

*DISTRICT OF SECHELT*

*2013-2017*

*FINANCIAL*

*PLAN BYLAW*

*No. 524, 2013*



**Consolidated for convenience only April 2014**

This Consolidation includes the following Bylaw Amendments:

524-1, 2013

524-2, 2013

This version of this bylaw is a consolidation of amendments to the original bylaw as of the date specified. This consolidation is done for the convenience of users and accurately reflects the status of the bylaw as of the specified date but must not be construed as the original bylaw and is not admissible in Court unless specifically certified by the Director of Corporate Services for the District of Sechelt. Persons interested in the definitive wording of this bylaw and its amendments should view the original bylaws at the District of Sechelt.

DISTRICT OF SEHELDT

BYLAW NO. 524, 2013

A bylaw to adopt the 2013 – 2017 Financial Plan

**WHEREAS** Section 165 of the *Community Charter* provides that Council shall adopt a Financial Plan;

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

**Citation**

1. This bylaw may be cited for all purposes as “District of Sechelt 2013-2017 Financial Plan Bylaw No. 524, 2013”.

**Provisions**

2. 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 2013 – 2017.
3. The various items of expenditures set forth in Schedule A are hereby authorized.
4. Pursuant to Section 165 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	17 <sup>th</sup>	DAY OF	April, 2013
READ A SECOND TIME THIS	17 <sup>th</sup>	DAY OF	April, 2013
READ A THIRD TIME THIS	17 <sup>th</sup>	DAY OF	April, 2013
ADOPTED THIS	1 <sup>st</sup>	DAY OF	May, 2013

