



MUNICIPALITY OF

PORT HOPE

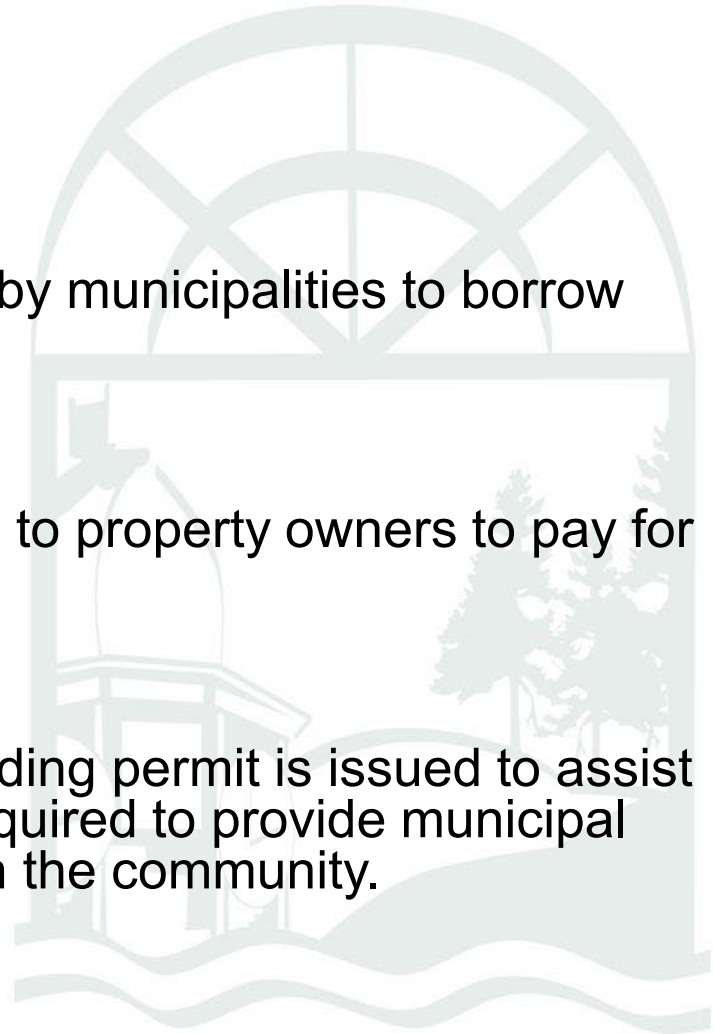
BUDGET

Long-Term Debenture Plan

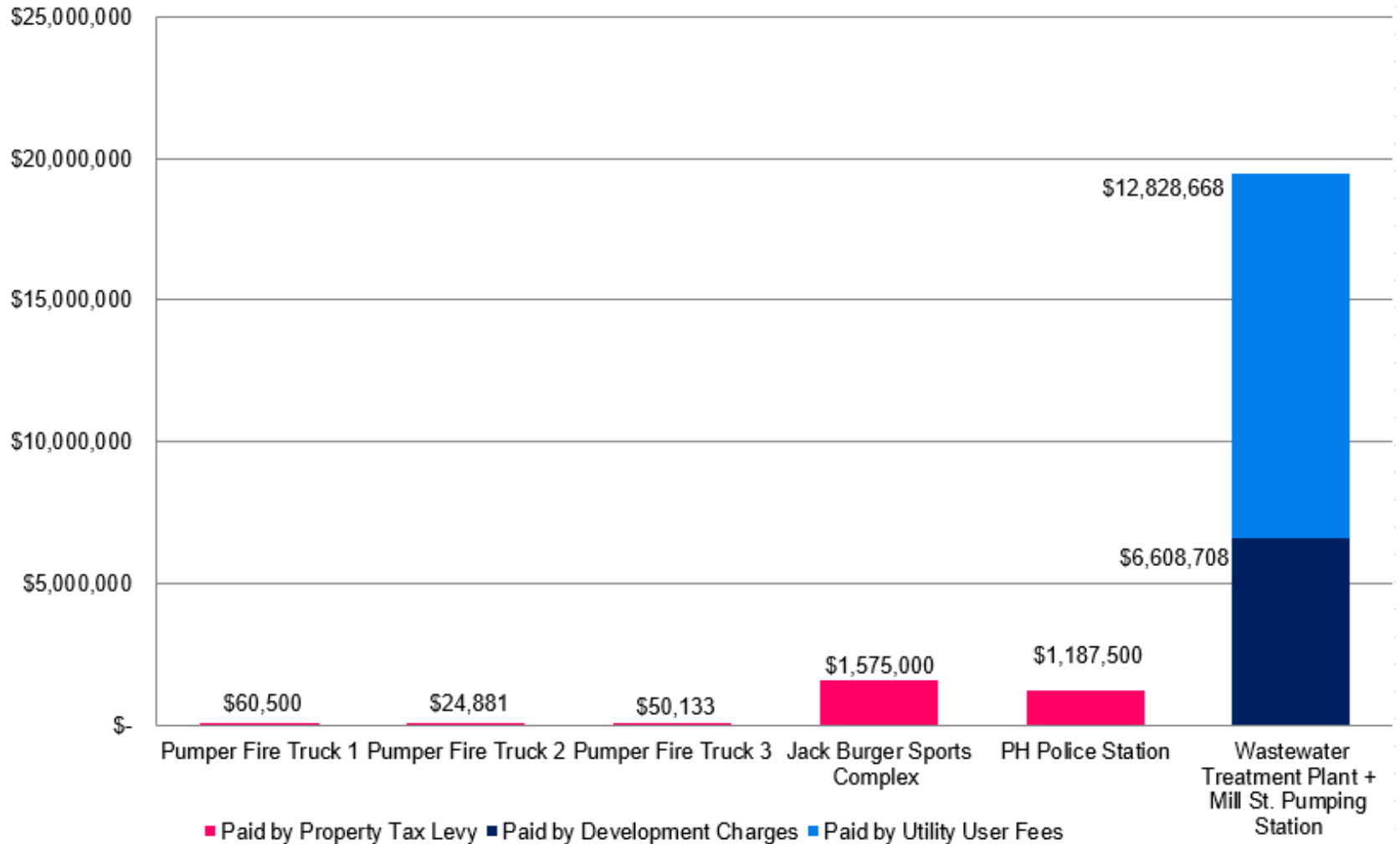


Definitions

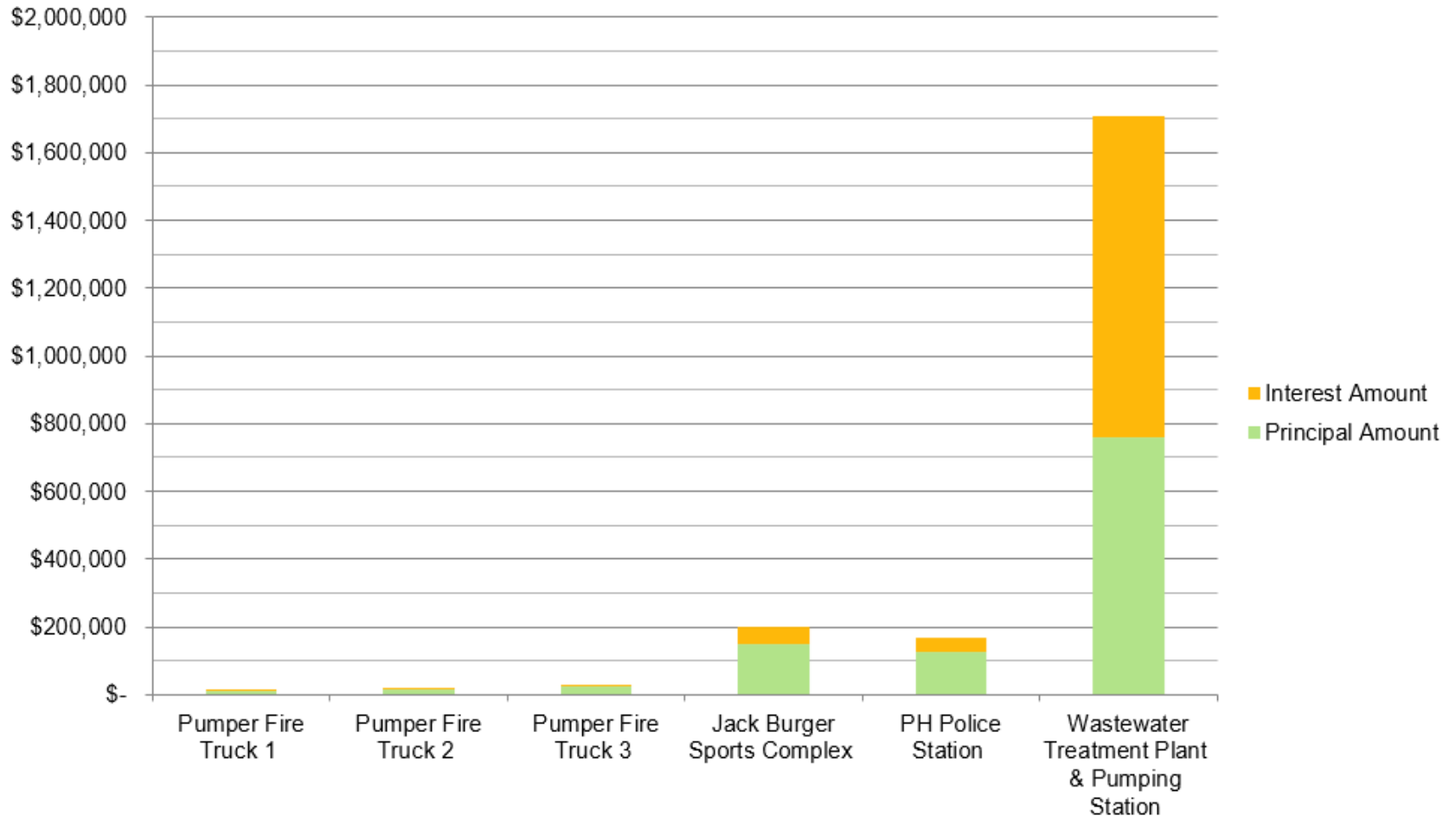
- **Debenture**
 - A multi-year debt contract used by municipalities to borrow money at a fixed interest rate.
- **Property Tax Levy**
 - The sum of the amount charged to property owners to pay for most municipal services.
- **Development Charges**
 - Fees collected at the time a building permit is issued to assist with the cost of infrastructure required to provide municipal services for new development in the community.
- **Utility User Fees**
 - Usage fees paid by users of the municipal water and wastewater services. This is not included in property taxes.



