

DISTRICT OF STEWART

2022-2026 FINANCIAL PLAN BYLAW No.999, 2022

A BYLAW TO ADOPT THE 2022-2026 FINANCIAL PLAN.

WHEREAS pursuant to Section 165 of the Community Charter, being Chapter 26 of the Statutes of British Columbia, 2003, a Municipality must have a Financial Plan that is adopted annually, by Bylaw, before the Annual Property Tax Bylaw is adopted;

NOW THEREFORE the Council of the District of Stewart in open meeting assembled enacts as follows:

- 1.0 Schedule "A", attached hereto and forming part of this Bylaw, is hereby adopted as the Financial Plan for the 5 years ending December 31, 2026.
- 2.0 Schedule "B", attached hereto and forming part of this Bylaw, is hereby adopted as the Statement of Objectives and Policies.
- 3.0 This Bylaw may be cited as "**2022-2026 Financial Plan Bylaw No.999, 2022**"

READ A FIRST TIME THIS 11th day of April, 2022

READ A SECOND TIME this 11th day of April, 2022

READ A THIRD TIME this _____ day of _____, 2022

ADOPTED this _____ day of _____, 2022

Mayor

Corporate Officer

SCHEDULE "A"

DISTRICT OF STEWART
FINANCIAL PLAN 2022-2026

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| MUNICIPAL PROPERTY TAXES | \$ 1,915,027 | \$ 2,022,493 | \$ 2,636,406 | \$ 2,757,155 | \$ 2,885,148 |
| FRONTAGE TAXES | 366,000 | 366,000 | 366,000 | 366,000 | 366,000 |
| GRANTS IN LIEU OF TAXES | 114,500 | 114,500 | 114,500 | 114,500 | 114,500 |
| OPERATING GRANTS | 437,200 | 381,500 | 381,500 | 381,500 | 351,500 |
| LEASE REVENUE | 317,120 | 323,462 | 329,932 | 336,530 | 343,261 |
| LOG HANDLING | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| PORT ROYALTIES | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| OTHER REVENUE | 39,150 | 39,150 | 39,150 | 39,150 | 39,150 |
| TOTAL OPERATING REVENUES | \$ 3,358,997 | \$ 3,417,105 | \$ 4,037,488 | \$ 4,164,835 | \$ 4,269,559 |
| LEGISLATIVE SERVICES | 98,661 | 107,130 | 97,909 | 100,771 | 103,720 |
| GENERAL ADMINISTRATION | 640,658 | 665,875 | 679,671 | 706,061 | 727,063 |
| PROTECTIVE SERVICES | 193,374 | 199,115 | 205,029 | 211,120 | 217,393 |
| PUBLIC WORKS AND SERVICES | 1,421,698 | 1,462,908 | 1,472,315 | 1,481,673 | 1,526,434 |
| RECREATIONAL EXPENSES | 417,481 | 429,555 | 441,992 | 454,802 | 467,996 |
| ECONOMIC DEVELOPMENT | 238,292 | 243,940 | 249,759 | 255,751 | 261,924 |
| WATER SERVICES | 121,644 | 125,293 | 129,052 | 132,923 | 136,911 |
| SEWER SERVICES | 144,420 | 148,753 | 153,215 | 157,812 | 162,546 |
| TOTAL OPERATING EXPENSES | \$ 3,276,228 | \$ 3,382,569 | \$ 3,428,941 | \$ 3,500,913 | \$ 3,603,986 |
| OPERATING SURPLUS (DEFICIT) | \$ 82,769 | \$ 34,536 | \$ 608,547 | \$ 663,922 | \$ 665,573 |
| CAPITAL & GRANT PROJECTS | | | | | |
| REVENUE- conditional grants | 3,291,283 | 1,731,465 | - | - | - |
| Proceeds from borrowing | 530,000 | - | - | - | - |
| Transfer from Reserves | 1,962,056 | 552,785 | - | - | - |
| EXPENSES | (5,865,352) | (2,284,250) | - | - | - |
| CAPITAL SURPLUS (DEFICIT) | \$ (82,013) | -\$ 0 | \$ - | \$ - | \$ - |
| NET SURPLUS | \$ 756 | \$ 34,535 | \$ 608,547 | \$ 663,922 | \$ 665,573 |
| Transfer (to) Conservancy Reserve | (8,500) | (8,500) | (8,500) | (8,500) | (8,500) |
| Transfer to Log Facility Reserve (10%) | (15,000) | (15,000) | (15,000) | (15,000) | (15,000) |
| Transfer to Fire truck Reserve | (50,000) | (50,000) | (50,000) # | (50,000) | (50,000) |
| Transfer to Bridge Reserve | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) |
| Transfer to Arena Reserve | (50,000) | (50,000) | (50,000) | (50,000) | (50,000) |
| Transfer excess from (to) Capital Reserves | \$ 172,744 | \$ 138,965 | \$ (435,047) | \$ (490,422) | \$ (492,073) |
| Net surplus (Deficit) | \$ - | \$ - | \$ - | \$ - | \$ - |

