



DISTRICT OF HIGHLANDS

BYLAW NO. 339

BEING A BYLAW OF THE DISTRICT OF HIGHLANDS TO ADOPT THE FIVE YEAR
FINANCIAL PLAN FOR THE YEARS 2012 TO 2016

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, 2016.
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. 339, 2012".

READ A FIRST TIME THIS	7 th	DAY OF	May, 2012
READ A SECOND TIME THIS	7 th	DAY OF	May, 2012
READ A THIRD TIME THIS	7 th	DAY OF	May, 2012
RECONSIDERED AND ADOPTED THIS	14 th	DAY OF	May, 2012

MAYOR

CORPORATE OFFICER

Schedule "A" to Bylaw No.339

2012 TO 2016 FINANCIAL PLAN

	2012 Budget	2013	2014	2015	2016
Revenues					
Taxation	\$ 1,366,307.00	\$ 1,403,772.00	\$ 1,432,288.00	\$ 1,461,456.00	\$ 1,491,185.00
Sales of Services	\$ 46,900.00	\$ 64,700.00	\$ 64,700.00	\$ 64,700.00	\$ 64,700.00
Other Revenue	\$ 57,300.00	\$ 34,600.00	\$ 35,600.00	\$ 36,600.00	\$ 37,600.00
Grants and Contributions	\$ 969,601.00	\$ 538,435.00	\$ 538,435.00	\$ 538,435.00	\$ 538,435.00
Total Revenues	\$ 2,440,108.00	\$ 2,041,507.00	\$ 2,071,023.00	\$ 2,101,191.00	\$ 2,131,920.00
Expenses					
General Government Services	\$ 616,600.00	\$ 623,900.00	\$ 640,900.00	\$ 640,900.00	\$ 648,900.00
Protective Services	\$ 361,450.00	\$ 360,950.00	\$ 363,950.00	\$ 366,450.00	\$ 359,150.00
Transportation Services	\$ 234,000.00	\$ 220,900.00	\$ 222,800.00	\$ 224,800.00	\$ 226,800.00
Planning Services	\$ 169,900.00	\$ 113,900.00	\$ 116,900.00	\$ 118,900.00	\$ 121,900.00
Recreation and Cultural Services	\$ 309,100.00	\$ 315,762.00	\$ 324,690.00	\$ 333,991.00	\$ 343,400.00
Ammortization Expense	\$ 833,752.00	\$ 833,752.00	\$ 833,752.00	\$ 833,752.00	\$ 833,752.00
Total Expenses	\$ 2,524,802.00	\$ 2,469,164.00	\$ 2,502,992.00	\$ 2,518,793.00	\$ 2,533,902.00
Surplus (Deficit) with Ammortization	\$ (84,694.00)	\$ (427,657.00)	\$ (431,969.00)	\$ (417,602.00)	\$ (401,982.00)
Surplus(Deficit) less Ammortization	\$ 749,058.00	\$ 406,095.00	\$ 401,783.00	\$ 416,150.00	\$ 431,770.00
Reserves, Capital and Debt					
Transfers to Reserves	\$ (191,166.00)	\$ (212,000.00)	\$ (212,000.00)	\$ (212,000.00)	\$ (212,000.00)
Repayment of Debt	\$ (45,020.00)	\$ (45,020.00)	\$ (45,020.00)	\$ (45,020.00)	\$ (45,020.00)
Financing	\$ 410,000.00	\$ 63,045.00	\$ 72,945.00	\$ 65,345.00	\$ 55,245.00
Capital Expenditures	\$ (915,000.00)	\$ (130,000.00)	\$ (130,000.00)	\$ (130,000.00)	\$ (130,000.00)
Debt	\$ (741,186.00)	\$ (323,975.00)	\$ (314,075.00)	\$ (321,675.00)	\$ (331,775.00)
Surplus(Deficit)	\$7,872.00	\$82,120.00	\$87,708.00	\$94,475.00	\$99,995.00

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 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 be looking into other fee for service based functions, to ensure that the cost implications are clear.

Distribution of Property Tax Rates

Table 1 outlines the distribution of property taxes among the property classes. 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

- There has been a long standing objective towards keeping tax increases to zero. In order to accomplish this goal or to keep increases to a minimum throughout the different property classes, tax rates are adjusted in accordance with market changes to assessments while benefitting financially from new assessment. For 2012, in response to the impacts of inflation on the discretionary funds available, Council is moving to a 1.56% increase to the municipal portion of Highland taxes for 2012. This issue will be one that will result in ongoing analysis to understand the impacts of inflation on the municipal budget.

Policies

- Unless significant changes occur to certain property classes it is likely that the status quo will be maintained in relation to how tax levels are handled throughout the property classes

Table 1: Distribution of Property Tax Rates

Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	86%	\$1,150,257
Utilities (2)	<1%	\$2,211
Light Industrial (5)	1%	\$13,376
Business and Other (6)	7%	\$96,534
Private Managed Forest (7)	<1%	\$5,290
Recreation/Non-profit (8)	5%	\$67,771
Farmland (9)	<1%	\$1,356
Total	100%	\$1,336,795

Permissive Tax Exemptions

The District has not issued property tax exemptions.