



Agenda

Special Council Meeting

Tuesday, January 31, 2023, 4:30 p.m.
Council Chambers/Video Conference
10150 Bottom Wood Lake Road
Lake Country, British Columbia V4V 2M1

Pages

1. Call to Order

We acknowledge that we are conducting our business today on the unceded territory of squilx"/syilx (Okanagan) peoples. As a Council, we recognize the importance of doing our best to build respectful relationships that contribute to stewarding the land and waters in the community with integrity and consideration for future generations.

2. Adoption of Agenda

Options:

THAT the Special Council Meeting Agenda of January 31, 2023 be adopted.

3. RFCD 2023-2027 Draft Financial Plan

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**Deferred from the January 26, 2023 Special Council Meeting
(additional information to be distributed prior to meeting)**

January 26, 2023 Special Council Meeting Agenda Link

Report back on options for applying COVID-19 Grant Funding

Options:

1. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be amended as follows:
 - a. The following \$858,453 (5.02%) of operating supplementals be funded using additional taxation revenue:
 - i. 2 Seasonal Parks Staff
 - ii. 1.5 Bylaw Officers
 - iii. Community Engagement Grant
 - iv. Community Greening Project – Lake Countree
 - v. Invasive Plant Species Management

- vi. Parks, Recreation, and Culture Master Plan Increase
 - vii. Inflationary Increase to Mobility Improvement Program Funding
 - viii. Road Crack Sealing
 - ix. Halloween Fireworks Increase
 - x. Fire Prevention Program Increase
 - xi. Paid on Call Firefighter Training Tuition & Fees Increase
 - xii. Paid on Call Firefighter Training Wages Increase
 - xiii. Art Gallery Additional Funding
 - xiv. Museum Additional Funding
 - xv. Live! In Lake Country Increase AND THAT the \$420,000 of remaining COVID-19 Restart Grant Funding be used to fund \$210,000 of Transportation projects in place of the Capital Reserve Fund and \$210,000 of Protective Services projects in place of the Fire Facilities and Equipment Reserve.
 - xvi. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be amended as follows:
- b. The following \$438,453 (2.56%) of operating supplementals be funded using additional taxation revenue:
- i. 2 Seasonal Parks Staff
 - ii. 1.5 Bylaw Officers
 - iii. Paid On Call Firefighter Training Tuition & Fees Increase
 - iv. Paid On Call Firefighter Training Wages Increase
 - v. Art Gallery Additional Funding
 - vi. Museum Additional Funding
 - vii. \$69,250 of the Inflationary Increase to Mobility Improvement Program Funding AND THAT the \$420,000 of remaining COVID-19 Restart Grant Funding be used to fund the following operating supplementals:
 - viii. Community Engagement Grant
 - ix. Community Greening Project – Lake Countree
 - x. Invasive Plant Species Management
 - xi. Parks, Recreation, and Culture Master Plan Increase
 - xii. Road Crack Sealing
 - xiii. Halloween Fireworks Increase
 - xiv. Fire Prevention Program Increase
 - xv. Live! In Lake Country Increase

- xvi. \$68,750 of the Inflationary Increase to Mobility Improvement Program Funding
2. THAT The 2023-2027 Financial Plan Bylaw 1197, 2023 be amended as follows:
- a. The following \$721,203 (4.22%) of operating supplementals be funded using additional taxation revenue:
 - i. 2 Seasonal Parks Staff
 - ii. 1.5 Bylaw Officers
 - iii. Parks, Recreation, and Culture Master Plan Increase
 - iv. Inflationary Increase to Mobility Improvement Program Funding
 - v. Paid On Call Firefighter Training Tuition & Fees Increase
 - vi. Paid On Call Firefighter Training Wages Increase
 - vii. Art Gallery Additional Funding
 - viii. Museum Additional Funding AND THAT \$137,250 of the remaining COVID-19 Restart Grant Funding be used to fund the following operating supplementals:
 - ix. Community Engagement Grant
 - x. Community Greening Project – Lake Countree
 - xi. Invasive Plant Species Management
 - xii. Road Crack Sealing
 - xiii. Halloween Fireworks Increase
 - xiv. Fire Prevention Program Increase
 - xv. Live! In Lake Country Increase AND THAT the \$282,750 of remaining COVID-19 Restart Grant Funding be used to fund \$141,375 of Transportation projects in place of the Capital Reserve Fund and \$141,375 of Protection Services projects in place of the Fire Facilities and Equipment Reserve.

