



2023 – 2027 FINANCIAL PLAN

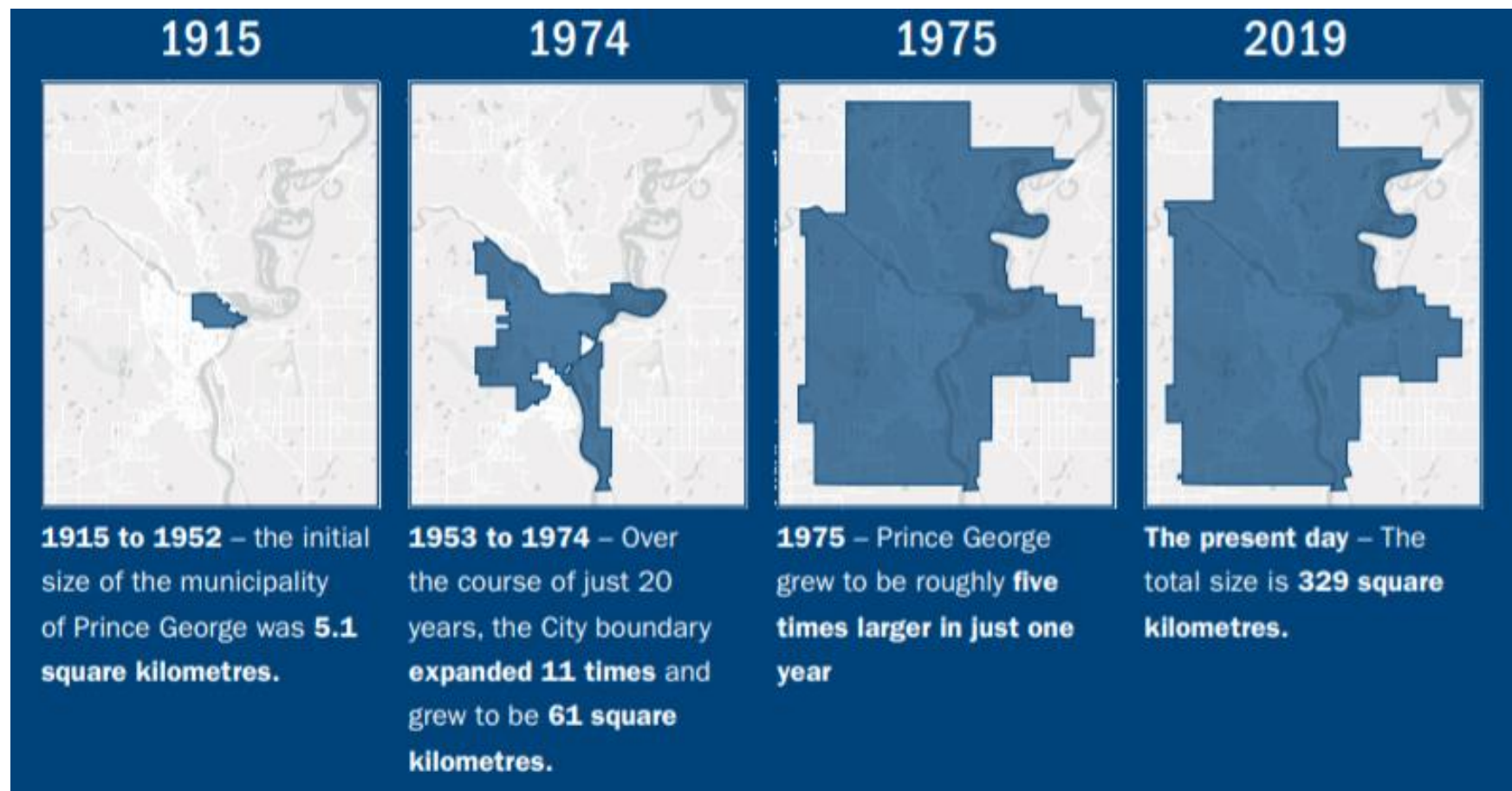
Agenda

- Legislative Framework
- The City's Infrastructure Story
- Public consultation about 2023 budget priorities
- Review of cost reduction initiatives in recent years
- The 2023 financial overview and plan
 - Capital Expenditure Plan
 - Operating Budget

Legislative Framework

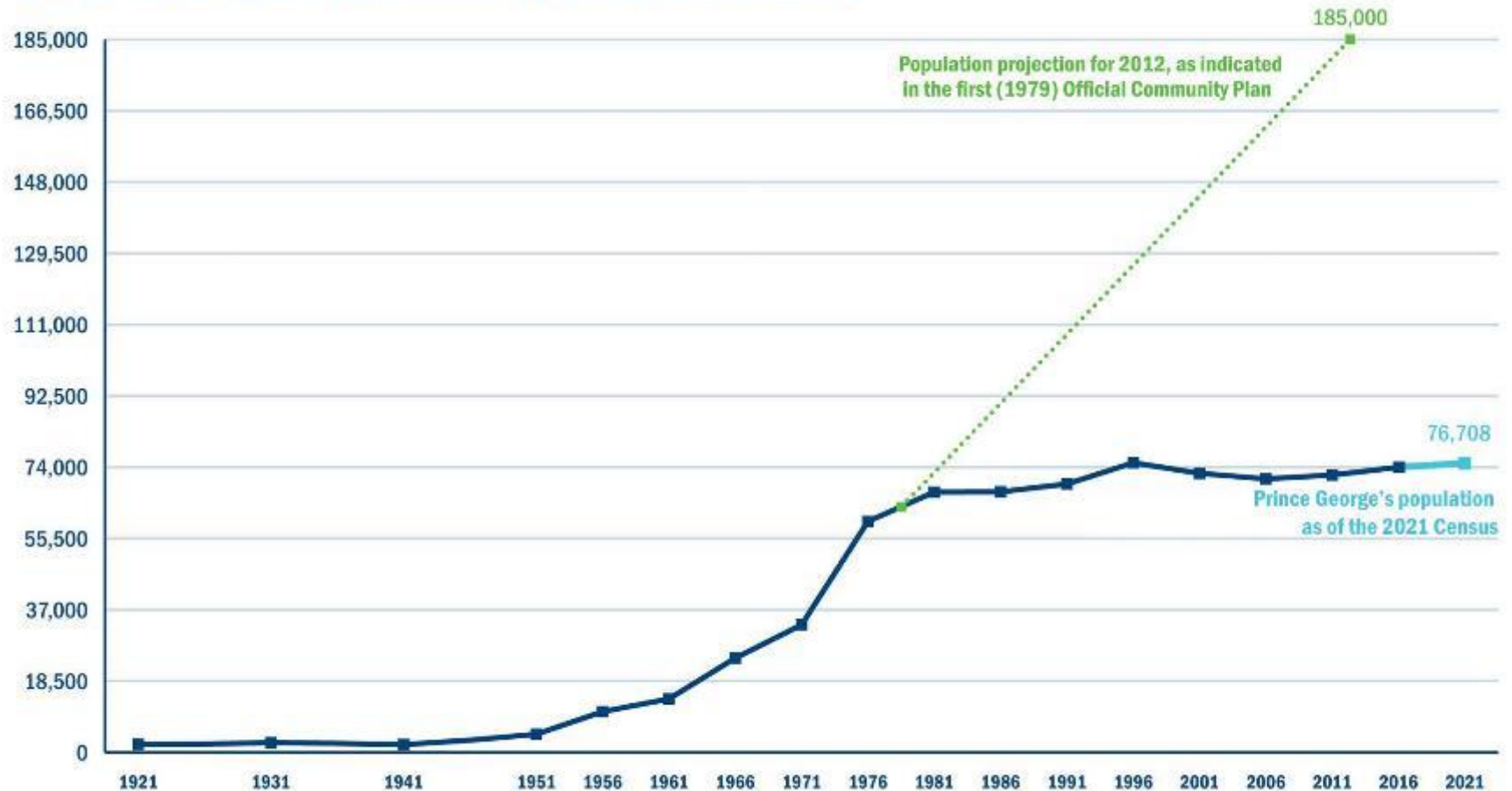
- Community Charter requires that municipalities adopt five year operating and capital financial plans
- Council's Strategic Plan guides the development of the City's financial plan
- The financial planning process must include public consultation; the type of consultation is left to the discretion of 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 15th of each year

