

PUBLIC BUDGET 2023

**DRAFT 5-Year Financial Plan
Document 2023-2027**



princerupert.ca

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Message from the City Manager

The end of 2022 saw the election of Council for a new term for 2022-2026. With it, came not only two new faces, but also a new Strategic Plan that sets funding and workplan priorities for the four years ahead. You'll find these priorities embedded in this document - which reflect both our existing focus on infrastructure, as well as overall community development.

In 2023, the City's Planning Department will finalize a Master Transportation plan, and Master Parks Plan. In addition, at the beginning of the year we completed a Housing Needs Assessment and are moving on from there to pursue potential funding opportunities to support new, affordable housing for the community. Our efforts last year to make more lands available for housing and development are starting to bear fruit, and we hope that in the near future that shovels will be in the ground on one or more proposed housing starts for Prince Rupert.

As we celebrate the completion of the dam project, we are also looking forward to 2023 with a keen eye towards addressing critical infrastructure renewal within our water distribution and wastewater systems. The City is aggressively pursuing support from Provincial and Federal governments for this work.

We hope that you will find the attached Draft Budget document reflects our shared vision for Prince Rupert, and look forward to continuing to move the community ahead in 2023.

A handwritten signature in black ink, reading "Robert Buchan". The signature is fluid and cursive, with the first name "Robert" and last name "Buchan" clearly distinguishable.

Robert Buchan
City Manager, City of Prince Rupert

Message from the Chief Financial Officer

Each year, the City prepares a five year financial plan which lays out the anticipated revenues and expenses over the course of the next five years. The goal of the City's Finance department is not only to provide sustainable fiscal management of our municipal resources, but also to ensure that the public can access and understand information regarding how the City manages public funds. This budget document has been developed to provide residents with a reader-friendly version of the City's budget in order to achieve that end.

This document seeks to inform residents of Council's strategic priorities, financial policies, and resource and service challenges— overall providing the public a greater understanding of the context in which spending decisions are made.

Further to these goals, we are sharing our budget engagement platform for a third year. This simulation provides users the opportunity to provide feedback on service priorities all the while maintaining the need to balance the budget. We encourage you to give it a try. Feedback obtained in this way is shared with Council before the budget is finalized. **See page 8 for information on our interactive budget simulation.**

The 2023 Budget has been a particularly challenging one; balancing the competing demands of Council's Strategic Goals, which includes an ambitious plan for capital replacement, with external inflationary pressures and revenue losses beyond anyone's control, all while maintaining a baseline service level for the community. This year marks an unprecedented one for capital spending, with \$100 million in proposed projects, almost all of which has been funded by grants, borrowing, and dividends from Legacy Inc. Despite our ability to complete many critical projects, such as the dam, without impact to property taxes, external pressures above and beyond those we could have anticipated are impacting the draft rates this year.

Given the draft rate, we encourage residents to provide feedback in the various forms available so that Council has the best possible information with which to make their decisions as we go forward.

Sincerely,



Corinne Bomben, CPA, CA
Chief Financial Officer, City of Prince Rupert



Consolidated Budget Executive Summary

The start of 2023 and end of 2022 have presented some unique challenges to the 2023 budgeting process. Between costs relating to the local State of Emergency, inflationary cost pressures on all City projects, and the loss of revenues from the Payment in Lieu of Taxes, both revenues and expenditures have been negatively impacted. As the community is aware, infrastructure replacement needs that were deferred during challenging financial times have been necessary to prioritize over the past few years, and these projects continue to be needed despite limited finances. Spending towards the RCMP Station, wastewater treatment, and water treatment are required to have City services abide by mandated requirements from higher levels of Government. All of these projects have the possibility of financial penalty if they are not completed within the next five years.

Up to this point, the City has worked diligently to limit these impacts to taxpayers, with a net 4.13% tax increase over the past 7 years. This year, we are proposing an increase to maintain existing service levels that is higher than in recent years, which we know may cause residents some sticker shock. Within this context, staff and Council have made every effort to present a budget that does more with less—continuing to focus on critical infrastructure replacement, while seeking alternative revenues wherever possible through both grants and redevelopment efforts on Watson Island. Thus far, those efforts have enabled the City to replace its 100 year old dam with no impact to utility costs, and also to minimize the costs of expanding our landfill and replacing the RCMP station. Despite a proposed increase in the draft budget for this year, we are committed to continuing to pursue long-term solutions for new sustainable sources of revenue and a more equitable tax regime.

A list of key financial priorities, affirmed by the City's recently adopted Strategic Plan, is listed below:

- The lease of portions of Watson Island via Prince Rupert Legacy Inc. to diverse commercial interests to bring the island back onto the tax roll and collect lease revenues—so far a successful undertaking which is funding many of the City's capital projects thereby eliminating tax increases for this purpose;
- Advocacy for a permanent Resource Benefits Agreement for the Pacific Northwest;
- Continued application for grants and advocacy for improvements to granting programs to subsidize the costs of capital improvements and service provision.
- And, continued advocacy to have the Province fund any decline in tax collection realized through the Port Property Tax Act (PPTA) - a Provincial tax incentive program;

2023 Challenges

Like many British Columbia municipalities, the 2023 budget recognizes the inflation experienced in 2022 and that which is projected for 2023. The City also has 3 distinct collective agreements that are all being renewed in 2023. Wages and benefits make up approximately 52% of City service costs. In a period of high inflation, renewals will put pressure on taxation need for ongoing service provision.

There has been a significant uptick in the failure of underground utility transmission lines (water and sewer piping). In December 2022, the City declared a State of Local Emergency for one week putting the community on notice of a risk of critical failure due to 3 water main breaks in a period of 36 hours. Water mains are critical for delivering water to the homes and businesses of Prince Rupert. Water lines were laid at the same time as sewer lines therefore we have every reason to believe the sewer infrastructure is also operating on borrowed time. Although not reflected in utility fees this year, provision is being made to conduct infrastructure replacement design work through borrowing in 2023. This activity, along with actual repairs budgeted in 2023, are key steps to addressing our most critical infrastructure needs. The repayment of debt required for both planning and replacement of underground water/wastewater pipes is expected to factor into future utility fee increases.

Unique Challenges

Prince Rupert continues to bear the following unique challenges not experienced by our neighbours:

- We operate a ferry service to access our regional airport. All others just maintain a road.
- Much of our community infrastructure was installed pre-1960 and pre-1990. During boom periods the City did not replace infrastructure assets, and during bust periods there was no ability to do so. It has all come to a head and we now are undertaking significant infrastructure replacement projects. The next five years of our budget reflects this overwhelming renewal.
- Being a coastal community, we are one of the last to transition to wastewater treatment.
- We operate in a taxation regime where Provincial global incentives are borne by local taxpayers. The impact of this is felt most acutely when increases can't be shared with all Rupert taxpayers.

As illustrated below, despite claims regarding the advantages conveyed to the municipality by industrial growth, the tax incentive program has significantly limited potential revenues. After accounting for inflation, the increase since 2004, despite two additional industrial taxpayers added to the tax roll, has been just over \$320,000 annually to the City. Although we understand that employment has been a local benefit, this is not something that directly translates into city revenues. This is especially true, given that 20 years later, local businesses are now in competition with online retailers as well as with port industry for labour.

Taxes to City of Prince Rupert from Capped Properties + Provincial Grant 2003 - 2022					
Year	Municipal Taxes From Capped Properties	Provincial Grant established 2004	Municipal Taxes Total	Equivalent in 2022	% Change vs Equivalent \$ value 2003
2003	\$3,493,556	-	\$3,493,556	\$5,218,309	
2022	\$3,698,156	\$1,845,534	\$5,543,690	\$5,543,690	6%
Difference				\$325,381	

Readers Guide

Purpose of this document

This document is intended to provide greater public understanding of the financial priorities, policies, constraints, as well as overall financial environment within which the City operates.

It additionally lays out the foundation for the 5-year financial plan bylaw for the period between 2023-2027, identifying current and projected revenues, capital and operating expenditures, current property tax rates, information on municipal funds such as utilities, as well as the list of current property tax exemptions.

We hope that you find this document simple to read, and that it provides you greater understanding of this years challenging budget.

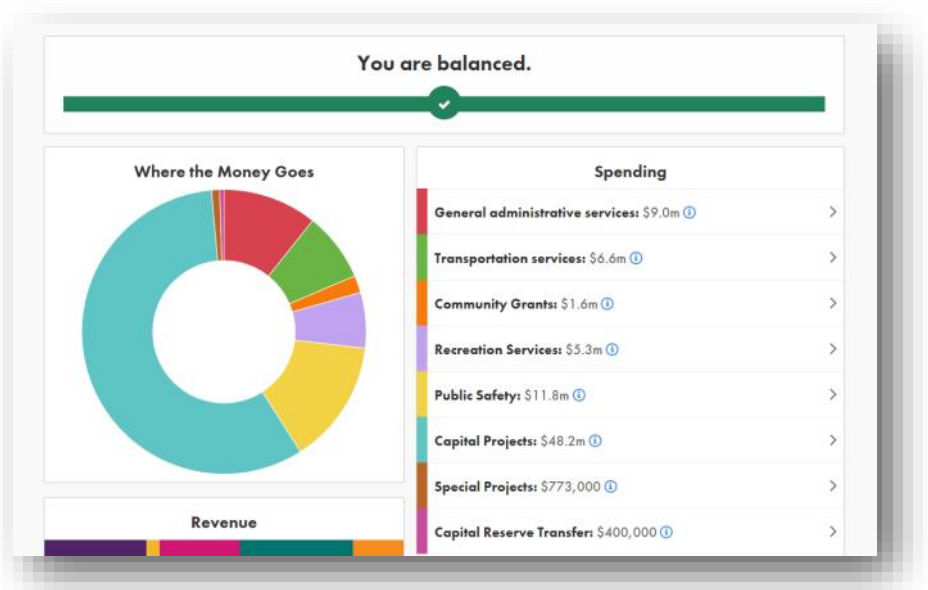
If you have questions or concerns, please contact the City's Finance Department by calling (250) 627 1781, or our municipal 311 service.

Budget Simulation Continuing

For those of you who prefer a hands on approach to sharing your budget priorities, the City has created a budget simulation for the public to use as a part of the budget engagement process.

This simple tool puts you in the driver's seat of municipal service funding thereby enabling us to hear from you.

Help us by telling us through this simulation what you would do. This is your opportunity to provide direct feedback on financial decisions.



***Pictured above**—the landing page of the online budget simulator allows you to directly interact with City spending and see the potential consequences of changes to service*

The simulation can be found on our webpage on the landing page and under the [2023 City Budget](#) button. You can also go to engage.princerupert.ca for a link to the simulation, which will be available starting March 22nd.

Additional in person opportunities for input will be held April 11th and 24th at 7 pm in Council Chambers.

Council's Strategic Plan

Vision

Vibrant
Resilient
Sustainable
Prosperous
Active + Vital
Safe + Beautiful
Healthy + Active
Proud of its Heritage
Inclusive + Equitable
Proud of its Community
Nestled Carefully in Nature
A Place that People Want to be

Goals + Actions

How can the organization support the vision?

Fiscal health

Develop Watson Island
Negotiations with Province/Feds
re: Revenues (Tax Caps, PILT, RBA)

Seek Provincial subsidy for airport
ferry
Support renewable energy projects

Appropriate Laws + Services

Complete Transportation Plan
Prepare Bylaw Enforcement
Policy

Explore transfer of landfill to NCRD
Encourage review/amendments to
Federal Medical Cannabis legislation

Replacing + Renewing Infrastructure

RCMP Building
Relocation of Public Works
Water Treatment Project

Asset Mgmt + Infrastructure
Replacement Strategies
Sewer Treatment Project
Explore new Fire Hall Building

Encourage New + Renewed housing

Establish peat dump site
Pursue housing funding,
partnerships and projects

Develop housing strategy based on
Housing Needs Assessment (2022)

Good Governance

Council Code of Conduct Policy
Cooperation Agreement with Pt
Ed (Complete) + Update Fire
Service Agreement

Long/short term strategic plans
Further develop prosperity
agreements with First Nations
Review of City Policies

Community Renewal

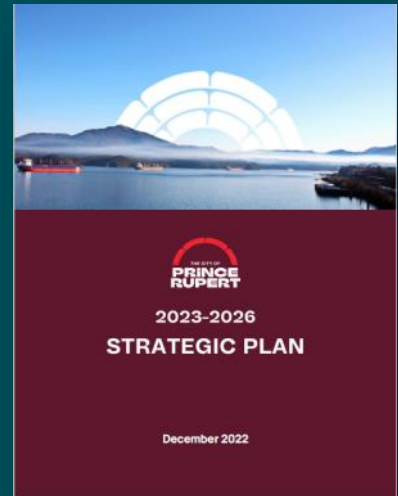
Finish Parks + Outdoor Rec Plan
Support Wayfinding/Destination
Development Efforts of Tourism
Streetscape Plan

Parking Strategy
Undertake waterfront development
Placemaking Plan
Wilderness User Master Strategy

Foster Local Economic, Social, Cultural + Environmental Well being

Accessibility Committee
(mandatory)
Implement Reconciliation Policy
Climate Action Plan

Social Development Strategy
Continued implementation of Child
Care Action Plan
Food Strategy



For the City's full
Strategic Plan for the
2023-2025 term, go to:

[princerupert.ca/
city_hall/
community_planning](https://princerupert.ca/city_hall/community_planning)

Note—Council's Strategic
Goals and Actions have
been ranked by Council
according to priority in the
full plan.

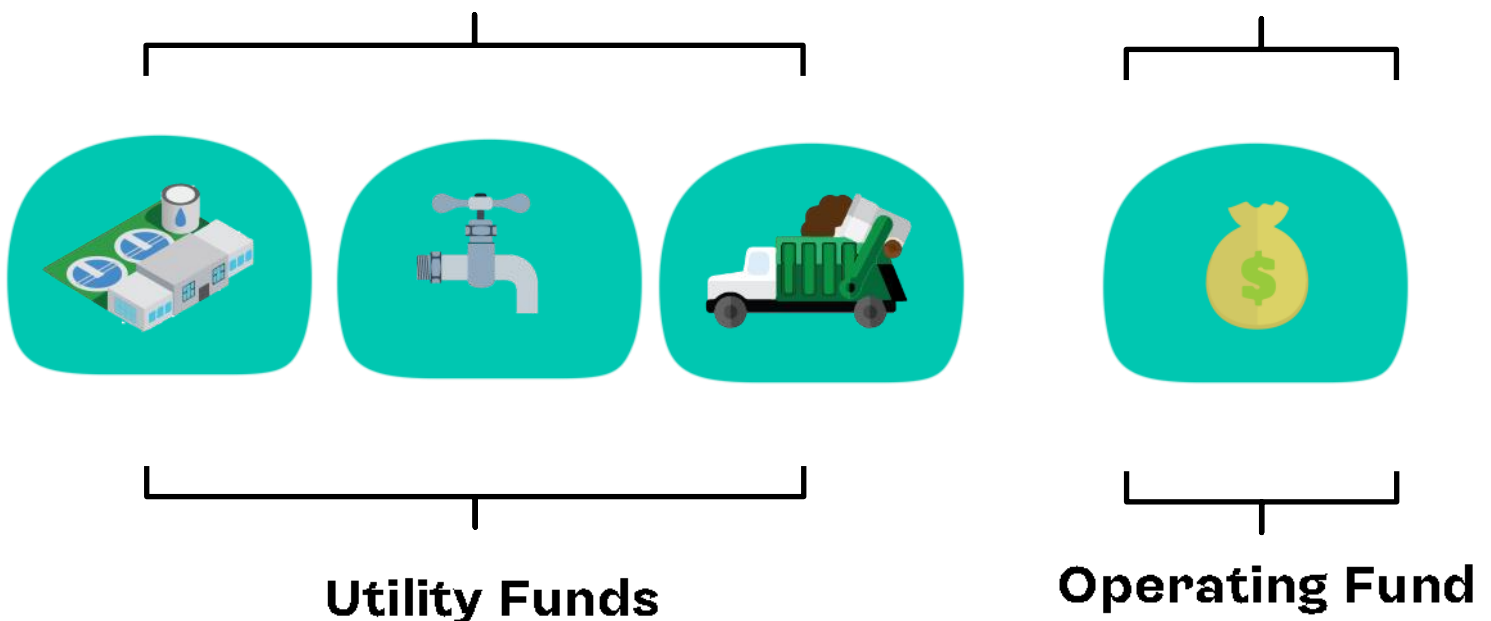
Each of the actions are a
priority but the actions
given higher priority
ranking are expected to
receive the most
resources and attention.
However, it is also
anticipated that actions
identified as lower priority
may also receive
resources and attention in
the first two years of
Council's 2023 to 2026
term should there be
opportunity. This might
occur, for example, if
grants are available or
community groups
encourage and
participate in moving
forward with a lower
ranked action.

Organization of Operation Finances

Division of Operating Funds

The City's financial organization is split into four separate funds. The Water Fund, Solid Waste Fund and Sanitary and Storm Sewer Fund are 3 of the 4 funds that are considered Utility Funds. Utility funds are self-liquidating meaning that their cost is funded entirely out of the income earned over a fixed period. Aside from capital grants, the utilities operate on Council approved bylaw fees. These fees are set typically over 3 – 5 year terms with a new fee setting bylaw passed in 2020 and 2021 for the period 2021 through 2024.

The 4th fund is the Operating Fund. This fund includes road maintenance and paving, Fire & RCMP costs, Recreation, Airport Ferry, BC Transit, Parks, Cemetery, City buildings, Planning, Economic Development and Administration. Funding for the operating fund occurs through fees and charges (such as recreation, airport, transit and cemetery fees, business and pet licences, building and other development permits etc.), grants from other levels of government (including in lieu of taxes payments), and property taxes. Property taxes makes up the largest of the single component payments for these types of services. Property taxes are levied by Council approved bylaw yearly and are based on property assessments set by the British Columbia Assessment Authority. It is the last component utilized to make up a balanced budget which means the City **only** levies enough tax to cover the remaining costs not covered by fees and charges and grants.



Budget Assumptions

Finance staff proceed with the development of our municipal budget each year based on several key assumptions:

- Initial property tax calculations are based on available property valuation data from BC Assessment. These calculations are redone once property owners are given time to challenge their assessment, and final assessments are made available March 31st.
- Budgets are developed based on service levels from previous years, as well as needs identified in our asset management plans.
- Any expansions in service identified are evaluated to determine feasibility and potential sources of funding. Some projects are funded based on the availability of grants to subsidize capital improvements or programs. If these funds are not available and the project is non-essential, the project may not be funded that calendar year.
- Known contractual obligations and statutory benefits increases, and energy rate increases.
- Special circumstances, periodic expenditures (i.e. Election cycles, Provincially mandated undertakings, Climate strategy studies, etc.).
- Recovery of costs through known fee increases in certain categories.
- Staffing levels are maintained at a minimum to provide existing service levels. Any identified additions are noted after for approval.

Legislative Changes + Assumptions:

- Budget assumes expected Payment in Lieu of Tax and Grant in Lieu of Tax payment by government authorities subject to in-lieu of tax legislation.

2023 Budget Highlights/Changes

Notable changes and project impacts in the 2023 budget are:

- Expected reduced payment from PRPA's Payment in Lieu of Taxes by near 50% (825,000), This, and the increased legal to dispute this reduction, represents 4.3% of the draft increase
- Recognition of inflation changes over the year
- Continued work on water treatment as well as planning/ replacement of critical water piping infrastructure
- Initial construction works of the RCMP Detachment (funded through borrowing)
- Initiation of small-scale wastewater treatment project in Omineca Area (primarily funded through grants, Legacy Dividend)

****Staff have drafted a 15.7% tax rate increase for 2023 to retain existing service levels. In the last 7 years we have had a 4.13% net increase.**

After taking into consideration the expected revenues and expenditures for normal service operations, the City is anticipating a net shortfall of \$3.375 million. After applying all available and permissible funding sources, the **increase necessary to balance the budget for the year is a 15.7% increase to the adjusted tax rates.**

Capital Projects

Investing in Municipal Infrastructure

For 2023, the City deferred approval of capital works and purchases from our usual timeframe of December approval in order to complete the new Council's Strategic Plan and to ensure there was time to include these objectives within proposed spending ([see p. 9 for details](#)). As such, this year, proposed Capital and Special Projects, are being considered alongside operational increases as part of the overall budget process.

Many of the projects planned for 2023 are funded out of Utility revenues, Gas Tax, Grants, Reserves, Surplus, new taxes, Dividends and Debt. Some have been rolled over or are a continuation from fiscal 2022-2023. To avoid impact to the taxpayer, non-essential capital projects are sometimes linked to the City's ability to receive grant funds to subsidize the costs of the project. If grant funds are not available in the fiscal year, this can sometimes lead to postponement of the project until funds are available.

The City is proceeding with capital projects for 2023 that continue the renewal of infrastructure. Alongside this crucial work, is efforts to seek grant funding to implement quality of life goals identified in both the 2030 Vision as well as Council's 2023-2026 adopted Strategic Plan. *See below and next page for a full list of capital projects.*

- Building design for a new Fire Hall (funded through a combination of grants and reserves)
- New fire engine reserve pumper (funded through borrowing)
- Maintenance and upgrade needs for civic buildings—including City Hall, the Library, Lester Centre, Civic Centre, new public works facility, and leased Canfisco warehouse (funded through a combination of dividends, reserves, grants and taxation)
- Completion of renovations of the CN Building (grant funded)
- New RCMP detachment (loan funded)
- Vehicle for Victim Services (grant funded)
- Allocation of funds for annual land purchase (funded through reserves)
- Power upgrades at Watson Island (funded by Legacy dividend)
- Safety audit of the Watson Island Dam (funded by Legacy dividend)

Capital Projects (continued)

List of main capital items, continued....

