

CITY OF CASTLEGAR

BYLAW 1252

A bylaw to adopt a Revised Financial Plan for the years 2016 - 2020

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:

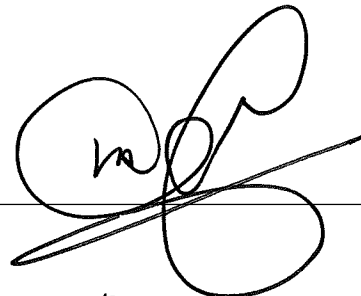
1. This bylaw may be cited as "The City of Castlegar Revised Financial Plan 2016-2020 Bylaw Number 1252".
2. Schedule "A" attached to and forming part of this bylaw is hereby adopted as the Financial Plan for the City of Castlegar for the five year period ending December 31, 2020.
3. Schedule "B" attached 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 when adopted.
5. 2016 - 2020 Financial Plan Bylaw No. 1234 is hereby repealed.

READ A FIRST TIME this 3rd day of April, 2017.

READ A SECOND TIME this 3rd day of April, 2017.

READ A THIRD TIME this 3rd day of April, 2017.

ADOPTED this 18th day of April, 2017.



Mayor



Director of Corporate Services

City of Castlegar
2016 - 2020 Financial Plan, revised

Schedule A to Bylaw 1252

CONSOLIDATED

Revenues	2016	2017	2018	2019	2020
Property Taxation	7,409,000	7,700,000	7,737,000	8,208,000	8,372,000
Fees and Charges	1,931,000	1,983,000	2,193,000	2,088,000	2,147,000
Other Sources	1,852,000	1,889,000	1,889,000	1,889,000	1,889,000
Collections for Other Agencies	7,774,000	7,774,000	7,774,000	7,929,000	8,088,000
Total General Fund	18,966,000	19,346,000	19,593,000	20,114,000	20,496,000
Storm Sewer Parcel Taxes	495,000	547,000	547,000	547,000	547,000
Water, Fees and Other Sources	2,133,000	1,748,000	1,773,000	1,808,000	1,844,000
Sewer, Fees and Other Sources	1,279,000	1,299,000	1,325,000	1,351,000	1,378,000
Airport, Fees and Other Sources	903,000	920,000	920,000	920,000	1,120,000
Total Consolidated Revenues	23,776,000	23,860,000	24,158,000	24,740,000	25,385,000
Expenses					
General Government	2,242,000	2,339,000	2,404,000	2,452,000	2,501,000
Protective Services	2,987,000	3,081,000	3,127,000	3,190,000	3,254,000
Transportation Services	2,121,000	2,243,000	2,281,000	2,327,000	2,374,000
Planning and Development	571,000	602,000	526,000	537,000	548,000
Environmental Protection	491,000	566,000	569,000	580,000	592,000
Public Health	124,000	126,000	128,000	131,000	134,000
Recreation and Cultural	1,354,000	1,457,000	1,448,000	1,477,000	1,507,000
Debt Services, Interest	21,000	21,000	21,000	21,000	21,000
Payments to Other Agencies	7,774,000	7,774,000	7,774,000	7,929,000	8,088,000
Storm Maintenance and Upgrades	110,000	112,000	114,000	117,000	119,000
Water Operations	893,000	982,000	999,000	1,019,000	1,039,000
Sewer Operations	816,000	826,000	839,000	856,000	873,000
Airport Operations	944,000	1,015,000	1,042,000	1,061,800	1,083,000
Total Operating Expenses	20,448,000	21,144,000	21,272,000	21,697,800	22,133,000
Amortization	2,885,000	2,890,000	2,930,000	2,957,000	2,984,000
Total Expenses	23,333,000	24,034,000	24,202,000	24,654,800	25,117,000
Surplus (Deficit)	443,000	(174,000)	(44,000)	85,200	268,000
Add back:					
Amortization	2,885,000	2,890,000	2,930,000	2,957,000	2,984,000
Internal Borrowing (Repayment)	(250,000)	(110,000)	(390,000)	(45,000)	-
Repayment of External Borrowing	(66,000)	(150,000)	(200,000)	(253,000)	(253,000)
Capital Expenditures	(15,247,000)	(15,626,000)	(5,733,000)	(4,237,000)	(1,611,000)
Borrowing	2,282,000	2,184,000	864,000	480,000	-
Grants for Capital Projects	5,855,000	8,430,000	2,048,000	602,500	252,000
Reserve Transfers					
Transfers to Reserves	(959,000)	(1,114,000)	(1,424,000)	(1,498,000)	(1,938,000)
Transfers from Reserves, Capital	5,057,000	3,670,000	1,949,000	1,909,500	299,000
	4,098,000	2,556,000	525,000	411,500	(1,639,000)
Financial Plan Balance	-	-	-	-	-

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 2016 financial plan calls for 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.

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

Table 1 Property Class	% of Total Taxes
Residential	40%
Utilities	3%
Major Industry	31%
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:

Table 2	
Revenue Source	Percentage
Property Value Taxation	38%
Parcel Tax	3%
Fees and Charges	32%
Other Sources	9%
Reserves & Surplus, Net	18%
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 opportunities for its equipment fleet and will use this method of financing when it is economically viable to do so.

2. Distribution of Property Value Taxes

The city is committed to ensuring a sustainable tax environment that benefits all citizens and ratepayers in the community. The city will ensure that property value taxes are apportioned on fair and equitable basis that will:

- Address the effects of rising costs and meet the demands of desired levels of service.
- Reduce the City’s dependency on the Major Industry property tax class.
- Ensure a competitive business tax environment.

In consideration of the foregoing and in order to ensure the sustainability of all property tax classes the City of Castlegar has implemented the following tax reduction strategy to the Major Industry property tax class:

- a) In 2010, property taxes assessed against Major Industry will be reduced by \$350,000 from 2009 levels.
- b) In 2011, property taxes assessed against Major Industry will be reduced by an additional \$55,000 from 2009 levels.
- c) In 2012, property taxes assessed against Major Industry will be reduced by an additional \$55,000 from 2009 levels.
- d) In 2013 and beyond, the City of Castlegar will undertake its best efforts to reduce property taxes assessed against Major Industry by an additional \$190,000.

By way of illustration, total tax reductions that would accrue to Major Industry are as follows:

<u>Year</u>	<u>Reductions Authorized in the Financial Plan (section 2(a to c))</u>
2010	\$350,000
2011	55,000
2012	55,000
2013	40,000
2014	40,000
2015	<u>20,000</u>
Total	\$560,000

<u>Year</u>	<u>*Reductions on a best efforts basis (section 2(d))</u>
2016 and beyond	\$90,000
Grand Total	\$650,000

- e) The City of Castlegar together with its Major Industry partners, will undertake a joint effort to engage in discussions and lobby the provincial government for additional tax relieve for Major Industry and to restore tax revenues, for the City, lost through the Major Industry tax reduction strategy proposed in this and preceding Five Year Financial Plans.

Such efforts will include education and negotiation to attempt to establish a tax rate, in respect of the Brilliant Dam and the portion of the Keenleyside Dam that lies within City boundaries, proportionately comparable to that applicable to Major Industry.

3. Use of 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.

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.