

Bylaw No. 1923

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 (2021 – 2025) Bylaw No. 1923, 2021”.

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 (2021 – 2025) 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 9th day of February, 2021.

READ A THIRD TIME by title this 9th day of February, 2021.

ADOPTED this 23rd day of February, 2021.

“Ron Toyota”
Mayor Ron Toyota

“Kirsten Dunbar”
Kirsten Dunbar, Corporate Officer

Schedule "A" to Bylaw No. 1923

BL#1927

TOWN OF CRESTON

FIVE YEAR CONSOLIDATED FINANCIAL PLAN

| | 2021 | 2022 | 2023 | 2024 | 2025 | TOTALS |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| REVENUES | | | | | | |
| PROPERTY TAXES | \$ 4,683,615 | \$ 4,855,000 | \$ 5,036,000 | \$ 5,212,000 | \$ 5,385,000 | \$ 25,171,615 |
| OTHER TAXES AND ASSESSMENTS | 923,347 | 925,400 | 928,900 | 932,900 | 936,900 | 4,647,447 |
| FEES AND CHARGES | 5,044,497 | 4,919,797 | 5,028,458 | 5,166,443 | 5,297,871 | 25,457,066 |
| OTHER SOURCES | 1,576,231 | 1,590,678 | 1,617,874 | 1,269,070 | 1,284,218 | 7,338,071 |
| CAPITAL GRANTS | 3,225,830 | 2,495,000 | 2,906,500 | 1,371,500 | 1,126,500 | 11,125,330 |
| TOTAL REVENUES | 15,453,520 | 14,785,875 | 15,517,732 | 13,951,913 | 14,030,489 | 73,739,529 |
| EXPENDITURES | | | | | | |
| MUNICIPAL PURPOSES | 9,572,075 | 9,486,260 | 9,639,213 | 9,734,829 | 9,980,081 | 48,412,458 |
| INTEREST ON DEBT | 288,001 | 347,924 | 261,615 | 167,110 | 185,366 | 1,250,016 |
| AMORTIZATION | 2,070,000 | 2,230,984 | 2,479,864 | 2,594,422 | 2,668,972 | 12,044,242 |
| TOTAL EXPENDITURES | 11,930,076 | 12,065,168 | 12,380,692 | 12,496,361 | 12,834,419 | 61,706,716 |
| SURPLUS (DEFICIT) FOR THE YEAR | 3,523,444 | 2,720,707 | 3,137,040 | 1,455,552 | 1,196,070 | 12,032,813 |
| CAPITAL DEBT AND RESERVE TRANSFERS | | | | | | |
| CAPITAL EXPENDITURES | (9,501,316) | (5,920,500) | (4,404,000) | (2,853,000) | (3,603,000) | (26,281,816) |
| PORTION OF AMORTIZATION EXPENSE UNFUNDED | 2,070,000 | 2,230,984 | 2,479,864 | 2,594,422 | 2,668,972 | 12,044,242 |
| BORROWING | 3,374,500 | 1,080,500 | - | - | 1,000,000 | 5,455,000 |
| PRINCIPAL ON DEBT | (259,286) | (345,214) | (375,682) | (235,576) | (237,320) | (1,453,078) |
| TRANSFERS FROM : | | | | | | |
| RESERVE FUNDS | 445,443 | 895,000 | 348,500 | 572,500 | 512,500 | 2,773,943 |
| ACCUMULATED SURPLUS | 1,547,342 | 495,089 | 49,965 | - | 1,811 | 2,094,207 |
| TRANSFERS TO: | | | | | | |
| ACCUMULATED SURPLUS | (263,310) | (316,566) | (360,687) | (620,898) | (588,033) | (2,149,494) |
| RESERVE FUNDS | (936,817) | (840,000) | (875,000) | (913,000) | (951,000) | (4,515,817) |
| NET CAPITAL DEBT AND RESERVE TRANSFERS | (3,523,444) | (2,720,707) | (3,137,040) | (1,455,552) | (1,196,070) | (12,032,813) |
| Surplus (deficit) plus Capital, Debt and Reserve Transfers | 0 | 0 | 0 | 0 | 0 | 0 |

