

District of Clearwater
2018 Five Year Financial Plan
Public Information Package



For Public Distribution

District of Clearwater

2018 Five Year Financial Plan Public Information Package Frequently Asked Questions

1. How are my property taxes calculated?

All properties within the District of Clearwater are assessed by BC Assessment for the purposes of taxation. BC Assessment considers recent sales activity, condition of property and property uses when assessing value.

Property taxes are calculated by multiplying the assessed value of your property by the mill rate set by the taxing authority on an annual basis. There are several taxing authorities that are included on your District of Clearwater property tax notice, they include:

- a. Provincial School Taxes
- b. Provincial Policing Costs
- c. Regional District
- d. Regional Hospital District
- e. BC Assessment and Municipal Finance Authority

The District acts as a collection agent for these public bodies and is advised in late April or early May what rates these bodies will be requesting the District to collect on their behalf.

The District of Clearwater taxation rate (also known as the mill rate) for residential properties is calculated based on the current year financial plan:

Current Year Revenue Requirement/Assessed Values of All Clearwater Properties x 100 = Mill Rate (MR)*

*Adjustments must be made to this calculation to account for Vavenby properties as per our letters patent.

This mill rate is then applied to each \$1,000 of assessed value of your property. The following formula shows how your municipal taxes are calculated.

$$AV/1,000 \times MR$$

AV = Assessed Value

If your assessed value is \$250,000 and the mill rate is 4.5328 (2017 rate) then your municipal property taxes would be calculated as follows: **\$250,000/\$1,000 x 4.5328 = \$1,133.20.**

The mill rate is different for different classes of property and is always a multiple of the residential rate.

Property tax notices are mailed out late in May after all the rates as outlined above have been determined and approved, payment is due no later than the first business day of July (July 3, 2018).

2. How much are taxes going up in 2018?

After a careful and detailed review of the 2018 Five Year Financial Plan, Council is currently considering a 3.9% municipal tax rate increase for all property classes except Class 6 Business and Other. The Class 6 taxation rate will not increase in 2018.

The municipal tax increase will enable the District to contribute \$96,000 to the Roads & Pathways Reserve and \$70,000 to the Fire Equipment Reserve. Maintaining the current reserves for future infrastructure needs is a necessary step to ensure financial sustainability and is a strategic priority of Council. The increase will also contribute to senior's programming and the development of a Storm Water Management Plan for the District.

How much your individual property tax will increase depends on the changes to your assessed value.

3. If I have questions about my assessment?

BC Assessment notices were mailed out early January 2018, if you have questions please contact BC Assessment by phone; (800) 806-6788 or www.bcassessment.ca .

4. What happens if I don't pay on time?

The District of Clearwater is required by legislation to apply a 10% penalty on all taxes outstanding after the due date (July 3, 2018). After December 31 of the current year all outstanding amounts will begin to accrue daily interest at a rate set by the Province. If taxes are outstanding after three years, the property will be subject to be sold at a tax sale on the last Monday of September of that year.

The District communicates with all property owners who have outstanding taxes on a regular basis by statements, phone calls and letters.

5. What happens if I don't receive my property tax notice?

The District of Clearwater relies on the property owners and Land Titles to provide the correct mailing addresses. It is the responsibility of the property owner to ensure that their correct address is on file at the District office. ***Penalties are not waived for incorrect addresses.***

6. What about the Homeowner Grant?

The Province provides a Homeowner Grant (HOG) to eligible property owners for their principal residence. The HOG is up to \$770 for homeowners under 65 and up to \$1,045 for homeowners over 65, or that meets certain requirements for disabilities. Please contact the District office for more information in person or at (250 674-2257). In order to avoid late payment penalties, property owners must claim their homeowner grant before the tax due date deadline of July 3, 2018.

7. What is Property Tax Deferment?

In addition to the Home Owner Grant Program the Province offers a Property Tax Deferment program. This allows homeowners meeting specific criteria to defer their property taxes through a low interest loan to be paid out at the taxpayer's discretion. However, a change in title (sale, transfer etc.) would result in mandatory payment.

