

# COUNCIL REPORT

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Date: March 26, 2025  
 File: 2.3.10.1  
 To: Warren Waycheshen, CAO - for Mayor and Council  
 From: Sue-Lin Tarnowski, Director of Finance  
 Re: Residential Flat Tax Option for 2025  
 Applicant: n/a  
 Location: n/a



## **Recommendation:**

Action: That the following report be discussed and that a motion be provided by Council from the recommendation and options below.

## **Recommended Motion:**

**THAT the Flat Tax rate for the 2025 year be set at \$763, equal to the 2024 Flat Tax rate of \$723 plus a 5.5% adjustment for budget increases;**

**AND THAT the Residential Flat Tax Court of Revision be scheduled for May 5, 2025 at 7:00 p.m. and electronic participation be allowed.**

## **Background:**

In 1990, the Municipal Act was amended to allow for the residential flat tax system. The residential flat tax amendment was repealed in 1992 but municipalities using the system were permitted to continue using it. The flat tax has been used in Kitimat for over 30 years and is an established part of the property taxation system. If and when the District stops using the Flat Tax, it can no longer be re-instated in the following years.

The attachment presents a high-level comparison between the general property taxation amounts for residential properties with and without the flat tax system. Staff is proposing the 2025 flat tax rate be increased by 5.5% to be in line with Council's direction to increase the overall budget by the same percentage. The 5.5% increase will set the flat tax amount at \$763.

## **Alternative Options:**

1. If Council wishes to set the flat tax rate at a rate other than staff recommendation, the following motion is offered for Council consideration:

**THAT the 2025 Residential Flat Tax be set at (to be determined).**

**AND THAT the Residential Flat Tax Court of Revision be scheduled for May 5, 2025 at 7:00 p.m. and electronic participation be allowed.**

2. Another option as developed through discussion of Council.

## **Budget Implications:**

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Director of Finance Initials

**Budgeted: x****Unbudgeted:****Council Initiative/Other Relevant Plans:**

The Residential Flat Tax Court of Revision is required for the administration of the flat tax rate.

**Strategic Plan (2023-2026)**

Not Applicable

**Joint Strategic Plan for Haisla Nation Council – District of Kitimat (2024-2029)**

Not Applicable

**District of Kitimat and Haisla Council Friendship Agreement - gi guálap nis**

Not Applicable

**Kitimat Age-Friendly Assessment Report and Action Plan**

Not Applicable

**Kitimat Cycle Network Plan**

Not Applicable

**Kitimat Poverty Reduction Strategy**

Not Applicable

**Leisure Services Master Plan**

Not Applicable

**Minette Bay West Concept Plan**

Not Applicable

**Official Community Plan (and Downtown Design Guidelines)**

Not Applicable

**Solid Waste Action Plan**

Not Applicable

**Water Conservation Plan**

Not Applicable

**BC Transit Future Services Plan**

Not Considered

**Economic Development Strategic Plan (2023-2029)**

Not Applicable

**"S" Sue Lin Tarnowski"**

Submitted by

Sue-Lin Tarnowski

Director of Finance

**""Warren WWaycheshen""**

Approved for Submission

Warren Waycheshen, CAO

Attachment(s): A - Flat Tax Analysis on Kitimat Residential Properties

## Flat Tax Analysis on Kitimat Residential Properties

### Estimated 2024 Data-from Revised Roll

Flat Tax Breakdown			
	Rate at 4%		
2025 Folios	increase	Flat Tax	
3,680	763	\$ 2,806,199	
Estimated general flat tax mill rate		1.8030	

Total if all variable 3.8482

Note: Minimum Tax is \$350 for owners under 65, and \$100 for owners over 65.  
 Utilities have not been added  
 Comparatives are without HOG

The point of equilibrium without HOG is where the improved property is assessed at \$ 423,000