Schedule "A" to Bylaw No. 1923

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TOWN OF CRESTON
FIVE YEAR FINANCIAL PLAN

| <u>GENERAL FUND</u> | | | | | | |
|--|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | TOTALS |
| <u>REVENUES</u> | | | | | | |
| PROPERTY TAXES | 4,683,615 | 4,855,000 | 5,036,000 | 5,212,000 | 5,385,000 | 25,171,615 |
| OTHER TAXES & ASSESSMENTS | 108,747 | 110,000 | 112,000 | 114,000 | 116,000 | 560,747 |
| FEES & CHARGES | 1,707,711 | 1,854,401 | 1,944,954 | 2,021,927 | 2,049,691 | 9,578,684 |
| OTHER SOURCES | 1,858,231 | 1,875,678 | 1,900,874 | 1,539,070 | 1,544,218 | 8,718,071 |
| GAS TAX AND DEVELOPMENT COST CHARGES | 723,176 | 393,500 | 130,000 | 375,000 | 150,000 | 1,771,676 |
| CAPITAL GRANTS | 2,077,532 | 2,101,500 | 2,776,500 | 996,500 | 976,500 | 8,928,532 |
| TOTAL REVENUES | 11,159,012 | 11,190,079 | 11,900,328 | 10,258,497 | 10,221,409 | 54,729,325 |
| <u>EXPENDITURES</u> | | | | | | |
| OTHER MUNICIPAL PURPOSES | 7,372,775 | 7,277,882 | 7,332,348 | 7,449,376 | 7,592,886 | 37,025,267 |
| INTEREST ON DEBT | 230,648 | 292,136 | 207,450 | 114,626 | 134,626 | 979,486 |
| AMORTIZATION | 1,290,000 | 1,398,176 | 1,629,789 | 1,726,514 | 1,788,164 | 7,832,643 |
| TOTAL EXPENDITURES | 8,893,423 | 8,968,194 | 9,169,587 | 9,290,516 | 9,515,676 | 45,837,396 |
| SURPLUS (DEFICIT) FOR THE YEAR | 2,265,589 | 2,221,885 | 2,730,741 | 967,981 | 705,733 | 8,891,929 |
| <u>CAPITAL DEBT AND RESERVE TRANSFERS</u> | | | | | | |
| CAPITAL EXPENDITURES | (7,786,172) | (5,264,500) | (3,869,000) | (2,466,000) | (3,184,000) | (22,569,672) |
| PORTION OF AMORTIZATION EXPENSE UNFUND | 1,290,000 | 1,398,176 | 1,629,789 | 1,726,514 | 1,788,164 | 7,832,643 |
| BORROWING | 3,374,500 | 1,080,500 | - | - | 1,000,000 | 5,455,000 |
| PRINCIPAL ON DEBT | (141,787) | (226,150) | (254,995) | (113,208) | (113,208) | (849,348) |
| TRANSFERS FROM: | | | | | | |
| RESERVE FUNDS | 445,443 | 895,000 | 348,500 | 572,500 | 512,500 | 2,773,943 |
| ACCUMULATED SURPLUS | 1,249,244 | 495,089 | 49,965 | - | 1,811 | 1,796,109 |
| TRANSFERS TO: | | | | | | |
| ACCUMULATED SURPLUS | - | - | - | (14,787) | - | (14,787) |
| RESERVE FUNDS | (696,817) | (600,000) | (635,000) | (673,000) | (711,000) | (3,315,817) |
| NET CAPITAL DEBT AND RESERVE TRANSFERS | (2,265,589) | (2,221,885) | (2,730,741) | (967,981) | (705,733) | (8,891,929) |
| Surplus (deficit) plus Capital, Debt and Reserve Transf | - | - | - | - | - | - |

