

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 393, 2013.

Being a bylaw respecting the Financial Plan for the years 2013 - 2017.

---

**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, 2017, 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, 2013, and;
3. That the Financial Plan comes into effect on January 1, 2013, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 393, 2013".

READ A FIRST, SECOND AND THIRD TIME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2013.

RECONSIDERED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2013.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

Hereby certified as a true copy of Bylaw No. 393, 2013.

\_\_\_\_\_  
Clerk

SCHEDULE "A" TO BYLAW NO. 393, 2013

VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN 2013 - 2017

<b>Financial Plan</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenues</b>					
Taxation	-1,725,143	-1,750,034	-1,775,149	-1,798,214	-1,821,740
User fees	-578,500	-585,200	-585,200	-585,200	-585,200
Government transfers	-602,750	-546,466	-536,000	-536,000	-536,000
Non-Government transfers	-193,500	0	0	0	0
Fees, permits, licenses and fines	-78,395	-89,370	-89,370	-89,370	-89,370
Services provided to other governments	-65,160	-65,160	-65,160	-65,160	-65,160
Investment income	-194,680	-195,278	-195,282	-195,284	-195,288
Deferred Revenues					
From Water DCC Reserve	0	0	0	0	0
From Sewer DCC Reserve	-168,172	-168,175	-168,175	0	0
Other Deferred Revenues	0	0	0	0	0
Miscellaneous revenues	-7,600	-4,140	-4,140	-4,140	-4,140
	<b>-3,613,900</b>	<b>-3,403,823</b>	<b>-3,418,476</b>	<b>-3,273,368</b>	<b>-3,296,898</b>
<b>Expenses</b>					
General government	414,605	418,751	428,939	439,228	449,620
Protection	259,080	261,671	264,288	266,930	269,600
Roadways and transportation	523,395	528,629	533,915	539,254	544,647
Development services	309,424	312,518	315,643	318,800	321,988
Recreation and culture	126,811	128,079	129,360	130,654	131,960
Other	330	333	337	340	343
Water operating and administration	594,640	600,586	606,592	612,658	618,785
Sewer operating and administration	393,590	397,526	401,501	405,516	409,571
Debt financing - interest on long-term debt	161,820	163,200	163,200	163,200	163,200
	<b>2,783,695</b>	<b>2,811,294</b>	<b>2,843,775</b>	<b>2,876,580</b>	<b>2,909,714</b>
<b>Surplus</b>	<b>-830,205</b>	<b>-592,529</b>	<b>-574,701</b>	<b>-396,787</b>	<b>-387,184</b>
<i>Adjustment for non-cash items:</i>					
-Amortization expense	-648,500	-615,000	-620,000	-630,000	-630,000
-TCA expenditures	1,470,786	517,000	252,000	202,000	474,500
<i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i>					
-Debt principle repayment	138,110	137,765	137,765	137,765	137,765
-Debt proceeds	0	0	0	0	0
-Transfers to Reserves	1,064,486	1,137,766	1,055,414	995,804	1,053,029
-Transfers from Reserves					
From Capital Reserve	-10,000	-31,186	0	0	0
From Capital Replacement Reserve	-262,850	-115,000	-150,000	-100,000	-300,000
From Water Reserve	-503,500	-113,103	0	0	-12,000
From Sewer Reserve	-111,000	-112,500	-12,500	-12,500	-12,500
From Parking Reserve	0	0	0	0	0
From Fire Department Reserve	-1,000	0	0	0	0
From Road Reserve	-120,000	-100,000	0	0	-117,000
From Parkland Reserve	0	0	0	0	0
From Recreation Reserve	-75,000	0	0	0	0
-Transfer to Capital from Operating	0	0	0	0	0
-Transfer (from)/to Residual Surplus	-111,327	-113,212	-87,977	-196,281	-206,610
<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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Funding sources</b>					
Taxation	-101,136	-25,211	-69,500	-69,500	-13,000
Debt	0	0	0	0	0
Grants & Other Contributions	-286,300	0	0	0	0
Reserves	-1,083,350	-471,789	-162,500	-112,500	-441,500
Restricted Reserves	0	-20,000	-20,000	-20,000	-20,000
Residual Surplus	0	0	0	0	0
	<b>-1,470,786</b>	<b>-517,000</b>	<b>-252,000</b>	<b>-202,000</b>	<b>-474,500</b>
<b>Capital expenditures</b>	<b>1,470,786</b>	<b>517,000</b>	<b>252,000</b>	<b>202,000</b>	<b>474,500</b>

**SCHEDULE “B” TO BYLAW NO. 393, 2013.**

**VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN POLICY STATEMENTS 2013.**

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-served, 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 10% and 1% respectively, while major industry assessment doubled due to new construction. Tax multipliers will be adjusted for these classes to achieve revenue neutrality. The tax multiplier for major industry will be adjusted downward to mitigate the taxation increase.
  - (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)**

<b>Revenue Source</b>	<b>% Total Revenue</b>
Property value taxes	34.7%
Parcel taxes	16.1%
User fees and charges	19.7%
Proceeds from borrowing	0%
Other sources	29.5%
Reserves & Surplus	0%
<b>TOTAL</b>	<b>100%</b>

**SCHEDULE "B" TO BYLAW NO. 393, 2013.**

**VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN POLICY STATEMENTS 2013.**

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)	72.3%
Utilities (2)	1.1%
Major Industry (4)	10.4%
Light Industry (5)	0.1%
Business (6)	14.7%
Rec/Non Profit (8)	1.4%
<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.