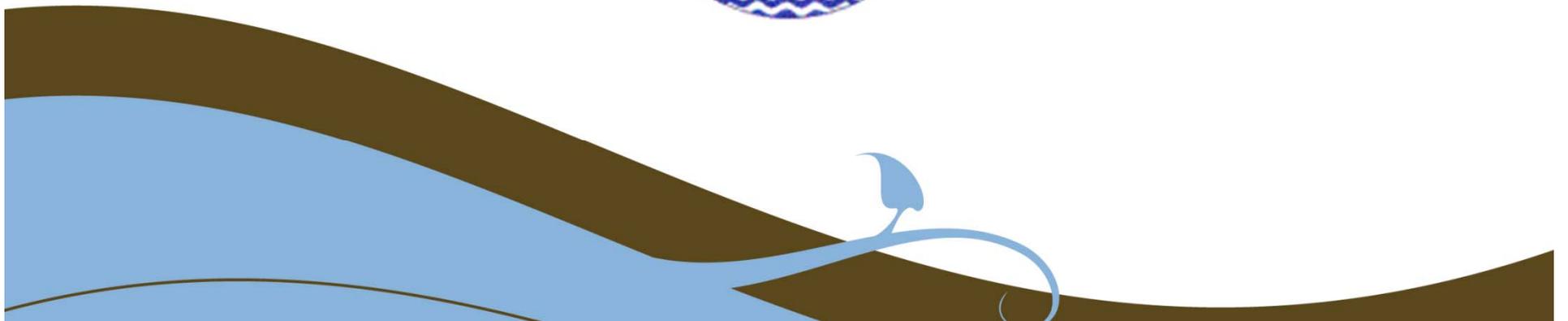




# CASTLEGAR

## 2017-2021 Draft Financial Plan





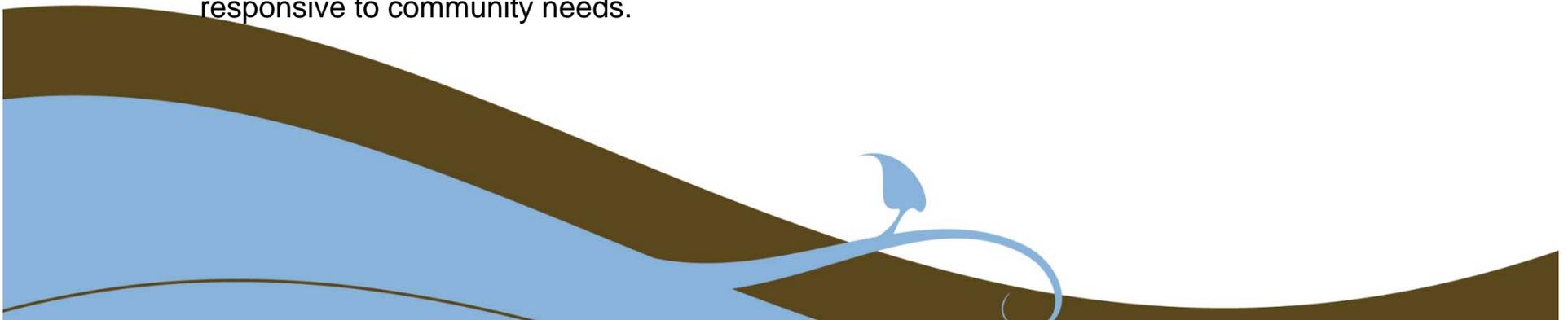
## Principles of Municipal Government (Community Charter, Part 1)

Municipalities and their Councils are recognized as an order of government within their jurisdiction that:

- a) is democratically elected, autonomous, responsible and accountable,
- b) is established and continued by the will of the residents of their communities, and
- c) provides for the municipal purposes of their communities.

In relation of the above, the Provincial government recognizes that municipalities require

- a) adequate powers and discretion to address existing and future community needs,
- b) authority to determine the public interest of their communities,
- c) the ability to draw on financial and other resources that are adequate to support community needs,
- d) authority to determine the levels of municipal expenditures and taxation that are appropriate for their purposes,
- e) authority to provide effective management and delivery of services in a manner that is responsive to community needs.



