



## **FIVE-YEAR FINANCIAL PLAN AMENDMENT BYLAW**

No. 3996

## CONSOLIDATION

Current to January 15, 2026

Last amended on December 17, 2025

This Bylaw has been consolidated and printed under and by authority of the Corporate Officer for the Corporation of the District of North Cowichan.

## **List of Bylaw Amendments**

1. 4048 (Replace Schedule "A") – December 17, 2025



The Corporation of the District of North Cowichan

**2025 - 2029 Financial Plan Bylaw**

BYLAW NO. 3996, 2025

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*A bylaw to set out the proposed expenditures, funding sources and proposed transfers to or between funds.*

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The Council of The Corporation of the District of North Cowichan, in open meeting assembled, enacts as follows:

**Citation**

1 This Bylaw may be cited as "2025 – 2029 Financial Plan Bylaw No. 3996, 2025".

**Financial Plan Establishment**

2 Schedule "A", attached to and forming part of this Bylaw, is adopted as North Cowichan's Five-Year Financial Plan.

**Objectives and Policies**

3 Schedule "B", attached to and forming part of this Bylaw, sets out Council's objectives and policies for the years 2025 through 2029 regarding:

- (a) The proportion of total revenue that is proposed to come from:
  - (i) Property value taxes;
  - (ii) Parcel taxes;
  - (iii) Fees and Charges;
  - (iv) Proceeds from borrowing, other than borrowing under Section 177 [Revenue Anticipation Borrowing] of the *Community Charter*; and
  - (v) Other sources.
- (b) the distribution of property taxes among the property classes that may be subject to the taxes; and
- (c) the use of permissive tax exemptions.

**Severability**

4 If any section, subsection, sentence, clause or phrase of this Bylaw is, for any reason, held to be invalid by the decision of any court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Bylaw.

**Repeal**

5 2024 – 2028 Financial Plan Bylaw No. 3953, 2024, and all amendments thereto, is hereby repealed.

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READ a first time on March 5, 2025

READ a second time on March 5, 2025

READ a third time on March 5, 2025

This bylaw was advertised on the municipality's website on March 6, 2025 and was posted to the municipality's public notice places on March 7, 2025

Certified a true copy of Bylaw No. 3996 as at third reading

PUBLIC CONSULTATION was conducted via public input at the March 19, 2025 Council meeting

ADOPTED on March 19, 2025

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CORPORATE OFFICER

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PRESIDING MEMBER

**Schedule "A"**  
**Proposed Expenditures, Funding Sources and Fund Transfers**

Description	2025	2026	2027	2028	2029
<b>Revenues:</b>					
Property Taxes	43,932,562	48,368,965	49,638,574	50,948,081	51,407,933
Parcel Taxes	5,990,576	6,404,070	6,849,078	7,330,393	7,844,039
User Fees and Charges	22,284,834	23,048,227	23,230,035	23,940,600	24,890,353
Other	40,642,432	20,295,304	3,725,219	7,098,885	3,625,748
	112,850,404	98,116,566	83,442,906	89,317,959	87,768,073
<b>Expenses</b>					
General Operating	53,031,516	52,726,758	53,790,232	55,231,330	56,786,471
Sanitary Sewer Operating	3,814,430	3,703,277	3,784,961	3,866,758	3,950,547
Water Operating	5,425,615	4,358,963	4,442,278	4,542,716	4,643,633
Interest on Debt	2,681,773	3,654,701	3,650,947	3,638,284	2,992,244
Amortization	10,287,100	10,470,790	11,012,540	11,187,520	11,493,450
	75,240,434	74,914,489	76,680,958	78,466,608	79,866,345
Annual Surplus/(Deficit)	37,609,970	23,202,077	6,761,948	10,851,351	7,901,728
Add back: Unfunded Amortization	10,287,100	10,470,790	11,012,540	11,187,520	11,493,450
	47,897,070	33,672,867	17,774,488	22,038,871	19,395,178
<b>Capital Expenditures</b>					
General Capital	43,358,891	6,866,934	6,864,697	7,005,177	7,532,434
Sanitary Sewer Capital	19,638,196	23,125,036	1,275,000	428,717	490,000
Water Capital	10,976,510	9,132,120	4,860,552	21,472,000	821,840
	73,973,597	39,124,090	13,000,249	28,905,894	8,844,274
Proceeds from Borrowing	(1,304,830)	(19,000,000)	0	0	0
Principal Payments on Debt	2,302,615	3,392,911	3,386,116	3,220,387	2,728,616
Transfers to/(from) Reserve Funds	(3,892,506)	2,957,795	3,103,370	3,364,500	3,523,236
Transfers to/(from) Accumulated Surplus	(23,181,806)	7,198,071	(1,715,247)	(13,451,910)	4,299,052
	(26,076,527)	(5,451,223)	4,774,239	(6,867,023)	10,550,904
Financial Plan Balance	0	0	0	0	0

## SCHEDULE "B" – FINANCIAL OBJECTIVES AND POLICIES

### 1. Funding Sources

Property taxation is North Cowichan's principal ongoing revenue source. As a revenue source, property taxation is simple to administer and relatively easy for residents to understand. It is also a stable and reliable source of revenue for services that are hard or undesirable to fund on a user-pay basis. User fees and charges form the next largest portion of North Cowichan's revenue and are collected from a variety of municipal services, permits, and licenses. User fees attempt to align the value of a service to those who use the service. It is generally preferable to charge a user fee for services to specific users than to levy a general tax on all property owners. The table below shows the proportion of North Cowichan revenue proposed to be raised from each funding source in 2024.

**Table 1 - Sources of Revenue**

Item	Column 1 <b>Revenue Source</b>	Column 2 <b>% of Total Revenue</b>	Column 3 <b>Dollar Value</b>
1	Property Taxes	39.8%	43,532,562
2	Parcel Taxes	5.5%	5,990,576
3	User Fees and Charges	20.4%	22,284,834
4	Proceeds from Borrowing	0.5%	504,830
5	Other	33.8%	37,142,432
6	Total	100.00%	109,455,234

Council's objectives and policies regarding funding sources are to

- (a) use property taxes for services that do not lend themselves to a user-pay approach,
- (b) allocate 10% to 15% of municipal property tax revenue to capital projects,
- (c) charge user fees, where possible, to align services with those who use them, and
- (d) look for new revenue sources.

### 2. Distribution of Property Tax Rates

Council's objectives and policies regarding the distribution of property tax rates are to strive to

- (a) set tax rates and ratios that maintain tax stability between property classes while factoring in non-market growth within classes,
- (b) set Class 4 (Heavy Industry) at the provincial average tax ratio and at no more than 3 times Class 6 (Business),
- (c) set Class 5 (Light Industry) at no more than 2 times Class 6 (Business),
- (d) set Class 6 (Business) at no more than 2 times Class 1 (Residential),
- (e) set Class 7 (Managed Forest) at no more than 2 times Class 6 (Business),
- (f) set Class 8 (Non-profit and Recreation) tax ratio at 1.00, to assist sector, and
- (g) set Class 9 (Farm) tax ratio at 1.00, to encourage local farm production.

### 3. Permissive Tax Exemptions

North Cowichan supports local non-profit organizations through permissive tax exemptions. Each year a list of these exemptions are included in the Annual Report. Permissive property tax exemptions are governed by North Cowichan's Permissive Tax Exemption Policy.