



# **2022 – 2026 FINANCIAL PLAN**

# Agenda

- Legislative Framework
- Review of cost reduction initiatives in 2020 and 2021
- Public consultation about 2022 budget priorities
- The 2022 financial overview and plan
  - Capital Expenditure Plan
  - Operating Budget

# Legislative Framework

- Community Charter requires that municipalities adopt five year operating and capital financial plans
- Council's Strategic Plan guides the development of the City's financial plan
- The financial planning process must include public consultation; the type of consultation is left to the discretion of each municipality
- Financial plans must be balanced; there can not be a deficit
- Financial Plan Bylaw and Tax Rate Bylaw must be adopted before May 15<sup>th</sup> of each year

# Cost Reduction Initiatives in 2020 and 2021

COVID-19 has resulted in financial challenges for the City. In response, Administration has undergone changes to reduce the number of departments, streamline functions and lower costs.

- Permanent elimination of \$349,440 of non-labour expenses
- 0% cost of living increases in both 2020 and 2021 for the management/exempt employment group resulting in a total of approximately \$500,000 of annual savings
- November 2020 organizational structure changes resulted in \$1,552,246 of annual savings
- Further organizational structure changes in 2021 for additional annual savings of \$365,592

Total permanent annual operating expense reductions of approximately **\$2,750,000** in the last two years.

# Public consultation

## Public Consultations and Info Sessions

### Recent Consultations

#### 2022 BUDGET SURVEY

CITY OF  
PRINCE GEORGE

#### 2022 Budget Survey

The City of Prince George conducted the 2022 Budget Survey from October 4, 2021 until November 1, 2021.

Results are now available.



#### Talktober 2021

Mayor Hall returned for another Talktober online town hall this year on October 28.

If you missed it, you can watch the stream on the City's Facebook page.

# Budget survey

## Focus:

1. Services
  2. Infrastructure investment
- October 4 – November 1
  - 517 responses
  - Responses varied little from 2021 budget survey

## Promoted through:

- News release
- Social media
- Table cards
- Radio
- Newspaper ads

# Survey results

## Service areas:

- Increase: police services, roads and sidewalks.
- Importance: police services, fire protection and, snow and ice control.
- Satisfaction: fire protection; parks, trails, and snow and ice control.

## Infrastructure investment:

- Roads, stormwater drainage, sidewalks, parks and energy



# Survey comments

"Maintaining and enhancing the spaces and services that make Prince George an attractive and desirable place to live - including maximizing the quantity and quality of green space available to ALL residents, and ensuring adequate access to these spaces and services.

Looking to the future by way of being proactive and responsible in developing, enhancing, promoting and leading in local renewable energy solutions to do at least our fair part in addressing the global climate crisis."



# Survey comments

"Whatever budget is established, the main objective of the city should be to stay within that budget."

# Talktober Town Hall



# What we learned



CITY OF PRINCE GEORGE

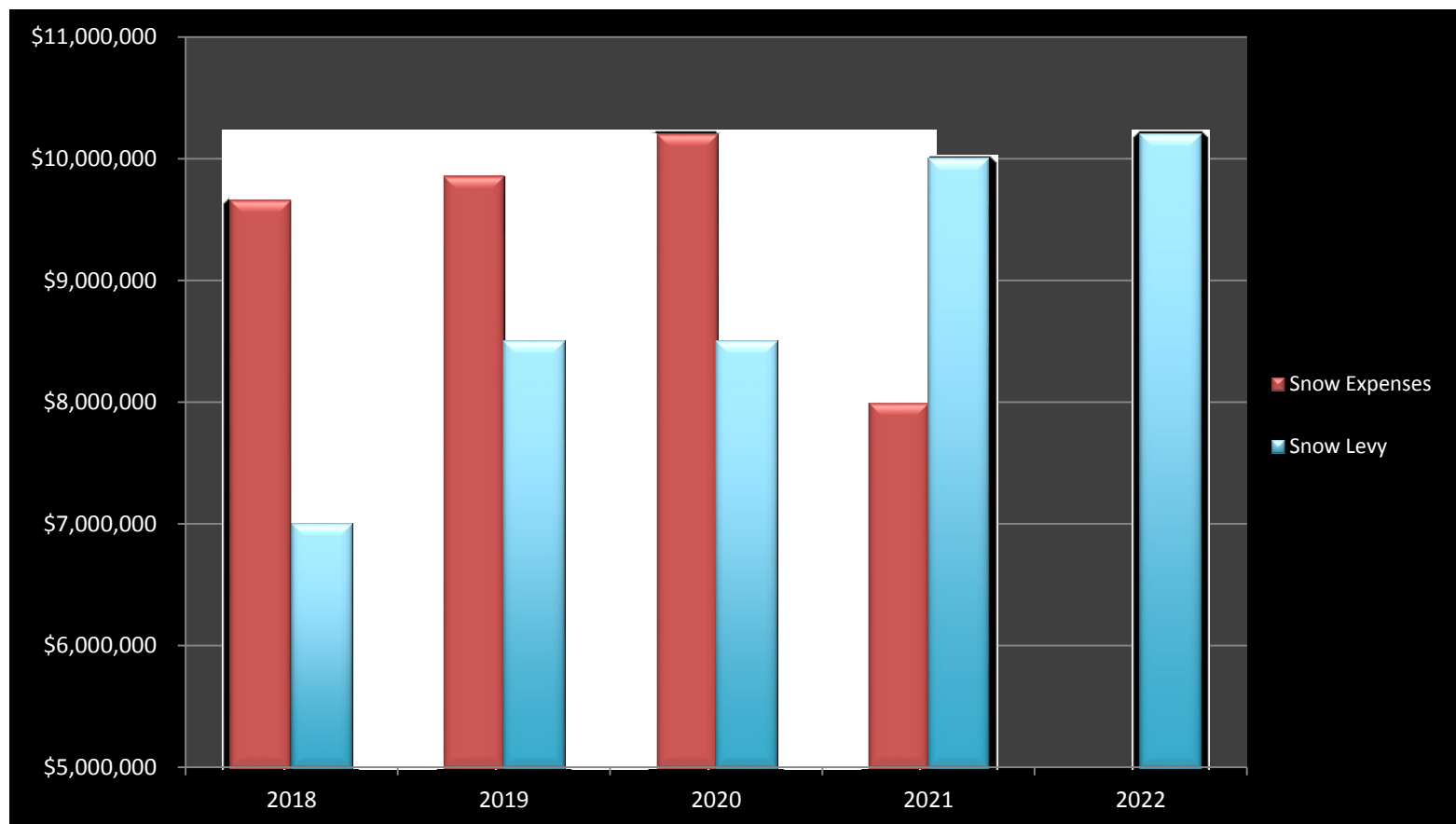
# Financial Overview

The total tax levy is made up of four individual levies:

- **General (operating)** – provides the operating funding for service categories with the exceptions of Off-Street Parking, Snow, Solid Waste, Sewer, Water and District Energy.
- **Snow Control (operating and capital)** – funds the full costs associated with providing the City's snow control service.
- **Road Rehabilitation (capital)** – created in 2004 and funds reinvestment needs of our transportation network.
- **General Infrastructure Reinvestment Fund (capital)** – 2013 to start closing the gap between the reinvestment required and the funding available to maintain our existing Civic Facilities.

# Snow Expenses vs. Snow Levy

## Actual 2018 to Proposed 2022



# Financial Overview

## Road Rehabilitation Levy

- Currently set at \$5,800,000
- Reinvestment target of \$7,000,000 estimated in 2011
- 2022 budget has been prepared at \$5,950,000, or an increase increase of \$150,000 (approx. 2.5%), to keep pace with the the rising costs of asphalt, labour and fleet expenses.

# Financial Overview

## General Infrastructure Reinvestment Fund

- Some asset groups have dedicated funding sources. Sewer, Sewer, Water, Solid Waste, District Energy and Off-Street Parking capital needs are funded by the user fees of those those services. Roads has its own levy and Fleet needs are are provided for through equipment financing
- All other capital asset groups' reinvestment needs are prioritized and compete for limited available funding
- Levy was created to increase the available funding needed to needed to maintain and replace new and aging infrastructure infrastructure
- 2021 budget was set at \$2,675,000
- 2022 budget has been prepared at \$2,800,000 (approx. 5%), 5%), or an increase of \$125,000, to match the large inflation inflation rate the City is experiencing in construction costs. CITY OF PRINCE GEORGE

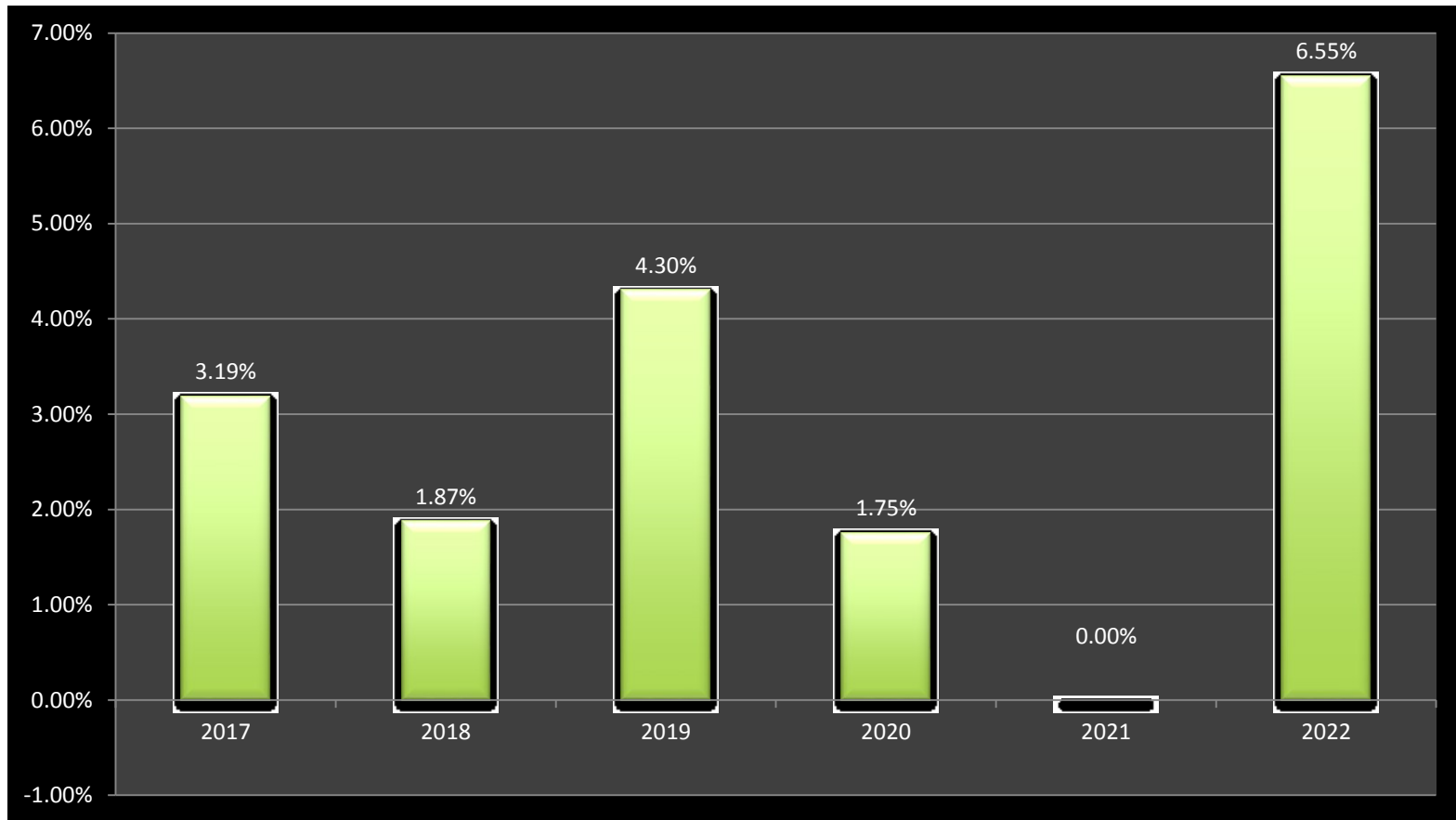


# Tax Notice Line Items

## Proposed 2022 Changes

	2021 Levy	Proposed Increase	Increase as a % of total levies
General	\$95,868,925	\$7,009,388	6.13%
Snow Control	10,000,000	200,000	0.17%
Road Rehabilitation	5,800,000	150,000	0.13%
General Infrastructure	2,675,000	125,000	0.11%
<b>Total</b>	<b>\$114,343,925</b>	<b>\$7,484,388</b>	<b>6.55%</b>

