



PUBLIC BUDGET 2026

**DRAFT 5-Year Financial Plan
Document 2026-2030**



princerupert.ca

Contents

Message from City Manager.....	4
Message from Chief Financial Officer.....	5
Consolidated 2026 Budget Executive Summary.....	6-7
2026 Budget Challenges.....	8
Infrastructure Replacement Strategy (BIG Project).....	9-10
Readers Guide & Budget Simulation.....	11
Councils Strategic Plan Overview.....	12

1. Budget Information—Financial Trends/Cost Drivers.....13-32

• Organization of Operation Finances.....	13
• Budget Assumptions.....	14
• 2026 Budget Highlights/Changes.....	15
• Capital + Special Projects + Operating Request Overview.....	15-25
• Overview of Changes + Tax Impacts.....	19
• Information on Legacy Inc Budget Subsidization.....	20
• Overview of Revenues + Property Taxation.....	26-31
• Overview of Revenue Sources.....	26-27
• Overview of Property Taxation Revenues.....	27
• Tax Class Distribution.....	28
• Financial Impacts to Residents (property taxes).....	29-30
• Options to Minimize Financial Impacts.....	31
• Financial Impacts to Residents (utilities).....	32
• Financial Trends and Cost Drivers.....	33-35
• Taxation Rates in the Northwest.....	36-37

2. Long Term Debt.....38-39

• Long Term Debt Projections.....	38-39
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Contents

3. Completed 5-Year Financial Plan, Fund & Reserve Balances...40-43

- 5-Year Financial Plan: Consolidated.....40-42
- 5 Year Capital Works Plan - Utilities.....43

4. Prince Rupert Overview + Requirement.....44-45

- Municipal Government Overview/Demographics.....44
- Legislated Requirements.....45

5. Financial Planning Framework.....46- 51

- Budget Process Timeline.....46
- Budget and Accounting Differences.....47
- Financial Policies.....48-51

Glossary.....52-54

Appendix A: Budget Requests: General Operating Fund Request

Justifications55-56

Appendix B: Budget Requests: Capital Request Justifications.....57-69

Appendix C: Budget Requests: Special Project Request

Justifications.....70-73

Appendix D: Community Enhancement Grant Requests.....74-78

Appendix E: Permissive Property Tax Exemptions.....79

Appendix F: Organizational Chart and Contact Info.....77

Message from the City Manager

Dear Prince Rupert,

As someone who was born and raised in this community, I have seen firsthand the many challenges and triumphs that have shaped our city. I was here growing up during the difficult economic downturn, and I am deeply proud now to be part of Prince Rupert's ongoing rebirth. Our community's resilience, determination, and spirit continue to define who we are.

The 2026 Budget reflects that same spirit. It focuses on completion; seeing through the critical projects we've started and ensuring that the investments we make today create lasting value for tomorrow. My key priority is, and remains, securing the funding to complete a new water treatment facility, a foundational piece of infrastructure that will ensure reliable, safe water for generations to come.

Equally important, this budget places a strong emphasis on our people, the City staff who serve you every day. Many of our employees are homegrown, raised right here in Prince Rupert, and deeply connected to this community. We are investing in their development so that we can continue improving customer service and deliver the high level of professionalism and care our residents deserve.

I am proud of our senior team and the incredible work they do. Most of whom were raised in our city, and those who weren't quickly called it home with the same intensity as a true Rupertite. I am also honoured to work alongside a Mayor and Council who are focused, pragmatic, and truly committed to getting things done for the people of Prince Rupert. Their decision-making capabilities are unparalleled across the Northwest. Together, we have built a budget that is responsible, community-driven, and forward-looking.

Thank you for your continued support and trust as we move Prince Rupert forward, stronger, more resilient, and ready for the future.

In your service,

Richard Pucci,
City Manager, City of Prince Rupert



Message from the Chief Financial Officer

Each year, the City of Prince Rupert prepares a 5-Year Financial Plan to provide residents with a transparent overview of the City's projected revenues, expenses, capital investments, and debt. This plan also helps explain the unique challenges we face as a northern coastal community and invites public input on spending priorities.

This year, the primary driver of the proposed general operating budget is influenced by contractual obligations for wages and benefits as well as contracts to provide the services offered in the municipality. In response, we've worked diligently to reduce all other controllable costs and have limited the additional requests that may be funded at Council's discretion.

A major focus of this year's plan continues to be critical investment in water and wastewater infrastructure. These upgrades are not only essential to maintaining reliable services for residents—they are also necessary to meet new and evolving standards set by senior regulatory agencies. These agencies are requiring municipalities to improve the quality, safety, and sustainability of water and wastewater systems, and the 5 year financial plan outlines our steps to comply.

While these infrastructure projects represent a significant short-term expenditure and will result in temporary construction impacts, they are a long-term investment in the health, safety, and resilience of our community. By replacing aging systems now, we can reduce emergency repair costs and shift toward planned, proactive maintenance—ensuring our Operations Department is better equipped to manage our road, water, and sewer networks efficiently. This shift in approach translates into better management of our financial resources over the long term and is made possible through the numerous grants we have received and continue to pursue.

To support your understanding and input, we've prepared the full Financial Plan document and are utilizing our interactive budgeting platform for a sixth year. We encourage all Prince Rupert property owners to explore these resources and share feedback with City staff and Council (methods noted on page 11) before the final budget is adopted in April 2026.

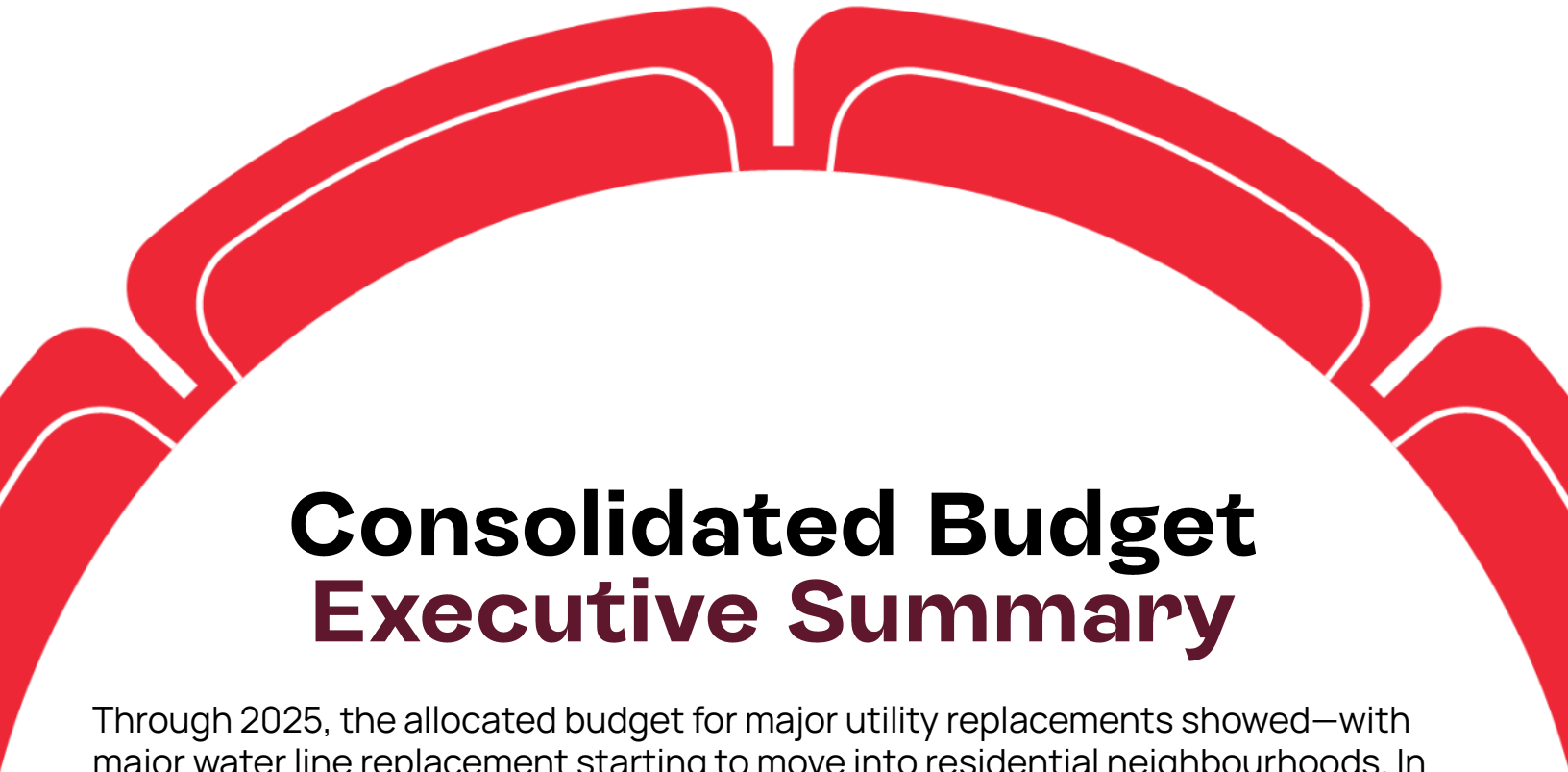
I've seen the good times, the bad, and I firmly believe that our community, now more than ever, is of national significance and poised to make big strides. I consider myself fortunate to be here at this pivotal moment and value this opportunity to serve my friends and neighbours.

In your service,



Corinne Bomben,
Chief Financial Officer





Consolidated Budget Executive Summary

Through 2025, the allocated budget for major utility replacements showed—with major water line replacement starting to move into residential neighbourhoods. In 2025 we have tripled the amount of water line replaced in previous years, and are continuing on that path of replacement into 2026 and beyond.

This upcoming year, the majority of the proposed ~3.7% increase is fully the contractual and safety obligations that we are mandated to meet due to the many labour contracts that the City has with multiple unions and staff cohorts. Although inflation has subsided, it is still present; we have accounted for it in our projections along with new debt costs starting in 2026.

We continue to operate with the same structural challenges constraining revenues that have been put in place by higher levels of government. Legislation such as the Payment in Lieu of Tax Act (Federal) as well as the Port Property Tax Act (Provincial) restrain our ability to have certainty of revenues from both developed and undeveloped port industrial lands in the community. Albeit infrastructure is top of mind for our organization, we continue to pursue resolution to these structural financial challenges.

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. Some come with the possibility of financial penalty if not completed (wastewater treatment and outfall works) and others have the potential (water treatment). These projects continue to be strategic goals that are worked towards as we continue the significant underground piping replacement period for which we thankfully received Provincial and Federal funding for. As in 2025, this year's financial plan includes use of both Provincial and Federal funding as well as City borrowing for the replacement of over 1/3 of our underground water and sewer utilities.

Continued on next page

Executive Summary continued....

The City has worked to limit the impacts to taxpayers of continued inflation and unprecedented infrastructure failure. This year, we are proposing an increase to maintain existing service levels that acknowledges inflation and external factors not within the City's control—specifically those required through contractual obligations. Despite a proposed increase in the draft budget for this year, we are resolute in pursuing 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 adopted Strategic Plan, is outlined below:

- The lease of portions of Watson Island via Prince Rupert Legacy Inc. to diverse commercial interests to bring the island fully 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. In 2026 the property tax and utility fee increases offset through a Legacy budgeted dividend is 5% and 42% respectively.
- Continued application for grants and advocacy for improvements to granting programs to contribute towards the costs associated with capital improvements and service provision.
- 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.
- Continued efforts to resolve the land valuation disagreement for the purposes of the Payment in Lieu of Taxes (PILT).

Topics of Interest

Infrastructure Replacement
Strategy (BIG PROJECT)

Proposed Tax Rate

Community Grant Requests

Proposed Capital and
Special Projects

Debt Information



2026 Challenges

Although inflation is beginning to flatten out, the 2026 Budget continues to anticipate that inflation, and especially that related to contractual increases and supply costs, will continue to impact our expenses moving ahead. The City's collective agreements were renewed in 2023 and 2025 and contribute significantly to operational increases, given that wages and benefits make up approximately 51% of City service costs. In periods of high inflation, contract renewals put pressure on our taxation need for ongoing service provision.

The past few years we have seen major successes for us in securing the Federal and Provincial funding needed to proceed with major replacement, what we are calling the BIG project, in our water and sewer utility lines. Still, costs for repairs in the interim period while major construction and replacement are ongoing is anticipated to be high and so operating budgets reflect this. Major disturbances and fluctuations in water distribution patterns will mean that emergency repairs will still be necessary while this multi-year project is underway. After major construction works are completed, we anticipate these costs to stabilize and that we will be able to proceed into a more stable program for capital renewal.

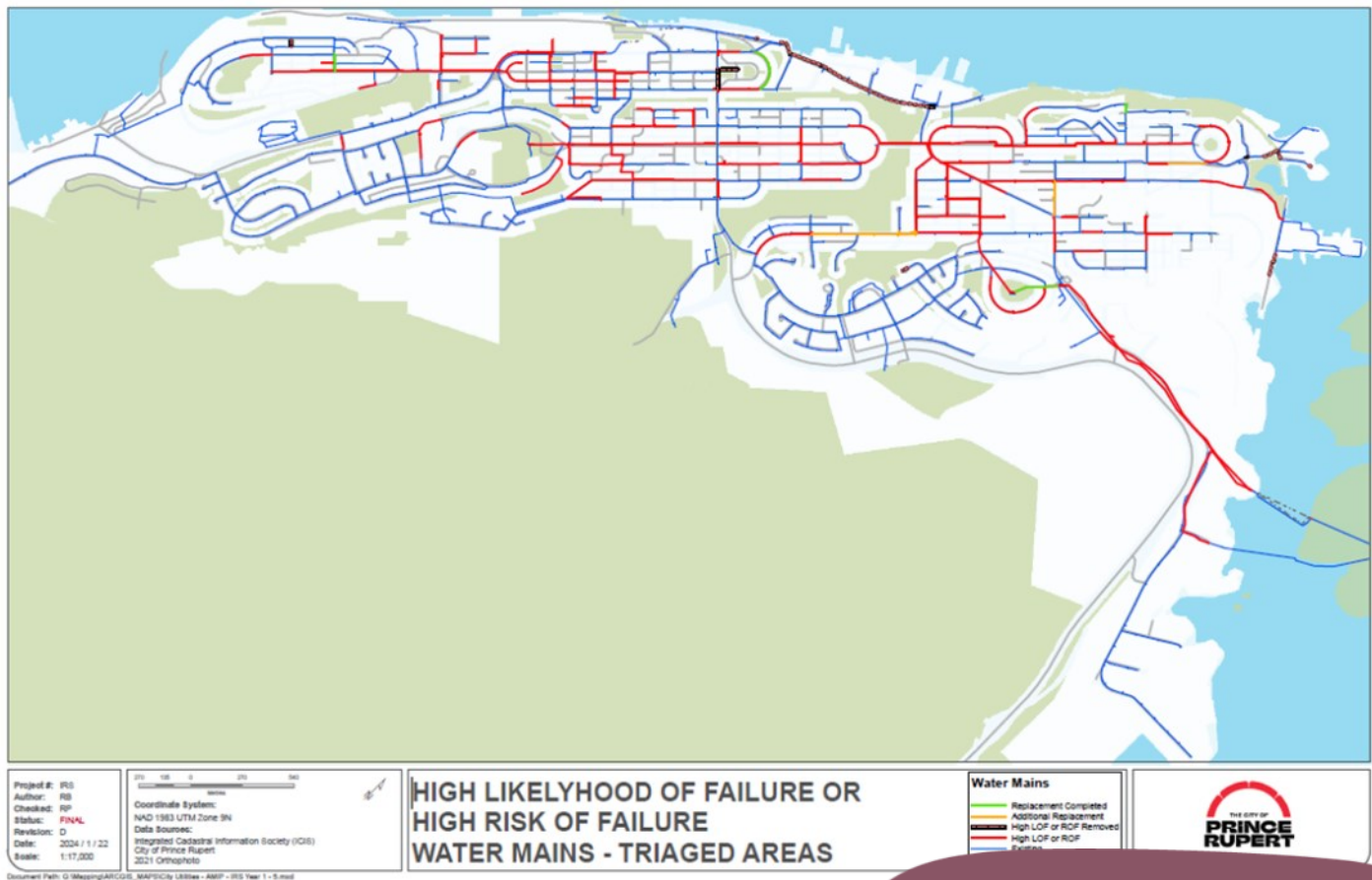
We continue to do everything we can to obtain new sources of revenue, however it is still anticipated that repayment of debt required for both planning and replacement of underground water/wastewater pipes and future water and wastewater treatment is expected to factor into future utility fee increases.

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. Wastewater directives from the Federal government will also be a substantial infrastructure expense, which the municipality cannot fund alone and must rely on available grants from higher levels of government.
- The Port Property Tax Act applies to certain major industrial terminals in our municipal boundaries. This legislation doesn't apply to most major industry in other communities.
- Reduced industrial revenues year over year also impacts our hospital, school district and regional district, other local taxing agencies that receive property taxes from Prince Rupert taxpayers.
- The City has a limited amount of debt it can take on. Additional revenues are necessary to increase our borrowing limit, which may be needed to contribute a matching portion towards grant applications.
- Changes to water quality standards, combined with the failing condition of underground infrastructure, has made for significant financial investment requirements in our water utility. Although we are committed to build a secondary form of water treatment as a condition of our operating permit by 2030, the scale of breaks in our existing distribution system was so significant that there was concern around failure which escalated pipe replacement to the top of our list of priorities. There was also the risk of losing substantial costs of water treatment to treat water that is then lost into the ground through leaks.
- Permitting for the landfill has become increasingly complex and expensive to address given proximity of the landfill to the ocean, combined with local rainfall levels and associated environmental protection requirements.

