



**DISTRICT OF PORT HARDY  
BYLAW 1074-2018**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN  
FOR THE PERIOD 2018 - 2022**

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 2018 – 2022 Bylaw No. 1074-2018".

**2. Schedules**

1. Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2018 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 2018-2022.

**3. Repeal**

1. District of Port Hardy Financial Plan 2017 – 2021 Bylaw No. 1061-2017 is hereby repealed.

Notice of the Open Meeting to present the District of Port Hardy 2018-2022 Financial Plan was advertised in the North Island Gazette January 10, 2018 and January 17, 2018 and on the District of Port Hardy Notice Board and Website.

The Open Meeting and Presentation of the District of Port Hardy 2018-2022 Financial Plan was held January 23, 2018.

Read a First time on the 23<sup>rd</sup> day of January 2018.

Read a Second time on the 23<sup>rd</sup> day of January 2018.

Read a Third time on the 23<sup>rd</sup> day of January 2018.

Adopted by the Municipal Council on the 13<sup>th</sup> day of February 2018.

*Original signed by:*

\_\_\_\_\_  
DIRECTOR  
OF CORPORATE SERVICES

\_\_\_\_\_  
MAYOR

Certified to be a true copy of District of Port Hardy Financial Plan 2018 – 2022  
Bylaw No. 1074-2018

\_\_\_\_\_  
Director of Corporate Services

## SCHEDULE A - BYLAW 1074-2018

### 2018 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	11.75%	3,243,786
Sale of Services	3.25%	898,256
Sewer Rates	4.61%	1,271,897
Water Rates	5.36%	1,480,338
Revenue from own sources	1.06%	291,928
Unconditional Gov't Grants	2.29%	632,425
Capital Grants	46.34%	12,796,000
Reserves and Surplus	8.91%	2,460,150
Debt	16.43%	4,539,000
<b>Total</b>	<b>100%</b>	<b>\$27,613,780</b>

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2018. The total revenue has been adjusted for non-cash entries in the financial plan. The amount for amortization in 2018 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 1074-2018**

**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	50.83%	\$1,557,581
Utilities	1.27%	39,055
Light Industry	3.88%	118,888
Business and Other	43.19%	1,323,490
Managed Forest	0.61%	18,911
Recreation/Non-profit	0.22%	6,733
<b>Total</b>	<b>100%</b>	<b>\$3,064,658</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	11,798
Not-for-profit organizations	143,138
Churches	42,309
<b>Total</b>	<b>\$ 197,245</b>

**SCHEDULE B - BYLAW 1074-2018**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Revenue</b>					
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>
<b>Expenditures</b>					
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
	<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>