

Town of Creston

Bylaw No. 1993

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 (2024 – 2028) Bylaw No. 1993, 2024”.

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 (2024 – 2028) 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 27th day of February, 2024.

READ A THIRD TIME by title this 27th day of February, 2024.

ADOPTED this 12th day of March, 2024.

“Arnold DeBoon”
Mayor Arnold DeBoon

“Kirsten Dunbar”
Kirsten Dunbar, Corporate Officer

TOWN OF CRESTON

DRAFT FIVE YEAR CONSOLIDATED FINANCIAL PLAN

	2024	2025	2026	2027	2028	TOTALS
REVENUES						
PROPERTY TAXES	\$ 5,638,432	\$ 6,053,000	\$ 6,358,000	\$ 6,701,000	\$ 7,067,000	\$ 31,817,432
OTHER TAXES AND ASSESSMENTS	948,591	953,900	959,400	965,400	971,400	4,798,691
FEES AND CHARGES	7,192,936	5,799,983	5,862,332	5,968,226	6,114,774	30,938,251
OTHER SOURCES	2,785,646	1,779,867	1,722,031	1,747,343	1,766,764	9,801,651
CAPITAL GRANTS	18,218,927	3,557,700	2,081,500	1,571,600	1,589,000	27,018,727
TOTAL REVENUES	34,784,532	18,144,450	16,983,263	16,953,569	17,508,938	104,374,752
EXPENDITURES						
MUNICIPAL PURPOSES	12,539,346	11,506,227	11,837,687	12,185,497	12,514,521	60,583,278
INTEREST ON DEBT	200,751	199,008	197,201	195,329	181,564	973,853
AMORTIZATION	2,092,815	2,609,269	2,771,686	2,883,011	2,948,961	13,305,742
TOTAL EXPENDITURES	14,832,912	14,314,504	14,806,574	15,263,837	15,645,046	74,862,873
SURPLUS (DEFICIT) FOR THE YEAR	19,951,620	3,829,946	2,176,689	1,689,732	1,863,892	29,511,879
CAPITAL DEBT AND RESERVE TRANSFERS						
CAPITAL EXPENDITURES	(23,610,426)	(5,769,000)	(5,107,000)	(3,224,000)	(4,583,900)	(42,294,326)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	2,092,815	2,609,269	2,771,686	2,883,011	2,948,961	13,305,742
BORROWING	-	-	-	-	1,000,000	1,000,000
PRINCIPAL ON DEBT	(233,221)	(234,964)	(236,770)	(185,464)	(185,464)	(1,075,883)
TRANSFERS FROM :						
RESERVE FUNDS	2,676,088	805,000	1,634,500	572,000	783,900	6,471,488
ACCUMULATED SURPLUS	493,498	282,529	316,010	-	131,868	1,223,905
TRANSFERS TO:						
ACCUMULATED SURPLUS	(270,381)	(386,664)	(302,591)	(448,432)	(729,941)	(2,138,009)
RESERVE FUNDS	(1,099,993)	(1,136,116)	(1,252,524)	(1,286,847)	(1,229,316)	(6,004,796)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(19,951,620)	(3,829,946)	(2,176,689)	(1,689,732)	(1,863,892)	(29,511,879)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	0	0	0	0	0	0

