

THE CORPORATION OF THE VILLAGE OF SALMO

BYLAW NO. 678

A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR THE YEARS 2016-2020

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 Salmo 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 Salmo 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 Salmo for the five-year period starting January 1, 2016.
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, 2016.
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 Bylaw #669 and the amendments thereto are hereby repealed.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 (2016-2020) BYLAW NO. 678, 2016".

READ A FIRST TIME this 5th day of May, 2016

READ A SECOND TIME this 5th day of May, 2016

READ A THIRD TIME this 5th day of May, 2016

FINALLY PASSED AND ADOPTED this 10th day of May, 2016



Mayor



CAO/Corporate Officer

CERTIFIED A TRUE AND CORRECT COPY OF THE "FINANCIAL PLAN (2016-2020) BYLAW NO. 678, 2016".



Diane Kalen-Sukra
CAO/Corporate Officer

**2016-2020 FIVE YEAR FINANCIAL PLAN
SCHEDULE A**

REVENUES	Plan 2016	Plan 2017	Plan 2018	Plan 2019	Plan 2020
Property Taxation	487,007	493,660	500,447	507,369	514,429
Sale of services	76,910	77,000	77,000	77,000	77,000
Other revenue own sources	131,731	131,731	131,731	131,731	131,731
Investment income	9,600	10,200	10,200	10,200	10,200
Grants - unconditional	394,000	409,000	409,000	409,000	409,000
Grants - conditional	413,948	338,077	89,077	89,077	89,077
Collections for Other Agencies	564,057	569,698	575,395	581,149	586,960
Total General	2,077,253	2,029,366	1,792,850	1,805,526	1,818,397
Water: User Fees	122,888	125,345	127,852	130,409	133,017
Sewer: User Fees	189,180	192,964	196,823	200,760	204,775
Total Consolidated Revenues	2,389,321	2,347,675	2,117,525	2,136,695	2,156,189

**2016-2020 FIVE YEAR FINANCIAL PLAN
SCHEDULE A**

EXPENSES	Plan 2016	Plan 2017	Plan 2018	Plan 2019	Plan 2020
General Government	553,200	451,879	429,962	437,486	445,142
Protective Services	107,925	99,814	101,560	103,338	105,146
Transportation Services	312,900	263,376	267,985	272,675	277,446
Environmental health services	84,312	85,787	87,289	88,816	90,371
Public health and welfare	14,200	10,000	10,000	10,000	10,000
Recreation and cultural services	41,350	42,074	42,810	43,559	44,321
Interest and other debt charges	64,502	64,185	53,696	43,327	43,003
Payments to Other Agencies	564,057	569,698	575,395	581,149	586,960
Total General Operations	1,742,446	1,586,813	1,568,697	1,580,350	1,602,389
Water Operations	130,753	133,041	135,369	137,738	140,149
Sewer Operations	200,101	203,603	207,166	210,791	214,480
Total Operations	2,073,300	1,923,457	1,911,232	1,928,879	1,957,018
Amortization	280,125	282,926	285,755	288,613	291,499
Surplus (deficit)	35,896	141,292	(79,462)	(80,797)	(92,328)
Add back:					
Amortization	280,125	282,926	285,755	288,613	291,499
Principal payments on Municipal Debt	71,936	72,256	53,822	47,614	47,938
Capital Expenditures					
General	151,871	-	-	-	-
Water	45,000	-	-	-	-
Sewer	17,500	364,000	-	-	-
Total Capital Expenditures	214,371	364,000	-	-	-
Proceeds from Borrowing	-	-	-	-	-
Transfer to / from Reserves					
Transfer to General Reserves	93,800	93,800	93,800	93,800	93,800
Transfer to Utility Reserves	1,079	32,665	62,063	79,140	79,664
Transfer from General Reserves	(45,000)	(25,000)	(25,000)	(25,000)	(25,000)
Transfer from Utility Reserves	(21,365)	(115,000)	-	-	-
Total Transfer to (from) Reserves	28,514	(13,535)	130,863	147,940	148,464
Transfers to (from) operating surplus	1,200	1,497	21,608	12,262	2,769
Financial Plan Balance	-	-	-	-	-

**2016-2020 FIVE YEAR FINANCIAL PLAN
SCHEDULE A**

CAPITAL FUNDS					
COMPONENTS	Plan 2016	Plan 2017	Plan 2018	Plan 2019	Plan 2020
Sources of Funds					
Community Works Grant	15,641	-	-	-	-
General Operating fund	4,000	-	-	-	-
Water Operating fund	23,635	-	-	-	-
Sewer Operating fund	7,500	-	-	-	-
Utility Reserves	21,365	115,000	-	-	-
Other Reserves	-	-	-	-	-
Government Grants	142,230	249,000	-	-	-
Total Sources	214,371	364,000	-	-	-
Expenditures					
General	151,871	-	-	-	-
Water	45,000	-	-	-	-
Sewer	17,500	364,000	-	-	-
Total Expenditures	214,371	364,000	-	-	-

SCHEDULE "B" – 2016-2020 Five Year Financial Plan

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 classes and use permissive tax exemptions.

Revenue Sources

Table 1

Revenue Source	% of Total Revenue
Property Tax	21%
Parcel Tax	5%
User fees	16%
Sale of Services	4%
Other Revenue	8%
Unconditional Grants	21%
Conditional Grants	22%
Transfers From Own Reserves/Funds	3%
Total	100%

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2016.

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, the sewer 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

Policy:

It is the policy of Council to preserve and maintain the existing equity between assessment classes. The utility class will be taxed at the maximum rate permitted by legislation. The Village will strive to maintain a business to residential multiplier range not exceeding 2 to 1.

Objective:

- To maintain the current tax distribution of property tax value among the property classes.

Permissive Tax Exemptions

Council provides permissive tax exemptions to not-for-profit organizations that form a valuable part of the community. These include religious institutions and the community services society. The Village has an existing permissive tax exemption policy which guides the administration and approval of permissive tax exemptions. Eligibility criteria for permissive tax exemptions that are outlined in the policy include the following:

- The organization receiving the exemption must be a registered non-profit society, as the support of the municipality will not be used for commercial or private gain.
- The tax exemption must demonstrate benefit to the community and residents of the Village by enhancing the quality of life, economically, socially or culturally within the community.
- The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in conflict with those of the Village.
- Permissive tax exemptions will be considered in conjunction with :
 - Other assistance being provided by the Village;
 - The potential demands for Village services or infrastructure arising from the property; and,
 - The amount of revenue that the Village will forego if the exemption is granted.

Objective:

To provide permissive tax exemptions to not-for-profit organizations that benefits the overall well-being of the community.

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.