

Schedule “A”
2019 - 2023 Financial Plan
Statement of Objectives and Policies

In accordance with Section 165(3.1) of the *Community Charter*, the District of Barriere 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

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2019.

“*Government Grants*” form the third portion of revenue.

“*Property Taxation*” forms the first portion of revenue. As a revenue source, property taxation offers a number of advantages. This source offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, and bylaw enforcement

“*User Fees and Charges*” represent the second portion of revenue. This source also offers a stable and reliable source of revenue for services on a user-pay basis.

“*Other Sources of Funding*” represent the smallest portion of revenue. This source of funding consists primarily of transfers from reserve and surplus accounts for projects and/or District share of Grant Projects.

Many services can be measured and charged on a user-pay basis. Services where fees and charges can be easily administered include water and sewer usage, building permits, business licenses, and solid waste services – these are charged on a user pay basis. User fees attempt to apportion the value of a service to those who use the service.

Objective

- Over the next five years, the District of Barriere will continue to increase the proportion of revenue that is received from user fees and charges over the current levels.
- The District will continue growing our revenue sources so that government grants are not the largest source of revenue.

Policies

- The District of Barriere reviews all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service.
- Where possible, the District will endeavor to supplement revenues from user fees and charges, rather than taxation, to lessen the burden on its limited property tax base.
- As well, the District will actively encourage economic development and residential developments.
- Lastly, the District will investigate new revenue streams for products and services.

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	29.98%	876,600
User Fees and charges	29.16%	852,425
Other Sources	21.07%	616,012
Proceeds from borrowing	0	0
Government grants	19.79%	578,524
Total	100.00%	\$2,923,561

Distribution of Property Tax Rates

Table 2 outlines the distribution of property taxes among the property classes. 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 and consumes the majority of the District of Barriere services. Overtime, the District will work to increase the industrial and business uses in the District to lessen the impact on residential properties.

Table 2: Distribution of Property Tax Rates

Property Class	% of Total Property Taxation	Dollar Value
Residential (1)	75.04%	657,790
Utilities (2)	2.21%	19,366
Social Housing	0	0
Major Industrial (4)	4.69%	41,083
Light Industrial (5)	1.82%	15,915
Business and Other (6)	16.13%	141,433
Recreation/Non-Profit (8)	.09%	758
Farmland (9)	.03%	255
Total	100.00%	\$876,600

Objective

- Over the next five years, the District will work to increase the number of industrial and commercial businesses within the District boundaries. This increase would lessen the tax burden on residential properties.
- Under Incorporation, the industrial tax rate was reduced.
- Maintain the property tax rate for businesses and other (class 6) at the current rate.

Policies

- The District will look at developing new revenue sources to offset the tax rate for all classes.
- The District will develop economic initiatives to attract more retail and commercial development.
- The District will continue to compare our tax rates with our par communities.

Permissive Tax Exemptions

The District provides tax exemptions for non-profit societies in our community. Non-profit groups provide key services for our community.

Revitalization

Tax Exemptions

The District has developed two Revitalization Tax Exemption Bylaws that encourage development and revitalization in the community. The Downtown Core and the Yellowhead Corridor are the two areas that are named in the bylaws.

Objective

- To continue to provide tax exemptions to non-profit societies and potential development areas.
- Wherever possible, green development will be encouraged.

Policies

- Develop the components of an exemption program that will target green activities.
- To continue to assess the need for development and revitalization of areas of the community.

	2018	2018 Actual	2019	2020	2021	2022	2023
Source of Funds							
Municipal Taxation	(833,160)	(833,161)	(876,600)	(920,430)	(966,451)	(1,014,775)	(1,065,514)
Taxes Collected for Other Gov't	(977,040)	(958,522)	(960,040)	(979,241)	(998,826)	(1,018,802)	(1,039,178)
Grants in Lieu of Taxes	(38,000)	(38,762)	(38,000)	(38,760)	(39,535)	(40,326)	(41,132)
Sales of Service	(615,800)	(627,770)	(664,500)	(677,790)	(691,346)	(705,173)	(719,276)
Revenue From Other Source	R	0	0	0	0	0	0
Revenue From Own Source	(133,500)	(422,385)	(149,925)	(137,624)	(140,182)	(142,890)	(145,651)
Revenue From Other Gov't	(545,933)	(562,006)	(561,966)	(561,996)	(562,027)	(562,058)	(562,090)
Grants	(337,727)	(340,477)	(16,558)	0	0	0	0
Contract With Other Gov't	(44,480)	(125,443)	(50,620)	(51,546)	(52,488)	(53,452)	(54,432)
Transfer From Other Funds	0	0	0	0	0	0	0
Transfer From Gas Tax	0	(10,240)	(63,142)	0	0	0	0
Transfer From Surplus	(438,370)	(474,426)	(395,250)	(274,845)	(245,668)	(256,761)	(214,367)
Transfer From Reserves	<u>(115,000)</u>	<u>(116,500)</u>	<u>(107,000)</u>	<u>(22,440)</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Source of Funds	(4,079,010)	(4,509,692)	(3,883,601)	(3,664,671)	(3,696,522)	(3,794,236)	(3,841,641)

Expenditures

Taxes Paid to Other Gov't	980,040	961,842	963,540	982,811	1,002,467	1,022,516	1,042,967
Municipal Operations							
General Government	651,625	722,351	639,900	647,068	659,989	673,169	686,613
Grants	337,727	25,521	43,400	0	0	0	0
Protective Services	171,060	220,231	149,210	152,194	144,222	158,343	149,645
Bylaw Enforcement	9,300	4,594	5,800	5,916	6,034	6,155	6,278
Transportation Services	322,950	574,275	440,600	354,452	361,441	368,570	375,841
Environmental Services	120,450	158,490	133,400	136,068	138,789	141,565	144,396
Building Inspection Services	20,100	16,383	18,300	18,666	19,039	19,420	19,809
Development Services	7,800	21,549	11,950	7,087	7,125	7,163	7,202
Parks/Rec/Cemetery	104,325	149,690	117,210	117,504	119,854	122,251	124,696
Water Works	322,650	329,402	287,100	292,842	277,689	283,143	310,766
Sewer	175,370	349,744	236,525	214,810	217,498	219,189	232,069
Transfer to Gas Tax	128,333	133,467	133,466	133,466	133,466	133,466	144,468
Transfer to WW DCC's	0	0	0	0	0	0	0
Transfer to Reserve	95,850	362,363	108,000	108,000	108,000	108,000	111,709
Transfer to Surplus	427,430	571,897	464,200	493,788	500,908	531,285	485,182
Transfer to Capital Function	<u>204,000</u>	<u>-92,107</u>	<u>131,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Expenditures	4,079,010	4,509,692	3,883,601	3,664,671	3,696,522	3,794,236	3,841,641
*** SURPLUS/DEFICIT	0	0	0	0	0	0	0

