

VILLAGE OF GOLD RIVER

Bylaw No. 730, 2021

A bylaw of the Village of Gold River respecting
the Financial Plan for the year 2021

WHEREAS Section 165 of the *Community Charter*, 2003, S.B.C. Chapter 26 provides that the Council must have a financial plan adopted annually, by bylaw, before May 15 and that the planning period for a financial plan shall be 5 years, being the year in which it is specified to come into force and the following 4 years;

NOW THEREFORE the Council of the Village of Gold River, in open meeting assembled, enacts as follows:

1. Schedules "A", "B", "C" and "D" attached hereto and made part of this bylaw, are hereby declared to be the financial plan of the Village of Gold River commencing in the year 2021.
2. This bylaw may be cited for all purposes as the "Village of Gold River Financial Plan Bylaw No. 722, 2021".

READ the first time this	15 th	day of	March, 2021
READ the second time this	15 th	day of	March, 2021
READ the third time this	6 th	day of	April, 2021
ADOPTED this	6 th	day of	April, 2021

B. Unger Mayor

M. Roy Corporate Administrator

Village of Gold River
5-Year Operating Statement 2021 - 2025
Schedule "A"

<u>Operating Revenue:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Taxes	1,081,600	1,276,300	1,506,000	1,777,100	2,097,000
General Operating Grants	694,000	490,000	492,000	494,000	496,000
Sale of Service - Recreation	62,500	112,000	113,900	117,400	120,900
Sale of Service - Wharf	81,500	301,000	83,500	354,000	86,000
Sale of Service - Other	567,700	550,000	572,600	582,000	592,000
Licences, Permits & Fines	12,500	12,500	12,500	12,500	12,500
Penalties & Interest on Taxes	7,500	7,500	7,500	7,500	7,500
General Investment Interest	70,000	60,000	60,000	60,000	60,000
Other Revenue	30,000	30,000	31,000	31,000	31,000
Contribution - External Sources	0	0	0	0	0
Sewer Revenue (incl. Interest & Grants)	323,500	330,000	340,000	350,000	360,000
Water Revenue (incl. Interest & Grants)	272,500	220,000	233,000	248,000	265,000
Total Operating Revenue	3,203,300	3,389,300	3,452,000	4,033,500	4,127,900
<u>Operating Expenditures:</u>					
Legislative Services	93,500	95,000	96,000	97,000	98,000
General Government	814,500	830,500	845,000	860,000	875,000
Fire Department Services	145,500	130,000	131,000	132,000	133,000
Building Inspection/Bylaw Enforcement	11,500	12,000	12,500	13,000	14,000
Emergency Services	57,000	20,000	6,500	7,000	7,500
PW-General, Cem, Trans, Lighting, Drains	264,000	270,000	275,000	280,000	290,000
PW-Mechanical Services	139,000	142,000	145,000	148,000	152,000
Environmental, Depot, Solid Waste	327,500	330,000	333,000	339,000	343,000
Anne Fiddick Aquatic & Sports Center	579,000	580,500	583,000	585,000	586,200
Gerry Morgan Memorial Center	281,000	282,000	284,000	288,000	292,000
Parks, Boulevards & Greenspaces	127,000	130,000	132,000	135,000	138,000
Library Services	48,000	48,500	49,000	49,500	50,000
Municipal Campground	5,500	5,000	5,500	5,600	5,700
Ec. Dev. & Planning	110,000	52,500	35,000	36,000	37,000
JCC Operations	29,000	32,000	34,000	36,000	38,000
Tourist Info Center	24,000	25,000	26,000	27,000	28,000
Wharf Operations	78,500	50,000	53,000	54,500	56,000
Fiscal Services	7,500	7,500	8,000	8,000	8,000
Operating Contingency	20,000	20,000	20,000	20,000	20,000
Sewer Operations	325,500	330,000	340,000	350,000	360,000
Water Operations	309,500	250,000	255,000	265,000	275,000
Total Departmental Expenditures	3,797,000	3,642,500	3,668,500	3,735,600	3,806,400
Surplus/(Deficit) Before Amortization	-593,700	-253,200	-216,500	297,900	321,500
Amortization Expense-General	-388,600	-388,600	-388,600	-388,600	-388,600
Amortization Expense-Sewer	-60,700	-60,700	-60,700	-60,700	-60,700
Amortization Expense-Water	-31,500	-31,500	-31,500	-31,500	-31,500
Operating Surplus/(Deficit)	-1,074,500	-734,000	-697,300	-182,900	-159,300
Adjust for Non-Cash Items (Amortization)	480,800	480,800	480,800	480,800	480,800
Appropriation (from)/ to Surplus	-593,700	-253,200	-216,500	297,900	321,500
general departmental (surplus) deficit	554,700	223,200	194,500	-314,900	-331,500
Sewer Surplus required	2,000	0	0	0	0
Water Surplus required	37,000	30,000	22,000	17,000	10,000
Deficit/(Surplus)	593,700	253,200	216,500	-297,900	-321,500

