



2024 – 2028 FINANCIAL PLAN

Agenda

- Who Does What?
- Legislative Framework
- The City's Infrastructure Story
- Public consultation about 2024 budget priorities
- The 2024 financial overview and plan
 - Capital Expenditure Plan
 - Operating Budget

WHO DOES WHAT?

Municipal Government



- Road maintenance
- Snow removal
- Water supply
- Sewer/storm water management
- Solid waste collection
- Parks, trails and playgrounds
- Cemetery
- Recreation facilities (e.g., CN Centre)
- Bylaws
- Municipal RCMP
- Fire Rescue
- Business licenses
- Community planning and development
- City Hall
- Municipal property tax

Regional District



- Solid waste management (landfill, recycling depot and transfer stations)
- Residential services outside City boundaries
- Regional parks and recreation
- Rural area planning and development
- 911 operation
- Fire dispatch
- Heritage conservation

Provincial Government



- Housing
- Schools
- Provincial parks
- Crown land resource extraction
- Health care
- Social services
- WorkSafe
- ICBC
- Justice
- Post-secondary education
- Highway maintenance (including highways within City boundaries)
- Provincial income tax
- Provincial property tax
- Sales tax

Federal Government



- Income tax
- Employment insurance
- Child tax benefits
- Student loans
- Military
- National parks
- International travel
- Banking
- Criminal law
- Foreign affairs

Legislative Framework

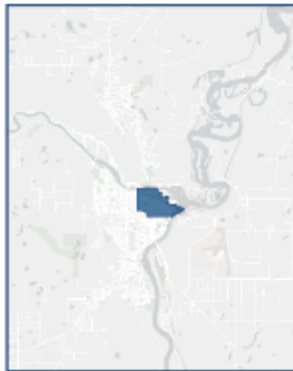
- Community Charter requires that municipalities adopt five year operating and capital financial plans
- Council's Strategic Plan guides the development of the City's financial plan
- The financial planning process must include public consultation; the type of consultation is left to the discretion of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

Our **Infrastructure** Story

Decades of rapid growth

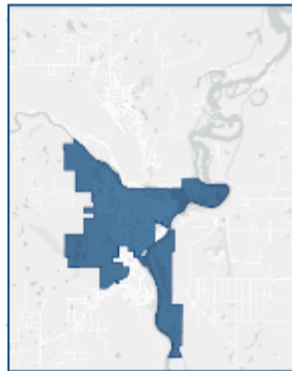
- Our population increased rapidly after World War II. 4,000 people in 1947 to 60,000 in less than 30 years.
- From the 1940s to the 1980s, the population doubled every decade.
- Between 1952 and 1975, the City boundary grew exponentially.

1915



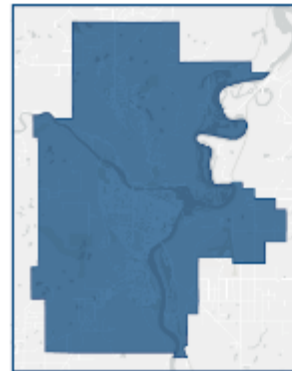
1915 to 1952 – the initial size of the municipality of Prince George was 5.1 square kilometres.

1974



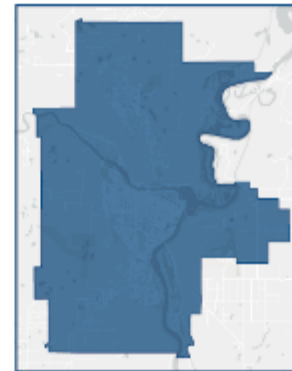
1953 to 1974 – Over the course of just 20 years, the City boundary expanded 11 times and grew to be 61 square kilometres.

1975



1975 – Prince George grew to be roughly five times larger in just one year

2023



The present day – The total size is 329 square kilometres.

Our **Infrastructure** Story

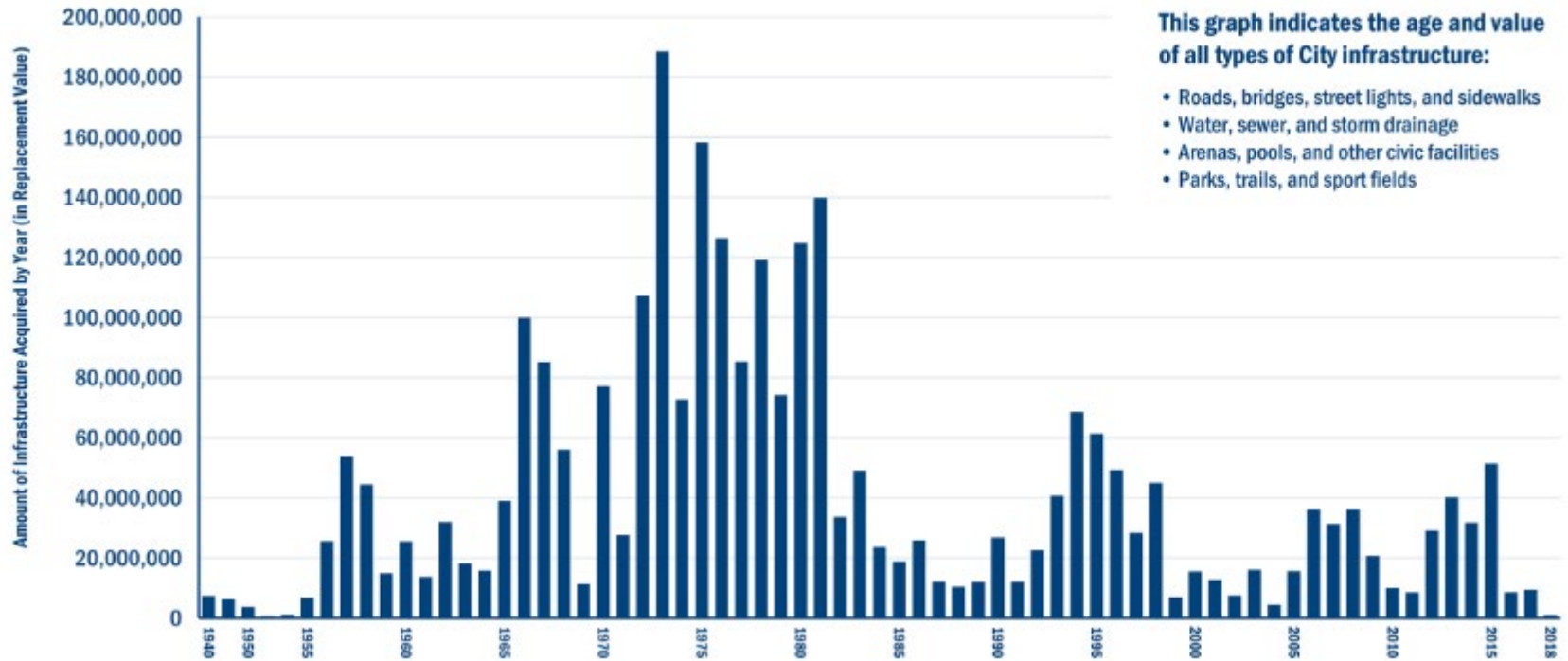
Infrastructure over-investment

Prince George's first official community plan (1979) forecast a population of 185,000 by 2012. But growth began to slow in the 80s.

In 1981, Prince George had a larger population than Kelowna, Kamloops, and Nanaimo. Today, all of those cities have more people.

Most of our infrastructure was built during our rapid growth years and now this aging infrastructure must serve a small and spread-out population.

