

www.porthardy.ca



ANNUAL REPORT

2021

Respectfully acknowledging the traditional territory of the Kwakiutl people, Gilakas'la

Table of Contents

<u>Mayor and Council</u>	1
<u>Message from the CAO</u>	6
<u>The Leadership Team</u>	7
<u>Community Engagement</u>	8
<u>Strategic Plan</u>	9-15
<u>CAO Report & Strategic Plan Report Card</u>	16-33
<u>Corporate Services</u>	34
<u>First Nations</u>	36
<u>Relationship Agreement</u>	37
<u>Operational Services</u>	38
<u>Water</u>	40
<u>Wastewater</u>	42
<u>Parks, Recreation, Arts and Culture</u>	44
<u>Arena Upgrades</u>	51
<u>Twinning</u>	52
<u>Fire Department</u>	53
<u>Harbour</u>	55
<u>Financial Statements</u>	62



Mayor & Council



*Back row -Left to right: Councillor John Tidbury, Councillor Janet Dorward, Councillor Fred Robertson and Councillor Leighton Wishart
Front row- Left-right: Councillor Pat Corbett-Labatt, Mayor Dennis Dugas and Councillor Treena Smith*

The Mayor and Council of the District of Port Hardy were elected for a four-year term in October 2018. Each member of Council represents the District at large and is appointed to both Port Hardy and Regional District committees. Council is committed to ensuring that the policies and decisions implemented are in the best interest of Port Hardy citizens.

Message from Mayor & Council

Mayor and Council are pleased to present the 2021 District of Port Hardy Annual Report to our community.

It was an outstanding achievement to start 2021 by signing the Relationship Agreement ([page37](#)) with the Kwakiutl Council. This agreement will help us strengthen our commitment to working together to build on opportunities that we share in collaboration with the Kwakiutl Nation on many mutual initiatives that continue to make our communities safer, healthier and sustainable. We respectfully acknowledge that the District of Port Hardy is located on the traditional territory of the Kwakiutl people, Gilakas'la.

The pandemic has impacted everything we do in our daily lives, work, play, and social interactions. The lack of social interaction was the most significant challenge we, as Mayor and Council, had to deal with. Zoom and Teams can't replace personal interactions. COVID has given us many different scenarios to deal with, and we have successfully met the challenges because we all worked together.

We are so proud of our community. Again, we must thank our health providers, first responders, frontline workers, local businesses, District employees/contractors, and especially all of those essential volunteers. They have all gone above and beyond to keep us all safe during this time.

Council was delighted that we could keep the tax increase less than 2% (consistent with CPI), which helped those businesses and residents who were hit hard dealing with the impacts. Our tourism industry started to recover; however, there were restrictions on international travellers; BC Ferries winter schedule was run through the summer months, and accommodation providers were still seriously affected by reduced visitors. With the vaccine rollout being very positive, we look forward to a continued economic recovery in 2022, hopefully without masks.

The lack of social interaction impacted the completion of our Official Community Plan (OCP) by restricting open house meetings and requiring more online surveys. We had anticipated the OCP to be completed by year-end, but it was not possible; with the help of our Community Consultative Committee, we look forward to the OCP's completion by the end of 2022, which will give the District a comprehensive strategic plan moving forward.



As you all know, we have applied for a new indoor pool (Multi-plex) grant for several years, which was not approved. Then, a subsequent grant application was submitted for significant upgrades to the pool. It was disappointing to be notified that we did not receive approval. Now we have to go with "Plan C" to upgrade the pool's infrastructure, which will be in progress for 2022 with completion in 2023.

The District completed the significant upgrades to the Arena after receiving a grant of 3 million dollars. What a tremendous difference it made, and we appreciated all the positive feedback from the community, especially from the users. We look forward to hosting the U-18 Championships in March 2022.

The District continues to move forward with our Strategic Plan initiatives, and we will focus on completing several projects for which we received grant funding in 2022, which would include the new public washroom, improvements to the Visitor Information area, and a sidewalk extension on Granville and Douglas. We also continue looking at innovative ways to deal with the housing shortage, including affordable and senior housing.

Other pressing challenges we continue to advocate for include: making sure our voices are heard at the Federal and Provincial government tables about the lack of sustainable electrical power supply; employment impacts by old-growth forest deferrals, and the possible non-issuing of license renewals for the open-net pen fish farms.

Under the guidance and direction of our CAO, Heather Nelson-Smith, District staff, employees, and contractors have all continued to provide our community with outstanding leadership and service, which we as Mayor and Council greatly appreciate.

As we all know, there are always challenges that we must face every year within our community. In our region, these challenges are not insurmountable, so we, as Mayor and Council, with your help, will successfully meet those challenges so we all can continue to live, work and play on the True North Island, where the highway ends, and the adventure begins.



Mayor Dennis Dugas



Executive Committee, Finance Committee, Regional District of Mt. Waddington Board, Regional Hospital Board, Island Coastal Economic Trust, Municipal Insurance Association, Municipal Finance Authority and the North Island Community Forest.

ddugas@porthardy.ca

Councillor Pat Corbett-Labatt



Executive Committee, Finance Committee, First Nations Relations Committee, Parks, Recreation, Arts & Culture Committee, Regional District Mt. Waddington Board (alternate), Regional Hospital Board (alternate), Mt. Waddington Table of Partners (Health), Mount Waddington Wellness First, Hardy Bay Senior Citizens Society, Port Hardy Twinning Society.

pcorbett-labatt@porthardy.ca

Councillor Janet Dorward

Executive Committee, Finance Committee, Operational Services Committee, Parks, Recreation, Arts & Culture Committee, Tourism Advisory Committee, Regional District Mt. Waddington Board, Regional Hospital Board, Job Fair Committee, Municipal Insurance Association (alternate), Vancouver Island North Training and Attractions Society (alternate).

jdorward@porthardy.ca



Councillor Fred Robertson



Executive Committee, Finance Committee, First Nations Relations Committee, Parks, Recreation, Arts & Culture Committee, Vancouver Island Regional Library Board of Trustees, Marine Plan Partnership (alternate), Mt. Waddington Table of Partners (Health), Mt. Waddington Wellness First, BC Ferries Northern Advisory Committee, Poverty Pilot Program, Vancouver Island North Training and Attractions Society.

frobertson@porthardy.ca



Councillor Treena Smith



Executive Committee, Finance Committee, Community Consultative Committee, Tourism Advisory Committee, Bear Smart Port Hardy Committee, Chamber of Commerce, Port Hardy Heritage Society (Museum), Vancouver Island North Tourism (VINTAC).

tsmith@porthardy.ca

Councillor John Tidbury



Executive Committee, Finance Committee, Operational Services Committee, Emergency Planning Committee, Regional District Mt. Waddington Board (alternate), Regional Hospital Board (alternate), Mt. Waddington Regional Transportation Committee, North Island Regional Emergency Planning Committee, Vancouver Island North Woodlands Advisory Group (VINWAG), Regional District of Mount Waddington Solid Waste Committee.

jtidbury@porthardy.ca

Councillor Leightan Wishart



Executive Committee, Finance Committee, Operational Services Committee, Emergency Planning Committee, Vancouver Island Regional Library Board of Trustees (alternate), Marine Plan Partnership, Municipal Insurance Association (alternate), Port Hardy Fire Rescue, Poverty Pilot Program, Scott Islands Advisory, Off Road Vehicle Committee, Regional District of Mount Waddington Solid Waste Committee (alternate).

lwishart@porthardy.ca



Message from the CAO



I am excited to bring you the 2021 Annual Report and update you on the accomplishments our District took on throughout the year. We filled our management team early in January 2021, bringing Ross Blackwell and his expertise in Community Planning and Development to the Director of Corporate and Development Services/Deputy CAO and Tanya Kaul with her programming experience in recreation to the Director of Recreation and Community Services. These two additions helped to round out our management team to help us achieve Council's strategic priorities.

In 2021 we continued with another year of the COVID-19 pandemic; we faced more challenges and opportunities. The most significant risk and effect on our operations was staff capacity—the increase in demand for staff, public expectations and interpreting and implementation of Health Orders were all factors in reducing capacity.

I am incredibly proud of all of our staff, contractors and volunteers who rose to the challenge to continue to provide you with essential services throughout this year and develop new and innovative ways to assist with limited capacity.

As we can see from our strategic priorities, we have made significant headway in several areas, focusing on the four pillars of sustainability: social, environment, culture, and economic. Council developed a strategic direction for staff, and senior staff developed a Corporate Action Plan to track our progress. You can see from the Report Card ([page 16](#)) that our recreation department has implemented some significant initiatives, including more recreation opportunities, online signup, and a quarterly recreation guide. We completed an update to our Emergency Plan and created campaigns to help people become self-prepared for emergencies. We were able to access grant funding to support Economic Development through the recovery phase of the pandemic. We have been advancing our environmental policies by upgrading lighting and choosing alternative energies for heating and cooling; more work will be done in 2022 to Municipal Hall, the Water Plant and the Wastewater Plant.



Halloween 2021 L-R

I have enjoyed my first full year as CAO and my 6th year with the District of Port Hardy. Our community is one that is **Rich, Rugged and Resilient**. It has been a pleasure to serve the community in this capacity. Thank you for all your support and input to help us do a better job of serving you.

Heather Nelson-Smith, CAO



Leadership Team

Heather Nelson-Smith

Chief Administrative Officer

Ross Blackwell

Director of Corporate Services
& Deputy CAO

Deb Bodnar

Director of Financial Services

Kam So

Director of Engineering &
Operations

Tanya Kaul

Director of Recreation &
Community Services

Bruce Forsyth

Public Works Supervisor

Joe Jewell

Utilities Supervisor

Nigel Sutton

Municipal Inspector

Melinda Dennison

Aquatic Coordinator

Vern Braun

Recreation Facility Foreman

Anika Tarata - Aries Security

Harbour Manager

Brent Borg

Fire Chief

Gavin Texmo

Deputy Fire Chief

Andy Philips

RCMP Staff Sergeant

Community Partners

The District of Port Hardy recognizes and values its community partners. The District relies on its community partners for the important day-to-day tasks involved in keeping the community safe and vibrant.

These partners include: Port Hardy Firefighters Association, Royal Canadian Mounted Police, BC Ambulance Service, Local Service Agencies, Vancouver Island Regional Library, Port Hardy & District Chamber of Commerce, and Port Hardy Museum.

Service clubs including the Port Hardy Lions Club, Port Hardy Rotary, Hardy Bay Seniors Citizen's Society and FILOMI Days Society, Volunteers and Community groups are all valued as an important part of making our community a welcoming place to live.



Pride Port Hardy 2021

L-R Jennifer Smith, Councillor Janet Dorward &
Councillor Treena Smith

Photo - Tyson Whitney



Community Engagement



www.porthardy.ca



District of Port Hardy
Port Hardy Emergency
Port Hardy Recreation
Port Hardy Animal Shelter
Port Hardy Fire Rescue
Bear Smart Port Hardy



@DPortHardy
@DPHEmergency



@DPortHardy



Quarterly Newsletter: distributed with utility bills

Regular Council Meetings: 2nd and 4th Tuesday of every month

Open Houses

Local Media: The District regularly advertises items of interest to the general public through the North Island Gazette, North Island Eagle (local print media), and CFNI-Coast AM 1240 radio

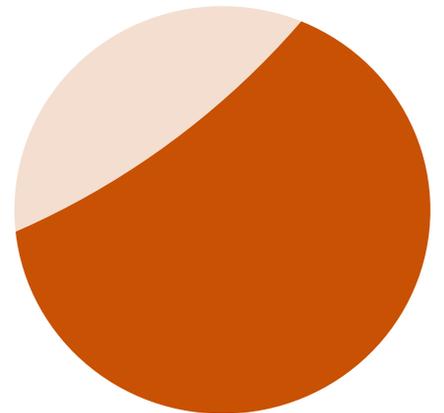
Partnerships: The District co-produces materials with a variety of community partners, including Tourism Port Hardy, The Port Hardy & District Chamber of Commerce (Visitor's Centre), Vancouver Island North Tourism Association and Emergency Preparedness

Email and Phone: General inquiries: email - general@porthardy.ca phone 250-949-6665, Monday through Friday, 8:30 a.m.- 4:30 p.m.





Strategic Plan



Strategic Plan

2021-2022

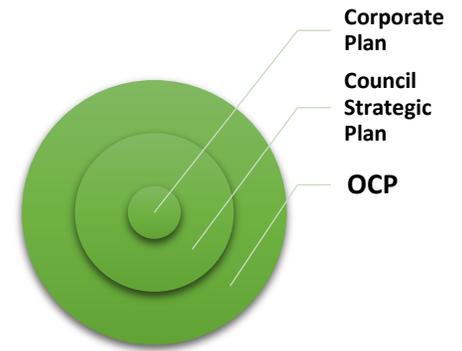


April 2021 Heather Nelson-Smith, CAO

Strategic Plan 2021-2022

A Council strategic plan is designed to translate the Official Community Plan objectives into a strategic framework of prioritization and decision making for the purpose of maximizing operational efficiencies and effectiveness for the purpose of enhancing community liveability.

The Mayor and Council of Port Hardy have reviewed the priorities of the District through a multi-day strategic plan session led internally by staff and have developed the following strategic plan based on reviewing the challenges and opportunities that are available to the District and the communities in the Mount Waddington Regional District.



Opportunities for Port Hardy:

- Gateway to the North Coast trail
- Time rich- no rush-no traffic
- Image
- Fibre Internet
- Location, location, location
- Rural lifestyle
- Transportation hub: land, water & air
- Tourism, art, and festivals
- Food security
- Community kitchen
- Outdoor events and opportunities
- Packaging for attraction of new residents
- Great quality of life
- Progressive local government
- Active business community

Challenges facing Port Hardy:

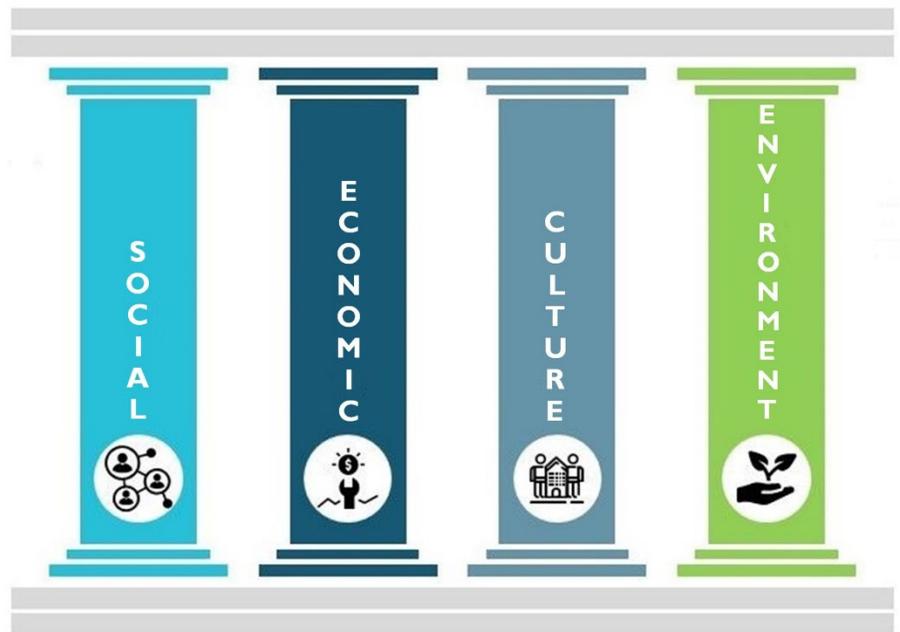
- Negative impacts on resources
- Decisions made outside of District control
- Poverty and social issues
- High percentage of aging/poor housing stock
- Lack of quality multifamily rentals
- Choice of housing
- Regulations
- Image of being remote
- Limited access to construction trades
- Future infrastructure needs with increased population

The Council 2021-2022 Strategic Plan is organized into the four pillars of sustainability: Social, Economic, Culture and Environment. The goals are set to guide staff in a corporate direction and align with each of those pillars which support the Official Community Plan.

The Council Strategic plan is divided into two parts, Council priorities and Corporate strategy. The Corporate strategy is designed to optimize the District's allocation of resources and priorities. It also accounts for the organization of Council's priorities.

Those items that are seen in future years, may be reallocated as needs change and adapt. Council is the driver of the strategic plan and the CAO will ensure that the plan is consistent with our staffing capabilities and financial resources to achieve success under each priority.