**Village of Gold River
5-year Capital Plan 2021-2025
Schedule "B"**

General Capital Fund	2021	2022	2023	2024	2025
Municipal Dock Reserve	0	150,000	75,000	0	0
Federal Gas Tax Funds	0	50,000	0	0	0
Transport Canada Funds	0	140,000	0	0	0
General Capital Reserve	<u>290,000</u>	<u>298,000</u>	<u>642,000</u>	<u>240,000</u>	<u>195,000</u>
Total General Capital Funding	290,000	638,000	717,000	240,000	195,000
General Capital Projects	2021	2022	2023	2024	2025
Machinery and Equipment :					
Vehicles - see vehicle replacement plan	60,000	200,000	300,000	220,000	175,000
Fire Equipment -truck (2021)/air compressor (2023)	200,000	0	20,000	0	0
Fire Department - Portable Gear dryer	10,000	0	0	0	0
Depot - Cardboard Bailer(2022)Garbage Bins 12 - 2 yd. (2023)	0	50,000	25,000	0	0
Arena - Dehumidifier (to be reviewed)	0	0	2,000	0	0
Aquatic Center - Drytron Replacement	0	0	200,000	0	0
Parks Mower	<u>0</u>	<u>28,000</u>	<u>75,000</u>	<u>0</u>	<u>0</u>
Total Machinery	270,000	278,000	622,000	220,000	175,000
Engineering Structures:					
Nimpkish Park walking track	0	50,000	0	0	0
Wharf and Dock (warehouse/dredge/crane)	<u>0</u>	<u>290,000</u>	<u>75,000</u>	<u>0</u>	<u>0</u>
Total Engineering	0	340,000	75,000	0	0
General Contingency Fund	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total General Capital	290,000	638,000	717,000	240,000	195,000
Sewer Capital Fund	2021	2022	2023	2024	2025
Government Grant	0	0	0	0	0
Gas Tax Funds	75,000	0	50,000	0	325,000
Contribution from Operating Surplus	0	0	0	0	0
Contribution - Reserves	<u>399,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Sewer Capital Funding	474,000	20,000	70,000	20,000	345,000
Sewer Capital Projects					
Bio-Solids	379,000	0	0	0	0
SCADA - upgrade program hardware & software	75,000	0	0	0	0
Replace Headworks/screener STP	0	0	50,000	0	0
Bridge Line Repair	0	0	0	0	325,000
Sewer Contingency Fund	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Sewer Capital	474,000	20,000	70,000	20,000	345,000
Water Capital Fund	2021	2022	2023	2024	2025
Government Grant	0	0	0	0	0
Gas Tax Funds	165,000	100,000	0	0	325,000
Contribution from Reserves	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Water Capital Funding	190,000	125,000	25,000	25,000	350,000
Water Capital Projects					
Well # 3 Rehabilitation -motor/pump replacement	90,000	0	0	0	0
SCADA - upgrade program hardware & software	75,000	0	0	0	0
Water line - Muchalat to Industrial	0	100,000	0	0	0
Bridge Water line repair	0	0	0	0	325,000
Water Contingency	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Water Capital	190,000	125,000	25,000	25,000	350,000
Total Capital Projects	<u>954,000</u>	<u>783,000</u>	<u>812,000</u>	<u>285,000</u>	<u>890,000</u>

Village of Gold River
Use of Reserve Funds 2021-2025
Schedule "C"