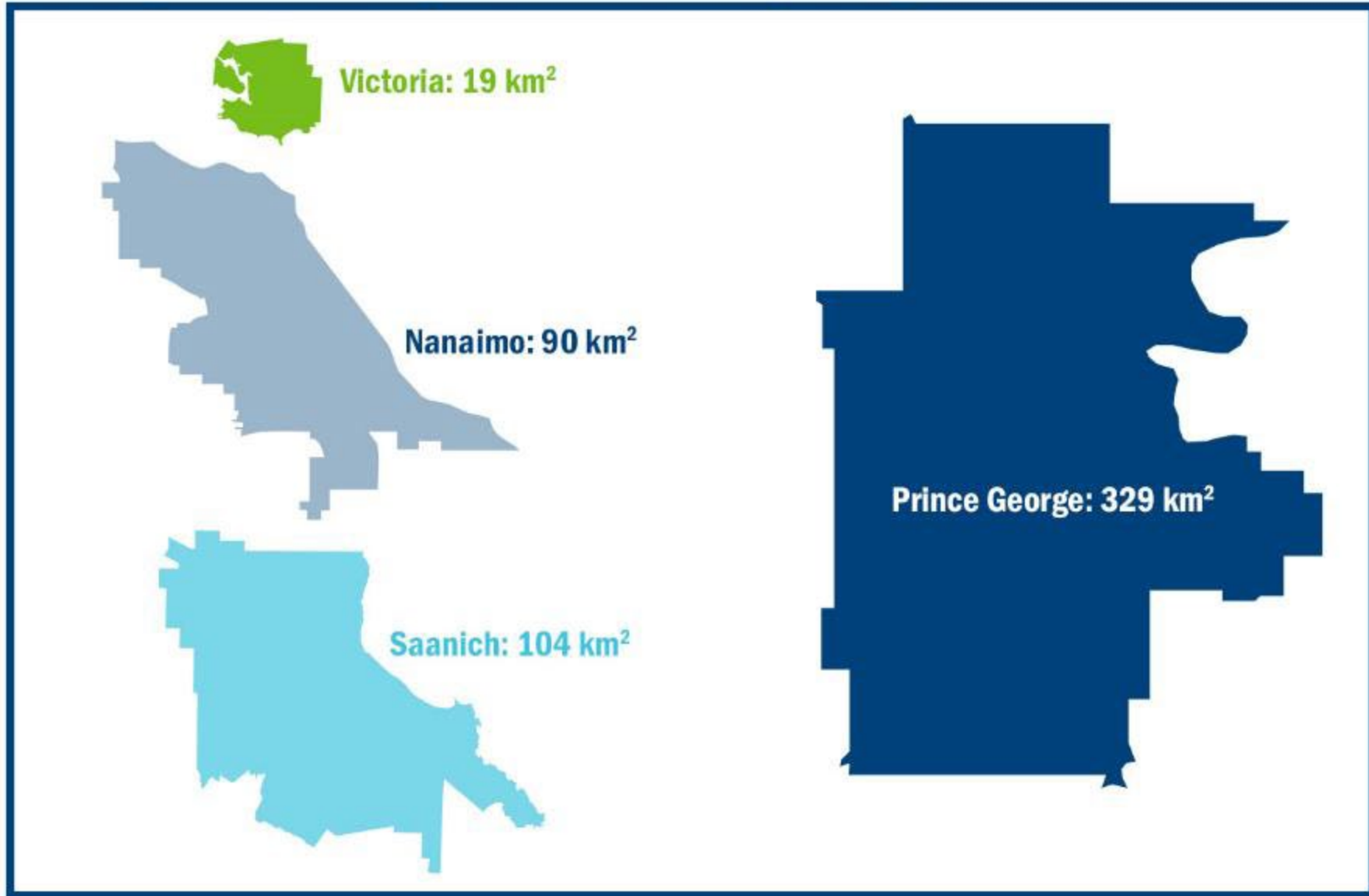
What It All Means For Infrastructure



The image shows the exterior of a building with a sign that reads "ELK CENTRE". The building has a light-colored, textured facade. A white door is visible on the right side of the building. A red flag is flying on a pole in the background. The foreground consists of grass and a concrete curb.

ELK CENTRE

Municipal Area in Square Kilometres (2021)



... and our population is really spread out.

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

Population density (2021)

This means that, per taxpayer, there are a LOT of roads, pipes, and other infrastructure to maintain.



\$4.3 billion approximate replacement value of civic infrastructure

\$90 million approximate value of civic infrastructure currently assessed as needing replacement

52 City-owned buildings totalling 158,000m²

103 parks

48 playgrounds

106km trails

Streetlights
4,728

Underground infrastructure

Water pipes
815km

Sanitary sewer pipes
701km

Stormwater pipes
433km

**Downtown Renewable
Energy System**

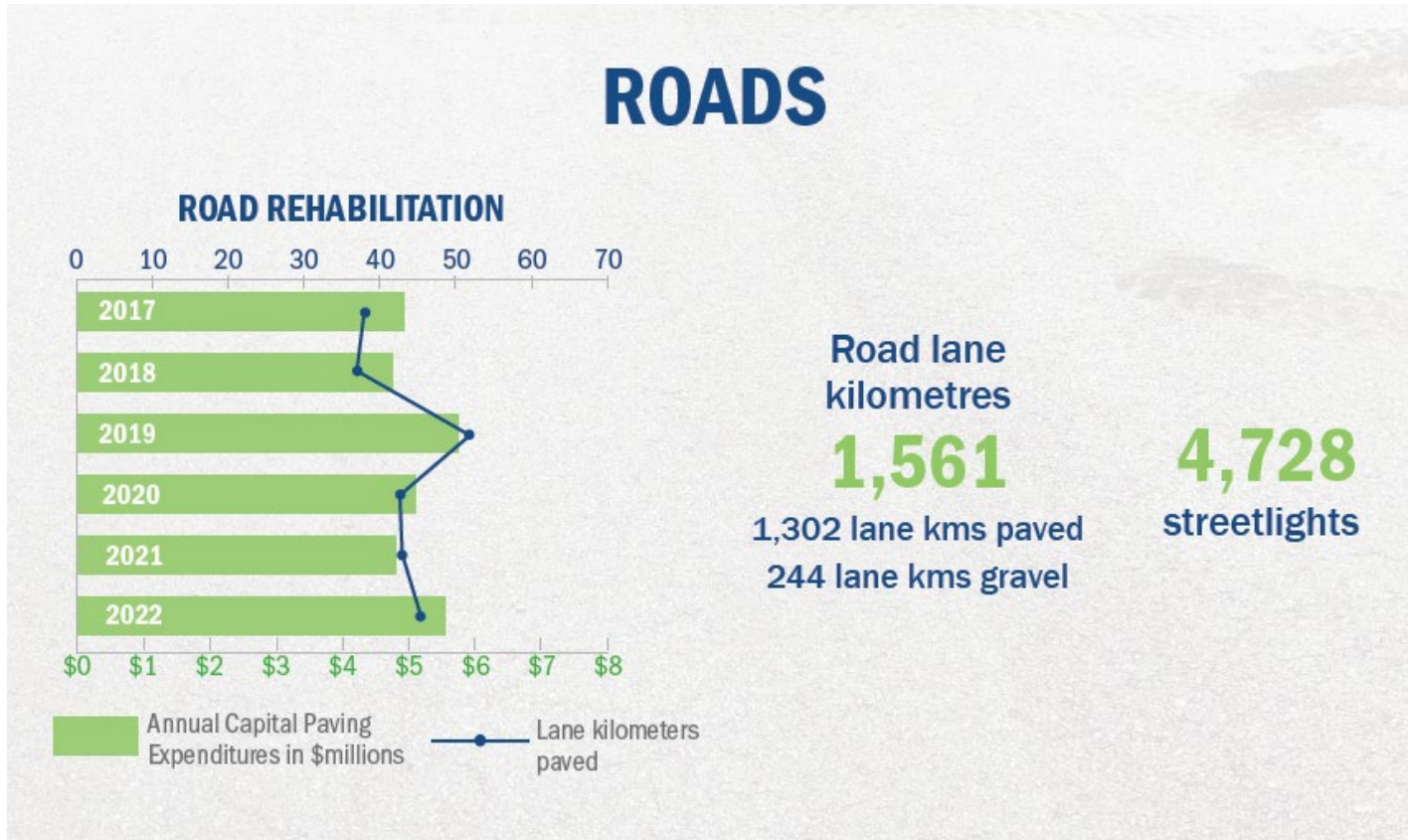
6km

connected to

11 buildings

Canfor Leisure Pool	Plaza 400
City Hall	Prince George Public Library
Conference and Civic Centre	RCMP Detachment
George Street Parkade	Two Rivers Art Gallery
Kopar Memorial Arena	Wood Innovation and Design Centre
Law courts	

ROADS



PARKS: 103 totaling 11 km²

TRAILS: 106 km

SIDEWALKS: 198 km

CYCLING ROUTES: 562 km (including bike lanes and trails)

2023 Representative Home Values and Property Taxes

Municipality	2021 Census	Taxable Land Area (ha)	2023 Rep. Home Value	Municipal Taxes	Other Authorities	Total Residential Taxes
Chilliwack	93,203	20,078	938,162	2,175	1,451	3,626
Kamloops	97,902	21,979	707,472	2,646	1,403	4,049
Kelowna	144,576	21,506	1,095,477	2,681	1,708	4,389
Township of Langley	132,603	27,158	1,485,086	2,488	1,928	4,416
Maple Ridge	90,990	14,748	1,257,062	2,938	1,705	4,643
Nanaimo	99,863	4,351	808,873	2,751	1,969	4,720
Prince George	76,708	29,762	460,049	2,550	1,400	3,950
Saanich	117,735	6,481	1,305,467	3,412	2,007	5,419
Victoria	91,867	1,148	1,230,097	3,458	1,891	5,349

Budget Consultation Process

Focus:

1. Five satisfaction surveys
2. The annual Citizen Budget survey
 - October 3 – October 31
 - 620 participants
 - Responses varied greatly from 2023 budget survey
3. Gathering comments on social media
4. Three in-person town halls

Promoted through:

- City's website
- 2 News releases
- Social media
- Newsletters
- Advertising – radio, print, digital
- Omnivex screens in civic buildings
- Picked up by several news outlets

Citizen Budget Survey results

Service areas:

- Increase: police services and infrastructure management. Decrease: bylaw enforcement, community planning and economic development, corporate services.
- Importance: police, fire, snow and ice control, road and sidewalks, and parks
- Satisfaction: fire protection, snow and ice control, recreation and community services, parks and trails

Infrastructure investment:

- Roads, sidewalks, stormwater drainage, parks and energy

Tax Levy Increases 2021 to 2023 Compared to CPI

Year	Final Approved Tax Levy	Consumer Price Index (CPI) from October to October
2021	0.00%	4.70%
2022	3.00%	6.90%
2023	7.58%	3.10%
TOTAL (2021*2022*2023)	10.81%	15.39%

