



CITY OF PORT ALBERNI

City of Port Alberni 2024-2028 Financial Plan Bylaw No. 5097

(with amendments to December 9, 2024)

Consolidated for convenience only

This consolidation is not a legal document. Certified copies of the original bylaws should be consulted for all interpretations and applications of the bylaws of this subject.

This Bylaw has been consolidated for convenience only and includes amendments from:

Bylaw No. 5097-1 – adopted December 9, 2024

**CITY OF PORT ALBERNI
BYLAW NO. 5097**

A BYLAW TO ESTABLISH A FIVE-YEAR FINANCIAL PLAN

WHEREAS Section 165 of the *Community Charter* stipulates that a municipality must have a financial plan that is adopted on an annual basis;

NOW THEREFORE, the Municipal Council of the City of Port Alberni in open meeting assembled hereby enacts as follows:

1. Schedules 'A' & 'B' attached hereto and forming part of this Bylaw is hereby adopted and is the Financial Plan of the City of Port Alberni for the five-year period from January 1, 2024 to December 31, 2028.
2. This Bylaw may be cited for all purposes as "*City of Port Alberni 2024 – 2028 Financial Plan Bylaw No. 5097, 2024*" and shall become effective upon adoption.

READ A FIRST TIME this 12th day of February, 2024.

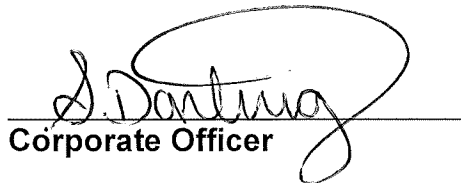
READ A SECOND TIME this 26th day of February, 2024.

READ A THIRD TIME this 25th day of March, 2024.

FINALLY ADOPTED this 8th day of April, 2024.



Mayor



Corporate Officer

Bylaw No. 5097-1 replaces Schedule A



**CITY OF PORT ALBERNI
CONSOLIDATED FINANCIAL PLAN 2024 - 2028**

	2024	2025	2026	2027	2028
Revenue					
Taxes					
Property Taxes	31,223,574	35,939,484	39,487,609	41,696,043	43,736,106
Other Taxes	835,453	860,702	886,716	913,518	941,131
Grants in Lieu of Taxes	231,750	231,761	231,772	231,787	231,795
Fees and Charges					
Sales of Service	4,904,967	5,031,949	5,177,557	5,345,730	5,502,267
Sales of Service/Utilities	7,613,843	7,871,234	8,272,581	8,624,247	8,750,340
Service to other Government	72,100	72,100	74,263	76,491	78,786
User Fees/Fines	756,135	636,171	650,588	665,396	680,608
Rentals	180,993	186,422	192,015	197,776	203,709
Interest/Penalties/Miscellaneous	1,263,372	1,275,063	1,291,888	1,309,232	1,327,110
Grants/Other Governments	1,185,000	1,156,650	1,189,250	1,222,828	1,257,412
Other Contributions	139,900	89,900	89,900	89,900	89,900
	<u>48,407,087</u>	<u>53,351,436</u>	<u>57,544,139</u>	<u>60,372,948</u>	<u>62,799,164</u>
Expenses					
Debt Interest	647,335	647,335	647,335	647,335	647,335
Capital Expenses	10,350,989	9,806,789	7,295,181	5,783,074	5,556,133
Other Municipal Purposes					
General Municipal	5,811,126	6,076,220	6,209,808	6,320,465	6,521,001
Police Services	9,582,621	10,291,175	10,699,387	11,067,467	11,429,579
Fire Services	4,827,053	4,986,543	5,112,752	5,242,415	5,375,643
Other Protective Services	449,040	458,622	470,896	513,538	496,556
Transportation Services	6,497,624	6,771,126	7,068,495	7,266,793	7,472,408
Environmental Health and Development	3,303,434	3,672,107	3,638,305	3,680,860	3,802,633
Parks and Recreation	7,049,166	7,346,121	7,559,122	7,779,337	8,004,679
Cultural	1,943,847	1,968,633	2,167,288	2,244,589	2,325,290
Water	2,146,469	2,215,509	2,279,676	2,345,644	2,413,645
Sewer	1,849,760	1,908,458	1,964,827	2,022,768	2,082,493
Contingency	265,000	300,000	300,000	300,000	300,000
	<u>54,723,464</u>	<u>56,448,638</u>	<u>55,413,072</u>	<u>55,214,285</u>	<u>56,427,395</u>
Revenue Over (Under) Expenses Before Other	<u>(6,316,377)</u>	<u>(3,097,202)</u>	<u>2,131,067</u>	<u>5,158,663</u>	<u>6,371,769</u>
Other					
Debt Proceeds	-	-	-	-	-
Debt Principal	(363,788)	(363,788)	(363,788)	(363,788)	(363,788)
Transfer from Equipment Replacement Reserve	520,914	2,949,311	1,206,674	520,192	607,551
Transfer from Land Sale Reserve	-	-	-	-	-
Transfer from Cemetery Trust	2,000	2,000	2,000	2,000	2,000
Transfer from (to) Reserves	6,157,251	509,679	(2,975,953)	(5,317,067)	(6,617,532)
	<u>6,316,377</u>	<u>3,097,202</u>	<u>(2,131,067)</u>	<u>(5,158,663)</u>	<u>(6,371,769)</u>
Balanced Budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SCHEDULE B TO BYLAW NO. 5097 REVENUE POLICY DISCLOSURE

