

Town of Golden

Report: Long Term Loan - Potential Tax Impacts

Date: January 21, 2021

Class	Tax Rates by Class and by Year			
	2019	2020	Projected 2021	Projected 2021 (with new debt)
1 - Residential	5.750	5.219	5.348	5.472
6 - Business	12.434	12.115	12.414	12.702

RESIDENTIAL		Approx. Municipal Taxes		Projected Municipal Taxes with new debt		Impact with debt	
Class	Property	2019	2020	(A) 2021	(B) 2021	Dollar Change (A) to (B)	Percentage Change (A) to (B)
1	\$ 300,000	1,725	1,566	1,604	1,642	\$ 37	2.32%
1	\$ 400,000	2,300	2,088	2,139	2,189	\$ 50	2.32%
1	\$ 500,000	2,875	2,610	2,674	2,736	\$ 62	2.32%
1	\$ 600,000	3,450	3,131	3,209	3,283	\$ 75	2.32%
Residential - Additional cost per \$1,000 of Assessed Value						\$	0.124174

BUSINESS		Approx. Municipal Taxes		Projected Municipal Taxes with new debt		Impact with debt	
Class	Property	2019	2020	(A) 2021	(B) 2021	Dollar Change (A) to (B)	Percentage Change (A) to (B)
6	\$ 400,000	4,974	4,846	4,966	5,081	\$ 115	2.32%
6	\$ 600,000	7,460	7,269	7,448	7,621	\$ 173	2.32%
6	\$ 800,000	9,947	9,692	9,931	10,162	\$ 231	2.32%
6	\$ 1,000,000	12,434	12,115	12,414	12,702	\$ 288	2.32%
Business - Additional cost per \$1,000 of Assessed Value						\$	0.288241

ADDITIONAL NOTES:

1. The contemplated tax increase is over and above the regular budget increase of 5%
2. For the purpose of this estimate, assessments were kept constant at the 2020 roll values to eliminate increases/decreases based on valuations and non-market changes.
3. The full amount of debt would not be drawn all at once, resulting in a lesser immediate increase in 2021/22. With increases actually phased over the course of multiple years.
4. The annual debt servicing amount used was \$277,148 which is an outside estimate based on a 25 year loan at the Municipal Finance Authority Rate of 2.32% as at January 21, 2020.

LIABILITY SERVICING LIMIT CERTIFICATE

The Town of Golden (the "Municipality")

In relation to POTENTIAL LONG TERM LOAN - - - - - 25 YEARS

The undersigned Financial Officer assigned responsibility for financial administration under section 149 of the Community Charter, SBC 2003, Chapter 26 (the "Charter") or Auditor appointed for the Municipality under section 169 of the hereby certifies as follows:

Calculation revenue for the previous year <i>(section 4 & 5, BC Reg 254/2004)</i>	\$9,822,428.00 a
Liability Servicing Limit (a x 25%) <i>(section 2, BC Reg 254/2004)</i>	\$2,455,607.00 b
Annual Servicing cost for previous year	\$498,455.00 c

Plus: New liabilities incurred, other than current request

Liability Type and reference	Annual servicing cost
20-123 Grader	\$96,108.60 d
20-369 Fire Engine	\$182,898.72 e
Total of lines d through l	\$279,007.32

Less: Liabilities which have matured

Liability type and reference	Annual servicing cost
	n
Total of lines n through r	\$0.00 s

Amount of new liability **\$5,000,000.00** t

(section 3, BC Reg 254/2004)

Annual servicing cost of new liability **\$277,147.58** u

(section 3, BC Reg 254/2004)

Total liability servicing cost including current request (lines c+m-s+u) **\$1,054,609.90** **42.95%**

which is less than the annual liability servicing limit stated on line b. \$1,400,997.10

OR

which exceeds the annual liability servicing limit stated on line b, and the undersigned hereby requests approval of the Inspector of Municipalities under section 174 of the Charter to exceed the limit established under the section.

