DISTRICT OF SECHELT

2014-2018 Financial Plan Amendment Bylaw No. 531-1, 2014

A bylaw to amend the 2014-2018 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:

Title

1. This bylaw may be cited for all purposes as “District of Sechelt 2014-2018 Financial Plan Amendment Bylaw No. 531-1, 2014”.

Provisions

2. Schedule A attached to and forming part of this bylaw is hereby adopted as the Amended Financial Plan of the District of Sechelt for the five-year period from 2014 to 2018.

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 3rd DAY OF September, 2014
READ A SECOND TIME THIS 3rd DAY OF September, 2014
READ A THIRD TIME THIS 3rd DAY OF September, 2014
ADOPTED THIS THE 1st DAY OF October, 2014

Mayor
Corporate Officer
## Schedule A – Amended Five Year Financial Plan 2014-2018

### OPERATING BUDGET

#### REVENUES
- **Property Taxes**: $6,981,766 in 2014, increasing to $7,265,253 in 2018
- **Parcel and Frontage Taxes**: $471,323 annually
- **Fees and Services**: $3,462,320 in 2014, increasing to $3,515,625 in 2018
- **Other Revenues**: $371,847 in 2014, increasing to $373,859 in 2018
- **Grants - Operating**: $842,670 annually
- **Transfer from Reserves-one-time initiatives**: $600,500 in 2014

#### EXPENDITURES
- **Operations**: $14,247,496 in 2014, increasing to $14,933,577 in 2018
- **Debt Payments - Sewer**: $392,784 in 2014, increasing to $870,312 in 2018
- **Debt Payments - General Fund**: $210,186 annually
- **Contributions to Sewer Fund Surplus**: $572,843 in 2014, decreasing to $49,668 in 2018
- **Contribution to Capital Reserves**: $83,772 annually

#### NET REVENUES
- From 2014 to 2018, net revenues range from $12,730,426 in 2014 to $12,468,730 in 2018

#### EXPENDITURE DIFFERENCE
- The structural deficit ranges from $2,776,654 in 2014 to $3,609,987 in 2018
- The amortization add back ranges from $2,776,654 in 2014 to $3,609,987 in 2018

#### OPERATING SURPLUS/(DEFICIT)
- Operating surplus/deficit remains at 0 throughout the period

#### BALANCED OPERATING BUDGET
- Balanced operating budget remains at $0 throughout the period

### CAPITAL AND FUNDING BUDGET

#### FUNDING FOR CAPITAL ITEMS
- **Grants & Contributions**: $7,567,000 in 2014
- **Gas Tax Funding**: $390,000 annually
- **Long Term Loan**: $7,400,000

#### FUNDING FROM EXTERNAL SOURCES
- **Total Funding for Capital Items**: $20,674,122 annually

#### FUNDING FROM INTERNAL SOURCES
- **Total Funding for Capital Items**: $20,674,122 annually

#### CAPITAL EXPENDITURES
- **Wastewater Treatment**: $16,843,108
- **Other**: $3,831,014 annually

#### TOTAL CAPITAL EXPENDITURES
- **Total Capital Expenditures**: $20,674,122 annually

#### CAPITAL SURPLUS / (DEFICIT) for the year
- Surplus/deficit remains at $0 throughout the period

#### TOTAL EXPENDITURES
- **Total Expenditures**: $36,181,202 annually
Schedule B
Amended Financial Plan Statement for 2014

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:

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>2014 Total Revenue %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>54.84%</td>
</tr>
<tr>
<td>Parcel Taxes</td>
<td>3.70%</td>
</tr>
<tr>
<td>User Fees and Charges</td>
<td>27.98%</td>
</tr>
<tr>
<td>Other Sources</td>
<td>2.14%</td>
</tr>
<tr>
<td>Grants</td>
<td>6.62%</td>
</tr>
<tr>
<td>Transfers from reserves one-time projects</td>
<td>4.72%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

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.

Proceeds from Borrowing:
Borrowing will be considered when a capital project will provide benefits to taxpayers over a long period.
Schedule B  
Amended Financial Plan Statement for 2014

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

The 2014-2018 Financial Plan assumes property tax assessment values are at the same level as 2013.

Values for 2013 were distributed as follows:

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

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.