



2022-2026
FIVE-YEAR FINANCIAL PLAN BYLAW
Bylaw 1375
Effective 2022 February

Consolidated 2022 December

CASTLEGAR

2022–2026 FIVE–YEAR FINANCIAL PLAN BYLAW

Bylaw 1375

WHEREAS Section 165 of the *Community Charter* requires that Council adopt, by bylaw, a financial plan for a period of five years,

AND WHEREAS Section 165 of the *Community Charter* requires that the financial plan set out the objectives and policies of the City,

NOW THEREFORE the Council of the City of Castlegar, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as "The City of Castlegar 2022–2026 Five–Year Financial Plan Bylaw Number 1375".
2. The planned revenues and expenditures for the years 2022 to 2026 will be those recorded on Schedule "A" attached to, and forming part of this Bylaw.
3. Schedule "B" attached to and forming part of this Bylaw is hereby adopted as the "Objectives and Policy Disclosure" of the City as required by Section 165 of the *Community Charter*.
4. This Bylaw shall come into full force and effect upon adoption.

Repeal

The City of Castlegar Financial Plan 2021–2025 Bylaw Number 1344 and all amendments to are hereby repealed.

READ A FIRST TIME this 24th day of January, 2022.

READ A SECOND TIME this 24th day of January, 2022.

READ A THIRD TIME this 24th day of January, 2022.

ADOPTED this 7th day of February, 2022.

Mayor

Director of Corporate Services

Schedule "A"
(Bylaw 1397)

CITY OF CASTLEGAR

	2022 BUDGET	2023 BUDGET	2024 BUDGET	2025 BUDGET	2026 BUDGET
REVENUES					
TAXATION	9,859,277	10,986,781	10,935,182	11,526,632	11,707,927
PARCEL TAX	542,850	542,850	542,850	542,850	542,850
1% UTILITY TAX	193,000	193,000	193,000	193,000	193,000
GRANTS IN LIEU OF TAXES	625,000	625,000	625,000	625,000	625,000
TOTAL TAXATION	11,220,127	12,347,631	12,296,032	12,887,482	13,068,777
GOVERNMENT GRANTS	3,458,200	1,535,900	6,829,000	972,900	983,800
FEES AND SERVICE CHARGES	5,049,457	6,060,673	6,634,523	6,908,448	7,207,450
OTHER REVENUE	1,288,900	725,500	729,900	733,900	738,000
INTEREST AND OTHER INCOME	65,500	80,500	81,700	82,900	84,100
INTERNAL RECHARGES	639,800	642,200	653,500	664,900	678,200
COLLECTION FOR OTHER AGENTS	7,590,111	7,590,111	7,741,700	7,896,400	8,054,100
Total REVENUES	29,312,095	28,982,515	34,966,355	30,146,930	30,814,427
EXPENSES					
GENERAL GOVERNMENT	3,262,184	3,183,800	3,261,900	3,326,000	3,402,700
ENVIRONMENTAL DEVELOPMENT	519,300	529,500	539,800	550,500	561,400
TRANSPORTATION AND CIVIC WORKS	3,193,245	3,207,325	3,269,325	3,334,200	3,400,500
WASTE DISPOSAL	631,758	644,200	656,900	669,700	682,900
PROTECTION	3,480,237	3,564,400	3,670,600	3,799,000	3,951,800
HEALTH AND WELFARE	213,250	215,600	217,900	220,200	222,400
RECREATION AND CULTURE	1,644,821	1,672,110	1,699,784	1,728,093	1,754,273
WATER SYSTEM	1,135,375	1,133,900	1,155,800	1,178,000	1,200,600
SEWER SYSTEM	1,289,025	996,700	1,016,300	1,036,100	1,055,900
STORM SYSTEM	141,900	144,400	147,000	149,600	152,200
AIRPORT	1,646,647	1,510,300	1,537,300	1,567,900	1,599,000
INTEREST AND FINANCE CHARGES	3,000	3,000	3,000	3,000	3,000
COLLECTION FOR OTHER AGENTS	7,590,111	7,590,111	7,741,700	7,896,400	8,054,100
AMORTIZATION	3,862,000	3,882,000	3,902,000	3,922,000	3,942,000
TOTAL EXPENSES	28,612,853	28,277,346	28,819,309	29,380,693	29,982,773
ANNUAL SURPLUS (DEFICIT)	699,242	705,169	6,147,046	766,237	831,654
AMORTIZATION	3,862,000	3,882,000	3,902,000	3,922,000	3,942,000
CAPITAL EXPENDITURE	-9,041,058	-10,828,011	-16,479,906	-4,423,204	-8,308,987
EXTERNAL DEBT FINANCING	965,000	6,514,500	7,236,000	1,490,000	5,200,000
TRANSFER TO RESERVES	-2,799,870	-3,016,076	-3,485,881	-3,855,765	-3,975,573
TRANSFER FROM RESERVES	6,314,686	2,742,418	2,680,741	2,100,732	2,310,906
BALANCED BUDGET	-	-	-	-	-

