
TOWN of LADYSMITH

BYLAW NO. 1761

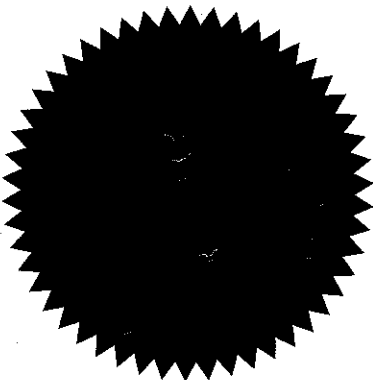
A bylaw establishing the Financial Plan for the years 2011-2015.

WHEREAS the *Community Charter* requires Municipal Councils to prepare and adopt, by bylaw, a financial plan;

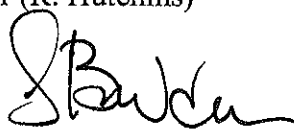
NOW THEREFORE the Council of the Town of Ladysmith in open meeting assembled enacts as follows:

- (1) Schedule "A" attached hereto and made part of the bylaw is hereby adopted and shall be the Financial Plan for the Town of Ladysmith for the five years ending the thirty-first day of December, 2015.
- (2) Schedule "B" attached hereto and made part of the bylaw is hereby adopted and shall be the statement of objectives and policies for the Town of Ladysmith for the five years ending the 31st of December 2015.
- (3) This bylaw may be cited for all purposes as: "*Town of Ladysmith Financial Plan Bylaw 2011, No. 1761*".
- (4) "Town of Ladysmith Financial Plan Bylaw 2010, No. 1716" is hereby repealed.

READ A FIRST TIME	on the	5 th	day of	May, 2011
READ A SECOND TIME	on the	5 th	day of	May, 2011
READ A THIRD TIME	on the	5 th	day of	May, 2011
ADOPTED	on the	9 th	day of	May, 2011




Mayor (R. Hutchins)


Corporate Officer (S. Bowden)

Schedule 'A' of Bylaw 1761

Town of Ladysmith 2011-2015

	2011	2012	2013	2014	2015
Revenue					
Operating					
Property Taxes	\$ 6,009,940	\$ 6,149,998	\$ 6,379,411	\$ 6,504,788	\$ 6,602,481
Payment in Place of Taxes	150,466	154,979	159,629	164,417	169,349
Fees, Charges, Other	3,091,616	3,176,286	3,263,241	3,352,544	3,454,165
Recreation - Area G & H	126,255	127,518	128,793	130,081	131,381
Interest on Investments	30,000	30,900	50,000	100,000	150,000
Penalty and Interest on Taxes	115,000	118,450	100,000	100,000	100,000
Grants (Federal, Provincial, Other)	484,077	473,916	479,043	484,233	489,489
Transfers from Own Funds	195,875	185,444	140,515	185,588	210,663
Collection for Other Govts.	4,077,855	4,170,797	4,265,940	4,363,337	4,463,045
Capital					
Property Taxes	\$ 342,000	\$ 577,079	\$ 729,504	\$ 723,091	\$ 911,691
Parcel Tax	880,224	897,828	915,785	934,101	952,783
Debt Proceeds	1,000,000	3,500,000	-	-	-
Grants (Federal, Provincial, Other)	3,022,400	3,000,000	2,066,667	1,933,333	866,667
Donations & Contributions	379,981	9,190	9,466	9,750	10,043
Transfers from Own Funds	4,175,273	3,481,394	2,723,093	2,525,197	2,011,050
Total	\$ 24,080,962	\$ 26,053,779	\$ 21,411,087	\$ 21,510,460	\$ 20,522,808
Expenditures					
Operating					
Departmental Operations	\$ 9,573,556	\$ 8,472,540	\$ 8,697,330	\$ 8,958,253	\$ 9,182,232
Library	266,368	274,359	282,590	291,068	299,800
Policing	1,055,878	1,108,155	1,141,401	1,175,644	1,210,914
Collections for Other Govts.	4,077,855	4,170,797	4,265,940	4,363,337	4,463,045
Repayment of Debt	278,573	386,877	393,383	400,085	406,988
Capital					
Departmental Capital	\$ 8,828,732	\$ 11,641,051	\$ 6,630,442	\$ 6,322,073	\$ 4,959,828
Total	\$ 24,080,962	\$ 26,053,779	\$ 21,411,087	\$ 21,510,460	\$ 20,522,808

Schedule 'B' of Bylaw No. 1761

**Town of Ladysmith 2011 – 2015 Financial Plan
Statement of Objectives and Policies**

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

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

Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2011. Property taxes form the greatest proportion of revenue. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

User fees and charges form a large portion of planned revenue. Many services can be measured and charged on a user-pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and sale of services - these are charged on a user pay basis. User fees attempt to apportion the value of a service to those who use the service.