A report card will be created with timelines and regular check ins with Council along with a risk matrix to help guide the planning for the duration of this plan.



District Strategic Priorities



OCP Goals

- Port Hardy includes a broad range of affordable and diverse housing options across the community.
- Our community enjoys a vibrant local food culture with prosperous food related businesses – ranging from producers, to processors, to retailers – and where all residents have access to healthy, locally grown and raised food.

Council Priorities

Housing- Create housing opportunities that support the local need for affordable housing. Council to make land available for supportive housing and create policies that support development of affordable housing options.

Food Security- Empower the community to pursue a greater degree of food resiliency.

Communications and Engagement- Ensure that the District is providing communications to the community through all platforms including web, social media and paper.

S
O
C
I
A
L



Corporate Strategy

Project/Priority	2021-2022	Measure
SOCIAL		
Housing	Prepare business case and concept plan for low-income/supportive housing residential development – Housing coalition	Adoption of a housing action plan
Housing	Engage with BC Housing to fill gaps in housing options	Create RFP/Donation of land
Housing	Create a strategy to address different types of housing option policies to support development (tiny homes and large lots)	Action plan
Food Security	Staff to negotiate community garden space in new developments	Establishment of new community gardens
Food Security	Direct the development of an agriculture capability assessment	Completion of assessment
Food Security	Develop educational resources on backyard food production and establish a budget	Facilitate annual food production workshops
Poverty Reduction	Prepare a poverty reduction plan	Completion of plan
Public Wi-Fi	Prepare a plan and budget for providing Wi-Fi in public spaces (Harbours and Parks)	Budget approval/installation
Communications	Continue to keep the community informed via web and social media platforms	Increase in engagement
Emergency planning	Develop resources and training to help residents prepare for emergencies	Development of training resources
Improve Customer Service	Implement online billing options for taxes and utilities	Implementation of program
Livability index	Prepare an annual livability index. Consider policies and programs that can enhance the community	Report available annually

Future

Housing available for all

District Strategic Priorities



OCP Goals

- Create a diverse economic base that integrates social and ecological values and contributes to a high quality of life for residents and business owners.
- Support the community in recovery during and after the pandemic.

Council Priorities

Lifestyle and Retention- Promotion of the many services available in the community will enhance the livability of the area. Port Hardy and the North Island is a great place to live, work and play.

Pandemic Recovery- Provide support to the community through a temporary Economic Development Recovery Officer to support business and community recovery and make the District resilient in the future.

Be Future Ready- Develop policies that support sustainable infrastructure renewal.

Community Forest - Direct North Island Community Forest Limited Partnership to work with the communities to support increased tenure for future revenue generation.

Marine Service Hub- Establish Port Hardy as the marine service hub for the North Island.

Corporate Strategy

Project/Priority	2021-2022	Measure
ECONOMIC		
Lifestyle and retention	Develop a resident's guide for Port Hardy	Guide available in paper and web format
Promotion	Work with other North Island agencies to support attraction campaigns including promotional videos	Data shared with other agencies- inclusion of information on website
Community Forest expansion	Work with NICFLP through shared resources to ensure that expansion efforts are supported	Expansion of the Community Forest
Boat Haul out Feasibility	Prepare a feasibility study for a boat haul out facility to support the North Island fleet	Complete study
Asset Management	Develop an asset management plan and policy for reserves	Develop policy
Economic Recovery	Hire economic development recovery officer to assess and implement strategies for recovery during and after the pandemic. This will include preparation of shovel ready projects.	Hire Ec Dev Officer
COVID Recovery Funding	To be used to offset reduced revenues in recreation, harbour and tourism. This will allow us to continue operations as is without adjusting tax rates to offset those fee losses	

Future

- Build a boat weigh
- Upgrade marine infrastructure
- Infrastructure review for increase population
- Community Kitchen hub to support small business



District Strategic Priorities



OCP Goals

- Port Hardy will be a vibrant, engaging community that supports and encourages community health, safety, economic prosperity and recreational opportunities for residents and visitors.
- Open space will be networked to support both active transportation and movement of water and wildlife. Streams, rivers, and marine areas are protected or enhanced and celebrated as prime community assets.
- Our transportation will be safe, accessible, convenient, and affordable choices with emphasis on high quality walking, cycling, and transit options.
- First Nations Relations with improved relationships and acknowledgement of traditional territory.

Council Priorities

Youth Opportunities & Outreach- Support the youth of the community through recreation, civic engagement, and communications.

Recreation, Arts & Culture- Ensure that there are facilities that support the North Island including large scale recreation facilities such as the pool and arena, outdoor recreation opportunities like trails and support recreation programming for all ages and other forms of programming that support arts and culture in Port Hardy.

Relationship Building- Building on the North Island Indigenous history and incorporating the culture through partnerships that support acknowledgement and foster a community that has understanding.

Corporate Strategy

Project/Priority	2021-2022	Measure
CULTURE		
Youth employment	Work with high school on developing a work experience program	Youth hires
Youth civics education	Development of a District led youth civics event	Bursaries/ Youth Council
Recreation facilities	Submission of grant applications to support recreation infrastructure	Successful grant applications
Recreation Programming	Increased activities, use of facilities and promotion	Number of participants
Outdoor recreation	Trail enhancements, maintenance, and expansion	Improved community usage
Outdoor recreation	Work with RDMW on enhancing trails on the North Island	Improved access
Active Transportation	Prepare plans for future projects within the capital budget	Prepare plan
First Nations Signage	Create dialogue to support plans for future signage enhancements	Strategy in place
Cultural Sensitivity Training	Develop a policy on ongoing cultural sensitivity training	Training to be held prior to end of 2022
Senior's support	Improved access to recreation opportunities and access to facilities	Increased numbers of seniors participating in activities

Future

Foundry support
New pool
Seawall Beautification (Parking)

Recreation programming
Covered Tennis Courts
Community Kitchen

Leadership support
Art Installations

District Strategic Priorities



OCP Goals

- To improve buildings in Port Hardy are improved with energy efficiency and use of renewable energy wherever possible – and assist in meeting climate protection commitments set out in the BC Climate Action Charter.
- Ensure our waste generation per capita is among the lowest in British Columbia and that no more than 10% of waste for disposal consists of recyclable materials and compostable waste.
- Ensure our water is consumed responsibly, and new demand is met through conservation.

Council Priorities

Reduce Landfill Waste- Support Regional District of Mount Waddington initiatives to divert waste including implementation of community composting where practicable.

Water Conservation- Convert municipal facilities fixtures to reduce water usage.

Carbon Neutrality- Support, where practicable, energy efficient conversions in existing municipal facilities, new municipal buildings, and municipal fleet.

Corporate Strategy

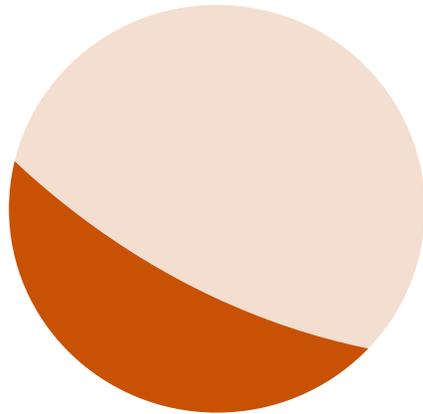
Project/Priority	2021-2022	Measure
ENVIRONMENT		
Municipal Building efficiency	Where practicable, upgrade existing facilities to be energy efficient	Lower carbon footprint
Water Conservation	Upgrade Municipal facilities with low flow fixtures through operating funds	Number of fixtures replaced
LED Street lights	Change lighting as they need replacement with high efficiency LED lighting	Number of lights replaced
Composting	Under the Direction of Council support RDMW efforts to divert organics at the landfill- possible curbside composting	Plan for future diversion

Future

Fleet replacement with energy efficiency
 Incentives for residents for energy efficiency options



CAO Report and
Strategic Plan
Report Card





CAO REPORT

● *Strategic Plan and Operational Update*

December 2021



WE RESPECTFULLY ACKNOWLEDGE THAT WE ARE ON THE TRADITIONAL TERRITORY OF THE KWAKIUTL PEOPLE, GILAKAS'LA

January—December 2021

Goals

Supporting Council's Strategic Priorities with intention while providing upstanding service to the Communities we serve.

Vision

To lead in providing supports that enhance the quality of life in Port Hardy and the North Island.

Values

- Strategic Focus
- Providing excellent customer service
- Supporting staff and volunteers
- Supporting the North Island residents
- Providing services that support the community as a whole
- Working with our North Island Communities to provide services that we all need
- Acknowledging the traditional territory of the Kwakiutl people



Capital Projects

Project	2021 Amount	% Complete
Storey's Beach dugouts roof	12,600	100%
Storey's Beach Ball fields	95,000	100%
Visitor Enhancement Project (Murals and Carvings)	66,000	2022
District Phone System	35,000	100%
Emergency Plan	7,500	100%
Aquatic Center Renovation (grant dependent)	2,700,000	2022
Recreation Facilities Safety	40,000	100%
Recreation Revitalization (grant received)	3,000,000	99%
Active Transportation Plan (formally Sidewalks)	35,000	100%
Little Tsulquate Culverts	40,000	2022
Connectivity Trails & Bridge	15,000	100%
Official Community Plan	60,000	90%
Catch Basin Repair	10,000	100%
Market Street / Stink Creek Culvert (A/M 13-063)	30,000	2022
Stink Creek Revitalization	20,000	10%
Integrated Stormwater Management Plan	20,000	100%
Downtown Storm Drainage	35,000	2022
Local Road Infrastructure	160,000	100%
Crack Sealing/Line Painting	30,000	2022
Feasibility Study - Covered Tennis Court	7,500	100%
Fisherman's Wharf - Replace boat launch gangway	23,200	100%
Fisherman's Wharf Pier - Upgrade fresh water supply lines	15,200	100%
Life Rings - all floats	4,000	100%
Seine Float - Close in oil shed	15,200	100%
Seagate Pier - Replace concrete footing	18,200	100%
Fisherman's Wharf - Containment slab	5,250	100%
Public Works Yard Upgrades	108,000	90%
Visitor Enhancement Project (Washrooms)	350,000	20%
Replace 2007 Ford F150	60,000	50%
Replace 2005 F3500 Altec Bucket Truck	140,000	50%
Fire Hall #1 - Conceptual design for 2 bay and storage addition	50,000	20%
Fire - PPE Washing Machine	15,000	100%
Fire - Respirator Fit Testing Equipment	13,000	100%
Fire Hall #1 - Ventilation/air exchange system	10,000	100%
Fire - Air Bags, Controls & Struts	20,000	100%
Animal Shelter Renovation	35,000	90%
Skateboard Park Revitalization (Grant dependent)	300,000	Not funded

Capital Projects

Project	2021 Amount	% Complete
WTP Filter Header Repair	21,000	2022
WTP Clearwell Pump Rebuilds	12,000	100%
Long Term AMP & Financial Strategy	62,500	2022
Dist. System Rehab & Design	60,000	2022
Utility Mapping Water	12,178	40%
Water Master Plan	10,000	100%
WTP Clearwell Pump Rebuilds	38,000	100%
Asset Inventory	10,000	2022
Water distribution System Upgrades	250,000	2022
AAWTP Sludge Dewatering system	120,000	removed
TWWTP Odour Control	9,500	2022
Storey's Beach and Fisherman's Sani Dump	15,000	2022
Collection System rehabilitation	60,000	2022
Polymer Feed system upgrade	24,086	2022
Collection System Rehabilitation Program	50,000	2022
Fort Rupert School Lift Station Upgrade (Grant Dependent)	1,249,357	Not funded
Asset Inventory	10,000	2022
Generators for 2 Lift Stations	100,000	90%
Phase 2 LWMP Amendment - Feasibility Study	35,000	2022
	12,235,321	



Highlights 2021

- Emergency Plan Complete
- Boat Haul Out Feasibility Study Complete
- Active Transportation Plan Complete
- Implementation of online billing for utilities and taxes implementation June/July 2021
- Online booking platform to be implemented for Recreation October 2021
- Economic Recovery Officer hired starting June 21, 2021
- COVID recovery funding to offset revenues being utilized
- Taxes have been distributed, information on how the taxes are affected this year have been published and are available to help address concerns
- Arena Revitalization 99%+ complete
- Recreation programming for summer underway
- Hydro LED Street light upgrades sent for installation
- All employees completing ethics in local government training
- Water Conservation level 1 started May 1, 2021 no escalation over the season
- Traffic Calming Beaver Harbour Road
- Supporting events through COVID Health Orders, working successfully with Island Health
- Engagements through social media channels increased by 28%
- Storey's Beach Sewer pump review
- Official Community Plan policies reviewed by Community Consultative Committee
- T Floats in place for summer
- Bear Cove opened June 1—Booked for summer
- New mental and medical health benefits for employees, Council and Firefighters
- Planning for Pool upgrades 2022
- Successful grant applications
- Hired and implemented COVID Recovery Officers
- First Bear Smart Week launched
- ICBC LED lighting conversion on Park Drive
- Review of Housing needs and discussions with BC Housing
- Supported additional shelter beds at Salvation Army through Strengthening Communities Grant

Grants

- Investing in Canada Infrastructure Arena Revitalization \$3,000,000 Complete
- Rural Dividend Boat Weights Feasibility \$ 60,000 Complete
- Tourism Dependent Communities Washroom \$ 350,000 In progress
- FCM Asset Management \$ 60,000 2022-2023
- Active Transportation Plan \$ 60,000 Complete
- ICET Economic Recovery Officer \$ 70,000 In progress
- Fire Chief's Association Road Rescue \$ 20,000 Complete
- UBCM poverty Reduction Plan \$ 25,000 In progress
- Investing in Canada Infrastructure Pool upgrade \$8,400,000 Not funded
- Investing in Canada Infrastructure Fort Rupert Lift Station \$1,200,000 Not funded
- Investing in Canada Infrastructure Skate Park \$ 650,000 Not funded
- UBCM Emergency Operations Centre/Training \$ 22,000 In progress
- UBCM Strengthening Communities Fund \$ 108,000 In progress
- Active transportation Sidewalk Granville to Trustee \$ 340,000 Funded 2022
- ICET Thrive Carving, Visitor Enhancement kiosk \$ 48,000 Funded 2022
- Fire Smart Community Funding \$ 48,600 Funded 2022
- ICBC Traffic Safety (Pedestrian Crosswalks) \$ 7,400 Funded 2022
- ICBC LED Lighting conversion \$ 8,300 Complete
- ICBC LED Lighting conversion \$ 25,000 Funded 2022

Operational Risk Matrix

Risk	Probability	Potential Impact	Risk Mitigation Strategies
Staff Burnout/Capacity	High	<p>Limitations getting projects complete due to operational needs and priorities</p> <p>Customer demands including investigations alter work plans and adjust priorities</p> <p>Mistakes and missed opportunities and priorities falling off the table</p> <p>Risk of people leaving to find led stressful/demanding jobs</p>	<p>MANAGE AND REASSESS</p> <p>Assess workload each week to ensure that priority items are being addressed—Service level review to ensure resources are being used efficiently and with intention</p> <p>Ensure that we realistically estimate how long tasks will take when addressing public concerns/complaints</p>
COVID Related Illness	High	<p>Staff transmission at work</p> <p>Staff away from work for extended period of time and or multiple employees away at</p>	<p>ACCEPT AND MANAGE</p> <p>Updated sick leave policy to ensure staff do not come to work when unwell</p>
COVID Safety Plans	Low –Medium	<p>With relaxations in public activities, patrons and visitors become complacent and safety plans need to be enforced and reviewed</p> <p>Continually changing the plans as we adapt with new health orders</p>	<p>ACCEPT AND MANAGE</p> <p>Ensure that safety plans and signage are in place and remind visitors to follow the required policies under the Health Order</p> <p>Review requirements regularly and have plans in place before new phasing change dates</p>
Grant Opportunities	Medium to High	<p>Possibility that grant opportunities may be missed due to timelines and resources</p> <p>Grants applied for not funded</p> <p>Staff time to complete funding applications interfering with other priorities</p>	<p>MANAGE AND REASSESS</p> <p>Ensure that shovel/shelf ready applications are made available to proceed when grants are available</p>

