

TOWN OF LAKE COWICHAN
Financial Plan Bylaw No. 1089-2023

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 2023;

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 2023 to 2027.
3. This bylaw may be cited for all purposes as the "Town of Lake Cowichan Financial Plan Bylaw. No. 1089-2023".

READ A FIRST TIME on the ___th day of April, 2023.

READ A SECOND TIME on the ___th day of April, 2023.

READ A THIRD TIME on the ___th day of April, 2023.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the ___th day of May 2023.

Tim McGonigle
Mayor

Joseph A. Fernandez
Corporate Officer



2023-2027 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	32.16%	\$2,602,305
User fees and charges	7.12%	575,700
Recreational facilities	8.02%	649,200
Other sources	1.90%	153,600
Government grants	46.54%	3,764,994
Transfer from reserves	4.26%	345,000
Total	100%	\$8,090,799

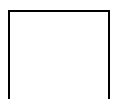
Collections for other governments, fire service to CVRD, police levy, library levy and transfers from surplus and debt have not been included in the revenue sources in the above table.

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 2023, funds estimated in the amount of \$511,900 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 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	86.01%	\$2,238,171
Utility	0.21%	5,402
Industrial	1.87%	48,548
Commercial	9.55%	248,624
Managed Forest	0.14%	3,734
Recreational	0.03%	826
Grants-in-Lieu	2.19%	57,000
Total	100%	2,602,305

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.

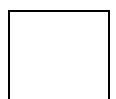
Policies:

- 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:

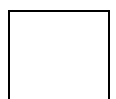
The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land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

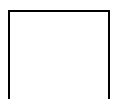
Policy:

- 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 2023-2027

	2023	2024	2025	2026	2027
REVENUES	Budget	Budget	Budget	Budget	Budget
Residential	2,238,171	2,350,100	2,444,100	2,529,600	2,605,500
Utility	5,402	5,700	5,900	6,100	6,300
Industrial	48,548	51,000	53,000	54,900	56,500
Commercial	248,624	261,100	271,500	281,000	289,400
Managed Forest	3,734	3,900	4,100	4,200	4,300
Recreational	826	870	900	930	960
Taxes	2,545,305	2,672,670	2,779,500	2,876,730	2,962,960
Grants-In-Lieu	57,000	57,130	57,200	57,270	57,340
	2,602,305	2,729,800	2,836,700	2,934,000	3,020,300
Penalties and Interest on Taxes	60,000	61,200	62,400	63,600	64,900
Licenses and Permits	68,700	70,100	71,500	72,900	74,400
Solid Waste Revenues	447,000	460,000	474,000	488,000	503,000
Lakeview Campsite Revenues	242,000	246,800	251,700	256,700	261,800
CLEC Revenues	407,200	408,000	415,000	435,000	440,000
Lease Revenues	65,000	65,200	65,300	65,600	66,000
Interest on Investments	50,000	40,000	30,000	20,000	20,000
Other Revenue	38,600	39,000	40,000	41,000	42,000
Unconditional Transfers	511,900	515,000	518,000	520,000	522,000
Conditional Transfers	3,253,094	25,000	35,000	30,000	30,000
Fire Service to CVRD	349,957	357,000	364,000	371,000	378,000
Police Tax	210,000	214,000	218,000	222,000	226,000
Library Levy	180,068	185,000	190,600	196,300	202,200
Transfers From Reserve Funds	345,000	330,000	290,000	40,000	40,000
Collections For Other Governments	3,492,192	3,562,000	3,633,000	3,706,000	3,780,000
Transfer from Surplus	-	2,900	-	1,200	-
	12,323,016	9,311,000	9,495,200	9,463,300	9,670,600
EXPENDITURES					
General Government Services	682,300	689,000	696,000	703,000	710,000
Fire Department	574,200	586,000	598,000	616,000	634,000
Police Force	210,000	214,000	218,000	222,000	226,000
Building Inspection and Other	65,000	66,000	67,000	68,000	69,000
Public Works	535,000	540,000	551,000	568,000	585,000
Solid Waste Disposal	471,000	476,000	486,000	501,000	516,000
Planning, Health & Other	289,994	293,000	299,000	308,000	317,000
Lakeview Campsite Expenses	228,300	230,000	234,000	236,000	241,000
Parks	265,000	270,000	275,000	280,000	290,000
CLEC Expense	455,500	460,000	469,000	478,000	488,000
Transfer To Library	180,068	185,000	190,600	196,300	202,200
Transfers To Other Governments	3,492,192	3,562,000	3,633,000	3,706,000	3,780,000
Capital Expenditures	4,589,260	1,535,000	1,575,000	1,310,000	1,340,000
Debt Repayment	144,000	34,000	-	60,000	60,000.00
Transfers To Fire Dept. Reserves	90,000	120,000	150,000	150,000	150,000
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	60,000	60,000
Transfer to Surplus	202	-	2,600	-	1,400
	12,323,016	9,311,000	9,495,200	9,463,300	9,670,600



Town of Lake Cowichan
Schedule "C"
Sewer Utility Fund - Financial Plan 2023 - 2027

	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
REVENUES					
User Fees	602,000	620,100	638,700	657,900	677,600
Connection fees	2,000	2,000	2,500	2,500	3,000
Penalties and Other Interest	4,000	4,200	4,400	4,600	4,800
Grant Revenue	1,200,000	2,982,331	2,982,331	366,650	-
Parcel Tax	440,500	442,500	445,000	447,500	495,000
Contribution from others	30,000	-	-	-	-
Debt - Greendale Road Sewer line	2,000,000	-	-	-	-
Recovery of Debt	-	140,000	140,000	140,000	140,000
Transfer from Surplus	3,500	827,969	766,369	-	-
	4,282,000	5,019,100	4,979,300	1,619,150	1,320,400
EXPENDITURES					
Administration	164,000	167,300	170,600	174,000	177,500
Treatment and Collection	338,000	344,800	351,700	358,700	365,900
Debt repayment	-	140,000	140,000	140,000	140,000
Capital	3,780,000	4,367,000	4,317,000	800,000	500,000
Transfer to STP Reserve	-	-	-	100,000	100,000
Transfer to Surplus	-	-	-	46,450	37,000
	4,282,000	5,019,100	4,979,300	1,619,150	1,320,400

Water Utility Fund - Financial Plan 2023 – 2027

	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
REVENUES					
User Fees	730,000	751,900	774,500	797,700	821,600
Connection Fees and Other	10,500	10,800	11,000	12,000	13,000
Penalties and Other Interest	5,000	5,800	6,000	7,000	7,500
Contribution from Others	30,000	20,000	10,000	-	-
Grant Revenue	-	300,000	300,000	300,000	300,000
Parcel Tax	540,600	542,400	579,200	582,400	585,600
Transfer from Surplus	-	-	-	2,900	-
	1,316,100	1,630,900	1,680,700	1,702,000	1,727,700
EXPENDITURES					
Administration	246,400	248,000	250,000	252,000	254,000
Treatment and Collection	661,000	680,000	710,000	730,000	750,000
Capital	270,000	630,000	630,000	630,000	630,000
Transfer to WTP reserve	-	70,000	90,000	90,000	90,000
Transfer to Surplus	138,700	2,900	700	-	3,700
	1,316,100	1,630,900	1,680,700	1,702,000	1,727,700

