

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 451, 2019.

Being a bylaw respecting the Financial Plan for the years 2019 - 2023.

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**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, 2023, 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, 2019, and;
3. That the Financial Plan comes into effect on January 1, 2019, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 451, 2019".

READ A FIRST, SECOND AND THIRD TIME THIS 10<sup>th</sup> DAY OF APRIL, 2019.

RECONSIDERED AND ADOPTED THIS 24<sup>th</sup> DAY OF APRIL, 2019.

  
\_\_\_\_\_  
Mayor Clara Reinhardt

  
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Clerk Mark Read

Hereby certified as a true copy of Bylaw No. 451, 2019.

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Clerk

SCHEDULE 'A' TO BYLAW NO. 451, 2019

VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN 2019 - 2023

<u>Financial Plan</u>	2019	2020	2021	2022	2023
<b>Revenues</b>					
Taxation	-2,322,040	-2,300,310	-2,357,737	-2,404,984	-2,452,974
User fees	-802,000	-802,800	-796,497	-827,707	-831,354
Government transfers	-1,436,735	-665,165	-657,886	-529,573	-531,276
Non-Government transfers	-227,500	0	0	0	0
Fees, permits, licenses and fines	-116,705	-110,180	-85,227	-85,345	-85,465
Services provided to other governments	-61,630	-61,630	-62,131	-62,638	-63,149
Investment income	-40,450	-40,450	-40,700	-40,700	-40,699
Deferred Revenues					
From Water DCC Reserve	0	0	0	0	0
From Sewer DCC Reserve	0	0	0	0	0
Other Deferred Revenues	0	0	0	0	0
Miscellaneous revenues	-20,000	-19,500	-4,140	-4,140	-4,140
	<u>-5,027,060</u>	<u>-4,000,035</u>	<u>-4,004,318</u>	<u>-3,955,086</u>	<u>-4,009,057</u>
<b>Expenses</b>					
General government	453,546	453,635	453,121	463,653	468,289
Protection	363,168	332,635	335,961	339,321	342,714
Roadways and transportation	626,217	628,990	635,280	641,633	648,049
Development services	328,225	319,355	322,549	325,774	329,032
Recreation and culture	296,950	326,805	300,073	303,074	306,105
Other	450	450	455	459	464
Water operating and administration	638,890	618,020	644,200	650,642	657,149
Sewer operating and administration	466,300	462,695	487,322	492,195	497,117
Debt financing - interest on long-term debt	113,000	113,000	109,000	109,000	109,000
	<u>3,286,745</u>	<u>3,255,585</u>	<u>3,287,961</u>	<u>3,325,750</u>	<u>3,357,918</u>
<b>Surplus</b>	<b>-1,740,315</b>	<b>-744,450</b>	<b>-716,357</b>	<b>-629,336</b>	<b>-651,139</b>
<i>Adjustment for non-cash items:</i>					
-Amortization expense	-863,345	-866,390	-866,390	-866,390	-866,390
-TCA expenditures	2,080,920	799,500	787,400	1,115,400	240,500
<i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i>					
-Debt principle repayment	132,525	132,525	132,525	132,525	132,525
-Debt proceeds	0	0	0	0	0
-Transfers to Reserves	1,487,630	1,475,815	1,450,222	1,363,201	1,385,004
-Transfers from Reserves					
From Capital Reserve	-86,530	-285,500	-448,400	-919,400	-38,000
From Water Reserve	-444,000	-182,000	-182,000	-122,000	-100,000
From Sewer Reserve	-342,500	-72,500	-12,500	-12,500	-100,000
From Parking Reserve	0	-50,000	0	0	0
From Fire Department Reserve	-3,100	-19,000	-19,000	-19,000	0
From Road Reserve	-19,000	-100,000	0	-30,000	0
From Parkland Reserve	0	0	0	0	0
From Recreation Reserve	-185,000	-5,000	-40,000	-10,000	0
-Transfer to Capital from Operating	-11,235	-80,500	-83,000	0	0
-Transfer (from)/to Residual Surplus	-6,050	-2,500	-2,500	-2,500	-2,500
<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

<u>Capital Summary:</u>	2019	2020	2021	2022	2023
<b>Funding sources</b>					
Taxation	-269,220	-2,500	-2,500	-2,500	-2,500
Debt	0	0	0	0	0
Grants & Other Contributions	-731,570	-83,000	-83,000	0	0
Reserves	-1,080,130	-614,000	-301,500	-906,500	-213,000
Restricted Reserves	0	-100,000	-400,400	-206,400	-25,000
Residual Surplus	0	0	0	0	0
	<u>-2,080,920</u>	<u>-799,500</u>	<u>-787,400</u>	<u>-1,115,400</u>	<u>-240,500</u>
<b>Capital expenditures</b>	<b>2,080,920</b>	<b>799,500</b>	<b>787,400</b>	<b>1,115,400</b>	<b>240,500</b>

SCHEDULE "B" TO BYLAW NO. 451, 2019.

VILLAGE OF RADIUM HOT SPRINGS  
FINANCIAL PLAN POLICY STATEMENTS 2019.

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 0.97% and 5.46% respectively. Major Industry saw a market decrease of -1.57%. There will be an additional tax increase added to the rates to raise revenue for the overall general operational costs. Additional revenues will also 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) A new parcel tax will begin for repayment of the Community Centre debt incurred in 2018.
  - (d) 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.
  - (e) 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.
  - (f) 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	28.7%
Parcel taxes	17.4%
User fees and charges	19.5%
Proceeds from borrowing	0%
Other sources	34.3%
Reserves & Surplus	0.1%
<b>TOTAL</b>	<b>100%</b>

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FINANCIAL PLAN POLICY STATEMENTS 2019.

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 considering 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)	69.14%
Utilities (2)	0.94%
Major Industry (4)	11.85%
Business (6)	16.46%
Managed Forest (7)	0.01%
Rec/Non Profit (8)	1.60%
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.