Base Increase – Impact of Policing Options

- A. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 include the following increases to address policing costs:
 - a. 2023 – 8.25% (Total Base increase of 14%)
 - b. 2024 – 2.75%
 - c. 2025 – 2.50%
 - d. 2026 – 2.00%
 - e. 2027 – 2.00%
- B. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be amended to include the following increases including a partial offset from the Policing Reserve to

address policing costs:

- a. 2023 – 4.20% (Total Base increase of 9.95%)
- b. 2024 – 4.20%
- c. 2025 – 4.20%
- d. 2026 – 4.20%
- e. 2027 – 0.00%

1st Reading Options

- A. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be read a first time as amended.
- B. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be referred back to staff.

4. Adjournment

posted January 27, 2023

updated with attachments January 30, 2023

Reyna Seabrook, Corporate Officer

MEETING TYPE: Special Council Meeting
MEETING DATE: January 31, 2023
AUTHOR: Trevor James, CFO, Director of Finance & Administration
DEPARTMENT: Finance & Administration
ITEM TITLE: RFCD 2023-2027 Draft Financial Plan 1st Reading
DESCRIPTION: Report back on options for applying COVID-19 Grant Funding

NOTE: This report should be read in conjunction with "[RFCD 2023-2027 Draft Financial Plan](#)" from the January 26, 2023 Special Council Meeting.

QUESTION

At the January 26 meeting Council provided additional direction to staff to come back with additional options particularly surrounding use of the remaining COVID-19 Safe Restart Grant Funds. Does the 2023-2027 Financial Plan meet the strategic and operational needs of the District?

OPTIONS

COVID-19 Safe Restart Fund Allocation & Operating Supplementals

1. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be amended as follows:
 - a. The following \$858,453 (5.02%) of operating supplementals be funded using additional taxation revenue:
 - i. 2 Seasonal Parks Staff
 - ii. 1.5 Bylaw Officers
 - iii. Community Engagement Grant
 - iv. Community Greening Project – Lake Countree
 - v. Invasive Plant Species Management
 - vi. Parks, Recreation, and Culture Master Plan Increase
 - vii. Inflationary Increase to Mobility Improvement Program Funding
 - viii. Road Crack Sealing
 - ix. Halloween Fireworks Increase
 - x. Fire Prevention Program Increase
 - xi. Paid on Call Firefighter Training Tuition & Fees Increase
 - xii. Paid on Call Firefighter Training Wages Increase
 - xiii. Art Gallery Additional Funding
 - xiv. Museum Additional Funding
 - xv. Live! In Lake Country Increase

AND THAT the \$420,000 of remaining COVID-19 Restart Grant Funding be used to fund \$210,000 of Transportation projects in place of the Capital Reserve Fund and \$210,000 of Protective Services projects in place of the Fire Facilities and Equipment Reserve.

2. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be amended as follows:
 - a. The following \$438,453 (2.56%) of operating supplementals be funded using additional taxation revenue:
 - i. 2 Seasonal Parks Staff
 - ii. 1.5 Bylaw Officers

- iii. Paid On Call Firefighter Training Tuition & Fees Increase
- iv. Paid On Call Firefighter Training Wages Increase
- v. Art Gallery Additional Funding
- vi. Museum Additional Funding
- vii. \$69,250 of the Inflationary Increase to Mobility Improvement Program Funding

AND THAT the \$420,000 of remaining COVID-19 Restart Grant Funding be used to fund the following operating supplementals:

- viii. Community Engagement Grant
- ix. Community Greening Project – Lake Countree
- x. Invasive Plant Species Management
- xi. Parks, Recreation, and Culture Master Plan Increase
- xii. Road Crack Sealing
- xiii. Halloween Fireworks Increase
- xiv. Fire Prevention Program Increase
- xv. Live! In Lake Country Increase
- xvi. \$68,750 of the Inflationary Increase to Mobility Improvement Program Funding

3. THAT The 2023-2027 Financial Plan Bylaw 1197, 2023 be amended as follows:

a. The following \$721,203 (4.22%) of operating supplementals be funded using additional taxation revenue:

