



**DISTRICT OF PORT HARDY
BYLAW NO. 1161-2023**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2023-2027**

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 2023 – 2027 Bylaw No. 1161-2023".

2. Schedules

- 2.1 Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2023 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 2023-2027.

3. Repeal

- 3.1 District of Port Hardy Financial Plan 2022 – 2026 Bylaw No. 1145-2022 is hereby repealed.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 2023-2027 Financial Plan was held April 11, 2023.

Read a First time on the 11th day of April, 2023.
Read a Second time on the 11th day of April, 2023.
Read a Third time on the 11th day of April, 2023.
Adopted on the the on the 25th day of April, 2023.



DIRECTOR
OF CORPORATE SERVICES



MAYOR

Certified to be a true copy of District of Port Hardy Financial Plan 2023 – 2027
Bylaw No. 1161-2023

Director of Corporate Services



SCHEDULE A – BYLAW No. 1161-2023

2023 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	35%	\$3,919,756
Sale of services	38%	4,271,114
Other Revenue	7%	751,253
Government transfers	20%	2,209,346
Total	100%	\$11,151,469

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2023. 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 NO. 1161-2023

Table 2: Distribution of Municipal Property Tax

Property Class	% of Total Taxation	Dollar Value
Residential	54.9%	\$1,927,035
Utilities	1.2%	41,015
Light Industry	3.0%	106,341
Business and Other	40.2%	1,409,766
Managed Forest	0.5%	16,366
Recreation/Non-profit	0.2%	8,372
Total	100.0%	\$3,508,895

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	\$ 150,990
Churches	41,773
District-owned properties managed by not-for-profit groups	11,990
Total	\$ 204,753

SCHEDULE B
2023-2027 Financial Plan
Bylaw No. 1161-2023

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Revenue					
Property taxes	3,919,756	4,127,937	4,286,632	4,420,669	4,519,669
Payments in lieu of taxes					
Sale of services	4,271,114	4,469,996	4,611,891	4,768,274	4,930,358
Other revenue	751,253	435,316	382,272	389,381	394,394
Transfers from other governments	2,209,346	1,082,714	1,192,345	1,067,220	1,077,345
	<u>11,151,469</u>	<u>10,115,963</u>	<u>10,473,140</u>	<u>10,645,544</u>	<u>10,921,765</u>
Expenditures					
General government services	1,642,814	1,270,289	1,294,931	1,331,685	1,357,349
Protective services	549,037	540,696	553,913	565,698	576,837
Transportation services	1,478,229	1,512,382	1,547,330	1,583,107	1,619,729
Environmental & public health services	326,059	332,683	339,444	346,345	353,382
Economic & development services	268,475	272,925	277,466	282,098	286,820
Parks, recreation & cultural services	1,756,607	1,951,331	1,983,774	2,030,571	2,078,492
Sewer services	1,130,847	1,150,864	1,178,030	1,205,790	1,234,155
Water services	1,361,545	1,393,852	1,425,221	1,457,312	1,490,137
Interest expense	86,575	79,818	80,021	65,761	54,666
Amortization of tangible capital assets	2,247,802	2,297,802	2,347,802	2,397,802	2,447,802
	<u>10,847,990</u>	<u>10,802,641</u>	<u>11,027,932</u>	<u>11,266,170</u>	<u>11,499,369</u>
Annual surplus (deficit)	<u>303,479</u>	<u>(686,679)</u>	<u>(554,791)</u>	<u>(620,625)</u>	<u>(577,604)</u>
Adjust for Non-Cash Item					
Amortization of tangible capital assets	2,247,802	2,297,802	2,347,802	2,397,802	2,447,802
Debt, Capital and Reserve/Surplus transfers					
Principal repayments	(362,023)	(346,754)	(351,294)	(334,164)	(294,422)
Transfers to reserves / surplus	(1,481,778)	(1,239,368)	(1,316,716)	(1,453,013)	(1,585,775)
Transfers from reserves / surplus	5,022,478	3,465,000	964,500	890,500	640,500
Proceeds from borrowing	1,785,620	725,000	230,000	500,000	500,000
Capital expenditures	(7,515,578)	(4,215,001)	(1,319,500)	(1,380,499)	(1,130,501)
	<u>(303,478)</u>	<u>686,678</u>	<u>554,791</u>	<u>620,626</u>	<u>577,604</u>
Financial Plan Balance	<u>0</u>	<u>(0)</u>	<u>(0)</u>	<u>0</u>	<u>(0)</u>