Objective

- Over the next five years, the Town will increase the proportion of revenue that is received from user fees and charges by at least 3 percent over the current levels.

Policies

- The Town will review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service.
- Universal water metering rates will be reviewed to ensure that appropriate user fees and charges, rather than taxation, to lessen the burden on its limited property tax base.

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	26.38%	\$ 6,351,940
Parcel taxes	3.66%	880,224
User fees and charges	13.94%	3,357,082
Other sources	2.23%	536,236
Proceeds from borrowing	4.15%	1,000,000
Government grants	14.56%	3,506,477
Own funds	18.15%	4,371,148
Collection for other governments	16.93%	4,077,855
Total	100.00%	\$ 24,080,962

Distribution of Property Tax Rates

Table 2 outlines the distribution of property taxes among the property classes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base and consumes the majority of Town services.

Objectives

- Over the next five years: reduce the share of property tax paid by Major Industry (Class 4) by at least 2 percent. This reduction of the tax burden on industrial properties continues a commitment to encourage investment and employment in the community.
- Maintain the property tax rate for business and other (Class 6) at the current rate or less.

Policies

- Supplement, where possible, revenues from user fees and charges to help to offset the burden on the entire property tax base as a result of the reduction in the tax share paid by major industry (Class 4).
- If a tax shift to other property classes is required as a result of the reduction in the tax rate to major industry (Class 4), Residential (Class 1) should be the first to absorb any such shifts.
- Continue to maintain and encourage economic development initiatives designed to attract more light industry, retail and commercial businesses to invest in the community. New investment from these areas will help offset the reduction to major industry (Class 4) while providing more revenue for the Town.
- Align the distribution of tax rates among the property classes with the social and economic goals of the community, particularly to encourage economic and environmental sustainability opportunities.
- Regularly review and compare the Town's distributions of tax burden relative to other municipalities in British Columbia.

Table 2: Distribution of Property Tax Rates

Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	68.07 %	\$4,323,451
Utilities (2)	0.49%	31,011
Major Industry (4)	14.88%	945,952
Light Industry (5)	0.96%	60,675
Business and Other (6)	15.51%	985,193
Managed Forest Land (7)	.000%	159
Recreation/Non-profit (8)	.07%	4,241
Farmland (9)	.02%	1,258
Total	100%	\$6,351,940

Permissive Tax Exemptions

The Town provides permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions include the following:

- The tax exemption must demonstrate benefit to the community and residents of the Town by enhancing the quality of life (economically, socially and culturally) within the community.
- The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in conflict with those of the Town.
- The organization receiving the exemption must be a registered non-profit society, as the support of the municipality will not be used for commercial and private gain.
- Permissive tax exemptions will be considered in conjunction with: (a) other assistance being provided by the Town; (b) the potential demands for Town services or infrastructure arising from the property; and (c) the amount of revenue that the Town will lose if the exemption is granted.

Objective

- The Town will continue to provide permissive tax exemptions to some non-profit societies. The Town has also expanded its offering of permissive tax exemptions to include revitalization tax exemptions. It also intends to offer permissive tax exemptions targeted at green development for the purposes of encouraging development that will meet our *Climate Action Charter* commitments.

Policies

- Expand the permissive tax exemption policy to include eligibility requirements for green revitalization tax exemptions.
- Develop a revitalization tax exemption program which details the kinds of green activities that the exemption program will target.
- Integrate the green revitalization tax exemption program into the Town's existing economic initiatives as a means of attracting retail and commercial businesses to further invest in the community.

Table 3: Utilization of Reserves, Development Cost Charges and Surplus

Source	% of Total	Dollar Value
Reserves	12%	\$538,707
Development Cost Charges	5%	208,075
Surplus	83%	3,624,366
Total		\$ 4,371,148