



**DISTRICT OF WELLS  
BYLAW NO. 121, 2013**

**A BYLAW OF THE DISTRICT OF WELLS TO ESTABLISH THE FINANCIAL PLAN FOR  
THE YEARS 2013 to 2017.**

WHEREAS Section 165. (1) of the Community Charter requires the District Council to have a financial plan that is adopted by bylaw; and

WHEREAS the District Council has undertaken a process of public consultation regarding the proposed financial plan in accordance with Section 166 of the Community Charter.

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

1. That Schedule "A", as attached hereto and made part of this bylaw, is hereby adopted as the 5 year Financial Plan of the District of Wells for the years 2013 to 2017.
2. That Schedule "B", as attached and made part of this bylaw, is hereby adopted as the 5-year Capital Expenditure program of the District of Wells for the years 2013 to 2017.
3. That Schedule "C", as attached and made part of this bylaw, is hereby adopted as the 5- year financial Plan Statement of the District of Wells for the years 2013 to 2017.
4. This bylaw may be cited for all purposes as the "District of Wells Financial Plan Bylaw No. 121, 2013"

PUBLIC CONSULTATION HELD on the 23<sup>rd</sup> day of April 2013.

READ A FIRST TIME this 23<sup>rd</sup> day of April 2013.

READ A SECOND TIME this 23<sup>rd</sup> day of April 2013.

READ A THIRD TIME this 23<sup>rd</sup> day of April 2013.

FINALLY READ AND ADOPTED this 7th day of May 2013.

Robin Sharpe, Mayor

Gary Champagne, Chief Administrative Officer

**DISTRICT OF WELLS**  
**Bylaw # 121, 2013 Schedule "A"**

**FINANCIAL PLAN**

<b>REVENUE</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Property Taxation	\$ 166,007	\$ 170,987	\$ 176,117	\$ 181,400	\$ 186,842
Grants-in-Lieu of Taxes	\$ 10,219	\$ 10,423	\$ 10,632	\$ 10,844	\$ 11,061
Services for Other Governments	\$ 6,063	\$ 6,184	\$ 6,308	\$ 6,434	\$ 6,563
Other Revenues	\$ 100,419	\$ 59,500	\$ 59,500	\$ 59,500	\$ 59,500
Government Grants	\$ 383,016	\$ 348,815	\$ 415,600	\$ 420,600	\$ 385,600
Other Grants	\$ 43,500	\$ 42,500	\$ 35,000	\$ 35,000	\$ 35,000
Transfers From Reserves	\$ 31,498	\$ -	\$ -	\$ -	\$ -
Utility Users fees	\$ 66,606	\$ 69,936	\$ 69,936	\$ 69,936	\$ 69,936
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer From Accumulated Surplus	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer From Previous Year Surplus	\$ 239,375	\$ 129,027	\$ 23,715	\$ 21,244	\$ 13,387
<b>TOTAL</b>	<b>\$ 1,046,703</b>	<b>\$ 837,373</b>	<b>\$ 796,808</b>	<b>\$ 804,959</b>	<b>\$ 767,890</b>

<b>EXPENDITURE</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
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General Government Services	\$ 395,805	\$ 389,534	\$ 368,485	\$ 372,170	\$ 375,892
Protective Services	\$ 17,605	\$ 17,957	\$ 18,316	\$ 18,683	\$ 19,056
Public Works	\$ 144,400	\$ 147,267	\$ 150,212	\$ 153,217	\$ 156,281
Development Services & Planning	\$ 70,850	\$ 57,267	\$ 48,412	\$ 49,380	\$ 50,368
Water Utility Operations	\$ 72,883	\$ 74,341	\$ 75,827	\$ 77,344	\$ 78,891
Sewer Utility Operations	\$ 70,585	\$ 71,997	\$ 73,437	\$ 74,905	\$ 76,403
Debt Principal	\$ 63,130	\$ 48,063	\$ 6,256	\$ 6,256	\$ 6,256
Debt Interest	\$ 6,758	\$ 6,758	\$ 4,118	\$ 4,118	\$ 4,118
Capital	\$ 75,210		\$ 30,000	\$ 35,000	\$ -
Fiscal Charges	\$ 450	\$ 475	\$ 500	\$ 500	\$ 500
<b>TOTAL</b>	<b>\$ 917,676</b>	<b>\$ 813,658</b>	<b>\$ 775,564</b>	<b>\$ 791,573</b>	<b>\$ 767,765</b>

