
DISTRICT OF LAKE COUNTRY

BYLAW 1072

A BYLAW TO ADOPT A FINANCIAL PLAN FOR THE YEARS 2019 - 2023

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 2019 - 2023 Financial Plan Bylaw 1072, 2018.
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, 2019 to December 31, 2023.

READ A FIRST TIME this 11th day of December, 2018.

READ A SECOND TIME this 7th day of February, 2019.

READ A THIRD TIME this 7th day of February, 2019.

ADOPTED this 19th day of February, 2019.

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 "2019 - 2023 Financial Plan Bylaw 1072, 2018", as adopted by the Municipal Council on the 19th day of February, 2019.

Dated at Lake Country, BC

Corporate Officer

**Schedule "A" attached to
2019 Financial Plan**

	2019	2020	2021	2022	2023
Revenue					
Property Taxes	(13,607,727)	(14,266,844)	(14,926,288)	(15,737,030)	(16,513,760)
Parcel Taxes	(2,161,791)	(2,241,721)	(2,278,287)	(2,315,770)	(2,303,830)
Fees and Charges	(9,563,758)	(9,528,583)	(9,812,082)	(10,107,785)	(10,416,376)
Other Revenue	(12,612,920)	(5,614,365)	(5,709,178)	(5,855,488)	(5,928,325)
Transfer from DCC Reserves	(3,877,795)	(223,542)	(223,542)	(223,544)	(223,546)
Total Revenue	(41,823,991)	(31,875,055)	(32,949,377)	(34,239,617)	(35,385,837)
Expenses					
General Government Services	3,108,395	3,163,992	3,228,371	3,312,852	3,358,745
Protective Services	4,592,026	4,697,741	4,806,209	5,476,330	5,615,824
Transportation Services	5,402,147	5,545,085	5,680,684	5,819,954	5,963,008
Environmental Services	2,170,225	2,223,757	2,279,233	2,336,188	2,394,660
Community Services	1,229,636	1,254,229	1,279,314	1,304,900	1,330,998
Parks and Recreation	3,856,942	3,963,728	4,055,633	4,142,098	4,239,204
Water Operations	3,541,943	3,662,204	3,773,271	3,889,265	4,010,572
Sewer Operations	2,037,710	2,095,365	2,151,881	2,210,832	2,276,739
Interest Expense	772,130	852,194	786,695	743,733	693,399
Total Expenses	26,711,154	27,458,295	28,041,289	29,236,152	29,883,149
Annual Surplus	(15,112,837)	(4,416,760)	(4,908,088)	(5,003,465)	(5,502,688)
Proceeds from Borrowing	(7,245,000)	-	-	-	-
Transfer from Reserves	(13,882,939)	(100,000)	-	(15,000)	-
Transfer from Surplus	(44,581)	(4,127)	(3,359)	5,461	6,337
Principal Repayment	683,248	802,503	742,930	667,326	625,972
Capital Expenditures	31,655,659	-	-	-	-
Transfer to Surplus and Non-Statutory Reserve	6,890,191	6,738,542	7,316,577	7,626,513	8,289,050
Actuarial Adjustment on Long Term Debt	436,580	483,375	483,375	483,375	483,375
Amortization of tangible capital assets	(3,380,320)	(3,503,533)	(3,631,435)	(3,764,210)	(3,902,046)
Debt, Capital and Reserve/Surplus transfers	15,112,837	4,416,760	4,908,088	5,003,465	5,502,688
Financial Plan Balance	-	-	-	-	-

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 (2019 - 2023), 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

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	2019
Property Taxes	32.54%
Parcel Taxes	5.17%
Fees & Charges	22.87%
Other Revenue	30.16%
Transfers from DCC Restricted Revenue	9.27%
Total Revenue	100%

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 2019.

Table 2: Approximate Distribution of 2019 Municipal Property Taxes

Property Class	Property Tax Dollars Raised (General & Fire Protection)	% of Total Property Taxation	Ratio
(1) Residential	\$11,902,679	87.47%	1.0
(2) Utility	\$171,457	1.26%	15.27
(5) Light Industrial	\$285,762	2.10%	5.2
(6) Business/Other	\$1,175,707	8.64%	2.6
(8) Recreation/Non-Profit	\$66,679	.49%	2.6
(9) Farm	\$5,443	.04%	0.2
Totals	\$13,607,727	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-story buildings.