

TOWN OF CRESTON

BYLAW NO. 1863

A bylaw to establish a Five Year Financial Plan.

WHEREAS a municipality must have a Five Year Financial Plan that is adopted annually by bylaw;

NOW THEREFORE the Council of the Town of Creston, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as "Five Year Financial Plan (2018 - 2022) Bylaw No. 1863, 2018".
2. The Five Year Financial Plan (2018 - 2022) is attached to and forms a part of this Bylaw, as Schedule "A".
3. This bylaw shall come into full force and effect upon adoption.

READ A FIRST TIME by title and SECOND TIME by content this 17th day of April, 2018.

READ A THIRD TIME by title this 17th day of April, 2018.

ADOPTED this 24th day of April, 2018.

"Ron Toyota"
Mayor Ron Toyota

"Stacey Hadley"
Stacey Hadley, Corporate Officer

TOWN OF CRESTON

FIVE YEAR CONSOLIDATED FINANCIAL PLAN

	2018	2019	2020	2021	2022	TOTALS
REVENUES						
PROPERTY TAXES	\$ 4,240,198	\$ 4,477,000	\$ 4,705,000	\$ 4,836,000	\$ 4,964,000	\$ 23,222,198
OTHER TAXES AND ASSESSMENTS	925,374	928,300	932,800	936,800	940,800	4,664,074
FEES AND CHARGES	3,502,458	3,478,325	3,727,428	3,776,311	3,821,167	18,305,689
OTHER SOURCES	1,654,506	1,444,975	1,424,036	1,416,230	1,408,254	7,348,001
CAPITAL GRANTS	1,604,668	2,431,920	3,279,000	2,090,000	490,000	9,895,588
TOTAL REVENUES	11,927,204	12,760,520	14,068,264	13,055,341	11,624,221	63,435,550
EXPENDITURES						
MUNICIPAL PURPOSES	8,563,405	8,120,555	8,195,318	8,428,699	8,538,535	41,846,512
INTEREST ON DEBT	360,214	351,039	428,497	416,916	435,351	1,992,017
AMORTIZATION	2,116,015	2,236,500	2,458,370	2,799,842	2,906,542	12,517,269
TOTAL EXPENDITURES	11,039,634	10,708,094	11,082,185	11,645,457	11,880,428	56,355,798
SURPLUS (DEFICIT) FOR THE YEAR	887,570	2,052,426	2,986,079	1,409,884	(256,207)	7,079,752
CAPITAL DEBT AND RESERVE TRANSFERS						
CAPITAL EXPENDITURES	(3,173,039)	(8,103,497)	(5,659,150)	(3,201,000)	(2,255,500)	(22,392,186)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	2,116,015	2,236,500	2,458,370	2,799,842	2,906,542	12,517,269
BORROWING	-	3,400,000	1,250,000	-	1,000,000	5,650,000
PRINCIPAL ON DEBT	(331,235)	(278,807)	(453,318)	(432,339)	(433,904)	(1,929,603)
TRANSFERS FROM :						
RESERVE FUNDS	450,888	1,079,560	179,560	534,000	122,500	2,366,508
ACCUMULATED SURPLUS	700,385	576,779	215,759	-	19,682	1,512,605
TRANSFERS TO:						
ACCUMULATED SURPLUS	-	(248,961)	(166,300)	(252,387)	(269,113)	(936,761)
RESERVE FUNDS	(650,584)	(714,000)	(811,000)	(858,000)	(834,000)	(3,867,584)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(887,570)	(2,052,426)	(2,986,079)	(1,409,884)	256,207	(7,079,752)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	0	0	0	0	0	0

