

**THE CORPORATION OF THE VILLAGE OF ASHCROFT**

**BYLAW NO. 786**

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Being a bylaw for the Corporation of the Village of Ashcroft to adopt the Five Year Financial Plan commencing the year 2014.

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The Council of the Corporation of the Village of Ashcroft, in open meeting assembled, enacts as follows:

1. This bylaw may be cited for all purposes as the "Five Year Financial Plan Bylaw No. 786, 2014."
2. Schedule "A" and Schedule "B" attached hereto and made part of this bylaw are hereby adopted and are the Five Year Financial Plan of the Village of Ashcroft commencing January 1<sup>st</sup>, 2013.

READ A FIRST TIME THIS 28<sup>th</sup> DAY OF April , 2014

READ A SECOND TIME THIS 28<sup>th</sup> DAY OF April , 2014

READ A THIRD TIME THIS 28<sup>th</sup> DAY OF April , 2014

RECONSIDERED AND ADOPTED THIS 12<sup>th</sup> DAY OF May , 2014

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Morley H. (Andy) Anderson, Mayor

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J. Michelle Allen, Chief Administrative Officer

Certified to be a true and correct copy  
of Bylaw No.786 as adopted by Council.

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J. Michelle Allen, Chief Administrative Officer

LH/kw

**THE CORPORATION OF THE VILLAGE OF ASHCROFT**

**BYLAW NO. 786 - SCHEDULE "A"**

**FIVE YEAR FINANCIAL PLAN 2014 - 2018**

	<b>Year 1 2014</b>	<b>Year 2 2015</b>	<b>Year 3 2016</b>	<b>Year 4 2017</b>	<b>Year 5 2018</b>
<b>Revenues</b>					
Property Taxes	1,022,952	1,058,756	1,095,812	1,134,166	1,173,861
Parcel Taxes	168,500	168,500	168,500	168,500	168,500
Fees and Charges					
Sales of Services	203,660	215,660	215,660	215,660	215,660
Other					
User Fees	510,000	510,000	510,000	510,000	510,000
Borrowing Proceeds - MFA					
Other Revenue					
Interest	41,000	41,500	41,500	41,500	41,500
Grants/Other Gov'ts.	850,305	950,000	950,000	950,000	950,000
Other	63,600	73,600	73,600	73,600	73,600
Services to Other Gov'ts.	9,420	9,420	9,420	9,420	9,420
Transfers from Funds					
Reserve Funds	40,000	107,138	0	0	72,441
DCC	276,916	276,916	276,916	276,916	276,916
Accumulated Surplus	1,906,846	1,316,756	1,064,922	749,397	444,105
<b>Total Revenue</b>	<b>5,093,199</b>	<b>4,728,246</b>	<b>4,406,330</b>	<b>4,129,159</b>	<b>3,936,003</b>
<b>Expenses</b>					
Debt Interest					
Debt Principal	18,000	18,000	516	0	0
Capital Expenditure	0	0	0	0	0
Deficiency	0	0	0	0	0
Other Municipal Purposes	0	0	0	0	0
General Municipal	1,743,213	1,743,215	1,743,215	1,760,647	1,778,251
Fire Protection	110,062	111,163	112,274	113,397	114,531
Water	618,160	624,342	630,585	636,891	643,260
Sewer	479,890	373,840	377,578	381,354	385,168
Transfer to	0	0	0	0	0
Reserve Funds	514,354	500,000	500,000	500,000	500,000
Amortization Expense	292,765	292,765	292,765	292,765	292,765
Accumulated Surplus	1,316,755	1,064,921	749,397	444,105	222,028
<b>Total Expenses</b>	<b>5,093,199</b>	<b>4,728,246</b>	<b>4,406,330</b>	<b>4,129,159</b>	<b>3,936,003</b>

**Village of Ashcroft  
2014-2018 Financial Plan  
Statement of Objectives and Policies  
Schedule 'B' of Bylaw No. 786**

In accordance with Section 165(3.1) of the *Community Charter*, the Village of Ashcroft (Town) 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 2014. 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 to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

User fees and charges form the second largest portion of planned revenue. Many services can be measured and charged on a user basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and sale of services – these are charged on a user pay basis. User fees attempt to apportion the value of a service to those who use the service.

**Objective**

- Over the next five years, the Village of Ashcroft will balance the proportion of revenue that is received from user fees and charges with the projected funds operations require.

**Policies**

- The Village will review all user fee levels 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, rather than taxation, to lessen the burden on its limited property tax base.

**Table 1: Sources of Revenue**

<b>Revenue Source</b>	<b>% of Total Revenue</b>	<b>Dollar Value</b>
Property taxes	21 %*	\$ 1,022,952
Parcel Taxes	3 %	\$ 168,500
Sales of Services	15 %	\$ 713,660
Grants/Transfers	53 %	\$ 2,806,571
Other sources	8 %	\$ 381,516
<b>Total</b>	<b>100%</b>	<b>\$ 5,093,199</b>

\* contains 15% (\$156,925) Capital Replacement Reserve funds

**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 Town services.

**Objectives**

- Maintain the property tax rate as low as possible while still providing for future needs.

**Policies**

- Continue to maintain and encourage economic development initiatives designed to attract more retail and commercial businesses to invest in the community. New investment from these areas will help offset tax increases while providing more revenue for the Village.
- 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 of Ashcroft’s tax burden relative to other municipalities in British Columbia.

**Table 2: Distribution of Property Tax Rates**

<b>Property Class</b>	<b>% of Total Property Taxation</b>	<b>Dollar Value</b>
Residential (1)	% 65	\$ 675,928
Utilities (2)	% 11	\$ 109,990
Light Industrial (5)	% .29	\$ 2,960
Business and Other (6)	% 23	\$ 239,432
Recreation/Non-profit (8)	% 00	\$ 574
Farmland (9)	% 01	\$ 14,838
<b>Total</b>	<b>100%</b>	<b>\$ 1,043,721</b>

**Permissive Tax Exemptions**

- The Annual Municipal Report for 2013 contains a list of permissive exemptions granted for the taxation year and the amount of revenue foregone. The list demonstrates the policy of council that permissive exemptions are granted to not-for-profit institutions that form a valuable part of our community. These include religious institutions and some recreational facilities and service organizations.

**Objective**

- To ensure permissive tax exemptions are utilized to maximize the benefit to the municipality and citizens.

**Policy**

- To maintain permissive exemptions for religious institutions, recreational facilities, and service organizations.

**Capital Asset Reserve**

- In 2011 the Village recognized the need to accumulate funds to pay for future replacement of infrastructure. Accordingly a separate tax was established and funds collected are accounted for separately from general municipal taxes.

**Objective**

- To establish a reserve to fund future infrastructure replacement.

**Policy**

- To supplement revenues from government grants wherever possible to lessen the amount of funds utilized from the reserve fund.
- To seek out projects which will reduce the operating costs of the Village enabling them to repay funds back into the reserve over time.