The Growth of Prince George

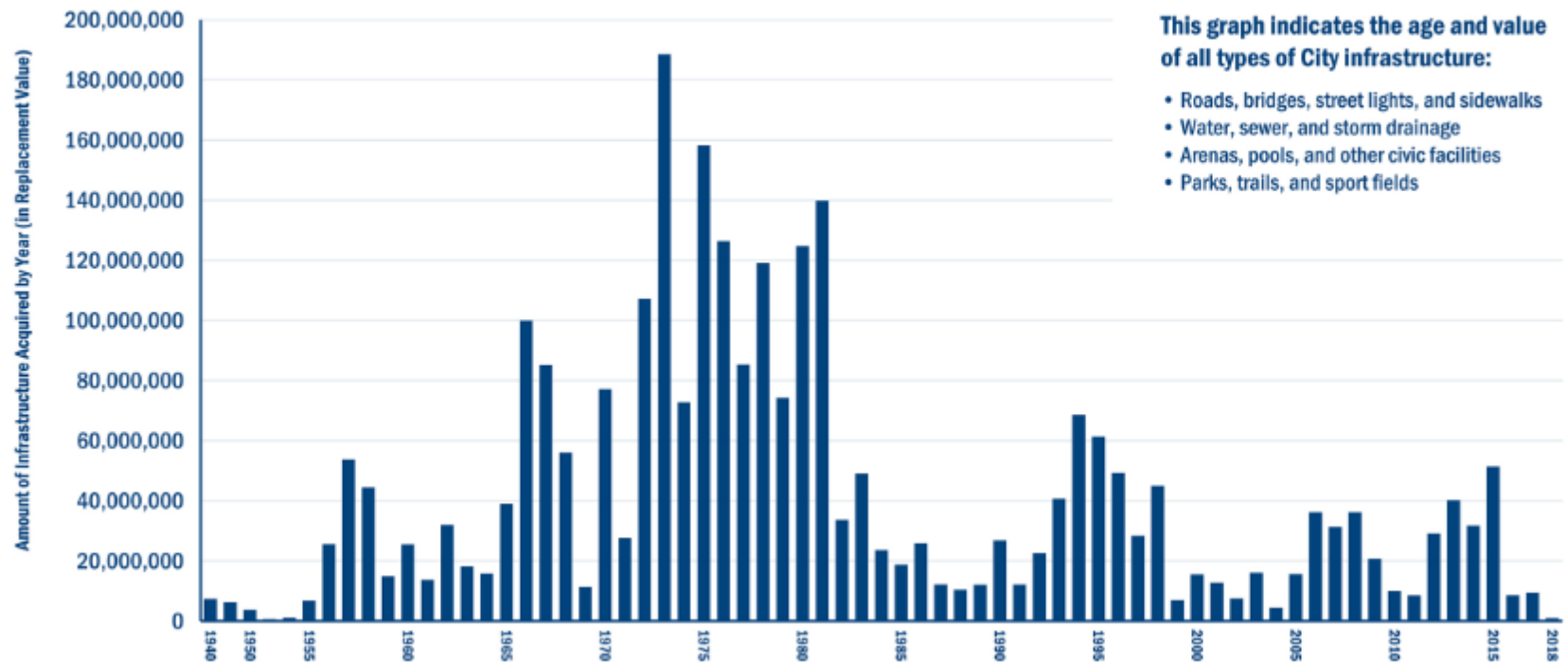


The “Growth” of Prince George

City of Prince George census population as reported by Statistics Canada



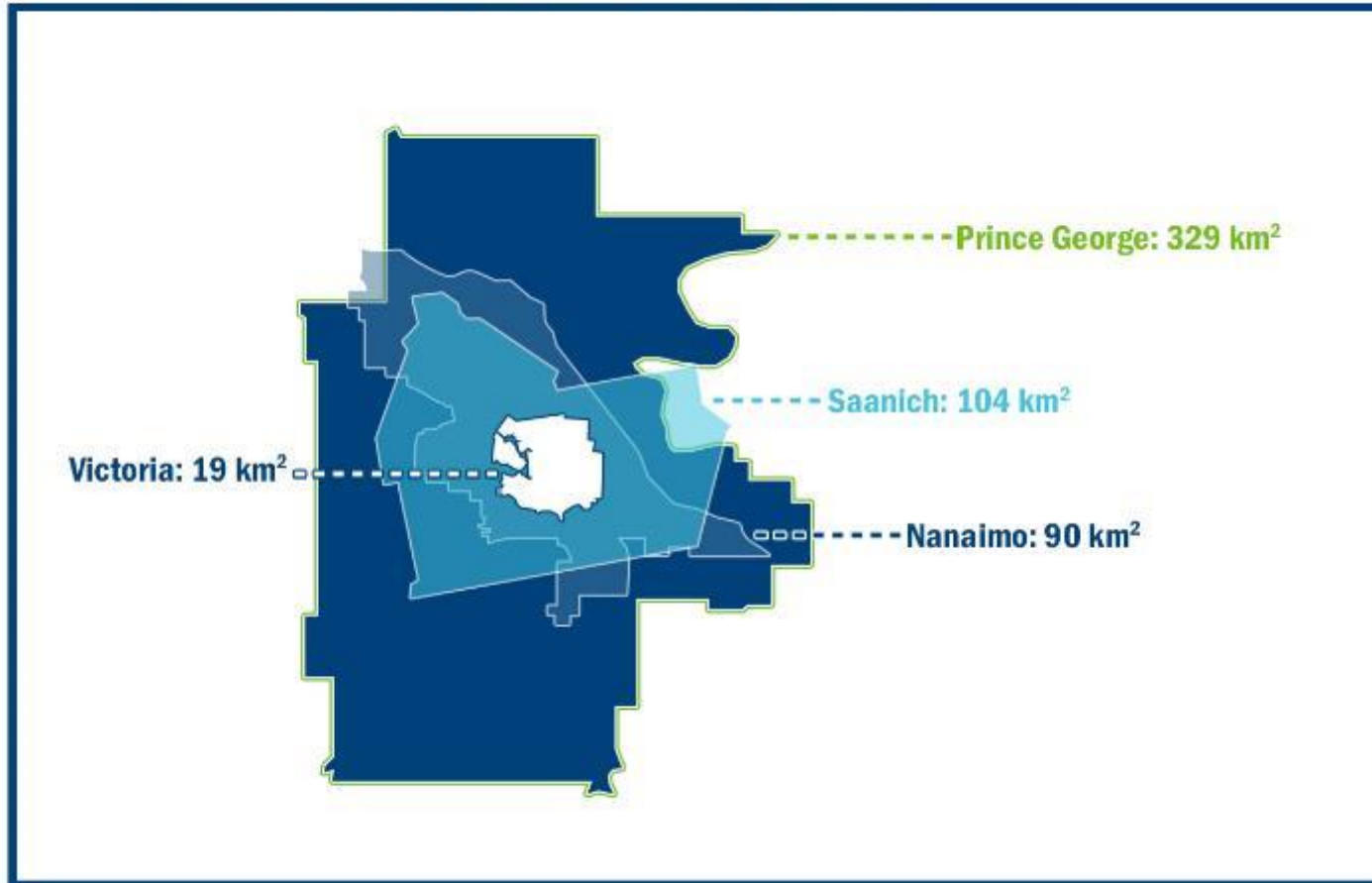
What It All Means For Infrastructure





PG is also big....

Municipal Area in Square Kilometres (2021)



...with a spread-out population

Population Density (2021)

Each figure represents 100 people per square kilometre



Prince George: 2.4



Kamloops: 3.2



Nanaimo: 11.0



Saanich: 11.3



Kelowna: 6.8



Victoria: 47.2

2022 Representative Home Values and Property Taxes

Municipality	2021 Census	Taxable Land Area (ha)	2022 Rep. Home Value	Municipal Taxes	Other Authorities	Total Residential Taxes
Chilliwack	93,203	20,078	883,209	2,111	1,415	3,526
Kamloops	97,902	21,979	631,269	2,481	1,331	3,812
Kelowna	144,576	21,506	961,555	2,579	1,571	4,150
Dist. of Langley	132,603	27,158	1,353,926	2,379	1,810	4,189
Maple Ridge	90,990	14,748	1,160,955	2,801	1,622	4,423
Nanaimo	99,863	4,351	718,471	2,555	1,762	4,317
Prince George	76,708	29,762	410,891	2,366	1,300	3,666
Saanich	117,735	6,481	1,173,327	3,189	1,876	5,065
Victoria	91,867	1,148	1,150,024	3,322	1,844	5,166

Budget Consultation Process

Focus:

1. Five satisfaction surveys
2. The annual Citizen Budget survey
 - October 4 – November 1
 - 652 participants
 - Responses varied little from 2022 budget survey
3. Gathering comments on social media

Promoted through:

- News release
- Social media
- Radio
- Picked up by several news outlets

Citizen Budget Survey results

Service areas:

- Increase: police services, roads and sidewalks, snow and ice control, community planning and infrastructure. Decrease: corporate services.
- Importance: snow and ice control, fire, police, roads
- Satisfaction: fire protection, parks, trails, and snow and ice control.

Infrastructure investment:

- Roads, stormwater drainage, sidewalks, parks and energy

Cost Reduction Initiatives in Recent Years

The City has undergone changes to reduce the number of departments, streamline functions and lower costs.

