

DISTRICT OF UCLUELET

Bylaw No. 1289, 2021

A Bylaw to Adopt the Five-Year Financial Plan
For the Period 2021 to 2025 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 2021 – 2025 Financial Plan Bylaw No. 1289, 2021**”.

2. Objectives and Policies

Schedule “A” attached to and forming part of this bylaw, sets out the objective and policies for the period January 1, 2021 to December 31, 2025.

3. Consultation

Pursuant Section 166 of the *Community Charter*, public consultation occurred throughout the budget process beginning in December 2020. As well, online feedback took place from April 15, 2021 to April 27, 2021.

4. Repeal

The District of Ucluelet 2020 – 2024 Financial Plan Bylaw No. 1274, 2020 is repealed.

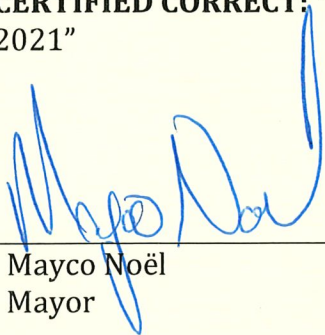
READ A FIRST TIME this 14th day of April, 2021.

READ A SECOND TIME this 14th day of April, 2021.

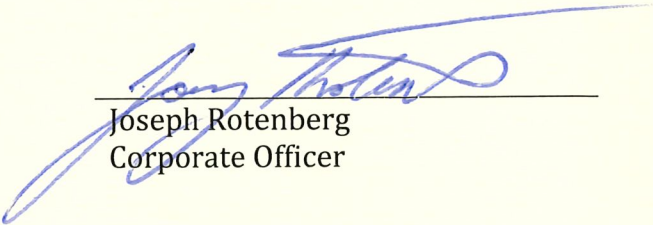
READ A THIRD TIME this 27th day of April, 2021.

ADOPTED this 27th day of April, 2021.

CERTIFIED CORRECT: "District of Ucluelet 2021 – 2025 Financial Plan Bylaw No. 1289, 2021"

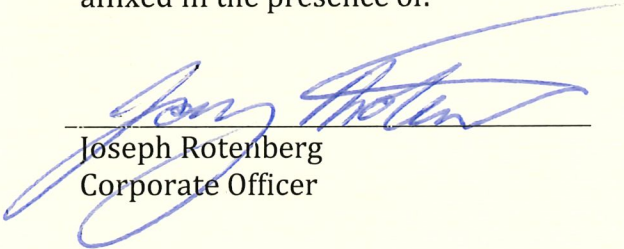


Mayco Noël
Mayor



Joseph Rotenberg
Corporate Officer

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



Joseph Rotenberg
Corporate Officer



Schedule "A"
"District of Ucluelet 2021 – 2025 Financial Plan Bylaw No. 1289, 2021"

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.

The current financial plan provides for \$16,374,729 to be generated for the 2021 year.

Revenue Objectives

- a) The District will review fees and charges regularly to maximize recovery of the cost 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.

	2021	Percent of Total
REVENUE		
Property Taxes	\$3,078,693	18.8%
1% Utility Taxes	46,113	0.3%
Federal/Provincial in place of taxes	40,000	0.2%
Taxes	3,164,806	19.3%
Sale of services	884,414	5.4%
Penalties and Interest earned	85,300	0.5%
Grants and donations	7,463,680	45.6%
Deferred revenues recognized (DCC, Other)	1,013,383	6.2%
Water sale of services	747,655	4.6%
Sewer sale of services	646,518	3.9%
Transfers	2,368,973	14.5%
Total Revenue	16,374,729	100.0%

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 2021-2025
BYLAW NO. 1289
SCHEDULE A

	2021	2022	2023	2024	2025
REVENUE					
Property Taxes	\$3,078,693	\$3,201,841	\$3,329,914	\$3,463,111	\$3,601,635
1% Utility Taxes	46,113	46,189	46,189	46,189	46,189
Federal/Provincial in place of taxes	40,000	40,000	40,000	40,000	40,000
Taxes	3,164,806	3,288,030	3,416,103	3,549,300	3,687,824
Sale of services	884,414	984,129	1,012,470	1,033,710	1,052,100
Penalties and Interest earned	85,300	85,360	85,360	85,360	85,360
Grants and donations	7,463,680	7,945,750	9,327,096	9,210,639	7,293,304
Deferred revenues recognized (DCC, Other)	1,013,383	-	-	-	-
Water sale of services	747,655	742,300	744,940	752,631	763,060
Sewer sale of services	646,518	652,831	658,007	663,287	673,890
Transfers	2,368,973	2,717,936	1,287,927	1,353,055	1,187,413
Total Revenue	16,374,729	16,416,336	16,531,903	16,647,982	14,742,951
EXPENSE					
Interest payments	145,329	144,839	144,343	143,843	144,640
Amortization expenses	1,167,665	1,167,665	1,167,665	1,167,665	1,167,665
General Government	1,679,231	1,804,874	1,798,409	1,834,416	1,863,089
Protective services	371,767	327,584	336,566	346,359	352,122
Planning & Development	763,040	734,414	742,514	770,793	719,457
Transportation services	961,331	996,715	1,020,237	1,038,768	1,050,306
Environmental health (Garbage/recycling)	27,686	38,239	10,000	10,000	10,000
Cemetery	12,442	12,581	12,800	12,800	12,946
Recreation and Tourism	1,016,061	1,077,169	1,030,517	1,042,391	1,047,507
Parks	681,440	678,973	690,658	706,328	721,468
Water operations	1,020,167	943,059	959,280	915,184	1,091,386
Sewer operations	661,027	632,737	578,450	603,830	610,942
Total Expense	8,507,186	8,558,849	8,491,439	8,592,377	8,791,528
ADD					
Amortization	1,167,665	1,167,665	1,167,665	1,167,665	1,167,665
Total Additions	1,167,665	1,167,665	1,167,665	1,167,665	1,167,665
DEDUCT					
Principal payments debt	171,106	171,597	172,093	172,593	132,724
Transfers to Reserves	55,000	55,000	72,557	56,009	56,030
Acquisitions of tangible capital assets	8,809,102	8,798,555	8,963,479	8,994,668	6,930,334
Total Deductions	9,035,208	9,025,152	9,208,129	9,223,270	7,119,088
Financial Plan Balance: Surplus (Deficit)	\$0	\$0	\$0	\$0	\$0