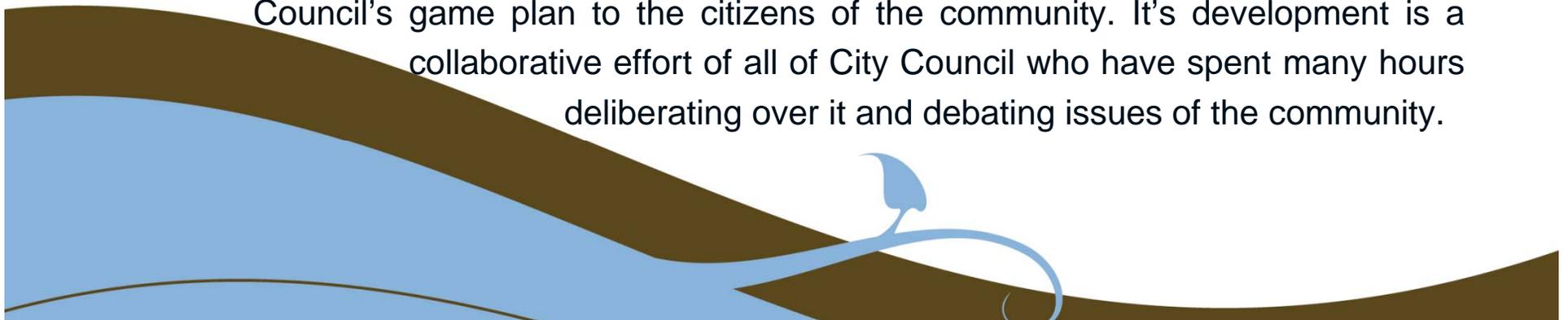


## Draft 2017-2021 Five Year Financial Plan

Section 165 of the *Community Charter* stipulates that municipalities:

- Must adopt a financial plan on an annual basis.
- The financial plan may be amended, by bylaw, at any time. This allows Council's to take advantage of opportunities and to meet community needs as they arise.
- The planning period for a financial plan is five years. This allows Council to plan for operational and capital needs in advance.
- The financial plan must set out objectives and policies of a municipality.

The City's financial plan is a primary strategic document of City Council. It is much more than dollars and cents as it directly impacts residents through the services they receive. It authorizes service levels, infrastructure projects and levels of taxation and illustrates Council's game plan to the citizens of the community. It's development is a collaborative effort of all of City Council who have spent many hours deliberating over it and debating issues of the community.





## Draft 2017 Review of the Strategic Plan

In order to guide financial plan development Council implemented a strategic plan that concentrates on these three pillars of community strength.

- **Infrastructure:** Maintaining and improving the reliability of City infrastructure. Council will continue to keep themselves informed of emerging issues and new goals that need to be addressed. The City will continue to pursue renewal of Columbia Avenue, water system improvements, water meter implementation as well as storm water system improvements.
- **Economic Development:** Council will continue to work on initiatives that create a vibrant economy that will continue to grow and provide future opportunities for residents. The City will continue to work to improve airport reliability and airport land development. The City will continue to study its taxation structure and increase the competitiveness of the municipality.
- **Community Wellness:** Building a healthy community for all residents. Castlegar will continue to support the arts and culture and implement programs that provide a social benefit to the community. Recreation and culture opportunities will be pursued and the Pedestrian and Cycling Master Plan, the Millennium Park Master Plan and the Castlegar and District Recreation Master Plan will continue to be implemented.





## Highlights of the proposed 2017-2021 Financial Plan

Council has been persistent in pursuing these goals and we believe the results are evident. The City has added subdivisions, green spaces, roads and paths; it has enhanced the fire department to address increased activity, supported new information technology and has expanded its workforce to ensure that staff resources are available to maintain the requirements of an evolving City. The many initiatives that have been undertaken over the years have pressured the financial resources that are available for the maintenance and replacement of aging infrastructure and Council has taken important steps to ensure that the City remains financially sustainable.

The 2017 budget continues on this theme and recommends an increase in general municipal residential taxation of approximately \$55 per annum (\$4.58 per month), for the average household. This measure is part of a sustained effort to ensure the City has the financial resources to develop and maintain its infrastructure and still remain competitive in terms of total taxes on an average single family home. The 2017 budget also recommends an increase of 1% to business taxes. This is consistent with Council's economic development strategic priority and will help to ensure the City's business taxes are competitive, incentivize business to locate in Castlegar and foster a vibrant and healthy business community.



## Highlights of the proposed 2017-2021 Financial Plan

The proposed changes will help ensure that the City has the resources to maintain its infrastructure and still remain competitive in terms of total taxes on an average single family home. The chart below compares Castlegar's estimated 2017 taxes and charges on an average family home to 2016 taxes and charges in other area municipalities.

