

CITY OF PRINCE RUPERT

2022 FIVE YEAR FINANCIAL PLAN BYLAW NO. 3494, 2022

A BYLAW FOR THE CITY OF PRINCE RUPERT RESPECTING THE FIVE YEAR FINANCIAL PLAN FOR THE PERIOD 2022 - 2026

The Council of the City of Prince Rupert in an open meeting assembled, enacts as follows:

1. **Schedule "A"** attached hereto and made part of this Bylaw is hereby declared to be the Five Year Financial Plan of the City of Prince Rupert for the period ending December 31st, 2026.
2. This Bylaw may be cited as **"2022 Five Year Financial Plan Bylaw No. 3494, 2022"**.

Read a First time this 2nd day of May, 2022.

Read a Second time this 2nd day of May, 2022.

Read a Third time this 2nd day of May, 2022.

Final Consideration and Adopted this 9th day of May, 2022.



Mayor



Corporate Administrator

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The *Community Charter* requires certain information be presented as part of the Five Year Financial Plan. The following Section citations reference the *Community Charter*:

1. Portion of Funding from Revenue Sources (Section 165 (3.1)a)

Table One (1) shows the proportion and value of the total revenue proposed to be raised from each funding source in 2022. Property value taxes form the greatest percentage of the revenue of the municipality. The property taxation system is relatively easy to administer and understand. It provides a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as fire protection, police protection, bylaw enforcement, libraries, and street lighting. For these reasons, property value taxation will continue to be the major source of municipal revenue.

User fees and charges and debt form the second largest portion of planned revenue. Some municipal services, such as: water, sewer, solid waste utilities, recreation and transit usage, can be measured and charged for on a user-pay basis. This basis attempts to fairly apportion the value of a municipal service to those who make use of it.

Table 1

Funding Source	Percentage (%) of Revenue	Amount (\$)
Municipal Property Taxes	20%	23,638,000
Parcel Taxes	0%	63,000
Payment in Lieu of Taxes & Prov. Grants	3%	4,074,000
User Fees & Charges	11%	13,828,000
Accruals	3%	3,675,000
Reserves	17%	20,211,000
Accumulated General Operating Surplus	1%	1,701,000
Accumulated Utilities Operating Surplus	2%	1,916,000
Grants and Other Miscellaneous Revenue	14%	16,738,000
Dividend- Prince Rupert Legacy	7%	7,834,000
Debt Financing	22%	26,300,000
Total	100%	119,978,000

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Objective

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

Policy

- Council reviews the fees charged for various services to ensure that the users of the service are paying a fair portion of the operating and capital cost of the service;
- Council will supplement infrastructure expenditures by aggressively pursuing federal and provincial grants; and,
- Council will encourage staff to develop new revenue sources.

2. Distribution of Property Value Taxes (Section 165 (3.1)(b))

The City of Prince Rupert determines the current tax rate for each property class by first adjusting the prior year's tax rate by the BC Assessment generated statistic for *Change in Property Assessment Market Value* for that property classification. The adjusted tax rate is then increased or decreased by the percentage tax increase that Council has set for the current Financial Year.

By providing this consistency, taxpayers in the various classes have stability and confidence in knowing how their future tax bills will be calculated. The City also is required to follow the Provincial Regulation which sets the maximum rates for Port Property Taxes at \$27.50/\$1,000, and \$22.50/\$1,000 for property and improvements that are listed in the Regulation.

Table (2) shows the current property tax revenues of each classification except those classes with zero tax revenue:

Table 2

Property Class	% of Tax Revenue	Amount (\$)
Residential	31%	7,377,000
Utility	1%	298,000
Major Industry	27%	6,419,000
Major Industry Port Property Tax Act	16%	3,698,000
Light Industry	3%	682,000
Business	22%	5,144,000
Recreation	0%	20,000
Total	100%	23,638,000

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Objective

- Council will encourage economic development by minimizing tax increases.

Policy

- Council will review user fees to ensure that they are appropriate;
- Council will rely primarily on new development and grant opportunities to fund infrastructure and new amenities;
- Council will encourage economic development by providing the stability of using a consistent methodology for calculating property tax levies;
- Council will continue to review its existing permissive property tax exemption practices;

3. Use of Permissive Tax Exemptions (Section 165 (3.1)(c))

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

Objectives

- Council will continue to provide permissive tax exemptions;
- Council will permit exemptions according to the Permissive Tax Exemption Policy;
- Council will permit exemptions to revitalize the downtown core

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 or forgo if the exemption is granted;
 - c. City of Prince Rupert Permissive Tax Exemption Bylaw 3447, 2019 and Permissive Property Tax Exemption Amendment Bylaw No. 3477, 2021; and,
 - d. Downtown Core Revitalization Tax Exemption Program Bylaw 3466, 2020.