Comparative Municipalities Tax Levy Increases 2021 to 2023

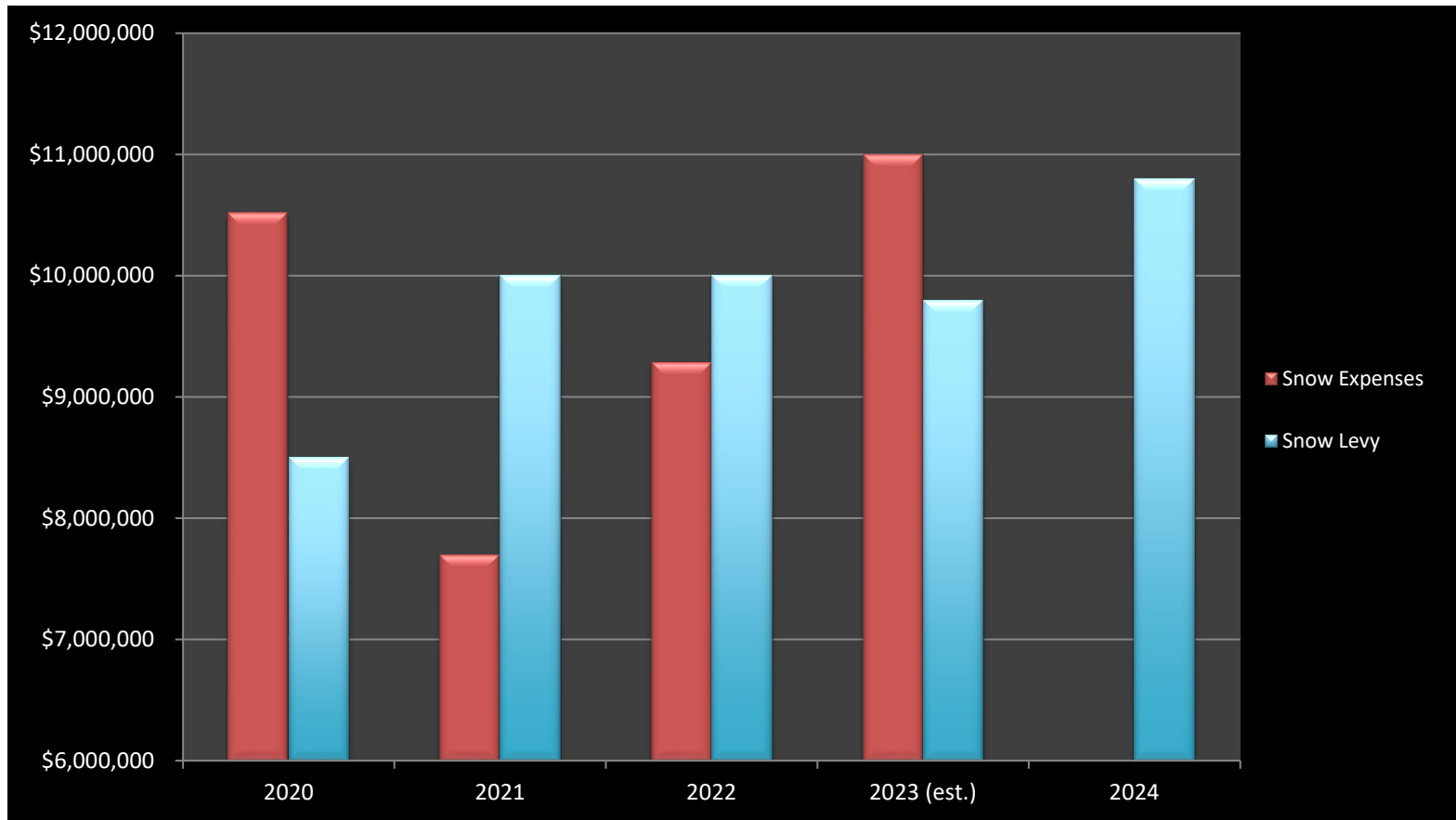
Municipality	2021	2022	2023	TOTAL INCREASE (2021*2022*2023)	2023 Representative Home Tax
Saanich	5.76%	6.67%	7.19%	20.93%	\$3,412
Nanaimo	3.00%	6.00%	7.20%	17.04%	\$2,751
Maple Ridge	3.60%	4.40%	5.65%	14.27%	\$2,938
Kamloops	0.97%	4.92%	6.80%	13.14%	\$2,646
Victoria	2.03%	3.89%	6.15%	12.52%	\$3,458
Coquitlam	2.94%	3.43%	5.48%	12.31%	\$3,135
Kelowna	4.04%	3.94%	3.78%	12.23%	\$2,681
Chilliwack	2.99%	2.99%	4.48%	10.82%	\$2,175
Prince George	0.00%	3.00%	7.58%	10.81%	\$2,550

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.
- **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.
- **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 Expenses vs. Snow Levy Actual 2020 to Proposed 2024



Financial Overview

Road Rehabilitation Levy

- Currently set at \$6,100,000
- 2024 budget has been prepared at \$6,700,000, 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) and we are anticipating a range of 6-10% increase in costs for 2024
- Increase required to try and maintain the same number of lane kilometers of work per year (50 lane kilometers per year. The City has a total inventory of 1,561 lane kilometers)

Financial Overview

General Infrastructure Reinvestment Fund

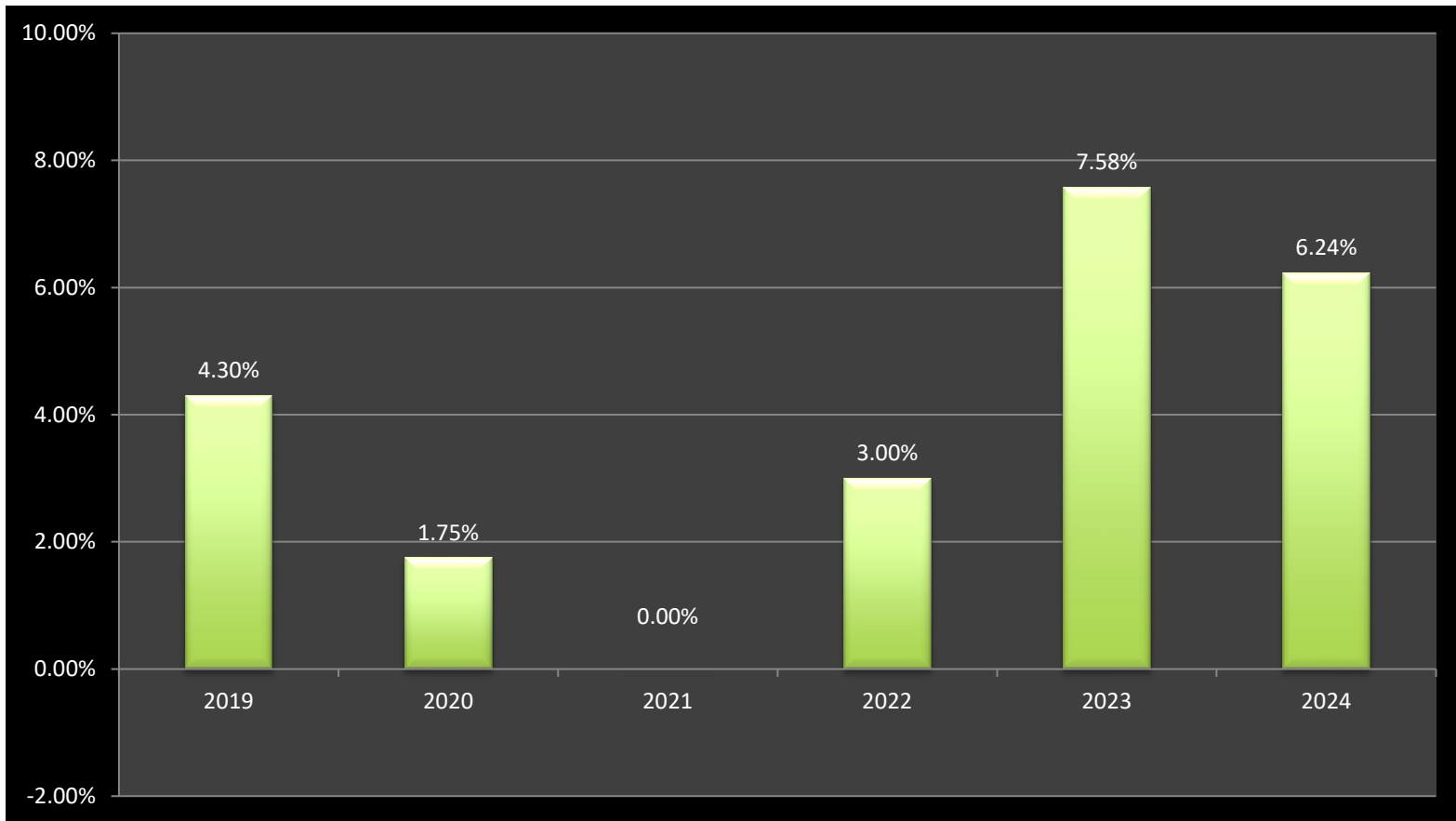
- Some asset groups have dedicated funding sources. Sewer, Water, Solid Waste, District Energy and Off-Street Parking capital needs are funded by the user fees of those services. Roads has its own levy and Fleet needs are provided for through equipment financing
- All other capital asset groups' reinvestment needs are prioritized and compete for limited available funding
- Levy was created in 2013 to increase the available funding needed to maintain and replace new and aging infrastructure and grew to \$2,500,000 by 2016
- Has only grown to the 2023 budget of \$2,950,000 since 2016
- 2024 budget has been prepared at \$4,242,482 by adding 1% of the total tax levy to this fund as per Sustainable Finance Policy

