635</u>	<u>329,521</u>	<u>336,210</u>	<u>342,893</u>	<u>349,293</u>
Expenditures					
Administration	190,701	195,923	201,303	206,843	212,550
Collection systems	192,819	194,317	195,859	197,448	199,085
Treatment and disposal	53,406	53,690	53,982	54,283	54,593
Debt servicing cost	-	-	-	-	-
	<u>436,926</u>	<u>443,930</u>	<u>451,144</u>	<u>458,574</u>	<u>466,227</u>
Excess of Expenditures over Revenues	(114,291)	(114,409)	(114,934)	(115,681)	(116,934)
Debt repayment	-	-	-	-	-
Transfer from General Revenue Fund	1,000	1,000	1,000	51,000	101,000
Transfer from (to) Reserves	-	-	-	-	-
Sewer Capital from Revenue	-	-	-	-	-
Transfer from Other Funds	-	-	-	-	-
	<u>(113,291)</u>	<u>(113,409)</u>	<u>(113,934)</u>	<u>(64,681)</u>	<u>(15,934)</u>
Transfer (from)/to Accumulated Fund Equity					
Accumulated Fund Equity, January 1	<u>472,830</u>	<u>359,539</u>	<u>246,130</u>	<u>132,197</u>	<u>67,516</u>
Accumulated Fund Equity, December 31	<u>\$ 359,539</u>	<u>\$ 246,130</u>	<u>\$ 132,197</u>	<u>\$ 67,516</u>	<u>\$ 51,582</u>

Schedule "A"
Financial Plan 2011-2015
Bylaw No.939, 2011
Consolidated Reserves

	2011	2012	2013	2014	2015
BALANCE - January 1	\$ 2,907,366	\$ 3,503,715	\$ 3,340,783	\$ 3,609,147	\$ 2,477,530
TRANSFERS IN					
General Revenue Fund	<u>1,833,549</u>	<u>1,258,264</u>	<u>1,303,244</u>	<u>1,306,221</u>	<u>1,300,709</u>
TOTAL	<u>1,833,549</u>	<u>1,258,264</u>	<u>1,303,244</u>	<u>1,306,221</u>	<u>1,300,709</u>
TRANSFERS OUT					
	-	-	-	-	-
General Fund Improvements	(1,129,250)	(1,068,500)	(640,000)	(2,010,000)	(2,010,000)
Water system Improvements	-	(100,000)	(150,000)	(150,000)	(150,000)
Sewer System Improvements	-	(200,000)	(200,000)	(200,000)	(200,000)
	-	-	-	-	-
Transportation Equipment	<u>(210,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>
	-	-	-	-	-
	-	-	-	-	-
TOTAL	<u>(1,339,250)</u>	<u>(1,518,500)</u>	<u>(1,140,000)</u>	<u>(2,510,000)</u>	<u>(2,510,000)</u>
BALANCE BEFORE INTEREST	3,401,665	3,243,479	3,504,026	2,405,369	1,268,239
ADD: ESTIMATED INTEREST @ 3%	<u>102,050</u>	<u>97,304</u>	<u>105,121</u>	<u>72,161</u>	<u>38,047</u>
BALANCE - December 31	<u>\$ 3,503,715</u>	<u>\$ 3,340,783</u>	<u>\$ 3,609,147</u>	<u>\$ 2,477,530</u>	<u>\$ 1,306,286</u>

Schedule "A"
Financial Plan 2011-2015 Bylaw No. 939, 2011
Five Year Capital Plan

	2011	2012	2013	2,014	2,015
GENERAL FUND					
SOURCE OF FUNDS					
General Revenue Fund					
Reserves	1,339,250	1,218,500	790,000	2,160,000	2,160,000
Grants and recoveries	787,000				
TOTAL	2,126,250	1,218,500	790,000	2,160,000	2,160,000
USE OF FUNDS					
GENERAL GOVERNMENT					
Equipment Office	50,000	10,000	10,000	10,000	10,000
TCA					
Buildings	0	30,000	30,000	1,000,000	1,000,000
PROTECTIVE SERVICES					
Fire and Rescue					
TRANSPORTATION / FACILITIES					
Equipment	210,000	150,000	150,000	150,000	150,000
Street lighting					
Building and shops	500,000	60,000	60,000	60,000	60,000
Airport					
Streets and sidewalks	991,250	391,000	300,000	700,000	700,000
Storm sewers	0	137,500	0	0	0
Downtown revitalization	0	0	0	0	0
Parking Lots					
Land	25,000	20,000	20,000	20,000	20,000