In accordance with section 179(5) or section 175(1)(b) of the Charter, as applicable, the debt to be contracted under the loan authorization bylaw, or other liability for which certification is being made, referred to above will not exceed the lesser of 30 years and the reasonable life expectancy of the capital asset, activity, work or service, or the remaining term of the applicable agreement, as the case may be, for which the debt is to be contracted.

The undersigned Financial Officer or Auditor also hereby authorizes Legal Counsel of the Municipal Finance Authority of British Columbia to rely on this Certificate in giving any opinion in connection with any borrowing by the Municipal Finance Authority of British Columbia ("MFA") and the issuance of bonds, debentures, and other securities by the MFA in respect of the loan authorization bylaw, or other liability for which certification is being made, referred to above.

25 Year Term**Estimated Annual Debt Payments: 277,148***1.75% Capitalization Rate**S/F Factor:**0.032230***Principal: 5,000,000****Interest Rate: 2.32%**

	Estimated Principal Payment	Estimated Interest Payment	Estimated Total Payment	Estimated Actuarial	Reducing Balance
Yr 1 Semi Annual		58,000	58,000		5,000,000
Yr 1 Annual	161,148	58,000	219,148		4,838,852
Yr 2 Semi Annual		58,000	58,000		4,838,852
Yr 2 Annual	161,148	58,000	219,148	2,820	4,674,885
Yr 3 Semi Annual		58,000	58,000		4,674,885
Yr 3 Annual	161,148	58,000	219,148	5,690	4,508,048
Yr 4 Semi Annual		58,000	58,000		4,508,048
Yr 4 Annual	161,148	58,000	219,148	8,609	4,338,291
Yr 5 Semi Annual		58,000	58,000		4,338,291
Yr 5 Annual	161,148	58,000	219,148	11,580	4,165,563
Yr 6 Semi Annual		58,000	58,000		4,165,563
Yr 6 Annual	161,148	58,000	219,148	14,603	3,989,813
Yr 7 Semi Annual		58,000	58,000		3,989,813
Yr 7 Annual	161,148	58,000	219,148	17,678	3,810,987
Yr 8 Semi Annual		58,000	58,000		3,810,987
Yr 8 Annual	161,148	58,000	219,148	20,808	3,629,032
Yr 9 Semi Annual		58,000	58,000		3,629,032
Yr 9 Annual	161,148	58,000	219,148	23,992	3,443,893
Yr 10 Semi Annual		58,000	58,000		3,443,893
Yr 10 Annual	161,148	58,000	219,148	27,232	3,255,513
Yr 11 Semi Annual		58,000	58,000		3,255,513
Yr 11 Annual	161,148	58,000	219,148	30,529	3,063,837
Yr 12 Semi Annual		58,000	58,000		3,063,837
Yr 12 Annual	161,148	58,000	219,148	33,883	2,868,807
Yr 13 Semi Annual		58,000	58,000		2,868,807
Yr 13 Annual	161,148	58,000	219,148	37,296	2,670,363
Yr 14 Semi Annual		58,000	58,000		2,670,363
Yr 14 Annual	161,148	58,000	219,148	40,769	2,468,447
Yr 15 Semi Annual		58,000	58,000		2,468,447
Yr 15 Annual	161,148	58,000	219,148	44,302	2,262,997
Yr 16 Semi Annual		58,000	58,000		2,262,997
Yr 16 Annual	161,148	58,000	219,148	47,898	2,053,952
Yr 17 Semi Annual		58,000	58,000		2,053,952
Yr 17 Annual	161,148	58,000	219,148	51,556	1,841,249
Yr 18 Semi Annual		58,000	58,000		1,841,249
Yr 18 Annual	161,148	58,000	219,148	55,278	1,624,823
Yr 19 Semi Annual		58,000	58,000		1,624,823
Yr 19 Annual	161,148	58,000	219,148	59,066	1,404,610
Yr 20 Semi Annual		58,000	58,000		1,404,610
Yr 20 Annual	161,148	58,000	219,148	62,919	1,180,543
Yr 21 Semi Annual		58,000	58,000		1,180,543
Yr 21 Annual	161,148	58,000	219,148	66,841	952,555
Yr 22 Semi Annual		58,000	58,000		952,555
Yr 22 Annual	161,148	58,000	219,148	70,830	720,577
Yr 23 Semi Annual		58,000	58,000		720,577
Yr 23 Annual	161,148	58,000	219,148	74,890	484,539
Yr 24 Semi Annual		58,000	58,000		484,539
Yr 24 Annual	161,148	58,000	219,148	79,021	244,371
Yr 25 Semi Annual		58,000	58,000		244,371
Yr 25 Annual	161,148	58,000	219,148	83,224	0
TOTALS:	4,028,690	2,900,000	6,928,690	971,310	

