



## DISTRICT OF PORT HARDY

### BYLAW 1023 - 2014

#### A Bylaw to Adopt the Annual Five-Year Financial Plan for the period 2014 - 2018

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 2014 – 2018 Bylaw No. 1023-2014".

#### 2. Schedules

1. Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2014 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 2014-2018.

#### 3. Repeal

1. District of Port Hardy Financial Plan 2013 – 2017 Bylaw No. 1011-2013 is hereby repealed.

Read a first time on the 11<sup>th</sup> day of March, 2014.

Read a second time the on the 11<sup>th</sup> day of March, 2014.

Read a third time on the 11<sup>th</sup> day of March, 2014.

Adopted by the Municipal Council on the 24<sup>th</sup> day of March, 2014.

\_\_\_\_\_  
Director of Corporate  
& Development Services

\_\_\_\_\_  
Mayor

Certified to be a true copy of  
District of Port Hardy Financial Plan 2014 – 2018  
Bylaw No. 1023-2014

\_\_\_\_\_  
Director of Corporate Services  
& Development Services



Schedule A - Bylaw 1023-2014

**2014 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**

<b>Revenue Source</b>	<b>% of Total Revenue</b>	<b>Dollar Value</b>
Property Taxes	35.1%	\$2,669,316
Sale of Services	10.4%	786,404
Sewer Rates	15.4%	1,170,000
Water Rates	18.4%	1,397,000
Sundry Revenue	4.1%	314,384
Unconditional Gov't Grants	4.5%	340,017
Capital Grants	3.5%	267,000
Reserves and Surplus	7.5%	571,750
Debt	1.1%	80,000
<b>Total</b>	<b>100%</b>	<b>\$7,595,871</b>

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2014. The total revenue has been adjusted for non-cash entries in the financial plan. The amount for amortization in 2014 is \$1,650,000; 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 1023-2014

**Distribution of Property Taxes**

**Table 2: Distribution of Property Tax Rates**

<b>Property Class</b>	<b>% of Total Taxation</b>	<b>Dollar Value</b>
Residential	55.4%	\$1,387,395
Utilities	0.8%	20,898
Light Industry	3.8%	95,624
Business and Other	39.6%	992,158
Managed Forest	0.3%	7,925
Recreation/Non-profit	0.1%	1,986
<b>Total</b>	<b>100%</b>	<b>\$2,505,986</b>

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**

<b>Permissive Tax Exemptions</b>	<b>General Taxes Foregone</b>
District owned properties managed by not-for-profit groups	10,943
Not-for-profit organizations	70,984
Churches	34,658
<b>Total</b>	<b>\$ 116,585</b>

Schedule B - Bylaw 1023-2014

	2014	2015	2016	2017	2018
<b>Revenue</b>					
Municipal property taxes	2,505,986	2,556,106	2,607,228	2,659,372	2,712,560
Payments in lieu of taxes	163,330	165,014	166,716	168,437	170,174
Sale of services	786,404	799,072	815,054	831,355	847,982
Sewer user rates	1,170,000	1,193,400	1,217,268	1,241,613	1,266,446
Water user rates	1,397,000	1,424,940	1,453,439	1,482,508	1,512,158
Revenue from own sources	314,384	319,836	325,651	331,579	337,622
Unconditional transfers other governments	340,017	500,000	500,000	500,000	500,000
Conditional transfers other governments	267,000	1,780,000	1,200,000	450,000	2,100,000
Contributions from developers	-	-	-	-	-
Transfers from reserves & other funds	2,221,750	2,217,500	2,321,500	2,270,500	2,290,000
Debenture debt	80,000	265,000	415,000	220,000	275,000
	<u>9,245,871</u>	<u>11,220,868</u>	<u>11,021,856</u>	<u>10,155,364</u>	<u>12,011,942</u>
<b>Expenditures</b>					
General government services	906,453	918,230	936,495	961,877	974,127
Protective services	362,784	360,860	368,077	375,439	382,947
Transportation services	1,126,838	1,149,374	1,172,360	1,195,806	1,219,722
Environmental & public health services	282,348	287,995	293,755	299,630	305,623
Economic & development services	166,021	166,281	169,607	172,999	176,459
Parks, recreation & cultural services	1,205,111	1,228,749	1,241,064	1,265,865	1,303,162
Wastewater services	853,397	870,465	887,874	905,632	923,744
Water services	928,067	946,628	965,560	984,872	1,004,569
Debt charges	125,850	118,530	117,385	118,120	5,450
Debt principal repayments	520,414	670,232	290,705	279,379	92,301
Transfers to reserves & other funds	313,588	241,024	642,474	655,245	958,838
Amortization	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Capital expenditures	805,000	2,612,500	2,286,500	1,290,500	3,015,000
	<u>9,245,871</u>	<u>11,220,868</u>	<u>11,021,856</u>	<u>10,155,364</u>	<u>12,011,942</u>