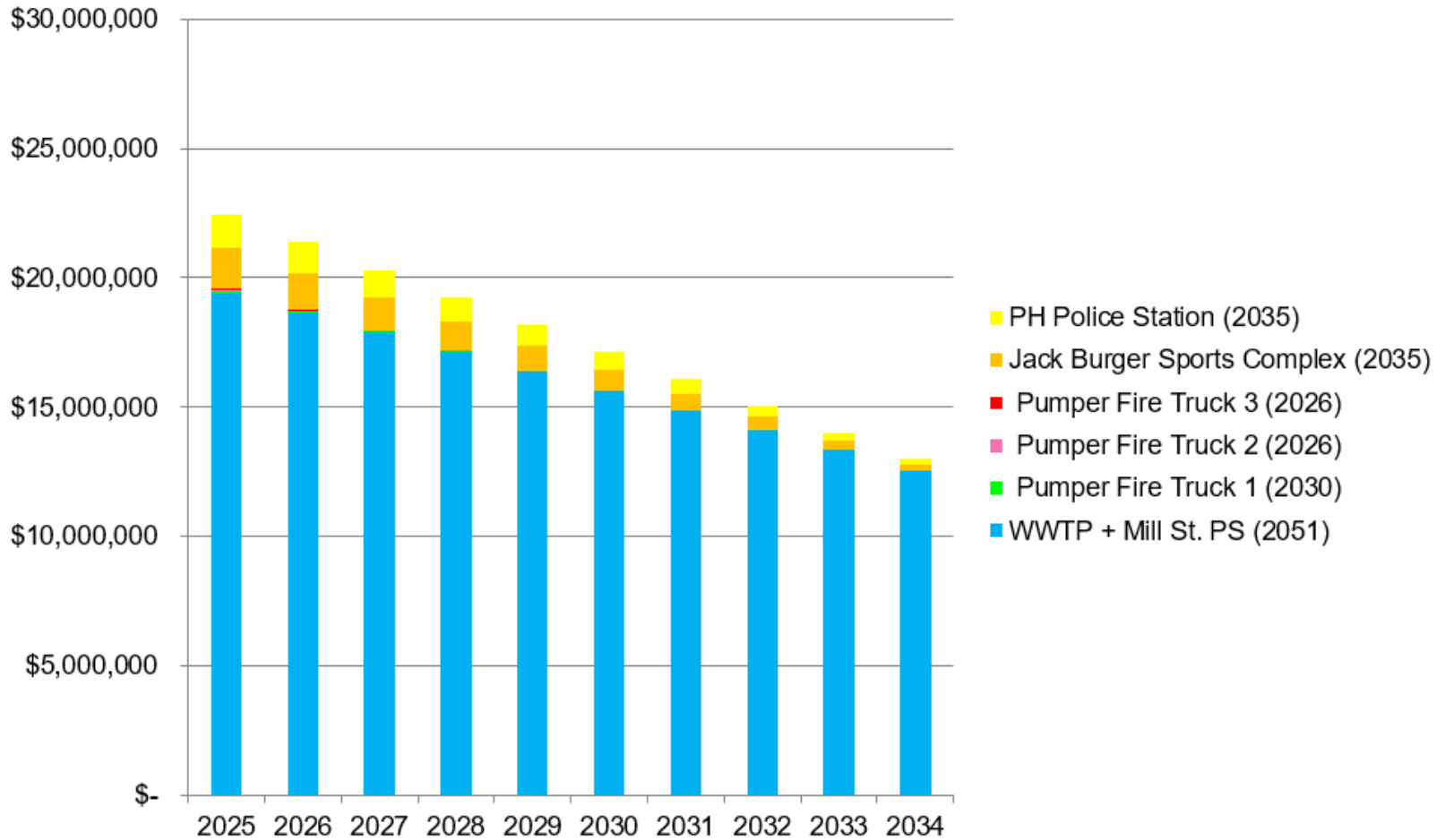
2025 Debenture Balances



2025 Debenture Payments & Interest

