

VILLAGE OF RADIUM HOT SPRINGS

BYLAW NO. 378, 2011.

Being a bylaw respecting the Financial Plan for the years 2011 - 2015.

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, 2015, 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, 2011, and;
3. That the Financial Plan comes into effect on January 1, 2011, and;
4. That this bylaw may be cited as "Financial Plan Bylaw No. 378, 2011".

READ A FIRST, SECOND AND THIRD TIME THIS 13th DAY OF APRIL, 2011.

RECONSIDERED AND ADOPTED THIS 27th DAY OF APRIL, 2011.



Mayor



Clerk

Hereby certified as a true copy of Bylaw No. 378, 2011.

Clerk

SCHEDULE "A" TO BYLAW NO. 378, 2011

VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN 2011 - 2015

Financial Plan	2011	2012	2013	2014	2015
Revenues					
Taxation	-1,621,273	-1,629,091	-1,670,732	-1,695,765	-1,721,739
User fees	-581,000	-583,200	-583,200	-583,700	-583,700
Government transfers	-991,513	-492,074	-512,074	-552,000	-552,000
Non-Government transfers	-5,000	0	0	0	0
Fees, permits, licenses and fines	-81,560	-77,425	-77,100	-78,850	-78,850
Services provided to other governments	-73,843	-73,843	-73,843	-73,843	-73,843
Investment income	-50,650	-21,030	-21,030	-21,030	-22,030
Deferred Revenues					
From Water DCC Reserve	0	0	0	0	0
From Sewer DCC Reserve	0	0	0	0	0
Other Deferred Revenues	-1,835	0	0	0	0
Miscellaneous revenues	-4,355	-4,140	-4,140	-4,140	-4,140
	-3,411,029	-2,880,803	-2,942,119	-3,009,328	-3,036,302
Expenses					
General government	399,505	406,975	411,500	415,615	425,771
Protection	214,805	216,000	219,100	221,291	223,504
Roadways and transportation	506,435	518,000	525,000	530,250	535,553
Development services	549,588	300,500	302,855	305,884	308,942
Recreation and culture	98,500	97,000	98,000	98,980	99,970
Other	300	300	325	328	332
Water operating and administration	509,750	512,000	522,240	527,462	532,737
Sewer operating and administration	328,350	330,000	336,600	339,966	343,366
Debt financing - interest on long-term debt	162,735	163,200	163,200	163,200	163,200
	2,769,968	2,543,975	2,578,820	2,602,976	2,633,374
Surplus	-641,061	-336,828	-363,299	-406,352	-402,928
<i>Adjustment for non-cash items:</i>					
-Amortization expense	-585,000	-610,000	-615,000	-630,000	-630,000
-TCA expenditures	4,330,914	344,500	502,000	202,000	202,000
<i>Adjustment for cash items, not recognized as revenues or expenses in the Statement of Operations:</i>					
-Debt principle repayment	137,789	137,765	137,765	137,765	137,765
-Debt proceeds	0	0	0	0	0
-Transfers to Reserves	647,460	806,637	715,000	828,405	828,381
-Transfers from Reserves					
From Capital Reserve	-27,200	-6,959	-31,186	0	0
From Capital Replacement Reserve	-509,644	-120,000	-100,000	-100,000	-100,000
From Water Reserve	0	0	-13,103	0	0
From Sewer Reserve	-2,548,000	-12,500	-112,500	-12,500	-12,500
From Parking Reserve	0	0	0	0	0
From Fire Department Reserve	0	-20,000	0	0	0
From Road Reserve	-6,000	-17,000	-100,000	0	0
From Parkland Reserve	0	0	0	0	0
From Recreation Reserve	-32,600	0	0	0	0
-Transfer to Capital from Operating	0	0	0	0	0
-Transfer (from)to Residual Surplus	-766,658	-165,615	-19,677	-19,319	-22,718
Financial Plan Balance	0	0	0	-0	-0

END OF BUDGET/ FINANCIAL PLAN

Capital Expenditure and Funding Summary:	2011	2012	2013	2014	2015
Addition	4,330,914	344,500	502,000	202,000	202,000
Taxation	-1,181,470	-68,041	-125,211	-69,500	-69,500
Debt	0	0	0	0	0
Grants & Other Contributions	-26,000	0	0	0	0
Reserves	-3,123,444	-176,459	-356,789	-112,500	-112,500
Restricted Reserves (Deferred Revenue)	0	0	-20,000	-20,000	-20,000
Residual Surplus	-4,330,914	-344,500	-502,000	-202,000	-202,000

SCHEDULE “B” TO BYLAW NO. 378, 2011.

**VILLAGE OF RADIUM HOT SPRINGS
FINANCIAL PLAN POLICY STATEMENTS 2011.**

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) Council will attempt to mitigate the impacts of market change for all tax classes by adjusting the multipliers. Tax rates are increasing by 3.5% to allow sufficient funding of capital reserves.
 - (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 sewer parcel tax rate will be increased in phased increments to properly fund the service, especially existing and future debt.
 - (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 service 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	32%
Parcel taxes	15%
User fees and charges	19%
Proceeds from borrowing	0%
Other sources	33%
Reserves & Surplus	1%
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)	75%
Utilities (2)	0.8%
Major Industry (4)	7.5%
Light Industry (5)	0.1%
Business (6)	15.4%
Rec/Non Profit (8)	1.2%
TOTAL	100.0%

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