

# 2017-2021 Financial Plan

Bringing the Future Closer

January, 2017



The New Pool authorized by referendum is a major project.



Debt servicing will increase costs as much as \$99,350 in 2017 with a further \$99,400 in future years. Operations may add \$200,000 over 2018 2019.



A New Fire Truck is being built and will be on its way. Delivery early summer.

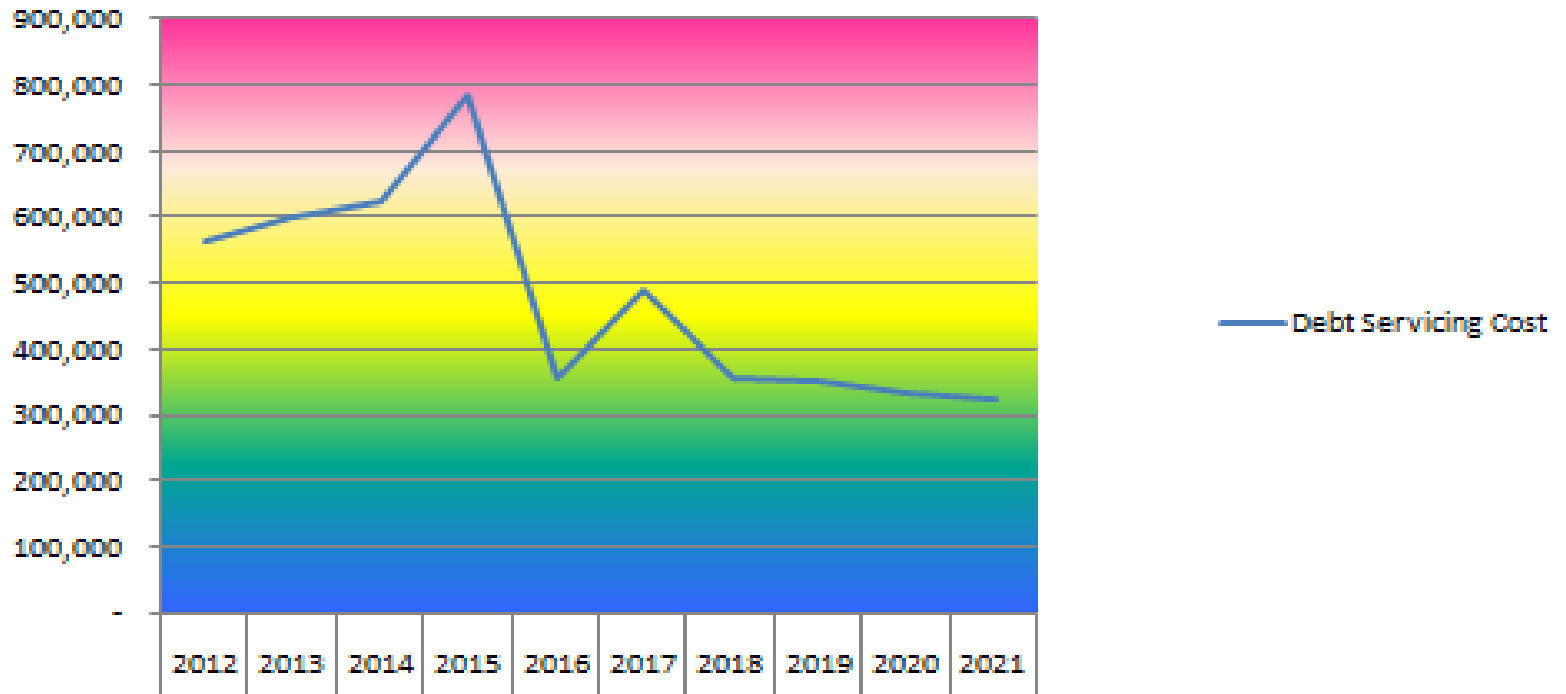


Debt servicing will increase costs as much as \$58,000 in 2017 with a further \$41,400 in future years.