# Tax Requisition Increases Actual 2017 to Proposed 2022

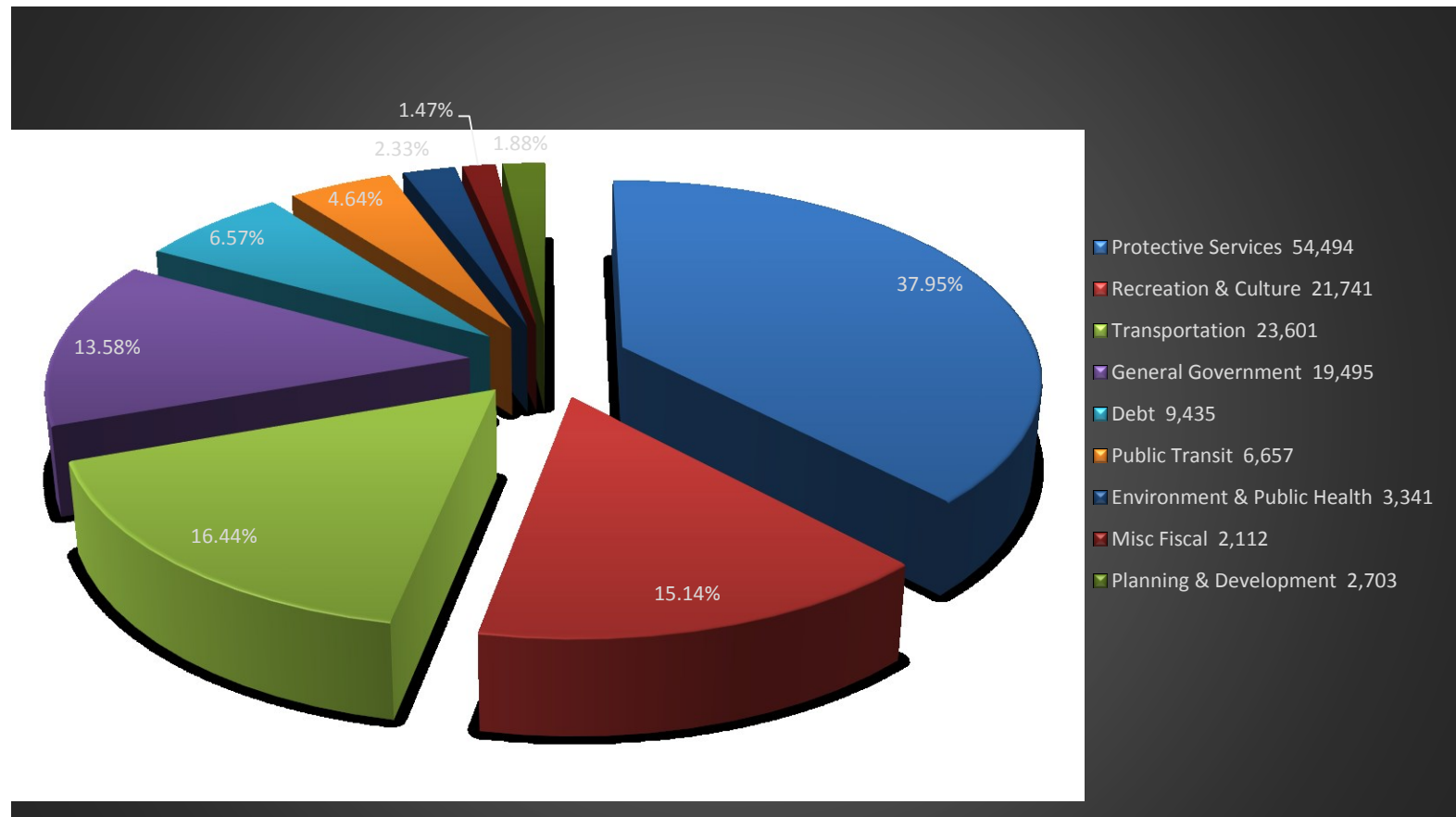


# 2021 Representative Home Values and Property Taxes

Municipality	2016 Census	Taxable Land Area (ha)	2021 Rep. Home Value	Municipal Taxes	Other Authorities	Total Residential Taxes
Chilliwack	83,788	20,078	633,227	1,988	1,278	3,266
Kamloops	90,280	21,979	497,512	2,308	1,266	3,574
Kelowna	127,380	21,506	716,640	2,385	1,433	3,818
Dist. of Langley	117,285	27,158	1,029,974	2,281	1,636	3,917
Maple Ridge	82,256	14,748	850,875	2,627	1,439	4,066
Nanaimo	90,504	4,351	544,227	2,390	1,513	3,903
Prince George	74,003	29,762	341,075	2,270	1,142	3,412
Saanich	114,148	6,481	939,865	2,950	1,761	4,711
Victoria	85,792	1,148	928,811	2,992	1,743	4,665

