



TOWN OF LAKE COWICHAN

Bylaw No. 1131-2026

Five Year Financial Plan Bylaw

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**TOWN OF LAKE COWICHAN
Five Year Financial Plan Bylaw No. 1131-2026**

A Bylaw respecting the Financial Plan for the Town of Lake Cowichan

1. Statutory Authority

- a. **WHEREAS Section 165** of the *Community Charter* requires a Municipality to prepare and adopt, a Financial Plan for a period of five years commencing in 2026;
- b. **AND WHEREAS** the plan must by bylaw be adopted before the annual property tax bylaw is adopted;
- c. **NOW THEREFORE**, the Municipal Council of the Town of Lake Cowichan desires to adopt the Financial Plan, in open meeting assembled, enacts as follows:

2. Schedule A attached hereto and made part of this bylaw sets out the objectives and policies of the municipality.

3. Schedule B attached hereto and made part of this bylaw shall be the Financial Plan for the Town of Lake Cowichan General Fund for the years 2026 to 2030.

4. Schedule C attached hereto and made part of this bylaw shall be the Financial Plan for the Town of Lake Cowichan Sewer and Water Funds for the years 2026 to 2030.

5. Title

- a. This bylaw may be cited for all purposes as the “Town of Lake Cowichan Five Year Financial Plan Bylaw. No. 1131-2026”.

READ A FIRST TIME on the 28th day of April, 2026.

READ A SECOND TIME on the 28th day of April, 2026.

READ A THIRD TIME on the 28th day of April, 2026.

RECONSIDERED, FINALLY PASSED and ADOPTED by the Municipal Council of the Town of Lake Cowichan on the 12th day of May, 2026.

Original Signed

Tim McGonigle
Mayor

Original Signed

John Thomas
Corporate Officer

**2026-2030 Financial Plan
Statement of Objectives and Policies
Schedule A**

Section 165 of the Community Charter requires that the Financial Plan include the objectives and policies of the Town of Lake Cowichan in respect of funding sources, distribution of property tax rates and permissive tax exemptions.

Funding Sources:

Property taxation revenue is determined in accordance to the operating and capital needs of the general fund and is the major revenue source for that fund. User fees and charges for water, sewer and garbage services are used to finance those areas of expenditures. The Town received the Growing Communities Grant in 2023. This has enabled the Town to undertake much needed capital improvements while keeping tax rate increases to a minimum.

A breakdown of the revenue sources are summarized as follows:

Revenue Source	Percentage of Total Revenue	Dollar Value
Property taxes	37.93%	\$3,161,400
User fees and charges	8.76%	730,200
Recreational facilities	9.77%	814,600
Other sources	6.03%	502,600
Government grants	12.98%	1,081,900
Transfer from reserves	24.53%	2,045,000
Total	100%	\$8,335,700

Collections for other governments, fire service to CVRD, and transfers from surplus have not been included in the revenue sources in the above table.

Strategic Community Investment Funds:

Government grants include the Strategic Community Investment Funds which are provided by the Province of British Columbia. These funds reduce the level of municipal taxation and they may be used to fund infrastructure capital works. For a smaller municipality, these funds are instrumental to maintaining existing municipal service levels. In 2026, funds estimated in the amount of \$475,000 have been allocated to the Town.

Objective:

- The Town will attempt to increase the sources of government grants to complete much needed infrastructure capital projects in the municipality.
- Where feasible user fees will be levied where measurable level of services are rendered or provided.

Policies:

- The Town implemented metered water billings in 2014 and has established metered user fees that include fixed fees and consumption charges based on usage.
- Where possible the Town will substitute revenues from user fees and charges and government grants rather than taxation.
- The Town will review municipal service and user fees to ensure that the operating and capital budgets are adequate while providing the residents with the service levels.

Distribution of Property Tax Rates

The table below outlines the distribution of property taxes among the property classes. Residential property taxes account for more than three quarters of the taxes collected.

Property Class	Percentage of Total Property Taxation	Dollar Value
Residential	85.04%	\$2,691,602
Utility	0.21%	6,587
Industrial	1.71%	54,146
Commercial	10.80%	341,498
Managed Forest	0.15%	4,586
Recreational	0.03%	981
Grants-in-Lieu	1.96%	62,000
Total	100%	3,161,400

Objective:

- The Town will strive to maintain low industrial and business tax rates to encourage investment and employment in the area. Currently there is a limited industrial taxation base within the municipality.

Policies:

- Encourage and promote economic development to increase commercial and retail businesses in the Town of Lake Cowichan;
- Supplement, where possible, revenues from user fees and government grants to keep the residential property tax increases to a manageable amount.

Parcel taxes:

The sewer parcel tax was implemented in 2010 and was increased to \$325 per parcel in 2025. This source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading sewer infrastructure.

2010	\$ 50 per parcel
2013	\$100 per parcel
2020	\$150 per parcel
2022	\$250 per parcel
2025	\$325 per parcel

The water parcel tax was implemented in 2013 and was increased to \$350 per parcel in 2025. This source of revenue is based on a set fee per parcel of land and offsets, in part, the costs of upgrading water infrastructure.

2013	\$100 per parcel
2016	\$140 per parcel
2020	\$200 per parcel
2022	\$300 per parcel
2025	\$350 per parcel

Permissive Tax Exemptions:

The Town's Permissive Tax Exemption policy provides property tax exemptions for properties meeting the requirements of Sections 224 and 226 of the *Community Charter*. Tax exemptions are provided for land and improvements owned or held by a charitable or other not-for-profit entity and for those land and buildings used for public worship. The annual municipal report contains a list of permissive tax exemptions granted each taxation year and the amount of tax revenue foregone.

