



**DISTRICT OF PORT HARDY
BYLAW 1091-2019**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2019 - 2023**

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 2019 – 2023 Bylaw No. 1091-2019".

2. Schedules

2.1 Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2019 Disclosure of Revenue Objectives and Policies as per Section 165(3.1) of the *Community Charter*.

2.2 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 2019-2023.

3. Repeal

3.1 District of Port Hardy Financial Plan 2018 – 2022 Bylaw No. 1074-2018 is hereby repealed.

4. Notice

4.1 Section 166 of the *Community Charter* requires that, before adopting a bylaw under section 165, a Council must undertake a process of public consultation regarding the proposed financial plan.

4.2 The open meeting and presentation of the District of Port Hardy 2019-2023 Financial Plan was held January 22, 2019.

Read a First time on the ____ day of _____, 2019.

Read a Second time on the ____ day of _____, 2019.

Read a Third time on the ____ day of _____, 2019.

Adopted by the Municipal Council on the ____ day of _____, 2019.

DIRECTOR
OF CORPORATE SERVICES

MAYOR

Certified to be a true copy of District of Port Hardy Financial Plan 2019 – 2023
Bylaw No. 1091-2019

Director of Corporate Services

SCHEDULE A - BYLAW 1091-2019

2019 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	18.74%	3,369,927
Sale of services	21.05%	3,784,752
Other Revenue	3.17%	570,429
Government transfers	57.04%	10,256,546
Total	100%	\$17,981,654

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2019. The District's own source of funding is from property taxes, sale of services and other miscellaneous revenues. The District also receives funding from Government transfers or grants when they become available.

Government transfers are funds that are received from other governments or agencies and are either conditional or unconditional. Conditional Government transfers (grants) are a funding source that the District does not rely on for its normal operations. The condition of the transfer is contingent on the project meeting the eligibility criteria of the grant funding. Unconditional Government transfers afford the District flexibility on how to make the best use of the funding; and may be used for either operational or capital purposes. Without government transfers, many capital projects would not be able to proceed or would require rate increases of property taxes and user fees.

The largest portion of own source revenue comes from the sale of services. Municipal utility services such as water, waste water (sewer), solid waste collection and recycling fees can be measured and charged for on a user-pay basis. This basis attempts to fairly apportion the value of municipal service to those who use the service. Other services where fee and charges are collected from the users include harbour moorage, recreation, building inspection and development services. User fees collected do not always cover the full cost for delivery of 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 sufficient 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 1091-2019

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

Property Class	% of Total Taxation	Dollar Value
Residential	50.83%	\$1,630,289
Utilities	1.27%	40,569
Light Industry	3.88%	123,942
Business and Other	43.19%	1,379,137
Managed Forest	0.61%	14,558
Recreation/Non-profit	0.22%	7,027
Total	100%	\$3,195,523

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.

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 (estimate)
District owned properties managed by not-for-profit groups	12,341
Not-for-profit organizations	149,725
Churches	12,341
Total	\$ 206,317

**SCHEDULE B
 BYLAW 1091-2019**

	2019	2020	2021	2022	2023
Revenue					
Municipal property taxes	3,369,927	3,698,257	3,846,815	3,949,081	4,014,521
Sale of services	3,784,752	3,893,419	3,968,933	4,049,098	4,131,340
Other revenue	570,429	330,822	337,948	344,393	350,706
Transfers from other governments	10,256,546	1,149,921	1,165,037	1,176,461	1,990,858
	17,981,654	9,072,418	9,318,734	9,519,034	10,487,424
Expenditures					
General government services	1,093,806	1,115,677	1,137,987	1,168,174	1,183,962
Protective services	487,748	498,009	508,502	519,220	530,180
Transportation services	1,380,493	1,419,693	1,460,096	1,501,738	1,544,670
Environmental & public health services	285,108	291,055	297,128	303,331	309,668
Economic & development services	216,059	220,261	224,565	228,956	233,435
Parks, recreation & cultural services	1,450,793	1,597,707	1,687,587	1,727,481	1,768,402
Wastewater services	1,007,248	1,028,660	1,056,739	1,085,784	1,116,373
Water services	1,182,263	1,221,716	1,252,947	1,284,805	1,317,303
Debt charges	146,008	246,885	242,588	235,947	229,413
Amortization	1,900,000	1,930,000	1,965,000	1,965,000	1,965,000
	9,149,526	9,569,663	9,833,139	10,020,436	10,198,406
Annual surplus (deficit)	8,832,128	(497,245)	(514,405)	(501,402)	289,018
Adjust for Non-Cash Item					
Amortization	1,900,000	1,930,000	1,965,000	1,965,000	1,965,000
Transfers and Acquisitions					
Debt principal payments	(230,976)	(354,111)	(358,899)	(362,766)	(309,189)
Transfers to reserves / surplus	(828,171)	(846,144)	(859,196)	(868,332)	(908,329)
Transfers from reserves / surplus	2,122,774	282,500	457,500	282,500	678,500
Proceeds from Borrowing	6,499,000	-	-	500,000	-
Capital Acquisitions	(18,294,755)	(515,000)	(690,000)	(1,015,000)	(1,715,000)
	(8,832,128)	497,245	514,405	501,402	(289,018)
Annual surplus (deficit)	0	0	0	0	0