- Streetlight replacement program and 3rd Ave/Fulton traffic light (funded through Legacy dividend)
- Waterfront development (relocation of airport ferry) (grant funded)
- Odd Eidsvik Park drainage works (funded through reserves)
- McBride Sport Court (funded through reserves)
- Upgraded heavy duty vehicles for public works (funded through a combination of reserves and borrowing)
- Bridge repairs to 2nd Ave and 6th Ave bridges (funded through a combination of reserves and dividends)
- Annual paving + sidewalk programs + projects (funded through existing taxation)
- Works on City landfills (funded through a combination of reserves, accrual, and utility fees)
- Final works on Woodworth Dam as well as road protection and upgrades to Shawatlan dock (funded through Legacy dividend)
- Continued work on engineering for water treatment as well as submarine/overland line works and improvements to our online infrastructure monitoring (SCADA) (funded through reserves and grants)
- Design works for the City's infrastructure replacement strategy, plans for both water/wastewater replacement + capital replacement projects (funded through reserves, borrowing, grants + utility fees)
- Wetland wastewater treatment system pilot project at Omineca area (funded through grant and reserves)
- Shawatlan Road and 1st Ave water line replacement (funded through grant)
- Annual waterline and wastewater repairs (funded through utilities)

See [Appendix A](#) for a full list of proposed capital items in detail, as well as justifications for inclusion in the budget and proposed funding sources.



Pictured above— replacement of the full length of waterline under 1st Avenue East is one of the proposed capital projects for 2023.

Special Projects

Moving City Departments Forward

Special projects are those that are above and beyond normal and expected expenditures for City Departments, but which represent important priorities either in the delivery of service, or in supporting the objectives of Council's Strategic Plan. In determining appropriate funding for these projects, staff have done their best to limit the potential impact of these projects on local tax and ratepayers.

The following list of main special projects are proposed.

- Upgrade to UHF Radio System for Fire Department and small equipment/software upgrades (funded through dividend, reserves and grants)
- Implementation of Policing Situation Tables program (funded through grants)
- Funding for municipal RCMP staff to upgrade to RCMP records management standards (funded through Legacy dividend)
- Funding for streetscape standards for downtown that address active transportation (funded through grant and Legacy dividend)
- Budget for asset management/tracking (funded through Legacy dividend)
- Operations Fleet Management Report (funded through reserves)
- Replacement of the Zamboni engine (funded through Legacy dividend)
- Upgrade to fitness equipment at the pool gym (funded through Legacy dividend)
- Completion of the Transportation Plan (carry over from 2022—funded through reserves)
- Installation of EV Charging station at Rec Complex (carry over from 2022, funded by grants)
- Public Works HR Assessment Report (funded by Legacy dividend)
- Safe work procedures and field hazard assessment and training (funded through Legacy dividend)
- Climate Action Plan (funded through grant)
- Social Development and Poverty Reduction Plan (funded by grant)

See Appendix A for a full list of proposed capital items in detail, as well as justifications for inclusion in the budget and proposed funding sources.



Completion of the City's Connect Rupert Transportation Plan, approved in the 2022 budget, is scheduled to be complete as a 2023 Special Project.

Want to know more about this project and the policies and ideas being proposed for transportation in Prince Rupert for the next decade or more?

Check out our Rupert Talks page at:

engage.princerupert.ca/connect-rupert-transportation-plan

Budget– Operating Requests

External Factors and Capacity Costs

This year's Operational Requests resulting in taxation increases are primarily driven by external factors beyond the control of the City. This includes labour contractual and benefit increases for both the City at-large and our RCMP detachment.

The following list of main operational items are proposed.

- Labour contractual and benefit increases
- RCMP contract increase
- Payroll part-time employee
- Human Resources Generalist
- Social Development + Indigenous Relations Coordinator
- Information Technology FTE position
- Legal fees
- Community Enhancement Grant increases
- Fiscal revenue and expense changes

This year the largest external cost drivers related to the increased tax need are from the significant reduction in the Payment in lieu of taxes (PILT) expected to be received from the Port of Prince Rupert, the increased legal and appraisal costs associated with filing assessment appeals and proceedings in relation to the PILT, and the combination of reduced revenues received from other entities. The tax rate impact from the issue surrounding PILT related to bare land held by the Port represents an increase of 4.28%. The balance of the other changes in fiscal revenue and expense changes results in an increase of 1.96%.

See [Appendix A](#) for a full list of proposed operational increases, as well as justifications for inclusion in the budget.

Capital Budget—Project Requests

Description	Asset	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility	Taxation
Fire							
New Firehall Building Design	350,000	(175,000)	-	(175,000)	-	-	-
Reserve Pumper	1,300,000	-	(1,300,000)	-	-	-	-
Category Totals	1,650,000	(175,000)	(1,300,000)	(175,000)	-	-	-
Building							
City Hall - Boiler replacement and HVAC	450,000	(327,000)	-	(123,000)	-	-	-
Lester Centre - Roof design	40,000	(40,000)	-	-	-	-	-
Library - Heating Controls assessment and improvements	50,000	(50,000)	-	-	-	-	-
CN Building Revitalization	2,020,000	(1,720,000)	-	(300,000)	-	-	-
Canfisco Warehouse Roof Improvements	150,000	-	-	-	(150,000)	-	-
Public Works Chamberlin Rd Leasehold Improvement	2,000,000	-	-	-	(2,000,000)	-	-
Category Totals	4,710,000	(2,137,000)	-	(423,000)	(2,150,000)	-	-
Policing							
New detachment	26,100,000	(1,100,000)	(25,000,000)	-	-	-	-
Victim Services Vehicle	42,000	-	-	(42,000)	-	-	-
Category Totals	26,142,000	(1,100,000)	(25,000,000)	(42,000)	-	-	-
Recreation							
Civic - 2nd floor washroom accessibility upgrade	155,000	-	-	(143,000)	(12,000)	-	-
Misc Recreation capital	210,000	-	-	-	-	-	(210,000)
Category Totals	365,000	-	-	(143,000)	(12,000)	-	(210,000)
Real Estate							
Annual land purchase	50,000	(50,000)	-	-	-	-	-
Watson Island Power	35,000	-	-	-	(35,000)	-	-
Watson Island dam maintenance	100,000	-	-	-	(100,000)	-	-
Category Totals	185,000	(50,000)	-	-	(135,000)	-	-

Continued on next page

Capital Budget—Project Requests

Description	Asset	Reserve/	Borrow	Grant	Dividend/	Utility	Taxation
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Civic Improvements

Streetlight Replacement Program	50,000	-	-	-	(25,000)	-	(25,000)
Waterfront development 3rd Ave and Fulton Traffic Light	10,890,000	-	-	(10,890,000)	-	-	-
Complete Controlled access to PW Yard with Cameras	150,000	-	-	-	(150,000)	-	-
Eidsvik Park Renewal	38,000	-	-	-	(38,000)	-	-
McBride Sport Court	50,000	(50,000)	-	-	-	-	-
	35,000	(35,000)	-	-	-	-	-
Category Totals	11,213,000	(85,000)	-	(10,890,000)	(213,000)	-	(25,000)

Transportation

Bridge Repairs - 6th Ave E	450,000	(310,000)	-	-	(140,000)	-	-
Bridge Repairs - 2nd Ave W	200,000	(200,000)	-	-	-	-	-
Sidewalk Program	100,000	-	-	-	-	-	(100,000)
Annual Paving Program	1,000,000	-	-	-	-	-	(1,000,000)
Category Totals	1,750,000	(510,000)	-	-	(140,000)	-	(1,100,000)

Vehicles and Mobile Equipment

Single Axle Dump Truck with Sander/Plow	315,000	(15,000)	(300,000)	-	-	-	-
GPS Truck System	50,000	(50,000)	-	-	-	-	-
Skid Steer F550 Tow Vehicle for Water Line Equipment	150,000	(150,000)	-	-	-	-	-
F600 Garbage Truck - Commercial Collection	165,000	(165,000)	-	-	-	-	-
	297,000	(297,000)	-	-	-	-	-
Landfill Dozer	839,000	-	(839,000)	-	-	-	-
Landfill Excavator for Recycling site	250,000	-	(250,000)	-	-	-	-
Buy-out of Leased Residential Collection Truck	400,000	-	(400,000)	-	-	-	-
Category Totals	2,466,000	(677,000)	(1,789,000)	-	-	-	-

Continued on next page

Capital Budget—Project Requests

Description	Asset	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility	Taxation
Solid Waste							
Wantage Road landfill closure	100,000	-	-	-	-	(100,000)	-
Landfill Cell Closure - West				-			
Berm Engineering	200,000	-	-		(200,000)	-	-
Landfill Cell Closure	2,200,000	-	-	-	(2,200,000)	-	-
New Landfill Cell	1,500,000	(1,500,000)	-	-	-	-	-
Category Totals	4,000,000	(1,500,000)	-	-	(2,400,000)	(100,000)	-
Water							
Woodworth Dam Replacement	400,000	-	-		(400,000)	-	-
Woodworth Road Protection and Dock	700,000	-	-	-	(700,000)	-	-
Water Treatment Facility Engineering Design	3,000,000	(3,000,000)	-	-	-	-	-
Submarine/overland line Engineering Design	2,000,000	(2,000,000)	-	-	-	-	-
Submarine/overland line Construction	12,000,000	(2,131,000)	-	(9,869,000)	-	-	-
SCADA Upgrade - Water Carry Forward	1,200,000	(1,200,000)	-	-	-	-	-
Park Avenue water repair paving	100,000	(100,000)	-	-	-	-	-
IRS Design Works	4,750,000	-	(4,750,000)	-	-	-	-
Water System Master Plan	250,000	-	(250,000)	-	-	-	-
Shawatlans Rd Water Line	10,000,000		-	(10,000,000)	-	-	-
Rehab and relocate 1st Ave E water main	2,100,000	-	-	(2,100,000)	-	-	-
Annual Water line replacement	750,000	-	-	-	-	(750,000)	-
Category Totals	37,250,000	(8,431,000)	(5,000,000)	(21,969,000)	(1,100,000)	(750,000)	-
Wastewater							
Liquid Waste Management Plan Engineering & Design	250,000	-	-	(250,000)	-	-	-
Liquid Waste Management Pilot Plant	6,000,000	(1,500,000)	-	(4,500,000)	-	-	-
SCADA upgrade	1,000,000	(1,000,000)	-	-	-	-	-
Hays Creek Replacement Study	100,000	(100,000)	-	-	-	-	-
Industrial Park Treatment Plant Upgrade (engineering)	150,000	(150,000)	-	-	-	-	-
Ongoing Outfall Camera Program	25,000	-	-	-	-	(25,000)	-
Outfall Repairs - Outfall L	1,080,000	(1,080,000)	-	-	-	-	-
Outfall Repairs - Outfall J to I	1,500,000	(900,000)	-	-	-	(600,000)	-
Annual Wastewater line replacement	750,000	-	-	-	-	(750,000)	-
Category Totals	10,855,000	(4,730,000)	-	(4,750,000)	-	(1,375,000)	-
GRAND TOTAL:							
Capital Projects	100,586,000	(19,395,000)	(33,089,000)	(38,392,000)	(6,150,000)	(2,225,000)	(1,335,000)

General Budget—Special Project Requests

Description	Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility	Taxation
Fire							
Upgrade to UHF radio system	200,000	(40,000)	-	(160,000)	-	-	-
Miscellaneous equipment and training	30,000	-	-	-	(30,000)	-	-
Category Totals	230,000	(40,000)	-	(160,000)	(30,000)	-	-
Policing							
Situation Tables	43,000	-	-	(43,000)	-	-	-
PRIME training	7,000	-	-	-	(7,000)	-	-
Category Totals	50,000	-	-	(43,000)	(7,000)	-	-
Civic Improvements							
Parks and Open Space Master Plan	59,000	(59,000)	-	-	-	-	-
Downtown Revitalization & Asset Management	160,000	-	-	(50,000)	(110,000)	-	-
Annual Asset Management Spending	25,000	-	-	-	(25,000)	-	-
Category Totals	244,000	(59,000)	-	(50,000)	(135,000)	-	-
Vehicles and Mobile Equipment							
Fleet Management Report	25,000	(25,000)	-	-	-	-	-
Zamboni engine replacement	30,000	-	-	-	(30,000)	-	-
Fitness equipment for gym at Recreation	10,000	-	-	-	(10,000)	-	-
Category Totals	65,000	(25,000)	-	-	(40,000)	-	-
Transportation							
Transportation Strategy	29,000	(29,000)	-	-	-	-	-
Electric Vehicle Charging stations	25,000	-	-	(25,000)	-	-	-
Category Totals	54,000	(29,000)	-	(25,000)	-	-	-
Human resources							
Public Works HR Assessment Report	10,000	-	-	-	(10,000)	-	-
Safe Work Procedures, Field Hazard Assessment & Training	100,000	(50,000)	-	-	(50,000)	-	-
Category Totals	110,000	(50,000)	-	-	(60,000)	-	-
Planning							
Climate Action Plan	93,000	-	-	(93,000)	-	-	-
Social Development Plan	25,000	-	-	(25,000)	-	-	-
Prince Rupert Community Efficiency Financing Feasibility Study	60,000	-	-	(60,000)	-	-	-
Category Totals	178,000	-	-	(178,000)	-	-	-
Grand Total - Special Projects	931,000	(203,000)	-	(456,000)	(272,000)	-	-

Overview of Changes + Tax Impacts

General Fund Budget Changes		
Internally proposed changes		
	Tax Increase \$	Tax Increase %
Legal services	100,000	0.45%
Staff additions	229,000	1.10%
Recreation - Increase to pre-pandemic operations	103,000	0.45%
Wages, benefits and mandatory employment costs	1,524,000	7.10%
Subtotal	1,956,000	9.1%
External Changes Impacts we cannot change		
	Tax Increase \$	Tax Increase %
Port PILT and appeal proceedings	912,000	4.30%
External revenue decrease net of expense reduction	127,000	0.55%
Grants - Council approved increases to other organizations	93,000	0.40%
Policing - Contract increase	287,000	1.35%
Subtotal	1,419,000	6.6%
TOTAL OPERATIONS DEFICIT	3,375,000	15.7%

****Justifications/explanations with respect to items in the above table are available starting at [p. 83 of this document](#).**

Subsidy from Prince Rupert Legacy Inc.

Unlike higher levels of Government, municipalities are not permitted to operate in a deficit. Each year, municipalities must work to balance the budget. Once all other revenue options are exhausted, municipalities will turn to property taxation to address the anticipated deficit for the year. For 2023, the anticipated operations deficit is \$3.375M, which results in a 15.7% increase to the tax rate to balance the budget.

This year, staff have proposed significant offsetting for capital expenditures out of Prince Rupert Legacy Inc. Although the operating deficit remains higher than desired due in part to factors beyond municipal control, this revenue has enabled several important projects to be completed with no impact to tax/rate payers. Projects with support coming from Legacy can be identified by those with an entry in the "Dividend" funding category in the tables on the previous pages.

Offset Tax increase

Capital & Special
\$2,984,000 = **13.88% Savings**

Offset Water fee increase

Water Utility
\$2,409,000 = **75.59% Savings**

Revenues + Property Taxation

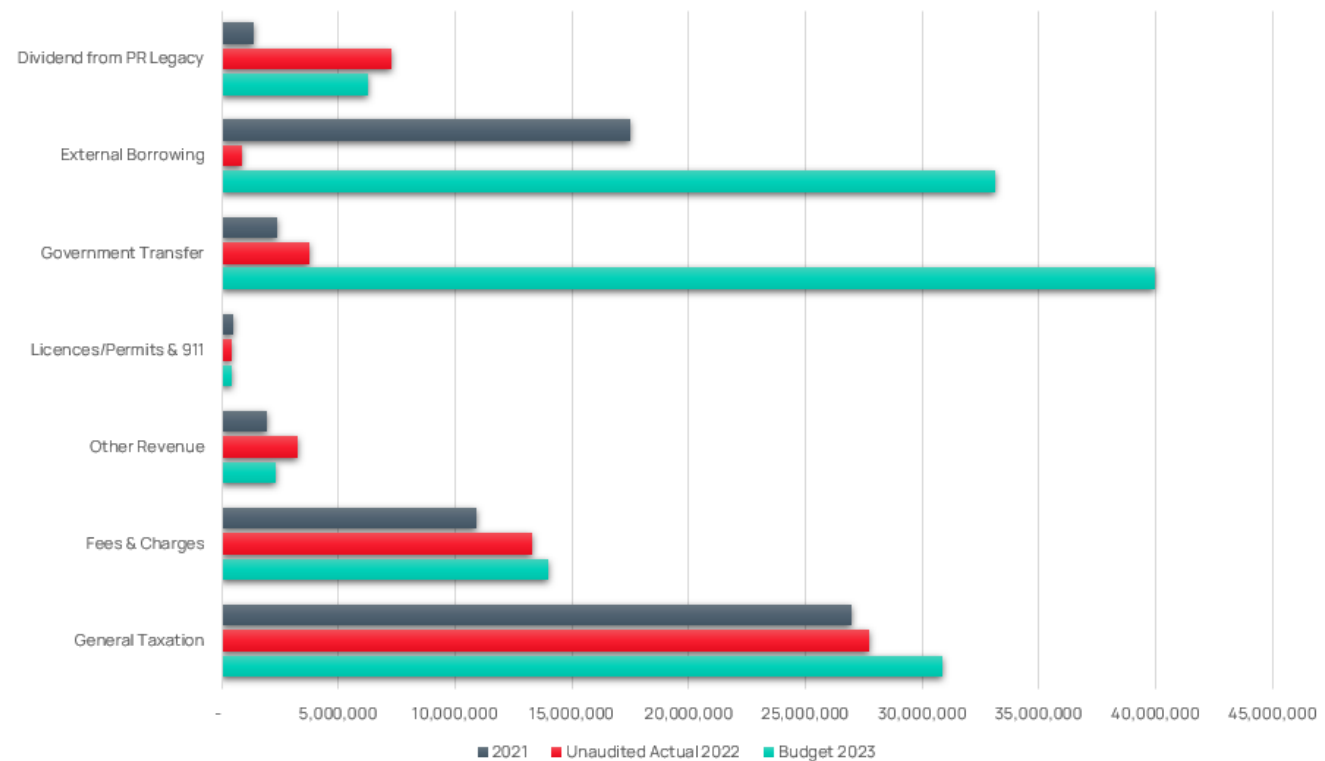
Overview of Revenues

The City's municipal revenues are primarily funded by:

- Taxes & Grants in lieu of taxes
- Fees & Charges
- Transfers/grants from other governments

Council and City staff are working diligently to identify and advocate for new sources of revenues, to alleviate our municipality's reliance on residential and commercial property taxes in order to cover the remaining costs of municipal services and programming.

Revenue Sources



Note: General Taxation includes revenues collected through property taxation as well as amounts paid in lieu of taxes

Government Transfer listed in chart above consists of....

- Capital Grants
- Gas Tax
- Traffic fines sharing
- Small Community Grant
- Provincial and Federal infrastructure grants requested for Water infrastructure

Other revenue consists of:

- Non-government grants and donations
- Penalties and interest on overdue taxes
- Property rentals/leases
- Water meter rentals
- Gains on disposal of assets
- Administration fees

Revenue + Property Taxation

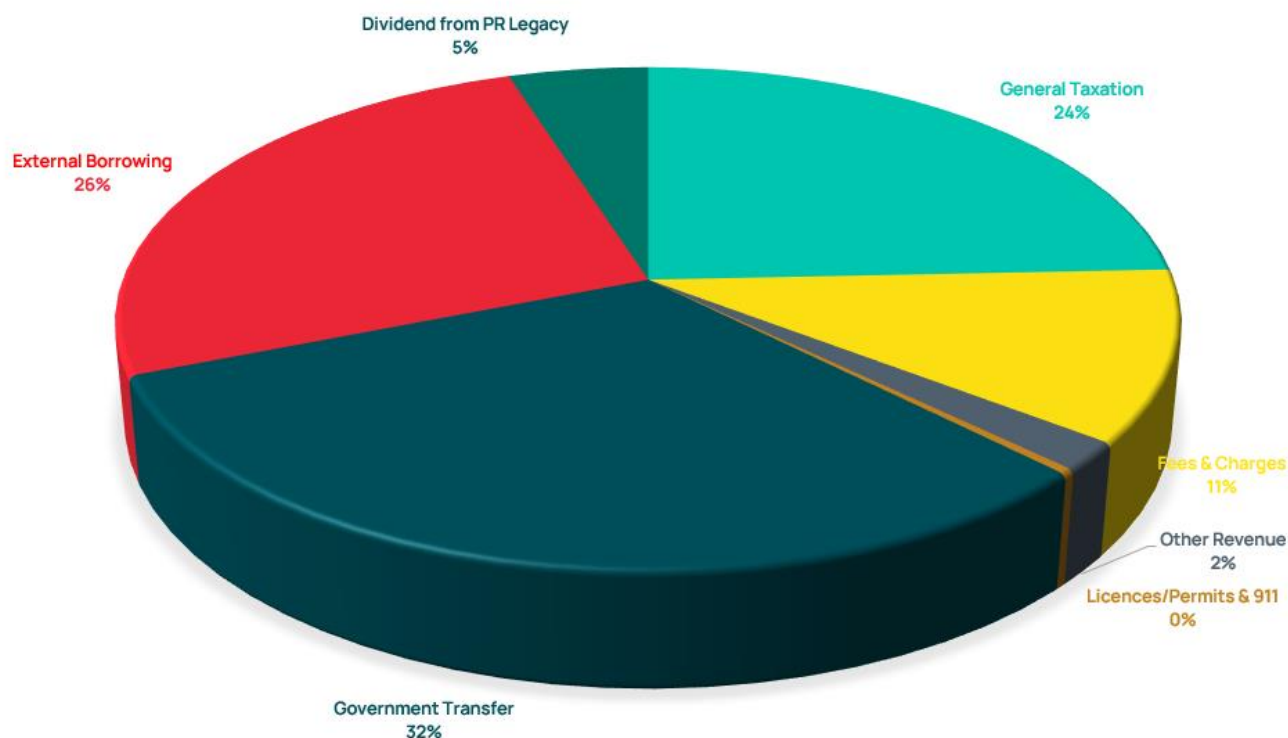
Revenue Sources

The chart on this page and the last show the distribution and trend of the City's major recurring revenue sources. These charts include all of the funds; the general operating and the utilities funds. Inclusive are grants and debt for capital projects. Property tax remains the single largest component towards funding general operations. This is common amongst municipalities given the limited opportunities for the generation of operating dollars. Government transfers this year comprise grants for mainly capital projects.

User fees are established to allocate a share of the cost associated with the use/consumption of a service. They are intended as recognition of a direct benefit received. Fees and charges are established based on best practices identified, feedback from users and residents, authority under provincial legislation and in accordance with Council's direction related to service levels. Continued emphasis for review of fees and charges considered out of date is ongoing.

