



**DISTRICT OF PORT HARDY
BYLAW 1061- 2017**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2017 - 2021**

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 2017 – 2021 Bylaw No. 1061-2017".

2. Schedules

1. Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2017 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 2017-2021.

3. Repeal

1. District of Port Hardy Financial Plan 2016 – 2020 Bylaw No. 1047-2016 is hereby repealed.

Notice of the Open Meeting to present the District of Port Hardy 2017-2021 Financial Plan was advertised in the North Island Gazette January 11, 2017 and January 18, 2017 and on the District of Port Hardy Notice Board and Website.

The Open Meeting and Presentation of the District of Port Hardy 2017-2021 Financial Plan was held January 24, 2017.

Read a First time on the 24th day of January 2017.

Read a Second time on the 24th day of January 2017.

Read a Third time on the 24th day of January 2017.

Adopted by the Municipal Council on the 14th day of February 2017.

Original signed by:

Director of Corporate Services

Mayor

Certified to be a true copy of District of Port Hardy Financial Plan 2017 – 2021
Bylaw No. 1061-2017

Director of Corporate Services

SCHEDULE A - BYLAW 1061-2017

2017 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	10.97%	\$3,076,181
Sale of Services	3.14%	880,082
Sewer Rates	4.37%	1,225,871
Water Rates	5.17%	1,451,312
Revenue from own sources	1.07%	299,501
Unconditional Gov't Grants	2.16%	606,000
Capital Grants	45.98%	12,902,000
Reserves and Surplus	8.19%	2,297,020
Debt	18.95%	5,320,000
Total	100%	\$28,057,967

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2017. The total revenue has been adjusted for non-cash entries in the financial plan. The amount for amortization in 2017 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 1061-2017

Distribution of Property Taxes

Table 2: Distribution of Property Tax Rates

Property Class	% of Total Taxation	Dollar Value
Residential	51.26%	\$1,488,957
Utilities	1.32%	38,220
Light Industry	3.92%	113,742
Business and Other	42.70%	1,240,239
Managed Forest	0.58%	17,040
Recreation/Non-profit	0.22%	6,464
Total	100%	\$2,904,662

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	11,609
Not-for-profit organizations	138,964
Churches	41,982
Total	\$ 192,555

Schedule B - Bylaw 1061-2017

	2017	2018	2019	2020	2021
Revenue					
Municipal property taxes	2,904,662	3,081,161	3,119,199	3,175,607	3,245,023
Payments in lieu of taxes	171,519	173,304	175,061	176,894	178,746
Sale of services	880,082	897,680	915,631	933,941	952,617
Sewer user rates	1,225,871	1,271,897	1,319,705	1,369,362	1,420,945
Water user rates	1,451,312	1,480,338	1,509,945	1,540,143	1,570,945
Revenue from own sources	299,501	305,262	309,174	315,244	320,866
Unconditional transfers other governments	606,000	621,160	623,203	625,287	627,413
Conditional transfers other governments	12,902,000	2,675,000	2,100,000	1,850,000	1,600,000
Contributions from developers	-	-	-	-	-
Transfers from reserves & other funds	4,097,020	2,624,500	2,282,000	2,246,900	2,258,838
Debenture debt	5,320,000	1,000,000	-	1,000,000	-
	<u>29,857,967</u>	<u>14,130,302</u>	<u>12,353,918</u>	<u>13,233,378</u>	<u>12,175,393</u>
Expenditures					
General government services	993,064	1,027,675	1,041,345	1,062,164	1,083,402
Protective services	419,700	428,406	437,252	446,372	455,695
Transportation services	1,349,752	1,379,147	1,408,390	1,439,969	1,472,316
Environmental & public health services	275,250	280,752	286,368	292,095	297,938
Economic & development services	186,364	203,411	207,377	211,425	215,552
Parks, recreation & cultural services	1,343,069	1,371,915	1,400,707	1,431,353	1,462,724
Wastewater services	951,424	970,452	989,857	1,009,654	1,029,843
Water services	1,126,460	1,148,989	1,171,961	1,195,397	1,219,307
Debt charges	184,410	152,156	151,686	151,256	151,226
Debt principal repayments	316,950	207,086	204,106	185,986	178,086
Transfers to reserves & other funds	554,404	730,813	767,869	807,707	849,304
Amortization	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Capital expenditures	20,357,120	4,429,500	2,487,000	3,200,000	1,960,000
	<u>29,857,967</u>	<u>14,130,302</u>	<u>12,353,918</u>	<u>13,233,378</u>	<u>12,175,393</u>