- i. 2 Seasonal Parks Staff
- ii. 1.5 Bylaw Officers
- iii. Parks, Recreation, and Culture Master Plan Increase
- iv. Inflationary Increase to Mobility Improvement Program Funding
- v. Paid On Call Firefighter Training Tuition & Fees Increase
- vi. Paid On Call Firefighter Training Wages Increase
- vii. Art Gallery Additional Funding
- viii. Museum Additional Funding

AND THAT \$137,250 of the remaining COVID-19 Restart Grant Funding be used to fund the following operating supplementals:

- ix. Community Engagement Grant
- x. Community Greening Project – Lake Countree
- xi. Invasive Plant Species Management
- xii. Road Crack Sealing
- xiii. Halloween Fireworks Increase
- xiv. Fire Prevention Program Increase
- xv. Live! In Lake Country Increase

AND THAT the \$282,750 of remaining COVID-19 Restart Grant Funding be used to fund \$141,375 of Transportation projects in place of the Capital Reserve Fund and \$141,375 of Protection Services projects in place of the Fire Facilities and Equipment Reserve.

Base Increase – Impact of Policing Options

A. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 include the following increases to address policing costs:

- a. 2023 – 8.25% (Total Base increase of 14%)
- b. 2024 – 2.75%
- c. 2025 – 2.50%
- d. 2026 – 2.00%
- e. 2027 – 2.00%

B. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be amended to include the following increases including a partial offset from the Policing Reserve to address policing costs:

- a. 2023 – 4.20% (Total Base increase of 9.95%)
- b. 2024 – 4.20%

- c. 2025 – 4.20%
- d. 2026 – 4.20%
- e. 2027 – 0.00%

1st Reading Options

- A. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be read a first time as amended.
- B. THAT the 2023-2027 Financial Plan Bylaw 1197, 2023 be referred back to staff.

EXECUTIVE SUMMARY

As mentioned above, this report was prepared as directed by Council after the initial meeting for the 2023-2027 Draft Financial Plan where staff was given direction to come back with more options on how to use the remainder of the COVID-19 Safe Restart Grant funds. It has been determined that \$420,000 of COVID-19 Safe Restart Grant funds are available for 2023.

At the initial meeting on January 26, 2023, the draft financial plan included the base tax increase related to option A (14% base) with only the operating supplementals with no impact on property taxes included.

Prior to providing 1st reading, as there are countless permutations for how the grant could be used on operating and/or capital, staff was directed to provide some options and recommendations for ways the COVID-19 Safe Restart Grant funds could be used. Staff indicated that they would come back with 3 options:

- An option that utilizes the entirety of the remaining grant funds on operating items, reducing the potential tax increase for 2023 however acknowledging these amounts will need to be funded with taxation to continue in 2024 and beyond.
- An option that utilizes the entirety of the remaining grant funds on capital items, therefore preserving \$420,000 worth of reserves to help with the health of reserves on an ongoing basis helping partially offset the fact that rising construction and materials costs have impacted long term capital plans.
- An option that utilizes a portion of the remaining grant funds on operating items and a portion on capital items, a mixture of the pros and cons listed above.

COVID-19 Safe Restart Fund Allocation & Operating Supplementals

Option 1 – This option is funding all operating supplemental requests using taxation for a total of \$858,453 or approximately 5.02% in addition to whichever base increase is selected based on policing options and using the entirety of the remaining COVID-19 Restart Grant funding to reduce impact on capital reserves.

This would fund:

- \$210,000 of Transportation Projects:
 - 2013-14 Woodsdale Road Construction would go from:
 - \$1,250,000 – Community Works Fund (Gas Tax)
 - \$273,895 – Capital Works Reserve (term used interchangeable with “Capital Reserve Fund”)
 - \$1,326,105 – Road Development Cost Charges
 - To:
 - \$1,250,000 - Community Works Fund (Gas Tax)
 - \$210,000 - Financial Stabilization Reserve (via COVID-19 Safe Restart Grant Funds)
 - \$63,895 – Capital Works Reserve
 - \$1,326,105 – Road Development Cost Charges
- \$210,000 of Protective Services Projects:
 - 2023-27 Firefighter Personal Protective Equipment
 - \$150,000 from Fire Facilities and Equipment Reserve to Financial Stabilization Reserve (via COVID-19 Safe Restart Grant Funds)
 - 2023-33 Fire & Rescue Power Tools