An emerging revenue source for the purposes of revenue stabilization is lease revenue. The City has limited non-residential land holdings that are available for development of any kind given the terrain and the fact that the municipality is located on an island. Therefore, the practice of selling land has a time horizon given its limited supply. In 2022 the City sought to sell municipal lots that are appropriate for residential development with those efforts continuing into 2023, while choosing to lease potential industrial holdings. While the proceeds from the sale of land can only be used to repurchase land and other capital assets in accordance with the Community Charter, leasing land can be used for operating purposes, ie, repaving roads, and funding RCMP increases, as well as purchasing capital assets. The flexibility associated with leasing property enables the City to utilize the revenue in more ways to achieve operational goals as well as retain greater control over the use of property into the distant future as well as the condition of it after the lease is over.

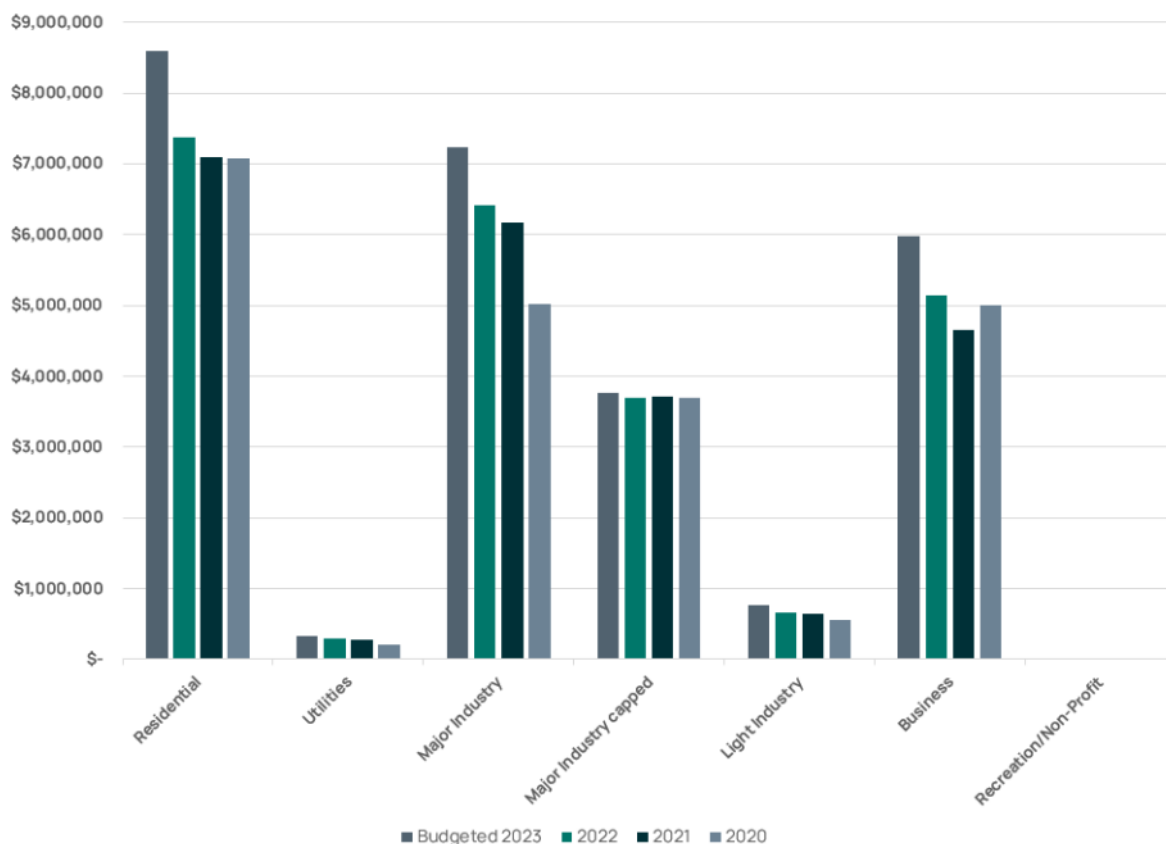
2023 Budget for Revenue Sources



(Above) See pie chart for the sources of municipal revenue and their relative proportions of the City budget in 2023

Revenue + Property Taxation

Property Tax Revenue Trends - with draft 2023 increase



Property Taxation

Property tax is the City's most significant source of operational funds. For 2023, residential and business assessment (before BC Assessment's revised roll to be issued March 31) makes up 78% and 10% respectively of the total assessment in the city (2022—76% and 10% respectively). Residential tax is budgeted at 32% of total property tax and Business tax makes up 22% (2022 -31% and 21% respectively).

Tax Class Distribution

The City makes every effort to ensure all tax classes that are impacted by increases are allocated equally. This means, if a percentage increase to the adjusted tax rate is recommended, the Residential, Business, Light Industrial, Major Industrial and Recreational/Non-Profit classes are all impacted by the same percentage (except for the protected Port Industry class).

Depending on whether properties change class, are added or removed from the roll, or are made exempt, this changes the relative allocation of tax distribution year over year. All property class information and valuation is determined and provided by British Columbia Assessment Authority.

The budgeted and prior three years of municipal property tax distribution are presented in the graph above. **Readers will note the Major Industrial class** that is **capped** by provincial legislation, the Port Property Tax Act. This legislation was identified on [page 7](#) of this document as one of the challenges facing the City since its implementation in 2004. The % of property tax from this class of the total property tax intake has steadily declined (19.5% in 2016, 14% in 2023). The reduction in percentage of total contribution to the taxation pool reflects the City's inability to share increasing operating costs with these terminals. Virtually none of the City's operating deficit (those that can and can't be controlled) are being shared with the Major Industry capped class.

Property Taxes—Financial Impacts to Residents

The City collects the majority of its revenue twice per year. Utilities notices for annual payers are issued in February with an early payment discount cut off of March 31st.

Property taxes are collected half way through the City's operational year

(calendar year) and are due, penalty free, the first business day after Canada Day (this year July 4th).

	2022	2023
Average Assessed Value	\$389,000	\$443,000
Residential Mill (Tax) Rate	4.36303	4.46728
Residential Municipal tax	\$1,697	\$1,979

Property Taxes

Municipal property taxes are levied by multiplying the Council determined municipal mill rate (also known as tax rate) to a property's assessed value as determined by BC Assessment Authority based on fair market values as of July of the previous year. Property values have increased in Prince Rupert, and each year, the increase is taken into account and the municipal tax rate is adjusted downwards to eliminate the average increase. This means the municipal tax rate charged in the prior year on an average assessed value home is changed to arrive at the same amount of tax on an average assessed value home in the current year.

Some neighbourhoods may have realized significant sales compared to others which would increase their values above the average assessed increase, and conversely, some properties may have seen a reduction in their assessment. Where property values increase more than the average, owners can expect an increase in taxation before any change to the tax rate is approved.

Depending on whether there are net new builds in the community (positive non-market change) which brings new tax to the City's budget, and other revenue expected to be realized that offsets any increase in servicing costs, then the last resort is an increase in taxation need. Should this occur in any given year, Council then entertains reductions in services, postponement of projects, or an increase in the property tax rate.

At the time of writing this document, **staff have presented a potential 15.7% increase to the tax rate in order to retain existing service levels.** This means, an average assessed value homeowner will pay \$282 more in 2023 than an averaged assessed value homeowner did in 2022. (See table above). The draft municipal tax rates are listed in the table below. For the proposed increase to be considered cost neutral year over year, a residential property would need to have decreased in value by 2.3%.

Property Class #	Property Class Name	2022 Municipal Mill Rate (Tax Rate)	Draft 2023 Municipal Mill Rate (Tax Rate)
1	Residential	4.36303	4.46728
2	Utility	56.04854	59.03338
4	Major Industrial	56.33682	64.53999
4a	Major Industrial (Capped 27.50)	27.50	27.50
4b	Major Industrial (Capped 22.50)	22.50	22.50
5	Light Industrial	20.02744	20.44626
6	Business	22.41942	23.61335
8	Non-Profit/Recreation	3.74972	4.03087

Financial Impacts to Residents

Property Taxes are Directly Tied to the Value of your Home

The impacts of property taxes are based in large part on the assessed value of your home from year to year, as well as the municipal tax rate. See below for the formula to calculate municipal property taxes based on the draft preliminary 15.7% increase to municipal property taxes collected for 2023.

To calculate the specific impact of the draft increase on your tax bill, follow this formula:

$$\text{Current Assessed Value} / 1000 \times \text{Residential Mill Rate (Tax Rate) (4.46728)}$$

PLEASE NOTE

The numbers described above are only for the portion of your tax notice dedicated towards municipal property taxes. The City also collects taxes on behalf of other taxation authorities such as the School Tax, Regional Hospital District, North Coast Regional District, BC Assessment & Municipal Finance Authority. In 2022, approximately 61% of your tax bill was made up of taxes collected by the

2022 PROPERTY TAX NOTICE
CITY OF PRINCE RUPERT

424 WEST 3RD AVENUE
PRINCE RUPERT, B.C. V8J 1L7
PHONE (250) 627-0946

Jurisdiction: Roll:
Civic Address: Plan: Lot: Block:
Legal Desc: DL#: Access Code:

Mortgage Code: Mortgage Name:

DUE DATE
July 4, 2022

PENALTIES & INTEREST
10% Penalty on taxes unpaid after July 4, 2022 Interest on arrears and delinquent calculated to July 4, 2022.

If the property has been sold, please forward this notice to the purchaser.

Taxable Assessed Value	Class	Land	Improvements
Hospital	01	119,000	262,000
General	01	119,000	262,000
School	01	119,000	262,000
Tax Levies	Class	Taxable Value	Rate
SCHOOL - RESIDENTIAL	01	381,000	1.953600
GENERAL - RESIDENTIAL	01	381,000	4.225340
LIBRARY - RESIDENTIAL	01	381,000	0.137690
NORTHWEST REG. HOUS. RESIDE	01	381,000	0.517780
NCRD - RESIDENTIAL	01	381,000	0.128920
BCAA - RESIDENTIAL	01	381,000	0.034900
MFA - RESIDENTIAL	01	381,000	0.000200
Total Current Taxes			2,666.40

Municipal rate

DEFERMENT
If you are 55 years or older, widowed, physically disabled or financially supporting a dependent child under the age of 18, you may

REDUCE THE IMPACT, APPLY FOR THE HOMEOWNER GRANT AND/OR TAX RELIEF

The Province offers homeowners two programs:

- [Home Owner Grant](#)
- [Tax Deferral program](#)

The numbers above reflect property tax rates *before* the application of the Provincial Home Owner Grant, which MUST be applied for each year before the Property Tax payment deadline (July 4 this year) or a Provincial penalty will be applied. **Homeowners must make application to the Province for the Home Owner Grant. Go to gov.bc.ca/homeownergrant or call Toll-free 1-888-355-2700 for more info and to make application.**

Did you know?

Minimize Cashflow Impacts and hassle of Utilities and Property Tax Due Dates

Anyone (businesses and home owners) can sign up for monthly pre-authorized payment withdrawal (PAP) of their property taxes and/or utilities

Benefits:

- **Earn interest:** for annual billings, your payments in advance earn interest which helps offset the cost of services to you. With rising rates, in 2022, the rate reached as high as **3.45%**!
- **Bite-size chunks:** Budget your finances by paying a little each month instead of a lot twice per year
- **You pay less:** Take advantage of 10% early pay discount on utilities and avoiding the 10% penalty on taxes not paid by the due date
- **Lower your admin costs:** For commercial accounts, reduce the cost of preparing and mailing cheques, never miss a discount date, and eliminate misapplied payments
- **Help lower City admin costs:** PAP is more automated than post dated cheques or even online banking payments, helping to keep administrative costs, and consequently, taxes/fees low for everyone
- **No commitment:** PAP is voluntary and so can be cancelled or changed as your life changes

Contact City Hall to learn more!

Phone: (250) 627 0964

Email: customer.service@princerupert.ca

Or visit our Customer Service Desk at:

424 3rd Avenue West, Prince Rupert, BC

Financial Impacts to Residents

Utility Fees

Council approved the fees and charges associated with Water, Sewer, and Solid Waste service in December 2020 and 2021. These fees have been included in the Five-Year Financial Plan. Residential users are billed annually for Water, Sewer and Solid Waste based on a flat fee. Commercial users are billed water and sewer either monthly or quarterly based on meter readings. There is limited commercial solid waste pick up, and all users of the landfill are subject to tipping fees associated with scale weights and type of waste.

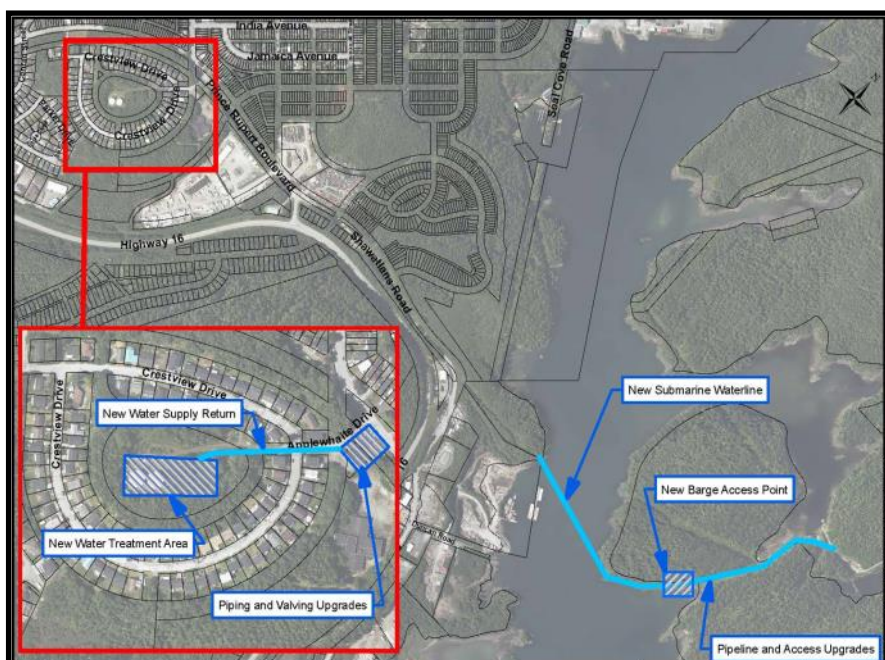
All rates levied are subject to a 2% Asset Management levy which is accumulated in Council established Asset Management Reserves associated with each specific utility.

Residential users are billed the following rates:

Utility	2023	2% Asset Management	Total
Water	\$541.01	\$10.82	\$551.83
Sewer/Sanitary	\$508.76	\$10.18	\$518.94
Garbage	\$518.04	\$10.36	\$528.40

The full replacement of the Woodworth dam was complete early in 2023. With that essential component of the water supply secured, the City is now focused on both water treatment and replacement of the failing pipes that saw us call a State of Local Emergency in December of 2022.

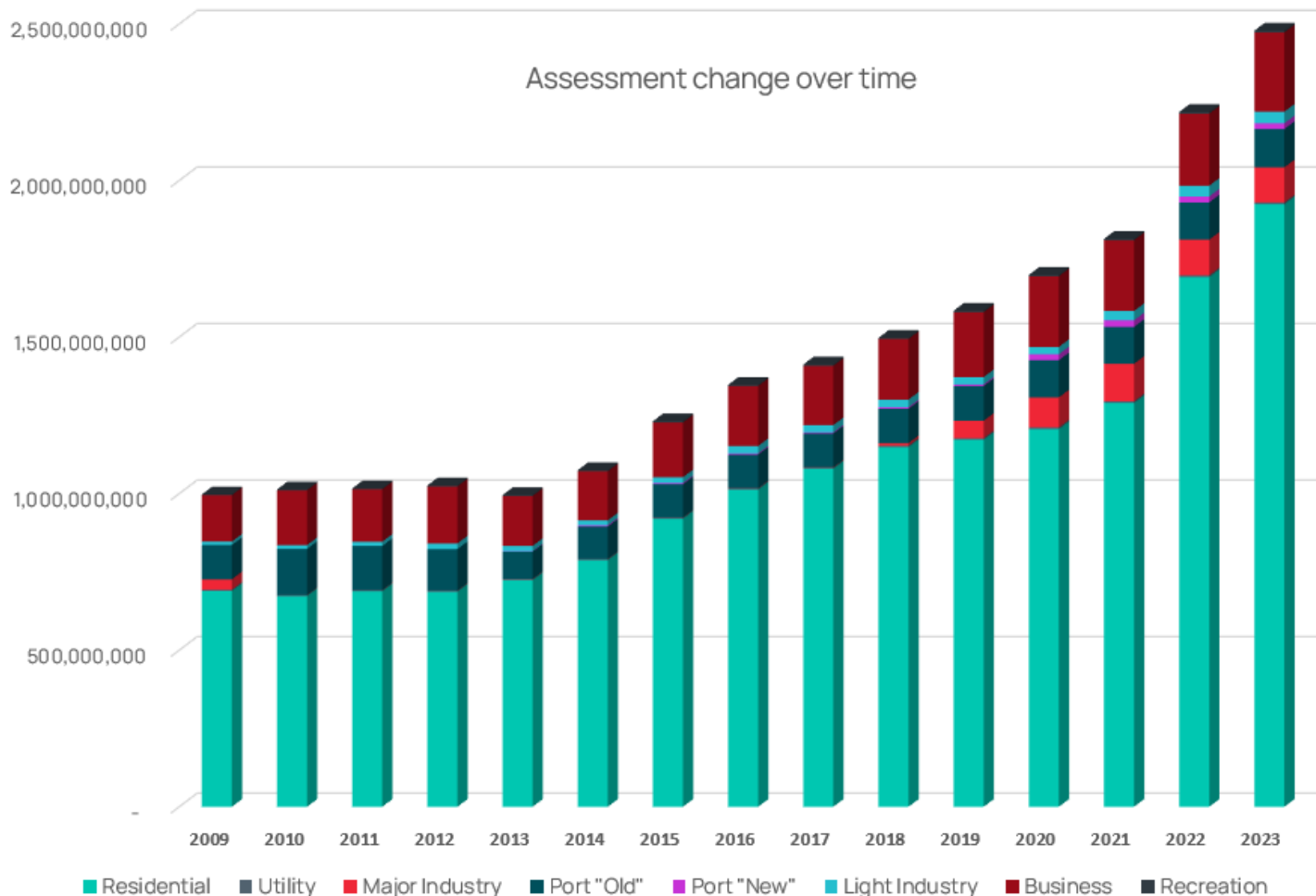
The Water Treatment project is in the design stages, with the City currently considering alternative operating models and their associated costs and benefits. The new submarine waterline beneath Fern Passage, upgrades to our online water monitoring system (SCADA), engineering and construction for water treatment, and replacement of the watermain entering the community from the submarine line along Shawatlans Rd (which failed twice in the past year and is beyond its lifespan), are major water utility cost considerations in the 2023 Budget.



(Above) The conceptual drawing for the City's proposed Phase 3 of the water project, which includes a new treatment facility and replacement of the submarine water line.

For more information on City infrastructure projects, go to [the City's Rupert Talks page](#) for project updates and Frequently Asked Questions, and to ask any questions you may have for staff.

Financial Trends + Cost Drivers



(Above) Figure 1 shows the change in BC Assessment Authority assessed values for the various tax classes from 2009-2023

Trends in Property Taxation

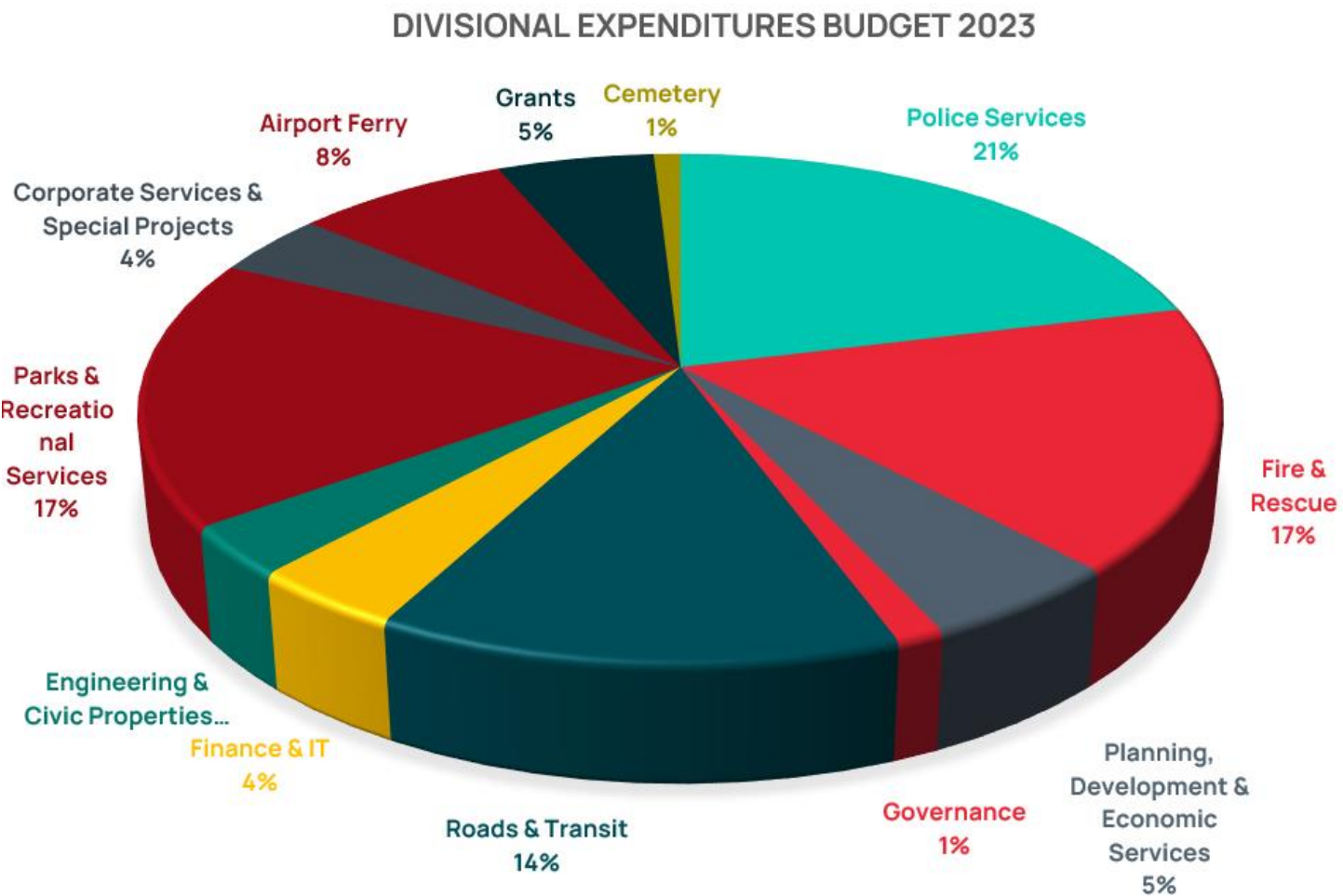
As residents are aware, property taxation is levied on the assessed value of property. For all taxable property owners, the assessed value is calculated by the BC Assessment Authority, and in Prince Rupert, the trend in residential values has been a steady increase, with a 14% average increase in 2023 as shown in *Figure 1*. Each year, the municipality adjusts the tax rate to reflect the change in values, so that we only collect what is needed to meet budgetary requirements. This means, if a property value went up at the average increase, there would be no change in the municipal tax bill if there was no proposed change to the municipal tax rate.

