



**REGULAR MEETING OF COUNCIL
Tuesday, April 9, 2019 @ 2:30 PM
George Fraser Room, Ucluelet Community Centre,
500 Matterson Drive, Ucluelet**

LATE AGENDA ITEMS

1. Pertaining to Agenda Item No. **13.2. Five Year Financial Plan and Tax Rates Bylaws**
 - Replace – Appendix B: District of Ucluelet 2019-2023 Financial Plan Bylaw No. 1245, 2019.

DISTRICT OF UCLUELET

Bylaw No. 1245, 2019

A Bylaw to Adopt the Five-Year Financial Plan
For the Period 2019 to 2023 inclusive

WHEREAS Section 165 of the *Community Charter* requires a Municipality to annually prepare and adopt a financial plan, by bylaw, in each year; and

WHEREAS expenditures not provided for in the financial plan or the financial plan as amended, are not lawful except in the event of an emergency;

THEREFORE the Council of the District of Ucluelet, in open meeting assembled, enacts as follows:

1. Citation

This bylaw may be cited for all purposes as the “**District of Ucluelet 2019 – 2023 Financial Plan Bylaw No. 1245, 2019**”.

2. Objectives and Policies

Schedule “A” attached to and forming part of this bylaw, sets out the objective and polices for the period January 1, 2019 to December 31, 2023.

3. Consultation

Pursuant Section 166 of the *Community Charter*, a public consultation meeting was held on the 14th day of March, 2019.

4. Repeal

The District of Ucluelet 2018 – 2022 Financial Plan Bylaw No. 1229, 2018 is repealed.

READ A FIRST TIME this th day of , **2019**.

READ A SECOND TIME this th day of , **2019**.

READ A THIRD TIME this th day of , **2019**.

ADOPTED this this th day of , **2019**.

CERTIFIED CORRECT: “District of Ucluelet 2019 – 2023 Financial Plan Bylaw No. 1245, 2019”

Mayco Noël
Mayor

Mark Boysen
Corporate Officer

THE CORPORATE SEAL of the
District Of Ucluelet was hereto
affixed in the presence of:

Mark Boysen
Corporate Officer

Schedule "A"
"District of Ucluelet 2019 - 2023 Financial Plan Bylaw No. 1245, 2019"

Statement of Objectives and Policies:

In accordance with Section 165(3.1) of the *Community Charter*, municipalities are required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

- 1) For each of the funding sources described in Section 165(7) of the *Community Charter*, the proportion of total revenue that is proposed to come from that funding source;
- 2) The distribution of property value taxes among the property classes that may be subject to taxes; and
- 3) The use of permissive tax exemptions.

Over the five-year period of the financial plan, the taxation requirement is estimated to increase annually by a growth factor of 3% for 2019 and 3% for each of the subsequent years. This estimate includes an increase in cost of living.

The current financial plan provides for \$8,576,024 to be generated from the District of Ucluelet property tax base for General Government and Reserves purposes.

Revenue Objectives

- a) The District will review fees/charges annually to ensure that they keep pace with changes in method or levels of service delivery;
- b) The District will actively pursue alternative revenue sources to help minimize property taxes;
- c) The District will consider market rates and charges levied by other public and private organizations for similar services in establishing rates, fees and charges;
- d) The District will establish cost recovery policies for fee-supported services, and these policies will consider whether the benefits received from the service are public and/or private;
- e) The District will establish cost recovery policies for the services provided for other levels of government;
- f) General Revenues will not be dedicated for specific purposes, unless required by law or generally accepted accounting practices (GAAP); and
- g) The District will develop and pursue new and creative partnerships with government, community institutions (schools, churches), and community groups as well as private and non-profit organizations to reduce costs and enhance service to the community.

	2019	Percent of Total
REVENUE		
Property Taxes	\$2,893,002	32.84%
1% Utility Taxes	48,085	0.48%
Federal/Provincial in place of taxes	73,000	0.62%
Taxes	3,014,087	33.94%
Sale of services	853,238	9.48%
Penalties and Interest earned	85,360	0.97%
Grants and donations	1,455,136	12.48%
Deferred revenues recognized (DCC, Other)	590,889	8.73%
Water sale of services	775,650	8.86%
Sewer sale of services	630,350	6.81%
Transfers	1,171,314	18.72%
Total Revenue	8,576,024	100.00%

Surplus Funds Objective

The *Community Charter* does not allow municipalities to plan for an operating deficit (i.e. where expenditures exceed revenues). To ensure this situation does not occur, revenue projections are conservative and authorized expenditures will be closely monitored. The combination of conservative revenue projections and controlled expenditures should produce a modest annual operating surplus.

Use of Surplus Funds

- a) Council will review options and provide direction regarding the allocation of any operating surplus prior to completion of the budget process for the following year.
- b) To ensure that Accumulated Surplus is not excessive, the balance in the accumulated surplus account should not exceed a specific amount or guideline. The recommended guideline is that Accumulated Surplus should not exceed 10% of the net operating budget.
- c) Accumulated Surplus funds above the 10% guideline shall be used to:
 - i. Fund capital expenditures or to increase reserves;
 - ii. Pay off capital debt, including internal borrowings;
 - iii. Stabilize District property tax and utility rate increases;
 - iv. Fund other items as Council deems appropriate.
- d) Staff will facilitate Council's review of the amount of Accumulated Surplus funds available on an annual basis.