SCHEDULE "A" (cont'd)
DISTRICT OF STEWART FINANCIAL PLAN FOR THE YEARS 2022-2026

| PERMISSIVE TAX EXEMPTIONS | 2022 | 2023 | 2024 | 2025 | 2026 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| North American Baptist Conference | \$ 369 | \$ 376 | \$ 384 | \$ 391 | \$ 399 |
| North American Baptist Conference | \$ 1,582 | \$ 1,613 | \$ 1,645 | \$ 1,678 | \$ 1,712 |
| Roman Catholic Episcopal Corp of PR | \$ 1,075 | \$ 1,097 | \$ 1,118 | \$ 1,141 | \$ 1,164 |
| Anglican Synod Diocese of Caledonia | \$ 926 | \$ 944 | \$ 963 | \$ 982 | \$ 1,002 |

SCHEDULE "B"

STATEMENT OF OBJECTIVES AND POLICIES

In accordance with Section 165(3.1) of the Community Charter, the District of Stewart 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 2021. Other than grants for capital projects, 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, garbage collection and street lighting.

Other sources include commercial leases, log and port throughput charges and miscellaneous fees.

Objective

The District of Stewart will budget to cover essential services from property taxes and parcel taxes. Other sources of revenue will be used to fund additional services such as economic development and capital projects.

Policy

The District of Stewart will review all other source levels to ensure they are adequately meeting both the capital and delivery costs of the service.

| REVENUE SOURCE | % of Total Revenue | Dollar Value |
|---|---------------------------|---------------------|
| Property value taxes and grants in place of taxes | 28.3% | \$ 2,029,527 |
| Parcel taxes | 5.1% | 366,000 |
| User fees and charges | 0.5% | 39,150 |
| Other Sources | 6.8% | 487,120 |
| Proceeds from borrowing | 7.4% | 530,000 |
| Grants - Operating | 6.1% | 437,200 |
| Grants - Capital (including deferred grants) | 45.8% | 3,291,283 |
| TOTAL | 100% | \$ 7,180,280 |

Table 1

Distribution of Property Taxes

Table 2 outlines the distribution of property taxes among the property classes. The utilities and major industrial property classes provide the largest proportions of property tax revenue. This is due to the development of the Long Lake Hydro Project, Stewart World Port and Pretivm power line.

| PROPERTY CLASS | % of Total Property Taxation | Dollar Value |
|-------------------|------------------------------|---------------------|
| 1. Residential | 16.4% | \$ 332,009 |
| 2. Utility | 29.8% | 605,481 |
| 4. Major Industry | 32.5% | 659,031 |
| 5. Light Industry | 4.8% | 97,829 |
| 6. Business | 10.7% | 217,263 |
| 8. Recreation | 0.2% | 3,413 |
| Grants in lieu | 5.6% | 114,500 |
| TOTAL | 100% | \$ 2,029,527 |

TABLE 2

Objectives

Maintain the property tax levy percentages for 2022 adjusted for the impact of non-market changes to assessments (new-construction).

Policies

Continue to maintain and encourage economic development initiatives.

Regularly review and compare the District of Stewart's distributions of property tax burden relative to other municipalities in British Columbia.

Permissive Tax Exemptions

The District of Stewart passes a permissive tax exemption bylaw every five years based on the criteria of the Community Charter Section 224 which guides the administration and approval of permissive tax exemptions.

Objectives

Continue to provide permissive tax exemptions to non-profit societies pursuant to the Community Charter, Section 224 (2)(a)(i).

Revitalization Tax Exemption

The District of Stewart passed a Long Lake Hydro Revitalization Tax Exemption bylaw in 2010 for a 10-year term based on the criteria of the Community Charter Section 226 which guides the administration and approval of revitalization tax exemptions.

Objectives

To encourage economic revitalization within the District pursuant to the Community Charter, Section 226 (2).