



BYLAW NO. 905, 2019

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A Bylaw to Adopt a Financial Plan for 2019- 2023

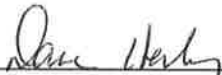
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WHEREAS section 165 of the Community Charter requires the adoption of an annual financial plan by bylaw and the financial plan is to include the current year plus the following 4 years;

NOW THEREFORE the Council of the District of Hudson's Hope, in open public meeting assembled, enacts as follows:

1. This Bylaw shall be cited as the "Annual Financial Plan Bylaw for 2019-2023 No. 905, 2019".
2. Schedule "A" which is attached to and forms part of this Bylaw, is adopted as the Financial Plan of the District of Hudson's Hope for the years 2019 to 2023.
3. Schedule "B" which is attached to and forms part of this Bylaw, is adopted as the Statement of Objectives and Policies of the the District of Hudson's Hope for the years 2019 to 2023.
4. Annual Financial Plan Bylaw No. 896, 2018 is hereby repealed.

Read a First Time on this 16th day of April, 2019.  
Read a Second Time on this 16th day of April, 2019.  
Read a Third Time on this 16th day of April, 2019.  
Adoption of Bylaw on this 23rd day of April, 2019.

  
\_\_\_\_\_  
Dave Heiberg, Mayor

  
\_\_\_\_\_  
Tammy McKeown, Corporate Officer

Certified a true copy of Bylaw No 905, 2019  
this day \_\_ of \_\_\_\_\_, 2019

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Corporate Officer

**BYLAW #905, 2019 - Schedule A**

<b>General Operations</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General Revenue</b>					
Water O&M	- 570,828	- 582,245	- 593,889	- 605,767	- 617,883
Water Utility Fund	- 1,000	- 1,020	- 1,040	- 1,061	- 1,082
Sewer O&M	- 630,687	- 643,301	- 656,167	- 669,290	- 682,676
Sewer Utility Fund	- 5,678	- 5,792	- 5,907	- 6,026	- 6,146
Property Taxes	- 2,114,271	- 2,156,556	- 2,199,688	- 2,243,681	- 2,288,555
grants in lieu	- 1,718,575	- 1,752,947	- 1,788,005	- 1,823,766	- 1,860,241
grants other	- 835,465	- 835,465	- 840,148	- 840,148	- 845,056
General Government Services	- 59,450	- 60,639	- 61,852	- 63,089	- 64,351
ICBC	- 144,525	- 147,416	- 150,364	- 153,371	- 156,439
protective services	- 5,000	- 5,100	- 5,202	- 5,306	- 5,412
Bylaw/Lands	- 9,325	- 9,512	- 9,702	- 9,896	- 10,094
Public Works	- 14,000	- 14,000	- 14,000	- 14,000	- 14,000
Environmental & Public Health	- 257,420	- 74,766	- 76,261	- 77,787	- 79,342
Recreation	- 173,140	- 176,603	- 180,135	- 183,738	- 187,412
EDO	- 2,500	- 2,550	- 2,601	- 2,653	- 2,706
to/(-)from General Fund	- 950,000	- 965,791	- 1,316,546	- 1,645,959	- 1,678,054
<b>General Operations Revenue</b>	<b>-\$ 7,491,864</b>	<b>-\$ 7,433,701</b>	<b>-\$ 7,901,507</b>	<b>-\$ 8,345,537</b>	<b>-\$ 8,499,448</b>
<b>General Expenditure</b>					
water	571,828	583,265	594,930	606,828	618,965
sewer	636,365	649,092	662,074	675,316	688,822
Legislative	135,563	138,274	141,040	143,861	146,738
Grants in Aid to Cmty	50,700	51,714	52,748	53,803	54,879
GGS	1,192,575	1,216,427	1,240,755	1,265,570	1,290,882
ICBC	74,350	75,837	77,354	78,901	80,479
Protective Services	309,277	315,463	321,772	328,207	334,771
Bylaw/Lands	70,630	72,043	73,483	74,953	76,452
Public Works	1,124,228	1,146,713	1,169,647	1,193,040	1,216,901
Environmental & Public Health	167,064	170,405	173,813	177,290	180,835
Recreation	1,158,008	1,181,168	1,204,792	1,228,887	1,253,465
EDO	23,500	23,970	24,449	24,938	25,437
TRANS TO CEMETERY FUND	300	306	312	318	325
TRANS TO GENRL OPTG M&E FUND	90,032	91,833	93,669	95,543	97,454
TRANS TO DPW M&E RESERVE	1,037,444	1,058,193	1,079,357	1,100,944	1,122,963
TRANS TO PROTEC SERV M&E RESERVE	250,000	255,000	260,100	265,302	270,608
TRANS TO SEWER RESERVE	400,000	200,000	300,000	200,000	204,000
TRANS TO WATER RESERVE	170,000	173,400	400,000	800,000	800,000
Trans Community Hall Fund	30,000	30,600	31,212	31,836	32,473
Trans to Tax Sale	-	-	-	-	-
to/(-)from General Fund to Capital	-	-	-	-	-
<b>Total General Operations Expense</b>	<b>\$ 7,491,864</b>	<b>\$ 7,433,701</b>	<b>\$ 7,901,507</b>	<b>\$ 8,345,537</b>	<b>\$ 8,496,448</b>
Surplus / (-)deficit: must be 0					
<b>CAPITAL OPERATIONS</b>					

