

**DISTRICT OF ELKFORD
BYLAW NO. 708**

A bylaw to adopt the 2010 – 2014 Five-Year Financial Plan for the District of Elkford

The Municipal Council of the District of Elkford, in open meeting assembled, enacts as follows:

1. That the Five-Year Financial Plan appended hereto and marked as Schedule “A” to this bylaw shall be adopted as the Five-Year Financial Plan of the District of Elkford for the years 2010 to 2014 inclusive.
2. That Schedule “B” appended hereto and made part of this bylaw is in accordance with Section 165(3.1) of the *Community Charter*.
3. This bylaw may be cited for all purposes as the “District of Elkford Five-Year Financial Plan Bylaw No. 708, 2010”.

Read a first time the 26 day of April, 2010.

Read a second time the 26 day of April, 2010.

Read a third time the 26 day of April, 2010.

Adopted the 10 day of May, 2010.

Mayor D. McKerracher

C. Speaker
Acting Director of Corporate Services

DISTRICT OF ELKFORD
Five Year Financial Plan Bylaw No. 708, 2010

SCHEDULE "A"

Consolidated Five Year Financial Plan					
	2010	2011	2012	2013	2014
REVENUES					
Taxes					
General Municipal Taxes	\$ 4,107,873	\$ 4,223,895	\$ 4,362,320	\$ 4,504,310	\$ 4,675,548
Collections for Other Governments	1,669,660	1,703,053	1,737,114	1,771,858	1,807,293
Total Taxes Collected	5,777,533	5,926,948	6,099,434	6,276,168	6,482,841
Less:					
Transfers to Other Governments	(1,669,660)	(1,703,053)	(1,737,114)	(1,771,858)	(1,807,293)
Net Municipal Taxes	4,107,873	4,223,895	4,362,320	4,504,310	4,675,548
% of Revenue Tax	118,851	121,228	123,653	126,126	128,648
Grants in Lieu of Taxes	7,605	7,757	7,912	8,070	8,231
Taxes for Municipal Purposes	4,234,329	4,352,880	4,493,885	4,638,506	4,812,427
Fees and Charges	765,665	787,419	807,273	828,203	848,812
Revenue from Other Sources	210,094	216,753	225,021	226,498	225,505
Insurance Proceeds	1,800,000	-	-	-	-
Government Grants	360,130	625,000	573,000	573,000	573,000
Borrowing	-	348,000	-	-	-
Sale/Lease of Capital Assets	45,000	45,000	45,000	45,000	45,000
Transfers-Reserves	-	2,354,415	250,000	-	-
Transfers-Surplus	2,035,585	577,748	20,000	122,594	446,716
	\$ 9,450,803	\$ 9,307,215	\$ 6,414,179	\$ 6,433,801	\$ 6,951,460
EXPENDITURES					
Operating Expenditures					
General Government	\$ 1,121,078	\$ 1,104,435	\$ 1,111,510	\$ 1,156,668	\$ 1,162,586
Protective Services	551,997	533,240	552,149	559,648	572,537
Transportation Services	1,156,822	1,033,924	980,328	1,020,357	1,039,641
Solid Waste	125,936	81,734	85,133	90,412	91,696
Water Fund	355,620	255,325	264,473	265,715	324,764
Sewer Fund	228,841	101,139	118,620	102,941	127,392
Public Health Services	7,008	17,274	12,724	7,679	8,142
Community Development Services	758,752	563,264	428,841	386,740	388,680
Leisure Services	1,670,025	1,711,855	1,773,741	1,803,781	1,839,375
Other Fiscal Services	1,100	1,100	1,100	1,100	1,100
	5,977,179	5,403,290	5,328,619	5,395,041	5,555,913
Debt					
Interest	-	-	12,180	12,180	12,180
Principal	-	-	11,686	11,686	11,686
	-	-	23,866	23,866	23,866
Capital Expenditures					
General Government	30,000	8,000	48,000	28,000	588,000
Protective Services	35,000	6,000	125,000	32,000	50,000
Transportation Services	240,000	210,000	345,000	355,000	90,000
Water Fund	351,394	35,000	-	-	-
Sewer Fund	312,000	50,000	-	-	200,000
Public Health Services	50,000	-	-	-	-
Community Development Services	265,915	-	-	-	-
Leisure Services	991,750	3,250,000	80,000	150,000	150,000
	2,276,059	3,559,000	598,000	565,000	1,078,000
Transfer to Reserve Funds	1,197,565	291,360	293,681	293,681	293,681
Transfer to Surplus	-	53,565	170,013	156,213	-
	\$ 9,450,803	\$ 9,307,215	\$ 6,414,179	\$ 6,433,801	\$ 6,951,460

DISTRICT OF ELKFORD
Five Year Financial Plan Bylaw No. 708, 2010

SCHEDULE "B"

STATEMENT OF OBJECTIVES AND POLICIES

In accordance with Section 165(3.1) of the *Community Charter*, Municipal Council of the District of Elkford (District) is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

- a) The proportion of total revenue that is proposed to come from each of the funding sources described in Section 165(7) of the Community Charter;
- b) The distribution of property taxes among the property classes; and
- c) The use of permissive tax exemptions.

