

CITY OF PRINCE RUPERT

2017 FIVE YEAR FINANCIAL PLAN BYLAW NO. 3413, 2017

A BYLAW FOR THE CITY OF PRINCE RUPERT RESPECTING THE FIVE YEAR FINANCIAL PLAN FOR THE PERIOD 2017 - 2021

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 City of Prince Rupert for the period ending December 31st, 2021.
2. This Bylaw may be cited as **"2017 Five Year Financial Plan Bylaw No. 3413, 2017"**.

Read a First time this 20th day of April, 2017.

Read a Second time this 20th day of April, 2017.

Read a Third time this 20th day of April, 2017.

Final Consideration and Adopted this 24th day of April, 2017.

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 2017. 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%	15,777,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grant	5%	3,257,000
User Fees & Charges	26%	16,164,000
Reserves	1%	530,000
Accumulated General Operating Surplus	1%	765,000
Accumulated Utilities Operating Surplus	1%	367,500
Conditional Grants	27%	16,389,500
Dividend – Prince Rupert Legacy	12%	7,389,000
Debt Financing	1%	890,000
Total	100%	61,590,000

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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	45%	6,996,000
Utility	1%	173,000
Major Industry	0%	29,000
Major Industry Port Property Tax Act	19%	3,049,000
Light Industry	4%	625,000
Business	31%	4,885,000
Recreation	0%	20,000
Total	100%	15,777,000

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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 3399, 2016.

Table Three (3) shows the properties which received full permissive tax exemptions for 2017. The approximate amount of Municipal Tax exempted was \$314,586.

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Table 3

<u>Places of Worship</u>	
Church of Jesus Christ of Latter Day Saints Church	\$ 562.97
Cornerstone Mennonite Brethren Church	347.50
Fellowship Baptist Church	267.03
First Presbyterian Church	199.51
The Salvation Army	364.82
Harvest Time United Pentecostal Church	103.04
Indo-Canadian Sikh Association Temple	174.39
Jehovah's Witnesses Kingdom Hall	1,185.96
Jehovah's Witnesses Kingdom Hall Parking Lot	166.44
Prince Rupert Church of Christ Church	829.19
Prince Rupert Native Revival Centre	404.03
Prince Rupert Pentecostal Tabernacle	522.27
Prince Rupert Sikh Missionary Society Temple	554.32
United Church of Canada (parking lot)	\$75.52
United Church of Canada (parking lot)	\$75.52
Kaien Senior Citizen's Housing	73.55
Prince Rupert Senior Citizen's Housing Society	1,609.64
Sub-total Places of Worship	\$ 7,515.69

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Table 3 (continued)

<u>Other Properties</u>	
Roman Catholic Annunciation School	\$ 36,794.62
Roman Catholic Annunciation School Gym	3,754.55
Cultural Dance Centre & Carving House	13,699.04
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility)	4,982.39
Museum of Northern BC	31,913.70
Prince Rupert Performing Arts Centre Society	141,353.84
Prince Rupert Golf Society	22,761.60
Prince Rupert Golf Society	737.69
Prince Rupert Racquet Association	1,701.42
School District No. 52 (Prince Rupert) (Pacific Coast School)	5,921.03
School District No. 52 (Prince Rupert) (Pacific Coast School)	81.18
BC Society for the Prevention of Cruelty to Animals	2,148.72
BC Society for the Prevention of Cruelty to Animals	18,427.75
BC Society for the Prevention of Cruelty to Animals	1,314.09
Prince Rupert Loyal Order of Moose/Moose Lodge	1,187.19
Prince Rupert Salmon Enhancement Society	310.28
Prince Rupert Curling Club	2,460.17
Prince Rupert Rod & Gun Club	1,205.17
Cedar Road Aboriginal Justice Program Society	2,843.73
Friendship House Association of Prince Rupert	7,506.07
Kaien Island Daycare Services Family Resource Centre	1,410.72
Prince Rupert Senior Centre Association	1,145.58
Prince Rupert Association for Community Living	420.72
Prince Rupert Community Enrichment Society	1,374.70
The Royal Canadian Legion Branch 27 (Only area used by Legion)	939.07
Navy league Prince Rupert Branch	675.02
Sub-total other Properties	\$ 307,070.05
Estimated Total Permissive Property Tax Exemptions	\$ 314,585.73

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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	33,984,000
Sewer Utility Fund	2,915,000
Solid Waste Fund	3,960,000
Water Utility Fund	20,731,000
Total	61,590,000

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%	15,777,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grant	5%	3,257,000
User Fees & Charges	26%	16,164,000
Reserves	1%	530,000
Accumulated General Operating Surplus	1%	765,000
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Total	100%	61,590,000

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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 \$1,054,000.

