

**DISTRICT OF LANTZVILLE
BYLAW NO. 289**

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, 2022 to December 31, 2026.
2. This Bylaw may be cited for all purposes as "District of Lantzville 2022-2026 Financial Plan Bylaw No. 289, 2021" and shall become effective upon adoption.

READ A FIRST TIME this 24th day of November, 2021.

READ A SECOND TIME this 24th day of November, 2021

READ A THIRD TIME this 24th day of November, 2021.

ADOPTED this 1st day of December, 2021.

ORIGINAL SIGNED

ORIGINAL SIGNED

Mark Swain, Mayor

Trudy Coates, Director of Corporate Administration

Schedule "A"

	2022	2023	2024	2025	2026
Revenues					
Property taxes	3,298,500	3,495,300	3,625,000	3,734,900	3,848,500
Payments in lieu	88,000	88,700	89,400	90,100	90,800
Parcel taxes	566,700	572,000	577,300	582,600	587,900
Sale of services	1,055,500	1,088,100	1,129,400	1,176,800	1,225,900
Other revenue	688,500	689,200	683,100	685,500	687,900
Government grants	7,376,900	11,669,200	772,000	464,600	469,200
	13,074,100	17,602,500	6,876,200	6,734,500	6,910,200
Expenses					
General government services	1,492,300	1,485,900	1,520,400	1,556,000	1,592,500
Protective services	529,600	562,100	575,400	589,000	603,000
Transportation services	658,900	669,300	680,100	690,900	702,000
Planning services	281,100	287,200	293,400	299,800	306,300
Building Inspection Services	147,900	150,800	153,800	156,800	159,900
Solid waste collection	238,900	243,700	248,600	253,600	258,700
Recreation and cultural services	457,100	506,000	516,000	526,300	536,800
Sanitary Sewer Operating	217,500	227,900	239,000	250,800	263,400
Water Operating	400,600	382,000	392,200	402,700	413,800
Interest on Debt	39,100	39,100	39,100	39,100	39,100
Amortization	931,000	1,008,000	1,008,000	1,008,000	1,008,000
	5,394,000	5,562,000	5,666,000	5,773,000	5,883,500
Annual Surplus/(Deficit)	7,680,100	12,040,500	1,210,200	961,500	1,026,700
Add back: Unfunded Amortization	931,000	1,008,000	1,008,000	1,008,000	1,008,000
	8,611,100	13,048,500	2,218,200	1,969,500	2,034,700
Capital Expenditures					
General Capital	3,543,000	7,781,500	1,503,000	1,163,000	503,000
Sanitary Sewer Capital	-	-	100,000	-	-
Water Capital	8,570,900	7,889,600	590,000	200,000	410,000
	12,113,900	15,671,100	2,193,000	1,363,000	913,000
Transfers and Acquisitions					
Transfers to reserves/surplus	1,789,000	1,903,300	1,979,500	2,047,700	2,117,900
Transfers from reserves/surplus	(2,876,400)	(1,278,600)	(2,161,900)	(1,648,800)	(1,203,800)
Transfers to/(from) Reserve Funds	(1,087,400)	624,700	(182,400)	398,900	914,100
Transfers to/from Accumulated Surplus	-	-	-	-	-
Proceeds from Borrowing	(2,623,000)	(3,454,900)	-	-	-
Internal Borrowing Repayment	97,400	97,400	97,400	97,400	97,400
Debt principal payments	110,200	110,200	110,200	110,200	110,200
	(3,502,800)	(2,622,600)	25,200	606,500	1,121,700
Annual surplus (deficit)	-	-	-	-	-

“Schedule B”
District of Lantzville 2022-2026 Financial Plan Bylaw No. 289, 2021
For The Five-Year Period 2022 To 2026

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 2022.

Revenue Source	% of Total Revenue
Property value taxes	25
Parcel taxes	4
User fees and charges	8
Other Sources	63
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 2022 the District will collect parcel taxes for debt servicing costs of Phases 2 and 3 of the Sanitary Sewer Collection System (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 financial plan includes provisions for external debt to fund the Winds Residential Area Water System Expansion in 2022, and for the Clark Drive Water System Expansion and a Public Works and Fire Hall Facility in 2023.

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 2022 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 2022 Total District Assessment	% of 2022 Property Tax Revenue
Residential	97.3	85.5
Utilities	0.2	4.6
Light Industry	0.2	1.3
Business and Other	2.1	7.5
Managed Forest Land	0.1	0.9
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.