

VILLAGE OF GOLD RIVER

Bylaw No. 752, 2024

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 "Financial Plan Bylaw No. 752, 2024".

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 2024 to 2028 until altered or amended by Council.

READ the first time this	15 <sup>th</sup>	day of	April, 2024.
READ the second time this	15 <sup>th</sup>	day of	April, 2024.
READ the third time this	15 <sup>th</sup>	day of	April, 2024.
ADOPTED this	6 <sup>th</sup>	day of	May, 2024.

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M. Lott Mayor

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M. Roy Corporate Administrator

Village of Gold River  
Five Year Financial Plan Bylaw No. 752, 2024 – Schedule “A”

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>REVENUE</b>					
Taxation	1,315,220	1,430,398	1,555,827	1,692,419	1,792,699
Payment in lieu of taxes	75,666	82,400	89,734	97,720	103,583
Utility Fees	680,183	723,864	771,098	822,191	861,147
Sale of services	737,603	742,901	770,128	799,306	819,978
Investment Income	384,000	133,800	133,800	133,800	133,800
Grants	1,939,988	895,500	928,000	1,403,000	1,073,000
Miscellaneous	53,000	53,000	53,000	53,000	53,000
	<b>5,185,660</b>	<b>4,061,863</b>	<b>4,301,587</b>	<b>5,001,436</b>	<b>4,837,207</b>
<b>EXPENDITURES</b>					
General government	855,763	890,879	871,210	898,246	905,760
Protective services	437,286	336,368	342,211	347,898	338,142
Transportation services	1,076,659	807,791	803,640	807,940	818,205
Solid waste and recycling	398,691	401,863	413,287	425,082	434,215
Community development services	680,366	216,732	190,287	173,968	177,223
Parks, recreation and cultural services	1,339,564	1,326,319	1,325,789	1,372,137	1,376,918
Water utility	406,552	339,476	348,676	368,152	364,181
Sewer utility	605,921	613,073	565,090	614,385	581,874
	<b>5,800,802</b>	<b>4,932,501</b>	<b>4,860,190</b>	<b>5,007,808</b>	<b>4,996,518</b>
<b>Operating Surplus/(Deficit)</b>	<b>(615,142)</b>	<b>(870,638)</b>	<b>(558,603)</b>	<b>(6,372)</b>	<b>(159,311)</b>
<b>RESERVE AND CAPITAL</b>					
Amortization and disposals	555,250	555,250	555,250	555,250	555,250
Tangible Capital Asset acquisition	(1,412,000)	(1,125,000)	(1,552,500)	(1,912,000)	(630,000)
Reserves used for operations	145,000	-	-	-	-
Reserves used for capital funding	764,515	690,000	1,067,500	952,000	-
Transfer to reserves	(65,000)	(15,000)	(15,000)	(15,000)	(15,000)
<b>Appropriation (from)/to Surplus</b>	<b>(627,377)</b>	<b>(765,388)</b>	<b>(503,353)</b>	<b>(426,122)</b>	<b>(249,061)</b>

Village of Gold River  
 Five Year Financial Plan Bylaw No. 752, 2024 – Schedule “B”

Tangible Capital Asset acquisition	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>FUNDING SOURCE</b>					
Grants	647,485	435,000	485,000	960,000	630,000
Reserves	764,515	690,000	1,067,500	952,000	-
	<b>1,412,000</b>	<b>1,125,000</b>	<b>1,552,500</b>	<b>1,912,000</b>	<b>630,000</b>
<b>EXPENDITURE</b>					
General government	50,000	115,000	-	-	-
Protective services	47,000	120,000	-	-	-
Transportation services	445,000	273,000	250,000	200,000	-
Solid waste and recycling	625,000	-	-	-	-
Parks, recreation and cultural services	15,000	142,000	155,000	212,000	-
Water utility	95,000	20,000	342,500	-	-
Sewer utility	135,000	455,000	805,000	1,500,000	630,000
	<b>1,412,000</b>	<b>1,125,000</b>	<b>1,552,500</b>	<b>1,912,000</b>	<b>630,000</b>

Village of Gold River  
 Five Year Financial Plan Bylaw No. 752, 2024 – Schedule “C”

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
<b>Reserve funding source</b>					
General capital reserve	575,000	650,000	345,000	412,000	-
Municipal dock maintenance reserve	224,515	75,000	-	-	-
Growing Communities fund	100,000	-	-	-	-
Water capital reserve	10,000	20,000	342,500	-	-
Sewer capital reserve	-	20,000	380,000	540,000	-
	<b>909,515</b>	<b>765,000</b>	<b>1,067,500</b>	<b>952,000</b>	-

Village of Gold River  
Five Year Financial Plan Bylaw No. 752, 2024 – Schedule “D”

## 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 2024. 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	25.4%	\$1,315,220
Utility Fees	13.1%	\$680,183
Grants	38.9%	\$2,015,654
Investment Income	7.4%	\$384,000
Sales of Service	14.2%	\$737,603
Other Sources	1.0%	\$53,000
Total	100.00%	\$5,185,660

**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	58.36%	\$755,272
(2) Utilities	0.76%	\$9,900
(5) Light Industry	18.88%	\$244,396
(6) Business	21.92%	\$283,618
(8) Rec/Non-profit	0.07%	\$947
Total	100.00%	\$1,294,134

**The use of permissive tax exemptions:**

The Annual Municipal Report for 2023 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*.