Tax Notice Line Items

Proposed 2024 Changes

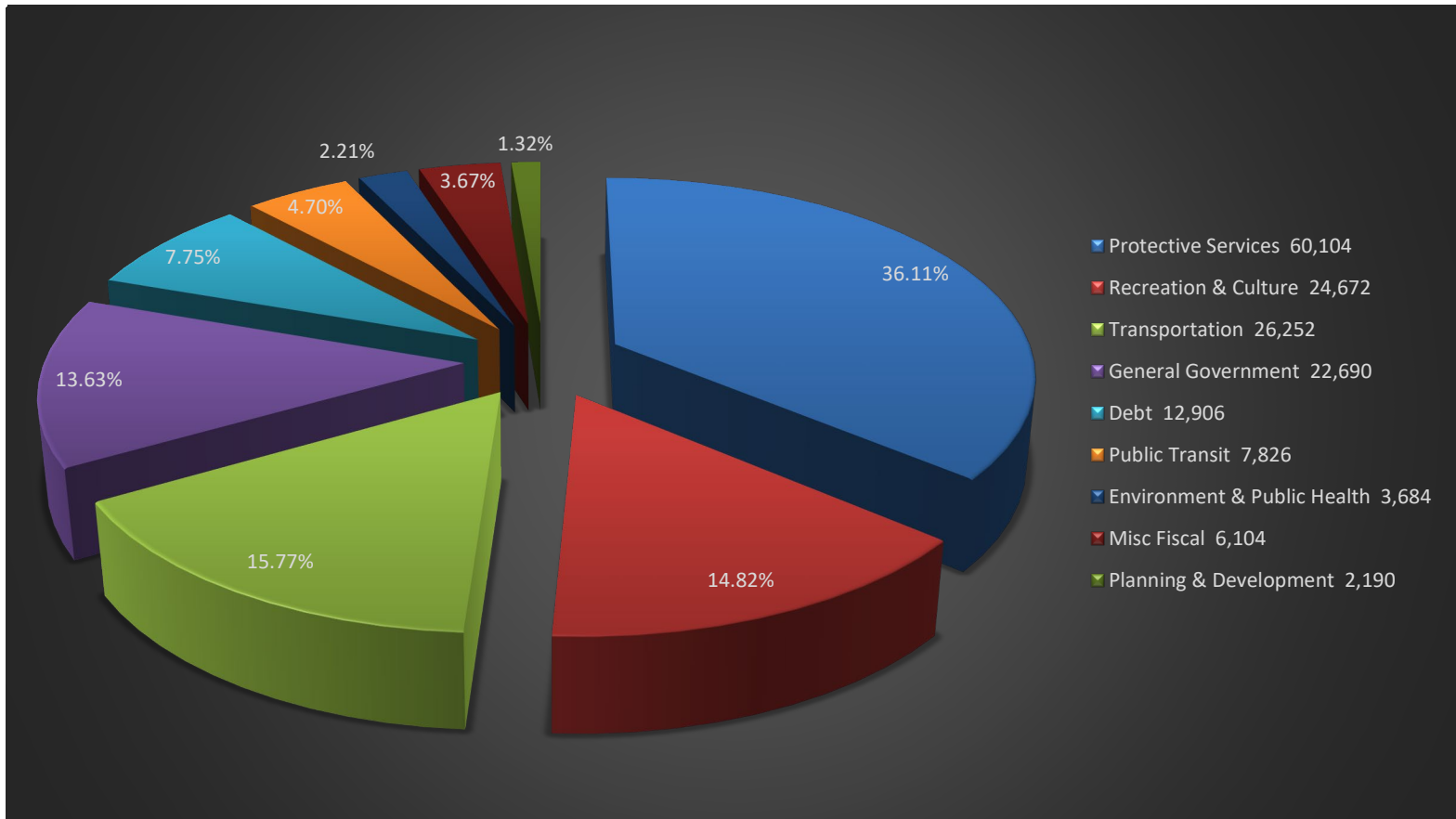
	2023 Levy	Proposed Increase	Increase as a % of total levies
General	\$110,398,156	\$5,169,710	4.00%
Snow Control	9,800,000	1,000,000	0.77%
Road Rehabilitation	6,100,000	600,000	0.46%
General Infrastructure Reinvestment Fund	2,950,000	1,292,482	1.00%
Total	\$129,248,156	\$8,062,192	6.24%

