



The Corporation of the District of North Cowichan

**2025 - 2029 Financial Plan Bylaw**

BYLAW NO. 3996, 2025

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

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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 "2025 – 2029 Financial Plan Bylaw No. 3996, 2025".

**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 2025 through 2029 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**

2 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**

3 2024 – 2028 Financial Plan Bylaw No. 3953, 2024, and all amendments thereto, is hereby repealed.

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READ a first time on

READ a second time on

This bylaw was advertised on the municipality's \_\_\_\_\_ site on \_\_\_\_\_, in the Cowichan Valley Citizen and the Chemainus Valley Courier on \_\_\_\_\_, and was posted to the municipality's public notice places on \_\_\_\_\_.

READ a third time on \_\_\_\_\_.

Certified a true copy of Bylaw No. \_\_\_\_\_ as at third reading.

PUBLIC CONSULTATION was conducted via \_\_\_\_\_.

ADOPTED on \_\_\_\_\_.

\_\_\_\_\_  
CORPORATE OFFICER

\_\_\_\_\_  
PRESIDING MEMBER

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

Item	Column 1 Description	Column 2 2025	Column 3 2026	Column 4 2027	Column 5 2028	Column 6 2029
<b>1</b>	<b>Revenues:</b>					
2	Property Taxes	43,532,562	48,196,285	49,465,894	50,775,401	51,235,253
3	Parcel Taxes	5,990,576	6,404,070	6,849,078	7,330,393	7,844,039
4	User Fees and Charges	22,284,834	23,048,227	23,230,035	23,940,600	24,890,353
5	Other	37,142,432	20,295,304	3,725,219	7,098,885	3,625,748
6		108,950,404	97,943,886	83,270,226	89,145,279	87,595,393
<b>7</b>	<b>Expenses</b>					
8	General Operating	52,259,584	52,726,758	53,790,232	55,231,330	56,786,471
9	Sanitary Sewer Operating	3,814,430	3,703,277	3,784,961	3,866,758	3,950,547
10	Water Operating	5,390,615	4,358,963	4,442,278	4,542,716	4,643,633
11	Interest on Debt	2,681,773	3,642,021	3,638,267	3,625,604	2,979,564
12	Amortization	10,287,100	10,470,790	11,012,540	11,187,520	11,493,450
13		74,433,502	74,901,809	76,668,278	78,453,928	79,853,665
14	Annual Surplus/(Deficit)	34,516,902	23,042,077	6,601,948	10,691,351	7,741,728
15	Add back: Unfunded Amortization	10,287,100	10,470,790	11,012,540	11,187,520	11,493,450
		44,804,002	33,512,867	17,614,488	21,878,871	19,235,178
<b>16</b>	<b>Capital Expenditures</b>					
17	General Capital	42,363,891	6,866,934	6,864,697	7,005,177	7,532,434
18	Sanitary Sewer Capital	19,638,196	23,125,036	1,275,000	428,717	490,000
19	Water Capital	7,476,510	9,132,120	4,860,552	21,472,000	821,840
20		69,478,597	39,124,090	13,000,249	28,905,894	8,844,274
21	Proceeds from Borrowing	(504,830)	(19,000,000)	0	0	0
22	Principal Payments on Debt	2,302,615	3,232,911	3,226,116	3,220,387	2,728,616
23	Transfers to/(from) Reserve Funds	(3,325,574)	2,957,795	3,103,370	3,204,500	3,363,236
24	Transfers to/(from) Accumulated Surplus	(23,146,806)	7,198,071	(1,715,247)	(13,451,910)	4,299,052
25		(24,674,595)	(5,611,223)	4,614,239	(7,027,023)	10,390,904
26	Financial Plan Balance	0	0	0	0	0

## 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 <b>Revenue Source</b>	Column 2 <b>% of Total Revenue</b>	Column 3 <b>Dollar Value</b>
1	Property Taxes	39.8%	43,532,562
2	Parcel Taxes	5.5%	5,990,576
3	User Fees and Charges	20.4%	22,284,834
4	Proceeds from Borrowing	0.5%	504,830
5	Other	33.8%	37,142,432
6	Total	100.00%	109,455,234

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.