Town of Creston

Bylaw No. 1882

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:

Part 1 Citation

1.1 This bylaw may be cited as "Five Year Financial Plan (2019 – 2023) Bylaw No. 1882, 2019".

Part 2 Severability

2.1 If a portion of this bylaw is held invalid by a Court of competent jurisdiction, then the invalid portion must be severed and the remainder of this bylaw is deemed to have been adopted without the severed section, subsection, paragraph, subparagraph, clause or phrase.

Part 3 Five Year Financial Plan Established

3.1 The Five Year Financial Plan (2019 – 2023) is attached to and forms a part of this Bylaw, as Schedule "A".

Part 4 Effective Date

4.1 This bylaw shall come into full force and effect upon adoption.

READ A FIRST TIME by title and SECOND TIME by content this 16th day of April, 2019.

READ A THIRD TIME by title this 16th day of April, 2019.

ADOPTED this 23rd day of April, 2019.

"Ron Toyota"
Mayor Ron Toyota

"Stacey Hadley"
Stacey Hadley, Corporate Officer

SCHEDULE "A" TO BYLAW NO. 1882

TOWN OF CRESTON

FIVE YEAR CONSOLIDATED FINANCIAL PLAN

	2019	2020	2021	2022	2023	TOTALS
REVENUES						
PROPERTY TAXES	$ 4,481,363	$ 4,665,000	$ 4,844,000	$ 5,003,000	$ 5,161,000	$ 24,154,363
OTHER TAXES AND ASSESSMENTS	929,198	932,600	936,100	941,100	945,100	4,684,098
FEES AND CHARGES	3,722,363	3,932,469	4,051,527	4,150,441	4,200,369	20,057,169
OTHER SOURCES	1,692,939	1,576,278	1,578,381	1,592,915	1,601,481	8,041,994
CAPITAL GRANTS	1,414,003	3,961,500	3,560,500	3,211,500	1,221,500	13,369,003
TOTAL REVENUES	12,239,866	15,067,847	14,970,508	14,898,956	13,129,450	70,306,627
EXPENDITURES						
MUNICIPAL PURPOSES	8,827,792	8,594,663	8,811,678	8,921,147	9,151,609	44,306,889
INTEREST ON DEBT	276,039	336,982	417,378	415,813	351,366	1,797,578
AMORTIZATION	2,108,653	2,263,987	2,499,017	2,625,614	2,768,830	12,266,101
TOTAL EXPENDITURES	11,212,484	11,195,632	11,728,073	11,962,574	12,271,805	58,370,568
SURPLUS (DEFICIT) FOR THE YEAR	1,027,382	3,872,215	3,242,435	2,936,382	857,645	11,936,059
CAPITAL DEBT AND RESERVE TRANSFERS						
CAPITAL EXPENDITURES	(5,165,758)	(8,529,500)	(4,772,150)	(4,296,500)	(3,293,000)	(26,056,908)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	2,108,653	2,263,987	2,499,017	2,625,614	2,768,830	12,266,101
BORROWING	1,600,000	2,358,388	-	-	1,000,000	4,958,388
PRINCIPAL ON DEBT	(278,807)	(313,896)	(342,489)	(344,054)	(345,677)	(1,624,923)
TRANSFERS FROM :						
RESERVE FUNDS	1,015,400	852,672	568,500	441,500	456,500	3,334,572
ACCUMULATED SURPLUS	480,778	507,742	-	-	-	988,520
TRANSFERS TO:						
ACCUMULATED SURPLUS	-	(176,608)	(367,313)	(523,942)	(472,298)	(1,540,161)
RESERVE FUNDS	(787,648)	(835,000)	(828,000)	(839,000)	(972,000)	(4,261,648)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(1,027,382)	(3,872,215)	(3,242,435)	(2,936,382)	(857,645)	(11,936,059)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	0	0	0	0	0	0