(Bylaw 1397)

Bylaw 1375 Schedule "B" Objectives and Policy Disclosure

1. Proportion of Total Revenue from Each Funding Source

1) Property Value Taxes

- i) Property tax levels within the City of Castlegar have been established through years of public process and within the context of the following objectives:
 - Ensure City of Castlegar property taxes are competitive when compared to other communities in the region.
 - Ensure that an appropriate balance between operating funds and capital funds for infrastructure improvements is maintained.
 - Continue to maintain reserves for future projects as appropriate.
 - Reduce the City's reliance on property taxes by developing alternative revenue streams and by implementing the user pay principle where possible.
- ii) The total proportion of property tax revenues collected is determined by calculating the difference between all other revenue sources and revenues required.

2) Parcel Taxes

The City of Castlegar will use parcel taxes to fund the construction and maintenance of public infrastructure when it is in the public interest to do so.

The 2022 financial plan continues the use of parcel taxes to fund the planning, development and maintenance of a storm water system in order to ensure public safety and protect municipal assets.

3) Fees and Charges

- i) It is the objective of the City of Castlegar to ensure that costs for a service are collected from users of the service, where practical.
- ii) User fees are a primary cost recovery method used by the City of Castlegar.
- iii) User fees will be levied in all cases where it is possible and appropriate to recover costs on a user pay basis.

4) Other Sources of Revenue

- i) It is the objective of the City of Castlegar to maximize revenues from new or other sources. The City will:
 - Seek funding from senior levels of government for projects and other initiatives, where possible and appropriate to do so.
 - Seek economic development opportunities in order to create new streams of revenue.

**Bylaw 1375
Schedule "B" CONTINUES**

The proposed distribution of municipal property value tax revenues is estimated to be as shown in the following table:

Property Class	% of Total Taxes
Residential	41%
Utilities	4%
Major Industry	30%
Light Industry	1%
Business	25%
Non-Profit	0%
Total	100%

The proposed proportions of total revenue from revenue sources is estimated in the following table:

Revenue Source 2022	%
Property Value Taxes	38.1%
Parcel Tax	2.1%
Utility Taxes, Grants in Lieu & Penalties & Interest	3.2%
Utility User Fees	19.5%
Other Income	1.4%
Grants	10.7%
External Debt	3.7%
Reserves	21.2%
Total	100%

5) Debt and Internal Financing

- i) It is the objective of the City of Castlegar to consider debt financing only when:
 - The project will provide a significant benefit to tax payers over the long-term.
 - Significant cost savings can be obtained by pursuing the project prior to saving the required funds.
 - The cost of financing the project does not constitute an unreasonable burden to tax payers.
 - The City will continue to utilize Municipal Finance Authority lease and/or equipment financing opportunities for its equipment fleet and will use this method of financing when it is economically viable to do so.

6) Permissive Tax Exemptions

The City of Castlegar will provide permissive property tax exemptions in accordance with the provisions of the Community Charter and Council Policy Directive 15.

The Annual Report for 2021 will contain a list of permissive tax exemptions granted for the taxation year and the amount of revenue foregone.

7) **Revitalization Tax Exemptions**

Council may also, from time to time, enact new revitalization tax exemption bylaws that encourage development within the spectrum of the City's objectives, including but not limited to:

- Enhancing the City's sustainability and environmental stewardship.
- Encouraging green development and green technology.
- Objectives and initiatives established within the Official Community Plan.
- Stimulating the local economy through encouraging investment, new development and employment opportunities.
- Encouraging affordable housing.
- As a means of re-vitalizing and renewing specific areas of the city.