

## **Bowen Island Municipality**

### **BYLAW No. 302, 2011**

#### **2011 Five Year Financial Plan Bylaw**

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A bylaw to adopt the 2011-2015 Financial Plan

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WHEREAS the Community Charter requires that Council shall adopt a five year financial plan before the Annual Tax Rates Bylaw is adopted, before May 15<sup>th</sup> each year;

**AND WHEREAS** the Council of Bowen Island Municipality, in open meeting assembled has established the following guiding principles to serve as a framework for decision making during the planning and budgeting process which provides the foundations for the delivery of community services, financial sustainability and a desirable legacy for future generations:

- We will protect our natural environment
- We will be responsive to the needs of our citizens
- We will be innovative and creative in the delivery of services and the financing of capital projects
- We will ensure service levels and the funding of such services are sustainable
- We will maintain our infrastructure in a proper state of repair
- We will ensure property taxes are equitable and strive to strike a balance between customer demand for services and taxpayers ability to pay
- We will live within our means

**AND WHEREAS** the Council of Bowen Island Municipality, in open meeting assembled has established the following revenue policies to meet the stated objectives and principles:

- Each spring, Municipal Council will consider the tax increase required for the ensuing planning period by first covering the projected cost increase for existing services and then considering other enhancements.
- New Services or Enhancements to Existing Services will be funded by a combination of:
  1. Reduction in the cost of existing services. This may include a reallocation of resources from one area to another.
  2. Increase in other revenues.
  3. A further increase in taxes.
- The Municipality will increase the annual contribution to reserves for the maintenance and replacement of infrastructure by an increase in property tax of at least 1.5% each year commencing in 2009 for approximately 11 years. At which time it is estimated that the

annual contribution to reserves will be sufficient to maintain and/or provide substantial replacement funding for the municipality's assets and infrastructure.

- Utilities will be operated on a self-funded basis through equitable user fees.
- Recreation fees will be established to collectively recover a minimum of 100% of direct costs for recreation programs.
- Fees for development related functions (i.e. building and other related inspections development approvals, subdivision) will be set at levels to recover full costs.
- Solid Waste Management Services is financed 100% by a combination of parcel tax and fees (through decal sales).
- Bowen Island Municipality will pursue alternative revenue sources prior to consideration of incurring debt or increasing taxes.
- Bowen Island Municipality will minimize tax increases by using the Small Communities Equalization Grant to reduce the tax increase that would otherwise be necessary to maintain the level of services to the community.

**AND WHEREAS** the Council of Bowen Island Municipality is satisfied that the proportions of funding sources described in "Schedule A" are reasonable and acceptable results from the application of policies such as the foregoing and the considerations made during the annual budget development process;

**AND WHEREAS** the Council of Bowen Island Municipality has not developed a Permissive Tax Exemption Policy, it considers applications in accordance with the provisions in the *Community Charter*, and:

- 1) the general benefits to the community;
- 2) to provide continuity from the time of before Municipal incorporation in this regard;
- 3) and the estimated effect of the 2011 municipal tax which is to be redistributed to taxable properties shown in Table 1:

<b>Tax Exemptions - Permissive</b>			Municipal	MetroVan	Islands Trust	Impact to
		Rate	Tax	Tax	Tax	BIM taxpayers
Roll Number	Owner Names	Class	Exemption	Exemption	Exemption	Tax Exemptions
						<b>Total</b>
10400	** Rivendell Foundation - Rivendell Retreat	01	\$ 3,775	\$ 108	\$ 235	\$ 4,119
10400	** Rivendell Foundation - Rivendell Retreat	08	\$ 4,838	\$ 139	\$ 301	\$ 5,279
10400	** Rivendell Foundation - Rivendell Retreat	06	\$ 496	\$ 35	\$ 76	\$ 606
3080000	* B.C. Camping & Recreation Guild	01	\$ 2,976	\$ 86	\$ 185	\$ 3,246
3059005	* B.C. Camping & Recreation Guild	08	\$ 1,250	\$ 36	\$ 78	\$ 1,364
3060000	* B.C. Camping & Recreation Guild	08	\$ 2,850	\$ 82	\$ 178	\$ 3,110
3061000	* B.C. Camping & Recreation Guild	08	\$ 5,122	\$ 147	\$ 319	\$ 5,589
5818000	* B.C. Camping & Recreation Guild	01	\$ 2,213	\$ 64	\$ 138	\$ 2,414
4452000	Bowen Island (PAC#150) Royal Cdn Legion	08	\$ 970	\$ 28	\$ 60	\$ 1,058
11003	Bowen Island Municipality (Tourist Information Centre)	06	\$ 1,248	\$ 88	\$ 190	\$ 1,527
10450	WCD Developments (Tir Na Nog)	06	\$ 1,913	\$ 135	\$ 292	\$ 2,339
			\$ 27,650	\$ 947	\$ 2,053	\$ 30,650
<b>Approved ten year exemptions (2006-2015):</b>						
10172	BI Preschool & Community Day Care	06	\$ 2,380	\$ 168	\$ 363	\$ 2,911
24000	BI Historians	08	\$ 972	\$ 28	\$ 61	\$ 1,060
10113	Smooth Stones - Island Pacific School	06	\$ 2,117	\$ 149	\$ 323	\$ 2,589
10111	Smooth Stones - Cates Hill Chapel	08	\$ 1,585	\$ 46	\$ 99	\$ 1,729
			\$ 7,053	\$ 390	\$ 846	\$ 8,289
26439	The Roman Catholic Archbishop of Vancouver	08	\$ 966	\$ 28	\$ 60	\$ 1,054
4948005	The United Church of Canada	08	\$ 812	\$ 23	\$ 51	\$ 886
			\$ 1,778	\$ 51	\$ 111	\$ 1,940
			<b>\$36,482</b>	<b>\$ 1,388</b>	<b>\$ 3,009</b>	<b>\$ 40,879</b>
		**	\$ 9,109	\$ 282	\$ 612	\$ 10,004
		*	\$ 14,410	\$ 414	\$ 898	\$ 15,722

