

**Bylaw 111, 2011
Schedule "C"**

2011 Financial Plan Statement

The proportion of total revenue proposed to come from each funding source

Table one below shows the proportion of total revenue to be raised from each funding source in 2011. At 71.9%, grants are the largest and most important source of revenue for the municipality. Comparatively, property and parcel taxes in 2011 will account for a combined total of only 8.8% of the District's revenue requirements. User fees for municipal services such as water and sewer usage will account for an additional 3.7%. Short-term borrowing for Capital Projects in 2011 accounts for 7.4%, which will be paid off in the following three years with Federal Fuel Tax Grants. The municipality has also earmarked transfers from reserves totalling 4.5% which will be used as matching funds in the event of a successful application for a new firehall annex. Finally, other revenue, which is composed of services provided to other levels of government, such as fire protection for New Barkerville, along with a myriad of other small revenue sources, makes up the remaining 3.7%.

The above combination of grants, property taxes, short-term borrowing, user fees, proceeds from borrowing, transfers from reserves and other revenue together provide a stable and consistent source of revenue for the District. It must be noted that all District capital projects in the Financial Plan are based around external funding opportunities such as grant programs. It should also be noted that without the unrestricted Provincial Small Communities Protection Grant, the District of Wells would be unable to sustain general municipal operations given the current size of the local tax base. For these reasons, senior government grants will continue to be the essential source of municipal revenue for the District of Wells over the next five years.

Table one: proportions of total revenue

Revenue Source	% Total Revenue
Grants and other sources	71.9%
Parcel taxes	5.2%
Property value taxes	3.6%
User fees and charges	3.7%
Proceeds from borrowing	7.4%
Transfers from reserves	4.5%
Other revenue	3.7%
TOTAL	100.0%

Policy:

It is the general policy of the District of Wells that property tax increases over the span of this five-year Financial Plan should be minimal. Within the context of the Financial Plan, Council recognizes that the District of Wells, having one of the smallest municipal tax bases in British Columbia, cannot unilaterally support municipal operations without substantial external sources of revenue. Therefore in order to sustain the municipality, it is the policy of the District to be a

strong proponent for the continuation of provincial funding programs such as the Small Communities Protection Grant. Further it is the policy of the District to actively pursue external grants and sources of revenue to fund any new operational program or capital project.

Objective:

Over the five-year period of this financial plan, the District will be a strong proponent for the continuation of provincial funding programs for small municipalities in British Columbia, the District will pursue external funding grants and sources of revenue in conjunction with the initiation of any new operational program or capital project and the District will strive to minimize property tax increases.

Distribution of property taxes among the property classes

The table below illustrates the percentage of total property tax revenue collected from each property class.

Property class	% Property Value Tax
Residential (1)	49.5%
Utilities (2)	3.6%
Major Industry (4)	12.8%
Business (6)	34.1%
TOTAL	100.0%

Policy:

The District of Wells will work to minimize property tax increases over the next five years. The District will also endeavor to minimize changes to the proportional relationship of the property classes for tax purposes.

Objective:

The District of Wells will limit changes in the current tax structure and strive to limit tax increases to no more than 2% per year.

Use of permissive tax exemptions

The Annual Municipal Report for 2010, 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 organizations that form a valuable part of our community. These include historical societies, recreational facilities, service organizations and cultural institutions.

Policy:

Council will continue to support local non-profit organizations through permissive tax exemptions.

Objective:

To assist local non-profit organizations in the community.