Tax Requisition Increases Actual 2019 to Proposed 2024



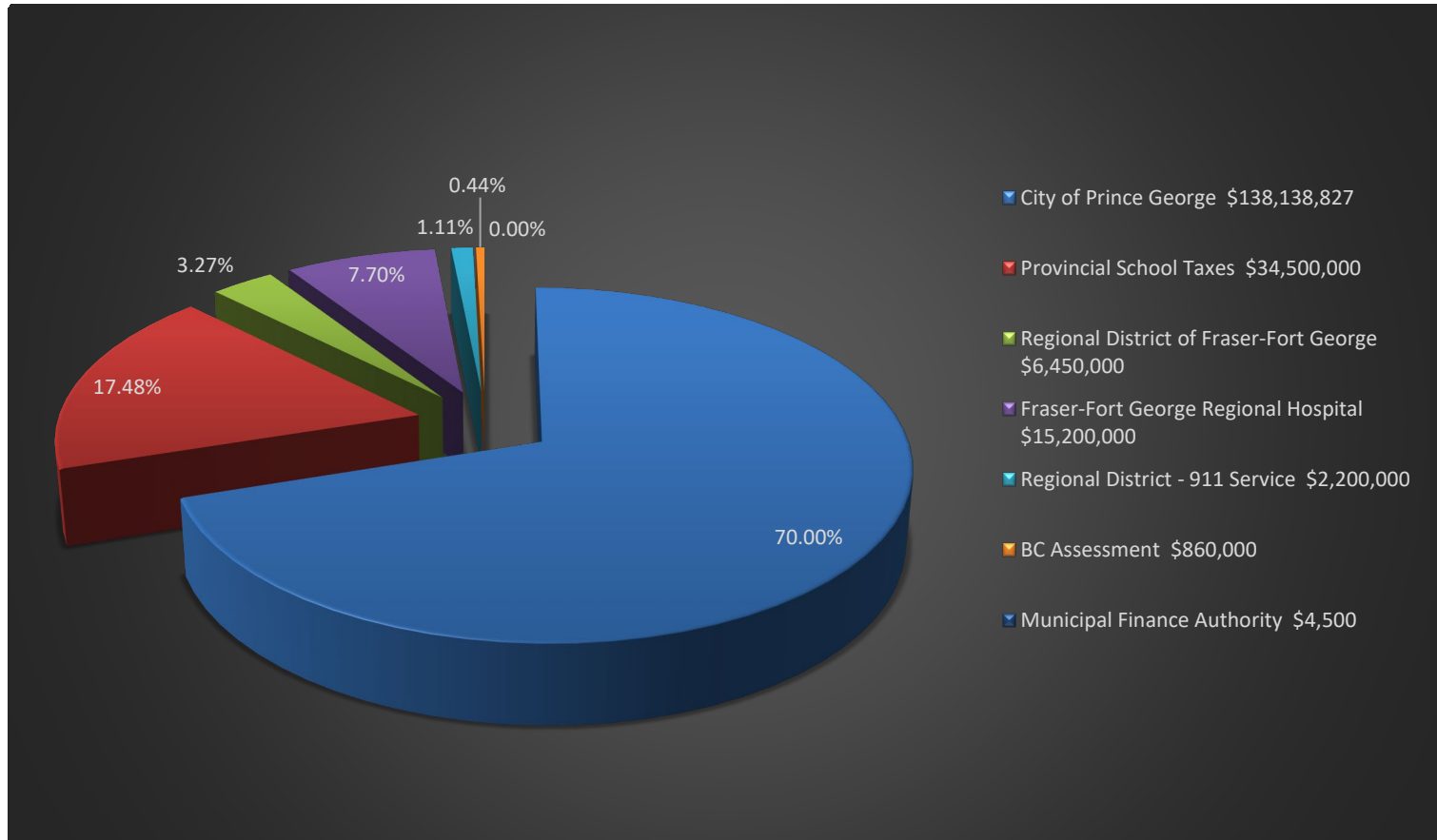
Financial Overview

2024 General Operating Expenses (in 000's)



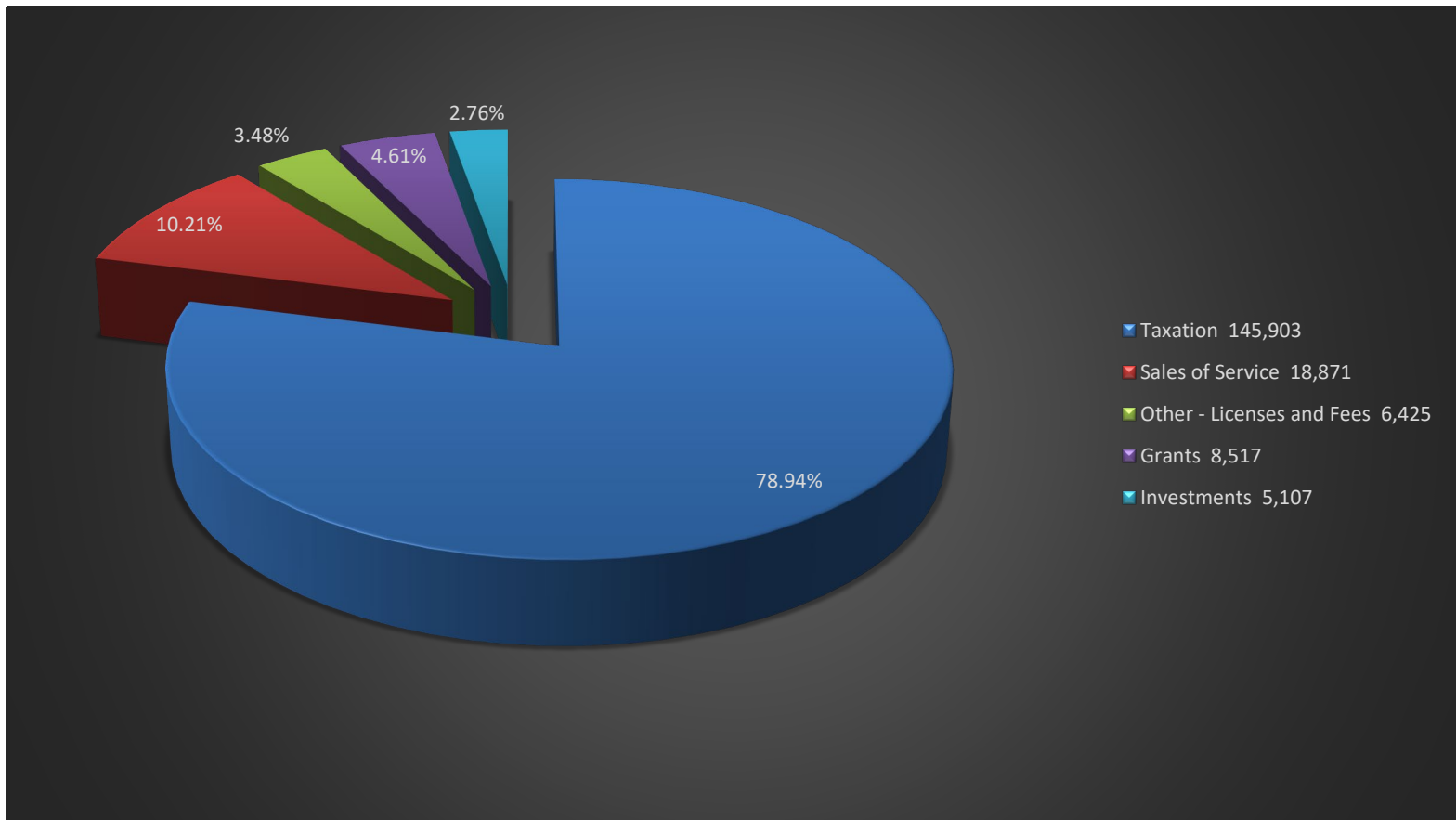
Financial Overview

2024 Taxes Collected for City and Other Authorities



Financial Overview

2024 General Operating Source of Funds (in 000's)



Financial Overview

Significant Budget Impacts

- RCMP Contract – labour makes up the largest component of the cost per member that is provided by the Province (\$220k/member). The City is funding 135 positions
- Reduced building permit revenue as record development years start to slow down
- Increased use of two pools creates a demand for more lifeguards to meet regulated ratio of lifeguards-to-customers
- Transit increases as per the City’s Annual Operating Agreement (AOA) with BC Transit
- Condition assessments, security, HVAC, electrical and other maintenance costs for civic facilities
- Second consecutive year of high-increase insurance premiums for city assets
- Increase to contracts that the City has with service providers

Financial Overview

Service Enhancements

Service Enhancements

- Police Services Review – increase of four additional RCMP members and two additional municipal employees - \$1,044,088 (0.80%)
- Fire Services Review – increase of five firefighters, one fire prevention inspector, one training branch captain and one administrative clerk - \$983,846 (0.76%)
- One-time funding for Phase 2 of Fire Services Training Facility Feasibility Study – \$75,000 (0.06%)
- One-time funding of \$100,000 for REAPS (0.08%)
- Funding increase of \$75,000 for Little Prince (0.06%)
- F&A resolution for additional \$300,000 of Road Rehab (0.23%)
- If all are approved, tax levy increases from 6.24% to 8.23%

Financial Overview

Tax Levy	Required Reduction
6.00%	307,300
5.00%	1,599,782
4.00%	2,892,264
3.00%	4,184,746

Budget Meetings Schedule

Date	Time	Service Category
January 22, 2024	3:30 pm	Budget overview and public consultation results 2024-2028 Capital Expenditure Plan
	5:00-6:00 pm	Recess
	6:00 pm	Service Agreements (Prince George Public Library, Tourism Prince George) Corporate Management Public Safety
January 23, 2024	3:30 pm	Civic Operations
	5:00-6:00 pm	Recess
	6:00 pm	Civic Facilities and Events Planning and Development Finance and IT Services
January 29, 2024	3:30 pm	Council final deliberation day
	5:00-6:00 pm	Recess
	6:00 pm	Council final deliberation day continued

2024 Capital Expenditure Plan

2024 Capital Expenditure Plan

The Capital Plan has been prioritized by the Capital Program Management Office with the functional areas, and subsequently the Senior Leadership Team considering the Sustainable Finance Policy, Asset Management Policy and Organizational Capital Project Management Policy and other inputs such as:

- Regulatory requirements, including health and safety
- Contractual and/or development obligations
- Council goals and corporate workplan
- Asset master plans/strategic plans and asset management plans, and assessments
- myPG framework (social, economic and environmental)
- Probability of asset failure, consequence of that failure and the acceptability of that risk
- Operational needs
- User need feedback (service requests, user group meetings, etc.)
- All other forms of public consultation