TOWN OF CRESTON

DRAFT FIVE YEAR FINANCIAL PLAN

GENERAL FUND

	2024	2025	2026	2027	2028	TOTALS
<u>REVENUES</u>						
PROPERTY TAXES	5,638,432	6,053,000	6,358,000	6,701,000	7,067,000	31,817,432
OTHER TAXES & ASSESSMENTS	124,891	129,000	133,000	137,000	141,000	664,891
FEES & CHARGES	2,278,457	2,326,893	2,362,862	2,401,337	2,461,641	11,831,190
OTHER SOURCES	2,935,646	1,959,867	1,932,031	1,957,343	1,961,764	10,746,651
GAS TAX AND DEVELOPMENT COST CHARGES	553,446	150,000	375,000	170,000	400,000	1,648,446
CAPITAL GRANTS	16,195,481	3,407,700	1,706,500	1,401,600	1,189,000	23,900,281
TOTAL REVENUES	27,726,353	14,026,460	12,867,393	12,768,280	13,220,405	80,608,891
<u>EXPENDITURES</u>						
OTHER MUNICIPAL PURPOSES	9,855,149	8,871,589	9,149,810	9,440,076	9,714,556	47,031,180
INTEREST ON DEBT	127,800	127,800	127,800	127,800	147,800	659,000
AMORTIZATION	1,253,253	1,653,374	1,809,124	1,920,449	1,986,399	8,622,599
TOTAL EXPENDITURES	11,236,202	10,652,763	11,086,734	11,488,325	11,848,755	56,312,779
SURPLUS (DEFICIT) FOR THE YEAR	16,490,151	3,373,697	1,780,659	1,279,955	1,371,650	24,296,112
<u>CAPITAL DEBT AND RESERVE TRANSFERS</u>						
CAPITAL EXPENDITURES	(19,092,426)	(5,143,000)	(4,453,000)	(2,638,000)	(3,735,900)	(35,062,326)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	1,253,253	1,653,374	1,809,124	1,920,449	1,986,399	8,622,599
BORROWING	-	-	-	-	1,000,000	1,000,000
PRINCIPAL ON DEBT	(105,264)	(105,264)	(105,264)	(105,264)	(105,264)	(526,320)
TRANSFERS FROM:						
RESERVE FUNDS	1,855,288	805,000	1,634,500	572,000	783,900	5,650,688
ACCUMULATED SURPLUS	429,909	282,529	316,010	-	-	1,028,448
TRANSFERS TO:						
ACCUMULATED SURPLUS	-	-	-	(13,520)	(343,445)	(356,965)
RESERVE FUNDS	(830,911)	(866,336)	(982,029)	(1,015,620)	(957,340)	(4,652,236)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(16,490,151)	(3,373,697)	(1,780,659)	(1,279,955)	(1,371,650)	(24,296,112)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	-	-	-	-	-	-

TOWN OF CRESTON

DRAFT FIVE YEAR FINANCIAL PLAN

WATER FUND

	2024	2025	2026	2027	2028	TOTALS
<u>REVENUES</u>						
OTHER TAXES & ASSESSMENTS	391,000	392,000	393,000	394,000	395,000	1,965,000
FEES & CHARGES	1,444,250	1,490,179	1,540,558	1,589,467	1,642,952	7,707,406
OTHER SOURCES	120,000	120,000	100,000	100,000	120,000	560,000
CAPITAL GRANTS	-	-	-	-	-	-
TOTAL REVENUES	1,955,250	2,002,179	2,033,558	2,083,467	2,157,952	10,232,406
<u>EXPENDITURES</u>						
INTEREST ON DEBT	-	-	-	-	-	-
OTHER MUNICIPAL PURPOSES	621,565	655,716	676,928	692,577	711,480	3,358,266
ARROW CREEK WATER CONTRIBUTIONS	738,222	745,815	753,560	770,000	780,000	3,787,597
AMORTIZATION	271,925	271,925	271,925	271,925	271,925	1,359,625
TOTAL EXPENDITURES	1,631,712	1,673,456	1,702,413	1,734,502	1,763,405	8,505,488
SURPLUS (DEFICIT) FOR THE YEAR	323,538	328,723	331,145	348,965	394,547	1,726,918
<u>CAPITAL DEBT AND RESERVE TRANSFERS</u>						
CAPITAL EXPENDITURES	(300,000)	(207,000)	(344,000)	(236,000)	(248,000)	(1,335,000)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	271,925	271,925	271,925	271,925	271,925	1,359,625
TRANSFERS FROM:						
ACCUMULATED SURPLUS	-	-	-	-	-	-
TRANSFERS TO:						
TRANSFER TO GENERAL SURPLUS	-	-	-	-	-	-
TRANSFER TO WATER DISTRICT RESERVE	(29,082)	(29,780)	(30,495)	(31,227)	(31,976)	(152,560)
ACCUMULATED SURPLUS	(270,381)	(363,868)	(228,575)	(353,663)	(386,496)	(1,602,983)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(323,538)	(328,723)	(331,145)	(348,965)	(394,547)	(1,726,918)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	-	-	-	-	-	-