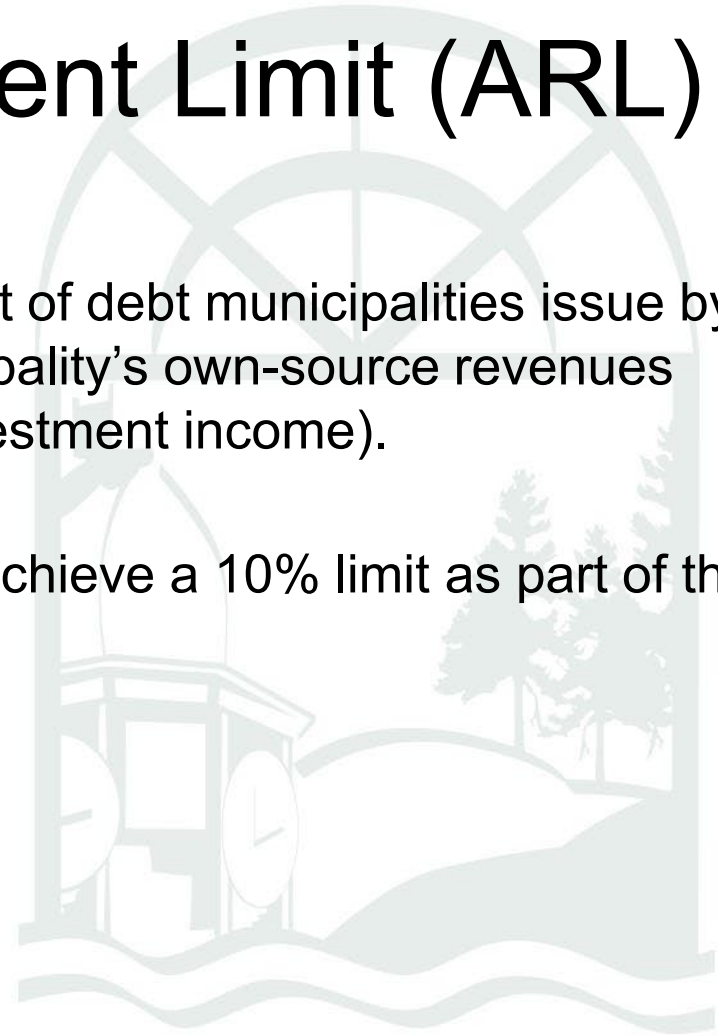


Debenture Balance Forecast

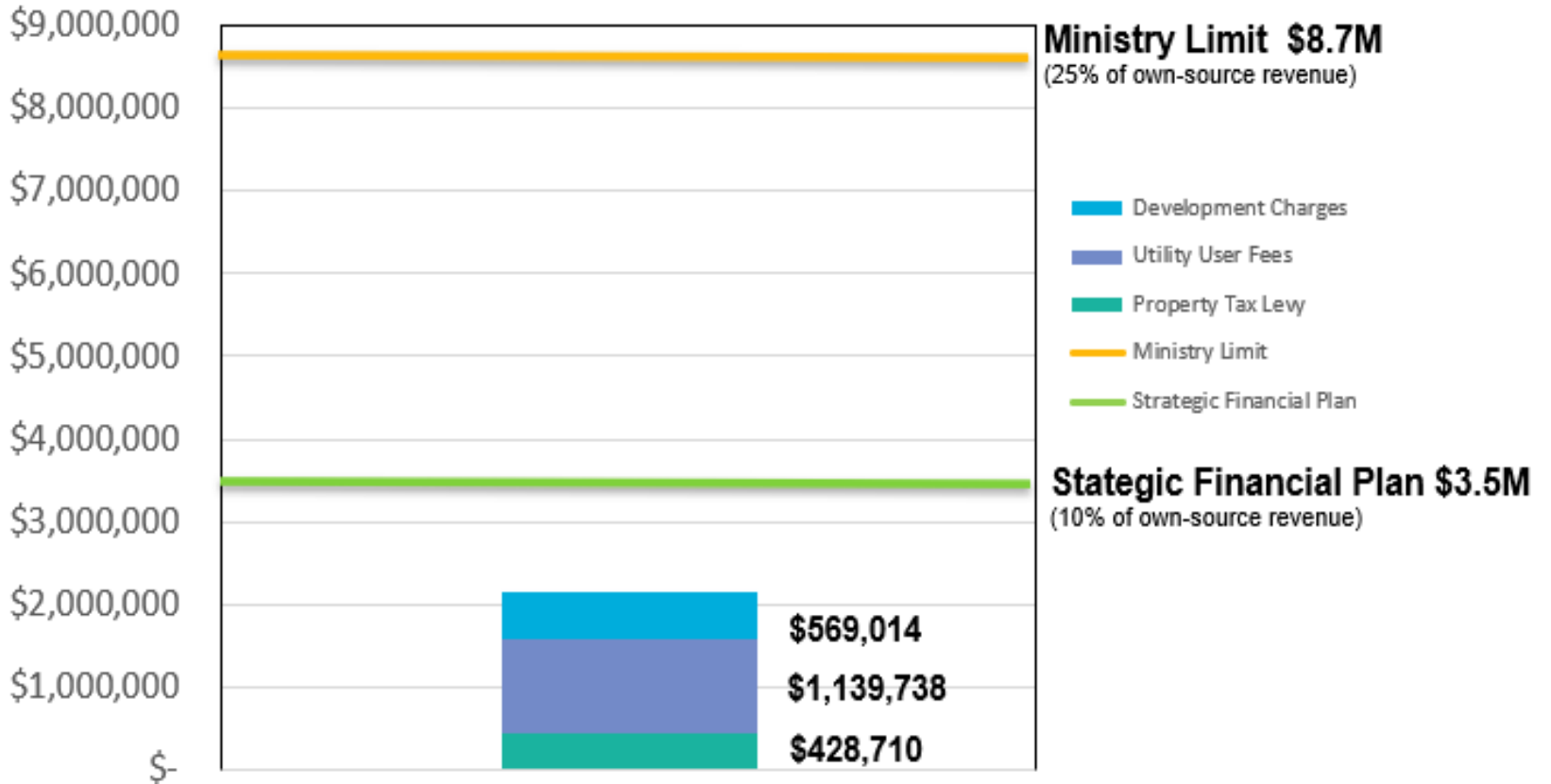


Annual Repayment Limit (ARL)

