

CITY OF PRINCE RUPERT

**2014 FIVE YEAR FINANCIAL PLAN BYLAW NO. 3345, 2014**

A BYLAW FOR THE CITY OF PRINCE RUPERT RESPECTING THE FIVE  
YEAR FINANCIAL PLAN FOR THE PERIOD 2014 - 2018

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

1. **Schedule “A”** attached hereto and made part of this Bylaw is hereby declared to be the Amended Five Year Financial Plan of City of Prince Rupert for the period ending December 31<sup>st</sup>, 2018.
2. This Bylaw may be cited as **“2014 Five Year Financial Plan Bylaw No. 3345, 2014”**.

READ A FIRST TIME this 1<sup>st</sup> day of April, 2014.

READ A SECOND TIME this 1<sup>st</sup> day of April, 2014.

READ A THIRD TIME this 1<sup>st</sup> day of April, 2014.

FINALLY CONSIDERED AND ADOPTED this 22<sup>nd</sup> day of April, 2014.

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Mayor

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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 2014. 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

<b>Funding Source</b>	<b>Percentage (%) of Revenue</b>	<b>Amount (\$)</b>
Municipal Property Taxes	31%	14,510,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grant	9%	4,376,000
User Fees & Charges	29%	13,598,000
Reserves	3%	1,427,000
Accumulated General Operating Surplus	4%	1,960,000
Accumulated Utilities Operating Surplus	2%	804,000
Conditional Grants	6%	2,620,000
Debt Financing	16%	7,350,000
<b>Total</b>	<b>100%</b>	<b>46,706,000</b>

Objective

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

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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	45%	6,609,000
Utility	1%	171,400
Major Industry	0%	8,700
Major Industry Port Property Tax Act	20%	2,846,000
Light Industry	4%	520,000
Business	30%	4,335,500
Recreation	0%	19,400
<b>Total</b>	<b>100%</b>	<b>14,510,000</b>

Objective

- Council will encourage economic development by minimizing tax increases.

Policy

- Council will review user fees to ensure that they are appropriate;

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- 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 Property Revitalization Bylaw 3313, 2012.

Table Three (3) shows the properties which received partial or full permissive tax exemptions for 2014. The approximate amount of Municipal Tax exempted was \$361,182

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*Table 3*

Occupier Identity/Facility	2014 & 2015 Estimated Exemption Amt.
<b><u>Places of Worship - Green Space only</u></b>	
Anglican Church Cathedral	\$613.23
Bethel First Baptist Church	\$227.96
Church of Jesus Christ of Latter Day Saints Church	\$426.16
Conerstone Mennonite Brethren Church	\$257.26
Fellowship Baptist Church	\$126.03
First Presbyterian Church	\$158.21
The Salvation Army	\$355.91
Harvest Time United Pentecostal Church	\$62.21
Indo-Canadian Sikh Association Temple	\$242.66
Jehovah's Witnesses Kingdom Hall	\$712.02
Jehovah's Witnesses Kingdom Hall Parking Lot Green Space	\$127.94
New Life United Pentecostal Church	\$111.78
Prince Rupert Church of Christ Church	\$279.68
Prince Rupert Native Revival Centre	\$372.36
Prince Rupert Pentecostal Tabernacle	\$286.06
Prince Rupert Sikh Missionary Society Temple	\$278.15
Roman Catholic Episcopal Church	\$191.11
St. Paul's Lutheran Church	\$202.66
United Church of Canada	\$69.30
Sub-total Places of Worship - Green Space	\$4,637.62
<b><u>Designated Properties</u></b>	
Roman Catholic Annunciation School	\$38,770.84
Roman Catholic Annunciation School Basketball Court	\$314.84
Roman Catholic Annunciation School Gym	\$3,415.91
Roman Catholic Annunciation School Playground	\$550.97
Cultural Dance Centre & Carving House	\$13,506.06
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility)	\$7,206.05
Northern British Columbia Museum Assoc.	\$37,946.41
Performing Arts Centre	\$161,481.86
Prince Rupert Golf Society	\$13,258.79
Prince Rupert Golf Society	\$2,594.89
Prince Rupert Racquet Association	\$1,690.95
School District No. 52 (Prince Rupert) (Pacific Coast School)	\$5,160.44
School District No. 52 (Prince Rupert) (Pacific Coast School)	\$126.62
Sub-total Designated Properties	\$286,024.62

