



DISTRICT OF HIGHLANDS
BYLAW NO. 390

BEING A BYLAW OF THE DISTRICT OF HIGHLANDS TO ADOPT THE FIVE YEAR
FINANCIAL PLAN FOR THE YEARS 2017 TO 2021

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, 2021.
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. 390, 2017".

READ A FIRST TIME THIS	1 st	DAY OF	MAY, 2017
READ A SECOND TIME THIS	1 st	DAY OF	MAY, 2017
READ A THIRD TIME THIS	1 st	DAY OF	MAY, 2017
RECONSIDERED AND ADOPTED THIS	8 th	DAY OF	MAY, 2017

Original Signed

MAYOR

Original Signed

CORPORATE OFFICER

Schedule "A" to Bylaw No. 390
2017 – 2021 Financial Plan

	2017 Budget	2018	2019	2020	2021
Operating Revenues					
Taxation	1,813,831	1,793,412	1,799,512	1,790,512	1,787,546
Sales of Services	74,243	65,050	55,050	55,050	55,050
Other Revenue	69,700	62,700	62,700	62,700	62,700
Grants and Contributions	578,893	557,893	567,893	567,893	577,893
Total Operating Revenues	2,536,667	2,479,055	2,485,155	2,476,155	2,483,189
Operating Expenses					
General Government Services	738,500	740,300	733,800	741,500	744,300
Protective Services	415,650	430,850	417,050	420,250	421,984
Transportation Services	234,500	236,500	238,500	212,500	214,500
Planning Services	247,750	197,950	172,250	174,650	174,650
Recreation and Cultural Services	370,709	375,205	379,405	383,605	384,105
AMORTIZATION Expense	875,852	875,852	875,852	875,852	875,852
Total Operating Expenses	2,882,961	2,856,657	2,816,857	2,808,357	2,815,391
Surplus (Deficit) with AMORTIZATION	-346,294	-377,602	-331,702	-332,202	-332,202
Surplus(Deficit) less AMORTIZATION	529,558	498,250	544,150	543,650	543,650
Reserves, Capital and Debt					
Prior years' surplus appropriated	56,392	0	0	0	0
Transfers to Reserves	(349,765)	(373,765)	(437,765)	(437,265)	(437,265)
Repayment of Debt - Recreation	(17,270)	(17,270)	(17,270)	(17,270)	(17,270)
Repayment of Debt - Protective Services	(54,115)	(54,115)	(54,115)	(54,115)	(54,115)
Borrowing	157,200				
Reserves Used for Capital Financing	149,650	135,000	135,000	748,415	135,000
Grants for Capital Financing					
Capital Expenditures	-471,650	-188,100	-170,000	-783,415	-170,000
Total Reserves, Capital and Debt	(529,558)	(498,250)	(544,150)	(543,650)	(543,650)
Surplus(Deficit)	0	0	0	0	0

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.

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 carried forward were 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 for residential properties and 0% for fire purposes. Multiples clarify a specific relationship of tax contribution between the property classes; therefore, make changes in 2017 to increase multiples in Class 5 (Light Industry) and Class 6 (Business), while maintaining the 2015 multiples for the other property classes.
- Continue with the intention set out in 2015 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	2017 Multiple	Dollar Value
Residential (1)	1.00	\$1,558,600
Utilities (2)	8.00	\$3,266
Light Industry (5)	3.98	\$65,455
Business and Other (6)	4.17	\$130,908
Private Managed Forest (7)	3.00	\$3,800
Recreation/Non-profit (8)	6.00	\$16,744
Farmland (9)	3.00	\$951
TOTAL		\$1,779,724

Permissive Tax Exemptions

The District has not issued property tax exemptions.