

CITY OF PRINCE RUPERT

2018 FIVE YEAR FINANCIAL PLAN BYLAW NO. 3426, 2018

A BYLAW FOR THE CITY OF PRINCE RUPERT RESPECTING THE FIVE YEAR FINANCIAL PLAN FOR THE PERIOD 2018 - 2022

The Council of the City of Prince Rupert in an open meeting assembled, enacts as follows:

1. **Schedule “A”** attached hereto and made part of this Bylaw is hereby declared to be the Five Year Financial Plan of the City of Prince Rupert for the period ending December 31st, 2022.
2. This Bylaw may be cited as **“2018 Five Year Financial Plan Bylaw No. 3426, 2018”**.

Read a First time this 19th day of April, 2018.

Read a Second time this 19th day of April, 2018.

Read a Third time this 19th day of April, 2018.

Final Consideration and Adopted this 23rd day of April, 2018.

Mayor

Corporate Administrator

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The *Community Charter* requires certain information be presented as part of the Five Year Financial Plan. The following Section citations reference the *Community Charter*:

1. Portion of Funding from Revenue Sources (Section 165 (3.1)a)

Table One (1) shows the proportion and value of the total revenue proposed to be raised from each funding source in 2018. Property value taxes form the greatest percentage of the revenue of the municipality. The property taxation system is relatively easy to administer and understand. It provides a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as fire protection, police protection, bylaw enforcement, libraries, and street lighting. For these reasons, property value taxation will continue to be the major source of municipal revenue.

User fees and charges form the second largest portion of planned revenue. Some municipal services, such as: water, sewer, solid waste utilities, recreation and transit usage, can be measured and charged for on a user-pay basis. This basis attempts to fairly apportion the value of a municipal service to those who make use of it.

Table 1

Funding Source	Percentage (%) of Revenue	Amount (\$)
Municipal Property Taxes	26%	16,407,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grants	6%	3,830,000
User Fees & Charges	24%	15,179,000
Accruals	2%	1,030,000
Reserves	3%	1,625,000
Accumulated General Operating Surplus	0%	210,000
Accumulated Utilities Operating Surplus	0%	150,000
Conditional Grants	19%	12,142,500
Dividend- Prince Rupert Legacy	4%	2,142,000
Debt Financing	16%	9,763,000
Total	100%	62,539,500

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Objective

- Council will attempt to increase the proportion of City revenue that is derived from sources other than property taxes.

Policy

- Council has begun to review the fees charged for various services to ensure that the users of the service are paying a fair portion of the operating and capital cost of the service;
- Council will supplement infrastructure expenditures by aggressively pursuing federal and provincial grants; and,
- Council will encourage staff to develop new revenue sources.

2. Distribution of Property Value Taxes (Section 165 (3.1)(b))

The City of Prince Rupert determines the current tax rate for each property class by first adjusting the prior year’s tax rate by the BC Assessment generated statistic for *Change in Property Assessment Market Value* for that property classification. The adjusted tax rate is then increased or decreased by the percentage tax increase that Council has set for the current Financial Year.

By providing this consistency, taxpayers in the various classes have stability and confidence in knowing how their future tax bills will be calculated. The City also is required to follow the Provincial Regulation which sets the maximum rates for Port Property Taxes at \$27.50/\$1,000, and \$22.50/\$1,000 for property and buildings that are listed in the Regulation.

Table Two (2) shows the current property tax revenues of each classification:

Table 2

Property Class	% of Tax Revenue	Amount (\$)
Residential	43%	7,113,000
Utility	1%	179,000
Major Industry	3%	414,000
Major Industry Port Property Tax Act	19%	3,136,000
Light Industry	4%	652,000
Business	30%	4,895,000
Recreation	0%	18,000
Total	100%	16,407,000

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Objective

- Council will encourage economic development by minimizing tax increases.

Policy

- Council will review user fees to ensure that they are appropriate;
- Council will rely primarily on new development and grant opportunities to fund infrastructure and new amenities;
- Council will encourage economic development by providing the stability of using a consistent methodology for calculating property tax levies;
- Council will review its existing permissive property tax exemption practices; and,
- Council will continue to financially support an Economic Development Office.

3. Use of Permissive Tax Exemptions (Section 165 (3.1)(c))

Each year the City of Prince Rupert approves partial or full permissive tax exemptions for properties within the community.

Objectives

- Council will continue to provide permissive tax exemptions;
- Council will consider expanding the permissive tax exemptions to include green development for the purpose of meeting our Climate Action Commitments; and,
- Council will develop a Permissive Tax Exemption Policy.

Policy

- Permissive tax exemptions will be considered in conjunction with:
 - a. The value of other assistance being provided by the Community;
 - b. The amount of revenue that the City will lose if the exemption is granted; and,
 - c. City of Prince Rupert Permissive Tax Exemption Bylaw 3417, 2017.