Table 3 shows the properties which received permissive tax exemptions for 2022. The approximate amount of Municipal Tax exempted is \$366,881.

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Table 3

Registered Owner/ Occupier Identity/ Facility	Estimated annual Permissive Tax Exemption based on 2022 Rates/Values	Roll Number
<u>Places of Worship (Exclude Statutory Exempt Portion)</u>		
Bishop of New Caledonia (Anglican Cathedral)	\$ 434.97	0001839.000
Church of Jesus Christ of Latter Day Saints Church	545.96	0091420.000
Cornerstone Mennonite Brethren Church	255.36	0002000.000
Fellowship Baptist Church	325.48	0003323.000
The Salvation Army	1,387.40	0001041.000
Harvest Time United Pentecostal Church	140.24	0003175.000
Indo-Canadian Sikh Association Temple	137.99	0002980.000
Prince Rupert Congregation of Jehovah's Witnesses	466.84	0002772.050
Prince Rupert Church of Christ Church	775.07	0009855.000
Prince Rupert Native Pentecostal Revival Church	301.85	0001038.000
Prince Rupert Pentecostal Tabernacle	631.08	0091412.000
Prince Rupert Sikh Missionary Society Temple	654.70	0006391.000
First United Church	28.87	0002099.000
First United Church (parking lot)	798.13	0002098.000
First United Church (parking lot)	798.13	0002097.000
St. Paul's Lutheran Church of Prince Rupert	149.99	0001958.000
Sub-total Places of Worship	\$ 7,832.05	

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Table 3 (continued)

Other Properties		
Cultural Dance Centre & Carving House	\$	13,720.69 0000382.000
Museum of Northern BC		43,090.13 9000165.002
Prince Rupert Performing Arts Centre Society		135,547.81 9000363.000
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility)		26,880.88 9000246.000
Prince Rupert Golf Club		24,404.20 9000322.000
Prince Rupert Golf Club		5,606.19 9000322.001
Prince Rupert Golf Club		450.63 9000322.003
Prince Rupert Golf Club		309.39 9000322.004
Prince Rupert Racquet Association		5,426.01 9000322.002
School District No. 52 (Prince Rupert) (Pacific Coast School)		7,290.80 0000525.000
School District No. 52 (Prince Rupert) (Pacific Coast School)		116.58 0000300.000
BC Society for the Prevention of Cruelty to Animals		2,376.46 0093225.000
BC Society for the Prevention of Cruelty to Animals		13,294.72 0093227.000
BC Society for the Prevention of Cruelty to Animals		1,455.02 0093230.000
Prince Rupert Loyal Order of Moose/Moose Lodge		614.58 0000261.000
Prince Rupert Salmon Enhancement Society		1,679.21 9000323.001
Prince Rupert Curling Club		12,577.29 9000299.000
Prince Rupert Rod & Gun Club		1,690.42 9000416.000
Prince Rupert Aboriginal Community Services Society		2,612.15 0009504.000
Friendship House Association of Prince Rupert		20,150.18 0000914.000
Kaien Island Daycare Services Family Resource Centre		1,051.93 0005167.002
Prince Rupert Senior Centre Association		890.93 0001044.000
North Coast Community Services Society (Previously Prince Rupert Community Enrichment Society)		6,344.70 0000906.000
The Royal Canadian Legion Branch 27 (Only area used by Legion)		825.69 0000641.000
Navy League Prince Rupert Branch		646.83 9000299.001
Prince Rupert Rowing & Yachting Club (Only area assessed as "Recreation/Non-Profit")		1,957.35 9000214.100
Kaien Senior Citizen's Housing		58.46 0003150.000
Prince Rupert Senior Citizen's Housing Society		2,002.63 9000089.000
Prince Rupert Indigenous Housing Society (Only area assessed as "Residential/Not-for-profit")		10,274.94 0040511.050
Cedar Village Housing Society (Only area assessed as "Residential/Not-for-profit")		15,702.54 0003411.000
Sub-total other Properties	\$	359,049.35
Estimated Annual Total Permissive Property Tax Exemptions	\$	366,881.40

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4. Proposed Expenditures (Section 165(4)(a))

Table 4 shows the proposed expenditures for the current year by Fund:

