



DISTRICT OF NORTH SAANICH

BYLAW NO. 1539

A BYLAW RESPECTING THE FINANCIAL PLAN FOR THE YEARS 2022 TO 2026

WHEREAS the Municipal Council has caused to be prepared the District's Financial Plan for the years 2022 to 2026 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 2022 to 2026 is hereby attached as Schedule "A" – Five Year Financial Plan.
2. The Transfer from (to) Reserves for the years 2022 to 2026 is hereby attached as Schedule "B" – Transfer from (to) Reserves
3. The Statement of Objectives and Policies for the year 2022 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. 1539, 2022**"

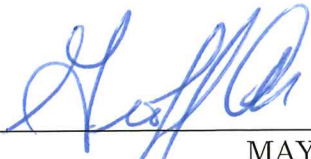
READ A FIRST TIME the 2nd day of May, 2022

READ A SECOND TIME the 2nd day of May, 2022

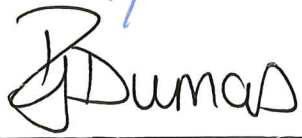
READ A THIRD TIME the 2nd day of May, 2022

FINALLY ADOPTED the 9th day of May, 2022





MAYOR



CORPORATE OFFICER

**District of North Saanich
2022 – 2026 Financial Plan
Schedule “A” of Bylaw No. 1539**

	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget
Revenues					
Property Taxes, Grants-In-Lieu & Special Levies	(14,507,800)	(15,415,600)	(15,997,150)	(16,713,250)	(17,168,850)
Sale of services:					
General	(125,500)	(122,500)	(122,500)	(122,500)	(122,500)
Protective	(33,600)	(33,900)	(33,900)	(33,900)	(33,900)
Solid Waste & Environmental	(65,000)	(65,000)	(65,000)	(65,000)	(65,000)
Planning & Community	(742,700)	(793,700)	(793,700)	(793,700)	(793,700)
Transportation	(130,400)	(118,800)	(120,400)	(118,800)	(120,400)
Parks, Recreation & Cultural	(46,600)	(45,900)	(46,500)	(47,100)	(47,800)
Water utility fees and charges	(3,649,700)	(3,650,500)	(3,650,500)	(3,650,500)	(3,650,500)
Sewer utility fees and charges	(1,572,700)	(1,574,800)	(1,574,800)	(1,574,800)	(1,574,800)
Other revenue	(641,700)	(681,800)	(701,800)	(701,800)	(701,800)
Transfers from other governments	(1,306,000)	(980,200)	(980,200)	(403,000)	(403,000)
Total Revenues	<u>(22,821,700)</u>	<u>(23,482,700)</u>	<u>(24,086,450)</u>	<u>(24,224,350)</u>	<u>(24,682,250)</u>
Expenses					
General Government	3,995,000	4,029,500	4,063,150	4,124,200	4,179,800
Protective Services	4,216,350	4,416,800	4,595,750	4,928,550	5,019,650
Solid Waste & Environmental	135,900	135,900	135,900	135,900	135,900
Planning & Community	1,464,700	1,509,400	1,526,000	1,540,700	1,555,500
Transportation	2,437,500	2,470,700	2,496,100	2,521,400	2,546,400
Parks	659,700	663,200	667,900	672,700	673,500
Recreation & Cultural	1,106,700	1,149,300	1,173,150	1,197,000	1,221,800
Water Utility	3,605,000	3,605,800	3,605,800	3,605,800	3,605,800
Sewer Utility	1,294,700	1,296,800	1,296,800	1,296,800	1,296,800
Other operating	2,452,600	778,100	204,900	57,900	69,900
Debt interest	229,300	229,300	229,300	229,300	229,300
Amortization	3,557,000	3,434,000	3,233,000	3,109,000	2,904,000
Total Operating Expenses	<u>25,154,450</u>	<u>23,718,800</u>	<u>23,227,750</u>	<u>23,419,250</u>	<u>23,438,350</u>
Net Revenue (Expenses)	<u>(2,332,750)</u>	<u>(236,100)</u>	<u>858,700</u>	<u>805,100</u>	<u>1,243,900</u>
Allocations					
Transfers from (to) Reserves	8,254,650	2,770,600	279,600	(550,300)	(1,104,300)
Transfer from (to) Non-stat Reserves	15,000	-	-	-	-
Transfers from (to) Surplus	1,689,000	-	-	-	-
Capital expenditures	(10,913,600)	(5,699,200)	(4,102,000)	(3,094,500)	(2,774,300)
Reserve fund in excess of amortization	3,557,000	3,434,000	3,233,000	3,109,000	2,904,000
Debt principal	(269,300)	(269,300)	(269,300)	(269,300)	(269,300)
Financial Plan Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**District of North Saanich
2022 – 2026 Financial Plan
Schedule “B” of Bylaw No. 1539**

