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Miller

CITY OF PRINCE RUPERT

2020 FIVE YEAR FINANCIAL PLAN BYLAW NO. 3455, 2020

A BYLAW FOR THE CITY OF PRINCE RUPERT RESPECTING THE FIVE
YEAR FINANCIAL PLAN FOR THE PERIOD 2020 - 2024

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, 2024.
2. This Bylaw may be cited as **"2020 Five Year Financial Plan Bylaw No. 3455, 2020"**.

Read a First time this 01st day of April, 2020.

Read a Second time this 21st day of April, 2020.

Read a Third time this 21st day of April, 2020.

Final Consideration and Adopted this 21st day of April, 2020.



Mayor



Corporate Administrator

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

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 2020. 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	27%	21,599,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grants	5%	3,938,000
User Fees & Charges	20%	16,113,000
Accruals	2%	1,789,000
Reserves	3%	2,339,000
Accumulated General Operating Surplus	0%	185,000
Accumulated Utilities Operating Surplus	2%	1,646,000
Conditional Grants	12%	9,697,000
Dividend- Prince Rupert Legacy	9%	7,275,000
Debt Financing	20%	15,550,000
Total	100%	80,192,000

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan

April 27, 2020

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	33%	7,071,000
Utility	1%	204,000
Major Industry	23%	5,027,000
Major Industry Port Property Tax Act	17%	3,706,000
Light Industry	3%	558,000
Business	23%	5,013,000
Recreation	0%	20,000
Total	100%	21,599,000

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

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 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; and,
 - c. City of Prince Rupert Permissive Tax Exemption Bylaw 3447, 2019.

Table Three (3) shows the properties which received full permissive tax exemptions for 2020. The approximate amount of Municipal Tax exempted is \$362,954.

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

Table 3

<u>Places of Worship (Exclude Statutory Exempt Portion)</u>	
Bishop of New Caledonia (Anglican Cathedral)	\$ 644.42
Church of Jesus Christ of Latter Day Saints Church	604.09
Cornerstone Mennonite Brethren Church	341.22
Fellowship Baptist Church	362.08
The Salvation Army	1,959.70
Harvest Time United Pentecostal Church	133.06
Indo-Canadian Sikh Association Temple	126.57
Jehovah's Witnesses Kingdom Hall	1,381.57
Jehovah's Witnesses Kingdom Hall Parking Lot	1,134.35
Prince Rupert Church of Christ Church	943.45
Prince Rupert Native Pentecostal Revival Church	317.11
Prince Rupert Pentecostal Tabernacle	747.81
Prince Rupert Sikh Missionary Society Temple	847.95
First United Church	37.55
First United Church (parking lot)	741.51
First United Church (parking lot)	741.51
St. Paul's Lutheran Church of Prince Rupert	157.63
Sub-total Places of Worship	\$ 11,221.60

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan

April 27, 2020

Table 3 (continued)

