

**DISTRICT OF LANTZVILLE
BYLAW NO. 122**

**A BYLAW TO AMEND DISTRICT OF LANTZVILLE
FINANCIAL PLAN BYLAW NO. 116, 2015**

WHEREAS section 165 of the *Community Charter* stipulates that a municipality must have a financial plan that is adopted on an annual basis;

AND WHEREAS section 165 (2) of the *Community Charter* stipulates that for certainty, the financial plan may be amended by bylaw at any time;

NOW THEREFORE the Municipal Council of the District of Lantzville in open meeting assembled hereby enacts as follows:

1. That District of Lantzville Financial Plan Bylaw No. 116, 2015 is hereby amended by deleting Schedules 'A' & 'B' in their entirety and substituting the amended Schedule 'A' & 'B' as attached hereto and forming part of this Bylaw.
2. This Bylaw may be cited for all purposes as "District of Lantzville Financial Plan Bylaw No. 116, 2015, Amendment Bylaw 122, 2016" and shall become effective upon adoption.

READ A FIRST TIME this 22nd day of February, 2016.

READ A SECOND TIME this 22nd day of February, 2016.

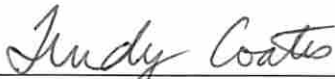
READ A THIRD TIME this 22nd day of February, 2016.

ADOPTED this 14th day of March, 2016.





Mayor



Director of Corporate Administration

**DISTRICT OF LANTZVILLE
 2015-2019 FINANCIAL PLAN**

	2015	2016	2017	2018	2019
Revenues					
Property Taxes	1,722,200	1,764,500	1,807,773	1,852,118	1,897,588
Parcel Taxes	513,959	513,959	513,959	513,959	513,959
User Fees and Charges	649,000	650,600	652,200	653,700	655,200
Government Grants	463,990	421,010	440,000	440,000	440,000
Other Sources	385,814	387,580	396,480	399,230	402,010
	3,734,963	3,737,649	3,810,412	3,859,007	3,908,757
Expenses					
General Operating	2,062,428	1,971,804	1,995,604	2,019,754	2,002,146
Sanitary Sewer Operating	334,951	339,880	350,246	362,234	374,724
Water Operating	433,438	401,160	404,920	408,640	412,300
Library Operating	170,210	173,600	177,100	180,600	184,200
Amortization	731,000	731,000	731,000	731,000	731,000
	3,732,027	3,617,444	3,658,870	3,702,228	3,704,370
Annual Surplus/(Deficit)	2,936	120,205	151,542	156,779	204,387
Add back: Unfunded Amortization	731,000	731,000	731,000	731,000	731,000
	733,936	851,205	882,542	887,779	935,387
Capital Expenditures					
General Capital	990,320	363,000	800,000	625,000	675,000
Sanitary Sewer Capital	-	-	-	22,000	22,000
Water Capital	365,000	1,100,000	260,000	325,000	340,000
	1,355,320	1,463,000	1,060,000	972,000	1,037,000
Capital Works Reserve Fund	(89,200)	93,900	(271,300)	141,200	(125,300)
Machinery and Equipment Reserve Fund	(38,075)	48,425	(6,575)	(36,575)	48,425
Fire Vehicle Replacement Reserve Fund	(168,920)	100,000	100,000	(90,000)	60,000
Parks Reserve Fund	(51,515)	-	-	-	-
Winter Road Maintenance Operating Reserve Fund	5,000	-	-	-	-
Sewer Facilities Reserve Fund	26,000	26,000	26,000	4,000	4,000
Waterworks Replacement Reserve Fund	(128,700)	(383,700)	(23,700)	(88,700)	(103,700)
Transfers to/(from) Reserve Funds	(445,410)	(115,375)	(175,575)	(70,075)	(116,575)
Transfers to/(from) Accumulated Surplus	(175,974)	(16,420)	(1,883)	(14,146)	14,962
Proceeds from Borrowing		(480,000)			
	(621,384)	(611,795)	(177,458)	(84,221)	(101,613)
Financial Plan Balance	-	-	-	-	-

“Schedule B”
District of Lantzville Financial Plan Bylaw No. 116, 2015, Amendment Bylaw 122, 2016
For The Five Year Period 2015 To 2019

Section 165(3.1) of the *Community Charter*, requires the following discussion regarding the policies and objectives surrounding the District’s funding sources, distribution of property taxes among property classes, and permissive tax exemptions be provided as an addendum to the five year financial plan.

A. Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised by each funding source in 2015.

Revenue Source	% of Total Revenue
Property value taxes	46
Parcel taxes	14
User fees and charges	17
Other Sources	23
Total	100

Table 1

1) Property Taxes

The District’s property tax base is largely residential. This provides a generally stable and consistent revenue source for the District to fund basic operational expenditures such as administration of the District, fire protection services, public works, and parks and recreation.

Council policy is to use the property tax levy to fund the operational expenditures of the District. The District expects this to continue to be the major source of municipal revenue.

2) Parcel Taxes

Parcel taxes are fees levied on a parcel of land without reference to the assessed value of that land. It is usually the same amount for every parcel within a defined area. Parcel taxes are generally used for specific purposes, like a local area service.

Council policy to date has been to use parcel taxes where the nature of the expenditure being funded is specific to the parcel, and not based on assessment of the property. In 2015 the District will collect parcel taxes on capital costs related to phase 1 and 2 sewer infrastructure (residents within the defined local area service), and capital costs related to the Knarston Creek Overflow Project.

3) User Fees and Charges

User fees attempt to fairly apportion the cost of some municipal services to those residents who actually use the service. The District currently collects user fees on a quarterly basis for water and sewer services as well as annually for waste collection.

Council policy is to recover 100% of costs related to the water distribution and sewer collection systems through user fees. User fees are reviewed each year as part of the financial planning process.

4) Proceeds from Borrowing

Council policy is to use long term debt only for significant capital projects that cannot be efficiently carried out on an incremental basis using internal reserves or current funding sources. The *Community Charter* limits the amount of debt the District can incur based on the District’s ability to pay which is a calculation based on continuing revenues. To date the District has not incurred any external debt.

5) Other Sources

Revenues in this category consist of appropriations from accumulated operating surplus, investment revenue, as well as insignificant miscellaneous revenues. These revenues vary from year to year.

Other sources includes grant revenue. Grants are funds received by the District usually from other governments or agencies for specific purposes. These grants usually involve some cost sharing between the funding agency and the District. Regarding optional grant funding available, Council policy is to consider applying for grants with funding arrangements that are affordable to the District.

Provincial Small Communities Protection Grant funds historically have been a significant source of funds for District operations. The grant amount and funding formula change periodically. The 2015 grant amount in the amount of \$440,000 has been confirmed by the Province.

Council established a Winter Road Maintenance Reserve in 2014 to offset higher than average operating expenses for snow clearing and other winter road maintenance expenditures.

B. Property Value Tax Distribution

Table 2 provides the proportionate distribution of property tax revenue and assessment value among the property classes.

Property Class	% of 2015 Total District Assessment	% of 2015 Property Tax Revenue
Residential	96.4	84.9
Utilities	0.2	3.6
Light Industry	0.2	1.2
Business and Other	2.7	9.3
Managed Forest Land	0.2	0.5
Recreation/Non-profit	0.2	0.4
Farm	0.1	0.1
Total	100.0	100.0

Table 2

Residential properties represent most of total assessed value of properties in the District. Thus taxing other classes at a high multiple of the residential rate would generate very little additional property tax revenue, while imposing a undue burden on non-residential residents of the District. Council has given consideration to the location of various classes of properties within the District and the exposure and related benefit that one class may obtain from that location relative to other classes.

C. Permissive Tax Exemptions

Permissive tax exemptions are a way for the District to recognize the value of services provided to the community by non-profit organizations. The District's Annual Report provides a list of permissive exemptions granted each year and the amount of tax foregone.

Council policy is to review the one-year permissive tax exemptions granted in the prior year as well as any new requests for exemption prior to October 31 of each year. One ten-year permissive tax exemption has been granted to the Island Corridor Foundation.