TOWN OF CRESTON

FIVE YEAR FINANCIAL PLAN

GENERAL FUND

	2019	2020	2021	2022	2023	TOTALS
REVENUES						
PROPERTY TAXES	4,481,363	4,665,000	4,844,000	5,003,000	5,161,000	24,154,363
OTHER TAXES & ASSESSMENTS	112,498	115,000	117,000	120,000	122,000	586,498
FEES & CHARGES	999,809	1,119,910	1,255,018	1,273,848	1,288,561	5,937,146
OTHER SOURCES	1,908,439	1,846,278	1,842,381	1,850,915	1,849,481	9,297,494
GAS TAX AND DEVELOPMENT COST CHARGES	197,916	375,000	130,000	375,000	130,000	1,207,916
CAPITAL GRANTS	349,420	1,586,500	2,896,500	2,836,500	1,091,500	8,760,420
TOTAL REVENUES	8,049,445	9,707,688	11,084,899	11,459,263	9,642,542	49,943,837
EXPENDITURES						
OTHER MUNICIPAL PURPOSES	6,511,684	6,368,967	6,491,445	6,616,238	6,744,596	32,732,930
INTEREST ON DEBT	215,719	278,119	360,025	360,025	297,201	1,511,089
AMORTIZATION	1,332,889	1,434,035	1,581,898	1,679,323	1,810,606	7,838,751
TOTAL EXPENDITURES	8,060,292	8,081,121	8,433,368	8,655,586	8,852,403	42,082,770
SURPLUS (DEFICIT) FOR THE YEAR	(10,847)	1,626,567	2,651,531	2,803,677	790,139	7,861,067
CAPITAL DEBT AND RESERVE TRANSFERS						
CAPITAL EXPENDITURES	(3,540,120)	(5,914,500)	(3,897,000)	(3,938,500)	(2,948,000)	(20,238,120)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	1,332,889	1,434,035	1,581,898	1,679,323	1,810,606	7,838,751
BORROWING	1,600,000	2,358,388	-	-	1,000,000	4,958,388
PRINCIPAL ON DEBT	(164,276)	(197,907)	(224,990)	(224,990)	(224,990)	(1,037,153)
TRANSFERS FROM:						
RESERVE FUNDS	1,015,400	852,672	568,500	441,500	456,500	3,334,572
ACCUMULATED SURPLUS	314,602	435,745	-	-	-	750,347
TRANSFERS TO:						
ACCUMULATED SURPLUS	-	-	(91,939)	(162,010)	(152,255)	(406,204)
RESERVE FUNDS	(547,648)	(595,000)	(588,000)	(599,000)	(732,000)	(3,061,648)
NET CAPITAL DEBT AND RESERVE TRANSFERS	10,847	(1,626,567)	(2,651,531)	(2,803,677)	(790,139)	(7,861,067)
Surplus (deficit) plus Capital, Debt and Reserve Trans	-	-	-	-	-	-

TOWN OF CRESTON

FIVE YEAR FINANCIAL PLAN

WATER FUND

	2019	2020	2021	2022	2023	TOTALS
REVENUES						
OTHER TAXES & ASSESSMENTS	387,300	388,000	389,000	390,000	391,000	1,945,300
FEES & CHARGES	1,199,800	1,226,766	1,257,337	1,285,534	1,317,370	6,286,807
OTHER SOURCES	79,500	30,000	36,000	42,000	47,000	234,500
CAPITAL GRANTS	566,667	-	-	-	-	566,667
TOTAL REVENUES	2,233,267	1,644,766	1,682,337	1,717,534	1,755,370	9,033,274
EXPENDITURES						
INTEREST ON DEBT	-	-	-	-	-	-
OTHER MUNICIPAL PURPOSES	605,080	575,158	585,709	593,413	604,273	2,963,633
ARROW CREEK WATER CONTRIBUTIONS	725,000	693,000	694,000	707,000	713,000	3,532,000
AMORTIZATION	209,655	242,875	249,542	254,409	259,642	1,216,123
TOTAL EXPENDITURES	1,539,735	1,511,033	1,529,251	1,554,822	1,576,915	7,711,756
SURPLUS (DEFICIT) FOR THE YEAR	693,532	133,733	153,086	162,712	178,455	1,321,518
CAPITAL DEBT AND RESERVE TRANSFERS						
CAPITAL EXPENDITURES	(996,588)	(200,000)	(146,000)	(157,000)	(163,000)	(1,662,588)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	209,655	242,875	249,542	254,409	259,642	1,216,123
TRANSFERS FROM:						
ACCUMULATED SURPLUS	393,401	-	-	-	-	393,401
TRANSFERS TO:						
TRANSFER TO GENERAL SURPLUS	(300,000)	-				
ACCUMULATED SURPLUS	-	(176,608)	(256,628)	(260,121)	(275,097)	(968,454)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(693,532)	(133,733)	(153,086)	(162,712)	(178,455)	(1,321,518)
Surplus (deficit) plus Capital, Debt and Reserve Trans	-	-	-	-	-	-