#### Taxes with Flat Tax

Assessed Value	Mill Rate		Taxes				Total
	Gen, Debt, Transit	Flat	Other Authorities	Gen, Debt, Transit	Flat	Other Authorities	
2024 Actual							
100,000	2.0452	\$ 763	2.6130	\$ 205	\$ 763	\$ 261	\$ 1,228
150,000	2.0452	\$ 763	2.6130	\$ 307	\$ 763	\$ 392	\$ 1,461
200,000	2.0452	\$ 763	2.6130	\$ 409	\$ 763	\$ 523	\$ 1,694
300,000	2.0452	\$ 763	2.6130	\$ 614	\$ 763	\$ 784	\$ 2,160
350,000	2.0452	\$ 763	2.6130	\$ 716	\$ 763	\$ 915	\$ 2,393
400,000	2.0452	\$ 763	2.6130	\$ 818	\$ 763	\$ 1,045	\$ 2,626
423,000	2.0452	\$ 763	2.6130	\$ 865	\$ 763	\$ 1,105	\$ 2,733
450,000	2.0452	\$ 763	2.6130	\$ 920	\$ 763	\$ 1,176	\$ 2,859
500,000	2.0452	\$ 763	2.6130	\$ 1,023	\$ 763	\$ 1,307	\$ 3,092
550,000	2.0452	\$ 763	2.6130	\$ 1,125	\$ 763	\$ 1,437	\$ 3,325
600,000	2.0452	\$ 763	2.6130	\$ 1,227	\$ 763	\$ 1,568	\$ 3,557

General, debt and transit with flat tax for a \$423,000 property assessment \$ 1,627.66

#### Taxes without Flat Tax

Assessed Value	Mill Rate		Taxes				Total
	Gen, Debt, Transit	Flat	Other Authorities	Gen, Debt, Transit	Flat	Other Authorities	
100,000	3.8482		2.61303	\$ 385	\$ -	\$ 261	\$ 646
150,000	3.8482		2.61303	\$ 577	\$ -	\$ 392	\$ 969
200,000	3.8482		2.61303	\$ 770	\$ -	\$ 523	\$ 1,292
300,000	3.8482		2.61303	\$ 1,154	\$ -	\$ 784	\$ 1,938
350,000	3.8482		2.61303	\$ 1,347	\$ -	\$ 915	\$ 2,261
400,000	3.8482		2.61303	\$ 1,539	\$ -	\$ 1,045	\$ 2,584
423,000	3.8482		2.61303	\$ 1,628	\$ -	\$ 1,105	\$ 2,733
450,000	3.8482		2.61303	\$ 1,732	\$ -	\$ 1,176	\$ 2,908
500,000	3.8482		2.61303	\$ 1,924	\$ -	\$ 1,307	\$ 3,231
550,000	3.8482		2.61303	\$ 2,117	\$ -	\$ 1,437	\$ 3,554

General, debt and transit without flat tax for a \$423,000 property assessment \$ 1,627.78

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# COUNCIL REPORT

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Date: April 2, 2025  
 File: 2.10.3.1  
 To: Mayor and Council  
 From: Warren Waycheshen, CAO  
 Re: 2025 Budget Deliberations – Report 6  
 Applicant: N/A  
 Location: N/A




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## **Recommendation:**

**Action:** That Council provide input and direction on the 2025 budget items in preparation of the five-year Financial Plan and Property Tax bylaws being considered for first three readings on May 5, 2025.

**Recommended Motion:** To be determined from the options below.

## **Background:**

The budget process commenced January 27 with presentations and the following motions being adopted:

*THAT the fees be waived for Public Land Policy C-27 for 2025. (S25-002)*

*THAT the 2025 Budget Deliberations Report 1 dated January 22, 2025, and the staff presentations be received for information. (S25-003)*

At the February 10 meeting the following motions were adopted:

*THAT a bylaw be brought forward for consideration with an increase of residential water rates from \$164.00 to \$184.50 effective July 1, 2025 – December 31, 2025, and \$205 annually effective January 1, 2026;*

*AND THAT the bylaw include a corresponding increase for all other users. (S25-009)*

*THAT the Kitimat Museum and Archives additional grant request of \$10,284 for wages be added to the draft 2025 operating budget. (S25-010)*