- \$75,000 originally to be funded from Fire Facilities and Equipment Reserve to only \$15,000 from the Fire Facilities and Equipment Reserve and the remaining \$60,000 funded from the Financial Stabilization Reserve (via COVID-19 Safe Restart Grant Funds)

We utilize our Capital Reserve Fund/Capital Works Reserve primarily in Transportation and Parks but also for other capital items. Preserving a portion of this reserve would help partially offset some of the significant cost increases we are seeing on construction costs. Fire equipment and vehicles have also been an area with significant cost escalations which is why using the other half on capital projects in this area would be helpful for the long term outlook of this department's capital plans.

Option 2 - involves using the remaining \$420,000 in the COVID-19 Safe Restart Grant to fund certain operating supplementals. In this option using \$420,000 still leaves \$438,453 of other supplementals to be funded through taxation. In this option the proposed items to be funded through taxation relate to staffing and ongoing art gallery and museum funding while the grant/reserve portion is being allocated to the other projects. It is a lot easier to change the direction of something such as the Community Engagement Grant or Community Greening Project on a year by year basis than it is when it comes to staffing and there are staff occupying those positions which is the logic for which projects are funded through tax vs. which are one time funded through the grant/reserve.

Option 3 - is a middle ground between Option 1 & 2 and involves using \$137,250 of the remaining \$420,000 of COVID-19 Safe Restart Grant funding on operating supplementals and \$282,750 of it on capital items. This would result in replacing \$141,375 of the Capital Works Reserve funding for 2013-14 Woodsdale Road Construction and \$141,375 of the Fire Facilities and Equipment Reserve funding for 2023-27 Firefighter Personal Protective Equipment. The additional operating items to be funded through taxation in this option compared to option D is the Parks, Recreation & Culture Master Plan increase and the Inflationary Increase to Mobility Improvement Plan (MIP) funding. These have been suggested as these have a stacking impact year over year. For example, one time funding the \$214,000 using the reserve/grant this year means that \$214,000 still goes towards the reserve. However, raising the tax amount means \$214,000 on an ongoing basis. When the 4th of the 4 recommended 1.25% increase does occur it would mean increasing on top of the existing \$214,000 as opposed to an initial \$214,000. The intention of the master plan was to have 4 consecutive 1.25% increases to get the funding level for facilities replacement in order. This similar logic applies for trying to catch up the MIP plan to inflation.

Please see Attachment 1 for breakdown of Options 1, 2 and 3 and their impact on the potential tax increase in addition to the 9.95% - 14% base increase based on the policing decision.

Policing Impact Options on Base Increase

Option A – Results in approving a base tax increase of 14% which includes the following RCMP costs:

- 2023 – 8.25% - move from 70% to 90% and also includes 1 additional FTE (18 to 19) & contractual increases
- 2024 – 2.75% - 2 additional FTE (19 to 21) & contractual increases
- 2025 – 2.50% - 1 additional FTE (21 to 22) & contractual increases
- 2026 – 2.00% - 1 additional FTE (22 to 23) & contractual increases
- 2027 – 2.00% - 1 additional FTE (23 to 24) & contractual increases

The above uses a placeholder of 3% contractual increases however is subject to change based on the upcoming new collective agreement (current agreement covers April 1, 2017 – March 31, 2023). Please note the impact of the additional officer including all direct and indirect charges is approximately \$200,000 in 2023.

Option A does not include any of the operating supplemental requests other than the ones that have no impact on taxation.

Option B – This option changes the policing funding to utilize the Policing Reserve to smooth out increases:

- 2023 – 4.20% - 1 additional FTE (18 to 19) & contractual increases
- 2024 – 4.20% - 2 additional FTE (19 to 21) & contractual increases
- 2025 – 4.20% - 1 additional FTE (21 to 22) & contractual increases

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- 2026 – 4.20% - 1 additional FTE (22 to 23) & contractual increases
 - 2027 – 0.00% - 1 additional FTE (23 to 24) & contractual increases

This would budget using \$703,000 in year 1, \$462,000 in year 2 and \$154,000 in year 3 of the Policing Reserve. While this smooths out the increase, it also means that there would be less in the Policing Reserve for future policing capital assets.