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*Table3 Continued*

<b>Occupier Identity/Facility</b>	<b>2014-2015 Estimated Exemption Amount at 80%</b>
<b>Non-Designated Properties</b>	
BC Society for the Prevention of Cruelty to Animals	\$249.86
BC Society for the Prevention of Cruelty to Animals	\$567.25
BC Society for the Prevention of Cruelty to Animals	\$9,438.49
Prince Rupert Loyal Order of Moose/Moose Lodge	\$2,611.85
Prince Rupert Marine Rescue Society	\$659.55
Prince Rupert Salmanoid Enhancement Society	\$1,127.76
Royal Canadian Legion Prince Rupert #27	\$5,346.15
Prince Rupert Heritage Committee #1 Pacific Place	\$1,459.62
Prince Rupert Amateur Radio Club	\$81.04
Prince Rupert Curling Club	\$10,359.15
Prince Rupert Rod & Gun Club	\$2,617.79
Cedar Road Aboriginal Justice Program Society	\$2,358.41
Friendship House Association of Prince Rupert	\$22,770.44
Kaien Island Daycare Services Family Resource Centre	\$1,086.94
Kaien Senior Citizen' Housing	\$751.88
Prince Rupert Association for Community Living	\$288.08
Prince Rupert Community Enrichment Society	\$1,605.08
Prince Rupert Community Enrichment Society	\$1,194.29
Prince Rupert Senior Citizens Housing Society	\$3,522.78
Prince Rupert Senior Centre Association	\$1,233.64
Sub-total Non-Designated Properties	\$69,330.03
<b>Places of Worship - Parking Lots</b>	
Bethel First Baptist Church	\$29.52
Church of Jesus Christ of Latter Day Saints Church	\$68.87
Conerstone Mennonite Brethren Church	\$23.61
Fellowship Baptist Church	\$55.10
First Presbyterian Church	\$15.74
The Salvation Army	\$29.52
Harvest Time United Pentecostal Church	\$5.90
Indo-Canadian Sikh Association Temple	\$58.73
Jehovah's Witnesses Kingdom Hall	\$362.06
Jehovah's Witnesses Kingdom Hall Parking Lot	\$64.94
New Life United Pentecostal Church	\$23.61
Prince Rupert Church of Christ Church	\$78.71
Prince Rupert Native Revival Centre	\$19.68
Prince Rupert Pentecostal Tabernacle	\$80.68
Prince Rupert Sikh Missionary Society Temple	\$179.06
United Church of Canada Parking	\$47.23
United Church of Canada Parking	\$46.83
Sub-total Places of Worship - Parking Lots	\$1,189.79
<b>Estimated Total Permissive Property Tax Exemptions</b>	<b>\$361,182.05</b>

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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

<b>Proposed Expenditures</b>	<b>Amount (\$)</b>
Operating Fund	37,518,000
Sewer Utility Fund	3,107,000
Solid Waste Fund	3,415,000
Water Utility Fund	2,666,000
<b>Total</b>	<b>46,706,000</b>

**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

<b>Funding Source</b>	<b>Percentage (%) of Revenue</b>	<b>Amount (\$)</b>
Municipal Property Taxes	31%	14,510,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grant	9%	4,376,000
User Fees & Charges	29%	13,598,000
Reserves	3%	1,427,000
Accumulated General Operating Surplus	4%	1,960,000
Accumulated Utilities Operating Surplus	2%	804,000
Conditional Grants	6%	2,620,000
Debt Financing	16%	7,350,000
<b>Total</b>	<b>100%</b>	<b>46,706,000</b>

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

\$74,000

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**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 \$1,119,000.

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

Capital Purchases

Table Six (6) shows the 2014 Capital Purchases:

Table 6

<b>Department</b>	<b>Amount (\$)</b>
Water Utility	105,000
Sewer Utility	100,000
RCMP	77,000
Fire Protection	350,000
Information Technology	100,000
Recreation Complex	1,900,000
Ferry Dock	350,000
City Hall	130,000
Golf Course – contract pending	30,000
Purchase of Land/Building	25,000
Public Works	295,000
<b>Total</b>	<b>3,462,000</b>

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Capital Works

Table Seven (7) shows the 2014 Capital Works:

Table 7

<b>Fund</b>	<b>Amount (\$)</b>
Water Utility	1,645,000
Sewer Utility	1,861,000
Solid Waste Utility	555,000
Operating	1,605,000
<b>Total</b>	<b>5,666,000</b>

**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

<b>Transfer of Reserves</b>	<b>Amount (\$)</b>
From:	
Equipment Reserve	(302,000)
Land Reserve	(25,000)
General Reserve	(1,100,000)
<b>Total</b>	<b>(1,427,000)</b>
To:	
General Operating Fund Capital Works	750,000
General Operating Fund Capital Purchases	677,000
<b>Total</b>	<b>1,427,000</b>

