

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 445, 2018.

Being a bylaw respecting the Financial Plan for the years 2018 - 2022.

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, 2022, 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, 2018, and;
3. That the Financial Plan comes into effect on January 1, 2018, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 445, 2018".

READ A FIRST, SECOND AND THIRD TIME THIS 11th DAY OF APRIL, 2018.

RECONSIDERED AND ADOPTED THIS 25th DAY OF APRIL, 2018.



Mayor Clara Reinhardt



Clerk Mark Read

Hereby certified as a true copy of Bylaw No. 445, 2018.

Clerk

SCHEDULE "A" TO BYLAW NO. 445, 2018

VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN 2018 - 2022

Financial Plan	2018	2019	2020	2021	2022
Revenues					
Taxation	-2,018,165	-2,233,310	-2,292,070	-2,337,662	-2,383,970
User fees	-795,750	-795,750	-793,998	-825,183	-828,804
Government transfers	-1,031,030	-530,040	-506,766	-508,332	-509,913
Non-Government transfers	-49,820	-4,820	0	0	0
Fees, permits, licenses and fines	-102,030	-112,640	-100,157	-100,406	-100,658
Services provided to other governments	-61,560	-63,710	-64,257	-64,810	-65,368
Investment income	-25,630	-25,630	-25,880	-25,880	-25,879
Deferred Revenues					
From Water DCC Reserve	0	0	0	0	0
From Sewer DCC Reserve	-45,415	0	0	0	0
Other Deferred Revenues	0	0	0	0	0
Miscellaneous revenues	-32,600	-24,000	-4,140	-4,140	-4,140
	-4,162,000	-3,789,900	-3,787,268	-3,866,412	-3,918,733
Expenses					
General government	432,270	437,080	436,401	506,765	505,832
Protection	322,500	325,765	329,023	332,313	335,636
Roadways and transportation	667,170	670,825	677,533	684,309	691,152
Development services	324,105	318,535	321,720	324,938	328,187
Recreation and culture	196,680	204,810	176,858	178,627	180,413
Other	250	250	253	255	258
Water operating and administration	647,685	649,735	656,232	662,795	669,423
Sewer operating and administration	481,030	442,065	446,486	450,951	455,460
Debt financing - interest on long-term debt	117,300	109,000	206,650	206,650	206,650
	3,188,990	3,158,065	3,251,156	3,347,601	3,373,010
Surplus	-973,010	-631,835	-536,112	-518,811	-545,722
<i>Adjustment for non-cash items:</i>					
-Amortization expense	-837,820	-837,820	-837,820	-837,820	-837,820
-TCA expenditures	3,948,885	832,000	429,000	638,400	1,375,400
<i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i>					
-Debt principle repayment	1,357,895	132,525	196,124	196,612	197,104
-Debt proceeds	-3,168,000	0	0	0	0
-Transfers to Reserves	4,058,640	1,319,630	1,253,670	1,264,364	1,263,011
-Transfers from Reserves					
From Capital Reserve	-86,250	-64,000	-82,000	-458,400	-744,400
From Capital Replacement Reserve	-799,440	0	0	-9,000	-450,000
From Water Reserve	-2,093,680	-272,000	-122,000	-122,000	-122,000
From Sewer Reserve	-1,327,245	-162,500	-12,500	-12,500	-12,500
From Parking Reserve	-21,255	0	0	0	0
From Fire Department Reserve	0	-19,000	-19,000	-19,000	-19,000
From Road Reserve	0	-25,000	-176,000	0	0
From Parkland Reserve	0	0	0	0	0
From Recreation Reserve	13,630	-152,000	0	0	-10,000
-Transfer to Capital from Operating	-36,600	-102,500	0	0	0
-Transfer (from)/to Residual Surplus	-35,750	-17,500	-93,362	-121,845	-94,073
Financial Plan Balance	0	0	0	0	0

END OF BUDGET / FINANCIAL PLAN

Capital Summary:	2018	2019	2020	2021	2022
Funding sources					
Taxation	-345,820	-17,500	-17,500	-17,500	-17,500
Debt	-3,168,000	0	0	0	0
Grants & Other Contributions	-224,320	-120,000	0	0	0
Reserves	-2,982,745	-668,500	-367,500	-200,500	-1,101,500
Restricted Reserves	0	-26,000	-44,000	-420,400	-256,400
Residual Surplus	0	0	0	0	0
	-6,720,885	-832,000	-429,000	-638,400	-1,375,400
Capital expenditures	3,948,885	832,000	429,000	638,400	1,375,400

SCHEDULE "B" TO BYLAW NO. 445, 2018.

VILLAGE OF RADIUM HOT SPRINGS FINANCIAL PLAN POLICY STATEMENTS 2018.

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 2.3% and -0.14% respectively. Major Industry saw a market decrease of -0.04%. There will be no additional tax increase added to any of the rates to raise revenue for the overall general operational costs. Additional revenues will come from the new construction of the prior year.
 - (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.
 - (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.
 - (i) One debt in general operating is maturing in 2018.
 - (ii) Council have elected to exercise the repayment option for the debt in sewer operating.
 - (iii) Council have a loan authorization bylaw in place to borrow funds for the construction of the new Community Centre.

SCHEDULE "B" TO BYLAW NO. 445, 2018.

**VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN POLICY STATEMENTS 2018.**

Table one: proportions of total revenue (operating)

Revenue Source	% Total Revenue
Property value taxes	15.8%
Parcel taxes	7.4%
User fees and charges	11.0%
Proceeds from borrowing	36.4%
Other sources	13.6%
Reserves & Surplus	15.8%
TOTAL	100%

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)	71.27%
Utilities (2)	0.99%
Major Industry (4)	9.61%
Business (6)	16.64%
Managed Forest (7)	0.01%
Rec/Non Profit (8)	1.48%
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.