



**DISTRICT OF PORT HARDY
BYLAW 1145-2022**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2022-2026**

WHEREAS the Council of the District of Port Hardy deems it expedient to prepare the Five-Year Financial Plan;

NOW THEREFORE, the Council of the District of Port Hardy in open meeting assembled enacts as follows:

1. Title

This Bylaw may be cited for all purposes as "District of Port Hardy Financial Plan 2022 – 2026 Bylaw No. 1145-2022".

2. Schedules

2.1 Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2022 Disclosure of Revenue Objectives and Policies as per Section 165(3.1) of the *Community Charter*.

2.2 Schedule "B" attached to and forming part of this bylaw is hereby declared to be the Financial Plan of the District of Port Hardy for the years 2022-2026.

3. Repeal

3.1 District of Port Hardy Financial Plan 2021 – 2025 Bylaw No. 1128-2021 is hereby repealed.

4. Notice

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

4.2 The open meeting and presentation of the District of Port Hardy 2022-2026 Financial Plan was held March 8, 2022.

Read a First time on the 8th day of March, 2022.

Read a Second time on the 8th day of March, 2022.

Read a Third time on the 8th day of March, 2022.

Adopted on the the on the 22nd day of March, 2022.

Original signed:

DIRECTOR
OF CORPORATE SERVICES

MAYOR

Certified to be a true copy of District of Port Hardy Financial Plan 2022 – 2026
Bylaw No. 1145-2022

Director of Corporate Services

SCHEDULE A - BYLAW 1145-2022

2022 Revenue Objectives and Policies

In accordance with Section 165(3.1) of the *Community Charter*, the District of Port Hardy is required to include in the Five-Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*.
2. The distribution of property taxes among the property classes.
3. The use of permissive tax exemptions.

Funding Sources

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
Property taxes	37%	\$3,585,490
Sale of services	41%	4,003,737
Other Revenue	4%	418,527
Government transfers	18%	1,729,573
Total	100%	\$9,737,327

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2022. The District's own source of funding is from property taxes, sale of services and other miscellaneous revenues. The District also receives funding from Government transfers or grants when they become available.

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

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

Property taxes are the next major source of revenue. As a revenue source, property taxation offers a stable and reliable source of revenue for services where the rates are not sufficient to fund the service. These services include fire protection, general administration, bylaw enforcement, infrastructure maintenance, streets and roads, recreation and culture, economic development, and planning.

The District continues to review all user fees and charges to ensure they adequately meet the operational costs of the service provided.

SCHEDULE A - BYLAW 1145-2022

Table 2: Distribution of Municipal Property Tax

Property Class	% of Total Taxation	Dollar Value
Residential	54.9%	\$1,746,649
Utilities	1.2%	37,176
Light Industry	3.0%	96,387
Business and Other	40.2%	1,277,801
Managed Forest	0.5%	14,834
Recreation/Non-profit	0.2%	7,588
Total	100.0%	\$3,180,435

Table 2 provides the distribution of property taxes among the property classes. The residential class provides the main portion of tax revenue. The residential class is also the largest percentage of the total assessment and consumes the majority of the District services.

Council continues to assess the multiples used in the tax rate calculation and adjust them as necessary to promote continued growth in the business and industry sector.

Permissive Tax Exemptions

Tax exemptions must demonstrate a benefit to the community and residents of the District by enhancing quality of life (economically, socially, and culturally). The goals, policies and principles of the organization must not be inconsistent or conflict with those of the District. Organizations receiving permissive tax exemptions must be registered non-profit societies and cannot be for commercial or private gain.

Table 3: Permissive Tax Exemptions

Permissive Tax Exemptions	General Taxes Foregone (estimate)
Not-for-profit organizations	\$ 140,755
Churches	37,534
District-owned properties managed by not-for-profit groups	12,243
Total	\$ 190,532

SCHEDULE B
2022-2026 Financial Plan
Bylaw No. 1145-2022

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenue					
Property taxes	3,585,490	4,000,148	4,120,877	4,185,700	4,283,984
Sale of services	4,003,738	4,218,780	4,362,451	4,502,369	4,656,742
Other revenue	418,527	425,102	431,819	378,685	385,701
Transfers from other governments	1,729,573	2,990,976	1,055,103	1,164,466	1,049,069
	<u>9,737,327</u>	<u>11,635,006</u>	<u>9,970,250</u>	<u>10,231,220</u>	<u>10,375,496</u>
Expenditures					
General government services	1,444,823	1,236,517	1,261,131	1,286,244	1,323,473
Protective services	541,080	552,563	564,290	576,270	588,506
Transportation services	1,462,630	1,495,465	1,530,099	1,565,553	1,601,842
Environmental & public health services	340,861	347,802	354,888	362,120	369,499
Economic & development services	237,964	234,798	238,706	242,697	246,765
Parks, recreation & cultural services	1,701,523	1,669,661	1,722,029	1,748,839	1,789,876
Sewer services	1,112,459	1,138,785	1,165,679	1,193,166	1,221,252
Water services	1,304,117	1,333,871	1,364,318	1,395,477	1,427,366
Interest expense	35,991	51,428	49,377	45,962	45,856
Amortization of tangible capital assets	2,197,802	2,247,802	2,297,802	2,347,802	2,397,802
	<u>10,379,250</u>	<u>10,308,692</u>	<u>10,548,319</u>	<u>10,764,130</u>	<u>11,012,237</u>
Annual surplus (deficit)	<u>(641,922)</u>	<u>1,326,314</u>	<u>(578,069)</u>	<u>(532,910)</u>	<u>(636,742)</u>
Adjust for Non-Cash Item					
Amortization of tangible capital assets	2,197,802	2,247,802	2,297,802	2,347,802	2,397,802
Debt, Capital and Reserve/Surplus transfers					
Principal repayments	(312,266)	(407,714)	(531,474)	(479,423)	(458,314)
Transfers to reserves / surplus	(1,128,633)	(1,196,402)	(1,163,259)	(1,210,469)	(1,302,747)
Transfers from reserves / surplus	3,302,699	2,029,777	3,494,525	989,500	802,500
Proceeds from borrowing	2,395,000	50,000	725,000	230,000	23,000,000
Capital expenditures	(5,812,679)	(4,049,777)	(4,244,525)	(1,344,500)	(23,802,500)
	<u>641,923</u>	<u>(1,326,314)</u>	<u>578,069</u>	<u>532,910</u>	<u>636,741</u>
Financial Plan Balance	<u>0</u>	<u>(0)</u>	<u>0</u>	<u>(0)</u>	<u>(0)</u>