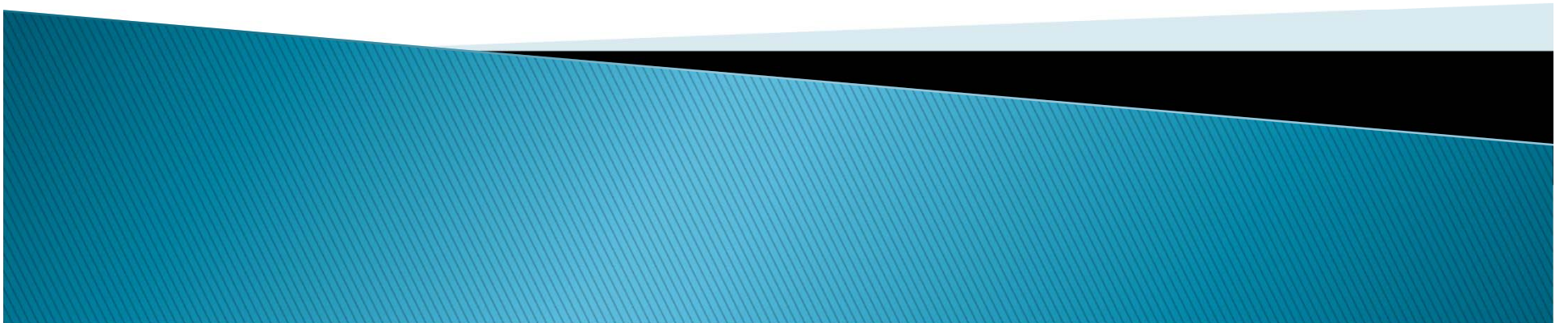


2018-2022 Financial Plan

January 23, 2018





The New Pool authorized by referendum in 2016 is a major project and continues to wait on Grant Funding.



Debt servicing will increase costs as much as 99,400 in 2019.
Operations may add \$200,000 over 2020 and 2021.



Fire Services

Member and Public Surveys conducted in 2017 will see Paid on Call commencing in 2018. This initiative is considered vital in recognizing the efforts and time commitments of volunteers and is expected to aid in recruitment and retention of high quality trained volunteer firefighters.

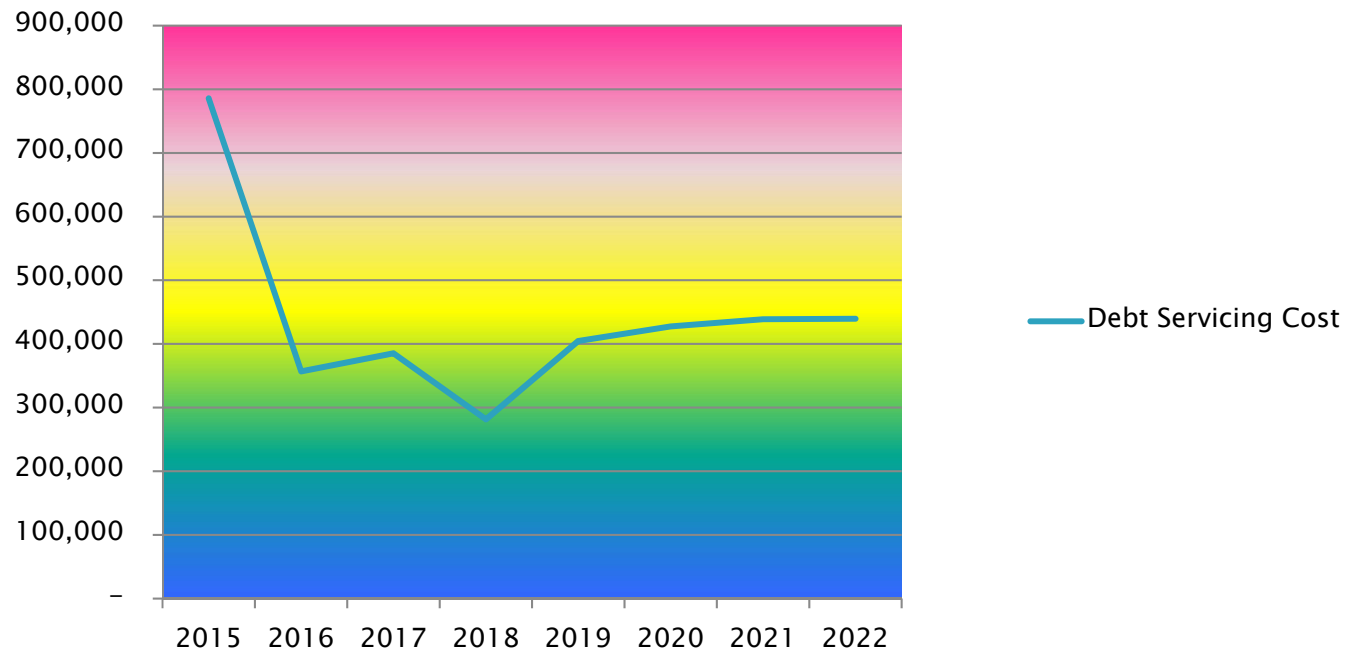
This will result in a 1.25% tax increase. Watch for a separate line item on your 2018 tax notice to identify total cost of fire services.

