



City of Prince Rupert

AGENDA

For the **SPECIAL REGULAR MEETING** of Council to be held on April 7th, 2016 at 5:00 p.m. in the Council Chambers of City Hall, 424 - 3rd Avenue West, Prince Rupert, B.C.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

Recommendation:

THAT the Agenda for the Special Regular Council Meeting of April 7th, 2016 be adopted as circulated.

3. REPORTS AND RECOMMENDATIONS

a) Report from the Chief Financial Officer – Re: 2016 Budget Final.

Page 2

Recommendations:

THAT Council direct staff to incorporate the recommended mill rate increase of 2.0% into the 2016 Five Year Financial Plan Bylaw and related 2016 Property Tax Bylaw, both Bylaws to be presented to Council for consideration on April 11th, 2016; and

THAT Council direct staff to allocate this increase to asset replacement reserves; and

THAT Council approve the recommendation to fund the remaining \$96,000 as requested by the Prince Rupert Library in their Community Enhancement Grant application for 2016.

4. ADJOURNMENT

CITY OF PRINCE RUPERT
REPORT TO COUNCIL

DATE: April 7th, 2016
TO: Robert Long, City Manager
FROM: Corinne Bomben, Chief Financial Officer
SUBJECT: 2016 BUDGET FINAL

RECOMMENDATION:

THAT Council direct staff to incorporate the recommended mill rate increase of 2.0% into the 2016 Five Year Financial Plan Bylaw and related 2016 Property Tax Bylaw, both Bylaws to be presented to Council for consideration on April 11th, 2016; and

THAT Council direct staff to allocate this increase to asset replacement reserves; and

THAT Council approve the recommendation to fund the remaining \$96,000 as requested by the Prince Rupert Library in their Community Enhancement Grant Application for 2016.

BACKGROUND:

At the February 22, 2016 Regular Meeting of Council, staff presented the 2016 budget. In that budget was included a recommendation for funding asset replacement reserves. After consideration of all revenues and operating costs, staff indicated that the budget was balanced for 2016. The recommendation for asset replacement reserves amounted to \$250,000 representing a mill rate increase of 2.0% which is essentially savings for capital. It was noted at that meeting and the next two public consultation meetings that staff expected the proposed increase to change once the final property value assessments were released from the BC Assessment Authority.

DISCUSSION:

Staff has received the final property assessment values on April 4, 2016. The result is a nominal change in assessment. Having received the final assessment values, and including the expenditures savings noted previously, there is no impact to the budget of the assessment change and the 2.0% increase recommended on February 22, 2016 for placement into asset replacement reserves still stands. The proposed mill rates are the same as those recommended on February 22, 2016 and are provided in *Attachment B*.

April 7th, 2016

In January 2016, Council approved a grant to the Library in the amount of \$500,000. This was \$96,000 short of funding their application. Since the February 22, 2016 Budget presentation, and as mentioned during the first public consultation held at the Lester Center, staff have learned of some reductions in expenditures that, taken altogether, have enabled an additional recommendation to fully fund the Prince Rupert Library's Community Enhancement Grant Application. Therefore the attached financial plan (*Attachment A*), includes the additional \$96,000 to the Library, bringing their total grant to \$596,000. There is no change to staff's mill rate recommendation as a result of this additional grant recommendation.

In order to complete the budget process staff requires a resolution to approve the recommendations presented.

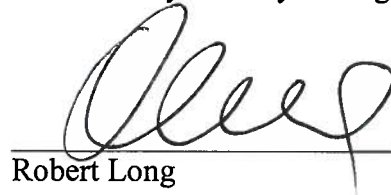
CONCLUSION:

Council is requested to direct staff to incorporate the recommended mill rate increase of 2.0% into the 2016 Five Year Financial Plan Bylaw and related 2016 Property Tax Bylaw and instruct staff to place the increase in asset replacement reserves. Additionally, Council is requested to approve the additional \$96,000 grant to the Prince Rupert Library as recommended by staff.

