

TOWN OF LAKE COWICHAN

Financial Plan Bylaw No. 1037-2020

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 2020;

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

AND WHEREAS the British Columbia government has declared a provincial state of emergency to support the province wide response to the novel coronavirus (COVID-19) pandemic;

AND WHEREAS Ministerial Order No. M083 under the *Emergency Program Act* permits the Council of the Town of Lake Cowichan to adopt a bylaw on the same day that it receives third reading;

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 2020 to 2024.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 1037-2020".

READ A FIRST TIME on the 8th day of May, 2020.

READ A SECOND TIME on the 8th day of May, 2020.

READ A THIRD TIME on the 8th day of May, 2020.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the 8th day of May, 2020.

Rod Peters
Mayor

Joseph A. Fernandez
Corporate Officer



2020-2024 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 operations have ceased until further notice in 2020 due to the COVID-19 pandemic. Last year these operations contributed 5% of the total revenue source requirements however that has been reduced to less than .5%. A breakdown of the revenue sources are summarized as follows:

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	43.02%	\$2,283,064
User fees and charges	9.30%	493,500
Recreational facilities	0.41%	22,000
Other sources	2.34%	124,100
Government grants	23.74%	1,259,860
Transfer from reserves	21.20%	1,125,000
Total	100%	\$5,307,524

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 2020, funds estimated in the amount of \$493,000 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. The 2020 operations, however, will be impacted by the COVID-19 pandemic but the Town will continue to provide it's core services to it's residents will adhering to Provincial and Federal recommendations.
- 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	83.93%	\$1,916,144
Utility	0.26%	5,974
Industrial	1.91%	43,623
Commercial	11.15%	254,581
Managed Forest	0.19%	4,327
Recreational	0.06%	1,415
Grants-in-Lieu	2.50%	57,000
Total	100%	2,283,064

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.

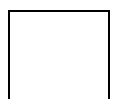
Policies:

- 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 (increased in 2013 to \$100) and increased to \$150 per parcel in 2020. 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 \$200 per parcel starting in 2020. A \$100 water parcel tax was implemented in 2013 and increased to \$140 in 2016. 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:

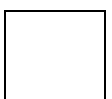
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land and buildings used for public worship. 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;

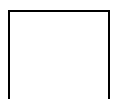
Policy:

- 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 2020-2024

	2020	2021	2022	2023	2024
	Budget	Budget	Budget	Budget	Budget
REVENUES					
Residential	1,916,144	1,973,600	2,032,800	2,093,800	2,156,600
Utility	5,974	6,100	6,300	6,500	6,700
Industrial	43,623	44,900	46,280	47,600	49,000
Commercial	254,581	262,200	270,000	278,000	286,500
Managed Forest	4,327	4,450	4,590	4,730	4,870
Recreational	1,415	1450	1500	1550	1590
Taxes	2,226,064	2,292,700	2,361,470	2,432,180	2,505,260
Grants-In-Lieu	57,000	57,500	58,030	58,520	59,040
	2,283,064	2,350,200	2,419,500	2,490,700	2,564,300
Penalties and Interest on Taxes	50,000	60,000	61,200	62,400	63,600
Licenses and Permits	46,000	46,900	47,800	48,800	49,800
Solid Waste Revenues	397,500	407,000	415,000	425,000	432,000
Lakeview Campsite Revenues	1,000	193,000	195,000	197,000	200,000
CLEC Revenues	21,000	422,000	423,000	425,000	428,000
Lease Revenues	64,800	65,000	65,300	65,600	66,000
Interest on Investments	50,000	40,000	30,000	30,000	30,000
Other Revenue	9,300	10,000	10,000	10,000	10,000
Unconditional Transfers	494,900	495,000	500,000	505,000	510,000
Conditional Transfers	764,960	10,000	10,000	10,000	10,000
Fire Service to CVRD	322,918	324,000	326,000	328,000	330,000
Police Tax	182,600	185,000	190,000	195,000	200,000
Library Levy	150,202	155,000	160,000	165,000	170,000
Transfers from Reserve Funds	1,125,000	185,000	100,000	100,000	35,000
Collections for Other Governments	2,612,565	2,691,000	2,771,000	2,855,000	2,940,000
Transfer from Surplus	312,218	289,400	37,200	313,000	-
	8,888,027	7,928,500	7,761,000	8,225,500	8,038,700
EXPENDITURES					
General Government Services	528,400	535,000	545,000	555,000	565,000
Fire Department	609,660	468,000	478,000	487,000	497,000
Police Force	182,600	185,000	190,000	195,000	200,000
Building Inspection and Other	61,000	61,500	62,000	62,500	63,000
Public Works	487,100	491,000	501,000	511,000	520,000
Solid Waste Disposal	408,500	410,000	415,000	420,000	430,000
Planning, Health & Other	63,500	64,000	65,000	66,000	67,000
Lakeview Campsite Expenses	33,600	181,000	182,000	184,000	188,000
Parks	276,100	280,000	282,000	284,000	286,000
CLEC Expense	277,800	460,000	469,000	474,000	477,000
Transfer to Library	150,202	155,000	160,000	165,000	170,000
Transfers to Other Governments	2,612,565	2,691,000	2,770,000	2,855,000	2,940,000
Capital Expenditures	2,846,000	1,579,000	1,274,000	1,649,000	1,025,000
Debt Repayment	213,000	230,000	230,000	180,000	90,000
Transfers to Fire Dept. Reserves	87,000	87,000	87,000	87,000	87,000
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	-	-	-	-	382,700
	8,888,027	7,928,500	7,761,000	8,225,500	8,038,700



TOWN OF LAKE COWICHAN
 Schedule "C"
 Sewer Utility Fund - Financial Plan 2020 - 2024

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
REVENUES					
User Rates	498,000	523,000	549,000	575,000	604,000
Connection Fees	1,000	1,200	1,400	1,600	2,000
Penalties and Other Interest	4,500	4,700	4,800	4,900	5,000
Grants	2,200,000	3,109,092	-	-	-
Parcel Tax	250,050	250,800	251,100	251,400	252,000
Recovery from users	-	910,000	-	-	-
Transfer from Surplus	999,450	986,208	53,700	-	-
	3,953,000	5,785,000	860,000	832,900	863,000
EXPENDITURES					
Administration	161,000	175,000	180,000	185,000	190,000
Treatment and Collection	297,000	310,000	400,000	420,000	440,000
Capital	3,495,000	5,300,000	280,000	200,000	200,000
Transfer to Surplus	-	-	-	27,900	33,000
	3,953,000	5,785,000	860,000	832,900	863,000

Water Utility Fund - Financial Plan 2020 – 2024

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
REVENUES					
User Rates	595,000	625,000	655,000	688,000	723,000
Connection Fees and Other	5,000	6,000	7,000	10,000	11,000
Penalties and Other Interest	5,500	5,600	5,800	6,000	6,200
Parcel Tax	341,200	341,400	342,200	428,000	428,800
Transfer from Surplus	360,200	-	-	-	-
	1,306,900	978,000	1,010,000	1,132,000	1,169,000
EXPENDITURES					
Administration	235,000	237,000	239,000	240,000	241,000
Treatment and Collection	582,900	590,000	600,000	610,000	620,000
Capital	489,000	151,000	171,000	282,000	300,000
Transfer to Surplus	-	-	-	-	8,000
	1,306,900	978,000	1,010,000	1,132,000	1,169,000

