DISTRICT OF PORT HARDY

BYLAW 1039 - 2015

A Bylaw to Adopt the Annual Five-Year Financial Plan for the period 2015 - 2019

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 2015 – 2019 Bylaw No. 1039-2015".

2. Schedules

1. Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2015 Disclosure of Revenue Objectives and Policies as per Section 165(3.1) of the *Community Charter.*

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 2015-2019.

3. Repeal

1. District of Port Hardy Financial Plan 2014 – 2018 Bylaw No. 1023-2014 is hereby repealed.

Read a first time on the 24th day of March, 2015.

Read a second time the on the 24th day of March, 2015.

Read a third time on the 24th day of March, 2015.

Adopted by the Municipal Council on the 14TH day of April, 2015.

Director of Corporate
& Development Services

Mayor

Certified to be a true copy of
District of Port Hardy Financial Plan 2015 – 2019
Bylaw No. 1039-2015

Director of Corporate Services
& Development Services

Schedule A - Bylaw 1039-2015

2015 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	35.7%	$2,737,516
Sale of Services	10.3%	793,250
Sewer Rates	15.3%	1,170,220
Water Rates	18.0%	1,383,140
Revenue from own sources	3.7%	283,170
Unconditional Gov't Grants	6.2%	475,000
Capital Grants	1.8%	138,000
Reserves and Surplus	9.0%	693,000
Debt	0.0%	0
Total	**100%**	**$7,673,296**

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2015. The total revenue has been adjusted for non-cash entries in the financial plan. The amount for amortization in 2015 is $1,650,000; this is not taxed for and is therefore not included in Table 1.

The largest portion of planned revenue is user fees and charges. Services that can be measured and charged on a user-pay basis include water, wastewater, waste management, building permits, recreation, administration and the wharves. User fees apportion the value of the service to those who use it. User fees do not cover all of the costs for 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 enough 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 will continue to review all user fees and charges to ensure they adequately meet the capital and operational costs of the service provided.

Schedule A - Bylaw 1039-2015

Distribution of Property Taxes

Table 2: Distribution of Property Tax Rates

Property Class	% of Total Taxation	Dollar Value
Residential	55.4%	$1,427,128
Utilities	1.3%	32,169
Light Industry	3.8%	98,964
Business and Other	38.9%	1,000,953
Managed Forest	.5%	12,790
Recreation/Non-profit	0.1%	1,932
Total	**100%**	**$2,573,936**

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.

All new additions to the property class are removed from the calculation, the percentage increase is applied over the net assessment, and the new rates determined are then applied to the new growth.

Council will continue 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 the 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
District owned properties managed by not-for-profit groups	10,830
Not-for-profit organizations	70,319
Churches	34,379
Total	**$ 115,528**

Schedule B - Bylaw 1039-2015

	2015	2016	2017	2018	2019
Revenue					
Municipal property taxes	2,573,936	2,625,414	2,677,923	2,731,481	2,786,111
Payments in lieu of taxes	163,580	165,262	166,961	168,679	170,414
Sale of services	793,250	809,116	825,298	841,804	858,640
Sewer user rates	1,170,220	1,193,625	1,217,497	1,241,847	1,266,684
Water user rates	1,383,140	1,410,803	1,439,019	1,467,799	1,497,155
Revenue from own sources	283,170	288,244	293,415	298,687	304,060
Unconditional transfers other governments	475,000	475,000	475,000	475,000	475,000
Conditional transfers other governments	138,000	2,400,000	2,975,000	1,925,000	3,550,000
Contributions from developers	-	-	-	-	-
Transfers from reserves & other funds	2,343,000	2,281,000	2,297,500	1,996,500	1,927,000
Debenture debt	-	775,000	125,000	175,000	-
	9,323,296	12,423,464	12,492,613	11,321,797	12,835,064
Expenditures					
General government services	941,689	962,462	981,612	1,007,896	1,021,067
Protective services	395,575	401,956	409,995	418,195	426,559
Transportation services	1,132,865	1,155,521	1,178,630	1,202,202	1,226,245
Environmental & public health services	283,326	288,993	294,772	300,668	306,682
Economic & development services	116,189	118,513	120,883	123,301	125,767
Parks, recreation & cultural services	1,256,700	1,281,329	1,306,696	1,332,570	1,358,961
Wastewater services	812,087	828,329	844,895	861,793	879,029
Water services	970,754	989,537	1,009,327	1,029,513	1,050,103
Debt charges	133,940	115,353	116,196	5,400	5,200
Debt principal repayments	640,200	290,006	277,013	74,901	64,501
Transfers to reserves & other funds	158,971	535,465	555,094	868,858	893,950
Amortization	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Capital expenditures	831,000	3,806,000	3,747,500	2,446,500	3,827,000
	9,323,296	12,423,464	12,492,613	11,321,797	12,835,064