Table 4

Proposed Expenditures	Amount (\$)
Operating Fund	83,099,000
Sewer Utility Fund	4,326,000
Solid Waste Fund	13,380,000
Water Utility Fund	19,173,000
Total	119,978,000

5. Proposed Funding Sources (Section 165(4)(b) & Section 165(7)(a-e))

Table 5 shows the proposed funding sources for the current year:

Table 5

Funding Source	Percentage (%) of Revenue	Amount (\$)
Municipal Property Taxes	20%	23,638,000
Parcel Taxes	0%	63,000
Payment in Lieu of Taxes & Provincial Grants	3%	4,074,000
User Fees & Charges	11%	13,828,000
Accruals	3%	3,675,000
Reserves	17%	20,211,000
Accumulated General Operating Surplus	1%	1,701,000
Accumulated Utilities Operating Surplus	2%	1,916,000
Grants and Other Miscellaneous Revenue	14%	16,738,000
Dividend- Prince Rupert Legacy	7%	7,834,000
Debt Financing	22%	26,300,000
Total	100%	119,978,000

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6. Proposed Transfers Between Funds (Section 165(4)(c))

See items 11 and 12 (including Tables 8 and 9) of this Schedule.

7. Amount Required to Pay Interest & Principal on Municipal Debt (Section 165(6)(a))

The amount required to pay interest and principal on municipal debt is approximately \$2,446,000.

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

Capital Purchases

Table 6 shows the 2022 Capital Purchases:

Table 6

Department	Amount (\$)
Fire Protection	1,381,000
Building	6,470,000
Policing	26,100,000
Recreation	200,000
Real Estate	265,000
Civic Improvements	10,975,000
Vehicles & Mobile Equipment (General)	350,000
Vehicles & Mobile Equipment (Solid Waste)	1,400,000
Total	47,141,000

Capital Works

Table 7 shows the 2022 Capital Works:

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Table 7

Fund	Amount (\$)
Water Utility	16,247,000
Sewer Utility	2,675,000
Solid Waste Utility	7,481,000
Civic Improvements	140,000
Transportation	1,610,000
Total	28,153,000

9. The Amount Required for a Deficiency (Section 165(6)(c) & Section (165(9))

Nil

10. The Amount Required for Other Municipal Purposes (Section 165(6)(d))

Expenditures for other municipal purposes are \$42,238,000 which is the total expenditures from Table 4 of \$119,978,000 less the amounts under Items 7 and 9 (\$2,446,000 and Nil) and the totals from Tables 6 and 7 (\$47,141,000 and \$28,153,000).

11. Proposed Transfers of Reserves (Section 165(8)(a))

Table 8 proposes the following transfers:

Table 8

Transfer of Reserves	Amount (\$)
From:	
Equipment Reserve	(1,580,000)
Land Reserve	(25,000)
Water Treatment Grant Reserve	(5,150,000)
Northern Capital and Planning Grant Reserve	(10,357,000)
Community Work Fund (Gas Tax) Reserve	(1,130,000)
RCMP Reserve	(1,100,000)
Duncan Road Improvements Reserve	(250,000)
Solid Waste Asset Management Reserve	(419,000)
Water Asset Management Reserve	(200,000)
General Operating Fund	(2,119,000)
Total	(22,330,000)

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To:		
RCMP Reserve		1,050,000
Miscellaneous Reserves (interest)		200,000
Rushbrook Parking Program Reserve		88,000
General Capital Works Reserve		400,000
Public Works Vehicle Reserve		231,000
Ferry Maint. & Capital Replacement Reserve		150,000
General Operating Fund loan payments		180,000
General Operating Fund Capital Works		150,000
General Operating Fund Capital Purchases		5,225,000
Water Fund Capital Works		9,450,000
Solid Waste Fund Capital Works		3,706,000
Solid Waste Fund Capital Purchases		1,400,000
Sewer Fund Capital Works		100,000
Total		22,330,000

12. Proposed Transfers of Accumulated Surplus (Section 165(8)(b))

Table 9 shows the Accumulated Operating and Utility Fund Surpluses being used this year to fund operating activities, Special Projects and Capital expenditures.