TOWN OF CRESTON

FIVE YEAR FINANCIAL PLAN

SEWER FUND

	2019	2020	2021	2022	2023	TOTALS
REVENUES						
OTHER TAXES & ASSESSMENTS	429,400	429,600	430,100	431,100	432,100	1,720,200
FEES & CHARGES	1,522,754	1,585,793	1,539,172	1,591,059	1,594,438	6,238,778
OTHER SOURCES	25,000	20,000	20,000	20,000	25,000	85,000
CAPITAL GRANTS	300,000	2,000,000	534,000	-	-	2,834,000
TOTAL REVENUES	2,277,154	4,035,393	2,523,272	2,042,159	2,051,538	10,877,978
EXPENDITURES						
INTEREST ON DEBT	60,320	58,863	57,353	55,788	54,165	232,324
OTHER MUNICIPAL PURPOSES	1,306,028	1,277,538	1,360,524	1,324,496	1,409,740	5,268,586
AMORTIZATION	566,109	587,077	667,577	691,882	698,582	2,512,645
TOTAL EXPENDITURES	1,932,457	1,923,478	2,085,454	2,072,166	2,162,487	8,013,555
SURPLUS (DEFICIT) FOR THE YEAR	344,697	2,111,915	437,818	(30,007)	(110,949)	2,864,423
CAPITAL DEBT AND RESERVE TRANSFERS						
CAPITAL EXPENDITURES	(629,050)	(2,415,000)	(729,150)	(201,000)	(182,000)	(3,974,200)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	566,109	587,077	667,577	691,882	698,582	2,512,645
PRINCIPAL ON DEBT	(114,531)	(115,989)	(117,499)	(119,064)	(120,687)	(467,083)
TRANSFERS FROM:						
ACCUMULATED SURPLUS	72,775	71,997	-	-	-	144,772
TRANSFERS TO:						
ACCUMULATED SURPLUS	-	-	(18,746)	(101,811)	(44,946)	(120,557)
WWTP REPLACEMENT RESERVE	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(960,000)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(344,697)	(2,111,915)	(437,818)	30,007	110,949	(2,864,423)
Surplus (deficit) plus Capital, Debt and Reserve Tran	-	-	-	-	-	-

2019 CAPITAL EXPENDITURE FINANCING

GENERAL CAPITAL EXPENDITURES	
From operating and surplus	469,200
From Infrastructure grants	351,420
From long term debt	1,600,000
From reserves	953,500
From non-government organizations	166,000
	3,540,120
WATER CAPITAL EXPENDITURES	
From operating and surplus	429,921
From infrastructure grants	566,667
	996,588
SEWER CAPITAL EXPENDITURES	
From operating and surplus	248,667
From capital contributions	80,383
From infrastructure grants	300,000
	629,050
TOTAL CAPITAL	5,165,758

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 ensure 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 2019 shows property taxes is 36.5% of proposed funding sources identified in section 165(7) of the *Community Charter*. This is a normal amount and is slightly higher than 2018 (35.6%). 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.