

DISTRICT OF LOGAN LAKE

BYLAW NO. 860, 2020

A bylaw to adopt the District of Logan Lake Financial Plan for the Five-Year period 2020 to 2024

WHEREAS pursuant to the *Community Charter* of British Columbia Council must adopt a Five-Year Financial Plan before May 15th of each year.

NOW THEREFORE the Council of the District of Logan Lake in open meeting assembled enacts as follows:

1. This Bylaw may be cited as "District of Logan Lake Five-Year Financial Plan Bylaw No. 860, 2020".
2. Schedule "A" attached hereto and forming part of this Bylaw shall be the Financial Plan for the District of Logan Lake for the five-year period 2020 to 2024 inclusive.
3. Schedule "B" attached hereto and forming part of this Bylaw shall be the Financial Plan Statement of Objectives and Policies for District of Logan Lake for the five - year period 2020 to 2024 inclusive.
4. This bylaw shall come into full force and effect upon adoption.

READ A FIRST AND SECOND TIME this 12th day of May, 2020

READ A THIRD TIME this 12th day of May, 2020

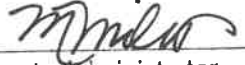
RECONSIDERED AND ADOPTED this 12th day of May, 2020



Mayor (R. Smith)



Corporate Officer (M. Miles)

Certified a true copy of the District of Logan Lake
Resolution No. _____ or
Bylaw No. <u>860, 2020</u>
Dated this <u>20th</u> day of
<u>May</u> <u>2020</u>
 Corporate Administrator District of Logan Lake

SCHEDULE "A"

DISTRICT OF LOGAN LAKE CONSOLIDATED FINANCIAL PLAN 2020 to 2024

<u>REVENUES</u>	2020	2021	2022	2023	2024
Property Value Taxes	3,882,000	3,979,100	4,078,600	4,180,600	4,285,100
Parcel Taxes	291,900	293,400	294,900	296,400	297,900
Fees	894,600	908,000	921,600	935,400	949,400
Other Sources	3,366,200	1,443,000	1,457,400	1,472,000	1,486,700
Proceeds from Borrowing	0	0	0	0	0
Transfer From Reserve Funds	1,650,500	500,000	500,000	560,000	680,000
Transfer From Development Cost Charge	0	0	0	0	0
Transfer From Accumulated Surplus	817,600	494,200	525,400	557,700	591,200
Total Revenues	10,902,800	7,617,700	7,777,900	8,002,100	8,290,300
<u>EXPENDITURES</u>					
General Municipal Operations	6,560,100	5,985,600	6,135,200	6,288,600	6,445,800
Water Operations	298,700	303,200	307,700	312,300	317,000
Sewer Operations	140,800	142,900	145,000	147,200	149,400
Municipal Debt Principal	216,600	216,600	216,600	216,600	216,600
Municipal Debt Interest	55,900	55,900	55,900	55,900	55,900
Capital Purposes	3,214,900	500,000	500,000	560,000	680,000
Transfer to Reserve Funds	259,600	263,500	267,500	271,500	275,600
Transfer to Accumulated Surplus	156,200	150,000	150,000	150,000	150,000
Amortization	888,000	890,200	892,400	894,600	896,800
Deduct Non-Cash Items	-888,000	-890,200	-892,400	-894,600	-896,800
Total Expenditures	10,902,800	7,617,700	7,777,900	8,002,100	8,290,300
SURPLUS (DEFICIT) FOR THE YEAR	0	0	0	0	0

**2020-2024 Financial Plan
Statement of Objectives and Policies
Schedule "B" of Bylaw No. 860, 2020**

In accordance with Section 165(3.1) of the *Community Charter*, the District of Logan Lake 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 property classes; and
3. The use of permissive tax exemptions.

Distribution of Property Taxes

Objective

It is the objective of Council to encourage economic development initiatives designed to attract and diversify more commercial enterprises to invest in our community. New investment will strengthen commercial tax revenue while making provision for future infrastructure and service needs with minimal taxation adjustments to other classes of property.

Policies

Council sets tax rates to maintain tax stability between property classes. Property class multiples are reviewed annually to ensure the burden of tax among property classes remains fair and equitable during market value changes. The District will factor in the use of non-market growth in the assessment roll due to new construction and development to assist in new revenue to balance the overall financial plan.

The District will conduct regular reviews and comparisons of the tax burden relative to other BC municipalities and its neighbors to ensure a competitive tax structure and rates.

In response to the COVID-19 emergency, Mayor & Council of the District of Logan Lake have approved a 0% property tax increase in 2020 to support taxpayers and local businesses facing financial hardships.