Debt servicing increased costs 41,400 in 2018 but was largely offset by early repayment of other debts in 2017.



- 2015 – Final payment for water treatment plant.
- 2016 – Several Equipment Leases paid out.
- 2017 – Final payment of waste water treatment plant.
- 2018 – Full cost for Fire Truck impact
- 2019 – Full cost of Pool Development

Debt Servicing Cost





Capital Plans in the works to both improve and maintain Port Hardy.

• #1 Fire hall Lighting Windows	\$ 21,500
• Civic Centre Emergency Generator	84,000
• Arena Painting	59,000
• Arena Doors and Gas detection	16,000
• Olympia repairs/rebuild	30,000
• Roads and Crack Sealing	155,000
• Storm Catch Basin Repairs	7,500
• Downtown revitalization	25,000
• Xmas Decorations	7,500
• Zero Turn Mower	20,000
• Replace Ford Escape and Cube Van	85,000
• Seawall Lights Phase 5	30,000
• Museum Office Renovation	5,000
• Seagate Pier Revitalization completion	65,000
• Seagate Pier Structural c/o	100,000
• Seagate Wharf T Float Pilings/upgrades	33,000
• Fishermen's Wharf Decking	3,000
• Lost at Sea Marker c/o	10,000
• Bear Cove Electrical	16,000
• Bear Proof Bin program	7,200

Total is \$ 779,700

The majority is funded by known reserves and other confirmed grants. Some items (\$175 K) are carried over from 2017.

These reserve funds and Grants will provide the majority of funding for the 2018 capital program.

Major Grant being sought:

• Federal Provincial – Pool Project	\$ 8,000,000
• Reservoir Project – Grant Confirmed	4,150,000

Without these Grants the related project may not proceed.

Reserves will also be used for Capital Projects:

• Building Reserve	\$ 16,500
• General Capital Reserve	249,200
• Mobile Equipment Reserve	70,000
• Recreation Facility Equipment Reserve	30,000
• Gas Tax – Community Works Fund	181,000
• Community Forest Funds	114,000
• Water Capital Reserve	94,050

The amount of reserves being used may be adjusted once projects not completed in 2017 are finalized.



New Capital Spending will occur in other areas as well.

WATER FUND

PLC WTP Replacements	70,000
Fort Rupert Reservoir and PRV Station	5,300,000
Holmgren Flats PRV	60,000
Outer Ring Road PRV	35,000
Kains Lake Dam	29,000
Water Design & Distribution System Upgrades	60,000
WTP Pressure Control Valve Rebuild	8,000
WTP rebuild Raw Water Pumps	13,000
WTP Turbidimeters	53,000
Utility Mapping Water	15,000
Water Main Right of Way Clearing	15,000
Water treatment Plant Computer Upgrades	15,000
- TOTAL	5,673,000

Work totaling in excess of \$5.5 million commenced in 2017. \$114,000 in new work will start in 2018.

Grants in the amount of \$4.15 million are approved.

User fees will increase by 4%.

SEWER FUND

Work totaling \$145,000 will begin. While an additional \$357,000 from the previous year will continue.

Fort Rupert Lift Station can not proceed without approved grant funding.

