

**THE CORPORATION OF THE VILLAGE OF LYTTON
BYLAW NO. 699, 2019**

A Bylaw to adopt the Financial Plan for The Years 2019 to 2023

WHEREAS, pursuant to section 165 of the Community Charter provides that the Council shall, before the 15th day of May in each year, and before the annual property tax bylaw is adopted, adopt a Financial Plan;

Now therefore the council of The Corporation of The Village of Lytton, in open meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Village of Lytton 2019-20123 Financial Plan Bylaw No.699, 2019.

2. Those 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 Village of Lytton for the period January 1, 2019 to December 31, 2023

READ A FIRST TIME this	27 th Day of February, 2019
READ A SECOND TIME this	27 th Day of February, 2019
READ A THIRD TIME this	27 th Day of February, 2019
FINALLY PASSED AND ADOPTED	27 th Day of March, 2019


MAYOR


CORPORATE OFFICER

Village of Lytton
Schedule "A" of Bylaw No. 699, 2019
2019 - 2023 Summary Financial Plan

	2019	2020	2021	2022	2023
	\$	\$	\$	\$	\$
REVENUES					
Property Taxation & Grants-in-Lieu of Taxatic	394,134	403,988	414,088	424,440	435,051
Sale of Services and Regulatory fees	356,952	365,876	375,023	384,399	394,009
Government Transfers	3,652,309	2,669,392	1,179,877	2,690,624	1,201,640
Investment Income	37,933	39,579	41,291	43,070	44,919
Revenue from Other Sources	133,764	100,337	100,620	100,910	101,208
TOTAL REVENUES	4,575,092	3,579,172	2,110,898	3,643,443	2,176,826
EXPENSES					
General Administration and Legislative Servi	779,159	760,741	777,434	794,544	812,082
Protective Services	103,040	107,329	118,293	112,514	124,038
Public Works and Transportation Services	236,585	238,399	244,359	250,468	256,730
Environmental and Development Services	307,721	294,914	302,287	309,844	338,591
Recreation, Parks & Cultural Services	98,662	101,129	103,657	106,249	108,905
Interest Expense	7,200	7,200	7,200	7,200	7,200
Water Utility	211,677	214,092	216,568	219,106	221,707
Sewer Utility	120,826	103,346	105,930	108,578	111,293
TOTAL EXPENSES	1,864,869	1,827,150	1,875,729	1,908,504	1,980,545
Annual Surplus/(Deficit)before Reserves, Capital & Debt	2,710,223	1,752,022	235,169	1,734,939	196,281
RESERVES, CAPITAL & DEBT					
Tangible Capital Assets Purchased	- 3,380,762	- 2,021,800	- 520,000	- 2,031,000	- 532,000
New Debt	-	-	-	-	-
Repayment of Debt & Actuarial	- 18,862	- 19,805	- 20,795	- 21,835	- 22,926
Amortization	170,057	171,432	172,841	174,286	175,766
Transfers to Reserves/Surplus	- 178,649	- 26,272	- 26,757	- 27,085	- 27,805
Reserves/Surplus Used for Capital Funding	572,993	104,423	114,542	130,695	165,684
Reserves/Surplus Used to Fund Operations	125,000	40,000	45,000	40,000	45,000
	- 2,710,223	- 1,752,022	- 235,169	- 1,734,939	- 196,281
Annual (Surplus)Deficit after Reserves, Capital & Debt -Balanced Budget	0 -	0	0	0	0

Village of Lytton 2019-2023 Financial Plan
Schedule "B" of Bylaw No. 699,2019
Statement of Objectives and Policies

In accordance with Section 165(3.1) of the Community Charter, the Village of Lytton is required to include in its Five-Year Financial Plan (2019 - 2023), 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.

1. Funding Sources

Council's objectives and policies in regards to operating and capital revenue sources are provided below. Over 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.

Operating Revenue Sources Objective:

Over the five-year financial plan timeframe, it is Council's goal to diversify and expand its revenue base as much as possible with the goal of becoming less reliant on property taxes.