<u>Other Properties</u>	
Cultural Dance Centre & Carving House	\$ 13,900.49
Museum of Northern BC	43,979.48
Prince Rupert Performing Arts Centre Society	118,781.80
Jim Pattison Ind. Ltd (Canfisco Municipal Boat Launch Facility)	31,690.51
Prince Rupert Golf Club	23,954.97
Prince Rupert Golf Club	5,712.06
Prince Rupert Golf Club	750.81
Prince Rupert Golf Club	295.21
Prince Rupert Racquet Association	6,381.74
School District No. 52 (Prince Rupert) (Pacific Coast School)	6,731.74
School District No. 52 (Prince Rupert) (Pacific Coast School)	99.95
BC Society for the Prevention of Cruelty to Animals	2,115.29
BC Society for the Prevention of Cruelty to Animals	11,134.34
BC Society for the Prevention of Cruelty to Animals	1,297.07
Prince Rupert Loyal Order of Moose/Moose Lodge	3,589.74
Prince Rupert Salmon Enhancement Society	1,459.78
Prince Rupert Curling Club	11,436.53
Prince Rupert Rod & Gun Club	2,592.25
Prince Rupert Aboriginal Community Services Society	2,345.25
Friendship House Association of Prince Rupert	21,610.58
Kaien Island Daycare Services Family Resource Centre	1,426.71
Prince Rupert Senior Centre Association	1,114.53
North Coast Community Services Society	6,508.59
The Royal Canadian Legion Branch 27 (Only area used by Legion)	1,010.21
Navy League Prince Rupert Branch	740.39
Prince Rupert Rowing & Yachting Club (Only area assessed as "Recreation/Non-Profit")	2,763.14
Kaien Senior Citizen's Housing	69.00
Prince Rupert Senior Citizen's Housing Society	2,339.85
Prince Rupert Indigenous Housing Society (Only area assessed as "Residential/Not-for-profit")	9,101.41
Cedar Village Housing Society (Only area assessed as "Residential/Not-for-profit")	16,798.91
Sub-total other Properties	\$ 351,732.33
Estimated Annual Total Permissive Property Tax Exemptions	\$ 362,953.93

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

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	40,007,000
Sewer Utility Fund	4,201,000
Solid Waste Fund	9,877,000
Water Utility Fund	26,107,000
Total	80,192,000

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	27%	21,599,000
Parcel Taxes	0%	61,000
Payment in Lieu of Taxes & Provincial Grants	5%	3,938,000
User Fees & Charges	20%	16,113,000
Accruals	2%	1,789,000
Reserves	3%	2,339,000
Accumulated General Operating Surplus	0%	185,000
Accumulated Utilities Operating Surplus	2%	1,646,000
Conditional Grants	12%	9,697,000
Dividend- Prince Rupert Legacy	9%	7,275,000
Debt Financing	20%	15,550,000
Total	100%	80,192,000

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

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 \$1,453,000.

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

Capital Purchases

Table Six (6) shows the 2020 Capital Purchases:

Table 6

Department	Amount (\$)
Ferry	125,000
Information Technology	25,000
Civic Properties	787,000
Fire Protection	105,000
Recreation Complex	660,000
Purchase of Land/Building/Misc	411,000
Public Works	3,001,000
Total	5,114,000

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

Capital Works

Table Seven (7) shows the 2020 Capital Works:

Table 7

Fund	Amount (\$)
Water Utility	23,900,000
Sewer Utility	2,426,000
Solid Waste Utility	7,120,000
Operating	1,705,000
Total	35,151,000

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	(199,000)
Land Reserve	(265,000)
Rushbrook Parking Program Reserve	(300,000)
Northern Capital and Planning Grant Reserve	(1,285,000)
Water Asset Management Reserve	(289,000)
General Fund	(1,500,000)
Duncan Road Improvements Reserve	(100,000)
Total	(3,938,000)

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

To:		
	RCMP Reserve	1,050,000
	Miscellaneous Reserves (interest)	300,000
	Ferry Maint. & Capital Replacement Reserve	150,000
	General Operating Fund loan payments	99,000
	General Operating Fund Capital Works	959,000
	General Operating Fund Capital Purchases	1,380,000
Total		3,938,000

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	(185,000)
Sewer Utility Fund Capital Works	(1,526,000)
Solid Waste Utility Fund	(120,000)
Total	(1,831,000)
To:	
Operating Fund Capital Works	185,000
Sewer Utility Fund Capital Works	1,526,000
Solid Waste Utility Fund	120,000
Total	1,831,000

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

13. General Operating Fund Departmental Budgets

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

Table 10(a)

