

MTG DATE: APR 26/21
ITEM: BYLAWS
FILE: FIN. PLAN 2021.



**The Corporation of the
Village of Slocan**
Memo

DATE: April 26, 2021
TO: Mayor and Village Council
FROM: M. Gordon, CAO
SUBJECT: 5-Year Financial Plan Bylaw (2021-2025)

ANALYSIS SUMMARY:

Attached for Council's consideration is the 5-Year Financial Plan Bylaw prepared by the Village's Financial Officer. The Financial Plan sets out the objectives and policies of the Village in relation to the revenue sources, the distribution of property value taxes among the property classes and the use of permissive tax exemptions. The financial plan sets out proposed expenditures, proposed funding sources and proposed transfers to or between funds.

BENEFITS OR DISADVANTAGES AND NEGATIVE IMPACTS: Council must adopt a 5-Year Financial Plan annually prior to the adoption of the Property Tax Bylaw.

LEGISLATIVE IMPACTS, PRECEDENTS, POLICIES:

This bylaw meets all the requirements of the *Community Charter*, and must be adopted and submitted to the Province on or before the May 15th deadline.

COSTS AND BUDGET IMPACT - REVENUE GENERATION:

The only cost associated with this item is staff time to prepare the bylaw and reports.

RECOMMENDATION:

That the Village of Slocan Financial Plan (2021 – 2025) Bylaw, No. _____, 2021 be read a first, second and third time by title only.



Michelle Gordon
Chief Administrative Officer

**THE CORPORATION OF THE VILLAGE OF SLOCAN
BYLAW NO. ____**

**BEING A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE YEARS
2021 - 2025**

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, 2021.
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, 2021.
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 #670 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 (2021-2025) Bylaw No. ____, 2021**".

READ A FIRST TIME the ____ day of ____, 2021;

READ A FIRST TIME the ____ day of ____, 2021;

READ A FIRST TIME the ____ day of ____, 2021;

FINALLY PASSED AND ADOPTED the ____ day of ____, 2021.

Mayor

CAO

SCHEDULE “B” – 2021-2025 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	7%
Sale of Services	4%
Revenue From Own Sources	7%
Unconditional Grants	14%
Conditional Grants	47%
Transfers From Own Reserves/Funds	21%
Borrowing	0%
Total	100%

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2021.

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).

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.

**2021-2025 FIVE YEAR FINANCIAL PLAN
SCHEDULE A**

REVENUES	2021	2022	2023	2024	2025
Property Taxation	188,359	193,620	199,038	204,620	210,368
Sale of services	91,750	92,500	92,500	92,500	92,500
Other revenue own sources	178,360	21,500	21,500	21,500	21,500
Investment income	15,000	15,000	15,000	15,000	15,000
Grants - unconditional	377,260	377,260	377,260	377,260	377,260
Grants - conditional	1,237,179	566,580	4,791,580	66,580	66,580
Hydro	-	-	250,000	250,000	250,000
Total General	2,087,908	1,266,460	5,746,878	1,027,460	1,033,208
Water User Fees	124,900	128,647	132,506	136,482	140,576
Total Consolidated Revenues	2,212,808	1,395,107	5,879,385	1,163,941	1,173,784

**2021-2025 FIVE YEAR FINANCIAL PLAN
SCHEDULE A**

EXPENSES	2021	2022	2023	2024	2025
General Government	276,489	271,273	275,342	279,473	283,662
Protective Services	4,100	1,162	4,179	1,242	4,260
Transportation Services	238,863	212,446	215,633	218,867	222,150
Environmental health services	23,506	23,859	24,216	24,580	24,948
Public health and welfare	11,428	5,509	5,592	5,676	5,761
Recreation and cultural services	123,877	100,161	101,663	103,188	104,736
Interest and other debt charges	8,500	16,200	59,720	59,720	59,720
Hydro Operations	-	-	72,237	73,321	74,420
Total General Operations	686,763	630,609	758,582	766,066	779,658
Water Operations	122,974	95,819	97,256	98,715	100,195
Total Operations	809,737	726,428	855,838	864,781	879,853
Amortization	129,456	131,074	223,712	226,508	229,339
Surplus (deficit)	1,273,615	537,605	4,799,835	72,652	64,592
Add back:					
Amortization	129,456	131,074	223,712	226,508	229,339
Proceeds from Borrowing	-	130,000	1,480,000	-	-
Transfers from Reserves					
Transfer from General Reserves	545,581	45,000	467,000	35,000	35,000
Transfer from Utility Reserves	-	-	11,320	8,804	6,190
	545,581	45,000	478,320	43,804	41,190
Less:					
Principal payments on Municipal Debt	-	46,000	153,051	153,051	153,051
Capital Expenditures					
General	1,163,829	175,000	10,000	10,000	10,000
Hydro	500,000	500,000	2,662,000	25,000	25,000
Water	123,000	-	4,000,000	-	-
Total Capital Expenditures	1,786,829	675,000	6,672,000	35,000	35,000
Transfer to Reserves					
Transfer to General Reserves	66,579	86,580	86,580	86,580	86,580
Transfer to Utility Reserves	8,753	35,828	-	-	-
	75,332	122,408	86,580	86,580	86,580
Transfers to (from) operating surplus	86,491	271	70,236	68,333	60,490
Financial Plan Balance	-	-	-	-	-

**2021-2025 FIVE YEAR FINANCIAL PLAN
SCHEDULE A**

CAPITAL FUNDS

COMPONENTS	2021	2022	2023	2024	2025
Sources of Funds					
Community Works Fund	357,066	20,000	25,000	25,000	25,000
General Operating Fund	155,790	25,000	442,000	10,000	10,000
Government Grants	1,143,973	500,000	4,725,000	-	-
Borrowing	-	130,000	1,480,000	-	-
Other revenues	130,000	-	-	-	-
Total Sources	1,786,829	675,000	6,672,000	35,000	35,000
Expenditures					
General	1,163,829	175,000	10,000	10,000	10,000
Hydro	500,000	500,000	2,662,000	25,000	25,000
Water	123,000	-	4,000,000	-	-
Total Expenditures	1,786,829	675,000	6,672,000	35,000	35,000