TOWN OF CRESTON
FIVE YEAR FINANCIAL PLAN

	<u>GENERAL FUND</u>					
	2018	2019	2020	2021	2022	TOTALS
<u>REVENUES</u>						
PROPERTY TAXES	4,240,198	4,477,000	4,705,000	4,836,000	4,964,000	23,222,198
OTHER TAXES & ASSESSMENTS	109,574	112,000	115,000	117,000	119,000	572,574
FEES & CHARGES	817,977	840,890	1,041,919	1,059,131	1,072,384	4,832,301
OTHER SOURCES	1,868,006	1,715,975	1,696,036	1,687,230	1,676,254	8,643,501
GAS TAX AND DEVELOPMENT COST CHARGES	525,916	122,000	375,000	130,000	375,000	1,527,916
CAPITAL GRANTS	35,420	309,920	2,370,000	1,960,000	115,000	4,790,340
TOTAL REVENUES	7,597,091	7,577,785	10,302,955	9,789,361	8,321,638	43,588,830
<u>EXPENDITURES</u>						
OTHER MUNICIPAL PURPOSES	6,157,566	5,915,632	6,033,541	6,153,787	6,276,917	30,537,443
INTEREST ON DEBT	298,489	290,719	369,634	359,563	379,563	1,697,968
AMORTIZATION	1,358,171	1,445,180	1,589,917	1,895,584	1,990,917	8,279,769
TOTAL EXPENDITURES	7,814,226	7,651,531	7,993,092	8,408,934	8,647,397	40,515,180
SURPLUS (DEFICIT) FOR THE YEAR	(217,135)	(73,746)	2,309,863	1,380,427	(325,759)	3,073,650
<u>CAPITAL DEBT AND RESERVE TRANSFERS</u>						
CAPITAL EXPENDITURES	(1,305,129)	(5,789,497)	(4,585,000)	(2,860,000)	(1,898,500)	(16,438,126)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	1,358,171	1,445,180	1,589,917	1,895,584	1,990,917	8,279,769
BORROWING	-	3,400,000	1,250,000	-	1,000,000	5,650,000
PRINCIPAL ON DEBT	(218,108)	(164,276)	(337,329)	(314,840)	(314,840)	(1,349,393)
TRANSFERS FROM:						
RESERVE FUNDS	450,888	1,079,560	179,560	534,000	122,500	2,366,508
ACCUMULATED SURPLUS	341,897	576,779	163,989	-	19,682	1,102,347
TRANSFERS TO:						
ACCUMULATED SURPLUS	-	-	-	(17,171)	-	(17,171)
RESERVE FUNDS	(410,584)	(474,000)	(571,000)	(618,000)	(594,000)	(2,667,584)
NET CAPITAL DEBT AND RESERVE TRANSFERS	217,135	73,746	(2,309,863)	(1,380,427)	325,759	(3,073,650)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	-	-	-	-	-	-

TOWN OF CRESTON
FIVE YEAR FINANCIAL PLAN

	<u>WATER FUND</u>					
	2018	2019	2020	2021	2022	TOTALS
<u>REVENUES</u>						
OTHER TAXES & ASSESSMENTS	387,000	387,000	388,000	389,000	390,000	1,941,000
FEEES & CHARGES	1,174,000	1,200,492	1,230,476	1,258,072	1,289,294	6,152,334
OTHER SOURCES	69,500	17,000	18,000	19,000	22,000	145,500
CAPITAL GRANTS	743,332	-	-	-	-	743,332
TOTAL REVENUES	2,373,832	1,604,492	1,636,476	1,666,072	1,701,294	8,982,166
<u>EXPENDITURES</u>						
INTEREST ON DEBT	-	-	-	-	-	-
OTHER MUNICIPAL PURPOSES	654,182	584,440	595,176	603,067	614,119	3,050,984
ARROW CREEK WATER CONTRIBUTIONS	700,783	650,000	675,000	700,000	715,000	3,440,783
AMORTIZATION	220,763	234,575	238,875	245,542	250,409	1,190,164
TOTAL EXPENDITURES	1,575,728	1,469,015	1,509,051	1,548,609	1,579,528	7,681,931
SURPLUS (DEFICIT) FOR THE YEAR	798,104	135,477	127,425	117,463	121,766	1,300,235
<u>CAPITAL DEBT AND RESERVE TRANSFERS</u>						
CAPITAL EXPENDITURES	(1,278,000)	(129,000)	(200,000)	(146,000)	(156,000)	(1,909,000)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	220,763	234,575	238,875	245,542	250,409	1,190,164
BORROWING	-	-	-	-	-	-
PRINCIPAL ON DEBT	-	-	-	-	-	-
TRANSFERS FROM:						
ACCUMULATED SURPLUS	259,133	-	-	-	-	259,133
DEVELOPMENT COST CHARGE FUNDS	-	-	-	-	-	-
DISTRICT WATER RESERVE	-	-	-	-	-	-
TRANSFERS TO:						
ACCUMULATED SURPLUS	-	(241,052)	(166,300)	(217,005)	(216,175)	(840,532)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(798,104)	(135,477)	(127,425)	(117,463)	(121,766)	(1,300,235)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	-	-	-	-	-	-

