

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 431, 2017.

Being a bylaw respecting the Financial Plan for the years 2017 - 2021.

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, 2021, 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, 2017, and;
3. That the Financial Plan comes into effect on January 1, 2017, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 431, 2017".

READ A FIRST, SECOND AND THIRD TIME THIS 12th DAY OF APRIL, 2017.

RECONSIDERED AND ADOPTED THIS 26th DAY OF APRIL, 2017.



Mayor Clara Reinhardt



Clerk Mark Read

Hereby certified as a true copy of Bylaw No. 431, 2017.

Clerk

SCHEDULE "A" TO BYLAW NO. 431, 2017

VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN 2017 - 2021

Financial Plan	2017	2018	2019	2020	2021
Revenues					
Taxation	-1,995,805	-2,044,515	-2,201,949	-2,247,473	-2,293,697
User fees	-779,200	-779,200	-792,831	-824,007	-827,620
Government transfers	-2,393,135	-480,950	-472,516	-473,829	-475,155
Non-Government transfers	-556,800	-21,800	0	0	0
Fees, permits, licenses and fines	-82,245	-85,260	-99,707	-99,977	-100,249
Services provided to other governments	-100,995	-64,395	-64,919	-65,448	-65,983
Investment income	-20,300	-20,300	-20,550	-20,548	-20,551
Deferred Revenues					
From Water DCC Reserve	-82,500	0	0	0	0
From Sewer DCC Reserve	0	0	0	0	0
Other Deferred Revenues	0	0	0	0	0
Miscellaneous revenues	-11,130	-11,130	-4,140	-4,140	-4,140
	-6,022,110	-3,507,550	-3,656,612	-3,735,422	-3,787,394
Expenses					
General government	439,800	424,890	429,139	499,430	498,425
Protection	390,405	260,615	263,221	265,853	268,512
Roadways and transportation	650,375	643,750	650,188	656,689	663,256
Development services	288,535	279,805	282,603	285,429	288,283
Recreation and culture	174,600	176,615	148,381	149,865	151,364
Other	84,365	500	505	510	515
Water operating and administration	638,925	631,165	637,477	643,851	650,290
Sewer operating and administration	487,290	485,450	490,305	495,208	500,160
Debt financing - interest on long-term debt	125,710	168,925	212,250	212,250	212,250
	3,280,005	3,071,715	3,114,068	3,209,086	3,233,054
Surplus	-2,742,105	-435,835	-542,544	-526,336	-554,340
<i>Adjustment for non-cash items:</i>					
-Amortization expense	-891,800	-891,800	-891,800	-891,800	-891,800
-TCA expenditures	6,137,980	1,983,580	535,000	275,400	751,400
<i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i>					
-Debt principle repayment	106,230	104,580	151,957	151,957	151,957
-Debt proceeds	0	-3,200,000	0	0	0
-Transfers to Reserves	1,173,400	4,389,960	1,358,248	1,370,524	1,370,756
-Transfers from Reserves					
From Capital Reserve	-3,000	-633,000	-76,750	-33,000	-33,000
From Capital Replacement Reserve	-1,255,640	0	-43,750	0	-450,000
From Water Reserve	-378,920	-1,194,580	-243,250	-12,000	-12,000
From Sewer Reserve	-1,936,245	-21,905	-143,750	-12,500	-12,500
From Parking Reserve	0	-45,000	0	0	0
From Fire Department Reserve	-2,000	-19,000	0	0	0
From Road Reserve	-140,000	-37,000	0	-200,400	-236,400
From Parkland Reserve	0	0	0	0	0
From Recreation Reserve	-30,000	0	-10,000	0	0
-Transfer to Capital from Operating	-3,950	0	-17,500	-17,500	-7,500
-Transfer (from)/to Residual Surplus	-33,950	0	-75,861	-104,345	-76,573
Financial Plan Balance	0	0	0	0	0

END OF BUDGET / FINANCIAL PLAN

Capital Summary:	2017	2018	2019	2020	2021
Funding sources					
Taxation	-282,920	-42,500	-17,500	-17,500	-7,500
Debt	0	0	0	0	0
Grants & Other Contributions	-2,041,000	0	0	0	0
Reserves	-3,731,560	-1,321,080	-497,500	-237,900	-723,900
Restricted Reserves	-82,500	-620,000	-20,000	-20,000	-20,000
Residual Surplus	0	0	0	0	0
	-6,137,980	-1,983,580	-535,000	-275,400	-751,400
Capital expenditures	6,137,980	1,983,580	535,000	275,400	751,400

SCHEDULE “B” TO BYLAW NO. 431, 2017.

**VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN POLICY STATEMENTS 2017.**

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 change of 1.24% and -1.03% respectively. Major Industry saw a market increase of 0.5%. An additional 2.5% will be added to all rates to raise revenue for the overall general operational costs.
 - (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)

Revenue Source	% Total Revenue
Property value taxes	22.5%
Parcel taxes	10.7%
User fees and charges	16.0%
Proceeds from borrowing	0%
Other sources	50.8%
Reserves & Surplus	0%
TOTAL	100%

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FINANCIAL PLAN POLICY STATEMENTS 2017.**

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)	70.84%
Utilities (2)	1.00%
Major Industry (4)	9.76%
Business (6)	16.92%
Managed Forest (7)	0.02%
Rec/Non Profit (8)	1.46%
TOTAL	100.00%

4. With respect to permissive tax exemptions:
- (a) Council will consider the merits of each tax exemption application on a case by case basis.