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

Capital Purchases

Table Six (6) shows the 2017 Capital Purchases:

Table 6

Department	Amount (\$)
Cow Bay Marina	130,000
Ferry	700,000
Fire Protection	940,000
Information Technology	110,000
Civic Properties	200,000
Recreation Complex	841,000
Purchase of Land/Building	25,000
Public Works	345,000
Total	3,291,000

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Capital Works

Table Seven (7) shows the 2017 Capital Works:

Table 7

Fund	Amount (\$)
Water Utility	18,450,000
Sewer Utility	980,000
Solid Waste Utility	1,500,000
Operating	3,125,000
Total	24,055,000

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	(150,000)
Land Reserve	(25,000)
General Reserve	(355,000)
Total	(530,000)
To:	
General Operating Fund Capital Works	255,000
General Operating Fund Capital Purchases	275,000
Total	530,000

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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, as well as repay debt.

Table 9

Transfers of Accumulated Surplus	Amount (\$)
From:	
Operating Fund	(765,000)
Sewer Utility Fund	(317,500)
Water Utility Fund	(250,000)
Total	(1,332,500)
To:	
Operating Fund	765,000
Sewer Utility Fund	317,500
Water Utility Fund	250,000
Total	1,332,500

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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 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021
Revenues by Department					
Airport Ferry	1,539,000	1,612,000	1,689,000	1,770,000	1,855,000
Cemetery	72,000	72,000	72,000	60,000	72,000
Corporate Administration	-	-	-	-	-
Cow Bay Marina	281,000	295,000	310,000	326,000	342,000
Development Services	536,000	506,000	507,000	507,000	507,000
Economic Development	68,000	50,000	50,000	50,000	50,000
Finance	15,000	14,000	14,000	14,000	14,000
FD Fire Protective Services	2,000	2,000	2,000	2,000	2,000
FD 911	130,000	127,000	124,000	122,000	120,000
Fiscal Revenues	6,804,000	5,988,000	5,951,000	5,951,000	5,952,000
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
PW Common Revenues	14,000	14,000	14,000	14,000	14,000
Roads	-	-	-	-	-
RCMP	74,000	72,000	93,000	93,000	93,000
Rec. Centre Arena	182,000	183,000	186,000	189,000	188,000
Rec. Centre Civic Centre	273,000	277,000	282,000	287,000	287,000
Rec. Centre Community Services	20,000	20,000	20,000	20,000	20,000
Rec. Centre Pool	463,000	485,000	510,000	537,000	563,000
Transit	329,000	332,000	335,000	338,000	341,000
Victim Services	55,000	55,000	55,000	55,000	55,000
Watson Island	400,000	-	-	-	-
	11,261,000	10,113,000	10,223,000	10,344,000	10,484,000
Property Taxes (existing)	15,617,000	15,777,000	15,777,000	15,777,000	15,777,000
Property Tax Increase	160,000	572,000	2,226,000	2,548,000	2,789,000
PR Legacy- Injection for Economic Growth Project	1,300,000	1,300,000	-	-	-
PR Legacy- Capital Works	1,750,000	-	-	-	-
PR Legacy- Capital Purchases	289,000	-	-	-	-
Conditional Project Grants- Capital Works	520,000	-	-	-	-
Conditional Project Grants- Capital Purchases	902,000	-	-	-	-
Appropriated Reserves Capital Works	255,000	-	-	-	-
Appropriate Reserves Capital Purchases	275,000	-	-	-	-
Appropriated Surplus For Capital Purchases	615,000	-	-	-	-
Appropriated Surplus for Capital Works	150,000	-	-	-	-
Long Term Loan MFA	890,000	-	-	-	-
NDI Grant for Prince Rupert Airport	-	-	-	-	-
Total Operating Fund Revenues	33,984,000	27,762,000	28,226,000	28,669,000	29,050,000

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Table 10(b)

