

**TOWN OF LAKE COWICHAN**

**Financial Plan Bylaw No. 989-2017**

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 2017;

**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 2017 to 2021.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 989-2017".

READ A FIRST TIME on the 25<sup>th</sup> day of April, 2017.

READ A SECOND TIME on the 25<sup>th</sup> day of April, 2017.

READ A THIRD TIME on the 25<sup>th</sup> day of April, 2017.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the 9<sup>th</sup> day of May, 2017.

\_\_\_\_\_  
Ross Forrest  
Mayor

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Joseph A. Fernandez  
Corporate Officer



2017-2021 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 11% of the total revenue source requirements. A breakdown of the revenue sources are summarized as follows:

<b>Revenue Source</b>	<b>% of Total Revenue</b>	<b>Dollar Value</b>
Property taxes	31.49%	\$2,047,650
User fees and charges	7.34%	477,300
Recreational facilities	8.76%	570,000
Other sources	1.56%	101,750
Government grants	45.70%	2,971,900
Transfer from reserves	5.15%	335,000
<b>Total</b>	<b>100%</b>	<b>\$6,503,600</b>

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 2017, funds estimated in the amount of \$435,000 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.
- 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	81.3%	\$1,665,063
Utility	0.3%	6,997
Industrial	2.3%	46,526
Managed Forest	0.3%	5,576
Commercial	13.3%	272,994
Recreational	0.1%	1,894
Grants-in-Lieu	2.4%	48,600
<b>Total</b>	<b>100%</b>	<b>2,047,650</b>

### 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.

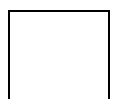
### Policies:

- 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:**

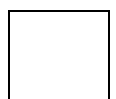
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land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

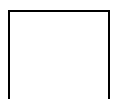
**Policy:**

- 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 2017-2021

<b>REVENUES</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	Budget	Budget	Budget	Budget	Budget
Residential	1,665,063	1,706,689	1,757,893	1,793,051	1,828,911
Utility	6,997	7,172	7,387	7,535	7,686
Industrial	46,526	47,690	49,121	50,104	51,109
Commercial	272,994	279,826	288,221	293,987	299,867
Managed Forest	5,576	5,714	5,888	6,006	6,126
Recreational	1,894	1,940	2,002	2,043	2,085
Taxes	1,999,050	2,049,025	2,110,499	2,152,709	2,195,762
Grants-In-Lieu	48,600	49,800	50,800	51,800	52,800
	<b>2,047,650</b>	<b>2,098,842</b>	<b>2,161,807</b>	<b>2,205,044</b>	<b>2,249,148</b>
Penalties and Interest on Taxes	64,500	66,120	68,104	69,460	70,854
Licenses and Permits	41,500	42,537	43,816	44,692	45,586
Solid Waste Revenues	371,300	380,582	392,003	399,844	407,842
Lakeview Campsite Revenues	173,000	174,000	175,000	176,000	177,000
CLEC Revenues	397,000	400,000	405,000	410,000	415,000
Lease Revenues	61,500	62,000	62,500	63,000	63,500
Interest on Investments	30,000	25,000	25,000	20,000	20,000
Other Revenue	10,250	10,000	10,000	10,000	10,000
Unconditional Transfers	436,900	450,000	460,000	470,000	480,000
Conditional Transfers	2,535,000	610,000	10,000	10,000	10,000
Fire Service to CVRD	230,000	232,000	235,000	237,000	239,000
Police Tax	145,171	148,000	151,000	154,000	157,000
Library Levy	127,782	128,000	129,000	130,000	131,000
Transfers from Reserve Funds	335,000	430,000	410,000	120,000	100,000
Collections for Other Governments	2,155,326	2,200,000	2,225,000	2,245,000	2,265,000
Debt	-	-	240,000	-	-
Transfer from Surplus	-	190,419	81,770	-	-
	<b>9,161,879</b>	<b>7,647,500</b>	<b>7,285,000</b>	<b>6,764,040</b>	<b>6,840,930</b>
<b>EXPENDITURES</b>					
General Government Services	558,300	560,000	565,000	570,000	575,000
Fire Department	370,200	377,000	385,000	392,000	400,000
Police Force	145,171	148,000	151,000	154,000	157,000
Building Inspection and Other	60,000	60,500	61,000	61,500	62,000
Public Works	527,400	556,000	567,000	578,000	590,000
Solid Waste Disposal	385,300	386,000	389,000	392,000	395,000
Planning, Health & Other	70,500	72,000	74,000	75,000	77,000
Lakeview Campsite Expenses	169,600	170,000	171,000	172,000	175,000
Parks	245,600	246,000	249,000	251,000	253,000
CLEC Expense	442,100	442,000	443,000	444,000	445,000
Transfer to Library	127,782	128,000	129,000	130,000	131,000
Transfers to Other Governments	2,155,326	2,200,000	2,225,000	2,245,000	2,265,000
Capital Expenditures	3,482,500	1,980,000	1,570,000	945,000	899,000
Debt Repayment	195,000	186,000	170,000	216,000	216,000
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	91,100	-	-	2,540	64,930
	<b>9,161,879</b>	<b>7,647,500</b>	<b>7,285,000</b>	<b>6,764,040</b>	<b>6,840,930</b>