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Corporate Officer

## Schedule A - Five Year Financial Plan 2013-2017

<b>DISTRICT OF SEHELTT 2013 - 2017 FINANCIAL PLAN</b>					
<b>OPERATING REVENUES</b>	<b>2013 BUDGET</b>	<b>2014 PLAN</b>	<b>2015 PLAN</b>	<b>2016 PLAN</b>	<b>2017 PLAN</b>
Property Taxes	\$ 6,938,353	\$ 7,181,195	\$ 7,432,537	\$ 7,692,676	\$ 7,961,920
Parcel and Frontage Taxes	490,062	499,863	509,861	520,058	530,459
Fees and Services	3,419,897	3,488,295	3,558,061	3,629,222	3,701,806
Other Revenues	539,806	434,000	434,000	434,000	422,000
Grants - Operating	1,002,472	797,107	813,049	829,310	845,896
Taxes Collected for Other Governments	10,920,691	11,193,708	11,473,551	11,760,390	12,054,400
	<b>23,311,281</b>	<b>23,594,168</b>	<b>24,221,058</b>	<b>24,865,655</b>	<b>25,516,480</b>
<b>Less:</b>					
Taxes Collected for Other Governments	10,920,691	11,193,708	11,473,551	11,760,390	12,054,400
<b>NET REVENUES</b>	<b>12,390,590</b>	<b>12,400,460</b>	<b>12,747,507</b>	<b>13,105,265</b>	<b>13,462,081</b>
<b>Expenditures</b>					
Operations	13,870,951	14,148,370	15,031,337	15,331,964	15,638,603
Debt Payments	316,287	329,644	790,331	870,475	790,331
Contributions to Sewer Fund Surplus	428,943	437,522	-	-	-
Contribution to Capital Reserves	500,000	500,000	500,000	500,000	500,000
<b>TOTAL ANNUAL OPERATING EXPENDITURES</b>	<b>15,116,181</b>	<b>15,415,536</b>	<b>16,321,668</b>	<b>16,702,439</b>	<b>16,928,934</b>
<b>STRUCTURAL DEFICIT</b>	<b>(2,725,591)</b>	<b>(3,015,076)</b>	<b>(3,574,161)</b>	<b>(3,597,174)</b>	<b>(3,466,854)</b>
Add Back Amortization	2,700,804	2,754,820	3,409,916	3,478,115	3,547,677
<b>Operating Surplus/(Deficit)</b>	<b>(24,787)</b>	<b>(260,256)</b>	<b>(164,245)</b>	<b>(119,059)</b>	<b>80,823</b>
<b>Allocations from/(to) Operating Surpluses</b>	<b>24,787</b>	<b>260,256</b>	<b>164,245</b>	<b>119,059</b>	<b>(80,823)</b>
<b>BALANCED OPERATING BUDGET</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CAPITAL ITEMS</b>					
<b>Funding for capital items</b>					
Grants & Contributions	\$ 6,600,000	\$ 5,980,000	\$ -	\$ -	\$ -
Gas Tax Funding	390,000	390,000	390,000	390,000	390,000
Short Term Borrowing	-	2,500,000	-	-	-
<b>Funding from external sources</b>	<b>6,990,000</b>	<b>8,870,000</b>	<b>390,000</b>	<b>390,000</b>	<b>390,000</b>
<b>Funding from Internal Sources:</b>					
Operating Surpluses	-	2,071,969	-	-	-
Sewer Fund surplus	1,500,000	1,505,453	-	-	-
Capital reserves	915,476	1,000,000	373,899	499,229	630,967
Development cost charges	1,291,665	1,052,578	-	-	-
<b>Funding from internal sources</b>	<b>3,707,141</b>	<b>5,630,000</b>	<b>373,899</b>	<b>499,229</b>	<b>630,967</b>
<b>TOTAL FUNDING FOR CAPITAL ITEMS</b>	<b>\$ 10,697,141</b>	<b>\$ 14,500,000</b>	<b>\$ 763,899</b>	<b>\$ 889,229</b>	<b>\$ 1,020,967</b>
<b>CAPITAL EXPENDITURES</b>					
Wastewater Treatment	\$ 9,490,000	\$ 13,750,000	\$ -	\$ -	\$ -
Other	1,207,141	750,000	763,899	889,229	1,020,967
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>10,697,141</b>	<b>14,500,000</b>	<b>763,899</b>	<b>889,229</b>	<b>1,020,967</b>
<b>CAPITAL SURPLUS / (DEFICIT) for the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURES</b>					
Operating	\$ 15,116,181	\$ 15,415,536	\$ 16,321,668	\$ 16,702,439	\$ 16,928,934
Capital	10,697,141	14,500,000	763,899	889,229	1,020,967
	<b>\$ 25,813,322</b>	<b>\$ 29,915,536</b>	<b>\$ 17,085,567</b>	<b>\$ 17,591,668</b>	<b>\$ 17,949,901</b>

## **Schedule B Financial Plan Statement for 2013**

### **Revenue Distribution**

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

Revenue Source	2013 Total Revenue %
Property Taxes	56.10%
Parcel Taxes	3.96%
User Fees and Charges	27.81%
Other Sources	4.02%
Grants	8.10%
Proceeds from Borrowing	-
<b>Total</b>	<b>100.00%</b>

#### **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.

Sechelt has been successful in obtaining a total of \$11.2 million in grants to fund the Wastewater Treatment Facility.

#### **Proceeds from Borrowing:**

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

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## Schedule B

### Financial Plan Statement for 2013

**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 Taxable Property Values**

Taxes for 2013 are distributed as follows:

Property Class	2013 Number of Properties	2013 Property Class Distribution	2013 Property Values by Class	2013 Property Value Distribution by Class	2012 Property Value Distribution by Class
1 - Residential	5,481	92.91%	\$1,988,194,937	92.61%	92.71%
2 - Utilities	28	0.47%	2,319,600	0.11%	0.11%
5 - Light Industry	15	0.25%	7,474,600	0.35%	0.30%
6 - Business/Other	308	5.22%	145,712,163	6.79%	6.68%
7 - Managed Forest	1	0.02%	366,000	0.02%	0.02%
8 - Rec/Non profit	38	0.64%	2,328,700	0.11%	0.16%
9 - Farm	28	0.47%	415,996	0.02%	0.02%
<b>Total</b>	<b>5,899</b>	<b>100%</b>	<b>\$2,146,811,996</b>	<b>100%</b>	<b>100%</b>

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.