



**DISTRICT OF PORT HARDY
BYLAW 1104-2020**

**A BYLAW TO ADOPT THE ANNUAL FIVE-YEAR FINANCIAL PLAN
FOR THE PERIOD 2020-2024**

**Amended: Bylaw 1110-2020
CONSOLIDATED FOR CONVENIENCE ONLY**

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 2020 – 2024 Bylaw No. 1104-2020".

2. Schedules

2.1 Schedule "A" attached to and forming part of this bylaw is hereby declared to be the 2020 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 2020-2024.

3. Repeal

3.1 District of Port Hardy Financial Plan 2019 – 2023 Bylaw No. 1096-2019 is hereby repealed.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 2020-2024 Financial Plan was held January 28, 2020.

Read a First time on the 28th day of January, 2020.

Read a Second time on the 28th day of January, 2020.

Read a Third time on the 28th day of January, 2020.

Adopted by the Municipal Council on the 11th day of February, 2020.

Original Signed:

DIRECTOR
OF CORPORATE SERVICES

MAYOR

Certified to be a true copy of District of Port Hardy Financial Plan 2020 – 2024
Bylaw No. 1104-2020

Director of Corporate Services

SCHEDULE A - BYLAW 1104-2020

Schedule A. AMENDED
 BYL 1110-2020

2020 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, PILTS	12.19%	3,455,859
Sale of services	13.78%	3,904,626
Other Revenue	1.50%	423,767
Government transfers	72.53%	20,554,309
Total	100%	\$28,338,561

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2020. 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, waste water (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 will continue to review all user fees and charges to ensure they adequately meet the operational costs of the service provided.

SCHEDULE A - BYLAW 1104-2020

Table 2: Distribution of Municipal Property Tax Rates

Property Class	% of Total Taxation	Dollar Value
Residential	50.98%	\$1,592,393
Utilities	1.21%	37,795
Light Industry	3.95%	123,456
Business and Other	43.15%	1,349,785
Managed Forest	0.43%	13,303
Recreation/Non-profit	0.22%	6,839
Total	100%	\$3,123,573

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 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 (estimate)
District owned properties managed by not-for-profit groups	12,763
Not-for-profit organizations	145,470
Churches	43,112
Total	\$ 201,346

SCHEDULE B
BYLAW 1104-2020

SCHEDULE B AMENDED BYL 1110-2020

	2020	2021	2022	2023	2024
Revenue					
Municipal property taxes	3,455,859	3,751,081	3,858,716	3,926,229	4,015,455
Sale of services	3,904,626	3,982,522	4,062,088	4,143,261	4,226,062
Other revenue	423,767	431,355	438,422	445,377	452,487
Transfers from other governments	20,554,309	1,946,417	1,264,692	2,036,633	11,073,815
	28,338,561	10,111,375	9,623,918	10,551,501	19,767,819
Expenditures					
General government services	1,057,212	1,078,150	1,106,940	1,121,304	1,143,527
Protective services	510,672	521,541	532,640	543,988	555,566
Transportation services	1,404,270	1,437,073	1,470,500	1,504,665	1,539,650
Environmental & public health services	291,057	296,961	302,985	309,131	315,406
Economic & development services	232,637	234,808	241,064	243,405	249,833
Parks, recreation & cultural services	1,540,951	1,664,307	1,703,172	1,742,961	1,783,695
Wastewater services	1,068,236	1,090,027	1,115,871	1,172,280	1,219,265
Water services	1,240,510	1,247,332	1,275,909	1,306,718	1,336,624
Debt charges	137,818	168,402	166,827	163,509	160,999
Amortization	1,930,000	1,965,000	1,965,000	1,965,000	1,965,000
	9,413,363	9,703,601	9,880,908	10,072,961	10,269,565
Annual surplus (deficit)	18,925,199	407,774	(256,990)	478,540	9,498,254
Adjust for Non-Cash Item					
Amortization	1,930,000	1,965,000	1,965,000	1,965,000	1,965,000
Transfers and Acquisitions					
Debt principal payments	(287,921)	(366,234)	(384,446)	(330,970)	(457,894)
Transfers to reserves / surplus	(1,001,949)	(1,064,388)	(1,073,564)	(1,100,070)	(965,360)
Transfers from reserves / surplus	1,954,900	1,240,705	957,500	860,000	885,000
Proceeds from Borrowing	6,200,000	140,000	-	-	5,951,000
Capital Acquisitions	(27,720,229)	(2,322,857)	(1,207,500)	(1,872,500)	(16,876,000)
	(18,925,199)	(407,774)	256,990	(478,540)	(9,498,254)
Annual surplus (deficit)	-	-	-	-	-