

CITY OF PRINCE RUPERT

2019 FIVE YEAR FINANCIAL PLAN BYLAW NO. 3441, 2019

A BYLAW FOR THE CITY OF PRINCE RUPERT RESPECTING THE FIVE YEAR FINANCIAL PLAN FOR THE PERIOD 2019 - 2023

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, 2023.
2. This Bylaw may be cited as **“2019 Five Year Financial Plan Bylaw No. 3441, 2019”**.

Read a First time this 15th day of April, 2019.

Read a Second time this 15th day of April, 2019.

Read a Third time this 15th day of April, 2019.

Final Consideration and Adopted this 18th day of April, 2019.

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 2019. 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 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	23%	18,665,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grants	5%	3,896,000
User Fees & Charges	19%	15,702,000
Accruals	0%	183,000
Reserves	3%	2,324,000
Accumulated General Operating Surplus	1%	575,000
Accumulated Utilities Operating Surplus	3%	2,115,000
Conditional Grants	27%	21,770,000
Dividend- Prince Rupert Legacy	9%	7,528,000
Debt Financing	10%	8,250,000
Total	100%	81,069,000

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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 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.

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 Two (2) shows the current property tax revenues of each classification:

Table 2

Property Class	% of Tax Revenue	Amount (\$)
Residential	38%	7,025,000
Utility	1%	187,000
Major Industry	15%	2,897,000
Major Industry Port Property Tax Act	17%	3,164,000
Light Industry	3%	569,000
Business	26%	4,801,000
Recreation	0%	22,000
Total	100%	18,665,000

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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 review its existing permissive property tax exemption practices; and,

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 consider expanding the permissive tax exemptions to include green development for the purpose of meeting our Climate Action Commitments; and,
- Council will develop 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; and,
 - c. City of Prince Rupert Permissive Tax Exemption Bylaw 3417, 2017.

Table Three (3) shows the properties which received full permissive tax exemptions for 2019. The approximate amount of Municipal Tax exempted is \$301,527.

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Table 3

Places of Worship & Senior Housing (Exclude Statutory Exempt Portion)		
Church of Jesus Christ of Latter Day Saints Church	\$	541.83
Comerstone Mennonite Brethren Church		349.81
Fellowship Baptist Church		353.14
First Presbyterian Church		406.85
The Salvation Army		401.14
Harvest Time United Pentecostal Church		136.41
Indo-Canadian Sikh Association Temple		129.75
Jehovah's Witnesses Kingdom Hall		1,335.56
Jehovah's Witnesses Kingdom Hall Parking Lot		190.11
Prince Rupert Church of Christ Church		912.55
Prince Rupert Native Revival Centre		306.08
Prince Rupert Pentecostal Tabernacle		452.00
Prince Rupert Sikh Missionary Society Temple		489.55
United Church of Canada		38.50
United Church of Canada (parking lot)		385.81
United Church of Canada (parking lot)		385.81
Kaien Senior Citizen's Housing		67.75
Prince Rupert Senior Citizen's Housing Society		2,181.17
Sub-total Places of Worship & Senior Housing	\$	9,063.82

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Table 3 (continued)

