

THE CORPORATION OF THE VILLAGE OF SLOCAN
BYLAW NO. ____

BEING A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE YEARS
2017 - 2021

WHEREAS Section 165 of the *Community Charter*, requires Municipal Councils to annually prepare and adopt, by Bylaw, a five-year financial plan;

AND WHEREAS the Council of the Corporation of the Village of Slocan has reviewed, prepared and solicited public input on the attached five-year financial plan;

NOW THEREFORE the Council of The Corporation of the Village of Slocan in open meeting assembled, enacts as follows:

1. Schedule "A" attached to and forming part of this Bylaw is hereby adopted as the Financial Plan for the Village of Slocan for the five-year period starting January 1, 2017.
2. Schedule "B" attached to and forming part of this Bylaw is hereby adopted as the Revenue Policy Disclosure Requirement for the five-year period starting January 1, 2017.
3. If any section, subsection, sentence, clause or phrase of this Bylaw is for any reason held to be invalid by the decision of any court of competent jurisdiction, the invalid portion shall be severed and the part that is invalid shall not affect the validity of the remainder.
4. Bylaw #650 and the amendments thereto are hereby repealed.
5. This Bylaw shall come into full force and effect on the final adoption thereof.
6. This Bylaw may be cited, for all purposes, as the **"Financial Plan (2017-2021) Bylaw No. _____, 2017"**.

READ A FIRST TIME the ____ day of _____, 2017;

READ A SECOND TIME the ____ day of _____, 2017;

READ A THIRD TIME the ____ day of _____, 2017;

FINALLY PASSED AND ADOPTED the ____ day of _____, 2017.

Mayor

CAO

2017-2021 FIVE YEAR FINANCIAL PLAN
SCHEDULE A

| REVENUES | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Property Taxation | 168,420 | 170,180 | 171,992 | 173,859 | 175,782 |
| Sale of services | 63,765 | 63,765 | 63,765 | 63,765 | 63,765 |
| Other revenue own sources | 15,700 | 15,700 | 15,700 | 15,700 | 15,700 |
| Investment income | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| Grants - unconditional | 329,000 | 329,000 | 329,000 | 329,000 | 329,000 |
| Grants - conditional | 805,600 | 1,930,000 | 25,000 | 25,000 | 25,000 |
| Collections for Other Agencies | 205,346 | 207,399 | 209,473 | 211,568 | 213,684 |
| Total General | 1,596,831 | 2,725,044 | 823,930 | 827,892 | 831,931 |
| Water: User Fees | 99,482 | 102,217 | 105,028 | 107,917 | 110,884 |
| Hydro | - | - | 250,000 | 250,000 | 250,000 |
| Total Consolidated Revenues | 1,696,313 | 2,827,261 | 1,178,958 | 1,185,809 | 1,192,815 |

2017-2021 FIVE YEAR FINANCIAL PLAN
SCHEDULE A

| EXPENSES | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------------------|------------------|----------------|----------------|----------------|
| General Government | 252,289 | 223,289 | 226,638 | 230,038 | 233,488 |
| Protective Services | 4,100 | 1,151 | 3,968 | 1,186 | 4,004 |
| Transportation Services | 218,752 | 222,033 | 225,364 | 228,744 | 232,175 |
| Environmental health services | 18,742 | 19,023 | 19,308 | 19,598 | 19,892 |
| Public health and welfare | 3,779 | 3,836 | 3,893 | 3,952 | 4,011 |
| Recreation and cultural services | 69,988 | 50,807 | 51,569 | 52,343 | 53,128 |
| Interest and other debt charges | - | - | 20,000 | 20,000 | 20,000 |
| Payments to Other Agencies | 205,346 | 207,399 | 209,473 | 211,568 | 213,684 |
| Total General Operations | 772,996 | 727,538 | 760,213 | 767,429 | 780,382 |
| Water Operations | 57,527 | 62,390 | 59,266 | 60,155 | 65,057 |
| Hydro Operations | - | - | 73,237 | 74,336 | 75,451 |
| Total Operations | 830,523 | 789,928 | 892,716 | 901,920 | 920,890 |
| Amortization | 107,740 | 109,087 | 201,451 | 203,969 | 206,519 |
| Surplus (deficit) | 758,050 | 1,928,246 | 84,791 | 79,920 | 65,406 |
| Add back: | | | | | |
| Amortization | 107,740 | 109,087 | 201,451 | 203,969 | 206,519 |
| Principal payments on Municipal Debt | 6,072 | 3,578 | 81,000 | 81,000 | 81,000 |
| Capital Expenditures | | | | | |
| General | 378,800 | 5,000 | - | - | - |
| Hydro | 500,000 | 3,162,000 | 25,000 | 25,000 | 25,000 |
| Water | 104,500 | 92,000 | 30,000 | 30,000 | 30,000 |
| Total Capital Expenditures | 983,300 | 3,259,000 | 55,000 | 55,000 | 55,000 |
| Proceeds from Borrowing | - | 800,000 | - | - | - |
| Transfer to / from Reserves | | | | | |
| Transfer to General Reserves | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| Transfer to Utility Reserves | - | - | 12,762 | 14,762 | 12,827 |
| Transfer from General Reserves | (62,800) | - | - | - | - |
| Transfer from Utility Reserves | (65,545) | (55,173) | - | - | - |
| Total Transfer to (from) Reserves | (102,345) | (29,173) | 38,762 | 40,762 | 38,827 |
| Transfers to (from) operating surplus | (21,237) | (396,072) | 111,480 | 107,127 | 97,098 |
| Financial Plan Balance | - | - | - | - | - |

