

DISTRICT OF LOGAN LAKE

BYLAW NO. 875, 2021

A bylaw to adopt the District of Logan Lake Financial Plan for the Five-Year period 2021 to 2025

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. 875, 2021".
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 2021 to 2025 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 2021 to 2025 inclusive.
4. This bylaw shall come into full force and effect upon adoption.

READ A FIRST AND SECOND TIME this 11th day of May, 2021

READ A THIRD TIME this 11th day of May, 2021


RECONSIDERED AND ADOPTED this 11th day of May, 2021



Mayor (R. Smith)



Corporate Officer (M. Miles)

Certified a true copy of the District of Logan Lake
Resolution No. _____ or Bylaw No. <u>875, 2021</u>
Dated this <u>12th</u> day of <u>May</u> 2021
 _____ Corporate Administrator District of Logan Lake

SCHEDULE "A"

**DISTRICT OF LOGAN LAKE
CONSOLIDATED FINANCIAL PLAN 2021 to 2025**

<u>REVENUES</u>	2021	2022	2023	2024	2025
Property Value Taxes					
Municipal Property Taxes	3,362,100	3,429,300	3,497,900	3,567,900	3,639,300
Grants-In-Lieu of Taxes	609,200	615,300	621,500	627,700	634,000
Parcel Taxes	293,800	295,300	296,800	298,300	299,800
Fees	896,200	909,600	923,200	937,000	951,100
Other Sources	415,300	419,500	423,700	427,900	432,200
Transfers from Other Governments	2,926,500	850,000	858,500	867,100	875,800
Proceeds from Borrowing	0	0	0	0	0
Transfers Between Funds					
Reserve Funds	1,644,300	1,015,300	1,088,200	1,221,300	1,022,100
Development Cost Charges	0	0	0	0	0
Accumulated Surplus	1,147,300	937,600	940,900	943,900	1,071,300
Total Revenues	11,294,700	8,471,900	8,650,700	8,891,100	8,925,600
 EXPENDITURES					
Municipal Purposes					
General Government Services	1,985,800	2,015,600	2,045,800	2,076,500	2,107,700
Protective Services	791,200	803,100	815,100	827,300	839,700
Transportation Services	902,700	916,200	929,900	943,800	958,000
Environmental Health Services	211,500	214,700	217,900	221,200	224,500
Development Services	1,012,600	1,027,800	1,043,200	1,058,800	1,074,700
Recreation and Cultural Services	1,642,600	1,667,200	1,692,200	1,717,600	1,743,400
Water Operations	291,600	296,000	300,400	304,900	309,500
Sewer Operations	141,800	143,900	146,100	148,300	150,500
Municipal Debt					
Debt Principal	216,600	216,600	216,600	216,600	216,600
Debt Interest	55,900	55,900	55,900	55,900	28,000
Capital Purposes	3,265,400	750,000	810,000	930,000	870,000
Transfers Between Funds					
Reserve Funds	262,300	264,900	267,600	270,200	273,000
Accumulated Surplus	514,700	100,000	110,000	120,000	130,000
Amortization	829,000	830,000	831,000	832,000	833,000
Deduct Non-Cash Items	-829,000	-830,000	-831,000	-832,000	-833,000
Total Expenditures	11,294,700	8,471,900	8,650,700	8,891,100	8,925,600
 SURPLUS (DEFICIT) FOR THE YEAR	 0	 0	 0	 0	 0



**2021-2025 Financial Plan
Statement of Objectives and Policies
Schedule “B” of Bylaw No. 875, 2021**

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.

- The amount of taxes proposed to be collected from the residential class (class 1) in 2021-2025 will be adjusted (as a minimum) to the cost of living increase (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 2021 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 2021 multiplier is 4.39:1;

- 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 2021 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 2021 multiplier is 1.0:1;
- The farm class (class 9) tax rate will be calculated as a multiplier of the residential rate. The 2021 multiplier is 2.36:1.

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)	20.25%	\$684,400
Utilities (2)	7.50%	\$252,100
Supportive Housing (3)	0%	\$0
Major Industry (4)	70%	\$2,350,700
Light Industry (5)	0%	\$0
Business / Other (6)	2.25%	\$74,500
Managed Forest Land (7)	0%	\$0
Recreational Property / Non-Profit (8)	0%	\$0
Farm (9)	0%	\$400
Total	100%	\$3,362,100

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 2019 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 2021. 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	46.75%	\$3,971,300
Parcel Taxes	3.5%	\$293,800
Fees	10.5%	\$896,200
Other Sources	39.25%	\$3,341,800
Proceeds from Borrowing	0%	\$0
Total	100%	\$8,503,100

