

5 YEAR FINANCIAL PLAN 2015-2019

	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget
Taxes	-\$528,730	-\$539,305	-\$550,091	-\$561,093	-\$566,704
Grants in Lieu	-\$29,493	-\$30,083	-\$30,684	-\$31,298	-\$31,924
Solid Waste	-\$65,695	-\$67,800	-\$74,502	-\$80,600	-\$86,400
Cemetery	-\$22,400	-\$25,200	-\$25,200	-\$25,200	-\$25,200
Revenue from Own Sources	-\$109,365	-\$111,020	-\$115,610	-\$119,814	-\$102,125
Bowling Fees & Revenues	-\$35,103	-\$35,805	-\$36,521	-\$37,252	-\$37,997
Grants from Prov & Local Gov't	-\$895,049	-\$712,972	-\$1,331,100	-\$720,499	-\$740,664
Taxes Collected for Other Agencies	-\$1,757,027	-\$1,794,595	-\$1,820,100	-\$1,849,100	-\$1,862,400
Transfers from Reserves	-\$108,000	-\$154,063	-\$357,007	-\$20,000	-\$43,705
Capital Borrowing	-\$220,000	\$0	-\$856,608	-\$393,381	\$0
Surplus Forward	\$0	\$0	\$0	\$0	\$0
Sewer Parcel Taxes	-\$94,440	-\$102,310	-\$110,600	-\$118,500	-\$118,500
Sewer Fees & Service Charges	-\$253,480	-\$278,712	-\$306,475	-\$337,019	-\$370,626
Sewer Grants	-\$720,987	-\$139,600	\$0	\$0	\$0
Sewer Transfers from Reserves	-\$172,750	-\$22,750	\$0	\$0	-\$27,333
Sewer Proceeds from Borrowing	\$0	-\$177,921	-\$2,000,000	\$0	\$0
TOTAL REVENUES	-\$5,012,519	-\$4,192,137	-\$7,614,498	-\$4,293,757	-\$4,013,578
General Government	\$585,966	\$522,758	\$573,213	\$578,657	\$583,677
Protective Service	\$57,201	\$58,714	\$59,192	\$59,676	\$60,368
Transportation Services	\$203,075	\$205,323	\$201,750	\$206,218	\$186,982
Solid Waste Collection	\$62,916	\$66,747	\$68,158	\$69,405	\$75,293
Cemetery	\$40,415	\$42,528	\$42,503	\$43,361	\$44,237
Community & Social Planning	\$107,696	\$58,559	\$89,494	\$91,065	\$98,687
Recreation & Community Pride	\$219,282	\$207,195	\$212,714	\$218,392	\$226,000
Bowling Lanes	\$40,359	\$41,166	\$41,990	\$43,242	\$44,531
Fiscal Services	\$121,844	\$118,491	\$106,125	\$138,770	\$126,500
Transfers to Reserves	\$7,864	\$74,404	\$8,164	\$8,164	\$8,164
General Fund Capital Expenditures	\$534,318	\$254,063	\$1,947,721	\$505,888	\$150,279
Collections for Other Agencies	\$1,753,326	\$1,790,895	\$1,816,400	\$1,845,400	\$1,862,400
Contingency & Deficit Recovery	\$36,600	\$30,000	\$30,000	\$30,000	\$30,000
Sewer Operating Expenditures	\$308,580	\$266,907	\$485,365	\$315,317	\$375,823
Sewer Transfer to Reserves	\$44,450	\$129,287	\$118,179	\$140,202	\$140,636
Sewer Capital Expenditures	\$888,627	\$325,100	\$1,813,530	\$0	\$0
TOTAL EXPENDITURES	\$5,012,519	\$4,192,137	\$7,614,498	\$4,293,757	\$4,013,578

5 YEAR FINANCIAL PLAN 2015-2019

In accordance with Section 165(3.1) of the *Community Charter*, the Village of Fruitvale (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.

1. Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised for general municipal purposes from each funding source in 2015. 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 relatively 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, bylaw enforcement, building inspection, roads and streets maintenance and street lighting.

User fees and charges form the second largest portion of discretionary revenue. Many services can be measured and charged on a user pay basis. Services where fees and charges may be easily administered include sewer usage, building permits, business licenses, and sale of specific services and therefore, 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

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	38.57%	-\$1,933,407
Parcel Taxes	8.91%	-\$446,790
User Fees and charges	9.70%	-\$486,043
Transfer from Reserves	5.60%	-\$280,750
Short Term Capital Borrowing	4.39%	-\$220,000
Government Grants	32.83%	-\$1,645,530
Total	100.00%	-\$5,012,519

Objective

- Over the next five years, the Village will review the proportion of revenue that is received from user fees and charges and increase to the inflationary index over the current levels where deemed advisable.

