

THE CORPORATION OF THE VILLAGE OF SLOCAN

2021-2025 Proposed
Draft Financial Plan
April 26, 2021

Agenda

1. Introduction
2. Quick Facts
3. 2021 – 2025 Financial Plan Process
4. 2021 Budget overview
5. Taxation & Operating Budget
6. Comments & Questions

Quick Facts - 2021

- All Village Operational revenue about \$2,200,000
 - (including \$1,200,000 in potential grant funding for capital)
- Total operational expenses about \$810,000
- Revenue over expenses pay down debt, fund capital purchases & flow into Operational and Capital reserves
- General Fund Operational expense is budgeted at \$686,000 in 2021, funded by \$188,000 in Taxation (approx. 3.5 to 1 ratio)
- A 1% increase in taxation produces about \$1,700 to cover operational expenditures
- In 2020 the Village received \$262,000 in COVID Safe-Restart funding to be used to cover revenue shortfalls and additional pandemic related costs.

General Operating Budget Principles

- Support delivery of municipal services
- Maintain services delivered at 2020 levels
- Reduce costs of service delivery, where possible, while minimizing service impact levels
- Generate new revenue
- Minimize tax rate increase
- Long term planning as a focus
- Continue infrastructure program
- Implement sustainability principles

Budget Overview - 2021

Highlights:

- New residential construction taxation revenue generation for 2021 is expected to be \$2,150
- Recommending a 3% average overall property tax increase
- Early in 2021 Council approved increases to the utility rates
 - \$19 increase (to \$502) to Water rates for residential
 - \$10 increase (to \$135) in garbage fees for a residential

2020 Capital Budget: Total amount is \$1,786,000

- \$1,163,000 in General capital
- \$500,000 in Hydro project capital
- \$123,000 in Water capital

Tax Revenues: Growth – Where does it come from?

New revenue only exists when there is new assessment

Increase in “inventory” i.e. through subdivision or new construction

General increases in market value do not generate more tax dollars

Past couple of years has resulted in minimum new revenues from growth

Effect of Assessments in 2021

Average market changes:

Residential up 20% from 2020

Commercial up 16% from 2020

(Overall commercial assessments decreased by \$278,000 due to exemption of mill site lands).

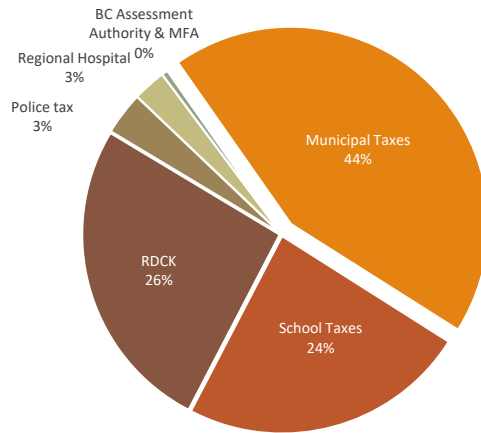
This was made up for with increases in residential construction and utility taxation.

2021 Proposed Budget

Effect on \$196,000 Single Family Dwelling

	2020 Actual	2021 Proposed	Net Annual Change	Net Monthly Change
Property Tax (municipal only)	696	715	\$19	\$ 1.58
Water Rates	483	502	19	1.58
Resource Recovery	125	135	10	0.83
Overall	\$1,304	\$1,352	\$48	\$3.99

2021 Proposed Budget Effect on \$196,000 Single Family Dwelling



Tax authority	Taxes
Village	\$715
School	387
RDCK	425
Police	57
Reg Hosp	44
BCAA & MFA	8
Total	\$1,636

2021 TAX EFFECT ON AVERAGE SFD

	2020	2021	Net Change	Net Monthly Change	% Change
Assessed Value	\$163K	\$196K	\$33K		20%
Municipal Property Tax	696	715	\$19	\$1.58	3%
RDCK tax requisition	362	425	67	5.58	19%
West Kootenay Hospital tax	41	44	3	0.25	7%
School/Other	397	452	55	4.59	14%
Less: home owner grant	-770	-770	-	-	-
Total Regional Tax	\$726	\$866	\$140	\$12	19%

Overall Capital Plan – 2021 Highlights

Total overall capital – \$1,786,000

- OCP / Mill Site Visioning
- Legion Heritage Restoration project (grant)
- Main St. / Roundabout paving (gas tax)
- Tennis Court resurfacing (grant)
- Harold St design plan (grant)
- Springer Creek bridge repair (EMBC)
- Campground upgrades (electrical/washrooms) (grant)
- Waterplant control panel (gas tax)

Hydro Project – Grant

\$500,000 budgeted in 2021 to start with plan for major work to be done in 2022/23

Debt and Debt Servicing

MFA short-term financing of \$845,000 for land purchase.

- Five years, interest only
- Current rate = 0.93% (floating)
- Approx \$8,000 annual interest

Comments and Questions?

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