

DISTRICT OF SEHELTT

Bylaw No. 511, 2012

A bylaw to adopt the 2012 – 2016 Financial Plan

WHEREAS Section 165 of the *Community Charter* provides that Council shall adopt a Financial Plan before the annual property tax bylaw is adopted;

NOW THEREFORE, the Council of the District of Sechelt in open meeting assembled enacts as follows:

1. **TITLE**

This bylaw may be cited for all purposes as “District of Sechelt 2012-2016 Financial Plan Bylaw No. 511, 2012”.

2. **PROVISIONS**

Schedule A attached to and forming part of this bylaw is hereby adopted as the Financial Plan of the District of Sechelt for the five-year period from 2012 – 2016.

The various items of expenditures set forth in Schedule A are hereby authorized.

Pursuant to Section 165 (3.1) of the *Community Charter* the Council of the District of Sechelt has prepared a Statement of Revenue and Tax Policy as shown in Schedule B attached hereto and forming part of this bylaw.

READ A FIRST TIME THIS	2 nd	DAY OF	May, 2012
READ A SECOND TIME THIS	2 nd	DAY OF	May, 2012
READ A THIRD TIME THIS	2 nd	DAY OF	May, 2012
ADOPTED THIS THE	9 th	DAY OF	May, 2012

Mayor

Corporate Officer

Schedule A

Five Year Financial Plan 2012-2016

REVENUES	2012 BUDGET	2013 BUDGET	2014 BUDGET	2015 BUDGET	2016 BUDGET
Taxation					
Property Taxes	6,493,100	6,752,824	6,989,173	7,233,794	7,486,977
Parcel and Frontage Taxes	475,250	482,379	489,614	496,959	504,413
Utility and Payment in Lieu of Taxes	181,300	186,739	191,407	196,193	201,097
Taxes Collected for Other Governments	10,721,500	11,043,145	11,319,224	11,602,204	11,892,259
Fees and Charges					
Sewer User Fees	1,276,300	1,308,208	1,340,913	1,374,436	1,408,796
Solid Waste Management Fees	661,800	678,345	695,304	712,686	730,503
Sale of Services	248,940	256,408	264,100	272,023	280,184
Permits, Licences and Fees	1,465,050	1,509,002	1,554,272	1,600,900	1,648,927
Other Revenue					
Penalties and Interest on Taxes	138,000	139,380	140,774	142,182	143,603
Return on Investments	551,500	468,775	398,459	338,690	287,886
Grants					
Operating Grants	855,141	545,000	572,250	600,863	630,906
Capital Grants	2,136,750	9,616,333	3,835,333	30,000	30,000
Borrowing					
Short-term loan	0	0	2,500,000	0	0
Transfers					
Transfer from Operating Surplus	0	0	2,394,081	0	0
Transfer from Development Cost Charges	403,000	1,183,334	657,576	390,000	0
Transfer from Sewer surplus	678,500	1,275,833	2,554,008	500,000	500,000
Transfer from Restricted Surplus (Operating)	892,208	104,000	105,668	0	0
Transfer from Statutory Reserve	2,220,300	519,000	677,000	442,000	420,000
TOTAL REVENUES	<u>29,398,639</u>	<u>36,068,704</u>	<u>36,679,155</u>	<u>25,932,928</u>	<u>26,165,553</u>
EXPENDITURES					
Municipal Purposes					
Taxes Remitted to Other Governments	10,721,500	11,043,145	11,319,224	11,602,204	11,892,259
General Government	2,774,802	2,667,496	2,734,183	2,802,538	2,872,601
Protective Services	2,348,362	2,418,813	2,479,283	2,541,265	2,604,797
Infrastructure Maintenance	3,394,600	3,496,438	3,583,849	3,673,445	3,765,281
Solid Waste Management	654,500	670,863	687,634	704,825	722,446
Sanitary Sewage Operations	1,373,950	1,408,299	1,818,506	1,863,969	1,910,568
Community and Development services	907,950	832,189	852,993	874,318	896,176
Parks	953,300	981,899	1,006,446	1,031,608	1,057,398
Golf course	260,950	50,000	25,000	0	0
Library, Arts and Culture	474,215	488,441	500,652	513,169	525,998
Property Management	1,305,120	1,344,274	1,377,880	1,412,327	1,447,636
Capital Expenditures					
Acquisition of Operating Assets	2,910,050	742,000	819,000	562,000	450,000
Acquisition of Sanitary Sewer Assets	2,633,500	11,852,500	11,799,000	300,000	
Debt Payments	249,500	249,500	249,500	710,187	710,187
Transfers					
Contributions to Restricted Surplus	209,666	0	0	0	0
Contributions to Statutory Reserves	910,374	560,222	593,125	571,537	605,279
Add Back Amortization (Non Cash Expense)	-2,683,700	-2,737,374	-3,167,121	-3,230,464	-3,295,073
TOTAL EXPENDITURES	<u>29,398,639</u>	<u>36,068,704</u>	<u>36,679,156</u>	<u>25,932,929</u>	<u>26,165,553</u>