Table Three (3) shows the properties which received full permissive tax exemptions for 2018. The approximate amount of Municipal Tax exempted is \$306,519.

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Table 3

<u>Places of Worship & Senior Housing (Exclude Statutory Exempt Portion)</u>	
Church of Jesus Christ of Latter Day Saints Church	\$ 542.36
Cornerstone Mennonite Brethren Church	337.53
Fellowship Baptist Church	335.68
First Presbyterian Church	232.30
The Salvation Army	436.76
Harvest Time United Pentecostal Church	121.04
Indo-Canadian Sikh Association Temple	203.70
Jehovah's Witnesses Kingdom Hall	1,420.32
Jehovah's Witnesses Kingdom Hall Parking Lot	199.35
Prince Rupert Church of Christ Church	932.12
Prince Rupert Native Revival Centre	482.65
Prince Rupert Pentecostal Tabernacle	506.68
Prince Rupert Sikh Missionary Society Temple	489.63
United Church of Canada (parking lot)	73.26
United Church of Canada (parking lot)	73.26
Kaien Senior Citizen's Housing	70.60
Prince Rupert Senior Citizen's Housing Society	1,544.93
Sub-total Places of Worship & Senior Housing	\$ 8,002.17

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Table 3 (continued)

<u>Other Properties</u>	
Roman Catholic Annunciation School	\$ 31,019.98
Roman Catholic Annunciation School Playground	3,423.78
Roman Catholic Annunciation School Gym	3,809.92
Cultural Dance Centre & Carving House	15,265.43
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility)	5,001.81
Museum of Northern BC	34,984.36
Prince Rupert Performing Arts Centre Society	138,238.41
Prince Rupert Golf Society	22,109.44
Prince Rupert Golf Society	1,169.22
Prince Rupert Golf Society	182.41
Prince Rupert Golf Society	60.80
Prince Rupert Racquet Association	1,650.66
School District No. 52 (Prince Rupert) (Pacific Coast School)	6,319.84
School District No. 52 (Prince Rupert) (Pacific Coast School)	102.97
BC Society for the Prevention of Cruelty to Animals	2,182.98
BC Society for the Prevention of Cruelty to Animals	10,992.14
BC Society for the Prevention of Cruelty to Animals	1,336.05
Prince Rupert Loyal Order of Moose/Moose Lodge	789.94
Prince Rupert Salmon Enhancement Society	295.54
Prince Rupert Curling Club	2,387.27
Prince Rupert Rod & Gun Club	538.76
Cedar Road Aboriginal Justice Program Society	2,463.66
Friendship House Association of Prince Rupert	7,146.63
Kaien Island Daycare Services Family Resource Centre	1,490.12
Prince Rupert Senior Centre Association	1,156.26
Prince Rupert Association for Community Living	415.47
Prince Rupert Community Enrichment Society	1,335.68
The Royal Canadian Legion Branch 27 (Only area used by Legion)	1,001.76
Navy league Prince Rupert Branch	778.48
Kaien Island Trail Enhancement and Recreation Society	867.19
Sub-total other Properties	\$ 298,516.96
Estimated Total Permissive Property Tax Exemptions	\$ 306,519.13

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4. Proposed Expenditures (Section 165(4)(a))

Table Four (4) shows the proposed expenditures for the current year by Fund:

Table 4

Proposed Expenditures	Amount (\$)
Operating Fund	33,870,000
Sewer Utility Fund	2,510,000
Solid Waste Fund	6,793,500
Water Utility Fund	19,366,000
Total	62,539,500

5. Proposed Funding Sources (Section 165(4)(b) & Section 165(7)(a-e))

Table Five (5) shows the proposed funding sources for the current year:

Table 5

Funding Source	Percentage (%) of Revenue	Amount (\$)
Municipal Property Taxes	26%	16,407,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grants	6%	3,830,000
User Fees & Charges	24%	15,179,000
Accruals	2%	1,030,000
Reserves	3%	1,625,000
Accumulated General Operating Surplus	0%	210,000
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Conditional Grants	19%	12,142,500
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Total	100%	62,539,500

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6. Proposed Transfers Between Funds (Section 165(4)(c))

\$0

7. Amount Required to Pay Interest & Principal on Municipal Debt (Section 165(6)(a))

The amount required to pay interest and principal on municipal debt is approximately \$1,165,000.