Objectives and Policies

The City of Port Alberni's 2023 – 2027 Corporate Strategic Plan [Strategic Plan] provides municipal objectives and policy direction. The "City of Port Alberni 2024 – 2028 Financial Plan Bylaw No. 5097, 2024" [Financial Plan] will continue with initiatives arising from these stated priorities related directly to revenue generation, property taxation, and permissive tax exemptions until alternate direction has been made for an updated Corporate Strategic Plan.

The Financial Plan seeks continued levels of service that are currently provided for the community, and where required, additional resources to support that level of service have been added.

Proportion of Revenue from Funding Sources

Property Taxes – The majority of the City of Port Alberni's revenue arises from property taxation; in 2023, approximately 68% in the Financial Plan.

The Financial Plan proposes an 12.48% increase in property taxes collected for 2024, with increases in subsequent years decreasing from 14.60% to 4.82%. Property tax increases over the previous five years were lower than those projected for the next five years. The projected annual tax increases will allow for successful implementation of corporate strategic priorities set out by Council in the Strategic Plan, as well commitments to capital projects, collective bargaining agreements, and projects that require debt service.

2024-2028 Annual Tax Rates

2024	2025	2026	2027	2028
12.48%	14.60%	9.32%	5.60%	4.82%

Parcel Taxes – No new parcel tax levies are proposed in the Financial Plan.

Fees and Charges – In 2024, approximately 25% of the City of Port Alberni's revenues will be derived from fees and charges. Services funded through fees and charges include water and sewer utilities, solid waste collection and disposal, building inspection, cemetery operations and a portion of the parks, recreation, heritage and cultural services. City Council has directed that, where possible, it is preferable to charge a user fee for services that are identifiable to specific users instead of levying a general tax to all property owners.

Other Sources – Other revenue sources are rentals of City-owned property, interest/penalties, payments in lieu of taxes and grants from senior governments. In 2024, approximately 2% of the City of Port Alberni's revenues will be derived from these other sources.

Revenue from some rentals and interest are increasing based on CPI and prescribed interest rates now in the 3% to 5% range. Grants from senior governments vary significantly from year to year depending on successful application for conditional funding.

Distribution of Property Taxes among Property Classes

Council will provide the policy direction which will be incorporated in the Financial Plan. The previous year tax shares were allocated as follows:

Class 1 – Residential - Tax increases will reflect the 12.48% for this class [share to be confirmed by Council]. Between 2005 and 2023 the share of property taxation paid by Class 1 increased from 40.00% to 60.81%.

Class 4 – Major Industry - In 2006, Council directed that significant tax reductions be provided for Class 4 taxpayers over a five-year period in response to continued market weakness in the coastal forest industry and higher than average municipal tax rates for Major Industry in Port Alberni. These reductions were implemented in 2006. The City subsequently further committed that through 2013 to 2017 there would be no increase in taxes for Major Industry as part of the agreement to purchase Catalyst's sewage lagoon infrastructure. The above noted reductions and freezes resulted in the Major Industry share of taxation decreasing from 41.80% in 2005 to 18.71% in 2023.

