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TWO PER CENT REDUCTION PROPOSED IN 2019 BUDGET FOR RESIDENTIAL AND COMMERCIAL TAXPAYERS

FEBRUARY 25th, 2019 – PRINCE RUPERT, B.C. – Additional industrial tax revenues resulting from new construction has enabled the City to propose a 2% tax cut to residential and commercial tax payers in the 2019 budget. These cuts come alongside the City’s continued investment in infrastructure renewal and services across departments.

“A major goal of our Council has been to attract new sources of revenue, so that we can make Prince Rupert a more livable and financially sustainable community,” said Mayor Lee Brain. “This year, we are happy to be able to transfer a portion of the benefit of new revenues to our commercial and residential taxpayers.”

Although past years have seen a 0% increase, this is the first time in decades that the City has been in the position to offer tax relief.

Budget highlights include:

- An increase to the operational paving budget of 10%;
- Additional paving investments in, the Lester Centre parking lot Wantage road and the airport road;
- Continuation of the dam replacement project, with excess costs covered by borrowing, and dividends from Prince Rupert Legacy Inc.;
- Completion of the West Berm expansion of the landfill, while the City works towards the development of a new 35 year landfill cell;
- Replacement of boilers at the Recreation Complex to increase energy efficiency;
- The scheduled Airport Ferry refit;
- Purchase of a new Garbage truck - with staff exploring the possibility of implementing curbside recycling pick up through the purchase of a multi-purpose vehicle;
- The addition of two new RCMP members;
- An additional Bylaw Enforcement Officer to better address unsightly properties in Prince Rupert;
- Capital reserve for loan repayments on the upcoming RCMP detachment; and as mentioned,
- A 2% reduction to the property taxation rate.

Council will also consider the continuation of the Mayor’s full-time status, following the recommendations of an independent committee of residents. Reconsideration of Mayor and Council remuneration was the result of changes to Federal tax law that removed the tax exempt status of 1/3rd of Mayor and Council remuneration. These legislative changes, if unaddressed by the City, would lead to an overall reduction in pay for Mayor and Council. The committee found, for Mayor and Council to retain the same take-home pay, that the City would be required to increase the Mayor’s remuneration from \$60,000 to \$69,000, and Councillor remuneration from \$13,431 to \$16,000.

The committee has recommended that the City bear the cost of the lost tax exemption noted above, and implement a modest increase in remuneration levels for Mayor and Council. Increases described below account for the loss of tax exemption along with this proposed increase. The budget for Councillor remuneration is proposed to increase from \$13,431 in 2018 to \$18,750/year per Councillor and for the Mayor's full-time remuneration from \$60,000 to \$75,000/year. These rates had remained unchanged for Council since 2014, and the Mayor since 2015 when he was increased to full time status. Mayor and Council had previously elected to forgo raises prescribed by municipal bylaw due to the City's financial position.

The City is also awaiting Provincial criteria to determine how the multi-million dollar capital grant announced by the Province in mid-February can be spent. However there are a number of capital grants that the City has applied for that will require matching funds, as well as upcoming projects that will require advanced investment in planning and design – these include water infrastructure upgrades, revitalization of the CN Heritage building, and the development of a new landfill, among other capital infrastructure needs.

The City's 2019-2024 Proposed Financial Plan document outlining the details of the budget will be provided March 4th, and two public consultation sessions on the City's proposed 2019 budget are scheduled for March 11th and March 25th, 2019.

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