Respectfully Submitted,
Trevor James, CFO, Director of Finance & Administration

Report Approval Details

Document Title:	RFCD 2023-2027 Draft Financial Plan 1st Readng.docx
Attachments:	- Supplementals Attachment.pdf - 1197, 2023-for 2023-01-26 1st reading.pdf
Final Approval Date:	Jan 30, 2023

This report and all of its attachments were approved and signed as outlined below:

Reyna Seabrook, Director of Corporate Services - Jan 30, 2023 - 4:28 PM

Tanya Garost, Chief Administrative Officer - Jan 30, 2023 - 4:31 PM

2023 Additional Requests

		Option 1 Option 1 Tax Funded	Option 1 Approximate Tax Increase	Option 2 Tax Funded	Option 2 Grant/Reserve Funded	Option 2 Approximate Tax Increase	Option 3 Tax Funded	Option 3 Grant/Reserve Funded	Option 3 Approximate Tax Increase
Additional Staff Funded Through Sources Other Than Taxation									
Engineering Project Coordinator (Part-Time)	2023-Staffing-01	\$ -		\$ -	\$ -		\$ -	\$ -	
Building and Bylaw Manager	2023-Staffing-02	\$ -		\$ -	\$ -		\$ -	\$ -	
Planner	2023-Staffing-03	\$ -		\$ -	\$ -		\$ -	\$ -	
		\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Additional Staff Potentially Funded through Taxation to Maintain Current Level of Service									
2 Seasonal (8 months) Parks Staff	2023-Staffing-04	\$ 108,000		\$ 108,000	\$ -		\$ 108,000	\$ -	
		\$ 108,000	0.63%	\$ 108,000	\$ -	0.63%	\$ 108,000	\$ -	0.63%
Prior Year One-Time Funded Items Requiring Funding/Taxation									
1.5 Bylaw Officers	Note 1	\$ 131,303		\$ 131,303	\$ -		\$ 131,303	\$ -	
Community Engagement Grant	2023-02	\$ 15,000		\$ -	\$ 15,000		\$ -	\$ 15,000	
Community Greening Project - Lake Countree	2023-14	\$ 10,000		\$ -	\$ 10,000		\$ -	\$ 10,000	
Invasive Plant Species Management	2023-15	\$ 25,000		\$ -	\$ 25,000		\$ -	\$ 25,000	
Parks, Rec & Culture Master Plan Increase (1.25%)		\$ 214,000		\$ -	\$ 214,000		\$ 214,000	\$ -	
		\$ 395,303	2.31%	\$ 131,303	\$ 264,000	0.77%	\$ 345,303	\$ 50,000	2.02%
Additional Operating Supplementals Potentially Funded Through Taxation									
Inflationary Increase to MIP Funding	2023-04	\$ 138,000		\$ 69,250	\$ 68,750		\$ 138,000	\$ -	
Road Crack Sealing	2023-07	\$ 65,000		\$ -	\$ 65,000		\$ -	\$ 65,000	
Halloween Fireworks Increase	2023-08	\$ 4,000		\$ -	\$ 4,000		\$ -	\$ 4,000	
Fire Prevention Program Increase	2023-09	\$ 3,250		\$ -	\$ 3,250		\$ -	\$ 3,250	
Paid On Call Firefighter Training Tuition & Fees Increase	2023-10	\$ 31,000		\$ 31,000	\$ -		\$ 31,000	\$ -	
Paid On Call Firefighter Training Wages Increase	2023-11	\$ 78,900		\$ 78,900	\$ -		\$ 78,900	\$ -	
Art Gallery Additional Funding	2023-12	\$ 10,000		\$ 10,000	\$ -		\$ 10,000	\$ -	
Museum Additional Funding	2023-13	\$ 10,000		\$ 10,000	\$ -		\$ 10,000	\$ -	
Live! In Lake Country Increase	2023-16	\$ 15,000		\$ -	\$ 15,000		\$ -	\$ 15,000	
		\$ 355,150	2.08%	\$ 199,150	\$ 156,000	1.16%	\$ 267,900	\$ 87,250	1.57%
Additional Supplemental Requests Funded through other sources than taxation									
Lake Country Health Grant	2023-03	\$ -		\$ -	\$ -		\$ -	\$ -	
Pop Up Recycling Depots	2023-05	\$ -		\$ -	\$ -		\$ -	\$ -	
Mobile Visitor Centre Transportation	2023-06	\$ -		\$ -	\$ -		\$ -	\$ -	
		\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Total Potential Increase to be Funded Through Taxation or Reserve/Grant									
		\$ 858,453	5.02%	\$ 438,453	\$ 420,000	2.56%	\$ 721,203	\$ 137,250	4.22%

