



## DISTRICT OF NORTH SAANICH

### BYLAW NO. 1476

#### A BYLAW RESPECTING THE FINANCIAL PLAN FOR THE YEARS 2019 TO 2023

WHEREAS the Municipal Council has caused to be prepared the District's Financial Plan for the years 2019 to 2023 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 2019 to 2023 is hereby attached as Schedule "A" – Five Year Financial Plan.
2. The Transfer from (to) Reserves for the years 2019 to 2023 is hereby attached as Schedule "B" – Transfer from (to) Reserves
3. The Statement of Objectives and Policies for the year 2019 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. 1476 (2019)"**

READ A FIRST TIME the 15<sup>th</sup> day of April, 2019

READ A SECOND TIME the 15<sup>th</sup> day of April, 2019

READ A THIRD TIME the 15<sup>th</sup> day of April, 2019

FINALLY ADOPTED the 6<sup>th</sup> day of May, 2019

  
MAYOR

  
CORPORATE OFFICER



**District of North Saanich  
2019 – 2023 Financial Plan  
Schedule “A” of Bylaw No. 1476**

	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2023 Budget</b>
<b>Revenues</b>					
Property Taxes, Grants-In-Lieu & Special Levies	(12,874,600)	(13,551,650)	(13,935,350)	(14,245,450)	(14,485,350)
Sale of services:					
General	(123,800)	(121,500)	(121,500)	(121,500)	(121,500)
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	(658,700)	(559,700)	(559,700)	(559,700)	(559,700)
Transportation	(131,300)	(118,800)	(121,300)	(118,800)	(121,300)
Parks, Recreation & Cultural	(30,200)	(36,600)	(17,000)	(17,000)	(17,000)
Water utility fees and charges	(3,293,500)	(3,344,300)	(3,393,100)	(3,437,900)	(3,485,900)
Sewer utility fees and charges	(1,282,900)	(1,294,300)	(1,306,800)	(1,318,800)	(1,330,400)
Other revenue	(559,950)	(563,800)	(563,800)	(563,800)	(513,800)
Transfers from other governments	(1,613,700)	(958,600)	(982,700)	(982,700)	(1,007,000)
<b>Total Revenues</b>	<b>(20,640,750)</b>	<b>(20,622,150)</b>	<b>(21,074,150)</b>	<b>(21,438,550)</b>	<b>(21,714,850)</b>
<b>Expenses</b>					
General Government	3,824,000	3,584,550	3,670,750	3,742,050	3,772,250
Protective Services	3,104,500	3,176,500	3,234,700	3,295,900	3,348,400
Solid Waste & Environmental	72,900	72,900	72,900	72,900	72,900
Planning & Community	1,196,000	1,217,800	1,204,000	1,223,000	1,240,000
Transportation	2,344,300	2,367,200	2,388,700	2,408,200	2,433,200
Parks	489,600	489,800	495,400	501,100	505,900
Recreation & Cultural	1,101,000	1,135,400	1,176,800	1,220,200	1,225,600
Water Utility	3,254,800	3,305,600	3,354,400	3,399,200	3,447,200
Sewer Utility	1,010,900	1,022,300	1,034,800	1,046,800	1,058,400
Other operating	611,400	496,400	76,600	92,900	22,900
Debt interest	229,300	229,300	229,300	229,300	229,300
Amortization	3,156,300	2,991,300	2,772,100	2,599,500	2,475,700
<b>Total Operating Expenses</b>	<b>20,395,000</b>	<b>20,089,050</b>	<b>19,710,450</b>	<b>19,831,050</b>	<b>19,831,750</b>
<b>Net Revenue (Expenditure)</b>	<b>245,750</b>	<b>533,100</b>	<b>1,363,700</b>	<b>1,607,500</b>	<b>1,883,100</b>
<b>Allocations</b>					
Transfers from (to) Statutory Reserves	\$570,500	\$1,522,500	(\$707,800)	(\$130,100)	(\$646,800)
Transfers from (to) Non statutory Reserves	2,523,600	(854,800)	(1,191,200)	(1,362,400)	(1,499,200)
Transfers from (to) Surplus	144,150	295,000	-	60,000	-
Capital expenditures	(6,371,000)	(4,217,800)	(1,967,500)	(2,505,200)	(1,943,500)
Reserve fund in excess of amortization	3,156,300	2,991,300	2,772,100	2,599,500	2,475,700
Debt principal	(269,300)	(269,300)	(269,300)	(269,300)	(269,300)
<b>Financial Plan Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**District of North Saanich  
2019 – 2023 Financial Plan  
Schedule “B” of Bylaw No. 1476**

**Transfers from (to) Reserves**

	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>2022 Budget</b>	<b>2023 Budget</b>
<b><u>Transfers from Reserve Funds</u></b>					
New Works & Equipment	\$ 95,000	\$ 50,000	\$ 50,000	\$ -	\$ -
Fire Equipment Depreciation	\$ 70,000	\$ 1,530,000	\$ -	\$ 300,000	\$ -
Public Works Depreciation	\$ 815,000	\$ 237,000	\$ 46,000	\$ 245,000	\$ 165,000
Utility Equipment	\$ 220,000	\$ 442,500	\$ 17,500	\$ 192,500	\$ 53,500
Fire Equipment Capital	\$ 107,800	\$ 15,300	\$ 6,000	\$ 7,700	\$ 5,000
Office Equipment	\$ 130,000	\$ 160,000	\$ 120,000	\$ 72,000	\$ 82,000
<b>Total Transfers from Reserves</b>	<b>\$1,437,800</b>	<b>\$2,434,800</b>	<b>\$239,500</b>	<b>\$817,200</b>	<b>\$305,500</b>
<b><u>Transfers to Reserve Funds</u></b>					
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	\$ (200,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)
Public Works Depreciation	\$ (150,000)	\$ (160,000)	\$ (180,000)	\$ (180,000)	\$ (180,000)
Utility Equipment	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Fire Equipment Capital	\$ (55,000)	\$ (65,000)	\$ (75,000)	\$ (75,000)	\$ (75,000)
Office Equipment	\$ (105,000)	\$ (105,000)	\$ (110,000)	\$ (110,000)	\$ (115,000)
Parks Capital	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
Carbon Neutral	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)
<b>Total Transfers to Reserve Funds</b>	<b>\$ (867,300)</b>	<b>(\$912,300)</b>	<b>(\$947,300)</b>	<b>(\$947,300)</b>	<b>(\$952,300)</b>
<b>Total Transfers from (to) Reserve Funds</b>	<b>\$570,500</b>	<b>\$1,522,500</b>	<b>(\$707,800)</b>	<b>(\$130,100)</b>	<b>(\$646,800)</b>

**District of North Saanich  
2019 – 2023 Financial Plan  
Statement of Objectives and Policies  
Schedule “C” of Bylaw No. 1476**

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 2019. 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	% of Revenue by Source
Property Taxes	62.4%
User Fees & Charges	22.2%
Other Revenue	7.6%
Grants	7.8%
	100.0%

## 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**

<b>Property Class</b>	<b>% of 2019 Property Tax</b>
Residential	68.5%
Utilities	0.1%
Light Industry	2.3%
Business	26.8%
Rec / Non Profit	2.1%
Farm	0.2%
	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.