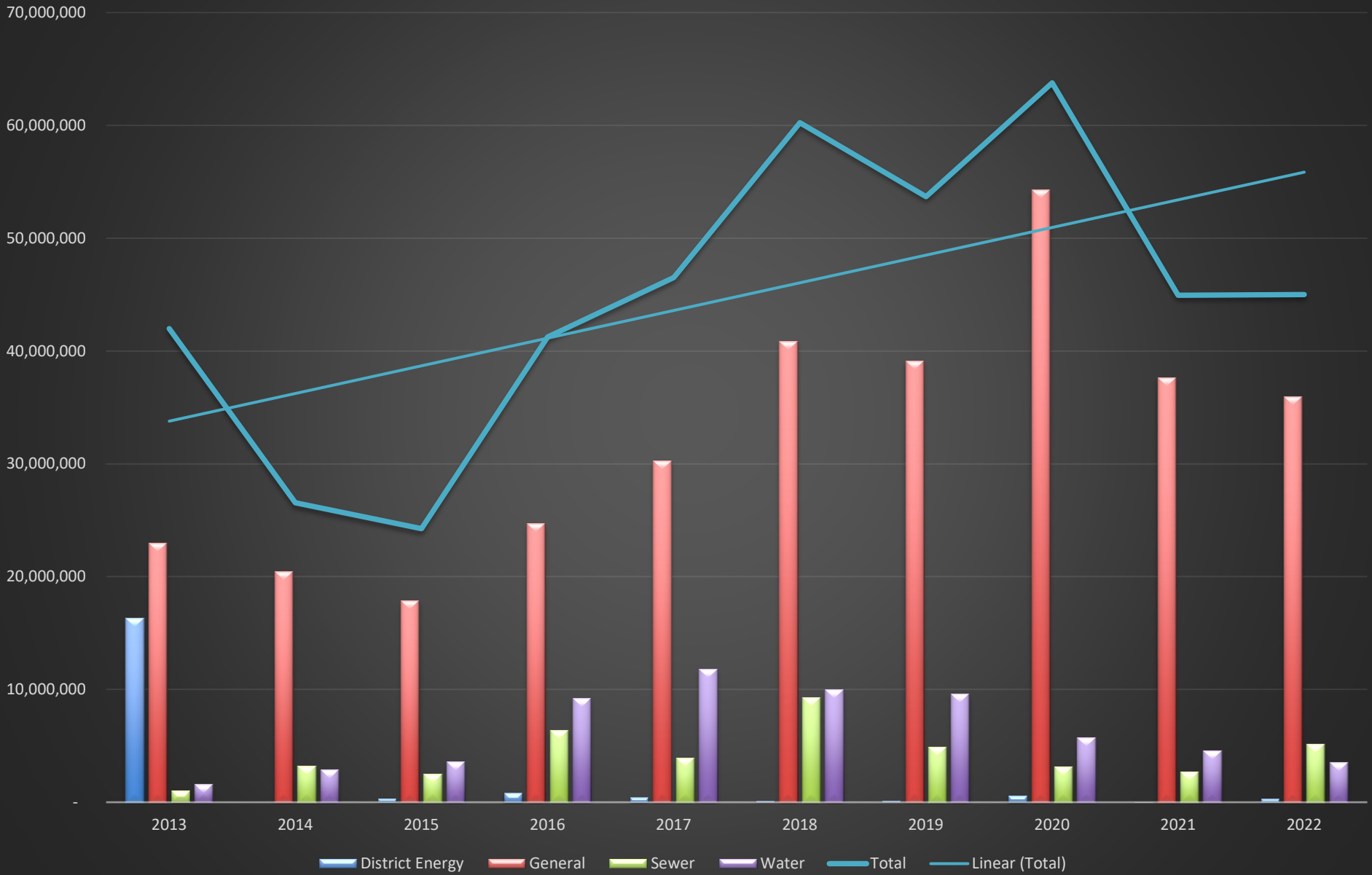
2024 Capital Expenditure Plan

- 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

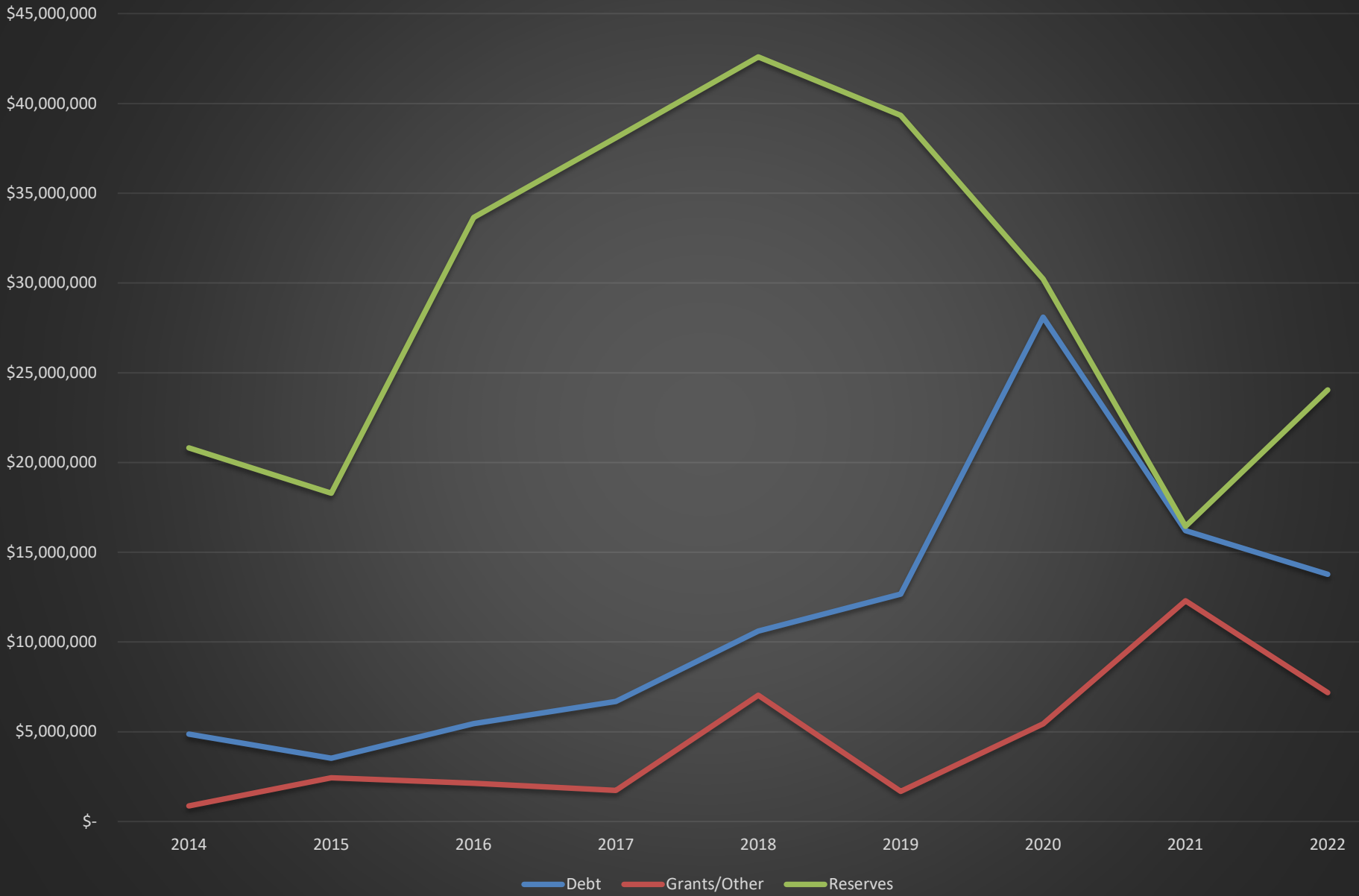
Ongoing Reliable Sources of Funding for General Capital

- Road Rehabilitation Levy - \$6.7M
- Community Works Funding - \$3.5M
- General Infrastructure Reinvestment Fund - \$4.24M
- Gaming Revenue - \$2.7M

10 Year Capital Spending History - by Fund



10 Year Capital Spending History - by Funding Source

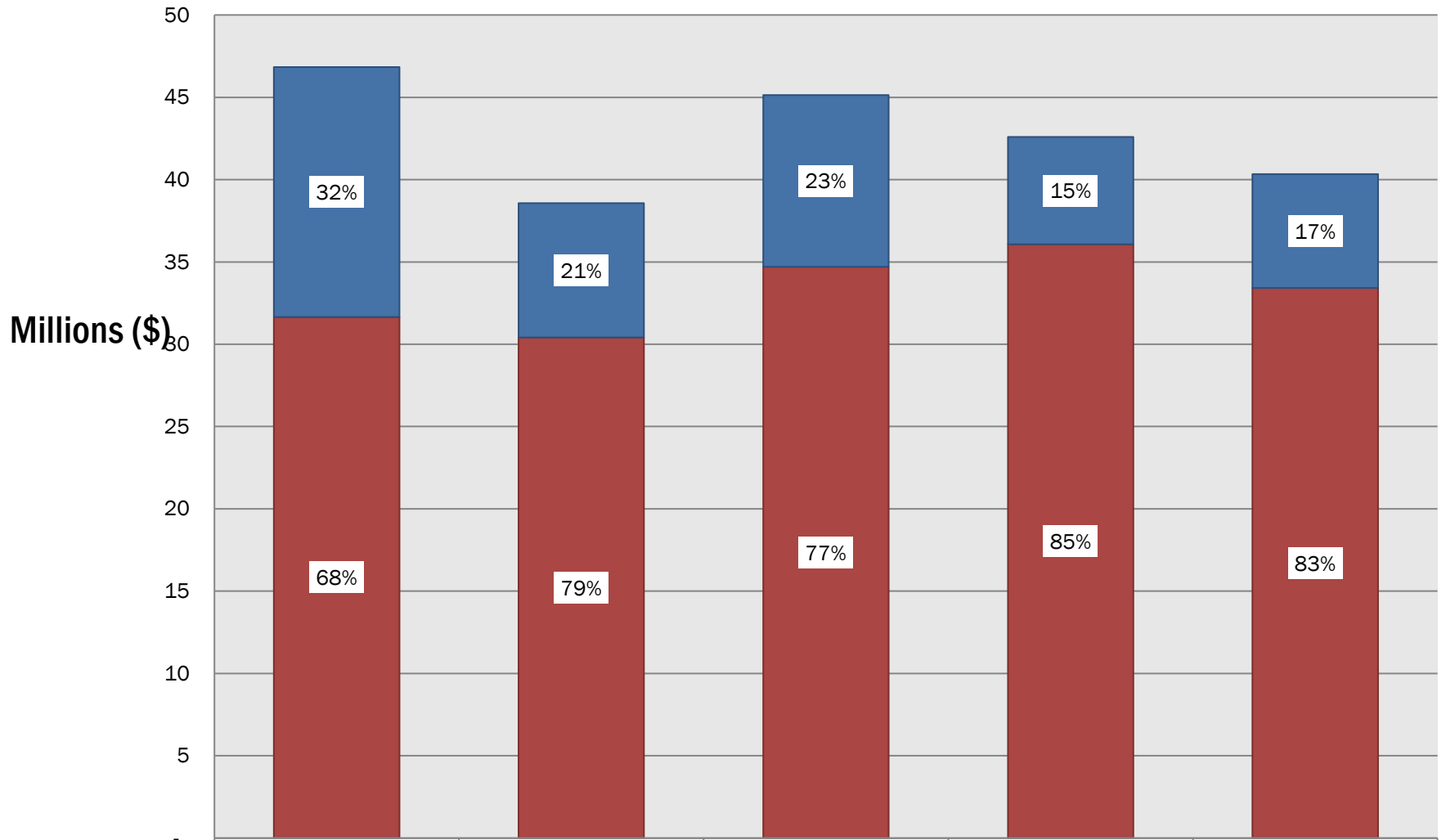


Liability Serving Limit

- 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.

