

VILLAGE OF KASLO  
BYLAW NO. 1296, 2023

**A BYLAW TO AMEND 2023-2027 FIVE YEAR FINANCIAL PLAN BYLAW NO. 1291, 2023**

WHEREAS Council desires to amend the 2023-2027 Five Year Financial Plan Bylaw No. 1291, 2023;

NOW, THEREFORE, Council of the Village of Kaslo, in open meeting assembled, ENACTS AS FOLLOWS:

**1. Title**

This Bylaw may be cited as “**2023-2027 Five Year Financial Plan Amendment Bylaw No. 1296, 2023**”.

**2. Provisions**

- 2.1. Schedule “A” of the 2023-2027 Five Year Financial Plan Bylaw No. 1291, 2023 is deleted and replaced with Schedule “A” attached hereto.
- 2.2. Schedule “B” of the 2023-2027 Five Year Financial Plan Bylaw No. 1291, 2023 is deleted and replaced with Schedule “B” attached hereto.

**3. Effective Date**

This bylaw shall take effect upon adoption.

READ A FIRST TIME this 14<sup>th</sup> day of November, 2023.

READ A SECOND TIME this 14<sup>th</sup> day of November, 2023.

READ A THIRD TIME this 14<sup>th</sup> day of November, 2023.

RECONSIDERED AND ADOPTED this 28<sup>th</sup> day of November, 2023.

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MAYOR

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CORPORATE OFFICER

Certified to be a true copy of “2023-2027 Five Year Financial Plan Amendment Bylaw No. 1296, 2023”

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CORPORATE OFFICER

**SCHEDULE "A"**

**SCHEDULE "A" TO the Village of Kaslo 2023-2027 Five Year Financial Plan Bylaw**  
 as amended by Bylaw 1296.

<b>REVENUE</b>	<b>Revised 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>General Tax Revenue</b>	(732,003.07)	(775,920.00)	(814,716.00)	(847,304.64)	(872,723.78)
<b>Grants-in-Lieu</b>	(32,708.62)	(34,671.13)	(36,404.69)	(37,860.87)	(38,996.70)
<b>Tax Penalties &amp; Interest</b>	(13,400.00)	(14,204.00)	(14,914.20)	(15,510.77)	(15,976.09)
<b>Sale of Services</b>	(66,233.13)	(63,790.80)	(66,980.34)	(69,659.55)	(71,749.34)
<b>Licenses &amp; Permits</b>	(18,036.00)	(19,147.80)	(20,105.19)	(20,909.40)	(21,536.68)
<b>Planning &amp; Development</b>	(13,000.00)	(11,660.00)	(12,243.00)	(12,732.72)	(13,114.70)
<b>Rental &amp; Leases</b>	(102,383.63)	(103,105.30)	(105,167.41)	(107,270.75)	(109,416.17)
<b>Other Income</b>	(66,434.00)	(24,605.70)	(25,835.99)	(26,869.42)	(27,675.51)
<b>Investment Income</b>	(145,000.00)	(63,000.00)	(66,150.00)	(68,796.00)	(70,859.88)
<b>Campground</b>	(36,000.00)	(37,740.00)	(38,494.80)	(39,264.70)	(40,049.99)
<b>Aerodrome</b>	(14,000.00)	(14,700.00)	(15,435.00)	(16,052.40)	(16,533.97)
<b>Cemeteries</b>	(12,000.00)	(12,240.00)	(12,484.80)	(12,734.50)	(12,989.19)
<b>Capital &amp; Project Funding</b>	(1,751,529.00)	(326,011.80)	(1,402,819.20)	(992,884.20)	0.00
<b>Non-Capital Conditional Funding</b>	(668,526.40)	(570,583.00)	(581,994.66)	(593,634.55)	(605,507.24)
<b>Unconditional Funding</b>	(351,000.00)	(365,600.00)	(365,600.00)	(365,600.00)	(365,600.00)
<b>Sale of Assets &amp; Land</b>	0.00	0.00	0.00	0.00	0.00
<b>Transfers between Accounts</b>	(103,501.40)	(109,711.48)	(115,197.05)	(119,804.94)	(123,399.08)
<b>Transfers from Reserves</b>	(122,252.17)	(540,500.25)	(330,100.00)	(700,500.00)	(277,441.00)
<b>Transfers from Surplus</b>	(184,285.14)	0.00	0.00	0.00	0.00
<b>Water Rates &amp; Charges</b>	(318,695.30)	(307,548.40)	(322,925.82)	(335,842.85)	(345,918.14)
<b>Water Taxation</b>	(75,139.00)	(75,139.00)	(75,139.00)	(75,139.00)	(75,139.00)
<b>Water Other Revenue</b>	(42,000.00)	0.00	0.00	0.00	0.00
<b>Water Capital Funding</b>	(277,400.00)	(900,750.00)	(300,000.00)	(1,500,000.00)	(77,441.00)
<b>Sewer Rates &amp; Charges</b>	(144,675.00)	(161,108.85)	(167,553.20)	(172,579.80)	(176,031.40)
<b>Sewer Taxation</b>	(16,764.00)	(16,764.00)	(16,764.00)	(16,764.00)	(16,764.00)
<b>Sewer Other Revenue</b>	(6,950.47)	(7,297.99)	(7,589.91)	(7,817.61)	(7,973.96)
<b>Sewer Capital Funding</b>	0.00	(1,100,000.00)	(1,500,000.00)	(1,200,000.00)	(1,250,000.00)
<b>Collections for Others</b>	(1,365,143.19)	(1,447,825.96)	(1,520,217.26)	(1,581,025.95)	(1,628,456.73)
<b>TOTAL REVENUE</b>	<b>(6,679,059.52)</b>	<b>(7,103,625.46)</b>	<b>(7,934,831.51)</b>	<b>(8,936,558.62)</b>	<b>(6,261,293.54)</b>

