

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 411, 2015.

Being a bylaw respecting the Financial Plan for the years 2015 - 2019.

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**WHEREAS** Section 165 of the Community Charter provides that a municipality must adopt a Financial Plan before the annual property tax bylaw is adopted.

**NOW THEREFORE** the Council of the Village of Radium Hot Springs, in open meeting assembled *enacts*, as follows:

1. That Schedule "A" attached hereto and made part of this bylaw is hereby declared to be the Five Year Financial Plan of the Village of Radium Hot Springs for the year ending December 31, 2019, and;
2. That Schedule "B" attached hereto and made part of this bylaw is hereby declared to be the Financial Plan Policy Statements of the Village of Radium Hot Springs for the year ending December 31, 2015, and;
3. That the Financial Plan comes into effect on January 1, 2015, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 411, 2015".

READ A FIRST, SECOND AND THIRD TIME THIS 8<sup>TH</sup> DAY OF APRIL, 2015.

RECONSIDERED AND ADOPTED THIS 22<sup>ND</sup> DAY OF APRIL, 2015.

  
\_\_\_\_\_  
Mayor Clara Reinhardt

  
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Clerk Mark Read

Hereby certified as a true copy of Bylaw No. 411, 2015.

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Clerk

SCHEDULE "A" TO BYLAW NO. 411, 2015

VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN 2015 - 2019

<b>Financial Plan</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Revenues</b>					
Taxation	-1,843,225	-1,876,087	-1,909,066	-1,942,166	-1,949,365
User fees	-703,321	-768,150	-816,772	-865,392	-865,392
Government transfers	-1,597,329	-612,748	-987,903	-539,216	-519,216
Non-Government transfers	-25,050	0	0	0	0
Fees, permits, licenses and fines	-104,615	-101,850	-101,850	-101,850	-91,850
Services provided to other governments	-78,640	-78,640	-78,640	-78,640	-78,640
Investment income	-34,550	-21,210	-20,909	-20,710	-20,710
Deferred Revenues					
From Water DCC Reserve	-82,500	0	0	0	0
From Sewer DCC Reserve	-168,172	-41,099	0	0	0
Other Deferred Revenues	0	0	0	0	0
Miscellaneous revenues	-6,600	-4,140	-4,140	-4,140	-4,140
	<b>-4,644,002</b>	<b>-3,503,924</b>	<b>-3,919,281</b>	<b>-3,552,114</b>	<b>-3,529,313</b>
<b>Expenses</b>					
General government	437,815	419,973	424,173	428,414	438,699
Protection	514,500	268,741	271,428	274,143	276,884
Roadways and transportation	596,400	570,044	575,744	581,502	587,317
Development services	264,320	266,963	269,633	272,329	275,052
Recreation and culture	153,835	145,273	146,726	148,193	149,675
Other	500	505	510	515	520
Water operating and administration	613,102	619,233	625,425	631,679	637,996
Sewer operating and administration	444,670	449,117	453,608	458,144	462,725
Debt financing - interest on long-term debt	147,145	147,145	125,815	120,923	116,250
	<b>3,172,287</b>	<b>2,886,993</b>	<b>2,893,062</b>	<b>2,915,842</b>	<b>2,945,119</b>
<b>Surplus</b>	<b>-1,471,715</b>	<b>-616,931</b>	<b>-1,026,219</b>	<b>-636,272</b>	<b>-584,195</b>
<i>Adjustment for non-cash items:</i>					
-Amortization expense	-787,180	-787,180	-787,180	-787,180	-787,180
-TCA expenditures	2,338,150	870,350	2,569,250	813,000	339,050
<i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i>					
-Debt principle repayment	138,527	137,765	105,577	104,577	83,955
-Debt proceeds	0	0	-1,000,000	0	0
-Transfers to Reserves	1,239,035	1,111,314	1,173,135	1,298,875	1,405,663
-Transfers from Reserves					
From Capital Reserve	-52,750	-57,500	-279,500	-15,500	-22,500
From Capital Replacement Reserve	-116,400	-533,350	-631,050	-300,000	0
From Water Reserve	-815,417	-12,000	-112,000	-112,000	-112,000
From Sewer Reserve	-386,750	-12,500	-12,500	-12,500	-12,500
From Parking Reserve	0	0	0	0	0
From Fire Department Reserve	-53,500	0	0	0	0
From Road Reserve	-32,000	0	0	-253,000	-192,050
From Parkland Reserve	0	0	0	0	0
From Recreation Reserve	0	-100,000	0	-100,000	0
-Transfer to Capital from Operating	0	32	487	0	0
-Transfer (from)/to Residual Surplus	0	0	0	0	-118,243
<b>Financial Plan Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

