

TOWN OF LAKE COWICHAN
Financial Plan Bylaw No. 1073-2022

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 2022;

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 2022 to 2026.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 1073-2022".

READ A FIRST TIME on the 26th day of April, 2022.

READ A SECOND TIME on the 26th day of April, 2022.

READ A THIRD TIME on the 26th day of April, 2022.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the _th day of May 2022.

Bob K. Day
Mayor

Joseph A. Fernandez
Corporate Officer



2022-2026 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 are still recovering from 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%	\$2,454,980
User fees and charges	9.30%	544,200
Recreational facilities	0.41%	447,000
Other sources	2.34%	112,000
Government grants	23.74%	2,296,770
Transfer from reserves	21.20%	1,280,000
Total	100%	\$7,134,950

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 2022, funds estimated in the amount of \$510,000 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 2022 operations, may still however, 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	84.78%	\$2,081,401
Utility	0.24%	5,795
Industrial	1.82%	44,584
Commercial	10.67%	261,877
Managed Forest	0.17%	4,272
Recreational	0.04%	1,051
Grants-in-Lieu	2.28%	56,000
Total	100%	2,454,980

Objective:

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

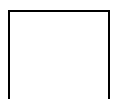
Policies:

- 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 has been increased in \$250 per parcel in 2022. This source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading sewer infrastructure.

2010	\$50 per parcel
2013	\$100 per parcel
2020	\$150 per parcel
2022	\$250 per parcel



The water parcel tax was implemented in 2013 and has been increased to \$300 per parcel in 2022. This source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading water infrastructure.

2013	\$100 per parcel
2016	\$140 per parcel
2020	\$200 per parcel
2022	\$300 per parcel

Permissive Tax Exemptions:

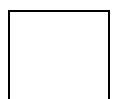
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land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

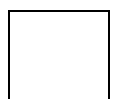
Policy:

- 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 2022-2026

	2022	2023	2024	2025	2026
REVENUES	Budget	Budget	Budget	Budget	Budget
Residential	2,081,401	2,143,800	2,208,100	2,274,300	2,342,500
Utility	5,795	6,000	6,200	6,400	6,600
Industrial	44,584	45,900	47,300	48,700	50,200
Commercial	261,877	269,700	277,800	286,100	294,700
Managed Forest	4,272	4,400	4,500	4,600	4,700
Recreational	1,051	1,100	1,100	1,100	1,100
Taxes	2,398,980	2,470,900	2,545,000	2,621,200	2,699,800
Grants-In-Lieu	56,000	56,100	56,200	56,300	56,400
	2,454,980	2,527,000	2,601,200	2,677,500	2,756,200
Penalties and Interest on Taxes	60,000	61,200	62,400	63,600	64,900
Licenses and Permits	66,200	67,500	68,900	70,300	71,700
Solid Waste Revenues	418,000	431,000	444,000	457,000	471,000
Lakeview Park Campsite Revenues	231,000	235,000	238,000	240,000	245,000
CLEC Revenues	216,000	300,000	380,000	400,000	415,000
Lease Revenues	65,000	65,200	65,300	65,600	66,000
Interest on Investments	17,000	17,000	18,000	19,000	20,000
Other Revenue	30,000	31,000	32,000	33,000	34,000
Unconditional Transfers	511,900	515,000	518,000	520,000	522,000
Conditional Transfers	1,784,870	10,000	430,000	10,000	10,000
Fire Service to CVRD	331,000	338,000	345,000	352,000	359,000
Police Tax	199,950	204,000	208,000	212,000	216,000
Library Levy	163,581	168,500	173,600	178,800	184,200
Transfers from Reserve Funds	1,280,000	1,435,000	65,000	40,000	40,000
Collections for Other Governments	3,104,703	3,167,000	3,230,000	3,295,000	3,361,000
Transfer from Surplus	-	-	61,200	-	-
	10,934,184	9,572,400	8,940,600	8,633,800	8,836,000
EXPENDITURES					
General Government Services	645,300	652,000	659,000	666,000	673,000
Fire Department	526,100	531,000	536,000	541,000	546,000
Police Force	199,950	204,000	208,000	212,000	216,000
Building Inspection and Other	65,000	66,000	67,000	68,000	69,000
Public Works	535,000	540,000	545,000	550,000	556,000
Solid Waste Disposal	431,000	435,000	439,000	443,000	447,000
Planning, Health & Other	118,900	120,000	121,000	122,000	123,000
Lakeview Campsite Expenses	224,800	228,000	234,000	236,000	241,000
Parks	241,000	245,000	250,000	260,000	265,000
CLEC Expense	359,700	450,000	482,000	504,000	524,000
Transfer to Library	163,581	168,500	173,600	178,800	184,200
Transfers to Other Governments	3,104,703	3,167,000	3,230,000	3,295,000	3,361,000
Capital Expenditures	3,996,000	2,435,000	1,705,000	1,385,000	1,395,000
Debt Repayment	180,400	180,000	140,000	-	-
Transfers to Fire Dept. Reserves	89,000	95,000	100,000	100,000	100,000
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	100,000
Transfer to Surplus	2,750	4,900	-	22,000	34,800
	10,934,184	9,572,400	8,940,600	8,633,800	8,836,000



Town of Lake Cowichan
Schedule "C"
Sewer Utility Fund - Financial Plan 2022 - 2026

	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget
REVENUES					
User Fees	567,000	575,000	595,000	615,000	640,000
Connection fees	2,000	2,000	2,000	2,000	2,000
Penalties and Other Interest	4,000	4,200	4,400	4,600	4,800
Grant Revenue	-	1,099,950	3,165,656	3,165,656	-
Parcel Tax	438,000	440,000	442,500	445,000	492,250
Debt - Greendale Road Sewer line	-	1,200,000	-	-	-
Recovery of Debt	-	-	77,000	77,000	77,000
Transfer from Surplus	-	255,850	1,047,444	1,039,744	-
	1,011,000	3,577,000	5,334,000	5,349,000	1,216,050
EXPENDITURES					
Administration	164,000	180,000	190,000	195,000	195,000
Treatment and Collection	334,000	400,000	420,000	440,000	440,000
Debt repayment	-	77,000	77,000	77,000	77,000
Capital	450,000	2,920,000	4,647,000	4,637,000	320,000
Transfer to STP Reserve	-	-	-	-	100,000
Transfer to Surplus	63,000	-	-	-	84,050
	1,011,000	3,577,000	5,334,000	5,349,000	1,216,050

Water Utility Fund - Financial Plan 2022 – 2026

	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget
REVENUES					
User Fees	685,000	710,000	730,000	755,000	785,000
Connection Fees and Other	6,000	7,000	9,000	10,000	11,000
Penalties and Other Interest	5,000	5,800	6,000	7,000	7,500
Parcel Tax	537,300	630,000	633,500	637,000	686,250
Transfer from Surplus	54,100	5,200	11,500	-	-
	1,287,400	1,358,000	1,390,000	1,409,000	1,489,750
EXPENDITURES					
Administration	246,400	248,000	250,000	252,000	254,000
Treatment and Collection	660,000	680,000	710,000	730,000	750,000
Capital	381,000	330,000	330,000	320,000	330,000
Transfer to WTP reserve	-	100,000	100,000	100,000	100,000
Transfer to Surplus	-	-	-	7,000	55,750
	1,287,400	1,358,000	1,390,000	1,409,000	1,489,750