The trends in residential and commercial taxes differ from those in the major industrial sector. Due to the declining value of property improvements as they age, assessed values for industrial properties and their assets tend to go down over time. This downward trend continues unless major investments are made into industrial property improvements (such as the container port expansion in 2017, and the development of the Altagas and Pembina's propane facilities in 2019 through 2021). The Province has limited the taxation that can be collected from the classes called Port "Old" and Port "New". All other classes carry the burden of this cap on port industrial tax classes. The City is still working to remove this unfair tax policy, and/or for subsidy to make the community whole.

Financial Trends + Cost Drivers

Expenditures

The draft allocation of departmental expenditures for 2023 are listed in the pie chart below. These expenditures are based on those in 2022, taking into account anticipated cost drivers noted on previous pages in this document.

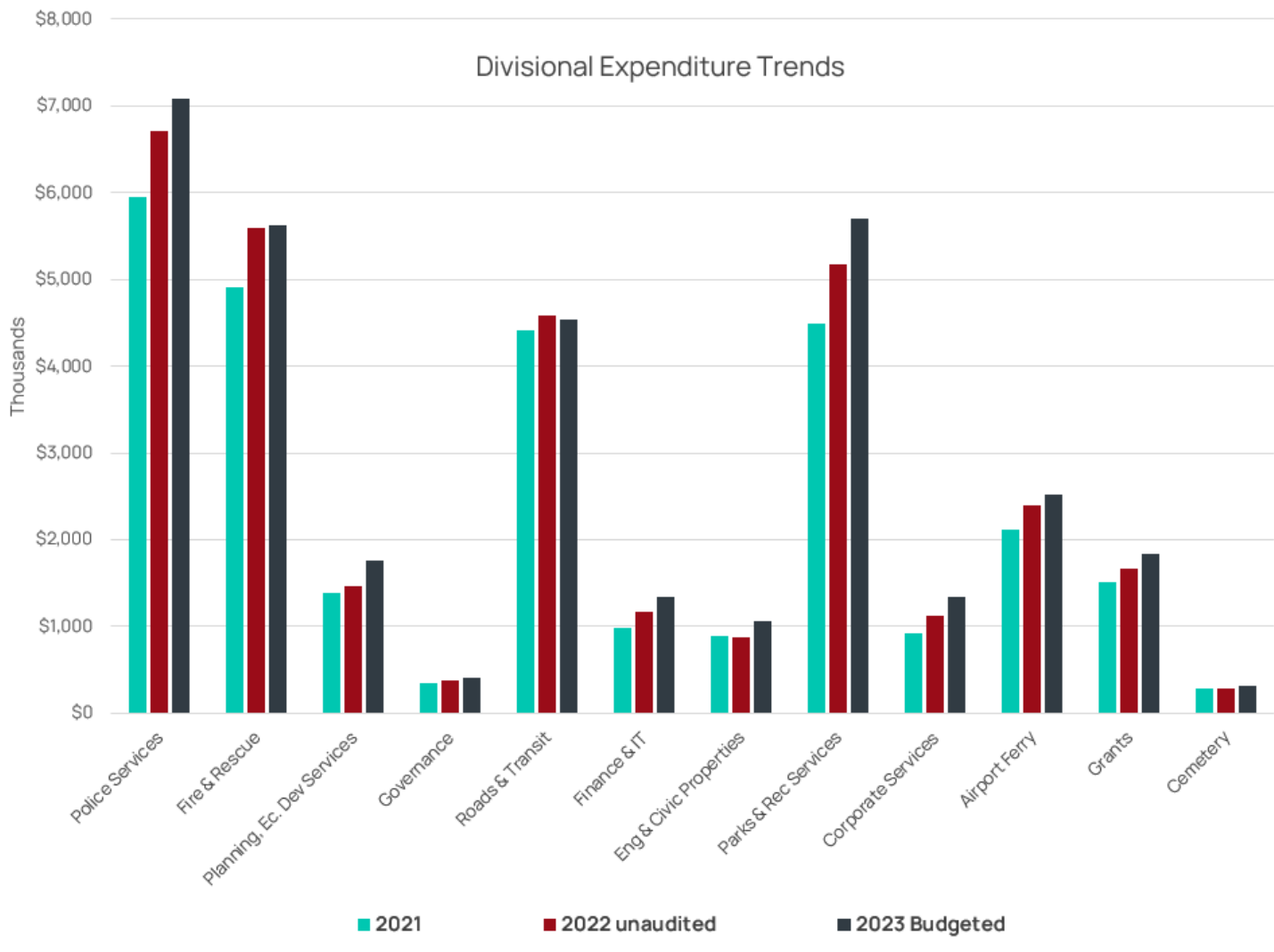


Operational Expenses

For a breakdown of operational expenses funded in part with property taxes see the above pie chart.

Financial Trends + Cost Drivers

Trends in Departmental Expenditures



How have expenditures changed in the past 3 years?

The above graph shows the actual expenditure levels from year to year by department including the amount budgeted for 2023. Due to contractual and service obligations, energy and goods costs, equipment financing, and overall inflationary pressures, the general cost trend for all expenditures is on the rise.

2022's results represent a year where most departments returned to normal for part of the year, following the pandemic in 2020. 2023 reflects a full return to normal operations.

Planning expenditures in 2023 reflects the City's continued work to meet Council's Strategic actions for a growing and live-able community. Roads and fire in 2023 reflect the snow and response requirements for these departments.

Policing has increased in 2022/2023 due to contract increases. Airport is expected to continue to trend back towards normal with an increasing number of flights.

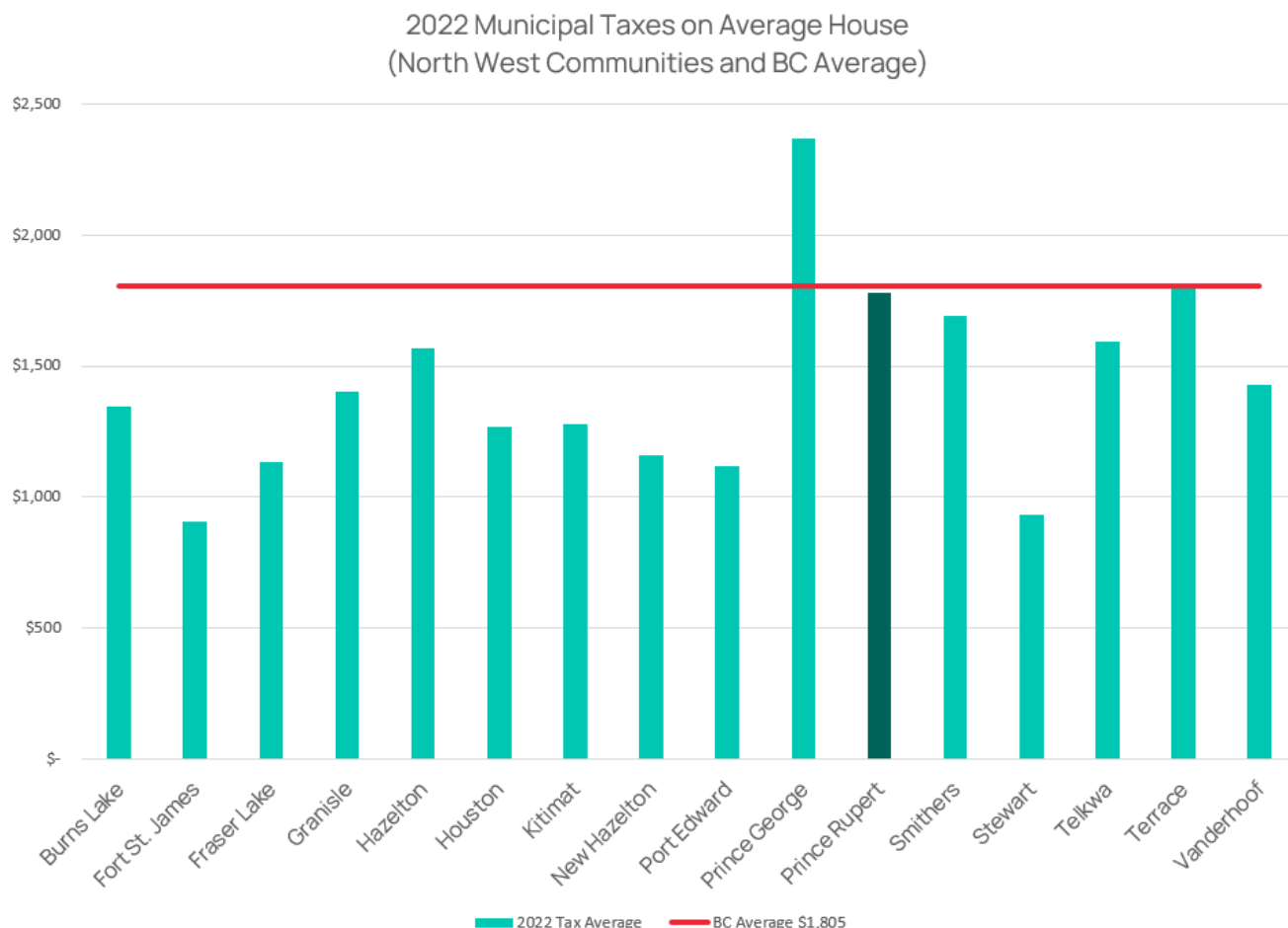
Taxation—Comparison to other Northwest Communities

Taxation Rates in the Northwest

The following graph (below) is presented for information purposes but does not explain the uniqueness of each community represented. For example, each community offers similar services such as roads and parks maintenance, lighting, and building inspection to name a few. However all the represented communities will have a differing degree of service, in some cases a significant variety of services, differing taxpayer class distributions and various sources of revenues and grants that contribute to their overall taxation revenue need. Therefore comparisons amongst the communities is not apples to apples, but rather a comparison of differing fruit in every instance. For example, the City of Prince Rupert operates a ferry system to access its airport. None of the other communities provide this service. In addition, certain cities operate recreation facilities whereas others do not.

The reason this graph is presented is to compare a snapshot of northwestern communities. This provides an opportunity for the reader to question and learn about some of the unique services some communities have relative to others, and better understand our respective servicing variety.

Over the past three years, overall taxes collected on the average home in Prince Rupert has increased \$71 whereas the Provincial average has increased \$216 over the same period.

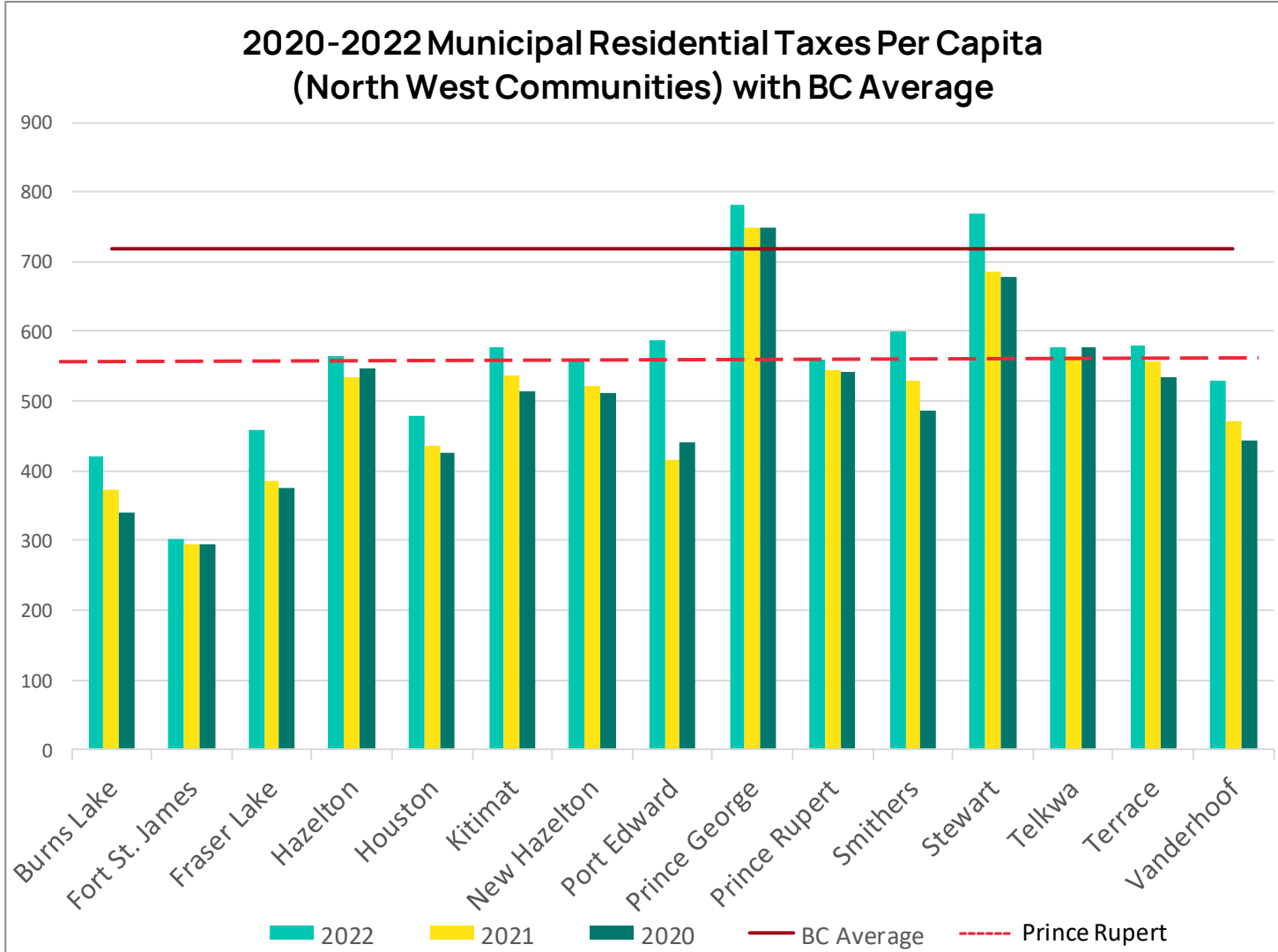


(Above) This graph shows the taxation levels of other Northern municipalities measured against the BC average. These differing levels in municipal property taxation are a result of the diverse services offered by our respective municipalities. 2022 data is shown. 2023 data will be available next year.

Taxation—Comparison to other Northwest Communities

Taxation Rates in the Northwest continued...

The graph below compares the taxes per capita (per person) in the northern corridor. Readers are encouraged to learn what services are offered by neighbouring communities to get a better understanding of how Prince Rupert compares given services offered are not always the same (we operate a ferry service). 2023 data will be available next year.



FOR YOUR INFORMATION

RCMP expenses are a large portion of Prince Rupert’s budget. Of the communities above, only Kitimat, Prince George, Smithers and Terrace also have to contribute towards their RCMP costs. The others do not have to pay for policing costs from municipal property taxes. Most communities do not have a career Fire Department as well.

Long Term Debt

The City uses debt to finance large capital projects that provide long-term benefits to residents. All borrowing is done through the Municipal Finance Authority (MFA). For smaller purchases/projects (those less than approximately \$1 million), a financing option with a 5 year repayment term is used and is repaid by monthly blended principal and interest payments. In 2023, this option is proposed to fund the purchase of a new reserve pumper truck for the Fire Department and a new dump truck with sander and plow, a residential collection truck, and a dozer and excavator for the Public Works Department.

For larger projects, the City uses bond debt through the MFA for financing. These loans are available in longer repayment terms of 5 to 30 years. The City must make annual principal payments and semi-annual interest payments on these loans. The MFA obtains the funds to lend the City by issuing a bond in the bond market. Because the principal amount of the bond does not have to be repaid to bond holders until the bond expires, the principal payments made annually by the City are invested by MFA and earn a return. This return is called “actuarial income” and is used to reduce the principal balance outstanding. This lessens the impact of borrowing on tax-payers.

As per the 2021 Capital Budget, a bond debt of \$20M was used to fund the completion of the City’s new dam and the new landfill cell. This debt was approved in 2020. In 2022, debt financing was also approved to provide funding for the construction of a new RCMP building as required by the RCMP through the Municipal Police Unit Agreement. Estimates are that this project will cost approximately \$26M with \$25M being funded by bond debt.

The payments on the debt for water infrastructure are made through dividends provided by Prince Rupert Legacy Inc. The Landfill Cell debt payments are funded by solid waste fees and charges. For the past three years, the City reserved a portion of its budget surplus to partially fund the annual debt repayment for the RCMP detachment. By allocating this surplus, future debt cost has been absorbed into the budget meaning limited impact to the taxpayers for the building cost once debt repayments begin.



(Above) The existing RCMP facility has been deemed inadequate according to Federal regulatory standards and will need to be replaced. The City acquired land in 2020 at the Jehovah Witness Kingdom Hall site for the purposes of constructing a new detachment. 2023’s budget includes construction of the new detachment. Occupancy is expected in 2024.

Long Term Debt Projections

	2023	2024	2025	2026	2027
	\$	\$	\$	\$	\$
General Fund:					
Proposed:					
Fire - Reserve Pumper Truck	1,300,000				
New RCMP Detachment	25,000,000				
Single Axle Dump Truck	300,000				
	26,300,000	-	-	-	-
Water Utility Fund					
Proposed:					
Water Treatment & Transmission Project		15,000,000	6,000,000		
Infra. Replacement Strategy Design Works	4,750,000				
Water System Master Plan	250,000				
	-	15,000,000	6,000,000	-	-
Solid Waste Utility Fund					
Proposed:					
Landfill Dozer	839,000				
Landfill Excavator for Recycling site	250,000				
Buy-out of Leased Residential Collection Truck	400,000				
	1,489,000	-	-	-	-
Total	33,089,000	15,000,000	6,000,000	-	-

*** A replacement Firehall and Wastewater Treatment will likely be needed within the 5 year horizon contemplated by this Financial Plan, however, timing, cost, and funding sources are too uncertain to be itemized at this time.*

Draft 5 Year Financial Plan

2023-2027 Financial Plan By Fund

GENERAL OPERATING FUND	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027
Revenues by Department					
Airport Ferry	1,042,000	1,527,000	1,566,000	1,598,000	1,630,000
Cemetery	134,000	154,000	159,000	164,000	170,000
Corporate Administration	84,000	84,000	84,000	84,000	84,000
Cow Bay Marina	413,000	417,000	421,000	425,000	443,000
Development Services	626,000	639,000	652,000	665,000	665,000
Economic Development	70,000	70,000	70,000	70,000	70,000
FD 911 Services	84,000	82,000	80,000	78,000	76,000
FD Fire Protective Services	5,000	6,000	6,000	6,000	6,000
Finance	15,000	15,000	15,000	15,000	15,000
Fiscal Revenues	7,701,000	8,118,000	8,227,000	8,437,000	8,551,000
Information Technology	1,000	1,000	1,000	1,000	1,000
PW Engineering	5,000	5,000	5,000	5,000	5,000
PW Common Costs	70,000	71,000	72,000	73,000	74,000
RCMP	145,000	147,000	149,000	151,000	154,000
Rec. Centre Arena	242,000	246,000	250,000	254,000	258,000
Rec. Centre Civic Centre	298,000	310,000	317,000	330,000	343,000
Rec. Centre Community Services	3,000	15,000	15,000	15,000	15,000
Rec. Centre Pool	409,000	418,000	427,000	436,000	445,000
Transit	175,000	180,000	185,000	191,000	197,000
Victim Services	84,000	77,000	77,000	77,000	77,000
Watson Island	400,000	400,000	400,000	400,000	400,000
Subtotal	12,006,000	12,982,000	13,178,000	13,475,000	13,679,000
Property Taxes (existing)	23,621,000	26,699,000	27,487,000	28,275,000	28,751,000
Property Tax Increase (Decrease) - Non-market change	(33,000)	-	-	-	-
Property Tax Increase	3,111,000	788,000	788,000	476,000	498,000
Appropriated Surplus - COVID 19 Safe Restart Grant	749,000	-	-	-	-
Total Operating Revenues	39,454,000	40,469,000	41,453,000	42,226,000	42,928,000
PR Legacy Inc contributions- Capital Works	178,000	-	-	-	-
PR Legacy Inc contributions- Capital Purchases	2,472,000	-	-	-	-
Conditional Project Grants - Capital Purchases	11,673,000	-	-	-	-
Appropriated Reserves - Capital Works	510,000	-	-	-	-
Appropriated Reserves - Capital Purchases	3,035,000	-	-	-	-
Appropriated Surplus - Capital Purchases	315,000	-	-	-	-
Appropriated Surplus - Capital Works	85,000	-	-	-	-
PR Legacy Inc contributions- Special Projects	272,000	-	-	-	-
Appropriated Surplus - Special Projects	203,000	-	-	-	-
Conditional Project Grants - Special Projects	456,000	-	-	-	-
Loans from MFA - Capital Purchases	26,600,000	-	-	-	-
Total Capital Revenues	45,799,000	-	-	-	-
Total General Operating Fund Revenues	85,253,000	40,469,000	41,453,000	42,226,000	42,928,000