Table 9

Transfers of Accumulated Surplus	Amount (\$)
From:	
General Operating Fund Surplus	(1,701,000)
Sewer Utility Fund Surplus	(1,111,000)
Water Utility Fund Surplus	(805,000)
Total	(3,617,000)
To:	
General Operating Fund Operations	850,000
General Operating Fund Special Projects	310,000
General Operating Fund Capital Purchases	431,000
General Operating Fund Capital Works	110,000
Sewer Utility Fund Capital Works	1,111,000
Water Utility Fund Capital Works	805,000
Total	3,617,000

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General Operating Fund Departmental Budgets

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

Table 10(a)

GENERAL OPERATING FUND	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026
<u>Revenues by Department</u>					
Airport Ferry	875,000	1,480,000	1,518,000	1,549,000	1,580,000
Cemetery	149,000	170,000	176,000	182,000	189,000
Cow Bay Marina	257,000	290,000	293,000	296,000	299,000
Development Services	565,000	611,000	617,000	623,000	623,000
Economic Development	70,000	70,000	70,000	70,000	70,000
FD 911 Services	92,000	90,000	88,000	86,000	84,000
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	8,269,000	7,504,000	7,602,000	7,801,000	7,902,000
Information Technology	1,000	1,000	1,000	1,000	1,000
PW Engineering	5,000	5,000	5,000	5,000	5,000
PW Common Costs	35,000	36,000	37,000	38,000	39,000
RCMP	101,000	93,000	93,000	93,000	93,000
Rec. Centre Arena	204,000	223,000	233,000	243,000	254,000
Rec. Centre Civic Centre	254,000	311,000	324,000	339,000	354,000
Rec. Centre Community Services	3,000	15,000	15,000	15,000	15,000
Rec. Centre Pool	373,000	530,000	550,000	573,000	596,000
Transit	201,000	257,000	309,000	318,000	328,000
Victim Services	83,000	77,000	77,000	77,000	77,000
Watson Island	400,000	400,000	400,000	400,000	400,000
Subtotal	11,957,000	12,184,000	12,429,000	12,730,000	12,930,000
Property Taxes (existing)	22,809,000	23,638,000	24,541,000	25,956,000	26,241,000
Property Tax Increase (Decrease) - Non-market change	131,000	-	-	-	-
Property Tax Increase (Decrease)	698,000	903,000	1,415,000	285,000	360,000
Appropriated Surplus - COVID 19 Safe Restart Grant	850,000	749,000	-	-	-
Total Operating Revenues	36,445,000	37,474,000	38,385,000	38,971,000	39,531,000
PR Legacy- Capital Works	200,000	-	-	-	-
PR Legacy- Capital Purchases	1,147,000	-	-	-	-
Conditional Project Grants - Capital Works	60,000	-	-	-	-
Conditional Project Grants - Capital Purchases	12,423,000	-	-	-	-
Appropriated Reserves - Capital Works	150,000	-	-	-	-
Appropriate Reserves - Capital Purchases	5,225,000	-	-	-	-
Appropriated Surplus - Capital Purchases	431,000	-	-	-	-
Appropriated Surplus - Capital Works	110,000	-	-	-	-
PR Legacy- Special Projects	150,000	-	-	-	-
Appropriated Surplus - Special Projects	310,000	-	-	-	-
Conditional Project Grants - Special Projects	148,000	-	-	-	-
Loans from MFA - Capital Purchases	26,300,000	-	-	-	-
Total Capital Revenues	46,654,000	-	-	-	-
Total General Operating Fund Revenues	83,099,000	37,474,000	38,385,000	38,971,000	39,531,000

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Table 10(b)