Operational Risk Matrix

Risk	Probability	Potential Impact	Risk Mitigation Strategies
Strategic Plan Targets	Medium to High	Prioritizing Council Strategic Goals with other District priorities	<p>MANAGE AND REASSESS</p> <p>Ensure that prioritization and updates are provided regularly to staff and Council to ensure that missed targets and achievements are communicated</p>
Asset Management/ Replacement	Medium to High	Not being ready for asset replacement, aging infrastructure that has outlived its useful life	<p>ACCEPT AND MANAGE</p> <p>Planning for asset replacement through contributions to the reserves to fund replacement—using CityWide asset management program to assist with prioritizing and preparing budgets to fund replacement</p> <p>Keeping staff budgeting for priority replacement where practicable</p>
Project Delays	High	<p>Supply chain issues</p> <p>Access to contractors, professionals is impacted by pandemic</p> <p>Capacity of staff to complete projects</p>	<p>ACCEPT AND MANAGE</p> <p>Access to contractors, professionals is impacted by pandemic</p> <p>Be realistic in assumptions for projects</p> <p>Dedicate personnel to managing expectations</p>

Ross Blackwell, Director of Corporate and Development Services/Deputy CAO

Success

- Development of Building Permit Guide
- Worked with a number of development interests in relation to their investment plans
- Supported and triaged customer service relationship in matters involving bylaw enforcement, animal control, and building inspection
- Prepared supporting materials for various award submissions
- Facilitated amendments to the animal control bylaw
- Developed a "Minimum Rental Standards Bylaw"
- Participated in discussions with the Province in relation to a continuum of housing
- Supported the efficient processing of building permit issuance
- Field land development related customer enquires
- Provide support to the Port Hardy Harbour Authority
- Provide support to local First Nation projects within the District
- Provide support to other departments

Challenges

- Managing capacity
- Limited resources within the District and within community
- Managing customer expectations

Goals and Next Steps

- Support the strategic enhancement of the downtown experience and feel
- Facilitate more in-fill development in the community
- Assess opportunities to support a more resilient local economy
- Optimize the customer experience
- Assess the opportunities/ options for the District in driving economic development
- Co-develop an asset management plan and budget for the long-term sustainability of Fire Services
- Support a service level review of utilities and operations
- Increase youth involvement in District operations such as Planning

Deb Bodnar, Director of Financial Services

Success

- Organized the verification of receipt of all goods and services received by the District, performed data entry and processed invoices for payment every week, including the collection, organization and balancing of credit card receipts monthly for each card holder for data entry.
- Produced and mailed out quarterly utility billings for over 1615 customers per quarter.
- Produced and mailed over 2183 property tax notices for 2021. Successfully managing transition for administration of the Home Owner Grant process back to the BC Ministry of Finance.
- Completed and submitted the following regulatory reporting for the District:
 - 2021-2025 Financial Plan and Bylaw
 - 2021 Tax Rate Bylaw
 - 2020 Audited Financial statements
 - LGDE reporting for financials and current tax rate
 - Use of gas tax funds
 - 2020 Statement of Financial Information
 - GST, PST, EHT, PAT returns
- Processed 26 periods of pay for approximately 50 employees each, including new employee set up, terminations, collective agreement adjustments and retroactive pay.
- Staff continue to effectively and compassionately deal with citizen calls, emails, in-person visits and complaints on a wide-variety of finance-related issues.
- Successfully managed and processed property tax payments for at least 2000 folios including enquiries and questions on the new Home Owner grant process.
- Facilitated the 2021 property tax sale process and the September 27th auction with 5 properties available.
- Completed and submitted the following regulatory reporting and submissions for the District:
- 2022 Budget cycle including preparation and presentation for 5 meetings with Finance Committee, discussions with CAO and Directors.
- Worked with Recreation to successfully implement Book King software; set up GL structure, documentation of process, reconciliation of 2021 transactions.
- Presentation of Q3 operating and capital results presented to Finance Committee at the October 25th meeting including forecast to year end.
- Hired casual office clerk to relieve admin staff during peak times and sick leaves.
- Successfully processed year end roll over of financial system and set up of new payroll year.

Challenges

- Develop staff capacity to work on proactive strategies and streamlining of current processes rather than being reactive.
- Developing staff to delegate more routine work which can free up my capacity to work at a more strategic level (policy development, project work).
- Addressing the ongoing complexity and changes in regulatory reporting from other levels of government within existing capacity.

Goals and Next Steps

- Implement quarterly financial reporting to management team including working one-on-one to understand and address individual challenges and update the MAIS report for usefulness. Continue to work on strategies for streamlining of reporting.
- Implement quarterly variance reporting and year end forecasting to Finance Committee starting with Q2 2022 results.
- Kick off the Asset Management Project starting April 1, 2022 (grant extension to March 31, 2023)
- Development of the following policies – reserves and surplus, asset management, tax rate, tangible capital asset (update) and purchasing (in progress).

Kam So, Director of Engineering and Operational Services

Successes

- Routine maintenance of trails, ditching and brushing are being conducted.
- Routine flushing of storm and sewer lines are continuing.
- Removal of dangerous trees around community.
- Creation of 5 year capital plans for roads, storm, water and sewer projects.
- Annual inspections of sidewalks, workplaces, playgrounds.
- Water Asset Management Plan and Stormwater Asset Management plan.
- Many preventative maintenance activities are being addressed.
- Staff safety training and work processes training has increased
- Fleet is fully stocked with necessary equipment perform at a high level of service. Ie Grader, Vac Truck, Bucket Truck, Sweeper.
- Street Light cost sharing from ICBC to replace lights on Ring Road and BC Hydro light poles.
- No water or sewer operating permit violations.
- Water volume usage trending down due to increased leak detection.
- Safety manual and work safe practices updated.
- Successful removal of surplus equipment within the yard.
- Lift stations maintained during electrical outages.
- Speedy responses to developer's and public comment requests.

Challenges

- Using existing inventory information into Asset Management Database that is in a usable form needs improvements
- Several senior crews are set to retire, will need to train and recruitment of staff.
- Many capital assets have reached their end of life and is need of replacement. Capital budget does not meet required replacement.
- Updating many outdated work processes with employees that are not comfortable with technology
- Many work process are still paper based.
- Historical record keeping needs updating and improving.
- Historical backlog of storm issues, lack of sidewalks, sewer infiltration.
- Parks system need extensive capital funding.

Goals and Next Steps

- Develop Wastewater Master Plan.
- Conduct further mapping reports and insert into asset management database.
- Train current staff to backfill retiring staff.
- Work to receive grants to replace backlog of Capital Projects.
- Update work process to more modern methods.

Tanya Kaul, Director of Recreation and Community Services

Success

- Launched Book King software program both Backend portal and Online Public Registration system
- Implemented highly successful and well attended Learn to Skate and Hockey program
- Awarded Canadian Tire JumpStart Relief Fund grant to purchase 9 complete sets of children's Hockey gear, which were loaned out continuously throughout ice season
- Launched first ever Fall and Winter Recreation Guides
- Significant increase in social media advertisement resulting in increased program registration and successful roll out of programs and events
- Hired additional Skate Patrollers, Cashiers, Fitness Instructors, and added Skate Instructor and Skate Instructor Assistant positions
- Received Family Day Grant to host free Family Day Skate and Crafts event February 21
- Hosted new summer camps (Soccer, Xtreme Games, Youth, Splish Splash) and community events: Family Fun & Play, Community Picnic, Board Games Night, Autumn Festival, Winter Festival, Winter Wonderland Skate
- Implemented virtual Fitness classes due to Provincial Health Order class suspensions
- Increased local business sponsorships for Christmas skates and movie nights
- Interior Arena upgrades including painting, new advertising signboards, dressing room washroom fixtures
- Upgraded Arena sound system including wireless Bluetooth connection and microphone
- Don Cruickshank Memorial Arena hosting U18 Provincial Hockey Championships March 19-23

Challenges

- Attracting qualified Recreation Facility Attendants and recruiting new Lifeguards
- Ongoing training for Lifeguard staff who are undertaking new programming duties in absence of Pool
- Anticipation and planning for significant workload increase in 2023 once Pool reopens if current staff capacity remains at current level
- Managing program suspensions due to Provincial Health Orders and the work resulting from scheduling make up classes, postponing start dates, and canceling classes
- Working within the constraints of the current CUPE Local 401 contract to meet the demands of the increase in programming
- Time management constraints when applying for worthy large energy reducing infrastructure grants

Goals and Next Steps

- Prepare reopening in 2023 involving extensive repairs to Pool basin, new HVAC system, and Pump Room
- Hiring and retaining qualified Recreation Facility Attendants and Lifeguards
- Implementing Book King's Scheduling Module into current software program
- Installing new Arena Flashing to block walls to eliminate moisture build up
- Upgrading Arena dressing room showers and installing dedicated women's dressing room
- Painting exteriors of all three buildings: Arena, Pool, and Civic Centre
- Continuing with interior Arena painting and cosmetic upgrades
- Awaiting response to following four grant applications:
 - 1) Canada Day Celebration
 - 2) ISPARC Equipment grant
 - 3) ParticipACTION Community Better Challenge
 - 4) CleanBC Go Electric Commercial Vehicle (e-conversion of Olympia)
- Launch of Spring, Summer, and Fall Recreation Guides with sponsored ads to increase quality of production

Strategic Plan Report

District Strategic Priorities Report Card



Council Priority	Corporate Strategy	Action	Timeline		Progress at end of 2021			Status	Next Steps	Risks
			Start	End	On Target	In progress	Behind Target			
Housing- Create housing opportunities that support the local need for affordable housing. Council to make land available for supportive housing and create policies that support development of affordable housing options.	Housing	Prepare business case and concept plan for low-income/supportive housing residential development – Housing coalition	Q-2 21	Q-4 21				Q-1, 2022 Coalition has been formed at RDMW level	Support Coalition with data sharing and await findings Identify assets to support	Housing coalition is not controlled by the District
	Housing	Engage with BC Housing to fill gaps in housing options	Q-2 21	Q-4 21				Q-1- Engaged in conversation to communicate concerns.	Provide #'s to support the needs of the community to BC Housing Identify assets to support	The gap between discussion and building will not support those who need housing now
	Housing	Create a strategy to address different types of housing option policies to support development (tiny homes and large lots)	Q-4 21	Q-3 22				Q4- Economic Development Officers developing strategy for filling housing gaps	Zoning changes and changes to Subdivision regulation for servicing smaller lots	Finding suitable housing options for tiny homes that meet the BCBC
Food Security- Empower the community to pursue a greater degree of food resiliency.	Food Security	Require community garden space in new developments	Q-1 21	Q-3 22			2022	2022	Plan changes in zoning regulation and Subdivision servicing bylaws	
	Food Security	Direct the development of an agriculture capability assessment	Q-2 22	Q-4 22			2022	2022		
	Food Security	Develop educational resources on backyard food production and establish a budget	Q-1 22	Q-2 22			2022	2022	Develop budget and	Finding resources that are applicable – need to rely on external source to provide information
	Poverty Reduction	Prepare a poverty reduction plan	Q-2 21	Q-3 21				Q3-Q4 Poverty reduction started – completion Q-1 2022	Completion March 2022	Pandemic made engagement with vulnerable populations challenging future consideration on communication through COVID
Communications and Engagement- Ensure that the District is providing communications to the community through all platforms including web, social media, and paper.	Public Wi-Fi	Prepare a plan and budget for providing Wi-Fi in public spaces (Harbours and Parks)	Q-2 21	Q-3 21					Prepare plan and report to Council for future budget consideration 2022	Cost and staff allocation
	Communications	keep the community informed via web and social media platforms	Q-1 21	Q-4 22						Staff resources, a lot of the communications work is done ADHOC
	Emergency planning	Develop resources and training to help residents prepare for emergencies	Q-4 21	Q-4 21				Q-1- Ordered manuals for emergency preparedness to distribute Q-2- Distributed resources to hotels for visitors on personal preparedness	Outreach and development of additional resources including business continuity	
	Improve Customer Service	Implement online billing options for taxes and utilities	Q-2 21	Q-3 21				Q-1- Signed agreement to add on module for taxes and utilities.	Refining scope of the project to meet customer needs	Implementation and training Limitations may prevent this initiative from being successful
	Livability index	Prepare an annual livability index. Consider policies and programs that can enhance the community	Q-2 22	Q-4 22			2022	2022		

District Strategic Priorities Report Card



Council Priority	Corporate Action	Details	Timeline		Progress at end of 2021			Status	Next Steps	Risks
			Start	End	On Target	In progress	Behind Target			
Lifestyle and Retention- Port Hardy and the North Island is a great place to live, work and play. Promotion of the many services available in the community will enhance the livability of the area.	Lifestyle and retention	Develop a resident's guide for Port Hardy	Q-3 21	Q-4 21				Q-1 2022 Economic Development Officers working on resident's guide for 2022	Develop a resident's guide Q-4 Hire videographer to collaborate with COC to promote Port Hardy through attractive videos clips	Inability to find suitable actors for video clips and variable weather
	Promotion	Partner to create attraction videos and content						No timeline set (see above)	Share residents Guide and resources – Need budget allocation	
Pandemic Recovery- Provide support to the community through a temporary Economic Development Recovery Officer to support business and community recovery and make the District resilient in the future.	Economic Recovery	Hire economic development recovery officer to assess and implement strategies for recovery during and after the pandemic. This will include preparation of shovel ready projects.	Q-1 21	Q-4 22				Q-1 – Application sent to ICET to support wages – Approved Q-2 – Application approved – hiring done Q-3- Q-4 implemented workplan		
	COVID Recovery Funding	To be used to offset reduced revenues in recreation, harbour, and tourism. This will allow us to continue operations as it without adjusting tax rates to offset those fee losses	Q-1 21	Q-4 22				Q-1- Budgets prepared using funds to offset revenues lost due to COVID 19 Harbour, Recreation and Hotel tax		
Future Ready- Develop policies that support sustainable infrastructure renewal.	Asset Management	Develop an asset management plan and policy for reserves	Q-2 21	Q-2 22				Q1-Q-2 – Updated storm and water asset management plan and storm water management plan Q-1 2022 Update – will be implements in 2022-2023	FCM Grant- Assessing readiness, formalize project fundamentals, plan kickoff meeting with stakeholders by end of June -Complete water mapping -Camera sewer line -Add mapping project to CityWorks database, link Map assets to database. Update inventory, condition assessments, inspections on CityWorks. -complete inspections: roads, water, sewer, manholes, storm system, parks, playgrounds	Staff capacity
Community Forest - Direct North Island Community Forest LP to work with the communities to support increased tenure for future revenue generation.	Community Forest expansion	Work with NICFLP through shared resources to ensure that expansion efforts are supported						Q-1- Letter sent on behalf of the communities in late 2020- awaiting response form minister		

District Strategic Priorities Report Card

CULTURE



Council Priority	Corporate Strategy	Action	Timeline		Progress at end of 2021			Status	Next steps	Risks
			Start	End	On Target	In progress	Behind Target			
Youth Opportunities & Outreach- To support the youth of the community through recreation, civic engagement, and communications.	Youth employment	Develop a work experience program	Q4-21	Q4-22		2022		Q-2 Hired 4 students for the summer Q-2 Hired Youth Camp Organizer to facilitate two summer Youth camps	Q-3 Potential for one off Youth events in Q4	Inability to find key leader in school to help support work experience program Limited staff capacity to delivery effective programs to support education requirements Temporary employment due to full time teacher status
	Youth civics education	Development of a District led youth civics event	Q3-21	Q4-22						Unable to find key leader in school to help support civics program
Recreation- Ensure that there are facilities that support the North Island including large scale recreation facilities such as the pool and arena, outdoor recreation opportunities like trails and support recreation programming for all ages.	Recreation facilities	Submission of grant applications to support recreation infrastructure	Q-1 21	Q4-22		2022	2022-2023	Applications submitted in 2020 for pool unfunded Application for skatepark 2021 unfunded	Washroom RFP for design build Skatepark application sent Q-1 2022 Rotary support Washroom Design almost complete Q-1 2022 Stantec online Q-1 2022 design for pool repairs	Applications not approved Archaeological application delays Availability of trades Supply chain issues
	Recreation Programming	Increased activities, use of facilities and promotion	Q-1 21	Q4-22		2022		Q-2 Hired temporary coordinator to enhance programming and outreach to the community Q4 Recreation Guide implemented Director to meet with First Nations' Leaders to learn of recreational interests		Finding staff and contractors to deliver programs Limited staff capacity to delivery effective programs to support education requirements Certification requirements Instructors contacted unavailable in Q4 due to other commitments or circumstances Lifeguard retention Access to the Civic Centre uninterrupted
	Outdoor recreation	Trail enhancements, maintenance, and expansion	Q-1 21	Q-4-22				Q-1 Regular maintenance of trails and identify future projects for enhancing trails in community		Funding
	Outdoor recreation	Identify key trails maintained by RDMW/Support enhancements and maintenance	Q-3 21	Q-4 22		2022		Letter sent to the RDMW re: Tex Lyon trail in Q-3 2021. Discussions to happen in 2022	Develop a strategy for communicating the priority of Council Identify key trails	The District is not in control of this item and the risk is not achieving success
	Active Transportation	Prepare plans for future projects within the capital budget	Q-1 21	Q-4 22		2022		Q-1- plan complete March 2021 Q-3 Application sent for 2 key areas – 1 approved	Build sidewalk on Granville from Highland to Douglas- connect Trustee through North Island Mall	Funding opportunities
	Cultural Sensitivity Training	Develop a policy on ongoing cultural sensitivity training				2022			Develop policy and prepare budget for 2022 delivery	
	Senior's support	Improved access to recreation opportunities				2022		Recreation programming available to seniors	Director to form Seniors focus group to learn of recreational interests	Limited staff capacity to delivery effective programs to support education requirements COVID precautions Lack of interest in engaging with Port Hardy Recreation