2017-2021 FIVE YEAR FINANCIAL PLAN **SCHEDULE A**

CAPITAL FUNDS

| COMPONENTS | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------|----------------|------------------|---------------|---------------|---------------|
| Sources of Funds | | | | | |
| Community Works Grant | 240,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| General Operating fund | 66,500 | 5,000 | - | - | - |
| Water Operating fund | 38,955 | 36,827 | 30,000 | 30,000 | 30,000 |
| Utility Reserves | 65,545 | 55,173 | - | - | - |
| Other Reserves | 62,800 | - | - | - | - |
| Allocation from Surplus | - | 432,000 | - | - | - |
| Borrowing | - | 800,000 | - | - | - |
| Government Grants | 509,500 | 1,905,000 | - | - | - |
| Total Sources | 983,300 | 3,259,000 | 55,000 | 55,000 | 55,000 |
| Expenditures | | | | | |
| General | 378,800 | 5,000 | - | - | - |
| Hydro | 500,000 | 3,162,000 | 25,000 | 25,000 | 25,000 |
| Water | 104,500 | 92,000 | 30,000 | 30,000 | 30,000 |
| Total Expenditures | 983,300 | 3,259,000 | 55,000 | 55,000 | 55,000 |

SCHEDULE “B” – 2017-2021 Five Year Financial Plan

Revenue Policy:

The revenue policy will provide direction on how Council chooses to fund the expenditures of the Village, distribute property taxes among the property taxes and use permissive tax exemptions.

Revenue Sources

Table 1

| Revenue Source | % of Total Revenue |
|-----------------------------------|--------------------|
| Property Value Tax | 11% |
| Sale of Services | 6% |
| Revenue From Own Sources | 5% |
| Unconditional Grants | 20% |
| Conditional Grants | 50% |
| Transfers From Own Reserves/Funds | 8% |
| Total | 100% |
| | |

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2017.

Grants also provide a source of revenue to the municipality. Sales of service and Utility User Fees provide revenue for the municipality on a user-pay basis.

Policy:

Council is committed to examining economic development opportunities and investigating alternative revenue sources, such as the micro hydro project, in order to reduce historical reliance on property taxes to fund municipal services. The operation of the water utility and solid waste collection and disposal are self-funded through user fees.

Objectives:

- To maximize a user-pay cost structure wherever possible.
- To maximize the use of grant funding for infrastructure and service upgrades.

Proportion of Taxes Allocated to Classes

With the loss of the Springer Creek Forest Products Ltd. the Village of Slocan's tax base is now primarily residential and therefore the majority of the tax burden falls on the residential homeowners.

Policy:

It is the policy of Council to shift the tax burden from Property Class 04 (Major Industrial) to Class 01 (Residential) to help absorb the revenue loss from the closure of Springer Creek Forest Products – Class 04 (Major Industrial).

In order to preserve and encourage business in Slocan the tax rate multiple for Class 06 remains at 2016 levels.

Objective:

- As a result of the reduction in the assessment rate for Property Class 04 (Major Industry); Property Class 01 (Residential) should be the first to absorb any such shifts.
- Where possible, revenues from user fees and charges should be used to help offset the burden on the entire property tax base as a result loss of assessment values of Property Class 04 (Major Industrial).

Permissive Tax Exemptions

Council provides permissive tax exemption to not-for-profit organizations that form a valuable part of the community. These include religious institutions and the community services society.

Policy:

Council will continue to support local not-for-profit organizations that provide benefits to the community as a whole and are eligible under the Community Charter through permissive tax exemptions.

Objective:

To provide permissive tax exemption to not-for-profit organizations that benefits the overall well-being of the community.