



DISTRICT OF HIGHLANDS

BYLAW NO. 364

BEING A BYLAW OF THE DISTRICT OF HIGHLANDS TO ADOPT THE FIVE YEAR
FINANCIAL PLAN FOR THE YEARS 2014 TO 2018

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, 2018.
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. 364, 2014".

READ A FIRST TIME THIS	5 th	DAY OF	MAY, 2014
READ A SECOND TIME THIS	5 th	DAY OF	MAY, 2014
READ A THIRD TIME THIS	5 th	DAY OF	MAY, 2014
RECONSIDERED AND ADOPTED THIS	12 th	DAY OF	MAY, 2014

Original Signed

MAYOR

CORPORATE OFFICER

Schedule "A" to Bylaw No.364

2014 TO 2018 FINANCIAL PLAN

	2014 Budget	2015	2016	2017	2018
Revenues					
Taxation	\$ 1,370,432.78	\$ 1,398,100.00	\$ 1,427,200.00	\$ 1,456,900.00	\$ 1,487,200.00
Sales of Services	98,200.00	46,700.00	46,700.00	46,700.00	46,700.00
Other Revenue	149,300.00	34,600.00	35,600.00	36,600.00	37,600.00
Grants and Contributions	556,850.00	555,685.00	555,685.00	555,685.00	555,685.00
Total Revenues	\$ 2,174,782.78	\$ 2,035,085.00	\$ 2,065,185.00	\$ 2,095,885.00	\$ 2,127,185.00
Expenses					
General Government Services	\$ 657,650.00	\$ 655,350.00	\$ 662,750.00	\$ 680,350.00	\$ 678,850.00
Protective Services	362,750.00	380,250.00	384,750.00	\$ 389,250.00	\$ 385,150.00
Transportation Services	229,000.00	220,900.00	222,800.00	\$ 224,800.00	\$ 226,800.00
Planning Services	122,900.00	129,900.00	131,900.00	\$ 133,900.00	\$ 135,900.00
Recreation and Cultural Services	309,100.00	315,762.00	324,690.00	\$ 333,991.00	\$ 343,400.00
Amortization Expense	833,752.00	833,752.00	833,752.00	\$ 833,752.00	\$ 833,752.00
Total Expenses	\$ 2,515,152.00	\$ 2,535,914.00	\$ 2,560,642.00	\$ 2,596,043.00	\$ 2,603,852.00
Surplus (Deficit) with Amortization	\$ (340,369.22)	\$ (500,829.00)	\$ (495,457.00)	\$ (500,158.00)	\$ (476,667.00)
Surplus(Deficit) less Amortization	\$ 493,382.78	\$ 332,923.00	\$ 338,295.00	\$ 333,594.00	\$ 357,085.00
Reserves, Capital and Debt					
Transfers to Reserves	\$ (346,166.00)	\$ (190,000.00)	\$ (190,000.00)	\$ (190,000.00)	\$ (190,000.00)
Repayment of Debt	\$ (45,020.00)	\$ (45,020.00)	\$ (45,020.00)	\$ (45,020.00)	\$ (45,020.00)
Reserves Used for Capital Financing	\$ 1,960,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Capital Expenditures	\$ (2,053,000.00)	\$ (140,000.00)	\$ (140,000.00)	\$ (140,000.00)	\$ (140,000.00)
Total Reserves, Capital and Debt	\$ (484,186.00)	\$ (275,020.00)	\$ (275,020.00)	\$ (275,020.00)	\$ (275,020.00)
Surplus(Deficit)	\$ 9,196.78	\$ 57,903.00	\$ 63,275.00	\$ 58,574.00	\$ 82,065.00

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 from 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. 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 maintaining the tax decision impacts consistently between the property classes. 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 2014 as in 2013, in response to the impacts of inflation on the discretionary funds available, Council is moving to a 2% increase to the municipal and fire portions of Highland taxes for 2014. This issue will be one that will result in ongoing analysis to understand the impacts of inflation on the municipal budget and the degree of new construction in the municipality.

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)	91%	\$1,222,782
Utilities (2)	<1%	\$2,322
Light Industrial (5)	1%	\$13,917
Business and Other (6)	6%	\$76,485
Private Managed Forest (7)	<1%	\$6,305
Recreation/Non-profit (8)	1%	\$14,921
Farmland (9)	<1%	\$1,440
Total	100%	\$1,338,172

Permissive Tax Exemptions

The District has not issued property tax exemptions.