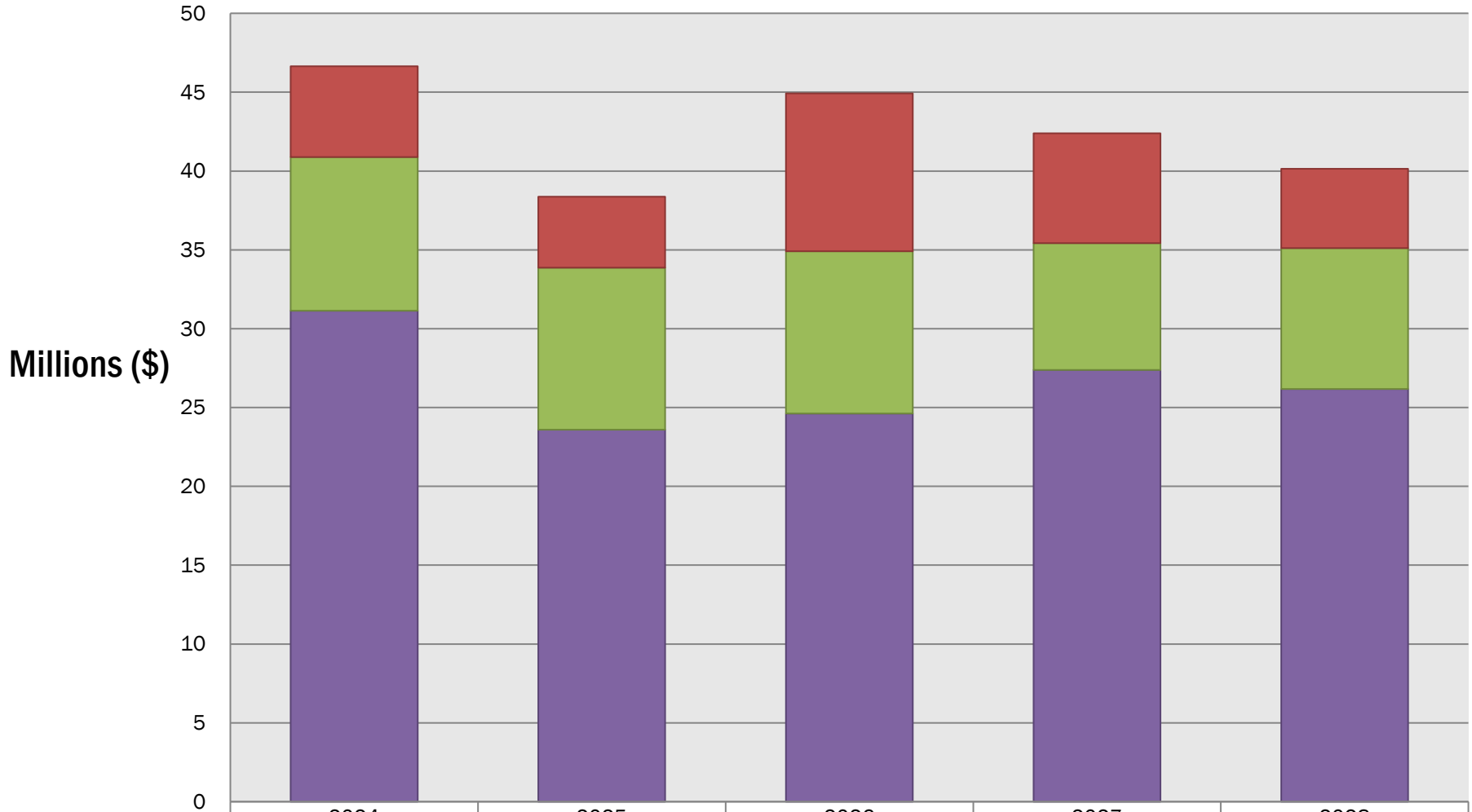
Year	Municipal Controllable Revenue	Liability Servicing Limit	Payment Capacity Available	Approximate Principal Borrowing Available
2018	\$172,759,289	\$43,189,822	\$25,154,282	\$279,492,022
2019	\$177,512,689	\$44,378,172	\$23,982,421	\$266,471,344
2020	\$171,514,757	\$42,878,689	\$15,422,526	\$194,975,044
2021	\$178,008,247	\$44,552,062	\$24,965,473	\$289,622,657
2022	\$188,567,032	\$47,141,758	\$33,029,835	\$369,048,436

2024-2028 Capital Plan by Type



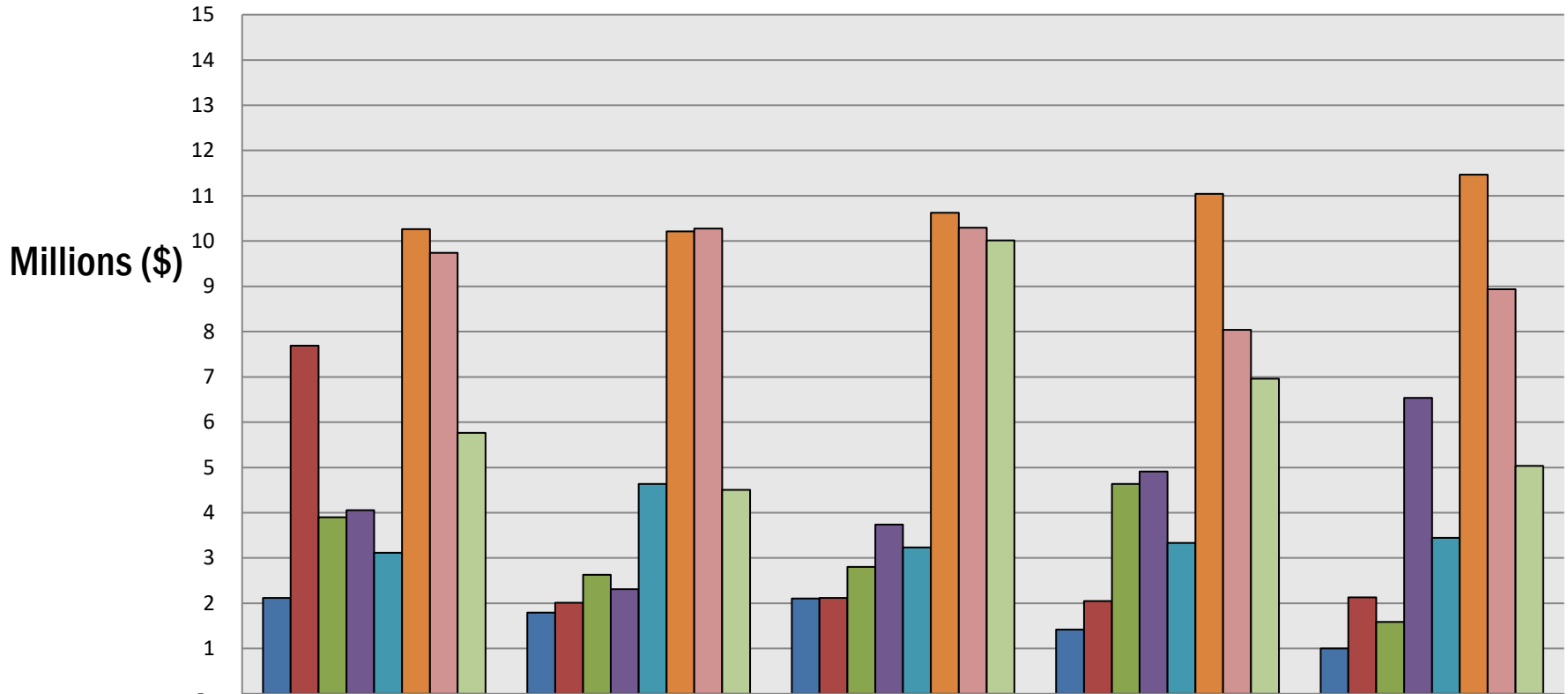
	2024	2025	2026	2027	2028
Upgrade/New	15,190,500	8,160,125	10,421,931	6,515,978	6,930,327
Reinvestment	31,655,500	30,410,241	34,710,210	36,076,698	33,413,520
Total	46,846,000	38,570,366	45,132,141	42,592,676	40,343,847

2024-2028 Capital Plan by Fund



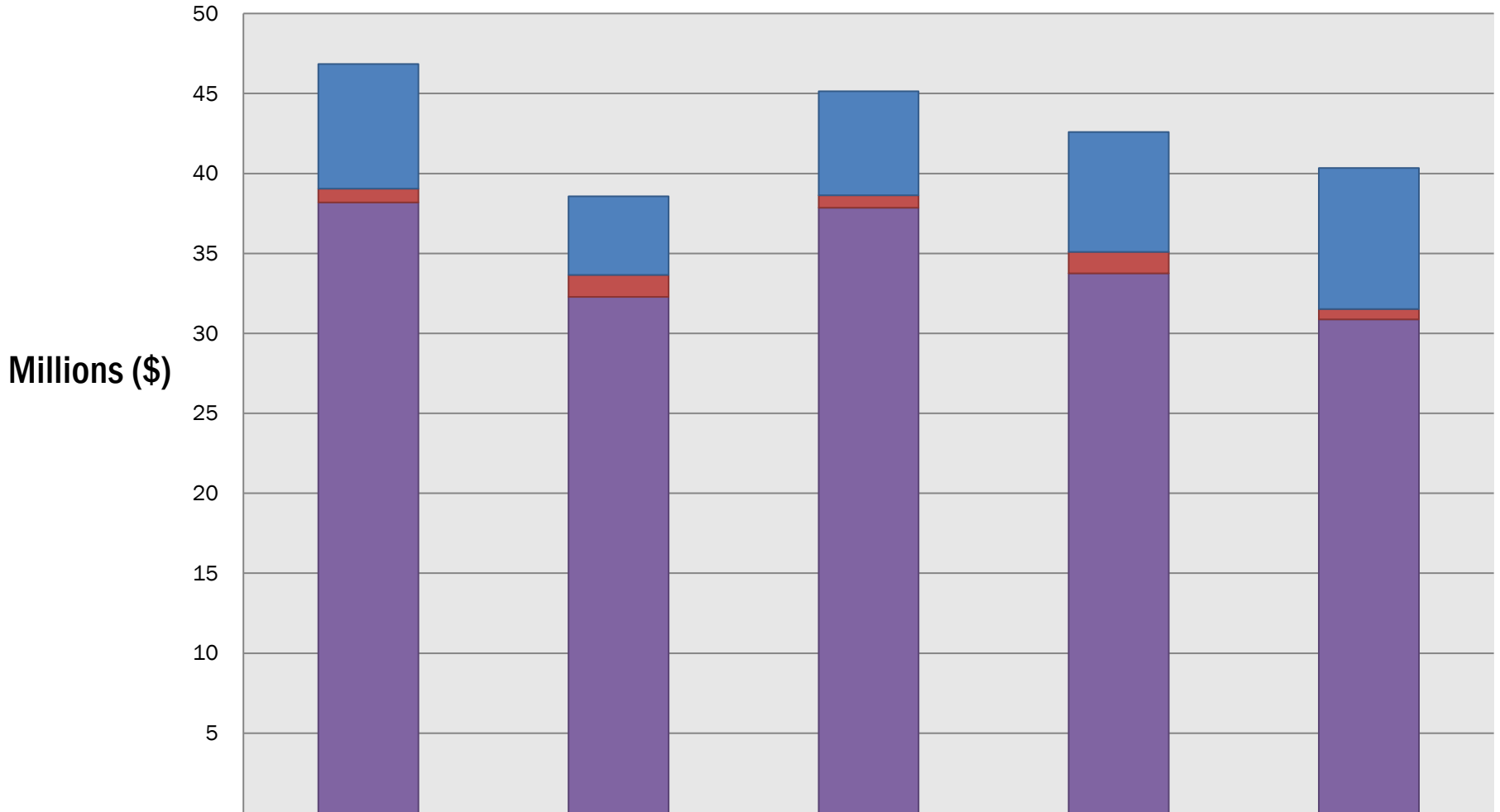
	2024	2025	2026	2027	2028
Water	5,763,000	4,504,087	10,013,708	6,961,401	5,032,970
Sewer	9,741,000	10,277,603	10,293,954	8,040,264	8,937,691
General	31,142,000	23,588,676	24,624,479	27,391,011	26,173,186
Total	46,846,000	38,570,366	45,132,141	42,592,676	40,343,847