END OF BUDGET / FINANCIAL PLAN

<b>Capital Summary:</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Funding sources</b>					
Taxation	-28,500	0	0	0	0
Debt	0	0	-1,000,000	0	0
Grants & Other Contributions	-811,333	-135,000	-114,200	0	0
Reserves	-1,415,817	-715,350	-1,035,050	-793,000	-339,050
Restricted Reserves	-82,500	-20,000	-420,000	-20,000	0
Residual Surplus	0	0	0	0	0
	<b>-2,338,150</b>	<b>-870,350</b>	<b>-2,569,250</b>	<b>-813,000</b>	<b>-339,050</b>
<b>Capital expenditures</b>	<b>2,338,150</b>	<b>870,350</b>	<b>2,569,250</b>	<b>813,000</b>	<b>339,050</b>

**SCHEDULE “B” TO BYLAW NO. 411, 2015.**

**VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN POLICY STATEMENTS 2015.**

The Community Charter requires that municipalities provide explicit policy and objective statements as part of the financial plan that relate specifically to the proportions of revenue proposed to come from the various funding sources, the distribution of property taxes among property classes, and the use of permissive tax exemptions.

1. It is the objective of Council to operate an efficient and self-sufficient municipality while maintaining a well-serviced, safe and livable community. Our focus is providing for maximum efficiency with minimal taxation, while also making provision for future infrastructure and service needs.
2. With respect to the proportions of revenue proposed to come from the various funding sources the following applies:
  - (a) The assessed values for the residential and commercial tax classes saw a market decrease of approximately 4.4% and 0.1% respectively. Major Industry also saw a market decrease of 1.8%. An additional 2.5% will be added to all rates to raise revenue for the recreation reserve in anticipation of upgrades to recreation facilities and replenish the fire department reserve.
  - (b) The revenue from water and sewer parcel taxes will primarily be used to finance existing capital debt, new capital projects, operations, and to maintain or build reserves for future purposes. An increase in the sewer parcel tax rate will be applied due to lack of revenues from the Development Cost Charges which were to be used to pay a portion of the borrowing costs attributed to capacity upgrades.
  - (c) The Village supports an approach based on fee for service and supports provincial regulation that ties fees to the actual cost of providing a service. For this reason, demand for services largely dictates projected fee revenues.
  - (d) Revenue from other services is largely dependent on grants and transfers from senior governments. The municipality will pursue such funding whenever the programs advance municipal goals. We will support provincial objectives, often attached as funding conditions, in any way that compliments or advances municipal policy or direction.
  - (e) The municipality will borrow when necessary to achieve our objectives, while being cognizant of the additional costs imposed by borrowing, and of how these costs get transferred to the future users of infrastructure financed through borrowing.

**Table one: proportions of total revenue (operating)**

<b>Revenue Source</b>	<b>% Total Revenue</b>
Property value taxes	27.3%
Parcel taxes	12.4%
User fees and charges	19.1%
Proceeds from borrowing	0%
Other sources	41.2%
Reserves & Surplus	0%
<b>TOTAL</b>	<b>100%</b>

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3. With respect to the distribution of taxes among property classes:

Council is satisfied that the existing tax distribution equitably shares the tax burden amongst classes in relation to the services used, while taking into account the classes of property that have revenue producing potential. The following table represents the gross tax revenue by sector, not the relationship between tax rates.

**Table two: distribution of property tax revenue**

<b>Property class</b>	<b>% Property Value Tax</b>
Residential (1)	73.44%
Utilities (2)	1.04%
Major Industry (4)	7.91%
Business (6)	16.09%
Managed Forest (7)	0.01%
Rec/Non Profit (8)	1.52%
<b>TOTAL</b>	<b>100.00%</b>

4. With respect to permissive tax exemptions:

- (a) Council will consider the merits of each tax exemption application on a case by case basis.