AND WHEREAS the Council of Bowen Island Municipality, in open meeting assembled has considered the distribution of tax among property classes and has concluded that:

- 1) There is no appreciable difference between the benefits delivered or demands made on the infrastructure between residential and business properties and recreational/non-profit.
- 2) To encourage the preservation of the rural community Farm properties will be provided a tax relief (from that provided through a reduced assessment) of a 50% tax rate as compared to residential.

- 3) Utilities and light industrial properties will be apportioned tax at 4.16 times the residential rate as it is believed that the tax revenue received from these property classifications is not proportionate to the benefits such properties derive from the community;

NOW THEREFORE the Council of Bowen Island Municipality, in open meeting assembled establishes the following distribution for Municipal Property Tax:

<b>Distribution of Municipal Tax</b>			
	<b>Ratio to Residential</b>	<b>Total \$</b>	<b>Distribution %</b>
Residential	1:1	3,329,829	97.0%
Utilities	4.16:1	9,684	0.3%
Light Industry	4.16:1	1,718	0.1%
Business & other	1:1	79,729	2.3%
Recreation/NP	1:1	10,856	0.3%
Farm	.5:1	187	0.0%
		3,432,003	100.0%

NOW THEREFORE the Council of Bowen Island Municipality, in open meeting assembled, enacts as follows:

- 1) Schedule "A" attached to and forming part of this bylaw is hereby declared to be the Financial Plan for Bowen Island Municipality for the five year period from 2011 to 2015.
- 2) This bylaw may be cited as "2011 Five Year Financial Plan Bylaw No. 302, 2011".

READ A FIRST TIME this    day of            , 2011.

READ A SECOND TIME this    day of            , 2011.

READ A THIRD TIME this    day of            , 2011.

RECONSIDERED AND FINALLY ADOPTED this    day of            , 2011.