Debt Objective

- a) One-time capital improvements and unusual equipment purchases;
- b) When the useful life of the capital project will exceed the term of financing;
- c) Major equipment purchases;
- d) The maximum borrowing amount to be limited to what is allowed under the *Community Charter*; and
- e) Reserves are to be considered as a funding source before debt.

Reserve Funds Objective

- a) Provide sources of funds for future capital expenditures;
- b) Provide a source of funding for areas of expenditure that fluctuate significantly from year to year (equipment replacement, special building maintenance, etc.);
- c) Protect the District from uncontrollable or unexpected increases in expenditures or unforeseen reductions in revenues, or a combination of the two;
- d) Provide for working capital to ensure sufficient cash flow to meet the District's needs throughout the year; and
- e) Staff will facilitate Council's review of the amount of reserve funds available on an annual basis.

Proportion of Taxes Allocated to Classes Objective

Council's goal is to ensure that there is a fair and equitable apportionment of taxes to each property class. The apportionment to each class is calculated using the multipliers determined by Council prior to preparing the annual tax rate bylaw. The tax multipliers will be reviewed and set by Council annually.

Permissive Tax Exemptions Objective

The District of Ucluelet Council reviews and passes a permissive exemption bylaw to exempt certain properties from property tax in accordance with guidelines set out under Sections 220 and 224 of the *Community Charter*. Although there is no legal obligation, Council may choose to grant exemptions as a method of recognizing organizations within our community which enhance the quality of life for community residents.

The permissive exemptions are evaluated with consideration to minimizing the tax burden to be shifted to the general taxpayer.

Development Cost Charges Objective

Development cost charges will be used to help fund capital projects deemed to be required in whole or in part due to development in the community. These charges will be set by a bylaw and reviewed regularly as outlined in the bylaw to ensure that the project estimates remain reasonable and the development costs charged are aligned with the strategic goals of Council.



**DISTRICT OF UCLUELET
FINANCIAL PLAN 2019
BYLAW NO.
SCHEDULE A - DRAFT**

	2019	2020	2021	2022	2023
REVENUE					
Property Taxes	\$2,893,002	\$3,097,737	\$3,190,669	\$3,286,389	\$3,384,981
1% Utility Taxes	48,085	48,085	48,085	48,085	48,085
Federal/Provincial in place of taxes	73,000	73,000	73,000	73,000	73,000
Taxes	3,014,087	3,218,822	3,311,754	3,407,474	3,506,066
Sale of services	853,238	857,208	865,568	872,263	885,524
Penalties and Interest earned	85,360	85,360	85,360	85,360	85,360
Grants and donations	1,455,136	810,281	810,311	810,341	810,341
Deferred revenues recognized (DCC, Other)	590,889	105,765	670,050	50	50
Water sale of services	775,650	761,644	747,655	742,300	744,940
Sewer sale of services	630,350	636,359	642,518	648,831	654,007
Transfers	1,171,314	725,909	1,965,150	552,951	-
Total Revenue	8,576,024	7,201,348	9,098,366	7,119,570	6,686,288
EXPENSE					
Interest payments	94,783	94,783	94,783	94,783	94,783
Amortization expenses	1,116,000	1,116,000	1,116,000	1,116,000	1,116,000
General Government	1,452,739	1,429,058	1,449,402	1,481,602	1,494,383
Protective services	326,271	289,975	283,809	282,130	285,579
Planning & Development	584,075	539,065	546,133	550,181	561,781
Transportation services	863,994	841,072	913,324	931,970	918,651
Environmental health (Garbage/recycling))	10,000	10,000	10,000	10,000	10,000
Cemetery	8,855	8,454	14,497	9,336	9,580
Recreation and cultural services	1,276,835	1,324,201	1,336,857	1,364,716	1,389,781
Water operations	743,217	615,087	594,165	810,291	641,497
Sewer operations	515,680	491,896	433,269	439,790	448,586
Total Expense	6,992,449	6,759,592	6,792,240	7,090,800	6,970,622
ADD					
Amortization	1,116,000	1,116,000	1,116,000	1,116,000	1,116,000
Long term debt (and lease recognition) proceeds	30,000	30,000	30,000	30,000	30,000
Total Additions	1,146,000	1,146,000	1,146,000	1,146,000	1,146,000
DEDUCT					
Principal payments debt	72,314	72,314	72,314	72,314	72,314
Transfers to Reserves	65,000	289,041	454,011	549,755	671,552
Acquisitions of tangible capital assets	2,592,261	1,226,400	2,925,800	552,700	117,800
Total Deductions	2,729,575	1,587,755	3,452,125	1,174,769	861,666
Financial Plan Balance: Surplus (Deficit)	(\$0)	\$0	\$0	\$0	(\$0)