District Strategic Priorities Report Card



Council Priority	Corporate Action	Details	Timeline		Progress at end of 2021			Status	Next Steps	Risks
			Start	End	On Target	In progress	Behind Target			
Reduce Landfill Waste- Support Regional District of Mount Waddington initiatives to divert waste including implementation of community composting where practicable.	Composting	Under the Direction of Council support RDMW efforts to divert organics at the landfill-possible curbside composting							Unknown	
Water Conservation- Convert municipal facilities fixtures to reduce water usage.	Water Conservation	Upgrade Municipal facilities with low flow fixtures through operating funds	Q-1 21	Q-4-22		2022			-Replace fixtures at end of life. -Strategic Watershed Plan being updated. Last updated 2010. -Creating an educational program for water creation for high school kids and the public -Leak detection program -Water mapping and documentation	
Carbon Neutrality- Support, where practicable, energy efficient conversions in existing municipal facilities, new municipal buildings, and municipal fleet.	LED Street lights	Change lighting as they need replacement with high efficiency LED lighting	Q-2 21	Q-4-22		2022		Q-2 Lighting Plan submitted to BC Hydro to replace all their sodium lights to LED within three years. Q-3 Park Drive lighting replaced under funding through BC Hydro	Proposal sent to BC Hydro to cost share for the remaining District owned streetlights in 2022.	
	Municipal Building efficiency	Where practicable, upgrade existing facilities to be energy efficient						Q1-Q2 Heat exchanger installed in PW Office LED lights changed in PW Office, lunchroom, and storage room	Municipal Hall Heat Pump upgrade in 2022	

Corporate Services



Bylaws

The following Bylaws were created or amended in 2021:

375 Followers
+17%

User Rates and Fees Bylaw
Zoning
Permissive Tax Exemptions

Minimum Rental Standards
Animal Control and Care
Financial Plan and Tax Rates



Bylaws are available online at www.porthardy.ca

1630 Followers
+45%

Administration



Managed and administered matters associated with contracts (including agreements and leases) between the District and other parties for a variety of purposes, including such things as the lease of equipment, the provision of services by the District to others, services provided by others to the District, the lease of District land and buildings to others, the lease of Crown Lands to accommodate the District's infrastructure, etc.

629 Followers
+45%

Carried out administration associated with business licensing, dog licensing, open burning and sign permitting.

Bylaw Enforcement Services

The District opened 71 bylaw enforcement files (down 21% from 2020). The breakdown is as follows:

11 Animal Control	8 Building Enforcement	16 Garbage
1 Burning	14 Traffic	1 Noise
16 Unightly Property	1 Zoning/Land	1 False Alarm
2 Drainage		



Building Permits

Residential

Nature of Permit	# of Permits	\$ Value
New Dwelling Units	2	\$613,500
Mobile Home Installations	7	\$34,000
Additions/Renovations	16	\$273,000
New Accesory	7	\$171,300
Demolitions	4	\$0.00

Commercial/Institutional

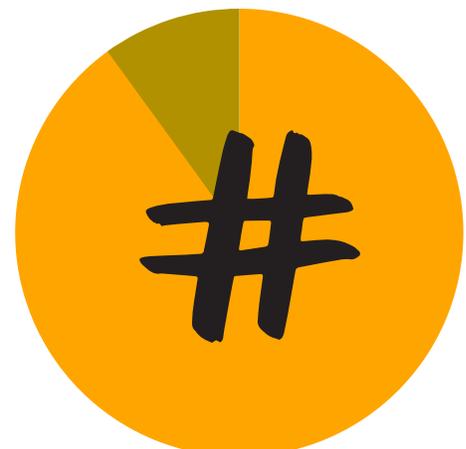
Nature of Permit	# of Permits	\$ Value
New Buildings	1	\$1,000,000
Additions/Rennovations	3	\$280,000

Commercial/Institutional
10%

Institutional
54%



Residential
46%



Residential
90%

First Nations Relations

The First Nations Relation Committee continues to try and maintain a connection with our neighbours and friends. Due to the COVID-19 pandemic, in 2021, the First Nations Relations Committee met virtually; due to capacity and the ongoing pandemic, representation at the meetings with our partners has been limited.

Even though our meetings have had low attendance, the District of Port Hardy has been working hard with our friends and neighbours on significant issues. For example, because of the approximately 21 power outages that affected the Mount Waddington region, the elected Chief Councillors, Mayors and Regional District Board Chair convened meetings to solve what could be done to improve the situation.

Chief Councillor Thomas Nelson, Quatsino First Nation, joined Mayor Dugas and Councillors at the Union of British Columbia Municipalities (UBCM) meeting with the Honourable Bruce Ralston, Minister of Energy, Mines and Petroleum Resources, to discuss power outages, line maintenance, tree cutting, and service upgrades.

Further at UBCM Mayor and Council met with the Honourable Sheila Malcolmson, Minister of Mental Health and Addictions, RN and were joined by Alexa Bisailon and Eleanor Wilson, Gwa'sala-'Nakwaxda'xw Health & Family Services Department, to discuss the Gwa'dzi Managed Alcohol Program (GMAP), the need for supportive housing, and ongoing funding to help make this program even more successful.

These significant issues, which affect all of the North Island, have brought everyone together to work on solutions.

In 2020, the formal Relationship Agreement between the Kwakiutl and the District of Port Hardy was signed, and we are working to continue our strengthened working relationship.

Gilakas'la,
Pat Corbett-Labatt, Councillor
Chair of the First Nations Relations Committee



Relationship Agreement

On the 170th anniversary of the signing of the Douglas Treaty (February 8, 1851) at the Municipal Hall on the traditional territory of the Kwakiutl people, Hereditary Chief David Knox, Chief Councillor Ross Hunt Jr. and Mayor Dennis Dugas signed the Kwakiutl First Nation and District of Port Hardy Relationship Agreement. Councillors and staff from each community watched over this important achievement and celebrated via Zoom.

The Relationship Agreement is a document that will help the two communities work together through the purpose, principles & goals as follows:

- Both Communities agree that their work together is intended to support and promote the wellbeing of the First Nation, the District, and the North Island as a whole.
- The United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission Calls to Action underlie all our work together.
- The First Nation and the District agree to share information from the Federal Government, Province of British Columbia, Regional District of Mount Waddington and other similar bodies that directly or indirectly impacts this agreement and/or shared interests.



Hereditary Chief David Knox: "I am Honoured to be here and to have dialogue with the District of Port Hardy and to be present with Ross and Dennis to talk about how we can all work together for the future for the whole of the North Island. The more we can work together, the more we network the better off we all are as one big community."

Chief Councillor Ross Hunt Jr.: "This is a momentous occasion. The reason we are holding this today is because today marks the 170th day of silence from the Government, both federally and provincially. Thanks to the late Mayor Bev Parnham and former Chief Councillor Corrine Child for creating a relationship more than ten years ago that supported our dialogue to get to this point. Today what you are witnessing is the fruition of that relationship and this will mark the next steps for our Nation. Even though we have been met with silence from Canada we have been met with open arms from the District and that is an important step for us. We look forward to a better future together, we are in this together."



Mayor Dennis Dugas: "This is one of the most important things I have been involved with as a Councillor and now as Mayor for the District. A big thank you goes to those who worked to get us here and how we all worked together to create an agreement that we can all work on together to strengthen our commitment to each other. Past Councillor Jessie Hemphill brought forward the idea of a First Nations Relations Committee and the importance to strengthen our relationship. This is the traditional territory of the Kwakiutl people and we need to work together to make it better for us all. We thank everyone from both communities for the desire to work together for the North Island. I am excited about this Relationship Agreement and our commitment to continue to work together."



Operational Services

Operational Service Committee

The Operational Services Committee for 2020 includes Councillors Janet Dorward, Leighton Wishart, John Tidbury, and staff. As a committee, we provide input to Council on undertakings that amount to the largest portion of the District's project budget. We strive to bring projects to Council that balance the needs of the community and funding sources to minimize the financial impact to our taxpayers.

We sincerely have the best interests of the community at heart when making decisions on the recommendations we approve for Council's review.

John Tidbury, Councillor
Operational Service Committee,
Chair



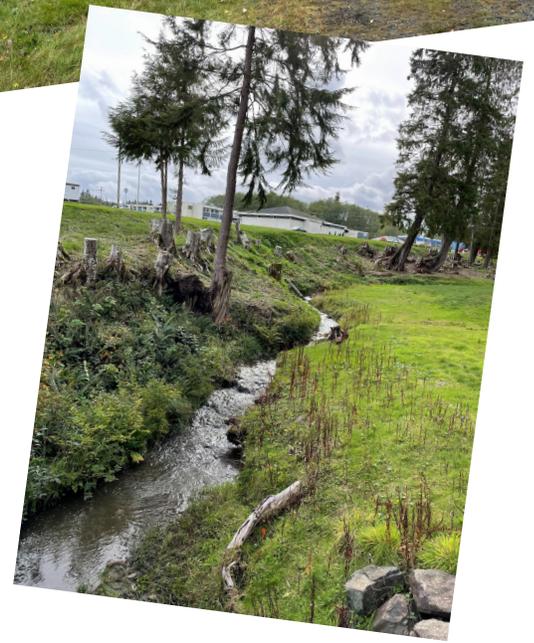
The responsibilities of the Operational Services Committee include:

- To act as an advisory committee to Council on issues that affect the Operational Services Department except for matters related to parks, recreation, arts & culture (i.e. policy, schedules, projects, etc.); Operational Services is comprised of Public Works, Utilities, Engineering, Parks, and Fleet Maintenance.
- Provide input to Council related to budget preparation, including both operational and capital projects.
- Review existing practices and policies of the department and make recommendations to improve the delivery of services to the public.
- Bring forward and discuss concerns raised by taxpayers or staff that may affect the operation of the department.
- Review and recommend long-range planning, including pending and proposed capital purchases and replacements.

Operational Services

Highlights

- Asset Management Program
- Holberg Pit clean up
- Japanese Knotweed treatment
- Memorial Benches placed
- Burial services
- Traffic Barrier installation
- Sidewalk repairs
- Municipal Yard improvements
- Stormwater improvements
- Garbage removal
- Fleet management
- Ditching and culvert repair
- Carnarvon PI – Stormwater replacement
- Alder tree removal
- Dangerous tree removal
- Trail brushing
- Gardens and beautification
- Active Transportation Plan and Design
- Repaving Market Street
- Road grading
- Winter snow clearing
- Gwa'dzi Estuary Bridge
- Tree planting along Granville Street



Water Plant Highlights

- No violations to permit in 2021
- 1473 ML of water were produced in 2021
- Quarterly samples for THMs and HAAs all returned within acceptable limits
- All bacteriological testing came back within expected parameters
- A Stage 1 water use restriction as per Port Hardy Water Conservation Bylaw No. 06-2005
- Several power outages occurred in 2021
- All flocculation and DAF tanks were taken offline for maintenance in January. Bearings were replaced and headers cleaned
- A second backwash sump pump was installed and a new discharge header was built
- The flowmeter in Reservoir #2 failed. A replacement was purchased
- A power rectifier on the raw water pump was found to be faulty at the water plant causing the pump to fault. The unit was bypassed until it could be replaced
- A new Variable Frequency Drive (VFD) was purchased for the raw water pump
- A electrical connection servicing a heater was found to be arcing at the water plant and was replaced



- Fallers were hired to further trim trees around the private power line that feeds the water treatment plant. Electricians were able to perform the annual air switch disconnect at this time
- An electrical connection servicing a heater was found to be arcing at the water plant. The entire electrical panel will need to be replaced. For now, the heater is out of service
- Community members have opted to run their taps to prevent pipes from freezing during the cold weather in December, causing increased demand for water and putting the community at risk if there were to be a fire or a malfunction at the water plant or in the distribution system. Water demand was almost double the daily average (4.4 ML/d vs 7.5 ML/d). December was our highest water production month of 2021
- A smell of burnt wires was found in the clearwell building of the water plant. Electricians were called, and loose wires were found on the contractor for one of the clearwell pumps. All the electrical lugs were tightened, and the issue appears to be resolved. The pump contactor is over 40 years old and has signs of arcing. It will need to be replaced



Water Distribution Summary

- All fire hydrants were serviced this year. Hydrants were also stripped and repainted
- Water main clearing continued to keep our infrastructure accessible
- Backflow preventers were all tested and serviced
- A large water leak was repaired in an apartment building on Highland Drive. The leak was estimated to be 140 m³/day
- Several commercial meters that had failed were replaced. A new plan to replace the touch read for radio read meters has started. This initiative should reduce the time required to read meters for billing
- A new altitude control valve was installed at the Fort Rupert Reservoir. This smaller valve will replace the original that is too large for the application and caused issues within the distribution system
- A new waterline across the Hardy Bay estuary was installed with the new walking bridge. Bacteriological samples were returned within acceptable limits
- Hemlock trees were planted around Fort Rupert Reservoir
- A cluster of mainline isolation valves was found damaged on Bear Cove Highway. Repair work was completed the next day
- Leak detection equipment was deployed in the Lower Carnarvon area to locate a broken service line
- The emergency automatic transfer switch at Bear Cove Reservoir was not operable on the 25th. The switch is obsolete, but parts were found, and the switch was repaired
- Emergency power generators were serviced, and load bank testing in October



Water Capital

- New water meter reading hardware was purchased in 2021
- Revisions to the mapping continued. The new maps purchased in 2019 will now be edited in the field instead of using an offsite engineering service
- A new mainline valve was installed on Byng Road. A Traffic Control Plan was required for this work
- A new treated water pump was ordered for the water treatment plant



Airport Wastewater System Summary

- The Airport wastewater plant continued to produce effluent within the permit's parameters. Samples values reported are sent to a third-party CALA accredited laboratory for analysis.
- No violations to permit were recorded in 2021 at the treatment plant
- The high-level float on the AWWTP wet well failed and was replaced in January
- The screening unit flush lines were replaced in January in the headworks
- A power outage occurred on January 7th
- The first aid kit and eye wash station were replaced at Peel Street Lift station
- A ceramic seal and suction check valve were replaced at Peel Street Lift station. Oil changes were also done on all pumps
- A power outage occurred at Fort Rupert Village Liftstation on February 22nd
- Quotations were received for a new standby generator at Fort Rupert Village Lift station. The bid has been awarded, and the generator was received. A submission to the archeological branch is in progress
- An RFQ was sent out for annual lift station maintenance and awarded. Unfortunately, due to the Coronavirus pandemic, this wasn't completed
- A faulty relay caused both influent pumps to fail. The as-built drawings were found not to be accurate. Corrections were made, but the entire electrical diagram should be reviewed
- Thermal imaging of the AWWTP electrical panels was completed. No issues were found
- The exhaust fan motor in the blower room failed and was replaced
- 2 Low-Pressure Sewer System pumps were replaced in the Storey's Beach area
- Receiving water monitoring for the Airport Wastewater Treatment Plant was scheduled as per our Operating Certificate for August
- A failed PLC power supply at the Peel Street Liftstation was replaced on December 6th. This failure caused the pumps not to start and stop automatically on the level. Utility operators had to stay at the station until early morning to manually start and stop pumps until the faulty parts could be replaced. No spills occurred
- A broken force main was found at Fort Rupert Village Liftstation on December 7th. The Ministry of Environment was notified, as was the Kwakiutl First Nation, that this station services. Trees were felled to gain access to the area. Because this station is close to receiving waters, Pacificus Biological Services LTD was hired to observe and guide us in the process of making the repairs. Pacificus produced a report detailing the repairs. Repairs were completed by December 8th at noon.