The Big Infrastructure Gap (BIG) Project



The City began undertaking a major replacement of critical water and sewer lines that started on Shawatlan Road in 2024, and through investigative and design work in other areas of the east side of the community. To address these needs, we achieved \$65 million in direct Provincial funding, \$77.2 million in Federal funding, and the City has also authorized borrowing for \$45 million to support design works and sewer line replacement that will occur alongside replacement of provincially funded water lines. The total cost of the project is estimated to be ~\$205 million over 3-4 years, with potential variability of costs within each individual year based on corridor requirements.

Over the long term—this major capital replacement will allow City crews to stop 'firefighting' and get back to a regular program for capital renewal and maintenance that our community needs and deserves.

The **sections in red** are those proposed to be replaced as part of the City's major water and sewer line replacement project—**approximately 26 km of pipes that are high likelihood and consequence of failure**. Note this map may be amended throughout the course of the project to adjust to areas that may fail sooner than planned. The project will not only replace the waterlines, but the roadway above, and will be a major renewal effort **lasting 3+ years**.



What to Expect When Expecting the BIG Project?

Step 1: Investigations

During this step, our crews will be surveying the area to plan the construction phase. There will be minimum impact to your daily schedule, you will see surveyors out spray painting certain areas as well as a Hydrovac truck in the area. There may be minor traffic delays.



Step 2: Installing the New Water Main

The road will be dug up in sections for installing the new water main. Once the pipe is in, the road will be filled with gravel. This step does not include tying in the new water line.



Step 3: Pressure Testing and Treating the Line

In this step, the new water main will be pressure tested and treated with chlorine (a Northern Health standard) to ensure the water is deemed potable (i.e. drinking water). You will notice a slowdown in construction activity for 7-10 days while these tests are being conducted.



Step 5: De-Commissioning

Here you will see the crew excavating the road to disconnect the new line from the old. Old fire hydrants will also be disconnected and removed, once again the road will be backfilled with gravel. You can expect a temporary water disruption in this step as well.



Step 4: Servicing

Servicing is tying in the new watermain to each individual lot, as well as tying in the new main to the old system. It is done in this order to ensure you do not go without water for the duration of the Project - you will have temporary water disruptions (1 day) while the tie ins are being done. You can also expect excavation of the road and excavation on/near your property if you have any encroachments. There will also be new fire hydrants installed, which will be tied into the new line in this phase.

Step 6: Paving

This is the final stage of the Project. If there was any disruption to the curb, you can expect replacement. Paving of the road will follow soon after. Expected timelines will be sent out in notices to your area.



For more information scan the QR code on the camera of your smartphone, which will take you to our website with FAQ's and project updates. Alternatively, reach out via the contact provided.



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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 2026-2029, 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 the City's Financial Plan.

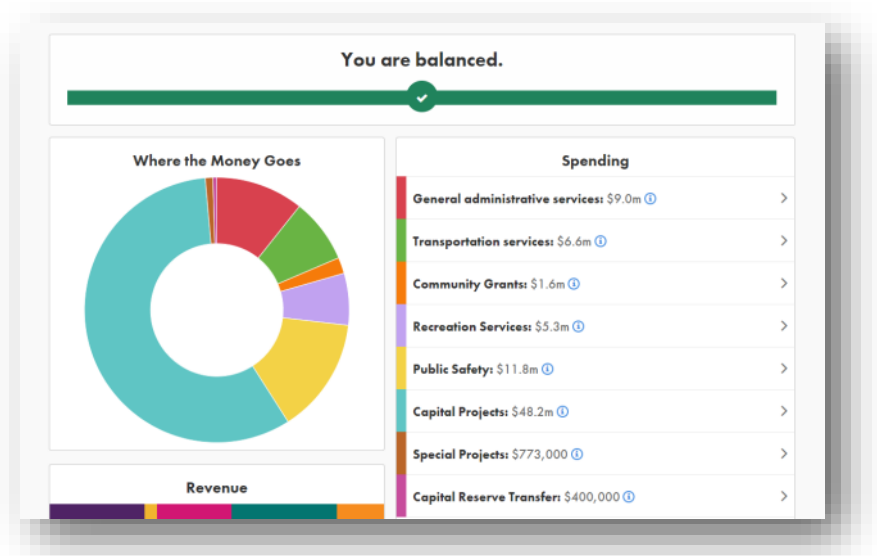
If you have questions or concerns, please contact the City's Finance Department by calling (250) 627 1781, or our municipal 311 service.

Budget Simulation Continuing—How would you spend on City services?

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.**

How would you spend on City services? Let us know using this tool! The simulation can be found on our webpage on the landing page and under the [2026 City Budget](#) button. You can also go to engage.princerpupert.ca for a link to the simulation, which will be available starting **October 28th, 2025**. Additional in person opportunities for input will be held **November 10th and November 24th** in Council Chambers at 7 pm with an in person feedback opportunity with directors on **November 13th** in the Raven Lounge at the Recreation Complex between 5 pm—6 pm.



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

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

[princerupert.ca/city-hall/
strategic-plan](https://princerupert.ca/city-hall/strategic-plan)

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

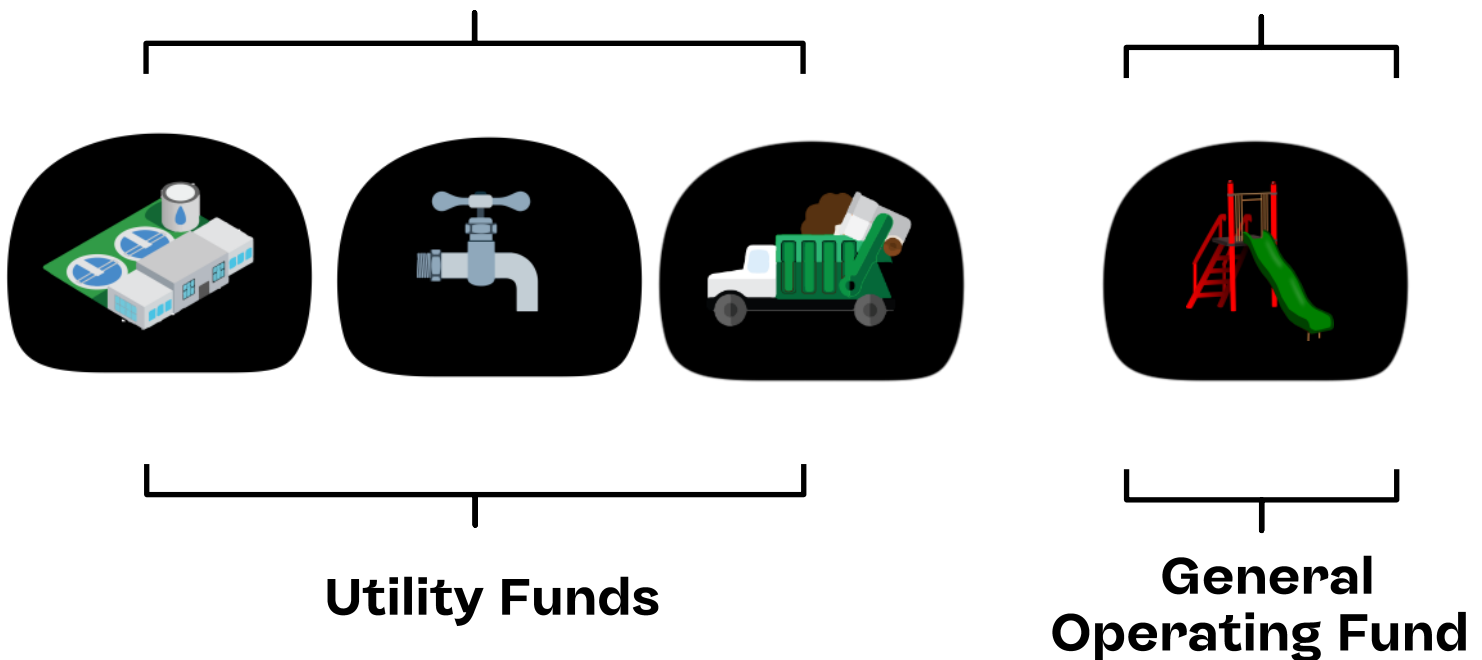
Each of the actions are a
priority but the actions
given higher priority
ranking are expected to
receive the most
resources and attention.
However, it is also
anticipated that actions
identified as lower priority
may also receive
resources and attention in
the first two years of
Council's 2023 to 2026
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 structure is split into four separate funds. The Water Fund, Solid Waste Fund and Sanitary and Storm Sewer Fund are the three "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 fund operations primarily from Council approved bylaw fees. These fees are set typically over 3 – 5 year terms.

The 4th fund is the General Operating Fund. This fund includes road maintenance and paving, Fire & RCMP costs, Recreation, Airport Ferry, Transit, Parks, Cemetery, City buildings, Planning, Economic Development and Administration. Funding for the operating fund occurs through fees and charges (such as recreation, airport ferry, 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 make 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 infrastructure replacement strategy.
- 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 are incorporated.
- Special circumstances, periodic expenditures (i.e. Election cycles, Provincially mandated undertakings, housing needs assessments, etc.) are incorporated as required.
- Recovery of costs are accounted for through known fee increases identified in bylaws and projected increases to maintain service.
- Staffing levels are maintained at a minimum to provide existing service levels. Any identified additions are noted 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 and franchise income communicated by utility operators.
- All legislative changes are incorporated.

2026 Budget Highlights/Changes

Notable changes and project impacts in the 2026 budget are:

- Continued recognition of inflation changes over the year and contractual obligations impacting increases
- Continued work on emergency water breaks and replacement of critical piping infrastructure (the BIG Project)
- Payment of debenture debt for the new RCMP Detachment at no cost to taxpayers
- Continued works on small-scale wastewater treatment project (funded through grants and surplus, with funding applied for on an additional site and City budget allocated to fund our potential contribution, if grant is successful)
- Continued works at the Rotary Waterfront Park through the use of a Provincial Grant
- Major maintenance and construction works anticipated for the 2nd Avenue Bridge to ensure that it can retain its service ratings.
- A \$6 M upgrade required to the leachate lagoon at the landfill as directed by environment authorities.

****Staff have drafted a 3.7% tax rate increase for 2026 to retain existing service levels.**

After taking into consideration the expected revenues and expenditures for normal service operations, the City is anticipating a net shortfall of \$960,000. After applying all available and permissible funding sources, the draft **increase necessary to balance the budget for the year is a 3.7% increase to the adjusted tax rates**. This increase may change depending on values provided by BC Assessment in Spring, 2026.

Capital Projects

Investing in Municipal Infrastructure

Many of the projects planned for 2026 are funded out of utility revenues, grants, reserves, surplus, existing taxes, dividends and debt. Some projects have been rolled over or are a continuation from fiscal 2025. 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 future grants or new sources of revenue are available. In our Budget document, we have indicated which projects rely on secured/unsecured grant funds.

The City is proceeding with capital projects for 2026 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 notable capital projects.*

- Continued design and infrastructure works to replace the City's most critical 26 km of water/sewer (funded by grants, borrowing)
- Continuation of Liquid Waste Management planning and implementation work for pilot treatment wetland (funded by grant), including allocation for a new area on Omineca which we have applied for a grant to fund
- Continued work on the submarine line that carries water beneath Fern Passage in the harbour (funded by grants and reserves).
- Waterfront development (grant funded)
- Annual paving + sidewalk programs (funded through existing taxation)
- Allocated surplus funds towards designing and building a chlorination station near the hospital to support enhanced water quality

Capital Projects (continued)

List of main capital items, continued....

- Works on City landfill leachate lagoon to maintain compliance with standards
- 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)
- Continued work to upgrade the UHF Radio System for Fire Department (funded through surplus and existing taxation)
- Continuation of the Public Works building renovation and replacement project.
- Surface releveling at the ice rink to support better ice quality and reduce impacts from subsurface heaving
- Replacement of the boiler plant at the Lester Centre (pending grant confirmation)
- Required upgrades to 2nd Avenue Bridge to maintain weight loading and safety standards
- Replacement of the UV System at the aquatic centre as well as building envelope improvements
- Replacement of the rubber surfacing material at Mariners Park playground

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



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.

- Repairs to the fire hose tower at the fire hall, which is an exterior structure that can be used for training
- Continuation of the First Nations pole replacement program that began in 2025
- Contributory funding towards a grant application for a feasibility study to reduce GHG emissions of the Recreation Department's refrigeration system
- Development of a public healing space outside of the Recreation complex
- Technological improvements, including to AV and interior accesses at the Recreation complex
- Update to LiDAR and Orthoimagery capture to update the City's data set to support utility mapping and land use services.

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



Budget— General Operating Requests

External Factors and Capacity Costs

This year's General Operation Requests resulting in taxation increases are primarily driven by factors beyond the control of the City. This includes labour contractual and benefit increases for both the City at-large and our police contractor, the RCMP. External inflationary pressures are a continuous driver for operational increases across the four funds referenced on **page 12.**

The following list of main operational items are proposed.

- Labour contractual and benefit increases
- General Expense Increase for energy, supplies and equipment debt.
- RCMP contract increase
- Transit contract increase
- Minor increases proposed to Community Enhancement Grants

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

Overview of Changes + Tax Impacts

This page highlights key changes to the budget for 2026 that represent proposed differences in spending and the tax impact as compared to 2025. The page is developed in order to help the community understand the breakdown of tax increases presented for consideration. A significant proportion of the changes in 2026 continue to be linked to contractual obligations with the bulk of the increase due to several labour contracts internal and external to the organization.

General Operating Fund Budget Changes		
<i>See page Appendix A for details</i>		
Internally proposed changes		
	Tax Increase \$	Tax Increase %
Labour - contractual, benefit increases & training	296,000	1.15%
Debt payments, Energy/Supplies increases	189,000	0.75%
Minor increases to Community Enhancement Grants	26,000	0.10%
Subtotal	511,000	2.0%
External Changes		
<i>(Items we can't change or depend on outside organizations)</i>		
	Tax Increase \$	Tax Increase %
Policing - Contract increase	364,000	1.40%
Transit - Contract increase	85,000	0.30%
Subtotal	449,000	1.70%
TOTAL DEFICIT	960,000	3.7% tax increase

Budget Prepared Excluding the Following:

Below are discretionary projects that Council can consider to include in the Budget that would be an increase above and beyond what is presented above. Apart from those projects that are grant funded, the budget presented is heavily focused on health/safety needs rather than those considered more discretionary.

This budget has been prepared excluding the following:	Tax Increase \$	Additional % above proposed
Community Enhancement Cash Grants (Special Events & Tourism Prince Rupert) See p.71	\$78,000	0.31%
Prince Rupert Golf Society	\$30,000	0.12%
TOTALS	\$108,000	0.43%

***Justifications/explanations with respect to items in the above table are available starting at p. 55 of this document.*

Projects noted for Council's discretion above are identified with the icon, right in the justifications section of the document

Choice for Council

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 2026, the anticipated operations deficit is \$960,000 which results in a 3.7% increase to the tax rate to balance the budget.**

This year, staff have proposed 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

\$1,320,000 = **5% Savings**

Offset Water fee increase

Water Utility

\$470,000 = **13.21% Savings**

\$1,037,000 Debt Payments =
29.2% Savings

Diversified Revenues from Watson Island

From deserted pulp mill...

To active industrial site



One of Prince Rupert Legacy Inc's revenue sources is lease payments from industries operating on the revitalized Watson Island site. As noted above, these lease payments contribute towards the annual dividend payments the City receives, which offset some City capital expenses and water loan payments for the dam and McBride Street water line replacement. Dividends are not used to off-set taxes for regular operating expenses as dividends are not a guaranteed source of continuous revenue. If a dividend was not available due to decline or withdrawal of industry in a future year, the general tax base having to absorb the offset operating costs would lead to a significant tax increase or retraction of services. This is a learning from the City's experience with the loss of our pulp mill revenue, and a more sustainable financial practice.

All audited financial statements from Prince Rupert Legacy Inc can be found online on the [City's website along with other Annual Financial Information.](#)

Capital Budget—Project Requests



Reading Tip

The following 3 pages are a summary of the requests for Council's consideration for the 2026 budget. Additional information related to each request is included in this document starting on page 55.

All Capital projects that list taxation or utility fees are funded from taxes and utility fees already collected annually and do not result in an increase beyond that what has already been approved.

