

TOWN OF LAKE COWICHAN
Financial Plan Bylaw No. 1102-2024

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 2024;

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 2024 to 2028.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 1102-2024".

READ A FIRST TIME on the _th day of April, 2024.

READ A SECOND TIME on the _th day of April, 2024.

READ A THIRD TIME on the _th day of April, 2024.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the _th day of May 2024.

Tim McGonigle
Mayor

Joseph A. Fernandez
Corporate Officer



2024-2028 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 Town received the Growing Communities Grant in 2023. This has enabled the Town to undertake much needed capital improvements while keeping tax rate increases to a minimum.

A breakdown of the revenue sources are summarized as follows:

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	32.16%	\$2,728,190
User fees and charges	7.12%	602,900
Recreational facilities	8.02%	678,000
Other sources	1.90%	305,400
Government grants	46.54%	1,265,108
Transfer from reserves	4.26%	250,000
Total	100%	\$5,829,598

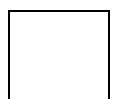
Collections for other governments, fire service to CVRD, police levy, library levy and transfers from surplus and debt have not been included in the revenue sources in the above table.

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 2024, funds estimated in the amount of \$490,000 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 implemented metered water billings in 2014 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	85.21%	\$2,324,692
Utility	0.22%	5,985
Industrial	1.57%	42,812
Commercial	10.64%	290,253
Managed Forest	0.15%	4,128
Recreational	0.03%	880
Grants-in-Lieu	2.18%	59,440
Total	100%	2,728,190

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 was increased to \$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 was 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:

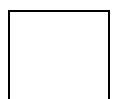
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land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

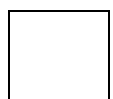
Policy:

- 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 2024-2028

	2024	2025	2026	2027	2028
REVENUES	Budget	Budget	Budget	Budget	Budget
Residential	2,324,692	2,417,700	2,514,400	2,602,400	2,680,500
Utility	5,985	6,200	6,400	6,600	6,800
Industrial	42,812	44,500	46,300	47,900	49,300
Commercial	290,253	301,900	314,000	325,000	334,800
Managed Forest	4,128	4,300	4,500	4,700	4,800
Recreational	880	920	960	990	1,020
Taxes	2,668,750	2,775,520	2,886,560	2,987,590	3,077,220
Grants-In-Lieu	59,440	60,080	60,940	60,910	61,980
	2,728,190	2,835,600	2,947,500	3,048,500	3,139,200
Penalties and Interest on Taxes	60,000	61,200	62,400	63,600	64,900
Licenses and Permits	72,900	74,400	75,900	77,400	78,900
Solid Waste Revenues	470,000	508,000	549,000	571,000	594,000
Lakeview Campsite Revenues	248,000	255,000	260,100	268,000	276,000
CLEC Revenues	430,000	442,900	456,200	469,900	484,000
Lease Revenues	66,800	67,000	67,500	68,000	68,500
Interest on Investments	200,000	50,000	50,000	50,000	50,000
Other Revenue	38,600	39,000	40,000	41,000	42,000
Unconditional Transfers	685,525	515,000	518,000	520,000	522,000
Conditional Transfers	579,583	25,000	30,000	180,000	40,000
Fire Service to CVRD	423,278	432,000	441,000	450,000	459,000
Police Tax	250,000	250,000	655,000	300,000	50,000
Library Levy	300,000	315,000	331,000	348,000	365,000
Transfers From Reserve Funds	218,416	240,000	252,000	265,000	273,000
Collections For Other Governments	3,707,300	3,819,000	3,934,000	4,052,000	4,174,000
Transfer from Surplus	907,712	-	-	-	-
	11,386,304	9,929,100	10,669,600	10,772,400	10,680,500
EXPENDITURES					
General Government Services	724,000	738,000	745,000	752,000	760,000
Fire Department	621,800	634,000	647,000	666,000	686,000
Police Force	300,000	315,000	331,000	348,000	365,000
Building Inspection and Other	70,000	71,000	72,000	73,000	74,000
Public Works	503,000	513,000	523,000	539,000	555,000
Solid Waste Disposal	540,000	551,000	562,000	579,000	596,000
Planning, Health & Other	175,500	179,000	183,000	188,000	194,000
Lakeview Campsite Expenses	248,800	254,000	259,000	267,000	275,000
Parks	309,000	315,000	321,000	331,000	341,000
CLEC Expense	463,000	472,000	481,000	491,000	501,000
Transfer To Library	218,416	240,000	252,000	265,000	273,000
Transfers To Other Governments	3,707,300	3,819,000	3,934,000	4,052,000	4,174,000
Capital Expenditures	3,174,488	1,527,100	2,058,600	1,910,400	1,575,500
Debt Repayment	40,000	-	-	-	-
Transfers To Fire Dept. Reserves	190,000	200,000	200,000	210,000	210,000
Transfer To Parks Capital Fund	1,000	1,000	1,000	1,000	1,000
Transfer To Building Reserve Fund	100,000	100,000	100,000	100,000	100,000
	11,386,304	9,929,100	10,669,600	10,772,400	10,680,500



Town of Lake Cowichan
Schedule "C"
Sewer Utility Fund - Financial Plan 2024 - 2028

	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
REVENUES					
User Fees	629,000	660,500	693,500	728,200	764,600
Connection fees and other	18,250	20,000	21,000	22,500	23,500
Penalties and Other Interest	4,000	4,200	4,400	4,600	4,800
Grant Revenue	1,200,000	3,115,631	3,115,631	-	-
Parcel Tax	446,750	628,950	630,000	633,500	637,000
Contribution from others	30,000	15,000	15,000	-	-
Debt	-	-	-	1,847,000	-
Transfer from Surplus	-	468,119	500,669	3,100,000	-
	2,328,000	4,912,400	4,980,200	6,335,800	1,429,900
EXPENDITURES					
Administration	179,000	184,400	189,900	195,600	201,500
Treatment and Collection	399,000	411,000	423,300	440,200	453,400
Capital	1,750,000	4,317,000	4,367,000	5,700,000	475,000
Debt Repayment	-	-	-	-	300,000
	2,328,000	4,912,400	4,980,200	6,335,800	1,429,900

Water Utility Fund - Financial Plan 2024 – 2028

	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
REVENUES					
User Fees	755,000	792,800	832,400	874,000	917,700
Connection Fees and Other	11,900	12,300	12,700	13,100	13,500
Penalties and Other Interest	5,000	5,200	5,400	5,600	5,800
Contribution from Others	30,000	15,000	15,000	-	-
Parcel Tax	548,100	551,100	588,800	592,000	595,200
	1,350,000	1,376,400	1,454,300	1,484,700	1,532,200
EXPENDITURES					
Administration	307,500	316,700	326,200	336,000	346,100
Treatment and Collection	675,500	695,800	716,700	738,200	760,300
Capital	300,000	363,900	411,400	410,500	425,800
Transfer to Surplus	67,000	-	-	-	-
	1,350,000	1,376,400	1,454,300	1,484,700	1,532,200