Tsulquate Wastewater System Highlights

- The Tsulquate wastewater plant continued to produce effluent within the parameters of the permit. All sample values reported are from a third party CALA accredited laboratory
- The Automatic Transfer Switch for the emergency power generator at the Tsulquate wastewater treatment plant has been problematic. We have began working with the supplier to try and troubleshoot the problem. At this time, the switch can be transferred manually to keep the plant powered
- The soft start on Pump #2 at Trustee Liftstation has been replaced
- A planned power outage occurred in August. Standby diesel generators were operated during the outage
- One operator challenged and passed his wastewater operator level II exam, and another passed their wastewater collection level II exam. The District now employs a certified collection operator qualified to the level of our system
- A new variable frequency drive (VFD) was installed on the backup influent pump. This pump is used in storm events
- The VFD was replaced on the SBR digester blower
- A replacement handheld dissolved oxygen probe was purchased. This unit is essential in our Quality Control program to be confident our online units are reading properly
- Scheduled annual generator maintenance and load bank testing on all of the emergency generators were performed in October
- Another 8-hour power outage on December 30th occurred due to a tree over a transmission line



Celebrating National Public Works Week

<https://www.youtube.com/watch?v=kTHRBx3MU00&t=4s>

Parks, Recreation, Arts & Culture

Welcome again to the annual report from the Parks, Recreation and Arts and Cultural Committee. I want to acknowledge and thank fellow members of the Committee, Councillors Pat Corbett-Labatt and Janet Dorward, for their continuing commitment and dedication. I would also like to recognize the hard work and support for the PRAC from Heather Nelson-Smith, Tanya Kaul and Louisa Bates.

As we emerge from the long days and nights of the pandemic, the Parks and Recreation Arts and Culture Committee would genuinely like to thank all the people of Port Hardy and the North Island for their perseverance and understanding throughout the year. It ain't been easy, but we have made it bearable together!

Big news for the year – Tanya Kaul has joined the District staff as the Director of Parks and Recreation. It would be not easy to imagine a more challenging time to begin a new position in a new community as Rec Director. Tanya and the Recreation staff have done a fantastic job helping our whole community get through a very uncertain time.

Unlike last year when we were lamenting the activities and programs cancelled, this past year has seen the re-introduction of cancelled activities and the welcoming of a broad range of new activities and programs through the Parks and Recreation Department. A wide range of activities was offered for all ages and abilities. A huge thanks to Tanya and Recreation staff.

We have joined the 21st century. We can now sign up and pay for activities electronically through a new software program called Book King. It has proved to be very popular and is well used.

The pool! Oh my, the pool!! But there is a bit of good news. Plan B is now in full swing. Council decided to undertake the pool project on our own without grant support. To that end, renovation plans are set to be prepared in 2022. We are ever hopeful that a refurbished pool will be open early in 2023. A little more perseverance, and we will all be back splashing.

All the work has been completed on our Don Cruikshank Arena. It does look great inside. The North Island Eagle U18's will host their Tier 3 Provincial finals in March 2022.

As we have said before, it is critical to the PRAC that we maintain our existing recreation facilities. Over the past years, we have directed resources toward replacing the curling rink roof, repairing and maintaining the ball fields, and repairing and maintaining the skateboard park. We are looking to add Disk Golf to our recreation.

We are always open to new ideas. We encourage any person or group to come to present your ideas for Parks, Recreation, Arts and Culture in our Community or reach out to our staff.

Thank you,
Councillor Fred Robertson,
Chair Parks, Recreation, Arts and Culture Committee



Port Hardy Pool

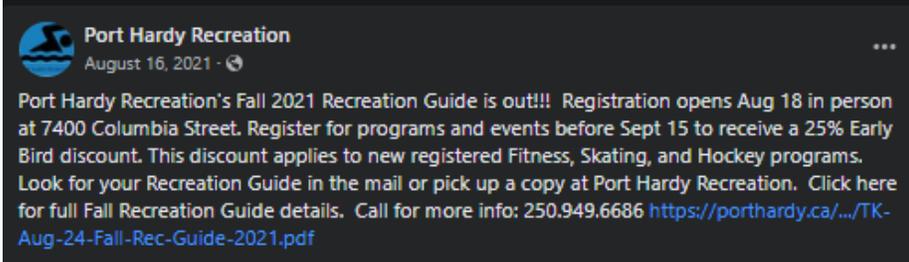
Port Hardy Pool continued to keep its doors open for Family Bubble Swims, Lengths, Aquafit, and Private Lessons despite frequent Provincial Health Order updates and changing protocols. The public was very understanding of our pre-booking policy, and appreciative of the extra sanitizing efforts to keep the Pool open throughout the pandemic.

Here are a few worthy Pool attendance numbers between January and June:

Ø Family Bubble Swims	1,246
Ø Lengths	1,582
Ø Aquafit	636



The pool closed July 1 for major repairs set in 2022-2023



FALL 2021

RECREATION GUIDE

Check out our **NEW** Programs!

AUG 18 - SEPT 15
EARLY BIRD
DISCOUNT
25% OFF
REGISTERED
PROGRAMS

REGISTRATION OPENS AUGUST 18
All registered programs must be registered and paid for in advance by visiting us @ Port Hardy Recreation



The new
RECREATION
GUIDE & Online
Registration
Launched

Fitness and Dance

Demand for more existing fitness programs and opportunities to expand our fitness and dance programs led to the hiring of new instructors, followed by new programs for children and adults. The first-ever Port Hardy Recreation Guide was published in the fall for the September to December season



to showcase the latest programs and community events. By December, online recreation software was introduced to assist the public in registering for programs and events at their fingertips rather than in person. The introduction of the Fall Guide and online registration marked the beginning of an exciting new era and direction for Port Hardy Recreation. At last, we have become more than an Arena and Pool; we operate a year-round recreation centre run by a dynamic team dedicated to expanding program diversity and increasing patronage.

Here is a look at the attendance of existing fitness programs both drop-in and registered:

- Chair Fit (predominately 60+ years) 211
- Adult Fitness programs (19+ years) 816

New Children and Youth programs offered in the fall (September to December):

- Girl Power 25
- Jazz & Ballet 15
- I like to Move It 23
- After School Club 40



Summer Camps

July/August Summer Camps and Events were extremely popular thanks largely to the creativity and diversity of unique camps offered by a variety of camp leaders and facilitators from both Port Hardy Recreation staff and the community leaders. Children aged 6 to 10 and youth aged 11 to 15 took advantage of the wide range of summer camps and families were delighted by the vast array of family fun events enjoyed by all including the free Community Picnic that wrapped up the highly successful summer season.



Here is a look at the diverse summer camps and attendance:

Summer Camp Registration

Camp Name	Attendance
Soccer Camp	20
Youth Camp	15
Xtreme Games Camp #1	21
Xtreme Games Camp #2	21
Splish Splash Camp #1	26
Splish Splash Camp #2	25
Total	128



Summer Event Registration

Summer Event Name	Attendance
Family Fun & Play #1	48
Family Fun & Play #2	36
Family Fun & Play #3	51
Family Fun & Play #4	45
Board Games Night	18
Community Picnic	23
Total	221



Community Events

Fall community events rounded out Port Hardy Recreation's very successful programming year that brought out record numbers of patrons:

- Parent's Night Off 25
- Family and Adult Paint Nights 77
- Bowling Costume Party. 36
- Autumn Festival 377
- Winter Festival 400



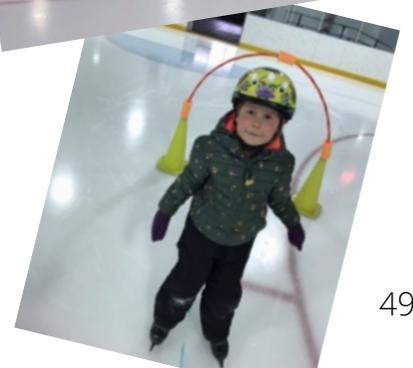
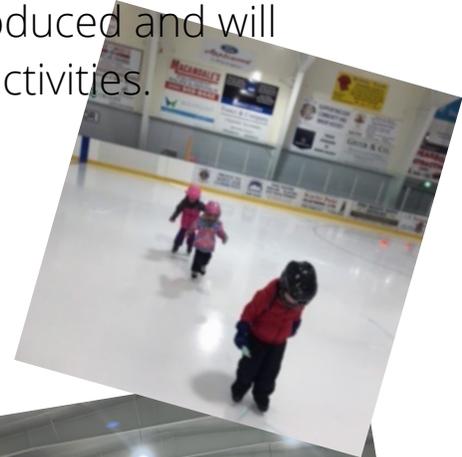
Don Cruikshank Arena



Since January, the Don Cruickshank Memorial Arena has seen several new initiatives and successful programs including the highly acclaimed Learn to Skate and Hockey programs for both children and adults. In addition, Hockey Camps, monthly Youth Nights, and the overwhelmingly popular Winter Wonderland skate featuring an in-house made toboggan run were introduced and will continue to be part of Port Hardy Recreation's annual ice activities.

A few worthy attendance statistics include:

- 489.75 hours of rented ice by league and private user groups;
- 1,984 participants attended Public/Family Skates, Drop-in Hockey, Stick and Puck, Parent and Tot, and special events;
- On average, 10 to 15 participants attended weekly Youth Drop-in Hockey consistently;
- Thanks to the 26 generous community supporters throughout the Christmas season, 320 patrons enjoyed free skates and free rentals between December 18 and January 2. see next page for a list of the 26 generous community sponsors.



Sponsors

SPONSOR

Mitchell & Spencer
 Keltic Seafoods
 Scarlet Point Seafoods
 Prosperity Fuels
 Port Hardy Bulldozing
 Grier & Company
 K&K Electric
 Vancouver Island Teachers.
 Scotia Bank Staff
 Port Hardy Minor Hockey
 Fort Rupert General Stor.
 DB Perks Group
 Coastal Mtn Fuels.
 Stryker Electronics
 Coastal Community Credit Union
 Fox's Disposal Services
 Macandales
 Parr's Construction
 Leroy Wiks - Art & Creations.

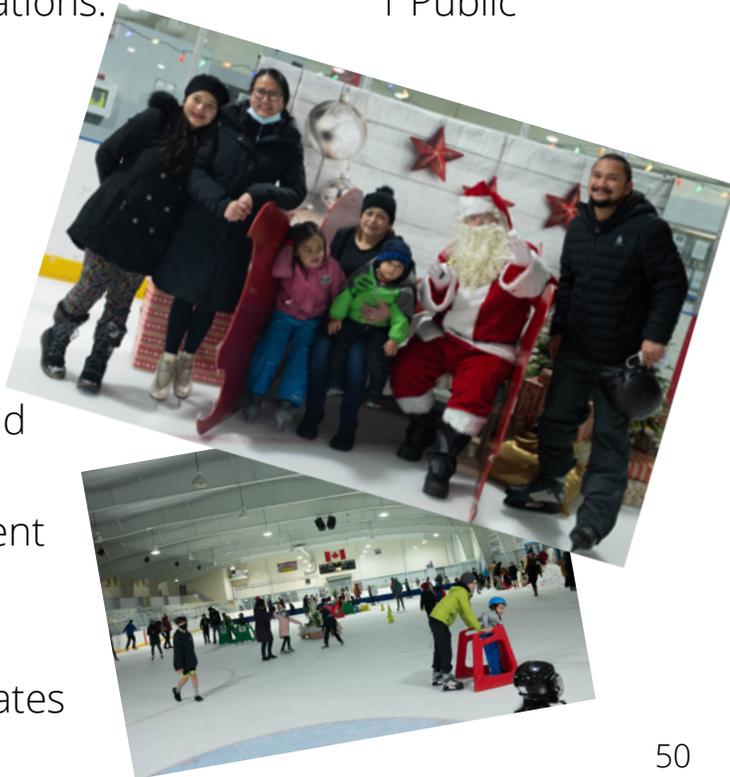
OF SKATES

1 Family
 3 Family, 1 Public
 3 Family
 1 Public
 2 Family
 1 Public
 1 Public
 1 Family
 1 Family
 1 Family
 1 Family
 1 Family
 1 Family
 1 Public
 1 Family, 1 Public
 1 Public
 1 Family
 1 Public



2021 Highlights of Ice Events:

- March 13 Last day of Public Skating
- September 25 Ice season began
- September 25/26 Free Recreation Weekend
- November 19 Free Jersey Day Skate
- November 26-28 PHMH Peewee tournament
- December 11 Holiday Sweater Skate
- December 12 Winter Wonderland Skate
- December 18-30 Christmas Sponsored Skates



Arena Upgrades

The Arena dry floor was not used during the off-ice season, due to extensive Arena upgrades both indoors and outdoors that took place throughout the spring and summer. The \$3 million Arena upgrades were completed by the fall of 2021. Other worthy projects include:

- New digital Marquee
- Interior beams painted
- New dehumidification system
- New protective netting
- New sound system
- New roof
- Painting of the bleachers and interior walls
- Completed general plumbing, and facility repair and maintenance

Recreation Revitalization
Upgrades to the Don Cruikshank Arena

Revitalisation des installations récréatives
Les rénovations de l'aréna Don Cruikshank



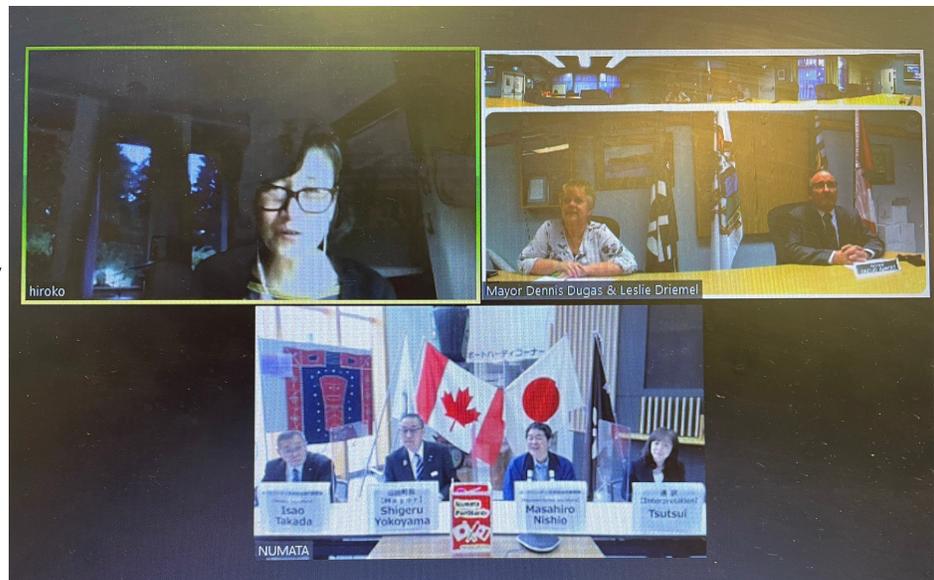
Twinning

ポートハーディ **Port Hardy, BC, Canada** -沼田 **Numata, Hokkaido, Japan**

2021 was a turning point for the Twinning Society. The District of Port Hardy heard the Executive's concerns about limited capacity and the need for District assistance and followed through with taking on the Society under the Parks, Recreation, Arts and Culture Committee.

The need for volunteers does not end, though. We are always looking for interested people to assist with exchanges, including hosting travellers and helping coordinate activities when they arrive. There is also an opportunity to visit Numata through our exchange. What an excellent opportunity to learn about another small community across the world.

In 2021 we decorated the new display case in the new Airport, tended to the gardens, and hosted a Zoom meeting between Mayor Yokoyama and Mayor Dugas. We will continue to meet virtually until travelling is possible again.



北海道沼田町
Hokkaido Numata Town

<https://www.town.numata.hokkaido.jp/>

Fire Department

Mission Statement

"To provide the citizens of Port Hardy with proactive, effective and efficient delivery of fire, rescue, public education and fire prevention services; through a unified forward thinking, organization with good morale and with the highest standards of personnel safety, fairness and professionalism."

Port Hardy Fire Rescue (PHFR), provides firefighting, road rescue and other emergency services to an area encompassing 42 square kilometres. PHFR responds to an average 175 emergency calls on the North Island including Mutual Aid calls to Coal Harbour, Port Alice, Port McNeill and the Regional District of Mount Waddington electoral areas.