TOWN OF LAKE COWICHAN  
Schedule "C"  
Sewer Utility Fund - Financial Plan 2017 - 2021

	<b>2017</b> Budget	<b>2018</b> Budget	<b>2019</b> Budget	<b>2020</b> Budget	<b>2021</b> Budget
<b>REVENUES</b>					
User Rates	440,000	453,000	466,000	480,000	490,000
Connection Fees	1,000	1,000	1,000	1,000	1,000
Penalties and Other Interest	4,600	4,700	4,800	4,900	5,000
Grants	1,305,900	652,900	3,095,900	520,000	-
Parcel Tax	164,100	164,500	164,800	165,000	165,400
Recovery from users	-	-	-	100,000	500,000
Transfer from Surplus	364,500	43,100	483,500	-	-
	<b>2,280,100</b>	<b>1,319,200</b>	<b>4,216,000</b>	<b>1,270,900</b>	<b>1,161,400</b>
<b>EXPENDITURES</b>					
Administration	133,800	134,500	136,000	138,000	140,000
Treatment and Collection	265,800	268,000	270,000	275,000	280,000
Inflow and Infiltration	132,200	-	-	-	-
Capital	1,748,300	916,700	3,810,000	830,000	600,000
Transfer to Surplus	-	-	-	27,900	141,400
	<b>2,280,100</b>	<b>1,319,200</b>	<b>4,216,000</b>	<b>1,270,900</b>	<b>1,161,400</b>

Water Utility Fund - Financial Plan 2017 – 2021

	<b>2017</b> Budget	<b>2018</b> Budget	<b>2019</b> Budget	<b>2020</b> Budget	<b>2021</b> Budget
<b>REVENUES</b>					
User Rates	532,000	547,000	564,000	581,000	592,000
Connection Fees and Other	4,000	4,200	4,400	4,600	4,800
Penalties and Other Interest	5,500	5,700	5,900	6,100	6,300
Grant - Clean Water & Wastewater	1,129,093	-	-	-	-
Grant	5,000,000	-	-	-	-
Parcel Tax	234,500	235,060	235,480	235,720	236,280
Short term debt	-	92,040	-	-	-
Transfer from Surplus	1,092,521	-	-	-	-
	<b>7,997,614</b>	<b>884,000</b>	<b>809,780</b>	<b>827,420</b>	<b>839,380</b>
<b>EXPENDITURES</b>					
Administration	153,000	154,000	157,000	160,000	163,000
Treatment and Collection	329,260	480,000	489,000	499,500	509,900
Capital	7,515,354	250,000	100,000	100,000	100,000
Debt repayment	-	-	20,000	20,000	20,000
Transfer to Surplus	-	-	43,780	47,920	46,480
	<b>7,997,614</b>	<b>884,000</b>	<b>809,780</b>	<b>827,420</b>	<b>839,380</b>