<b>Surplus</b>	<b>\$ 129,027</b>	<b>\$ 23,715</b>	<b>\$ 21,244</b>	<b>\$ 13,387</b>	<b>\$ 125</b>
<b>Surplus to Reserves</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ 0</b>	<b>\$ (0)</b>	<b>\$ 125</b>

**DISTRICT OF WELLS**  
**Bylaw # 121, 2013 Schedule "B"**

**5 YEAR CAPITAL PLAN**

<b>EXPENDITURES</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>TOTAL</b>
<b>PLANNING &amp; DEVELOPMENT</b>						
Community Planning/Dev.	\$14,410					\$14,410
Water Utility						\$0
Sewer Utility						\$0
Land and Civic Buildings	\$0		\$0			\$0
Public Works						\$0
<b>TOTAL PLANNING</b>	<b>\$14,410</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,410</b>
<b>LAND &amp; BUILDINGS</b>						
Civic Buildings	\$60,000					\$60,000
Fire Dept. & EOC						\$0
Public Works						\$0
Land						\$0
						\$0
<b>TOTAL BUILDINGS</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,000</b>
<b>ENGINEERING STRUCTURES</b>						
Streets						\$0
Sidewalks						\$0
Water			\$30,000			\$30,000
Sewer				\$35,000		\$35,000
Storm Drainage						\$0
Misc. Public Works						\$0
Parks				\$0		\$0
<b>TOTAL ENGIN. STRUCT.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$65,000</b>
<b>SUBTOTAL PROJECTS</b>	<b>\$74,410</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$139,410</b>
<b>EQUIPMENT</b>						
Public Works						\$0
Fire Department	\$800					\$800
<b>SUBTOTAL EQUIPMENT</b>	<b>\$800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$800</b>
<b>TOTAL EXPENDITURES</b>	<b>\$75,210</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$140,210</b>

<b>SOURCE OF FUNDS</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>TOTAL</b>
Gen. Operating Fund						\$0
Water Operating Fund						\$0
Sewer Operating Fund						\$0
Reserve Funds & Surplus	\$41,008					\$41,008
Project Grants	\$34,202		\$30,000	\$35,000		\$99,202
Local Improvement Levy						\$0
Short Term Borrowing						\$0
Long Term Borrowing						\$0
Contributions				\$0		\$0
<b>TOTAL REVENUE</b>	<b>\$75,210</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$140,210</b>

**Bylaw 121, 2013**  
**Schedule "C"**

**2013 Financial Plan Statement**

**General Summary**

For the past several years, the District of Wells has enjoyed a period of relative financial security resulting from a number of positive contributing factors. During those years, operational and capital costs were normally funded by current year revenues and producing a year-end surplus was the norm. Unfortunately current spending patterns and revenue projections indicate that in 2015, and in each year after that, the District will begin facing a deficit that will increase with each passing year. Although the District has established a healthy financial reserve which could be used to address emerging contingency issues, the magnitude of continuous and growing deficits over an extended period of years would not be sustainable.

Given the above, the District's Financial Plan for 2013 to 2017 assumes a fiscally conservative stance to maintain the municipality in a sustainable position. To accomplish this the Plan includes the following elements which combine manageable revenue increases with reductions in discretionary spending:

1. In 2013 a 2% municipal tax increase and in 2014 and each year thereafter a 3% municipal tax increase;
2. In 2013 a Fees and Services Bylaw amendment to adjust fees to more accurately reflect municipal costs for services;
3. In 2014 a one-time 5% increase in the Water and Sewer Utility Rates;
4. In 2014 reduce the CAO position to 80% of full-time and freeze the position's salary;
5. In 2014 a budget reduction of \$2500 in discretionary expenditures; and
6. In 2015 a budget reduction of a further \$38,000 in discretionary spending.

Taken as a whole these actions, implemented in the years specified, should produce long-term financial sustainability for the District beyond the five year Plan horizon. It must be noted that development of this plan does require making assumptions regarding the stability of future municipal revenues and expenditures and most important, the continuation of the British Columbia Small Communities Protection Grant program. Should any of these inputs vary substantially it will be necessary to adjust the plan in future years.