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

Table Nine (9) show the Accumulated Operating Fund Surpluses being used this year to

Table 9

<b>Transfers of Accumulated Surplus</b>	<b>Amount (\$)</b>
From:	
Operating Fund	(1,960,000)
Sewer Utility Fund	112,000
Water Utility Fund	(710,000)
<b>Total</b>	<b>(2,558,000)</b>
To:	
Operating Fund	1,960,000
Sewer Utility Fund	(112,000)
Water Utility Fund	710,000
<b>Total</b>	<b>2,558,000</b>

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**13) General Operating Fund Departmental Budgets**

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

Table 10(a)

<b>GENERAL OPERATING FUND</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<u>Revenues by Department</u>					
Airport Ferry	1,352,000	1,491,800	1,511,000	1,530,500	1,550,000
Cemetery	63,000	63,900	64,300	64,900	65,300
Corporate Administration	6,000	6,000	6,000	6,000	6,000
Development Services	364,000	377,600	378,400	379,200	380,200
Finance	7,000	7,000	7,000	7,000	7,000
FD Fire Protective Services	2,000	2,000	2,000	2,000	2,000
FD 911	160,000	160,000	160,000	160,000	160,000
Fiscal Revenues	6,270,000	6,160,000	6,160,000	6,160,000	6,178,000
Information Technology	1,000	1,000	1,000	1,000	1,000
PW Engineering	3,000	3,000	3,000	3,000	3,000
Parks	5,000	5,000	5,000	5,000	5,000
PW Common Revenues	13,000	13,000	13,000	13,000	13,000
RCMP	100,000	105,000	105,000	105,000	105,000
Rec. Centre Arena	173,000	184,600	187,900	191,400	192,000
Rec. Centre Civic Centre	194,000	206,500	209,900	213,500	214,000
Rec. Centre Community Services	18,000	18,000	18,000	18,000	18,000
Rec. Centre Pool	391,000	415,200	403,700	409,200	414,700
Transit	330,000	346,500	347,000	347,500	348,000
Victim Services	54,000	54,000	54,000	54,000	54,000
Watson Island	1,390,000	-	-	-	-
	10,896,000	9,620,100	9,636,200	9,670,200	9,716,200
Property Taxes (existing)	14,374,000	14,500,000	14,500,000	14,500,000	14,500,000
1.2 Percent (%) Tax Increase	136,000	200,000	250,000	300,000	350,000
Conditional Project Grants- Capital Works	50,000	400,000	400,000	500,000	500,000
Conditional Project Grants- Capital Purchases	1,065,000	-	-	-	-
Appropriated Reserves Capital Works	750,000	438,900	500,000	500,000	500,000
Appropriate Reserves Capital Purchases	677,000	200,000	200,000	200,000	200,000
Appropriated Surplus For Capital Purchases	1,155,000	-	300,000	555,000	270,000
Appropriated Surplus for Capital Works	805,000	-	277,800	200,800	559,800
Funding from Utilities	10,000	-	-	-	-
Long Term Loan (Fire Truck)	350,000	-	-	-	-
Debenture Loan for Prince Rupert Airport	7,000,000	-	-	-	-
NDI Grant for Prince Rupert Airport	250,000	-	-	-	-
<b>Total Operating Fund Revenues</b>	<b>37,518,000</b>	<b>25,359,000</b>	<b>26,064,000</b>	<b>26,426,000</b>	<b>26,596,000</b>

