

**DISTRICT OF LANTZVILLE  
BYLAW NO. 325**

**A BYLAW TO ESTABLISH A FIVE YEAR FINANCIAL PLAN**

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**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, 2023 to December 31, 2027.
2. This Bylaw may be cited for all purposes as “District of Lantzville 2023-2027 Financial Plan Bylaw No. 325, 2023” and shall become effective upon adoption.

**READ A FIRST TIME** this 15<sup>th</sup> day of March, 2023.

**READ A SECOND TIME** this 15<sup>th</sup> day of March, 2023.

**READ A THIRD TIME** this 22<sup>nd</sup> day of March, 2023.

**ADOPTED** this 5<sup>th</sup> day of April, 2023.

*ORIGINAL SIGNED*

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Mark Swain,  
Mayor

*ORIGINAL SIGNED*

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Trudy Coates,  
Director of Corporate Administration

**Schedule "A"**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Revenues</b>					
Property taxes	3,326,900	3,798,700	3,926,000	4,048,200	4,258,400
Payments in lieu	98,200	101,200	104,200	107,200	110,500
Parcel taxes	574,000	591,300	608,900	627,200	646,000
Sale of services	1,142,800	1,207,300	1,258,100	1,310,200	1,363,700
Other revenue	357,400	368,200	379,100	390,500	402,500
Government grants	6,719,671	5,251,300	355,800	632,400	589,400
	12,218,971	11,318,000	6,632,100	7,115,700	7,370,500
<b>Expenses</b>					
General government services	1,812,400	1,658,200	1,675,900	1,731,600	1,789,500
Protective services	565,200	616,500	635,500	654,600	675,400
Transportation services	692,100	697,000	718,500	740,400	763,400
Planning services	283,600	292,900	302,900	313,100	323,500
Building Inspection Services	150,600	155,600	160,600	165,800	171,300
Solid waste collection	246,100	253,500	261,100	268,900	277,000
Recreation and cultural services	508,300	508,200	524,000	540,900	558,000
Sanitary Sewer Operating	227,300	234,300	241,400	248,900	257,100
Water Operating	424,900	442,200	460,100	479,000	498,800
Interest on Debt	39,100	40,300	41,500	42,700	44,000
Amortization	931,000	958,900	987,700	1,017,500	1,047,900
	5,880,600	5,857,600	6,009,200	6,203,400	6,405,900
<b>Annual Surplus(Deficit)</b>	6,338,371	5,460,400	622,900	912,300	964,600
<b>Add back: Unfunded Amortization</b>	931,000	958,900	987,700	1,017,500	1,047,900
	7,269,371	6,419,300	1,610,600	1,929,800	2,012,500
<b>Capital Expenditures</b>					
General Capital	3,473,271	1,830,000	484,000	956,000	833,000
Sanitary Sewer Capital	24,000	-	-	-	-
Water Capital	8,401,100	7,964,600	300,000	410,000	-
	11,898,371	9,794,600	784,000	1,366,000	833,000
<b>Transfers and Acquisitions</b>					
Transfers to reserves/surplus	1,460,400	1,514,000	1,658,700	1,758,700	1,863,900
Transfers from reserves/surplus	(2,761,400)	(2,648,000)	(1,051,700)	(1,420,900)	(916,900)
Transfers to (from) Reserve Funds	(1,301,000)	(1,134,000)	607,000	337,800	947,000
Transfers to (from) Accumulated Surplus	(312,600)	-	-	-	-
Proceeds from Borrowing	(3,223,000)	(2,454,900)	-	-	-
Internal Borrowing Repayment	97,400	100,100	102,700	105,600	108,500
Debt principal payments	110,200	113,500	116,900	120,400	124,000
	(4,629,000)	(3,375,300)	826,600	563,800	1,179,500
<b>Annual surplus (deficit)</b>	-	-	-	-	-

**“Schedule B”**  
**District of Lantzville 2023-2027 Financial Plan Bylaw No. 325, 2023**  
**For the Five-Year Period 2023 to 2027**

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 2023.

Revenue Source	% of Total Revenue
Property value taxes	18
Parcel taxes	3
User fees and charges	6
Other Sources	73
<b>Total</b>	<b>100</b>

*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 2023 the District will collect parcel taxes for debt servicing costs of Phases II and III 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 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 1, 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 2023, and for the Clark Drive Water System Expansion and a Public Works and Fire Hall Facility in 2024.

### **5) Other Sources**

Revenues in this category consist of appropriations from accumulated operating surplus, investment revenue, as well as 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 2023 grant is estimated at \$458,000.

## B. Property Value Tax Distribution

Table 2 provides the estimated proportionate distribution of property tax revenue and “Completed Roll” assessment value among the property classes.

Property Class	% of 2023 Total District Assessment	% of 2023 Property Tax Revenue
Residential	97.2	86.5
Utilities	0.2	3.6
Light Industry	0.2	1.3
Business and Other	2.2	7.5
Managed Forest Land	0.1	0.9
Recreation/Non-profit	0.1	0.2
Farm	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

*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.