



DISTRICT OF NORTH SAANICH

BYLAW NO. 1494

A BYLAW RESPECTING THE FINANCIAL PLAN FOR THE YEARS 2020 TO 2024

WHEREAS the Municipal Council has caused to be prepared the District's Financial Plan for the years 2020 to 2024 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 2020 to 2024 is hereby attached as Schedule "A" – Five Year Financial Plan.
2. The Transfer from (to) Reserves for the years 2020 to 2024 is hereby attached as Schedule "B" – Transfer from (to) Reserves
3. The Statement of Objectives and Policies for the year 2020 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. 1494 (2020)"**

READ A FIRST TIME the 11th day of May, 2020

READ A SECOND TIME the 11th day of May, 2020

READ A THIRD TIME the 11th day of May, 2020

FINALLY ADOPTED, pursuant to Ministerial Order No. M139, the 11th day of May, 2020


MAYOR


CORPORATE OFFICER



**District of North Saanich
2020 – 2024 Financial Plan
Schedule “A” of Bylaw No. 1494**

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Revenues					
Property Taxes, Grants-In-Lieu & Special Levies	(13,346,550)	(14,324,700)	(14,824,750)	(15,024,750)	(15,213,250)
Sale of services:					
General	(115,800)	(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	(640,700)	(559,700)	(559,700)	(559,700)	(559,700)
Transportation	(128,800)	(120,400)	(118,800)	(120,400)	(118,800)
Parks, Recreation & Cultural	(30,200)	(17,000)	(17,000)	(17,000)	(17,000)
Water utility fees and charges	(3,363,100)	(3,462,700)	(3,507,500)	(3,555,500)	(3,555,500)
Sewer utility fees and charges	(1,323,600)	(1,354,700)	(1,366,700)	(1,378,300)	(1,378,300)
Other revenue	(708,700)	(668,800)	(688,800)	(688,800)	(688,800)
Transfers from other governments	(1,241,500)	(976,700)	(976,700)	(1,001,000)	(1,001,000)
Total Revenues	(20,971,050)	(21,679,100)	(22,254,350)	(22,539,850)	(22,726,750)
Expenses					
General Government	3,862,050	3,839,750	3,931,950	3,935,950	3,948,550
Protective Services	3,293,300	3,305,500	3,372,900	3,440,300	3,512,100
Solid Waste & Environmental	112,900	112,900	112,900	112,900	112,900
Planning & Community	1,228,100	1,219,700	1,242,600	1,261,300	1,279,200
Transportation	2,298,000	2,310,300	2,330,000	2,354,800	2,369,800
Parks	648,700	589,800	595,400	600,200	601,000
Recreation & Cultural	1,106,800	1,138,600	1,164,000	1,189,300	1,209,700
Water Utility	3,318,400	3,418,000	3,462,800	3,510,800	3,510,800
Sewer Utility	1,045,600	1,076,700	1,088,700	1,100,300	1,100,300
Other operating	1,852,300	297,800	260,000	142,300	122,300
Debt interest	229,300	229,300	229,300	229,300	229,300
Amortization	3,520,000	3,301,000	3,128,000	3,002,000	2,790,000
Total Operating Expenses	22,515,450	20,839,350	20,918,550	20,879,450	20,785,950
Net Revenue (Expenses)	(1,544,400)	839,750	1,335,800	1,660,400	1,940,800
Allocations					
Transfers from (to) Reserves	3,045,500	(511,500)	198,200	(458,900)	(86,600)
Transfers from (to) Non-stat Reserves	4,557,800	(1,277,150)	(1,824,200)	(1,988,400)	(2,082,200)
Transfers from (to) Surplus	602,000	100,000	60,000	-	-
Capital expenditures	(9,911,600)	(2,182,800)	(2,628,500)	(1,945,800)	(2,292,700)
Reserve fund in excess of amortization	3,520,000	3,301,000	3,128,000	3,002,000	2,790,000
Debt principal	(269,300)	(269,300)	(269,300)	(269,300)	(269,300)
Financial Plan Balance	-	-	-	-	-

**District of North Saanich
2020 – 2024 Financial Plan
Schedule “B” of Bylaw No. 1494**

Transfers from (to) Reserves

	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
<u>Transfers from Reserve Funds</u>					
New Works & Equipment	1,478,900	10,000	-	260,000	480,000
Parks Acquisition	-	-	-	-	-
Fire Equipment Depreciation	748,600	70,000	320,000	-	-
Public Works Depreciation	688,000	15,000	579,000	66,600	286,000
Utility Equipment	810,000	35,000	175,000	106,000	55,000
Fire Equipment Capital	51,300	107,800	12,500	7,800	11,700
Office Equipment	181,000	208,000	69,000	63,000	43,000
Carbon Neutral	10,000	-	-	-	-
Total Transfers from Reserves	3,967,800	445,800	1,155,500	503,400	875,700
<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	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
Public Works Depreciation	(170,000)	(190,000)	(190,000)	(190,000)	(190,000)
Utility Equipment	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Fire Equipment Capital	(65,000)	(75,000)	(75,000)	(75,000)	(75,000)
Office Equipment	(105,000)	(110,000)	(110,000)	(115,000)	(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)
Total Transfers to Reserve Funds	(922,300)	(957,300)	(957,300)	(962,300)	(962,300)
Total Transfers from (to) Reserve Funds	3,045,500	(511,500)	198,200	(458,900)	(86,600)

**District of North Saanich
2020 – 2024 Financial Plan
Statement of Objectives and Policies
Schedule “C” of Bylaw No. 1494**

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
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 2020. Property taxes form the greatest proportion of the revenue raised by 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 infrastructure maintenance.

For these reasons, property taxation will continue to be the main 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 on an ongoing basis 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:

Revenue Source	<u>% of Revenue by Source</u>
Property Taxes	63.6%
User Fees & Charges	22.3%
Other Revenue	8.1%
Grants	5.9%
	<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 better reflect the average of the commercial tax rates of the Peninsula municipalities.

Policies

- Council will endeavour to reduce the business (Class 6) taxes by gradually reducing the share of property taxes paid by business class properties by as much as 0.25% per year for the next five years.

Table 2:

Percentage of Property Tax by Property Class

Property Class	% of 2020 Property Tax
Residential	67.9%
Utilities	0.1%
Light Industry	2.1%
Business	27.6%
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.