*THAT the Mount Elizabeth Theatre grant request of \$75,000 for additional staffing be added to the draft 2025 operating budget. (S25-011)*

*THAT the Kitimat Public Library be granted an additional 1.8% wage increase in addition to the 2% wage increase that was included in the November 12, 2024, grant, and this be added to the draft 2025 operating budget. (S25-013)*

*THAT the My Mountain Co-op, Shames Mountain, grant request of \$50,000 for annual operations be added to the draft 2025 operating budget. (S25-014)*

*THAT staff report back with a list of time-sensitive capital projects for 2025 budget early approval. (S25-017)*

At the March 3 meeting the following were adopted:

*THAT Alternative Project Budget Initiatives project- ENG - Town to Cable Car Active Transportation (\$150,000) be moved to the 2025 Capital Budget. (R25-057)*

*THAT the 2025 operating grants to community groups, as listed in Attachment C, (including Kitimat Public Library late additional request in the amount of \$6,526, the Kitimat Museum and Archives late additional request in the amount of \$10,284 and the additional request for Kitimat Understanding the Environment in the amount of \$148,381) except for the Mount Elizabeth Theatre and the Kitimat Health Advocacy Group, be approved. (R25 – 058 to 061)*

*THAT the Mount Elizabeth Theatre operating and capital grant request in the amount of \$164,831 be approved. (R25-062)*

*THAT the Mount Elizabeth Theatre additional grant request in the amount of \$75,000 be approved. (R25-063)*

*THAT the Kitimat Health Advocacy Group operating grant request in the amount of \$25,000 be approved. (R25-064)*

*THAT the 2025 revenues and general operating expenses, as summarized in Attachment A to the 2025 Budget Deliberations Report 3 dated February 26, 2025, be tentatively approved, with final approval in spring 2025 when the five-year financial plan is adopted. (R25-065)*

*THAT the Utility tax for the 2025 budget be increased to 5.5%. (R25-066)*

*THAT all early approval capital projects from the 2025 Budget Deliberations – Report 3 dated February 26, 2025 be approved. (R25-067)*

*THAT Alternative Project Budget Initiative project – FIRE – Fire Hall Improvements – Flooring Replacement (\$52,000) and project FIRE – Fire Hall Improvements – Kitchen replacement (\$150,000) be moved to the 2025 Capital Budget.*

*THAT the motion to move Alternative Project Budget Initiatives FIRE – Fire Hall Improvements – Flooring Replacement (\$52,000) and project FIRE – Fire Hall Improvements – Kitchen replacement (\$150,000) be tabled to a future budget meeting. (R25-068)*

At the March 17 meeting the following was adopted:

*THAT the pickleball court expenditure of \$600,000 be added to the 2025 budget.*

*THAT the Alternative Project Budget Initiatives FIRE Fire Hall Improvements Flooring Replacement (\$52,000) and project FIRE Fire Hall Improvements Kitchen replacement (\$150,000) be added to the 2025 budget.*

*THAT all items listed in the capital projects from the 2025 Budget Deliberations Report 4 dated March 12, 2025, be approved.*

**Five-Year Financial Plan (Attachment A):** At this time the budget is balanced and incorporates a 5.5% increase in municipal property taxes for all classes (except for LNG Canada which is under a tax agreement until the end of 2028). Although the actual increase and distribution of property taxes will be directed by Council when the budget is finalized. If Council wishes to reduce the property tax increase the options include, in no particular order and more than one option could be utilized:

- A) Increase other revenues: In this scenario, the recovery rates for another service(s) could be increased, which frees up existing property taxes to fund all or a portion of the deficit.
- B) Reduce expenses or transfers to reserves: staff can be directed to review existing operations and report back with areas that may be reduced and the impacts of the changes.

The residential flat tax will be considered in a separate report and is being proposed to increase by 5.5%, from \$723 to \$763 annually.

Staff wishes to highlight that property taxes are projected to increase by approximately 2% annually from 2026 to 2029, specifically to address debt servicing requirements associated with the construction of the new water treatment facility and fire hall.