GENERAL OPERATING FUND	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026
<u>Expenditures by Department</u>					
Airport Ferry	2,403,000	2,652,000	2,856,000	2,907,000	2,966,000
Cemetery	300,000	305,000	311,000	317,000	321,000
Civic Properties	405,000	423,000	429,000	436,000	443,000
Corporate Administration	958,000	992,000	1,007,000	1,024,000	1,041,000
Cow Bay Marina	247,000	246,000	252,000	257,000	262,000
Development Services	1,358,000	1,377,000	1,400,000	1,422,000	1,432,000
Economic Development	211,000	220,000	223,000	227,000	232,000
FD 911	612,000	628,000	644,000	659,000	675,000
FD Fire Protective Services	4,445,000	4,680,000	4,732,000	4,762,000	4,775,000
FD Emergency Measures	42,000	43,000	44,000	45,000	46,000
Finance	1,082,000	1,104,000	1,126,000	1,148,000	1,171,000
Finance Cost Allocation	(465,000)	(465,000)	(465,000)	(465,000)	(465,000)
Fiscal Expenditures	2,823,000	2,993,000	4,204,000	4,150,000	4,111,000
Governance	407,000	422,000	432,000	442,000	452,000
Grants in Aid to Community Partners	1,640,000	1,668,000	1,736,000	1,784,000	1,813,000
Information Technology	588,000	585,000	595,000	606,000	617,000
Parks	1,295,000	1,322,000	1,349,000	1,376,000	1,403,000
PW Engineering	723,000	732,000	748,000	765,000	782,000
PW Common Costs	4,859,000	4,859,000	4,968,000	5,080,000	5,195,000
Allocation of PW Common Cost	(4,719,000)	(4,859,000)	(4,968,000)	(5,080,000)	(5,195,000)
PW Vehicles	1,623,000	1,681,000	1,710,000	1,739,000	1,768,000
Allocation of PW Vehicles	(1,623,000)	(1,681,000)	(1,710,000)	(1,739,000)	(1,768,000)
RCMP	6,540,000	6,594,000	6,748,000	6,907,000	7,069,000
Rec. Centre Arena	441,000	458,000	478,000	490,000	501,000
Rec. Centre Civic Centre	1,802,000	2,154,000	2,195,000	2,239,000	2,275,000
Rec. Centre Community Services	3,000	3,000	3,000	3,000	3,000
Rec. Centre Pool	1,506,000	1,597,000	1,635,000	1,672,000	1,710,000
Roads	2,319,000	2,372,000	2,429,000	2,485,000	2,542,000
Transit	745,000	851,000	953,000	989,000	1,027,000
Victim Services	165,000	168,000	171,000	174,000	177,000
Watson Island	400,000	400,000	400,000	400,000	400,000
Transfer to Reserves (Interest, RCMP Loan, Gas Tax)	1,250,000	1,250,000	200,000	200,000	200,000
Transfer to General Capital Reserves	400,000	400,000	400,000	400,000	400,000
Total Operating Expenses	34,785,000	36,174,000	37,235,000	37,821,000	38,381,000
Provision for Special Projects	823,000	-	-	-	-
Provision for Capital Purchases	45,741,000	-	-	-	-
Provision for Capital Works	1,750,000	1,300,000	1,150,000	1,150,000	1,150,000
Total Capital Expenses	48,314,000	1,300,000	1,150,000	1,150,000	1,150,000
Total Operating Fund Expenditures	83,099,000	37,474,000	38,385,000	38,971,000	39,531,000
Surplus(Deficit)	-	-	-	-	-

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13. Utility Fund Revenue & Expenditure Budgets

Table 11 shows the Utility Operating Fund proposed budgets.

Table 11

UTILITY OPERATING FUNDS	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026
Sewer					
Revenues	2,715,000	2,769,000	2,825,000	2,882,000	2,940,000
Grants	400,000	-	-	-	-
Appropriated Surplus - Cap Works	1,111,000	-	-	-	-
Reserves	100,000	-	-	-	-
Capital Works	(2,675,000)	(1,075,000)	(1,092,000)	(1,110,000)	(1,129,000)
Revenue for operations	1,651,000	1,694,000	1,733,000	1,772,000	1,811,000
Expenditures	1,651,000	1,694,000	1,733,000	1,772,000	1,811,000
Surplus (Deficit)	-	-	-	-	-
Water					
Revenues	3,058,000	3,173,000	3,229,000	3,286,000	3,344,000
PR Legacy	5,860,000	560,000	560,000	560,000	560,000
Appropriated Surplus- Cap Works	805,000	-	-	-	-
Loans from MFA	-	-	7,000,000	-	-
Reserves	9,450,000	15,000,000	5,000,000	-	-
Capital Works	(16,247,000)	(15,750,000)	(12,750,000)	(750,000)	(750,000)
Revenue for operations	2,926,000	2,983,000	3,039,000	3,096,000	3,154,000
Expenditures	2,926,000	2,983,000	3,039,000	3,096,000	3,154,000
Surplus (Deficit)	-	-	-	-	-
Solid Waste					
Revenues	4,599,000	4,614,000	4,701,000	4,795,000	4,890,000
Funding from Accruals - CW	3,675,000	-	-	-	-
Funding from Reserves	3,976,000	-	-	-	-
CWF Gas Tax Reserve	1,130,000	-	-	-	-
Capital Purchases	(1,400,000)	-	-	-	-
Capital Works	(7,481,000)	-	-	-	-
Revenue for operations	4,499,000	4,614,000	4,701,000	4,795,000	4,890,000
Expenditures	4,499,000	4,614,000	4,701,000	4,795,000	4,890,000
Surplus (Deficit)	-	-	-	-	-

