



DISTRICT OF PORT HARDY

BYLAW 05 - 2012

A Bylaw to Adopt the Annual Five Year Financial Plan for the period 2012 - 2016

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 "The District of Port Hardy Financial Plan 2012 – 2016 Bylaw No. 05-2012".

2. Schedules

1. Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2012 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 2012-2016.

Read a first time on the 1st day of May, 2012.

Read a second time the on 1st day of May, 2012.

Read a third time on the 1st day of May, 2012.

Adopted by the Municipal Council on the 8th day of May, 2012.

Original signed by:

Director of Corporate Services

Mayor

Certified to be a true copy of
District of Port Hardy Financial Plan 2012 – 2016
Bylaw No. 05-2012

Director of Corporate Services

Schedule A - Bylaw 05-2012

2012 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, and
3. The use of permissive tax exemptions.

Funding Sources

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
Property Taxes	35.3%	\$2,490,172
Sale of Services	10%	705,708
Sewer Rates	15.2%	1,074,886
Water Rates	19.7%	1,388,043
Sundry Revenue	4.1%	290,054
Unconditional Gov't Grants	7.1%	500,000
Capital Grants	0.9%	63,746
Reserves and Surplus	4.5%	316,433
Debt	3.2%	225,000
Total	100%	\$7,054,042

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2012. The total revenue has been adjusted for non-cash entries in the financial plan. The amount for amortization in 2012 is \$1,510,000 and there is a developer contribution of \$645,225, these items are not taxed for and are 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, waste water, waste management, building permits, recreation, administration and the wharves. User fees apportion the value of the service to those who use it. Not all of the user fees cover all of the costs for the related service.

Property taxes form the balance 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 05-2012

Distribution of Property Taxes

Table 2: Distribution of Property Tax Rates

Property Class	% of Total Taxation	Dollar Value
Residential	55.8%	\$1,303,363
Utilities	0.8%	18,767
Light Industry	3.7%	86,380
Business and Other	39.3%	919,124
Managed Forest	0.3%	7,760
Recreation/Non-profit	.10%	2,067
Total	100%	\$2,337,461

Table 2 provides the distribution of property taxes among the property classes. The residential class provides the largest 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 can not be inconsistent or conflict with those of the District. Organizations receiving permissive tax exemptions must be a registered non-profit society 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	\$ 9,904
Not-for-Profit Organizations	66,341
Churches	32,887
Total	\$ 109,132

Schedule B - Bylaw 05-2012

	2012	2013	2014	2015	2016
Revenue					
Municipal property taxes	\$ 2,337,461	\$ 2,381,838	\$ 2,427,099	\$ 2,473,267	\$ 2,520,358
Payments in lieu of taxes	152,711	154,319	155,812	157,320	158,843
Sale of services	705,708	718,140	726,503	734,604	742,872
Sewer user rates	1,074,886	1,128,630	1,162,489	1,197,364	1,233,285
Water user rates	1,388,043	1,401,923	1,415,943	1,444,262	1,473,147
Revenue from own sources	290,054	308,641	311,752	314,051	261,367
Unconditional transfers other overnments	500,000	500,000	500,000	500,000	500,000
Conditional transfers other governments	63,746	62,771	-	-	-
Contributions from developers	645,225	-	-	-	-
Transfers from reserves & other funds	1,826,433	2,264,694	2,016,101	1,898,765	1,642,973
Debenture debt	225,000	40,000	-	-	-
	<u>9,209,267</u>	<u>8,960,956</u>	<u>8,715,699</u>	<u>8,719,633</u>	<u>8,532,845</u>
Expenditures					
General government services	837,001	849,961	862,509	865,404	874,158
Protective services	338,139	397,186	416,817	424,869	434,362
Transportation services	986,815	998,395	1,015,550	1,027,843	1,040,484
Environmental & public health services	252,658	257,481	262,299	267,213	272,225
Economic & development services	256,545	214,008	211,525	214,776	218,092
Parks, recreation & cultural services	1,101,698	1,121,245	1,141,206	1,161,591	1,182,413
Wastewater services	884,423	899,739	915,361	931,296	947,550
Water services	969,599	986,348	1,003,430	1,021,036	1,038,993
Debt charges	123,519	129,543	129,762	128,832	128,672
Debt principal repayments	492,074	492,074	492,074	492,074	492,074
Transfers to reserves & other funds	654,050	-	40,366	219,699	203,822
Amortization	1,510,000	1,520,000	1,520,000	1,520,000	1,520,000
Capital expenditures	802,746	1,094,976	704,800	445,000	180,000
	<u>\$ 9,209,267</u>	<u>\$ 8,960,956</u>	<u>\$ 8,715,699</u>	<u>\$ 8,719,633</u>	<u>\$ 8,532,845</u>