- Administration approved a 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
- Administration permanently eliminated \$349,440 of non-labour expenses in 2020
- Organizational structure changes by City Manager in 2020 and 2021 resulted in \$1,145,887 of annual ongoing savings every year
- In 2022 Council reduced the Human Resources division budget by \$150,000, and reduced the Economic Development division budget by \$82,000

Total permanent annual operating expense reductions by Administration and Council of approximately **\$2,250,000** in recent years.

Comparative Municipalities

Tax Levy Increases 2021 and 2022

Municipality	2021	2022	TOTAL (2021 + 2022)	Representative Home Tax
Saanich	5.76%	6.67%	12.43%	\$3,184
Mission	3.20%	5.96%	9.16%	\$2,621
Vernon	2.13%	6.88%	9.01%	\$2,134
Nanaimo	3.00%	6.00%	9.00%	\$2,555
Maple Ridge	3.60%	4.40%	8.00%	\$2,801
Kelowna	4.04%	3.94%	7.98%	\$2,579
Coquitlam	2.94%	3.43%	6.37%	\$2,975
Chilliwack	2.99%	2.99%	5.98%	\$2,111
Victoria	2.03%	3.89%	5.92%	\$3,322
Kamloops	0.97%	4.92%	5.89%	\$2,481
Prince George	0.00%	3.00%	3.00%	\$2,366

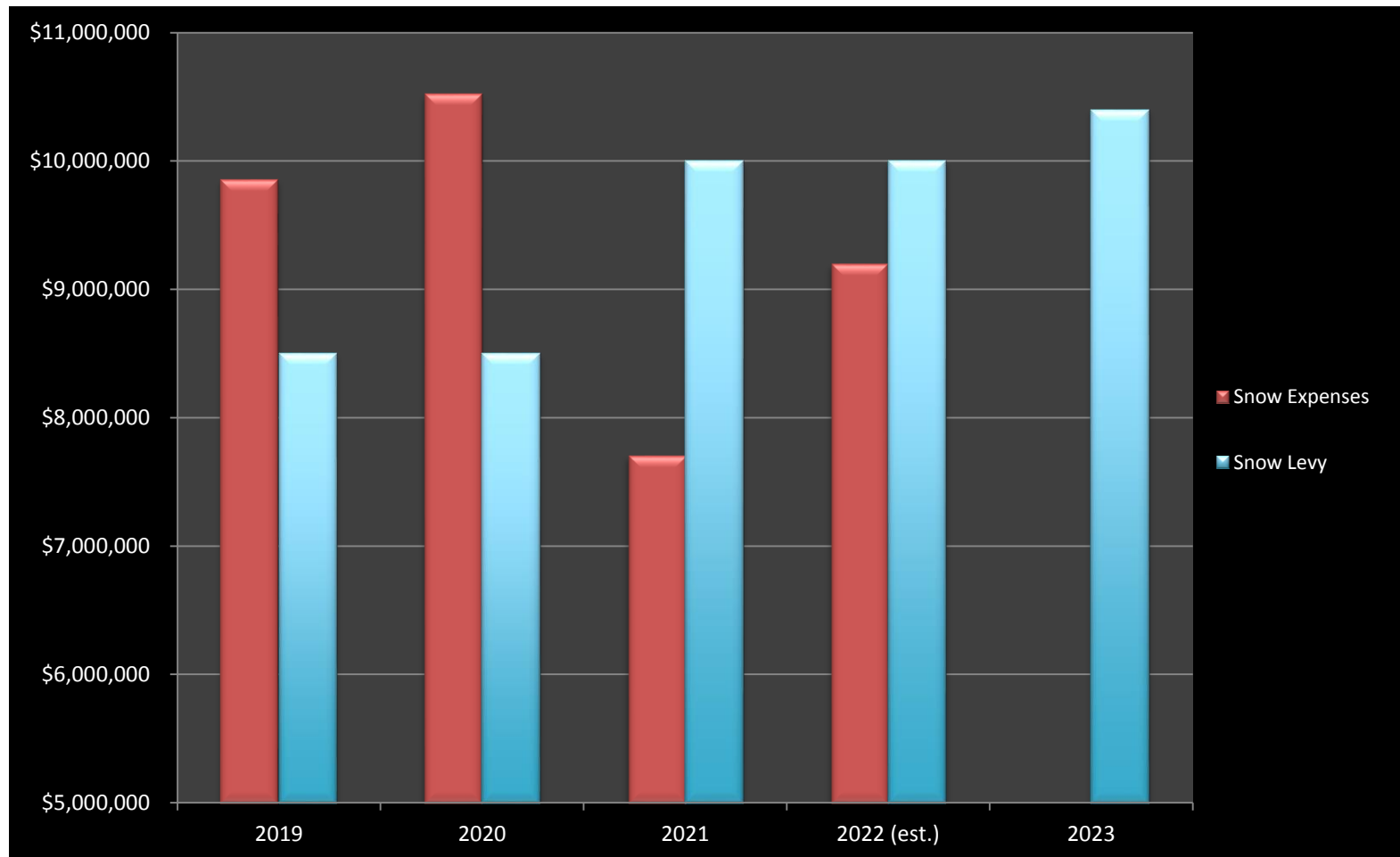
Financial Overview

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

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

Snow Expenses vs. Snow Levy

Actual 2019 to Proposed 2023



Financial Overview

Road Rehabilitation Levy

- Currently set at \$5,500,000
- 2023 budget has been prepared at \$6,100,000, or an increase of \$600,000, to keep pace with the rising costs of asphalt, labour and fleet expenses.
- City's most recent paving contract increased from \$116 to \$141 per ton placed (21% increase)
- Increase required to try and maintain the same number of lane kilometers of work per year

Financial Overview

General Infrastructure Reinvestment Fund

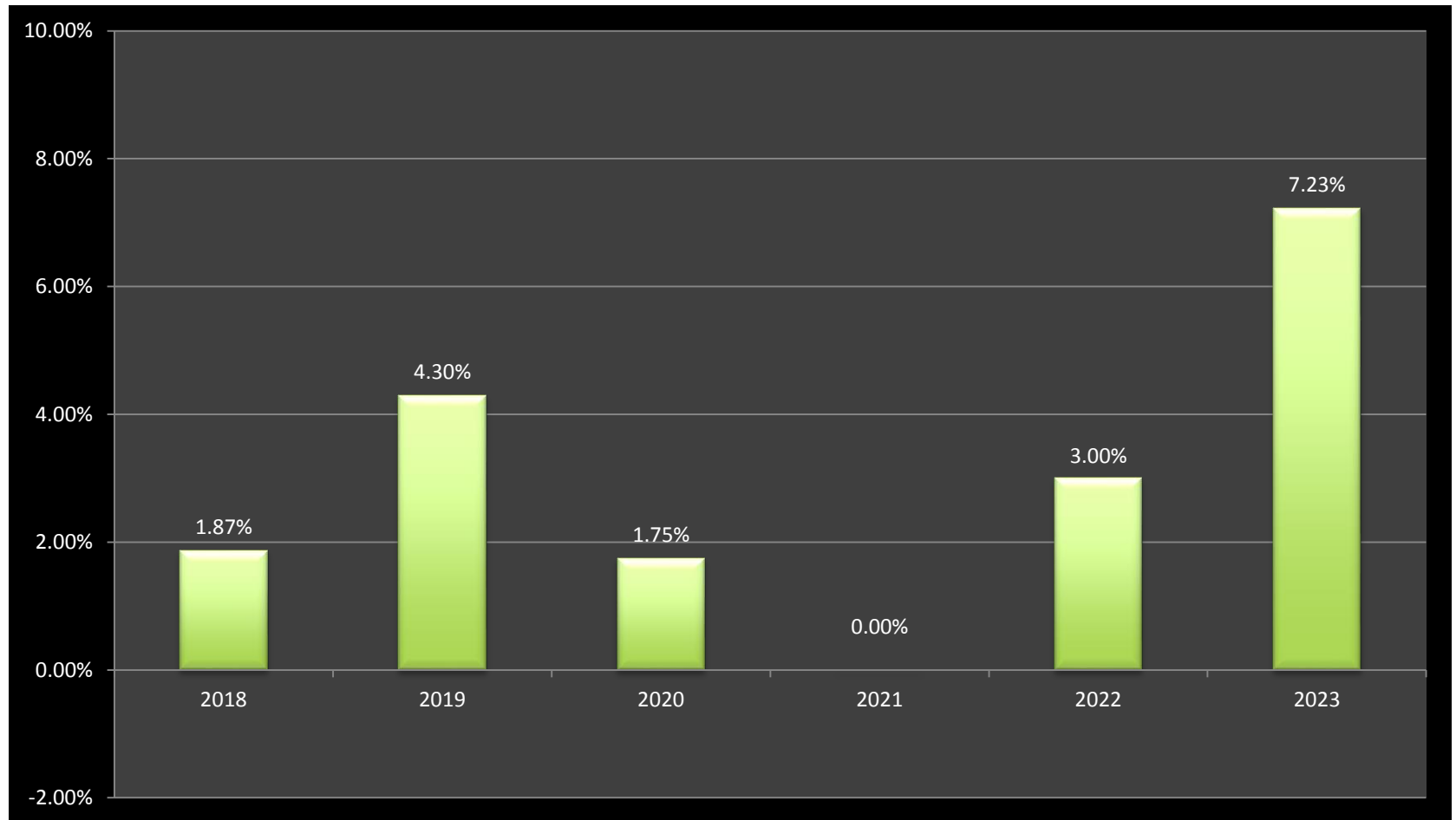
- Some asset groups have dedicated funding sources. Sewer, Water, Solid Waste, District Energy and Off-Street Parking capital needs are funded by the user fees of those services. Roads has its own levy and Fleet needs are provided for through equipment financing
- All other capital asset groups' reinvestment needs are prioritized and compete for limited available funding
- Levy was created to increase the available funding needed to maintain and replace new and aging infrastructure
- Asset type reinvestments listed in Unfunded Capital projects: Civic Facilities (\$11.235M) and Stormwater (\$4.62M)
- 2022 budget was set at \$2,800,000
- 2023 budget has been prepared at \$2,950,000 (approx. 5%), or an increase of \$150,000, to match the large inflation rate the City is experiencing in construction costs.