Note 1: 1.5 Bylaw officers were funded using COVID-19 Safe Restart grant funds in 2021 & 2022. Please refer to January 12, 2021 "Bylaw Enforcement Levels of Service - Budget Options" report for additional details on this level of service.

DISTRICT OF LAKE COUNTRY

BYLAW 1197

A BYLAW TO ADOPT A FINANCIAL PLAN FOR THE YEARS 2023 - 2027

WHEREAS, pursuant to Section 165 of the Community Charter, Council shall, before the 15th day of May in each year, before the annual property tax bylaw is adopted, adopt a financial plan;

The Council of the District of Lake Country, in open meeting assembled, enacts as follows:

1. This Bylaw may be cited for all purposes as “2023-2027 Financial Plan Bylaw 1197, 2023.”
2. The schedules marked as Schedule A and B attached hereto, and forming part of this bylaw, are hereby declared to be the Financial Plan for the District of Lake Country for the period January 1, 2023 to December 31, 2027.

READ A FIRST TIME this 26th day of January, 2023.

READ A SECOND TIME this _____ day of _____, 2023.

READ A THIRD TIME this _____ day of _____, 2023.

ADOPTED this _____ day of _____, 2023.

Mayor

Corporate Officer

I hereby certify the foregoing to be a true and correct copy of the Bylaw cited as the “2023 - 2027 Financial Plan Bylaw 1197, 2023” as adopted by Council on the ___ day of _____, 2023.

Dated at Lake Country, BC

Corporate Officer

**Schedule "A" attached to
2023-2027 Financial Plan
Bylaw 1197, 2023**

	2023	2024	2025	2026	2027
Revenue					
Property Taxes	(19,771,194)	(21,125,890)	(21,961,545)	(22,830,834)	(23,718,069)
Parcel Taxes	(2,356,855)	(2,410,952)	(2,466,417)	(2,523,285)	(2,581,593)
Fees and Charges	(11,454,372)	(12,375,087)	(13,360,735)	(14,245,902)	(14,991,991)
Other Revenue	(10,418,772)	(7,013,026)	(6,995,046)	(7,115,528)	(7,243,446)
Transfer from DCC Reserves	(3,318,227)	(683,478)	(616,445)	(616,445)	(616,445)
Total Revenue	(47,319,420)	(43,608,433)	(45,400,188)	(47,331,994)	(49,151,544)
Expenses					
General Government Services	4,474,856	4,272,687	4,394,115	4,539,131	4,647,841
Protective Services	8,352,879	9,025,485	9,566,962	10,017,420	10,531,970
Transportation Services	6,774,665	7,271,239	7,482,569	7,700,844	7,926,313
Environmental Services	2,313,245	2,377,583	2,443,775	2,511,873	2,581,936
Development Services	2,018,101	2,071,732	2,119,879	2,176,585	2,234,896
Parks and Recreation	5,583,333	5,703,722	5,853,678	6,008,235	6,167,464
Water Operations	4,690,229	4,808,504	4,930,199	5,055,432	5,184,271
Sewer Operations	2,607,618	2,671,841	2,737,790	2,805,518	2,875,078
Interest Expense	1,053,150	1,072,023	791,981	791,259	783,982
Total Expenses	37,868,076	39,274,815	40,320,948	41,606,296	42,933,750
Annual Surplus	(9,451,344)	(4,333,618)	(5,079,241)	(5,725,698)	(6,217,794)
Proceeds from Borrowing	-	-	-	-	-
Transfer from Reserves	(9,659,254)	(307,000)	(300,000)	(300,000)	(320,000)
Transfer from Surplus	(1,755)	(2,139)	(2,542)	(2,967)	(3,412)
Principal Repayment	1,014,859	1,047,878	857,458	859,213	809,421
Capital Expenditures	14,984,890	-	-	-	-
Transfer to Surplus and Non-Statutory Reserve	7,462,207	8,096,456	9,183,271	9,991,365	10,722,470
Actuarial Adjustment on Long Term Debt	305,822	305,822	305,822	305,822	305,822
Amortization of tangible capital assets	(4,655,425)	(4,807,399)	(4,964,768)	(5,127,735)	(5,296,507)
Debt, Capital and Reserve/Surplus transfers	9,451,344	4,333,618	5,079,241	5,725,698	6,217,794
Financial Plan Balance	-	-	-	-	-

