



**DISTRICT OF PORT HARDY
BYLAW NO. 1179-2025**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2025-2029**

WHEREAS Section 165 of the *Community Charter* requires a Municipality to have a financial plan adopted annually.

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 2025 – 2029 Bylaw No. 1179-2025".

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- 3.1 District of Port Hardy Financial Plan 2024 – 2028 Bylaw No.1173-2024 is hereby repealed.

Read a first time the xx day of March, 2025.

Read a second time the xx day of March, 2025.

Read a third time the xx day of March, 2025.

Public Presentation held March 25, 2025

Adopted on the xx day of xxxx, 2025.

CORPORATE OFFICER

MAYOR

Certified to be a true copy of District of Port Hardy
Financial Plan 2025 – 2029 Bylaw No. 1179-2025:

CORPORATE OFFICER

SCHEDULE A – BYLAW No. 1179-2025

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%	\$4,437,840
Sale of services	27%	4,855,487
Other Revenue	5%	983,429
Government transfers	43%	7,667,138
Total	100%	\$17,973,894

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2025. 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.

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Table 2: Distribution of Municipal Property Tax

Property Class	% of Total Taxation	Dollar Value
Residential	54.9%	\$2,122,506
Utilities	1.2%	45,175
Light Industry	3.0%	117,128
Business and Other	40.2%	1,552,768
Managed Forest	0.5%	18,026
Recreation/Non-profit	0.2%	9,222
Total	100.0%	\$3,864,825

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	\$ 91,630
Churches	26,298
District-owned properties managed by not-for-profit groups	13,072
Total	\$ 131,000

SCHEDULE B
2025-2029 Financial Plan
Bylaw No. 1179-2025

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Revenue					
Property taxes	4,437,840	4,620,758	4,808,860	5,006,152	5,173,457
Sale of services	4,855,487	5,054,452	5,262,531	5,480,380	5,708,115
Other revenue	983,429	1,001,314	1,019,745	1,041,325	1,063,027
Transfers from other governments	2,209,331	1,166,133	1,110,871	1,120,835	923,814
	<u>12,486,087</u>	<u>11,842,657</u>	<u>12,202,007</u>	<u>12,648,692</u>	<u>12,868,413</u>
Expenditures					
General government services	1,774,402	1,391,182	1,326,345	1,353,825	1,413,266
Protective services	721,876	679,008	692,376	706,031	719,977
Transportation services	1,578,003	1,562,828	1,597,446	1,629,444	1,671,246
Environmental & public health services	365,678	379,779	394,433	382,026	397,025
Economic & development services	329,612	336,124	342,706	349,451	356,339
Parks, recreation & cultural services	2,214,671	2,223,507	2,274,983	2,329,057	2,400,589
Sewer services	1,196,457	1,157,401	1,182,712	1,212,192	1,242,367
Water services	1,382,177	1,415,303	1,448,856	1,274,242	1,305,829
Interest expense	85,322	79,862	74,204	71,734	36,310
Amortization of tangible capital assets	2,347,802	2,397,802	2,447,802	2,497,802	2,547,802
	<u>11,995,999</u>	<u>11,622,796</u>	<u>11,781,864</u>	<u>11,805,805</u>	<u>12,090,750</u>
Annual surplus (deficit)	<u>490,088</u>	<u>219,862</u>	<u>420,143</u>	<u>842,887</u>	<u>777,664</u>
Adjust for Non-Cash Item					
Amortization of tangible capital assets	2,347,802	2,397,802	2,447,802	2,497,802	2,547,802
Debt, Capital and Reserve/Surplus transfers					
Principal repayments	(461,776)	(505,144)	(544,699)	(796,991)	(791,430)
Transfers to reserves / surplus	(1,424,425)	(2,042,519)	(2,318,246)	(2,538,698)	(2,529,035)
Transfers from reserves / surplus	5,457,807	1,450,500	1,200,500	1,200,500	1,200,500
Proceeds from borrowing	-	530,000	-	500,000	-
Capital expenditures	(6,409,494)	(2,050,498)	(1,205,499)	(1,705,499)	(1,205,498)
	<u>(490,088)</u>	<u>(219,862)</u>	<u>(420,143)</u>	<u>(842,887)</u>	<u>(777,664)</u>
Financial Plan Balance	<u>(0)</u>	<u>0</u>	<u>0</u>	<u>(0)</u>	<u>0</u>