

VILLAGE OF GOLD RIVER

Bylaw No. 738, 2022

A bylaw of the Village of Gold River to provide an operating funds five year financial plan pursuant to the provisions of the *Community Charter*

WHEREAS, Section 165 of the Community Charter requires Council, before the fifteenth of May in each year to cause to be prepared and adopted annually by bylaw, a Five-Year Financial Plan.

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

TITLE

1. This Bylaw may be cited for all purposes as "Five Year Financial Plan Bylaw No. 738, 2022.

ENACTMENT

2. THAT, the Five Year Financial Plan hereto annexed and marked as Schedule "A", Schedule "B" and Schedule "C" is hereby approved and authorized and shall stand as the estimates of Revenue and Expenditure for the years 2022 to 2026 until altered or amended by Council.

READ the first time this	7 <sup>th</sup>	day of	March, 2022.
READ the second time this	7 <sup>th</sup>	day of	March, 2022.
READ the third time this	21 <sup>st</sup>	day of	March, 2022.
ADOPTED this	4 <sup>th</sup>	day of	April, 2022.

\_\_\_\_\_  
B. Unger Mayor

\_\_\_\_\_  
M. Roy Corporate Administrator

Village of Gold River  
Five Year Financial Plan Bylaw No. 738, 2022 – Schedule “A”

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>REVENUE</b>					
Taxation	1,135,114	1,212,927	1,308,081	1,814,629	1,993,741
Payment in lieu of taxes	10,870	11,310	11,770	12,250	12,740
Utility Fees	542,660	580,577	626,944	683,280	751,508
Sale of services	656,419	631,396	633,728	636,818	640,485
Wharf Services	291,500	81,500	291,500	81,500	291,500
Investment Income	96,000	96,000	96,000	96,000	96,000
Grants	1,165,359	562,712	472,712	490,212	532,712
Miscellaneous	37,500	37,500	37,500	37,500	37,500
	<b>3,935,422</b>	<b>3,213,922</b>	<b>3,478,235</b>	<b>3,852,189</b>	<b>4,356,186</b>
<b>EXPENSES</b>					
General government	998,397	857,009	842,674	858,662	888,978
Protective services	190,125	176,201	177,781	179,392	181,035
Transportation services	453,795	472,824	452,806	459,934	467,213
Solid waste and recycling	342,689	349,258	355,936	362,747	369,696
Community development services	204,708	107,244	68,784	78,258	71,767
Wharf services	58,900	29,724	30,420	31,135	31,870
Parks, recreation and cultural services	1,132,338	1,136,828	1,190,627	1,161,892	1,176,128
Water utility	310,422	299,427	287,694	293,078	298,581
Sewer utility	467,374	433,729	436,852	427,091	432,444
Amortization	478,402	478,402	478,402	478,402	478,402
	<b>4,637,150</b>	<b>4,340,646</b>	<b>4,321,976</b>	<b>4,330,591</b>	<b>4,396,114</b>
<b>Operating Surplus/(Deficit)</b>	<b>(701,728)</b>	<b>(1,126,724)</b>	<b>(843,741)</b>	<b>(478,402)</b>	<b>(39,928)</b>
Adjust for Non-Cash Items (Amortization)	478,402	478,402	478,402	478,402	478,402
Tangible Capital Asset Acquisition	(946,879)	(315,000)	(422,000)	(1,028,000)	(252,000)
Transfer from Reserves	592,029	295,000	422,000	1,028,000	192,000
<b>Appropriation (from)/to Surplus</b>	<b>(578,176)</b>	<b>(668,322)</b>	<b>(365,339)</b>	<b>(0)</b>	<b>378,474</b>

Village of Gold River  
Five Year Financial Plan Bylaw No. 738, 2022 – Schedule “B”

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Projects - TCA</b>					
Other Government Funding	140,000	-	-	-	-
Grants	214,850	20,000	-	-	60,000
Municipal Dock Reserve	340,000	-	75,000	-	-
General Capital Reserve	252,029	295,000	347,000	378,000	192,000
Sewer Reserve	-	-	-	325,000	-
Water Reserve	-	-	-	325,000	-
	<b>946,879</b>	<b>315,000</b>	<b>422,000</b>	<b>1,028,000</b>	<b>252,000</b>
General government	-	-	-	150,000	-
Protective services	57,029	-	-	-	-
Transportation services	160,000	75,000	300,000	173,000	120,000
Wharf services	480,000	-	75,000	-	-
Parks, recreation and cultural services	35,000	240,000	47,000	55,000	132,000
Water utility	62,425	-	-	325,000	-
Sewer utility	152,425	-	-	325,000	-
	<b>946,879</b>	<b>315,000</b>	<b>422,000</b>	<b>1,028,000</b>	<b>252,000</b>

\* These values are extracted from Schedule “A” to provided further detail on capital projects.

Village of Gold River  
Five Year Financial Plan Bylaw No. 738, 2022 – Schedule “C”

## **STATEMENT OF OBJECTIVES & POLICIES**

In accordance with Section 165[3.1) of the Community Charter, the Municipal Council of the Village of Gold River is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

- a) The proportion of total revenue that is proposed to come from each of the funding sources described in Section 165(7) of the Community Charter;
- b) The distribution of property taxes among the property classes; and
- c) The use of permissive tax exemptions.

## **FUNDING SOURCES**

Table (1) shows the proportion of total revenue proposed to be raised from each funding source in 2022. 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.

Table 1: Proportions of total revenue

<b>Revenue Source</b>	<b>% of Revenue</b>	<b>Value</b>
Property Value Taxes	28.2%	1,111,609
Utility Fees	21.8%	859,660
Grants	29.6%	1,165,359
Investment Income	2.4%	96,000
Sales of Service	16.0%	630,919
Other Sources	1.8%	71,875
<b>Total</b>	<b>100.0%</b>	<b>3,935,422</b>

**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.

Table 2: Distribution of property taxes among the property classes

Property Class	% of Property Value Tax	2022 Dollar Value
(1) Residential	58.63%	\$651,724
(2) Utilities	0.48%	\$5,291
(5) Light Industry	18.87%	\$209,722
(6) Business	22.02%	\$244,748
(8) Rec/Non-profit	0.01%	\$125
<b>Total</b>	<b>100%</b>	<b>\$1,111,609</b>

**The use of permissive tax exemptions:**

The Annual Municipal Report for 2021 contains a list of permissive exemptions granted for the taxation year and the amount of tax foregone. This list demonstrates the policy of Council those 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*.