



DISTRICT OF HOPE BYLAW NO. 1570, 2024

A bylaw to adopt the Financial Plan for the years 2024 - 2028

WHEREAS Section 165 of the *Community Charter* requires the District to annually prepare and adopt a 5 Year Financial Plan, by bylaw; and

WHEREAS expenditures not provided for in the financial plan or the financial plan as amended, are not lawful except in the event of an emergency;

NOW THEREFORE the Council of the District of Hope, in open meeting assembled, enacts as follows:

1. Citation:

This bylaw may be cited for all purposes as the “**District of Hope 2024 – 2028 Financial Plan Bylaw No. 1570, 2024**”.

2. Objectives and Policies:

- Schedule “A”, attached to and forming part of this bylaw, sets out the objectives and policies for the period January 1, 2024 to December 31, 2028.
- Schedule “B”, attached to and forming part of this bylaw, outlines the Financial Plan for 2024 to 2028.

3. Consultation:

Pursuant to Section 166 of the *Community Charter*, a public consultation meeting was held on the 13th day of December, 2023.

Read a first, second and third time this 8th day of January, 2024.

Adopted this 22nd day of January, 2024.

Original Signed by Victor Smith
Mayor

Original Signed by Donna Bellingham
Director of Corporate Services

Schedule "A"

Statement of Objectives and Policies

In accordance with Section 165(3.1) of the *Community Charter*, municipalities are required to include in the Five-Year Financial Plan, objectives and policies regarding each of the following:

- (a) For each of the funding sources described in Section 165(7) of the *Community Charter*, the proportion of total revenue that is proposed to come from that funding source;
- (b) The distribution of property value taxes among the property classes that may be subject to taxes; and
- (c) The use of permissive tax exemptions.

Over the five-year period of the financial plan, the taxation requirement is estimated to increase annually by a growth factor of (4 - 9%) which covers increases in cost-of-living expenses and increases to contributions to reserves.

The current financial plan provides for \$10,738,600 to be generated from District of Hope property tax base for General Government, Infrastructure Reserve and Policing purposes.

The District has various objectives or policies that govern and affect the budget process and include:

Revenue Objective

- (a) The District will review fees/charges annually to ensure that they keep pace with changes in the cost-of-living as well as changes in the methods or levels of service delivery;
- (b) The District will actively pursue alternative revenue sources to help minimize property taxes;
- (c) The District will consider market rates and charges levied by other public and private organizations for similar services in establishing rates, fees and charges;
- (d) The District will establish cost recovery policies for fee-supported services. The Policies will consider whether the benefits received from the service are public and/or private;
- (e) The District will establish cost recovery policies for services provided for other levels of government;
- (f) General Revenues will not be dedicated for specific purposes, unless required by law or Canadian Public Sector Accounting Standards; and
- (g) The District will develop and pursue new and creative partnerships with government, community institutions (churches, schools), and community groups as well as private and non-profit organizations to reduce costs and enhance service to the community.

Surplus Funds

The *Community Charter* does not allow municipalities to plan an operating deficit (i.e., where expenditures exceed revenues). To ensure this situation does not occur, revenue projections are conservative and authorized expenditures are closely monitored. The combination of conservative revenue projections and controlled expenditures should produce a modest annual operating surplus.

Use of Surplus Funds

- (a) Council will review options and provide direction to staff regarding the allocation of any operating surplus prior to completion of the budget process for the following year.
- (b) To ensure the Accumulated Surplus is not excessive, the balance in the accumulated surplus account should not exceed a specific amount or guideline. The guideline is that Accumulated Surplus should not exceed 10% of the net operating budget.
- (c) Accumulated Surplus funds above the 10% guideline shall be used to:
 - i. fund capital expenditures or to increase reserves;
 - ii. pay off capital debt, including internal borrowings;
 - iii. stabilize District property tax and utility rate increases;
 - iv. fund other items as Council deems appropriate.
- (d) Staff will facilitate Council's review of the amount of Accumulated Surplus funds available on an annual basis.

Debt Objective

- (a) One-time capital improvements and unusual equipment purchases;
- (b) When the useful project life will exceed the term of financing;
- (c) Major equipment purchases;
- (d) Debt servicing is limited to no more than a 3% tax increase per year;
- (e) The maximum borrowing amount be limited to 25% (*Community Charter* allows for 25%) of the District's revenues as defined by the *Community Charter*; and
- (f) Reserves are to be considered as a funding source before debt.

Reserve Funds

Reserve funds shall be set aside to:

- (a) Provide sources of funds for future capital expenditures;
- (b) Provide a source of funding for areas of expenditure that fluctuate significantly from year to year (equipment replacement, special building maintenance, etc.);
- (c) Protect the District from uncontrollable or unexpected increases in expenditures or unforeseen reductions in revenues, or a combination of the two; and
- (d) Provide for working capital to ensure sufficient cash flow to meet the District's needs throughout the year.

Proportion of Taxes Allocated to Classes

It is Council's goal to ensure that there is a fair and equitable apportionment of taxes to each property class. The apportionment to each class is calculated using the multipliers determined by Council prior to preparing the annual tax rate bylaw. The tax multipliers will be reviewed and set by Council annually.