### Exhibit 1

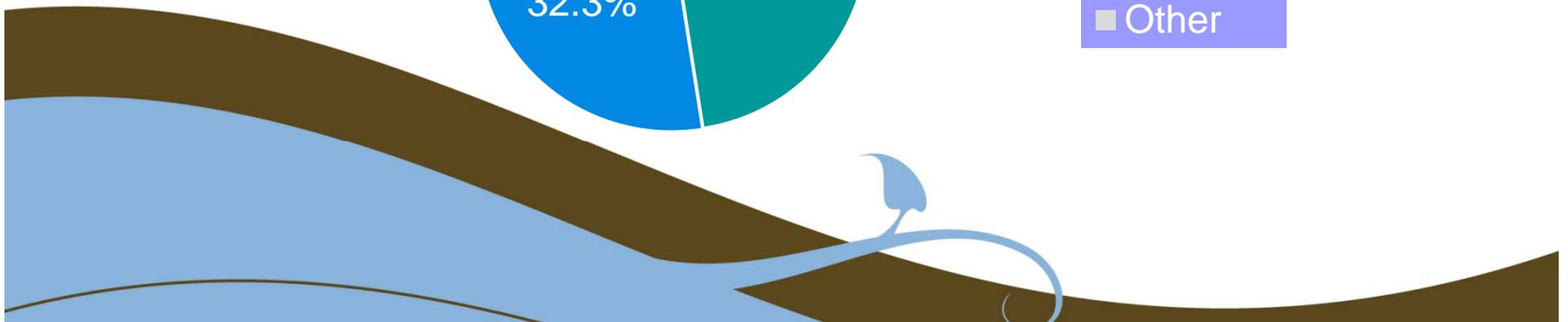
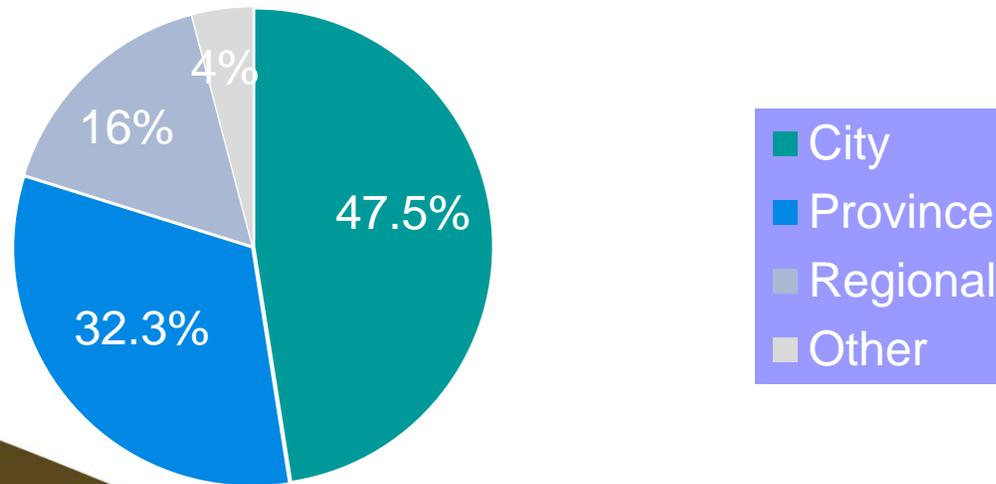
#### Taxes and Charges on a Representative House, 2016 (Source: Ministry of Community Services)

| Municipality.                  | Municipal Taxes | School | Regional District | Other | Total Taxes | Parcel Taxes | User Fees | Total |
|--------------------------------|-----------------|--------|-------------------|-------|-------------|--------------|-----------|-------|
| <b>Castlegar 2017 estimate</b> | 937             | 739    | 368               | 94    | 2,138       | 150          | 870       | 3,158 |
| <b>Trail</b>                   | 944             | 485    | 487               | 62    | 1,978       | 150          | 727       | 2,855 |
| <b>Nakusp</b>                  | 859             | 523    | 382               | 130   | 1,894       | -            | 760       | 2,654 |
| <b>Creston</b>                 | 1,238           | 554    | 634               | 46    | 2,472       | 326          | 537       | 3,335 |
| <b>Warfield</b>                | 885             | 584    | 411               | 159   | 2,039       | 951          | 814       | 3,804 |
| <b>Fruitvale</b>               | 611             | 600    | 707               | 165   | 2,083       | 595          | 650       | 3,328 |
| <b>Cranbrook</b>               | 1,956           | 620    | 49                | 54    | 2,679       | 198          | 714       | 3,591 |
| <b>Nelson</b>                  | 1,553           | 833    | 577               | 118   | 3,081       | 15           | 1,131     | 4,227 |
| <b>Rossland</b>                | 1,899           | 734    | 506               | 173   | 3,312       | 216          | 676       | 4,204 |
| <b>Average</b>                 | 1,176           | 640    | 448               | 109   | 2,374       | 275          | 775       | 3,424 |