Objective:

- The Town will continue to strive to provide tax exemptions to charitable non-profit organizations and places of public worship as council recognizes the efforts and activities of volunteer and community groups but at the same time ensuring that these exemptions are periodically reviewed;

Policy:

- Continue to support the non-profit and charitable groups that operate for the benefit of all residents of the Town of Lake Cowichan;
- Provide support for the growth of sustainable development and investment in the Town.

Town of Lake Cowichan
Schedule B
General Fund - Financial Plan 2026 - 2030

REVENUES	2026	2027	2028	2029	2030
	Budget	Budget	Budget	Budget	Budget
Taxes	3,099,400	3,192,400	3,288,200	3,386,800	3,488,300
Grants-In-Lieu	62,000	62,100	62,300	62,500	62,700
	3,161,400	3,254,500	3,350,500	3,449,300	3,551,000
Penalties and Interest on Taxes	74,000	75,500	77,000	78,500	80,100
Licenses and Permits	138,200	141,000	143,800	146,700	149,600
Solid Waste Revenues	518,000	559,000	581,000	604,000	628,000
Lakeview Campsite Revenues	286,400	295,000	304,000	313,000	322,000
CLEC Revenues	528,200	538,800	555,000	571,700	588,900
Lease Revenues	74,000	75,500	77,000	78,500	80,100
Interest on Investments	400,000	410,000	420,000	300,000	200,000
Other Revenue	28,600	28,000	29,000	30,000	31,000
Unconditional Transfers	476,900	486,400	496,100	506,000	516,100
Conditional Transfers	605,000	250,000	400,000	400,000	600,000
Fire Service to CVRD	450,000	474,000	489,000	504,000	518,000
Total Revenues	6,740,700	6,587,700	6,922,400	6,981,700	7,264,800
EXPENDITURES	2026	2027	2028	2029	2030
General Government Services	1,559,000	1,575,000	1,591,000	1,607,000	1,623,000
Fire Department	1,031,700	1,052,000	1,084,000	1,117,000	1,151,000
Development Services	541,500	552,000	569,000	586,000	604,000
Public Works	595,000	607,000	625,000	644,000	663,000
Solid Waste Disposal	630,000	643,000	662,000	682,000	702,000
Parks	425,000	413,000	425,000	438,000	451,000
Lakeview Campsite Expenses	264,500	270,000	278,000	286,000	295,000
CLEC Expense	548,000	559,000	570,000	581,000	593,000
Total Expenditures	5,594,700	5,671,000	5,804,000	5,941,000	6,082,000
Annual Surplus before capital	1,146,000	916,700	1,118,400	1,040,700	1,182,800
Capital Expenditures	(3,792,000)	(1,950,000)	(1,395,000)	(1,316,000)	(1,178,000)
Transfers to Reserve Funds	(336,000)	(341,000)	(346,000)	(351,000)	(356,000)
Transfers From Reserve Funds	2,045,000	735,000	190,000	285,000	285,000
Transfer from (to) Surplus	937,000	639,300	432,600	341,300	66,200
	-	-	-	-	-

Town of Lake Cowichan
Schedule C
Sewer Utility Fund - Financial Plan 2026 - 2030

	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget
REVENUES					
Sewer User Fees	690,000	724,500	760,700	798,700	838,600
Connection fees and other	39,000	40,000	40,000	40,000	40,000
Penalties and Other Interest	6,000	6,500	7,000	7,500	8,000
Grant Revenue	4,399,800	2,365,820	-	-	-
Parcel Tax	590,850	636,300	681,750	727,200	772,650
Contribution from others	15,000	15,000	15,000	15,000	15,000
Total Revenues and Transfers	5,740,650	3,788,120	1,504,450	1,588,400	1,674,250
EXPENDITURES					
Administration	208,000	214,200	220,600	227,200	236,300
Treatment and Collection	685,000	705,600	733,800	755,800	786,000
Total Expenditures	893,000	919,800	954,400	983,000	1,022,300
Annual Surplus before capital	4,847,650	2,868,320	550,050	605,400	651,950
Capital Expenditures	(6,100,000)	(3,281,265)	(535,000)	(600,000)	(600,000)
Transfer to Surplus	1,252,350	412,945	(15,050)	(5,400)	(51,950)
FINANCIAL PLAN BALANCE	-	-	-	-	-

Town of Lake Cowichan
Schedule D
Water Utility Fund - Financial Plan 2026 - 2030

	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget
REVENUES					
Water User Fees	836,200	878,000	921,900	968,000	1,016,400
Connection Fees and Other	30,000	31,000	32,000	33,000	34,000
Penalties and Other Interest	6,500	6,800	7,000	7,200	7,400
Contribution from others	15,000	15,000	15,000	15,000	15,000
Parcel Tax	650,300	654,150	655,900	657,650	659,400
TOTAL REVENUES	1,538,000	1,584,950	1,631,800	1,680,850	1,732,200
EXPENDITURES					
Administration	309,500	318,800	328,400	338,300	348,400
Treatment and Collection	695,500	716,400	737,900	760,000	782,800
Total Expenditures	1,005,000	1,035,200	1,066,300	1,098,300	1,131,200
Annual Surplus before capital	533,000	549,750	565,500	582,550	601,000
Capital	(450,000)	(400,000)	(410,000)	(430,000)	(450,000)
Transfer to Surplus	(83,000)	(149,750)	(155,500)	(152,550)	(151,000)
FINANCIAL PLAN BALANCE	-	-	-	-	-