2015 - Final payment for the water treatment plant.  
2016 - Several Equipment Leases paid out.  
2017 - Final payment of waste water treatment plant.

### Debt Servicing Cost





## Other Capital Plans in the works to both improve and maintain Port Hardy's assets.

• #2 Firehall Access	\$ 15,000
• Civic Centre Lighting Upgrades	37,800
• Skateboard Park Maintenance	5,000
• Arena Chiller and other Maintenance	200,000
• Potential Roof Repairs (Curling Club)	15,000
• Roads and Crack Sealing	145,000
• Sidewalks	35,000
• Storm Catch Basin Repairs	7,500
• Little Tsulquate Culverts	30,000
• Downtown Handrails and Lighting	50,000
• Turf Maintenance Equipment	31,000
• Storey's Beach Washrooms	60,000
• Rotary Park Bathrooms	120,000
• Seagate Pier Revitalization	125,000
• Seagate Pier Structural	
•as Per Engineering report	88,000
• Boat Launch Harbour Improvements	35,000
• Bear Cove Dock Anchoring	8,620
• Lost at Sea Marker	10,000

While this list totals over a million dollars some of it is "precautionary" and will not necessarily be expended unless needed. The majority is funded by known reserves and other confirmed grants.

These reserve funds and Grants will provide the majority of funding for the 2017 capital program.

### Major Grants are being sought:

• Federal Provincial - Pool Project	\$ 8,000,000
• Funding for Downtown Beautification	50,000
• Funding for The Rotary Park Bathrooms	60,000

**Without these Grants the related projects may not proceed.**

### Reserves will also be used for Capital Projects:

• Building Reserve	\$ 17,000
• General Capital Reserve	72,120
• Mobile Equipment Reserve	15,000
• Sidewalks / Roads Reserve	25,000
• Water Capital Reserve	160,000
• Sewer Capital Reserve	64,000

**The amount of reserves being used may be adjusted once projects not completed in 2016 are finalized.**



New Capital Spending will occur in other areas as well.

## SEWER FUND

## WATER FUND

Water	
Fort Rupert Reservoir and PRV Station	5,000,000
Distribution System Design work, priority list from water model	60,000
WTP Treated Water Flow Meter Replacement	6,000
Holmgren Flats PRV	60,000
WTP Security Upgrade	10,000
WTP Fire protection	6,000
Kains Lake Dam	30,000
WTP Interior Lighting Upgrade	2,000
PLC WTP Replacements	70,000
	<b>5,244,000</b>

Work totaling in excess of \$5.2 million may commence. \$146,000 from the previous year will continue.

Grants in the amount of \$4.15 million are being sought.

User fees were approved to increase by only 3%.

Work totaling \$429,000 will begin. While an additional \$170,000 from the previous year will continue.

While the sewer fund has limited capacity to fund capital works this year it should fare better in future with a 3% increase in user fees and retirement of debt. Annual debt servicing costs of \$266,000 will end in 2017.

Sewer	
Collection System Rehabilitation Program.	50,000
Holmgren flats lift station upgrade	50,000
Pioneer Inn Lift Station Upgrade	20,000
TWWTP External Lighting Upgrade	7,000
AWWTP External Lighting Upgrade	7,000
Reinstall 100 m AWWTP Outfall	75,000
Swap Loader ( to replace 2 vehicles)	220,000
	<b>429,000</b>



## Consolidated Capital Plan 2017-2021

	2017	2018	2019	2020	2021
<b>Revenue</b>					
Conditional capital grants	12,902,000	2,675,000	2,100,000	1,850,000	1,600,000
Contributions from others					
Loan Proceeds	5,320,000	1,000,000	-	1,000,000	-
Transfer from reserves/surplus	1,784,170	290,000	122,692	135,000	145,000
Transfer from current years operations	350,950	464,500	264,308	215,000	215,000
	20,357,120	4,429,500	2,487,000	3,200,000	1,960,000
<b>Expenditures</b>					
General government services	-	-	-	-	-
Protective services	1,117,000	125,000	200,000	1,000,000	-
Transportation services	590,120	1,787,500	812,500	727,500	537,500
Environmental & public health services					
Economic & development services					
Parks, recreation & cultural services	12,661,000	204,000	69,500	57,500	7,500
Wastewater services	599,000	668,000	50,000	50,000	50,000
Water services	5,390,000	1,645,000	1,355,000	1,365,000	1,365,000
	20,357,120	4,429,500	2,487,000	3,200,000	1,960,000