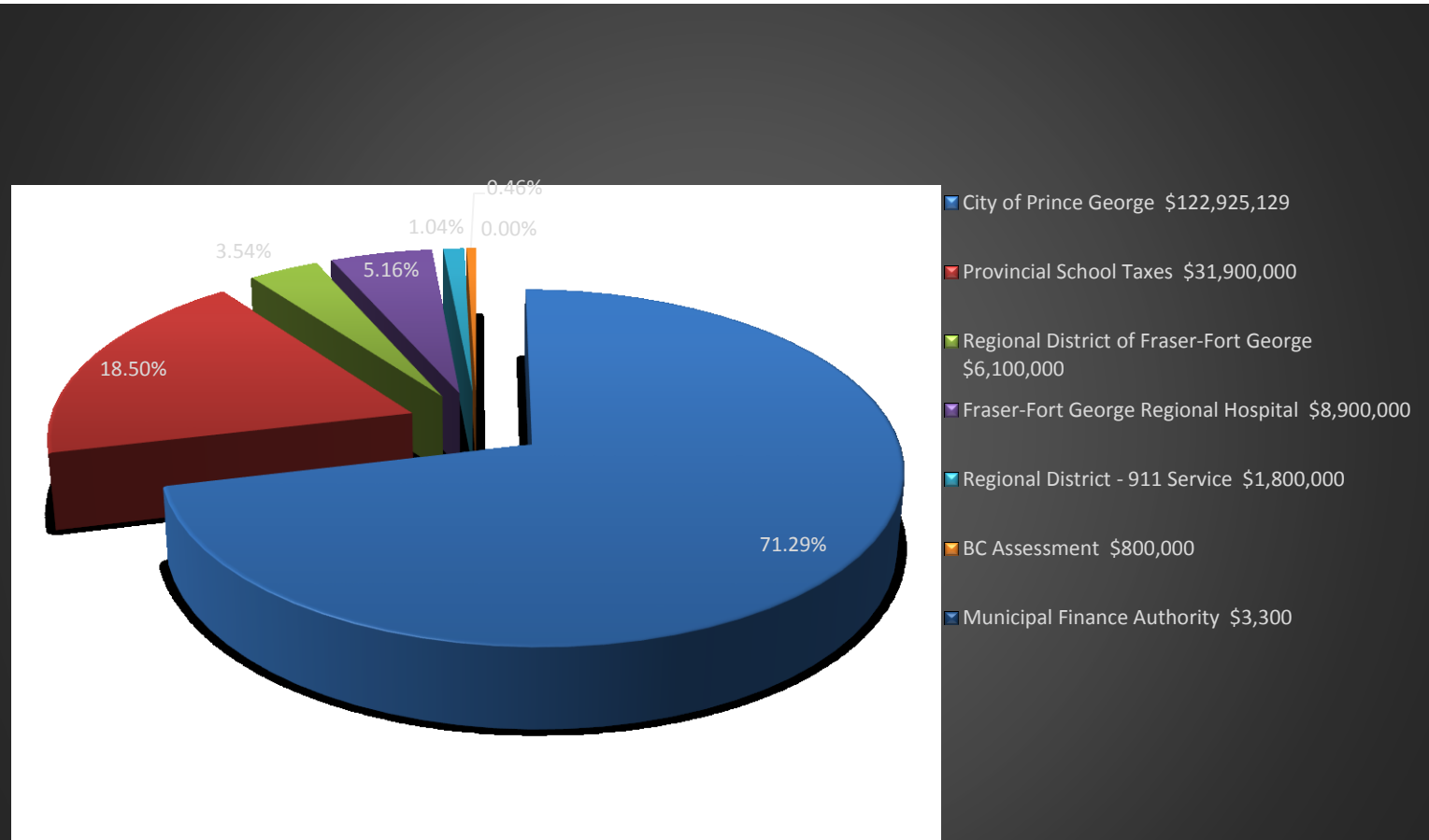
# Financial Overview

## 2022 General Operating Expenses (in 000's)



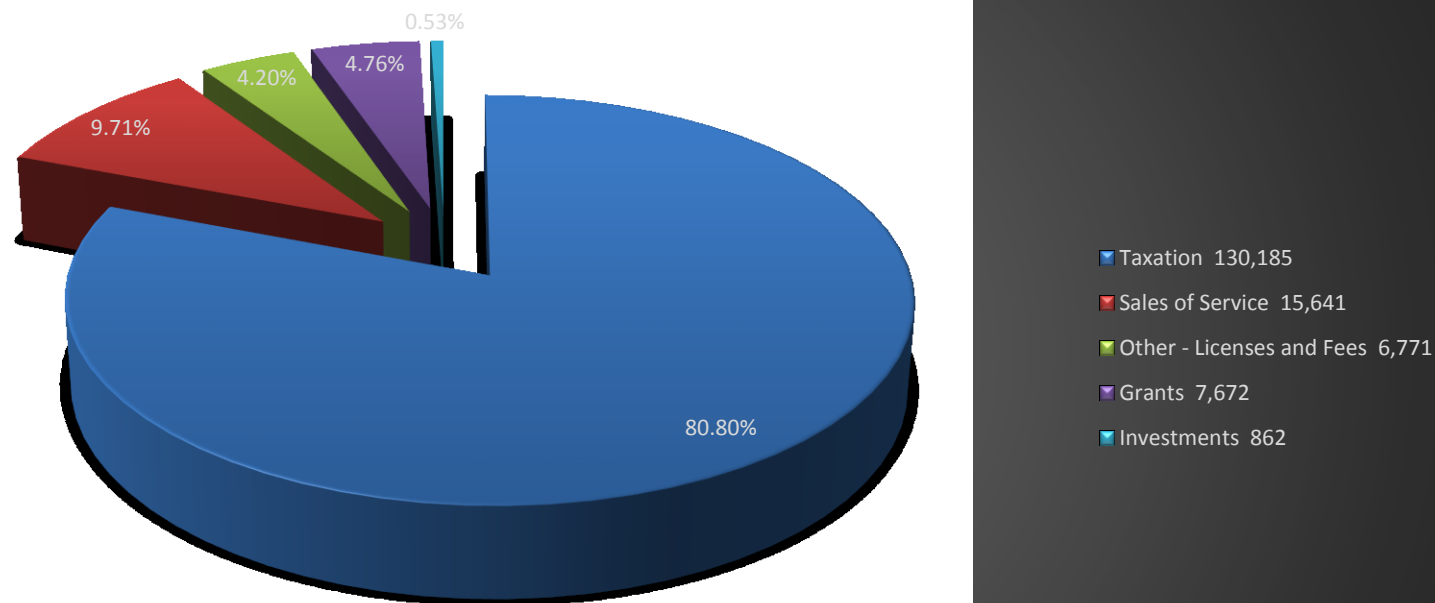
# Financial Overview

## 2022 Taxes Collected for City and Other Authorities



# Financial Overview

## 2022 General Operating Source of Funds (in 000's)



# FTE Comparison 2020-2022

Department	2020	2021	2022	2021 vs 2020	2022 vs 2021	2022 vs 2020
Corporate Management	27.14	25.14	24.14	(2.00)	(1.00)	(3.00)
Public Safety	211.83	215.01	215.94	3.18	0.93	4.11
Civic Operations	257.02	250.32	253.13	(6.70)	2.81	(3.89)
Recreation & Events	108.68	80.25	102.37	(28.43)	22.12	(6.31)
Planning & Development	32.62	32.31	33.30	(0.31)	0.99	0.68
Corporate Services	36.66	35.50	35.50	(1.16)	0.00	(1.16)
Finance	32.57	32.47	33.47	(0.10)	1.00	0.90
<b>TOTAL</b>	<b>706.52</b>	<b>671.00</b>	<b>697.85</b>	<b>(35.52)</b>	<b>26.85</b>	<b>(8.67)</b>