Schedule "A"
Financial Plan 2011-2015 Bylaw No. 939, 2011
Five Year Capital Plan

	2011	2012	2013	2,014	2,015
Traffic Study	0	20,000	20,000	20,000	20,000
PUBLIC HEALTH					
Cemetery					
Environment - Dump closure					
ENVIRONMENTAL DEVELOPMENT					
Off-site housing development costs					
Town signage					
RECREATION					
Park equipment					
Park improvement	350,000	400,000	200,000	200,000	200,000
Buildings					
TOTAL	2,126,250	1,218,500	790,000	2,160,000	2,160,000

Schedule "A"
Financial Plan 2011-2015 Bylaw No. 939, 2011
Five Year Capital Plan

	2011	2012	2013	2,014	2,015
WATER FUND					
SOURCE OF FUNDS					
Reserves	0	100,000	150,000	150,000	150,000
Borrowing			1,015,140	1,022,000	1,022,000
Grants and Revenue	75,000				
TOTAL	75,000	100,000	1,165,140	1,172,000	1,172,000
USE OF FUNDS					
Water system improvements	75,000	100,000	1,165,140	1,172,000	1,172,000
TOTAL	75,000	100,000	1,165,140	1,172,000	1,172,000

Schedule "A"
Financial Plan 2011-2015 Bylaw No. 939, 2011
Five Year Capital Plan

2011 2012 2013 2,014 2,015

SEWER FUND

SOURCE OF FUNDS

Reserves	0	200,000	200,000	200,000	200,000
Grants					

TOTAL	0	200,000	200,000	200,000	200,000
--------------	----------	----------------	----------------	----------------	----------------

USE OF FUNDS

Sewer system improvements	0	200,000	200,000	200,000	200,000
---------------------------	---	---------	---------	---------	---------

TOTAL	0	200,000	200,000	200,000	200,000
--------------	----------	----------------	----------------	----------------	----------------

Certified a true and correct copy of Schedule
 "A" of Bylaw No. 939, 2011

 Director of Corporate Administration

Schedule “B”
2011-2015 Financial Plan
Statement of Taxation
Objectives and Policies
Bylaw No. 939, 2011

Real Property Taxation:

Taxation Objective

To have stable taxation rates and that Council give consideration to cost of living increases for all classes.

To have user fees that cover the cost of the service and reduce the burden on the entire tax base.

Continue to encourage economic development initiatives designed to attract more investment in the community to expand the tax base.

Municipal Taxation Policy

Whereas, Cost of living increases reduce the net worth of municipal taxation dollars,

And Whereas, A need exists to adequately maintain core municipal services exclusive of alternative local government funding programs,

Now Therefore, It is the policy of Council to give consideration to cost of living increases in municipal taxation in each year, based on the BC Consumer Price Index.

General Fund Surplus and Reserve Policy

Whereas, It is in the best interest of the municipal corporation to maintain a healthy and functional self liquidating General Fund in order to ensure long term sustainability of the General Operating Fund,

And Whereas Operational and Capital budget processes involve flexible financial planning,

Now Therefore, It is the policy of Council to establish a target for operational surplus in the General Fund in the amount of ten percent (10%), of prior years’ operating costs,

And Further, It is the policy of Council to establish a target for Capital and Operating Reserves in the General Fund in the amount of One Million Dollars (\$1,000,000).

Tax Rates

Residential tax rates are linked to the Boundary Expansion properties at a 1 to 3 ratio as set out in the Supplementary Letters Patent. The Supplementary Letters Patent have a floor rate of \$18.00 per \$1,000 of assessment. Utilities have a rate cap of 43.63 and are linked to business tax rates at a 2.5 to 1 ratio as set out in BC Regulation 329/82.

Capital Expenditures are funded from various reserves and Fair Share transfers.

In town industrial tax rates and business tax rates are under review.

Water Fund Surplus and Reserve Policy

Whereas, It is in the best interests of the municipal corporation to maintain a healthy and functional self liquidating Water Fund in order to ensure long term sustainability of the utility.

Now Therefore, It is the policy of Council to establish a target for operational surplus in the Water Fund in the amount of ten percent (10%), of prior years' operating costs,

And Further, It is the policy of Council to establish a target for Capital and Operating Reserves in the Water Fund in the amount of fifteen percent (15%), of prior years' operating costs.

Sewer Fund Surplus and Reserve Policy

Whereas, It is in the best interest of the municipal corporation to maintain a healthy and functional self liquidating Sewer Fund in order to ensure long term sustainability of the utility.

