

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 388, 2012.

Being a bylaw respecting the Financial Plan for the years 2012 - 2016.

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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, 2016, 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, 2012, and;
3. That the Financial Plan comes into effect on January 1, 2012, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 388, 2012".

READ A FIRST, SECOND AND THIRD TIME THIS 11<sup>TH</sup> DAY OF APRIL, 2012.

RECONSIDERED AND ADOPTED THIS 25<sup>TH</sup> DAY OF APRIL, 2012.

  
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Mayor

  
\_\_\_\_\_  
Clerk

Hereby certified as a true copy of Bylaw No. 388, 2012.

\_\_\_\_\_  
Clerk

SCHEDULE "A" TO BYLAW NO. 388, 2012

VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN 2012 - 2016

<b>Financial Plan</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Revenues</b>					
Taxation	-1,687,098	-1,738,169	-1,760,512	-1,785,295	-1,808,021
User fees	-574,000	-579,200	-584,200	-584,200	-584,200
Government transfers	-1,181,932	-546,466	-546,466	-536,000	-536,000
Non-Government transfers	0	0	0	0	0
Fees, permits, licenses and fines	-77,520	-81,700	-89,350	-89,350	-89,350
Services provided to other governments	-46,701	-46,701	-46,701	-46,701	-46,701
Investment income	-28,805	-22,805	-22,809	-22,812	-22,816
Deferred Revenues					
From Water DCC Reserve	0	0	0	0	0
From Sewer DCC Reserve	-483,564	0	0	0	0
Other Deferred Revenues	0	0	0	0	0
Miscellaneous revenues	-6,840	-4,140	-4,140	-4,140	-4,140
	<b>-4,086,460</b>	<b>-3,019,181</b>	<b>-3,054,178</b>	<b>-3,068,499</b>	<b>-3,091,228</b>
<b>Expenses</b>					
General government	386,209	411,500	415,615	425,771	436,029
Protection	250,561	251,100	253,611	256,147	258,709
Roadways and transportation	506,079	515,000	520,150	525,352	530,605
Development services	349,365	350,000	353,500	357,035	360,605
Recreation and culture	101,052	105,000	106,050	107,111	108,182
Other	360	360	364	367	371
Water operating and administration	661,215	553,230	558,762	564,350	569,993
Sewer operating and administration	396,601	355,063	358,614	362,200	365,822
Debt financing - interest on long-term debt	161,635	163,200	163,200	163,200	163,200
	<b>2,813,077</b>	<b>2,704,453</b>	<b>2,729,866</b>	<b>2,761,532</b>	<b>2,793,516</b>
<b>Surplus</b>	<b>-1,273,383</b>	<b>-314,728</b>	<b>-324,312</b>	<b>-306,966</b>	<b>-297,712</b>
<i>Adjustment for non-cash items:</i>					
-Amortization expense	-602,158	-615,000	-630,000	-630,000	-630,000
-TCA expenditures	3,618,282	502,000	202,000	202,000	202,000
<i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i>					
-Debt principle repayment	137,653	137,765	137,765	137,765	137,765
-Debt proceeds	0	0	0	0	0
-Transfers to Reserves	844,246	715,000	828,405	828,381	828,381
-Transfers from Reserves					
From Capital Reserve	-5,000	-31,186	0	0	0
From Capital Replacement Reserve	-474,360	-100,000	-100,000	-100,000	-100,000
From Water Reserve	-288,000	-13,103	0	0	0
From Sewer Reserve	-1,835,436	-112,500	-12,500	-12,500	-12,500
From Parking Reserve	0	0	0	0	0
From Fire Department Reserve	0	0	0	0	0
From Road Reserve	0	-100,000	0	0	0
From Parkland Reserve	0	0	0	0	0
From Recreation Reserve	0	0	0	0	0
-Transfer to Capital from Operating	-97,890	0	0	0	0
-Transfer (from)/to Residual Surplus	-23,954	-68,248	-101,358	-118,680	-127,934
<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 Expenditure and Funding Summary:</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Addition	3,618,282	502,000	202,000	202,000	202,000
Taxation	-325,077	-236,187	-125,211	-69,500	-69,500
Debt	0	0	0	0	0
Grants & Other Contributions	-206,845	-47,500	0	0	0
Reserves	-2,602,796	-2,602,796	-356,789	-112,500	-112,500
Restricted Reserves (Deferred Revenue)	-483,564	-642,909	-20,000	-20,000	-20,000
Residual Surplus	0	-88,890	0	0	0
	<b>-3,618,282</b>	<b>-3,618,282</b>	<b>-502,000</b>	<b>-202,000</b>	<b>-202,000</b>

**SCHEDULE “B” TO BYLAW NO. 388, 2012.**

**VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN POLICY STATEMENTS 2012.**

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 market shift for assessed values for the residential and commercial tax classes is minor and similar in magnitude. As such, we will not be adjusting tax multipliers to equalize these shifts.
  - (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. The sewer parcel tax rate will be increased in phased increments (third of four increases) to properly fund the service, especially existing and future debt.
  - (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%
Parcel taxes	10%
User fees and charges	25%
Proceeds from borrowing	0%
Other sources	38%
Reserves & Surplus	0%
<b>TOTAL</b>	<b>100%</b>

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)	74.7%
Utilities (2)	1%
Major Industry (4)	7.7%
Light Industry (5)	0.1%
Business (6)	15%
Rec/Non Profit (8)	1.5%
<b>TOTAL</b>	<b>100.0%</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.