



**DISTRICT OF PORT HARDY
BYLAW 1128-2021**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2021-2025**

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 2021 – 2025 Bylaw No. 1128-2021".

2. Schedules

2.1 Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2021 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 2021-2025.

3. Repeal

3.1 District of Port Hardy Financial Plan 2020 – 2024 Amendment Bylaw No. 1110-2020 is hereby repealed.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 2021-2025 Financial Plan was held February 9, 2021.

Read a First time on the 9th day of February, 2021.

Read a Second time on the 9th day of February, 2021.

Read a Third time on the 9th day of February, 2021.

Adopted by the Municipal Council on the 23rd day of February, 2021.

Original Signed:

DIRECTOR
OF CORPORATE SERVICES

MAYOR

Certified to be a true copy of District of Port Hardy Financial Plan 2021 – 2025
Bylaw No. 1128-2021

Director of Corporate Services

SCHEDULE A - BYLAW 1128-2021

2021 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	21.8%	\$ 3,520,010
Sale of services	23.6%	3,801,762
Other Revenue	2.5%	401,494
Government transfers	52.1%	8,414,343
Total	100%	\$ 16,137,609

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2021. 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, wastewater (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 operational costs of the service provided.

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Table 2: Distribution of Municipal Property Tax Rates

Property Class	% of Total Taxation	Dollar Value
Residential	50.98%	\$ 1,624,335
Utilities	1.26%	40,146
Light Industry	3.90%	124,263
Business and Other	43.21%	1,376,766
Managed Forest	0.43%	13,701
Recreation/Non-profit	0.22%	7,010
Total	100%	\$ 3,186,221

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	\$ 13,019
Not-for-profit organizations	146,950
Churches	43,975
Total	\$ 203,944

SCHEDULE B
2021-2025 Financial Plan
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	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenue					
Municipal property taxes	3,520,010	3,779,736	3,847,645	3,937,558	3,946,737
Sale of services	3,801,762	3,972,006	4,051,375	4,132,333	4,214,917
Other revenue	401,494	442,519	449,591	456,817	464,199
Transfers from other governments	8,414,343	6,040,032	1,981,758	995,620	1,124,712
	<u>16,137,609</u>	<u>14,234,293</u>	<u>10,330,369</u>	<u>9,522,328</u>	<u>9,750,565</u>
Expenditures					
General government services	1,082,880	1,110,837	1,125,275	1,147,579	1,170,323
Protective services	521,045	532,144	543,491	555,068	566,900
Transportation services	1,433,850	1,467,191	1,501,277	1,536,173	1,571,898
Environmental & public health services	296,878	302,900	309,044	315,317	321,716
Economic & development services	243,421	221,858	225,367	228,946	232,595
Parks, recreation & cultural services	1,569,423	1,606,512	1,644,495	1,683,394	1,723,232
Sewer services	1,091,717	1,117,516	1,170,379	1,217,316	1,244,846
Water services	1,263,501	1,278,872	1,309,733	1,339,687	1,370,350
Interest expense	42,536	46,336	42,479	39,704	37,452
Amortization of tangible capital assets	1,965,000	1,965,000	1,965,000	1,965,000	1,965,000
	<u>9,510,251</u>	<u>9,649,166</u>	<u>9,836,540</u>	<u>10,028,184</u>	<u>10,204,312</u>
Annual surplus (deficit)	<u>6,627,358</u>	<u>4,585,128</u>	<u>493,830</u>	<u>(505,856)</u>	<u>(453,747)</u>
Adjust for Non-Cash Item					
Amortization of tangible capital assets	1,965,000	1,965,000	1,965,000	1,965,000	1,965,000
Debt, Capital and Reserve/Surplus transfers					
Principal repayments	(326,648)	(414,460)	(361,249)	(488,437)	(434,980)
Transfers to reserves / surplus	(1,020,210)	(1,044,668)	(1,077,581)	(945,707)	(931,273)
Transfers from reserves / surplus	2,529,821	2,877,174	1,095,200	2,971,000	468,500
Proceeds from borrowing	2,440,000	120,000	50,000	1,080,000	-
Capital expenditures	(12,215,321)	(8,088,174)	(2,165,200)	(4,076,000)	(613,500)
	<u>(6,627,358)</u>	<u>(4,585,128)</u>	<u>(493,830)</u>	<u>505,856</u>	<u>453,747</u>
Financial Plan Balance	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>	<u>0</u>	<u>(0)</u>

