

# Report

Date March 5, 2025  
Subject 2025 – 2029 Financial Plan Bylaw No. 3996

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File:

## PURPOSE

To provide Council with the Five-Year Financial Plan Bylaw No. 3996, 2025, which sets out North Cowichan's objectives and policies for the period from 2025 – 2029, for consideration of first three readings.

## BACKGROUND

Section 165 of the *Community Charter* states that a municipality must have a five-year financial plan that is adopted, by bylaw, before the Annual Property Tax Bylaw is adopted. For certainty, the financial plan may be amended at any time.

Section 166 requires that Council undertake a public consultation process regarding the proposed Financial Plan prior to being adopted. The 2025 business plans were presented to the Committee of the Whole in three public engagements held in Crofton, South End, and Chemainus. Members of the public were invited to participate in each of the meetings identified in the plan's timeline and to provide feedback to staff and Council. This consultation also included detailing the budget process and providing information on budget deliberations on our [ConnectNorthCowichan.ca](https://www.northcowichan.ca/ConnectNorthCowichan) page.

## DISCUSSION

Budget deliberations to date have included:

- November 12, 2024 – Grants-in-Aid
- November 26, 2024 – Crofton public engagement
- December 3, 2024 – South End public engagement
- December 10, 2024 – Chemainus public engagement
- January 15, 2025 – Public engagement review
- February 5, 2025 – Utility Rate Review
- February 11, 2025 – Capital and Operating review

Throughout the process, residents were invited and encouraged to attend online and in-person meetings, listen and learn, ask Council and staff questions, and provide budget feedback.

During the January and February 2025 meetings, Council approved several items impacting the budget, including new staff positions, increased fire equipment reserve, and capital upgrades. Mitigation strategies from staff, approved by Council, included reducing the RCMP contract amount to 90%, eliminating the contribution to the Insurance and IT reserves, and funding the server replacement from reserves.

Council mitigation strategies included funding two capital projects (Crofton pool repair and Mary Street culvert repair) from the infrastructure reserve, deferring Mount Richard's Trail sanctioning and parking area till 2026, and funding two projects (parks accessibility upgrades and Chemainus dog park) from unappropriated surplus.

As previously stated, many of the increases to the 2025 budget are out of North Cowichan's control, such as RCMP increases, E-Comm 911 costs, library increases, a by-election, utility costs, insurance premiums, debt servicing, and inflationary increases.

All approved items and mitigation strategies result in an 8.87% net increase in tax revenue needed over 2024, assuming a 1.25% to non-market change. The total tax revenue required doesn't necessarily translate directly to the same percentage increase in the tax rate because of variables such as changes in assessment, non-market changes, distribution of taxes, etc. It's more about how the tax burden is distributed across different classes and how changes in assessments impact the effective rates.

Staff will present a report in early July outlining the tax revenue percentages predicted for 2026, providing Council with the opportunity to offer guidance and direction. This approach will ensure that staff and Council have ample time to collaboratively develop a budget that Council can fully support and take ownership of.

## OPTIONS

1. **(Recommended Option)** THAT Council gives first, second and third reading to 2025 – 2029 Financial Plan Bylaw No. 3996, 2025 (*Option 1*).
  - This allows staff sufficient time to prepare the tax rate bylaw well before the legislative deadline of May 15. Council will also consider the distribution of the taxes among the property classes in April following the release of the Revised Assessment Roll.
2. THAT Council gives first, second and third reading to 2025 – 2029 Financial Plan Bylaw No. 3996, 2025 (*Option 2*).
  - This option has \$400,000 removed from the Paid-on-Call pilot for the South End Fire Department. \$400,000 has been deducted from taxation revenue and the corresponding reduction in the expense. This option sets the increase to tax revenue needed at 7.83%.
3. This Alternative Option would enable Council to make amendments to the proposed Financial Plan Bylaw. The following motions must be considered individually, as any changes to the bylaw must occur between first and third readings.
  - (1) THAT Council gives first and second reading to 2025 - 2029 Financial Plan Bylaw No. 3996, 2025;
  - (2) THAT Council amend 2025 - 2029 Financial Plan Bylaw No. 3996, 2025 by:
    - (a) *(Council to identify what is to be changed, including the item number and the text or number that is to be stricken, removed or added)*
  - (3) THAT Council gives third reading to 2025 - 2029 Financial Plan Bylaw No. 3996, 2025 as amended.

- This allows Council to consider changes to the Financial Plan Bylaw before it is adopted; however, staff may be unable to provide a fulsome evaluation of the impacts of changes made at this meeting. Additional meetings may be required to consider the direction, potentially delaying projects or requiring additional reports to be brought forward for Council consideration of pre-budget approval.

## **IMPLICATIONS**

Once Council has given first three readings, additional notice will be given per Section 166 of the *Community Charter* to the public so they can comment on the bylaw prior to adoption at the March 19, 2025, Council meeting.

### **Option 1**

This option of the 2025 – 2029 financial plan includes the \$400,000 that Council approved for the paid-on-call pilot project for the South End Fire Department. If these monies stay within the budget and the paid-on-call pilot does not proceed, Council could recommend to staff where the money be allocated.

The Financial Plan Bylaw is consistent with Council direction. The total General Municipal Tax Requisition is \$42,210,894. The budgeted impact for the next four years is as follows:

- 2026 – 8.74%
- 2027 – 1.56%
- 2028 – 1.40%
- 2029 – 1.20%

### **Option 2**

This option of the 2025 – 2029 financial plan excludes the \$400,000 that was approved by Council for the paid-on-call pilot project for the South End Fire Department. The reduction of this expense in the 2025 budget reduces the increase in tax revenue needed by 1.04% to 7.83% for 2025.

The Financial Plan Bylaw is consistent with Council direction. The total General Municipal Tax Requisition is \$41,810,894. The budgeted impact for the next four years is as follows:

- 2026 – 9.80%
- 2027 – 1.56%
- 2028 – 1.40%
- 2029 – 1.20%

## **RECOMMENDATION**

THAT Council gives first, second and third reading to 2025 – 2029 Financial Plan Bylaw No. 3996, 2025 (Option 1).

Report prepared by:

Report reviewed by:



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Teri Vetter  
Director, Financial Services



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Bill Corsan  
General Manager, Corporate Services and  
Community Relations

**Approved to be forwarded to Council:**



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Ted Swabey  
Chief Administrative Officer

Attachment:

- (1) 2025 – 2029 Financial Plan Bylaw No. 3996 Option 1
- (2) 2025 – 2029 Financial Plan Bylaw No. 3996 Option 2