LIABILITY SERVICING LIMIT CERTIFICATE

The Town of Golden (the "Municipality")

In relation to POTENTIAL LONG TERM LOAN - - - - - 30 YEARS

The undersigned Financial Officer assigned responsibility for financial administration under section 149 of the Community Charter, SBC 2003, Chapter 26 (the "Charter") or Auditor appointed for the Municipality under section 169 of the hereby certifies as follows:

Calculation revenue for the previous year <i>(section 4 & 5, BC Reg 254/2004)</i>	\$9,822,428.00 a
Liability Servicing Limit (a x 25%) <i>(section 2, BC Reg 254/2004)</i>	\$2,455,607.00 b
Annual Servicing cost for previous year	\$498,455.00 c

Plus: New liabilities incurred, other than current request

Liability Type and reference	Annual servicing cost
20-123 Grader	\$96,108.60 d
20-369 Fire Engine	\$182,898.72 e
Total of lines d through l	\$279,007.32

Less: Liabilities which have matured

Liability type and reference	Annual servicing cost
	n
Total of lines n through r	\$0.00 s

Amount of new liability **\$5,000,000.00** t

(section 3, BC Reg 254/2004)

Annual servicing cost of new liability **\$244,148.77** u

(section 3, BC Reg 254/2004)

Total liability servicing cost including current request (lines c+m-s+u) **\$1,021,611.09** **41.60%**

which is less than the annual liability servicing limit stated on line b. \$1,433,995.91

OR

which exceeds the annual liability servicing limit stated on line b, and the undersigned hereby requests approval of the Inspector of Municipalities under section 174 of the Charter to exceed the limit established under the section.

In accordance with section 179(5) or section 175(1)(b) of the Charter, as applicable, the debt to be contracted under the loan authorization bylaw, or other liability for which certification is being made, referred to above will not exceed the lesser of 30 years and the reasonable life expectancy of the capital asset, activity, work or service, or the remaining term of the applicable agreement, as the case may be, for which the debt is to be contracted.

The undersigned Financial Officer or Auditor also hereby authorizes Legal Counsel of the Municipal Finance Authority of British Columbia to rely on this Certificate in giving any opinion in connection with any borrowing by the Municipal Finance Authority of British Columbia ("MFA") and the issuance of bonds, debentures, and other securities by the MFA in respect of the loan authorization bylaw, or other liability for which certification is being made, referred to above.

30 Year Term**Estimated Annual Debt Payments: 244,149***1.75% Capitalization Rate***Principal: 5,000,000****Interest Rate: 2.32%***S/F Factor:**0.025629755*

