



**DISTRICT OF PORT HARDY
BYLAW 1047- 2016**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2016 - 2020**

WHEREAS the Council of the District of Port Hardy deems it expedient to prepare the Five-Year Financial Plan;

NOW THEREFORE, the Council of the District of Port Hardy in open meeting assembled ENACTS as follows:

1. Title

This Bylaw may be cited for all purposes as “District of Port Hardy Financial Plan 2016 – 2020 Bylaw No. 1047-2016”.

2. Schedules

1. Schedule “A” attached to and forming part of this bylaw is hereby declared to be the 2016 Disclosure of Revenue Objectives and Policies as per Section 165(3.1) of the *Community Charter*.
2. Schedule “B” attached to and forming part of this bylaw is hereby declared to be the Financial Plan of the District of Port Hardy for the years 2016-2020.

3. Repeal

1. District of Port Hardy Financial Plan 2015 – 2019 Bylaw No. 1039-2015 is hereby repealed.

Notice of the Open Meeting to present the District of Port Hardy 2016-2020 Financial Plan was advertised in the North Island Gazette March 9, 2016 and March 16, 2016 and on the District of Port Hardy Notice Board and Website.

The Open Meeting and Presentation of the District of Port Hardy 2016-2020 Financial Plan was held March 22, 2016.

Read a First time on the 22nd day of March, 2016.

Read a Second time on the 22nd day of March, 2016.

Read a Third time on the 22nd day of March, 2016.

Adopted by the Municipal Council on the 12th day of April, 2016.

Original signed by:

Director of Corporate Services

Mayor

Certified to be a true copy of District of Port Hardy Financial Plan 2016 – 2020
Bylaw No. 1047-2016

Director of Corporate Services

SCHEDULE A - BYLAW 1047-2016

2016 Revenue Objectives and Policies

In accordance with Section 165(3.1) of the *Community Charter*, the District of Port Hardy 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.
3. The use of permissive tax exemptions.

Funding Sources

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
Property Taxes	24.0%	\$2,865,298
Sale of Services	7.2%	862,825
Sewer Rates	9.9%	1,191,404
Water Rates	11.8%	1,410,803
Revenue from own sources	2.4%	293,390
Unconditional Gov't Grants	4.2%	500,000
Capital Grants	5.3%	637,650
Reserves and Surplus	26.0%	3,118,300
Debt	9.2%	1,100,000
Total	100%	\$11,979,670

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2016. The total revenue has been adjusted for non-cash entries in the financial plan. The amount for amortization in 2016 is \$1,800,000; this is not taxed for and is therefore not included in Table 1.

The largest portion of planned revenue is user fees and charges. Services that can be measured and charged on a user-pay basis include water, wastewater, waste management, building permits, recreation, administration and the wharves. User fees apportion the value of the service to those who use it. User fees do not cover all of the costs for the related service.

Property taxes are the next major source of revenue. As a revenue source, property taxation offers a stable and reliable source of revenue for services where the rates are not enough to fund the service. These services include fire protection, general administration, bylaw enforcement, infrastructure maintenance, streets and roads, recreation and culture, economic development and planning.

The District will continue to review all user fees and charges to ensure they adequately meet the capital and operational costs of the service provided.

SCHEDULE A - BYLAW 1047-2016

Distribution of Property Taxes

Table 2: Distribution of Property Tax Rates

Property Class	% of Total Taxation	Dollar Value
Residential	52.93%	\$1,429,476
Utilities	1.34%	36,286
Light Industry	4.10%	110,617
Business and Other	40.88%	1,104,187
Managed Forest	.53%	14,420
Recreation/Non-profit	.22%	5,979
Total	100%	\$2,700,964

Table 2 provides the distribution of property taxes among the property classes. The residential class provides the main portion of tax revenue. The residential class is also the largest percentage of the total assessment and consumes the majority of the District services.

All new additions to the property class are removed from the calculation, the percentage increase is applied over the net assessment, and the new rates determined are then applied to the new growth.

Council will continue to assess the multiples used in the tax rate calculation and adjust them as necessary to promote continued growth in the business and industry sector.

Permissive Tax Exemptions

Tax exemptions must demonstrate a benefit to the community and residents of the District by enhancing the quality of life (economically, socially and culturally). The goals, policies and principles of the organization must not be inconsistent or conflict with those of the District. Organizations receiving permissive tax exemptions must be registered non-profit societies and cannot be for commercial or private gain.

Table 3: Permissive Tax Exemptions

Permissive Tax Exemptions	General Taxes Foregone
District owned properties managed by not-for-profit groups	11,986
Not-for-profit organizations	133,062
Churches	36,323
Total	\$ 181,371

Schedule B - Bylaw 1047-2015

	2016	2017	2018	2019	2020
Revenue					
Municipal property taxes	2,700,964	2,754,983	2,810,083	2,866,284	2,923,610
Payments in lieu of taxes	164,334	166,019	167,721	169,441	171,180
Sale of services	862,825	879,871	897,259	914,994	933,084
Sewer user rates	1,191,404	1,215,232	1,239,537	1,264,327	1,289,614
Water user rates	1,410,803	1,439,019	1,467,799	1,497,155	1,527,099
Revenue from own sources	293,390	298,801	304,316	308,440	314,712
Unconditional transfers other governments	500,000	519,000	519,000	519,000	519,000
Conditional transfers other governments	637,650	2,975,000	1,925,000	3,550,000	3,200,000
Contributions from developers	-	-	-	-	-
Transfers from reserves & other funds	3,118,300	2,476,204	2,161,498	2,135,979	1,967,032
Debenture debt	1,100,000	125,000	175,000	-	-
	<u>11,979,670</u>	<u>12,838,629</u>	<u>11,656,713</u>	<u>13,215,121</u>	<u>12,834,290</u>
Expenditures					
General government services	976,699	996,233	1,022,910	1,036,481	1,057,211
Protective services	400,426	406,903	415,040	423,340	431,806
Transportation services	1,318,445	1,334,101	1,360,784	1,387,999	1,415,758
Environmental & public health services	269,854	275,251	280,756	286,371	292,098
Economic & development services	107,646	102,659	104,712	106,806	108,942
Parks, recreation & cultural services	1,312,235	1,332,919	1,359,318	1,386,244	1,413,709
Wastewater services	942,379	961,227	980,451	1,000,060	1,020,062
Water services	1,103,982	1,126,061	1,148,582	1,171,553	1,194,985
Debt charges	109,590	108,205	5,920	5,370	5,150
Debt principal repayments	302,903	336,736	141,636	131,786	120,011
Transfers to reserves & other funds	304,561	320,834	600,104	612,210	624,559
Amortization	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Capital expenditures	3,030,950	3,737,500	2,436,500	3,867,000	3,350,000
	<u>11,979,670</u>	<u>12,838,629</u>	<u>11,656,713</u>	<u>13,215,121</u>	<u>12,834,290</u>