Tax Notice Line Items Proposed 2023 Changes

	2022 Levy	Proposed Increase	Increase as a % of total levies
General	\$100,570,760	\$8,806,750	6.26%
Snow Control	10,000,000	400,000	0.34%
Road Rehabilitation	5,500,000	600,000	0.50%
General Infrastructure Reinvestment Fund	2,800,000	150,000	0.13%
Total	\$118,870,760	\$9,956,750	7.23%

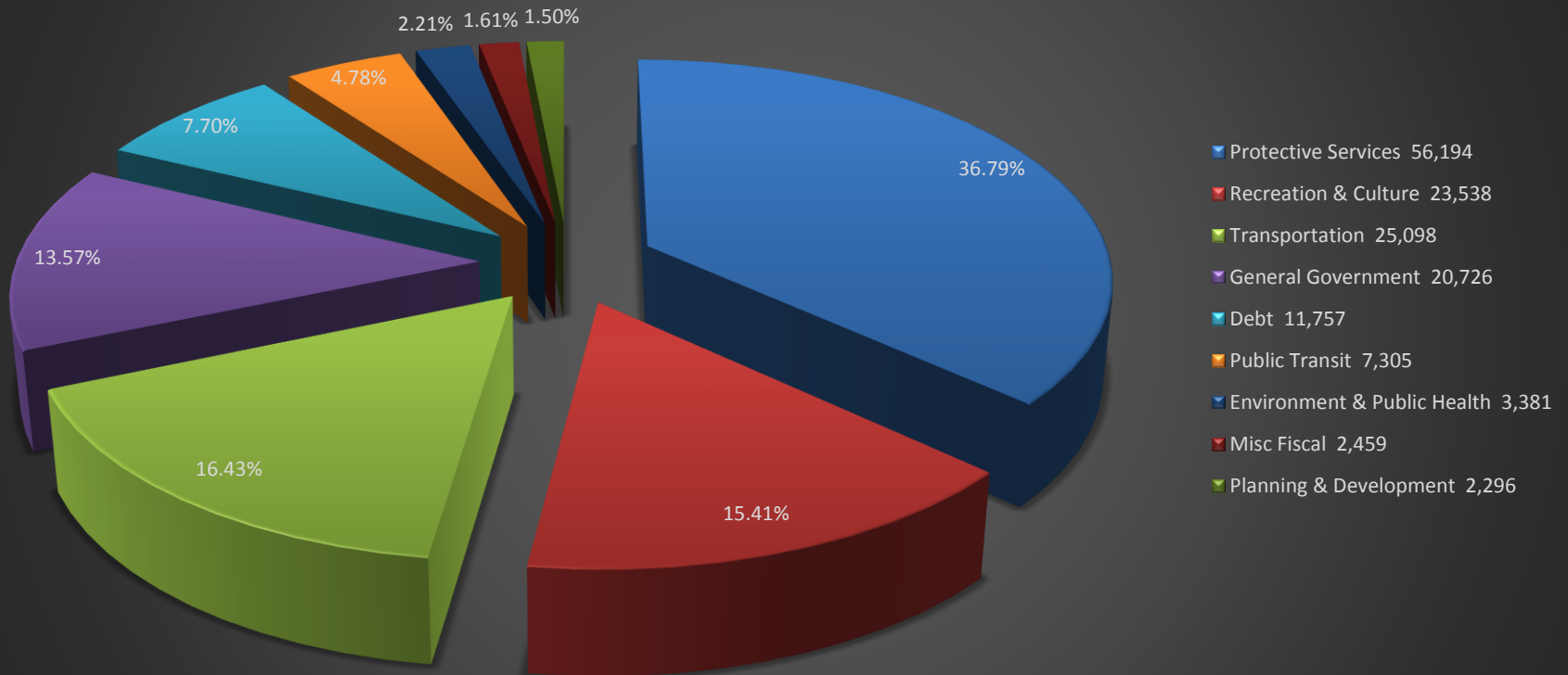
Tax Requisition Increases

Actual 2018 to Proposed 2023



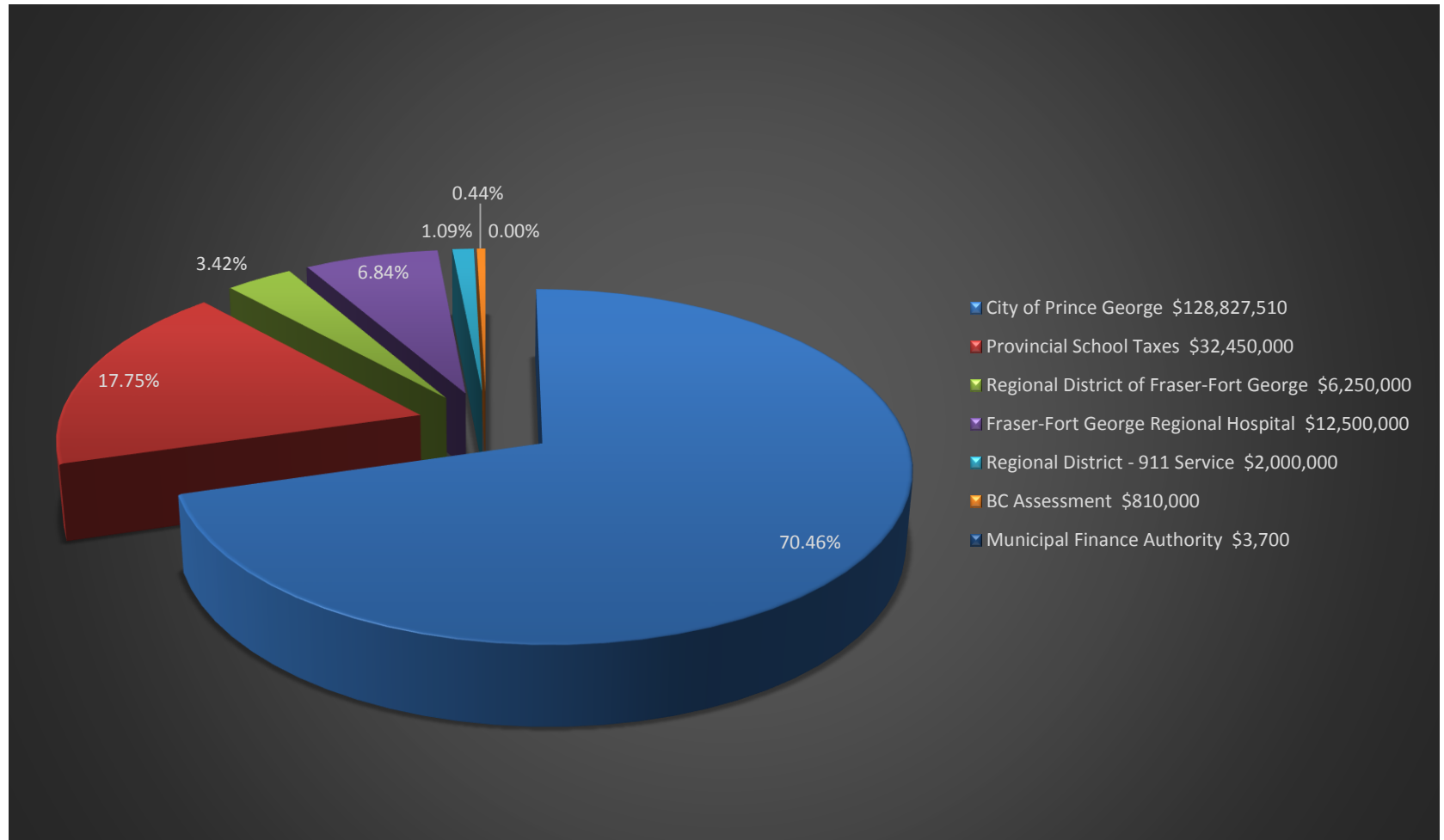
Financial Overview

2023 General Operating Expenses (in 000's)



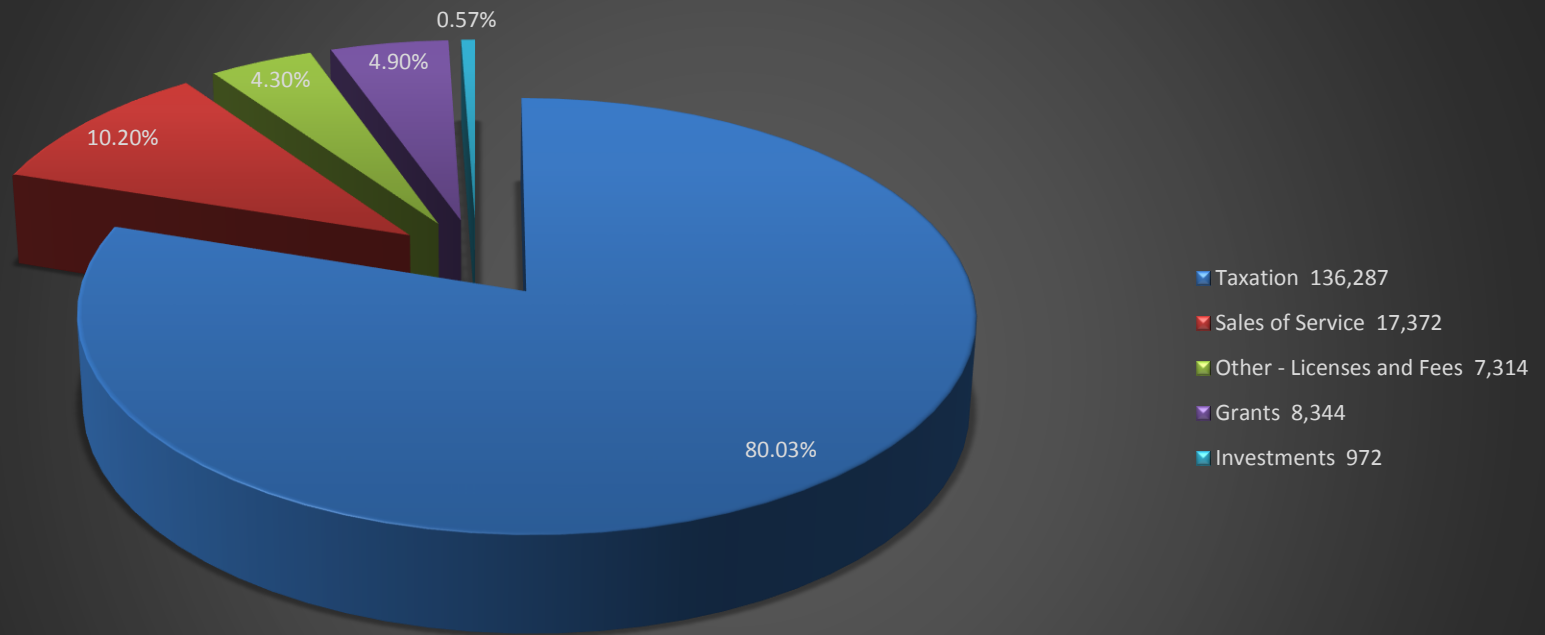
Financial Overview

2023 Taxes Collected for City and Other Authorities



Financial Overview

2023 General Operating Source of Funds (in 000's)



FTE Comparison 2020-2023

Department	2020	2021	2022	2023	2023 vs 2022	2023 vs 2020
Corporate Management	42.42	40.26	38.26	43.76	5.50	1.34
Public Safety	211.83	215.01	215.94	216.93	0.99	5.10
Civic Operations	257.02	245.32	248.13	250.08	1.95	(0.66)
Civic Facilities and Events	112.36	85.25	107.37	116.84	9.47	4.48
Planning and Development	35.22	32.31	32.30	28.78	(3.52)	(6.44)
Finance and IT Services	53.95	52.85	53.85	53.85	0.00	(0.10)
TOTAL	706.52	671.00	695.85	710.24	14.39	3.72

Financial Overview

Significant Budget Impacts

- RCMP Contract – labour makes up the largest component of the cost per member that is provided by the Province (\$210k/member). The City is funding 128 positions
- External Debt – new principal and interest payments for Canfor Leisure Pool, Masich Stadium Amenities, Ron Brent Park Redevelopment, Mausoleum Expansion and others
- Higher than normal inflationary increases for fuel, tires, maintenance, etc. for the City's fleet
- Transit increases as per the City's Annual Operating Agreement (AOA) with BC Transit