Schedule "A" to Bylaw No. 1923

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Schedule "A" to Bylaw 1927

TOWN OF CRESTON

FIVE YEAR FINANCIAL PLAN

| | <u>WATER FUND</u> | | | | | |
|--|-------------------|------------------|------------------|------------------|------------------|--------------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | TOTALS |
| <u>REVENUES</u> | | | | | | |
| OTHER TAXES & ASSESSMENTS | 386,400 | 387,000 | 388,000 | 389,000 | 390,000 | 1,940,400 |
| FEES & CHARGES | 1,307,597 | 1,347,661 | 1,392,117 | 1,435,013 | 1,475,850 | 6,958,238 |
| OTHER SOURCES | 23,000 | 21,000 | 24,000 | 30,000 | 35,000 | 133,000 |
| CAPITAL GRANTS | - | - | - | - | - | - |
| TOTAL REVENUES | 1,716,997 | 1,755,661 | 1,804,117 | 1,854,013 | 1,900,850 | 9,031,638 |
| <u>EXPENDITURES</u> | | | | | | |
| INTEREST ON DEBT | - | - | - | - | - | - |
| OTHER MUNICIPAL PURPOSES | 564,187 | 605,911 | 618,353 | 627,961 | 640,791 | 3,057,203 |
| ARROW CREEK WATER CONTRIBUTIONS | 677,600 | 689,000 | 694,000 | 701,000 | 708,000 | 3,469,600 |
| AMORTIZATION | 240,000 | 245,033 | 252,600 | 258,033 | 264,166 | 1,259,832 |
| TOTAL EXPENDITURES | 1,481,787 | 1,539,944 | 1,564,953 | 1,586,994 | 1,612,957 | 7,786,635 |
| SURPLUS (DEFICIT) FOR THE YEAR | 235,210 | 215,717 | 239,164 | 267,019 | 287,893 | 1,245,003 |
| <u>CAPITAL DEBT AND RESERVE TRANSFERS</u> | | | | | | |
| CAPITAL EXPENDITURES | (211,900) | (227,000) | (163,000) | (184,000) | (200,000) | (985,900) |
| PORTION OF AMORTIZATION EXPENSE UNFUND | 240,000 | 245,033 | 252,600 | 258,033 | 264,166 | 1,259,832 |
| TRANSFERS FROM: | | | | | | |
| ACCUMULATED SURPLUS | - | - | - | - | - | - |
| TRANSFERS TO: | | | | | | |
| TRANSFER TO GENERAL SURPLUS | - | - | - | - | - | - |
| ACCUMULATED SURPLUS | (263,310) | (233,750) | (328,764) | (341,052) | (352,059) | (1,518,935) |
| NET CAPITAL DEBT AND RESERVE TRANSFERS | (235,210) | (215,717) | (239,164) | (267,019) | (287,893) | (1,245,003) |
| Surplus (deficit) plus Capital, Debt and Reserve Transf | - | - | - | - | - | - |

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TOWN OF CRESTON
FIVE YEAR FINANCIAL PLAN

