



Village of Fruitvale



5 Year Financial Plan 2017-2021



THE CORPORATION OF THE VILLAGE OF FRUITVALE
FIVE YEAR FINANCIAL PLAN 2017 - 2021

	2017 Budget	2018 Budget	2019 Budget	2020 Budget	2021 Budget
Taxes	-\$613,179	-\$716,501	-\$732,478	-\$748,924	-\$765,855
Grants in Lieu	-\$29,621	-\$30,213	-\$30,818	-\$31,434	-\$32,063
Solid Waste	-\$79,700	-\$79,416	-\$80,816	-\$85,760	-\$90,200
Cemetery	-\$23,600	-\$24,308	-\$25,037	-\$25,788	-\$26,562
Revenue from Own Sources	-\$150,750	-\$134,430	-\$134,655	-\$141,696	-\$142,004
Grants from Prov & Local Gov't	-\$1,070,767	-\$847,329	-\$902,135	-\$942,192	-\$990,970
Transfers from Reserves	-\$56,800	\$0	\$0	\$0	\$0
Taxes Collected for Other Agencies	-\$1,669,185	-\$1,719,261	-\$1,770,839	-\$1,823,964	-\$1,878,683
Capital Borrowing	-\$2,245,000	-\$50,000	-\$280,000	\$0	-\$280,000
Surplus Forward	-\$18,648	-\$18,968	\$0	\$0	\$0
Sewer Parcel Taxes	-\$114,300	-\$133,700	-\$152,800	-\$171,900	-\$191,000
Sewer Fees & Service Charges	-\$281,199	-\$309,070	-\$324,398	-\$340,493	-\$357,393
Sewer Grants	-\$1,303,804	-\$232,193	-\$3,000,000	-\$2,100,000	-\$900,000
Sewer Accumulated Surplus	\$0	\$0	\$0	\$0	\$0
Sewer Transfers from Own Funds	\$0	-\$80,000	\$0	\$0	\$0
Sewer Transfers From Reserves	-\$121,000	\$0	\$0	\$0	\$0
Sewer Proceeds from Borrowing	-\$384,000	\$0	\$0	\$0	\$0
TOTAL REVENUES	-\$8,161,553	-\$4,375,388	-\$7,433,975	-\$6,412,151	-\$5,654,729
General Government Services	\$580,421	\$546,545	\$545,621	\$571,521	\$565,722
Protective Services	\$58,797	\$59,973	\$61,172	\$62,396	\$63,644
Transportation Services	\$281,863	\$277,130	\$285,578	\$289,775	\$295,556
Solid Waste Collection	\$79,700	\$81,294	\$82,920	\$84,578	\$86,270
Cemetery	\$37,900	\$39,037	\$40,208	\$41,414	\$42,657
Land Use & Corporate Planning	\$7,473	\$7,535	\$12,600	\$7,665	\$7,732
Recreation & Social Planning	\$115,070	\$117,530	\$120,029	\$121,570	\$123,153
Parks & Community Beautification	\$202,528	\$202,625	\$207,751	\$212,813	\$221,512
Fiscal Services	\$143,074	\$220,001	\$196,858	\$188,104	\$142,288
Transfers to Reserves	\$27,868	\$88,796	\$81,576	\$89,458	\$127,121
General Fund Capital Expenditures	\$2,738,372	\$260,700	\$501,625	\$256,500	\$602,000
Collections for Other Agencies	\$1,669,185	\$1,719,261	\$1,770,839	\$1,823,964	\$1,878,683
Contingency & Deficit Recovery	\$15,000	\$0	\$50,000	\$50,000	\$50,000
Sewer Operating Expenditures	\$315,031	\$331,462	\$352,933	\$359,432	\$366,060
Sewer Fiscal Services	\$20,500	\$143,750	\$34,750	\$33,000	\$26,000
Sewer Deficit Recovery	\$2,522	\$0	\$0	\$0	\$0
Sewer Transfer to Reserve or Accumulated Surplus	\$0	\$0	\$89,515	\$69,962	\$81,333
Sewer Capital Expenditures	\$1,866,250	\$279,750	\$3,000,000	\$2,150,000	\$975,000
TOTAL EXPENDITURES	\$8,161,553	\$4,375,388	\$7,433,975	\$6,412,151	\$5,654,729

