



The Corporation of the District of North Cowichan

**2026 - 2030 Financial Plan Bylaw**

BYLAW NO. 4062, 2026

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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 "2026 – 2030 Financial Plan Bylaw No. 4062, 2026".

**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 Policy**

- 3 Schedule "B", attached to and forming part of this Bylaw, sets out Council's objectives and policies for the years 2026 through 2030 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5 2025 – 2029 Financial Plan Bylaw No. 3996, 2025, and all amendments thereto, is hereby repealed.

\_\_\_\_\_

READ a first time on

READ a second time on

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

This bylaw was advertised on the municipality's website on \_\_\_\_\_ and was posted to the municipality's public notice places 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 2026	Column 3 2027	Column 4 2028	Column 5 2029	Column 6 2030
<b>1</b>	<b>Revenues:</b>					
2	Property Taxes	47,600,096	53,230,366	55,463,606	55,970,045	58,994,441
3	Parcel Taxes	6,489,744	6,926,281	7,399,574	7,915,429	8,469,852
4	User Fees and Charges	24,472,525	24,216,044	24,776,940	26,421,516	26,066,457
5	Other	44,292,031	12,806,320	7,280,491	10,770,375	78,642,571
6		122,854,396	97,179,011	94,920,611	101,077,365	172,173,321
<b>7</b>	<b>Expenses</b>					
8	General Operating	56,689,783	57,071,043	59,035,657	61,534,057	63,230,892
9	Sanitary Sewer Operating	4,316,629	4,259,423	4,370,821	4,486,271	5,650,896
10	Water Operating	5,380,478	4,874,941	5,253,266	5,012,667	5,056,752
11	Interest on Debt	2,996,707	3,654,692	3,638,096	2,985,945	3,645,680
12	Amortization	10,850,790	11,019,140	11,194,120	11,493,450	11,753,450
13		80,234,387	80,879,239	83,491,960	85,512,390	89,337,670
14	Annual Surplus/(Deficit)	42,620,009	16,299,772	11,428,651	15,564,975	82,835,651
15	Add back: Unfunded Amortization	10,850,790	11,019,140	11,194,120	11,493,450	11,753,450
		53,470,799	27,318,912	22,622,771	27,058,425	94,589,101
<b>16</b>	<b>Capital Expenditures</b>					
17	General Capital	50,317,959	6,900,000	7,350,000	8,050,000	8,835,000
18	Sanitary Sewer Capital	20,483,770	22,489,975	6,533,432	3,291,765	95,990,572
19	Water Capital	8,062,906	23,060,211	1,702,675	10,320,615	2,370,193
20		78,864,635	52,450,186	15,586,107	21,662,380	107,195,765
21	Proceeds from Borrowing	(1,000,000)	(16,415,000)	0	0	(20,000,000)
22	Principal Payments on Debt	2,976,724	3,671,742	3,680,063	3,194,442	3,684,892
23	Transfers to/(from) Reserve Funds	(3,785,832)	4,028,723	4,170,154	3,964,282	4,144,893
24	Transfers to/(from) Accumulated Surplus	(23,584,728)	(16,416,739)	(813,553)	(1,762,679)	(436,449)
25		(25,393,836)	(25,131,274)	7,036,664	5,396,045	(12,606,664)
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 ongoing 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 2026.

**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	38.4%	47,600,096
2	Parcel Taxes	5.2%	6,489,744
3	User Fees and Charges	19.8%	24,472,525
4	Proceeds from Borrowing	0.8%	1,000,000
5	Other	35.8%	44,292,031
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 is included in the Annual Report. Permissive property tax exemptions are governed by North Cowichan’s Permissive Tax Exemption Policy.