

# CITY OF PRINCE RUPERT

## 2016 FIVE YEAR FINANCIAL PLAN BYLAW NO. 3389, 2016

### A BYLAW FOR THE CITY OF PRINCE RUPERT RESPECTING THE FIVE YEAR FINANCIAL PLAN FOR THE PERIOD 2016 - 2020

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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 31<sup>st</sup>, 2020.
2. This Bylaw may be cited as **“2016 Five Year Financial Plan Bylaw No. 3389, 2016”**.

Read a First time this 11<sup>th</sup> day of April, 2016.

Read a Second time this 11<sup>th</sup> day of April, 2016.

Read a Third time this 11<sup>th</sup> day of April, 2016.

Final Consideration and Adopted this 25<sup>th</sup> day of April, 2016.

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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 2015. 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>Dollar Value</b>
Municipal Property Taxes	34%	15,817,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grant	8%	3,542,000
User Fees & Charges	32%	15,111,000
Reserves	1%	585,000
Accumulated General Operating Surplus	1%	505,000
Accumulated Utilities Operating Surplus	1%	620,000
Conditional Grants	12%	5,504,000
Dividend – Prince Rupert Legacy	11%	4,776,000
Debt Financing	0%	75,000
<b>Total</b>	<b>100%</b>	<b>46,596,000</b>

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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%	6,814,000
Utility	1%	169,000
Major Industry	0%	28,000
Major Industry Port Property Tax Act	19%	3,034,000
Light Industry	4%	667,000
Business	33%	5,084,000
Recreation	0%	21,000
<b>Total</b>	<b>100%</b>	<b>15,817,000</b>

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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 3381, 2015.

Table Three (3) shows the properties which received full permissive tax exemptions for 2016. The approximate amount of Municipal Tax exempted was \$332,745.

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**Table 3**

<b>Registered Owner/ Occupier Identity/ Facility</b>	<b>2016 Estimated Exemption Amt.</b>
<b><u>Places of Worship</u></b>	
Church of Jesus Christ of Latter Day Saints Church	\$181.41
Conerstone Mennonite Brethren Church	\$327.81
Fellowship Baptist Church	\$270.97
First Presbyterian Church	\$214.63
The Salvation Army	\$393.13
Harvest Time United Pentecostal Church	\$76.25
Indo-Canadian Sikh Association Temple	\$574.75
Jehovah's Witnesses Kingdom Hall	\$1,262.64
Jehovah's Witnesses Kingdom Hall Parking Lot	\$1,113.52
Prince Rupert Church of Christ Church	\$708.79
Prince Rupert Native Revival Centre	\$444.37
Prince Rupert Pentecostal Tabernacle	\$146.99
Prince Rupert Sikh Missionary Society Temple	\$622.82
United Church of Canada Parking	\$374.13
United Church of Canada Parking	\$412.84
Sub-total Places of Worship	\$7,125.05

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**Table 3 (continued)**

<b>Registered Owner/ Occupier Identity/ Facility</b>	<b>2016 Estimated Exemption Amt.</b>
<b><u>Other Properties</u></b>	
Roman Catholic Annunciation School	\$34,123.67
Roman Catholic Annunciation School Basketball Court	\$286.23
Roman Catholic Annunciation School Gym	\$3,467.84
Roman Catholic Annunciation School Playground	\$640.88
Cultural Dance Centre & Carving House	\$14,010.70
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility)	\$4,195.47
Caretaker Resident at Heritage House (#1 Pacific Place)	\$1,714.53
Northern British Columbia Museum Assoc.	\$35,452.50
Prince Rupert Performing Arts Centre Society	\$133,398.41
Prince Rupert Golf Society	\$13,226.40
Prince Rupert Golf Society	\$3,096.99
Prince Rupert Racquet Association	\$1,734.71
School District No. 52 (Prince Rupert) (Pacific Coast School)	\$6,048.08
School District No. 52 (Prince Rupert) (Pacific Coast School)	\$103.21
BC Society for the Prevention of Cruelty to Animals	\$2,899.54
BC Society for the Prevention of Cruelty to Animals	\$3,870.36
BC Society for the Prevention of Cruelty to Animals	\$11,224.04
Prince Rupert Loyal Order of Moose/Moose Lodge	\$3,199.57
Prince Rupert Marine Rescue Society	\$1,090.15
Prince Rupert Salmon Enhancement Society	\$890.18
Prince Rupert Amateur Radio Club	\$270.93
Prince Rupert Curling Club	\$11,772.35
Prince Rupert Rod & Gun Club	\$2,775.37
Cedar Road Aboriginal Justice Program Society	\$2,516.97
Friendship House Association of Prince Rupert	\$25,257.59
Kaien Island Daycare Services Family Resource Centre	\$1,478.61
Kaien Senior Citizen's Housing	\$345.19
Prince Rupert Association for Community Living	\$266.23
Prince Rupert Community Enrichment Society	\$1,288.98
Prince Rupert Senior Citizen's Housing Society	\$3,811.91
Prince Rupert Senior Centre Association	\$1,162.49
Sub-total Other Properties	\$325,620.08
<b>Estimated Total Permissive Property Tax Exemptions</b>	<b>\$332,745.13</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**