**SCHEDULE "A"**

**SCHEDULE "A" TO the Village of Kaslo 2023-2027 Five Year Financial Plan Bylaw**  
 as amended by Bylaw 1296.

<b>EXPENSE</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Council &amp; Administration</b>	641,592.77	679,558.34	713,536.26	742,077.71	764,340.04
<b>Supplies &amp; Services</b>	144,894.75	128,451.86	134,874.45	140,269.43	144,477.51
<b>Protective Services</b>	330,500.48	350,012.51	367,513.14	382,213.66	393,680.07
<b>Planning &amp; Economic Development</b>	132,500.00	306,402.54	321,722.67	334,591.57	344,629.32
<b>Facilities</b>	154,333.18	159,742.19	167,729.30	174,438.47	179,671.63
<b>Recreation &amp; Culture</b>	127,112.87	112,553.63	118,181.31	122,908.56	126,595.82
<b>PW Operations</b>	311,379.55	331,122.32	347,678.44	361,585.57	372,433.14
<b>PW Fleet &amp; Equipment</b>	84,492.00	89,150.24	93,607.75	97,352.06	100,272.62
<b>Environmental Services</b>	103,679.97	109,900.77	115,395.81	120,011.64	123,611.99
<b>Campground</b>	31,410.43	20,495.93	21,520.73	22,381.56	23,053.00
<b>Aerodrome</b>	14,217.45	13,874.13	14,567.84	15,150.55	15,605.07
<b>Cemeteries</b>	2,360.45	2,407.66	2,455.81	2,504.93	2,555.03
<b>Debt Servicing</b>	26,686.00	24,000.00	0.00	0.00	0.00
<b>Capital &amp; Projects</b>	1,093,443.00	326,011.80	1,402,819.20	992,884.20	0.00
<b>Transfers between Accounts</b>	61,808.90	65,517.43	68,793.30	71,545.03	73,691.38
<b>Transfers to Reserves</b>	1,249,540.95	367,989.91	134,246.32	467,474.46	18,952.70
<b>Water Personnel</b>	110,202.32	116,814.46	122,655.18	127,561.39	131,388.23
<b>Water Operating</b>	118,559.00	112,952.54	118,600.17	123,344.17	127,044.50
<b>Water Debt Servicing</b>	0.00	0.00	0.00	0.00	0.00
<b>Water Emergency Management</b>	0.00	0.00			
<b>Water Capital Expenditures</b>	277,400.00	900,750.00	300,000.00	1,500,000.00	77,441.00
<b>Transfer to Water Reserve</b>	137,639.00	152,920.40	156,809.47	160,076.29	162,624.41
<b>Sewer Personnel</b>	95,253.01	100,015.66	104,016.29	107,136.77	109,279.51
<b>Sewer Operating</b>	36,971.00	38,819.55	40,372.33	41,583.50	42,415.17
<b>Sewer Debt Servicing</b>	0.00	0.00	0.00	0.00	0.00
<b>Sewer Capital Expenditures</b>	0.00	1,100,000.00	1,500,000.00	1,200,000.00	1,250,000.00
<b>Transfer to Sewer Reserve</b>	27,939.23	46,335.63	47,518.50	48,441.13	49,074.67
<b>Collections for Others</b>	1,365,143.19	1,447,825.96	1,520,217.26	1,581,025.95	1,628,456.73
<b>TOTAL EXPENDITURES</b>	<b>6,679,059.52</b>	<b>7,103,625.46</b>	<b>7,934,831.51</b>	<b>8,936,558.62</b>	<b>6,261,293.54</b>