- The amount of taxes proposed to be collected from the residential class (class 1) in 2021-2024 will be adjusted (as a minimum) to the cost of living increases (BC Consumer Price Index) and the amount of revenue required to provide municipal services to the levels prescribed by Council less other revenue sources;
- The utility class (class 2) tax rate must not exceed the greater of \$40 for each \$1,000 of assessed value, and 2.5 times the rate applicable to the business/other class (class 6) for general municipal purposes as per provincial regulation. The class 2 rate will be set annually by Council up to the maximum rate as permitted under current legislation;
- The supportive housing class (class 3) tax rate will be calculated as a multiplier of the residential rate. The 2020 multiplier is 1.0:1;
- The major industry class (class 4) tax rate will be established as per the Municipal Taxation Limitations in the Supplementary Letters Patent for the District of Logan Lake;

- The light industry class (class 5) tax rate will be calculated as a multiplier of the residential rate. The 2020 multiplier is 4.0:1;
- The business/other class (class 6) taxes will increase the same percentage as the residential class for municipal purposes;
- The managed forest land (class 7) tax rate will be calculated as a multiplier of the residential rate. The 2020 multiplier is 1.0:1;
- The recreation/non profit class (class 8) tax rate will be calculated as a multiplier of the residential rate. The 2020 multiplier is 1.0:1;
- The farm class (class 9) tax rate will be calculated as a multiplier of the residential rate. The 2020 multiplier is 2.12:1.

Table one provides the distribution of property tax revenue among the property classes. The practice of Council has been to set tax rates that achieve fairness and equity of all District taxpayers and to provide a stable and competitive business environment.

Property Class	% Property Value Tax	Dollar Value
Residential (1)	20%	\$658,600
Utilities (2)	7.5%	\$247,000
Supportive Housing (3)	0%	\$0
Major Industry (4)	70.25%	\$2,304,100
Light Industry (5)	0%	\$0
Business / Other (6)	2.25%	\$73,200
Managed Forest Land (7)	0%	\$0
Recreational Property / Non-Profit (8)	0%	\$0
Farm (9)	0%	\$400
Total	100%	\$3,283,300

Permissive Tax Exemptions

Objective

The District will continue to provide permissive tax exemptions to non-profit organizations within the community which further Council's objectives of enhancing quality of life (economic, social and cultural) and delivering services economically.

Pursuant to Section 226 of the *Community Charter*, the District of Logan Lake has established a Revitalization Tax Exemption Program. The objectives of the Revitalization Tax Exemption Program are to encourage new investment in Logan Lake's Industrial Park, in the developed area of Logan Lake's commercial core and in undeveloped land within Logan Lake's commercial core.

Encouraging new investment in these areas is intended to create economic activity in Logan Lake that will provide jobs for local residents and will provide incentives for new residents to move to Logan Lake. The Program is intended to accomplish these objectives by providing tax relief to property owners who undertake a significant development within revitalization areas.

Policies

The total amount of revenue to be foregone by permissive tax exemptions will be set by Council annually according to the District’s Tax Exemption Policy and approval of the District of Logan Lake Tax Exemption Bylaw and Revitalization Tax Exemption Program Bylaw.

The 2018 Annual Report contains a list of permissive exemptions granted for the taxation year and the amount of tax revenue foregone. The list demonstrates the policy of Council that permissive exemptions are granted to not for profit institutions that form a valuable part of our community. These include religious institutions, historical societies, some recreational facilities, service organizations and cultural institutions.

Funding Sources

Objective

Over the next five years, the District will continue to evaluate the proportion of revenue that is received from user fees and charges to ensure that proper user fees are being collected and apportioned fairly to those who are using the service and to lessen the burden on the property tax base.

Policies

- The District will first determine the amount of revenue required to provide all the municipal services to our residents;
- The District will then determine the amount of revenue (other than municipal property taxes) we can expect to receive through fees and charges, unconditional and conditional grants, investment income, etc.;
- The difference between the budgeted expenditures and other revenue represents the amount of property tax revenue the District must collect to provide the services to the levels prescribed by Council;
- Other revenue sources will be reviewed annually during the financial planning process to determine appropriate levels to fund the expenditures in each respective “Fund”.

Table two shows the proportion of total revenue proposed to be raised from each funding source in 2020. Property value taxes form the greatest proportion of the revenue of the municipality. It provides a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. Many municipal services, such as water distribution, sewer usage, and garbage collection and disposal can be measured and charged for on a user-pay basis. This basis attempts to fairly apportion the value of a municipal service to those who make use of it.

Revenue Source	% Total Revenue	Dollar Value
Property Value Taxes	47%	\$3,882,000
Parcel Taxes	4%	\$291,900
Fees	10%	\$894,600
Other Sources	39%	\$3,366,200
Proceeds from Borrowing	0%	\$0
Total	100%	\$8,434,700