## Consolidated Revenue 2017-2021

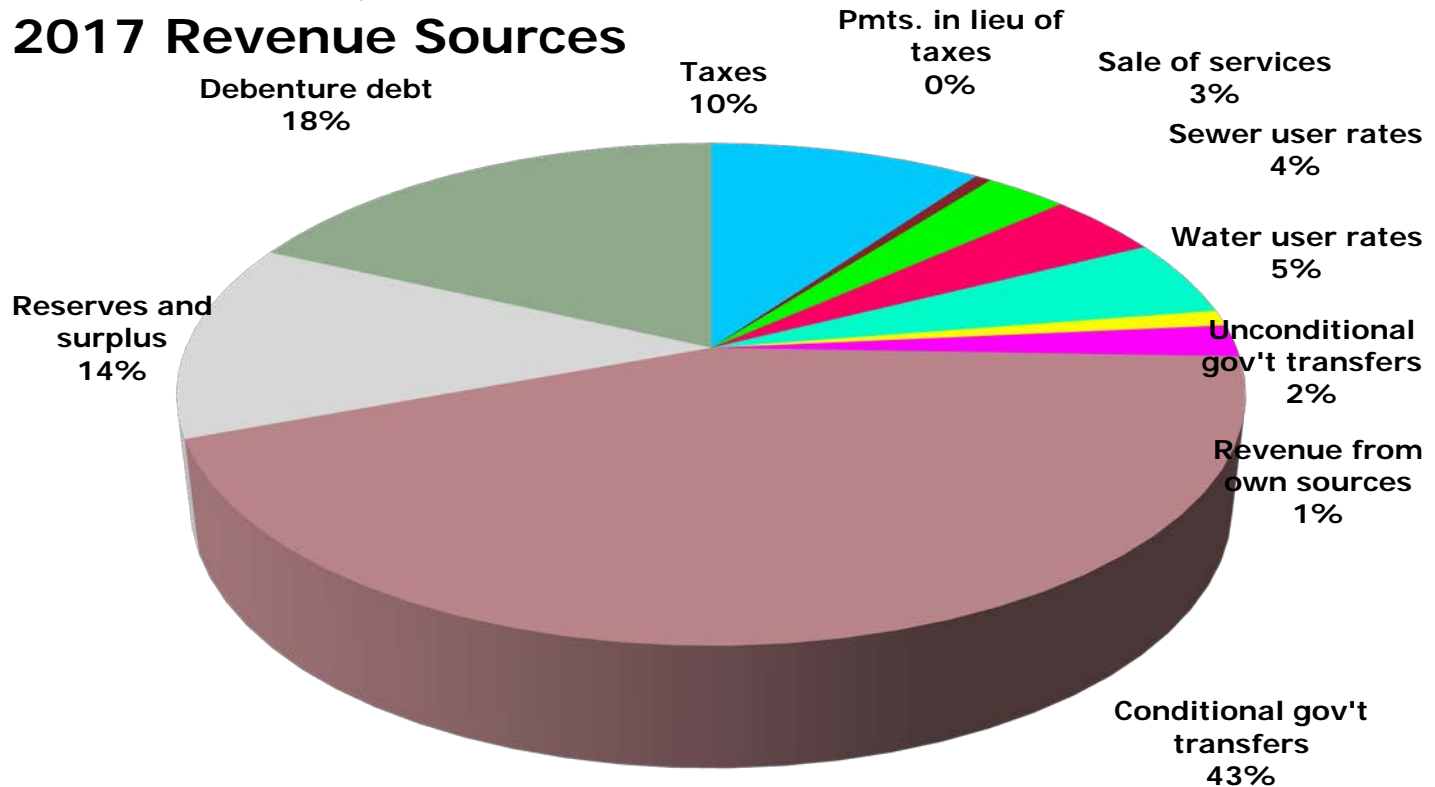
Revenue	2017	2018	2019	2020	2021
Municipal property taxes	2,904,662	3,081,161	3,119,199	3,175,607	3,245,023
Payments in lieu of taxes	171,519	173,304	175,061	176,894	178,746
Sale of services	880,082	897,680	915,631	933,941	952,617
Sewer user rates	1,225,871	1,271,897	1,319,705	1,369,362	1,420,945
Water user rates	1,451,312	1,480,338	1,509,945	1,540,143	1,570,945
Revenue from own sources	299,501	305,262	309,174	315,244	320,866
Unconditional transfers other governments	606,000	621,160	623,203	625,287	627,413
Conditional transfers other governments	12,902,000	2,675,000	2,100,000	1,850,000	1,600,000
Contributions from developers	-	-	-	-	-
Transfers from reserves & other funds	4,097,020	2,624,500	2,282,000	2,246,900	2,258,838
Debenture debt	5,320,000	1,000,000	-	1,000,000	-
	29,857,967	14,130,302	12,353,918	13,233,378	12,175,393