- Costs associated with reopening our second pool (Canfor Leisure Pool)
- HVAC, electrical and other maintenance costs for civic facilities
- Insurance premiums for city assets
- Increase to contracts that the City has with service providers

Financial Overview

Service Enhancements and Citizen Budget Survey Results

Service Enhancements

- Police Services Review – increase of four additional RCMP members and two additional municipal employees - \$1,020,646 (0.86%)
- One-time Fire Services Training Facility Feasibility Study – continue Standards of Cover work - \$100,000 (0.08%)
- If both are approved, tax levy increases from 7.23% to 8.17%

Citizen Budget Survey Results Option

- Council resolution asked for an option to increase the levy by 0.97% to reflect Citizen Budget Survey results
- If approved, tax levy increases from 7.23% to 8.20%

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. Approximately \$2.8M remains.
- 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
7.23%	\$0	\$2,862,631
7.00%	273,403	2,589,228
6.00%	1,462,111	1,400,520
5.00%	2,650,819	211,812
4.82%	2,862,631	0

Budget Meetings Schedule

Date	Time	Service Category
January 30, 2023	3:30 pm	Opportunity for public input (15 minutes) Budget overview and public consultation results 2023-2027 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 Civic Facilities and Events Planning and Development Finance and IT Services
February 1, 2023 (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)

2023 Capital Expenditure Plan

2023 Capital Expenditure Plan

Developed in alignment with

- Sustainable Finance Guidelines
- Asset Management Policy
- Organizational Capital Project Management Policy