# **Financial Overview**

## **Safe Restart Funding**

- The City was the recipient of a \$6,110,000 grant from the Province of BC under the COVID-19 Safe Restart Grant for Local Governments
- Eligible expenses include:
  - Addressing revenue shortfalls
  - Facility reopening and operating costs
  - Emergency Planning and response costs
  - Bylaw enforcement and protective service (ie. Police, Fire)
  - Computer and technology costs to improve virtual communications
  - Services for vulnerable persons

# Financial Overview

## Safe Restart Funding

Tax Levy	Required Reduction	Safe Restart Funding Balance
6.55%	\$0	\$6,110,000
6.00%	623,752	5,486,248
5.50%	1,195,472	4,914,528
5.00%	1,767,192	4,342,808
4.50%	2,338,912	3,771,088
4.00%	2,910,632	3,199,368
3.50%	3,482,352	2,627,648
3.00%	4,054,072	2,055,928

# Comparative Municipalities

## Tax Levy Increases 2021 and 2022

Municipality	2021	2022 (proposed or final)	TOTAL (2021 + 2022)
Chilliwack	2.99%	2.99%	5.98%
Coquitlam	2.94%	3.43%	6.37%
Kamloops	0.97%	4.89%	5.86%
Kelowna	4.04%	3.64%	7.68%
Maple Ridge	3.60%	4.40%	8.00%
Mission	3.20%	5.96%	9.16%
Nanaimo	3.00%	5.90%	8.90%
Prince George	0.00%	6.55%	6.55%
Saanich	5.76%	March 2 <sup>nd</sup> Council date	5.76% + ?
Vernon	2.13%	6.88%	9.01%
Victoria	2.03%	3.25%	5.28%
West Kelowna	4.05%	4.00%	8.05%

# Budget Meetings Schedule

Date	Time	Service Category
January 24, 2022	3:30 pm	Opportunity for public input (15 minutes) Budget overview and public consultation results 2022-2026 Capital Expenditure Plan
	5:00-6:00 pm	Recess
	6:00 pm	Opportunity for public input (15 minutes) Service Agreements (Prince George Public Library, Tourism Prince George) Corporate Management Public Safety Civic Operations Recreation & Events Planning and Development Corporate Services Finance
January 26, 2022 (if necessary)	3:30 pm	Opportunity for public input (15 minutes)
	5:00-6:00 pm	Recess
	6:00 pm	Opportunity for public input (15 minutes)