Draft 5 Year Financial Plan

2023-2027 Financial Plan By Fund

GENERAL OPERATING FUND	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027
Expenditures by Department					
Airport Ferry	2,515,000	2,597,000	2,804,000	2,926,000	3,062,000
Cemetery	313,000	323,000	329,000	334,000	339,000
Civic Properties	450,000	487,000	494,000	502,000	510,000
Corporate Administration	1,347,000	1,397,000	1,424,000	1,452,000	1,481,000
Cow Bay Marina	403,000	412,000	416,000	420,000	448,000
Development Services	1,526,000	1,562,000	1,589,000	1,616,000	1,628,000
Economic Development	226,000	239,000	243,000	246,000	250,000
FD 911 Services	651,000	681,000	694,000	708,000	721,000
FD Fire Protective Services	4,479,000	4,655,000	4,750,000	4,847,000	4,941,000
FD Emergency Measures	29,000	30,000	30,000	30,000	30,000
Finance	1,144,000	1,187,000	1,211,000	1,235,000	1,260,000
Finance Cost Allocation	(470,000)	(522,000)	(573,000)	(627,000)	(658,000)
Fiscal Expenditures	4,357,000	4,996,000	5,230,000	5,226,000	5,147,000
Governance	414,000	433,000	449,000	465,000	482,000
Grants in Aid to Community Partners	1,841,000	1,892,000	1,923,000	1,954,000	1,985,000
Information Technology	667,000	735,000	747,000	760,000	773,000
Parks	1,303,000	1,342,000	1,364,000	1,387,000	1,409,000
PW Engineering	611,000	649,000	663,000	675,000	690,000
PW Common Costs	5,222,000	5,407,000	5,549,000	5,697,000	5,849,000
Allocation of PW Common Cost	(4,915,000)	(5,123,000)	(5,239,000)	(5,346,000)	(5,472,000)
PW Vehicles	1,746,000	1,819,000	1,850,000	1,882,000	1,913,000
Allocation of PW Vehicles	(1,746,000)	(1,819,000)	(1,850,000)	(1,882,000)	(1,913,000)
RCMP	6,907,000	7,076,000	7,250,000	7,427,000	7,603,000
Rec. Centre Arena	522,000	558,000	572,000	583,000	593,000
Rec. Centre Civic Centre	1,958,000	2,043,000	2,089,000	2,136,000	2,169,000
Rec. Centre Community Services	3,000	3,000	3,000	3,000	3,000
Rec. Centre Pool	1,510,000	1,560,000	1,601,000	1,636,000	1,657,000
Roads	2,407,000	2,484,000	2,534,000	2,585,000	2,637,000
Transit	719,000	888,000	976,000	1,015,000	1,054,000
Victim Services	174,000	178,000	181,000	184,000	187,000
Watson Island	400,000	400,000	400,000	400,000	400,000
Transfer to Reserves (Interest, RCMP Loan)	679,000	200,000	200,000	200,000	200,000
Transfer to General Capital Reserves	400,000	400,000	400,000	400,000	400,000
Total Operating Expenses	37,792,000	39,169,000	40,303,000	41,076,000	41,778,000
Provision for Special Projects	931,000	-	-	-	-
Provision for Capital Purchases	44,657,000	-	-	-	-
Provision for Capital Works	1,873,000	1,300,000	1,150,000	1,150,000	1,150,000
Total Capital Expenses	47,461,000	1,300,000	1,150,000	1,150,000	1,150,000
Total Operating Fund Expenditures	85,253,000	40,469,000	41,453,000	42,226,000	42,928,000
Surplus(Deficit)	-	-	-	-	-

Draft 5 Year Financial Plan

2023-2027 Financial Plan By Fund

UTILITY OPERATING FUNDS	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027
Sewer					
Operating Revenues	2,764,000	2,516,000	2,566,000	2,617,000	2,669,000
Grants	4,750,000	-	-	-	-
Appropriated Surplus - Cap Works	4,580,000	-	-	-	-
Funding from Reserves	150,000	-	-	-	-
Capital Works	(10,855,000)	(775,000)	(798,000)	(822,000)	(847,000)
Revenue for operations	1,389,000	1,741,000	1,768,000	1,795,000	1,822,000
Expenditures	1,389,000	1,741,000	1,768,000	1,795,000	1,822,000
Surplus (Deficit)	-	-	-	-	-
Water					
Operating Revenues	3,187,000	4,202,000	4,723,000	5,357,000	5,458,000
Grants	21,969,000	-	-	-	-
PR Legacy Inc contributions	2,409,000	746,000	746,000	746,000	746,000
Appropriated Surplus- Cap Works	231,000	-	-	-	-
Loans from MFA	5,000,000	15,000,000	6,000,000	-	-
Funding from Reserves	8,365,000	-	4,000,000	-	-
Capital Works	(37,250,000)	(15,750,000)	(10,750,000)	(750,000)	(750,000)
Revenue for operations	3,746,000	4,198,000	4,719,000	5,353,000	5,454,000
Expenditures	3,746,000	4,198,000	4,719,000	5,353,000	5,454,000
Surplus (Deficit)	-	-	-	-	-
Solid Waste					
Operating Revenues	5,164,000	5,329,000	5,431,000	5,539,000	5,650,000
Funding from Accruals - CW	2,400,000	-	-	-	-
Loans from MFA	1,489,000	-	-	-	-
Funding from Reserves	1,797,000	-	-	-	-
Capital Purchases	(1,786,000)	-	-	-	-
Capital Works	(4,000,000)	-	-	-	-
Revenue for operations	5,064,000	5,329,000	5,431,000	5,539,000	5,650,000
Expenditures	5,064,000	5,329,000	5,431,000	5,539,000	5,650,000
Surplus (Deficit)	-	-	-	-	-

Consolidated Budget: 3 Year Trend

GENERAL OPERATING FUND	Audited Actual 2021	Unaudited Actual 2022	Budget 2023
Revenues by Department			
Airport Ferry	464,545	1,016,155	1,042,000
Cemetery	145,815	132,330	134,000
Corporate Administration	-	-	84,000
Cow Bay Marina	212,741	415,076	413,000
Development Services	643,652	634,205	626,000
Economic Development	42,000	70,000	70,000
FD 911 Services	92,585	86,144	84,000
FD Fire Protective Services	7,510	8,084	5,000
FD Emergency Measures	-	-	-
Finance	25,551	20,100	15,000
Fiscal Revenues	9,469,072	9,093,123	7,701,000
Information Technology	-	-	1,000
Parks	34,870	50,369	-
PW Engineering	13,745	2,634	5,000
PW Common Costs	76,967	72,128	70,000
RCMP	151,287	160,555	145,000
Rec. Centre Arena	132,488	237,987	242,000
Rec. Centre Civic Centre	172,689	296,371	298,000
Rec. Centre Community Services	83	-	3,000
Rec. Centre Pool	237,707	393,860	409,000
Transit	174,806	179,556	175,000
Victim Services	69,669	90,246	84,000
Watson Island	-	-	400,000
Subtotal	12,167,782	12,958,923	12,006,000
Property Taxes (existing)	22,589,200	23,621,461	23,621,000
Property Tax Increase (Decrease) - Non-market change	-	-	(33,000)
Property Tax Increase (Decrease)	-	-	3,111,000
Appropriated Surplus - COVID 19 Safe Restart Grant	1,250,000	850,000	749,000
Total Operating Revenues	36,006,982	37,430,384	39,454,000
PR Legacy Inc contributions- Capital Works	18,740	95,290	178,000
PR Legacy Inc contributions- Capital Purchases	147,256	261,678	2,472,000
Conditional Project Grants - Capital Works	-	20,000	-
Conditional Project Grants - Capital Purchases	308,589	1,010,188	11,673,000
Funding from Accruals - Capital Works	-	-	-
Funding from Accruals - Capital Purchases	-	-	-
Appropriated Reserves - Capital Works	-	171,769	510,000
Appropriated Reserves - Capital Purchases	780,614	3,543,014	3,035,000
Appropriated Surplus - Capital Purchases	591,906	60,850	315,000
Appropriated Surplus - Capital Works	36,000	-	85,000
PR Legacy Inc contributions- Special Projects	-	90,227	272,000
Appropriated Surplus - Special Projects	-	189,518	203,000
Conditional Project Grants - Special Projects	-	86,750	456,000
Loans from MFA - Capital Purchases	-	-	26,600,000
Total Capital Revenues	1,883,105	5,529,284	45,799,000
Total General Operating Fund Revenues	37,890,087	42,959,668	85,253,000

Consolidated Budget: 3 Year Trend

GENERAL OPERATING FUND	Audited Actual 2021	Unaudited Actual 2022	Budget 2023
Expenditures by Department			
Airport Ferry	2,111,111	2,388,261	2,515,000
Cemetery	281,980	283,295	313,000
Civic Properties	347,231	331,911	450,000
Corporate Administration	915,552	1,129,175	1,347,000
Cow Bay Marina	218,137	296,841	403,000
Development Services	1,220,455	1,236,054	1,526,000
Economic Development	173,038	231,369	226,000
FD 911 Services	640,939	641,253	651,000
FD Fire Protective Services	4,350,570	4,923,213	4,479,000
FD Emergency Measures	31,300	29,160	29,000
Finance	905,374	1,037,563	1,144,000
Finance Cost Allocation	(465,000)	(465,000)	(470,000)
Fiscal Expenditures	3,316,805	3,244,146	4,357,000
Governance	343,373	376,548	414,000
Grants in Aid to Community Partners	1,528,168	1,662,796	1,841,000
Information Technology	544,469	596,899	667,000
Parks	913,516	1,022,181	1,303,000
PW Engineering	536,008	539,908	611,000
PW Common Costs	4,448,705	5,078,314	5,222,000
Allocation of PW Common Cost	(4,228,968)	(4,382,748)	(4,915,000)
PW Vehicles	1,593,318	1,269,320	1,746,000
Allocation of PW Vehicles	(1,593,454)	(1,616,348)	(1,746,000)
RCMP	5,947,435	6,552,948	6,907,000
Rec. Centre Arena	427,149	526,842	522,000
Rec. Centre Civic Centre	1,518,859	1,858,115	1,958,000
Rec. Centre Community Services	261	1,072	3,000
Rec. Centre Pool	1,391,935	1,469,840	1,510,000
Roads	2,501,004	2,407,090	2,407,000
Transit	604,904	729,835	719,000
Victim Services	137,758	162,606	174,000
Watson Island	475,798	434,667	400,000
Transfer to Reserves (Interest, RCMP Loan)	2,076,357	1,839,455	679,000
Transfer to General Capital Reserves	-	400,000	400,000
Total Operating Expenses	33,214,087	36,236,581	37,792,000
Provision for Special Projects	-	506,883	931,000
Provision for Capital Purchases	2,011,157	5,014,729	44,657,000
Provision for Capital Works	1,283,221	1,396,802	1,873,000
Total Capital Expenses	3,294,378	6,918,414	47,461,000
Total Operating Fund Expenditures	36,508,465	43,154,995	85,253,000
Surplus(Deficit)	1,381,622	(195,327)	-

Consolidated Budget: 3 Year Trend

UTILITY OPERATING FUNDS	Audited Actual 2021	Unaudited Actual 2022	Budget 2023
Sewer			
Operating Revenues	2,641,549	2,765,058	2,764,000
Grants	87,000	400,000	4,750,000
Appropriated Surplus - Cap Works	404,866	461,857	4,580,000
Funding from Reserves	-	3,906	150,000
Capital Works	(1,511,037)	(1,296,180)	(10,855,000)
Revenue for operations	1,622,378	2,334,641	1,389,000
Expenditures	1,453,001	1,325,582	1,389,000
Surplus (Deficit)	169,377	1,009,059	-
Water			
Operating Revenues	2,948,145	3,123,894	3,187,000
Grants	-	-	21,969,000
PR Legacy Inc contributions	-	5,861,466	2,409,000
Appropriated Surplus- Cap Works	-	537,413	231,000
Loans from MFA	10,000,000	850,000	5,000,000
Funding from Reserves	79,405	3,585,496	8,365,000
Capital Works	(10,417,684)	(11,583,834)	(37,250,000)
Revenue for operations	2,609,866	2,374,435	3,746,000
Expenditures	2,526,209	3,878,590	3,746,000
Surplus (Deficit)	83,657	(1,504,155)	-
Solid Waste			
Operating Revenues	3,385,243	4,485,182	5,164,000
Appropriated Surplus - Cap Works	550,000	-	-
Funding from Accruals - CW	1,634,749	578,399	2,400,000
Loans from MFA	7,500,000	-	1,489,000
Funding from Reserves	-	2,523,281	1,797,000
Community Works Fund (Gas Tax)	542,918	1,000,000	-
Capital Purchases	-	-	(1,786,000)
Capital Works	(10,564,109)	(4,168,687)	(4,000,000)
Revenue for operations	3,048,801	4,418,175	5,064,000
Expenditures	3,558,012	4,838,322	5,064,000
Surplus (Deficit)	(509,211)	(420,147)	-

Prince Rupert Overview

Municipal Government

Incorporated in 1910, the City of Prince Rupert has a long history of service provision to the residents of Prince Rupert. The municipality is governed by an elected Council according to the Local Government Act and Community Charter, and as such, is subject to yearly audits and the publication of financial statements and annual budgets.

Demographics + Statistics

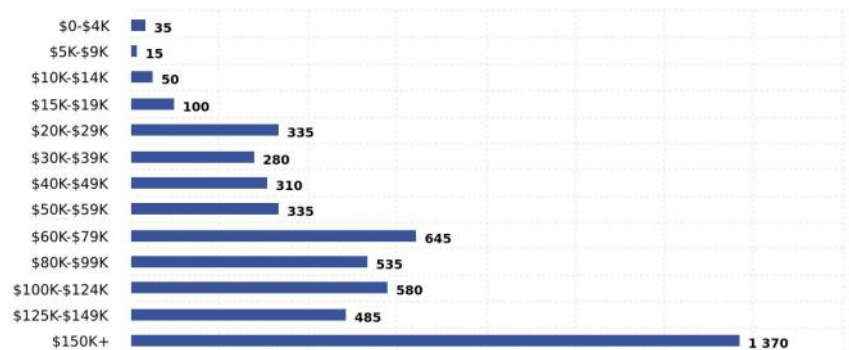
2021 Population: 12,300

Average or median household income:

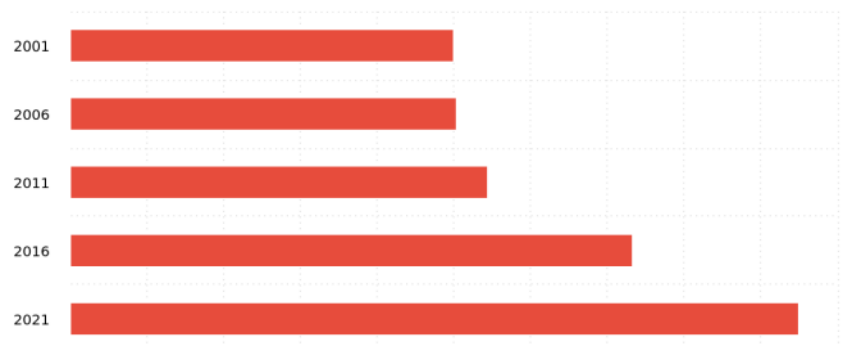
In 2021, the median total income of households in Prince Rupert was \$95,000, an increase of 29% from \$73,421 in 2015.

2021 Unemployment Rate: 9.5%, reduced from 12.4% in 2016

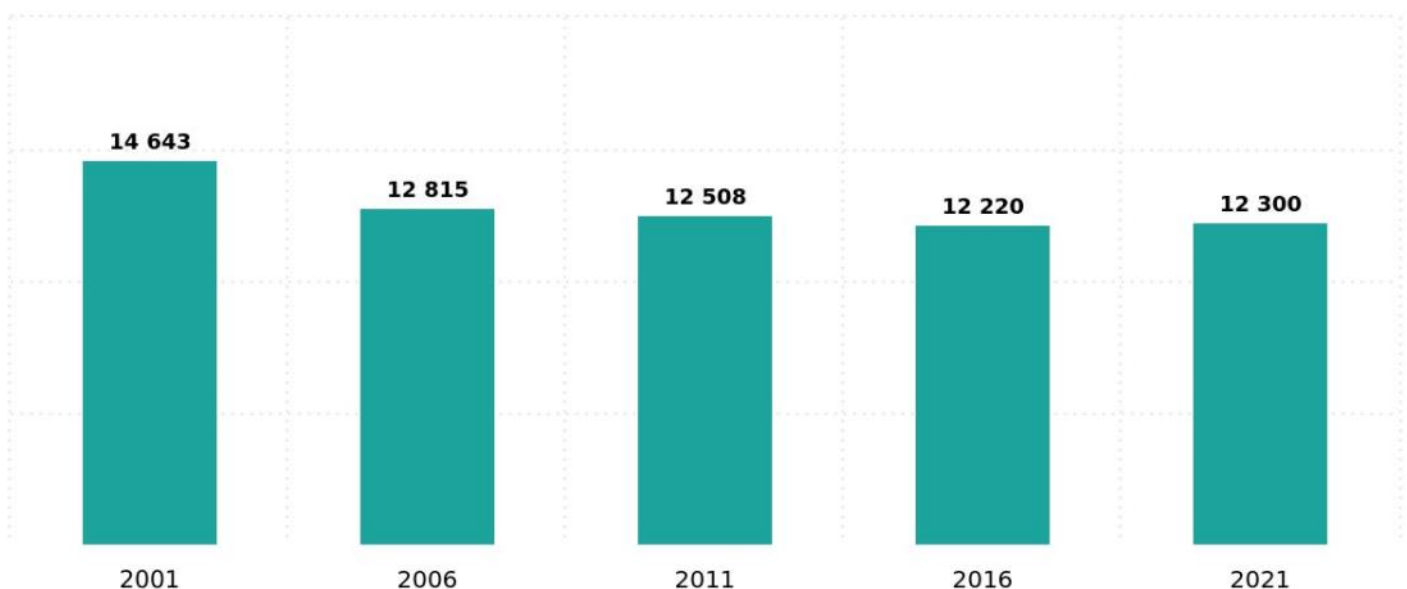
Household Income



Median Household Income



Population



Legislated Requirements

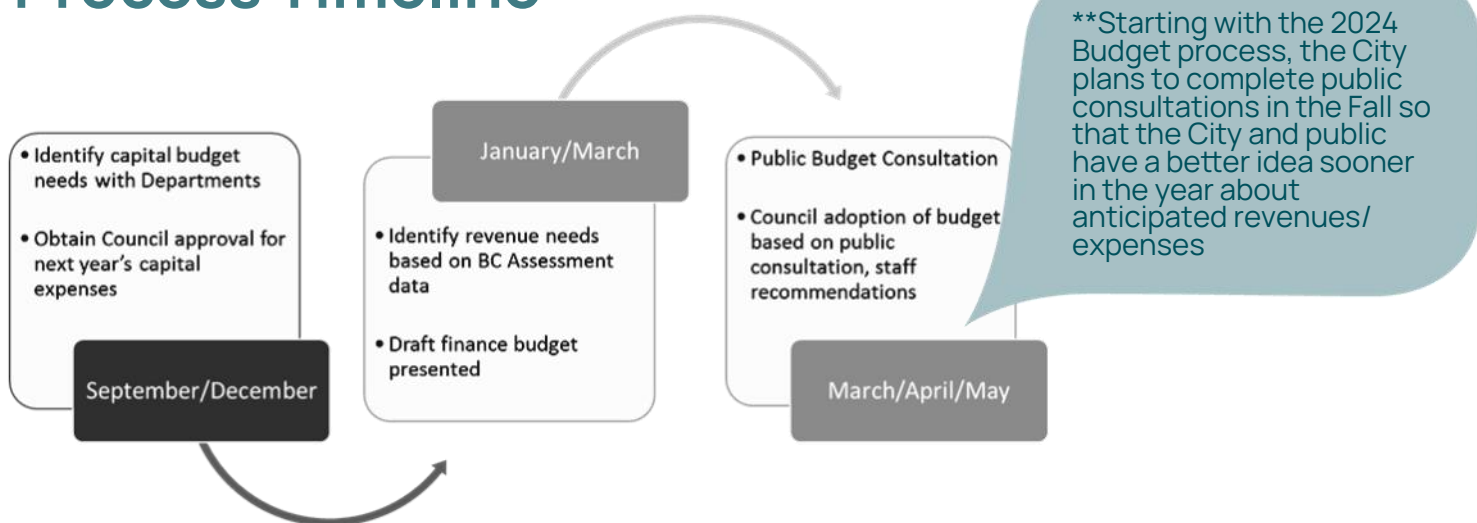
The City must prepare a 5-year Financial Plan each year based on the following legislation in the British Columbia *Community Charter* for local governments.

- Section 165 of the *Community Charter* states that, “The total of the proposed expenditures and transfers to other funds for a year must not exceed the total of the proposed funding sources and transfers from other funds for the year,” meaning that municipal budgets are required to be balanced.
- Section 165 of the *Community Charter* also states that, “A municipality must have a Financial Plan that is adopted annually, by bylaw, before the annual property tax bylaw is adopted.” The Financial Plan bylaw can be adopted at any time in the fiscal year.
- Section 166 of the *Community Charter* requires that, “A Council must undertake a process of public consultation regarding the proposed Financial Plan before it is adopted.”
- Section 197 of the *Community Charter* states that, after the adoption of the Financial Plan, Council must adopt the Tax Rates by Bylaw before May 15th of each year.



Financial Planning Framework

Process Timeline



Financial Plan Process

The City provides many core services and non-core services. Core services are defined as those that the City is mandated to provide under legislation, in the absence of another local government provider. Non-core services are considered to be all other services offered, which are desired by the community, but not mandated. Regardless of whether the services provided are required or not, all come with certain obligations for their provision. The following list outlines the core and non-core services provided by the City. The City approaches every budget year from the perspective that, unless otherwise initiated by Council, no expansion or retraction of services will be undertaken. With this in mind, expenditures are budgeted at levels that would provide the same level of service as in the previous year.

The primary driver of the City's expenses are labour wages and benefits. This is common amongst all local governments. Given Prince Rupert's population, we are also responsible for the costs associated with RCMP services. Since we also provide Transit services, escalations in costs are also included in the City's budget. Contract increases to provide certain services and collective agreement obligations are included in the base budget. Changes to energy rates are factored in as well as any escalation in risk management services. These increases are commonly referred to as inflationary increases.

Known and experience changes in revenue are factored into the budget. These revenues include service fees, grants, loan repayments, in-lieu of tax payments, franchise fees, donations, Municipal and Regional District Tax (MRDT) (otherwise known as the City's hotel tax), and investment income.

The shortfall, after all pre-tax revenues and expenses are budgeted, becomes the property tax need.