TOWN OF CRESTON

DRAFT FIVE YEAR FINANCIAL PLAN

SEWER FUND

	2024	2025	2026	2027	2028	TOTALS
<u>REVENUES</u>						
OTHER TAXES & ASSESSMENTS	432,700	432,900	433,400	434,400	435,400	1,733,400
FEES & CHARGES	3,470,229	1,982,911	1,958,912	1,977,422	2,010,181	9,389,474
OTHER SOURCES	70,000	50,000	50,000	60,000	65,000	230,000
CAPITAL GRANTS	1,470,000	-	-	-	-	1,470,000
TOTAL REVENUES	5,442,929	2,465,811	2,442,312	2,471,822	2,510,581	12,822,874
<u>EXPENDITURES</u>						
INTEREST ON DEBT	72,951	71,208	69,401	67,529	33,764	281,089
OTHER MUNICIPAL PURPOSES	1,664,410	1,583,107	1,617,389	1,652,844	1,688,485	6,517,750
AMORTIZATION	567,637	683,970	690,637	690,637	690,637	2,632,881
TOTAL EXPENDITURES	2,304,998	2,338,285	2,377,427	2,411,010	2,412,886	9,431,720
SURPLUS (DEFICIT) FOR THE YEAR	3,137,931	127,526	64,885	60,812	97,695	3,391,154
<u>CAPITAL DEBT AND RESERVE TRANSFERS</u>						
CAPITAL EXPENDITURES	(4,218,000)	(419,000)	(310,000)	(350,000)	(600,000)	(5,297,000)
PORTION OF AMORTIZATION EXPENSE UNFUNDED	567,637	683,970	690,637	690,637	690,637	2,632,881
PRINCIPAL ON DEBT	(127,957)	(129,700)	(131,506)	(80,200)	(80,200)	(469,363)
TRANSFERS FROM:						
ACCUMULATED SURPLUS	63,589	-	-	-	131,868	63,589
TRANSFERS TO:						
ACCUMULATED SURPLUS	-	(22,796)	(74,016)	(81,249)	-	(178,061)
WWTP REPLACEMENT RESERVE	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)	(960,000)
NET CAPITAL DEBT AND RESERVE TRANSFERS	(3,137,931)	(127,526)	(64,885)	(60,812)	(97,695)	(3,391,154)
Surplus (deficit) plus Capital, Debt and Reserve Transfers	-	-	-	-	-	-

Schedule A to Bylaw 1993

2024 CAPITAL EXPENDITURE FINANCING

GENERAL CAPITAL EXPENDITURES

From operating and surplus	524,240
From Infrastructure grants	16,350,456
From reserves	1,798,870
From non-government organizations	<u>418,860</u>
	19,092,426

WATER CAPITAL EXPENDITURES

From operating and surplus	300,000
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SEWER CAPITAL EXPENDITURES

From operating and surplus	390,500
From capital contributions	3,010,700
From reserves	<u>816,800</u>
	4,218,000

TOTAL CAPITAL	<u><u>23,610,426</u></u>
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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 2024 shows property taxes are 16.4% of proposed funding sources identified in section 165(7) of the *Community Charter*. This amount is lower in comparison to 2023, which was 32.7%, because of higher grants revenues budgeted in 2024. 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, 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 as well investments in new residential rental units to help ease the shortage of rental suites.