# **2022 Capital Expenditure Plan**

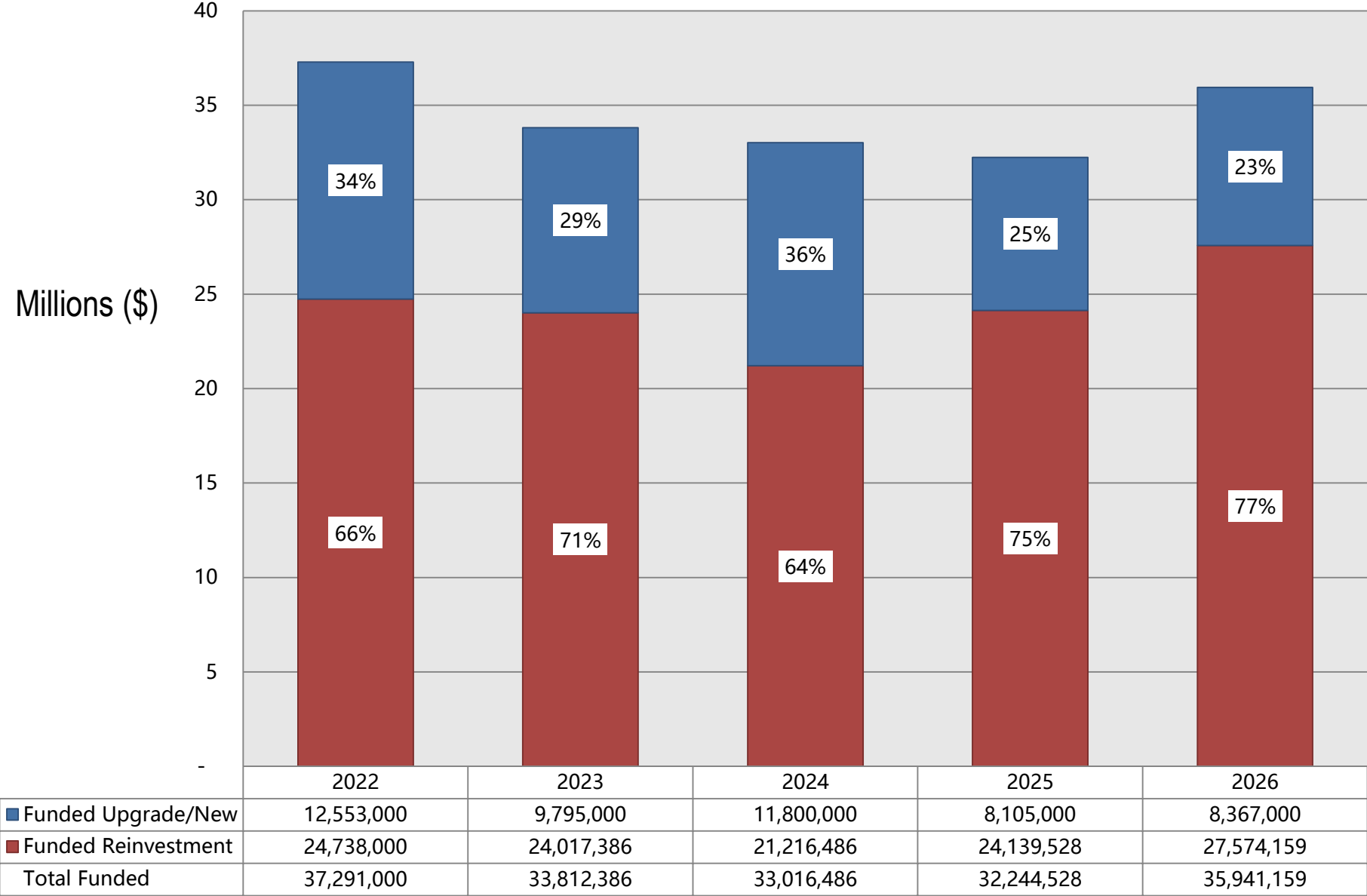
# 2022 Capital Expenditure Plan

- Provides for purchase, construction, re-investment, and upgrade of capital assets
- Includes land and improvements, buildings, vehicles, machinery and equipment, infrastructure (roads, drainage, parks, sewer, water) and leasehold improvements
- Prioritized by Senior Leadership Team considering inputs such as: facility assessments, asset master plans, public consultation, and the myPG framework (social, economic and environmental)

## **Ongoing Reliable Sources of Funding for General Capital**

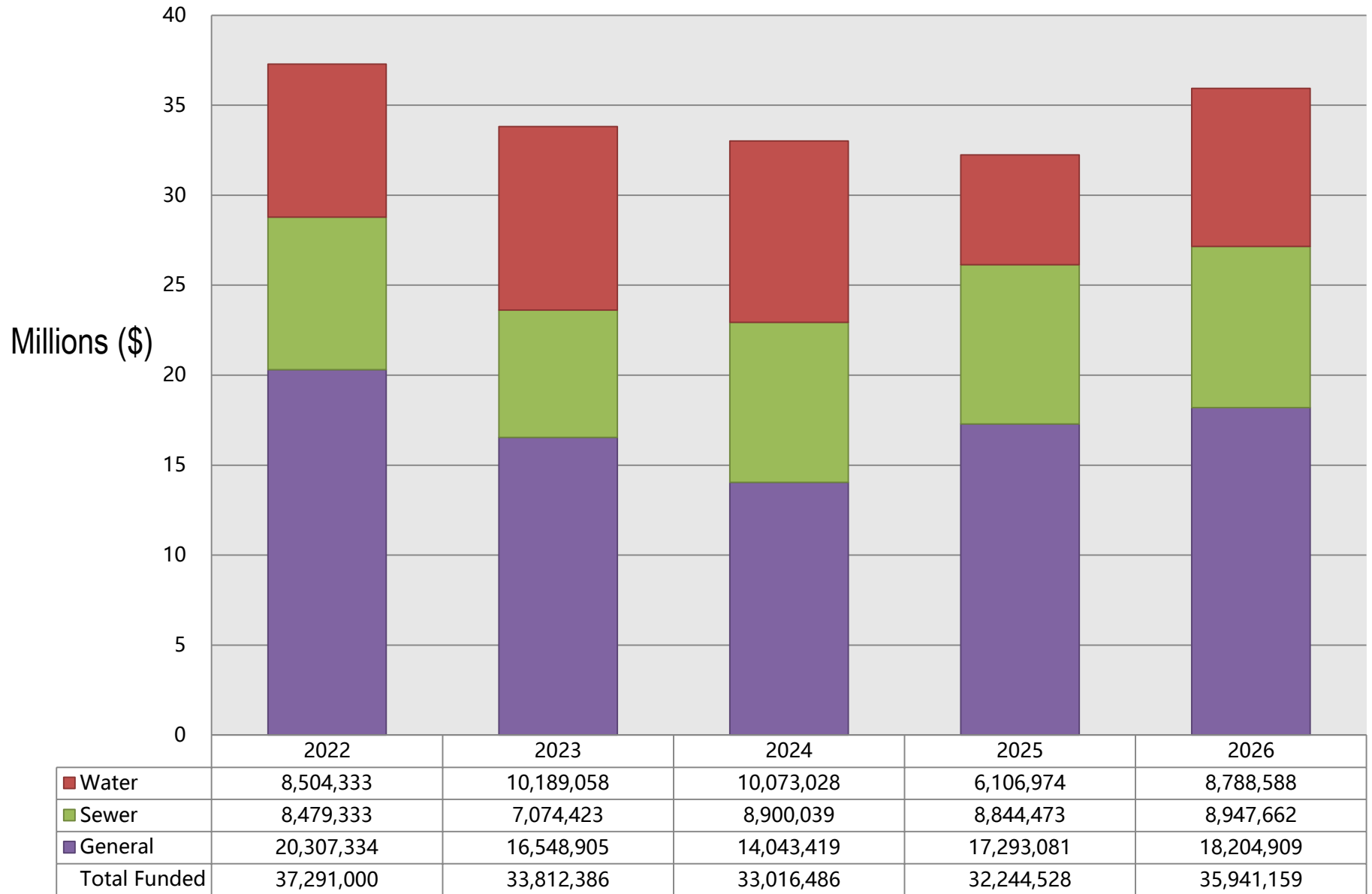
- Road Rehabilitation Levy - \$5.95M
- Community Works Funding - \$3.3M
- General Infrastructure Reinvestment Fund - \$2.8M
- Gaming Revenue - \$2.6M