Description	Asset	Reserve/ Surplus	Borrow	Grant	Dividends	Taxation/ Utility Fees
Fire						
Radio system replacement	952,000	(590,000)	-	-	-	(362,000)
Fire Hall Carpet removal/replacement	60,000	(60,000)	-	-	-	-
Building						
Lester Centre—Boiler Plant Replacement	550,000	(275,000)	-	(275,000)	-	-
City Hall Elevator Modernization—Phase 1 (Design)	40,000	(40,000)	-	-	-	-
Public Works Chamberlin Rd Leasehold Improvement Design	3,800,000	(2,880,000)	-	-	(920,000)	-
Recreation						
Aquatic Centre UV system replacement	95,000	(95,000)	-	-	-	-
Arena - Ice Rink Resurfacing	150,000	(150,000)	-	-	-	-
Aquatic Centre Exterior Improvements	170,000	(170,000)	-	-	-	-
Real Estate						
Annual land purchase	50,000	(50,000)	-	-	-	-
Watson Island dam maintenance	300,000	-	-	-	(300,000)	-
Civic Improvements						
Streetlight Replacement Program	75,000	-	-	-	-	(75,000)
Waterfront development	4,303,000	-	-	(4,303,000)	-	-
Japanese Canadian Memorial Plaza in Mariners Park	420,000	-	-	(420,000)	-	-
Vehicles & Mobile Equipment						
Annual Equipment Purchase	700,000	(700,000)	-	-	-	-
Enhanced Fleet Electrification	300,000	(300,000)	-	-	-	-
Transportation						
Digby side Ferry Dock maintenance (ramp)	100,000	(100,000)	-	-	-	-
Total	12,065,000	(5,410,000)	-	(4,998,000)	(1,220,000)	(437,000)

Projects coded with this colour are partially or fully carried forward from a previous year that have additional budget requested

See next page over for additional proposed capital spending and totals — >

Capital Budget—Project Requests

Description	Asset	Reserves/ Surplus	Borrow	Grants	Dividends	Taxation/ Utility Fees
Parks						
Eidsvik Park Renewal	500,000	(50,000)	-	(450,000)	-	-
Mariners Park - Rubber resurfacing	120,000	(120,000)	-	-	-	-
Transportation						
2nd Ave Bridge Repairs	2,000,000	(2,000,000)	-	-	-	-
Sidewalk Program	250,000	(140,000)	-	-	-	(110,000)
Annual Paving Program	1,400,000	-	-	-	-	(1,400,000)
Solid Waste Utility						
Lagoon and Priority Upgrades (Landfill leachate treatment)	6,400,000	(3,050,000)	-	(3,350,000)	-	-
Water Utility						
Annual Water line replacement	1,000,000	-	-	-	-	(1,000,000)
Chlorination Facility and Water Storage Expansion	600,000	(600,000)	-	-	-	-
Water Treatment Facility Engineering Design	1,150,000	(90,000)	(600,000)	(460,000)	-	-
Sewer Utility						
Omineca Avenue Wastewater Treatment Project.	10,000,000	(2,000,000)	-	(7,000,000)	-	(1,000,000)
Ongoing Outfall Camera Program	25,000	(25,000)	-	-	-	-
City wide path to compliance - Sewer master plan	500,000	(350,000)	-	-	-	(150,000)
Annual Wastewater line replacement	600,000	-	-	-	-	(600,000)
Totals	24,545,000	(8,425,000)	(600,000)	(11,260,000)	-	(4,260,000)

Total Capital Requests 36,610,000

Projects coded with this colour are partially or fully carried forward from a previous year that have additional budget requested

General Budget—Special Project Requests

Description	Asset	Reserve/ Surplus	Borrow	Grant	Dividends	Taxation/ Utility Fees
Building						
Hose Tower Repair	20,000	(20,000)	-	-	-	-
Recreation						
CRIS: GHG Feasibility Study - Refrigeration	24,000	-	-	(24,000)	-	-
Technology Upgrades	11,000	(11,000)				
Civic Improvements						
Asset Management Matching	50,000	-	-	-	(50,000)	-
Public Healing Space	20,000	(20,000)	-	-	-	-
Operations						
Implementation of Safe Work Procedures	100,000	(50,000)	-	-	(50,000)	-
Administration/Legislated						
Training (Customer Service & Collective Agreement)	20,000	(20,000)	-	-	-	-
Downtown Revitalization Historic Art Walk	150,000	-	-	(150,000)	-	-
Planning						
LiDAR and Orthophoto Data Capture	80,000	-	-	(80,000)	-	-
Category Totals	475,000	(121,000)	-	(254,000)	(100,000)	-

Did you know?



Funded by RBA

The City is a founding member of the Northwest Regional Benefits Alliance. Formed in 2014, the RBA is a regional association of 21 local governments, including three regional districts (North Coast, Bulkley-Nechako, Kitimat-Stikine), and its 18 member municipalities. Since 2015, the RBA has worked closely with the BC government to address the unique challenges facing the Northwest. In the 2024 Provincial Budget, there was a \$250 million 5 year commitment made to our municipalities, and the City of Prince Rupert receives **\$6.86 Million annually** as a part of that Agreement. Projects proposed to be funded in 2026 by the Northwest BC Regional Funding Agreement have been noted with the stamp in the top right in the project description section of this document.

General Budget—Approved Special Project Carry Forward



Reading Tip

This and the following page are projects approved in 2025 financial plan that are expected to be completed in 2026 or subsequent years.

Actual carryforward amounts will be updated in the financial plan once final costs to year end cut off date of December 31, 2025 are known.

Description	Asset	Reserve/ Surplus	Borrow	Grant	Dividends	Taxation/ Utility Fees
Recreation						
Recreation Master Plan Age Friendly	50,000	-	-	(25,000)	-	(25,000)
Transportation						
Bridge Alternate Route Study	200,000	(200,000)	-	-	-	-
Administration/Legislated						
First Nations Pole Program	50,000	(50,000)	-	-	-	-
Indigenous Engagement Requirements under EMCR	40,000	-	-	(40,000)	-	-
Total Approved Special Project Carryforward	340,000	(250,000)	-	(65,000)	-	(25,000)

Capital Budget—Approved Capital Project Carry Forwards

Description	Asset	Reserve/ Surplus	Borrow	Grant	Dividends	Taxation/ Utility Fees
Fire						
NG 911 Upgrades	30,000	-	-	(30,000)	-	-
Recreation						
Civic - Auditorium Ceiling	90,000	(45,000)	-	(45,000)	-	-
Real Estate						
Watson Island Power	35,000	-	-	-	(35,000)	-
Civic Improvements						
Mariners Park Memorial Wall	115,000	(115,000)	-	-	-	-
Vehicles & Mobile Equipment						
Clean Energy Hub Expansion	840,000	(150,000)	-	(690,000)	-	-
Transportation						
2nd Ave Bridge Design	200,000	(200,000)	-	-	-	-
Solid Waste Utility						
Wantage Road landfill closure	120,000	(120,000)	-	-	-	-

Table Continued on Next Page — >

Capital Budget—Approved Capital Project Carry Forwards

Description	Asset	Reserve/ Surplus	Borrow	Grant	Dividends	Taxation/ Utility Fees
Water Utility						
Slope Upgrades Dam Access Road	469,000	-	-	-	(469,000)	-
Overland Line Phase 1	600,000	(600,000)	-	-	-	-
Overland Line Phase 2	6,650,000	(2,063,000)	-	(4,587,000)	-	-
Submarine line Construction	7,250,000	(3,429,000)	-	(3,821,000)	-	-
SCADA Upgrade - Water	996,000	(936,000)	-	(60,000)	-	-
Water System Master Plan	132,000	-	-	(132,000)	-	-
Lisa Walters Drive Water Line	1,000,000	(1,000,000)	-	-	-	-
BIG Project - Construction (IRS)	53,000,000	-	-	(53,000,000)	-	-
Sewer Utility						
Liquid Waste Management Pilot Plant	5,670,000	(1,440,000)	-	(4,230,000)	-	-
Omineca Lift Station Replacement	500,000	(250,000)	-	-	-	(250,000)
Comox Lift Station Repairs	298,000	(298,000)	-	-	-	-
SCADA Upgrade - Sewer	500,000	(500,000)	-	-	-	-
Outfall Repairs - Outfall L	34,000	(34,000)	-	-	-	-
Outfall Elimination - Outfall C to B	5,000,000	(4,750,000)	-	-	-	(250,000)
Outfall Elimination - Outfall K	1,000,000	(1,000,000)	-	-	-	-
Industrial Park Treatment Plant Upgrade	405,000	(405,000)	-	-	-	-
BIG Design works	2,000,000	-	(2,000,000)	-	-	-
BIG Project - Construction (IRS)	23,500,000	(4,456,000)	(9,644,000)	(9,400,000)	-	-
Total Approved Capital Project Carryforward	110,434,000	(21,791,000)	(11,644,000)	(75,995,000)	(504,000)	(500,000)

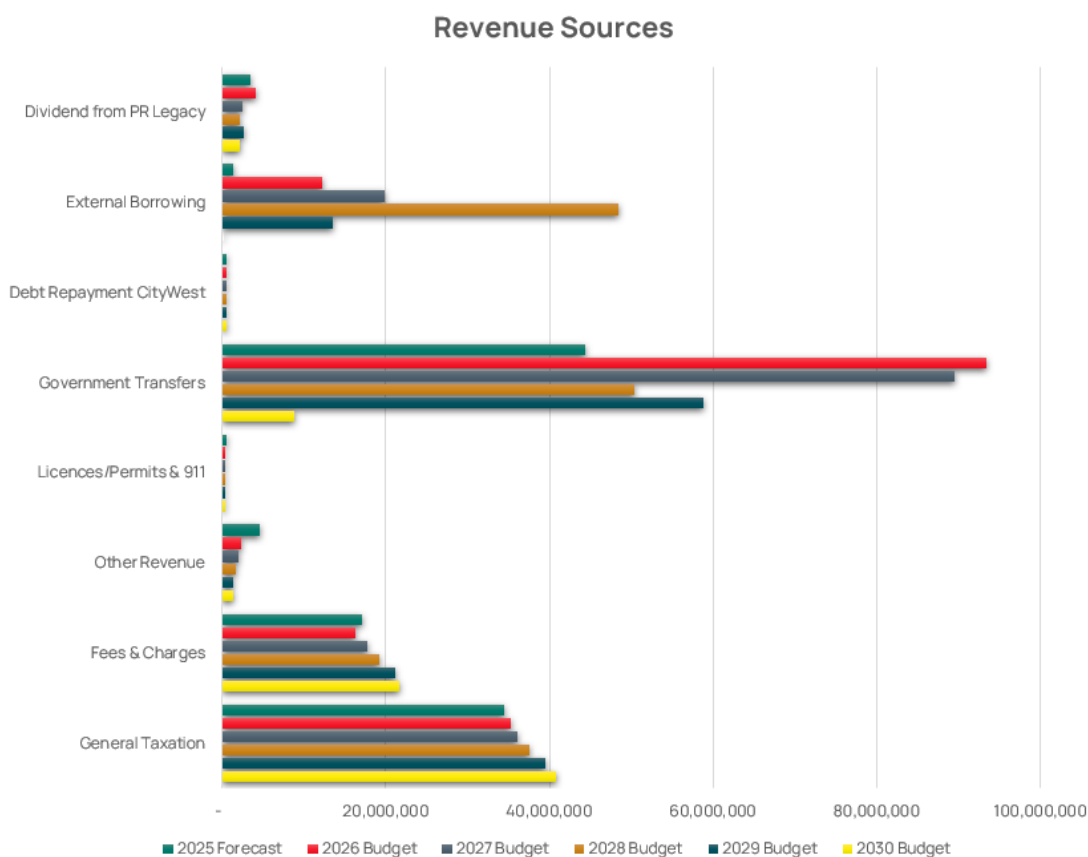
Revenues + Property Taxation

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.



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
- Traffic fines sharing
- Small Community Grant
- Provincial and Federal infrastructure grants requested for Water and Sewer 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

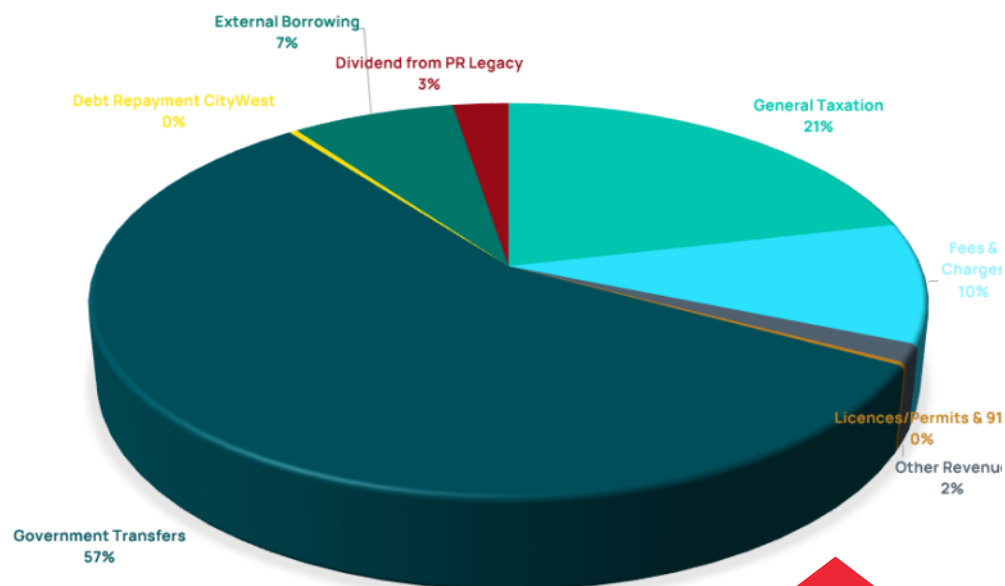
Revenue Sources

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 are mainly comprised of grants for capital projects. Given current major projects under way, and especially the BIG Project, this is a substantial portion of our revenues.

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. Since 2022 the City has been seeking to sell municipal lots that are appropriate for residential development with those efforts continuing in the years since with the adoption of a Housing Acceleration Plan, and a second application to the Federal Housing Accelerator Fund, 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. This flexibility allows the City to achieve operational goals as well as retain greater control over the use of property into the future as well as the condition of it after the lease is over.

2026 Budget for Revenue Sources



DECODING THIS GRAPH

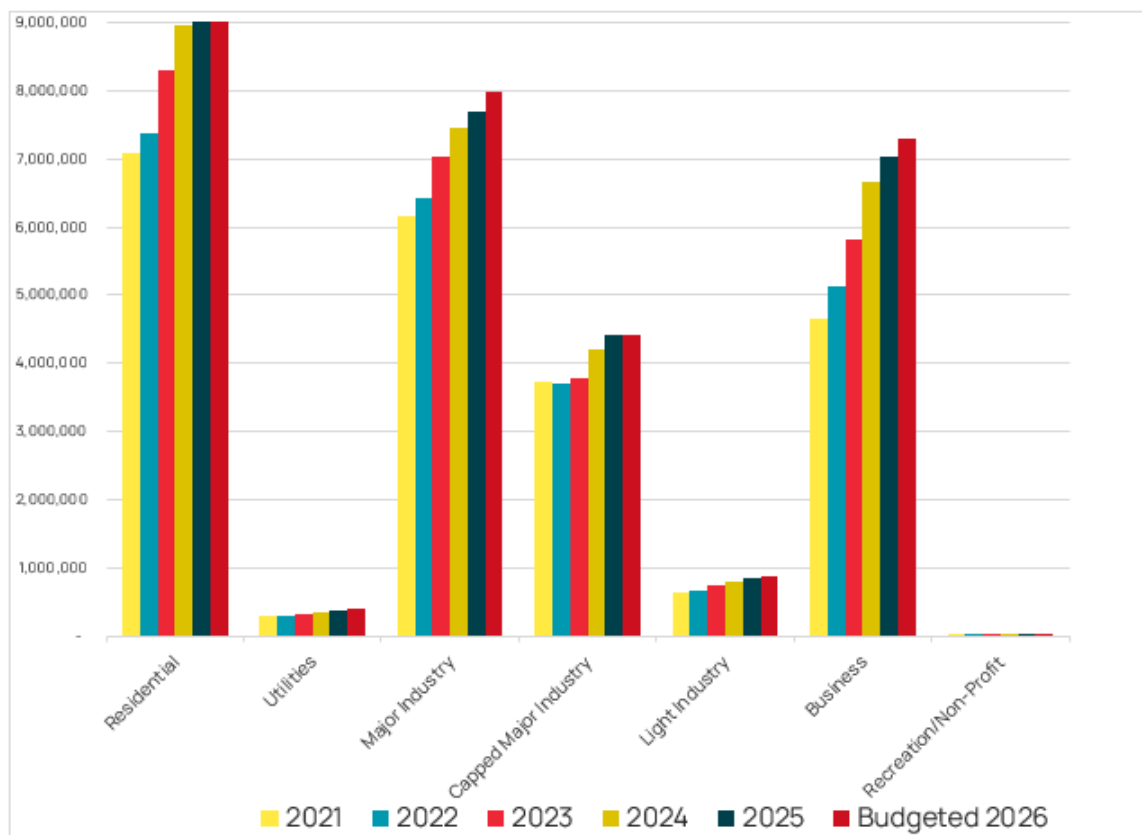
As you can see from the pie chart, **57% of current revenues come from conditional grants** (ie. Grants that must be spent on a specific project).

This is an indicator of just how successful the City has been in securing outside funding for major projects, however it is likely temporary. Once the BIG Project is complete, this proportion of funding will be reduced.

(Above) See pie chart for the sources of municipal revenue and their relative proportions of the City budget in 2026

Revenue + Property Taxation

Property Tax Revenue Trends - with draft 2026 increase



Property Taxation

Property tax is the City's most significant source of operational funds. 2026 property taxes have been estimated using 2025 assessment values given the 2026 assessment values have not been released by British Columbia Assessment Authority (BC Assessment) and won't be available until January 2026. Final values will be available April 2026. Residential tax is budgeted at 32% of total property tax and Business tax makes up 24% (2025 -32% and 24% respectively). Actual % will differ once Capped Major Industrial values are known.

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 BC Assessment.

The budgeted and prior five 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 8](#) 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, 14.8% in 2025). The reduction in percentage of total contribution to the taxation pool reflects the City's inability to share increasing operating and capital replacement costs with these terminals. We have been advocating for the Province to increase its grant to rectify this inequality.

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 (in 2026, it will be on July 2nd).

	2025	2026
Average Assessed Value	\$417,000	\$417,000*
Residential Mill (Tax) Rate	5.27165	5.46670
Residential Municipal tax	\$2,198	\$2,279

*Please note that average assessed values for 2026 are not yet available so 2025 values have been used

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 realize significant sales compared to others which would increase their values above the average assessed increase, and conversely, some properties may see 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 3.7% increase to the tax rate in order to retain existing service levels.** This means, an average assessed value homeowner is estimated to pay approximately \$80 more in 2026 than an averaged assessed value homeowner did in 2025. (See table above). The estimated municipal tax rates are listed in the table below, based on 2025 assessments.

Property Class #	Property Class Name	2025 Municipal Mill Rate (Tax Rate)	Estimated 2026 Municipal Mill Rate (Tax Rate)
1	Residential	5.27165	5.46670
2	Utility	55.57104	57.62718
4	Major Industrial	65.81997	68.25531
4a	Major Industrial (Capped 27.50)	27.50	27.50
4b	Major Industrial (Capped 22.50)	22.50	22.50
5	Light Industrial	19.17103	19.88036
6	Business	22.22842	23.05087
8	Non-Profit/Recreation	4.16061	4.31455

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 3.7% increase to municipal property taxes collected for 2026.

