



The Corporation of the District of North Cowichan

2024 – 2028 Financial Plan Bylaw

BYLAW NO. 3953, 2024

A bylaw to set out the proposed expenditures, funding sources and proposed transfers to or between funds.

The Council of The Corporation of the District of North Cowichan, in open meeting assembled, enacts as follows:

Citation

1 This Bylaw may be cited as "2024 – 2028 Financial Plan Bylaw No. 3953, 2024".

Financial Plan Establishment

2 Schedule A, attached to and forming part of this Bylaw, is adopted as North Cowichan's Five Year Financial Plan.

Objectives and Policies

3 Schedule B, attached to and forming part of this Bylaw, sets out Council's objectives and policies for the years 2024 through 2028 regarding:

- (a) the proportion of total revenue that is proposed to come from:
 - (i) Property value taxes;
 - (ii) Parcel taxes;
 - (iii) Fees and Charges;
 - (iv) Proceeds from borrowing, other than borrowing under Section 177 [Revenue Anticipation Borrowing] of the *Community Charter*; and
 - (v) Other sources
- (b) the distribution of property taxes among the property classes that may be subject to the taxes; and
- (c) the use of permissive tax exemptions.

Severability

4 If any section, subsection, sentence, clause or phrase of this Bylaw is, for any reason, held to be invalid by the decision of any court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Bylaw.

Repeal

5 "2024 – 2028 Financial Plan Bylaw 3896, 2023" and all amendments thereto, is hereby repealed.

READ a first time on January 17, 2024

READ a second time on January 17, 2024

READ a third time on January 17, 2024

This bylaw was advertised on the municipality's social media sites on January 19, 2024, in the Cowichan Valley Citizen and the Chemainus Valley Courier on January 25, 2024, and was posted to the municipality's public notice places on January 19, 2024.

PUBLIC CONSULTATION was conducted via _____.

ADOPTED on _____.

CORPORATE OFFICER

PRESIDING MEMBER

Schedule "A" to accompany "2024 – 2028
Financial Plan Bylaw No. 3953, 2024".

Presiding Member

Corporate Officer

SCHEDULE "A" - PROPOSED EXPENDITURES, FUNDING SOURCES AND FUND TRANSFERS

Item	Column 1 Description	Column 2 2024	Column 3 2025	Column 4 2026	Column 5 2027	Column 6 2028
1	Revenues:					
2	Property Taxes	40,258,407	42,583,196	44,898,200	46,249,861	47,078,053
3	Parcel Taxes	5,753,937	6,162,205	6,591,803	7,072,483	7,596,587
4	User Fees and Charges	17,696,909	20,062,831	20,445,450	21,022,427	21,515,926
5	Other	33,892,031	34,204,855	18,478,811	1,853,473	5,325,572
6		97,601,284	103,013,087	90,414,264	76,198,244	81,516,138
7	Expenses					
8	General Operating	46,711,127	45,239,753	46,425,128	47,361,996	48,342,203
9	Sanitary Sewer Operating	4,363,847	3,534,980	3,604,175	3,675,577	3,748,403
10	Water Operating	4,445,416	3,898,810	3,846,691	3,921,009	3,996,734
11	Interest on Debt	1,731,750	2,832,738	3,534,357	3,531,962	3,520,708
12	Amortization	10,087,300	10,287,100	10,470,790	11,012,540	11,187,520
13		67,339,440	65,793,381	67,881,141	69,503,084	70,795,568
14	Annual Surplus/(Deficit)	30,261,844	37,219,706	22,533,123	6,695,160	10,720,570
15	Add back: Unfunded Amortization	10,087,300	10,287,100	10,470,790	11,012,540	11,187,520
16	Capital Expenditures					
17	General Capital	52,288,351	7,782,781	7,556,921	7,747,396	6,998,677
18	Sanitary Sewer Capital	15,043,462	58,158,000	38,514,159	1,425,000	8,425,000
19	Water Capital	11,213,060	11,150,000	3,971,000	2,250,000	1,927,000
20		78,544,873	77,090,781	50,042,080	11,422,396	17,350,677
21	Proceeds from Borrowing	(5,000,000)	(19,000,000)	(19,000,000)	0	0
22	Principal Payments on Debt	2,058,688	2,700,234	3,235,300	3,227,146	3,220,008
23	Transfers to/(from) Reserve Funds	(11,861,927)	1,491,342	1,879,633	2,389,601	3,244,090
24	Transfers to/(from) Accumulated Surplus	(23,392,490)	(14,775,551)	(3,153,100)	668,557	(1,906,685)
25		(38,195,729)	(29,583,975)	(17,038,167)	6,285,304	4,557,413
26	Financial Plan Balance	0	0	0	0	0

Schedule "B" to accompany "2024 – 2028
Financial Plan Bylaw No. 3953, 2024".

Presiding Member

Corporate Officer

SCHEDULE "B" – FINANCIAL OBJECTIVES AND POLICIES

1. Funding Sources

Property taxation is North Cowichan's principal ongoing revenue source. As a revenue source, property taxation is simple to administer and relatively easy for residents to understand. It is also a stable and reliable source of revenue for services that are hard or undesirable to fund on a user-pay basis. User fees and charges form the next largest portion of North Cowichan's revenue and are collected from a variety of municipal services, permits, and licenses. User fees attempt to align the value of a service to those who use the service. It is generally preferable to charge a user fee for services to specific users than to levy a general tax on all property owners. The table below shows the proportion of North Cowichan revenue proposed to be raised from each funding source in 2024.

Table 1 - Sources of Revenue

Item	Column 1 Revenue Source	Column 2 % of Total Revenue	Column 3 Dollar Value
1	Property Taxes	39.2%	40,258,407
2	Parcel Taxes	5.6%	5,753,937
3	User Fees and Charges	17.2%	17,696,909
4	Proceeds from Borrowing	4.9%	5,000,000
5	Other	33.0%	33,892,031
6	Total	100.00%	102,601,284

Council's objectives and policies regarding funding sources are to

- (a) use property taxes for services that do not lend themselves to a user-pay approach,
- (b) allocate 10% to 15% of municipal property tax revenue to capital projects,
- (c) charge user fees, where possible, to align services with those who use them, and
- (d) look for new revenue sources.

2. Distribution of Property Tax Rates

Council's objectives and policies regarding the distribution of property tax rates are to strive to

- (a) set tax rates and ratios that maintain tax stability between property classes while factoring in non-market growth within classes,
- (b) set Class 4 (Heavy Industry) at the provincial average tax ratio and at no more than 3 times Class 6 (Business),
- (c) set Class 5 (Light Industry) at no more than 2 times Class 6 (Business),
- (d) set Class 6 (Business) at no more than 2 times Class 1 (Residential),
- (e) set Class 7 (Managed Forest) at no more than 2 times Class 6 (Business),
- (f) set Class 8 (Non-profit and Recreation) tax ratio at 1.00, to assist sector, and
- (g) set Class 9 (Farm) tax ratio at 1.00, to encourage local farm production.

3. Permissive Tax Exemptions

North Cowichan supports local non-profit organizations through permissive tax exemptions. Each year a list of these exemptions are included in the Annual Report. Permissive property tax exemptions are governed by North Cowichan's Permissive Tax Exemption Policy.