Proposed Expenditures	Amount (\$)
Operating Fund	31,358,000
Sewer Utility Fund	2,350,000
Solid Waste Fund	2,856,000
Water Utility Fund	10,032,000
<b>Total</b>	<b>46,596,000</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**

Funding Source	Percentage (%) of Revenue	Dollar Value
Municipal Property Taxes	34%	15,817,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grant	8%	3,542,000
User Fees & Charges	32%	15,111,000
Reserves	1%	585,000
Accumulated General Operating Surplus	1%	505,000
Accumulated Utilities Operating Surplus	1%	620,000
Conditional Grants	12%	5,504,000
Dividend – Prince Rupert Legacy	11%	4,776,000
Debt Financing	0%	75,000
<b>Total</b>	<b>100%</b>	<b>46,596,000</b>

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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 2016 Capital Purchases:

**Table 6**

<b>Department</b>	<b>Amount (\$)</b>
RCMP	50,000
Fire Protection	80,000
Information Technology	50,000
Recreation Complex	295,000
Ferry	550,000
City Hall	10,000
Civic Properties	245,000
Golf Course	45,000
Purchase of Land/Building	25,000
Public Works	225,000
<b>Total</b>	<b>1,575,000</b>



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Capital Works

Table Seven (7) shows the 2016 Capital Works:

**Table 7**

<b>Fund</b>	<b>Amount (\$)</b>
Water Utility	7,998,000
Sewer Utility	597,000
Solid Waste Utility	700,000
Operating	2,390,000
<b>Total</b>	<b>11,685,000</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	(25,000)
Land Reserve	(525,000)
General Reserve	(35,000)
<b>Total</b>	<b>(585,000)</b>
To:	
General Operating Fund Capital Works	535,000
General Operating Fund Capital Purchases	50,000
<b>Total</b>	<b>585,000</b>

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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**

<b>Transfers of Accumulated Surplus</b>	<b>Amount (\$)</b>
From:	
Operating Fund	(505,000)
Water Utility Fund	(620,000)
<b>Total</b>	<b>(1,125,000)</b>
To:	
Operating Fund	505,000
Water Utility Fund	620,000
<b>Total</b>	<b>1,125,000</b>

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**13. General Operating Fund Departmental Budgets**

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

**Table 10(a)**

<b>GENERAL OPERATING FUND</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b><u>Revenues by Department</u></b>					
Airport Ferry	1,660,000	1,748,000	1,835,000	1,926,000	2,023,000
Cemetery	60,000	60,000	60,000	60,000	60,000
Corporate Administration	5,000	5,000	5,000	5,000	5,000
Cow Bay Marina	300,000	306,000	312,000	318,000	324,000
Development Services	424,000	389,000	383,000	383,000	384,000
Finance	13,000	12,000	12,000	12,000	12,000
FD Fire Protective Services	2,000	2,000	2,000	2,000	2,000
FD 911	130,000	130,000	130,000	130,000	130,000
Fiscal Revenues	6,321,000	6,480,000	6,480,000	6,480,000	6,480,000
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	14,000	14,000	14,000	14,000	14,000
RCMP	106,000	93,000	93,000	93,000	93,000
Rec. Centre Arena	178,000	185,000	194,000	203,000	202,000
Rec. Centre Civic Centre	265,000	271,000	284,000	298,000	298,000
Rec. Centre Community Services	18,000	18,000	18,000	18,000	18,000
Rec. Centre Pool	442,000	463,000	485,000	508,000	532,000
Transit	332,000	335,000	338,000	341,000	344,000
Victim Services	67,000	67,000	67,000	67,000	67,000
Watson Island	500,000	-	-	-	-
	10,846,000	10,587,000	10,721,000	10,867,000	10,997,000
Property Taxes (existing)	15,817,000	15,817,000	15,817,000	15,817,000	15,817,000
Future Tax requirements	-	-	-	1,052,000	1,390,000
PR Legacy- Injection for Economic Growth Project	1,300,000	1,300,000	1,300,000	-	-
PR Legacy- Capital Works	550,000	-	-	-	-
PR Legacy- Capital Purchases	510,000	-	-	-	-
Conditional Project Grants- Capital Works	530,000	-	-	-	-
Conditional Project Grants- Capital Purchases	390,000	-	-	-	-
Appropriated Reserves Capital Works	535,000	-	-	-	-
Appropriate Reserves Capital Purchases	50,000	-	-	-	-
Appropriated Surplus For Capital Purchases	180,000	-	-	-	-
Appropriated Surplus for Capital Works	325,000	-	-	-	-
Long Term Loan MFA	75,000	-	-	-	-
NDI Grant for Prince Rupert Airport	250,000	-	-	-	-
<b>Total Operating Fund Revenues</b>	<b>31,358,000</b>	<b>27,704,000</b>	<b>27,838,000</b>	<b>27,736,000</b>	<b>28,204,000</b>