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

$$\frac{2026 \text{ Assessed Value}}{1000} \times \text{Residential Mill Rate (Tax Rate) (5.46670)}$$

**Reminder—2026 Assessed Values available January 2026*

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 2025, approximately 65% of your tax bill was made up of taxes collected by the municipality, with the rest going to the aforementioned taxation authorities.

2025 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: Legal Desc: Plan: Lot: Block:
DL#:

Mortgage Code: Mortgage Name: Reprint: Oct 08, 2025

DUE DATE
July 2, 2025

PENALTIES & INTEREST
10% Penalty on taxes unpaid after July 2, 2025. Interest on arrears and delinquent calculated to July 2, 2025.

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

Taxable Assessed Value	Class	Land	Improvements
Hospital	01	105,000	321,000
General	01	105,000	321,000
School	01	105,000	321,000

Please see below for payment information.

Tax Levies	Class	Taxable Value	Rate	Amount
SCHOOL - RESIDENTIAL	01	426,000	2.046000	871.60
GENERAL - RESIDENTIAL	01	426,000	5.121210	2,181.64
LIBRARY - RESIDENTIAL	01	426,000	0.150440	64.09
NORTHWEST REG. HOSP-RESIDI	01	426,000	0.540290	230.16
NCRD - RESIDENTIAL	01	426,000	0.138330	58.93
BCAA - RESIDENTIAL	01	426,000	0.035700	15.21
MFA - RESIDENTIAL	01	426,000	0.000200	0.09
Total Current Taxes				3,421.72

PROPERTY TAX DEFERMENT
If you are 55 years or older.

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 2nd, 2025) 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 2025, the rate was approximately **1.7 – 2.45%**
- **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 adopted updated fees and charges for Water, Sewer, and Solid Waste service in 2025 for 2026 through 2029. 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.

In accordance with the approved Bylaws, residential users will be billed the following rates before the early pay discount of 10% is applied:

Utility	2026	2% Asset Management	Total
Water	\$ 602.38	\$ 12.29	\$ 614.67
Sewer/ Sanitary	\$ 698.01	\$ 14.24	\$ 712.25
Garbage	\$ 593.48	\$ 12.11	\$ 605.59

The City has been very focused on replacement of the failing pipes that saw us call a State of Local Emergency in December of 2022, to be followed by water/sewer treatment once those lines are repaired.

The new submarine waterline beneath Fern Passage, and completion of the replacement of the watermain entering the community from the submarine line along Shawatlans Rd are ongoing water utility cost considerations in the 2026 Budget. The Water Treatment project is in the design stages with engineering continuing in 2026, however due to the significant loss of water through existing breaks in the system, construction of the plant will begin once significant progress is made on the BIG project. This project seeks to replace up to 1/3 of City water and sewer pipes. The decision to delay treatment has been made given the existing pipes are leaking up to 40% of the water transmitted from our water source. The City was successful in obtaining \$142 Million in grants for the BIG project, with loans contributing another \$45 Million to the project. Utility fees approved in the Utility Fee Bylaw by Council in 2024 account for the repayment costs associated with this contributory debt financing.

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.



Pictured above—A new Supervisory Control and Data Acquisition (SCADA) tower has been installed to support enhanced communication to our water supply and treatment system

Financial Trends + Cost Drivers

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 1% increase in 2025 over 2024 as shown in *Figure 1* (2026 values are not yet available). 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). The Province has limited the taxation that can be collected from the Port classes. In the graph, Port “27.5” class category refers to the capped rate charged to development that existed prior to the implementation of the Ports Property Tax Act as well as any **new** terminals that come online afterwards. Value captured within the Port “22.5” rate class applies to investment above and beyond the initial investment from port industry terminals. The “Major Industry” rate-payer class refers to businesses that don’t qualify for the capped rate as identified in legislation.

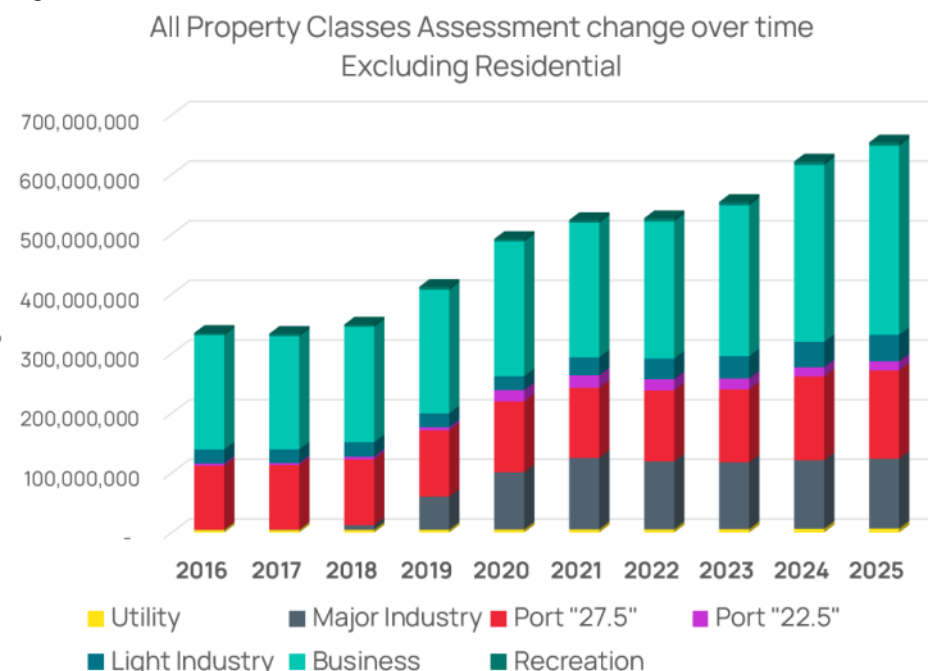
All other classes carry the burden of the rate caps on port industrial tax classes. The City is still working to remove this unfair tax policy, and/or for subsidy to make the community whole.

Figure 1



(Above) Figure 1 shows the change in BC Assessment Authority assessed values for the residential class from 2016-2025. 2026 values are not yet available.

Figure 2

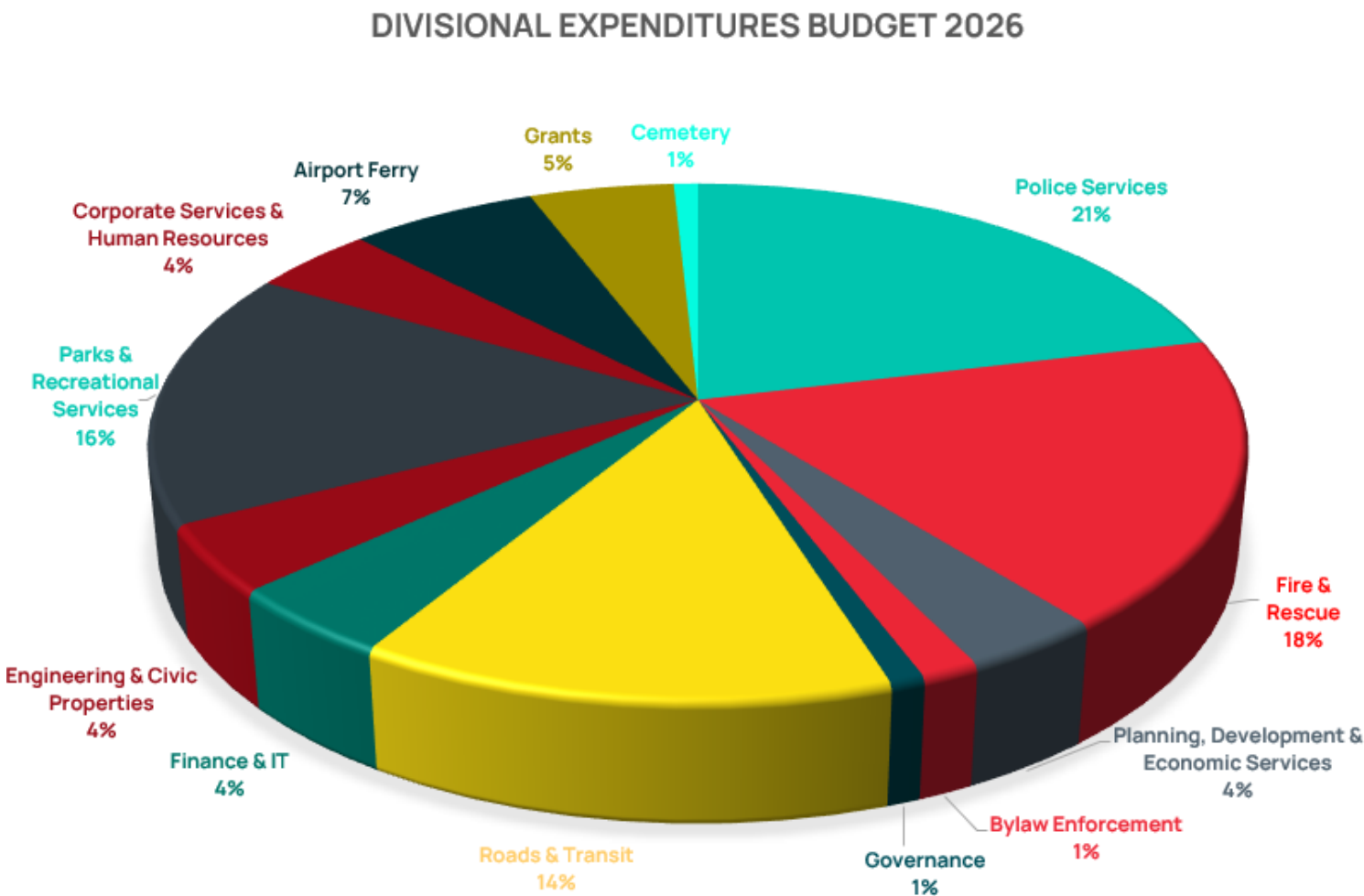


(Above) Figure 2 shows the change in BC Assessment Authority assessed values for all non-residential class from 2015-2025. 2026 values are not yet available.

Financial Trends + Cost Drivers

Expenditures

The draft allocation of departmental expenditures for 2026 are listed in the pie chart below. These expenditures are based on those in 2025, taking into account anticipated cost drivers noted on previous pages in this document.

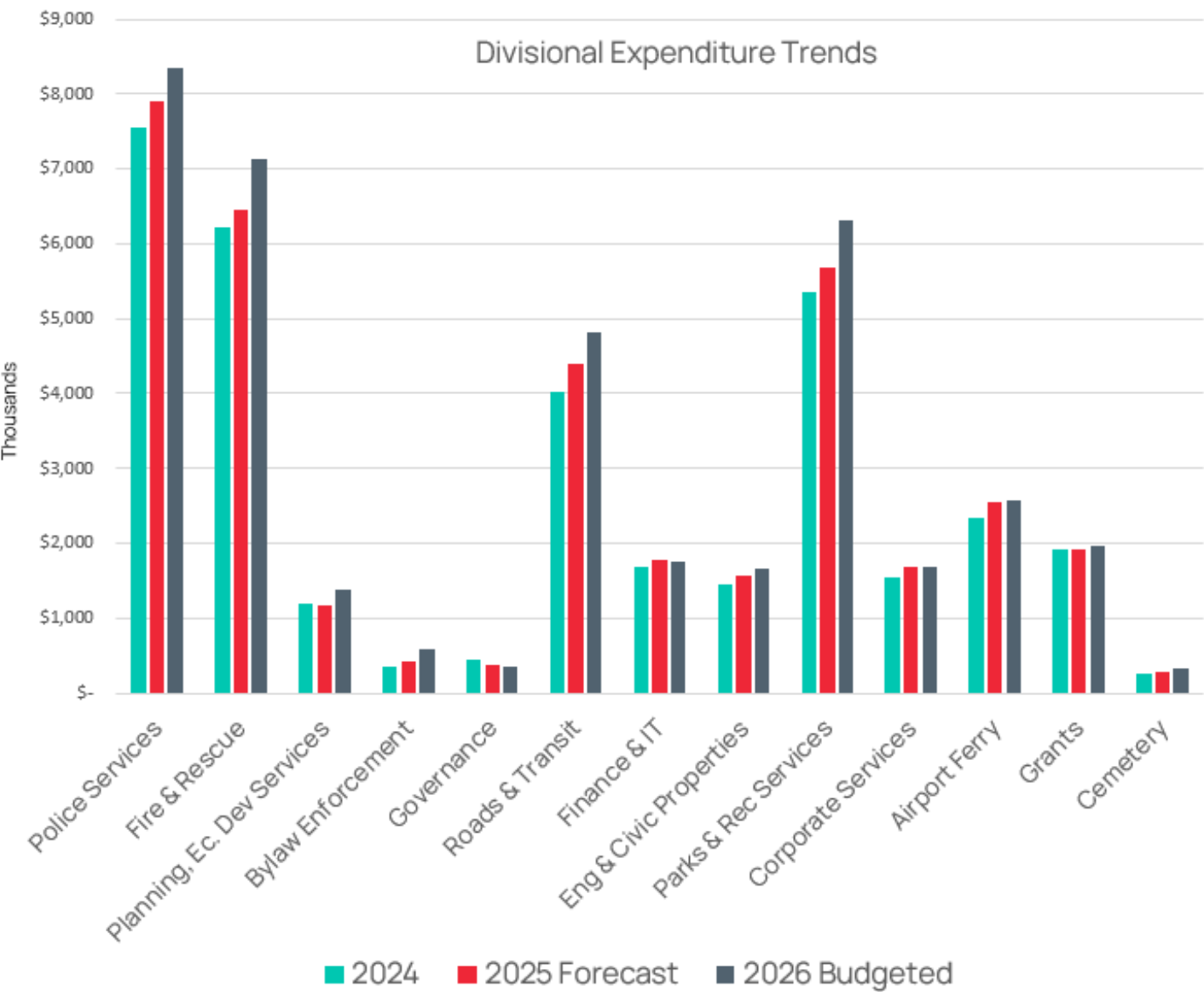


Operational Expenses

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



*Utilities not included.

How have expenditures changed in the past 3 years?

The above graph shows the actual, forecasted and budgeted expenditure levels for 2024, 2025, and 2026, respectively, by department. 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. Police and fire in 2026 reflect the cost requirements for these departments, based on contractual obligations.

Policing has increased in 2024/2025/2026, as in years prior, due to contract increases. An increase in parks and recreation spending in 2026 reflects under-spending forecasted through to the end of 2025. For 2026, spending projections are based on known departmental needs and anticipated return to staffing levels, with the 2026 budget being essentially equal to the 2025 budgeted spending level.

Taxation—Comparison to other Northwest Communities

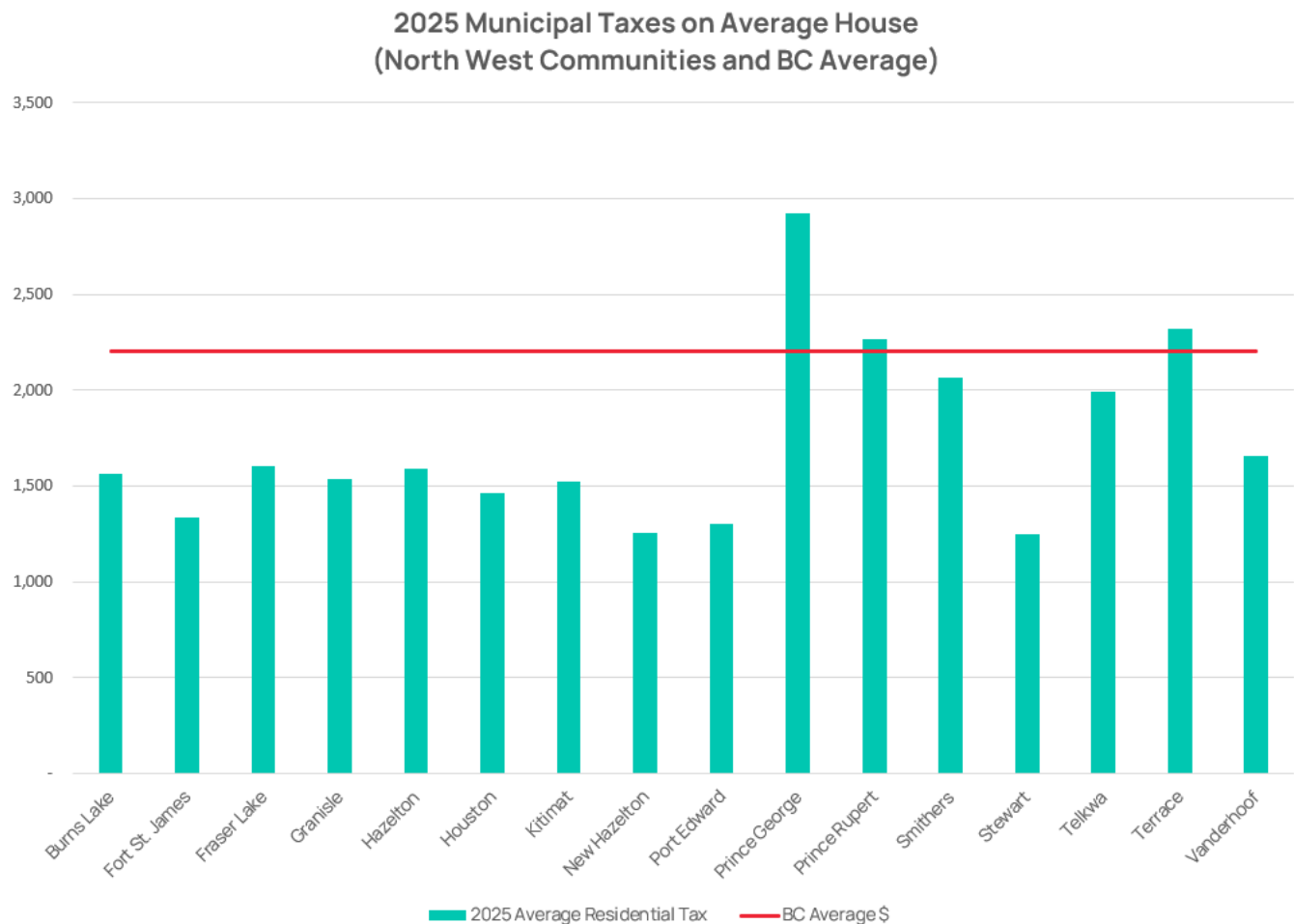
Taxation Rates in the Northwest

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 two years, overall taxes collected on the average home in Prince Rupert has increased \$131 whereas the Provincial average has increased \$148 over the same period.