Council approved the 2024 Financial Plan Municipal Objectives and Policies (Section J), which acknowledges the following:

*"Council recognizes the existence of an asset funding gap and has initiated sustainable financial planning by directing staff to develop an asset management plan. The asset funding gap presents a critical and widespread challenge for municipalities. Consistent funding, primarily from a reserve, will mitigate the risks of asset failure, obsolescence, and ensure operational continuity."*

In alignment with Council's objectives and policies, staff recommends planning for a gradual and consistent increase in annual contributions to the asset replacement reserves, amounting to \$1 million per year from 2026 to 2028. Starting in 2029, it is proposed that a portion of the additional property tax revenue resulting from the expiration of the Revitalization Tax Exemption Bylaw be allocated to fund the asset replacement reserves. This approach aims to establish a smooth and sustainable funding process for the replacement of existing infrastructure.

If Council wishes to make any amendments to the plan during the meeting the following motion is offered for Council consideration:

**THAT (TBD) be (removed/added/reported back) for the 2025 budget.**

**2025 Capital Budget Items (Attachment B):**

The capital sheets have been updated with the motions from March 17.

As presented, the 2025 road work will be limited to the \$1,100,000 operational budgets allocated for a portion of Haisla Boulevard unless the funding is redirected.

1. If Council wishes to make any amendments to the capital plan during the meeting the following motion is offered for Council consideration:

**THAT (TBD) be (removed/added/reported back) for the 2025 budget.**

**2024 Financial Plan Objectives and Policies (Attachment C):** As required by the *Community Charter*, a draft objectives and policies for the financial plan is attached. The draft reflects the current budget and may be amended as per Council direction before it comes back as part of the bylaw.

**Next Steps:** If Council is comfortable with this budget (and further meetings can be scheduled if needed), staff will prepare the property tax, flat tax, five-year capital plan, and the objectives and policies bylaws:

**THAT the attached Five-Year Financial Plan (as presented or amended) and Objectives and Policies (as presented or amended) be approved for developing the 2025 financial plan bylaws for Council consideration.**

**THAT the 2025 property tax rate bylaw be set at an increase of 5.5% (or another amount to be determined) for Council consideration.**

**Timing For Adopting Bylaws:** The five-year financial plan and property tax bylaws must be adopted before 15 May. Staff expect to bring the bylaws for consideration for three readings on May 5, and adoption at a special meeting on May 12.

**Budget Implications:**

Establishing the 2025 municipal budget.

“SLT”  
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Director of Finance Initials

**Budgeted:**

**Unbudgeted:**

**Council Initiative/Other Relevant Plans:**

The annual budget provides the direction for District operations.

**Strategic Plan (2023-2026)**

Considered in the operational and capital budgets

**Joint Strategic Plan for Haisla Nation Council – District of Kitimat (2024-2029)**

Considered in the operational and capital budgets

**District of Kitimat and Haisla Council Friendship Agreement - gi guálap nis**

Considered in the operational and capital budgets

**Community Energy and Emissions Plan**

Considered in the operational and capital budgets

**Housing Action Plan and Needs Assessment**

Considered in the operational and capital budgets

**Kitimat Age-Friendly Assessment Report and Action Plan**

Considered in the operational and capital budgets

**Kitimat Cycle Network Plan**

Considered in the operational and capital budgets

**Kitimat Poverty Reduction Strategy**

Considered in the operational and capital budgets

**Leisure Services Master Plan**

Considered in the operational and capital budgets

**Minette Bay West Concept Plan**

Considered in the operational and capital budgets

**Official Community Plan (and Downtown Design Guidelines)**



Considered in the operational and capital budgets

**Solid Waste Action Plan**

Considered in the operational and capital budgets

**Water Conservation Plan**

Considered in the operational and capital budgets

**BC Transit Future Services Plan**

Considered in the operational and capital budgets

**Economic Development Strategic Plan (2023-2029)**

Considered in the operational and capital budgets

“Warren Waycheshen”

