

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 420, 2016.

Being a bylaw respecting the Financial Plan for the years 2016 - 2020.

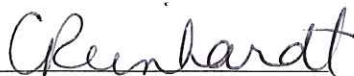
WHEREAS Section 165 of the Community Charter provides that a municipality must adopt a Financial Plan before the annual property tax bylaw is adopted.

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, 2020, 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, 2016, and;
3. That the Financial Plan comes into effect on January 1, 2016, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 420, 2016".

READ A FIRST, SECOND AND THIRD TIME THIS 23rd DAY OF MARCH, 2016.

RECONSIDERED AND ADOPTED THIS 13th DAY OF APRIL, 2016.



Mayor Clara Reinhardt



Clerk Mark Read

Hereby certified as a true copy of Bylaw No. 420, 2016.

Clerk

SCHEDULE "A" TO BYLAW NO. 420, 2016

VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN 2016 - 2020

Financial Plan	2016	2017	2018	2019	2020
Revenues					
Taxation	-1,911,100	-1,941,702	-1,982,379	-2,026,722	-2,066,768
User fees	-747,600	-776,857	-811,842	-843,207	-847,011
Government transfers	-900,570	-1,057,868	-485,649	-486,975	-488,315
Non-Government transfers	-72,700	0	0	0	0
Fees, permits, licenses and fines	-86,610	-96,192	-96,462	-96,734	-97,009
Services provided to other governments	-58,705	-59,092	-59,483	-59,878	-60,277
Investment income	-25,100	-25,100	-25,350	-25,349	-25,350
Deferred Revenues					
From Water DCC Reserve	0	-82,500	0	0	0
From Sewer DCC Reserve	-53,830	0	0	0	0
Other Deferred Revenues	0	0	0	0	0
Miscellaneous revenues	-6,875	-4,140	-4,140	-4,140	-4,140
	-3,863,090	-4,043,451	-3,465,304	-3,543,006	-3,588,869
Expenses					
General government	468,123	472,804	471,532	536,247	535,610
Protection	629,350	271,644	274,360	277,104	279,875
Roadways and transportation	665,470	651,925	658,444	665,029	671,679
Development services	279,017	281,807	284,625	287,471	290,346
Recreation and culture	176,505	168,170	139,852	141,250	142,663
Other	500	505	510	515	520
Water operating and administration	658,155	664,737	671,384	678,098	684,879
Sewer operating and administration	474,780	479,528	484,323	489,166	494,058
Debt financing - interest on long-term debt	127,595	125,815	175,923	171,250	171,250
	3,479,495	3,116,934	3,160,954	3,246,131	3,270,880
Surplus	-383,595	-926,517	-304,351	-296,875	-317,990
<i>Adjustment for non-cash items:</i>					
-Amortization expense	-881,000	-881,000	-881,000	-929,000	-929,000
-TCA expenditures	1,028,075	3,918,608	1,087,000	370,400	296,400
<i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i>					
-Debt principle repayment	124,080	105,577	144,577	144,577	144,577
-Debt proceeds	0	-1,380,000	-120,000	0	0
-Transfers to Reserves	1,209,945	1,232,386	1,096,635	1,165,643	1,158,986
-Transfers from Reserves					
From Capital Reserve	-54,040	-235,000	-56,750	-13,000	-13,000
From Capital Replacement Reserve	-545,500	-15,000	-321,750	0	0
From Water Reserve	-110,000	-412,167	-243,250	-112,000	-12,000
From Sewer Reserve	-122,340	-45,446	-143,750	-12,500	-12,500
From Parking Reserve	0	0	0	0	0
From Fire Department Reserve	-15,925	-25,000	-19,000	0	0
From Road Reserve	0	-20,000	-160,000	-200,400	-236,400
From Parkland Reserve	0	0	0	0	0
From Recreation Reserve	-250,500	0	0	-10,000	0
-Transfer to Capital from Operating	0	-1,316,441	-2,500	-2,500	-2,500
-Transfer (from)/to Residual Surplus	800	0	-75,861	-104,345	-76,573
Financial Plan Balance	0	0	0	0	0

END OF BUDGET / FINANCIAL PLAN

Capital Summary:	2016	2017	2018	2019	2020
Funding sources					
Taxation	-19,150	-4,500	-2,500	-2,500	-2,500
Debt	0	-1,380,000	-120,000	0	0
Grants & Other Contributions	-35,000	-1,311,941	0	0	0
Reserves	-973,925	-719,667	-944,500	-347,900	-273,900
Restricted Reserves	0	-502,500	-20,000	-20,000	-20,000
Residual Surplus	0	0	0	0	0
	-1,028,075	-3,918,608	-1,087,000	-370,400	-296,400
Capital expenditures	1,028,075	3,918,608	1,087,000	370,400	296,400

SCHEDULE “B” TO BYLAW NO. 420, 2016.

**VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN POLICY STATEMENTS 2016.**

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 increase of approximately 1.4% and 4.6% respectively. Major Industry saw a market decrease of 2.3%. An additional 2.5% will be added to all rates to raise meet the increasing operational demands of the municipality.
- (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	33.9%
Parcel taxes	15.6%
User fees and charges	23.1%
Proceeds from borrowing	0%
Other sources	27.4%
Reserves & Surplus	0%
TOTAL	100%

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**VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN POLICY STATEMENTS 2016.**

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)	71.45%
Utilities (2)	1.02%
Major Industry (4)	9.83%
Business (6)	16.25%
Managed Forest (7)	0.01%
Rec/Non Profit (8)	1.44%
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.