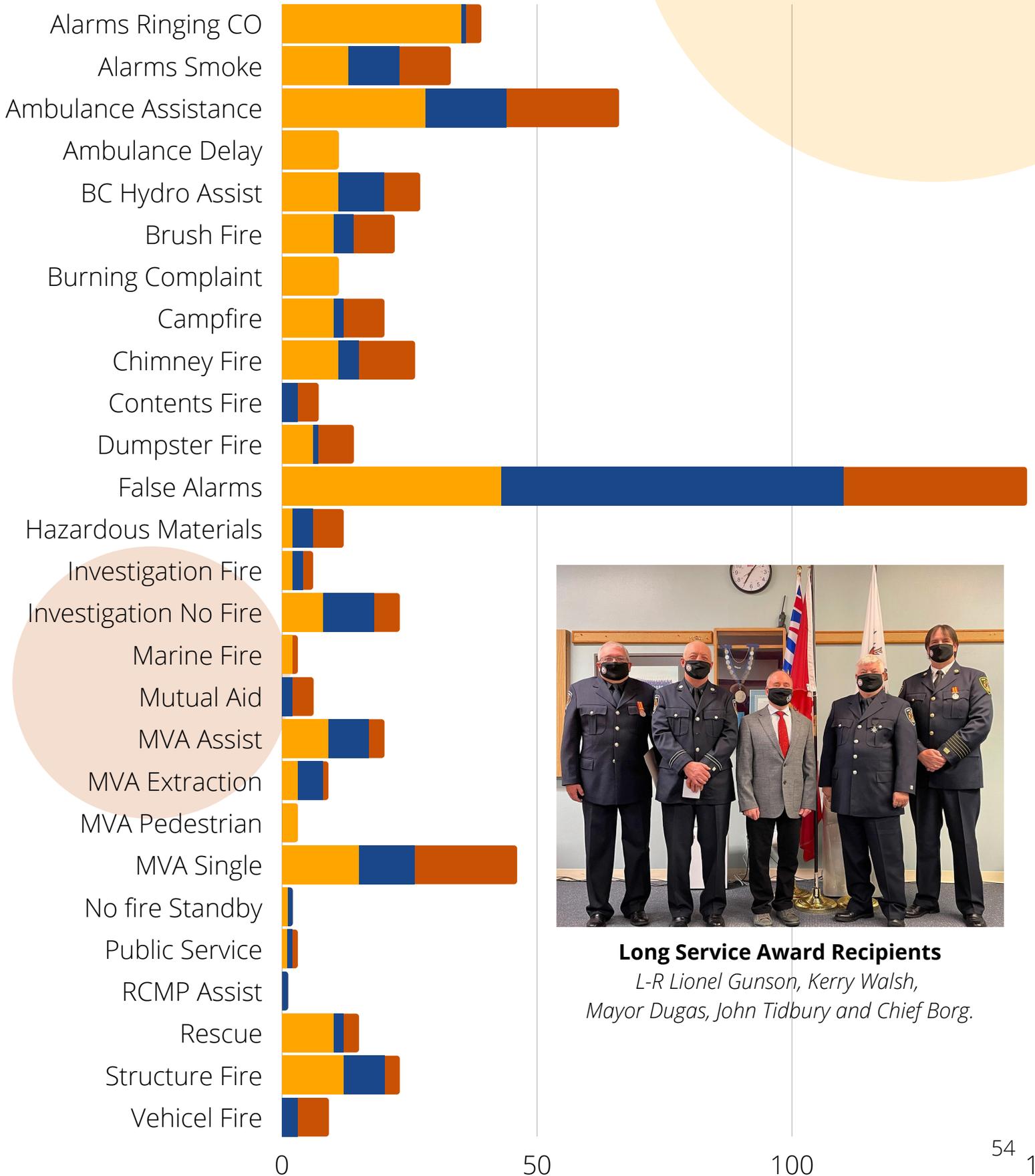
Port Hardy has fire service agreements with the Kwakiutl and Gwa'sala-'Nakwaxkda'xw Reserves. PHFR also responds to requests from the Coastal Fire Centre for fire protection services.

Port Hardy Fire Rescue is a paid-on-call fire department consisting of approximately 35 members who meet weekly for regularly scheduled training to maintain a high-level of protective emergency services.



Fire Department

2021 2020 2019



Long Service Award Recipients

L-R Lionel Gunson, Kerry Walsh, Mayor Dugas, John Tidbury and Chief Borg.

Harbour

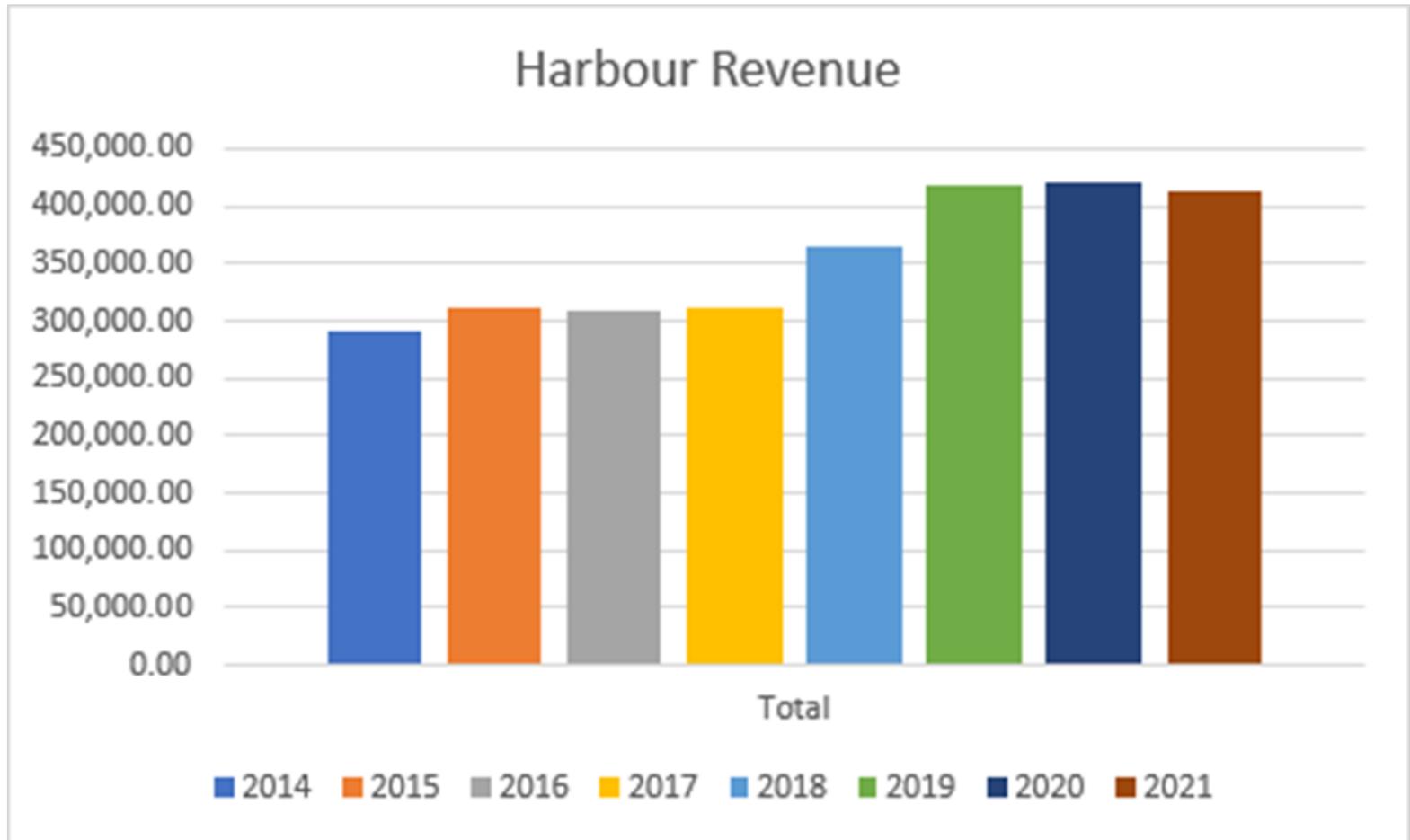
The Port Hardy Harbour Authority made the most of the reduced traffic in our bay this past year to successfully complete several major maintenance projects. The Seagate, the Seine Floats and Fishermans Wharf each received updates.

The harbour authority has continued to engage with local, provincial and federal entities to ensure the safe and responsible management of our sites. Overall, visits to our community by sea are still affected by the continued travel restrictions. This said, the harbour team continues to proudly stand in the role of ambassadors for our community, welcoming our seafaring guests.



Revenues

The following chart shows the revenues collected at the harbour authority. The monies collected from parking and moorage are used to facilitate the on-going operations as well as address emergency maintenance to the infrastructures.



Harbour

Seagate Pier



HMCS Brandon on the North face of the Seagate Pier



CFV Ronja on the East face of the Seagate Pier

This iconic local landmark welcomes large ships, such as the Royal Canadian Navy HMCS Brandon (shown above). While a private company leases the building, the tenants do their best to accommodate other ships that require use of the pier. The Canadian Coast Guard also relies on the facility for regular crew changes and provisioning.

Our community has always been a Home Port for the Canadian Coast Guard, and 2021 saw some profound changes in Hardy Bay. With the support of the Kwakiutl First Nation, the CCG Environmental Response Team saw the completion of a \$10mil depot and training centre on the east side of Hardy Bay. A concrete dock was also placed on the south side of the pier to accommodate the Coast Guard's new Bay Class rescue lifeboat.



Construction and completion of the new concrete dock at the Seagate Pier

Harbour

Seagate Pier



Three Canadian Coast Guard Ships at the Seagate Pier

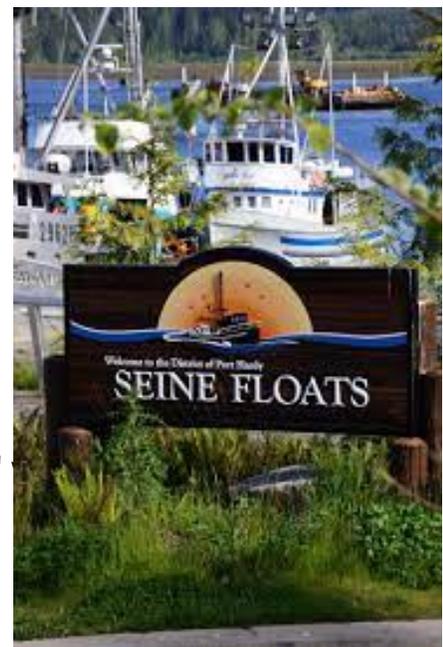
Herold Engineering was contracted to assess and provide a gross weight rating for the Seagate Pier, Seine Floats (including the access bridge) and Fishermans Wharf. Signage has since been posted so our community can obtain maximum use and longevity from each of the marine infrastructures. To further address structure, an eroded concrete footing on the southwest end of the pier was replaced

Seine Floats

Under the direction of the harbour authority, Small Craft Harbours was able to complete the tie rail upgrade around the Seine Floats. The original tie rail was antiquated and long overdue for attention. The replacement tie rail is made of galvanized steel, which will result in a longer lifespan and sturdy berthage for large commercial fishing vessels.

The waste oil shed, located in the parking lot by the Seine Floats, has always been a challenge to maintain. The shed's east-facing, "open mouth" rainwater. The water would get trapped inside the shed, causing corrosion to the waste oil tank and creating a pollution risk for anyone who had to step inside the shed to discard their waste oil. Harbour staff would manually pump the polluted water into drums for appropriate removal.

In a partnership agreement, the District of Port Hardy installed a sliding door to deflect water from entering the shed. Small Craft Harbours raised the tank off the floor to preserve its integrity.



Harbour

Seine Floats



Herold Engineering was contracted to assess and provide a gross weight rating for the Seagate Pier, Seine Floats (including the access bridge) and Fishermans Wharf. Signage has since been posted so our community can obtain maximum use and longevity from each of the marine infrastructures. To further address structure, an eroded concrete footing on the southwest end of the pier was replaced



Waste Oil Shed Before and After

In the latter half of 2021, the Port Hardy Harbour Authority had successfully engaged in a program with BCUOMA (B.C. Used Oil Management Association). This is a program which collects the used oil from our facility then reimburses a portion to help off-set the cost to remove and recycle waste oil products from our area.

Small Craft Harbours hired contractors to assess the anchors and chains which stabilize the concrete Seine Floats. We can anticipate the reinforcement of the facility in 2022.

Harbour

Fisherman's Wharf

The wooden boat launch walkway at Fishermans Wharf saw a much-needed replacement, by way of recycled fish farm assets. Sourcing several local contractors, the walkway, made of galvanized steel, is wider, sturdier and more stable than the previous deck. A new steel pile was driven to secure the walkway. Signage was also posted to indicate the toe of the cement ramp to help boaters navigate their vessels safely in and out of the water at appropriate tides.

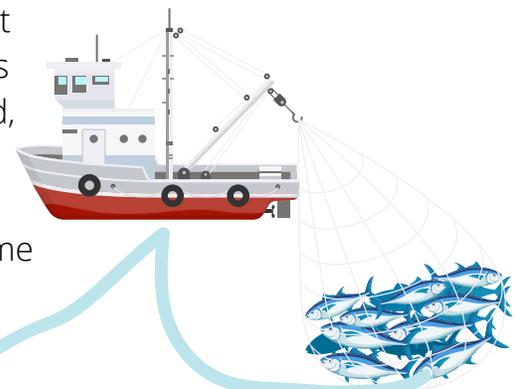


Boat Launch Before and After

An ongoing issue that we face each year is trying to replace the fill at the toe of the boat launch ramp. When boaters try to launch or retrieve their vessels at a low tide, the tires of boat trailers fall off the end of the ramp and as the driver attempts to leave, they get stuck in a hole that they dig themselves. It is costly and redundant to continue to invest thousands of dollars to replace the fill every few years as boaters get their trailers stuck on low tides. We have posted signage to educate facility users to help keep them from getting stuck.



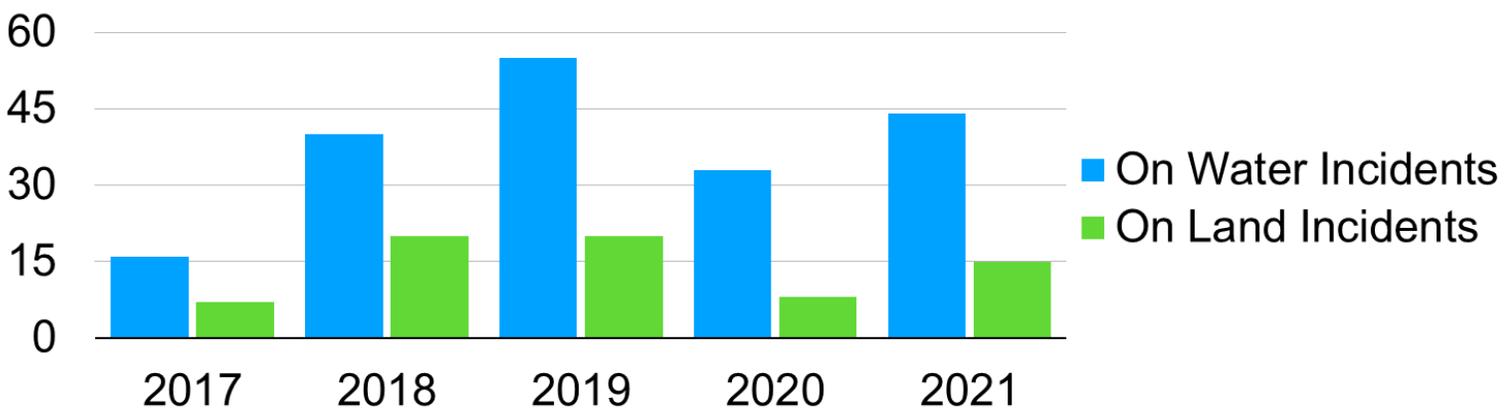
Since June 2017, the harbour team have documented all incidents that occur on both land and sea, within our responsible water lot. Incidents are escalated cases in which authorities (RCMP, Canadian Coast Guard, PH Fire Department, BC Ambulance Service etc) are called to attend our facilities. Examples of On Water incidents are boat fires, pollution and sinking vessels. Thefts; accidents and physical altercations are some of the On Land incidents that we address.