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**Table 10(b)**

<b>GENERAL OPERATING FUND</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Expenditures by Department</b>					
Airport Ferry	2,668,000	2,721,000	2,804,000	2,838,000	2,931,000
Cemetery	222,000	225,000	227,000	229,000	229,000
Civic Properties	385,000	390,000	394,000	398,000	402,000
Corporate Administration	1,001,000	1,013,000	1,025,000	837,000	846,000
Cow Bay Marina	200,000	200,000	204,000	208,000	212,000
Development Services	1,022,000	1,036,000	1,049,000	835,000	846,000
FD 911	506,000	513,000	520,000	528,000	535,000
FD Fire Protective Services	2,971,000	3,029,000	3,088,000	3,147,000	3,208,000
FD Emergency Measures	33,000	33,000	33,000	33,000	33,000
Finance	770,000	836,000	849,000	716,000	728,000
Finance Cost Allocation	(359,000)	(359,000)	(359,000)	(359,000)	(359,000)
Fiscal Expenditures	2,614,000	3,027,500	2,661,500	2,657,500	2,622,500
Governance	351,000	353,000	356,000	340,000	342,000
Grants to Support Other Organizations	946,000	940,500	940,500	940,500	940,500
Information Technology	486,000	491,000	497,000	487,000	492,000
Parks	870,000	881,000	893,000	906,000	920,000
PW Engineering	419,000	428,000	438,000	447,000	457,000
PW Common Costs	3,577,000	3,628,000	3,680,000	3,672,000	3,724,000
Allocation of PW Common Cost	(3,577,000)	(3,628,000)	(3,680,000)	(3,672,000)	(3,724,000)
PW Vehicles	1,265,000	1,285,000	1,305,000	1,325,000	1,330,000
Allocation of PW Vehicles	(1,265,000)	(1,285,000)	(1,305,000)	(1,325,000)	(1,330,000)
RCMP	4,995,000	5,106,000	5,220,000	5,336,000	5,455,000
Rec. Centre Arena	381,000	429,000	485,000	548,000	548,000
Rec. Centre Civic Centre	1,725,000	1,756,000	1,782,000	1,807,000	1,807,000
Rec. Centre Community Services	18,000	18,000	18,000	18,000	18,000
Rec. Centre Pool	1,350,000	1,367,000	1,386,000	1,405,000	1,426,000
Roads	1,994,000	2,025,000	2,056,000	2,089,000	2,123,000
Transit	846,000	911,000	937,000	1,011,000	1,108,000
Victim Services	134,000	134,000	134,000	134,000	134,000
Watson Island	500,000	-	-	-	-
Transfer to Reserves (Interest & Care Fund)	95,000	200,000	200,000	200,000	200,000
NDI Grant for Prince Rupert Airport	250,000	-	-	-	-
Provision for Capital Purchases	1,575,000	-	-	-	-
Provision for Capital Works	2,390,000				
<b>Total Operating Fund Expenditures</b>	<b>31,358,000</b>	<b>27,704,000</b>	<b>27,838,000</b>	<b>27,736,000</b>	<b>28,204,000</b>
<b>Surplus(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	2016	2017	2018	2019	2020
<b>Sewer</b>					
Revenues	2,350,000	2,469,000	2,591,000	2,740,000	2,857,000
Grants-CWF	-	-	-	-	-
Capital works	(597,000)	(1,262,000)	(1,364,000)	(1,493,000)	(1,589,000)
Revenue for operations	1,753,000	1,207,000	1,227,000	1,247,000	1,268,000
Expenditures	1,753,000	1,207,000	1,227,000	1,247,000	1,268,000
Surplus (Deficit)	-	-	-	-	-
<b>Water</b>					
Revenues	2,662,000	2,797,000	2,932,000	3,073,000	3,222,000
Grants	4,334,000	-	-	-	-
PR Legacy	2,416,000	-	-	-	-
Appropriated Surplus- Cap Works	620,000	-	-	-	-
Capital works	(7,998,000)	(500,000)	(500,000)	(500,000)	(500,000)
Revenue for operations	2,034,000	2,297,000	2,432,000	2,573,000	2,722,000
Expenditures	2,034,000	2,297,000	2,432,000	2,573,000	2,722,000
Surplus (Deficit)	-	-	-	-	-
<b>Solid Waste</b>					
Revenues	2,856,000	2,894,000	3,039,000	3,192,000	3,353,000
Grants-CWF	-	-	-	-	-
Capital works	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Revenue for operations	2,156,000	2,194,000	2,339,000	2,492,000	2,653,000
Expenditures	2,156,000	2,194,000	2,339,000	2,492,000	2,653,000
Surplus (Deficit)	-	-	-	-	-