

THE CORPORATION OF THE VILLAGE OF KEREMEOS

Bylaw No. 788, 2011

Being the Financial Plan of the
Village of Keremeos for the years 2011 through 2015

Municipal Council of the Corporation of the Village of Keremeos, in open meeting assembled, enacts as follows:

1. The Financial Plan for the Village of Keremeos for the years 2011 to 2015, as shown on Schedule "A" attached to and forming part of this bylaw is hereby adopted.
2. The "Revenue Policy & Objectives Disclosure Requirements", as shown on Schedule "B" attached to and forming part of this bylaw is hereby adopted.
3. The "Village of Keremeos Capital Projects" listing as shown on Schedule "C" attached to and forming part of this bylaw is hereby included for information purposes.
4. This bylaw may be cited for all purposes as "Village of Keremeos Financial Plan Bylaw No. 788, 2011".

READ a first time this 4th day of April, 2011

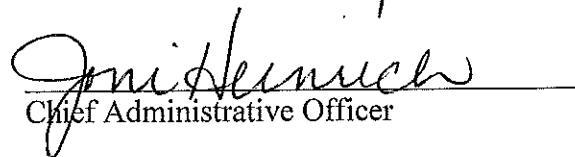
READ a second this 4th day of April, 2011

READ a third time this 4th day of April, 2011

PUBLIC INPUT opportunity provided this 11th day of April, 2011

ADOPTED this 2nd day of May, 2011


Mayor


Chief Administrative Officer

THE CORPORATION OF THE VILLAGE OF KEREMEOS
SCHEDULE "A"
FINANCIAL PLAN BYLAW NO. 788, 2011
2011 - 2015 FINANCIAL PLAN

REVENUES	2011	2012	2013	2014	2015
TAXES (village portion only)	655,503	669,771	686,515	703,678	721,270
GRANTS IN LIEU OF TAXES	43,333	44,416	45,527	46,665	47,832
REVENUE FROM PARCEL TAX	60,392	60,392	60,392	60,392	60,392
REVENUE FROM FEES AND CHARGES	435,931	416,569	422,781	430,718	436,275
BORROWING REVENUE	142,178	0	0	0	373,200
GRANT INCOME	515,409	448,653	444,653	444,653	444,653
DCC FROM OWNER	30,000	30,000	30,000	30,000	30,000
INVESTMENT INCOME	20,000	20,000	20,000	20,000	20,000
DONATIONS/CONTRIBUTIONS	2,750	0	0	0	0
OTHER					
TOTAL OPERATING REVENUES	1,905,496	1,689,801	1,709,868	1,736,106	2,133,622
TRANSFER FROM FUNDS					
STAT RESERVE FUNDS	112,665	0	0	0	0
2011 Stat Transfer Detail					
Community Works	90,863				
DCC's	21,802				0
VILLAGE RESERVE ACCOUNTS	509,375	130,620	49,472	123,700	15,355
ACCUMULATED SURPLUS	137,000	0	0	0	0
EQUITY IN CAPITAL ASSETS (re amortization)	250,000	250,000	250,000	250,000	250,000
TOTAL TRANSFER FROM FUNDS	1,009,040	380,620	299,472	373,700	265,355
TOTAL VILLAGE REVENUES	2,914,536	2,070,421	2,009,340	2,109,806	2,398,977
COLLECTIONS FOR OTHER GOVERNMENTS	1,024,485	1,050,097	1,076,350	1,103,259	1,130,841
TOTAL REVENUES	3,939,021	3,120,518	3,085,690	3,213,065	3,529,818

EXPENDITURES	2011	2012	2013	2014	2015
GENERAL GOVERNMENT	749,385	631,161	642,229	666,276	666,692
PROTECTIVE SERVICES	66,557	63,200	64,639	66,113	67,625
PUBLIC WORKS	298,684	290,266	298,904	306,759	316,038
ENVIRONMENTAL & PARKS	200,673	198,994	203,862	208,868	211,425
WATER OPERATING COSTS	23,863	15,000	15,000	15,000	15,000
SEWER OPERATING COSTS	222,429	175,896	172,736	177,401	182,210
FISCAL SERVICES-Interest on Debt	29,690	29,675	29,650	29,625	29,604
AMORTIZATION	250,000	250,000	250,000	250,000	250,000
TOTAL OPERATING EXPENSES	1,841,281	1,654,192	1,677,021	1,720,042	1,738,594
TRANSFER TO FUNDS					
STAT RESERVE FUNDS	114,657	114,657	114,657	114,657	114,657
2011 Transfer Detail					
Community Works	84,657				
DCC's	30,000				
VILLAGE RESERVE ACCOUNTS	295,750	143,250	130,250	130,250	130,250
ACCUMULATED SURPLUS					
TOTAL TRANSFER TO FUNDS	410,407	257,907	244,907	244,907	244,907
PRINCIPAL PAYMENT ON DEBT	20,770	28,750	28,774	28,799	27,635
CAPITAL PROJECTS	642,078	129,405	48,257	114,985	387,340
TOTAL VILLAGE EXPENDITURES	2,914,536	2,070,254	1,998,959	2,108,733	2,398,476
TRANSFER TO OTHER GOVERNMENTS	1,024,485	1,050,097	1,076,350	1,103,259	1,130,841
TOTAL EXPENDITURE	3,939,021	3,120,351	3,075,309	3,211,992	3,529,317

