

DISTRICT OF LAKE COUNTRY

BYLAW 889

A BYLAW TO ADOPT A FINANCIAL PLAN FOR THE YEARS 2014-2018

WHEREAS in accordance with the provisions of Section 165 of the Community Charter, Council must adopt, by bylaw, a financial plan for the Municipality before the annual property tax bylaw is adopted;

AND WHEREAS the financial plan must include objectives and policies regarding the sources of municipal revenue, the distribution of property taxes among property classes, and the use of permissive tax exemptions;

NOW THEREFORE, the Council of the District of Lake Country in open meeting assembled enacts as follows:

1. Schedule "A" as attached hereto and made part of this bylaw is hereby declared to be the 2014 Financial Plan covering the years 2014 to 2019.

2. The objectives and policies pertaining to municipal revenue and incorporated into the Financial Plan include:
 - Increase taxation slightly over inflation to fund an increase in service levels.
 - Build up reserves to minimize the need to borrow for future capital projects.
 - Provide sufficient operating funds to ensure existing infrastructure is properly maintained to maximize its lifespan.
 - Pursue infrastructure grants from senior levels of government to lessen the impact on local property taxation and user fees.
 - Review user fees to match operational costs, where appropriate.
 - Examine business opportunities to raise revenue for the District.
 - Implement universal water metering to ensure that equitable and appropriate user fees are being charged for water consumption and to provide more effective water conservation measures.

Over the five-year plan, the proportion of total revenue from the various revenue sources as detailed in the Financial Plan is summarized in the following table.

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Amount
Property Taxes	34%	\$ 53,389,590
Parcel Taxes	4%	5,620,232
Fees and Charges	26%	41,073,274
Other Revenue	17%	26,005,471
Proceeds from Borrowing	5%	7,500,000
Transfer from DCC Reserves	7%	11,537,427
Transfer from Reserves	5%	7,631,215
Transfer from Surplus	2%	3,463,785
Total Revenue	100%	\$ 156,220,994

3. The objectives and policies pertaining to the distribution of property taxes among the property classes and incorporated into the Financial Plan include:
- Regular reviews and comparisons of the District's tax burden relative to other BC municipalities and its neighbours to ensure a competitive tax structure and rates.
 - Adjustments to taxation levels for specific property classes, where appropriate, based upon the reviews.
 - Application of the general municipal tax increase to each property class individually so that the average taxpayer within each property class is impacted equally, relative to other property classes.
 - Decrease (or increase) tax rates to offset the market increase (or decrease) in average taxable assessment within each property class compared to the previous year prior to applying the general municipal tax increase.
 - Use non-market growth in the assessment roll due to new construction and development to assist in balancing the overall Financial Plan.

The distribution of the 2014 municipal property taxes among the property classes is summarized in following table.

Table 2: Distribution of 2014 Property Taxes

Property Class	% of Total Property Taxation	Amount
01 Residential	86.9%	\$ 8,328,527
02 Utilities	1.8%	174,960
05 Light Industry	2.0%	195,287
06 Business & Other	8.4%	807,587
08 Recreation/Non-Profit	0.8%	71,376
09 Farmland	0.1%	6,920
Total Property Taxation	100.0%	\$ 9,584,657

4. The Annual Report details the extent of permissive tax exemptions provided by the District of Lake Country. The administration and approval of permissive tax exemptions is set by Council policy. Some of the eligibility criteria within the policy include the following:
- The paramount consideration for a permissive tax exemption is the benefit to the community and the residents of Lake Country.
 - Permissive exemptions will also be granted where an organization provides a service that the District would provide given sufficient financial resources.
 - Permissive tax exemptions are based on the principal use of the property.
 - The goals, policies or principles of the organization must not be inconsistent or conflict with those of the District of Lake Country.
 - Membership in the organization and/or use of the property must be reasonably open to all Lake Country residents.
 - The organization must be a registered non-profit society. The support of the municipality will not be used for commercial or private gain.

In addition to permissive tax exemptions, the District of Lake Country recently adopted Main Street Tax Revitalization Bylaw 853, 2013, which provides tax exemptions to encourage the development along Main Street in a form that matches the District's vision for the area. The tax incentives last up to 10 years depending on the height and use of the buildings developed. Despite the short term deferral of new tax revenue, overall tax revenue generated within the area may be greater in the long term as a result of the incentive to build multi-storey buildings. The success of the new bylaw will be monitored over the coming years.

5. The portion of the 2014 Financial Plan related to the existing Development Cost Charge Program beyond 2018 is summarized in the following table.

Table 3: DCC Program Beyond 2018

Revenue	Amount
Other Revenue	\$ 6,213,200
Transfer from Reserves	5,212,692
Transfer from DCC Reserves	26,481,751
Transfer from Surplus	680,669
Total Revenue	\$ 38,588,312
Expenditures	
Principal & Interest on Debt	1,171,312
Capital Expenditures	37,417,000
Total Expenditures	\$ 38,588,312

6. This bylaw may be cited as the "2014 Financial Plan Bylaw 889, 2014".

READ A FIRST TIME this 6th day of May, 2014.

READ A SECOND TIME this 6th day of May, 2014.

READ A THIRD TIME this 6th day of May, 2014.

RECONSIDERED AND ADOPTED this 13th day of May, 2014.

Original signed by James Baker
Mayor

Original signed by Reyna Seabrook
Corporate Officer

I hereby certify the foregoing to be a true and correct copy of the Bylaw cited as the "2014 Financial Plan Bylaw 889, 2014", as adopted by the Municipal Council on the 13th day of May, 2014.

Dated at Lake Country, BC

Corporate Officer

**Schedule 'A' attached to
2014 Financial Plan
Bylaw 889, 2014**

	2014	2015	2016	2017	2018
Revenue					
Property Taxes	9,654,444	10,140,898	10,652,004	11,189,011	11,753,233
Parcel Taxes	992,836	1,031,782	1,055,349	1,237,745	1,302,521
Fees and Charges	7,573,414	7,907,203	8,283,856	8,527,688	8,781,113
Other Revenue	8,273,697	2,409,136	7,609,600	3,683,850	4,029,188
Proceeds from Borrowing	-	-	3,100,000	4,400,000	-
Transfer from DCC Reserves	635,797	861,276	581,734	2,310,513	7,148,107
Transfer from Reserves	822,215	2,612,000	-	2,057,000	2,140,000
Transfer from Surplus	1,830,467	486,351	416,740	362,165	368,063
Total Revenue	29,782,870	25,448,647	31,699,284	33,767,971	35,522,223
Expenditures					
General Municipal Operations	12,252,736	12,568,673	12,807,786	13,133,908	13,601,224
Water Operations	1,948,700	1,932,421	2,034,459	2,087,972	2,183,794
Sewer Operations	1,307,287	1,213,010	1,246,978	1,307,405	1,369,389
Interest Expense	824,852	828,871	829,300	937,580	945,270
Principal Repayment	741,532	765,006	766,285	881,719	772,130
Capital Expenditures	10,590,235	6,077,000	11,751,000	12,280,000	13,867,000
Transfer to Reserves	1,449,753	1,586,264	1,789,436	2,668,940	2,317,350
Transfer to Surplus	667,775	477,402	474,041	470,445	466,065
Amortization Expense	2,689,485	2,797,064	2,908,947	3,025,305	3,146,317
Deduct Non-cash Items	(2,689,485)	(2,797,064)	(2,908,947)	(3,025,305)	(3,146,317)
Total Expenditures	29,782,870	25,448,647	31,699,284	33,767,971	35,522,223