

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 401, 2014.

Being a bylaw respecting the Financial Plan for the years 2014 - 2018.

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, 2018, 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, 2014, and;
3. That the Financial Plan comes into effect on January 1, 2014, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 401, 2014".

READ A FIRST, SECOND AND THIRD TIME THIS 26th DAY OF MARCH, 2014.

RECONSIDERED AND ADOPTED THIS _____ DAY OF APRIL, 2014.

Mayor Dee Conklin

Clerk Mark Read

Hereby certified as a true copy of Bylaw No. 401, 2014.

Clerk

SCHEDULE "A" TO BYLAW NO. 401, 2014

VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN 2014 - 2018

| Financial Plan | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | |
| Taxation | -1,781,549 | -1,804,654 | -1,828,221 | -1,852,260 | -1,871,779 |
| User fees | -599,400 | -599,400 | -599,400 | -599,400 | -599,400 |
| Government transfers | -450,593 | -676,000 | -516,000 | -516,000 | -496,000 |
| Non-Government transfers | -377,775 | 0 | 0 | 0 | 0 |
| Fees, permits, licenses and fines | -99,125 | -94,400 | -94,400 | -94,400 | -94,400 |
| Services provided to other governments | -86,895 | -86,895 | -86,895 | -86,895 | -86,895 |
| Investment income | -29,000 | -23,210 | -22,910 | -22,709 | -22,710 |
| Deferred Revenues | | | | | |
| From Water DCC Reserve | 0 | 0 | 0 | 0 | 0 |
| From Sewer DCC Reserve | -168,172 | -168,175 | -25,215 | 0 | 0 |
| Other Deferred Revenues | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous revenues | -5,600 | -4,140 | -4,140 | -4,140 | -4,140 |
| | -3,598,109 | -3,456,874 | -3,177,181 | -3,175,804 | -3,175,324 |
| Expenses | | | | | |
| General government | 432,460 | 436,784 | 441,152 | 445,563 | 456,019 |
| Protection | 678,180 | 264,827 | 267,475 | 270,150 | 272,852 |
| Roadways and transportation | 550,665 | 556,172 | 561,734 | 567,351 | 573,025 |
| Development services | 300,755 | 303,763 | 306,801 | 309,869 | 312,967 |
| Recreation and culture | 157,770 | 159,348 | 160,941 | 162,551 | 164,176 |
| Other | 550 | 556 | 562 | 567 | 573 |
| Water operating and administration | 538,760 | 544,148 | 549,589 | 555,085 | 560,636 |
| Sewer operating and administration | 416,850 | 421,019 | 425,229 | 429,481 | 433,776 |
| Debt financing - interest on long-term debt | 147,265 | 163,200 | 144,150 | 169,150 | 169,150 |
| | 3,223,255 | 2,849,816 | 2,857,632 | 2,909,767 | 2,943,173 |
| Surplus | -374,854 | -607,058 | -319,549 | -266,037 | -232,151 |
| <i>Adjustment for non-cash items:</i> | | | | | |
| -Amortization expense | -712,500 | -712,500 | -712,500 | -712,500 | -712,500 |
| -TCA expenditures | 992,630 | 852,000 | 802,000 | 277,000 | 447,000 |
| <i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i> | | | | | |
| -Debt principle repayment | 138,280 | 137,765 | 122,822 | 164,822 | 122,822 |
| -Debt proceeds | 0 | 0 | 0 | 0 | 0 |
| -Transfers to Reserves | 1,021,388 | 1,001,793 | 1,104,512 | 986,056 | 1,024,590 |
| -Transfers from Reserves | | | | | |
| From Capital Reserve | -9,450 | -101,250 | -57,500 | -15,500 | -22,500 |
| From Capital Replacement Reserve | -123,930 | -140,000 | -600,000 | 0 | -300,000 |
| From Water Reserve | -442,750 | -243,250 | -112,000 | -112,000 | -112,000 |
| From Sewer Reserve | -318,750 | -143,750 | -12,500 | -12,500 | -12,500 |
| From Parking Reserve | 0 | 0 | 0 | 0 | 0 |
| From Fire Department Reserve | -500 | 0 | 0 | 0 | 0 |
| From Road Reserve | -6,250 | -43,750 | 0 | -117,000 | 0 |
| From Parkland Reserve | 0 | 0 | 0 | 0 | 0 |
| From Recreation Reserve | 0 | 0 | 0 | 0 | 0 |
| -Transfer to Capital from Operating | -20,000 | 0 | 0 | 0 | 0 |
| -Transfer (from)/to Residual Surplus | -143,314 | 0 | -215,285 | -192,341 | -202,761 |
| Financial Plan Balance | 0 | 0 | 0 | 0 | 0 |

END OF BUDGET / FINANCIAL PLAN

| Capital Summary: | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Funding sources | | | | | |
| Taxation | -61,000 | 0 | 0 | 0 | 0 |
| Debt | 0 | 0 | 0 | 0 | 0 |
| Grants & Other Contributions | -30,000 | -160,000 | 0 | 0 | 0 |
| Reserves | -901,630 | -672,000 | -782,000 | -257,000 | -447,000 |
| Restricted Reserves | 0 | -20,000 | -20,000 | -20,000 | 0 |
| Residual Surplus | 0 | 0 | 0 | 0 | 0 |
| | -992,630 | -852,000 | -802,000 | -277,000 | -447,000 |
| Capital expenditures | 992,630 | 852,000 | 802,000 | 277,000 | 447,000 |

SCHEDULE “B” TO BYLAW NO. 401, 2014.

**VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN POLICY STATEMENTS 2014.**

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 3% and 2% respectively. Major Industry also saw a market decrease of over 4%. Tax multipliers will be adjusted for these classes to achieve revenue neutrality. 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. The proposed fourth phase increase in the sewer parcel tax rate will be postponed due to revenues from Development Cost Charges which are 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)

| Revenue Source | % Total Revenue |
|-------------------------|------------------------|
| Property value taxes | 34.1% |
| Parcel taxes | 15.4% |
| User fees and charges | 21.8% |
| Proceeds from borrowing | 0% |
| Other sources | 28.7% |
| Reserves & Surplus | 0% |
| TOTAL | 100% |

SCHEDULE "B" TO BYLAW NO. 401, 2014.

**VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN POLICY STATEMENTS 2014.**

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

| Property class | % Property Value Tax |
|-----------------------|-----------------------------|
| Residential (1) | 74.0% |
| Utilities (2) | 1.2% |
| Major Industry (4) | 7.8% |
| Business (6) | 15.5% |
| Rec/Non Profit (8) | 1.5% |
| TOTAL | 100.0% |

4. With respect to permissive tax exemptions:

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