

1. Property Taxes

- 1.1 Council will strive to ensure tax ratios and rates meet the following:
 - a. Set tax ratios and rates to maintain tax stability between property classes within the framework established by this policy, and while factoring in non-market growth within classes.
 - b. Set Class 4 – Heavy Industry at provincial average tax ratio, and with a target of no more than 3 times Class 6 - Business
 - c. Set Class 5 – Light Industry at no more than 2 times Class 6 - Business tax ratio
 - d. Set Class 6 – Business at no more than a tax ratio of 2
 - e. Set Class 7 – Managed Forest at no more than 2 times Class 6 – Business tax ratio
 - f. Class 8 – Non-profit and Recreation: assist sector by setting Tax Ratio to 1.00.
 - g. Class 9 – Farms: encourage local farm production by reducing the Tax Ratio to 1.00.
- 1.2 Continue to support permissive tax exemptions for public parks and recreation grounds, not-for-profit corporations and public authorities.
- 1.3 Council will strive to meet the target tax ratios by December 31, 2018.
- 1.4 The long-term goal will be to have Class 5 and 6 tax ratios equal.

2. Fees and Charges

It is generally preferable to charge a user fee for services that are identifiable to specific users, instead of levying a general tax to all property owners.

- 2.1 Fees shall be established to recover 100% of the Cost of Services unless Council clearly sets fees using a different basis.
- 2.2 Fees required to recover Cost of Services may be reduced by government transfers allocated to the program.

3. Capital Asset Management

- 3.1 Council shall provide adequate capital funding by:
- a. Transferring a minimum of 15% of municipal property tax revenue within Class 1 to Class 9 from the General Operating Fund to the Capital Fund;
 - b. Transferring all Class 4 – Heavy Industry municipal property tax revenue in excess of a 15% base revenue target for the class from the General Operating Fund to the Capital Fund; and
 - c. That the capital transfer be reviewed when an Asset Management Plan has been completed, determining the infrastructure deficit and deferred maintenance for all asset classes, by December 31, 2018.
- 3.2 In order to track progress, the actual transfers and target transfers will be included in the Five Year Financial Plan.

4. Stabilization Funds

- 4.1 Council shall establish and maintain fund balances as follows:
- a. *General Operating Fund* at no less than 10% of budgeted expenditures;
 - b. *Water System Operating Fund(s)* at no less than 10% of budgeted expenditures;
 - c. *Sewer System Operating Fund(s)* at no less than 10% of budgeted expenditures;
 - d. *Sewer Capital Fund(s)* at no less than nil;
 - e. *Capital Fund(s)* at no less than nil; and
 - f. *Reserve Fund(s)* in amounts sufficient to fund expenditures in accordance with the Long Term Capital Plan.
- 4.2 Council will strive to meet the target of the General Operating Fund by December 31, 2018.
- 4.3 Council will strive to only use the Un-appropriated Operating Fund balances when it exceeds the minimum 10% of budgeted expenditures or in extraordinary circumstances.