Reviewed by the City Manager



Corinne Bomben
Chief Financial Officer



Robert Long

Attachments:

- Attachment A: 2016 – 2020 Financial Plan;
- Attachment B: Proposed 2016 Municipal Mill Rate.

GENERAL OPERATING FUND	Actual 2015 (Unaudited)	Budget 2015	Variance 2015 Actual vs Budget	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
<u>Revenues by Department</u>								
Airport Ferry	1,575,789	1,649,000	(73,211)	1,660,000	1,748,000	1,835,000	1,926,000	2,023,000
Cemetery	60,014	60,000	14	60,000	60,000	60,000	60,000	60,000
Corporate Administration	5,641	6,000	(359)	5,000	5,000	5,000	5,000	5,000
Cow Bay Marina	-	-	-	300,000	306,000	312,000	318,000	324,000
Development Services	824,436	422,000	402,436	424,000	389,000	383,000	383,000	384,000
Finance	28,035	7,000	21,035	13,000	12,000	12,000	12,000	12,000
FD Fire Protective Services	7,053	2,000	5,053	2,000	2,000	2,000	2,000	2,000
FD 911	137,619	150,000	(12,381)	130,000	130,000	130,000	130,000	130,000
Fiscal Revenues	7,290,596	6,957,000	333,596	6,321,000	6,480,000	6,480,000	6,480,000	6,480,000
Information Technology	3,919	3,000	919	1,000	1,000	1,000	1,000	1,000
PW Engineering	34,783	3,000	31,783	3,000	3,000	3,000	3,000	3,000
Parks	11,424	5,000	6,424	5,000	5,000	5,000	5,000	5,000
PW Common Revenues	43,220	14,000	29,220	14,000	14,000	14,000	14,000	14,000
RCMP	107,165	85,000	22,165	106,000	93,000	93,000	93,000	93,000
Roads	33,763	-	33,763	-	-	-	-	-
Rec. Centre Arena	173,126	178,000	(4,874)	178,000	185,000	194,000	203,000	202,000
Rec. Centre Civic Centre	271,162	240,000	31,162	265,000	271,000	284,000	298,000	298,000
Rec. Centre Community Services	38,487	18,000	20,487	18,000	18,000	18,000	18,000	18,000
Rec. Centre Pool	426,628	408,000	18,628	442,000	463,000	485,000	508,000	532,000
Transit	302,227	316,000	(13,773)	332,000	335,000	338,000	341,000	344,000
Victim Services	60,708	54,000	6,708	67,000	67,000	67,000	67,000	67,000
Watson Island	509,794	120,000	389,794	500,000	-	-	-	-
Property Taxes (existing)	11,945,589	10,697,000	1,248,589	10,846,000	10,587,000	10,721,000	10,867,000	10,997,000
Property Tax Allocation to Assets Renewal Reserves	15,128,859	14,964,000	164,859	15,817,000	15,817,000	15,817,000	15,817,000	15,817,000
Future Tax requirements	-	-	-	250,000	250,000	250,000	250,000	250,000
PR Legacy- Injection for Economic Growth Project	890,135	1,300,000	(409,865)	1,300,000	1,300,000	1,300,000	-	-
PR Legacy- Capital Works	971,083	1,200,000	(228,917)	750,000	-	-	-	-
PR Legacy- Capital Purchases	-	-	-	510,000	-	-	-	-
Appropriated Surplus for Debenature Debt	1,365,000	1,365,000	-	-	-	-	-	-
Conditional Project Grants- Capital Works	3,858,152	3,840,000	18,152	330,000	-	-	-	-
Conditional Project Grants- Capital Purchases	360,111	675,000	(314,889)	390,000	-	-	-	-
Appropriated Reserves Capital Works	802,730	1,541,000	(738,270)	535,000	-	-	-	-
Appropriated Reserves Capital Purchases	1,034,265	975,000	59,265	50,000	-	-	-	-
Appropriated Surplus For Capital Purchases	560,016	1,050,000	(489,984)	180,000	-	-	-	-
Appropriated Surplus for Capital Works	253,987	25,000	228,987	325,000	-	-	-	-
Long Term Loan MFA	338,904	350,000	(11,096)	75,000	-	-	-	-
NDI Grant for Prince Rupert Airport	-	250,000	(250,000)	250,000	-	-	-	-
Total Operating Fund Revenues	37,508,831	38,232,000	(723,169)	31,608,000	27,954,000	28,088,000	27,986,000	28,454,000