With a 4% increase in user fees. And elimination of debt (\$265K) in 2017. The sewer fund is expected to increase its capacity to fund capital improvements in the future

Sewer	
Holmgren flats lift station upgrade	50,000
Lift Station upgrades	42,000
Pioneer Inn Lift Station Upgrade	20,000
Polymer Feed System Upgrade	25,000
Swap Loader	220,000
Polymer Feed System Upgrade	10,000
Collection System Rehabilitation Program.	60,000
Fort Rupert school lift station upgrade	600,000
Sani Dump Upgrade	10,000
Utility Mapping Waste Water	15,000
AWWTP Replace Emergency Generator Switch	12,000
TWWTP Influent Pump Rebuild	8,000
Peel St Lift Station Pump Rebuild	15,000
New Push Camera	15,000
- TOTAL	1,102,000



Consolidated Capital Plan 2018-2022

	2018	2019	2020	2021	2022
Revenue					
Conditional capital grants	12,833,800	2,176,000	1,712,500	1,617,500	1,622,500
Contributions from others					
Loan Proceeds	4,539,000	235,000	1,225,000	-	75,000
Transfer from reserves/surplus	1,875,747	491,175	290,000	50,000	50,000
Transfer from current years operations	498,953	312,200	307,200	272,200	215,000
	19,747,500	3,214,375	3,534,700	1,939,700	1,962,500
Expenditures					
General government services	-	-	-	-	-
Protective services	105,500	415,000	1,020,000	-	-
Transportation services	539,500	719,675	1,042,500	517,500	547,500
Environmental & public health services					
Economic & development services					
Parks, recreation & cultural services	12,337,500	674,700	57,200	7,200	-
Wastewater services	1,092,000	50,000	50,000	50,000	50,000
Water services	5,673,000	1,355,000	1,365,000	1,365,000	1,365,000
	19,747,500	3,214,375	3,534,700	1,939,700	1,962,500