GENERAL OPERATING FUND	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024
<u>Revenues by Department</u>					
Airport Ferry	1,287,000	1,448,000	1,476,000	1,505,000	1,534,000
Cemetery	103,000	107,000	111,000	115,000	119,000
Cow Bay Marina	219,000	272,000	275,000	278,000	281,000
Development Services	608,000	615,000	622,000	629,000	629,000
Economic Development	70,000	50,000	50,000	50,000	50,000
Finance	15,000	15,000	15,000	15,000	15,000
FD Fire Protective Services	14,000	15,000	15,000	15,000	15,000
FD 911	106,000	104,000	102,000	100,000	98,000
Fire Emergency Services	25,000	-	-	-	-
Fiscal Revenues	8,767,000	8,405,000	9,055,000	9,324,000	9,476,000
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	35,000	36,000	37,000	38,000	39,000
PW Common Revenues	35,000	36,000	37,000	38,000	39,000
RCMP	91,000	93,000	93,000	93,000	93,000
Rec. Centre Arena	194,000	202,000	212,000	221,000	221,000
Rec. Centre Civic Centre	256,000	283,000	296,000	308,000	308,000
Rec. Centre Community Services	12,000	14,000	14,000	14,000	14,000
Rec. Centre Pool	428,000	503,000	522,000	544,000	566,000
Transit	344,000	389,000	401,000	413,000	425,000
Victim Services	97,000	77,000	77,000	77,000	77,000
Watson Island	400,000	277,000	277,000	277,000	277,000
	13,112,000	12,947,000	13,693,000	14,060,000	14,282,000
Property Taxes (existing)	18,666,000	21,599,000	22,215,000	22,467,000	22,588,000
Property Tax Increase - Non-market change	2,933,000	-	-	-	-
Property Tax Increase (Decrease)	-	616,000	252,000	121,000	536,000
PR Legacy- Capital Works	145,000	-	-	-	-
PR Legacy- Capital Purchases	360,000	-	-	-	-
Conditional Project Grants- Capital Works	60,000	-	-	-	-
Conditional Project Grants- Capital Purchases	841,000	-	-	-	-
Funding from Accruals for Capital Works	20,000	-	-	-	-
Funding from Accruals for Capital Purchases	585,000	-	-	-	-
Appropriated Reserves Capital Works	170,000	-	-	-	-
Appropriated Reserves Capital Purchases	1,380,000	-	-	-	-
Appropriated Surplus For Capital Purchases	175,000	-	-	-	-
Appropriated Surplus for Capital Works	10,000	-	-	-	-
Loans from MFA	1,550,000	-	30,000,000	-	-
Total Operating Fund Revenues	40,007,000	35,162,000	66,160,000	36,648,000	37,406,000

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

Table 10(b)