	2022	2023	2024	2025	2026
	Budget	Budget	Budget	Budget	Budget
<u>Transfers from Reserve Funds</u>					
Furniture and Equipment	424,400	152,000	270,400	270,000	80,400
Fire Vehicle and Equipment	549,800	20,500	289,800	20,500	49,800
Public Works Vehicle and Equipment	330,000	590,000	381,000	69,000	95,000
Water Vehicle and Equipment	430,000	125,000	40,000	47,000	25,000
Sewer Vehicle and Equipment	110,000	160,000	110,000	194,000	60,000
Parks Capital	482,500	65,000	50,000	50,000	50,000
Storm Water Capital	700,000	775,000	675,000	675,000	675,000
Roads Capital	860,000	700,000	700,000	700,000	700,000
Water Capital	3,571,000	1,030,000	1,030,000	1,030,000	1,030,000
Sewer Capital	80,000	45,000	120,000	45,000	45,000
Facilities	888,600	15,000	-	-	-
Carbon Neutral	20,000	-	-	-	-
New Works and Equipment	-	625,000	-	-	-
Agricultural	125,000	75,000	-	-	-
Policing	378,950	173,900	203,100	175,900	156,400
Snow Removal	35,000	35,000	35,000	35,000	35,000
Community Works Gas Tax	2,852,900	1,519,700	500,000	-	-
Financial Stabilization	2,401,200	1,102,200	438,000	249,000	129,000
Total Transfers from Reserves	14,239,350	7,208,300	4,842,300	3,560,400	3,130,600
<u>Transfers to Reserve Funds</u>					
Furniture and Equipment	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Fire Vehicle and Equipment	(315,000)	(315,000)	(315,000)	(315,000)	(315,000)
Public Works Vehicle and Equipment	(190,000)	(210,000)	(210,000)	(210,000)	(210,000)
Water Vehicle and Equipment	(266,000)	(66,000)	(66,000)	(66,000)	(66,000)
Sewer Vehicle and Equipment	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Parks Capital	(245,000)	(245,000)	(245,000)	(245,000)	(245,000)
Storm Water Capital	(652,000)	(200,000)	(275,000)	(350,000)	(450,000)
Roads Capital	(569,000)	(569,000)	(569,000)	(569,000)	(569,000)
Water Capital	(1,020,500)	(1,020,500)	(1,020,500)	(1,020,500)	(1,020,500)
Sewer Capital	(246,100)	(246,100)	(246,100)	(246,100)	(246,100)
Facilities	(700,000)	(250,000)	(300,000)	(350,000)	(400,000)
Carbon Neutral	(13,000)	(13,000)	(13,000)	(13,000)	(13,000)
New Works and Equipment	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
Agricultural	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)
Policing	(494,000)	(5,000)	(5,000)	(5,000)	(5,000)
Snow Removal	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Community Works Gas Tax	(553,000)	(577,000)	(577,000)	-	-
Financial Stabilization	(17,000)	(17,000)	(17,000)	(17,000)	(17,000)
Local Improvement	(25,800)	(25,800)	(25,800)	(25,800)	-
Parkland Acquisition	(14,300)	(14,300)	(14,300)	(14,300)	(14,300)
Total Transfers to Reserve Funds	(5,984,700)	(4,437,700)	(4,562,700)	(4,110,700)	(4,234,900)
Total Transfers from (to) Reserve Funds	8,254,650	2,770,600	279,600	(550,300)	(1,104,300)

**District of North Saanich
2022 – 2026 Financial Plan
Statement of Objectives and Policies
Schedule “C” of Bylaw No. 1539**

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 2022. 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 twenty 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	22.9%
Other Revenue	7.8%
Grants	5.7%
	<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 Classes 5 and 6) rate to better reflect the average of the commercial tax rates of the Peninsula municipalities.

Policies

- Council will endeavour to reduce the business (Classes 5 & 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 2022 Property Tax
Residential	71.1%
Utilities	0.1%
Light Industry	2.2%
Business	24.3%
Rec / Non Profit	2.1%
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.