GENERAL OPERATING FUND	Actual 2015 (Unaudited)	Budget 2015	Variance 2015 Actual vs Budget	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
Expenditures by Department								
Airport Ferry	2,402,715	2,567,000	164,285	2,668,000	2,721,000	2,804,000	2,838,000	2,931,000
Cemetery	194,405	194,000	(405)	222,000	225,000	227,000	229,000	229,000
Civic Properties	298,549	344,000	45,451	385,000	390,000	394,000	398,000	402,000
Corporate Administration	842,426	704,000	(138,426)	1,001,000	1,013,000	1,025,000	837,000	846,000
Cow Bay Marina	-	-	-	200,000	200,000	204,000	208,000	212,000
Development Services	1,012,701	810,000	(202,701)	1,022,000	1,036,000	1,049,000	835,000	846,000
FD 911	502,575	488,000	(14,575)	506,000	513,000	520,000	528,000	535,000
FD Fire Protective Services	3,035,471	2,821,000	(214,471)	2,971,000	3,029,000	3,088,000	3,147,000	3,208,000
FD Emergency Measures	30,721	31,000	279	33,000	33,000	33,000	33,000	33,000
Finance	699,027	718,000	18,973	770,000	836,000	849,000	716,000	728,000
Finance Cost Allocation	(359,000)	(359,000)	-	(359,000)	(359,000)	(359,000)	(359,000)	(359,000)
Fiscal Expenditures	3,746,563	2,756,000	(990,563)	2,614,000	3,027,500	2,661,500	2,657,500	2,622,500
Governance	309,139	327,000	17,861	351,000	353,000	356,000	340,000	342,000
Grants to Support Other Organizations	886,910	895,000	8,090	946,000	940,500	940,500	940,500	940,500
Information Technology	455,057	468,000	12,943	486,000	491,000	497,000	487,000	492,000
Parks	830,855	822,000	(8,855)	870,000	881,000	893,000	906,000	920,000
PW Engineering	402,099	412,000	9,901	419,000	428,000	438,000	447,000	457,000
PW Common Costs	3,267,074	3,363,000	95,926	3,577,000	3,628,000	3,680,000	3,672,000	3,724,000
Allocation of PW Common Cost	(3,267,074)	(3,363,000)	(95,926)	(3,577,000)	(3,628,000)	(3,680,000)	(3,672,000)	(3,724,000)
PW Vehicles	1,368,084	1,187,000	(181,084)	1,265,000	1,285,000	1,305,000	1,325,000	1,330,000
Allocation of PW Vehicles	(1,367,011)	(1,187,000)	180,011	(1,265,000)	(1,285,000)	(1,305,000)	(1,325,000)	(1,330,000)
RCMP	4,841,181	4,895,000	53,819	4,995,000	5,106,000	5,220,000	5,336,000	5,455,000
Rec. Centre Arena	345,211	393,000	47,789	381,000	429,000	485,000	548,000	548,000
Rec. Centre Civic Centre	1,676,673	1,629,000	(47,673)	1,725,000	1,756,000	1,782,000	1,807,000	1,807,000
Rec. Centre Community Services	6,200	18,000	11,800	18,000	18,000	18,000	18,000	18,000
Rec. Centre Pool	1,241,578	1,360,000	118,422	1,350,000	1,367,000	1,386,000	1,405,000	1,426,000
Roads	1,985,542	1,949,000	(36,542)	1,994,000	2,025,000	2,056,000	2,089,000	2,123,000
Transit	775,028	819,000	43,972	846,000	911,000	937,000	1,011,000	1,108,000
Victim Services	119,746	117,000	(2,746)	134,000	134,000	134,000	134,000	134,000
Watson Island	1,359,148	120,000	(1,239,148)	500,000	-	-	-	-
Transfer to Reserves (Interest & Care Fund)	(298,423)	128,000	426,423	95,000	200,000	200,000	200,000	200,000
Transfer to Asset Renewal Reserve	-	-	-	250,000	250,000	250,000	250,000	250,000
Early Redemption of Debenture Debt	1,365,000	1,365,000	-	-	-	-	-	-
Economic Growth Project funding from PR Legacy	-	1,300,000	1,300,000	-	-	-	-	-
NDJ Grant for Prince Rupert Airport	2,794,199	250,000	2,500,000	250,000	-	-	-	-
Provision for Capital Purchases	6,179,664	3,285,000	490,801	1,575,000	-	-	-	-
Provision for Capital Works	6,179,664	6,606,000	426,336	2,390,000	-	-	-	-
Total Operating Fund Expenditures	37,682,033	38,232,000	549,967	31,608,000	27,954,000	28,088,000	27,986,000	28,454,000
Surplus(Deficit)	(173,202)	-	(173,202)	-	-	-	-	-

