

VILLAGE OF GOLD RIVER

Bylaw No. 747, 2023

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. 747, 2023.

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 2023 to 2027 until altered or amended by Council.

READ the first time this	3 rd	day of	April, 2023.
READ the second time this	3 rd	day of	April, 2023.
READ the third time this	3 rd	day of	April, 2023.
ADOPTED this	17 th	day of	April, 2023.


M. Lott Mayor


M. Roy Corporate Administrator

Village of Gold River
Five Year Financial Plan Bylaw No. 747, 2023 – Schedule “A”

	2023	2024	2025	2026	2027
REVENUE					
Taxation	1,210,009	1,315,670	1,430,734	1,556,039	1,692,496
Payment in lieu of taxes	11,610	12,650	13,780	15,010	16,350
Utility Fees	610,869	665,148	724,258	788,629	858,729
Sale of services	693,746	679,853	657,943	661,010	664,151
Wharf Services	85,000	295,000	85,000	295,000	85,000
Investment Income	300,000	133,800	133,800	133,800	133,800
Grants	2,252,593	1,225,000	492,500	535,000	475,000
Miscellaneous	38,700	38,700	38,700	38,700	38,700
	5,202,527	4,365,821	3,576,715	4,023,188	3,964,226
EXPENSES					
General government	845,011	751,024	714,011	748,517	751,556
Protective services	205,156	210,128	213,939	217,847	221,856
Transportation services	641,575	603,838	576,888	587,222	470,849
Solid waste and recycling	361,617	370,402	379,697	389,244	399,050
Community development services	446,969	143,071	92,964	106,804	96,698
Wharf services	183,701	107,559	63,913	65,299	66,718
Parks, recreation and cultural services	1,074,054	1,158,855	1,125,230	1,142,898	1,173,384
Water utility	337,475	316,018	296,221	304,144	322,293
Sewer utility	481,641	501,510	481,739	449,171	496,818
Amortization	508,402	508,402	508,402	508,402	508,402
	5,085,601	4,670,807	4,453,004	4,519,548	4,507,624
Operating Surplus/(Deficit)	116,926	(304,986)	(876,289)	(496,360)	(543,398)
Adjust for Non-Cash Items (Amortization)	508,402	508,402	508,402	508,402	508,402
Tangible Capital Asset Acquisition	(1,624,010)	(817,000)	(383,000)	(1,139,500)	(940,000)
Transfer from Reserves	1,524,200	222,000	383,000	1,079,500	940,000
Transfer to Reserves	(859,000)	-	-	-	-
Appropriation (from)/to Surplus	(333,482)	(391,584)	(367,887)	(47,958)	(34,996)

Village of Gold River
Five Year Financial Plan Bylaw No. 747, 2023 – Schedule “B”

	2023	2024	2025	2026	2027
Projects - TCA					
Other Government Funding	140,000	-	-	-	-
Grants	189,810	640,000	-	60,000	-
Municipal Dock Reserve	730,000	-	75,000	-	-
General Capital Reserve	564,200	177,000	268,000	357,000	400,000
Sewer Reserve	-	-	20,000	380,000	540,000
Water Reserve	-	-	20,000	342,500	-
	1,624,010	817,000	383,000	1,139,500	940,000
General government	20,000	165,000	-	-	-
Protective services	39,200	-	-	-	-
Transportation services	100,000	580,000	198,000	250,000	200,000
Solid Waste	575,000	-	-	-	-
Wharf services	850,000	-	75,000	-	-
Parks, recreation and cultural services	15,000	72,000	70,000	167,000	200,000
Water utility	12,405	-	20,000	342,500	-
Sewer utility	12,405	-	20,000	380,000	540,000
	1,624,010	817,000	383,000	1,139,500	940,000

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

Village of Gold River
Five Year Financial Plan Bylaw No. 747, 2023 – 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 2023. 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

Revenue Source	% of Revenue	Value
Property Value Taxes	22.8%	1,187,198
Utility Fees	17.8%	927,869
Grants	43.3%	2,252,593
Investment Income	5.8%	300,000
Sales of Service	8.9%	461,746
Other Sources	1.4%	73,121
Total	100.0%	5,202,527

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	2023 Dollar Value
(1) Residential	58.44%	\$693,843
(2) Utilities	0.74%	\$8,759
(5) Light Industry	18.88%	\$224,169
(6) Business	21.94%	\$260,444
Total	100%	\$1,187,214

The use of permissive tax exemptions:

The Annual Municipal Report for 2022 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*.