

TOWN OF LAKE COWICHAN

Financial Plan Bylaw No. 1020-2019

A Bylaw respecting the Financial Plan for the Town of Lake Cowichan

WHEREAS Section 165 of the *Community Charter* requires a Municipality to prepare and adopt, a Financial Plan for a period of five years commencing in 2019;

AND WHEREAS the plan must by bylaw be adopted before the annual property tax bylaw is adopted;

NOW THEREFORE, the Municipal Council of the Town of Lake Cowichan desires to adopt the Financial Plan, in open meeting assembled, enacts as follows:

1. Schedule "A" attached hereto and made part of this bylaw sets out the objectives and policies of the municipality.
2. Schedules "B" and Schedule "C" attached hereto and made part of this bylaw shall be the Financial Plan for the Town of Lake Cowichan for the years 2019 to 2023.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 1021-2019".

READ A FIRST TIME on the 23rd day of April, 2019.

READ A SECOND TIME on the 23rd day of April, 2019.

READ A THIRD TIME on the 23rd day of April, 2019.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the 14th day of May, 2019.

Rod Peters
Mayor

Joseph A. Fernandez
Corporate Officer



2019-2023 Financial Plan
Statement of Objectives and Policies
Schedule "A"

Section 165(3.1) of the Community Charter requires that the Financial Plan include the objectives and policies of the Town of Lake Cowichan in respect of funding sources, distribution of property tax rates and permissive tax exemptions.

Funding Sources:

Property taxation revenue is determined in accordance to the operating and capital needs of the general fund and is the major revenue source for that fund. User fees and charges for water, sewer and garbage services are used to finance those areas of expenditures. The campsite and education center contribute 5% of the total revenue source requirements. A breakdown of the revenue sources are summarized as follows:

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	23.95%	\$2,201,881
User fees and charges	5.41%	489,700
Recreational facilities	6.80%	608,000
Other sources	1.15%	100,950
Government grants	42.91%	4,229,900
Transfer from reserves	19.78%	1,511,000
Total	100%	\$9,141,431

Collections for other governments, fire service to CVRD, police levy, library levy and transfers from surplus and debt have not been included in the revenue sources in the above table.

Strategic Community Investment Funds:

Government grants include the Strategic Community Investment Funds which are provided by the Province of British Columbia. These funds reduce the level of municipal taxation and they may be used to fund infrastructure capital works. For a smaller municipality, these funds are instrumental to maintaining existing municipal service levels. In 2019, funds estimated in the amount of \$451,900 have been allocated to the Town.

Objective:

- The Town will attempt to increase the sources of government grants to complete much needed infrastructure capital projects in the municipality.
- Where feasible user fees will be levied where measurable level of services are rendered or provided.

Policies:

- The Town has implemented water metering and has setup metered user fees that include fixed fees and consumption charges based on usage.



- Where possible the Town will substitute revenues from user fees and charges and government grants rather than taxation.
- The Town will review municipal service and user fees to ensure that the operating and capital budgets are adequate while providing the residents with the service levels

Distribution of Property Tax Rates

The table below outlines the distribution of property taxes among the property classes. Residential property taxes account for more than three quarters of the taxes collected.

Property Class	% of Total Property Taxation	Dollar Value
Residential	84.28%	\$1,855,716
Utility	0.28%	6,158
Industrial	1.94%	42,720
Managed Forest	0.20%	4,462
Commercial	16.66%	234,743
Recreational	0.04%	802
Grants-in-Lieu	2.60%	57,280
Total	100%	2,201,881

Objective:

- The Town will strive to reduce the industrial and business tax rates to encourage investment and employment in the area. Currently there is a limited industrial taxation base within the municipality.

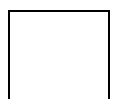
Policies:

- Encourage and promote economic development to increase commercial and retail businesses in the Town of Lake Cowichan;
- Supplement, where possible, revenues from user fees and government grants to keep the residential property tax increases to a manageable amount.

Parcel taxes:

The sewer parcel tax was implemented in 2010 and increased in 2013 to \$100 per parcel. This source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading sewer infrastructure.

The water parcel tax has been increased to \$140 per parcel starting in 2016. A \$100 water parcel tax was implemented in 2013. This source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading water infrastructure.



Permissive Tax Exemptions:

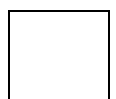
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land and buildings used for public worship or that meet the requirements of the Revitalization Tax Exemption Programme Bylaw. The annual municipal report contains a list of permissive tax exemptions granted each taxation year and the amount of tax revenue foregone.

Objective:

- The Town will continue to strive to provide tax exemptions to charitable non-profit organizations and places of public worship as council recognizes the efforts and activities of volunteer and community groups but at the same time ensuring that these exemptions are periodically reviewed;

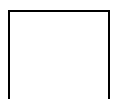
Policy:

- Continue to support the non-profit and charitable groups that operate for the benefit of all residents of the Town of Lake Cowichan;
- Provide support for the growth of sustainable development and investment in the Town.



