

**DISTRICT OF LOGAN LAKE**

**BYLAW NO. 907, 2023**

A bylaw to adopt the District of Logan Lake Financial Plan for the Five-Year period 2023 to 2027

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

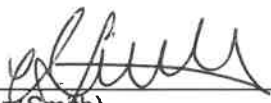
NOW THEREFORE the Council of the District of Logan Lake in open meeting assembled enacts as follows:

1. This Bylaw may be cited as "District of Logan Lake Five-Year Financial Plan Bylaw No. 907, 2023".
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 2023 to 2027 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 2023 to 2027 inclusive.
4. Bylaw No. 883 cited as "District of Logan Lake Five Year Financial Plan Bylaw No. 883, 2022" and any amendments are hereby repealed.
5. This bylaw shall come into full force and effect upon adoption.

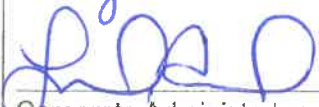
READ A FIRST AND SECOND TIME this 18<sup>th</sup> day of April, 2023

READ A THIRD TIME this 18<sup>th</sup> day of April, 2023

RECONSIDERED AND ADOPTED this 2<sup>nd</sup> day of May, 2023

  
\_\_\_\_\_  
Mayor (Smith)

  
\_\_\_\_\_  
Corporate Officer (L. Grimm)

Certified a true copy of the District of Logan Lake
Resolution No. _____ or
Bylaw No. <u>907</u>
Dated this <u>4<sup>th</sup></u> day of
<u>May</u> <u>2023</u>
 _____ Corporate Administrator District of Logan Lake

**SCHEDULE "A"**

**DISTRICT OF LOGAN LAKE  
CONSOLIDATED FINANCIAL PLAN 2023 to 2027**

		<b>SCHEDULE "A"</b>				
<b>DISTRICT OF LOGAN LAKE CONSOLIDATED FINANCIAL PLAN</b>		<b>2023-2027</b>				
<b>REVENUES</b>		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Property Value Taxes</b>						
	Municipal Property Taxes	3,680,200	3,753,800	3,828,900	3,905,500	3,983,600
	Grants-In-Lieu of Taxes	625,400	631,700	638,000	644,400	657,300
<b>Parcel Taxes</b>		340,200	341,900	343,600	345,300	347,000
<b>Fees</b>		966,000	980,500	995,200	1,010,100	1,025,300
<b>Other Sources</b>		95,200	96,200	97,200	98,200	99,200
	Transfers From Other Governments	2,490,500	431,800	435,600	439,500	443,400
<b>Proceeds From Borrowing</b>		0	0	0	0	0
<b>Transfers Between Funds</b>						
	Reserve Funds	583,000	0	90,000	690,000	40,000
	Development Cost Charges	0	0	0	0	0
	Accumulated Surplus	1,736,200	1,430,300	1,404,100	1,160,700	1,155,300
<b>Total Revenues</b>		<b>10,516,700</b>	<b>7,666,200</b>	<b>7,832,600</b>	<b>8,293,700</b>	<b>7,751,100</b>
<b>EXPENDITURES</b>						
<b>Municipal Purposes</b>						
	General Government Services	1,896,700	1,925,200	1,954,100	1,983,400	2,013,200
	Protective Services	1,116,900	402,200	408,200	414,300	420,500
	Public Works/Transportation Services	1,127,900	1,144,800	1,162,000	1,179,400	1,197,100
	Environmental Health Services	220,000	223,300	226,700	230,100	233,600
	Development Services	258,200	262,100	266,000	270,000	274,100
	Recreation and Cultural Services	1,696,700	1,722,200	1,748,000	1,774,200	1,800,800
	Water Operations	296,900	301,400	305,900	310,500	315,200
	Sewer Operations	156,800	159,200	161,600	164,000	166,500
<b>Municipal Debt</b>						
	Debt Principal	216,600	216,600	216,600	0	0
	Debt Interest	55,900	55,900	28,000	0	0
<b>Capital Purposes</b>		2,473,100	750,000	840,000	1,440,000	790,000
<b>Transfers Between Funds</b>						
	Reserve Funds	381,100	383,300	385,500	387,800	390,100
	Accumulated Surplus	619,900	120,000	130,000	140,000	150,000
<b>Amortization</b>		943,200	945,600	948,000	950,400	952,800
<b>Deduct Non-Cash Items</b>		-943,200	-945,600	-948,000	-950,400	-952,800
<b>Total Expenditures</b>		<b>10,516,700</b>	<b>7,666,200</b>	<b>7,832,600</b>	<b>8,293,700</b>	<b>7,751,100</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**2023-2027 Financial Plan  
Statement of Objectives and Policies  
Schedule "B" of Bylaw No. 907, 2023**

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 2023 will be adjusted to meet 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 2023 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 2023 multiplier is 3.79:1;
- 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 2023 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 2023 multiplier is 1.0:1;
- The farm class (class 9) tax rate will be calculated as a multiplier of the residential rate. The 2023 multiplier is 2.32:1.

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.

<b>Property Class</b>	<b>% Property Value</b>	<b>Tax Dollar Value</b>
Residential (1)	21%	\$770,100
Utilities (2)	8%	\$288,900
Supportive Housing (3)	0%	\$0
Major Industry (4)	69%	\$2,537,300
Light Industry (5)	0%	\$0
Business / Other (6)	2%	\$83,700
Managed Forest Land (7)	0%	\$0
Recreational Property / Non-Profit (8)	0%	\$0
Farm (9)	0%	\$200
<b>Total</b>	<b>100%</b>	<b>\$3,680,200</b>

### **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 2021 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 2023. 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.

<b>Revenue Source</b>	<b>% Total Revenue</b>	<b>Dollar Value</b>
Property Value Taxes	53%	\$4,305,600
Parcel Taxes	4%	\$340,200
Fees	12%	\$966,000
Other Sources	31%	\$2,585,700
Proceeds from Borrowing	0%	\$0
<b>Total</b>	<b>100%</b>	<b>\$8,197,500</b>