GENERAL OPERATING FUND	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021
<u>Expenditures by Department</u>					
Airport Ferry	2,680,000	2,742,000	2,826,000	2,913,000	3,010,000
Cemetery	234,000	236,000	238,000	241,000	241,000
Civic Properties	385,000	389,000	393,000	397,000	402,000
Corporate Administration	1,000,000	1,053,000	1,072,000	1,091,000	1,111,000
Cow Bay Marina	181,000	182,000	185,000	187,000	193,000
Economic Development	143,000	159,000	159,000	159,000	159,000
Development Services	1,129,000	1,150,000	1,171,000	1,193,000	1,216,000
FD 911	530,000	542,000	556,000	568,000	580,000
FD Fire Protective Services	2,927,000	2,931,000	2,935,000	2,939,000	2,943,000
FD Emergency Measures	33,000	33,000	33,000	33,000	33,000
Finance	773,000	839,000	850,000	861,000	872,000
Finance Cost Allocation	(359,000)	(359,000)	(359,000)	(359,000)	(359,000)
Fiscal Expenditures	2,281,000	2,390,000	2,396,000	2,366,000	2,336,000
Governance	326,000	328,000	330,000	332,000	334,000
Grants to Support Other Organizations	1,380,000	1,363,000	1,363,000	1,363,000	1,363,000
Information Technology	502,000	511,000	519,000	527,000	536,000
Parks	921,000	939,000	958,000	976,000	994,000
PW Engineering	447,000	456,000	465,000	474,000	485,000
PW Common Costs	3,733,000	3,890,000	3,967,000	4,044,000	4,122,000
Allocation of PW Common Cost	(3,733,000)	(3,890,000)	(3,967,000)	(4,044,000)	(4,122,000)
PW Vehicles	1,266,000	1,287,000	1,310,000	1,333,000	1,357,000
Allocation of PW Vehicles	(1,266,000)	(1,287,000)	(1,310,000)	(1,333,000)	(1,357,000)
RCMP	5,077,000	5,174,000	5,275,000	5,379,000	5,486,000
Rec. Centre Arena	340,000	380,000	427,000	482,000	482,000
Rec. Centre Civic Centre	1,829,000	1,886,000	1,915,000	1,943,000	1,943,000
Rec. Centre Community Services	20,000	18,000	18,000	18,000	18,000
Rec. Centre Pool	1,314,000	1,339,000	1,359,000	1,380,000	1,400,000
Roads	1,994,000	2,026,000	2,059,000	2,094,000	2,130,000
Transit	874,000	942,000	969,000	997,000	1,026,000
Victim Services	112,000	113,000	114,000	115,000	116,000
Watson Island	400,000	-	-	-	-
Transfer to Reserves (Interest & Care Fund)	95,000	-	-	-	-
NDI Grant for Prince Rupert Airport	-	-	-	-	-
Provision for Capital Purchases	3,291,000	-	-	-	-
Provision for Capital Works	3,125,000	-	-	-	-
Total Operating Fund Expenditures	33,984,000	27,762,000	28,226,000	28,669,000	29,050,000
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 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021
Sewer					
Revenues	2,480,000	2,526,000	2,603,000	2,699,000	2,762,000
Appropriated Surplus- Cap Works	317,500	-	-	-	-
Grants-CWF	117,500	-	-	-	-
Capital works	(980,000)	(654,000)	(710,000)	(784,000)	(826,000)
Revenue for operations	1,935,000	1,872,000	1,893,000	1,915,000	1,936,000
Expenditures	1,935,000	1,872,000	1,893,000	1,915,000	1,936,000
Surplus (Deficit)	-	-	-	-	-
Water					
Revenues	2,781,000	2,862,000	2,973,000	3,066,000	3,162,000
Grants	13,607,500	-	-	-	-
Joint	42,500	-	-	-	-
PR Legacy	4,050,000	-	-	-	-
Appropriated Surplus- Cap Works	250,000	-	-	-	-
Capital works	(18,450,000)	(593,000)	(667,000)	(723,000)	(782,000)
Revenue for operations	2,281,000	2,269,000	2,306,000	2,343,000	2,380,000
Expenditures	2,281,000	2,269,000	2,306,000	2,343,000	2,380,000
Surplus (Deficit)	-	-	-	-	-
Solid Waste					
Revenues	2,960,000	2,946,000	3,034,000	3,126,000	3,221,000
Grants-CWF	1,000,000	-	-	-	-
Capital works	(1,500,000)	(443,000)	(498,000)	(556,000)	(149,000)
Revenue for operations	2,460,000	2,503,000	2,536,000	2,570,000	3,072,000
Expenditures	2,460,000	2,503,000	2,536,000	2,570,000	3,072,000
Surplus (Deficit)	-	-	-	-	-