Schedule "B" to Bylaw No. 788, 2011

VILLAGE OF KEREMEOS REVENUE POLICY & OBJECTIVES DISCLOSURE REQUIREMENTS

Municipal Property Taxes

I. Taxation revenue will be determined by Council each year according to the operating and capital needs of the community, as part of the annual budget process. This determination will take into consideration changes in the assessment base, inflationary factors, economic conditions and the cost of providing ongoing and new Village services. In 2011, the tax rate for all classes was increased 2.1% in order to generate 2.77% increase in tax revenues, over and above additional tax revenue resulting from non-market based assessment increases such as new construction. One percent (1%) of this tax rate increase is directly related to transfer of economic development expenditures to the Village from the Regional District and is offset by a reduction in the Regional District tax rate.

OBJECTIVE: To initially restrict total annual tax revenue increases - over and above any increase due to non market changes such as new construction and new subdivisions - to a level which approximates the annual increase in inflation unless a specific program or project is identified which requires tax revenue funding.

II. The Village has maintained a business to residential ratio not exceeding 2.36 (2004 through 2008) and in 2009 reduced the ratio to 2.30. Due to the large increase in market based residential assessment in 2010, the ratio has increased to 2.35. This 2.35 ratio has been maintained for 2011.

OBJECTIVE: To ensure the business to residential tax rate ratio does not exceed the provincially prescribed 2.45 for regional district requisitions.

III. The tax levy on Class 6 – Business and Other properties - has been reduced each of the last four years: 5% in 2007; 2.5% in 2008; and 1% in each of 2009 and 2010. This has required shifting of additional tax burden to residential property owners. In 2011, Council chose to discontinue the reduction of the Class 6 property tax rate.

OBJECTIVE: Council will continue to evaluate the business tax rate each year in the context of the Strategic Plan Priority to "improve the attractiveness and vitality of the downtown commercial core".

In 2011, all classes of property received an equal allocation of any percentage change in the annual tax levy.

Percentage of Total Property Value Taxes levied on each Property Class

PROPERTY CLASS	% Property Value Taxes	
	2011	2010
Residential (1)	77.8	78.6
Utilities (2)	1.3	1.4
Industrial (5)	.2	0.2
Business/Other (6)	19.8	18.0
Recreation/Non-Profit (8)	.7	0.7
Farm (9)	.2	0.2
TOTAL	100.0	100.0

Permissive Tax Exemptions

In support of Council's Strategic Priority Focus Area "Quality of Life" and in recognition of the high percentage of citizens of Keremeos over the age of 65, over the last several years, Council permitted two tax exemptions for (1) Interior Health Assisted Living Facility and (2) Interior Health D & T Centre. In 2011, Council reviewed additional information on other not-for-profit organizations within the community and directed that the Permissive Tax Exemption Program not be expanded. It was also determined that the Interior Health D & T Centre is receiving a provincial tax exemption and is no longer subject to a municipal tax exemption.

OBJECTIVE: To ensure the current municipal permissive tax exemptions do assist in achieving Council's Strategic Priorities without transferring too heavy a burden on to remaining taxpayers.

Revitalization Tax Exemptions

In 2005 the Village put in place a "Bylaw to adopt a Permissive Tax Exemption for the Purpose of Downtown Revitalization". No property owner has applied under its provisions and Council has not yet had the opportunity to revisit the Bylaw in the context of the new broadened revitalization tax exemption tool.

Parcel Taxes

The Village currently levies parcel taxes to fund 100% of the annual cost required to finance debt incurred to assist in the funding of specified local area services. The Sewer Fund has in place a parcel tax funding debt for Waste Water Treatment Plant expansion

expiring in 2015/2016 and, in 2009, the Local Service Area funding this debt was expanded to include new sewer service users. In addition, two new parcel tax levies were authorized in 2009 for debt being incurred to fund sewer extensions in the Upper Bench area of the Village.

The other parcel tax in place in the Village is one which is levied against all water users within the municipality to fund specified annual maintenance costs.

