

TOWN OF LAKE COWICHAN

Financial Plan Bylaw No. 1003-2018

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 2018;

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 2018 to 2022.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 1003-2018".

READ A FIRST TIME on the 24th day of April, 2018.

READ A SECOND TIME on the 24th day of April, 2018.

READ A THIRD TIME on the 24th day of April, 2018.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the 8th day of May, 2018.

Ross Forrest
Mayor

Joseph A. Fernandez
Corporate Officer



2018-2022 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 7% 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%	\$2,126,663
User fees and charges	5.41%	480,300
Recreational facilities	6.80%	604,000
Other sources	1.15%	101,700
Government grants	42.91%	3,809,754
Transfer from reserves	19.78%	1,756,500
Total	100%	\$8,878,917

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 2018, funds estimated in the amount of \$436,900 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	81.7%	\$1,737,583
Utility	0.3%	6,576
Industrial	2.0%	43,042
Managed Forest	0.3%	5,622
Commercial	13.0%	277,423
Recreational	0.1%	1,717
Grants-in-Lieu	2.6%	54,700
Total	100%	2,126,663

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.

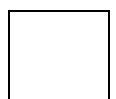
Policies:

- 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:

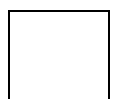
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land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

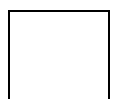
Policy:

- 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 2018-2022

	2018	2019	2020	2021	2022
REVENUES	Budget	Budget	Budget	Budget	Budget
Residential	1,737,583	1,789,710	1,825,504	1,862,014	1,899,255
Utility	6,576	6,773	6,908	7,046	7,187
Industrial	43,042	44,333	45,220	46,124	47,046
Commercial	277,423	285,746	291,461	297,290	303,236
Managed Forest	5,622	5,791	5,907	6,025	6,146
Recreational	1,717	1,767	1,800	1,840	1,880
Taxes	2,071,963	2,134,120	2,176,800	2,220,339	2,264,750
Grants-In-Lieu	54,700	55,790	56,910	58,050	59,210
	2,126,663	2,189,910	2,233,710	2,278,389	2,323,960
Penalties and Interest on Taxes	65,000	66,950	68,290	69,655	71,048
Licenses and Permits	45,100	46,454	47,380	48,328	49,290
Solid Waste Revenues	370,200	381,306	388,930	396,708	404,642
Lakeview Campsite Revenues	184,000	185,000	187,000	190,000	194,000
CLEC Revenues	420,000	422,000	423,000	425,000	428,000
Lease Revenues	61,500	62,500	63,000	63,500	64,000
Interest on Investments	30,000	25,000	20,000	20,000	20,000
Other Revenue	10,200	10,000	10,000	10,000	10,000
Unconditional Transfers	436,900	445,000	454,000	470,000	490,000
Conditional Transfers	3,372,854	10,000	10,000	10,000	10,000
Fire Service to CVRD	272,511	273,000	274,000	275,000	276,000
Police Tax	156,542	158,000	160,000	162,000	165,000
Library Levy	134,872	135,000	136,000	137,000	138,000
Transfers from Reserve Funds	1,756,500	330,000	120,000	100,000	100,000
Collections for Other Governments	2,290,836	2,330,000	2,370,000	2,410,000	2,450,000
Debt	-	250,000	-	-	-
Transfer from Surplus	-	52,880	274,190	-	-
	11,733,678	7,373,000	7,239,500	7,065,580	7,193,940
EXPENDITURES					
General Government Services	550,600	565,000	570,000	575,000	579,000
Fire Department	400,100	385,000	392,000	400,000	410,000
Police Force	156,542	158,000	160,000	162,000	165,000
Building Inspection and Other	59,000	61,000	61,500	62,000	62,000
Public Works	524,400	567,000	578,000	590,000	600,000
Solid Waste Disposal	394,200	389,000	392,000	395,000	395,000
Planning, Health & Other	49,000	45,000	46,000	47,000	49,000
Lakeview Campsite Expenses	178,400	181,000	182,000	184,000	188,000
Parks	263,500	265,000	269,000	275,000	280,000
CLEC Expense	484,000	485,000	486,000	487,000	488,000
Transfer to Library	134,872	135,000	136,000	137,000	132,000
Transfers to Other Governments	2,290,836	2,330,000	2,370,000	2,410,000	2,450,000
Capital Expenditures	5,904,445	1,500,000	1,245,000	904,000	899,000
Debt Repayment	186,200	171,000	216,000	195,000	180,000
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	21,583	-	-	106,580	180,940
	11,733,678	7,373,000	7,239,500	7,065,580	7,193,940



TOWN OF LAKE COWICHAN
Schedule "C"
Sewer Utility Fund - Financial Plan 2018 - 2022

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
REVENUES					
User Rates	455,000	465,000	475,000	484,000	490,000
Connection Fees	2,000	1,000	1,000	1,000	1,000
Penalties and Other Interest	4,600	4,700	4,800	4,900	5,000
Grants	-	3,000,000	3,000,000	-	-
Parcel Tax	165,800	167,000	167,500	168,000	168,500
Recovery from users	-	-	-	750,000	150,000
Transfer from Surplus	105,400	67,300	1,092,700	-	170,500
	732,800	3,705,000	4,741,000	1,407,900	985,000
EXPENDITURES					
Administration	180,000	170,000	175,000	180,000	185,000
Treatment and Collection	262,800	300,000	306,000	310,000	320,000
Inflow and Infiltration	150,000	50,000	50,000	50,000	50,000
Capital	140,000	3,185,000	4,210,000	750,000	430,000
Transfer to Surplus	-	-	-	117,900	-
	732,800	3,705,000	4,741,000	1,407,900	985,000

Water Utility Fund - Financial Plan 2018 – 2022

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
REVENUES					
User Rates	555,000	563,000	580,000	592,000	603,000
Connection Fees and Other	32,000	4,100	4,500	4,700	4,800
Penalties and Other Interest	5,500	5,600	5,700	5,800	5,900
Grant – Water treatment Plant	3,248,687	-	-	-	-
Grant- Clean Water & Wastewater	583,375	-	-	-	-
Parcel Tax	236,880	238,560	239,260	239,960	240,660
Short term debt	-	385,000	-	-	-
Transfer from Surplus	813,418	-	-	-	-
	5,474,860	1,196,260	829,460	842,460	854,360
EXPENDITURES					
Administration	219,400	157,000	160,000	163,000	163,000
Treatment and Collection	340,460	489,260	499,500	509,900	509,900
Capital	4,915,000	550,000	79,960	79,560	91,460
Debt repayment	-	-	90,000	90,000	90,000
Transfer to Surplus	-	-	-	-	-
	5,474,860	1,196,260	829,460	842,460	854,360

