

**DISTRICT OF LANTZVILLE  
BYLAW NO. 134**

**A BYLAW TO AMEND DISTRICT OF LANTZVILLE  
FINANCIAL PLAN BYLAW NO. 120, 2016**

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**WHEREAS** section 165 of the *Community Charter* stipulates that a municipality must have a financial plan that is adopted on an annual basis;

**AND WHEREAS** section 165 (2) of the *Community Charter* stipulates that for certainty, the financial plan may be amended by bylaw at any time;

**NOW THEREFORE** the Municipal Council of the District of Lantzville in open meeting assembled hereby enacts as follows:

1. That District of Lantzville Financial Plan Bylaw No. 120, 2016 is hereby amended by deleting Schedules 'A' & 'B' in their entirety and substituting the amended Schedule 'A' & 'B' as attached hereto and forming part of this Bylaw.
2. This Bylaw may be cited for all purposes as "District of Lantzville 2016-2020 Financial Plan Bylaw No. 120, 2016, Amendment Bylaw 134, 2016" and shall become effective upon adoption.

**READ A FIRST TIME** this 12<sup>th</sup> day of October, 2016.

**READ A SECOND TIME** this 12<sup>th</sup> day of October, 2016.

**READ A THIRD TIME** this 12<sup>th</sup> day of October, 2016

**ADOPTED** this 14<sup>th</sup> day of November, 2016

ORIGINAL SIGNED BY

\_\_\_\_\_  
Mayor

ORIGINAL SIGNED BY

\_\_\_\_\_  
Deputy Director of Corporate Administration

**Schedule "A"**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenues</b>					
Property Taxes	1,746,113	1,798,745	1,866,615	1,872,717	1,873,242
Parcel Taxes	514,688	540,313	659,323	659,323	659,323
User Fees and Charges	669,327	685,300	692,630	702,586	716,796
Government Grants	991,150	5,105,559	1,362,000	442,000	775,300
Other Sources	647,900	521,340	1,403,010	404,730	409,280
	<u>4,569,178</u>	<u>8,651,257</u>	<u>5,983,578</u>	<u>4,081,356</u>	<u>4,433,941</u>
<b>Expenses</b>					
General Operating	2,214,340	2,203,790	2,085,690	2,074,832	2,079,807
Sanitary Sewer Operating	216,511	212,100	218,030	224,330	230,840
Water Operating	529,142	1,768,289	442,000	446,090	450,290
Library Operating	171,109	174,500	178,000	181,600	185,200
Interest on Debt	1,875	27,500	64,094	64,094	64,094
Amortization	731,000	731,000	731,000	731,000	731,000
	<u>3,863,977</u>	<u>5,117,179</u>	<u>3,718,814</u>	<u>3,721,946</u>	<u>3,741,231</u>
<b>Annual Surplus/(Deficit)</b>	705,201	3,534,078	2,264,764	359,410	692,710
<b>Add back: Unfunded Amortization</b>	<u>731,000</u>	<u>731,000</u>	<u>731,000</u>	<u>731,000</u>	<u>731,000</u>
	1,436,201	4,265,078	2,995,764	1,090,410	1,423,710
<b>Capital Expenditures</b>					
General Capital	548,472	671,435	982,000	621,716	1,245,000
Sanitary Sewer Capital	500,000	5,000,000	1,380,000	-	-
Water Capital	1,125,000	50,000	1,280,000	325,000	425,000
	<u>2,173,472</u>	<u>5,721,435</u>	<u>3,642,000</u>	<u>946,716</u>	<u>1,670,000</u>
Capital Works Reserve Fund	138,125	(65,735)	(355,800)	(17,016)	234,700
Machinery and Equipment Reserve Fund	9,525	(13,575)	(36,575)	48,425	(21,575)
Fire Vehicle Replacement Reserve Fund	100,000	100,000	100,000	55,000	(300,000)
Parks Reserve Fund	(42,000)	-	(50,000)	(50,000)	(166,700)
Winter Road Maintenance Operating Reserve Fund	21,463	5,000	5,000	5,000	5,000
Property Tax Stabilization Operating Reserve Fund			15,000	15,000	15,000
Sewer Facilities Reserve Fund	26,000	26,000	26,000	26,000	26,000
Waterworks Replacement Reserve Fund	(558,700)	236,300	(43,700)	(88,700)	(188,700)
Transfers to/(from) Reserve Funds	(305,587)	287,990	(340,075)	(6,291)	(396,275)
Transfers to/(from) Accumulated Surplus	(429,553)	(242,216)	(93,146)	(97,000)	(97,000)
Proceeds from Borrowing	(166,700)	(1,666,700)	(460,000)	-	-
Internal Borrowing Repayment	164,569	164,569	164,569	164,569	164,569
Principal Payment on Debt	-	-	82,416	82,416	82,416
	<u>(737,271)</u>	<u>(1,456,357)</u>	<u>(646,236)</u>	<u>143,694</u>	<u>(246,290)</u>
<b>Financial Plan Balance</b>	-	-	-	-	-

**“Schedule B”**

**District of Lantzville 2016-2020 Financial Plan Bylaw No. 120, 2016, Amendment Bylaw 134, 2016  
For The Five Year Period 2016 To 2020**

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 2016.

Revenue Source	% of Total Revenue
Property value taxes	38
Parcel taxes	11
User fees and charges	15
Other Sources	36
<b>Total</b>	<b>100</b>

*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, 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 2016 the District will collect parcel taxes on capital costs related to phase 1 and 2 sewer infrastructure (residents within the defined local area service), and capital costs related to the Knarston Creek Overflow Project.

**3) User Fees and Charges**

User fees attempt to fairly apportion the cost of some municipal services to those residents who actually use the service. The District currently collects user fees on a quarterly basis for water and sewer services as well as annually for waste collection.

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. To date the District has not incurred any external debt.

**5) Other Sources**

Revenues in this category consist of appropriations from accumulated operating surplus, investment revenue, as well as insignificant miscellaneous revenues. These revenues vary from year to year.

Other sources 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.

Provincial Small Communities Protection Grant funds historically have been a significant source of funds for District operations. The grant amount and funding formula change periodically. The 2016 grant amount in the amount of \$426,000 has been confirmed by the Province.

Council established a Winter Road Maintenance Reserve in 2014 to offset higher than average operating expenses for snow clearing and other winter road maintenance expenditures.

**B. Property Value Tax Distribution**

Table 2 provides the proportionate distribution of property tax revenue and assessment value among the property classes.

Property Class	% of 2016 Total District Assessment	% of 2016 Property Tax Revenue
Residential	96.7	85.6
Utilities	0.2	3.4
Light Industry	0.2	1.2
Business and Other	2.5	8.9
Managed Forest Land	0.2	0.6
Recreation/Non-profit	0.2	0.3
Farm	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

*Table 2*

Residential properties represent most of total assessed value of properties in the District. Thus taxing other classes at a high multiple of the residential rate would generate very little additional property tax revenue, while imposing a undue burden on non-residential residents of the District. Council has given consideration

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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. One ten-year permissive tax exemption has been granted to the Island Corridor Foundation.