TOWN OF CRESTON
FIVE YEAR FINANCIAL PLAN

SEWER FUND

	2018	2019	2020	2021	2022	TOTALS
<u>REVENUES</u>						
OTHER TAXES & ASSESSMENTS	428,800	429,300	429,800	430,800	431,800	1,718,700
FEES & CHARGES	1,510,481	1,436,943	1,455,033	1,459,108	1,459,489	5,861,565
OTHER SOURCES	17,000	12,000	10,000	10,000	10,000	49,000
CAPITAL GRANTS	300,000	2,000,000	534,000	-	-	2,834,000
TOTAL REVENUES	2,256,281	3,878,243	2,428,833	1,899,908	1,901,289	10,463,265
<u>EXPENDITURES</u>						
INTEREST ON DEBT	61,725	60,320	58,863	57,353	55,788	238,261
OTHER MUNICIPAL PURPOSES	1,350,874	1,270,483	1,191,601	1,271,845	1,232,499	5,084,803
AMORTIZATION	537,081	556,745	629,578	658,716	665,216	2,382,120
TOTAL EXPENDITURES	1,949,680	1,887,548	1,880,042	1,987,914	1,953,503	7,705,184
SURPLUS (DEFICIT) FOR THE YEAR	306,601	1,990,695	548,791	(88,006)	(52,214)	2,758,081
<u>CAPITAL DEBT AND RESERVE TRANSFERS</u>						
CAPITAL EXPENDITURES	(589,910)	(2,185,000)	(874,150)	(195,000)	(201,000)	(3,844,060)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	537,081	556,745	629,578	658,716	665,216	2,382,120
BORROWING	-	-	-	-	-	-
PRINCIPAL ON DEBT	(113,127)	(114,531)	(115,989)	(117,499)	(119,064)	(461,146)
TRANSFERS FROM:						
CAPITAL RESERVE	-	-	-	-	-	-
ACCUMULATED SURPLUS	99,355	-	51,770	-	-	151,125
TRANSFERS TO:						
CAPITAL RESERVE	-	-	-	-	-	-
SEPTAGE OPERATING RESERVE	-	-	-	-	-	-
ACCUMULATED SURPLUS	-	(7,909)	-	(18,211)	(52,938)	(26,120)
WWTP REPLACEMENT RESERVE	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(960,000)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(306,601)	(1,990,695)	(548,791)	88,006	52,214	(2,758,081)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	-	-	-	-	-	-

Schedule A to Bylaw 1863

2018 CAPITAL EXPENDITURE FINANCING

GENERAL CAPITAL EXPENDITURES

From operating and surplus	361,709
From Infrastructure grants	531,420
From reserves	383,500
From non-government organizations	<u>28,500</u>
	1,305,129

WATER CAPITAL EXPENDITURES

From operating and surplus	534,668
From infrastructure grants	<u>743,332</u>
	<u>1,278,000</u>

SEWER CAPITAL EXPENDITURES

From operating and surplus	215,815
From capital contributions	74,095
From infrastructure grants	<u>300,000</u>
	589,910

TOTAL CAPITAL

3,173,039

TOWN OF CRESTON FINANCIAL OBJECTIVES AND POLICIES

The Town of Creston Financial Planning Guidelines reflects Council's direction to increase alternative revenue streams wherever possible to reduce reliance on property taxes in order to maintain existing programs and services. Council is also committed to having the sufficient funding available to insure that current infrastructure is proactively maintained thereby delaying much higher replacement costs as long as possible. In order to insure that funding is available for planned capital replacement and infrastructure renewal, Council policy is to have reserves funded for those purposes.

The Financial Plan for 2018 shows property taxes is 35.6% of proposed funding sources identified in section 165(7) of the Community Charter. This is a normal amount and is slightly lower than 2017 (37.7%). With the requirement to pay for 70% of the RCMP costs since 2012, the reliance on taxation has increased.

Council has considered the distribution of property taxes among the various property classes. It is Council's policy to adjust the mill rates such that the ratio of taxes paid by the various classes remains relatively constant from year to year taking into account new construction.

Permissive tax exemptions approved by Council are a means of supporting organizations within the community that furthers Council's objectives of enhancing the quality of life and delivering services economically.

As part of the Town of Creston's economic development strategy, Council may establish one or more revitalization tax exemption programs to encourage investment in the Town's existing commercial enterprises and the development of new commercial ventures, such as tourism related businesses, with the objectives of stimulating new economic growth and revitalization of existing commercial uses in the Town.