Statement of Objectives and Policies

In accordance with Section 165(3.1) of the Community Charter, the District of Lake Country is required to include in its Five-Year Financial Plan (2023 - 2027), objectives and policies regarding each of the following:

- A. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the Community Charter;
- B. The distribution of property taxes among the property classes; and
- C. The use of permissive tax exemptions.

1. Funding Sources

The objectives and policies pertaining to municipal revenue which are incorporated into the District of Lake Country’s Financial Plan include:

- The build-up of reserves to minimize the need to borrow for future capital projects;
- Provide sufficient operating funds to ensure existing infrastructure is properly maintained to maximize its lifespan;
- Pursue infrastructure grants from senior levels of government to lessen the impact on local property taxation and user fees;
- Review user fees to match operational costs, where appropriate;
- Examine business opportunities to raise revenue for the District of Lake Country; and
- In year 1 (2023) of the five-year plan, the proportion or percentage of total revenue from the various revenue sources, as detailed in the Financial Plan, is summarized in Table 1 below.

Table 1: Sources of Revenue

Revenue Sources	2023
Property Taxes	41.78%
Parcel Taxes	4.98%
Fees & Charges	24.21%
Other Revenue	22.02%
Transfers from DCC Restricted Revenue	7.01%
Total Revenue	100%

2. Distribution of Property Taxes

It is Council’s goal to ensure there is a fair and equitable apportionment of taxes to each property class. The objectives and policies pertaining to the distribution of property taxes among the property classes and incorporated into the Financial Plan include:

- Regular reviews and comparisons of the District of Lake Country’s tax burden relative to other BC municipalities and its neighbours to ensure a competitive tax structure and rates;

- Adjustments to taxation levels for specific property classes, where appropriate, based upon the reviews;
- Application of the general municipal tax increase to each property class individually so that each property class is impacted equally, relative to other property classes;
- Decrease (or increase) tax rates to offset the market increase (or decrease) in average taxable assessment within each property class compared to the previous year prior to applying the general municipal tax increase; and
- The use of non-market growth in the assessment roll due to new construction and development to assist in covering expenditures required to service the additional burden on the infrastructure and services within the District of Lake Country.

Table 2 below highlights the estimated municipal property tax dollars and the respective percentages to be collected from each of the tax classes for 2023.

Table 2: Approximate Distribution of 2023 Municipal Property Taxes

Property Class	Property Tax Dollars Raised (General & Fire Protection)	% of Total Property Taxation	Ratio
(1) Residential	\$17,307,703	87.53%	1.0000
(2) Utility	\$243,186	1.23%	18.5873
(5) Light Industrial	\$519,982	2.63%	5.4170
(6) Business/Other	\$1,619,261	8.19%	2.7183
(8) Recreation/Non-Profit	\$75,131	.38%	2.3815
(9) Farm	\$5,931	.03%	0.2635
Totals	\$19,771,194	100.00%	

3. Permissive Tax Exemptions

The Annual Report details the extent of permissive tax exemptions provided by the District of Lake Country. The administration and approval of permissive tax exemptions is set by Council policy. Some of the eligibility criteria within the policy include the following:

- The paramount consideration for a permissive tax exemption is the benefit to the community and the residents of Lake Country;
- Permissive exemptions will also be granted where an organization provides a service that the District of Lake Country would provide given sufficient financial resources;
- Permissive tax exemptions are based on the principal use of the property;
- The goals, policies or principles of the organization must not be inconsistent or conflict with those of the District of Lake Country;
- Membership in the organization and/or use of the property must be reasonably open to all Lake Country residents; and
- The organization must be a registered non-profit society. The support of the municipality will not be used for commercial or private gain.