

TOWN OF LAKE COWICHAN
Financial Plan Bylaw No. 1118-2025

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 2025;

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 2025 to 2029.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 1118-2025".

READ A FIRST TIME on the 22nd day of April, 2025.

READ A SECOND TIME on the 22nd day of April, 2025.

READ A THIRD TIME on the 22nd day of April, 2025.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the 13th day of May, 2025.

Tim McGonigle
Mayor

Mark Brown
Corporate Officer



2025-2029 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	46.93%	\$2,999,380
User fees and charges	9.67%	617,800
Recreational facilities	10.93%	699,000
Other sources	4.78%	305,400
Government grants	17.91%	1,144,900
Transfer from reserves	9.78%	625,000
Total	100%	\$6,391,480

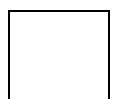
Collections for other governments, fire service to CVRD, police levy, library levy and transfers from surplus and debt have not been included in the revenue sources in the above table.

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 2025, 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	85.11%	\$2,552,800
Utility	0.21%	6,416
Industrial	1.67%	50,176
Commercial	10.75%	322,573
Managed Forest	0.15%	4,448
Recreational	0.04%	967
Grants-in-Lieu	2.07%	62,000
Total	100%	2,999,380

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.

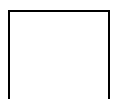
Policies:

- 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 \$325 per parcel in 2025. 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
2025	\$325 per parcel



The water parcel tax was implemented in 2013 and was increased to \$350 per parcel in 2025. 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
2025	\$350 per parcel

Permissive Tax Exemptions:

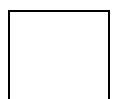
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land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

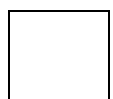
Policy:

- 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 2025-2029

REVENUES	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
Residential	2,552,800	2,654,900	2,761,100	2,871,500	2,986,400
Utility	6,416	6,700	7,000	7,300	7,600
Industrial	50,176	52,200	54,300	56,500	58,800
Commercial	322,573	335,500	348,900	362,900	377,400
Managed Forest	4,448	4,600	4,800	5,000	5,200
Recreational	967	1,000	1,000	1,000	1,000
Taxes	2,937,380	3,054,900	3,177,100	3,304,200	3,436,400
Grants-In-Lieu	62,000	62,000	62,200	62,500	63,000
	2,999,380	3,116,900	3,239,300	3,366,700	3,499,400
Penalties and Interest on Taxes	60,000	61,200	62,400	63,600	64,900
Licenses and Permits	74,800	76,300	77,800	79,400	81,000
Solid Waste Revenues	483,000	522,000	543,000	565,000	588,000
Lakeview Campsite Revenues	250,000	255,000	263,000	271,000	279,000
CLEC Revenues	449,000	462,500	476,400	490,700	505,400
Lease Revenues	66,800	67,500	68,000	68,500	69,000
Interest on Investments	200,000	200,000	180,000	170,000	16,000
Other Revenue	38,600	40,000	41,000	42,000	42,000
Unconditional Transfers	481,900	518,000	520,000	522,000	522,000
Conditional Transfers	663,000	650,000	100,000	40,000	35,000
Fire Service to CVRD	461,000	474,000	489,000	504,000	518,000
Transfers from Reserve Funds	625,000	250,000	1,085,000	100,000	285,000
Police Tax	270,000	284,000	298,000	313,000	329,000
Library Levy	225,572	236,900	249,000	256,500	264,200
Collections For Other Governments	4,144,858	4,269,000	4,397,000	4,529,000	4,665,000
Transfer from Surplus	1,150,520	-	-	-	-
	12,643,430	11,483,300	12,088,900	11,381,400	11,762,900
EXPENDITURES					
General Government Services	1,060,000	1,071,000	1,082,000	1,093,000	1,104,000
Fire Department	677,500	691,000	712,000	733,000	755,000
Building Inspection and Other	93,000	94,000	95,000	96,000	97,000
Public Works	524,000	534,000	550,000	567,000	584,000
Solid Waste Disposal	607,000	619,000	638,000	657,000	677,000
Planning, Health & Other	472,500	482,000	496,000	511,000	526,000
Lakeview Campsite Expenses	250,000	255,000	263,000	271,000	279,000
Parks	309,000	315,000	324,000	334,000	344,000
CLEC Expense	479,000	489,000	499,000	509,000	519,000
Police Force	270,000	284,000	298,000	313,000	329,000
Transfer To Library	225,572	236,900	249,000	256,500	264,200
Transfers To Other Governments	4,144,858	4,269,000	4,397,000	4,529,000	4,665,000
Capital Expenditures	3,199,000	1,805,000	2,140,000	1,160,000	1,264,000
Interest expense	6,000	6,000	6,000	6,000	6,000
Transfers To Fire Dept. Reserves	225,000	225,000	230,000	240,000	245,000
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
Transfer to Surplus	-	6,400	8,900	4,900	3,700
	12,643,430	11,483,300	12,088,900	11,381,400	11,762,900



Town of Lake Cowichan
 Schedule "C"
 Sewer Utility Fund - Financial Plan 2025 - 2029

	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
REVENUES					
User Fees	658,000	690,900	725,400	761,700	799,800
Connection fees and other	41,000	42,000	43,000	44,000	45,000
Penalties and Other Interest	5,000	5,000	5,100	5,440	6,000
Grant Revenue	1,099,950	1,099,950	4,399,800	831,562	-
Parcel Tax	585,325	594,750	596,375	598,000	785,400
Contribution from others	30,000	30,000	15,000	15,000	15,000
Debt	-	-	-	7,000,000	-
Transfer from Surplus	130,725	129,200	1,214,825	1,942,000	-
	2,550,000	2,591,800	6,999,500	11,197,702	1,651,200
EXPENDITURES					
Administration	205,000	211,200	217,500	224,002	233,000
Treatment and Collection	520,000	535,600	557,000	573,700	597,000
Capital	1,825,000	1,845,000	6,225,000	10,200,000	300,000
Debt Repayment	-	-	-	200,000	521,200
	2,550,000	2,591,800	6,999,500	11,197,702	1,651,200

Water Utility Fund - Financial Plan 2025 – 2029

	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
REVENUES					
User Fees	795,000	834,800	876,500	920,300	966,300
Connection Fees and Other	15,000	18,000	21,000	22,000	23,000
Penalties and Other Interest	6,000	6,200	6,400	6,600	6,800
Contribution from Others	30,000	30,000	30,000	30,000	30,000
Parcel Tax	644,000	654,150	655,900	657,650	659,400
Transfer from Surplus	663,000	73,450	-	42,050	-
	2,153,000	1,616,600	1,589,800	1,678,600	1,685,500
EXPENDITURES					
Administration	309,500	318,800	328,400	338,300	348,400
Treatment and Collection	677,500	697,800	718,700	740,300	762,500
Contribution to LCFN reservoir	731,000	-	-	-	-
Capital	435,000	600,000	400,000	600,000	400,000
Transfer to Surplus	-	-	142,700	-	174,600
	2,153,000	1,616,600	1,589,800	1,678,600	1,685,500