	General taxes	Infrastructure levy	Policing	Total	Multiplier	Percentage of tax revenue
Residential	4,317,700	258,600	1,616,100	6,192,400	1.00	57.7%
Utilities	1,781,200	107,500	666,700	2,555,400	13.12	23.8%
Supportive Housing				0		0.0%
Major Industry				0	2.25	0.0%
Light Industry	82,400	5,000	30,800	118,200	2.25	1.1%
Business	1,279,300	77,200	478,800	1,835,300	1.80	17.1%
Managed Forest				0		0.0%
Recreational	23,000	1,500	8,600	33,100	1.70	0.3%
Farm	2,900	200	1,100	4,200	4.98	0.0%
Total	7,486,500	450,000	2,802,100	10,738,600		100.0%

It should be noted that the multiplier is an estimate based on the approved tax rate increase.

Permissive Tax Exemptions

Permissive tax exemptions will be approved annually by Council. All applications for permissive tax exemptions will be considered in accordance with the Permissive Tax Exemption Policy.

Revitalization Tax Exemption

A revitalization tax exemption was available within a defined downtown area and provided a financial incentive to encourage development in the town center. The current bylaw has expired, however there are some active agreements still in effect until they expire.

Development Cost Charges

Development cost charges will be used to help fund capital projects deemed to be required in whole or in part due to development in the community. These charges will be set by bylaw and reviewed at a minimum every year to ensure that project estimates remain reasonable and the development costs charges are aligned with the strategic goals of Council.

Schedule B
Bylaw No. 1549
Financial Plan
2024 -2028

	2024	2025	2026	2027	2028
Revenues					
Property Taxes	10,738,600	11,203,200	11,688,900	12,008,500	12,489,400
Parcel Taxes	229,300	293,100	293,100	293,100	293,100
Payments in Lieu of Taxes	147,500	152,700	157,600	162,500	167,400
Collections/Remittances - Other Governments	0	0	0	0	0
1 % Revenue Taxes	135,600	140,300	144,800	149,300	153,800
Penalties and Interest on Taxes	150,500	155,800	160,800	165,800	170,800
Sale of Goods and Services	4,399,400	4,627,300	4,830,300	4,965,400	5,124,400
Investment Income	1,275,000	1,319,700	1,361,900	1,404,100	1,446,200
Rents and Leases	35,000	36,200	37,400	38,600	39,800
Revenues from Own Sources	166,100	171,900	177,400	182,900	188,400
Development Cost Charges	0	0	0	0	0
Transfers from Other Governments	1,415,000	1,325,700	1,364,500	1,403,300	1,442,000
Total Revenues	18,692,000	19,425,900	20,216,700	20,773,500	21,515,300
Expenditures					
General Government	2,365,200	2,456,200	2,566,700	2,625,100	2,712,600
Community Services	290,400	301,000	310,700	320,500	330,500
Protective Services	4,314,950	4,471,500	4,618,100	4,766,000	4,915,300
Public Works	1,567,450	1,626,000	1,680,500	1,736,100	1,792,900
Transportation Services	1,585,400	1,643,600	1,697,700	1,752,400	1,807,700
Flood Protection Services	51,000	52,800	54,500	56,200	57,900
Community Development	1,145,200	977,600	1,010,600	1,044,300	1,078,900
Sewer System	903,050	935,700	966,500	997,500	1,028,600
Water System	650,650	668,650	690,800	713,250	736,000
Environmental and Public Health	2,331,900	2,413,700	2,491,000	2,568,200	2,645,400
Parks, Recreation and Culture	1,296,800	1,292,300	1,484,000	1,376,300	1,569,200
Debt financing	127,800	127,800	127,800	127,800	127,800
Amortization of Tangible Capital Assets	1,900,000	1,995,000	2,094,800	2,199,500	2,309,500
Total Expenditures	18,529,800	18,961,850	19,793,700	20,283,150	21,112,300
Surplus (Deficit)	162,200	464,050	423,000	490,350	403,000
Capital, Debt and Reserve Transfers					
Repayment of Debt	(202,300)	(202,300)	(202,300)	(202,300)	(202,300)
Transfers to Reserves and Surplus	(1,268,900)	(1,783,550)	(1,900,500)	(1,977,550)	(1,970,200)
Transfers from Reserves and Surplus	123,000	6,800	0	0	0
Equity in tangible capital assets	1,186,000	1,515,000	1,679,800	1,689,500	1,769,500
Surplus (Deficit) plus Capital, Debt and Reserve Transfers	0	0	0	0	0
Capital Programs					
Capital Program	(6,877,900)	(4,830,000)	(2,959,300)	(1,684,000)	(2,564,000)
Current Revenue	714,000	530,000	550,000	134,000	500,000
Accumulated Surplus	932,900	800,000	259,300	200,000	200,000
Government Grants	1,900,000	2,000,000	1,250,000	750,000	214,000
Other Grants	500,000	500,000	150,000	300,000	150,000
Reserves used for capital financing	1,231,000	1,000,000	750,000	300,000	1,500,000
Long Term Debt	1,600,000	0	0	0	0
Net capital programs	0	0	0	0	0