

**DISTRICT OF LANTZVILLE
BYLAW NO. 360**

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, 2024 to December 31, 2028.
2. This Bylaw may be cited for all purposes as “District of Lantzville 2024-2028 Financial Plan Bylaw No. 360, 2023” and shall become effective upon adoption.

READ A FIRST TIME this 7th day of February, 2024.

READ A SECOND TIME this 7th day of February, 2024.

READ A THIRD TIME this 7th day of February, 2024.

ADOPTED this 21st day of February, 2024.

ORIGINAL SIGNED

Mark Swain,
Mayor

ORIGINAL SIGNED

Trudy Coates,
Director of Corporate Administration

“Schedule A”
District of Lantzville 2024-2028 Financial Plan Bylaw No. 360, 2023,
For the Five-Year Period 2024 to 2028

Schedule "A"

	2024	2025	2026	2027	2028
Revenues					
Property taxes	3,159,100	3,184,600	3,254,400	3,352,000	3,452,600
Payments in lieu	122,200	125,900	129,600	133,600	137,500
Parcel taxes	672,200	771,580	777,880	784,480	791,280
Sale of services	1,439,214	1,511,900	1,572,600	1,634,200	1,697,400
Other revenue	1,403,414	2,078,547	1,705,708	1,575,220	1,978,120
Government grants	6,858,639	2,412,800	2,658,500	1,187,800	751,700
	13,654,767	10,085,327	10,098,688	8,667,300	8,808,600
Expenses					
General government services	1,749,907	1,788,900	1,846,400	1,904,900	1,966,500
Protective services	833,350	700,200	722,088	744,500	768,000
Transportation services	780,799	768,700	786,100	804,400	823,300
Planning services	352,276	296,500	306,300	316,400	327,100
Building Inspection Services	167,679	173,100	178,600	184,400	190,400
Solid waste collection	282,500	291,000	299,700	308,700	317,900
Recreation and cultural services	582,204	587,400	608,900	631,600	655,300
Sanitary Sewer Operating	365,000	376,200	387,300	399,600	412,000
Water Operating	624,900	759,127	787,500	816,200	846,500
Interest on Debt	106,200	174,500	242,800	246,000	249,400
Amortization	1,130,500	1,164,600	1,199,400	1,235,300	1,272,400
	6,975,314	7,080,227	7,365,088	7,592,000	7,828,800
Annual Surplus(Deficit)	6,679,453	3,005,100	2,733,600	1,075,300	979,800
Add back: Unfunded Amortization	1,130,500	1,164,600	1,199,400	1,235,300	1,272,400
	7,809,953	4,169,700	3,933,000	2,310,600	2,252,200
Capital Expenditures					
General Capital	1,023,190	2,817,500	3,557,500	765,000	2,015,000
Sanitary Sewer Capital	12,500	-	-	-	-
Water Capital	9,924,557	641,000	341,000	-	-
	10,960,247	3,458,500	3,898,500	765,000	2,015,000
Transfers and Acquisitions					
Transfers to reserves/surplus	1,792,207	2,275,100	1,754,000	1,857,800	2,046,900
Transfers from reserves/surplus	(2,448,890)	(1,826,300)	(1,991,300)	(590,300)	(794,300)
Transfers to (from) Reserve Funds	(656,683)	448,800	(237,300)	1,267,500	1,252,600
Transfers to (from) Accumulated Surplus	-	-	-	-	-
Proceeds from Borrowing	(2,727,311)	-	-	-	(1,300,000)
Internal Borrowing Repayment	97,500	100,200	102,900	105,700	108,600
Debt principal payments	136,200	162,200	168,900	172,400	176,000
	(3,150,294)	711,200	34,500	1,545,600	237,200
Annual surplus (deficit)	0	0	0	0	0

“Schedule B”

District of Lantzville 2024-2028 Financial Plan Bylaw No. 360, 2023, For the Five-Year Period 2024 to 2028

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 2024.

Revenue Source	% of Total Revenue
Property value taxes	23
Parcel taxes	5
User fees and charges	11
Other Sources	61
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 2024, the District will collect parcel taxes for debt servicing costs of the existing Winds Residential Area Water System Expansion 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 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 2024 grant is estimated at \$500,000.

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 2024 Total District Assessment	% of 2024 Property Tax Revenue
Residential	96.8	85.3
Utilities	0.1	3.6
Light Industry	0.2	1.3
Business and Other	2.6	8.6
Managed Forest Land	0.1	1.1
Recreation/Non-profit	0.1	0.1
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.