TOWN OF LAKE COWICHAN
Schedule "B"
General Fund - Financial Plan 2019-2023

	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
REVENUES					
Residential	1,855,716	1,911,387	1,949,615	1,988,607	2,028,379
Utility	6,158	6,343	6,470	6,599	6,731
Industrial	42,720	44,002	44,882	45,780	46,696
Commercial	234,743	241,785	246,621	251,553	256,584
Managed Forest	4,462	4,596	4,688	4,782	4,878
Recreational	802	826	843	860	877
Taxes	2,144,601	2,208,939	2,253,119	2,298,181	2,344,145
Grants-In-Lieu	57,280	58,451	59,611	60,799	62,015
	2,201,881	2,267,390	2,312,730	2,358,980	2,406,160
Penalties and Interest on Taxes	60,000	61,800	63,036	64,297	65,580
Licenses and Permits	46,200	47,586	48,538	49,509	50,500
Solid Waste Revenues	383,500	395,005	402,905	410,963	419,180
Lakeview Campsite Revenues	191,000	193,000	194,000	196,000	198,000
CLEC Revenues	417,000	422,000	423,000	425,000	428,000
Lease Revenues	61,700	62,500	63,000	63,500	64,000
Interest on Investments	30,000	25,000	20,000	20,000	20,000
Other Revenue	9,250	10,000	10,000	10,000	10,000
Unconditional Transfers	451,900	445,000	454,000	470,000	490,000
Conditional Transfers	3,778,000	10,000	10,000	10,000	10,000
Fire Service to CVRD	321,847	324,000	326,000	328,000	330,000
Police Tax	166,480	168,000	169,000	170,000	171,000
Library Levy	133,729	135,000	136,000	137,000	138,000
Transfers from Reserve Funds	1,511,000	330,000	120,000	100,000	70,000
Collections for Other Governments	2,476,441	2,490,000	2,510,000	2,530,000	2,550,000
Debt	300,000	-	-	-	-
Transfer from Surplus	-	297,219	460,791	606,751	-
	12,539,928	7,683,500	7,723,000	7,950,000	7,420,420
EXPENDITURES					
General Government Services	567,600	580,000	600,000	620,000	640,000
Fire Department	427,000	430,000	432,000	435,000	438,000
Police Force	166,480	168,000	169,000	170,000	171,000
Building Inspection and Other	61,000	61,500	62,000	62,500	63,000
Public Works	497,000	530,000	536,000	542,000	548,000
Solid Waste Disposal	402,100	405,000	410,000	420,000	430,000
Planning, Health & Other	60,500	61,000	62,000	62,500	63,000
Lakeview Campsite Expenses	178,300	181,000	182,000	184,000	188,000
Parks	286,900	290,000	292,000	294,000	296,000
CLEC Expense	485,000	486,000	487,000	488,000	489,000
Transfer to Library	133,729	135,000	136,000	137,000	138,000
Transfers to Other Governments	2,476,441	2,490,000	2,510,000	2,530,000	2,550,000
Capital Expenditures	6,414,774	1,500,000	1,479,000	1,639,000	499,000
Debt Repayment	201,100	230,000	230,000	230,000	230,000
Transfers to Fire Dept. Reserves	85,000	85,000	85,000	85,000	85,000
Transfer to Parks Capital Fund	1,000	1,000	1,000	1,000	1,000
Transfer to Building Reserve Fund	50,000	50,000	50,000	50,000	50,000
Transfer to Surplus	46,004	-	-	-	541,420
	12,539,928	7,683,500	7,723,000	7,950,000	7,420,420



TOWN OF LAKE COWICHAN
Schedule "C"
Sewer Utility Fund - Financial Plan 2019 - 2023

	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
REVENUES					
User Rates	471,000	480,000	510,000	540,000	570,000
Connection Fees	1,000	1,500	2,000	2,500	3,000
Penalties and Other Interest	4,500	4,700	4,800	4,900	5,000
Grants	2,200,000	2,877,000	-	-	-
Parcel Tax	166,500	167,600	168,600	169,600	170,600
Recovery from users	-	-	750,000	150,000	-
Transfer from Surplus	1,053,000	1,272,200	-	88,000	-
	3,896,000	4,803,000	1,435,400	955,000	748,600
EXPENDITURES					
Administration	157,000	168,000	175,000	180,000	185,000
Treatment and Collection	304,000	305,000	319,000	325,000	330,000
Capital	3,435,000	4,330,000	870,000	450,000	100,000
Transfer to Surplus	-	-	71,400	-	133,600
	3,896,000	4,803,000	1,435,400	955,000	748,600

Water Utility Fund - Financial Plan 2019 – 2023

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
REVENUES					
User Rates	575,000	585,000	600,000	615,000	634,000
Connection Fees and Other	5,000	6,000	7,000	8,000	9,000
Penalties and Other Interest	5,400	5,500	5,600	5,800	6,000
Grant- Clean Water & Wastewater	182,075	256,100	293,000	403,000	220,000
Parcel Tax	238,420	239,400	240,800	242,200	243,600
Transfer from Surplus	503,005	144,000	-	-	-
	1,508,900	1,236,000	1,146,400	1,274,000	1,112,600
EXPENDITURES					
Administration	207,000	212,000	216,000	220,000	225,000
Treatment and Collection	481,900	485,000	488,000	490,000	500,000
Capital	820,000	539,000	400,000	550,000	300,000
Transfer to Surplus	-	-	42,400	14,000	87,600
	1,508,900	1,236,000	1,146,400	1,274,000	1,112,600

