



DISTRICT OF HIGHLANDS

BYLAW NO. 376

BEING A BYLAW OF THE DISTRICT OF HIGHLANDS TO ADOPT THE FIVE YEAR
FINANCIAL PLAN FOR THE YEARS 2015 TO 2019

NOW THEREFORE The Council of the District of Highlands, in open meeting assembled, enacts as follows:

1. Schedule "A" attached to and forming part of this Bylaw is declared to be the Five Year Financial Plan of the District of Highlands for the five year period ending December 31, 2019.
2. Schedule "B" attached to and forming part of this Bylaw is declared to be the Statement of Objectives and Policies of the District of Highlands for the purposes of this Bylaw.
3. This Bylaw may be cited for all purposes as the "Five Year Financial Plan Bylaw No. 376, 2015".

READ A FIRST TIME THIS 20th DAY OF APRIL, 2015

READ A SECOND TIME THIS 20th DAY OF APRIL, 2015

READ A THIRD TIME THIS 20th DAY OF APRIL, 2015

RECONSIDERED AND ADOPTED THIS 4th DAY OF MAY, 2015

ORIGINAL SIGNED

MAYOR

CORPORATE OFFICER

Schedule "A" to Bylaw No.376
2015 TO 2019 FINANCIAL PLAN

REVENUES	2013 ACTUAL	2014 ACTUAL	2014 BUDGET	2015 BUDGET	2016	2017	2018	2019
Taxation	\$ 1,370,233.80	\$ 1,371,559.35	\$ 1,370,432.78	\$ 1,462,021.00	\$ 1,431,700.00	\$ 1,457,700.00	\$ 1,489,900.00	\$ 1,519,300.00
Sales of Services	160,017.37	48,645.16	39,125.00	66,850.00	62,500.00	62,500.00	62,500.00	62,500.00
Other Revenue	852,464.16	188,755.78	182,135.00	122,700.00	37,700.00	37,700.00	37,700.00	37,700.00
Grants and Contributions	1,002,271.47	424,254.43	556,850.00	572,512.00	572,513.00	572,513.00	572,513.00	572,513.00
TOTAL REVENUES	\$ 3,384,986.80	\$ 2,033,214.72	\$ 2,148,542.78	\$ 2,224,083.00	\$ 2,104,413.00	\$ 2,130,413.00	\$ 2,162,613.00	\$ 2,192,013.00
EXPENSES								
General Government Services	605,169.29	621,474.05	629,750.00	654,000.00	665,050.00	672,450.00	692,050.00	688,550.00
Protective Services	332,739.84	313,158.35	362,750.00	363,150.00	355,800.00	359,000.00	363,000.00	367,000.00
Transportation Services	189,403.78	174,892.02	229,000.00	234,500.00	228,000.00	230,500.00	233,000.00	235,500.00
Planning Services	117,748.27	123,935.02	122,900.00	144,000.00	137,900.00	139,900.00	141,900.00	143,900.00
Recreation and Cultural Services	312,970.68	318,049.22	324,181.00	337,900.00	346,462.00	355,190.00	364,091.00	373,100.00
Amortization Expense	982,147.00	721,047.00	833,752.00	721,047.00	721,047.00	721,047.00	721,047.00	721,047.00
TOTAL EXPENSES	\$ 2,540,178.86	\$ 2,272,555.66	\$ 2,502,333.00	\$ 2,454,597.00	\$ 2,454,259.00	\$ 2,478,087.00	\$ 2,515,088.00	\$ 2,529,097.00
Surplus (Deficit) with Amortization	\$ 844,807.94	\$ (239,340.94)	\$ (353,790.22)	\$ (230,514.00)	\$ (349,846.00)	\$ (347,674.00)	\$ (352,475.00)	\$ (337,084.00)
Surplus(Deficit) less Amortization	\$ 1,826,954.94	\$ 481,706.06	\$ 479,961.78	\$ 490,533.00	\$ 371,201.00	\$ 373,373.00	\$ 368,572.00	\$ 383,963.00
Reserves, Capital and Debt								
Transfers to Reserves	(1,042,972.44)	(335,446.38)	(359,166.00)	(235,000.00)	(225,000.00)	(225,000.00)	(225,000.00)	(225,000.00)
Repayment of Debt	(45,020.77)	(35,303.24)	(45,020.00)	(30,975.00)	(30,975.00)	(30,975.00)	(30,975.00)	(30,975.00)
Reserves Used for Capital Financing	469,914.00	1,815,220.38	1,978,000.00	544,042.00	100,000.00	100,000.00	100,000.00	100,000.00
Capital Expenditures	(921,169.57)	(1,925,437.11)	(2,053,000.00)	(729,000.00)	(140,000.00)	(140,000.00)	(140,000.00)	(140,000.00)
TOTAL RESERVES, CAPITAL AND DEBT	\$ (1,539,248.78)	\$ (480,966.35)	\$ (479,186.00)	\$ (450,933.00)	\$ (295,975.00)	\$ (295,975.00)	\$ (295,975.00)	\$ (295,975.00)
SURPLUS (DEFICIT)	\$ 287,706.16	\$ 739.71	\$ 775.78	\$ 39,600.00	\$ 75,226.00	\$ 77,398.00	\$ 72,597.00	\$ 87,988.00