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 2017. 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	23.79%	\$1,941,714
Parcel Taxes	5.57%	\$454,950
User Fees and charges	6.56%	\$535,249
Transfer from Reserves	2.18%	\$177,800
Accumulated Surplus	0.23%	\$18,648
Short Term Capital Borrowing	32.21%	\$2,629,000
Government Grants	29.46%	\$2,404,193
Total	100.00%	\$8,161,553

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 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 Municipal Property Taxes

Property Class	% of Taxation	Dollar Value
Residential (1)	89.28%	\$512,819
Utilities (2)	0.67%	\$3,860
Supportive Housing (3)	0.00%	\$0
Major Industrial (4)	0.00%	\$0
Light Industrial (5)	0.11%	\$610
Business and Other (6)	9.94%	\$57,115
Managed Forest Land (7)	0.00%	\$0
Recreation/Non-profit (8)	0.00%	\$0
Farm (9)	0.00%	\$10
TOTAL	100.00%	\$574,414

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 forego if the exemption is granted.

Table 3: Use of Permissive Tax Exemptions

Bylaw	Name	Roll #	Class	2017 Assessed Value	2017 Total Assessed Value	2017 Municipal Rate	2017 Village General Taxes	Water & Sewer Parcel Taxes	2017 Full Rates	2017 Totals
#874, 2016	Beaver Valley Manor Society (affordable housing)	521.00032.050	Land - 1 Buildings - 1	188,000 981,000	1,169,000	3.0000	3506.95	\$600.00	9.8377	\$12,100.29
#874, 2016	Scout Properties	521.00267.000	Land - 8 Buildings - 6	163,000 27,500	190,500	3.0000 6.5999	\$ 489.00 \$ 181.50	\$600.00	9.9155 21.7098	\$ 2,216.23 \$ 597.02
#874, 2016	Scout Properties	521.00268.000	Land - 8 Buildings - 6	182,000 137,000	319,000	3.0000 6.5999	\$ 546.00 \$ 904.19	\$600.00	9.9155 21.7098	\$ 2,404.62 \$ 2,974.24
#874, 2016	Beaver Valley Curling Club	521.00288.000	Land - 8 Land - 6 Buildings - 6	60,000 60,000 561,000	681,000	3.0000 6.5999	\$ 180.00 \$ 4,098.54	\$600.00	9.9155 21.7098	\$ 594.93 \$ 1,221.00
#875, 2016	St. Rita's Catholic Church (hall)	521.00055.012	Land - 8 Buildings - 8	58,800 277,100	335,900	3.0000	\$ 1,007.70		9.9155	\$ 3,330.62
#875, 2016	Beaver Valley Christian Fellowship	521.00337.000	Land - 8 Buildings - 8	70,200 178,000	248,200	3.0000	\$ 744.60	\$600.00	9.9155	\$ 3,061.03
#875, 2016	United/Anglican Church (hall)	521.00244.099	Land - 8 Buildings - 8	88,300 353,000	441,300	3.0000	\$ 1,323.90	\$600.00	9.9155	\$ 4,100.17
#875, 2016	United/Anglican Church (land adjacent)	521.00244.100	Land - 8	10,600	10,600	3.0000	\$ 31.80	\$600.00	9.9155	\$ 705.10
#874, 2016	South Columbia Search & Rescue Society (training facility)	521.00371.110	Land - 6 Buildings - 6	56,400 82,000	138,400	6.5999	\$ 913.43	\$600.00	21.7098	\$ 3,604.64
Grand Total							\$ 13,927.60	\$ 4,800.00		\$36,909.89

Objective

- The Village will continue to provide permissive tax exemptions to non-profit societies.

Policies

- Review the tax exemption policy annually to assess activities that will be targeted in compliance with the Official Community Plan guidelines.
- When and if deemed feasible, integrate 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.