

TOWN OF LAKE COWICHAN
Financial Plan Bylaw No. 1056-2021

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 2021;

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 2021 to 2025.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 1056-2021".

READ A FIRST TIME on the 27th day of April, 2021.

READ A SECOND TIME on the 27th day of April, 2021.

READ A THIRD TIME on the 27th day of April, 2021.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the 11th day of May 2021.

Bob K. Day
Mayor

Joseph A. Fernandez
Corporate Officer



2021-2025 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 Cowichan Lake Education Center operations have been drastically reduced until further notice due to the COVID-19 pandemic. The COVID-19 restart grant received by the Town has provided the financial support to address the revenue shortfalls and increased operating costs as a result of the pandemic. A breakdown of the revenue sources are summarized as follows:

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	43.02%	\$2,346,656
User fees and charges	9.30%	507,650
Recreational facilities	0.41%	317,000
Other sources	2.34%	124,200
Government grants	23.74%	1,947,099
Transfer from reserves	21.20%	1,430,000
Total	100%	\$6,672,605

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 2021, funds estimated in the amount of \$500,000 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 2021 operations, however, will be impacted by the COVID-19 pandemic but the Town will continue to provide the core services to its residents while 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 metered water billings 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%	\$1,974,297
Utility	0.26%	5,840
Industrial	1.91%	43,513
Commercial	11.15%	260,594
Managed Forest	0.19%	4,110
Recreational	0.06%	1,302
Grants-in-Lieu	2.50%	57,000
Total	100%	2,346,656

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.

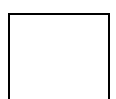
Policies:

- 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:

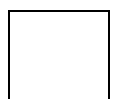
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land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

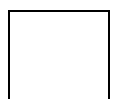
Policy:

- 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 2021-2025

REVENUES	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Residential	1,974,297	2,033,526	2,094,530	2,157,370	2,222,100
Utility	5,840	6,015	6,200	6,380	6,600
Industrial	43,513	44,818	46,160	47,550	49,000
Commercial	260,594	268,412	276,460	284,760	293,300
Managed Forest	4,110	4,233	4,360	4,490	4,600
Recreational	1,302	1,341	1,380	1,450	1,500
Taxes	2,289,656	2,358,345	2,429,090	2,502,000	2,577,100
Grants-In-Lieu	57,000	57,500	58,000	58,500	59,000
	2,346,656	2,415,845	2,487,090	2,560,500	2,636,100
Penalties and Interest on Taxes	50,000	51,500	52,500	53,500	54,500
Licenses and Permits	46,150	47,000	47,900	48,500	49,700
Solid Waste Revenues	411,500	423,800	432,300	440,900	449,700
Lakeview Campsite Revenues	197,000	198,000	199,000	200,000	201,000
CLEC Revenues	120,000	400,000	405,000	411,000	415,000
Lease Revenues	64,800	65,000	65,300	65,600	66,000
Interest on Investments	50,000	40,000	45,000	50,000	55,000
Other Revenue	9,400	10,000	10,000	10,000	10,000
Unconditional Transfers	507,900	505,000	510,000	515,000	520,000
Conditional Transfers	1,439,199	208,000	20,000	10,000	10,000
Fire Service to CVRD	341,509	345,000	350,000	355,000	360,000
Police Tax	186,000	191,000	203,000	215,000	225,000
Library Levy	155,218	160,000	169,000	174,000	180,000
Transfers from Reserve Funds	1,430,000	100,000	435,000	65,000	40,000
Collections for Other Governments	2,753,404	2,710,000	2,855,000	2,940,000	3,030,000
Transfer from Surplus	99,386	102,855	151,910	-	-
	10,208,122	7,973,000	8,438,000	8,114,000	8,302,000
EXPENDITURES					
General Government Services	591,900	595,000	600,000	605,000	610,000
Fire Department	486,200	490,000	495,000	500,000	505,000
Police Force	186,000	191,000	203,000	215,000	225,000
Building Inspection and Other	64,000	65,000	66,000	67,000	68,000
Public Works	488,500	491,000	501,000	511,000	520,000
Solid Waste Disposal	427,000	410,000	415,000	420,000	430,000
Planning, Health & Other	525,200	54,000	55,000	56,000	57,000
Lakeview Campsite Expenses	189,800	192,000	194,000	196,000	198,000
Parks	240,500	245,000	250,000	260,000	265,000
CLEC Expense	276,600	450,000	455,000	460,000	465,000
Transfer to Library	155,218	160,000	169,000	174,000	180,000
Transfers to Other Governments	2,753,404	2,710,000	2,855,000	2,940,000	3,030,000
Capital Expenditures	3,487,500	1,594,000	1,884,000	1,370,000	1,360,000
Debt Repayment	198,300	180,000	140,000	35,000	-
Transfers to Fire Dept. Reserves	87,000	95,000	105,000	150,000	185,000
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	-	-	-	104,000	153,000
	10,208,122	7,973,000	8,438,000	8,114,000	8,302,000



Town of Lake Cowichan
Schedule "C"
Sewer Utility Fund - Financial Plan 2021 - 2025

	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
REVENUES					
User Fees	530,000	545,000	570,000	595,000	615,000
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
Grant Revenue	2,200,000	3,109,000	-	-	-
Parcel Tax	253,600	254,250	254,550	255,000	255,750
Debt - Greendale Road Sewer line	-	1,200,000	-	-	-
Recovery of Debt	-	-	77,000	77,000	77,000
Transfer from Surplus	978,900	1,190,850	29,250	-	-
	3,968,000	6,305,000	937,000	933,500	954,750
EXPENDITURES					
Administration	199,000	175,000	180,000	190,000	195,000
Treatment and Collection	269,000	310,000	400,000	420,000	440,000
Debt repayment	-	-	77,000	77,000	77,000
Capital	3,500,000	5,820,000	280,000	230,000	240,000
Transfer to Surplus	-	-	-	16,500	2,750
	3,968,000	6,305,000	937,000	933,500	954,750

Water Utility Fund - Financial Plan 2021 – 2025

	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
REVENUES					
User Fees	629,000	655,000	688,000	722,000	758,000
Connection Fees and Other	6,000	6,000	7,000	10,000	11,000
Penalties and Other Interest	5,500	5,600	5,800	6,000	6,200
Parcel Tax	346,000	520,500	521,100	522,000	523,500
Transfer from Surplus	306,500	267,900	4,100	-	-
	1,293,000	1,455,000	1,226,000	1,260,000	1,298,700
EXPENDITURES					
Administration	290,400	245,000	246,000	247,000	248,000
Treatment and Collection	602,600	660,000	680,000	710,000	730,000
Capital	400,000	550,000	300,000	300,000	300,000
Transfer to Surplus	-	-	-	3,000	20,700
	1,293,000	1,455,000	1,226,000	1,260,000	1,298,700