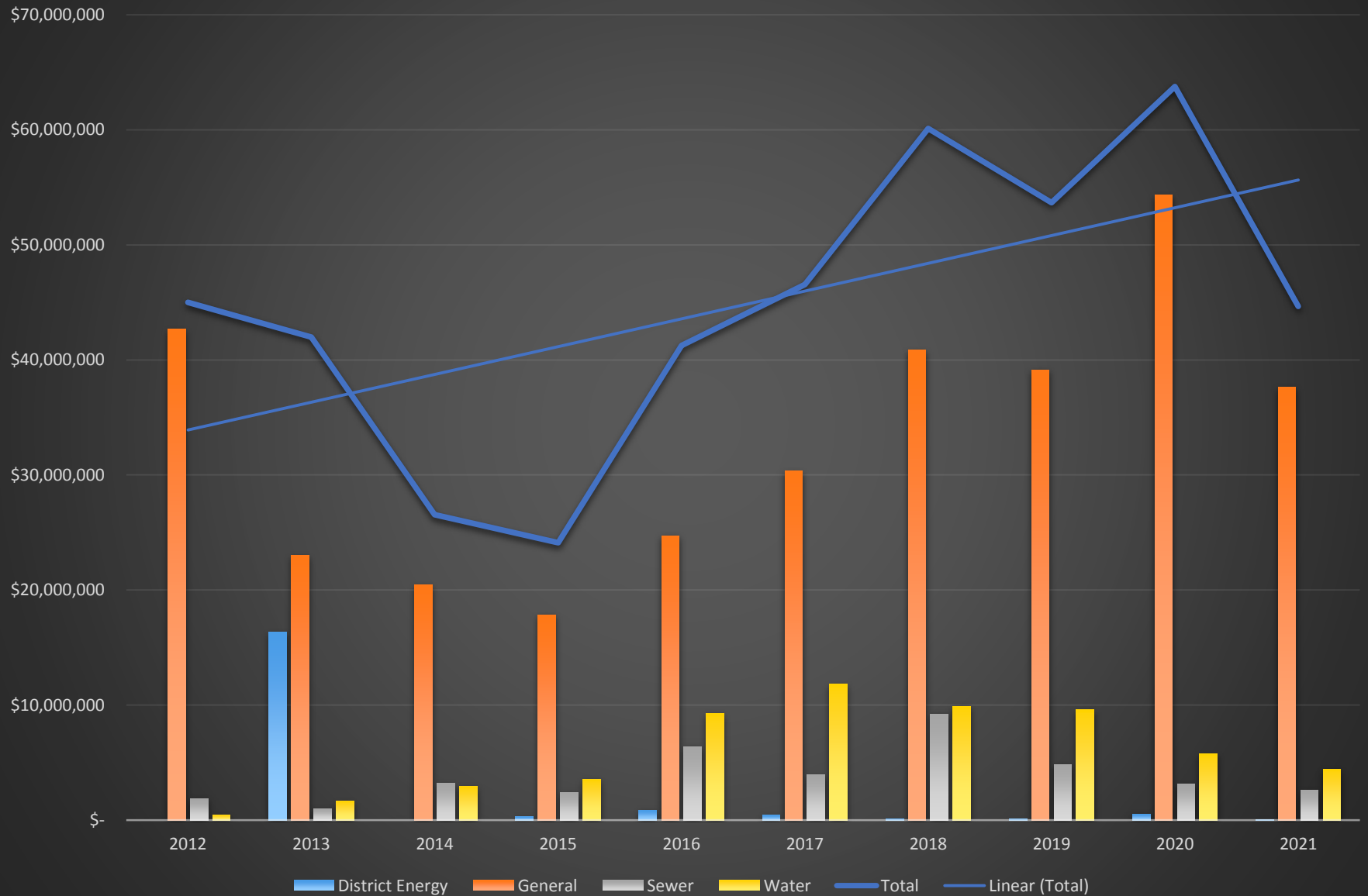
2023 Capital Expenditure Plan

- 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)

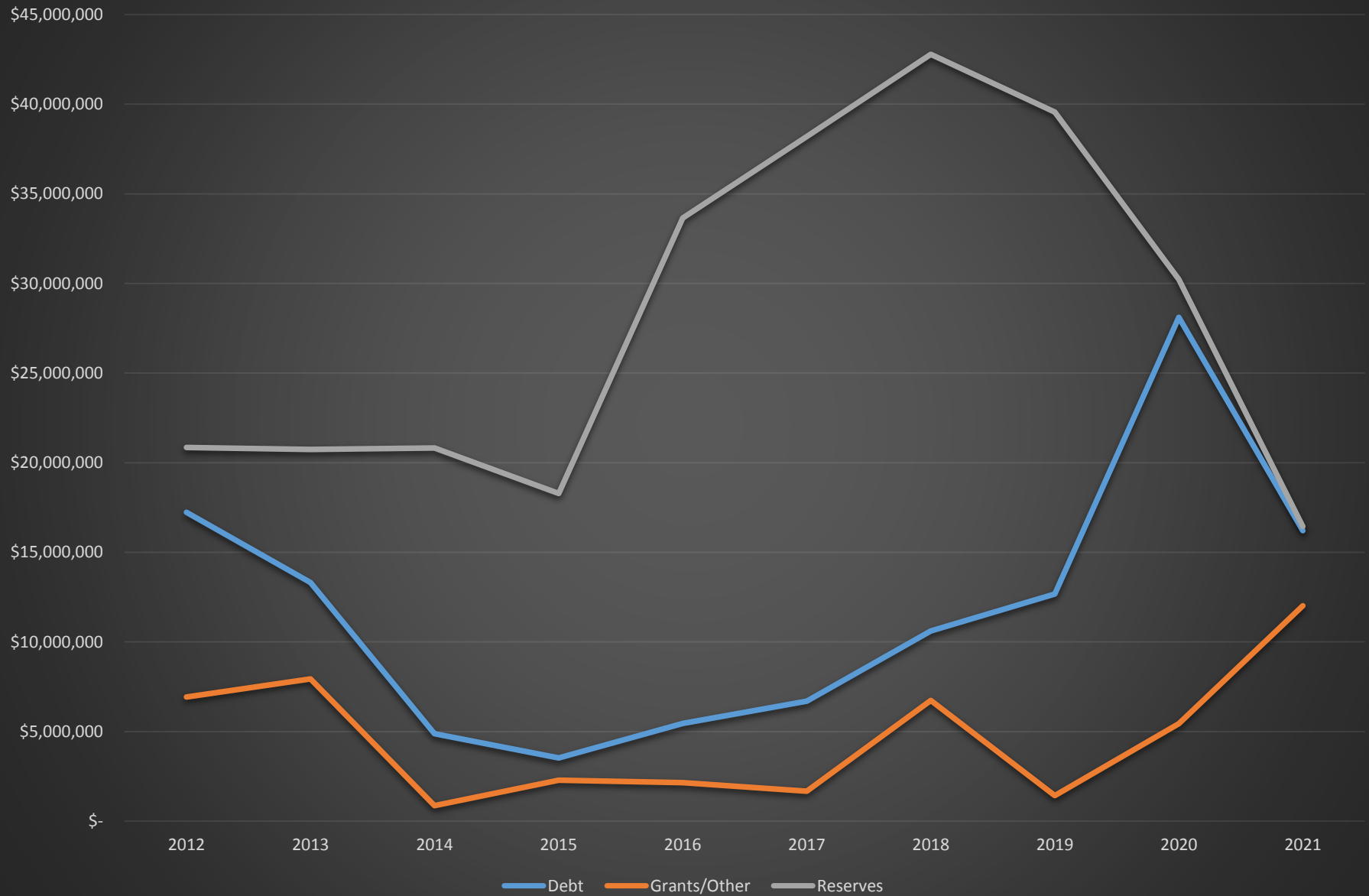
Ongoing Reliable Sources of Funding for General Capital

- Road Rehabilitation Levy - \$6.1M
- Community Works Funding - \$3.5M
- General Infrastructure Reinvestment Fund - \$2.95M
- Gaming Revenue - \$2.5M