Class 5 - Light Industry – Growth has occurred in the Class 5 property classification since 2019. Historically the rate of Class 4 and 5 were the same. These classes were delinked in 2021 with a 20 per thousand separation commitment from Council. The tax share of Class 5 was 2.54% in 2023.

Class 6 – Business In committing to successful implementation of Council's *Strategic Plan* business rates will be reviewed to allocate the increase of 12.48%. Business property tax rates had a taxation share of 17.60% in 2023.

Other Classes Approximately 0.35% of total taxation arises from the other property classes in Port Alberni. Council will consider the share of taxation paid by other classes for 2024 to allocate the tax increase of 12.48%.

Permissive Tax Exemptions

Permissive tax exemptions are provided by the City of Port Alberni as permitted under the *Community Charter* and in compliance with Council policy. Permissive tax exemptions must also fall within the budget constraints identified by Council to be considered for approval. Council approved the "Permissive Tax Exemption Bylaw No. 5090, 2023" in effect for the years 2024 to 2027.

Generally, permissive tax exemptions are a means for Council to support organizations within the community which further Council's objectives of enhancing quality of life (economic, social, and cultural) and delivering services economically. Specifically, the policy allows for annual application by eligible organizations for permissive tax exemptions on the lands or buildings they occupy, and who provide for:

- athletic or recreational programs or facilities for youth;
- services and facilities for persons requiring additional supports; mental wellness and addictions;
- programming for youth and seniors;
- protection and maintenance of important community heritage;
- arts, cultural or educational programs or facilities;
- emergency or rescue services;
- services for the public in a formal partnership with the City or;
- preservation of an environmentally or ecologically sensitive area designated within the Official Community Plan;

Eligible organizations may be considered for tax exemptions exceeding one year (to a maximum of 10 years) where it is demonstrated that the services/benefits they offer to the community are of duration equal to or greater than the period of tax exemption.

In 2023, 56 organizations were approved, with a total annual property tax exemption value of approximately \$313,111.39.

Revitalization Tax Exemptions

Council adopted “City of Port Alberni Revitalization Tax Exemption Program, Bylaw No.4824” in 2013. Council amended the Bylaw in March 2016 to include Harbour Quay and City owned properties to the Schedule of eligible properties. Also, in 2016, Council adopted a new Revitalization Tax Exemption Bylaw covering all other commercial areas. In 2023, one application was received and approved. This approved application experienced the first tax exemption in 2024 and is in effect for a period of ten years [expires December 31, 2033].

Strategic Community Investment (SCI) and Traffic Fine Revenue Sharing (TFRS) Funds

The Strategic Community Investment Fund Plan is an unconditional grant from the Province to municipalities to assist in provision of basic services. The Traffic Fine Revenue Sharing Fund returns net revenues from traffic violations to municipalities responsible for policing costs.

The City is expecting to receive approximately \$550,000 in 2024. Performance targets are not expected to change from 2023 to 2024. SCI and TFRS funds are allocated to general revenue to support local government service delivery.

Community Gaming Funding

On October 23, 2007 the City of Port Alberni and the Province of BC signed the Host Financial Assistance Agreement providing for the transfer to the City (Host) of ten (10%) percent of net gaming revenue from the casino located within the City’s boundaries. The budget assumes that the City of Port Alberni will continue to receive a share of gaming revenue through the five years of this Financial Plan. It should be noted that there is no long-term agreement in place with the Province.

Community gaming funds must be applied to Eligible Costs only. Eligible Costs are defined by the Province as “the costs and expenses incurred by the Host for any purpose that is of public benefit to the Host and within the lawful authority of the Host.”

2023 Funding Allocation	Funds (\$) Allocated
McLean Mill National Historic Site Operations	\$204,015
Visitor Centre Funding	103,000
Offset Economic Development	140,000
Community Investment Plan/Grants in Aid	33,200
Total commitments	\$480,215