Policies

- The Village will review all user fee and parcel tax levels annually to ensure they adequately meet both the capital and delivery costs of the service.
- Where possible, the Village will endeavor to supplement revenues from user fees and charges rather than taxation in order to lessen the burden on the residential property tax base.

2. Distribution of Property Tax Rates

Table 2 outlines the distribution of municipal 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 Taxes

Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	88.892	\$470,004
Utilities (2)	0.634	3,350
Supportive Housing (3)	0.000	0
Major Industrial (4)	0.000	0
Light Industrial (5)	0.000	0
Business and Other (6)	10.472	55,368
Managed Forest Land (7)	0.000	0
Recreation/Non-profit (8)	0.000	0
Farmland (9)	0.002	8
Total	100.000	\$528,730

Objective

- Maintain the property tax levy for business and other (Class 6) at the current ratio.

Policies

- Maintain and encourage economic development initiatives designed to attract more retail and commercial businesses to invest in the community. Align the distribution of tax levies 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 distributions of tax burden relative to other municipalities in British Columbia.

3. Permissive Tax Exemptions

The Village has an existing permissive tax exemption policy which guides the administration and approval of permissive tax exemptions. Eligibility criteria for permissive tax exemptions that are 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.

Table 3: Use of Permissive Tax Exemptions

SCHEDULE OF PERMISSIVE TAX EXEMPTIONS

Bylaw	Name	Roll #	Class	2015 Assessed Value	2015 Municipal Rate	2015 Village Portion	2015 Full Rates	2015 Totals
#830, 2011	BV Manor	32.050	Land - 1	188,000	2.7002	\$ 567.64	9.5406	\$ 2,226.13
			Buildings - 1	875,000	2.7002	\$ 2,362.68	9.5406	\$ 8,348.03
#830, 2011	Scout Properties	267.000	Land - 8	153,000	2.7002	\$ 473.13	10.0715	\$ 1,973.44
			Buildings - 6	31,400	5.9404	\$ 186.53	21.6921	\$ 681.13
#830, 2011	Scout Properties	268.000	Land - 8	166,000	2.7002	\$ 508.23	10.0715	\$ 2,104.37
			Buildings - 6	134,000	5.9404	\$ 796.01	21.6921	\$ 2,906.74
#830, 2011	BV Curling Club	288.000	Land - 8	60,000	2.7002	\$ 162.01	10.0715	\$ 604.29
			Land - 6	60,000	5.9404	\$ 416.42	21.6921	\$ 1,734.03
			Buildings - 6	516,000	5.9404	\$ 3,065.25	21.6921	\$ 11,193.12
#831, 2011	Catholic Church	55.012	Land - 8	65,700	2.7002	\$ 237.40	10.0715	\$ 1,094.20
			Buildings - 8	255,300	2.7002	\$ 689.36	10.0715	\$ 2,571.25
#834, 2011	Fellowship Church	337.000	Land - 8	87,800	2.7002	\$ 297.08	10.0715	\$ 1,316.78
			Buildings - 8	164,000	2.7002	\$ 442.83	10.0715	\$ 1,651.73
#832, 2011	United/Anglican Church Church Hall	244.099	Land - 8	110,300	2.7002	\$ 357.83	10.0715	\$ 1,543.39
			Buildings - 8	336,000	2.7002	\$ 907.27	10.0715	\$ 3,384.02
#833, 2011	United/Anglican Church	244.100	Land - 8	13,200	2.7002	\$ 95.64	10.0715	\$ 565.44
#830, 2011	SC Search & Rescue	371.110	Land - 6	56,400	5.9404	\$ 395.04	21.6921	\$ 1,655.93
			Buildings - 6	74,900	5.9404	\$ 504.94	21.6921	\$ 1,624.74
Grand Total						\$ 12,465.29		\$47,178.76

Objective

- The Village will continue to provide permissive tax exemptions to non-profit societies.
- The Village will examine permissive tax exemptions on an ongoing basis to determine the advisability of including exemptions targeted at green development for the purposes of encouraging development that will meet the Village's *Climate Action Charter* commitments.

Policies

- Examine the tax exemption policy to determine the feasibility of including eligibility requirements for green revitalization.
- If deemed feasible, develop a tax exemption program which details the kinds of green activities that will be targeted in compliance with the Official Community Plan guidelines.
- If deemed feasible, integrate a green revitalization tax exemption program into the Village's existing economic initiatives as a means of attracting retail and commercial businesses to further invest in the community.