



DISTRICT OF LANTZVILLE

2021-2025 FINANCIAL PLAN BYLAW NO. 261, 2020

CONSOLIDATED FOR CONVENIENCE ONLY

This is a consolidation of Bylaw No. 261 with the bylaws listed below. The amending bylaws have been combined with the original bylaw for convenience only. This consolidation is not a legal document. The Corporation does not warrant that the information contained in this consolidation is current. Certified copies of the original bylaws should be consulted to ensure accurate, current bylaw provisions.

Date of Adoption	Amending Bylaw	Bylaw Citation
March 31, 2021	Bylaw No. 267	2021-2025 Financial Plan Bylaw No. 261, 2020, Amendment Bylaw No. 267, 2021
May 19, 2021	Bylaw No. 271	2021-2025 Financial Plan Bylaw No. 261, 2020, Amendment Bylaw No. 271, 2021
December 1, 2021	Bylaw No. 288	2021-2025 Financial Plan Bylaw No. 261, 2020, Amendment Bylaw No. 288, 2021

The bylaw numbers in bold in the margin of this consolidation refer to the last bylaw that amended each section of the principal bylaw: District of Lantzville 2021-2025 Financial Plan Bylaw No. 261, 2020.

**DISTRICT OF LANTZVILLE
BYLAW NO. 261**

A BYLAW TO ESTABLISH A FIVE YEAR FINANCIAL PLAN

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

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

1. Schedules 'A' & 'B' attached hereto and forming part of this Bylaw is hereby adopted and is the Financial Plan of the District of Lantzville for the five-year period from January 1, 2021 to December 31, 2025.
2. This Bylaw may be cited for all purposes as "District of Lantzville 2021-2025 Financial Plan Bylaw No. 261, 2020" and shall become effective upon adoption.

READ A FIRST TIME this 23rd day of November, 2020.

READ A SECOND TIME this 23rd day of November, 2020

READ A THIRD TIME this 23rd day of November, 2020.

ADOPTED this 7th day of December, 2020.

ORIGINAL SIGNED

Mark Swain, Mayor

ORIGINAL SIGNED

Trudy Coates, Director of Corporate Administration

[Bylaw No. 288]

Schedule "A"

	2021	2022	2023	2024	2025
Revenues					
Property taxes	2,455,365	2,758,287	3,144,797	3,548,597	3,776,274
Payments in lieu	85,542	86,171	86,771	87,371	88,071
Parcel taxes	417,388	624,287	629,612	634,937	640,262
Sale of services	914,963	985,135	1,039,120	1,094,461	1,151,682
Other revenue	586,386	550,984	549,694	556,904	564,114
Government grants	10,392,067	7,430,165	740,045	564,635	469,272
	14,851,712	12,435,028	6,190,038	6,486,905	6,689,674
Expenses					
General government services	1,495,990	1,405,330	1,409,790	1,450,450	1,483,500
Protective services	569,633	546,946	559,104	586,652	610,836
Transportation services	652,841	685,461	798,210	933,061	868,171
Planning services	312,315	309,730	316,530	323,460	339,730
Building Inspection Services	34,500	3,570	3,640	3,710	3,780
Solid waste collection	238,920	243,700	248,570	253,540	258,610
Recreation and cultural services	171,890	176,471	179,640	182,920	186,300
Sanitary Sewer Operating	191,525	300,604	209,934	219,907	230,800
Water Operating	376,203	377,374	387,544	398,027	409,270
Interest on Debt	39,130	103,630	103,630	103,630	103,630
Amortization	906,000	984,000	984,000	984,000	984,000
	4,988,947	5,136,816	5,200,591	5,439,357	5,478,627
Annual Surplus/(Deficit)	9,862,764	7,298,212	989,447	1,047,547	1,211,048
Add back: Unfunded Amortization	906,000	984,000	984,000	984,000	984,000
	10,768,764	8,282,212	1,973,447	2,031,547	2,195,048
Capital Expenditures					
General Capital	5,509,277	1,970,472	600,000	1,503,000	1,118,000
Sanitary Sewer Capital	1,253,907	-	-	-	-
Water Capital	7,600,932	7,342,000	750,000	365,000	200,000
	14,364,116	9,312,472	1,350,000	1,868,000	1,318,000
Transfers and Acquisitions					
Transfers to reserves/surplus	2,208,209	1,522,371	1,685,071	2,028,071	2,196,571
Transfers from reserves/surplus	(3,871,873)	(1,486,900)	(1,311,700)	(2,114,600)	(1,569,600)
Transfers to/(from) Reserve Funds	(1,663,664)	35,471	373,371	(86,529)	626,971
Transfers to/from Accumulated Surplus	(577,550)	-	-	-	-
Proceeds from Borrowing	(1,522,474)	(1,315,807)	-	-	-
Internal Borrowing Repayment	58,128	58,120	58,120	58,120	58,120
Debt principal payments	110,208	191,957	191,957	191,957	191,957
	(3,595,352)	(1,030,260)	623,447	163,547	877,047
Annual surplus (deficit)	-	-	-	-	-

“Schedule B”
District of Lantzville 2021-2025 Financial Plan Bylaw No. 261, 2020
For the Five Year Period 2021 To 2025

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 2021.

Revenue Source	% of Total Revenue
Property value taxes	18
Parcel taxes	3
User fees and charges	7
Other Sources	72
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, bylaw enforcement, building inspection, 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 2020 the District will collect parcel taxes on capital costs related to Phase II Sewer Infrastructure and Knarston Creek Overflow Project (residents within the defined local area service), as well as a water parcel tax.

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 for waste collection in the past were collected annually as a line item on the property tax notice. Beginning January 1st, 2020, the District now collects user fees for garbage, recycling, and food waste on a quarterly basis along with water and sewer charges.

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. The District will be incurring external debt, obtained through the Municipal Finance Authority of British Columbia, to fund Sewer Phase III. The District will also obtain short term equipment financing for a fire truck and public works equipment.

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.

This category also 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.

The Small Communities Grant has historically been a significant source of funds for District operations. The grant amount and funding formula change periodically. The 2021 grant is estimated at \$450,000.

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 2021 Total District Assessment	% of 2021 Property Tax Revenue
Residential	96.9	86.3
Utilities	0.2	3.3
Light Industry	0.2	1.2
Business and Other	2.4	8.5
Managed Forest Land	0.2	0.5
Recreation/Non-profit	0.1	0.2
Farm	0.0	0.0
Total	100.0	100.0

Table 2

Residential properties represent most of total assessed value of properties in the District. Taxing other classes at a high multiple of the residential rate would generate very little additional property tax revenue, while imposing an undue burden on non-residential property owners 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.