8. Amount Required for Capital Purposes (Section 165(6)(b))

Capital Purchases

Table Six (6) shows the 2018 Capital Purchases:

Table 6

Department	Amount (\$)
Cow Bay Marina	48,000
Ferry	60,000
Information Technology	60,000
Civic Properties	820,000
RCMP	500,000
Recreation Complex	890,000
Purchase of Land/Building	500,000
Public Works	1,180,000
Total	4,058,000

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Capital Works

Table Seven (7) shows the 2018 Capital Works:

Table 7

Fund	Amount (\$)
Water Utility	17,258,000
Sewer Utility	951,000
Solid Waste Utility	4,366,500
Operating	947,000
Total	23,522,500

9. The Amount Required for a Deficiency (Section 165(6)(c) & Section (165(9))

Nil

10. The Amount Required for Other Municipal Purposes (Section 165(6)(d))

Nil

11. Proposed Transfers of Reserves (Section 165(8)(a))

Table Eight (8) proposes the following transfers:

Table 8

Transfer of Reserves	Amount (\$)
From:	
Equipment Reserve	(850,000)
Land Reserve	(500,000)
General Reserve	(170,000)
Water Asset Management Reserve	(30,000)
Total	(1,550,000)
To:	
General Operating Fund Capital Works	100,000
General Operating Fund Capital Purchases	1,420,000
Water Fund Capital Works	30,000
Total	1,550,000

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12. Proposed Transfers of Accumulated Surplus (Section 165(8)(b))

Table Nine (9) shows the Accumulated Operating Fund Surpluses being used this year to fund Capital Purchases and Capital Works.

Table 9

Transfers of Accumulated Surplus	Amount (\$)
From:	
Operating Fund	(210,000)
Solid Waste Utility Fund	(150,000)
Total	(360,000)
To:	
Operating Fund	210,000
Solid Waste Utility Fund	150,000
Total	360,000

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13. General Operating Fund Departmental Budgets

Tables 10(a) & 10(b) show the General Operating Fund Budgets.

Table 10(a)

GENERAL OPERATING FUND	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
<u>Revenues by Department</u>					
Airport Ferry	1,435,000	1,435,000	1,435,000	1,435,000	1,435,000
Cemetery	72,000	75,000	78,000	81,000	85,000
Cow Bay Marina	255,000	261,000	267,000	273,000	279,000
Development Services	523,000	549,000	551,000	552,000	553,000
Economic Development	50,000	50,000	50,000	50,000	50,000
Finance	12,000	12,000	12,000	12,000	12,000
FD Fire Protective Services	2,000	2,000	2,000	2,000	2,000
FD 911	102,000	100,000	98,000	96,000	94,000
Fire Emergency Services	385,000	65,000	-	-	-
Fiscal Revenues	7,819,000	7,259,000	7,250,000	7,787,000	7,798,000
Information Technology	1,000	1,000	1,000	1,000	1,000
PW Engineering	63,000	65,000	67,000	69,000	71,000
Parks	-	5,000	5,000	5,000	5,000
PW Common Revenues	15,000	15,000	15,000	15,000	15,000
RCMP	90,000	93,000	93,000	93,000	93,000
Rec. Centre Arena	189,000	169,000	172,000	175,000	175,000
Rec. Centre Civic Centre	257,000	263,000	268,000	273,000	273,000
Rec. Centre Community Services	52,000	21,000	21,000	21,000	21,000
Rec. Centre Pool	419,000	426,000	432,000	439,000	446,000
Transit	383,000	376,000	376,000	376,000	376,000
Victim Services	62,000	62,000	62,000	62,000	62,000
Watson Island	400,000	-	-	-	-
	12,586,000	11,304,000	11,255,000	11,817,000	11,846,000
Property Taxes (existing)	15,863,000	16,407,000	16,407,000	16,407,000	16,407,000
Property Tax Increase - Non-market change	544,000	578,000	1,045,000	1,962,000	2,415,000
PR Legacy- Injection for Economic Growth Project	600,000	-	-	-	-
PR Legacy- Capital Purchases	150,000	-	-	-	-
Conditional Project Grants- Capital Works	117,000	-	-	-	-
Conditional Project Grants- Capital Purchases	1,055,000	-	-	-	-
Appropriated Reserves Capital Works	100,000	-	-	-	-
Appropriate Reserves Capital Purchases	1,495,000	-	-	-	-
Appropriated Surplus For Capital Purchases	10,000	-	-	-	-
Appropriated Surplus for Capital Works	200,000	-	-	-	-
Long Term Loan MFA	1,150,000	-	30,000,000	-	-
Total Operating Fund Revenues	33,870,000	28,289,000	58,707,000	30,186,000	30,668,000

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Table 10(b)