Please contact the District office for more information in person or at (250 674-2257).

8. What have the Property Tax rates been since incorporation?

The table below shows the changes in property tax rates over the years since incorporation. Rates in 2010 and 2011 were reduced in reaction to the downturn in the local economy because of the temporary Canfor closure. In 2012, the mill rate was restored to 2009 rates. Rates were increased in 2013, 2014, 2015 & 2016 to account for the increased responsibility of assuming 72km of road maintenance from the Province of BC. Prior years' surpluses were used to reduce the amount of increase required.

Year	Residential	Utilities	Major Industrial	Light Industrial	Business	Managed Forest Land	Recreational	Farm
2008	3.2872	26.2974	11.1764	11.1764	10.6833	-	3.2872	3.2872
2009	3.4637	27.7098	11.7766	11.7766	11.2571	-	3.4637	3.4637
2010	3.0532	26.7152	10.3808	10.3808	10.6861	-	3.0532	3.0532
2011	3.0848	26.9919	10.4883	10.4883	10.7968	-	3.0848	3.0848
2012	3.4613	30.2867	11.7685	11.7685	12.1147	10.3840	3.4613	3.4613
2013	3.6626	39.9226	12.4529	12.4529	12.8192	10.9879	3.6626	3.6626
2014	4.0172	39.9710	13.6584	13.6584	14.0601	12.0516	4.0172	4.0172
2015	4.1918	39.9901	14.2522	14.2522	14.6714	12.5755	4.1918	4.1918
2016	4.4223	39.9997	15.0357	15.0357	15.4779	13.2668	4.4223	4.4223
2017	4.5328	39.9974	15.4115	15.4115	15.4115	13.5984	4.5328	4.5328

Since 2008 the residential mill rate has gone up an average of 4.21% per year.

9. How does the District of Clearwater compare to other communities?

When comparing tax rates between communities it is important to keep in mind that each community varies in size and landmass and offers a different set of services to their taxpayers.

The Province provides statistics every year about the taxes within all municipalities in BC. The following chart shows the District of Clearwater in comparison with several other similar sized municipalities with similar house values in relation to the total taxes and user fees charged on an average house. These communities are also similar in resource base to Clearwater.

The highest overall taxes and charges are listed at the top, with the lowest being at the bottom. As of 2016, Clearwater was among the lowest in comparison with these municipalities. In Clearwater, residential user fees are only charged to those residences who are connected to the water and sewer utilities. Parcel taxes are only charged to those residences who are connected or have the ability to connect to the water and sewer utilities. Some of our residential properties are not charged for either water or sewer, and many are charged for water only. Costs of running utilities do not come from property taxes.