## Highlights of the proposed 2017-2021 Financial Plan—Where Your Tax Dollars Go

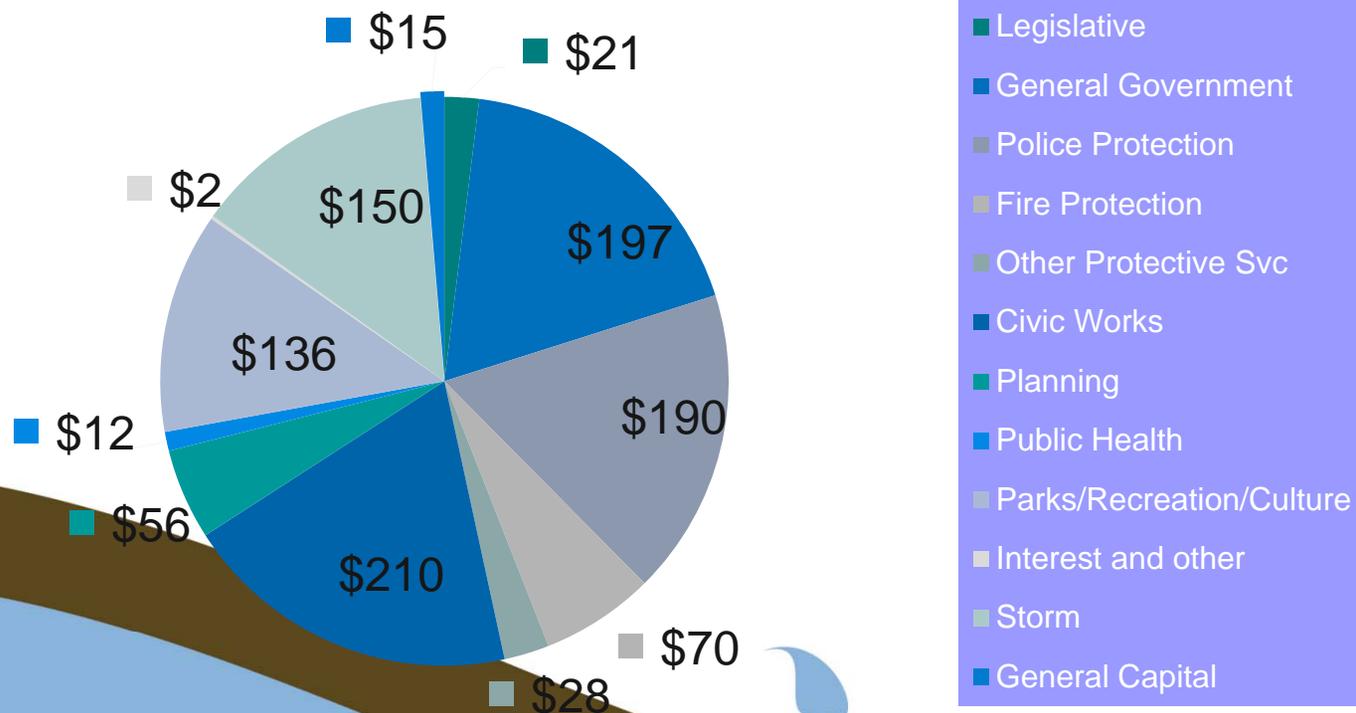
The City collects property taxes on behalf of the Regional District, the province for schools, and other taxing jurisdictions. After factoring in the effect of the proposed changes it is estimated that 47.5% of your tax bill goes to the City of Castlegar for local municipal services and 52.5% goes to other taxing jurisdictions.