Other Properties	
Roman Catholic Annunciation School	\$ 27,492.35
Roman Catholic Annunciation School Playground	3,494.17
Roman Catholic Annunciation School Gym	3,753.81
Cultural Dance Centre & Carving House	14,364.93
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility)	5,415.97
Museum of Northern BC	44,672.03
Prince Rupert Performing Arts Centre Society	125,547.58
Prince Rupert Golf Society	21,266.24
Prince Rupert Golf Society	1,214.83
Prince Rupert Golf Society	186.79
Prince Rupert Golf Society	59.89
Prince Rupert Racquet Association	1,606.47
School District No. 52 (Prince Rupert) (Pacific Coast School)	5,716.86
School District No. 52 (Prince Rupert) (Pacific Coast School)	99.49
BC Society for the Prevention of Cruelty to Animals	2,159.59
BC Society for the Prevention of Cruelty to Animals	10,336.93
BC Society for the Prevention of Cruelty to Animals	1,322.45
Prince Rupert Loyal Order of Moose/Moose Lodge	705.80
Prince Rupert Loyal Order of Moose/Moose Lodge	2,717.69
Prince Rupert Salmon Enhancement Society	276.62
Prince Rupert Curling Club	2,290.88
Prince Rupert Rod & Gun Club	1,164.93
Cedar Road Aboriginal Justice Program Society	2,293.50
Friendship House Association of Prince Rupert	6,903.67
Kaien Island Daycare Services Family Resource Centre	1,366.35
Prince Rupert Senior Centre Association	1,055.14
Prince Rupert Association for Community Living	376.21
Prince Rupert Community Enrichment Society	1,288.03
The Royal Canadian Legion Branch 27 (Only area used by Legion)	2,124.53
Navy league Prince Rupert Branch	752.38
Kaien Island Trail Enhancement and Recreation Society	436.77
Sub-total other Properties	\$ 292,462.88
Estimated Total Permissive Property Tax Exemptions	\$ 301,526.70

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

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

Table 4

Proposed Expenditures	Amount (\$)
Operating Fund	50,683,000
Sewer Utility Fund	4,447,000
Solid Waste Fund	3,859,000
Water Utility Fund	22,080,000
Total	81,069,000

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

Table Five (5) shows the proposed funding sources for the current year:

Table 5

Funding Source	Percentage (%) of Revenue	Amount (\$)
Municipal Property Taxes	23%	18,665,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grants	5%	3,896,000
User Fees & Charges	19%	15,702,000
Accruals	0%	183,000
Reserves	3%	2,324,000
Accumulated General Operating Surplus	1%	575,000
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Total	100%	81,069,000

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

\$0

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 \$1,471,000.

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

Capital Purchases

Table Six (6) shows the 2019 Capital Purchases:

Table 6

Department	Amount (\$)
Ferry	1,000,000
Information Technology	50,000
Civic Properties	4,479,000
RCMP	50,000
Recreation Complex	755,000
Purchase of Land/Building	140,000
Public Works	2,420,000
Total	8,894,000

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Capital Works

Table Seven (7) shows the 2019 Capital Works:

Table 7

Fund	Amount (\$)
Water Utility	20,150,000
Sewer Utility	2,850,000
Solid Waste Utility	1,525,000
Operating	3,255,000
Total	27,780,000

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))

Nil

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

Table Eight (8) proposes the following transfers:

Table 8

Transfer of Reserves	Amount (\$)
From:	
Equipment Reserve	(775,000)
Land Reserve	(415,000)
Rushbrook Parking Program Reserve	(184,000)
Ferry Maint. & Capital Replacement Reserve	(450,000)
General Fund (Northern Capital and Planning Grant, RCMP loan provision, and interest)	(8,766,000)
Recreation Asset Management Reserve	(25,000)
Duncan Road Improvements Reserve	(125,000)
Total	(10,740,000)

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To:		
	Northern Capital and Planning Grant Reserve	7,771,000
	RCMP Reserve	550,000
	Miscellaneous Reserves (interest)	95,000
	General Operating Fund Capital Works	425,000
	General Operating Fund Capital Purchases	1,899,000
	Total	10,740,000

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

Table Nine (9) shows the Accumulated Operating and Utility Fund Surpluses being used this year to fund Capital Purchases and Capital Works.