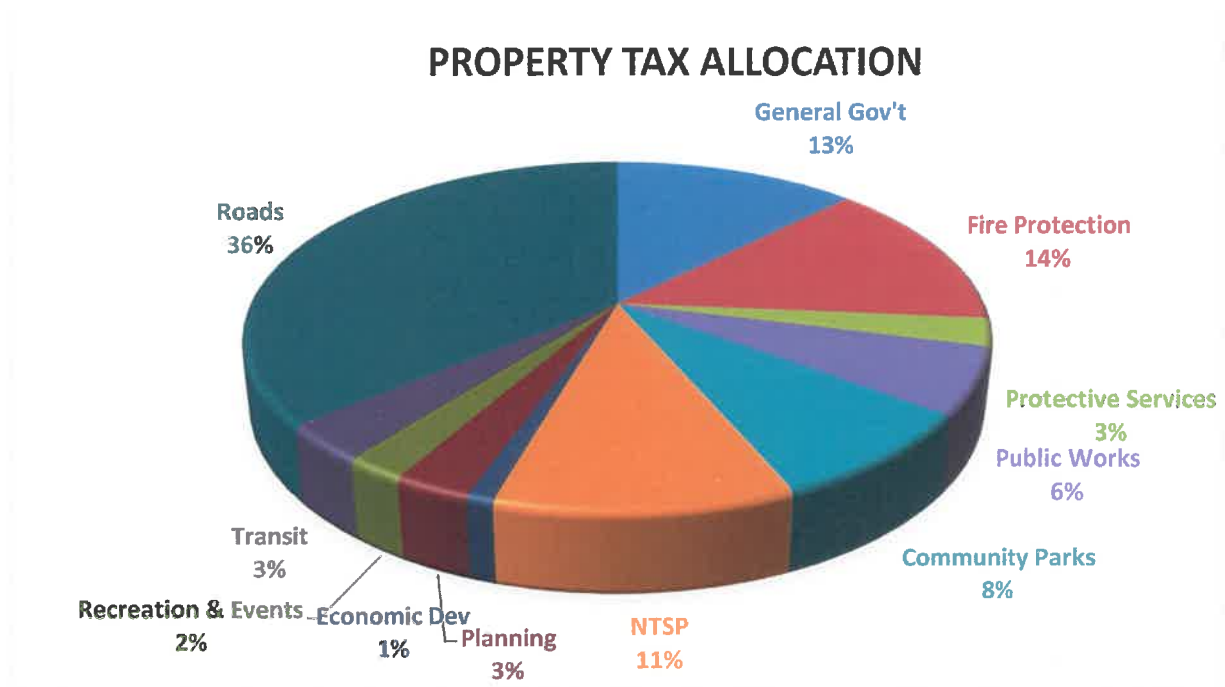
Municipalities	House Value	General Municipal Total	Total Res Variable Rate Taxes	Total Res Parcel Taxes	Total Res. User Fees	Total Residential Property Taxes And Charges
Lumby	264,431	925	2,208	0	907	3,116
Fruitvale	215,493	690	2,119	600	387	3,106
Ashcroft	205,350	1022	2,106	156	706	2,968
Sicamous	256,466	1,385	2,217	11	729	2,957
Enderby	250,814	968	1,866	500	585	2,951
Burns Lake	129,469	964	1,848	325	631	2,804
Nakusp	198,317	901	1,973	0	817	2,789
Chase	224,041	990	1,916	0	723	2,639
Clearwater	205,115	930	1,863	140	588	2,591
Valemount	158,823	660	1,701	95	742	2,538
100 Mile House	181,916	804	1,782	153	558	2,493
Barriere*	191,229	680	1,515	0	0	1,515

http://www.cscd.gov.bc.ca/lgd/infra/tax_rates/tax_rates2017.htm

*Barriere charges \$31.15 per month for water user fees. Their 700+ connections are metered and charged as follows: the first 75m3 are part of the monthly fee, the next 25m3 is at \$0.35/m3 and the usage thereafter is charged at \$0.45/m3.

10. How are my property taxes allocated?

The chart below shows how municipal general taxes, reserves, and surpluses are distributed across the functions for both operations and capital projects, not funded by grants. You will notice that the largest portion is for Roads, with General Government, the Fire Department, North Thompson Sportsplex and Parks being next in line. A listing of the capital projects planned for 2018 is included in this package as Schedule B.