General Capital	2021	2022	2023	2024	2025
40-4-495-4962	Budget	Budget	Budget	Budget	Budget
OPENING BALANCE	1,319,708	1,046,204	761,282	128,798	-111,202
Transfers In:	0	0	0	0	0
Transfers Out:	290,000	298,000	642,000	240,000	195,000
Interest On Investments at 1.25%	16,496	13,078	9,516		
Closing Balance	1,046,204	761,282	128,798	-111,202	-306,202
Sewer Capital	2021	2022	2023	2024	2025
40-4-495-4963	Budget	Budget	Budget	Budget	Budget
OPENING BALANCE	612,849	221,510	204,278	186,832	169,167
Transfers In:	0	0	0	0	0
Transfers Out:	399,000	20,000	20,000	20,000	20,000
Interest On Investments at 1.25%	7,661	2,769	2,553	2,335	2,115
Closing Balance	221,510	204,278	186,832	169,167	151,282
Water Capital	2021	2022	2023	2024	2025
40-4-495-4964	Budget	Budget	Budget	Budget	Budget
OPENING BALANCE	762,775	747,310	731,651	715,797	699,744
Transfers In:	0	0	0	0	0
Transfers Out:	25,000	25,000	25,000	25,000	25,000
Interest On Investments at 1.25%	9,535	9,341	9,146	8,947	8,747
Closing Balance	747,310	731,651	715,797	699,744	683,491
Municipal Dock Reserve	2021	2022	2023	2024	2025
40-4-495-4965	Budget	Budget	Budget	Budget	Budget
OPENING BALANCE	1,130,453	1,144,584	1,008,891	946,502	958,333
Transfers In:	0	0	0	0	0
Transfers Out:	0	150,000	75,000	0	0
Interest On Investments at 1.25%	14,131	14,307	12,611	11,831	11,979
Closing Balance	1,144,584	1,008,891	946,502	958,333	970,313
Fish Processing Plant Reserve	2021	2022	2023	2024	2025
40-4-495-4966	Budget	Budget	Budget	Budget	Budget
OPENING BALANCE	123,145	124,684	126,243	127,821	129,419
Transfers In:	0	0	0	0	0
Transfers Out:	0	0	0	0	0
Interest On Investments at 1.25%	1,539	1,559	1,578	1,598	1,618
Closing Balance	124,684	126,243	127,821	129,419	131,036
Total Reserve Funds & Accounts	3,284,291	2,832,345	2,105,749	1,845,461	1,629,920

**** General Capital project funding in 2024 & 2025, exceed our Capital Reserve. The Village will need to seek funding through a borrowing bylaw, if these Capital funds are not replenished.**

**Village of Gold River
2021-2025
Financial Plan Statement
Schedule "D"**

(1) Revenue proposed to come from each funding source:

Table (1) shows the proportion of total revenue proposed to be raised from each funding source in 2021. Property value taxes and utility fees normally form the greatest portion of the revenues for most municipalities but in Gold River we receive significant revenue from other sources such as Interest, Sales of Service and Grants, which can fluctuate and negatively or positively affect the Village financial situation. The system of property taxation and utility fees is relatively easy to administer and understand. Property taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user pay basis. These include services such as Roads, Fire Protection, Bylaw Enforcement, the Library, Administration, etc. For these reasons, property value taxation will continue to be a significant source of municipal revenue.

User fees and charges form a significant portion of planned revenue. Many municipal services such as water, sewer and solid waste services can be measured and charged for on a user pay basis. This basis attempts to fairly apportion the value of a municipal service to those who make use of it. Currently in Gold River for residential properties the fees are a flat rate rather than a measured or metered fee.

Other sources include a variety of revenues such as grants, investment income, sales of service etc. In Gold River these provide a higher than normal proportion of our revenues compared to many other small communities. Over 50% of Village revenues come from these non-property tax and utility fees which introduces a risk to our annual revenue forecast. These sources are very beneficial but often these revenues fluctuate with economic conditions, are less predictable, less stable and uncertain. The fluctuation of these revenues is often beyond the control of Village Council (i.e. interest rates) yet can have significant impact on the Village Budget and Services and expose our budget to a revenue risk should these revenues not materialize. Infrastructure Grants are tied to expenditures and communities require sufficient available funding to ensure they can meet their proportionate share of the infrastructure project. Approval of Grant Funding can significantly affect the proportionate distribution of Revenue Sources in any given year resulting in large fluctuations from year to year in Revenue Sources.