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*Table 10(b)*

GENERAL OPERATING FUND	2014	2015	2016	2017	2018
<b>Expenditures by Department</b>					
Airport Ferry	2,127,000	2,154,000	2,184,000	2,216,000	2,247,000
Cemetery	256,000	255,000	259,000	263,000	263,000
Civic Properties	337,000	343,000	349,000	355,000	361,000
Corporate Administration	680,000	691,000	702,000	713,000	724,000
Development Services	738,000	747,000	757,000	767,000	777,000
FD 911	486,000	501,000	515,000	530,000	545,000
FD Fire Protective Services	2,481,000	2,641,000	2,693,000	2,745,000	2,799,000
FD Emergency Measures	30,000	31,000	32,000	33,000	34,000
Finance	708,000	724,000	740,000	757,000	774,000
Finance Cost Allocation	(359,000)	(359,000)	(359,000)	(359,000)	(359,000)
Fiscal Expenditures	2,381,000	1,972,000	1,956,000	1,957,000	1,957,000
Governance	309,000	314,000	319,000	324,000	329,000
Grants to Support Other Organizations	1,373,000	1,411,000	1,433,000	1,455,000	1,477,000
Information Technology	391,000	396,000	401,000	406,000	411,000
Parks	784,000	794,000	804,000	814,000	824,000
PW Engineering	377,000	382,000	387,000	392,000	397,000
PW Common Costs	3,242,000	3,299,000	3,356,000	3,413,000	3,473,000
Allocation of PW Common Cost	(3,242,000)	(3,299,000)	(3,356,000)	(3,413,000)	(3,473,000)
PW Vehicles	1,163,000	1,180,000	1,199,000	1,218,000	1,237,000
Allocation of PW Vehicles	(1,163,000)	(1,180,000)	(1,199,000)	(1,218,000)	(1,237,000)
RCMP	4,764,000	4,836,000	4,913,000	4,991,000	5,070,000
Rec. Centre Arena	359,000	363,000	366,000	370,000	370,000
Rec. Centre Civic Centre	1,587,000	1,610,000	1,630,000	1,652,000	1,652,000
Rec. Centre Community Services	18,000	18,000	18,000	18,000	18,000
Rec. Centre Pool	1,284,000	1,304,000	1,324,000	1,345,000	1,367,000
Roads	1,810,000	1,847,000	1,884,000	1,921,000	1,958,000
Transit	766,000	790,000	813,000	836,000	860,000
Victim Services	117,000	118,000	119,000	120,000	121,000
Transfer to Reserves	128,000	90,000	50,000	50,000	50,000
Loan to /(refund from) Solid Waste Fund - Cap Works	84,000	(84,000)	-	-	-
Watson Island	1,390,000	-	-	-	-
Debenture Loan for Prince Rupert Airport	7,000,000	-	-	-	-
NDI Grant for Prince Rupert Airport	250,000	-	-	-	-
Provision for Capital Purchases	3,257,000	340,000	500,000	755,000	470,000
Provision for Capital Works	1,605,000	1,130,000	1,275,000	1,000,000	1,100,000
<b>Total Operating Fund Expenditures</b>	<b>37,518,000</b>	<b>25,359,000</b>	<b>26,064,000</b>	<b>26,426,000</b>	<b>26,596,000</b>
<b>Surplus(Deficit)</b>	-	-	-	<b>0</b>	-

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**14) Utility Fund Revenue & Expenditure Budgets**

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

*Table 11*

UTILTY OPERATING FUNDS	2014	2015	2016	2017	2018
<b>Sewer</b>					
Revenues	2,139,000	2,245,000	2,357,000	2,478,000	2,599,000
Grants	1,080,000	140,000	-	-	-
Appropriated Surplus- CW	(112,000)	(83,000)	(309,000)	(104,000)	(668,000)
Transfers for capital purchases	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Transfers for capital works	(1,861,000)	(1,040,000)	(770,000)	(1,080,000)	(620,000)
Revenue for operations	1,146,000	1,162,000	1,178,000	1,194,000	1,211,000
Expenditures	1,146,000	1,162,000	1,178,000	1,194,000	1,211,000
Surplus (Deficit)	-	-	-	-	-
<b>Water</b>					
Revenues	2,530,000	2,656,000	2,789,000	2,928,000	3,074,000
Grants	175,000	528,000	156,000	797,000	14,000
Appropriated Surplus	710,000	300,000	-	-	-
Transfers for capital purchases	(115,000)	(100,000)	(100,000)	(100,000)	(100,000)
Transfers for capital works	(1,645,000)	(1,700,000)	(1,130,000)	(1,880,000)	(1,210,000)
Revenue for operations	1,655,000	1,684,000	1,715,000	1,745,000	1,778,000
Expenditures	1,655,000	1,684,000	1,715,000	1,745,000	1,778,000
Surplus (Deficit)	-	-	-	-	-
<b>Solid Waste</b>					
Revenues	2,582,000	2,711,000	2,846,000	2,990,000	3,141,000
Grants	-	-	213,000	-	-
Borrow from/(refund to) Gen Fund	84,000	(84,000)	-	-	-
Transfers for capital works	(555,000)	(485,000)	(885,000)	(784,000)	(900,000)
Revenue for operations	2,111,000	2,142,000	2,174,000	2,206,000	2,241,000
Expenditures	2,111,000	2,142,000	2,174,000	2,206,000	2,241,000
Surplus (Deficit)	-	-	-	-	-