- Conditional Grants includes, Pool, Community Works Fund, and Reservoir funding.
- Reserves and surplus provide substantial funding.
- New debt represents the second largest source of funds

## 2017 Revenue Sources





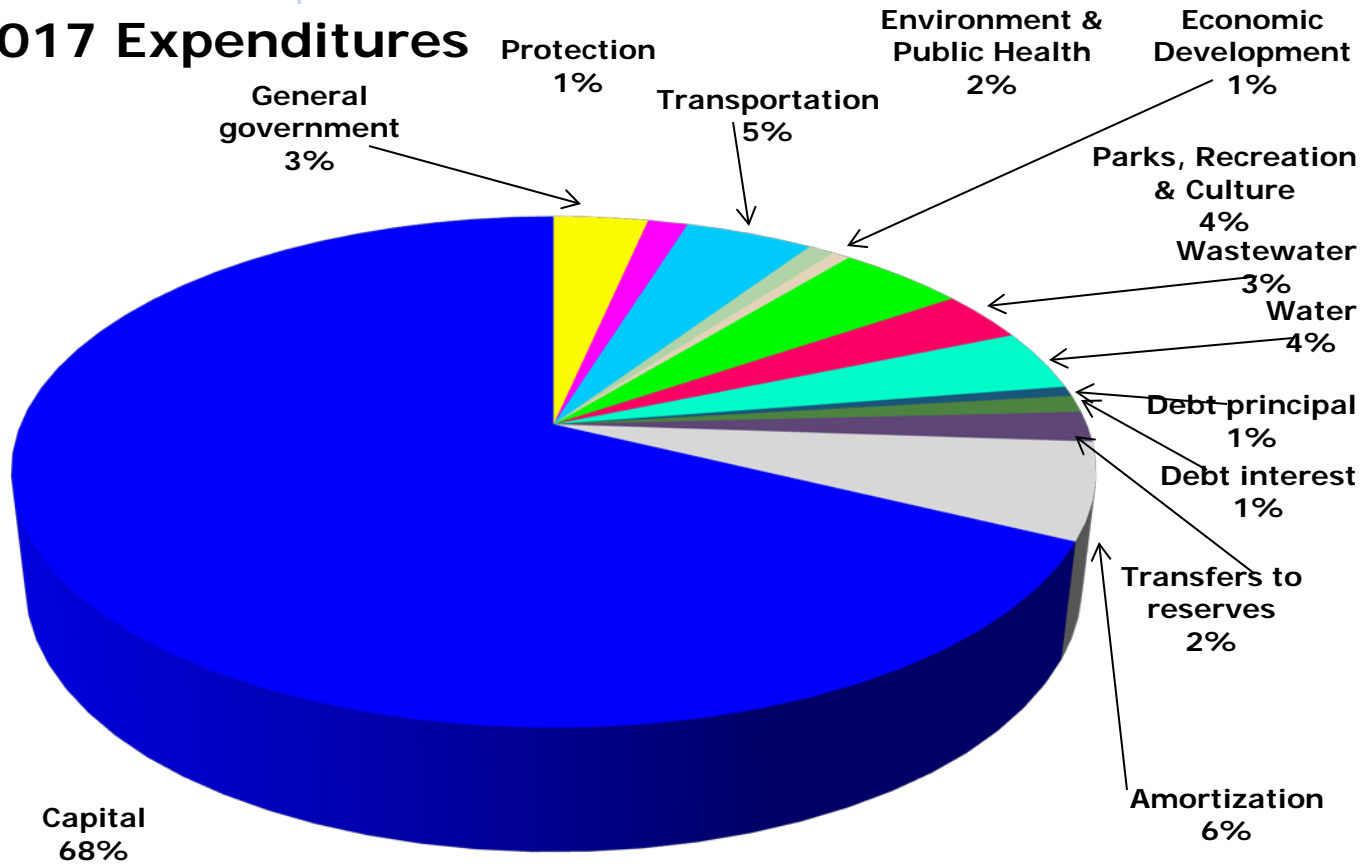
## Consolidated Expense 2017-2021

Expenditures	2017	2018	2019	2020	2021
General government services	993,064	1,027,675	1,041,345	1,062,164	1,083,402
Protective services	419,700	428,406	437,252	446,372	455,695
Transportation services	1,349,752	1,379,147	1,408,390	1,439,969	1,472,316
Environmental & public health services	275,250	280,752	286,368	292,095	297,938
Economic & development services	186,364	203,411	207,377	211,425	215,552
Parks, recreation & cultural services	1,343,069	1,371,915	1,400,707	1,431,353	1,462,724
Wastewater services	941,418	960,245	979,446	999,035	1,019,012
Water services	1,126,460	1,148,989	1,171,961	1,195,397	1,219,307
Debt charges	184,410	152,156	151,686	151,256	151,226
Debt principal repayments	316,950	207,086	204,106	185,986	178,086
Transfers to reserves & other funds	564,410	741,020	778,280	818,326	860,135
Amortization	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Capital expenditures	20,357,120	4,429,500	2,487,000	3,200,000	1,960,000
	29,857,967	14,130,302	12,353,918	13,233,378	12,175,393