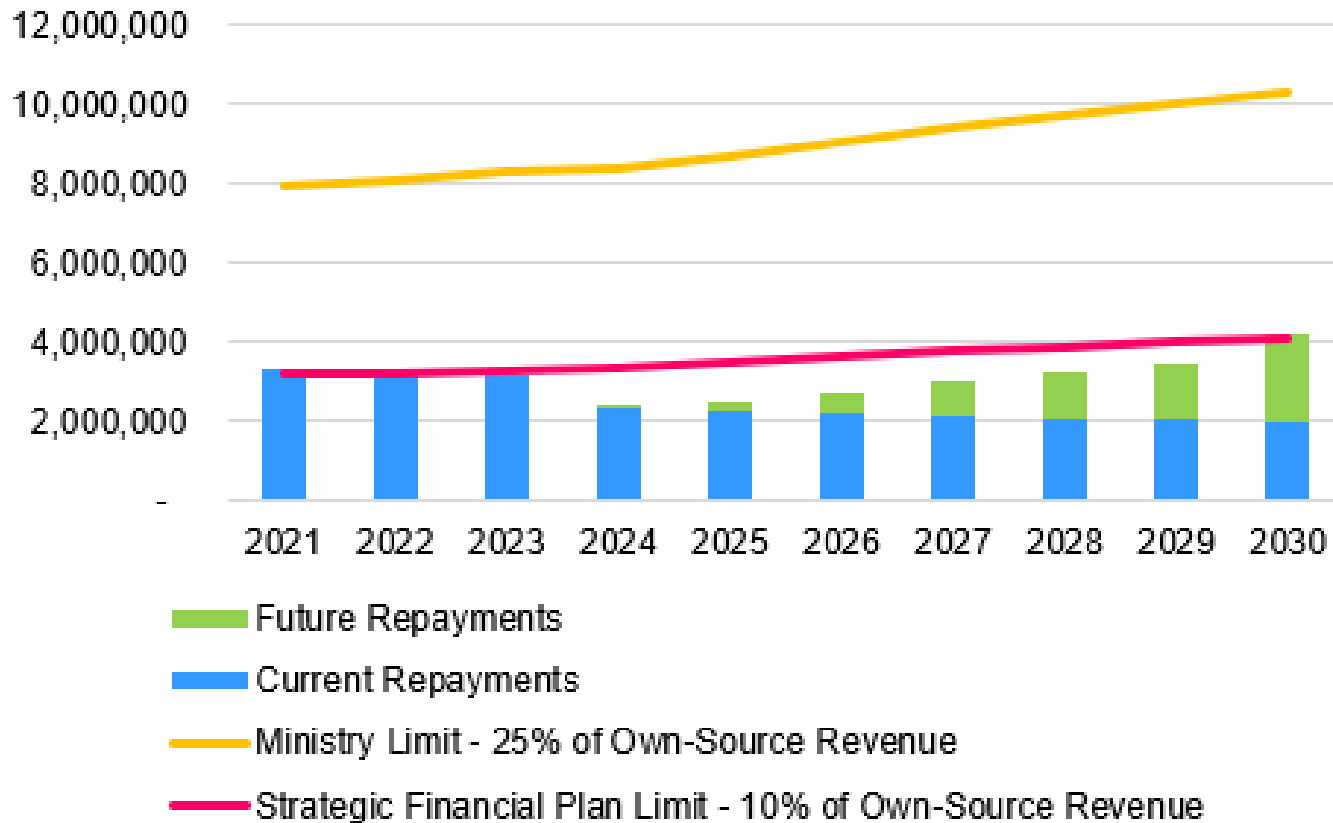
- The province regulates the amount of debt municipalities issue by setting an ARL of 25% of a municipality's own-source revenues (property taxes, user fees and investment income).
- Port Hope has adopted a goal to achieve a 10% limit as part of the Strategic Financial Plan.



2025 Total Annual Repayments



Annual Repayment Limit



Long-Term Debt Elements of the Strategic Financial Plan

- Tax Debt Charges as a percentage of Tax-Own Source Revenues will not exceed 10%.
- Long-term debt financing will be restricted to specific project type
 - Increased/new services to residents for new initiatives
 - New, non-recurring infrastructure requirements
 - Projects which are supported by a business plan that show revenues will cover capital and interest costs
 - Projects where the cost of deferring expenditures exceeds debt servicing costs
 - Project costs not recovered from Development Charges
 - Projects tied to third party matching funding
 - *Note:* these restrictions may have to be phased in to meet short term budget challenges.
- The length of the term of debt will not exceed the useful life of the underlying asset.
- The Municipality will monitor and report on all forms of debt annually.



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