Table 9

Transfers of Accumulated Surplus	Amount (\$)
From:	
Operating Fund	(575,000)
Water Utility Fund Capital Works	(200,000)
Sewer Utility Fund Capital Works	(1,115,000)
Solid Waste Utility Fund	(800,000)
Total	(2,690,000)
To:	
Operating Fund Capital Works	575,000
Water Utility Fund Capital Works	200,000
Sewer Utility Fund Capital Works	1,115,000
Solid Waste Utility Fund	800,000
Total	2,690,000

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13. General Operating Fund Departmental Budgets

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

Table 10(a)

GENERAL OPERATING FUND	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
<u>Revenues by Department</u>					
Airport Ferry	1,415,000	1,445,000	1,445,000	1,445,000	1,445,000
Cemetery	102,000	106,000	110,000	115,000	120,000
Cow Bay Marina	291,000	295,000	299,000	303,000	307,000
Development Services	544,000	536,000	539,000	541,000	543,000
Economic Development	49,000	50,000	50,000	50,000	50,000
Finance	15,000	15,000	15,000	15,000	15,000
FD Fire Protective Services	5,000	6,000	6,000	6,000	6,000
FD 911	112,000	110,000	108,000	106,000	104,000
Fire Emergency Services	135,000	-	-	-	-
Fiscal Revenues	16,158,000	7,541,000	8,077,000	8,088,000	8,099,000
Information Technology	1,000	1,000	1,000	1,000	1,000
PW Engineering	5,000	5,000	5,000	5,000	5,000
Parks	-	5,000	5,000	5,000	5,000
PW Common Revenues	20,000	20,000	20,000	20,000	20,000
RCMP	107,000	93,000	93,000	93,000	93,000
Rec. Centre Arena	191,000	200,000	210,000	219,000	219,000
Rec. Centre Civic Centre	267,000	272,000	277,000	281,000	281,000
Rec. Centre Community Services	23,000	14,000	14,000	14,000	14,000
Rec. Centre Pool	490,000	496,000	505,000	515,000	524,000
Transit	374,000	374,000	374,000	385,000	397,000
Victim Services	80,000	80,000	80,000	80,000	80,000
Watson Island	400,000	-	-	-	-
	20,784,000	11,664,000	12,233,000	12,287,000	12,328,000
Property Taxes (existing)	16,333,000	18,665,000	18,665,000	18,665,000	18,665,000
Property Tax Increase - Non-market change	2,645,000	-	-	-	-
Property Tax Increase (Decrease)	(313,000)	479,000	1,489,000	1,928,000	2,429,000
PR Legacy- Capital Works	600,000	-	-	-	-
PR Legacy- Capital Purchases	273,000	-	-	-	-
Conditional Project Grants- Capital Works	1,164,000	-	-	-	-
Conditional Project Grants- Capital Purchases	4,865,000	-	-	-	-
Funding from Accruals for Capital Works	95,000	-	-	-	-
Fundign from Accruals for Capital Purchases	88,000	-	-	-	-
Appropriated Reserves Capital Works	425,000	-	-	-	-
Appropriate Reserves Capital Purchases	1,899,000	-	-	-	-
Appropriated Surplus for Capital Works	575,000	-	-	-	-
Loans from MFA	1,250,000	-	30,000,000	-	-
Total Operating Fund Revenues	50,683,000	30,808,000	62,387,000	32,880,000	33,422,000

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Table 10(b)