SCHEDULE "B"

In accordance with Section 165(3.1) of the *Community Charter*, the District of Highlands 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

Property taxes easily account for the greatest proportion of revenue. The services covered by property taxation encompass such things as general administration, road maintenance, fire protection, and bylaw enforcement. Because the District Services that are provided are relatively minimal there is no significant impact that can be made relative to offsetting taxes with additional fee based charges. The significant exception to this is the provision of Building Inspection and Subdivision Approval Services where the fees charged in the permitting process accomplish almost complete cost recovery.

Unconditional provincial government grants form the second largest funding source in the District's budget.

Objective

- Over the next five years, it is anticipated that there will not be any significant change to the revenue structure.

Policies

- The District will continue to maintain a high degree of cost recovery of the Building and Subdivision Services it provides.
- The District will continue to analyze fee for service based functions, to ensure that the cost implications are clear and adjusted if appropriate as has been done recently with Land Use Application Fees, Administrative Fees and Soil Deposit and Removal Fees.

Distribution of Property Tax Rates

Table 1 outlines the distribution of property taxes among the property classes for general municipal and fire purposes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class also forms the largest portion of the assessment base.

Objectives

- Council undertook a detailed review and analysis of the District's Tax Policy in 2015. Past practice of maintaining the same impact within each property class in each year had ultimately created an unintended result of changing the relationship of tax rates between the various property classes. Key objectives of the Tax Policy for 2015 are to:
 - establish a relationship between the property classes that is more consistent with the District's Integrated Community Sustainability Plan and Council's Strategic Priorities.
 - Phase in the impacts of the change over a period of four years to balance the year to year impacts on the affected property classes

Policies

- Utilize a multiple based system of tax apportionment to establish an overall 2% lift in general municipal taxes and 4% for fire purposes. Multiples clarify a specific relationship of tax contribution between the property classes. Making changes in 2015 to increase multiples is Classes 2 (Utilities) and 5 (Light Industry) while decreasing those for Classes 6 (Business), 7 (Private Managed Forest) and 9 (Farm) in 2015.
- Set out the intention to achieve further change by phasing in by 2018, a multiple of 4.8 for Class 5 Light Industry and 4.4 for Class 6 Business, while maintaining the multiples from 2015 through to 2018 for the other property classes.
- Continue to annually review and analyze the impacts of the tax apportionment.

Table 1: Distribution of Highlands Property Tax Rates

Property Class	2015 Multiple	Dollar Value
Residential (1)	1.00	\$1,264,049
Utilities (2)	8.00	\$3,167
Light Industrial (5)	2.34	\$35,610
Business and Other (6)	3.71	\$94,628
Private Managed Forest (7)	3.00	\$2,886
Recreation/Non-profit (8)	6.00	\$15,032
Farmland (9)	3.00	\$803
TOTAL		\$1,416,175

Permissive Tax Exemptions

The District has not issued property tax exemptions.