



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

MTG DATE: APR 26/22-SP
ITEM: BYLAW
FILE: FINANCIAL PLAN

DATE: April 26, 2022
TO: Mayor and Village Council
FROM: M. Gordon, CAO
SUBJECT: 5-Year Financial Plan Bylaw (2022-2026)

ANALYSIS SUMMARY:

Attached for Council's consideration is the 5-Year Financial Plan Bylaw prepared by the Village's Financial Officer, in consultation with Village staff and Council. 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 (2022 – 2026) Bylaw, No. ____, 2022" 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
2022 - 2026**

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, 2022.
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, 2022.
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 #685 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 (2022-2026) Bylaw No. ____, 2022"**.

READ A FIRST TIME the ____ day of ____, 2022;

READ A FIRST TIME the ____ day of ____, 2022;

READ A FIRST TIME the ____ day of ____, 2022;

FINALLY PASSED AND ADOPTED the ____ day of ____, 2022.

Mayor

CAO

2022-2026 FIVE YEAR FINANCIAL PLAN

SCHEDULE A

REVENUES	2022	2023	2024	2025	2026
Property Taxation	202,174	207,849	214,085	220,507	233,738
Sale of services	95,665	95,665	95,665	95,665	95,665
Other revenue own sources	145,460	16,460	16,460	16,460	16,460
Investment income	12,000	12,000	12,000	12,000	12,000
Grants - unconditional	363,000	360,000	360,000	360,000	360,000
Grants - conditional	75,279	66,000	66,000	66,000	72,000
Total General	893,578	757,974	764,210	770,632	789,863
Water User Fees	129,589	133,477	137,481	141,605	145,854
Total Consolidated Revenues	1,023,167	891,451	901,691	912,238	935,716
EXPENSES	2022	2023	2024	2025	2026
General Government	319,244	293,703	299,577	305,568	317,680
Protective Services	1,100	1,122	1,144	1,167	1,191
Transportation Services	230,277	190,003	193,803	197,679	201,632
Environmental health services	26,500	27,030	27,571	28,122	28,684
Public health and welfare	5,700	5,814	5,930	6,049	6,170
Recreation and cultural services	145,250	104,907	107,005	109,145	111,328
Interest and other debt charges	16,900	16,900	16,900	62,764	78,160
Total General Operations	744,971	639,478	651,930	710,495	744,845
Water Operations	128,021	88,326	89,663	91,008	92,373
Total Operations	872,992	727,805	741,593	801,503	837,218
Surplus (deficit)	150,175	163,646	160,098	110,735	98,498
Proceeds from Borrowing	-	-	1,200,000	-	-
Add:					
Transfers from Reserves					
Transfer from General Reserves	292,366	-	-	-	-
Transfer from Utility Reserves	-	-	-	19,100	16,217
	292,366	-	-	19,100	16,217
Capital Grant Funding	850,614	10,000	4,800,000	-	-
Less:					
Principal payments on Municipal Debt	-	-	-	27,333	46,580
Capital Expenditures					
General	1,416,655	50,000	10,000	10,000	10,000
Water	-	-	6,000,000	-	-
Total Capital Expenditures	1,416,655	50,000	6,010,000	10,000	10,000
Transfer to Reserves					
Transfer to General Reserves	90,579	86,000	86,000	86,000	66,000
Transfer to Utility Reserves	1,068	48,650	51,318	-	-
	91,647	134,650	137,318	86,000	66,000
Transfers to (from) operating surplus	(215,147)	(11,004)	12,780	6,502	(7,865)
Financial Plan Balance	-	-	-	-	-

CAPITAL FUNDS

COMPONENTS	2022	2023	2024	2025	2026
Sources of Funds					
Community Works Fund	147,366	-	-	-	-
General Operating Fund	144,675	40,000	10,000	10,000	10,000
Equipment Reserve	145,000	-	-	-	-
Government Grants	850,614	10,000	4,800,000	-	-
Borrowing	-	-	1,200,000	-	-
Other revenues	129,000	-	-	-	-
Total Sources	1,416,655	50,000	6,010,000	10,000	10,000
Expenditures					
General	1,416,655	50,000	10,000	10,000	10,000
Water	-	-	6,000,000	-	-
Total Expenditures	1,416,655	50,000	6,010,000	10,000	10,000

2022-2026 Five Year Financial Plan SCHEDULE 'B'

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	9%
User fees	5%
Sale of Services	4%
Other Revenue	7%
Unconditional Grants	15%
Conditional Grants	39%
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 2022.

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, 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.