



DISTRICT OF NORTH SAANICH

BYLAW NO. 1444

A BYLAW RESPECTING THE FINANCIAL PLAN FOR THE YEARS 2018 TO 2022

WHEREAS the Municipal Council has caused to be prepared the District's Financial Plan for the years 2018 to 2022 in accordance with the provisions of Section 165 of the Community Charter:

THEREFORE the Municipal Council of the District of North Saanich, in open meeting assembled, enacts as follows:

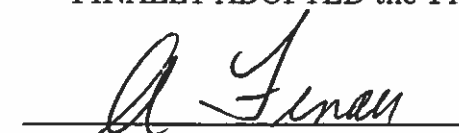
1. The Financial Plan prepared on a full accrual basis for the years 2018 to 2022 is hereby attached as Schedule "A" – Five Year Financial Plan.
2. The Transfer from (to) Reserves for the years 2018 to 2022 is hereby attached as Schedule "B" – Transfer from (to) Reserves
3. The Statement of Objectives and Policies for the year 2018 is hereby attached as Schedule "C" – Statement of Objectives and Policies.
4. It shall be lawful for the Director of Financial Services to pay, from time to time, the amounts which become necessary for the services and debt requirements mentioned in Schedules "A" & "B".
5. All payments of municipal and utility expenditures for the current year made prior to the passage of this Bylaw are hereby ratified and confirmed.
6. The Director of Financial Services shall mean and include the Director of Financial Services of the District of North Saanich or any person acting in that capacity with the sanction and by the authority of the Council.
7. This By-law may be cited for all purposes as the "North Saanich Financial Plan Bylaw No. 1444 (2018)"

READ A FIRST TIME the 7th day of May, 2018.

READ A SECOND TIME the 7th day of May, 2018.

READ A THIRD TIME the 7th day of May, 2018.

FINALLY ADOPTED the 14th day of May, 2018


MAYOR


CORPORATE OFFICER



**District of North Saanich
2018 – 2022 Financial Plan
Schedule “A” of Bylaw No. 1444**

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
Revenues					
Property Taxes, Grants-In-Lieu & Special Levies	(12,561,650)	(12,972,050)	(13,247,650)	(13,520,350)	(13,693,050)
Sale of services:					
General	(115,100)	(112,800)	(112,800)	(112,800)	(112,800)
Protective	(22,100)	(22,900)	(22,900)	(22,900)	(22,900)
Solid Waste & Environmental	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Planning & Community	(570,900)	(531,900)	(531,900)	(531,900)	(531,900)
Transportation	(128,300)	(98,300)	(95,800)	(98,300)	(95,800)
Parks, Recreation & Cultural	(45,400)	(45,900)	(46,500)	(47,100)	(47,700)
Water utility fees and charges	(3,211,000)	(3,256,000)	(3,301,500)	(3,347,900)	(3,390,200)
Sewer utility fees and charges	(1,208,700)	(1,220,300)	(1,232,100)	(1,244,000)	(1,256,200)
Other revenue	(354,500)	(346,900)	(346,900)	(346,900)	(346,900)
Transfers from other governments	(1,144,100)	(975,100)	(975,100)	(975,100)	(975,100)
Amenity contributions	(200,000)				
Other contributions					
Total Revenues	(19,611,750)	(19,632,150)	(19,963,150)	(20,297,250)	(20,522,550)
Expenses					
General Government	3,556,150	3,394,050	3,447,050	3,500,850	3,556,750
Protective Services	3,002,500	3,057,300	3,114,600	3,162,800	3,209,800
Solid Waste & Environmental	70,000	70,000	70,000	70,000	70,000
Planning & Community	1,083,700	1,103,500	1,112,000	1,120,600	1,128,000
Transportation	2,337,800	2,339,400	2,356,900	2,378,600	2,398,700
Parks	381,900	377,400	378,900	380,400	381,900
Recreation & Cultural	1,060,900	1,097,700	1,136,100	1,175,600	1,217,000
Water Utility	3,180,500	3,225,500	3,271,000	3,317,400	3,359,700
Sewer Utility	1,006,200	1,017,800	1,029,600	1,041,500	1,053,700
Other operating	462,500	220,000	141,200	37,900	17,900
Debt interest	545,300	427,700	427,700	427,700	427,700
Amortization	3,015,200	2,926,300	2,761,300	2,542,100	2,369,500
Total Operating Expenses	19,702,650	19,256,650	19,246,350	19,155,450	19,190,650
Net Revenue (Expenditure)	(90,900)	375,500	716,800	1,141,800	1,331,900
Allocations					
Transfers from (to) Statutory Reserves	(51,300)	227,500	1,321,500	(814,800)	(646,100)
Transfers from (to) Non statutory Reserves	3,862,300	(561,100)	(706,400)	(882,200)	(899,700)
Transfers from (to) Surplus	194,800	25,000	-	-	-
Capital expenditures	(6,433,600)	(2,723,800)	(3,823,800)	(1,717,500)	(1,886,200)
Reserve fund in excess of amortization	3,015,200	2,926,300	2,761,300	2,542,100	2,369,500
Debt principal	(496,500)	(269,400)	(269,400)	(269,400)	(269,400)
Financial Plan Balance	-	-	-	-	-