10 Year Capital Spending History - by Fund



10 Year Capital Spending History - by Funding Source

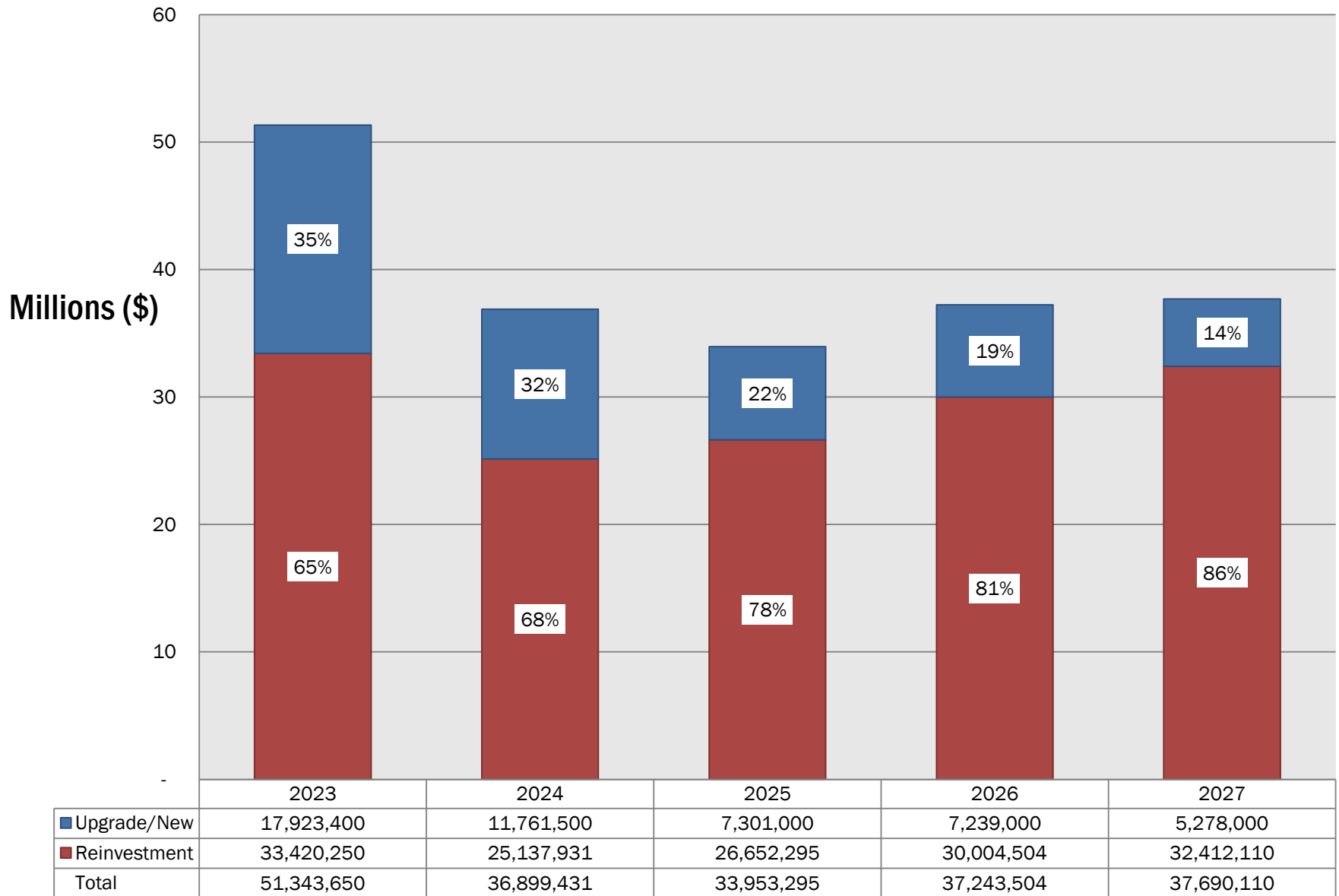


Liability Serving Limit

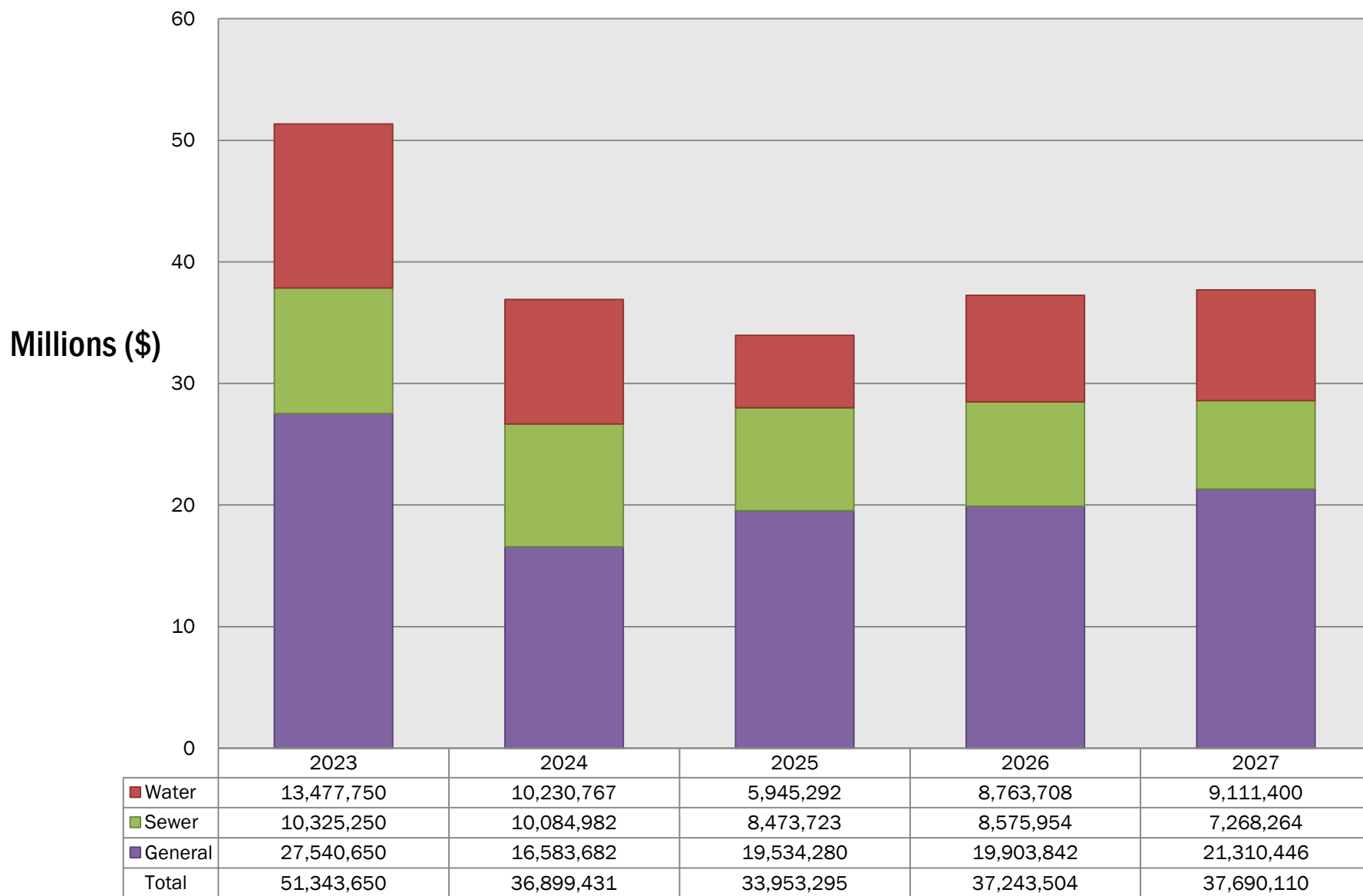
- A municipality has a regulated amount by the Province as to what we may borrow. It is mostly based on 25% of our controllable revenues.

Year	Municipal Controllable Revenue	Liability Servicing Limit	Payment Capacity Available	Approximate Principal Borrowing Available
2017	\$165,029,633	\$41,257,408	\$22,496,328	\$249,959,200
2018	\$172,759,289	\$43,189,822	\$25,154,282	\$279,492,022
2019	\$177,512,689	\$44,378,172	\$23,982,421	\$266,471,344
2020	\$171,514,757	\$42,878,689	\$15,422,526	\$194,975,044
2021*	\$178,008,247	\$44,502,062	\$24,915,473	\$289,042,610