**SCHEDULE “B”**

**SCHEDULE “B” TO the Village of Kaslo 2023-2027 Five Year Financial Plan Bylaw**  
 as amended by Bylaw 1296.

Pursuant to section 165 (3.1) of the Community Charter

**Part A: Proportion of Total Revenue Proposed to Come from Each Funding Source**

Table 1, below, shows the proportion of total revenue proposed to be raised from each funding source.

<b>REVENUE SOURCES</b>	<b>Dollar Value (\$)</b>	<b>% of Total Revenue</b>
Municipal Taxation	-\$ 778,112	11.7%
Sale of Services	-\$ 97,269	1.5%
Other Own-Source Revenue	-\$ 375,818	5.7%
Conditional & Unconditional Grants*	-\$ 3,048,455	45.9%
Net Transfers from Reserves & Surplus	-\$ 410,039	6.2%
Water & Sewer Utility Fees	-\$ 562,224	8.5%
Borrowing Proceeds	\$ -	0.0%
Collections for Others	-\$ 1,365,143	20.6%
	<u>-\$ 6,637,060</u>	<u>100%</u>

\* May include unconfirmed grants.

Property value tax is the primary source of operating funds for general municipal purposes. Property taxation is simple to administer and offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis.

Sale of services and fees form another significant portion of planned revenue. Many municipal services such as utilities and recreation lend well to a fee for service basis. Costs can be associated to a level of service provided, particularly where services are optional.

Grant funding is an integral funding source for major capital and operating projects due to the Village’s limited tax base and borrowing authority. Due to the extensive use of Community Works (Canada Community Building Fund) for many projects and projects identified in the Village’s Corporate Strategy, grants form a significant source of funding for the Village in the Financial Plan. The Village also receives unconditional funds under the Strategic Community Initiative (Small Community grant) which provides a significant source of funds for operations and capital maintenance programs and acts as a funding bridge between revenue collection cycles.

The Village received \$480,000 through the COVID Rapid Restart Grant in 2020. The revised 2023 budget includes spending of up to \$153,000 to fund community development and infrastructure projects including the completion of Front Street Park, Kaslo Bay Park, Asset Management and capacity building, City Hall and public works facility upgrades, community planning.

The Village leases vehicles and equipment and secures debenture financing for portions of large, committed projects not funded by grants or other internal sources. The Village reviews all other funding options prior to financing, recognizing that borrowing constitutes a long-term commitment and because borrowing authority is

## SCHEDULE "B"

limited for an organization of this size. No new borrowing for new equipment is planned for 2023. Long-term debt is now paid in full, leaving the Village ample capacity to complete future or unanticipated capital projects.

Other revenue includes sources of funds which do not fit another category and include donations, grants from non-government sources, investment revenue, permits and licensing.

Parcel taxes were established to fund the current and future capital costs of providing water and sewer infrastructure. Capital costs include the funding of capital asset depreciation over the life cycle of the asset to reduce the future borrowing and taxation requirements for future generations of property owners. The intention is to use these taxes toward the capital renewal, replacement and expansion of water and sewer infrastructure and direct user fees towards utility operation and routine maintenance.

Divestiture of select municipal properties and improvements surplus to the needs of incorporation, to boost both capital reserves and economic development is under review. The budget includes funding towards professional planning and engineering advice towards development of surplus municipal land.

The also Village is undertaking an Asset Management program, with the assistance of funding from the Federation of Canadian Municipalities. The program enables hiring additional administrative capacity to create a comprehensive asset registry, develop an asset management framework and train current staff. The Asset Management project will be completed in Fall of 2023, culminating in a new asset management plan. The plan will help inform next year's 5-year financial plan and beyond.