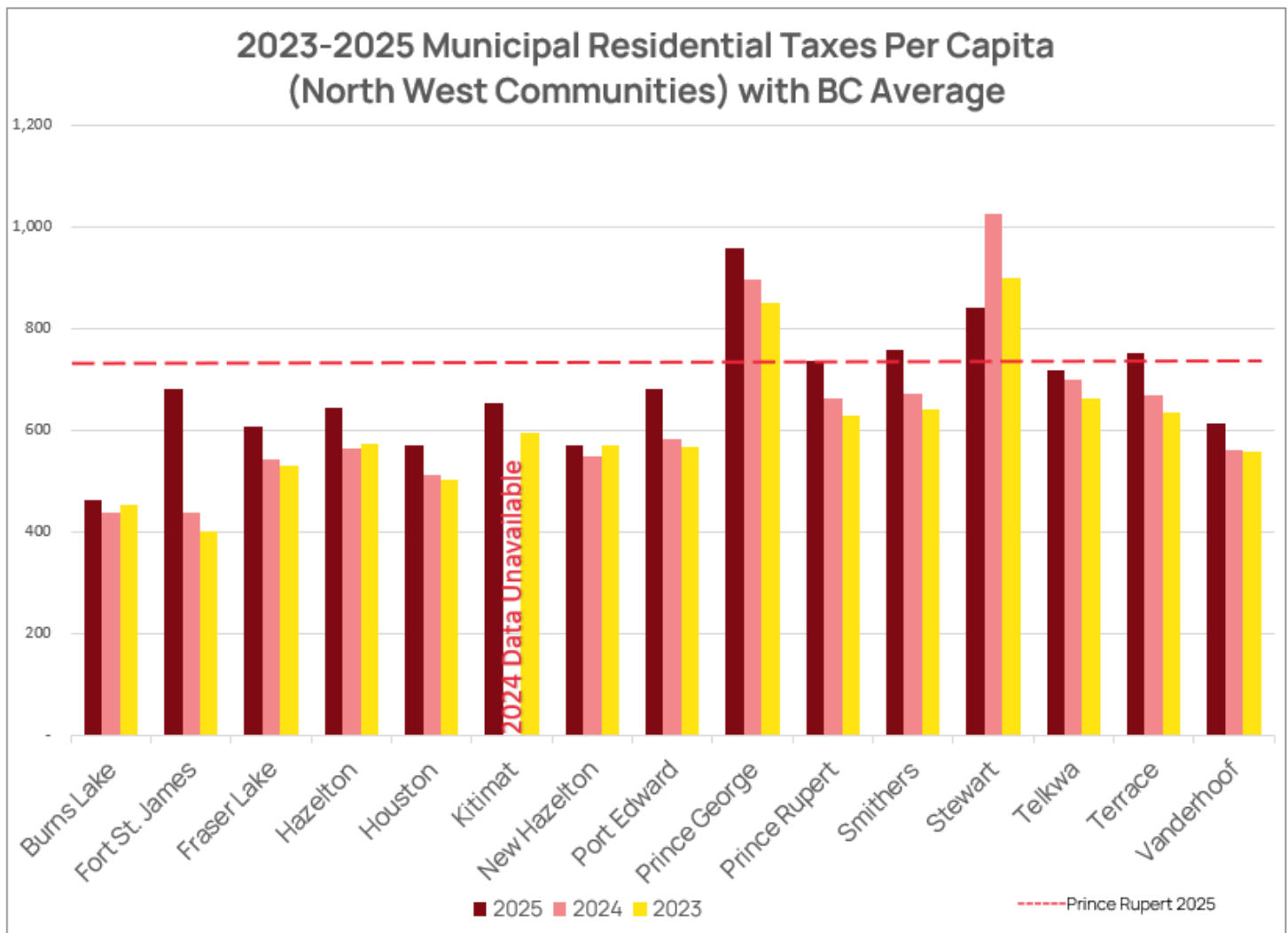


(Above) This graph shows the taxation levels of other Northern municipalities measured against the BC average. These differing levels in municipal property taxation are a result of the diverse services offered by our respective municipalities. 2025 data is shown. 2026 data will be available next year.

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). 2026 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, and no one except Prince Rupert operate a ferry service.

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 \$1.5 million or for mobile equipment), a financing option with a 5 year repayment term is generally used and is repaid by monthly blended principal and interest payments. In 2026, the City will begin making payments on the new Pumper Truck purchased by the Fire Department in 2025. Payments will end in 2030.

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.

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 and the City began setting aside funds for the eventual debt payments each year, mostly from new Industrial tax growth on Ridley Island. The debt was actually borrowed in 2025, with the amounts set aside reducing the balance of debt needed to \$17 million from the expected \$25 million contemplated in the loan authorization bylaw. With a lower principal balance and also lower rates than expected, the debt payments for 2026 and beyond are built into the current taxation level. In fact, since the payments on this bond debt are less than previously budgeted, the payments for the new 5 year debt for the Pumper Truck were also mostly built in, resulting in a lower than expected tax increase., This prior planning has limited the impacts to the tax payers from this project.

With the BIG project now well under way, additional debt of up to \$45 Million is expected to be taken in stages over the next 3 years. Additional debt is anticipated to fund the replacement Fire Hall and water treatment plant expected to be completed within the next five years. In order to limit the impact on tax/rate payers, City Council has approved the Financial Stability & Resiliency Policy to reserve new taxation generated by major industrial growth for capital renewal. The City also continues to seek all possible avenues for grants and other support from the Federal and Provincial governments to decrease the borrowing needed as much as possible.

For more information on the source of repayments for the debts noted above, [see page 39-40](#)

Long Term Debt Projections

Loan		Year Issued/ Proposed (years)	Loan Term	Loan Maturity	Current Interest Rate	Original borrowing	Total Payments	Net Borrowing Cost	Average Annual Payment	Average Annual Net Interest Cost	Source of Repayment
General Fund:											
Issued and Outstanding:											
Airport Upgrade											
	2014	20	2034		4.52%	7,000,000	10,398,000	3,398,000	520,000	170,000	Airport
	2023	5	2028		3.19%	314,000	331,000	17,000	66,000	3,000	Existing Taxes
	2025	30	2055		3.89%	17,000,000	29,637,000	12,637,000	988,000	421,000	Existing Taxes
	2024	5	2029		3.22%	670,000	726,000	56,000	145,000	11,000	Existing Taxes
Fire - Reserve Pumper Truck											
	2025	5	2030		3.19%	1,416,000	1,538,000	122,000	308,000	24,000	Existing/increased
	2029	5	2034		3.19%	3,500,000	3,797,000	297,000	759,000	59,000	Tax increases
	2028	30	2058		4.60%	30,000,000	58,691,000	28,691,000	1,956,000	956,000	Tax increases
						59,900,000	105,118,000	45,218,000	4,742,000	1,644,000	
Dam Replacement											
	2021	25	2046		2.58%	10,000,000	14,009,000	4,009,000	560,000	160,000	Legacy
	2022	5	2027		3.14%	850,000	947,000	97,000	189,000	19,000	Legacy
Water Treatment/Transmission											
	2029	30	2059		4.58%	22,500,000	40,204,000	17,704,000	1,340,000	590,000	Fees Increase
BIG Project - Treatment Plant											
	2026	30	2056		4.58%	3,000,000	5,865,000	2,865,000	196,000	96,000	Fees Increase
						36,350,000	61,025,000	24,675,000	2,285,000	865,000	
BIG Project In-tandem Sewer Main											
	2026	30	2056		4.58%	11,644,000	22,766,000	11,122,000	759,000	371,000	Fees Increase
BIG Project In-tandem Sewer Main											
	2027	30	2057		4.58%	17,435,000	34,088,000	16,653,000	1,136,000	555,000	Fees Increase
BIG Project In-tandem Sewer Main											
	2028	30	2058		4.58%	8,465,000	16,550,000	8,085,000	552,000	270,000	Fees Increase
						37,544,000	73,404,000	35,860,000	2,447,000	1,196,000	
New Landfill Cell - 2021											
	2021	25	2046		2.58%	10,000,000	14,009,000	4,009,000	560,000	160,000	Existing Fees
Landfill Equipment and Collection Truck											
	2023	5	2028		3.19%	1,317,000	1,489,000	172,000	298,000	34,000	Existing Fees
						11,317,000	15,498,000	4,181,000	858,000	194,000	
						145,111,000	255,045,000	109,934,000	10,332,000	3,899,000	

Draft 5 Year Financial Plan

2026-2030 Financial Plan By Fund

GENERAL OPERATING FUND	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Revenues by Department					
Airport Ferry	1,190,000	1,546,000	1,616,000	1,681,000	1,748,000
Bylaw Enforcement	134,000	137,000	140,000	143,000	143,000
Cemetery	149,000	170,000	177,000	184,000	191,000
Civic Properties	269,000	275,000	79,000	81,000	81,000
Corporate Administration	49,000	49,000	49,000	49,000	49,000
Cow Bay Marina	455,000	455,000	455,000	455,000	474,000
Development Services	321,000	327,000	324,000	331,000	331,000
Economic Development	70,000	70,000	70,000	70,000	70,000
FD 911 Services	69,000	68,000	67,000	66,000	65,000
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	8,757,000	8,436,000	15,259,000	15,223,000	15,325,000
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	147,000	149,000	151,000	153,000	156,000
Rec. Centre Arena	294,000	307,000	321,000	335,000	350,000
Rec. Centre Civic Centre	453,000	472,000	476,000	497,000	518,000
Rec. Centre Community Services	3,000	15,000	15,000	15,000	15,000
Rec. Centre Pool	557,000	585,000	614,000	644,000	676,000
Transit	288,000	289,000	290,000	291,000	292,000
Victim Services	96,000	77,000	77,000	77,000	77,000
Watson Island	400,000	400,000	400,000	400,000	400,000
Subtotal	13,810,000	13,924,000	20,678,000	20,794,000	21,061,000
Property Taxes (existing)	29,943,000	30,893,000	31,830,000	33,093,000	35,024,000
Property Tax Increase (Increase)	950,000	937,000	1,263,000	1,931,000	1,213,000
Total Operating Revenues	44,703,000	45,754,000	53,771,000	55,818,000	57,298,000
PR Legacy Inc contributions- Capital Purchases	1,255,000	-	-	-	-
Conditional Project Grants - Capital Works	450,000	-	-	-	-
Conditional Project Grants - Capital Purchases	5,763,000	4,875,000	-	-	-
Appropriated Reserves - Capital Works	2,170,000	-	-	-	-
Appropriated Reserves - Capital Purchases	4,175,000	-	-	-	-
Appropriated Surplus - Capital Purchases	1,545,000	-	-	-	-
Appropriated Surplus - Capital Works	340,000	-	-	-	-
PR Legacy Inc contributions- Special Projects	100,000	-	-	-	-
Appropriated Surplus - Special Projects	101,000	-	-	-	-
Conditional Project Grants - Special Projects	319,000	-	-	-	-
Appropriated Reserves - Special Projects	270,000	-	-	-	-
Loans from MFA - Capital Purchases	-	-	30,000,000	3,500,000	-
Total Capital Revenues	16,488,000	4,875,000	30,000,000	3,500,000	-
Total General Operating Fund Revenues	61,191,000	50,629,000	83,771,000	59,318,000	57,298,000

Draft 5 Year Financial Plan

2026-2030 Financial Plan By Fund

GENERAL OPERATING FUND	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Expenditures by Department					
Airport Ferry	2,569,000	2,820,000	2,908,000	2,969,000	3,039,000
Bylaw Enforcement	583,000	591,000	600,000	608,000	617,000
Cemetery	329,000	334,000	340,000	346,000	350,000
Civic Properties	881,000	893,000	904,000	915,000	926,000
Corporate Administration	1,194,000	1,202,000	1,226,000	1,251,000	1,276,000
Cow Bay Marina	458,000	474,000	488,000	502,000	517,000
Development Services	1,157,000	1,179,000	1,200,000	1,223,000	1,257,000
Economic Development	235,000	243,000	247,000	252,000	257,000
FD 911 Services	708,000	726,000	741,000	755,000	770,000
FD Fire Protective Services	6,369,000	6,363,000	6,519,000	6,681,000	6,841,000
FD Emergency Measures	46,000	46,000	46,000	46,000	46,000
Finance	1,427,000	1,456,000	1,333,000	1,359,000	1,387,000
Finance Cost Allocation	(519,000)	(576,000)	(629,000)	(687,000)	(720,000)
Fiscal Expenditures	3,657,000	3,776,000	4,442,000	5,692,000	6,341,000
Governance	351,000	378,000	390,000	403,000	416,000
Grants in Aid to Community Partners	1,971,000	2,010,000	2,042,000	2,076,000	2,112,000
Human Resources	488,000	497,000	507,000	517,000	528,000
Information Technology	840,000	853,000	866,000	879,000	892,000
Parks	1,325,000	1,348,000	1,371,000	1,394,000	1,417,000
PW Engineering	774,000	834,000	851,000	867,000	884,000
PW Common Costs	5,390,000	5,539,000	5,695,000	5,858,000	6,028,000
Allocation of PW Common Cost	(5,390,000)	(5,539,000)	(5,695,000)	(5,858,000)	(6,028,000)
PW Vehicles	1,929,000	1,983,000	2,002,000	2,021,000	2,039,000
Allocation of PW Vehicles	(1,929,000)	(1,983,000)	(2,002,000)	(2,021,000)	(2,039,000)
RCMP	8,144,000	8,341,000	8,545,000	8,755,000	8,963,000
Rec. Centre Arena	615,000	585,000	613,000	626,000	637,000
Rec. Centre Civic Centre	2,292,000	2,380,000	2,423,000	2,472,000	2,510,000
Rec. Centre Community Services	4,000	4,000	4,000	4,000	4,000
Rec. Centre Pool	1,621,000	1,637,000	1,676,000	1,705,000	1,729,000
Roads	2,700,000	2,793,000	2,888,000	2,933,000	2,981,000
Transit	1,170,000	1,261,000	1,061,000	1,103,000	1,145,000
Victim Services	198,000	200,000	203,000	206,000	210,000
Watson Island	400,000	400,000	400,000	400,000	400,000
Transfer to Reserves (Interest, RCMP Loan)	200,000	200,000	200,000	200,000	200,000
Transfer to Reserves (NWBCRF Agreement)	-	-	6,860,000	6,860,000	6,860,000
Transfer to General Capital Reserves	544,000	544,000	544,000	544,000	544,000
Total Operating Expenses	42,731,000	43,792,000	51,809,000	53,856,000	55,336,000
Provision for Special Projects	815,000	25,000	25,000	25,000	25,000
Provision for Capital Purchases	13,175,000	5,312,000	30,437,000	3,937,000	437,000
Provision for Capital Works	4,470,000	1,500,000	1,500,000	1,500,000	1,500,000
Total Capital Expenses	18,460,000	6,837,000	31,962,000	5,462,000	1,962,000
Total Operating Fund Expenditures	61,191,000	50,629,000	83,771,000	59,318,000	57,298,000
Surplus(Deficit)	-	-	-	-	-

Draft 5 Year Financial Plan

2026-2030 Financial Plan By Fund

UTILITY OPERATING FUNDS	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Sanitary and Storm Sewer					
Operating Revenues	3,864,000	4,476,000	5,190,000	5,294,000	5,400,000
Grants	20,630,000	32,565,000	21,585,000	40,000,000	-
PR Legacy Inc contributions	-	450,000	200,000	700,000	200,000
Appropriated Surplus - Cap Works	3,457,000	25,000	25,000	25,000	25,000
Loans from MFA	11,644,000	17,435,000	8,465,000	-	-
Funding from Reserves	12,051,000	2,000,000	-	-	-
Capital Works	(50,032,000)	(53,475,000)	(31,275,000)	(41,725,000)	(1,225,000)
Revenue for operations	1,614,000	3,476,000	4,190,000	4,294,000	4,400,000
Expenditures	1,614,000	3,476,000	4,190,000	4,294,000	4,400,000
Surplus (Deficit)	-	-	-	-	-
Water					
Operating Revenues	4,923,000	4,783,000	4,873,000	6,000,000	6,046,000
Grants	62,060,000	50,149,000	19,982,000	10,000,000	-
PR Legacy Inc contributions	469,000	-	-	-	-
Appropriated Surplus- Cap Works	2,446,000	-	-	-	-
Loans from MFA	600,000	2,500,000	10,000,000	10,000,000	-
Funding from Reserves	6,272,000	2,351,000	-	-	-
Capital Works	(72,847,000)	(56,000,000)	(30,982,000)	(21,000,000)	(1,000,000)
Revenue for operations	3,923,000	3,783,000	3,873,000	5,000,000	5,046,000
Expenditures	3,923,000	3,783,000	3,873,000	5,000,000	5,046,000
Surplus (Deficit)	-	-	-	-	-
Solid Waste					
Operating Revenues	5,701,000	6,035,000	6,389,000	6,763,000	6,898,000
Appropriated Surplus - Cap Works	1,120,000	-	-	-	-
Funding from Reserves	3,050,000	-	-	-	-
Community Works Fund (Gas Tax)	2,350,000	-	-	-	-
Capital Works	(6,520,000)	(120,000)	(120,000)	(120,000)	(120,000)
Revenue for operations	5,701,000	5,915,000	6,269,000	6,643,000	6,778,000
Appropriated Surplus for Rate Stabili-	187,000	148,000	-	-	-
Expenditures	5,888,000	6,063,000	6,269,000	6,643,000	6,778,000
Surplus (Deficit)	-	-	-	-	-

5 Year Capital Works Plan: Utilities

The following table of capital works notes planned expenditures on major utility projects over the next 5 years. Note that expenditure levels project for each year in this table and others are sometimes subject to change due to inflationary increases, portions of the project being carried forward, or changes in scope to the projects. Our budget is a working document that reflects current best estimates for cost and schedule, and should be read as such.