District of Port Hardy
2021 Capital Projects by Fund and Funding Sources

SCHEDULE B
2021-2025 Financial Plan
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General Fund	Amount	Funding Source
Active Transportation Plan (formally Sidewalks)	35,000	
Connectivity Trails & Bridge	15,000	
District Phone System	35,000	
Emergency Plan	7,500	
Little Tsulquate Culverts	40,000	
Official Community Plan	60,000	
Public Works Yard Fence	50,000	
Recreation Facilities Safety	40,000	
Recreation Revitalization (Grant Funding *)	3,000,000	
Storey's Beach Ball fields	95,000	
Storey's Beach dugouts roof	6,600	
Visitor Enhancement Project	66,000	
	<u>3,450,100</u>	2020 Carry Forward Projects
Animal Shelter Renovation	35,000	
Fire Hall #1 - Ventilation/air exchange system	10,000	
Public Works - New Steel Frame Garage	53,475	
Public Works Garage Roof and Doors	35,075	
	<u>133,550</u>	Capital Works Reserve
Feasibility Study - Covered Tennis Court	7,500	
Seagate Pier - Replace concrete footing	18,200	
Storey's Beach dugouts roof	6,000	
	<u>31,700</u>	Community Forest Reserve
Catch Basin Repair	10,000	
Downtown Storm Drainage	35,000	
Integrated Stormwater Management Plan	20,000	
Local Road Infrastructure	160,000	
Market Street / Stink Creek Culvert (A/M 13-063)	30,000	
Sidewalk Extensions	35,000	
Stink Creek Revitalization	20,000	
	<u>310,000</u>	Community Works Fund (Gas Tax)
Fire - PPE Washing Machine	15,000	
Fire - Respirator Fit Testing Equipment	13,000	
	<u>28,000</u>	COVID-19 Safe Restart Reserve
Aquatic Centre Renovation (grant dependent)	2,300,000	
Replace 2005 F3500 Altec Bucket Truck	140,000	
	<u>2,440,000</u>	Debt Proceeds
Replace 2007 Ford F150	60,000	Equipment Reserve

* Projects dependent on successful grant award

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Crack Sealing/Line Painting	30,000	
Fire Hall #1 - Conceptual design for 2 bay and storage addition	50,000	
Fisherman's Wharf - Containment slab	5,250	
Fisherman's Wharf - Replace boat launch gangway	23,200	
Fisherman's Wharf Pier - Upgrade fresh water supply lines	15,200	
Life Rings - all floats	4,000	
Seine Float - Close in oil shed	15,200	
	<u>142,850</u>	General Fund Surplus
Aquatic Centre Renovation	2,700,000	
Skateboard Park Revitalization	300,000	
Visitor Enhancement Project	460,500	
	<u>3,460,500</u>	Grant Funding *
Total General Fund 2021 Capital Projects	<u>10,056,700</u>	

Sewer Fund	Amount	Funding Source
AWWTP Sludge Dewatering system	120,000	
Collection System rehabilitation	60,000	
Long Term AMP & Financial Strategy	31,250	
Polymer Feed system upgrade	24,086	
Storey's Beach Sani Dump	10,000	
TWWTP Odour Control	9,500	
	<u>254,836</u>	2020 Carry Forward Projects
Collection System Rehabilitation Program	50,000	
Generators for 2 Lift Stations	100,000	
Sani Dump upgrade	5,000	
	<u>155,000</u>	Sewer Capital Reserve
Fort Rupert School Lift Station Upgrade	1,000,000	Grant Funding *
Asset Inventory	10,000	
Fort Rupert School Lift Station Upgrade (grant dependent)	249,357	
Phase 2 LWMP Amendment Completion	35,000	
	<u>294,357</u>	Sewer Fund Surplus
Total Sewer Fund 2021 Capital Projects	<u>1,704,193</u>	

Water Fund	Amount	Funding Source
Dist. System Rehab & Design	60,000	
Long Term AMP & Financial Strategy	31,250	
Utility Mapping Water	12,178	
WTP Clearwell Pump Rebuilds	12,000	
WTP Filter Header Repair	21,000	
	<u>136,428</u>	2020 Carry Forward Projects

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Water Master Plan	10,000	Grant Funding *
WTP Clearwell Pump Rebuilds	38,000	Water Capital Reserve
Asset Inventory	10,000	
Water distribution System Upgrades	250,000	
Water Master Plan	10,000	
	<u>270,000</u>	Water Fund Surplus
Total Water Fund 2021 Capital Projects	<u><u>454,428</u></u>	

2021 Capital Projects - Five-Year Financial Plan 2021-2025

General Fund	10,056,700
Sewer Fund	1,704,193
Water Fund	454,428
Total 2021 Capital Projects	<u><u>12,215,321</u></u>

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