- Capital Program is large and though beginning this year will span multiple years. An important impact to take note of is that on the revenue screen Reserves and surplus draw downs represented 13% of revenue while contributions into the reserves here represent 2%.
- Amortization is not funded by taxation.

## 2017 Expenditures





## What About Taxes ?

- 2017 Mitigated with Tax Rate Stabilization.
- Remaining projects begun in 2016 may be carried over with their matching funding to 2017. Their will be no impact on taxation.
- 2018 and 2019 shown for information only **Council is not bound by this presentation.**

		2017	2018	2019
<b>General Revenue Fund = 25,000 = 1% +-</b>				
Electric Rate Increases	11,200	0.448%		
Labor and benefits increases above 2% inflation	24,500	0.980%		
Small Community Grant increase	(19,000)	-0.760%		
Other operational changes (inflation etc)		1.977%	3.186%	2.373%
Operational Increases	22,591	2.645%	3.186%	2.373%
Debt Servicing	82,437	3.227%	4.166%	-0.118%
Multiplex operational costs \$50,000			2.000%	
150,000				6.000%
Mitigate using tax rate stabilization fund	45,000	-1.761%		
	70,000		-0.907%	
	95,000			-0.852%
If User fees for Water Sewer Garbage and recycling included the net effect would be to reduce the impact of taxation by				
		-0.991%	-3.775%	-3.123%
<b>= Total Effective Tax Rate Change</b>		<b>3.119%</b>	<b>4.670%</b>	<b>4.280%</b>
<b>Estimated Impact on Residential home</b>				
	Annually	\$ 62.14		
	Monthly	\$ 5.18		