Submitted by

Warren Waycheshen

Chief Administrative Officer

Attachment(s): Attachment A: Draft Five-Year Financial Plan  
Attachment B: 2025 Capital Budget  
Attachment C: Policies and Objectives

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**District of Kitimat  
Multi-Year Financial Plan  
2025 - 2029**

	2025	2026	2027	2028	2029
<b>REVENUES</b>					
Taxation and grants in lieu	42,020,578	46,578,790	50,261,291	54,237,592	79,862,976
Sale of Services	2,471,697	2,512,697	2,512,697	2,512,697	2,512,697
Utility Rates	838,465	943,148	943,148	943,148	943,148
Revenue from own sources	7,591,298	7,929,298	5,619,298	5,169,539	5,169,539
Return on investments	561,431	561,431	561,431	561,431	561,431
Contributions from other governments	1,004,675	1,004,675	1,004,675	1,004,675	1,004,675
Borrowing Proceeds	6,500,000	7,000,000	17,000,000	17,000,000	17,000,000
Transfers from Reserve Funds	10,876,065	-	-	-	-
<b>TOTAL REVENUE</b>	<b>71,864,209</b>	<b>66,530,039</b>	<b>77,902,540</b>	<b>81,429,082</b>	<b>107,054,466</b>
<b>EXPENDITURES</b>					
Debt Interest	351,407	604,493	1,258,993	1,913,493	2,567,993
Debt Principal	259,081	621,856	940,474	1,259,093	1,577,711
Capital Expenditure	24,580,186	16,161,265	24,527,934	24,339,504	37,092,636
<b>Other Municipal Purposes</b>					
General Government Services	9,693,442	9,676,869	9,451,624	9,733,111	10,023,655
Protective Services	11,087,512	11,507,658	11,947,013	12,406,243	12,886,313
Engineering Services	4,034,546	4,274,057	4,404,433	4,540,985	5,034,043
Community Planning and Development	859,626	921,040	952,083	1,013,658	1,049,141
Economic Development	1,195,028	1,224,537	1,256,480	1,289,354	1,323,185
Leisure & Cultural Services	7,862,127	8,064,323	8,278,991	8,506,952	8,749,087
Public Works	8,347,999	8,811,987	9,140,482	9,596,643	9,830,477
Sewer	630,790	667,945	707,701	750,241	795,757
Water	1,662,712	1,694,255	1,726,428	1,759,245	1,792,719
Cemetery	203,000	203,000	213,150	223,808	234,998
Transfer to Reserve Funds	1,096,752	2,096,752	3,096,752	4,096,752	14,096,752
<b>TOTAL EXPENDITURE</b>	<b>71,864,209</b>	<b>66,530,039</b>	<b>77,902,540</b>	<b>81,429,082</b>	<b>107,054,466</b>