Core Services	Non-Core Services
Water, Sewer, Solid Waste	Transit
Streets, sidewalks and traffic control	Airport Ferry
Planning, development and building inspection	Recreation, parks, culture facilities
Policing and fire protection	Marina

Budgeting + Accounting Differences

Variance between Budgeting and Accounting Rules

Basis of Accounting

The consolidated financial statements of the City are prepared on a modified accrual basis. All revenue is recognized in the year in which they are expected to be earned and measurable. Property taxes are recognized as revenue in the year they are levied. Utility charges are recognized as revenue in the period earned. Expenses are recorded in the period in which the goods or services are received or incurred.

Basis of Budgeting

The City's Financial Plan is also prepared on a modified accrual basis. All revenue is recognized in the year in which they are expected to be earned and measurable. Property taxes are recognized as revenue in the year in which they are billed. Utility charges are recognized as revenue in the period earned. Expenses are recognized in the period in which the goods or services are planned.

Differences between Accounting and Budgeting

Wholly owned subsidiary corporations are not included in the Financial Plan aside from loan repayments and dividends. They are incorporated into the financial statements during consolidation.

Debt proceeds and principal repayments are included in the Financial Plan expenses but excluded from the Consolidated Statement of Operations in the City's financial statements. Rather borrowing and repayments are presented in the Statement of Financial Position in accordance with the CPA Canada Public Sector Accounting Handbook

Capital expenses for capital projects are included in the Financial Plan and treated the same way as Debt proceeds and principal repayments.

The City does not budget for amortization however the financial statements include amortization expense.

Transfers to and from reserves and unappropriated surplus accounts are treated as revenues or expenses in the Financial Plan. They are not included in the Statement of Operations in the City's financial statements. Rather the addition or use of them are recognized on the Statement of Financial Position.

Following PSAB accounting standards, the City's financial statements include a Budget Variance Report that shows the difference between actual and budgeted numbers in the Financial Plan Budget Bylaw.

Financial Policies

Objective:

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

Policies:

- 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.
-

Objective:

Council will encourage economic development by minimizing tax increases

Policies:

- 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.
-

Use of Permissive Tax Exemptions (Section 165 (3.1))

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

Objective:

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 permit exemptions according to 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;
- c. 2020-2023 City of Prince Rupert Permissive Tax Exemption Bylaw 3447, 2019; and,
- d. The Permissive Tax Exemption Policy.

Appendix A shows the properties which received permissive tax exemptions for 2021. The approximate amount of Municipal Tax exempted is estimated to be \$341,664.57

Financial Policies

Objective:

Compliance with relevant legislation in the Local Government Act, Community Charter, as well as Accounting Principles.

Policies:

- Inclusion of a public consultation as part of our budget processes;
- Financial plans covering a 5-year period;
- Financial plans authorized by bylaw within a specified time frame (prior to adoption of tax rate bylaws), which must be adopted on or before May 15th;
- Financial plans that may only be amended subsequently by bylaw;
- The City will follow Generally Accepted Accounting Principles (GAAP), which required the accrual method of accounting whereby revenues and expenditures are recognized at the time they are incurred, not received. The City's budgets and financial statements are both prepared according to this method;
- The City will follow the Public Sector Accounting Board (PSAB) 2009 requirements to inventory and value all tangible capital assets—which requires that expenditures related to new capital assets be recorded as an increase to tangible capital assets on the Statement of Financial Position, while the Statement of Operations reflect a change for the orderly amortization of City infrastructure over its useful life.
- For budget purposes, the City continues to reflect capital expenditures as funded either on a current basis or through long-term borrowings, and for principal repayments of long-term borrowings to be reflected as current expenditures. Direct funding of amortization charges is not included in the budget.

Objective:

Council and staff will maintain a balanced budget, as required by law.

Policies:

- Operating expenditures and infrastructure maintenance programs will be funded from current revenues, to avoid deferral of expenditures into the future;
- One time expenditures may be funded by one-time use of selected reserves, and dividends from wholly owned corporations; and,
- Capital expenditures are funded from long-term sources as required.

Objective:

Council will operate according to a 5-year planning framework, informed by the outlook on future growth, labour contracts, and general economic conditions, which enables expenditure planning according to available resources.

Policies:

- Proposed service level adjustments will be informed by the five-year planning framework; and,
- Increased operating costs associated with capital improvements must be incorporated into future program funding and planning.

Financial Policies

Objective:

To invest excess cash in a manner that complies with legislative restrictions, ensures cash flow is available as required, capitalizes on investment returns, and achieves internal goals.

Policies:

- Investments will be pooled, with **interest** earnings allocated to appropriate reserve and other funds based on average balances.
-

Objective:

To manage debt effectively and responsibly, in a way that does not overburden residents into the future.

Policies:

- To consider tax-supported debt only for significant initiatives with an adequate business case, as well as an assured source of repayment, to be adjudicated on a case-by-case basis;
 - Internal borrowing may be used where appropriate;
 - To annually provide statistics on municipal debts, capacity for borrowing, and yearly debt servicing requirements. Examples include:
 - Airport renovation—repaid through airport user fees
 - Improvements to Cruise Ship Dock frontage roadway
-

Objective:

To ensure that available revenue sources are adequate to maintain local servicing requirements.

Policies:

- To review revenue sources annually for potential adjustments of service rates;
 - In the case of sewer, water and solid waste utilities, annual user rates are established to cover all costs (operating, capital, debt service) of these standalone utilities;
 - Fees and charges are being reviewed in the context of: servicing costs involved, program objectives, special consideration for youth and seniors, competitive rates against other municipalities, and targeted recovery rates for recreation facilities; and,
 - In the case of other stand-alone business units such as the cemetery, user rate structures are established to cover all current costs and to provide development reserves for future planned capital replacements/expansions.
-

Objective:

To monitor real time financial progress through the enquiry and reporting capabilities of our financial system with all City Departments.

Policies:

- To provide high level reports, in a standard format, to Council on a monthly basis and make these available to the public in Council agenda packages;
 - These reports will refer to year-end budget projections, and comment on any projected significant impacts to budgets as they emerge; and,
 - Departments Heads will meet regularly to provide updates on potential budget issues for the year.
-

Financial Policies

Objective:

To assure accountability of City budgets Department Managers are required to determine City budgets that correspond with their respective programs and services.

Policies:

- To provide Department Managers the discretion to reallocate resources between line items within their Departmental budgets to adapt to circumstances within each calendar year;
 - To ensure no significant change shall be made to service or project scope without specific authority; and,
 - To apply Departmental accountability to the City's financial and corporate objectives.
-

Objective:

To manage contingencies, as well as future expenses, through the development of reserve funds.

Policies:

- To maintain both statutory and non-statutory reserves. Statutory reserves are those that are either required by the Community Charter (i.e. parkland reserves), or established by Council (i.e. asset reserves);
 - To authorize expenditures from Charter statutory reserves will only be permitted by bylaw;
 - Expenditures from Council reserves will be authorized by Council resolution; and,
 - The annual budget process will consider reserves as a source of funding for projects designated under the reserve.
-

Glossary

Acronyms:

CPA: Chartered Public Accountants

GAAP: Generally Accepted Accounting Principles

IT: Information Technology

LNG: Liquefied Natural Gas

MFA: Municipal Finance Authority

OCP: Official Community Plan

PSAB: Public Sector Accounting Board

RBA: Resource Benefits Alliance

RCMP: Royal Canadian Mounted Police

PPTA: Port Property Tax Act

Terminology:

ACCOUNTING PRINCIPLES

A set of generally accepted principles for administering accounting activities and regulating financial reporting.

ACCRUAL BASIS OF ACCOUNTING

Accounting for transactions as they occur, regardless of when cash has been exchanged.

AMORTIZATION + DEPRECIATION

The expensing over a period of years, the cost of fixed assets based on the estimated useful life of the asset.

ASSET MANAGEMENT PROGRAM

A long-term approach to managing infrastructure assets—it includes planning, designing, investing, maintaining, disposing and replacing an asset for the purposes of extending the useful life of the asset.

BALANCED BUDGET

A budget in which total revenues are equal to or greater than total expenditures therefore no budget deficit exists.

BASE BUDGET

The first step in the annual budget process that projects the future cost of existing service levels by incorporating anticipated increases to labour and benefits rates, as well as ongoing increases to selective non-labour costs, such as contracted services.

BUDGET AMENDMENT

Expenditures under the Financial Plan are authorized by a Budget Bylaw. After the Budget Bylaw is adopted, any significant revisions to the current year planned expenditures must be authorized by a new bylaw called a Budget Amendment Bylaw.

CAPITAL ASSETS

Tangible assets of significant value that have a useful life of greater than one year.

COMMON COSTS

Business units that provide services on a shared basis to other business units. Their costs are charged to other business units based on a per unit of service charge and the amount of service consumed. Finance and Public Works are examples of shared services.

COST DRIVERS

A description of the significant circumstances, events and expenditure categories that influence overall cost structures within the context of a specific local government.

DEBT SERVICE

The annual payment of principal and interest required to retire long-term debt, usually according to a predetermined amortization schedule.

DEPRECIATION

The orderly charge to operations of the costs of capital assets over their estimated useful lives.

Glossary

DEVELOPMENT COST CHARGES (DCCs)

Levies charged to new developments to offset the costs of providing new infrastructure to service those developments. The expenditure of these funds is governed by legislation and is restricted to the purpose for which they were originally collected.

EXPENDITURES BY FUNCTION

Reporting of expenditures by functional purpose, such as fire prevention and information systems. Expenditures by function aggregate the salaries and benefits, materials and supplies, etc. devoted to that function.

EXPENDITURES BY OBJECT

Reporting of expenditures by type, such as salaries, benefits, materials and supplies, regardless for which functional unit the expenditures were made.

FINANCIAL PLAN

Incorporates the budget for the current year and high-level projections of revenues and expenditures for the subsequent four years. The Financial Plan is embedded in an annual bylaw that provides statutory approval for the expenditure of funds according to the current year budget.

FUND

Standalone high-level business entities that engage in specific service activities. Each Fund has its own particular revenues, expenditures, reserves and capital program. Each Fund also has its own particular approach to budgeting and rate setting. Example Funds are the General Fund that sets annual tax rates and the Water Utility Fund that sets the annual user rates for water.

GENERAL FUND

The primary fund of a government that records all assets, liabilities,

INFRASTRUCTURE

A generic term to describe the essential physical assets that enable local governments to provide their services, such as roads and water mains. See also Capital Assets and Tangible Capital Assets.

OFFICIAL COMMUNITY PLAN (OCP)

The ultimate local government planning document by which a community defines itself. The OCP lays out high-level policy statements on such matters as land use, zoning, servicing, community amenities and finances.

PORT PROPERTY TAX ACT

Provincial legislation passed in 2003 implementing a limit to the municipal mill rate (tax rate) levied by a municipality on qualifying port operators. This legislation was to end in 2018, however was extended indefinitely in 2014 by the Provincial government.

PROGRAMS vs. PROJECTS

Programs tend to involve ongoing services and activities, and are embedded in base budgets, whereas projects tend to be shorter-lived, possibly one-time, and change frequently in response to annual requirements.

PROPERTY ASSESSMENT CYCLE

The BC Assessment Authority is responsible for establishing assessed values of all properties in the Province and reports those values according to an annual cycle. A Preview Roll, with properties valued as at July 1, reflects new construction and zoning changes up to October 31.

A Completed Roll is produced by December 31 and reflects all assessment data for the coming year. This roll is the basis for the individual assessment notices that are mailed to property owners in early January. A Revised Roll, produced as at March 31 and containing adjustments due to successful assessment appeals, forms the basis of the annual property tax calculation and levy.

Glossary

RESOURCE BENEFITS ALLIANCE

The Northwest Resource Benefits Alliance was established to seek a share of industrial revenues that flow to other levels of government from future development. This revenue would enable communities to address current impacts arising from major resource development, service and infrastructure deficits, and to leave a legacy in Northwest BC.

PUBLIC SECTOR ACCOUNTING AND AUDITING BOARD (PSAB) OF THE CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS

The PSAB recommends and prescribes accounting and reporting standards for the public sector.

SERVICE LEVEL

A high-level description of the extent of a particular service offering, usually referencing a blend of quantity, frequency and quality that most often correlates to staffing levels. When service levels are described as high, it usually indicates a higher staffing commitment and hence higher costs per unit of overall service.

STRATEGIC PLAN

Expresses the broadest aspirations of a community and priorities to which the Financial Plan aims to fulfill.

TANGIBLE CAPITAL ASSETS

Formal terminology referring to non-financial assets that have physical substance held for use in the supply of goods and services, have economic useful lives greater than one year and are not held for resale in the ordinary course of operations.

APPENDIX A:

Budget Requests: Capital

Category: Fire
Title: New Fire Hall Building Design

Justification:

The current Fire Hall was built in 1959 and met the needs of the community for many decades. With changing apparatus configurations, new building code requirements and a hazardous materials risk assessment completed, the Fire Department needs a new Fire Hall. Firewise Consulting provided a report in 2012, referencing the 2011 City of Prince Rupert Infrastructure report and the 1996 Emergency Services Building Study by the architectural firm Dalla-Lana Griffin Dowling Knapp. In the Firewise report, the shortcomings identified building deterioration, non-compliance with the BC Building Code as a Post-Disaster Facility, insufficient space for function and apparatus, inability to expand the current location and the building is highly energy inefficient.

The National Fire Protection Association (NFPA) suggests future growth and development needs to be considered for the next 20 years when planning for a new Fire Hall. This design is meant to refresh the one conducted a decade ago to meet the needs of the Fire service and the community for the future.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
350,000	(175,000)	0	(175,000)	0	0	0

Category: Fire
Title: Reserve Pumper

Justification:

Budget is requested for the replacement of Engine 7, the 1997 American LaFrance reserve pumper. The life expectancy of fire apparatus is 15 years for frontline service, and 5 more years as second line service (Fire Underwriters Canada). Use beyond 20 years is no longer recommended due to breakdown potential. The City mechanics team struggles to keep this reserve truck operational, with its emergency lights failing and parts replacement unavailable since American LaFrance folded in 2014.

This replacement was approved in 2022 however new apparatus build times have extended to over a year due to supply chain and pandemic impacts, which have resulted in 5-7% annual increase in costs. Council resolved to order the apparatus in 2022 and include the increase in cost in the 2023 budget. The replacement of this apparatus is expected to be completed by the end of the third quarter of 2023.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,300,000	0	(1,300,000)	0	0	0	0

Budget Requests: Capital

Category: Building
Title: City Hall Boiler Replacement and HVAC

Justification:

Budget is requested for replacement of the boilers, air handlers, heat radiators and other components of the City Hall's HVAC system. The current system is past its life expectancy resulting in frequent breakdowns and temperature complaints. Proposals were received in 2022 for this project however the approved budget was \$350,000 short. This year requests additional funding to conduct the work in 2023. A modernized HVAC system will provide cost-savings by eliminating the need for repairs, provide heat use efficiency, a reduction in energy use and provide a comfortable work environment for staff and users of City Hall.



Pictured above: Prince Rupert City Hall is a building rich in heritage but with dated amenities

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
450,000	(327,000)	0	(123,000)	0	0	0

Category: Building
Title: Lester Centre Roof

Justification:

Budget is requested for engineering/design documents to be prepared for future roof improvements at the Lester Centre of the Arts. The Lester Centre has multiple roofs on various levels of the building. The roof over the audience was replaced within the last decade however the remaining roofs are original. In anticipation of replacing these roofs in stages, engineering and design documents need to be obtained to estimate the cost and enable proposals to be obtained for impending replacement.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
40,000	(40,000)	0	0	0	0	0

Budget Requests: Capital

Category: Building
Title: Library Heating Assessment & Improvements

Justification:

Budget is requested for assessing and improving the boiler and heating system at the Library. The heating has been a concern for staff and members of the public. The assessment, servicing and potential improvements aim to rectify these deficiencies. Information obtained can also be used for procuring energy efficient heating to reduce the Library's operating costs and GHG emissions.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
50,000	(50,000)	0	0	0	0	0

Category: Building
Title: CN Building Revitalization

Justification:

The Economic Development department is overseeing the revitalization of the waterfront CN Rail Station. The City has entered into a lease with Wheelhouse Brewing as a tenant of the site. Renovations are expected to be completed early Q2 2023. This is a carryover of an approved 2021 project and



Pictured above: Interior works are now near completion on the building and occupancy should occur by Spring.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
2,020,000	(1,720,000)	0	(300,000)	0	0	0

Budget Requests: Capital

Category: Building
Title: Canfisco Warehouse Roof Improvements

Justification:

The City is leasing the Canfisco Warehouse owned by the Pattison Group. The roof has been experiencing leaks. As we work through the process with the Pattison Group towards a resolution, the City's subtenants, the Gymnastics Club, Rona, and Wheelhouse Brewing are having to endure the inconvenience these leaks cause. Dialogue with the Pattison Group around roof repairs are ongoing but the immediate risk is missing the favorable weather window for the repair. Therefore, the City is proposing fixing half of the roof and deducting the cost from the future rent payments

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
150,000	0	0	0	(150,000)	0	0

Category: Building
Title: Public Works Leasehold Improvement

Justification:

The Operations Department requests funds to complete the renovations required to upgrade the new facility (MacCarthy dealership) to Public Works specific requirements. These upgrades include HVAC upgrades, integrated office spaces, warehousing infrastructure, washroom upgrades, locker and lunchroom area renovations, and other minor updates.



Pictured above: The City has leased the former MacCarthy GM Building to meet the housing needs of public works staff

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
2,000,000	0	0	0	(2,000,000)	0	0

Budget Requests: Capital

Category: Policing

Title: New Detachment

Justification:

The City is obligated under agreement with the Province to provide adequate accommodation for the RCMP. The City received notification years ago that the existing RCMP building is no longer adequate to accommodate the policing service in accordance with their regulated standards/requirements. To rectify the deficiencies, the City purchased land for the new detachment in 2020. Most of the design was completed in 2022 and construction started in early 2023. This project is due to complete in 2024.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
26,100,000	(1,100,000)	(25,000,000)	0	0	0	0

Category: Policing

Title: Victim Services Vehicle

Justification:

The Province has recalled the vehicle previously used by Victim Services, which was an RCMP asset. Victim Services has secured \$43,000 in grant funding to purchase a new vehicle to use fulfilling the program mandate. The operation cost is expected to be low and in part offset by the loss of the vehicle recalled.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
42,000	0	0	(42,000)	0	0	0

Budget Requests: Capital

Category: Recreation

Title: Civic – Second Floor Washroom Accessibility Upgrade

Justification:

In 2016 an accessibility ramp was installed to provide lift access to the second floor, which includes access to the upper gym and arena bleachers, however, there is no accessible washroom facility on this floor. This project would see this washroom being accessible to everyone and upgrade the components which are all original.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
155,000	0	0	(143,000)	(12,000)	0	0

Category: Recreation

Title: Civic – Various Upgrades

Justification:

Includes various capital items such as door repairs, lighting, insulation, roof overhangs and exterior cladding. Funding is requested to conduct these upgrades.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
210,000	0	0	0	0	0	(210,000)

Category: Real Estate

Title: Annual Land Purchase

Justification:

Funds are required to be allocated to continue the City's Annual Land Purchase Program. This Program identifies properties that would be strategic for the City to own and allows staff to assess and purchase if necessary.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
50,000	(50,000)	0	0	0	0	0

Budget Requests: Capital

Category: Real Estate

Title: Watson Island Power

Justification:

The Operations Department requests funds to complete the Watson Island Power Project. This project aims to bring power to the Clarifier pump house and the Zanardi leachate pump station. These facilities are currently without standardized power, as they run off of a generator. Bringing power to these locations will reduce the overall operating costs for Watson Island. This project was initially requested and approved for funding in 2022; however, due to staff capacity, it was unable to be completed.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
35,000	0	0	0	(35,000)	0	0

Category: Real Estate

Title: Watson Dam Safety Audit

Justification:

The Operations Department requests funds to complete the Watson Island Dam Safety Audit. Annually, the City must complete visual inspections on the Watson Island Dams; however, every five years, the City must complete a more comprehensive assessment called a Dam Safety Audit. The City must complete its five-year Dam Safety Audit evaluation in 2023. The City was granted relief last year due to the number of capital upgrades we performed..

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
100,000	0	0	0	(100,000)	0	0

Budget Requests: Capital

Category: Civic Improvements

Title: Streetlight Replacement Program

Justification:

The Operations Department requests funds to continue the Streetlight Replacement Program. This successful program targets streetlights that need replacement due to corrosion at the base. This program also feeds data into the City's Asset Management Program to track replacements.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
50,000	0	0	0	(25,000)	0	(25,000)

Category: Civic Improvements

Title: Waterfront Development

Justification:

The City is constructing a new multi-faceted waterfront development by the Kwinitsa Station. This development includes a new airport ferry dock that will enhance transportation capacity to and from the Prince Rupert Airport. Additional features include park and parking upgrades and overall aesthetic improvements.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
10,870,000	0	0	(10,870,000)	0	0	0

Category: Civic Improvements

Title: 3rd Ave and Fulton Traffic Light

Justification:

The Operations Department requests funds to replace the City's single traffic light. This light is past its useful life and does not conform to today's standards. This request provides the funds to fully replace the unit and timer to a more conventional camera system.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
150,000	0	0	0	(150,000)	0	0

Budget Requests: Capital

Category: Civic Improvements

Title: Controlled Access and Cameras at Public Works Yard

Justification:

The Operations Department requests funds to complete a new controlled access with cameras at the Public Works Site. In anticipation of moving to the new Public Works Building, the Operations Department requires increased security at the old site. This site will be used for equipment and material storage for the crews.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
38,000	0	0	0	(38,000)	0	0

Category: Civic Improvements

Title: Odd Eidsvik Park Renewal

Justification:

The Operations Department proposes park renewal at Eidsvik Park on Atlin Avenue. Most of the equipment in Eidsvik Park was removed due to liability purposes; however, at the time, Westview School still had playground equipment for use by the residents in the area. Westview School has since removed its equipment, and now that section of town is without a localized play park. The Operations Department proposes to undertake upgrades to Eidsvik Park with support from the neighbourhood residents. Unlike most other Operation Department requests, this request is not a requirement for health and safety.