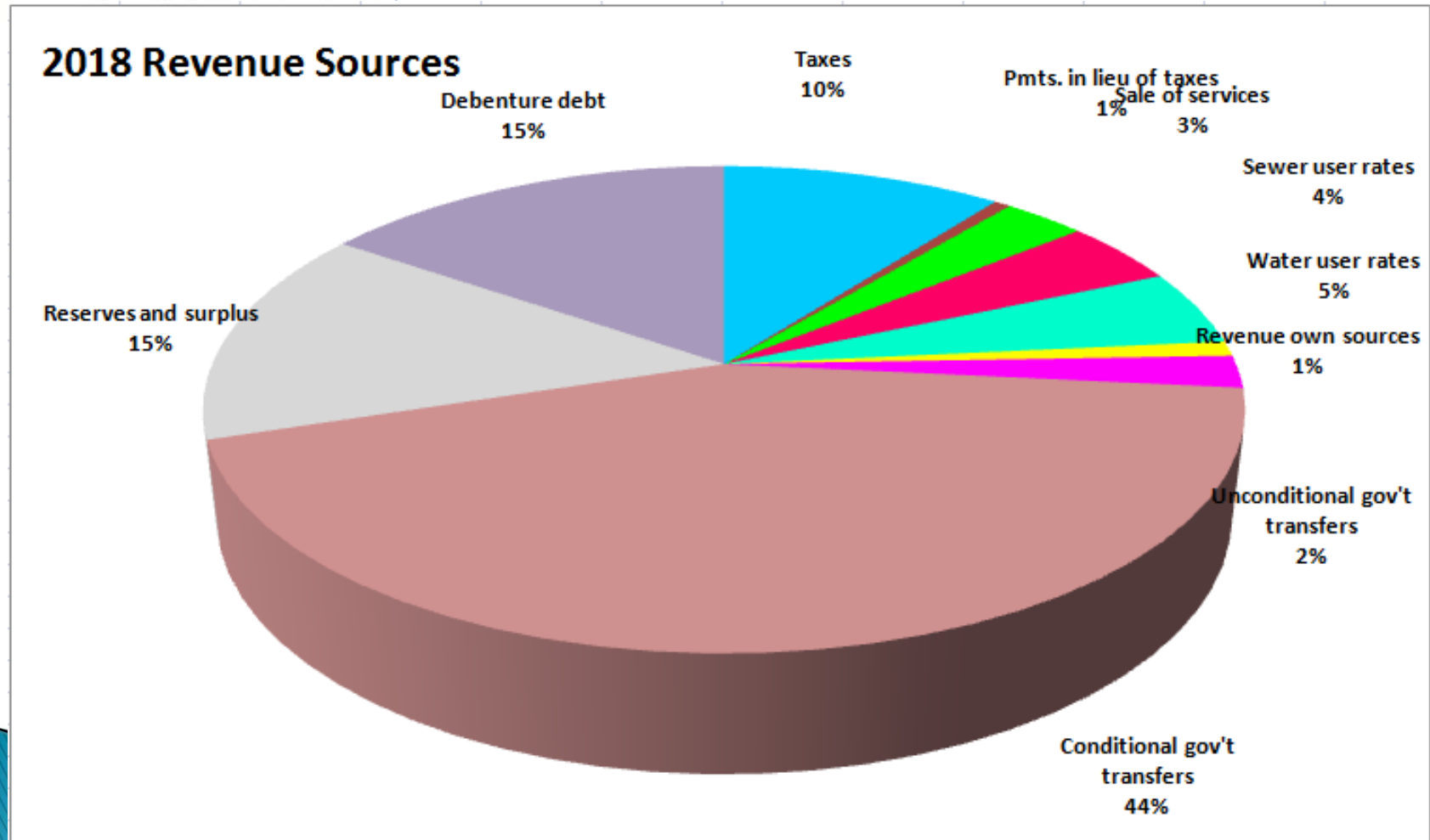


Consolidated Revenue 2018-2022

Revenue	2018	2019	2020	2021	2022
Municipal property taxes	3,064,658	3,257,305	3,362,224	3,457,887	3,561,988
Payments in lieu of taxes	179,128	180,993	182,896	184,821	186,775
Sale of services	898,256	916,219	934,541	953,229	972,292
Sewer user rates	1,271,897	1,319,770	1,369,429	1,421,013	1,474,595
Water user rates	1,480,338	1,509,945	1,540,143	1,570,945	1,602,363
Revenue from own sources	291,928	297,597	303,549	309,050	314,748
Unconditional transfers other governments	632,425	634,488	636,592	638,738	640,927
Conditional transfers other governments	12,796,000	2,176,000	1,712,500	1,617,500	1,622,500
Contributions from developers	-	-	-	-	-
Transfers from reserves & other funds	4,330,150	2,863,375	2,669,100	2,421,038	2,373,838
Debenture debt	4,539,000	235,000	1,225,000	-	75,000
	<u>29,483,780</u>	<u>13,390,692</u>	<u>13,935,974</u>	<u>12,574,221</u>	<u>12,825,026</u>



- Conditional Grants includes, Pool, Community Works Fund, and Reservoir funding.
- Reserves and surplus provide substantial funding.
- New debt represents the second largest source of funds