## Highlights of the proposed 2017-2021 Financial Plan – Where Your Tax Dollars Go

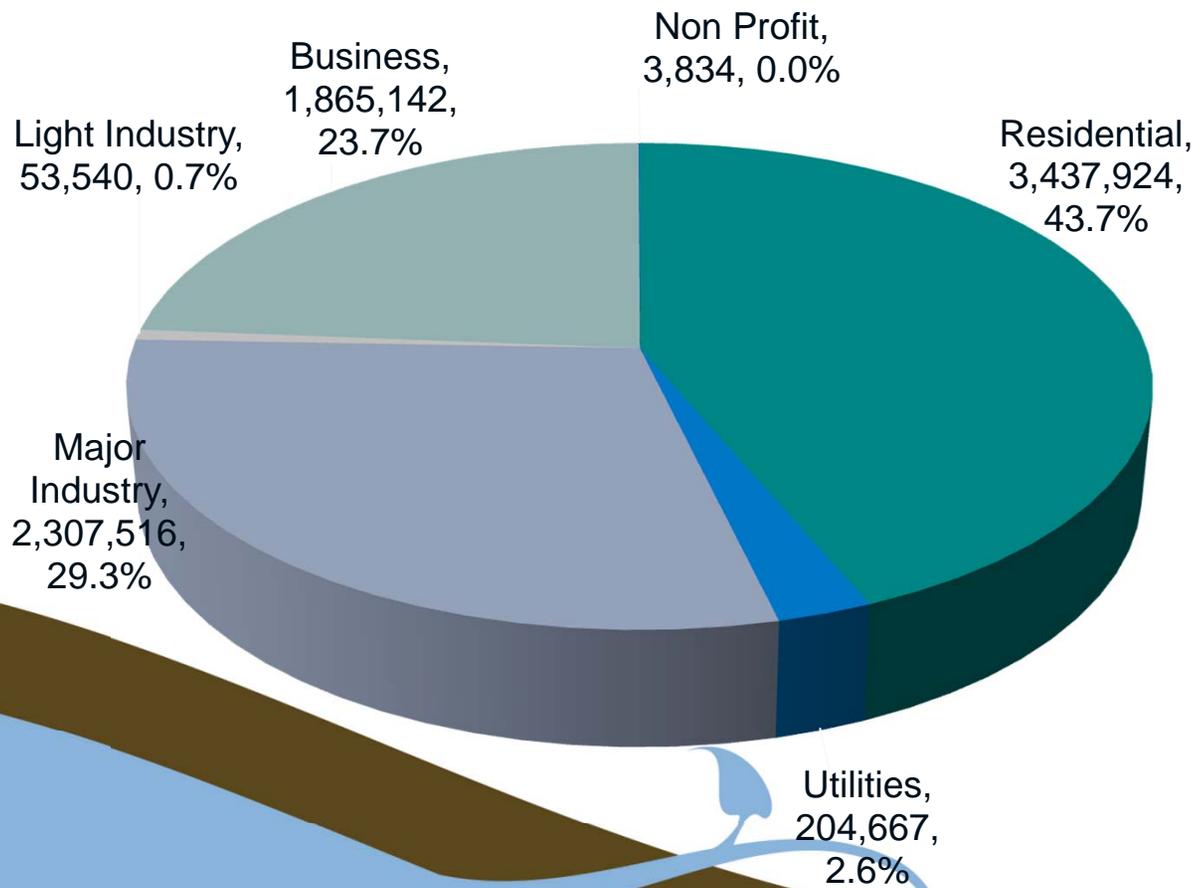
The 2017 average assessed value of a Castlegar residential property is \$265,994. Total municipal residential taxes, based on the average assessed value, are expected to be approximately \$1,087. The following chart shows what this amount is used for.





## Highlights of the proposed 2017-2021 Financial Plan

The City will collect approximately \$7.87 million in municipal taxes in 2017. This chart shows the amount collected from each property class.