**District of North Saanich
2018 – 2022 Financial Plan
Schedule “B” of Bylaw No. 1444**

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
<u>Transfers from Reserve Funds</u>					
New Works & Equipment	\$ 84,000	\$ -	\$ -	\$ -	\$ -
Fire Equipment Depreciation	\$ -	\$ 65,000	\$ 1,490,000	\$ -	\$ 150,000
Public Works Depreciation	\$ 182,000	\$ 709,000	\$ 999,000	\$ 46,000	\$ 51,000
Utility Equipment	\$ 201,000	\$ 225,000	\$ 390,000	\$ 15,000	\$ 15,000
Fire Equipment Capital	\$ 306,000	\$ 33,800	\$ 12,800	\$ 3,500	\$ 5,200
Office Equipment	\$ 134,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 72,000
Parks Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers from Reserves	\$907,000	\$1,086,800	\$2,225,800	\$124,500	\$293,200
<u>Transfers to Reserve Funds</u>					
New Works & Equipment	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)
Parks Acquisition	\$ (14,300)	\$ (14,300)	\$ (14,300)	\$ (14,300)	\$ (14,300)
Fire Equipment Depreciation	\$ (175,000)	\$ (200,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)
Public Works Depreciation	\$ (180,000)	\$ (150,000)	\$ (160,000)	\$ (180,000)	\$ (180,000)
Utility Equipment	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Fire Equipment Capital	\$ (204,000)	\$ (55,000)	\$ (65,000)	\$ (75,000)	\$ (75,000)
Office Equipment	\$ (100,000)	\$ (105,000)	\$ (105,000)	\$ (110,000)	\$ (110,000)
Parks Capital	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
Carbon Neutral	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
Total Transfers to Reserve Funds	\$ (958,300)	(\$859,300)	(\$904,300)	(\$939,300)	(\$939,300)
Total Transfers from (to) Reserve Funds	(\$51,300)	\$227,500	\$1,321,500	(\$814,800)	(\$646,100)

**District of North Saanich
2018 – 2022 Financial Plan
Statement of Objectives and Policies
Schedule “C” of Bylaw No. 1444**

In accordance with Section 165(3.1) of the Community Charter, the District of North Saanich is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. the proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter
2. the distribution of property taxes among the property classes; and
3. the use of permissive tax exemptions

FUNDING SOURCES

1. Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2018. Property taxes form the greatest proportion of the revenue of the municipality. The system of property taxation is relatively easy to administer and understand. It provides a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement, and street lighting.

For these reasons, property taxation will continue to be the major source of municipal revenue.

2. User fees and charges form the second largest portion of planned revenue. Many municipal services, such as water and sewer usage, can be measured and charged for on a user-pay basis. Fees and charges for services that can be easily administered such as building permits, business licenses, dog licenses, and sale of services are charged on a user pay basis. This basis attempts to apportion the value of a municipal service to those who make use of it.
3. The District has ten statutory reserve funds established for specific purposes and transfers money to the appropriate capital fund when required.
4. Reserve accounts are established from the annual surplus to carry forward projects that were not completed in the previous year and for current year projects not funded from operating.

Objective

- Over the next five years, the District’s average annual tax increase will not exceed 5%.
- The District will identify all Capital Assets and establish a replacement and funding plan for each.

Policies

- Where possible the District will endeavour to supplement revenues from user fees and charges, rather than taxation, to lessen the burden on its limited property tax base.
- The District will review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service.
- Capital expenditures will be reviewed and where possible annual contributions to a Reserve Fund be made to fully pay for the expenditure in the future.
- The District will take advantage of grant programs to maximize the funding potential for infrastructure. Funding sources for the District’s share may include a combination of transfers from Reserves, Debt and/or new taxation.
- The District will implement the Tangible Capital Asset Management program which will identify and establish a replacement and funding plan.

Table 1:

Percentage of Total Revenue by Revenue Source

Revenue Source	<u>% of Revenue by Source</u>
Property Taxes	64.1%
User Fees & Charges	22.5%
Other Revenue	7.6%
Grants	5.8%
	<u>100.0%</u>

DISTRIBUTION OF PROPERTY TAX RATES

Table 2 provides the distribution of property tax revenue among the property classes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base and consumes the majority of District services.

Objectives

The District will endeavour to reduce the business class (Assessment Class 6) rate to the average of the commercial tax rate of the Peninsula municipalities.

Policies

- Council will endeavour to reduce the business (Class 6) taxes slowly by using the new construction assessment, where possible, in the business class. It is the District’s intent on slowly reducing the commercial taxes to better reflect the commercial rates of our neighbouring municipalities.

Table 2:

Percentage of Property Tax by Property Class

Property Class	% of 2018 Property Tax
Residential	69.1%
Utilities	0.1%
Light Industry	2.2%
Business	26.2%
Rec / Non Profit	2.2%
Farm	0.2%
	<hr/>
	100.0%

PERMISSIVE TAX EXEMPTIONS

The Annual Municipal Report contains a list of permissive exemptions granted for the previous taxation year and the amount of tax revenue foregone. This list demonstrates the policy of Council that permissive exemptions are granted to not-for-profit institutions that form a valuable part of our community. These include religious institutions, recreation facilities, cultural institutions, and service organizations, especially for the youth and elderly.

Objective

- Over the next 5 years, the District will maintain permissive tax exemptions at the current level.

Policies

- The District will provide permissive tax exemptions to not-for-profit societies based on the needs of the organization and the benefit provided.