

**CITY OF PORT ALBERNI  
BYLAW NO. 5123**

**A BYLAW TO ESTABLISH A FIVE-YEAR FINANCIAL PLAN**

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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, 2025 to December 31, 2029.
2. This Bylaw may be cited for all purposes as "*City of Port Alberni 2025 – 2029 Financial Plan Bylaw No. 5123, 2025*" and shall become effective upon adoption.

**READ A FIRST TIME** this 27<sup>th</sup> day of January, 2025.

**READ A SECOND TIME** this 10<sup>th</sup> day of February, 2025.

**READ A THIRD TIME** this 24<sup>th</sup> day of February, 2025.

**FINALLY ADOPTED** this 10<sup>th</sup> day of March, 2025.

  
\_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Corporate Officer

## SCHEDULE A TO BYLAW NO. 5123



### CITY OF PORT ALBERNI CONSOLIDATED FINANCIAL PLAN 2025 - 2029

	2025	2026	2027	2028	2029
<b>Revenue</b>					
<b>Taxes</b>					
Property Taxes	35,956,503	40,431,857	42,794,398	44,925,292	47,563,076
Other Taxes	860,702	886,716	913,518	941,131	988,189
Grants in Lieu of Taxes	231,761	231,772	231,784	231,795	231,825
<b>Fees and Charges</b>					
Sales of Service	5,126,468	5,249,172	5,356,040	5,497,475	5,733,390
Sales of Service/Utilities	7,871,234	8,272,581	8,624,247	8,750,340	8,975,648
Service to other Government	75,000	76,000	77,000	79,000	83,000
User Fees/Fines	636,171	650,588	665,396	680,608	705,804
<b>Rentals</b>	257,110	262,572	268,152	273,854	280,377
Interest/Penalties/Miscellaneous	1,275,063	1,291,888	1,309,232	1,327,110	1,357,168
Grants/Other Governments	1,085,000	1,095,150	1,105,402	1,115,755	1,129,713
Other Contributions	89,900	89,900	89,900	89,900	89,900
	<u>53,464,912</u>	<u>58,538,196</u>	<u>61,435,069</u>	<u>63,912,260</u>	<u>67,138,090</u>
<b>Expenses</b>					
Debt Interest	647,335	647,335	647,335	647,335	127,777
Capital Expenses	8,877,402	8,895,006	6,996,122	5,816,683	5,789,939
<b>Other Municipal Purposes</b>					
General Municipal	5,847,791	6,002,910	6,130,720	6,309,487	6,587,595
Police Services	10,596,953	11,014,816	11,387,434	11,756,560	12,288,607
Fire Services	5,153,435	5,312,791	5,522,881	5,741,853	5,988,710
Other Protective Services	466,309	479,080	522,239	505,794	525,334
Transportation Services	6,619,461	7,077,798	7,289,258	7,514,941	7,817,869
Environmental Health and Development	3,510,108	3,796,828	3,787,343	3,901,224	4,027,853
Parks and Recreation	7,680,959	8,039,532	8,277,710	8,509,162	8,802,417
Cultural	2,158,965	2,253,239	2,318,447	2,438,695	2,532,104
Water	2,409,648	2,474,629	2,545,124	2,617,722	2,715,349
Sewer	2,105,173	2,164,854	2,227,339	2,291,703	2,381,693
Contingency	300,000	300,000	300,000	300,000	300,000
	<u>56,373,539</u>	<u>58,458,818</u>	<u>57,951,952</u>	<u>58,351,159</u>	<u>59,885,247</u>
<b>Revenue Over (Under) Expenses Before Other</b>	<u>(2,908,627)</u>	<u>79,378</u>	<u>3,483,117</u>	<u>5,561,101</u>	<u>7,252,843</u>
<b>Other</b>					
Debt Proceeds	-	-	-	-	-
Debt Principal	(363,788)	(363,788)	(363,788)	(363,788)	(363,788)
Transfer from (to) Reserves	3,272,415	284,411	(3,119,329)	(5,197,312)	(6,889,054)
	<u>2,908,627</u>	<u>(79,378)</u>	<u>(3,483,117)</u>	<u>(5,561,101)</u>	<u>(7,252,843)</u>
<b>Balanced Budget</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## SCHEDULE B TO BYLAW NO. 5123

### 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 2025 – 2025 *Financial Plan Bylaw No. 5123, 2025*" (*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 2025, approximately 68% in the *Financial Plan*.

The *Financial Plan* proposes an 15.16% increase in property taxes collected for 2025, with increases in subsequent years decreasing from 12.45% to 4.98%. 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.

**2025-2029 Annual Tax Rates**

<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
15.16%	12.45%	5.84%	4.98%	5.87%

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

**Fees and Charges** – In 2025, approximately 24% 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 2025, 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 appraisals (market rates), 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 15.16% for this class (share to be confirmed by Council). Between 2005 and 2024 the share of property taxation paid by Class 1 increased from 40.00% to 60.07%.

**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 18.65% in 2024.

**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. The tax share of Class 5 was 3.18% in 2024.

**Class 6 – Business** - In committing to successful implementation of Council's *Strategic Plan* business rates will be reviewed to allocate the increase of 14.18%. Business property tax rates had a taxation share of 17.75% in 2024.

**Other Classes** - Approximately 0.36% of total taxation arises from the other property classes in Port Alberni. Council will consider the share of taxation paid by other classes for 2025 to allocate the tax increase of 15.16%.

### **Non-Market Change Allocation**

In 2024, Council allocated a portion of Non-Market Change (new taxation base) within the tax roll for class 5 and 6 for an Asset Management Reserve contribution. In 2025, a taxation rate of 13.98% was set prior to the Asset Management Reserve contribution for 2025 (across all property classes). Non-Market Change contribution equates to a 1.18% taxation increase in 2025 based on the Completed Roll, the Revised Roll will confirm the contribution .

### **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 2024, 53 organizations were approved, with a total annual property tax exemption value of approximately \$302,324.

### **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 \$565,000 in 2025. Performance targets are not expected to change from 2024 to 2025. 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."

<b>2025 Funding Allocation</b>	<b>Funds (\$) Allocated</b>
McLean Mill National Historic Site Operations	\$172,770
Offset Economic Development	244,030
Community Investment Plan/Grants in Aid	33,200
<b>Total commitments</b>	<b>\$450,000</b>