



DISTRICT OF HIGHLANDS
BYLAW NO. 405

BEING A BYLAW OF THE DISTRICT OF HIGHLANDS TO ADOPT THE FIVE YEAR
FINANCIAL PLAN FOR THE YEARS 2018 TO 2022

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, 2022.
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. 405, 2018".

READ A FIRST TIME THIS	7 th	DAY OF	MAY, 2018
READ A SECOND TIME THIS	7 th	DAY OF	MAY, 2018
READ A THIRD TIME THIS	7 th	DAY OF	MAY, 2018
ADOPTED THIS	14 th	DAY OF	MAY, 2018

Original Signed

MAYOR

Original Signed

CORPORATE OFFICER

Schedule "A" to Bylaw No. 405
2018 – 2022 Financial Plan

District of Highlands	Consolidated Five Year Financial Plan				
	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
Operating Revenues					
Taxation	1,895,000	1,929,300	2,016,100	2,029,400	2,074,500
Sales of Services	67,600	67,600	67,600	67,600	67,600
Other Revenue	74,000	58,700	58,700	58,700	58,700
Grants and Contributions	729,000	579,000	579,000	579,000	579,000
Total Operating Revenues	2,765,600	2,634,600	2,721,400	2,734,700	2,779,800
Operating Expenses					
General Government Services	785,900	787,400	795,200	804,500	811,100
Protective Services	453,300	444,800	448,200	451,700	455,200
Transportation Services	285,000	245,000	247,000	247,000	247,000
Planning Services	317,000	210,300	184,700	184,700	184,700
Recreation and Cultural Services	375,200	380,400	384,600	385,100	385,100
Total Operating Expenses	2,216,400	2,067,900	2,059,700	2,073,000	2,083,100
Net from Operations	549,200	566,700	661,700	661,700	696,700
Add					
Surplus Used for Capital and Projects	40,300	30,000	30,000	30,000	30,000
Equity for Amortization	862,200	862,200	862,200	862,200	862,200
Reserves Used for Capital	456,700	145,000	783,400	195,000	220,000
Proceeds of Debt	-	-	-	-	-
Deduct					
Capital Expenses	509,000	170,000	843,400	255,000	280,000
Amortization Expense	862,200	862,200	862,200	862,200	862,200
Transfer to reserves	476,300	510,800	570,800	570,800	605,800
Debt Servicing	60,900	60,900	60,900	60,900	60,900
Total Budget for the Year	-	-	-	-	-

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 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, Subdivision Approval Services, and Land Use Application processes 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 Inspection, Subdivision and Land Use Application 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 2015 Tax Policy 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

- Incorporate new tax revenue from new assessment to fund ongoing operations and capital projects.
- Utilize a multiple based system of tax apportionment to establish a combined 2% lift in general municipal taxes and fire taxes for the average residential property.
- Maintain the 2015 intention to achieve multiples of 4.8 and 4.4 for class 5 and Class 6 respectively, however, due to analysis of the impacts on the affected property classes, extend the phased in approach and establish the multiples for Class 5 and Class 6 for 2018 as shown in Table 1 and maintain the 2015 multiples for 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	\$1,605,880
Utilities (2)	8.00	\$4,767
Light Industry (5)	4.40	\$72,660
Business and Other (6)	4.30	\$140,408
Private Managed Forest (7)	3.00	\$3,670
Recreation/Non-profit (8)	6.00	\$33,744
Farmland (9)	3.00	\$871
TOTAL		\$1,862,000

Permissive Tax Exemptions

The District has not issued property tax exemptions.