



**DISTRICT OF PORT HARDY
BYLAW NO. 1188-2026**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2026-2030**

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 an open meeting assembled, enacts as follows:

1. Title

This Bylaw may be cited for all purposes as "District of Port Hardy Financial Plan 2026 – 2030 Bylaw No. 1188-2026".

2. Schedules

- 2.1 Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2026 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 2026-2030.

3. Repeal

- 3.1 District of Port Hardy Financial Plan 2025 – 2029 Bylaw No.1179-2025 is hereby repealed.

Read a first time the 24th day of February, 2026.

Read a second time the 24th day of February, 2026.

Read a third time the 24th day of February, 2026.

Public Presentation held the 10th day of March, 2026.

Adopted on the 10th day of March, 2026.

Original signed;

CORPORATE OFFICER

MAYOR

Certified to be a true copy of District of Port Hardy
Financial Plan 2026 – 2030 Bylaw No. 1188-2026:

CORPORATE OFFICER

SCHEDULE A – BYLAW No. 1188-2026

2026 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%	\$4,056,764
PILTs & VIRL	4%	581,035
Sale of services	32%	5,149,849
Other Revenue	5%	828,298
Government transfers	34%	5,505,700
Total	100%	\$16,121,646

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2026. The District’s funding comes from property taxes, sales of services, and other miscellaneous revenues. The District also receives funding from Government transfers or grants when they become available.

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

The largest portion of its 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 services to those who use them. Other services where fees 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 of delivering the related service.

Property taxes are the next major source of revenue. As a revenue source, property taxation provides a stable, reliable source of funding for services whose rates are insufficient to cover costs. 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 cover the service's operational costs.

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Table 2: Distribution of Municipal Property Tax

Property Class	% of Total Taxation	Dollar Value
Residential	54.9%	\$2,227,917
Utilities	1.2%	\$47,419
Light Industry	3.0%	\$122,945
Business and Other	40.2%	\$1,629,883
Managed Forest	0.5%	\$18,921
Recreation/Non-profit	0.2%	\$9,680
Total	100.0%	\$4,056,764

Table 2 presents the distribution of property taxes across property classes. The residential class accounts for the bulk 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 the District's residents by enhancing quality of life (economically, environmentally, 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	\$ 82,594
Churches	24,248
District-owned properties managed by not-for-profit groups	14,037
Total	\$ 120,880

SCHEDULE B
2026-2030 Financial Plan
Bylaw No. 1188-2026

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Revenue					
Property taxes	4,637,799	4,850,658	5,076,984	5,314,649	5,556,935
Sale of services	5,149,849	5,365,695	5,587,948	5,820,227	6,063,140
Other revenue	828,298	830,779	848,487	866,241	865,989
Transfers from other governments	3,249,345	1,188,696	1,040,685	1,049,639	1,058,771
	13,865,291	12,235,828	12,554,104	13,050,756	13,544,834
Expenditures					
General government services	1,829,989	1,307,432	1,323,456	1,339,444	1,375,161
Protective services	773,932	658,374	671,315	684,525	698,024
Transportation services	1,698,551	1,727,955	1,763,021	1,807,968	1,854,107
Environmental & public health services	365,802	380,200	367,378	381,949	397,099
Economic & development services	338,520	345,149	351,954	358,903	365,997
Parks, recreation & cultural services	2,327,815	2,350,315	2,411,996	2,491,360	2,556,441
Sewer services	1,185,784	1,202,000	1,231,020	1,260,701	1,291,066
Water services	1,369,804	1,401,851	1,439,249	1,477,044	1,516,588
Interest expense	95,695	74,204	71,734	70,577	70,155
Amortization of tangible capital assets	2,407,802	2,457,802	2,507,802	2,557,802	2,607,802
	12,393,695	11,905,283	12,138,925	12,430,274	12,732,440
Annual surplus (deficit)	1,471,596	330,545	415,178	620,482	812,394
Adjust for Non-Cash Item					
Amortization of tangible capital assets	2,407,802	2,457,802	2,507,802	2,557,802	2,607,802
Debt, Capital and Reserve/Surplus transfers					
Principal repayments	(489,096)	(544,699)	(796,991)	(791,430)	(767,328)
Transfers to reserves / surplus	(1,866,370)	(2,162,148)	(2,123,490)	(2,384,354)	(2,650,369)
Transfers from reserves / surplus	2,256,355	1,280,500	2,003,000	1,200,500	1,763,475
Proceeds from borrowing	710,000	500,000	-	750,000	-
Capital expenditures	(4,490,285)	(1,861,999)	(2,005,499)	(1,952,998)	(1,765,973)
	(1,471,596)	(330,545)	(415,179)	(620,483)	(812,394)
Financial Plan Balance	0	(0)	(1)	(0)	0