

DISTRICT OF STEWART

2023-2027 FINANCIAL PLAN BYLAW No.1006, 2023

A BYLAW TO ADOPT THE 2023-2027 FINANCIAL PLAN.

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*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, 2027.*
- 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 "2023-2027 Financial Plan Bylaw No.1006, 2023"*

READ A FIRST TIME THIS 11th day of April, 2023

READ A SECOND TIME this 11th day of April, 2023

READ A THIRD TIME this \_\_\_\_\_ day of \_\_\_\_\_, 2023

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2023

\_\_\_\_\_  
*Mayor*

\_\_\_\_\_  
*Corporate Officer*

**SCHEDULE "A"**  
**DISTRICT OF STEWART**  
**2023-2027 FINANCIAL PLAN**

|                                     | 2023<br>Budget    | 2024<br>Budget    | 2025<br>Budget    | 2026<br>Budget    | 2027<br>Budget    |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>OPERATING REVENUE</b>            |                   |                   |                   |                   |                   |
| MUNICIPAL PROPERTY TAXES            | -2,076,162        | -2,845,592        | -2,926,020        | -2,957,527        | -3,017,750        |
| FRONTAGE TAXES                      | -411,550          | -481,500          | -481,500          | -481,500          | -481,500          |
| GRANTS IN LIEU OF TAXES             | -136,000          | -135,000          | -135,000          | -135,000          | -135,000          |
| OPERATING GRANTS                    | -403,700          | -403,000          | -403,000          | -363,000          | -363,000          |
| LEASES & RENTAL FEES                | -340,085          | -337,708          | -343,362          | -344,462          | -350,230          |
| ROYALTIES & PORT FEES               | -120,000          | -120,000          | -120,000          | -120,000          | -120,000          |
| USER FEES                           | -117,250          | -133,250          | -133,250          | -137,250          | -153,350          |
| LICENSES/PERMITS/FINES              | -6,588            | -6,650            | -6,650            | -6,650            | -6,650            |
| OTHER REVENUES                      | -125,600          | -125,600          | -125,600          | -126,200          | -126,200          |
|                                     |                   |                   |                   |                   |                   |
| <b>TOTAL OPERATING REVENUE</b>      | <b>-3,736,935</b> | <b>-4,588,300</b> | <b>-4,674,382</b> | <b>-4,671,589</b> | <b>-4,753,680</b> |
| <b>OPERATING EXPENDITURES</b>       |                   |                   |                   |                   |                   |
| LEGISLATIVE                         | 111,890           | 116,323           | 118,932           | 121,620           | 124,388           |
| ADMINISTRATIVE                      | 848,784           | 905,758           | 921,868           | 937,916           | 960,727           |
| PROTECTIVE SERVICES                 | 113,553           | 108,100           | 109,150           | 109,170           | 109,170           |
| PUBLIC WORKS                        | 1,312,621         | 1,424,898         | 1,472,372         | 1,504,076         | 1,539,194         |
| FLEET                               | 118,688           | 122,702           | 122,300           | 122,300           | 122,800           |
| LOAN INTEREST PAYMENT               | 20,634            | 14,153            | 11,148            | 5,626             | 1,449             |
| RECREATION & CULTURE                | 380,512           | 390,471           | 400,706           | 402,170           | 403,663           |
| COMMUNITY & ECONOMIC DEVELOPMENT    | 453,779           | 464,068           | 470,192           | 416,398           | 422,789           |
| SOLID WASTE SERVICES                | 73,265            | 71,561            | 71,561            | 71,561            | 71,561            |
| WATER SERVICES                      | 159,005           | 165,805           | 169,855           | 172,855           | 176,105           |
| SEWER SERVICES                      | 125,654           | 127,154           | 128,704           | 130,304           | 131,904           |
|                                     |                   |                   |                   |                   |                   |
| <b>TOTAL OPERATING EXPENDITURES</b> | <b>3,718,385</b>  | <b>3,910,993</b>  | <b>3,996,789</b>  | <b>3,993,996</b>  | <b>4,063,751</b>  |

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**DISTRICT OF STEWART**  
**2023-2027 FINANCIAL PLAN**