2022-2026 Capital Plan by Type



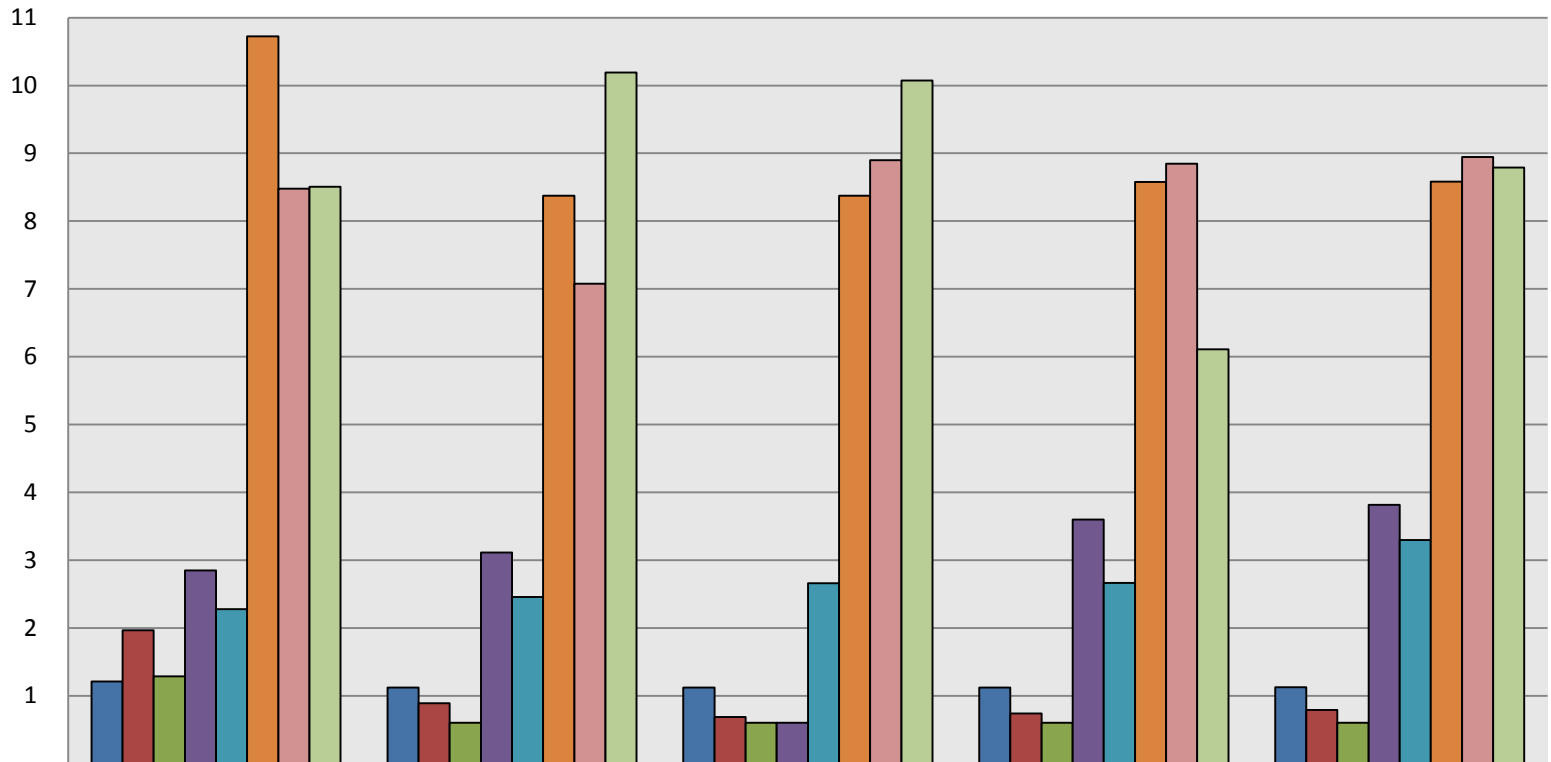


## 2022-2026 Capital Plan by Fund



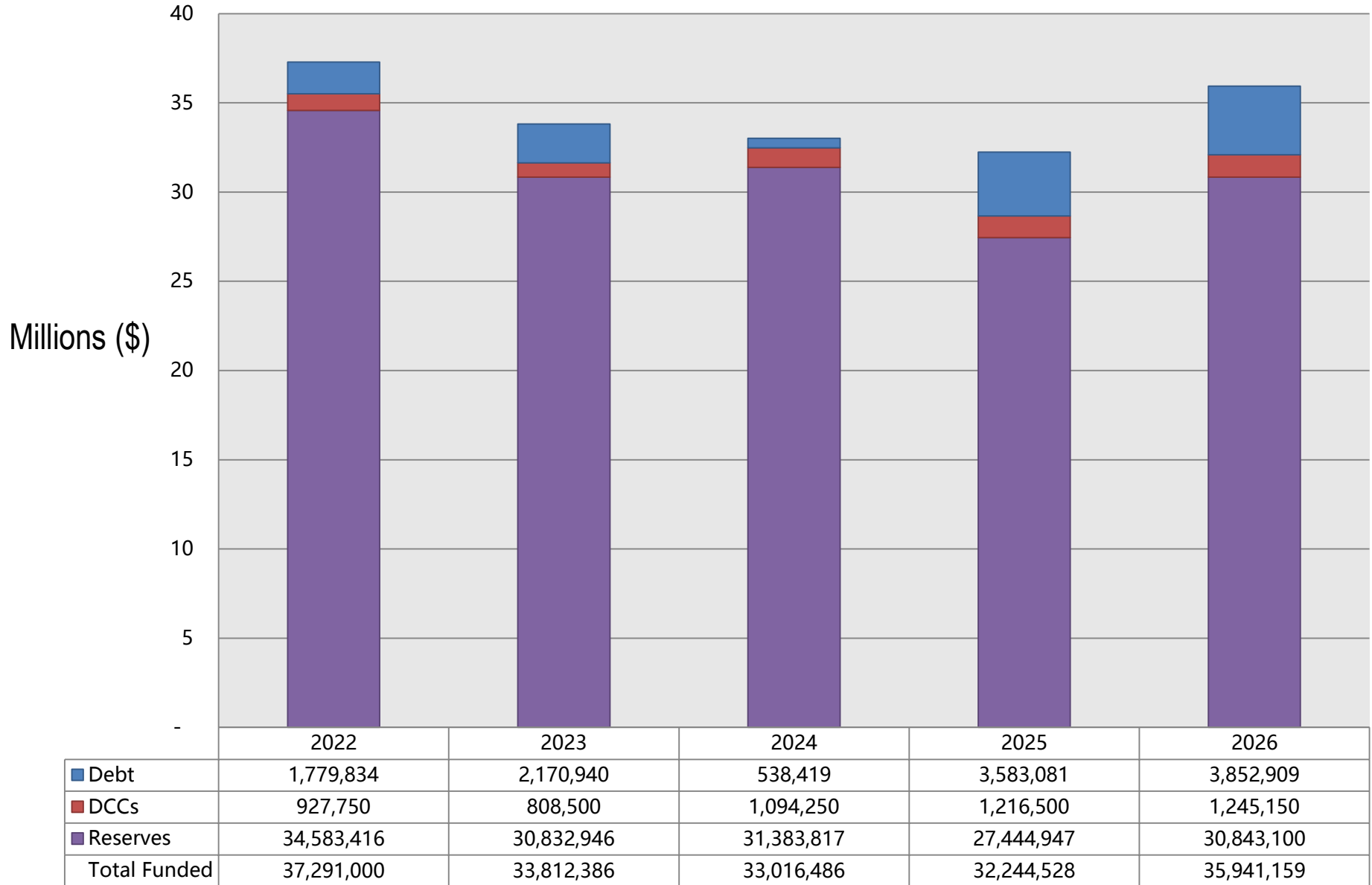
## 2022-2026 Capital Plan by Service Type