	2026	2027	2028	2029	2030
Water Utility					
BIG Project Construction (water + sewer lines)	53,000,000	50,000,000	9,982,000	-	-
Overland Line	7,250,000	-	-	-	-
Submarine Line	7,250,000	-	-	-	-
Water Treatment	1,150,000	5,000,000	20,000,000	20,000,000	-
SCADA (Remote communication)	996,000	-	-	-	-
Slope Upgrades Dam Access Road	469,000	-	-	-	-
Water System Master Plan	132,000	-	-	-	-
Lisa Walters Drive	1,000,000	-	-	-	-
Chlorination Facility and Water Storage Expansion	600,000	-	-	-	-
Other	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	72,847,000	56,000,000	30,982,000	21,000,000	1,000,000
Sewer Utility					
BIG Project Construction (water + sewer lines)	25,500,000	20,000,000	10,050,000	-	-
Outfall Works	9,045,000	25,000	25,000	25,000	25,000
Omineca Lift Station	500,000	450,000	-	-	-
Wetland Wastewater Treatment	15,670,000	30,000,000	20,000,000	40,000,000	-
SCADA (Remote communication)	500,000	-	-	-	-
Sewer Master Plan	500,000	-	-	-	-
Industrial Park Treatment Plan	405,000	2,000,000	-	-	-
Lift Station Refurbishments	298,000	-	200,000	700,000	200,000
Other	600,000	1,000,000	1,000,000	1,000,000	1,000,000
Total	53,018,000	53,475,000	31,275,000	41,725,000	1,225,000
Solid Waste Utility					
Lagoon Works	6,400,000	-	-	-	-
Other	120,000	120,000	120,000	120,000	120,000
Total	6,520,000	120,000	120,000	120,000	120,000

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

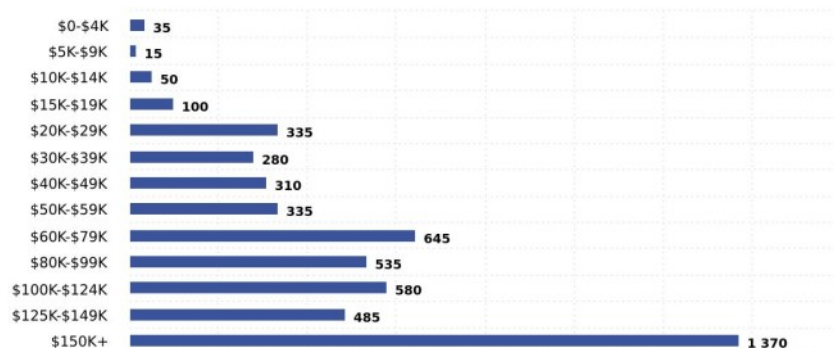
2021 Population: 12,300

Average or median household income:

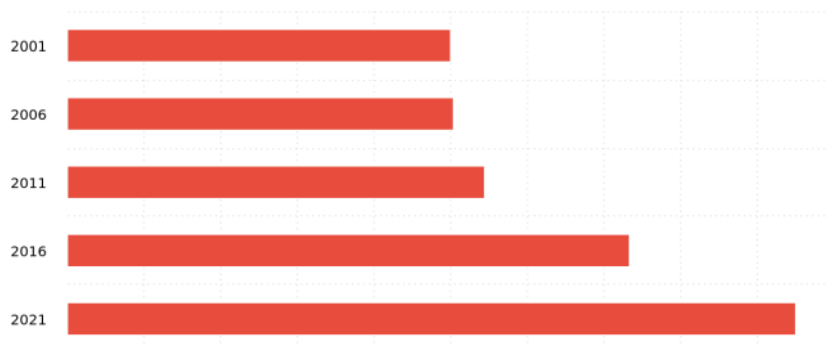
In 2021, the median total income of households in Prince Rupert was \$95,000, an increase of 29% from \$73,421 in 2015.

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 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.

****As of 2024, the City is now completing public consultations in the Fall so that the City and public have a better idea sooner in the year about anticipated revenues/ expenses**

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, Host Local Government share of Gaming Revenue, and interest income on cash deposits.

The shortfall, after all pre-tax revenues and expenses are budgeted, indicates 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, fire protection and cemetery	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. 2025-2027 City of Prince Rupert Permissive Tax Exemption Bylaw 3665, 2025; and,
- d. The Permissive Tax Exemption Policy.

Appendix E shows the properties which will receive permissive tax exemptions and approximate amounts.

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.
-

Objective:

To provide guidance for decision making to meet the ongoing operational needs of the City on an annual basis while mitigating the risk of industry life cycle changes on operational revenues and associated impacts to homeowners and small businesses.

Policies:

- Revenues from positive non-market change will be adjusted from the general taxation levy calculations. To alleviate pressure to increase taxes, non-market change, other than positive non-market change from new assessment folios in the Major Industrial class (MI), will first be applied to maintain the baseline budget.
- Any residual above the minimum required to balance the budget from the allocation of non-market change will be placed in Reserves which can be used for the purposes the Reserves were established across the General Operations and Utilities Funds.
- All taxation revenue resulting from positive non-market change due to new assessment folios in the Major Industrial Class (MI) after the effective date of this policy will be placed in Capital Reserves.
- The City will invest in asset management to keep infrastructure in a proper state of repair to avoid costly failures. Asset management ensures assets are maintained in a state of good repair while optimizing capital investment to maintain service levels and ensure best value for taxpayer's dollars.
- The policy is only guidance for staff in developing the Budget that is proposed annually to Council. Council retains the discretion to determine the levels of service provided to action the strategic plans of Council and similarly the budget necessary to do so.

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 Operating Fund that sets annual tax rates and the Water Utility Fund that sets the annual user rates for water.

GENERAL OPERATING 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: General Operating Fund

Category: General Operations

Title: Staff Contractual and Benefits Increases

Justification:

The City operates its services with bargaining unit and exempt staff. The contractual and benefit increases (net of projected department revenue gains) is expected to cost \$296,000 in 2026 which equates to 1.15% of the proposed increase of 3.7%.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation (New)
\$296,000	0	0	0	0	0	(\$296,000)

Category: General Operations

Title: General Expense Increase

Justification:

The City experiences cost escalation similar to other organizations. Energy, supplies, and services increase in price. Also included is the debt cost associated with the fire departments new pumper delivered in 2025 (\$302,000) and a lower than expected debt repayment for the RCMP project—the savings for which (-\$147,000) will be allocated towards the pumper debt. The net increase to the City to operate services for the following year is nearly .75%. This net increase is balanced through increased taxation.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation (New)
\$189,000	0	0	0	0	0	(\$189,000)

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 service contract, representing 1.43% of the proposed increase.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation (New)
\$364,000	0	0	0	0	0	(\$364,000)

Budget Requests: General Operating Fund

Category: Transit

Title: Contractual Increases

Justification:

The City funds BC Transit to provide bus services throughout the community. For 2026, there is an increase to the contract of \$85,000 net of ridership revenue.



Operational	Reserve/	Borrow	Grant	Dividend	Utility	Taxation
\$85,000	0	0	0	0	0	(\$85,000)



Category: Grants to Community

Title: Increase Related to Requests for Funding

Justification:

The City provides Community Enhancement Grants that provide services to the community, including the Library, Museum, Lester Centre, and others that offer events and activities in Prince Rupert. A recommended amount of \$26,000 in increased grants across all requests is proposed for 2026.

Operational Cost	Reserve/ Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation (New)
\$26,000	0	0	0	0	0	(\$26,000)

APPENDIX B:

Budget Requests: Capital

Category: Fire
Title: Radio System Replacement

Justification:

The VHF radio system used by the Fire Dept does not provide essential communications between on scene responders and the dispatch center in several areas of the City's boundaries. This creates risk when firefighters are operating inside structure fires and are unable to communicate with the Incident Commander to provide situation reports or Mayday calls. WorkSafe BC Regulations 31.23 (2) requires that "effective voice communication must be maintained between firefighters inside and outside the enclosed location".



In 2023, the Fire Dept commissioned a radio study around Kaien Island, and this study identified dead zones within the City and Industrial areas with the current VHF system. Radio dead zones are areas where portable radios are unable to communicate with each other, generally due to geographic/ environmental conditions and due to building construction. The study includes recommendations to provide effective radio communications by installing repeaters throughout the community and replacing the handheld radios. This is an approved project from 2024 that will continue into 2026, with additional funding requested based on cost increases for the repeaters. Handheld radios were acquired in 2025.

Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation (Existing)
\$952,000	(\$590,000)	0	0	0	0	(\$362,000)

Category: Fire
Title: Fire Hall Carpet Removal/Replacement

Justification:

The carpeting in the upstairs Dorms and Chief's office are over twenty years old, and are significantly worn. This should be replaced with vinyl flooring for proper cleaning and durability.

Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$60,000	(\$60,000)	0	0	0	0	0

Budget Requests: Capital

Category: Building
Title: Lester Centre—Boiler Plant Replacement

Justification:

The boilers at the Lester Centre, which are original to the building (1987) and past life-expectancy, require frequent repair and are extremely inefficient and costly to run. A breakdown of the heating system could moreover result in theatre closure, cancellation of performances and loss of rental income for the theatre. In 2025, the City procured detailed design plans accompanied by a class 'B' budget estimate for replacing the old boilers with a new, high-efficiency system. Budget is requested for 2026 based on this estimate to complete the boiler plant replacement, pending receipt of grant funds that will be sought if contributory funding is confirmed in the 2026 Budget.



Asset Cost	Surplus	Borrow	Grant (unsecured)	Dividend	Utility Fee	Taxation
\$550,000	(\$275,000)	0	(\$275,000)	0	0	0

Category: Building
Title: City Hall Elevator Modernization—
Phase 1 (Design)

Justification:

Now over 60 years old, the City Hall elevator is past end-of-life and is experiencing frequent breakdowns. Due to its age, parts are increasingly hard to find, resulting in lengthy waits for repair. The last breakdown caused the unit to be out of service for nearly 3 weeks. Since there is no access to the top floor for anyone with mobility issues without the elevator, having a reliably functioning unit is a high priority. Any modernization of the elevator will require bringing it up to current code requirements. Due to the technical complexity and stringent safety requirements involved, procurement of an elevator engineering consultant is essential for site assessment, design and tender support. Budget is requested for 2026 procurement of this consultant. Once the designs are complete and the full scope of the project has been determined and costed, construction can then be planned as phase 2 of the project.



Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$40,000	(\$40,000)	0	0	0	0	0

Budget Requests: Capital

Category: Building
Title: Public Works Chamberlin Road Leasehold Improvement Design



Justification:

This request is a partial rollover of funds from 2025 and additional funding to ensure that renovations to the existing facility as well as the new Public Works building can be completed in 2026. The project does not have any impact to taxes considering it is proposed to be funded through use of the Northwest BC Regional Funding Agreement (as advocated for through the Resource Benefits Alliance), which has been placed in a reserve, surplus and a dividend.

Asset Cost	Surplus & Reserve (NWBCRFA)	Borrow	Grant	Dividend	Utility Fee	Taxation
\$3,800,000	(\$2,880,000)	0	0	(\$920,000)	0	0

Category: Recreation
Title: Earl Mah Aquatic Centre UV System Replacement



Justification:

The pool UV system complements chlorine disinfection and is a regulatory requirement of Northern Health. It reduces the need for chlorination, which in turn lessens wear and tear on pool infrastructure and reduces Recreation department chemical costs. The current system is 16 years old and past end-of-life. Maintaining code-compliance with it requires increasingly frequent repairs and pool shutdowns. To maintain Aquatic Centre level of service at a reliable level, the pool UV system needs to be replaced. Funding is proposed from the Northwest BC Regional Funding Agreement (as advocated for through the Resource Benefits Alliance)



Asset Cost	Reserve (NWBCRFA)	Borrow	Grant	Dividend	Utility Fee	Taxation
\$95,000	(\$95,000)	0	0	0	0	0

Budget Requests: Capital

Category: Recreation
Title: Ice Rink Resurfacing



Justification:

Over the years, the concrete pad beneath the arena ice rink has grown uneven due to slab heaving. A 2025 geotechnical assessment identified high spots of nearly 3" as well as hairline cracks in the concrete. The ice unevenness is exacerbated by high humidity levels at certain times of year. Because Technical Safety code requires level ice for the rink to operate, failure to comply will result in closure of the rink and loss of income. Staff have so far been maintaining level ice through application of extra water, but this requires many extra staff hours, extended arena closures, and added wear-and-tear on the ice-surfacing equipment. The geotech report recommended grinding down the high spots and filling the cracks as a cost-effective way to avoid having to replace the entire rink surface for at least another ten years. Budget is therefore requested to procure a qualified professional to perform this work in spring/summer 2026.

Asset Cost	Reserve (NWBCRFA)	Borrow	Grant	Dividend	Utility Fee	Taxation
\$150,000	(\$150,000)	0	0	0	0	0



Category: Recreation
Title: Aquatic Centre Exterior Improvements

Justification:

The masonry-block walls of the Aquatic and Civic Centres have been subject to extensive degradation due to moisture ingress over the years, worsened by layers of non-permeable paint that have trapped water beneath the surface. The installation of metal cladding is the most durable and economical solution, starting with the south side of the Aquatic Centre, which is currently in the worst condition. Funds were budgeted for this purpose in 2025; however, quotes for the required architectural and engineering services came in much higher than expected, leaving us with insufficient funding to complete both design and installation this year. For this reason an additional 100,000 is requested to make up the shortfall so that construction can be tendered in spring 2026. Funded from Northwest BC Regional Funding Agreement.

Asset Cost	Reserve (NWBCRFA)	Borrow	Grant	Dividend	Utility Fee	Taxation
\$170,000	(\$170,000)	0	0	0	0	0

Budget Requests: Capital

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	Reserves	Borrow	Grant	Dividend	Utility Fee	Taxation
\$50,000	(\$50,000)	0	0	0	0	0

Category: Real Estate
Title: Watson Island Dam Maintenance

Justification:

Watson Island Dam safety upgrades have continued over the past year or more with the City's Engineer of Record overseeing design work, dam testing and safety upgrades. Additional works are anticipated over 2026 and the years following to ensure the dam is appropriately maintained and remains in regulatory compliance with the Provincial Dam Safety Branch.

Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$300,000	0	0	0	(\$300,000)	0	0

Category:
 Airport Ferry
Title:
 Digby Side Ferry Dock Maintenance
 (ramp)

Justification:

Prince Rupert uses an airport ferry to provide direct access service to our remote Airport on Digby Island.

The dock at Digby Island is showing general deterioration and requires maintenance to ensure the protection of this critical transportation link.



Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$100,000	(\$100,000)	0	0	0	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	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation (existing)
\$75,000	0	0	0	0	0	(\$75,000)

Category: Civic Improvements
Title: Waterfront Redevelopment

Justification:

The City is constructing a new multi-faceted waterfront development by the Kwinitsa Station. This includes park and parking upgrades and overall aesthetic improvements. The project is currently undergoing design and due diligence works, with intent to move to construction according to phased design, starting next year. This project is fully funded by grant.

Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$4,303,000	0	0	(\$4,303,000)	0	0	0

Category: Civic Improvements
Title: Japanese Canadian Memorial Plaza in Mariners Park

Justification:

The City was approached by the Japanese Canadian Legacies Society to construct a local monument/ interpretive project to recognize the contributions of Japanese Canadians to our community, as well as the injustice of their forced removal from our community in WWII. To date, the City and our contracted architectures/landscape designers have completed a design and tender documents, draft interpretive signage design with community input inclusive of graphic design, and anticipate issuing the construction tender over the Fall and starting construction in the Spring/Summer of 2026.

Asset Cost	Surplus	Borrow	Grant (secured)	Dividend	Utility Fee	Taxation
\$420,000	0	0	(\$420,000)	0	0	0

Budget Requests: Capital

Category:

Vehicles and Mobile Equipment

Title:

Annual Equipment Purchase

Justification:

This budget is allocated towards the annual replacement costs of vehicles and mobile equipment for the Operations Department.

This cost is funded from the Operations Department equipment reserve.



Asset Cost	Reserve	Borrow	Grant	Dividend	Utility Fee	Taxation
\$700,000	(\$700,000)	0	0	0	0	0

Category: Vehicles and Mobile Equipment

Title: EV purchases—increased fleet electrification

Justification:

To align with the City's Fleet Management Strategy and reduce long-term operating and maintenance costs, it is recommended that funding be approved for the purchase of 4–5 electric vehicles as the first phase of fleet replacement. Transitioning to electric vehicles will lower fuel expenses, reduce greenhouse gas emissions, and decrease maintenance requirements compared to aging internal combustion units.

This investment supports the City's commitment to sustainability while modernizing the fleet to meet current and future service demands. By starting with a small initial purchase, the City can monitor performance and cost savings while building capacity for broader fleet electrification in future budget cycles. This expense is also funded through the Operations Department equipment reserve.