| | <u>SEWER FUND</u> | | | | | |
|--|--------------------|------------------|------------------|------------------|------------------|--------------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | TOTALS |
| <u>REVENUES</u> | | | | | | |
| OTHER TAXES & ASSESSMENTS | 428,200 | 428,400 | 428,900 | 429,900 | 430,900 | 1,715,400 |
| FEES & CHARGES | 2,029,189 | 1,717,735 | 1,691,387 | 1,709,503 | 1,772,330 | 7,147,814 |
| OTHER SOURCES | 15,000 | 14,000 | 13,000 | 20,000 | 25,000 | 62,000 |
| CAPITAL GRANTS | 425,122 | - | - | - | - | 425,122 |
| TOTAL REVENUES | 2,897,511 | 2,160,135 | 2,133,287 | 2,159,403 | 2,228,230 | 9,350,336 |
| <u>EXPENDITURES</u> | | | | | | |
| INTEREST ON DEBT | 57,353 | 55,788 | 54,165 | 52,484 | 50,740 | 219,790 |
| OTHER MUNICIPAL PURPOSES | 1,277,513 | 1,233,467 | 1,314,512 | 1,276,492 | 1,358,404 | 5,101,984 |
| AMORTIZATION | 540,000 | 587,775 | 597,475 | 609,875 | 616,642 | 2,335,125 |
| TOTAL EXPENDITURES | 1,874,866 | 1,877,030 | 1,966,152 | 1,938,851 | 2,025,786 | 7,656,899 |
| SURPLUS (DEFICIT) FOR THE YEAR | 1,022,645 | 283,105 | 167,135 | 220,552 | 202,444 | 1,693,437 |
| <u>CAPITAL DEBT AND RESERVE TRANSFERS</u> | | | | | | |
| CAPITAL EXPENDITURES | (1,503,244) | (429,000) | (372,000) | (203,000) | (219,000) | (2,507,244) |
| PORTION OF AMORTIZATION EXPENSE UNFUND | 540,000 | 587,775 | 597,475 | 609,875 | 616,642 | 2,335,125 |
| PRINCIPAL ON DEBT | (117,499) | (119,064) | (120,687) | (122,368) | (124,112) | (479,618) |
| TRANSFERS FROM: | | | | | | |
| ACCUMULATED SURPLUS | 298,098 | - | - | - | - | 298,098 |
| TRANSFERS TO: | | | | | | |
| ACCUMULATED SURPLUS | - | (82,816) | (31,923) | (265,059) | (235,974) | (379,798) |
| WWTP REPLACEMENT RESERVE | (240,000) | (240,000) | (240,000) | (240,000) | (240,000) | (960,000) |
| NET CAPITAL DEBT AND RESERVE TRANSFERS | (1,022,645) | (283,105) | (167,135) | (220,552) | (202,444) | (1,693,437) |
| Surplus (deficit) plus Capital, Debt and Reserve Transf | - | - | - | - | - | - |

Schedule "A" to Bylaw No. 1923

BL#1927

2021 CAPITAL EXPENDITURE FINANCING

GENERAL CAPITAL EXPENDITURES

| | |
|-----------------------------------|------------------|
| From operating and surplus | 1,261,269 |
| From Infrastructure grants | 2,665,792 |
| From long term debt | 3,374,500 |
| From reserves | 416,000 |
| From non-government organizations | 68,611 |
| | <u>7,786,172</u> |

WATER CAPITAL EXPENDITURES

| | |
|----------------------------|---------|
| From operating and surplus | 211,900 |
|----------------------------|---------|

SEWER CAPITAL EXPENDITURES

| | |
|----------------------------|------------------|
| From operating and surplus | 576,880 |
| From capital contributions | 501,242 |
| From infrastructure grants | 425,122 |
| | <u>1,503,244</u> |

| | |
|----------------------|-------------------------|
| TOTAL CAPITAL | <u><u>9,501,316</u></u> |
|----------------------|-------------------------|

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 ensure 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 2021 shows property taxes are 29.6% of proposed funding sources identified in section 165(7) of the *Community Charter*. This is a lower amount in comparison to other years. In 2019 property taxes comprised 36.5% of proposed funding sources. The lower amount in 2021 is due to higher grant amounts in 2020 and 2021. 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.

INDEX OF AMENDING BYLAWS

Bylaw #1927Adopted April 27, 2021

NOTE TO USERS

"WHEREAS each bylaw consolidation shall be proof, in the absence of evidence to the contrary, of the original bylaw, of all bylaws amending it and of the fact of passage of the original and all amending bylaws", pursuant to 'Authority to Consolidate Municipal Bylaws No. 1533', which was adopted on the 11th day of June, 2001.