

DISTRICT OF LAKE COUNTRY

BYLAW 948

A BYLAW TO ADOPT A FINANCIAL PLAN FOR THE YEARS 2016 - 2020

WHEREAS, pursuant to Section 165 of the Community Charter, the Council shall, before the 15th day of May in each year, before the annual property tax bylaw is adopted, adopt a financial plan;

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

1. This Bylaw may be cited for all purposes as "2016 Financial Plan Bylaw 948, 2016.
2. Those schedules marked as Schedule "A" and "B" attached hereto, and forming part of this bylaw, are hereby declared to be the Financial Plan for the District of Lake Country for the period January 1, 2016 to December 31, 2020.

READ A FIRST TIME this 3rd day of May, 2016.

READ A SECOND TIME this 3rd day of May, 2016.

READ A THIRD TIME this 3rd day of May, 2016.

ADOPTED this 12th day of May, 2016.

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 "2016 Financial Plan Bylaw 948, 2016", as adopted by the Municipal Council on the 12th day of May, 2016.

Dated at Lake Country, B.C.

Corporate Officer

**Schedule "A" attached to
2016 Financial Plan
Bylaw 948, 2016**

	2016	2017	2018	2019	2020
Revenue					
Property Taxes	(10,599,818)	(11,437,792)	(12,328,449)	(13,075,097)	(13,840,049)
Parcel Taxes	(1,899,732)	(1,977,246)	(2,012,636)	(2,048,818)	(2,079,564)
Fees and Charges	(8,363,280)	(8,889,915)	(9,187,623)	(9,489,136)	(9,782,077)
Other Revenue	(4,271,113)	(5,918,411)	(3,551,260)	(6,595,251)	(2,720,763)
Transfer from DCC Reserves	(1,418,458)	(4,548,308)	(1,118,427)	(1,764,535)	(3,137,304)
Total Revenue	(26,552,401)	(32,771,672)	(28,198,395)	(32,972,837)	(31,559,757)
Expenses					
General Government Services	2,278,650	2,363,836	2,416,540	2,455,213	2,511,346
Protective Services	3,357,980	3,480,402	3,556,149	3,650,592	3,744,120
Transporation Services	3,101,059	3,172,456	3,253,475	3,340,992	3,431,127
Environmental Services	2,157,740	2,172,572	2,223,795	2,290,292	2,359,174
Community Services	1,205,595	1,068,322	1,134,089	1,155,271	1,176,876
Parks and Recreation	2,537,695	2,438,307	2,515,574	2,596,481	2,665,082
Water Operations	2,837,057	2,814,576	2,921,459	3,011,436	3,123,551
Sewer Operations	1,660,556	1,657,977	1,723,977	1,793,123	1,865,778
Interest Expense	889,003	901,001	878,842	1,034,712	986,623
Total Expenses	20,025,335	20,069,449	20,623,900	21,328,111	21,863,678
Annual Surplus	(6,527,066)	(12,702,223)	(7,574,495)	(11,644,726)	(9,696,079)
Proceeds from Borrowing	(145,000)	(585,400)	-	(5,337,000)	-
Transfer from Reserves	(1,066,518)	(1,695,000)	(775,000)	(2,470,000)	(3,159,100)
Transfer from Surplus	(2,646,580)	(367,353)	(1,351,321)	(79,454)	(1,935,892)
Principal Repayment	873,954	920,789	791,261	964,097	1,029,974
Capital Expenditures	8,180,821	13,791,900	7,851,500	15,146,000	10,758,000
Transfer to Reserves	2,556,498	1,810,731	2,475,629	3,906,541	4,337,580
Transfer to Surplus	1,346,361	1,496,933	1,365,167	2,401,737	1,652,552
Actuarial Adjustment on Long Term Debt	347,260	378,215	400,568	436,580	483,375
Amortization of tangible capital assets	(2,919,730)	(3,048,592)	(3,183,309)	(3,323,775)	(3,470,410)
Debt, Capital and Reserve/Surplus transfer:	6,527,066	12,702,223	7,574,495	11,644,726	9,696,079
Financial Plan Balance	-	-	-	-	-

**Schedule “B” attached to
2016 Financial Plan
Bylaw 948, 2016**

Statement of Objectives and Policies

In accordance with Section 165(3.1) of the Community Charter, the District of Lake Country is required to include in its Five-Year Financial Plan (2016 - 2020), objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter;
2. The distribution of property taxes among the property classes; and
3. The use of permissive tax exemptions.

1. Funding Sources

The objectives and policies pertaining to municipal revenue which are incorporated into the District of Lake Country’s Financial Plan include:

- The build-up of 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; and
- 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 or percentage of total revenue from the various revenue sources, as detailed in the Financial Plan, is summarized in Table 1 below.

Table 1: Sources of Revenue

Revenue Sources	2016	2017	2018	2019	2020
Property Taxes	34.78%	32.22%	40.56%	31.95%	37.69%
Parcel Taxes	6.25%	5.58%	6.64%	5.01%	5.67%
Fees & Charges	27.50%	25.10%	30.30%	23.22%	26.69%
Other Revenue	14.12%	16.78%	11.79%	16.20%	7.49%
Proceeds from Borrowing	0.48%	1.65%	0.00%	13.06%	0.00%
Transfers from DCC Restricted Revenue	4.66%	12.84%	3.69%	4.32%	8.56%
Transfers from Reserves	3.51%	4.79%	2.56%	6.05%	8.62%
Transfers from Surplus	8.70%	1.04%	4.46%	0.19%	5.28%
Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%

2. Distribution of Property Taxes

It is Council's goal to ensure that there is a fair and equitable apportionment of taxes to each property class. 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; and
- The use non-market growth in the assessment roll due to new construction and development to assist in balancing the overall Financial Plan.

Table 2 below highlights the estimated municipal property tax dollars and the respective percentages to be collected from each of the tax classes for 2016.

Table 2: Approximate Distribution of 2016 Municipal Property Taxes

Property Class	Property Tax Dollars Raised (General & Fire Protection)	% of Total Property Taxation	Ratio
(1) Residential	\$9,169,152	87.27%	1.0
(2) Utility	\$155,463	1.48%	13.1
(5) Light Industrial	\$236,198	2.25%	5.2
(6) Business/Other	\$866,901	8.25%	2.3
(8) Recreation/Non-Profit	\$71,149	.68%	2.0
(9) Farm	\$6,846	.07%	0.2
Totals	\$10,505,709	100.00%	

3. Permissive Tax Exemptions

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; and
- 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 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 is being monitored.