<b>Transfer from Funds, Reserves; Capital Revenue</b>					
Water Capital Reserve	-320,000	-162,000	-600,000	-1,050,000	-1,100,000
Sewer Capital Reserve	-374,000	-200,000	-300,000	-200,000	-400,000
Mach & Equip Capital Reserve	-554,974	-1,475,000	-1,524,500	-1,187,500	-1,382,500
Protective Services Reserve	-74,500	-7500	-7500	-7500	-7500
Land Capital Reserve	-100,000	0	0	0	0
<b>Total Capital Revenue</b>	<b>-\$ 1,423,474</b>	<b>-\$ 1,844,500</b>	<b>-\$ 2,432,000</b>	<b>-\$ 2,445,000</b>	<b>-\$ 2,890,000</b>
<b>Capital Operations Expenditure</b>					
Water Capital Expense	320,000	162,000	600,000	1,050,000	1,100,000
Sewer Capital Expense	374,000	200,000	300,000	200,000	400,000
General Capital Expense	729,474	1,482,500	1,532,000	1,195,000	1,390,000
<b>Total Capital Operations Expense</b>	<b>\$ 1,423,474</b>	<b>\$ 1,844,500</b>	<b>\$ 2,432,000</b>	<b>\$ 2,445,000</b>	<b>\$ 2,890,000</b>

**District of Hudson's Hope  
2019-2023 Financial Plan  
Statement of Objectives and Policies  
Schedule 'B' of Bylaw No. 905, 2019**

In accordance with Section 165(3.1) of the *Community Charter*, the Town 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, and
3. The use of permissive tax exemptions.

**Funding Sources**

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2019.

For the 2019 fiscal year Property taxes form the largest portion of revenue. As a revenue source, property taxation offers a number of advantages, for example, it is simple to administer and it is fairly easy for residents to understand. It offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis. These include services such as general administration, fire protection, police services, bylaw enforcement and street lighting.

Funds and Reserve is the second largest source of revenue. A large portion of this revenue was the 2018 Surplus.

Grants in Lieu is the third largest source of revenue with Grant in Lieu payments from BC Hydro Dam/Reservoir payments accounting for the largest percentage.

The fourth largest source of Revenue is Other Grants which includes the Peace River Agreement (PRA) Grant (formerly known as Fair Share and the Community Works Fund (Gas Tax).

**Objective**

- To use Peace River Agreement Funding on Capital and not Operating expenses.
- To increase the proportion of revenue that is received from user fees and charges to ensure that users of the service are not being subsidized by non-users especially with respect to water and sewer services.

**Policies**

- The District of Hudson's Hope will review all user fee levels to ensure they are adequately meeting both the capital and delivery costs of the service.
- The District will look at market comparables to see how competitive the District is.

**Table 1: Sources of Revenue**

REVENUE SOURCE 2019	DOLLAR VALUE	% OF TOTAL REVENUE
Grants in Lieu	1,718,575	22.94
Property Taxes	2,079,057	27.75
Grants Others	835,465	11.15
User Fees & Charges	483,670	6.46
Other sources	442,918	5.91
Parcel Tax	7,214	0.10
Funds & Reserve (2018 Surplus)	1,924,965	25.69
<b>TOTAL</b>	<b>7,491,864</b>	<b>100.00</b>

**Distribution of Property Tax Rates**

Table 2 outlines the distribution of property taxes among the property classes. The Utilities property class provides the largest proportion of property tax revenue. This is appropriate as this class forms the largest portion of the assessment base.

**Objectives**

- To have Property Class 2 close to the Provincial Average.
- To slowly raise the percentage of property tax raised from Class 1 – Residential.
- Maintain the property tax rate for Business and Other (Class 6), Light Industry (Class 5) and Major Industrial (Class 4) at the current rate.

**Policies**

- To compare the District against other municipalities within the Peace River Regional District and municipalities of similar size to see the percentage of property tax paid by each Property Class.
- Continue to maintain and encourage economic development initiatives designed to attract more Light Industrial business to invest in the community. New investment from this areas will help provide more revenue for the District.
- Regularly review and compare the District's distributions of tax burden relative to other BC municipalities.

**Table 2: Distribution of Property Tax Rates**

PROPERTY CLASS 2019	DOLLAR VALUE	% OF REVENUE
Utilities (Class 2)	1,389,350	66.83
Residential (Class 1)	347,459	16.71
Business & Other (Class 6)	140,534	6.76
Light Industry (Class 5)	174,828	8.41
Major Industry (Class 4)	15,626	0.75
Farmland (Class 9)	7,294	0.35
Recreation/non-profit (Class 8)	3,966	0.19
<b>TOTAL</b>	<b>2,079,057</b>	<b>100.00</b>

**Permissive Tax Exemptions**

The District of Hudson's Hope has an existing permissive tax exemption (Bylaw No. #754) which guides the administration and approval of permissive tax exemptions. Some of the eligibility criteria for permissive tax exemptions that are outlined in the policy include the following:

- The tax exemption must demonstrate benefit to the community and residents of District of Hudson's Hope by enhancing the quality of life (economically, socially, and culturally) within the community.
- The goals, policies and principles of the organization receiving the exemption must not be inconsistent or in conflict with those of the District of Hudson's Hope.
- The organization receiving the exemption must be a registered non-profit society, as the support of the municipality will not be used for commercial and private gain.
- Permissive tax exemptions will be considered in conjunction with: (a) other assistance being provided by the District; (b) the potential demands for the District services or infrastructure arising from the property; and (c) the amount of revenue that the District will lose if the exemption is granted.

**Objective**

- Over the next 5 years the District of Hudson's Hope will continue with its current bylaw to provide permissive tax exemptions to non-profit societies.

**Policies**

- To continue with encouraging the development of non-profit societies that provide services (as per its Property Tax Exemption Bylaw) to the communities by its offering of its Insurance Expansion Coverage Policy.
- To ensure that applicants continue to be eligible and qualify under the District's tax exemption guidelines.