Bob Turner  
Mayor

Kathy Lalonde  
Corporate Officer

Schedule "A" to "2011 Five Year Financial Plan Bylaw No. 302, 2011".											
		Year 1		Year 2		Year 3		Year 4		Year 5	
		2011		2012		2013		2014		2015	
<b>REVENUE</b>											
R1	Property Taxes										
	General Taxation	\$ 3,432,003	47.6%	\$ 3,831,347	39.8%	\$ 4,033,805	27.8%	\$ 4,281,215	52.4%	\$ 4,513,859	53.3%
	Parcel Taxes										
R2	Garbage & Community Parks	625,000	8.7%	634,200	6.6%	643,400	4.4%	652,600	8.0%	661,900	7.8%
R3	Water Systems	79,122	1.1%	241,749	2.5%	264,779	1.8%	328,979	4.0%	354,679	4.2%
R4	Snug Cove Sewer System	4,680	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
R5	Grants in Lieu of Taxes	47,996	0.7%	48,717	0.5%	49,447	0.3%	50,188	0.6%	50,940	0.6%
Revenue from Fees & Charges:											
R6	General Sale of Services	339,800	4.7%	347,227	3.6%	354,702	2.4%	360,025	4.4%	365,426	4.3%
R7	Water User Fees & Charges	609,403	8.5%	628,055	6.5%	634,105	4.4%	640,155	7.8%	646,205	7.6%
R8	Sewer User Fees & Charges	147,528	2.0%	144,212	1.5%	147,268	1.0%	150,444	1.8%	153,744	1.8%
Revenue from Other sources:											
R9	Other Revenue	479,774	6.7%	254,695	2.6%	258,400	1.8%	262,163	3.2%	265,982	3.1%
R10	Investment Income Operating	51,237	0.7%	50,811	0.5%	50,823	0.3%	50,835	0.6%	50,847	0.6%
R11	Investment Income Reserve Funds	84,734	1.2%	71,453	0.7%	61,751	0.4%	70,844	0.9%	77,454	0.9%
R12	Other Government Grants	537,537	7.5%	384,118	4.0%	384,149	2.6%	384,180	4.7%	384,212	4.5%
R13	Capital Revenue and Donations - General	16,000	0.2%	-	0.0%	3,000,000	20.6%	-	0.0%	-	0.0%
R14	Capital Grants - Water	-	0.0%	100,000	1.0%	2,200,000	15.1%	440,000	5.4%	250,000	2.9%
R14	Capital Grants - Sewer	701,394	9.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
R15	Proceeds from Borrowing - General	-	0.0%	2,000,000	20.8%	-	0.0%	-	0.0%	-	0.0%
R15	Proceeds from Borrowing - Water	50,000	0.7%	900,000	9.3%	2,450,000	16.9%	500,000	6.1%	700,000	8.3%
	<b>Total Revenue</b>	<b>\$ 7,206,208</b>	<b>100%</b>	<b>\$ 9,636,584</b>	<b>100%</b>	<b>\$ 14,532,629</b>	<b>100%</b>	<b>\$ 8,171,628</b>	<b>100%</b>	<b>\$ 8,475,248</b>	<b>100%</b>
<b>Transfers from Own &amp; Other Funds</b>											
TF1	Recreation Reserve Fund	115,000		-		-		-		-	
TF2	Community Parks Reserve Fund	175,000		75,000		75,000		75,000		75,000	
TF3	Mount Gardner Dock Reserve Fund	-		-		-		-		-	
TF4	Fire Equipment Reserve Fund	64,000		303,850		-		435,000		-	
TF5	Roads & Infrastructure Renewal Reserve Fund	455,000		475,000		500,000		500,000		500,000	
TF6	Capital Renewal & Replacement Fund	30,000		30,000		30,000		30,000		30,000	
TF7	Equipment Replacement Fund	142,000		155,000		125,000		-		-	
TF8	Cove Bay Water Reserve Fund	280,500		335,000		40,000		30,000		57,000	
TF10	Other Operating Funds	28,435		28,878		29,329		29,784		30,248	
TF11	Accumulated Surplus / Own Reserves	1,393,118		300,000		135,000		161,000		111,000	
	<b>TOTAL</b>	<b>\$ 9,889,261</b>		<b>\$ 11,339,312</b>		<b>\$ 15,466,958</b>		<b>\$ 9,432,412</b>		<b>\$ 9,278,496</b>	
Schedule "A" to "2011 Five Year Financial Plan Bylaw No. 302, 2011".											
		Year 1		Year 2		Year 3		Year 4		Year 5	
		2011		2012		2013		2014		2015	
<b>EXPENDITURE</b>											
Municipal - General Purposes:											
E1	General Government Services	\$ 1,239,735		\$ 1,266,400		\$ 1,277,702		\$ 1,298,305		\$ 1,327,706	
E2	Protective Services	421,401		410,641		418,264		425,570		433,007	
E3	Public Works Services	709,133		721,490		733,958		746,646		759,562	
E4	Solid Waste Management	520,000		527,800		535,718		543,754		551,910	
E5	Community Planning	451,247		374,700		381,903		389,247		396,733	
E6	Library	177,864		180,998		184,195		187,457		190,785	
E7	Recreation and Parks	717,472		705,316		718,532		731,992		745,701	
E8	Other Fiscal Services	92,885		69,155		67,612		66,216		67,465	
E9	Debt Interest	40,121		140,000		140,000		140,000		140,000	
E10	Water System Operations:	521,622		517,646		528,675		535,642		540,638	
E11	Debt Interest	21,298		61,998		99,910		157,924		177,129	
E12	Sewer System Operations	127,314		129,112		132,066		135,138		138,332	
E13	Debt Interest	5,525		-		-		-		-	
<b>Transfers :</b>											
TT1	To Own Reserves & allowances - General	260,282		208,933		208,933		208,933		208,933	
TT2	To Own Reserves & allowances - Water	99,684		128,439		106,984		106,472		106,132	
TT3	To Own Reserves & allowances - Sewer	10,000		10,000		10,000		10,000		10,000	
TT4	To Other Operating Funds	301,260		-		-		-		-	
TT5	To Statutory Reserve Funds - General	823,804		964,131		1,123,549		1,326,623		1,499,126	
TT6	To Statutory Reserve Funds - Water	40,847		31,210		19,840		17,648		17,398	
To Capital Funds for:											
TT8	Debt Principal Repayment - General	4,925		49,000		50,000		52,000		55,000	
TT9	Debt Principal Repayment - Water	24,733		143,600		148,825		156,148		163,830	
TT10	Debt Principal Repayment - Sewer	9,369		-		-		-		-	
<b>Capital &amp; Project Expenditures:</b>											
C	General Operations	1,768,587		3,193,643		3,750,090		1,111,391		625,697	
C	Water Operations	492,499		1,500,000		4,825,000		1,080,000		1,118,000	
C	Sewer Operations	1,007,654		5,100		5,202		5,306		5,412	
	<b>TOTAL</b>	<b>\$ 9,889,261</b>		<b>\$ 11,339,312</b>		<b>\$ 15,466,958</b>		<b>\$ 9,432,412</b>		<b>\$ 9,278,496</b>	