Pictured above—detailed playground design provided for the purpose of fundraising

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
50,000	(50,000)	0	0	0	0	0

Budget Requests: Capital

Category: Civic Improvements

Title: McBride Sport Court

Justification:

The Operations Department is proposing to resurface the McBride Street Tennis Courts. This project was initially approved for 2020; however, due to the COVID-19 pandemic, weather conditions, and contractor delays, it was unable to be completed in 2020, 2021 and 2022. The City pre-purchased all of the materials required to complete the works if contractors were available to install. Since this Project was not completed in 2022, the contribution from the Prince Rupert Port Authority expired. Staff intend to reapply to the Prince Rupert Port Authority however staff are requesting the required funds to hire a contractor and undertake the project should the project not qualify for funding this time.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
35,000	(35,000)	0	0	0	0	0

Category: Vehicles and Mobile Equipment

Title: Single Axle Dump Truck with Sander/Plow

Justification:

The Operations Department was approved to purchase a new single axle dump truck with sander and plow attachments in 2022. The supply chain issues experienced in the prior year resulted in delivery occurring in 2023. Staff require approval to roll the funding over to this year.

The single axle dump truck is Public Works' most heavily used and versatile piece of equipment. Most months, this truck is used daily to bring in new material and haul spoil material off of sites. However, in the winter, this is the Departments' primary truck to sand and plow the streets. This single axle dump truck will replace the existing one as it has been deemed unfit to continue with service and has been taken off of the road.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
315,000	(15,000)	(300,000)	0	0	0	0

Budget Requests: Capital

Category: Vehicles and Mobile Equipment

Title: GPS Truck System

Justification:

The Operations Department requests to purchase a GPS System for the Public Works fleet. This system would track all of the Department's fleet for asset management and health and safety purposes. This is a very common practice for municipalities in their fleet management programs. This purchase was initially requested and approved for funding in 2022; however, due to staff time shortages, the acquisition was unable to be completed. The RFP has been issued for this Project and staff are in the process of the review.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
50,000	(50,000)	0	0	0	0	0

Category: Vehicles and Mobile Equipment

Title: Skid Steer

Justification:

The Operations Department requests the roll over of the 2022 funds to purchase a new skid steer for Public Works. This item was approved in the prior year and was delivered in early 2023. Inclusion in the 2023 budget provides approval for the acquisition in this year. The skid steer unit is one of our most used pieces of equipment. It is used daily for a variety of purposes across all of the utilities.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
150,000	(150,000)	0	0	0	0	0

Budget Requests: Capital

Category: Vehicles and Mobile Equipment

Title: F550 Tow Vehicle for Water Equipment

Justification:

The Operations Department requests to purchase a new F550 tow vehicle. This F550 will be used to tow all of the Public Works equipment trailers. The current unit is old and constantly breaks down leaving the equipment stranded on sites. When this happens, we are required to rent tow vehicles to shuttle equipment. We believe the current tow vehicle will be deemed unfit for service during 2023/4. To be prepared, the Operations Department needs to order the F550 this year.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
165,000	(165,000)	0	0	0	0	0

Category: Vehicles and Mobile Equipment

Title: F600 Garbage Truck Commercial

Justification:

The Operations Department requests the roll over of the 2022 funds to purchase a new F600 commercial garbage truck for Public Works. This item was approved in the prior year and was ordered in 2022. The F600 garbage truck, or “Little Red” as it is known to staff, is a staple in the solid waste fleet. This truck serves the downtown core and residents in areas that the larger garbage truck can’t. With the newly expanded recycling service, the Department requires a second smaller truck to assist, augment, and back up the larger dual-bay trucks if needed. Additionally, the existing F600 truck is near the end of its useful life, and this truck will provide relief and succession planning. The Department expects delivery in 2023.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
297,000	(297,000)	0	0	0	0	0

Budget Requests: Capital

Category: Vehicles and Mobile Equipment

Title: Landfill Dozer

Justification:

The Operations Department requests funds to purchase a dozer for the Landfill. For several years, the Landfill has been renting an excavator to place and compact refuse on the active face. Using an excavator to complete this work is inefficient. A dozer can spread consistent lifts reliably and track pack as it goes. This is an essential piece of equipment to distribute waste at the landfill and utilize airspace efficiently.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
839,000	0	(839,000)	0	0	0	0

Category: Vehicles and Mobile Equipment

Title: Landfill Excavator for Recycling Site

Justification:

The Operations Department requests to purchase a new excavator for the Landfill on the recycling side. Though the excavator is inefficient on the active face it is efficient on the recycling side. The Department currently rents an excavator and we were informed that the rates will increase. In consultation with Finance it was determined that it is more cost-effective for the Department to purchase a new unit.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
250,000	0	(250,000)	0	0	0	0

Budget Requests: Capital

Category: Vehicles and Mobile Equipment

Title: Buy-out of Leased Residential Recycling Collection Truck

Justification:

The Operations Department requests to buy out the leased residential split-bay collection truck. This truck was initially leased and in consultation with the Finance Department, it was determined that it is more cost-effective to purchase the unit outright. This collection truck enables the City to meet the weekly schedule for residential waste and recycling collection.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
400,000	0	(400,000)	0	0	0	0

Category: Transportation

Title: Bridge Repairs 6th Ave East

Justification:

The Operations Department is requesting funds to complete significant repairs on the 6th Avenue Bridge. This bridge connects our community and must be maintained in good working order to provide the service at the current level. Not conducting the repairs as recommended could result in the bridge being downgraded for weight restrictions. If a downgrade were to occur, it is likely bypasses would need to be constructed to ensure emergency services and transit can reach all parts of town.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
450,000	(310,000)	0	0	(140,000)	0	0

Budget Requests: Capital

Category: Transportation

Title: Bridge Repairs 2nd Ave West

Justification:

The Operations Department is requesting funds to complete significant repairs on the 2nd Avenue Bridge. This bridge connects our community and must be maintained in good working order to provide the service at the current level. Not conducting the repairs as recommended could result in the bridge being downgraded for weight restrictions. If a downgrade were to occur, it is likely bypasses would need to be constructed to ensure emergency services and transit can reach all parts of town..

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
200,000	(200,000)	0	0	0	0	0

Category: Transportation

Title: Sidewalk Program

Justification:

The Operations Department is requesting funds for the community annual sidewalk renewal program. Much like the paving program, this program targets sidewalk problem areas, sidewalk repairs for health and safety occurrences, and sidewalk upgrades to maintain standards in heavily used areas.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
100,000	0	0	0	0	0	(100,000)

Category: Transportation

Title: Annual Paving Program

Justification:

The Operations Department is requesting funds for the community annual paving program. This program targets problem areas, repairs for health and safety, and upgrades to maintain standards on bus and emergency service routes.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,000,000	0	0	0	0	0	(1,000,000)

Budget Requests: Capital

Category: Solid Waste
Title: Wantage Road Landfill Closure

Justification:

The Operations Department requests funds to complete environmental monitoring on the City's Wantage Road Landfill. In 2020 the Ministry of Environment unilaterally re-permitted the old dumpsite, which required the City to monitor and eventually close the site. Staff is working with the Ministry to review operational options for this site; however, the City will be required to monitor and report as per the new Permit until an Agreement can be struck

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
100,000	0	0	0	0	(100,000)	0

Category: Solid Waste
Title: Landfill Cell Closure - Engineering

Justification:

The Operations Department requests funds to complete engineering for the landfill cell closure. This Department has already completed the closure of the East side of the cell and must continue with the closure of the West and top of the cell. The closure of the current cell is critical as it keeps the precipitation out and away from the treatment lagoon, which is designed to operate in concert with the new cell.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Accrual	Utility Fee	Taxation
200,000	0	0	0	(200,000)	0	0

Category: Solid Waste
Title: Landfill Cell Closure

Justification:

The Operations Department requests funds to complete engineering for the landfill cell closure. This Department has already completed the closure of the East side of the cell and must continue with the closure of the West and top of the cell. The closure of the current cell is critical as it keeps the precipitation out and away from the treatment lagoon, which is designed to operate in concert with the new cell.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Accrual	Utility Fee	Taxation
2,200,000	0	0	0	(2,200,000)	0	0

Budget Requests: Capital

Category: Solid Waste
Title: New Landfill Cell and Lagoon Upgrades

Justification:

The Operations Department is requesting funds to complete commissioning works on the new cell and lagoon. With the commissioning of the new cell and lagoon, funds are required to upgrade the blowers, purchase a media tank and other compliance related items to ensure that site functions appropriately under its Operational Certificate.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,500,000	(1,500,000)	0	0	0	0	0

Category: Water
Title: Woodworth Dam Replacement

Justification:

The Operations Department is requesting funds to complete the final payments associated with the Woodworth Dam Project. With works spilling into 2023, the Project is now complete and the Dam is back in use as our primary water source.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
400,000	0	0	0	(400,000)	0	0

Category: Water
Title: Woodworth Road Protection & Shawatlan Dock Upgrades

Justification:

The Operations Department requests funds to complete the Woodworth Road Protection works and the Shawatlan dock upgrades. The dock at Shawatlan needs immediate repair due to age and rugged daily wear and tear. This dock must be repaired to ensure the Department can maintain the community's water system and safely unload equipment and chlorine for treatment. Additionally, due to storm and flood damage, works need to be completed to the Dam access road to ensure all-weather access to the site.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
700,000	0	0	0	(700,000)	0	0

Budget Requests: Capital

Category: Water

Title: Water Treatment Facility Engineering Design

Justification:

The Operations Department is requesting funds to continue the Water Treatment Facility Engineering Design. The City has received matched grant funding from the Provincial Government to construct a new water treatment facility with SCADA upgrade, a new submarine and overland transmission line. To develop and build this Project, the Department must continue and complete the engineering design.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
3,000,000	(3,000,000)	0	0	0	0	0

Category: Water

Title: Submarine/Overland Line Design

Justification:

The Operations Department is requesting funds to continue the Submarine/Overland Line Engineering Design. The City has received matched grant funding from the Provincial Government to construct a new water treatment facility with SCADA upgrades, a new submarine and overland transmission line. To develop and build this Project, the Department must initiate and complete the engineering design.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
2,000,000	(2,000,000)	0	0	0	0	0

Category: Water

Title: Submarine/Overland Line Construction

Justification:

The Operations Department is requesting funds to complete the Submarine/Overland Line Construction. The City has received matched grant funding from the Provincial Government to construct a new water treatment facility with SCADA upgrades, a new submarine and overland transmission line. To complete and build this Project, the Department aims to start construction in 2023.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
12,000,000	(2,131,000)	0	(9,869,000)	0	0	0

Budget Requests: Capital

Category: Water
Title: SCADA Upgrade

Justification:

The Operations Department is requesting funds to complete SCADA upgrades. SCADA, short for Supervisory Control and Data Acquisition, is an industrial control system designed to monitor the City's sewer and water pump station operations on-site or remotely. The City's current system is archaic and susceptible to failure as it is so old, they no longer make parts for it. SCADA System upgrades in sewer and water are mandatory as a failure is imminent. If SCADA failed for any length of time, the community would see a complete shutdown of its water and wastewater system. This project was approved in 2022 and a contract for the tower portion of the SCADA system was awarded after RFPs were received and evaluated. Works are expected to begin Q1 2023.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,200,000	(1,200,000)	0	0	0	0	0

Category: Water
Title: Park Ave Water Repair Paving

Justification:

The Operations Department requests funds to complete paving on Park Avenue near the ferry terminals. In 2021, Public Works completed a water main repair. Unfortunately, due to weather and contractor delay, the Department could only achieve a sacrificial lift of pavement to maintain highway use. This is a Ministry-controlled Highway; therefore, this Department must remove that lift and place the required specification and thickness to comply with Highway Standards. This Project was initially requested for funding and approved in 2022; however, due to resources and contractor availability it was unable to be completed.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
100,000	(100,000)	0	0	0	0	0

Budget Requests: Capital

Category: Water
Title: Infrastructure Replacement Strategy Design Works

Justification:

The Operations Department is requesting funds for major design works associated with the Infrastructure Replacement Strategy (IRS). The IRS was completed in 2022 which identified all of the City's infrastructure that is past its life expectancy or at immediate risk of failure. The City must start the design process associated with the IRS program in order to be in front of our required emergency and planned capital replacement.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
4,750,000	0	(4,750,000)	0	0	0	0

Category: Water
Title: Water System Master Plan

Justification:

The Operations Department is requesting funds to complete a Water Master Plan. Stemming from the IRS, the City needs a Water Master Plan to be incorporated in its infrastructure renewal. During replacement of water infrastructure, it is prudent to review the size and type of pipe being replaced so that we provide cost effective, efficient and right-sizing of pipe that will best suit our water quality needs.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
250,000	0	(250,000)	0	0	0	0

Category: Water
Title: Shawatlans Rd. Water Line

Justification:

The Operations Department is requesting funds for the design and replacement of the water transmission line on Shawatlans Rd. Arguably the most important and critical pipe in the City's system, this pipe needs to be renewed to ensure reliable, uninterrupted water to the community. The pipe has already needed two repairs in 2022 and failure is considered imminent.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
10,000,000	0	0	(10,000,000)	0	0	0

Budget Requests: Capital

Category: Water
Title: 1st Ave Water Line

Justification:

The Operations Department is requesting funds to finish the 1st Avenue Water Project. Stemming from the State of Local Emergency over the Christmas Break, this 1916 water line failed in several locations along 1st Avenue. Staff are requesting funds to replace the remainder of the 1916 pipe to 3rd Avenue. For context this corridor was identified as high risk and past life expectancy in the IRS Report.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
2,100,000	0	0	(2,100,000)	0	0	0

Category: Water
Title: Annual Water Line Repairs

Justification:

The Operations Department is requesting funds for the Annual Water Line Repair Program. This program's funding envelope targets ad hoc water breaks. As the bulk of this community's infrastructure is in a semi-failure state, it is almost impossible to complete budgeted planned renewal. This Program allows the Public Works Department to tackle water breaks as they present themselves.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
750,000	0	0	0	0	(750,000)	0

Category: Wastewater
Title: Liquid Waste Management Plan

Justification:

The Operations Department requests funds to complete the engineering and design for a liquid waste wetland treatment system. This green and innovative pilot project will serve a small population and will be used to ensure that approvals from both the provincial and federal regulatory bodies can be secured.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
250,000	0	0	(250,000)	0	0	0

Budget Requests: Capital

Category: Wastewater
Title: Liquid Waste Wetland Treatment Pilot

Justification:

The Operations Department requests funds to complete the construction of the liquid waste wetland treatment system. This green and innovative pilot project will serve a small population and will be used to ensure that approvals from both the provincial and federal regulatory bodies can be secured. Once the technology is proven, the City will look to replicate and implement this for the entire community through 11 different small wetland facilities thereby removing the need to place wastewater treatment plants on the City's waterfront as is common place..



Did you know?

The City has developed a quick video explaining how this wetland system will work. Check it out on our Youtube Channel @CityofPR

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
6,000,000	(1,500,000)	0	(4,500,000)	0	0	0

Category: Wastewater
Title: SCADA Upgrade

Justification:

The Operations Department is requesting funds to complete SCADA upgrades. SCADA, short for Supervisory Control and Data Acquisition, is an industrial control system designed to monitor the City's sewer and water pump station operations on-site or remotely. The City's current system is archaic and susceptible to failure as it is so old, they no longer make parts for it. SCADA System upgrades in sewer and water are mandatory as a failure is imminent. If SCADA failed for any length of time, the community would see a complete shutdown of its water and wastewater system. This project was approved in 2022 and a contract for the tower portion of the SCADA system was awarded after RFPs were received and evaluated. Works are expected to begin Q1 2023.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,000,000	(1,000,000)	0	0	0	0	0

Budget Requests: Capital

Category: Wastewater
Title: Hays Creek Replacement Study

Justification:

The Operations Department requests funds to complete the Hays Creek Sewer Replacement Study. Currently, a sewer main runs along, and at some points, through Hays Creek in McClymont Park. This Study would review and design a solution to relocate the sewer main out of the riparian area.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
100,000	(100,000)	0	0	0	0	0

Category: Wastewater
Title: Industrial Park Treatment Plant Upgrade (engineering)

Justification:

The Operations Department requests funds to complete the engineering and design for a new wastewater treatment plant in the Industrial Site. The wastewater treatment plant is over 40 years old and past its intended life. Stormwater floods the treatment plant and the surrounding area during heavy and prolonged rains. The plant is outdated and requires renewal that is resistant to flooding.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
150,000	(150,000)	0	0	0	0	0

Category: Wastewater
Title: Outfall Repairs

Justification:

The Operations Department requests funds to continue with its Outfall Repair Program. The Federal Government requires this program under the Liquid Waste Management Plan to ensure our outfalls are operating as they should. In 2023 the Public Works Department will be repairing the Seal Cove Outfall.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
25,000	0	0	0	0	(25,000)	0

Budget Requests: Capital

Category: Wastewater
Title: Outfall L Repairs

Justification:

The Operations Department is requesting funds to repair Outfall L. Outfall L is located at Seal Cove beside the Lax Kw'alaams Ferry Berth. This Outfall has confirmed to be damaged and in need of repair. As per our Permits and Administrative Directive, the City must keep these outfalls in good working order; therefore, this work must be completed to ensure the City stays in compliance with its permits.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,080,000	(1,080,000)	0	0	0	0	0

Category: Wastewater
Title: Outfall J-I Repairs

Justification:

The Operations Department is requesting funds to complete the elimination of Outfall J. Outfall J runs under Rushbrook Floats and is thought to be leaking. The Operations Department proposed to pipe Outfall J into Outfall I and eliminate J altogether. Under the City's Administrative Directive, the Council Resolved to completed these works in 2023/4 in preparation for waste water treatment.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,500,000	(900,000)	0	0	0	(600,000)	0

Category: Wastewater
Title: Annual Wastewater

Justification:

The Operations Department is requesting funds for the Annual Wastewater Line Repair Program. This program's funding envelope targets ad hoc sewer breaks. As the bulk of this community's infrastructure is in a semi-failure state, it is almost impossible to complete budgeted planned renewal. This program allows the Public Works Department to tackle sewer breaks as they present themselves

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
750,000	0	0	0	0	(750,000)	0

Budget Requests: Special Projects

Category: Fire
Title: Upgrade to UHF Radio System

Justification:

The Dept utilizes a radio system for communication for Fire Rescue crews and for Dispatch. There are several areas within the boundaries of the City where radios fail to work. These areas are generally the South-East and North-West corners of Kaien Island, Ridley Island/connector road and most large structures within the City (hospital, mall, industrial, etc).

In order to understand the limitations of the current system, and to develop a plan to rectify the shortfalls, a radio study was needed to identify dead zones and define the Dept's needs. This study is expected to be available in Q1 of 2023.

The infrastructure required to support an effective radio system on Kaien Island includes the installation of several repeaters and upgrading the portable, mobile (apparatus) and base radios from a VHF system to a UHF system. There is a legislated requirement through the Worker's Compensation Act to ensure that firefighters have an effective means of communication while operating at emergency incidents. Several of the industries operating in Prince Rupert (PR Grain, Trigon, AltaGas, Pembina, Pinnacle Pellet) require intrinsically safe (IS) radios to prevent static/ electrical spark and ignition potential due to dust and gas environments. Intrinsically safe radios come at a higher cost as well as a high level of operating safety.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
200,000	(40,000)	0	(160,000)	0	0	0

Category: Fire
Title: Small equipment/software

Justification:

The Dept needs to replace a Positive Pressure Ventilation (PPV) fan used to clear thermal layers in structure fires and remove smoke conditions. The current equipment has broken down and is not repairable.

The Dept has used a software program called FDM for incident reporting since 1992. We have been notified that this software program will stop being maintained by the end of this year. A replacement for this software system is being reviewed by the Fire and IT Departments. Replacement needs to be implemented before the system ceases to function.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
30,000	0	0	0	(30,000)	0	0

Budget Requests: Special Projects

Category: Policing
Title: Situation Tables

Justification:

Council authorized the application for a grant to fund a project called the Situation Tables. The program is meant to bring advocates, police and healthcare organizations together to identify and assist at risk youth. This grant was awarded in 2020 however with the pandemic occurring, the program was delayed. The project is slated to resume this year whereby the funds will be spent.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
43,000	0	0	(43,000)	0	0	0

Category: Policing
Title: PRIME Training

Justification:

The RCMP department requests funds to accommodate the training needs of its Municipal Employees who provide clerical support to the Front-Line police officers. This need arises from modified business operations to align with policing needs and administrative requirements, operating systems upgrade and recent staffing changes, including retirements and new hires. The Police Records Information Environment (PRIME) Records Management System (RMS) training is vital to support effective municipal policing and compliancy to Uniform Crime Reporting to Statistics Canada. The training is in-person at the Pacific Regional Training Centre (PRTC) in Chilliwack, BC.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
7,000	0	0	0	(7,000)	0	0

Budget Requests: Special Projects

Category: Civic Improvements
Title: Parks and Open Space Master Plan

Justification:

The Operations Department requests the carry forward of funds to complete the Parks and Open Space Master Plan for the community, which began in 2022. This plan intends to guide staff on a systematic approach for parks, undeveloped lands, open green spaces, and outdoor recreational services.