GENERAL OPERATING FUND	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024
<u>Expenditures by Department</u>					
Airport Ferry	2,844,000	2,862,000	2,915,000	2,817,000	3,026,000
Cemetery	288,000	294,000	299,000	305,000	310,000
Civic Properties	325,000	331,000	335,000	339,000	343,000
Corporate Administration	983,000	1,007,000	1,024,000	1,041,000	1,057,000
Cow Bay Marina	189,000	223,000	227,000	232,000	238,000
Economic Development	165,000	143,000	148,000	150,000	153,000
Development Services	1,257,000	1,275,000	1,295,000	1,316,000	1,336,000
FD 911	572,000	581,000	593,000	605,000	617,000
FD Fire Protective Services	3,203,000	3,209,000	3,244,000	3,180,000	3,242,000
FD Emergency Measures	80,000	36,000	36,000	36,000	36,000
Finance	946,000	959,000	979,000	999,000	1,019,000
Finance Cost Allocation	(465,000)	(465,000)	(465,000)	(465,000)	(465,000)
Fiscal Expenditures	3,791,000	4,411,000	5,843,000	6,001,000	6,023,000
Governance	371,000	378,000	385,000	391,000	399,000
Grants to Support Other Organizations	1,773,000	1,600,000	1,627,000	1,694,000	1,741,000
Information Technology	528,000	554,000	563,000	572,000	581,000
Parks	1,068,000	1,087,000	1,106,000	1,125,000	1,144,000
PW Engineering	539,000	584,000	579,000	590,000	601,000
PW Common Costs	4,083,000	4,106,000	4,183,000	4,261,000	4,341,000
Allocation of PW Common Cost	(4,083,000)	(4,106,000)	(4,183,000)	(4,261,000)	(4,341,000)
PW Vehicles	1,374,000	1,407,000	1,432,000	1,457,000	1,481,000
Allocation of PW Vehicles	(1,374,000)	(1,407,000)	(1,432,000)	(1,457,000)	(1,481,000)
RCMP	5,911,000	6,031,000	6,173,000	6,320,000	6,469,000
Rec. Centre Arena	408,000	414,000	421,000	429,000	435,000
Rec. Centre Civic Centre	2,008,000	2,138,000	2,175,000	2,214,000	2,244,000
Rec. Centre Community Services	14,000	14,000	14,000	14,000	14,000
Rec. Centre Pool	1,502,000	1,540,000	1,570,000	1,600,000	1,630,000
Roads	2,089,000	2,131,000	2,170,000	2,209,000	2,249,000
Transit	883,000	899,000	925,000	952,000	979,000
Victim Services	166,000	149,000	152,000	155,000	158,000
Watson Island	400,000	277,000	277,000	277,000	277,000
Transfer to Reserves (Interest & RCMP loan)	1,350,000	1,350,000	400,000	400,000	400,000
Provision for Capital Purchases	5,114,000	-	30,000,000	-	-
Provision for Capital Works	1,705,000	1,150,000	1,150,000	1,150,000	1,150,000
Total Operating Fund Expenditures	40,007,000	35,162,000	66,160,000	36,648,000	37,406,000
Surplus(Deficit)	-	-	-	-	-

Schedule "A"

CITY OF PRINCE RUPERT

2020 Five Year Financial Plan
April 27, 2020

14. Utility Fund Revenue & Expenditure Budgets

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

Table 11

UTILTY OPERATING FUNDS	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024
Sewer					
Revenues	2,675,000	2,729,000	2,783,000	2,872,000	2,895,000
Appropriated Surplus- Cap Works	1,526,000	-	-	-	-
Capital works	(2,426,000)	(1,245,000)	(1,271,000)	(1,332,000)	(1,324,000)
Revenue for operations	1,775,000	1,484,000	1,512,000	1,540,000	1,571,000
Expenditures	1,775,000	1,484,000	1,512,000	1,540,000	1,571,000
Surplus (Deficit)	-	-	-	-	-
Water					
Revenues	2,957,000	3,099,000	3,248,000	3,406,000	3,572,000
Grants	7,328,000	20,000,000	-	-	-
PR Legacy	5,533,000	423,000	869,000	869,000	869,000
Long Term Loan MFA	10,000,000	7,000,000	-	-	-
Reserves	289,000	-	-	-	-
Capital works	(23,900,000)	(27,771,000)	(969,000)	(1,087,000)	(1,213,000)
Revenue for operations	2,207,000	2,751,000	3,148,000	3,188,000	3,228,000
Expenditures	2,207,000	2,751,000	3,148,000	3,188,000	3,228,000
Surplus (Deficit)	-	-	-	-	-
Solid Waste					
Revenues	3,257,000	3,419,000	3,590,000	3,771,000	3,960,000
Appropriated Surplus- Cap Works	120,000	-	-	-	-
Accruals	1,184,000	-	-	-	-
Borrow from MFA	4,000,000	6,000,000	-	-	-
Reserves	500,000	-	-	-	-
Grants-CWF	816,000	-	-	-	-
Capital works	(7,120,000)	(6,017,000)	(305,000)	(442,000)	(588,000)
Revenue for operations	2,757,000	3,402,000	3,285,000	3,329,000	3,372,000
Expenditures	2,757,000	3,402,000	3,285,000	3,329,000	3,372,000
Surplus (Deficit)	-	-	-	-	-