Millions (\$)



	2022	2023	2024	2025	2026
Administrative Services	1,210,000	1,120,000	1,120,000	1,120,000	1,125,000
Civic Facilities	1,963,000	888,000	686,000	737,000	789,000
Recreation and Culture	1,285,500	600,000	600,000	600,000	600,000
Solid Waste and Fleet	2,848,834	3,110,905	602,419	3,596,081	3,813,909
Storm Drainage	2,275,000	2,455,000	2,660,000	2,665,000	3,297,000
Transportation	10,725,000	8,375,000	8,375,000	8,575,000	8,580,000
Sewer	8,479,333	7,074,423	8,900,039	8,844,473	8,947,662
Water	8,504,333	10,189,058	10,073,028	6,106,974	8,788,588
Total Funded	37,291,000	33,812,386	33,016,486	32,244,528	35,941,159

## 2022-2026 Capital Plan by Funding Source



# 2022 Operating Budget

# 2022 Operating Budget Citywide

- Revenue      \$  
(211,056,559)
- Expenditures  
134,143,427
- Debt  
9,434,833
- Transfers  
67,478,299
- **NET TOTAL      \$                      0**

Revenue = Expenditures  
+ Debt + Transfers

**BUDGET IS BALANCED**

- Departments
  - Service Agreements
  - Corporate Management
  - Public Safety
  - Civic Operations
  - Recreation and Events
  - Planning, Development & Infrastructure
  - Corporate Services
  - Finance

# 2022 Operating Budget

## Service Agreements

- Revenue \$ (402,040)
- Expenditures 4,260,030
- **NET TOTAL** \$ **3,857,990**
- Service Categories
  - Prince George Public Library
  - Tourism Prince George



PRINCE GEORGE PUBLIC LIBRARY





# Tourism Prince George



# 2022 Operating Budget

## Corporate Management

- Revenue \$ (20,000)
- Expenditures 3,975,299
- Transfers 33,850
- **NET TOTAL** \$ **3,989,149**
- Service Categories
  - Office of the City Manager
  - Mayor and Council
  - Legislative Services
  - Communications
  - Strategic Initiatives and Partnerships

# 2022 Operating Budget

## Public Safety

- Revenue \$  
(4,399,230)
  - Expenditures  
54,960,334
  - Transfers  
1,724,349
  - **NET TOTAL \$  
52,285,453**
- Service Categories
    - Police Protection
    - Fire and Rescue Services
    - Emergency Programs
    - Bylaw Services
    - Off-Street Parking

# 2022 Operating Budget

## Civic Operations

### General

• Revenue	\$ (8,535,434)
• Expenditures	37,335,543
• Transfers	<u>267,309</u>
• <b>NET TOTAL</b>	<b>\$ 27,639,657</b>

### Sewer

• Revenue	\$ (15,072,264)
• Expenditures	6,468,057
• Debt	450,017
• Transfers	<u>8,154,190</u>
• <b>NET TOTAL</b>	<b>\$ 0</b>

### Water

• Revenue	\$ (17,913,654)
• Expenditures	7,046,130
• Debt	1,445,058
• Transfers	<u>9,422,466</u>
• <b>NET TOTAL</b>	<b>\$ 0</b>

### District Energy

• Revenue	\$ (192,975)
• Expenditures	843,981
• Debt	409,321
• Transfers	<u>(1,060,327)</u>
• <b>NET TOTAL</b>	<b>\$ 0</b>

### • Service Categories

- Snow Control
- Roads
- Storm Drainage
- Fleet Services
- Street Lighting
- Civic Operations Admin
- Solid Waste Services
- Cemetery
- Sewer Operations
- Water Operations
- Parks
- Project Delivery
- District Energy
- Transportation & Technical Services

# 2022 Operating Budget

## Recreation & Events

- Revenue \$ (3,864,919)
  - Expenditures 14,208,736
  - Transfers 1,005,853
  - **NET TOTAL \$ 11,349,670**
- Service Categories
    - Aquatics
    - Rec. and Events Admin
    - Facility Maintenance
    - Entertainment Services
    - Event Services
    - Event Operations

# 2022 Operating Budget

## Planning & Development

- Revenue \$ (3,450,460)
- Expenditures 4,912,519
- Transfers 128,920
- **NET TOTAL \$ 1,590,979**
- Service Categories
  - Dev Planning & Admin
  - Economic Development
  - Asset Management
  - Infrastructure Planning & Engineering

# 2022 Operating Budget

## Corporate Services

- Revenue \$ (77,490)
- Expenditures 6,533,808
- Transfers 30,000
- **NET TOTAL** \$ **6,486,318**

- Service Categories
  - Information Technology Services
  - Human Resources

# 2022 Operating Budget

## Finance

### Finance Department

- Revenue \$  
(128,000)
- Expenditures  
5,178,828
- Transfers  
0
- **NET TOTAL \$  
5,050,828**

### Fiscal Services (net revenue)

- Revenue  
\$(190,178,986)

- Service Categories

- Risk and Procurement
- Service Centre
- Financial Services
- Fiscal Services