Policy:

Council reviews the source of revenues for the Village annually during the Five-Year Plan planning process. Through this process Council considers the tax burden, user fees, and other sources of funding in proportion to the planned services and expenditure program for the Village. Council determines the appropriateness of the level of services and expenditures in relation to the available funding sources and the impact or the burden of costs for these services and expenditures between property taxes, user fees and other sources of funding and considers if changes to the allocation of funding sources should be implemented.

Objective:

To review the appropriateness of total revenue proposed to come from each funding source for the planned services and expenditures and to ensure the sustainability of the funding sources to continue to provide the services in the future.

**Village of Gold River
2021-2025
Financial Plan Statement
Schedule "D"**

Table (1) Proportions of total revenue (including Capital Grants):

Revenue Source	% of Revenue	Value
Property Value Taxes	30.02%	\$1,048,600
Utility Fees	23.55%	\$822,500
Grants	28.69%	\$1,002,000
Investment Income	3.87%	\$135,307
Sales of Service	11.49%	\$401,200
Other Sources	2.38%	\$83,000
Total	100.00%	\$3,492,607

The Distribution of Property Taxes among the property classes:

Table (2) provided below, outlines the distribution of property tax revenue among the property classes. The practice of Council has been to set tax rates in order to maintain tax stability. This is accomplished by maintaining the proportionate relationship between the property classes, while taking into account for new construction values, deletions from the tax roll and changes in property classes that are considered to be significant and affect the proportionate relationship. Council reviews the proportionate relationships between classes caused by various factors and attempts to ensure a reasonable and fair allocation of taxes between classes to provide for the services identified within the Five-Year Financial Plan. This practice allows the various taxpayers in the municipality to be confident that in any year, depending on proportionate assessment changes within property tax assessment class, their property tax bill will increase proportionately to the increase in tax revenue required year over year, taking into effect greater or lesser assessment increases of their property to the assessment class average.

Policy:

The tax policy of Council in setting the distribution of property taxes over time may take into consideration factors such as significant new or lost tax base, philosophy of taxing apportionment, economic factors or initiatives to maintain, promote or encourage specific sectors with respect to investment in the community. As part of the establishment of the annual tax rates Council reviews the distribution of taxes between tax classes and the appropriateness of the allocation.

Objective:

To provide a fair and reasonable tax allocation policy between tax classes in order to provide a suitable level of community services on an affordable basis to residential and non-residential property classes.

**Village of Gold River
2021-2025
Financial Plan Statement
Schedule "D"**

Table (2) 2021 Distribution of property taxes among the property classes

Property Class	% of Property Value Tax	2021 Dollar Value
(1) Residential	58.72%	\$615,716
(2) Utilities	0.48%	\$5,038
(5) Light Industry	18.87%	\$197,852
(6) Business	21.92%	\$229,879
(8) Rec/Non-profit	0.01%	\$117
Total	100%	\$1,048,602

Table 2 was completed using the Completed Assessment Roll, The Revised Roll is issued late March is the Roll used to create Property Taxes. The schedule above shows the 7% tax increase evenly applied throughout the classes.

(1) The use of permissive tax exemptions:

The Annual Municipal Report for 2020 contains a list of permissive exemptions granted for the taxation year and the amount of tax foregone. This list demonstrates the policy of Council that permissive exemptions are granted to not-for-profit institutions that form a valuable part of our community. These include religious institutions, historical societies, some recreational facilities, service and cultural organizations.

Policy:

Council will continue to support local not for profit organizations through permissive tax exemptions that provide beneficial services to the community. Where appropriate Council may consider utilizing its expanded power under the Community Charter to provide permissive exemptions as allowed for in the Community Charter to property owners who contribute to our community in beneficial ways. These may include investments made in greenhouse gas reduction technology or alternative energy, the provision of affordable housing, or revitalization of buildings or areas of the municipality.

Objective:

Council will examine its permissive tax exemption policy to determine if it should be expanded in the future to include new opportunities as allowed for under the Community Charter.