### **Objective and Policies**

Over the next five years, the Village has the following financial objectives and policies:

- to progressively enhance the funding of capital asset depreciation through reserve growth and stabilize tax and utility rates at appropriate levels.
- to develop a plan around municipal building asset management and divestiture, particularly with respect to heritage buildings that are fully depreciated and require unique capital reserve considerations;
- to actively seek grants for major infrastructure repair and replacement where possible;
- to routinely modernize and improve financial management, analysis and reporting;
- to annually review utility rates to ensure water and sewer operating and delivery costs are fully funded;
- to continually review the distribution of taxation between different property tax classes;
- to review the Village's land and lease portfolio with respect to potential income generation;
- to progressively move to fee and lease structures that at least cover the costs of operation, maintenance and insurance of the asset; and
- Support levels of staffing and succession planning that ensure satisfactory levels of public service and safely run utilities.

**SCHEDULE “B”**

**5-Year Capital Expenditure Plan**

The 5-year financial plan includes the following capital projects. The Village leverages its own revenues and reserves to pursue infrastructure grant funding to complete the projects that are dependent on grants due to their size. Projects listed as “Not Funded” or “Partially Funded” means that the Village either already has, or intends to, apply for capital infrastructure grants in combination with building up reserve funds to acquire the funding needed for the project over the term of the 5-year plan.

<b>SUMMARY OF CAPITAL PROJECTS IN THE 5-YEAR FINANCIAL PLAN</b>				
<b>Project</b>	<b>Project Budget</b>	<b>Target Completion</b>	<b>Funding Status</b>	<b>Source(s)*</b>
Arena Fire Alarm System	\$ 147,740	2023	Funded	Grant + Reserve
Asset Management	\$ 75,000	2023	Funded	Grants + Operating
City Hall Upgrades	\$ 50,000	2024	Funded	Reserve
CRI (FireSmart)	\$ 321,497	2025	Funded	Grants
Electric PW Truck	\$ 93,444	2023	Funded	Grant + Reserve
EV Charging Station	\$ 10,000	2023	Funded	Grant + Reserve
Front Street Park	\$ 90,000	2024	Funded	Grant + Reserve
Kaslo River Dike Project	\$ 425,000	2024	Funded	Grant + Reserve
LED Streetlights	\$ 30,000	2024	Funded	Reserve
Moyie Beach Swim Dock	\$ 15,000	2023	Funded	Reserve
Planning Project	\$ 87,059	2024	Funded	Grants
Public Works Facility	\$ 89,000	2023	Funded	Reserve
Vimy Park	\$ 19,800	2023	Funded	Grant
Zero-Turn Mower	\$ 15,000	2024	Funded	Grants + Reserve
Active Transportation Plan	\$ 30,000	2026	Funded	Grants + Operating
EcDev Capacity Building	\$ 150,000	2025	Funded	Grants + Operating
Kaslo Bay Washroom	\$ 110,000	2024	Not Funded	TBD
Kemball Building	\$ 1,214,173	2024	Underfunded	TBD
Moyie Amphitheatre	\$ 260,000	2025	Partly Funded	Grants + Reserve
PRV 2 & 4 Replacement	\$ 300,000	2025	Not Funded	TBD
WTP UV Treatment	\$ 1,018,000	2025	Funded	Grants + Reserve
WWTP Plant Expansion	\$ 3,312,123	2025	Not Funded	TBD
Library	\$ 4,739,200	2026	Not Funded	TBD
Paving Program	\$ 850,000	2026	Not Funded	TBD
Water Asset Management	\$ 1,577,441	2026	Not Funded	TBD
Sewer Asset Management	\$ 150,000	2027	Not Funded	TBD
Sewer Expansion Phase 2	\$ 2,300,000	2027	Not Funded	TBD

**SCHEDULE “B”**

**Part B: Distribution of Property Taxes among Property Classes**

Table 2, below, provides the distribution of property tax among the property classes.

PROPERTY CLASS		RATIO	% TOTAL PROPERTY TAX	DOLLAR VALUE
1	Residential	1	84.8%	\$ 620,565.73
2	Utilities	10	2.0%	\$ 14,713.86
3	Supportive Housing	1	0.0%	\$ -
4	Major Industry	3.4	0.0%	\$ -
5	Light Industrial	3	0.3%	\$ 2,076.77
6	Business	2.45	12.8%	\$ 93,619.60
7	Managed Forest	3	0.0%	\$ -
8	Recreational/Non-Profit	1.07	0.1%	\$ 1,012.35
9	Farm	12	0.0%	\$ 11.69
TOTAL			100.0%	\$ 732,000.00

Tax rates are set to maintain tax stability and ensure that municipal revenues keep pace with the cost of business and responsible fiscal management. Although residential assessment grew over 29% over the previous year, light industrial and business assessment remained the same or saw a decrease in overall property value.