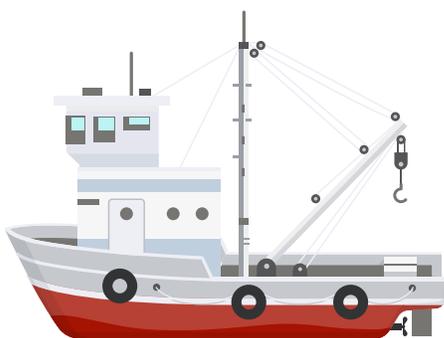
Harbour Fisherman's Wharf

The reduced traffic in Hardy Bay, due to pandemic protocol, has played a role in limiting the number of occurrences, this past year. Further, crimes such as thefts and vandalism are reported regularly to our office. Our partnership with Crimestoppers, in conjunction with our closed captioned video surveillance system, have been successful in providing local law enforcement information to help protect our facility and the people who use it.

Documented incidents per year



Over the last few years, the electrical pedestals at Fishermans Wharf have become information boards for facility users. Each pedestal, illuminated by cost-efficient LED bulbs, is now equipped with a regularly serviced 20# fire extinguisher and a life ring. Further, signage has been posted to educate facility users of regulations and steps to take for appropriate safety measures. For example, Small Craft Harbours engineers have a list of shore power requirements, per amps. We have posted one of these signs in every electrical pedestal in our harbour. Reference to this chart reduces risk of fire or property damage.



WARNING
FOR YOUR SAFETY & THE SAFETY OF OTHERS USING THIS FACILITY

ONLY "CSA" CANADIAN STANDARDS ASSOCIATION APPROVED FLEXIBLE CORDS WITH GROUND WIRE AND PROPERLY INSTALLED COMPATIBLE CORD END CONNECTORS WILL BE ALLOWED TO CONNECT TO THIS SHORE POWER SOURCE. LOAD LIMITS WILL BE IMPOSED ON THE VESSELS WHICH ARE CAUSING CIRCUIT BREAKERS TO TRIP.

THOSE WHO DO NOT COMPLY WITH THIS SAFETY STANDARD WILL BE DISCONNECTED.

MINIMUM CORD WIRE SIZE ALLOWED

POWER SUPPLY CIRCUIT BREAKER	CORD AWG COPPER WIRE SIZE
15 AMP	#12
20 AMP	#12
30 AMP	#10
40 AMP	#8
50 AMP	#6
60 AMP	#4

BY ORDER OF THE MINISTER OF FISHERIES & OCEANS



Harbour

Fisherman's Wharf

As per the Oceans Act, it is the duty of all mariners to report all pollution and accidental bilge release to the Canadian Coast Guard. There is a sign posted on every single pedestal on our facility which provides the reporting line number. Port Hardy is home to the new Canadian Coast Guard Environmental Response Depot, whose mandate is to maintain readiness to respond to ship source pollution and any mystery spills.

**REPORT ALL POLLUTANT SPILLS
OR BILGE RELEASE TO
ENVIRONMENTAL RESPONSE
1 (800) 889-8852**



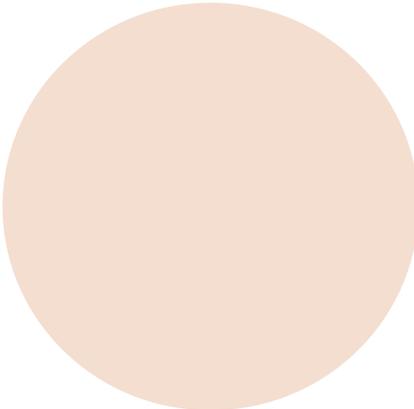
The Harbour is anticipating increased traffic in Hardy Bay for 2022, as travel restrictions

relax. We always welcome feedback from our community and our visitors who wish to offer suggestions to improve the usability of the harbour front.





Financial Statements



DISTRICT OF PORT HARDY
Consolidated Financial Statements
December 31, 2021

DISTRICT OF PORT HARDY

Index to Consolidated Financial Statements

Year Ended December 31, 2021

	Page
MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2 - 3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 17
Schedule 1 - Government Grants and Transfers to the District and Ratepayers	18
Schedule 2 - Combined Statement of Operations by Segment Year ended December 31, 2021	19
Schedule 3 - Combined Statement of Operations by Segment Year ended December 31, 2020	20
Schedule 4 - COVID-19 Safe Restart Grant - Unaudited	21

MANAGEMENT REPORT

December 31, 2021

The Mayor and Council of the District of Port Hardy has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the District of Port Hardy. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The District of Port Hardy's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these consolidated financial statements present fairly the District of Port Hardy's consolidated financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the consolidated financial position of District of Port Hardy as at December 31, 2021.



Deborah Bodnar, CPA, CMA
Director of Finance

August 3, 2022



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the District of Port Hardy

Opinion

We have audited the accompanying consolidated financial statements of the District of Port Hardy (the "District"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion, the District's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2021, and of its consolidated financial performance and its cash flows for the year then ended. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends for the District to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the District's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

The consolidated financial statements for the year ended December 31, 2021, from which comparative financial information within the consolidated financial statements are presented from, were audited by another Chartered Professional Accounting firm who issued an unqualified audit opinion on May 11, 2021.

Chan Nawrood Boates Inc

Chartered Professional Accountants
Campbell River, BC

August 3, 2022

DISTRICT OF PORT HARDY

Consolidated Statement of Financial Position

December 31, 2021

2021

2020

FINANCIAL ASSETS

Cash (Note 2)	\$ 12,345,025	\$ 10,600,383
Accounts Receivable (Note 3)	2,132,678	2,620,749
Investment in Government Business Enterprises (Note 4)	225,416	251,480
Tax Sale Properties	5,709	16,415
Land Held for Resale	<u>7,035</u>	<u>7,035</u>
	<u>14,715,863</u>	<u>13,496,062</u>

LIABILITIES

Accounts Payable (Note 5)	966,845	1,466,886
Deposits	30,700	39,400
Deferred Revenue (Note 6)	701,358	293,494
Long Term Debt (Note 7)	<u>1,166,379</u>	<u>1,409,139</u>
	<u>2,865,282</u>	<u>3,208,919</u>

NET FINANCIAL ASSETS

11,850,581 10,287,143

NON-FINANCIAL ASSETS

Prepaid Expenses	43,616	33,329
Inventory	191,821	196,509
Tangible Capital Assets (Note 8)	<u>42,693,766</u>	<u>42,868,019</u>
	<u>42,929,203</u>	<u>43,097,857</u>

ACCUMULATED SURPLUS (Note 12)

\$ 54,779,784 \$ 53,385,000

Contingent Liabilities (Note 10)

Approved by:



Mayor



Chief Administrative Officer

DISTRICT OF PORT HARDY

Consolidated Statement of Operations

Year Ended December 31, 2021

	2021		2020
	Budget	Actual	
	(Note 13)		
Revenues			
Taxation	\$ 3,346,921	\$ 3,185,012	\$ 3,099,861
Payments in Lieu of Taxes	173,089	234,552	243,702
Sale of Goods and Services	3,801,762	4,016,269	3,967,057
Other Income	401,494	476,855	467,895
Loss from Government Business Enterprises	-	(26,064)	(21,089)
Government Transfers (Schedule 1)	<u>8,414,343</u>	<u>2,977,349</u>	<u>3,882,517</u>
	<u>16,137,609</u>	<u>10,863,973</u>	<u>11,639,943</u>
Expenditures			
General Government Services	1,141,888	1,291,572	981,894
Transportation Services	1,189,284	2,238,412	2,043,171
Protective Services	1,585,725	675,519	657,391
Environmental Health Services	296,878	329,468	298,483
Recreation and Culture	1,853,043	1,747,361	1,459,844
Community Development	243,421	197,478	180,448
Water	1,704,932	1,614,104	1,621,010
Sewer	<u>1,495,080</u>	<u>1,375,275</u>	<u>1,344,522</u>
	<u>9,510,251</u>	<u>9,469,189</u>	<u>8,586,763</u>
Annual Surplus	6,627,358	1,394,784	3,053,180
Accumulated Surplus - Beginning of Year	<u>53,385,000</u>	<u>53,385,000</u>	<u>50,331,820</u>
Accumulated Surplus - End of Year	<u>\$60,012,358</u>	<u>\$54,779,784</u>	<u>\$53,385,000</u>

DISTRICT OF PORT HARDY

Consolidated Statement of Change in Net Financial Assets

Year Ended December 31, 2021

	2021		2020
	Budget	Actual	
	(Note 13)		
Annual Surplus	\$ 6,627,358	\$ 1,394,784	\$ 3,053,180
Acquisition (Use) of Prepaid Expenses	-	(10,287)	6,601
Acquisition (Use) of Inventories	-	4,688	(45,335)
Net Acquisition of Tangible Capital Assets	(12,215,321)	(1,985,347)	(2,655,367)
Amortization of Tangible Capital Assets	<u>1,965,000</u>	<u>2,159,600</u>	<u>2,197,802</u>
	<u>(3,622,963)</u>	<u>1,563,438</u>	<u>2,556,881</u>
Net Financial Assets - Beginning of Year	<u>10,287,143</u>	<u>10,287,143</u>	<u>7,730,262</u>
Net Financial Assets - End of Year	<u>\$ 6,664,180</u>	<u>\$11,850,581</u>	<u>\$10,287,143</u>

DISTRICT OF PORT HARDY

Consolidated Statement of Cash Flows

Year Ended December 31, 2021

2021

2020

Cash Flows From Operating Activities:

Annual Surplus	\$ 1,394,784	\$ 3,053,180
Items Not Involving Cash		
Amortization of Tangible Capital Assets	2,159,600	2,197,802
Disposal of Tangible Capital Asset	<u>32,214</u>	<u>-</u>
	3,586,598	5,250,982
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	488,071	(276,458)
Tax Sale Properties	10,706	2,872
Land Held for Resale	-	16,588
Accounts Payable	(500,041)	424,990
Deposits	(8,700)	(200)
Deferred Revenue	407,864	41,362
Inventory	4,688	(45,335)
Prepaid Expenses	<u>(10,287)</u>	<u>6,601</u>
	<u>3,978,899</u>	<u>5,421,402</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(2,017,561)</u>	<u>(2,655,367)</u>
-------------------------------------	--------------------	--------------------

Cash Flows From Investing Activities:

Distributions from Government Business Enterprises	-	90,000
Loss from Government Business Enterprises	<u>26,064</u>	<u>21,089</u>
	<u>26,064</u>	<u>111,089</u>

Cash Flows From Financing Activities:

Proceeds from Long Term Debt	-	175,000
Repayments of Long Term Debt	<u>(242,760)</u>	<u>(209,294)</u>
	<u>(242,760)</u>	<u>(34,294)</u>

Increase in Cash 1,744,642 2,842,830

Cash - Beginning of Year 10,600,383 7,757,553

Cash - End of Year \$ 12,345,025 \$ 10,600,383

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

The District of Port Hardy (the "District") was incorporated as a municipality in 1966 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services to the residents of the District. These services include general government administration, bylaw enforcement, planning and land use, building inspection, fire protection, parks and recreation, water distribution and sewer collection, wastewater disposal, garbage and recycling services, and road and street maintenance.

1. Significant Accounting Policies:

a) Basis of Presentation:

The District prepares its consolidated financial statements in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board ("PSAS") for the Chartered Professional Accountants of Canada.

b) Basis of Consolidation:

The consolidated financial statements include the accounts of the District's government administration and Port Hardy Economic Partners Corporation.

All controlled entities are consolidated on a line-by-line basis except for commercial enterprises, which meet the definition of a Government Business Enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transfers are eliminated upon consolidation.

Under the modified equity method of accounting, only the District's investment in the business entities and the entities' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the entities that are different from those of the District, except that any other comprehensive income of the business entities is accounted for as an adjustment to the accumulated surplus or deficit. Inter-organizational transactions and balances are not eliminated for the business entities. The District accounts for its 33% interest in the North Island Community Forest Limited Partnership as well as North Island Community Forest Ltd. on the modified equity basis.

c) Cash:

Cash consists of cash on hand and demand deposits. Cash subject to external restrictions that prevent its use for current purposes is reflected in restricted cash.

d) Inventory:

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Inventory for resale is recorded at lower of cost or net realizable value as a financial asset. Inventory of supplies is recorded at the lower of cost or net realizable value as a non-financial asset.

e) Investment in Government Business Enterprises:

Investment in Government Business Enterprises are accounted for using the modified equity method.

f) Tangible Capital Assets:

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is in use. Donated tangible capital assets are recorded at fair value at the time of the donation.

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

1. Significant Accounting Policies (continued):

f) Tangible Capital Assets (continued):

Estimated useful lives of tangible capital assets are as follows:

Land Improvements	10 to 40 years
Buildings	20 to 80 years
Computer Equipment	4 to 10 years
Furniture and Equipment	5 to 10 years
Vehicles and Machinery	5 to 20 years
Paving and Lighting	10 to 60 years
Sewer Infrastructure	10 to 100 years
Water Infrastructure	10 to 100 years

g) Collection of Taxes on Behalf of Other Taxation Authorities:

The District collects taxation on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these financial statements. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

h) Deferred Revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specific purpose.

i) Revenue Recognition:

Revenues are recorded on the accrual basis of accounting and are recorded in the period in which the transaction or events occurred.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. Through the British Columbia Assessment's appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes are recognized at the time they are awarded. Charges for utility usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Government transfers, which include legislative grants, are recognized when received if the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability.

Sale of goods and services and other revenues are recognized when the service is provided or the amount is earned, when the amount can be estimated and when collection is reasonably assured. Amounts received in advance of services being rendered are recorded as deferred revenue until the District discharges the obligation that led to the collection of the funds.

j) Administration Apportionment:

A percentage of certain budgeted general government services expenses of the District has been allocated to other functions. These expenses include wages of administrative staff and the public works supervisor and utility discounts. Wages are allocated based on actual time spent in various segments, and utilities discounts are allocated based on the percentage of utilities revenue that relates to each segment.

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

1. Significant Accounting Policies (continued):

k) Financial Instruments:

Financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

l) Use of Estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of management estimates are the collectability of accounts receivable, estimates of contingent liabilities, the provision of amortization and the estimation of potential environmental liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

m) Liability for Contaminated Sites:

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standards, the government has a responsibility for the remediation, future economic benefits will be given up, and a reasonable estimate can be made. The estimated liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries.

Management has assessed its potential liabilities for contaminated sites including sites that are no longer in productive use and sites which the District accepts responsibility. There is one former landfill site that contains contamination in excess of an environmental standard requiring ongoing monitoring. The estimated costs to continue monitoring the site are not expected to be significant to the financial statements, therefore no liability was recognized as at December 31, 2021 or December 31, 2020.

2. Cash:

	<u>2021</u>	<u>2020</u>
Cash	\$ 324,114	\$ 4,656
CIBC High Interest Savings	11,978,707	10,553,843
Restricted Cash - Cemetery	<u>42,204</u>	<u>41,884</u>
	<u>\$ 12,345,025</u>	<u>\$ 10,600,383</u>

The CIBC high interest savings account is earning interest at 0.80% per annum (2020 - 1.23%).

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

3. Accounts Receivable:

	<u>2021</u>	<u>2020</u>
Property Taxes and Utilities	\$ 1,517,530	\$ 1,600,413
Other Governments	414,345	900,650
Trade and Other	565,555	467,988
Allowance for Doubtful Accounts	<u>(364,752)</u>	<u>(348,302)</u>
	<u>\$ 2,132,678</u>	<u>\$ 2,620,749</u>

4. Investment in Government Business Enterprises:

The District has a 33% ownership interest in North Island Community Forestry Ltd. (NICFL) and North Island Community Forest Limited Partnership (NICFLP). The investments in NICFL and NICFLP are reported as a government business enterprise and accounted for using the modified equity method.

As a government business enterprise, the NICFLP is required to report under International Financial Reporting Standards (IFRS). In the prior and current years, the NICFLP financial statements were prepared under Canadian Accounting Standards for Private Enterprises (ASPE). Any differences between ASPE and IFRS are considered to be insignificant.