GENERAL OPERATING FUND	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
<u>Expenditures by Department</u>					
Airport Ferry	2,505,000	2,697,000	2,781,000	2,868,000	2,963,000
Cemetery	288,000	294,000	299,000	305,000	310,000
Civic Properties	302,000	313,000	316,000	319,000	323,000
Corporate Administration	989,000	1,068,000	1,086,000	1,105,000	1,125,000
Cow Bay Marina	213,000	217,000	221,000	226,000	230,000
Economic Development	135,000	155,000	158,000	160,000	163,000
Development Services	1,228,000	1,301,000	1,325,000	1,349,000	1,374,000
FD 911	574,000	582,000	594,000	606,000	618,000
FD Fire Protective Services	2,897,000	2,906,000	2,910,000	2,914,000	2,918,000
FD Emergency Measures	168,000	33,000	33,000	33,000	33,000
Finance	867,000	876,000	894,000	912,000	930,000
Finance Cost Allocation	(465,000)	(465,000)	(465,000)	(465,000)	(465,000)
Fiscal Expenditures	3,771,000	3,589,000	5,114,000	5,088,000	5,096,000
Governance	353,000	363,000	365,000	367,000	371,000
Grants to Support Other Organizations	1,461,000	1,403,000	1,406,000	1,409,000	1,412,000
Information Technology	547,000	550,000	558,000	566,000	575,000
Parks	1,000,000	1,000,000	1,019,000	1,038,000	1,057,000
PW Engineering	401,000	407,000	415,000	427,000	436,000
PW Common Costs	3,837,000	4,232,000	4,309,000	4,388,000	4,466,000
Allocation of PW Common Cost	(3,837,000)	(4,232,000)	(4,309,000)	(4,388,000)	(4,466,000)
PW Vehicles	1,292,000	1,343,000	1,376,000	1,408,000	1,443,000
Allocation of PW Vehicles	(1,292,000)	(1,313,000)	(1,332,000)	(1,352,000)	(1,373,000)
RCMP	5,658,000	5,905,000	6,045,000	6,186,000	6,333,000
Rec. Centre Arena	383,000	397,000	403,000	409,000	416,000
Rec. Centre Civic Centre	1,963,000	2,028,000	2,064,000	2,101,000	2,131,000
Rec. Centre Community Services	9,000	9,000	9,000	9,000	9,000
Rec. Centre Pool	1,397,000	1,464,000	1,493,000	1,522,000	1,552,000
Roads	2,040,000	2,076,000	2,112,000	2,150,000	2,189,000
Transit	887,000	911,000	1,037,000	1,067,000	1,098,000
Victim Services	147,000	149,000	151,000	153,000	155,000
Watson Island	400,000	-	-	-	-
Transfer to Reserves (NCPG, RCMP loan&interest)	8,416,000	550,000	-	-	-
Provision for Capital Purchases	8,894,000	-	30,000,000	-	-
Provision for Capital Works	3,255,000	-	-	-	-
Total Operating Fund Expenditures	50,683,000	30,808,000	62,387,000	32,880,000	33,422,000
Surplus(Deficit)	-	-	-	-	-

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14. Utility Fund Revenue & Expenditure Budgets

Table Eleven (11) shows the Utility Operating Fund proposed budgets.

Table 11

UTILITY OPERATING FUNDS	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023
Sewer					
Revenues	2,582,000	2,711,000	2,847,000	3,033,000	3,138,000
Grants-CWF	750,000	-	-	-	-
Appropriated Surplus- Cap Works	1,115,000	-	-	-	-
Capital works	(2,850,000)	(1,134,000)	(1,213,000)	(1,372,000)	(1,450,000)
Revenue for operations	1,597,000	1,577,000	1,634,000	1,661,000	1,688,000
Expenditures	1,597,000	1,577,000	1,634,000	1,661,000	1,688,000
Surplus (Deficit)	-	-	-	-	-
Water					
Revenues	2,865,000	3,002,000	3,146,000	3,298,000	3,459,000
Grants	6,537,000	-	-	-	-
PR Legacy	5,478,000	-	-	-	-
Appropriated Surplus- Cap Works	200,000	1,087,000	1,087,000	1,087,000	1,087,000
Long Term Loan MFA	7,000,000	-	-	-	-
Capital works	(20,150,000)	(613,000)	(725,000)	(845,000)	(970,000)
Revenue for operations	1,930,000	3,476,000	3,508,000	3,540,000	3,576,000
Expenditures	1,930,000	3,476,000	3,508,000	3,540,000	3,576,000
Surplus (Deficit)	-	-	-	-	-
Solid Waste					
Revenues	3,059,000	3,211,000	3,372,000	3,541,000	3,720,000
Appropriated Surplus- Cap Works	800,000	-	-	-	-
Borrow from MFA	-	10,000,000	-	-	-
Capital works	(1,525,000)	(10,164,000)	(228,000)	(356,000)	(493,000)
Revenue for operations	2,334,000	3,047,000	3,144,000	3,185,000	3,227,000
Expenditures	2,334,000	3,047,000	3,144,000	3,185,000	3,227,000
Surplus (Deficit)	-	-	-	-	-