The Village recognizes the need to attract and retain businesses and industry for economic development and to not rely heavily on any one industry as a tax source. Council believes that its rates reflect that philosophy.

**Part C: The Use of Permissive Tax Exemptions**

The Village of Kaslo believes that Permissive Tax exemptions are an appropriate way to recognize the value of services provided to the community by non-profit organizations.

The Village's policy is to ensure that permissive tax exemptions are utilized to maximize the benefit of non-profit organizations for residential quality of life, with the following caveats:

- Where the Village leases property to the recipients of Permissive or Statutory Tax Exemptions, the Village expects these partners to recognize that this assistance, combined with nominal lease charges, can contribute to the inability of the Village to adequately fund capital reserves that support maintenance and capital repairs to those properties. These partners are expected to partner with the Village on grant pursuit for capital funds on an annual basis as appropriate;
- The Village will not consider Permissive Tax Exemption requests for Local Service or Parcel Taxes with respect to the water and sewer utility as the full cost of such exemptions would have to be covered by a balancing transfer from general operating to the sewer utility or by an increase in taxation to all other users within the service area;
- The tax exemption bylaw was renewed in 2021 for three years. Beneficiaries of the Permissive Tax Exemption were required to fill out an application form, demonstrate the benefit they provide to the community, and provide financial statements.

**SCHEDULE “B”**

**Part D: Proposed Transfers to or Between Reserve Funds**

Table 3, below, summarizes the proposed reserve transfers for 2023, pursuant to section 165(9) of the Community Charter.

The 2023 budget includes the following transfers to or from reserve funds. Money transferred from reserve goes towards funding capital projects and improvements, including the completion of Front Street Park, A Avenue Watermain replacement, Water Treatment Plant upgrades, Kemball Building renovations, Arena upgrades, and energy efficiency upgrades.

<b>FUND NAME</b>	<b>Opening Balance</b>	<b>Transfers To</b>	<b>Transfers From</b>	<b>Closing Balance</b>
Canada Community Building Fund	\$192,783	\$30,000	-\$82,000	\$140,783
Climate Action Reserve	\$52,466	\$48,082	-\$25,344	\$75,204
Growing Communities Fund	\$0	\$919,000	\$0	\$919,000
Cemetery Care	\$90,274	\$1,000	\$0	\$91,274
Library Reserve	\$216,190	\$43,000	\$0	\$259,190
Aerodrome Reserve	\$128,446	\$0	\$0	\$128,446
Buildings, Machinery & Equipment Reserve	\$40,864	\$21,099	\$0	\$61,963
City Hall Reserve	\$60,901	\$5,000	\$0	\$65,901
Sewer Capital Reserve	\$147,154	\$27,939	\$0	\$175,093
Transportation Reserve	\$149,161	\$3,000	\$0	\$152,161
Water Capital Reserve	\$349,184	\$137,639	-\$52,172	\$434,652
Arena Property Reserve	\$98,887	\$15,000	-\$31,523	\$82,364
Contingency Reserve	\$124,485	\$0	\$0	\$124,485
Kemball Building Reserve	\$37,529	\$10,000	\$0	\$47,529
Public Arts Reserve	\$2,844	\$0	\$0	\$2,844
Recreation & Parks Reserve	\$178,282	\$32,004	-\$18,653	\$191,632
Sick Leave and Settlement Reserve	\$70,154	\$0	-\$16,732	\$53,422
	<b>\$1,939,603</b>	<b>\$1,292,763</b>	<b>-\$226,424</b>	<b>\$3,005,942</b>

Some transfers to reserve recognize the deposit of conditional grants received by the Village, such as the Community Works (Canada Community Building Fund). The Growing Communities Fund was announced by the Provincial government earlier this year. The funds can be spent on a variety of capital and other projects but must first be placed in a dedicated reserve fund. The deposit of library and arena fundraising and donations is estimated in the above table because the amount will be variable over the year.

Any additional funds raised by the library will be deposited into a dedicated capital building reserve towards construction of the new library. Arena donations will be deposited to the Arena Capital Reserve to be used towards the Arena Upgrades project. Deposits to other funds are to build up the reserves for future maintenance and capital projects, which will be informed by asset management practices.