Funding Sources

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2010. Property taxes generally form the greatest proportion of revenue. Property taxation is the most relied upon revenue source for the District, with the five year financial plan showing this percentage as low as 45% (2010), and as high as 72% (2013).

User fees and charges generally form the second largest portion of planned revenue. This revenue source is for services that can be measured and charged on a user-pay basis. These services are mainly for water, sewer and solid waste, but also include items such as building permits, business licenses, and sale of services for use of District facilities.

Objectives

- To diversify the distribution of revenue sources to reduce the reliance on property taxes.

Policies

- The District will review all user fee levels annually to ensure they are adequately funding both the capital and delivery costs of the service wherever appropriate.
- The District will strive to supplement revenues from user fees and charges, rather than taxation, to lessen the reliance on its property tax base.
- The District will research and apply for grant funding to support projects.
- The District will research and identify additional and/or other sources of funding.
- The District will minimize the use of borrowing to fund projects.

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	45%	\$4,234,329
User fees and charges	8%	765,665
Other sources	3%	255,094
Government grants	4%	360,130
Insurance Proceeds	19%	1,800,000
Proceeds from borrowing	0%	0
Surplus and reserves	21%	2,035,585
Total	100%	\$9,450,803

Distribution of Property Tax Rates

Table 2 outlines the distribution of property taxes among the property classes. The Major Industry property class (4) provides the largest proportion of property tax revenue. This revenue is generated as per the Elk Valley Property Tax Sharing Agreement, March 31, 2008, between the District of Elkford, the Corporation of the City of Fernie, the District of Sparwood, and the Regional District of East Kootenay.

Objectives

- To reduce the heavy reliance on the property tax revenue generated by the Major Industry property class.
- To ensure that the proportion of property tax revenue generated by all the other classes is a fair allocation.
- To distribute tax levies among the property classes considering the social and economic goals of the community, particularly to implement a range of sustainability initiatives.
- To adjust the taxes levied to the residential class to move the total residential taxes paid on the average residential property closer to the provincial average.

Policies

- The District will levy taxes to the Major Industrial properties as per the Elk Valley Property Tax Sharing Agreement.
- The District will adjust the total taxes paid by the residential property class incrementally over the next five years, so that by 2015 the total property taxes paid by an average residential single family dwelling property owner is within 75% of the previous year's comparable provincial average.
- The District will consider the non-market value changes as changes to the total amount of taxation, and adjust the tax requisition as if the non-market change increased or decreased the taxes from the prior year, before calculating any tax level changes.
- The District will endeavour to distribute tax increases equally amongst the different property classes so that the average property in each class receives the same percentage increase, other than the major industrial class which is adjusted in accordance with the Elk Valley Property Tax Sharing Agreement.

Table 2: Distribution of Property Tax Rates

Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	21.4%	\$876,415
Utilities (2)	1.6%	65,703
Major industrial (4)	73.8%	3,014,638
Business and other (6)	2.4%	97,352
Managed forest land (7)	0.8%	32,863
Recreation/ Non-profit (8)	0.0%	691
Farmland (9)	0.0%	211
Total	100%	\$4,087,873

Permissive Tax Exemptions

The District updated the permissive tax exemption bylaw in 2009 for the taxation years 2010, 2011, and 2012. This bylaw provides the approval of permissive tax exemptions. In 2010, the District plans to update the Town Centre Revitalization Tax Exemption Bylaw No. 679, 2007.

Objectives

- To consider providing permissive tax exemptions based on the criteria as outlined in the *Community Charter*.
- To review and revise the Town Centre Revitalization Tax Exemption Bylaw to align with the revised legislation and the revised objectives outlined in the revised Official Community Plan.

Policies

- The District will provide permissive tax exemptions to recreation and not-for-profit organizations that support the District's objectives outlined in the District's Official Community Plan or strategic plan or support the quality of life of Elkford citizens, as authorized by the Community Charter.
- The District will provide revitalization tax exemptions to businesses in the District Core that modify existing structures or construct new business structures to align with the District's Form and Character design requirements, the District's energy efficiency and water conservation policies, and the District's business expansion objectives, as authorized in the Community Charter.

Table 3: Tax Exemption Bylaw 706,09

	Property Assessment	Estimate of Taxes Foregone		
		2010 Estimate	2011 Estimate	2012 Estimate
Owner/Operator	Exempted			
District of Elkford/Mountain Meadows Golf Club	\$706,500	\$4,381	\$4,644	\$4,922
Christian & Missionary Alliance	92,635	371	394	417
Elkford Immanuel Lutheran Church	80,746	324	343	364
Roman Catholic Bishop of Nelson	73,048	293	310	329
Pentecostal Assemblies of Canada	91,584	367	389	412
Elk Valley Congregational Church	93,492	375	397	421
District of Elkford/Wapiti Ski Club	534,800	4,009	4,249	4,504
Estimate of Total Taxes Foregone		\$10,118	\$10,727	\$11,368