Asset Cost	Reserve	Borrow	Grant	Dividend	Utility Fee	Taxation
\$300,000	(\$300,000)	0	0	0	0	0

Budget Requests: Capital

Category: Parks
Title: Eidsvik Park
Renewal

Justification: The City is continuing to apply for the remaining grant funds required to complete this project. Most of the equipment in Eidsvik Park was removed for liability purposes; however, at the time, Westview School still had playground equipment for the residents in the area. The School District has since removed its equipment, and now that section of town is without a localized play park. Due to ongoing cost escalations, the total anticipated budget for this project has increased over original 2024 estimates. Additional budget is proposed to be funded through Grants



Funded by RBA

***Pictured above:** Equipment design/layout provided as part of the quote to inform grant writing for the project.*

Asset Cost	Reserve	Borrow	Grant (secured)	Grant (unsecured)	Utility Fee	Taxation
\$500,000	(\$50,000)	0	(\$216,000)	(\$234,000)	0	0



Category: Parks
Title: Mariners
Park—Rubber
resurfacing



Funded by RBA

Justification:

Mariners Park playground is among the most well used in the community, and has recently seen newer equipment installed as well as surfacing. Unfortunately, the quality of the surfacing has deteriorated in recent years. This project proposes to resurface the rubber matting with an updated product that will be more compatible to our climate. Funding proposed through Northwest BC Regional Funding Agreement (RBA).

Asset Cost	Reserve (NWBCRFA)	Borrow	Grant	Dividend	Utility Fee	Taxation
\$120,000	(\$120,000)	0	0	0	0	0

Budget Requests: Capital

Category: Transportation

Title: 2nd Avenue Bridge Upgrades



Justification:

The 2nd Avenue Bridge is a vital link for residents, emergency services, and public transit. The structure requires significant repairs to remain in safe working condition. Failure to complete the recommended repairs may result in the bridge being downgraded, potentially restricting vehicle weight and accessibility. Such a downgrade would necessitate costly detours or bypass construction, disrupting transportation and emergency response times. This funding ensures continued connectivity and safety for the entire community. Funding is proposed through the North Coast Capital and Planning Grant and the Northwest BC Regional Funding Agreement, both of which were placed in reserves as required by the Province.

Asset Cost	Reserve	Borrow	Grant	Dividend	Utility Fee	Taxation
\$2,000,000	(\$2,000,000)	0	0	0	0	0

Category: Transportation

Title: Sidewalk Program

Justification:

The Operations Department is requesting funds for the community's 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. To address failing areas the budget has been increased this year out of surplus. The total program is funded through existing taxation and surplus.



Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation (existing)
\$250,000	(\$140,000)	0	0	0	0	(\$110,000)

Budget Requests: Capital

Category: Transportation
Title: Annual Paving Program

Justification:

The Operations Department is requesting funds for the community's 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 (existing)
\$1,400,000	0	0	0	0	0	(\$1,400,000)

Category: Water Utility
Title: Chlorination Facility and Water Storage Expansion

Justification:

To address critical water system deficiencies, it is recommended to proceed with \$600,000 in design/build funding for a permanent chlorination facility at the hospital and the development of additional water storage reservoirs. The chlorination facility will provide consistent disinfection, improving water quality and reliability for the community. Injecting chlorine at this location will also significantly enhance overall system performance by improving residual levels throughout the network and ensuring safe, clean water is delivered to all users. In addition, the City's current water storage capacity is drastically undersized, posing risks to fire protection, operational resiliency, and regulatory compliance. New reservoirs are required to achieve at least one full day of retention time, aligning with best practices and ensuring the system can meet future demand. Advancing the design phase now will position the City to secure construction funding and implement these critical upgrades in a timely manner.

Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$600,000	(\$600,000)	0	0	0	0	0

Category: Water Utility
Title: Annual Water Line Replacement

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	Reserves	Borrow	Grant	Dividend	Utility Fee	Taxation
\$1,000,000	0	0	0	0	(\$1,000,000)	0

Budget Requests: Capital

Category: Water Utility

Title: Water Treatment Facility Engineering Design

Justification:

To ensure the long-term safety, reliability, and sustainability of the City's drinking water system, it is essential to proceed with the design and construction of a full water treatment plant. The City's current treatment process is limited and relies heavily on chlorination alone, which does not fully address water quality challenges such as turbidity, taste and odor concerns, and emerging regulatory requirements. This project is also required to satisfy the conditions of the City's drinking water permit, which mandates that proper treatment be implemented by 2026. The current system does not meet the Health Canada 4-3-2-1-0 guidelines for drinking water safety. Previous implementation deadlines have already passed, increasing the urgency for action to avoid regulatory non-compliance and potential enforcement measures.

A modern water treatment plant will provide comprehensive treatment, improving water quality across the entire distribution system, ensuring compliance with federal and provincial drinking water standards, and providing the capacity to meet future growth and demand. This facility will also increase system resiliency by reducing reliance on temporary or decentralized solutions, lowering operational risks, and improving overall public health protection. Investing in a full treatment plant now positions the City to leverage senior government funding programs, align with evolving regulations, and secure long-term operational stability. Delaying this project risks escalating costs, regulatory action, and potential service interruptions as system demands continue to grow.

Asset Cost	Reserves	Borrow	Grant	Dividend	Utility Fee	Taxation
\$1,150,000	(\$90,000)	(\$600,000)	(\$460,000)	0	0	0

Category: Wastewater

Title: Omineca Avenue Wastewater Treatment Project

Justification:

The City applied for \$7 million in funding through the Strategic Priorities Fund (SPF) to support the Omineca Avenue Wastewater Treatment Project. The total project cost is estimated at \$10 million, leaving a \$3 million funding gap that must be addressed to move the project forward.

This project is critical to ensuring compliance with federal Wastewater Systems Effluent Regulations (WSER) and provincial requirements, improving treatment capacity, and protecting local waterways and the environment. Securing the additional \$3 million will allow the City to fully design and construct the system, prevent regulatory non-compliance, and reduce long-term operational and environmental risks.

Asset Cost	Surplus	Borrow	Grant (Unsecured)	Dividend	Utility Fee	Taxation
\$10,000,000	(\$2,000,000)	0	(\$7,000,000)	0	(\$1,000,000)	0

Budget Requests: Capital

Category: Wastewater

Title: City wide path for Compliance—Sewer Master Plan

Justification:

To meet federal Wastewater Systems Effluent Regulations (WSER) and ensure long-term compliance, it is critical to undertake a full feasibility study and detailed design for a new wastewater treatment system at an estimated cost of \$500,000. This work will establish a comprehensive, phased plan for achieving WSER requirements and guide the City through permitting, funding applications, and construction planning. The total implementation cost for a fully compliant treatment system is expected to exceed \$250 million, making it essential to begin with a clear and defensible roadmap.

Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$500,000	(\$350,000)	0	0	0	(\$150,000)	0

Category: Wastewater

Title: Ongoing Outfall Camera Program

Justification:

The Operations Department requests funds to continue with its Outfall Camera Program. The Federal Government requires this program under the Liquid Waste Management Plan to ensure our outfalls are operating as they should.

Asset Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$25,000	(\$25,000)	0	0	0	0	0

Category: Wastewater

Title: Annual Wastewater Line Replacement

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
\$600,000	0	0	0	0	(\$600,000)	0

Budget Requests: Capital



Category: Landfill

Title: Landfill Lagoon and Priority Upgrades (Landfill Leachate Treatment)

Justification:

To comply with Federal directive and Provincial environmental requirements, the City must expand its landfill leachate treatment capacity. The current system is at maximum capacity and cannot consistently meet required effluent quality standards as landfill volumes and leachate strength increase.

Designing and constructing an additional treatment train will ensure ongoing compliance, protect local waterways and groundwater, and provide operational redundancy for peak flows and storm events. This upgrade also positions the City to meet future regulatory demands, reduce environmental risks, and maintain eligibility for federal and provincial funding.

Without this expansion, the City risks non-compliance, potential enforcement actions, and environmental harm

Asset Cost	Reserve & Surplus	Borrow	Grant (Gas Tax + unsecured Grant)	Dividend	Utility Fee	Taxation
\$6,400,000	(\$3,050,000)	0	(\$3,350,000)	0	0	0

Budget Requests: Special Projects

Category: Building
Title: Fire Hall Hose Tower Repair

Justification:

The exterior ladder/landings of the hose tower have been out of service due to safety concerns. Limited repairs have occurred over the course of 2025, and two landings remain to be repaired, which is proposed for 2026.

Project Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$20,000	(\$20,000)	0	0	0	0	0

Category: Recreation
Title: GHG Feasibility Study—Refrigeration

Justification:

This project will evaluate energy consumption of the Prince Rupert Recreation Complex and explore options to increase energy efficiency and reduce GHG emissions with a focus on the refrigeration system including condensers and chillers, the boiler system, DDC automated system controls and opportunities to utilize heat recovery. Energy studies are required for Federal and Provincial grants; without this study we are unable to apply for future capital funding for Recreation Capital projects. This study is 100% covered by the Climate Ready Infrastructure Service (CRIS) Grant, with an executed grant agreement received July 7, 2025.

Project Cost	Reserve/ Surplus	Borrow	Grant (secured)	Dividend	Utility Fee	Taxation
\$24,000	0	0	(\$24,000)	0	0	0

Category: Recreation
Title: Technology Upgrades

Justification:

Technology upgrades for the department: includes 4 security door fobs, AV and computer equipment upgrades.

Project Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$11,000	(\$11,000)	0	0	0	0	0

Budget Requests: Special Projects

Category: Civic Improvements

Title: Asset Management

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	Utility Fee	Taxation
\$50,000	0	0	0	(\$50,000)	0	0

Category: Civic Improvements

Title: Public Healing Space



Justification:

The City proposes the creation of a Public Healing Space at the site where sacred fires have taken place in recent years. This inclusive space would be freely accessible for a range of community uses, including sacred fires, yoga, meditation, and tai chi.

Such spaces are common in larger urban centres, and staff believe that Prince Rupert's diverse, multicultural community should likewise have a dedicated place that supports healing, reflection, and wellness in traditional and contemporary forms. This project is funded by the Northwest BC Regional Funding Agreement (RBA).

Project Cost	Reserve (NWBCRFA)	Borrow	Grant	Dividend	Utility Fee	Taxation
\$20,000	(\$20,000)	0	0	0	0	0

Category: Operations

Title: Implementation of Safe Work Procedures

Justification:

Operations is implementing a new Safety Management System and this update to work procedures accompanies that change.



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

Budget Requests: Special Projects

Category: Administration

Title: Training (Customer Service & Collective Agreement)

Justification:

Frontline staff require updated customer service training, as standalone sessions have not been conducted for many years. With ongoing staff turnover, a number of employees have received little to no formal training. In addition, several newly appointed Directors have not yet received training on the administration of the collective agreement. Providing this training will strengthen service delivery, ensure consistent application of the collective agreement, and support organizational effectiveness.

Project Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$20,000	(\$20,000)	0	0	0	0	0

Category: Administration

Title: Downtown Revitalization Historic Art Walk

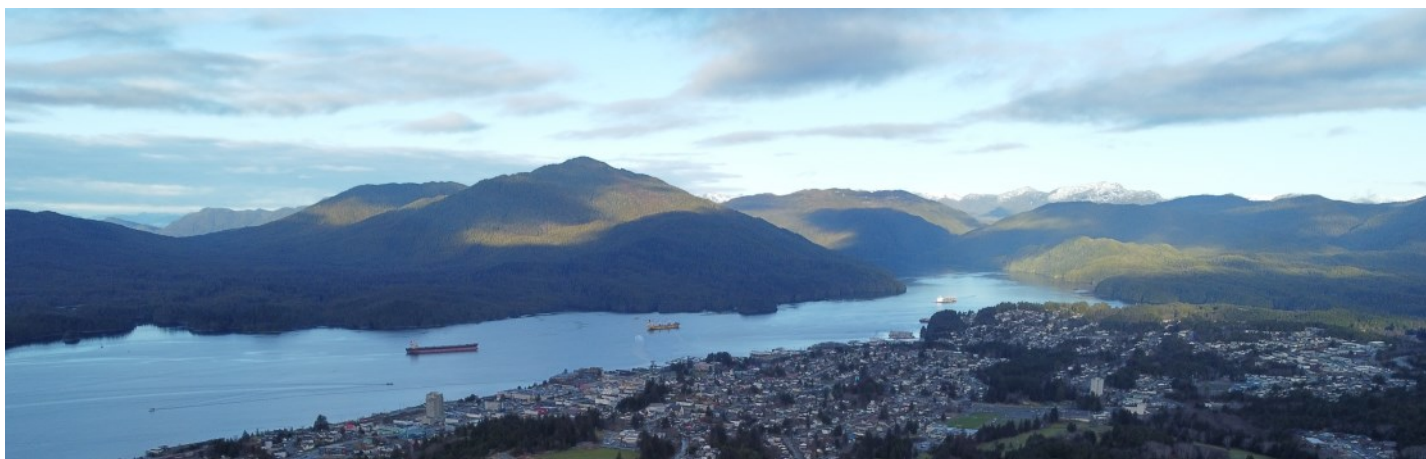
Justification:

Much of our city's downtown core is underutilized and in desperate need of renewal. The proposed revitalization project is a partnership between the City, Tourism Prince Rupert, Community Futures and the Prince Rupert and District Regional Archives. The project will see not only the revitalization of our downtown area but also the creation of new tourism and cultural infrastructure that pays tribute to the city's heritage. The intent is to commission local artists to draw from the historic photos in the city's archive that are linked to key events in our history, and to create works of art incorporating and interacting with these photos, including interpretive content. The works of art will be rendered on printed panels or window decals that will transform some of the most dilapidated structures in the downtown core. The art work as a collective will be arranged to entice visitors to continue their journey from the waterfront to the downtown core, forming a historic art walk, with interconnected interpretive assets at the community waterfront and with the potential to expand to other areas.

Revitalizing our aging downtown is essential to fostering a thriving business environment. A renewed and attractive core not only supports existing businesses but also draws new enterprises, customers, and visitors. Investing in new tourism and cultural infrastructure further strengthens the economy by attracting visitors, supporting local businesses, creating jobs, and enhancing the community's appeal as a vibrant destination. The City, in partnership with other organizations will seek grant funding to support the design and implementation of this project, which is anticipated to be implemented over the following few years, depending on available funding.

Project Cost	Surplus	Borrow	Grant	Dividend	Utility Fee	Taxation
\$150,000	0	0	(\$150,000)	0	0	0

Budget Requests: Special Projects



Category: Engineering
Title: LiDAR and Orthophoto Data Capture

Justification:

The City of Prince Rupert's LiDAR and Orthoimagery has become stale and dated, and requires updating in order to continue to support evidence-based decision-making across all departments, including for urban planning, public safety, infrastructure management, and environmental stewardship. The City endeavours to update these data every four (4) years, however we are now into our fifth year without an update to these data, due to competing priorities. Making a strategic investment in these data will support utility mapping, stormwater management, accurate land use analysis, cost savings through reduced site visits, and support citizen services.

Project Cost	Reserve/ Surplus	Borrow	Grant (unsecured)	Dividend	Utility Fee	Taxation
\$80,000	0	0	(\$80,000)	0	0	0

Questions about projects?

Many of the City's bigger budget items are addressed in the [Frequently Asked Questions section](#) of our website. Project information for smaller items are also brought to Council as reports in many cases. For additional information, check out our website, email communications@princerupert.ca or call (250) 627 0976.

APPENDIX D:

Community Enhancement + Partner Grants

New grant requests for increases represent a 0.43% tax increase, presented for Council's decision on pg. 19.

Choices
for
Council

Supporting Community Organizations

Every year the City receives a number of applications from community-based organizations to support their events, programming and activities that are of general benefit to the community. This year, the application process was amended slightly to encourage applications inclusive of diversity, accessibility and climate considerations. **Note—these are summaries of the requests. Full application packages have been provided to Council for their consideration.**

See the Table on page 89 for a full list of the Community Enhancement Grant requests.

Northcoast Artists Cooperative (The Ice House)

Request—\$5,000 (New and One Time Request)

The City received a request from the Northcoast Artists Cooperative to support exterior façade improvements to their facility, specifically through the commissioning of a mural on the side of their building that reflects the spirit of Cow Bay and the local vibrancy of the arts community. Because of alignment with the City's existing façade improvement program, which funds up to \$5,000 for exterior improvements, up to 50% of project costs, staff recommended redirecting the request to that program and have been in contact with the organization who have welcomed the redirection to the façade program.

Tourism Prince Rupert

Request—\$75,000 (Existing Request—increase of \$58,000 over 2025 grant amount)

Tourism Prince Rupert uses funds from the City of Prince Rupert's Community Enhancement Grant to deliver a broad range of initiatives that enhance the visitor experience while supporting our local community. Managing the Visitor Information Centre (VIC) remains a key part of our mission, welcoming travellers arriving by road, rail, air, boat and cruise. This year, TPR also launched the Outpost, transforming the former Ice House Gallery space into a vibrant hub that provided local businesses and tour operators with low barrier opportunities, along with rentals like e-bikes, e-scooters, fishing rods and crab traps for residents and visitors. TPR also successfully revived the Intertidal Music Festival, welcoming over 1,200 attendees with the help of more than 40 volunteers, making it the biggest and most successful Intertidal to date. Our community programming expanded with an outdoor movie night, Earth Day coordination in partnership with the City and PRPA, and added support for Seafest, Children's Fest, and other celebrations. The Lax Suulda Market grew to include multiple night bazaars and community focused events that grew strong local support, and the Crab Trap Christmas tree became a vibrant beacon of pride in our fishing industry, helping educate locals and visitors on sustainable fishing practices. Additional funding is requested to sustain the collaborative opportunities and supports received across business and industry sectors, and to meet rising costs of programming and rent at the Atlin terminal.



The Lax Suulda Container Market is one of many expanded programming offerings added by Tourism Prince Rupert in recent years

Community Enhancement + Partner Grants

Prince Rupert Special Events Society

Request—\$70,000 (Existing Request—increase of \$22,000 over 2025 grant amount; \$45,000 cash + \$25,000 in kind)

The Prince Rupert Special Events Society was created in 1992 by the City of Prince Rupert, to plan, promote and organize four annual civic event festivals for the citizens of Prince Rupert. Our mission is to “create community events that bring people together to celebrate and enjoy life in Prince Rupert. The increase is requested to support the cost of storage given a loss of their existing facility for storage, as well as for an increase to the City’s in-kind contribution due to reduced volunteer capacity for clean up.