**Proportion of total revenue from each funding source**

Table one below shows the proportion of total revenue to be raised under the Plan from each funding source in 2013. At 64.6%, grants continue to be the largest and most important source of revenue for the municipality. Comparatively, property and parcel taxes in 2013 will account for a combined total of only 15.8% of the District's revenue requirements. User fees for municipal services such as the water and sewer utilities will account for an additional 6.4%. There is no short-term borrowing for Capital Projects in 2013. Other revenue, which is composed of services provided to other levels of government, rentals and misc. funding make up the remaining 6.3%. Finally the municipality has also earmarked a transfer from reserves of \$31,500 for Capital work representing 3% of our 2013 revenue.

The above combination of grants, property taxes, user fees, transfers and other revenue together have provided an historically stable and consistent source of **operational funding** for the District. For matters of **capital funding**, it should be noted that most District capital projects are based around external funding opportunities such as grant programs which minimize the impact of Capital work on our local taxpayer. Although this requires considerable flexibility when planning projects, it does allow a small community like Wells to undertake major projects that could not otherwise be funded. An exception to the requirement for flexible planning is the Federal Fuel Tax Rebate Program which provides stable annual funding for utility projects and which was a major funding component of our recently completed Water Treatment Plant.

**Table one: proportions of total revenue**

<b>Revenue Source</b>	<b>% Total Revenue</b>
Grants	64.6%
Parcel taxes	8.7%
Property value taxes	7.1%
User fees and charges	6.4%
Proceeds from borrowing	0%
Transfers from reserves	3.0%
Other revenue	10.2%
<b>TOTAL</b>	<b>100.0%</b>

**Distribution of property taxes among the property classes**

The table below illustrates the percentage of total property value tax revenue to be collected from each property class in 2013.

<b>Property class</b>	<b>% Property Value Tax</b>
Residential (Class 1)	50.4%
Utilities (Class 2)	5.6%
Major Industry (Class 4)	12.3%
Business (Class 6)	31.3%
Recreation/Non-Profit (Class 8)	0.4%
<b>TOTAL</b>	<b>100.0%</b>

**Use of permissive tax exemptions**

The Annual Municipal Report for 2012, will contain a list of permissive exemptions granted for the taxation year and the amount of tax revenue foregone. The list demonstrates the policy of council that permissive exemptions are granted to registered not-for-profit organizations that form a valuable part of our community. These include historical societies, recreational and service organizations and cultural institutions.

**Tax Policy Statements**

**Policy Statement #1:**

Recognizing the fundamental requirement for the District of Wells to maintain a sustainable long term financial position it is the policy of the District of Wells that property tax increases over the span of this five-year Financial Plan should be the minimum necessary to meet that requirement.

**Objective:** The District of Wells increase municipal taxes at the rate of 2% in 2013 and 3% in each of the remaining 4 years of the Financial Plan thereafter.

**Policy Statement #2:**

Within the context of the Financial Plan, Council recognizes that the District of Wells, having one of the smallest municipal tax bases in British Columbia, cannot unilaterally support municipal operations without substantial external sources of revenue. Furthermore without the annual unrestricted Provincial Small Community Protection Grant, the District of Wells would be unable to financially sustain itself. Therefore in order to sustain the municipality, it is the policy of the District to be a strong proponent for the continuation of senior government funding programs such as the B.C. Small Communities Protection Grant.

**Objective:** Over the five-year period of this financial plan, the District will be a strong proponent for the continuation of senior government funding programs for small municipalities in British Columbia and in particular for continuation of the B.C. Small Communities Protection Grant.

**Policy Statement #3:**

The District of Wells shall actively pursue external grants and sources of revenue to fund any new operational programs or capital projects to minimize property tax impacts.

**Objective:** Over the five-year period of this financial plan, the District will minimize new operational and capital programs and projects that cannot be funded in whole or in part by external funding and grant programs..

**Policy Statement #4:**

The District shall endeavor to minimize future changes to the proportional relationship between the property classes for tax purposes.

**Objective:** Using 2013 as a base year, maintain the status-quo of proportional relationships of property classes for taxation purposes.

**Policy Statement #5:**

Council will continue to support permissive tax exemptions for properties owned by local registered non-profit organizations.

**Objective:** Assist local registered non-profit organizations in the community through the administration of permissive tax exemptions.