

THE CORPORATION OF THE VILLAGE OF SLOCAN

2022-2026 Proposed
Draft Financial Plan
April 26, 2022

Agenda

1. Introduction
2. Quick Facts
3. 2022 – 2026 Financial Plan Process
4. 2022 Budget overview
5. Taxation & Operating Budget
6. Comments & Questions

Quick Facts - 2022

- All Village Operational revenue about \$1,023,000
 - (not including \$850,000 in potential grant funding for capital)
- Total operational expenses about \$873,000
- Revenue over expenses pay down debt, fund capital purchases & flow into Operational and Capital reserves
- General Fund Operational expense is budgeted at \$745,000 in 2022, funded by \$202,000 in Taxation (approx. 3.7 to 1 ratio)
- A 1% increase in taxation produces about \$1,800 to cover operational expenditures
- \$5,000 decrease in the provincial Small Communities Grant (est \$363K in 2022)
- 2020: \$262,000 in COVID Safe-Restart funding
- 2021: \$163,000 remaining at end of year, after covering expenditures and lost revenues due to the pandemic.

General Operating Budget Principles

- Support delivery of municipal services
- Maintain services delivered at 2021 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 - 2022

Highlights:

- New residential construction taxation revenue generation for 2022 is expected to be \$2,400
- Recommending a 3% average overall property tax increase
- Early in 2022 Council approved increases to the utility rates
 - A 3% flat fee increase to Water rates
 - No increase in Garbage fees

2022 Capital Budget: Total amount is \$1,417,000

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 2022

Average market changes:
Residential up 54% from 2021



Commercial up 60% from 2021

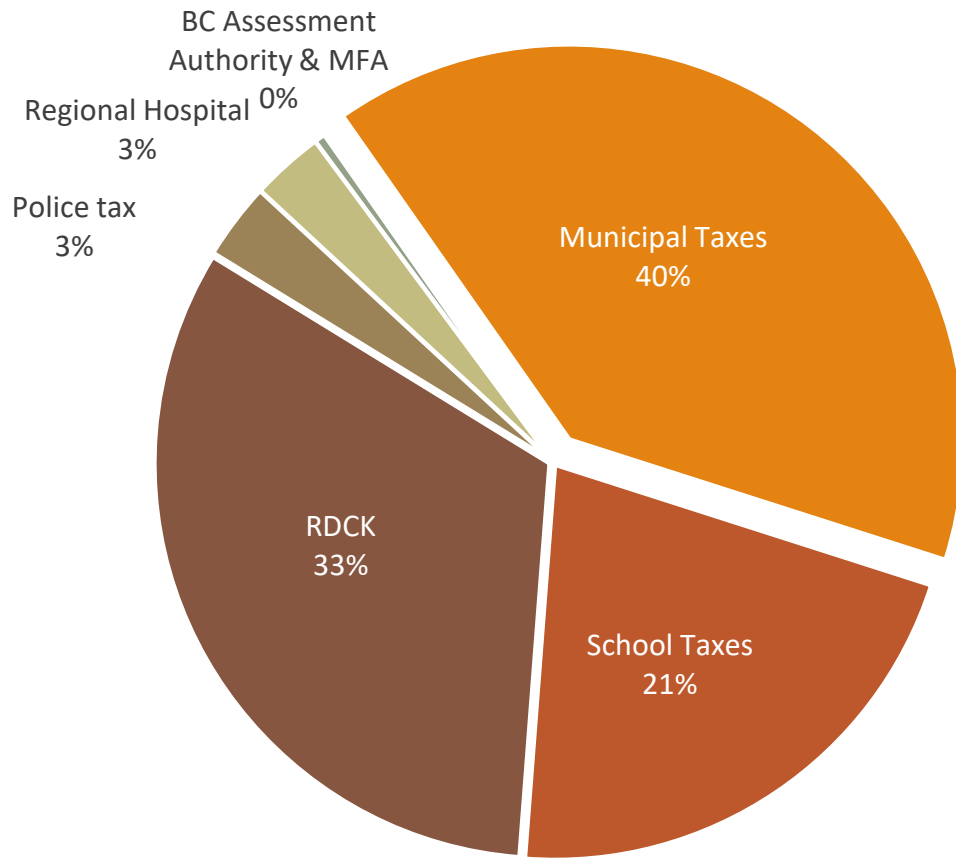
2022 Proposed Budget

Effect on \$302,000 Single Family Dwelling

| | 2021 Actual | 2022 Proposed | Net Annual Change | Net Monthly Change |
|-------------------------------|----------------|----------------|-------------------|--------------------|
| Property Tax (municipal only) | 715 | 736 | \$21 | \$ 1.75 |
| Water Rates | 502 | 517 | 15 | 1.25 |
| Resource Recovery | 125 | 135 | 0 | 0.00 |
| Overall | \$1,352 | \$1,388 | \$36 | \$3.00 |

2022 Proposed Budget

Effect on \$302,000 Single Family Dwelling



| Tax authority | Taxes |
|---------------|----------------|
| Village | \$736 |
| School * | 395 |
| RDCK | 604 |
| Police * | 58 |
| Reg Hosp | 55 |
| BCAA & MFA * | 8 |
| Total | \$1,856 |

* Assumes 2% change from prior year

2022 TAX EFFECT ON AVERAGE SFD

| | 2021 | 2022 | Net Change | Net Monthly Change | % Change |
|----------------------------|--------------|----------------|--------------|--------------------|------------|
| Assessed Value | \$196K | \$302K | \$106K | | 54% |
| Municipal Property Tax | 715 | 736 | \$21 | \$1.75 | 3% |
| RDCK tax requisition | 425 | 604 | 179 | 14.92 | 42% |
| West Kootenay Hospital tax | 44 | 55 | 11 | 0.92 | 25% |
| School/Other (estimate) | 452 | 461 | 9 | 0.75 | 2% |
| Less: home owner grant | -770 | -770 | - | - | - |
| Total Regional Tax | \$866 | \$1,086 | \$220 | \$18 | 25% |

Overall Capital Plan – 2022 Highlights

Total overall capital – \$1,417,000

- Legion Heritage Restoration – in progress (grant)
- Affordable Housing (CMHC)
- Tennis Court Revitalization (grant)
- OCP Review and Update (gas tax)
- Harold St Design Plan (grant)
- Springer Creek bridge repair (EMBC)
- Campground upgrades (electrical/washrooms) (grant)
- Resident Attraction Pilot Project (grant)

Debt and Debt Servicing

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

- Five years, interest only
- Current rate = 1.36% (floating)
- Approx \$11,500 annual interest

Comments and Questions?

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