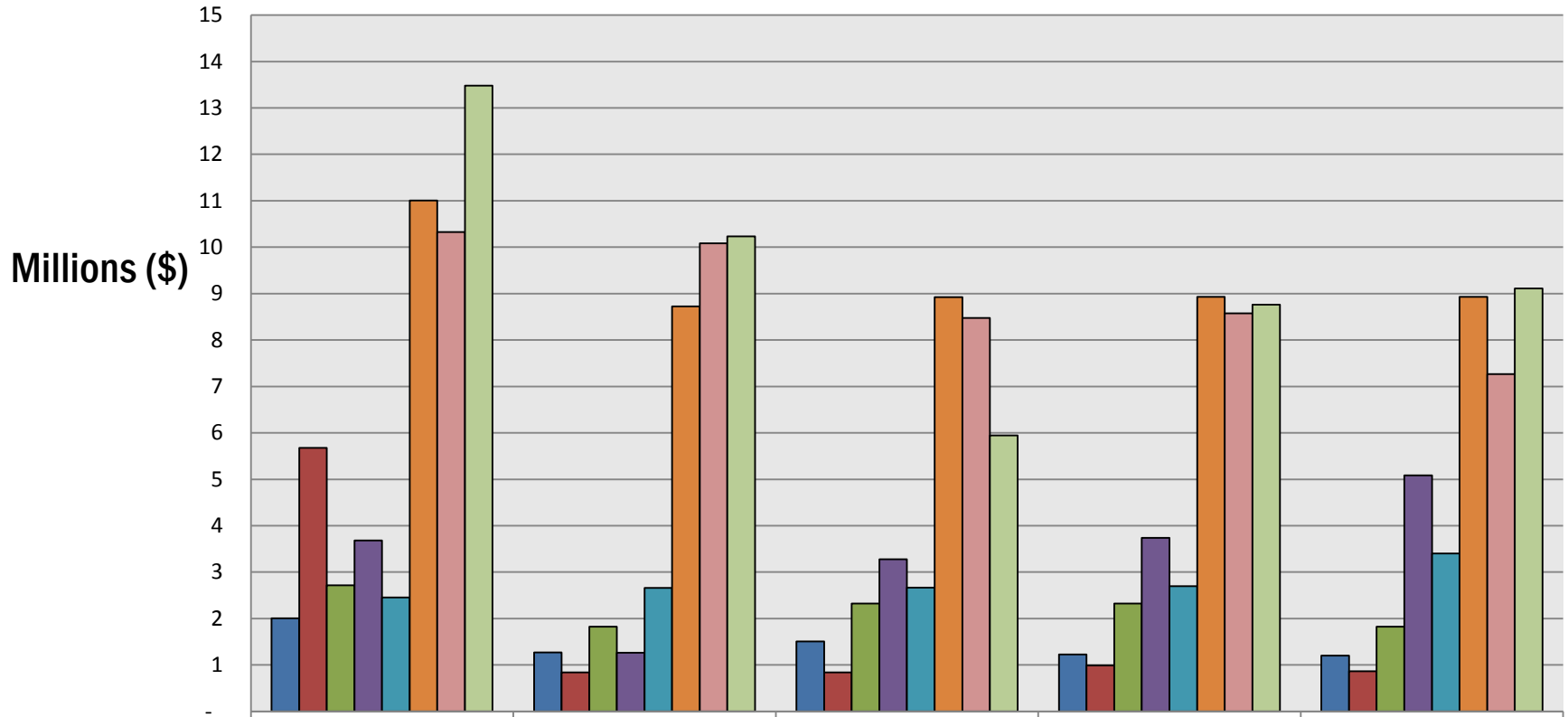
2023-2027 Capital Plan by Type



2023-2027 Capital Plan by Fund

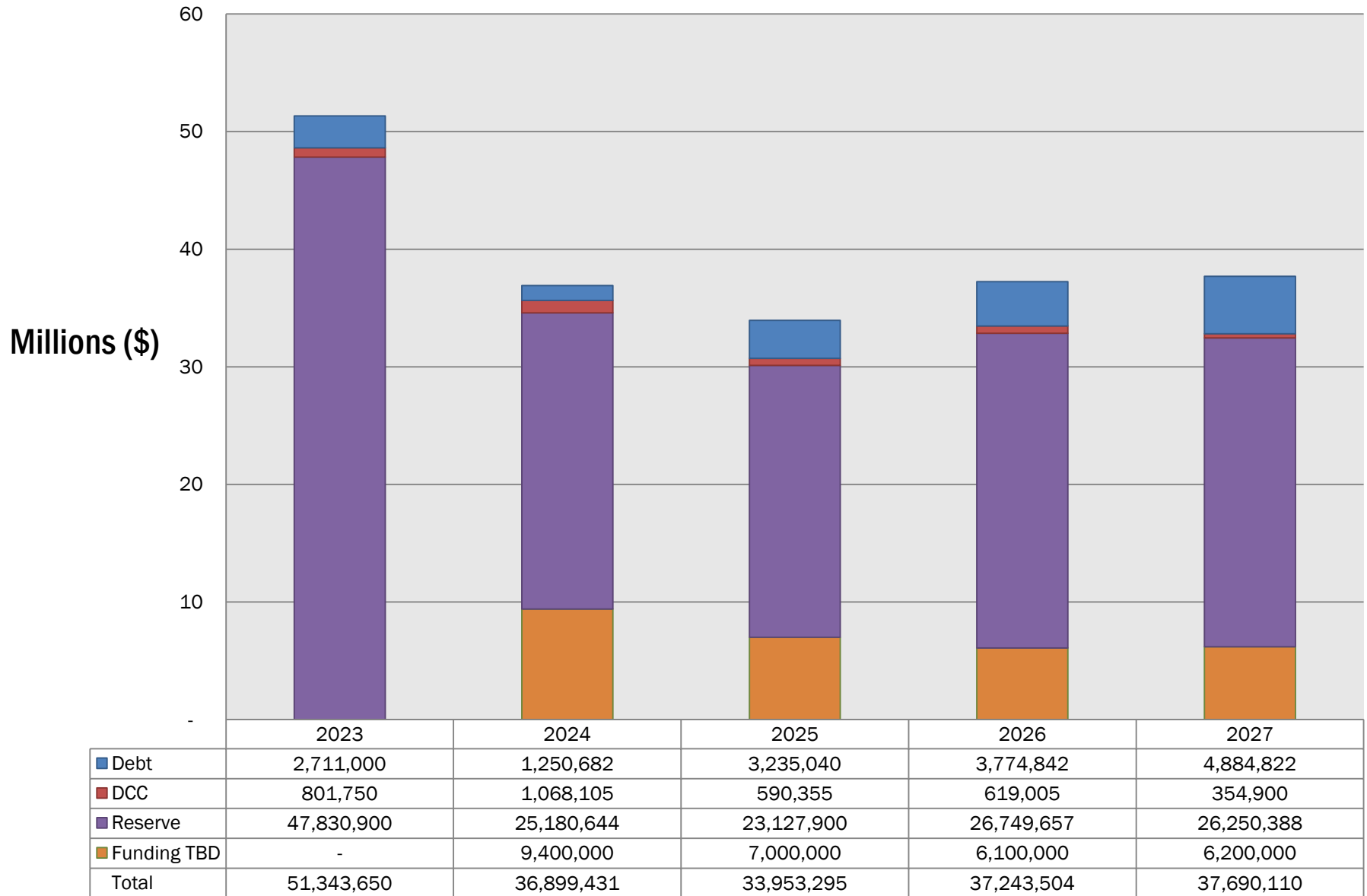


2023-2027 Capital Plan by Service Type



	2023	2024	2025	2026	2027
Administrative Services	2,006,000	1,273,000	1,506,000	1,227,000	1,204,000
Civic Facilities	5,674,400	838,500	837,000	989,000	864,000
Recreation and Culture	2,716,750	1,825,000	2,325,000	2,325,000	1,825,000
Solid Waste and Fleet	3,683,500	1,262,182	3,276,280	3,735,842	5,085,446
Storm Drainage	2,455,000	2,660,000	2,665,000	2,697,000	3,402,000
Transportation	11,005,000	8,725,000	8,925,000	8,930,000	8,930,000
Sewer	10,325,250	10,084,982	8,473,723	8,575,954	7,268,264
Water	13,477,750	10,230,767	5,945,292	8,763,708	9,111,400
Total	51,343,650	36,899,431	33,953,295	37,243,504	37,690,110

2023-2027 Capital Plan by Funding Source



2023 Capital Expenditure Plan

General annual capital reinvestment programs that have no dedicated funding source as of 2024 or 2025:

- Stormwater Drainage System Renewal - \$1,400,000
- Sidewalk and Walkway Rehabilitation - \$1,250,000
- Ball Diamond & Sports Field Renewal - \$950,000
- Park Washroom Refurbishment - \$500,000
- Pedestrian Traffic and Safety Improvements - \$500,000
- Trails Rehabilitation - \$250,000
- Playground Replacement - \$250,000
- General Bridge Renewal - \$200,000
- Hard Surface Court Replacements - \$200,000
- Boulevard Restoration - \$160,000
- Parking Lot Renewal - \$100,000

2023 Operating Budget

2023 Operating Budget

Citywide

- Departments
 - Service Agreements
 - Corporate Management
 - Public Safety
 - Civic Operations
 - Civic Facilities and Events
 - Planning and Development
 - Finance and IT Services

2023 Operating Budget

Service Agreements

- Service Categories
 - Prince George Public Library
 - Tourism Prince George



PRINCE GEORGE PUBLIC LIBRARY



Tourism Prince George



2023 Operating Budget

Corporate Management

Division	2022 FTE's	2023 FTE's	2023 vs 2022
Office of City Manager	2.03	2.03	0.00
Mayor & Council	9.00	9.00	0.00
Legislative Services	5.07	7.07	2.00
Human Resources	14.12	14.12	0.00
Communications	4.03	4.03	0.00
Civic Partnerships & Initiatives	4.01	3.51	(0.50)
Capital Program Management Office	0.00	4.00	4.00
TOTAL	38.26	43.76	5.50

2023 Operating Budget

Public Safety

Division	2022 FTE's	2023 FTE's	2023 vs 2022
Police Protection	55.24	54.24	(1.00)
Fire and Rescue Services	128.39	130.39	2.00
Emergency Programs	2.00	2.00	0.00
Bylaw Services	25.39	24.28	(1.11)
Off-Street Parking	4.92	6.02	1.10
TOTAL	215.94	216.93	0.99

2023 Operating Budget

Civic Operations

Division	2022 FTE's	2023 FTE's	2023 vs 2022
Snow Control	37.01	34.50	(2.51)
Roads	22.80	20.94	(1.86)
Storm Drainage	8.26	13.52	5.26
Fleet Services	28.93	29.92	0.99
Street Lighting	2.26	2.25	(0.01)
Civic Operations Admin	2.00	2.00	0.00
Solid Waste Services	10.49	10.49	0.00
Cemetery	4.65	4.65	0.00
Sewer Operations	43.40	41.08	(2.32)
Water Operations	40.34	41.27	0.93
Parks	42.65	43.53	0.88
District Energy	0.79	0.78	(0.01)
Transportation & Technical Services	4.55	5.15	0.60
TOTAL	248.13	250.08	1.95

2023 Operating Budget

Civic Facilities and Events

Division	2022 FTE's	2023 FTE's	2023 vs 2022
Aquatics	35.20	44.69	9.49
Civic Facilities and Events Admin	1.00	1.00	0.00
Project Delivery	5.00	5.00	0.00
Facility Maintenance	14.65	14.65	0.00
Entertainment Services	5.30	5.30	0.00
Event Services	14.11	14.09	(0.02)
Event Operations	32.11	32.11	0.00
TOTAL	107.37	116.84	9.47

2023 Operating Budget

Planning and Development

Division	2022 FTE's	2023 FTE's	2023 vs 2022
Dev Planning and Admin	21.80	22.78	0.98
Economic Development	3.00	3.00	0.00
Asset Management	3.00	3.00	0.00
Infrastructure Planning & Engineering (no longer exists)	4.50	0.00	(4.50)
TOTAL	32.30	28.78	(3.52)

2023 Operating Budget

Finance and IT Services

Division	2022 FTE's	2023 FTE's	2023 vs 2022
Risk and Procurement	6.11	5.11	(1.00)
Service Centre	6.86	6.86	0.00
IT Services	20.38	21.38	1.00
Financial Services	20.50	20.50	0.00
Fiscal Services	0.00	0.00	0.00
TOTAL	53.85	53.85	0.00