Schedule B

Financial Plan Statement for 2012

Revenue Distribution

In accordance with section 165 of the *Community Charter*, the proportion of total revenue derived from each revenue source is as follows:

Revenue Source	2012 Total Revenue %	2011 Total Revenue %
Property Taxes	34.73%	36.39%
Parcel Taxes	2.54%	2.31%
User Fees and Charges	19.55%	20.31%
Other Sources	4.71%	4.24%
Grants	16.02%	19.37%
Proceeds from Borrowing	0.00%	0.00%
Transfer from Own Funds	22.45%	17.38%
Total	100.00%	100.00%

Property Taxes:

Property taxes as a percentage of total revenues declined from 36.39% in 2011 to 34.73% in 2012. Going forward, a 3.5% to 4.0% increase per year is derived from a combination of actual additions to total assessed values, possible inflation in assessed values, and tax increases.

Parcel Taxes:

Parcel taxes will be implemented whenever Council determines new services provided, are more appropriately funded by them, than assessment based taxes.

User Fees and Charges:

- User fees will be used to recover costs from those who benefit from services provided. The proportion of user fees to be recovered will vary with the service provided.
- The District of Sechelt regularly reviews its user fees and charges to ensure a correlation with actual costs.

Other Sources:

The District of Sechelt will continue to seek other sources of revenue to reduce its reliance on property taxes.

In 2011, Sechelt was successful in obtaining a total of \$11.2 million in grants to largely pay for a new innovative sewage treatment plant.

Proceeds from Borrowing:

Borrowing will be considered when a capital project will provide benefits to taxpayers over a long period.

Schedule B Financial Plan Statement for 2012

Transfers from Own Funds:

Pursuant to the District's financial policies, the District will build up reserves to fund major capital projects. This practice reduces the need for significant increases in taxation and minimizes the necessity for borrowing.

Distribution of Property Tax Revenues

Taxes for 2012 are distributed as follows:

Property Class	Number of Properties	Revenue Distribution 2011 (%)	Comparative % Distribution 2010
Residential	5433	85.93%	85.99%
Utilities	28	0.52%	0.52%
Light Industry	13	0.85%	1.00%
Business/Other	306	12.38%	12.15%
Managed Forest	1	0.05%	0.06%
Seasonal/Recreational	38	0.25%	0.26%
Farm	25	0.02%	0.02%
Total	5,864	100.00%	100.00%

This distribution of taxation has been established over several years. With residential properties making up 93% of the total number of properties, the majority of the current tax burden rests with this property classification.

Permissive Tax Exemptions:

The District of Sechelt believes that permissive tax exemptions are one method of placing more resources into not-for-profit organizations providing social services to the community. Council policy is to review all permissive tax exemptions annually. All applications for permissive tax exemptions are considered in accordance with the Permissive Tax Exemption Policy.