2024-2028 Capital Plan by Service Type



	2024	2025	2026	2027	2028
Administrative Services	2,120,000	1,795,000	2,105,000	1,417,000	1,002,000
Civic Facilities	7,688,000	2,012,000	2,116,500	2,046,626	2,130,507
Recreation and Culture	3,898,000	2,626,250	2,803,812	4,632,753	1,588,140
Solid Waste and Fleet	4,056,000	2,308,926	3,735,842	4,912,890	6,539,511
Storm Drainage	3,115,000	4,635,000	3,235,000	3,336,000	3,444,000
Transportation	10,265,000	10,211,500	10,628,325	11,045,742	11,469,028
Sewer	9,741,000	10,277,603	10,293,954	8,040,264	8,937,691
Water	5,763,000	4,504,087	10,013,708	6,961,401	5,032,970
Total	46,846,000	38,570,366	45,132,141	42,592,676	40,343,847

2024-2028 Capital Plan by Funding Source



	2024	2025	2026	2027	2028
Debt	7,788,500	4,912,686	6,491,842	7,504,266	8,824,311
DCC	872,500	1,377,750	782,288	1,330,902	650,785
Reserve	38,185,000	32,279,930	37,858,012	33,757,508	30,868,751
Total	46,846,000	38,570,366	45,132,141	42,592,676	40,343,847

2024 Capital Expenditure Plan

IRC's and Civic Core District Facilities Estimated 10-yr AAR

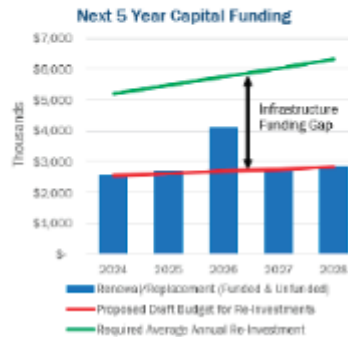


Estimated Required Annual Funding: (Average Annual Re-Investment- AAR)

Linear = \$5.1M
Facilities = \$0.1M
Total = \$5.2M

Annual Infrastructure Funding Gap:

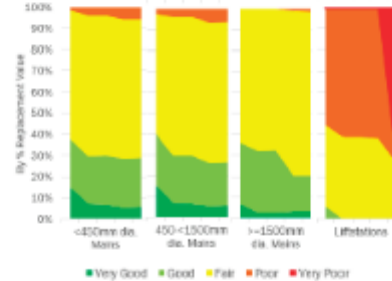
AAR - Last 5 years' Re-Investment = \$4.2M
The AAR and gap is related to capital works only, not O&M



Approximate Replacement Value of Stormwater Drainage Assets:

Linear = \$386M
Facilities = \$1.8M

Condition (Mains Based on Age):



Asset Inventory:

Asset Type	Approx Length
Gravity Mains	397km
Forcemains	0.2km
Lateral Lines (Service Connections)	43km
Total:	440km

Asset Type	Amount
Catch Basins	6,260
Manholes	4,303
Discharge Points	373
Inlet Structures	233
Storm Lift Stations	6
Ditches	696km

Civic Core District Plan related Facilities

The table below lists the buildings associated with the Civic Core District Plan and their estimated 10-year investment as of November 2023.

Note: All of the below cost estimates are rough "order-of-magnitude" costs and substantial detailed costing is required to provide greater accuracy. These costs are 2023 dollars and include a 25% contingency:

Building Name	Year Built	Overall Building Condition Rating (2023)	Estimated 10-year Re-Investment 2023 (incl 25% Contingency)*. For condition rating =<74**
Kopar Memorial Arena (Coliseum)	1957	Fair (71)	\$16,808,143
PG Playhouse	1971	Poor (68)	\$2,142,299
Studio 2820 and Studio 2880	1942	Fair (72)	\$2,252,531
		Poor (64)	
Civic Centre and Conference Centre and Plaza	1994	Fair (82)	\$7,744,218
City Hall and Annex	1966 1960	Fair (84)	\$8,030,140
		Poor (62)	
Two Rivers Art Gallery	2000	Fair (80)	\$5,129,870
Bob Harkins Library	1981	Fair (84)	\$3,954,878
Entrance 2020			
Total Estimated 10-year Re-Investment			\$46,062,079
Annual Average			\$4,606,208

2024 Operating Budget

2024 Operating Budget Citywide

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

FTE Comparison 2023-2024

Department	2023	2024	2024 vs 2023
Corporate Management	40.2	42.2	2.0
Public Safety	218.9	220.5	1.6
Civic Operations	250.1	257.2	7.1
Civic Facilities and Events	120.3	126.2	5.9
Planning and Development	28.8	28.8	0.0
Finance and IT Services	53.9	54.9	1.0
TOTAL	712.2	729.8	17.6

2024 Operating Budget

Service Agreements

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



PRINCE GEORGE PUBLIC LIBRARY



Tourism Prince George

**PRINCE^B_C
GEORGE**

2024 Operating Budget

Corporate Management

Division	2023 FTE's	2024 FTE's	2024 vs 2023
Office of City Manager	2.0	3.0	1.0
Mayor & Council	9.0	9.0	0.0
Legislative Services	7.1	7.1	0.0
Human Resources	14.1	15.1	1.0
Communications	4.0	4.0	0.0
Capital Program Management Office	4.0	4.0	0.0
TOTAL	40.2	42.2	2.0

2024 Operating Budget

Public Safety

Division	2023 FTE's	2024 FTE's	2024 vs 2023
Police Protection	56.2	56.2	0.0
Fire and Rescue Services	130.4	130.4	0.0
Emergency Programs	2.0	2.0	0.0
Bylaw Services	24.3	25.9	1.6
Off-Street Parking	6.0	6.0	0.0
TOTAL	218.9	220.5	1.6

2024 Operating Budget

Civic Operations

Division	2023 FTE's	2024 FTE's	2024 vs 2023
Snow Control	34.5	34.5	0.0
Roads	20.9	20.9	0.0
Storm Drainage	13.5	13.0	(0.5)
Fleet Services	29.9	30.1	0.2
Street Lighting	2.3	2.8	0.5
Civic Operations Admin	2.0	2.0	0.0
Solid Waste Services	10.5	12.0	1.5
Cemetery	4.7	5.1	0.4
Sewer Operations	41.1	42.6	1.5
Water Operations	41.3	42.8	1.5
Parks	43.5	44.5	1.0
District Energy	0.8	0.8	0.0
Transportation & Technical Services	5.1	6.1	1.0
TOTAL	250.1	257.2	7.1

2024 Operating Budget

Civic Facilities and Events

Division	2023 FTE's	2024 FTE's	2024 vs 2023
Aquatics	44.7	51.1	6.4
Civic Facilities and Events Admin	1.0	1.0	0.0
Civic Initiatives and Partnerships	3.5	2.0	(1.5)
Project Delivery	5.0	5.5	0.5
Facility Maintenance	14.6	15.1	0.5
Entertainment Services	5.3	5.3	0.0
Event Services	14.1	14.1	0.0
Event Operations	32.1	32.1	0.0
TOTAL	120.3	126.2	5.9

2024 Operating Budget Planning and Development

Division	2023 FTE's	2024 FTE's	2024 vs 2023
Dev Planning and Admin	22.8	22.8	0.0
Economic Development	3.0	3.0	0.0
Asset Management	3.0	3.0	0.0
TOTAL	28.8	28.8	0.0

2024 Operating Budget

Finance and IT Services

Division	2023 FTE's	2024 FTE's	2024 vs 2023
Risk and Procurement	5.1	6.1	1.0
IT Services	21.4	21.4	0.0
Financial Services	27.4	27.4	0.0
Fiscal Services	0.0	0.0	0.0
TOTAL	53.9	54.9	1.0