Asset Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
59,000	(59,000)	0	0	0	0	0

Category: Civic Improvements
Title: Downtown Revitalization and Asset Management

Justification:

The Operations Department requests funds to develop Public Realm Streetscape Standards for the downtown core. Staff have been working with stakeholders on a downtown revitalization plan, and new Public Realm Streetscape Standards are the next step in the process.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
160,000	0	0	(50,000)	(110,000)	0	0

Category: Civic Improvements
Title: Annual Asset Management Budget

Justification:

The Operations Department requests funds to continue with its Asset Management Program. The Asset Management Program is a vital part of the renewal of the City's infrastructure. Without a tracked and implemented program, renewal will happen and not be properly captured. If data is not captured and tracked appropriately, future maintenance and renewal will suffer and potentially cost exponentially more.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
25,000	0	0	(25,000)	0	0	0

Budget Requests: Special Projects

Category: Vehicle and Mobile Equipment
Title: Fleet Management Report

Justification:

The Operations Department requests funds to complete a 3rd party Fleet Management Report. This Report would establish a comprehensive review of the Department's entire fleet and recommend a tracking system for asset management. This type of Report is very common for municipalities in their fleet management program and is used towards a structured fleet renewal process. This project was initially requested and approved for funding in 2022; however, due to the availability of staff resources it was unable to be completed.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
59,000	(59,000)	0	0	0	0	0

Category: Vehicle and Mobile Equipment
Title: Arena – Zamboni Engine Replacement

Justification:

The Zamboni is heavily used during the ice season. Repairs this year took the Zamboni out of service for weeks causing ice delays and cancellations. Servicing this equipment during the off-season will help to offset larger repair costs and downtime.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
30,000	0	0	0	(30,000)	0	0

Category: Vehicle and Mobile Equipment
Title: Pool – Fitness Equipment at the Gym

Justification:

Much of the gym equipment is older and in need of significant repair or replacement and has been removed from service to avoid injury, reducing the service offering of the gym. Budget is requested to replace items and restore the availability of equipment.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
10,000	0	0	0	(10,000)	0	0

Budget Requests: Special Projects

Category: Transportation
Title: Transportation Strategy

Justification:

The Operations Department requests funds to complete the Transportation Strategy for the community. This plan, which is underway, will identify how to improve roads and trails to make it easier and safer for people to walk and cycle in the community. This is a high-level plan that guides staff in advancing active transportation initiatives. the availability of staff resources it was unable to be completed.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
29,000	(29,000)	0	0	0	0	0

Category: Transportation
Title: Electric Vehicle Charging Stations

Justification:

The Operations Department has installed two new Electric Vehicle Charging Stations in the community. These two stations are installed at the Civic Centre. This initiative is part of a Provincial Grant to see several electric vehicle charging stations installed along the Highway 16 corridor. This work was completed in Q1 2023. Although approved in the 2022 budget, approval for the funds to be expended in 2023 is required.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
25,000	0	0	(25,000)	0	0	0

Category: Human Resources
Title: Public Works HR Assessment Report

Justification:

The Operations Department requests funds to finalize the Public Works HR Assessment Reports. These reports include a collaborative cultural assessment that evaluates Public Works' employee's expectations, experiences, philosophies, mission, and values. The results from these reports will help to craft future decisions about the culture and determine whether any shifts are necessary to strengthen the Department.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
10,000	0	0	0	(10,000)	0	0

Budget Requests: Special Projects

Category: Human Resources

Title: Safe Work Procedures, Field Hazard Assessment & Training

Justification:

The Operations Department requests funds to complete new standard work procedures, field hazard assessment procedures, and required staff training. Industry procedures for safety and field assessments are ever-changing; therefore, this Department is required to keep its procedures and policies current to ensure employees' safety.

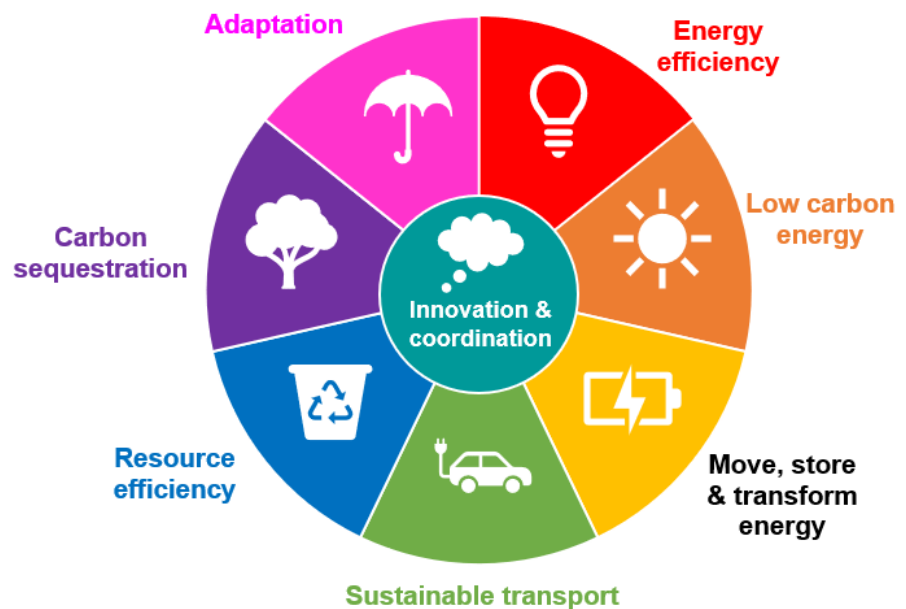
Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
100,000	(50,000)	0	0	(50,000)	0	0

Category: Planning

Title: Climate Action Plan

Justification:

The Planning Department requests dedication of funds obtained through grant funding to develop a Climate Action Plan. The purpose of the project is to develop a coordinated climate action plan that includes integrated strategies that consider reduction in greenhouse gas emissions (mitigation) and vulnerability to climate change impacts (adaptation), while advancing co-benefits that address other municipal priorities such as infrastructure replacement, financial sustainability, and community livability. This will also support more sustainable investments and increase eligibility for climate or adaptation-related grants, as climate action can drive or piggy-back on existing work and other community or regional priorities.



Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
93,000	0	0	(93,000)	0	0	0

Budget Requests: Special Projects

Category: Planning
Title: Social Development + Poverty Reduction Plan

Justification:

The Planning department requests the dedication of funds obtained through grants to develop a Social Development and Poverty Reduction Plan. This project would meet Council's Strategic priority to develop a Social Development Strategy that addresses mental health, addictions and homelessness. This Plan will also include components addressing provincial requirements for developing an accessibility plan. This request is in complement with an operational request to fund 10% of a Social Development and Indigenous Liaison Coordinator Position.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
25,000	0	0	(25,000)	0	0	0

Category: Planning
Title: Prince Rupert Community Efficiency Financing Feasibility Study

Justification:

This project is a feasibility study funded by Federation of Community Municipalities (FCM) and contracted to Ecotrust Canada to explore barriers and opportunities for residents in Prince Rupert to conduct energy efficiency upgrading. A deliverable of the project will be a recommendation to the City respecting feasibility of a potential program to encourage energy efficiency upgrades. If there are any feasible program options identified for the community, additional funding may be available for design and implementation of the program through this same FCM funding opportunity.

Project Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
60,000	0	0	(60,000)	0	0	0

Budget Requests: Operations

Category: Operations
Title: Labour Contractual + Benefits Increases

Justification:

The City operates its services with bargaining unit and exempt staff. This year all agreements are being renewed because they have expired or are expiring in 2023. Given the inflation environment, it is expected that the wage and associated benefit increases will result in a 7.1% tax increase under the current level of service.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,524,000	0	0	0	0	0	1,524,000

Category: Policing
Title: RCMP Contract Increase

Justification:

The City contracts with the Province for policing and the Province contracts with the RCMP to perform the work. Budget is required to meet the increases expected this year under the RCMP employee's union contract.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
287,000	0	0	0	0	0	(287,000)

Category: Operations
Title: Payroll Part Time Employee

Justification:

The Finance department is requesting the addition of a 0.5 FTE to assist our payroll function. The City payroll function has experienced an increase in the complexity and volume of transactions processed over the past few years brought about by changes in legislation, types of accepted WorkSafe claims and a competitive and challenging local labour market. These additions and trends are not expected to resolve and the time required to meet these challenges is not manageable. The additional 0.5 FTE will enable the City to better meet the requirements under these legislative changes and initiatives..

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
43,000	0	0	0	0	0	(43,000)

Budget Requests: Operations

Category: Operations
Title: Human Resources Generalist

Justification:

The Human Resources department is requesting the addition of a Full Time Equivalent position to assist our human resources function. Human Resources plays a crucial role in developing, reinforcing and changing the culture of the City of Prince Rupert; however, it is no longer sustainable to only have one person overseeing the Human Resources function for an organization with three unions, five central departments and over 230 employees. The additional staff member will aid the Human Resources Manager in recruitment, retention, labour relations, benefits administration, labour management, and policy creation and updates.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
110,000	0	0	0	0	0	(110,000)

Category: Operations
Title: Social Development & Indigenous Relations Coordinator

Justification:

The creation of this new Social Development and Indigenous Relations Coordinator contract position is proposed to meet Council's prioritization of a Social Development strategy in the Strategic Plan, the implementation of the reconciliation policy framework, prepare a Diversity, Equity and Inclusion Policy and establish a Provincially required Accessibility Committee. Funding for this position is contingent on receiving funding through the Northern Healthy Communities Grant program. The availability of this capacity grant funding has funded a similar position in the community of Terrace, and so this grant presents the City with a fairly low-cost opportunity to address Council's identified goals.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
65,000	0	0	(55,000)	0	0	(10,000)

IN CONTEXT

In October of 2022, City Council approved a Framework Policy on Reconciliation. This framework directs staff to develop a Reconciliation Committee in collaboration with indigenous leaders in the community that will bring forward policy recommendations to Council.

Budget Requests: Operations

Category: Operations

Title: Information Technology FTE

Justification:

The IT department is looking to increase by one FTE to keep up with demand. The department currently comprises a three person team serving the needs of the organization including maintaining all computer hardware and operations software, servers, network support, websites, radio communication towers, all phone support, security access, cyber security prevention, and communication to numerous remote sites. In addition, staff support 370 active user accounts. A comparison amongst other municipalities and the Port of Prince Rupert indicates the City's IT support ratio is significantly higher than respondents .

Municipality	Active Accounts	IT Staff	Ratio to 1 IT Staff member
Prince Rupert	370	3	~123 users: 1
Delta	1600	28	~ 57 users: 1
Terrace	120	2	60 users: 1
Summerland	120	3	40 users: 1
Langford	200	5	40 users: 1
Pitt Meadows	200	5	40 users: 1
Penticton	350	13	~27 users: 1
Port of Prince Rupert	90	8	~11 users: 1

Over the years the added workload has increased for staff through information technology being integrated into many processes. Adding one FTE will aid the department in continuing the support work it conducts for the City. If approved, the position would impact the budget for half the year, with the remaining salary being included in the following year's budget.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
67,000	0	0	0	0	0	(67,000)

Category: Operations

Title: Recreation Complex return to pre-pandemic operations

Justification:

Budget 2022 included a partial return in full capacity (normal) operations given pandemic restrictions were still in place. The balance of the full cost was funded through the Province's COVID-19 Smart Restart Funds. Restrictions were changed earlier than was budgeted meaning the facility costs exceeded budget. This year's budget brings the facility back to pre-pandemic operations.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
103,000	0	0	0	0	0	(103,000)

Budget Requests: Operations

Category: Operations

Title: Legal Fees

Justification:

In meeting Council's objectives, legal expenses increased broadly in 2022. This included, for example, housing initiatives, land development initiatives, agreements with First Nations and Port Edward, labour matters, infrastructure challenges, water treatment and property tax fairness matters. This level of work is expected to continue throughout 2023.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
100,000	0	0	0	0	0	(100,000)

Category: Operations

Title: Community Enhancement Grants

Justification:

In December Council approved an increase to the Community Enhancement Grants. The majority of the increase relates to the Prince Rupert Library. Cash grants have been provided in accordance with the approved list and in-kind grants will be provided through the fiscal year as the events occur.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
93,000	0	0	0	0	0	(93,000)

Category: Operations

Title: Fiscal Revenue and Expense Changes

Justification:

Inclusive in Fiscal Revenues and Expenses are grants/payments in lieu of taxes, gaming revenue, competitiveness and small operating grants, interest income, concession fees from utility operators, and dividends and 911 revenue. Expenses include insurance, tax sharing, debt repayments and carbon taxes. This year the largest external cost drivers related to the increased tax need are from the significant reduction in the Payment in lieu of taxes (PILT) expected to be received from the Port of Prince Rupert, the increased legal and appraisal costs associated with filing assessment appeals and proceedings in relation to the PILT, and the combination of reduced revenues received from other entities. The tax rate impact from the issue surrounding PILT related to bare land held by the Port is an increase of 4.3%. The balance of the other changes results in an increase of 0.55%.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend/ Accrual	Utility Fee	Taxation
1,039,000	0	0	0	0	0	(1,039,000)

APPENDIX B:

Permissive Tax Exemptions



CITY OF PRINCE RUPERT

Permissive Tax Exemptions 2022 to 2023 or 2022 to 2027

Pursuant to Section 227 of the *Community Charter*, Public Notice is hereby given that Prince Rupert City Council is considering adopting proposed **Permissive Property Tax Exemption Amendment** Bylaw No. 3477, 2021. If adopted by Council, the following properties would be exempt from property taxation in the following amounts:

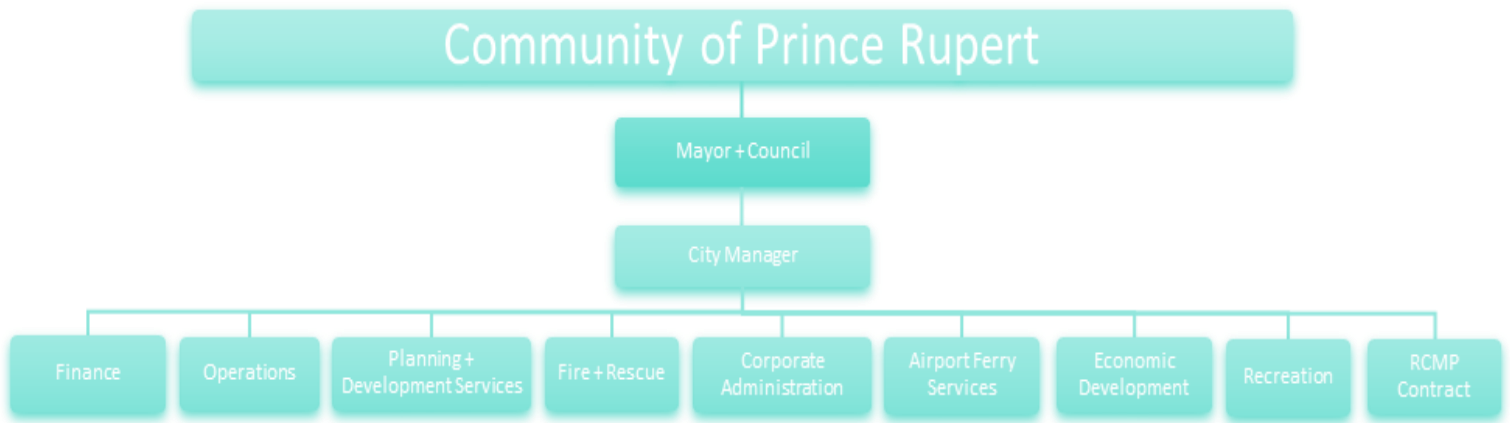
Registered Owner/ Occupier Identity/ Facility	No. of years exemption may be provided	Estimated annual Permissive Tax Exemption based on 2021 Rates/Values	Roll Number	Legal Description
Places of Worship (Exclude Statutory Exempt Portion)				
Bishop of New Caledonia (Anglican Cathedral)	6	\$ 660.32	0001839.000	Lots 38-42, Blk 1, Range 5, Plan 923, DL 1992, LD 14
Church of Jesus Christ of Latter Day Saints Church	6	580.39	0091420.000	Lot 1, Range 5, Plan 10626, DL 251, LD 14
Cornerstone Mennonite Brethren Church	6	336.68	0002000.000	Lot 20-22, Blk 9, Sec 5, Range 5, Plan 923, DL 251, LD 14
Fellowship Baptist Church	6	335.81	0003323.000	Lot A, Range 5, Plan 7641, DL 251, LD 14
The Salvation Army	6	1,647.76	0001041.000	Parcel B, Blk 36, Sec 1, Range 5, Plan 923, DL 251, LD 14
Harvest Time United Pentecostal Church	6	124.68	0003175.000	Lot 16 W 1/2 15, Blk 11, Sec 6, Range 5, Plan 923, DL 251, LD 14
Indo-Canadian Sikh Association Temple	6	118.16	0002980.000	Parcel A (PP23125), Blk 3, Sec 6, Range 5, Plan 923, DL 1992, LD 14
Prince Rupert Congregation of Jehovah's Witnesses	6	818.14	0002772.050	Lot 1, Plan EPP104623, DL 251, LD 14
Prince Rupert Church of Christ Church	6	906.64	0009855.000	Parcel A (TG4443), Range 5, Plan 10602, DL 251, LD 14
Prince Rupert Native Pentecostal Revival Church	6	305.83	0001038.000	Lot 13-14, Blk 36, Sec 1, Range 5, Plan 923, DL 251, LD 14
Prince Rupert Pentecostal Tabernacle	6	717.23	0091412.000	Lot 1, Range 5, Plan 11720, DL 251, LD 14
Prince Rupert Sikh Missionary Society Temple	6	807.15	0006391.000	Parcel A, Blk 39, Sec 8, Range 5, Plan 923, DL 251, LD 14
First United Church	6	36.93	0002099.000	Lots 23 & 24, Blk 12, Sec 5, Range 5, Plan 923, DL 251, LD 14
First United Church (parking lot)	6	731.27	0002098.000	Lot 22, Blk 12, Sec 5, Range 5, Plan 923, DL 251, LD 14
First United Church (parking lot)	6	731.27	0002097.000	Lot 21, Blk 12, Sec 5, Range 5, Plan 923, DL 251, LD 14
St. Paul's Lutheran Church of Prince Rupert	6	152.05	0001958.000	Lot 25, Blk 7, Sec 5, Range 5, Plan 923, DL 251, LD 14
Sub-total Places of Worship		\$ 9,010.29		
Other Properties				
Cultural Dance Centre & Carving House	2	\$ 12,688.35	0000382.000	Lot A, Blk 16, Sec 1, Range 5, Plan 923, DL 251, LD 14
Museum of Northern BC	2	40,720.26	9000165.002	Lot 1, Range 5, Plan EPS64, DL 251, LD 14
Prince Rupert Performing Arts Centre Society	2	130,670.46	9000363.000	Parcel Assign 28, Range 5, Plan 5631, Except Plan 6006, DL 251, LD 14
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility)	2	17,402.98	9000246.000	Part Lot 1, Blk Wft G, Plan 7176 Except Plan PRP42647, DL251, LD14
Prince Rupert Golf Club	2	24,929.25	9000322.000	Blk 4, Range 5, Plan 1594, DL 251, LD 14 Except Plan 3908 & Part of DL 1992 7&1994, Except Plans 5535, 6006, 8407, 9409
Prince Rupert Golf Club	2	5,442.16	9000322.001	
Prince Rupert Golf Club	2	476.63	9000322.003	
Prince Rupert Golf Club	2	287.28	9000322.004	
Prince Rupert Racquet Association	2	5,631.56	9000322.002	Lot A, Range 5, Plan 9409, DL 251, LD 14
School District No. 52 (Prince Rupert) (Pacific Coast School)	2	6,577.05	0000525.000	Part of Lot A, Range 5, Plan 8288, DL251, LD 14
School District No. 52 (Prince Rupert) (Pacific Coast School)	2	97.94	0000300.000	Part of Lot 16 & 17, Blk 12, Sec 1, Range 5, Plan 923, DL251, LD 14
BC Society for the Prevention of Cruelty to Animals	2	2,013.16	0093225.000	Lot 1, Sec 9, Range 5, Plan PRP43463, DL 251, LD 14
BC Society for the Prevention of Cruelty to Animals	2	11,164.88	0093227.000	Lot A, Sec 9, Range 5, Plan PRP43462, DL 251, LD 14
BC Society for the Prevention of Cruelty to Animals	2	1,234.01	0093230.000	Lot 1, Sec 9, Range 5, Plan PRP43461, DL 251, LD 14
Prince Rupert Loyal Order of Moose/Moose Lodge	2	692.03	0000261.000	Lot 1-2, Blk 11, Sec 1, Range 5, Plan 923, DL 1992, LD 14
Prince Rupert Salmon Enhancement Society	2	1,471.24	9000323.001	Block PT 4, Range 5, Plan 1594, DL 251, LD 14
Prince Rupert Curling Club	2	11,338.99	9000299.000	Lot C, Range 5, Plan 4693, Except Plan PRP44107, DL 251, LD 14
Prince Rupert Rod & Gun Club	2	2,625.08	9000416.000	License# 705501 & B06202, Range 5, Plan 1456, DL 251, LD 14
Prince Rupert Aboriginal Community Services Society	2	2,414.79	0009504.000	Lot 4, Range 5, Plan 9689, DL 251, LD 14
Friendship House Association of Prince Rupert	2	19,229.62	0000914.000	Parcel A (PN24367), Blk 32, Sec 1, Range 5, Plan 923, DL 251, LD 14
Kaien Island Daycare Services Family Resource Centre	2	1,292.73	0005167.002	Lot A, Range 5, Plan 8006, DL 251, LD 14
Prince Rupert Senior Centre Association	2	1,001.77	0001044.000	Lot 19, Blk 36, Sec 1, Range 5, Plan 923, DL 251, LD 14
North Coast Community Services Society (Previously Prince Rupert Community Enrichment Society)	2	5,995.95	0000906.000	Lots 15-16, Blk 32, Sec 1, Range 5, Plan 923, DL 251, LD 14
The Royal Canadian Legion Branch 27 (Only area used by Legion)	2	932.27	0000641.000	Lot 16, Blk 24, Sec 1, Range 5, Plan PRP923, DL 251, LD 14
Navy League Prince Rupert Branch	2	722.88	9000299.001	Lot C, Range 5, Plan 4693, DL 251, LD 14
Prince Rupert Rowing & Yachting Club (Only area assessed as "Recreation Non-Profit")	2	2,788.98	9000214.100	Lot 1, Range 5, Plan 42708, DL 251, LD 14
Kaien Senior Citizen's Housing	2	66.07	0003150.000	Lots 7-10, Blk 10, Sec 6, Range 5, Plan 923, DL 251, LD 14
Prince Rupert Senior Citizen's Housing Society	2	2,207.78	9000089.000	Lot 1, Range 5, Plan 4083, DL 251, LD14
Prince Rupert Indigenous Housing Society (Only area assessed as "Residential Not-for-profit")	2	8,814.59	0040511.050	Lot A, Range 5, Plan BCP13581, DL 1992, LD 14
Cedar Village Housing Society (Only area assessed as "Residential Not-for-profit")	2	15,069.05	0003411.000	Blk G3, Range 5, Plan 923, DL 251, LD 14
Sub-total other Properties		\$ 335,999.81		
Estimated Annual Total Permissive Property Tax Exemptions		\$ 345,010.10		

The estimated annual exemption for future years is expected to be approximately the same as the 2022 exemption for all properties.

If you have any questions, or for further information, please contact Corinne Bomben, Chief Financial Officer, 250-627-0935.

APPENDIX C:

Organizational Chart



The City of Prince Rupert has approximately 250 full and part time staff who perform a range of functions for our municipality. We are citizens providing service to citizens, and pride ourselves on our standard of delivery.

If you have feedback on the services you receive, please feel free to contact City Hall by:

Phone: (250) 627 1781

Email: cityhall@princerupert.ca

Regular Mail: 424 3rd Avenue West

Prince Rupert, BC

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