



Revenue, Tax and Budget Policy, 2008

1. Property Taxes

- 1.1 Council will strive to ensure tax ratios and rates meet the following:
 - a. Set tax ratios and rates to maintain tax stability between property classes while factoring in non-market growth.
 - b. Set Class 5 and 6 tax ratios as follows:
During the period 2009 to 2013 transition the Class 5 – Light Industrial and Class 6 – Business/Other tax ratios to the provincial ratios of 3.40 and 2.45 respectively (Note: current ratios 5.40 and 3.5 respectively) while striving to maintain the municipal taxes collected at no lower than the 2008 level.
 - c. Class 8 – Non-profit and Recreation – assist sector by reducing Tax Ratio to 1.00.
 - d. Class 9 – Farms - encourage local farm production by reducing the Tax Ratio to 1.00.
- 1.2 Continue to support Bylaw No. 348, *Revitalization Tax Exemption Bylaw, 2008* to encourage the development of hotel, motel and lodge facilities within the District of Sooke.
- 1.3 Continue to support permissive tax exemptions as per Policy 5.3, *Permissive Tax Exemption Policy* for public parks and recreation grounds, not for profit corporations and public authorities.

2. Fees and Charges

It is generally preferable to charge a user fee for services that are identifiable to specific users, instead of levying a general tax to all property owners.

- 2.1 Fees shall be established to recover 100% of the Cost of Services unless Council clearly sets fees using a different basis.
- 2.2 Fees required to recover Cost of Services may be reduced by government transfers allocated to the program.

3. Capital Asset Management

3.1 Council shall provide adequate capital funding by:

- a. Transferring a minimum of 10% to a maximum of 15% of property tax revenue from the General Revenue Fund to the Capital Fund; and
- b. Transferring a minimum of 5% to a maximum of 10% of Parcel Tax Revenue from the Sewer Operating Fund to the Sewer Capital Fund.

3.2 Council will strive to meet the targets for the *Sewer Operating Fund* by December 31, 2013.

4. Stabilization Funds

4.1 Council shall establish and maintain fund balances as follows:

- a. *General Revenue Fund and Sewer Operating Fund* at no less than 15% of budgeted expenditures;
- b. *Sewer Capital Fund* at no less than nil;
- c. *Capital Fund* at no less than nil; and
- d. *Reserve Funds* in amounts sufficient to fund expenditures in accordance with the Long Term Capital Plan.

4.2 Council will strive to meet the targets for the *Sewer Operating Fund* by December 31, 2013 and the *Sewer Capital Fund* by December 31, 2009.