	Estimated Principal Payment	Estimated Interest Payment	Estimated Total Payment	Estimated Actuarial	Reducing Balance
Yr 1 Semi Annual		58,000	58,000		5,000,000
Yr 1 Annual	128,149	58,000	186,149		4,871,851
Yr 2 Semi Annual		58,000	58,000		4,871,851
Yr 2 Annual	128,149	58,000	186,149	2,243	4,741,460
Yr 3 Semi Annual		58,000	58,000		4,741,460
Yr 3 Annual	128,149	58,000	186,149	4,524	4,608,787
Yr 4 Semi Annual		58,000	58,000		4,608,787
Yr 4 Annual	128,149	58,000	186,149	6,846	4,473,792
Yr 5 Semi Annual		58,000	58,000		4,473,792
Yr 5 Annual	128,149	58,000	186,149	9,209	4,336,434
Yr 6 Semi Annual		58,000	58,000		4,336,434
Yr 6 Annual	128,149	58,000	186,149	11,612	4,196,673
Yr 7 Semi Annual		58,000	58,000		4,196,673
Yr 7 Annual	128,149	58,000	186,149	14,058	4,054,466
Yr 8 Semi Annual		58,000	58,000		4,054,466
Yr 8 Annual	128,149	58,000	186,149	16,547	3,909,770
Yr 9 Semi Annual		58,000	58,000		3,909,770
Yr 9 Annual	128,149	58,000	186,149	19,079	3,762,543
Yr 10 Semi Annual		58,000	58,000		3,762,543
Yr 10 Annual	128,149	58,000	186,149	21,656	3,612,738
Yr 11 Semi Annual		58,000	58,000		3,612,738
Yr 11 Annual	128,149	58,000	186,149	24,277	3,460,312
Yr 12 Semi Annual		58,000	58,000		3,460,312
Yr 12 Annual	128,149	58,000	186,149	26,945	3,305,219
Yr 13 Semi Annual		58,000	58,000		3,305,219
Yr 13 Annual	128,149	58,000	186,149	29,659	3,147,412
Yr 14 Semi Annual		58,000	58,000		3,147,412
Yr 14 Annual	128,149	58,000	186,149	32,420	2,986,843
Yr 15 Semi Annual		58,000	58,000		2,986,843
Yr 15 Annual	128,149	58,000	186,149	35,230	2,823,464
Yr 16 Semi Annual		58,000	58,000		2,823,464
Yr 16 Annual	128,149	58,000	186,149	38,089	2,657,225
Yr 17 Semi Annual		58,000	58,000		2,657,225
Yr 17 Annual	128,149	58,000	186,149	40,999	2,488,078
Yr 18 Semi Annual		58,000	58,000		2,488,078
Yr 18 Annual	128,149	58,000	186,149	43,959	2,315,971
Yr 19 Semi Annual		58,000	58,000		2,315,971
Yr 19 Annual	128,149	58,000	186,149	46,971	2,140,851
Yr 20 Semi Annual		58,000	58,000		2,140,851
Yr 20 Annual	128,149	58,000	186,149	50,035	1,962,668
Yr 21 Semi Annual		58,000	58,000		1,962,668
Yr 21 Annual	128,149	58,000	186,149	53,153	1,781,365
Yr 22 Semi Annual		58,000	58,000		1,781,365
Yr 22 Annual	128,149	58,000	186,149	56,326	1,596,891
Yr 23 Semi Annual		58,000	58,000		1,596,891
Yr 23 Annual	128,149	58,000	186,149	59,554	1,409,187
Yr 24 Semi Annual		58,000	58,000		1,409,187
Yr 24 Annual	128,149	58,000	186,149	62,839	1,218,199
Yr 25 Semi Annual		58,000	58,000		1,218,199
Yr 25 Annual	128,149	58,000	186,149	66,182	1,023,869
Yr 26 Semi Annual		58,000	58,000		1,023,869
Yr 26 Annual	128,149	58,000	186,149	69,582	826,138
Yr 27 Semi Annual		58,000	58,000		826,138
Yr 27 Annual	128,149	58,000	186,149	73,043	624,947
Yr 28 Semi Annual		58,000	58,000		624,947
Yr 28 Annual	128,149	58,000	186,149	76,563	420,234
Yr 29 Semi Annual		58,000	58,000		420,234
Yr 29 Annual	128,149	58,000	186,149	80,146	211,940
Yr 30 Semi Annual		58,000	58,000		211,940
Yr 30 Annual	128,149	58,000	186,149	83,791	0
TOTALS:	3,844,463	3,480,000	7,324,463	1,155,537	