GENERAL OPERATING FUND	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
<u>Expenditures by Department</u>					
Airport Ferry	2,588,000	2,486,000	2,561,000	2,638,000	2,725,000
Cemetery	238,000	244,000	250,000	255,000	260,000
Civic Properties	356,000	364,000	368,000	373,000	377,000
Corporate Administration	1,000,000	1,073,000	1,091,000	1,110,000	1,129,000
Cow Bay Marina	207,000	204,000	208,000	212,000	216,000
Development Services	1,065,000	1,084,000	1,102,000	1,122,000	1,142,000
Economic Development	130,000	150,000	153,000	155,000	158,000
FD 911	535,000	545,000	556,000	566,000	578,000
FD Fire Protective Services	2,950,000	2,958,000	2,962,000	2,966,000	2,970,000
FD Emergency Measures	418,000	98,000	33,000	33,000	33,000
Finance	794,000	808,000	822,000	837,000	852,000
Finance Cost Allocation	(359,000)	(359,000)	(359,000)	(359,000)	(359,000)
Fiscal Expenditures	2,885,000	2,841,000	2,786,000	3,809,000	3,815,000
Governance	305,000	306,000	309,000	311,000	314,000
Grants to Support Other Organizations	1,410,000	1,390,000	1,393,000	1,396,000	1,399,000
Information Technology	530,000	538,000	547,000	555,000	563,000
Parks	967,000	985,000	1,002,000	1,021,000	1,040,000
PW Engineering	441,000	452,000	464,000	476,000	488,000
PW Common Costs	3,708,000	4,019,000	4,090,000	4,165,000	4,240,000
Allocation of PW Common Cost	(3,708,000)	(4,019,000)	(4,090,000)	(4,165,000)	(4,240,000)
PW Vehicles	1,274,000	1,260,000	1,285,000	1,310,000	1,343,000
Allocation of PW Vehicles	(1,274,000)	(1,293,000)	(1,313,000)	(1,334,000)	(1,354,000)
RCMP	5,336,000	5,442,000	5,551,000	5,663,000	5,776,000
Rec. Centre Arena	399,000	410,000	418,000	425,000	431,000
Rec. Centre Civic Centre	1,851,000	1,914,000	1,950,000	1,986,000	2,015,000
Rec. Centre Community Services	52,000	37,000	37,000	37,000	37,000
Rec. Centre Pool	1,256,000	1,291,000	1,316,000	1,341,000	1,368,000
Roads	2,017,000	2,054,000	2,091,000	2,128,000	2,167,000
Transit	880,000	887,000	1,003,000	1,032,000	1,062,000
Victim Services	119,000	120,000	121,000	122,000	123,000
Watson Island	400,000	-	-	-	-
Transfer to Reserves (Interest & Care Fund)	95,000	-	-	-	-
Provision for Capital Purchases	4,058,000	-	30,000,000	-	-
Provision for Capital Works	947,000	-	-	-	-
Total Operating Fund Expenditures	33,870,000	28,289,000	58,707,000	30,186,000	30,668,000
Surplus(Deficit)	-	-	-	-	-

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14. Utility Fund Revenue & Expenditure Budgets

Table Eleven (11) shows the Utility Operating Fund proposed budgets.

Table 11

UTILITY OPERATING FUNDS	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Sewer					
Revenues	2,504,000	2,628,000	2,759,000	2,932,000	3,039,000
Grants-CWF	6,000	-	-	-	-
Capital works	(951,000)	(1,227,000)	(1,332,000)	(1,479,000)	(1,560,000)
Revenue for operations	1,559,000	1,401,000	1,427,000	1,453,000	1,479,000
Expenditures	1,559,000	1,401,000	1,427,000	1,453,000	1,479,000
Surplus (Deficit)	-	-	-	-	-
Water					
Revenues	2,808,000	3,090,000	3,152,000	3,216,000	3,281,000
Grants	7,365,000	-	-	-	-
PR Legacy	550,000	-	-	-	-
Long Term Loan MFA	8,613,000	-	-	-	-
Reserves	30,000	-	-	-	-
Capital works	(17,258,000)	(680,000)	(710,000)	(740,000)	(770,000)
Revenue for operations	2,108,000	2,410,000	2,442,000	2,476,000	2,511,000
Expenditures	2,108,000	2,410,000	2,442,000	2,476,000	2,511,000
Surplus (Deficit)	-	-	-	-	-
Solid Waste					
Revenues	3,140,000	3,296,000	3,461,000	3,635,000	3,819,000
Appropriated Surplus- Cap Works	150,000	-	-	-	-
Accruals	1,030,000	-	-	-	-
Borrow from MFA	-	-	10,000,000	-	-
Grants	7,500	-	-	-	-
Gas tax	2,466,000	-	-	-	-
Capital works	(4,366,500)	(826,000)	(10,488,000)	(569,000)	(716,000)
Revenue for operations	2,427,000	2,470,000	2,973,000	3,066,000	3,103,000
Expenditures	2,427,000	2,470,000	2,973,000	3,066,000	3,103,000
Surplus (Deficit)	-	-	-	-	-