|  | 2023<br>Budget     | 2024<br>Budget     | 2025<br>Budget   | 2026<br>Budget | 2027<br>Budget  |
|--|--------------------|--------------------|------------------|----------------|-----------------|
| <b>CONDITIONAL FUNDS</b>                     |                    |                    |                  |                |                 |
| CONDITIONAL GRANTS                           | - 3,943,766        | - 1,288,614        | - 90,911         | -              | -               |
| DEFERRED REVENUE                             | - 516,755          | -                  | -                | -              | -               |
| PROCEEDS FROM BORROWNG                       | -                  | -                  | -                | -              | -               |
| TRANSFER FROM SURPLUS                        | - 212,754          | - 163,709          | - 103,951        | 107,825        | - 90,349        |
| TRANSFERS FROM RESERVES                      | - 1,994,718        | - 326,902          | - 13,335         | -              | -               |
| <b>TOTAL CONDITIONAL FUNDS</b>               | <b>- 6,667,993</b> | <b>- 1,779,225</b> | <b>- 208,197</b> | <b>107,825</b> | <b>- 90,349</b> |
| <b>CONDITIONAL PROJECTS</b>                  |                    |                    |                  |                |                 |
| CAPITAL PROJECTS,<br>ASSESSMENTS AND REPORTS | 5,417,239          | 1,615,516          | 104,246          | -              | -               |
| TRANSFERS TO RESERVES                        | 1,073,000          | -                  | -                | -              | -               |
| TRANSFER TO CONSERVANCY<br>RESERVE           | 8,550              | 8,500              | 8,500            | 8,500          | 8,500           |
| TRANSFER TO LOG FACILITY<br>RESERVE (10%)    | 10,000             | 10,000             | 10,000           | 10,000         | 10,000          |
| DEBT REPAYMENT                               | 177,754            | 163,709            | 103,951          | 107,825        | 90,349          |
| <b>TOTAL CONDITIONAL PROJECTS</b>            | <b>6,686,543</b>   | <b>1,797,725</b>   | <b>226,697</b>   | <b>126,325</b> | <b>108,849</b>  |
| AMMORTIZATION TRANSFER TO<br>RESERVES        | 0                  | 658,807            | 659,094          | 659,094        | 671,429         |
| <b>TOTAL SURPLUS/DEFICIT</b>                 | <b>0</b>           | <b>-0</b>          | <b>0</b>         | <b>0</b>       | <b>-0</b>       |

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## **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 2023. Other than grants for capital projects, property taxes form the greatest proportion of revenue. 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 legislative and administrative services, public works services, protection services, community development, recreational and cultural services, and street lighting.

Frontage taxes and user fees are collected to fund specific services and reserves including water, sewer, solid waste services, and conservancy fund reserves.

The major contribution to the operational grant funding is the Small Community Grant. Several additional federal, provincial, and regional grant funding sources also support District initiatives.

The District of Stewart has applied for a significant amount of additional grant funding for several major Capital projects. Several grant funded capital projects are in progress and additional projects shall only be undertaken if the grant funding applications are successful.

Other Sources include revenues collected from the use and rental of District assets; investment interest, disposition of capital assets, licenses, fines and permits, log and port fees and miscellaneous fees and charges.

Transfers consist of revenues transferred to/from reserve, surplus and/or deferred funds.

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## 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.

| <b>REVENUE SOURCE</b>   | <b>% of Total Revenue</b> | <b>Dollar Value</b>  |
|---|---------------------------|----------------------|
| Property value taxes, rebates, penalties & interest, and grants in place of taxes | 21.3%                     | \$ 2,212,162         |
| Frontage taxes  | 4.0%                      | 411,550              |
| User fees and charges   | 1.1%                      | 117,250              |
| Other Sources   | 5.7%                      | 592,273              |
| Transfers   | 21.2%                     | 2,207,472            |
| Grants - Operating  | 3.9%                      | 403,700              |
| Grants - Capital (including deferred grants)                                      | 42.9%                     | 4,460,521            |
| <b>TOTAL</b>  | <b>100%</b>               | <b>\$ 10,404,928</b> |

Table 1

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## **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.

| <b>PROPERTY CLASS</b> | <b>% of Total Property Taxation</b> | <b>Dollar Value</b> |
|-----------------------|-------------------------------------|---------------------|
| 1. Residential        | 21.1%                               | \$ 413,771          |
| 2. Utility            | 26.7%                               | 524,188             |
| 4. Major Industry     | 27.4%                               | 537,181             |
| 5. Light Industry     | 6.0%                                | 117,816             |
| 6. Business           | 11.7%                               | 229,170             |
| 8. Recreation         | 0.2%                                | 3,705               |
| Grants in lieu        | 6.9%                                | 135,000             |
| <b>TOTAL</b>          | <b>100%</b>                         | <b>\$ 1,960,831</b> |

TABLE 2

## **Objectives**

The District shall continue to provide amenities required for the well-being of the community in a fiscally responsible manner. The District shall continue to seek alternative revenue sources, and commit to review services user fees and reevaluate property tax distribution in 2023.

## **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.

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**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.

| PERMISSIVE TAX EXEMPTIONS           | 2023     | 2024     | 2025     | 2026     | 2027     |
|-------------------------------------|----------|----------|----------|----------|----------|
| North American Baptist Conference   | \$ 406   | \$ 414   | \$ 422   | \$ 430   | \$ 439   |
|                                     |          |          |          |          |          |
| North American Baptist Conference   | \$ 2,190 | \$ 2,234 | \$ 2,278 | \$ 2,324 | \$ 2,370 |
|                                     |          |          |          |          |          |
| Roman Catholic Episcopal Corp of PR | \$ 698   | \$ 712   | \$ 726   | \$ 741   | \$ 755   |
|                                     |          |          |          |          |          |
| Anglican Synod Diocese of Caledonia | \$ 901   | \$ 919   | \$ 938   | \$ 957   | \$ 976   |
|                                     |          |          |          |          |          |

**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 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. This Revitalization Tax Exemption bylaw will expire on December 31, 2023.

**Objectives**

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