Lester Centre

Budgeted—\$166,000 towards a term Operating Agreement (increase of \$7,000 over 2025)

As the heart of the arts in Prince Rupert, the Lester Centre is the City’s primary theatre space that can host any type of event, from theatrical performances to weddings; from convocations to town-hall meetings; from rock shows to conferences. The theatre seats 702 audience members, and the facility includes a large lobby, two concession stands, four changerooms, a green room, and a rehearsal room. The past year has seen substantial upgrades to the facility such as funding of the replacement of the roof by the City in partnership with the Port Authority, and the replacement of the viewing seats by the Lester Centre management.

Since 1987, from the time the Lester Centre began operating, the City of Prince Rupert has provided an operational grant to the Society that runs the building. The City is currently in discussions with the Lester Centre regarding the Operating Agreement, and the budgeted amounts for 2026 are pending signing of a final Agreement.

Museum of Northern BC

Budgeted—\$175,000 towards a term Operating Agreement (increase of \$14,000)

The mission of the Museum of Northern British Columbia is to protect, explore and reflect the natural and cultural heritage of the Northwest Coast for the citizens of the Northwest Coast and their visitors, and to encourage the use of the Museum, its facilities and programs.

The purpose of the Museum of Northern British Columbia is to collect, document, preserve, study, display and interpret to the citizens of the Northwest Coast of British Columbia and their visitors, the natural and cultural heritage of the Northwest Coast from its geological origins to its present day and future development.

In 2024, the Northern BC Museums Association administered:

- The Museum of Northern British Columbia
 - The Kwinitsa Station Railway Museum
 - The Northwest Coast First Nations Artists’ Studio
 - The ‘Wiwaabm Ts’msyeen, the Tsimshian Performance Longhouse
-

Community Enhancement + Partner Grants

Prince Rupert Community Arts Council

Request—\$25,000 (Existing Request—increase of \$5,000 over 2025 grant amount)

The Prince Rupert Community Arts Council has a mandate to support arts and culture in our community. The Arts Council distribute grants to local arts/culture user groups, helping to fund and coordinate the work and programs of arts and culture groups on behalf of the City. Arts Council runs the following events, among others—Kaien Island Craft Fair, Monday Night at the Movies, Creative Jam, and others. They are currently seeking funds to support additional capacity as they pursue the development of a Community Arts Hub.

Prince Rupert Wildlife Rehab Shelter

Request—\$6,600 (Existing Request)

Funding requested to support Wildlife Rehab Centre operations, who receive and care for over 700 wild animals per year—including but not limited to birds, owls, eagles and deer. Increasing inflationary costs are impacting the Shelter, who rely entirely on donations to operate, and where shortfalls exist, they are covered by the operator of the shelter's personal savings.



Prince Rupert Senior's Centre

Request—\$1,000 (Existing Request)

Funding requested to support a crib tournament at the Senior's Centre with players from Prince Rupert, Terrace and Kitimat, open to all aged 50+ in Prince Rupert and the surrounding communities. The tournament includes a luncheon which will enable players to socialize and interact with seniors outside their normal circles.

Prince Rupert Racquet Association

Request—\$9,000 (Existing Request)

The Prince Rupert Racquet Center provides the public with access to two internationally sized squash courts with full glass backwalls and two racquet ball courts currently offering yoga, strength training, fitness and spin classes. In addition, the upstairs floor of the facility houses a large rentable space which includes an 80 guest seating area and bar. Grant monies are used to subsidize the salary of the manager/part-time employee and also for maintenance and upkeep of the building and facilities.

Community Enhancement + Partner Grants

In-kind Only

Association des Francophones et Francophiles du N.O (AFFNO)

Request— \$1,500 (increase of \$500 over 2025 grant)

Funding requested to support the Sugar Shack Festival, held in January of 2026.

IAFF Local 559 Prince Rupert Fire Rescue

Request—\$2,800 (increase of \$1,800 over 2025 grant)

In kind support for Ice rental 3 hours at a prime ice time (7pm to 10pm), custodial fees and insurance for the players towards Guns n' Hoses charity hockey game with the RCMP, with donations going to KidSport.

National Indigenous Day Committee

Request— \$10,000 (increase of \$7,500 over 2025 grant)

In kind support for use of the Arena for National Indigenous Day in June.

Prince Rupert Skating Club

Request—\$2,000 (increase of \$400 over 2025 grant)

The Prince Rupert Skating Club is applying for in-kind support for the ice rental for their Annual Ice Show at the end of the skating season.

Prince Rupert Crime Stoppers

Request—\$500 (no increase compared to 2025 grant)

Prince Rupert Crime Stoppers has requested the donation of a meeting space to conduct their meetings.

Navy League of Canada

Request—\$4,500 (no increase compared to 2025 grant)

The Navy League has requested in-kind rent of the space they lease from the City.



Community Enhancement Grants - Requests & Budgeted Recommendation					
Repeat Applicants	2025 Grant	2026 Request	Change	Funding Budgeted	Tax Exemptions
AFFNO Sugar Shack (in kind)	1,000	1,500	500	1,500	
Guns N'Hoses Charity Game (in kind)	1,000	2,800	1,800	2,800	
National Indigenous Day Committee (in kind)	2,500	10,000	7,500	10,000	
Navy League of Canada (in kind)	4,500	4,500	-	4,500	1,100
Prince Rupert Arts Council	20,000	25,000	5,000	20,000	
Prince Rupert Skating Club (in kind)	1,600	2,000	400	2,000	
Prince Rupert Special Events Society /Halloween Fest- (in kind)	18,000	25,000	7,000	25,000	
Prince Rupert Special Events Society - Cash	30,000	45,000	15,000	30,000	
Prince Rupert Wildlife Shelter	6,600	6,600	-	6,600	
Prince Rupert Crime Stoppers (in kind)	500	500	-	500	
Prince Rupert Seniors Centre	1,000	1,000	-	1,000	1,100
Tourism Prince Rupert (Visitor Info Centre)	17,000	75,000	58,000	17,000	
Cash Grants	74,600	152,600	78,000	74,600	
In Kind Grants	29,100	46,300	17,200	46,300	
Repeat Applicant Totals	103,700	198,900	95,200	120,900	2,200
New Applicants	2025 Grant	2026 Request	Change	Funding Budgeted	
Northcoast Artists Cooperative (Ice House Gallery)	-	5,000	5,000	Redirected to alternate program	
Contributions Under Agreement up for Renewal	2025 Grant	2026 Request	Change	Funding Budgeted	Tax Exemptions
Museum of Northern BC. - Kwintsa Station Grant	15,000	15,000	-	15,000	-
Museum of Northern BC - Museum Grant + Artifact insurance	161,000	175,000	14,000	175,000	46,500
Lester Centre	159,000	166,000	7,000	166,000	146,100
Prince Rupert Golf Course	220,000	250,000	30,000	220,000	35,400
	555,000	606,000	51,000	576,000	228,000
Total	658,700	804,900	146,200	696,900	230,200
Funding all of the 2026 Requests, inclusive of increases, will result in an additional 0.43% increase to the proposed tax increase					
Contributions Under Existing Agreement	2025	2026	Change	Funding Budgeted	Tax Exemptions
BC SPCA	32,000	33,000	1,000	33,000	24,300
Tourism Prince Rupert (regulatory requirement)	357,000	357,000	-	357,000	-
Prince Rupert Raquet Association	9,000	9,000	-	9,000	-
Total	398,000	399,000	1,000	399,000	24,300
Contribution to Prince Rupert Library	855,000	872,000	17,000	872,000	
Total Budgeted 2026 Community Enhancement Grants and partner contribution				1,971,000	
Above includes nominal provision for later applicants					
To minimize the property tax increase, no change has been recommended except the funding to Special Events to incorporate the in-kind contribution previously ascribed to Halloween Fest organizers and modest increases to other in-kind grants					
Council may amend the recommendation. Any increase in funding may result in an increase to property taxes.					

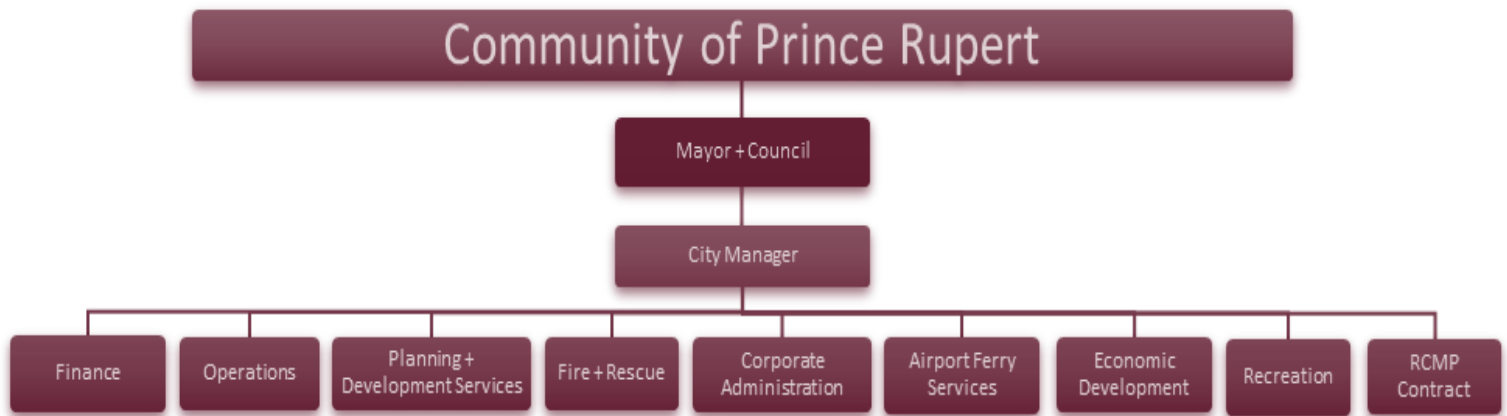
APPENDIX E:

Permissive Tax Exemptions

Registered Owner/ Occupier Identity/ Facility	Estimated 2026 Annual Permissive Tax Exemption based on 2025 Rates/Values	Roll Number	Legal Description
Places of Worship (Excluding Statutory Exempt Portion)			
Bishop of New Caledonia (Anglican Cathedral)	\$ 528.40	0001839.000	Lots 38-42, Blk 1, Range 5, Plan 923, DL 1992, LD 14
Prince Rupert Congregation of Jehovah's Witnesses	503.43	0002772.050	Lot 1, Plan EPP104623, DL 251, LD 14
Church of Jesus Christ of Latter Day Saints Church	756.81	0091420.000	Lot 1, Range 5, Plan 10626, DL 251, LD 14
Cornerstone Mennonite Brethren Church	360.72	0002000.000	Lot 20-22, Blk 9, Sec 5, Range 5, Plan 923, DL 251, LD 14
Fellowship Baptist Church	460.58	0003323.000	Lot A, Range 5, Plan 7641, DL 251, LD 14
The Salvation Army	1,535.27	0001041.000	Parcel B, Blk 36, Sec 1, Range 5, Plan 923, DL 251, LD 14
Harvest Time United Pentecostal Church	206.78	0003175.000	Lot 16, W ½ 15, Blk 11, Sec 6, Range 5, Plan 923, DL 251, LD 14
Indo-Canadian Sikh Association Temple	192.64	0002980.000	Parcel A (PP23125), Blk 3, Sec 6, Range 5, Plan 923, DL 1992, LD 14
Prince Rupert Church of Christ Church	1,074.40	0009855.000	Parcel A (TG4443), Range 5, Plan 10602, DL 251, LD 14
Prince Rupert Native Pentecostal Revival Church	416.06	0001038.000	Lot 13-14, Blk 36, Sec 1, Range 5, Plan 923, DL 251, LD 14
Prince Rupert Sikh Missionary Society Temple	998.13	0006391.000	Parcel A, Blk 39, Sec 8, Range 5, Plan 923, DL 251, LD 14
First United Church	41.19	0002099.000	Lots 23 & 24, Blk 12, Sec 5, Range 5, Plan 923, DL 251, LD 14
First United Church (parking lot)	895.81	0002098.000	Lot 22, Blk 12, Sec 5, Range 5, Plan 923, DL 251, LD 14
First United Church (parking lot)	895.81	0002097.000	Lot 21, Blk 12, Sec 5, Range 5, Plan 923, DL 251, LD 14
St. Paul's Lutheran Church of Prince Rupert	208.03	0001958.000	Lot 25, Blk 7, Sec 5, Range 5, Plan 923, DL 251, LD 14
Sub-total Places of Worship	\$ 9,074.06		
Other Properties			
School District No. 52 (Prince Rupert) (Pacific Coast School)	8,373.45	0000525.000	Part of Lot A, Range 5, Plan 8288, DL 251, LD 14
School District No. 52 (Prince Rupert) (Pacific Coast School)	142.26	0000300.000	Part of Lot 16 & 17, Blk 12, Sec 1, Range 5, Plan 923, DL 251, LD 14
Prince Rupert Senior Citizen's Housing Society	3,025.93	9000089.000	Lot 1, Range 5, Plan 4083, DL 251, LD 14
Kaien Senior Citizen's Housing	97.00	0003150.000	Lots 7-10, Blk 10, Sec 6, Range 5, Plan 923, DL 251, LD 14
Prince Rupert Loyal Order of Moose/Moose Lodge	793.43	0000261.000	Lot 1-2, Blk 11, Sec 1, Range 5, Plan 923, DL 1992, LD 14
Prince Rupert Salmon Enhancement Society	3,407.62	9000323.001	Block PT 4, Range 5, Plan 1594, DL 251, LD 14
BC Society for the Prevention of Cruelty to Animals	3,889.97	0093225.000	Lot 1, Sec 9, Range 5, Plan PRP43463, DL 251, LD 14
BC Society for the Prevention of Cruelty to Animals	18,093.93	0093227.000	Lot A, Sec 9, Range 5, Plan PRP43462, DL 251, LD 14
BC Society for the Prevention of Cruelty to Animals	2,333.98	0093230.000	Lot 1, Sec 9, Range 5, Plan PRP43461, DL 251, LD 14
Prince Rupert Curling Club	22,117.28	9000299.000	Lot C, Range 5, Plan 4693, Except Plan PRP44107, DL 251, LD 14
Prince Rupert Racquet Association	5,397.85	9000322.002	Lot A, Range 5, Plan 9409, DL 251, LD 14
Prince Rupert Performing Arts Centre Society	146,107.40	9000363.000	Parcel Assign 28, Range 5, Plan 5631, Except Plan 6006, DL 251, LD 14
Prince Rupert Rod & Gun Club	2,938.46	9000416.000	License# 705501 & B06202, Range 5, Plan 1456, DL 251, LD 14
Cultural Dance Centre & Carving House	14,626.30	0000382.000	Lot A, Blk 16, Sec 1, Range 5, Plan 923, DL 251, LD 14
Museum of Northern BC	46,479.63	9000165.002	Lot 1, Range 5, Plan EPS64, DL 251, LD 14
Prince Rupert Golf Club	27,162.26	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	6,075.54	9000322.001	
Prince Rupert Golf Club	1,658.24	9000322.003	
Prince Rupert Golf Club	489.03	9000322.004	
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility and building, 37.5% of the lands and improvements)	48,702.47	9000246.000	37.5% of Part of Lot 1, Waterfront Block G, DL 251, Range 5, LD 14, Plan 7176, Except Plan PRP 42647, and any portion of Waterlot in front of Waterfront Block G included in the lease, less 5600 square feet
Prince Rupert Gymnastics Association	8,282.31	9000246.000	Portion of area leased from Canfisco above
North Coast Community Services Society	7,335.38	0000906.000	Lots 15-16, Blk 32, Sec 1, Range 5, Plan 923, DL 251, LD 14
Friendship House Association of Prince Rupert	17,459.61	0000914.000	Parcel A (PN24367), Blk 32, Sec 1, Range 5, Plan 923, DL 251, LD 14
Prince Rupert Senior Centre Association	1,110.88	0001044.000	Lot 19, Blk 36, Sec 1, Range 5, Plan 923, DL 251, LD 14
Kaien Island Daycare Services Family Resource Centre	1,476.06	0005167.002	Lot A, Range 5, Plan 8006, DL 251, LD 14
Prince Rupert Aboriginal Community Services Society	2,885.70	0009504.000	Lot 4, Range 5, Plan 9689, DL 251, LD 14
The Royal Canadian Legion Branch 27 (Only area used by Legion)	1,067.61	0000641.000	Lot 16, Blk 24, Sec 1, Range 5, Plan PRP923, DL 251, LD 14
Navy League Prince Rupert Branch	1,131.69	9000299.001	Lot C, Range 5, Plan 4693, DL 251, LD 14
Cedar Village Housing Society (Only area assessed as "Residential/Not-for-profit")	20,649.05	0003411.000	Blk G3, Range 5, Plan 923, DL 251, LD 14
Prince Rupert Rowing & Yachting Club (Only area assessed as "Recreation/Non-Profit")	3,482.43	9000214.100	Lot 1, Range 5, Plan 42708, DL 251, LD 14
Prince Rupert Indigenous Housing Society (Only area assessed as "Residential/Not-for-profit")	14,349.43	0040511.050	Lot A, Range 5, Plan BCP13581, DL 1992, LD 14
1279608 BC LTD (Municipal Public Works Facility)	38,677.45	0091418.000	Lot 1, Range 5, Plan PRP6855, DL 251, LD 14
Sub-total other Properties	\$ 479,819.62		
Estimated Annual Total Permissive Property Tax Exemptions	\$ 488,893.68		
The estimated annual exemption for future years is expected to be approximately the same as the 2025 exemption for all properties.			
If you have any questions, or for further information, please contact Corinne Bomben, Chief Financial Officer, 250-627-0935.			

APPENDIX F:

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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