OBJECTIVE: Parcel taxes will continue to be levied within the municipality to fund specific services provided to specific properties if and when the requirements of the Community Charter are met.

User Fees and Charges

User fees are levied to assist in the cost of provision of services to the residents of the Village of Keremeos. Each year during annual budget discussions, Council will review revenues raised by fees and charges in the context of expenses required to provide the service plus user affordability.

No user fee increases are proposed for 2011.

OBJECTIVE: To work towards the establishment of user fees and charges which will cover the costs of providing the services for which the fees and charges are levied.

Government Grants/Transfers

The Village recognizes that the equivalent to \$357,000 annual unconditional transfer of Strategic Community Investment Grant funding enables the Village to provide essential services and capital improvements for its residents without what otherwise would be an untenable tax burden on a small assessment base. Unconditional government transfers are considered as general revenue in the Financial Plan and transferred to other funds and reserves as directed by Council. All government transfers will be used in accordance with the terms and conditions attached to the funding and all reporting requirements will be met.

OBJECTIVE: The Village will continue to actively pursue government grant funding for initiatives, bearing in mind the need to ensure the affordability of any operating costs resulting from capital projects built through grant funding.

In accordance with Council's Strategic Plan Priority to "continue to support and actively participate in regional/shared services on behalf of Keremeos", Council will support applications for reasonable and appropriate grant funding submitted by other agencies/groups within the community and region.

Return on Investments

Return on investment revenue will be considered general revenue, with the exception of investment revenue on all statutory reserves where investment revenue will remain within the specified reserve.

Borrowing Proceeds

Borrowing will be restricted to funding large capital projects that provide benefits to taxpayers over a long period of time e.g. 20+ years and will only be incurred in the context of affordability of annual debt servicing costs. Proceeds from borrowing will be used within the guidelines of the bylaw established to borrow the funds. The maximum amount of accumulated borrowings will be in accordance with the regulations set out in the Community Charter.

Revenue Source as a Percentage of Total Revenue

REVENUE SOURCE	% TOTAL REVENUE				
	2011	2012	2013	2014	2015
Property Value Taxes	36.7	39.2	42.4	45.0	36.0
Parcel Taxes	3.2	3.4	3.6	3.7	2.8
User Fees and Charges	22.8	22.9	24.7	26.0	20.4
Other Sources	29.8	27.8	29.3	25.3	23.3
Proceeds from borrowing	7.5	6.7	0	0	17.5
TOTAL	100.0	100.0	100.0	100.0	100.0

SCHEDULE "C" TO FINANCIAL PLAN BYLAW 788, 2011						
KEREMEOS CAPITAL PROJECTS						
SUMMARY LISTING by Project Number	2011	2012	2013	2014	2015	
A. REBUDGET 2010 CAPITAL PROJECTS						
1 Catch Basins and Storm Grates	5,067					
2 Victory Hall Heating and Cooling	66,767					
3 Parks - Tree Planting Program	21,429					
4 Trail Development	15,000					
5 Village Office Upgrade	41,851					
7 Sewer Liquid Waste Management Plan	49,012					
8 Sewer #1 Lift Station Rebuild	50,427					
B. 2011 - 2015 CAPITAL PROJECTS						
2011						
EQUIPMENT - PUBLIC WORKS						
9 Dump Truck with Sanding Unit and Belly Plow FUND VIA MFA CAPITAL LEASE OVER 15 YRS	142,178					
11 New Holland Mower attachments	14,231					
12 Bobcat Tractor Equipment	5,651					
EQUIPMENT - TECHNOLOGY						
13 Website Design	6,000					
14 MAIS Business License Module	5,000					
PARKS AND TRAILS						
16 Memorial Park Improvements	16,735					
17 Outdoor Fitness Equipment		13,340	13,600	13,875	14,140	
ROAD AND SIDEWALK REHABILITATION						
18 12TH Ave. between Sykes Cres. & Pine Park	107,885					
19 10th Ave Alley between 10th & 11th Ave. and 4th & 5th Street	29,765					
SEWER						
20 Upper Bench Project - Blower, Filter & Transformer	65,080					
2012 - 2015						
ROAD AND SIDEWALK REHABILITATION						
21 10th Ave. between 4th & 5th St.		116,065				
22 6th Ave. between 7th & 6th St.				101,110		
23 7th St. Sidewalk Veterans to 10th Ave			34,657			
24 Alley between 6th & 7th Ave. and 6th & 7th St. Not affordable within existing expected funding Financing alternatives will need to be discussed prior to proceeding in 2015					153,200	
EQUIPMENT						
25 Sweeper Truck Not affordable within existing expected funding Alternatives such as financing/partnering/renting will need to be discussed prior to proceeding in 2015					220,000	
TOTAL	642,078	129,405	48,257	114,985	387,340	