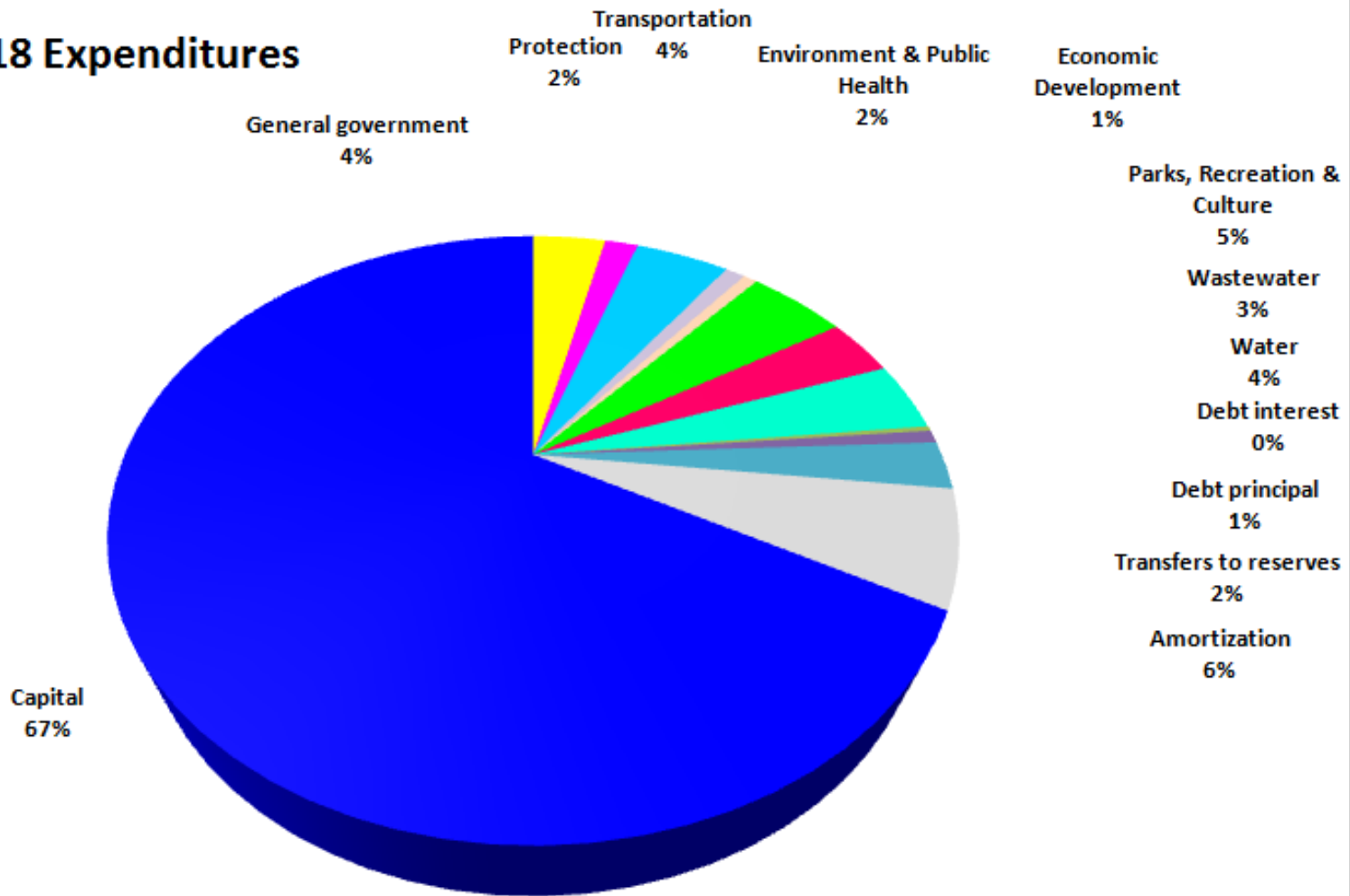
Consolidated Expense 2018–2022

Expenditures	2018	2019	2020	2021	2022
General government services	1,064,886	1,089,749	1,116,537	1,143,858	1,174,167
Protective services	484,572	487,983	498,180	508,604	519,249
Transportation services	1,356,703	1,390,938	1,421,621	1,453,035	1,485,188
Environmental & public health services	284,359	285,108	290,811	296,628	302,559
Economic & development services	202,376	206,322	210,349	214,455	218,644
Parks, recreation & cultural services	1,382,055	1,418,107	1,448,897	1,480,400	1,512,653
Wastewater services	978,040	1,012,304	1,032,550	1,053,197	1,074,268
Water services	1,121,480	1,147,632	1,170,583	1,193,999	1,217,881
Debt charges	79,001	136,679	134,340	131,881	129,429
Debt principal repayments	202,500	267,872	293,199	306,900	310,390
Transfers to reserves & other funds	748,108	768,623	809,207	851,564	908,098
Amortization	1,870,000	1,965,000	1,975,000	2,000,000	2,010,000
Capital expenditures	19,709,700	3,214,375	3,534,700	1,939,700	1,962,500
	29,483,780	13,390,692	13,935,974	12,574,221	12,825,026



- Capital Program is large and though beginning this year will span multiple years. An important impact to take note of is that on the revenue screen Reserves and surplus draw downs represented 15% of revenue while contributions into the reserves here represent 2%.
- Amortization is not funded by taxation.

2018 Expenditures





What About Taxes ?

Capital projects begun in 2017 are carried over with their matching funding to 2018. Their will be no impact on taxation.

1% = +- \$27,500

•Total impact of labour and benefits	=	1.75%	
•Grants in Aid / Fee for Service changes	=	0.23%	
•Microsoft Office upgrades	=	0.27%	
•Emergency Plan update	=	0.27%	
•2018 Election - one year change	=	0.25%	
•Cemetery Mapping	=	0.18%	
•Other minor operational changes	=	<u>(.070%)</u>	
•TOTAL ONGOING EXISTING OPERATIONS	=	2.88 %	
<hr/>			
•Service Level Changes			
•Fire Department Paid ON CALL Volunteers	=	1.25%	
•Debt Change as a result of Ladder and Multiplex	=	0.55%	
•Harbour - Provision for Vessel at Risk Removal	=	0.07%	
•Arena Increased Maintenance	=	0.18 %	
•Effect of Water Sewer Garbage and Recycling Fees	=	<u>(0.905%)</u>	
•TOTAL Change on Average Family Home	=	4.025%	\$82.00
<hr/>			
•Or approximately \$6.83 per month on average			