Policy:

Council recognizes that the Village of Lytton is reliant on property taxes to fund the majority of its services/programs. Council is committed, on an annual basis, to formally reviewing and adjusting, where possible, existing user fees and to examining and implementing new user fees where feasible, in order to minimize overall property tax increases. Council also recognizes that raising user fees beyond a certain point will actually result in less usage or demand and ultimately less revenue and that various services like recreation need to be subsidized to a certain level so that all citizens can partake. The Village of Lytton, like other local governments in B.C., also needs access to other sources of revenue to meet growing service demands and to stabilize property taxes.

Capital Revenue Sources Objective:

Over the five-year financial plan timeframe, it is Council's goal to build up its reserves to provide for greater internal capital funding/financing opportunities.

Policy:

Council sees the need to increase its internal capital funding capacity by building up its own reserves, to minimize future external debt/interest costs and to provide internal borrowing opportunities. Internal debt financing for capital projects will be utilized to the extent possible before resorting to external debt with the proviso that internal debt repayments need to take place as scheduled; however, external debt financing may be required for larger, high priority capital projects if sufficient reserves are not in place.

Table 1: Sources of Revenue

Revenue Sources Including Funds Transfer (in percentages)	2019	2020	2021	2022	2023
Property Taxes	8%	11%	18.7%	11%	19%
Parcel Taxes	-	-	-	-	-
Fees & Charges	7%	10%	17%	10%	17%
Other Revenue	73%	77%	60%	76%	58%
Proceeds from Borrowing	-	-	-	-	-
Transfer from Reserves	13%	3%	5%	3%	7%
Transfer from Surplus	-	-	-	-	-
Total Revenue	100%	100%	100%	100%	100%

Revenue Sources Including Funds Transfer (in dollar amounts)	2019	2020	2021	2022	2023
Property Taxes	394,134	403,988	414,088	424,440	435,051
Parcel Taxes	-	-	-	-	-
Fees & Charges	356,952	365,876	375,023	384,399	394,009
Other Revenue	3,824,006	2,809,308	1,321,788	2,834,604	1,347,767
Proceeds from Borrowing	-	-	-	-	-
Transfer from Reserves	655,839	94,740	125,808	121,259	175,144
Transfer from Surplus	-	-	-	-	-
Total Revenue	5,230,932	3,673,912	2,236,706	3,764,702	2,351,970

2. Distribution of Property Taxes

Council's objective and policy in regard to the distribution of property taxes are provided below. Table 2 below highlights the estimated municipal property tax dollars and the respective percentages to be collected from each of the tax classes in 2019.

Objective:

Over the five-year financial plan timeframe, it is Council's goal to diversify and expand its tax base so that all taxpayers are in a more favourable position.

Policy:

Council recognizes the need to rationalize its property tax distribution among the various tax classes; however, more importantly Council recognizes the need to diversify and expand its assessment/tax base. Council is committed to pursuing business/commercial economic development opportunities to achieve this. Council is also committed to comparing its assessment mix, property tax levels and property tax distribution with other B.C. communities on an annual basis.

Table 2: Approximate Distribution of 2019 Municipal Property Taxes

Distribution of 2019 Property Taxes			
Property Class	Property Tax Dollars Raised	% of Total Property Taxation	Ratio
	\$	%	
(1) Residential	102,474.96	26.00%	1.0 : 1
(2) Utility	145,435.62	36.90%	3.5 : 1
(4) Major Industry	48,084.40	12.20%	3.4 : 1
(6) Business/Other	98,139.48	24.90%	2.45 : 1
Totals	394,134.46	100.00%	

3. Permissive Tax Exemptions

Council's objective and policy in regard to permissive tax exemptions are provided below.

Objective:

Over the five-year financial plan timeframe, Council will continue supporting worthy charitable/non profit organizations that provide valuable services.

Policy:

Council chooses to support charitable/non-profit organizations (churches, social, and recreational) that provide valuable services to the community through permissive tax exemptions as allowed for by legislation. Council is committed to continuing with these tax exemptions and to treating all organizations with similar mandates equally when it comes to property tax exemptions.