11. How much does the proposed 3.9% tax rate increase cost on a per property basis?

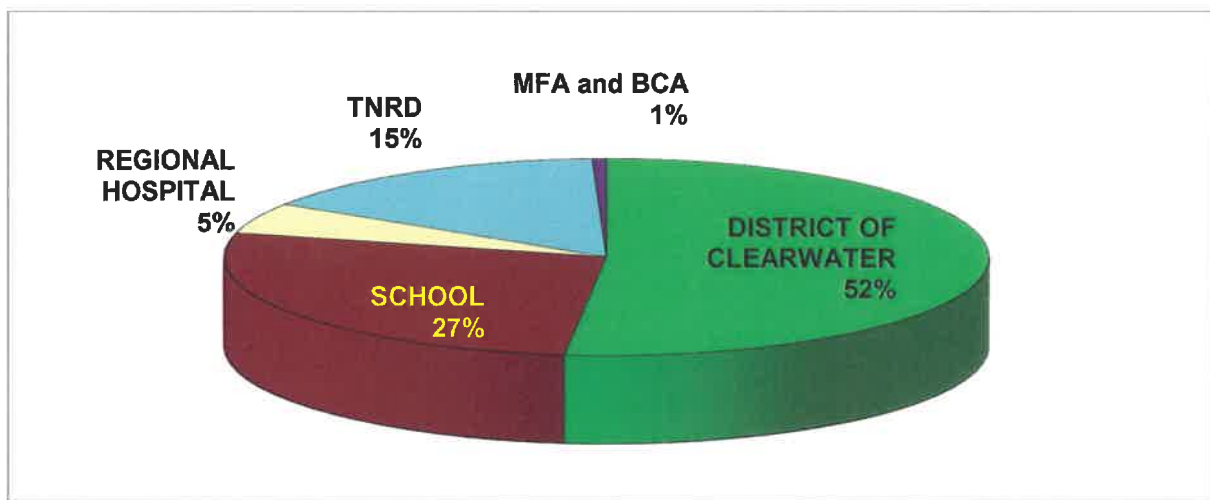
The table below shows this allocation in relation to the proposed amount of taxes paid for an average house in 2018.

Department	%	Residential Assessed Value \$238,000
General Gov't	12.53%	140.45
Fire Protection	13.80%	154.68
Protective Services	2.58%	28.92
Public Works	6.19%	69.38
Community Parks	8.48%	95.05
NTSP	10.89%	122.06
Economic Dev	1.00%	11.21
Planning	2.88%	32.28
Recreation & Events	2.26%	25.33
Transit	3.39%	38.00
Roads	36.00%	403.52
TOTAL MUNICIPAL TAXES 2018	100.00%	1,120.88
TOTAL MUNICIPAL TAXES 2017		1,078.81
\$ INCREASE		42.07
MONTHLY INCREASE		3.51

12. What about the rest of the taxes collected?

The chart below depicts the breakdown of the total taxes collected by the District of Clearwater in 2017. All but the municipal general taxes were forwarded to the appropriate agency.

2017 TAXES COLLECTED



13. How much are Utilities going to cost in 2018?

- a. **Water user rates** are \$24/month for residential customers. The last increase took effect on April 1, 2015.
- b. **Sewer User Rates** are \$25/month for residential customers. The last increase took effect on April 1, 2015.
- c. **Water and Sewer Parcel taxes** were increased for the first time since incorporation in 2014. The amounts are listed below.

Water	\$100
Sewer	\$40

In the spring of 2018, Council will review user fees and parcel taxes to ensure sustainability of the systems and, if needed, will adjust the fees accordingly.

14. How do I provide input/feedback on the proposed 2018 Five Year Financial Plan?

Public input on the proposed Financial Plan is an important part of the process. Public can provide input and feedback by:

- Completing a comment form at the Open House held February 6th from 6:30 – 8:30pm.
- Emailing any comments to the Director of Finance dof@docbc.ca.
- Mailing or delivering written comments to the District Office.

ATTACHMENTS:

2018 – 2022 Draft Financial Plan – Schedule “A”

2018 – 2022 Draft Capital Expenditures – Schedule “B”

District of Clearwater
2018-2022 Five Year Financial Plan
2018 Draft Capital Expenditures - Schedule B

Capital Project Expenses	% Total	Dollar Value
Protective Services	4.99%	138,000
Parks and Recreation	10.30%	284,565
Sewer	3.89%	107,570
North Thompson Sportsplex	15.57%	430,296
Water	58.87%	1,626,493
Cemetery	0.69%	19,000
Transportation	3.89%	107,570
Administration	1.78%	49,300
Total	100%	2,762,794