



**DISTRICT OF PORT HARDY  
BYLAW NO. 1173-2024**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN  
FOR THE PERIOD 2024-2028**

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 2024 – 2028 Bylaw No. 1173-2024".

**2. Schedules**

2.1 Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2024 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 2024-2028.

**3. Repeal**

3.1 District of Port Hardy Financial Plan 2023 – 2027 Bylaw No.1161-2023 is hereby repealed.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 2024-2028 Financial Plan was held March 26, 2024.

Read a first time the 26<sup>th</sup> day of March, 2024.

Read a second time the 26<sup>th</sup> day of March, 2024.

Read a third time the 26<sup>th</sup> day of March, 2024.

Adopted on the 9<sup>th</sup> day of April, 2024.

*Original signed:*

\_\_\_\_\_  
CORPORATE OFFICER

\_\_\_\_\_  
MAYOR

Certified to be a true copy of District of Port Hardy  
Financial Plan 2024 – 2028 Bylaw No. 1173-2024:

\_\_\_\_\_  
CORPORATE OFFICER

**SCHEDULE A – BYLAW No. 1173-2024**

**2024 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	25%	\$4,233,810
Sale of services	27%	4,642,362
Other Revenue	5%	850,188
Government transfers	43%	7,193,663
<b>Total</b>	<b>100%</b>	<b>\$16,920,023</b>

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2024. 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. 1173-2024**

**Table 2: Distribution of Municipal Property Tax**

<b>Property Class</b>	<b>% of Total Taxation</b>	<b>Dollar Value</b>
Residential	54.9%	\$2,022,366
Utilities	1.2%	43,044
Light Industry	3.0%	111,602
Business and Other	40.2%	1,479,508
Managed Forest	0.5%	17,176
Recreation/Non-profit	0.2%	8,786
<b>Total</b>	<b>100.0%</b>	<b>\$3,682,483</b>

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**

<b>Permissive Tax Exemptions</b>	<b>General Taxes Foregone (estimate)</b>
Not-for-profit organizations	\$ 81,662
Churches	25,037
District-owned properties managed by not-for-profit groups	12,284
<b>Total</b>	<b>\$ 118,983</b>

**SCHEDULE B**  
**2024-2028 Financial Plan**  
**Bylaw No. 1173-2024**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<b>Revenue</b>					
Property taxes	4,233,810	4,433,054	4,619,207	4,813,806	5,025,038
Sale of services	4,642,362	4,770,452	4,944,048	5,121,876	5,306,375
Other revenue	850,188	798,750	816,796	831,538	849,349
Transfers from other governments	1,875,828	1,206,205	1,092,957	1,104,131	1,115,584
	<u>11,602,188</u>	<u>11,208,461</u>	<u>11,473,008</u>	<u>11,871,351</u>	<u>12,296,346</u>
<b>Expenditures</b>					
General government services	1,587,068	1,230,113	1,268,225	1,280,824	1,790,526
Protective services	542,246	558,827	573,552	586,729	600,239
Transportation services	1,417,259	1,426,583	1,462,080	1,496,577	1,504,104
Environmental & public health service	385,127	384,977	399,849	415,304	403,562
Economic & development services	302,643	310,740	318,431	325,753	333,256
Parks, recreation & cultural services	1,979,327	1,982,963	2,036,645	2,095,505	2,144,902
Sewer services	1,006,207	1,039,381	1,067,719	1,095,198	1,123,338
Water services	1,373,009	1,433,527	1,470,021	1,508,883	1,333,478
Interest expense	91,517	96,234	81,616	70,521	69,160
Amortization of tangible capital asset	2,297,802	2,347,802	2,397,802	2,447,802	2,497,802
	<u>10,982,204</u>	<u>10,811,146</u>	<u>11,075,941</u>	<u>11,323,097</u>	<u>11,800,368</u>
<b>Annual surplus (deficit)</b>	<u>619,984</u>	<u>397,314</u>	<u>397,067</u>	<u>548,254</u>	<u>495,978</u>
<b>Adjust for Non-Cash Item</b>					
Amortization of tangible capital assets	2,297,802	2,347,802	2,397,802	2,447,802	2,497,802
<b>Debt, Capital and Reserve/Surplus transfers</b>					
Principal repayments	(603,699)	(746,989)	(759,695)	(755,042)	(1,057,016)
Transfers to reserves / surplus	(1,572,635)	(1,868,127)	(2,030,176)	(2,236,016)	(1,931,766)
Transfers from reserves / surplus	5,317,835	1,859,500	1,355,500	2,105,500	1,105,500
Proceeds from borrowing	624,414	530,000	-	-	500,000
Capital expenditures	(6,683,700)	(2,519,499)	(1,360,498)	(2,110,499)	(1,610,499)
	<u>(619,983)</u>	<u>(397,314)</u>	<u>(397,067)</u>	<u>(548,254)</u>	<u>(495,978)</u>
<b>Financial Plan Balance</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0)</u>	<u>(0)</u>