



DISTRICT OF PORT HARDY

BYLAW 1011 - 2013

A Bylaw to Adopt the Annual Five Year Financial Plan for the period 2013 - 2017

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 2013 – 2017 Bylaw No. 1011-2013".

2. Schedules

1. Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2013 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 2013-2017.

Read a first time on the 9th day of April, 2013.

Read a second time the on the 9th day of April, 2013.

Read a third time on the 9th day of April, 2013.

Adopted by the Municipal Council on the 23rd day of April, 2013.

Original signed by:

Director of Corporate
& Development Services

Mayor

Certified to be a true copy of
District of Port Hardy Financial Plan 2013 – 2017
Bylaw No. 1011-2013

Director of Corporate Services
& Development Services

Schedule A - Bylaw 1011-2013

2013 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 | 30.9% | \$2,581,913 |
| Sale of Services | 9% | 760,261 |
| Sewer Rates | 13.3% | 1,111,450 |
| Water Rates | 16% | 1,339,520 |
| Sundry Revenue | 3.7% | 306,307 |
| Unconditional Gov't Grants | 4.1% | 340,017 |
| Capital Grants | 13.6% | 1,134,503 |
| Reserves and Surplus | 7.1% | 596,868 |
| Debt | 2.3% | 190,000 |
| Total | 100% | \$8,360,839 |

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2013. The total revenue has been adjusted for non-cash entries in the financial plan. The amount for amortization in 2013 is \$1,520,000; 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, 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 1011-2013

Distribution of Property Taxes

Table 2: Distribution of Property Tax Rates

| Property Class | % of Total Taxation | Dollar Value |
|-----------------------|---------------------|--------------------|
| Residential | 55.7% | \$1,348,840 |
| Utilities | 0.8% | 19,451 |
| Light Industry | 3.7% | 89,457 |
| Business and Other | 39.4% | 953,092 |
| Managed Forest | 0.3% | 8,015 |
| Recreation/Non-profit | 0.1% | 2,128 |
| Total | 100% | \$2,420,983 |

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 | \$ 10,701 |
| Not-for-Profit Organizations | 67,638 |
| Churches | 34,077 |
| Total | \$ 112,416 |

Schedule B - Bylaw 1011-2013

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------------------|------------------|------------------|------------------|------------------|
| Revenue | | | | | |
| Municipal property taxes | 2,420,983 | 2,469,402 | 2,518,790 | 2,569,166 | 2,620,549 |
| Payments in lieu of taxes | 160,930 | 162,589 | 164,266 | 165,961 | 167,673 |
| Sale of services | 760,261 | 775,466 | 790,976 | 806,795 | 822,931 |
| Sewer user rates | 1,111,450 | 1,155,908 | 1,190,585 | 1,226,303 | 1,263,092 |
| Water user rates | 1,339,520 | 1,366,310 | 1,393,637 | 1,421,509 | 1,449,940 |
| Revenue from own sources | 306,307 | 312,473 | 318,636 | 324,567 | 330,618 |
| Unconditional transfers other governments | 340,017 | 340,017 | 340,000 | 340,000 | 340,000 |
| Conditional transfers other governments | 1,134,503 | 620,000 | 155,000 | 173,828 | 75,000 |
| Contributions from developers | - | - | - | - | - |
| Transfers from reserves & other funds | 2,116,868 | 2,044,642 | 1,816,811 | 1,974,144 | 2,129,869 |
| Debenture debt | 190,000 | 80,000 | 670,000 | - | - |
| | <u>9,880,839</u> | <u>9,326,808</u> | <u>9,358,700</u> | <u>9,002,273</u> | <u>9,199,672</u> |
| Expenditures | | | | | |
| General government services | 875,750 | 904,813 | 915,604 | 932,457 | 961,399 |
| Protective services | 335,253 | 402,634 | 411,414 | 421,679 | 428,126 |
| Transportation services | 1,099,759 | 1,107,542 | 1,129,584 | 1,152,168 | 1,175,105 |
| Environmental & public health services | 262,817 | 265,524 | 270,834 | 276,251 | 281,776 |
| Economic & development services | 220,041 | 203,227 | 207,292 | 211,438 | 215,666 |
| Parks, recreation & cultural services | 1,138,733 | 1,141,606 | 1,164,418 | 1,187,686 | 1,211,420 |
| Wastewater services | 901,870 | 919,907 | 938,305 | 957,071 | 976,213 |
| Water services | 1,003,013 | 1,023,074 | 1,043,535 | 1,064,406 | 1,085,694 |
| Debt charges | 138,170 | 140,528 | 147,935 | 147,177 | 32,901 |
| Debt principal repayments | 496,019 | 498,698 | 503,859 | 495,957 | 325,358 |
| Transfers to reserves & other funds | 133,836 | 133,255 | 135,920 | 140,983 | 441,012 |
| Amortization | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 |
| Capital expenditures | 1,755,578 | 1,066,000 | 970,000 | 495,000 | 545,000 |
| | <u>9,880,839</u> | <u>9,326,808</u> | <u>9,358,700</u> | <u>9,002,273</u> | <u>9,199,672</u> |