Now Therefore, It is the policy of Council to establish a target for operational surplus in the Sewer Fund in the amount of ten percent (10%), of prior years' operating costs,

And Further, It is the policy of Council to establish a target for Capital and Operating Reserves in the Sewer Fund in the amount of fifteen percent (15%), of prior years' operating costs.

Municipal Sustainability Reserve Fund

Whereas It is in the best interest of the municipal corporation to maintain a healthy and functional Municipal Sustainability Reserve Fund in order to ensure long term sustainability for the municipality.

Now Therefore It is the policy of Council to establish a target for the Municipality Sustainability Reserve Fund and to contribute an amount equal to ten percent (10%) of the following programs; Fair Share, BC Hydro, Telus and Terasen Gas 1% Utility Tax, and also the Terasen Franchise fees, to the fund each year.

Expenditures from the Municipal Sustainability Reserve Fund that could be considered are major capital infrastructure projects, economic diversification initiatives and municipal revenue stabilization measures.

Utility Cost Recovery

Universal water metering has been installed and user fees have been set and if needed, will be adjusted to ensure that this fund is self-liquidating. The sewer user fees rates will be a percentage of the water rates and if needed, will be adjusted to ensure that this fund is self liquidating.

A new garbage collection system has been introduced. The costs and user fees are under review and will be adjusted if necessary to ensure that this service is self liquidating.

Council decided to rescind the Development Cost Charges Bylaw to stimulate business and industrial growth.

Council has a policy of reviewing requests for Local Area Service where all of the conditions of Section 210 of the Community Charter have been met and Council considers the service provides a particular benefit to part of the municipality.

Table 1 Proportions of Total Revenue

Revenue Source		% of Total Revenue
Property Value Taxes	\$ 2,350,537	31.02%
User Fees and Charges	\$ 1,015,472	13.40%
Other Sources	\$ 1,487,285	19.63%
Transfers from Other Governments	\$ 2,724,360	35.95%
TOTAL	\$ 7,577,654	100.00%

Table 2 Distribution of Property Taxes Among the Property Classes

Property Class		% of Total
Residential (1)	\$ 704,337	29.96%
Utilities (2)	\$ 208,161	8.86%
Major Industry (4)	\$ 849,611	36.15%
Light Industry (5)	\$ 21,195	0.90%
Business (6)	\$ 567,233	24.13%
TOTAL	\$ 2,350,537	100.00%

Permissive Tax Exemptions

Taxation Objective

To exempt certain parcels of land in the District of Chetwynd from taxation as provided by Section 220 and 224 of the Community Charter, Chapter 26, Council has adopted a policy to exempt certain improvements and up to two acres on certain properties.

Taxation Policy

To continue to provide permissive exemptions to non-profit societies that provide for Public Worship and Philanthropic or Charitable purposes that the District feels are a benefit to the community.

2010 Property Taxes forgone through Permissive Tax Exemptions \$5,400

Revitalization Tax Exemptions

Taxation Objective

To phase in taxation on certain properties, as per Section 226 of the Community Charter, to encourage the upgrading of current businesses and industry and attract new business and industry to expand the tax base.

Taxation Policy

To continue to offer property tax phase in on certain types of properties. The phase in only applies to construction of new improvements or the alteration of an existing improvement and must increase the assessed value by \$100,000 or more. The project must meet all the criteria of Section 226 of the Community Charter and must support the market needs of the community.

2010 Property Taxes forgone through Revitalization Tax Exemptions \$75,024

Certified a true and correct copy of Schedule
“B” of Bylaw No. 939, 2011.

Director of Corporate Administration

Schedule “C”
Revitalization Tax Exemption Area Designation
Bylaw No. 939, 2011

The area of the District of Chetwynd comprised of the parcels of land legally described as: Lot A & B; Plan 27449; Lot A; Plan 13879; District Lot 398 and Lots 6, 7, 8, and 9; Block D; Plan 8869; District Lot 1814 & 1991; Parcel A (017779); District Lot 1816; Except Plan 25174; Lot A; Plan BCP30724; District Lot 1816; Lots 14 & 15; Block F; Plan 8869; District Lot 1991; are designated as revitalization areas, for which Council may by bylaw establish a revitalization tax exemption program under section 226 of the Community Charter.

Reasons for Revitalization Area Designation, “to increase the development of commercial business within the District of Chetwynd.”

Objectives of Revitalization Designation Area; “to promote growth and establish new commercial business within the District of Chetwynd.”

Certified a true and correct copy of
Schedule “C” of Bylaw No. 939, 2011

Director of Corporate Administration