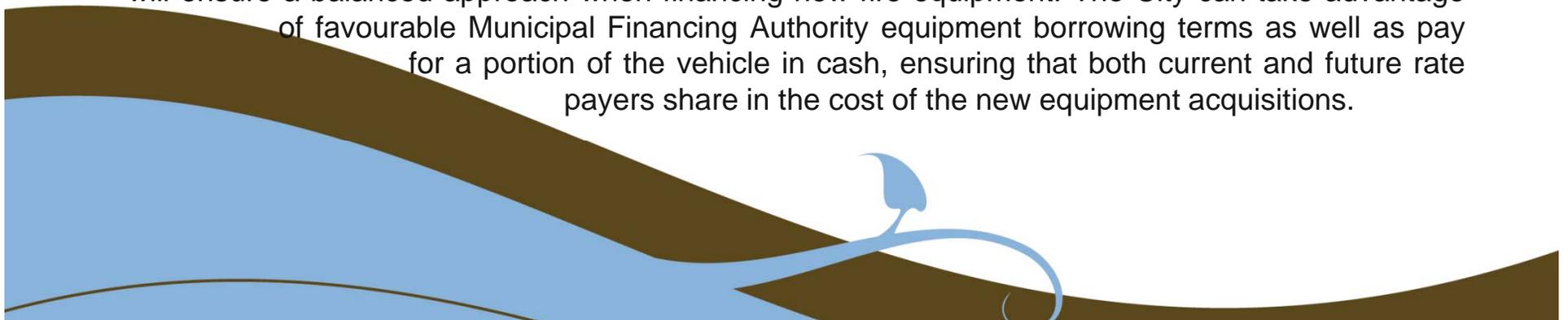


## Highlights of the proposed 2017-2021 Financial Plan – Capital Program and Initiatives

- \$4,822,000 has been placed in the 2017 budget for the North Columbia Avenue Infrastructure project. This project will repave a significant portion of Columbia Avenue and allow the City to improve some of its underground infrastructure. It will also allow the City to construct a new section of the pedestrian and cycling trail as called for in the Pedestrian and Cycling Master Plan. As with many major capital projects the City has undertaken a rigorous planning process and will construct this project in financial partnership with other levels of government. The City has been awarded 2/3's grant funding, in the amount of \$3,214,842, from the Canada/BC Small Communities Fund for this project. Further public consultation, on this project, will take place later this spring.

The budget proposes that the City finance its 1/3 share of \$1,607,000 using Municipal Finance Authority long-term debt. This will ensure that the City retains resources to take advantage of further senior government grant opportunities as well as the current low interest rate environment.

- The budget proposes to set aside an additional \$100,000 per annum into reserve. It proposes that \$40,000 per annum be placed in the fire equipment reserve and \$60,000 in a roads reserve. This will ensure a balanced approach when financing new fire equipment. The City can take advantage of favourable Municipal Financing Authority equipment borrowing terms as well as pay for a portion of the vehicle in cash, ensuring that both current and future rate payers share in the cost of the new equipment acquisitions.





## Highlights of the proposed 2017-2021 Financial Plan – Capital Program and Initiatives

- In 2016, the City transitioned to a new solid waste management program and lowered residential solid waste collection fees from \$122 per annum, per household, to \$110. The reason for this savings was that the City expected to benefit from synergies and economies of scale in administering a complete recycling and garbage pick-up solid waste program. These efforts have paid off. For the year ending 2016 the City expects that Castlegar will have saved approximately \$36,000 in the recycling program and \$52,000 in the garbage pickup program and has placed these amounts in reserve. In the coming months the City will adjust solid waste management rates to reflect the expected cost of this self-balancing program.

Another important benefit of managing a complete solid waste management program is that the City can tailor the program to meet citizen needs.

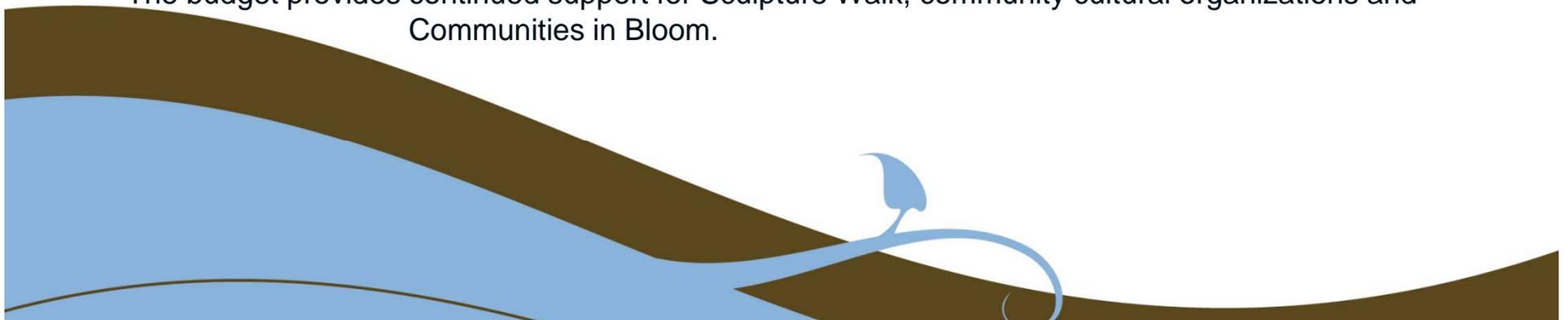
In 2016 the operating cost of the new Yard Waste Program was approximately \$113,000. The cost of this successful program has exceeded the ability of the Parks Operation and Maintenance budget to absorb the cost.