The summary of the District's investment in government business enterprises is as follows:

	<u>2021</u>	<u>2020</u>
NICFLP	\$ 203,389	\$ 229,193
NICFL	<u>22,027</u>	<u>22,287</u>
	<u>\$ 225,416</u>	<u>\$ 251,480</u>

The condensed supplementary financial information of the District's investments in government business enterprises is as follows:

	<u>2021</u>	<u>2020</u>
Total Assets	\$ <u>698,753</u>	\$ <u>795,226</u>
Total Liabilities	24,008	42,289
Total Equity	<u>674,745</u>	<u>752,937</u>
Total Liabilities and Equity	<u>698,753</u>	<u>795,226</u>
Revenue	4,558	6,480
Expenses	<u>82,751</u>	<u>69,746</u>
Net Loss	<u>\$ (78,193)</u>	<u>\$ (63,266)</u>

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

5. Accounts Payable:

	<u>2021</u>	<u>2020</u>
Other Governments	\$ 88,098	\$ 557,009
Trade and Other	480,039	610,524
Payroll Liabilities	<u>398,708</u>	<u>299,353</u>
	<u>\$ 966,845</u>	<u>\$ 1,466,886</u>

6. Deferred Revenue:

	<u>2020</u>	<u>Collections</u>	<u>Transfers</u>	<u>2021</u>
Prepaid Taxes	\$ 65,240	\$ 89,501	\$ 65,240	\$ 89,501
Prepaid Fees and Charges	29,938	30,877	29,938	30,877
Other Deferred Revenue	<u>198,316</u>	<u>542,847</u>	<u>160,183</u>	<u>580,980</u>
	<u>\$ 293,494</u>	<u>\$ 663,225</u>	<u>\$ 255,361</u>	<u>\$ 701,358</u>

7. Long Term Debt:

The District has debt instruments through the MFA obtained for the purposes of funding capital initiatives approved under loan authorizations. Equipment is financed over a five year period with the exception of the Fire Department Ladder truck purchased in 2017 and fire fighting equipment purchased in 2019. Both loans are amortized over a twelve year period with a five year term. The total balance outstanding at year end is as follows:

	<u>2020</u>	<u>Additions</u>	<u>Repayments</u>	<u>2021</u>
2017 Fire Ladder Truck	\$ 824,055	\$ -	\$ 92,048	\$ 732,007
2018 Dedge Dump Truck	42,650	-	21,855	20,795
2019 International Hook Truck	112,434	-	48,371	64,063
2018 Nissan Rogue	13,359	-	5,551	7,808
2020 Fire Fighting Equipment	191,065	-	22,582	168,483
2020 Generator-Civic Center	64,782	-	17,339	47,443
2020 Seagate Pier Repairs	<u>160,794</u>	<u>-</u>	<u>35,014</u>	<u>125,780</u>
	<u>\$ 1,409,139</u>	<u>\$ -</u>	<u>\$ 242,760</u>	<u>\$ 1,166,379</u>

Interest is calculated daily on a variable rate basis at a 0.5% spread on top of the CDOR (Canadian Dealer Offered Rate). In 2021, the rate varied between 1.25% and 1.53% (2020 - 0.91% to 1.99%). At December 31, 2021 the rate was 1.25% (2020 - 0.91%). The interest expense on the debt in the year ended December 31, 2021 is \$12,107 (2020 - \$24,368).

Future payments on net outstanding debt over the next five years and thereafter are as follows:

2022	\$ 196,632
2023	93,559
2024	67,517
2025	18,995
2026 and beyond	<u>789,676</u>
	<u>\$ 1,166,379</u>

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

8. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2021	2020
General Capital Assets										
Land and Land										
Improvements	\$ 6,997,657	\$ 46,487	\$ -	\$ 7,044,144	\$ 2,475,273	\$ 127,658	\$ -	\$ 2,602,931	\$ 4,441,213	\$ 4,522,384
Buildings	10,902,123	3,035,143	42,514	13,894,752	7,400,088	207,736	16,335	7,591,489	6,303,263	3,502,035
Computer Equipment	236,010	-	-	236,010	213,939	8,526	-	222,465	13,545	22,071
Furniture & Equipment	405,068	-	-	405,068	404,184	884	-	405,068	-	884
Vehicles & Machinery	5,871,535	39,138	55,866	5,854,807	3,344,024	266,494	49,831	3,560,687	2,294,120	2,527,511
Work in Progress	2,212,782	(1,444,598)	-	768,184	-	-	-	-	768,184	2,212,782
Engineered Structures										
Paving and Lighting	26,540,167	231,361	-	26,771,528	15,041,498	620,026	-	15,661,524	11,110,004	11,498,669
Sewer Infrastructure	17,151,218	80,054	-	17,231,272	8,492,848	437,322	-	8,930,170	8,301,102	8,658,370
Water Infrastructure	19,174,213	29,976	-	19,204,189	9,250,900	490,954	-	9,741,854	9,462,335	9,923,313
	<u>\$ 89,490,773</u>	<u>\$ 2,017,561</u>	<u>\$ 98,380</u>	<u>\$ 91,409,954</u>	<u>\$ 46,622,754</u>	<u>\$ 2,159,600</u>	<u>\$ 66,166</u>	<u>\$ 48,716,188</u>	<u>\$ 42,693,766</u>	<u>\$ 42,868,019</u>

Included in Work in Progress at December 31, 2021 are capitalized costs for various capital projects that are not presently being amortized as a result of the projects still being in progress at year end. The assets are expected to be placed into use during the year ending December 31, 2022 or in future years, at which time amortization will be taken.

9. Collections for Other Governments:

	<u>2021</u>	<u>2020</u>
Province of British Columbia - School Tax	\$ 1,421,111	\$ 1,173,831
Regional Hospital District of Mount Waddington	489,363	450,896
Mount Waddington Regional District	172,318	157,202
Vancouver Island Regional Library	159,480	160,693
Municipal Finance Authority	108	104
British Columbia Assessment Authority	23,774	23,179
Province of BC - Police Tax	<u>210,948</u>	<u>208,662</u>
	<u>\$ 2,477,102</u>	<u>\$ 2,174,567</u>

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

10. Contingent Liabilities:

- (a) The District is a subscribed member of the Municipal Insurance Association of British Columbia as provided by section 3.02 of the Insurance Act of the Province of British Columbia (the "Exchange"). The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the District is assessed a premium and a specific deductible for claims based on its population. The obligation of the District with respect to the Exchange and/or contract and obligation entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The District irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.
- (b) As a member of the Regional District of Mount Waddington, the District is responsible for its portion of operating deficits or the long-term debt related function in which it participates.

11. Pension Plan:

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan had about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$203,405 (2020 - \$173,394) of employer contributions while employees contributed \$180,192 (2020 - \$152,109) to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

12. Accumulated Surplus:

The District segregates its accumulated surplus in the following categories:

	<u>2021</u>	<u>2020</u>
Accumulated Surplus		
Operating Surplus	\$ 10,034,060	\$ 9,186,236
Invested in Tangible Capital Assets	<u>41,527,386</u>	<u>41,458,881</u>
	<u>51,561,446</u>	<u>50,645,117</u>
Reserves		
Buildings	12,135	39,158
Computers	5,192	5,150
Equipment Replacement	219,717	111,278
General Capital Works	4,277	26,023
Park Development	42,135	41,793
Recreational Facilities	144,713	143,538
Water Equipment Reserve	228,739	152,194
Sewer Equipment Reserve	152,494	101,463
COVID-19 Safe Restart Reserve (Schedule 4)	<u>958,121</u>	<u>1,082,656</u>
	1,767,523	1,703,253
Water Reserve Fund	854,949	605,668
Sewer Capital Works	<u>595,866</u>	<u>430,962</u>
	<u>3,218,338</u>	<u>2,739,883</u>
	<u>\$ 54,779,784</u>	<u>\$ 53,385,000</u>

Federal Gas Tax Funds:

Gas tax transfers are recorded as revenues when received. Unspent funds are included in Operating Funds Surplus:

	<u>2021</u>	<u>2020</u>
Opening Balance	\$ 674,903	\$ 696,107
Receipts	468,869	229,132
Interest Earned	21,840	8,424
Expenditures	<u>(154,510)</u>	<u>(258,760)</u>
	<u>\$ 1,011,102</u>	<u>\$ 674,903</u>

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

13. Fiscal Plan:

The Fiscal Plan amounts represent the Financial Plan Bylaw adopted by Council on February 23, 2021.

The budget anticipated use of surpluses accumulated in previous years to balance against current expenditures in excess of current year revenues. In addition, the budget anticipated capital expenditures rather than amortization expense. The following schedule reconciles the approved bylaw to the amounts presented in the financial statements.

	<u>2021</u>
Financial Plan (Budget) Bylaw	\$ -
Add:	
Capital Expenditures	12,215,321
Debt Principal Repayments	326,648
Less:	
Debt Incurred	(2,440,000)
Transfers from Reserves	(1,509,611)
Amortization	<u>(1,965,000)</u>
Annual Surplus Presented in Financial Statements	\$ <u>6,627,358</u>

14. Subsequent Events:

Subsequent to December 31, 2021, Council authorized the District to borrow up to \$2,300,000 to revitalize the Port Hardy Aquatic Centre. The loan is expected to be requested in the Spring of 2023 and received in the year ending December 31, 2023.

15. Comparative Figures:

Certain comparative figures have been reclassified, where necessary, to conform with the current year's presentation.

16. Segmented Information:

The District's operations and activities are organized and reported by segment. Segments were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulation, restriction or limitations. District services are provided by departments and their activities are reported in the segments. The segmented information as disclosed in Schedules 2 and 3 reflects those functions offered by the District as summarized below:

General Government Services – Provides services related to corporate and legislative administration, governance, financial management, human resources and information technology.

Transportation Services – Delivers the municipal services related to maintenance of the roads, sidewalks, parks, open space, street lighting and storm drains.

DISTRICT OF PORT HARDY

Notes to Consolidated Financial Statements

December 31, 2021

16. Segmented Information (continued):

Protective Services – Comprised of the Volunteer Fire Department, the Emergency Preparedness coordinator, building inspection and bylaw enforcement.

Environmental Health Services – Services related to the collection and disposal of solid waste and the recycling program.

Recreation and Culture – Provides recreation and leisure services such as fitness and aquatic programs, the library and the museum.

Community Development – Provides economic development services including downtown revitalization, grant proposals and new business and development.

Water – Activities related to the water treatment plant and distribution system.

Sewer – Activities related to the treatment and collection system for waste water.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment, in addition to amounts that are allocated to each segment on a reasonable basis.

DISTRICT OF PORT HARDY

Schedule 1 - Government Grants and Transfers to the District and Ratepayers

Year Ended December 31, 2021

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 13)		
Federal Government			
Gas Tax	\$ 239,737	\$ 468,869	\$ 229,132
Other	-	67,994	-
	<u>239,737</u>	<u>536,863</u>	<u>229,132</u>
Province of BC and Other Programs			
General Fund			
Small Communities Grant	573,029	619,000	597,310
Hotel Tax	118,577	182,019	112,203
COVID Safe Restart Grant	-	-	1,376,000
Other	<u>1,483,000</u>	<u>159,082</u>	<u>35,366</u>
	<u>2,174,606</u>	<u>960,101</u>	<u>2,120,879</u>
General Capital			
Infrastructure (Provincial)	<u>6,000,000</u>	<u>1,480,385</u>	<u>1,532,506</u>
	<u>\$ 8,414,343</u>	<u>\$ 2,977,349</u>	<u>\$ 3,882,517</u>

DISTRICT OF PORT HARDY

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2021

	General Government Services	Transportation Services	Protective Services	Environmental Health Services	Recreation and Culture	Community Development	Water	Sewer	2021 Actual	2021 Budget
Revenues										
Taxation	\$ 3,185,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,185,012	\$ 3,346,921
Payments in Lieu of Taxes	234,552	-	-	-	-	-	-	-	234,552	173,089
Sales of Services	-	453,232	81,015	340,428	111,937	-	1,589,356	1,440,301	4,016,269	3,801,762
Loss on Investment	(26,064)	-	-	-	-	-	-	-	(26,064)	-
Government Transfers	619,000	468,869	-	-	1,480,385	409,095	-	-	2,977,349	8,414,343
Other Revenue	264,353	53,455	28,861	2,499	39,307	36,755	29,917	21,708	476,855	401,494
	<u>4,276,853</u>	<u>975,556</u>	<u>109,876</u>	<u>342,927</u>	<u>1,631,629</u>	<u>445,850</u>	<u>1,619,273</u>	<u>1,462,009</u>	<u>10,863,973</u>	<u>16,137,609</u>
Expenses										
Salaries and Benefits	934,536	589,251	147,250	28,980	888,102	1,741	396,173	295,079	3,281,112	3,296,392
Goods and Services	119,902	584,538	167,468	44,242	349,089	23,724	624,929	467,906	2,381,798	3,185,890
Contracted Services	209,509	316,255	204,161	256,246	167,158	172,013	102,048	174,968	1,602,358	1,020,433
Interest Expense	12,107	-	-	-	-	-	-	-	12,107	42,536
Amortization	15,518	742,333	156,640	-	316,833	-	490,954	437,322	2,159,600	1,965,000
Loss on Disposal of Assets	-	6,035	-	-	26,179	-	-	-	32,214	-
	<u>1,291,572</u>	<u>2,238,412</u>	<u>675,519</u>	<u>329,468</u>	<u>1,747,361</u>	<u>197,478</u>	<u>1,614,104</u>	<u>1,375,275</u>	<u>9,469,189</u>	<u>9,510,251</u>
Annual Surplus (Deficit)	\$ <u>2,985,281</u>	\$ <u>(1,262,856)</u>	\$ <u>(565,643)</u>	\$ <u>13,459</u>	\$ <u>(115,732)</u>	\$ <u>248,372</u>	\$ <u>5,169</u>	\$ <u>86,734</u>	\$ <u>1,394,784</u>	\$ <u>6,627,358</u>

DISTRICT OF PORT HARDY

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2020

	General Government Services	Transportation Services	Protective Services	Environmental Health Services	Recreation and Culture	Community Development	Water	Sewer	2020 Actual	2020 Budget
Revenues										
Taxation	\$ 3,099,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,099,861	\$ 3,284,267
Payments in Lieu of Taxes	243,702	-	-	-	-	-	-	-	243,702	171,592
Sales of Services	-	453,423	81,574	326,319	92,150	-	1,643,198	1,370,393	3,967,057	3,904,626
Loss on Investment	(21,089)	-	-	-	-	-	-	-	(21,089)	-
Government Transfers	597,310	229,132	-	-	1,532,507	1,523,568	-	-	3,882,517	20,554,309
Other Revenue	233,761	50,570	67,496	1,033	38,678	37,826	22,813	15,718	467,895	423,767
	<u>4,153,545</u>	<u>733,125</u>	<u>149,070</u>	<u>327,352</u>	<u>1,663,335</u>	<u>1,561,394</u>	<u>1,666,011</u>	<u>1,386,111</u>	<u>11,639,943</u>	<u>28,338,561</u>
Expenses										
Salaries and Benefits	723,069	513,481	142,403	15,139	667,277	540	368,519	246,816	2,677,244	3,344,356
Goods and Services	65,066	503,136	200,373	35,443	313,351	27,686	677,914	438,354	2,261,323	2,604,517
Contracted Services	150,966	279,146	144,747	247,901	161,995	152,222	80,848	208,201	1,426,026	1,396,671
Interest Expense	24,368	-	-	-	-	-	-	-	24,368	137,818
Amortization	18,425	747,408	169,868	-	317,221	-	493,729	451,151	2,197,802	1,930,000
	<u>981,894</u>	<u>2,043,171</u>	<u>657,391</u>	<u>298,483</u>	<u>1,459,844</u>	<u>180,448</u>	<u>1,621,010</u>	<u>1,344,522</u>	<u>8,586,763</u>	<u>9,413,362</u>
Annual Surplus (Deficit)	\$ <u>3,171,651</u>	\$ <u>(1,310,046)</u>	\$ <u>(508,321)</u>	\$ <u>28,869</u>	\$ <u>203,491</u>	\$ <u>1,380,946</u>	\$ <u>45,001</u>	\$ <u>41,589</u>	\$ <u>3,053,180</u>	\$ <u>18,925,199</u>

DISTRICT OF PORT HARDY

Schedule 4 - COVID-19 Safe Restart Grant - Unaudited

Year Ended December 31, 2021

The District received a grant of \$1,376,000 under the COVID-19 Safe Restart Grant for Local Governments in the year ending December 31, 2020. The details surrounding these funds are shown in the schedule below:

	<u>2021</u>	<u>2020</u>
COVID-19 Safe Restart Funds Available	\$ <u>1,082,656</u>	\$ <u>1,376,000</u>
Interest Earned	9,395	4,850
Eligible Costs		
Revenue Shortfall	74,977	286,482
COVID Supplies	-	11,303
Wages and Benefits	16,672	-
Equipment	19,138	-
COVID Contracted Services	<u>23,143</u>	<u>409</u>
	<u>133,930</u>	<u>298,194</u>
Balance, December 31, 2021	\$ <u><u>958,121</u></u>	\$ <u><u>1,082,656</u></u>