UTILITY OPERATING FUNDS	Actual 2015 (Unaudited)	Budget 2015	Variance 2015 Actual vs Budget	Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
Sewer								
Revenues	2,248,535	2,225,000	23,535	2,350,000	2,469,000	2,591,000	2,740,000	2,857,000
Grants-CWF	400,000	1,053,000	(653,000)	-	-	-	-	-
Capital works	(1,178,670)	(1,553,000)	374,330	(597,000)	(1,262,000)	(1,364,000)	(1,493,000)	(1,589,000)
Revenue for operations	1,469,865	1,725,000	(255,135)	1,753,000	1,207,000	1,227,000	1,247,000	1,268,000
Expenditures	1,032,761	1,725,000	692,239	1,753,000	1,207,000	1,227,000	1,247,000	1,268,000
Surplus (Deficit)	437,104	-	437,104	-	-	-	-	-
Water								
Revenues	2,541,017	2,490,000	51,017	2,662,000	2,797,000	2,932,000	3,073,000	3,222,000
Grants	-	165,000	(165,000)	4,334,000	-	-	-	-
PR Legacy	-	250,000	(250,000)	2,416,000	-	-	-	-
Appropriated Surplus- Cap Works	186,280	315,000	(128,720)	620,000	-	-	-	-
Capital works	(491,715)	(1,385,000)	893,285	(7,998,000)	(500,000)	(500,000)	(500,000)	(500,000)
Revenue for operations	2,235,582	1,835,000	400,582	2,034,000	2,297,000	2,432,000	2,573,000	2,722,000
Expenditures	1,809,761	1,835,000	25,239	2,034,000	2,297,000	2,432,000	2,573,000	2,722,000
Surplus (Deficit)	425,821	-	425,821	-	-	-	-	-
Solid Waste								
Revenues	2,624,707	2,933,000	(308,293)	2,856,000	2,894,000	3,039,000	3,192,000	3,353,000
Grants-CWF	1,191,742	1,500,000	(308,258)	-	-	-	-	-
Capital works	(1,191,742)	(1,700,000)	508,258	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Revenue for operations	2,624,707	2,733,000	(108,293)	2,156,000	2,194,000	2,339,000	2,492,000	2,653,000
Expenditures	2,634,714	2,733,000	198,286	2,156,000	2,194,000	2,339,000	2,492,000	2,653,000
Surplus (Deficit)	89,993	-	89,993	-	-	-	-	-

Attachment B

**Proposed 2016 Municipal Mill Rate
(with inclusion of recommended 2% Asset Replacement Reserve increase)**

Property Class	2015 Municipal Mill Rate	Proposed 2016 Municipal Mill Rate
Residential	7.38384	6.88816
Utility - Capped 40.0	40.0	40.00
Major Industrial	50.18427	52.4413
Major Industrial - Capped 27.50	27.50	27.50
Major Industrial - Capped 22.50	22.50	22.50
Light Industry	30.52733	28.85808
Business	25.80240	25.87597
Non-Profit/Recreation	4.81863	5.23987