For 2017, as an interim measure, the budget proposes to move the Yard Waste Program to the Environment Health section of the budget, with garbage and recycling, and use accumulated solid waste reserves to pay the cost of the program. City Council will seek public feedback in determining how the City should finance this program in the future.



## Draft 2017-2021 Financial Plan

- \$462,000 has been placed in the budget to make the final payment for the purchase of the new Fire Engine Ladder Truck. The total cost of the Fire Ladder Truck is expected to be approximately \$1,432,000 Canadian dollars and it is expected that the City will receive delivery of the truck on April 18, 2017. Upon receipt of the new Fire Truck the City's 1987 Fire Engine will be retired, as mandated. A new truck is a 20 year investment and a ladder truck will allow for development that currently doesn't exist in the City. It would be an attractive consideration for those considering developing large box stores, multi-level care facilities, a regional hospital or for other industry development.
- The budget supports projects completed in partnership with other jurisdictions. It includes a \$50,000 line item for a Castlegar and Area I and J Doctor Recruitment Program. Fifty percent of the funding will be provided by area's I and J. An additional \$25,000 was provided for a Doukhobor Video and Archiving project which will be jointly funded by the CBT and Area's I and J.
- The budget provides continued support for Sculpture Walk, community cultural organizations and Communities in Bloom.

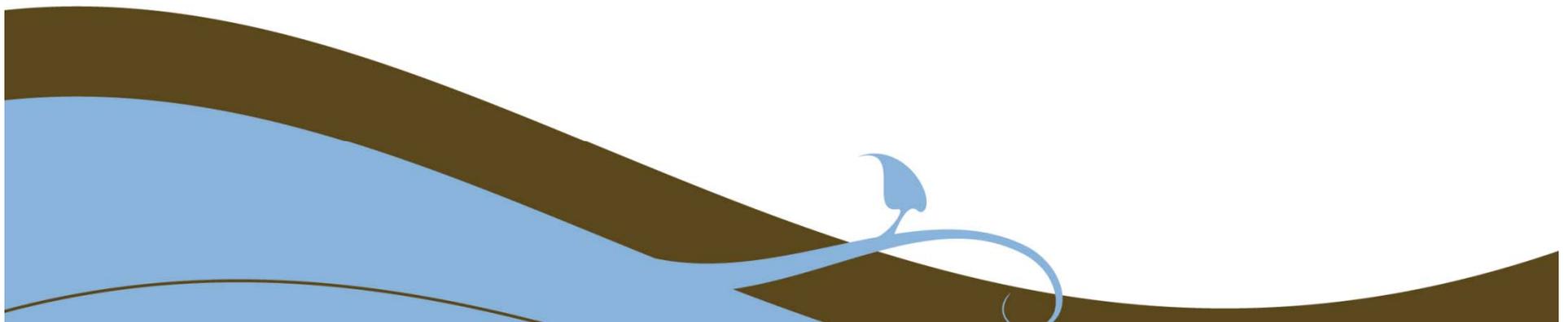




## Draft 2017-2021 Financial Plan

- The 2017 budget also includes a \$168,000 amount to complete the Kinnaird Bridge to College Trail. This project will be constructed with the financial support of the Province of British Columbia and BC Hydro who will contribute \$59,000 and \$50,000 respectively. The City's share is \$59,000.

This project constructs another link of the Pedestrian and Cycling Master Plan trail. Along with other projects in the area, it will allow pedestrians and cyclists to bypass the busy Castlegar interchange area and safely commute from north Castlegar to south Castlegar, or vice-versa, and across the Kinnaird bridge to the Art Gallery, the Doukhobor Museum and Selkirk College.





# Draft 2017-2021 Financial Plan

**Questions**

**Comments**

**Suggestions**