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2025 - 2029 Capital Project					
Project	2025	2026	2027	2028	2029
<b>Fire Department</b>					
FIRE - Detailed Design for Public Safety Building Replacement	756,960	1,193,850			
FIRE - Emergency Support Services Equipment and Training	14,427				
FIRE - Emergency Disaster and Management Act Indigenous Engagement	40,000				
FIRE - Training Props and Natural Gas Infrastructure Replacement	200,000				
FIRE - Extrication Lifting Bags	22,000				
FIRE - Flooring Replacement	52,000				
FIRE - Kitchen Replacement	150,000				
FIRE - Public Safety Building Construction			20,000,000	30,000,000	5,000,000
FIRE - Structure Protection Skid (Wildfire) Includes All Equipment		290,000			
FIRE - Comms Shelter (Sandhill) Solar Panel		25,000			
FIRE - Training Ground Improvements		20,000	20,000	22,000	22,000
FIRE - Vehicle Extrication Equipment - Replacement		175,000			
FIRE - Structure Protection Skid (Wildfire) Includes All Equipment		150,000			
FIRE - Engine 12 Replacement		687,500	687,500		
FIRE - SCBA Compressor Replacement			325,000		
FIRE - Chief Officer Vehicle Replacement (DC Ops)			85,000		
FIRE - Ladder 11 Replacement			1,500,000		1,500,000
FIRE - Training Structure Exterior Staircase					25,000
FIRE - Mobile CAD Replacement					15,000
<b>Total Fire Department</b>	<b>1,235,387</b>	<b>2,541,350</b>	<b>22,617,500</b>	<b>30,022,000</b>	<b>6,562,000</b>
<b>RCMP Detachment</b>					
RCMP - Cooling Upgrade Design	15,000				
RCMP - Interview Room Improvements	50,000				
RCMP - Interior Painting		20,000			
RCMP - Concrete Wall Waterproofing		50,000	100,000		
RCMP - Generator Loading Reassignment			15,000		
RCMP - Replace MUA Condenser Unit				30,000	
RCMP - Overhaul Makeup Unit				125,000	
RCMP - Replace HVAC Control System				150,000	
RCMP - Re-paint Exterior Walls				90,000	
RCMP - Replace Windows				150,000	
RCMP - Interior Lighting LED Upgrade		60,000			
RCMP - New Electrical Gutter Box Above Electrical Room		25,000			
<b>Total RCMP</b>	<b>65,000</b>	<b>155,000</b>	<b>115,000</b>	<b>545,000</b>	<b>-</b>
<b>Museum</b>					
MUS - HVAC Replacement - Design only	28,217				
MUS - Building Envelope Replacement Design	75,000				
MUS - Building Envelope & HVAC Renovation (Construction)			2,500,000	1,500,000	
MUS - Reslope Balconies and Suspended Slab				25,000	
MUS - Replace Balcony Suspended Slab Waterproofing				25,000	
MUS - Replace Balcony and Exterior Stair Guards				25,000	
MUS - Replace Main Electrical Equipment					40,000

MUS - New Museum Building			500,000	1,000,000	
<b>Total Museum</b>	<b>103,217</b>	<b>-</b>	<b>3,000,000</b>	<b>2,575,000</b>	<b>40,000</b>
<b>Library</b>					
LIB - Front Entrance Improvements & Repair Ext Walls	109,761				
LIB - Prefeasibility Study for HVAC System	38,236				
LIB - Perimeter Heater Repairs		100,000			
LIB - Boiler and Expansion Tank Replacement		200,000			
LIB - Cooling Upgrades		600,000			
LIB - Renew HVAC Control Systems		25,000			
LIB - Replace Exterior Doors			20,000		
LIB - Replace Main Roof			30,000	500,000	
LIB - Repaint Sloped Metal Roof		60,000			
LIB - Lighting Replacement Design		20,000			
LIB - LED Lighting Upgrade			60,000		
LIB - HVAC Access Above Boardroom		15,000	15,000		
<b>Total Museum, Library &amp; MET</b>	<b>147,997</b>	<b>1,020,000</b>	<b>125,000</b>	<b>500,000</b>	<b>-</b>
<b>General Government</b>					
GG - Asset Management Policy Development	35,048				
GG - Software Update (i.e. Cityreporter)	11,027				
GG - City Hall Office Renovation	50,000				
<b>Total General Government</b>	<b>96,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Leisure Services</b>					
<b>RIVERLODGE</b>					
R/L - Hardwood Flooring	31,185				
R/L - Replace Domestic Water Piping - Construction	150,000	150,000	250,000		
R/L - Replace Flat Roofing		500,000	1,000,000	1,500,000	
R/L - Upgrade Secondary Electrical Service		250,000			
R/L - HVAC Equipment Replacement Design		100,000			
R/L - HVAC Equipment Replacement Construction			1,000,000		
R/L - Replace Bunkhouse Ramp Snow Melt System			75,000	300,000	
R/L - Replace Room Heaters			25,000	25,000	
R/L - Tennis Court Lighting			60,000		
<b>Total Riverlodge</b>	<b>181,185</b>	<b>1,000,000</b>	<b>2,410,000</b>	<b>1,825,000</b>	<b>-</b>
<b>TAMITIK ARENA</b>					
TAM - Arena Condenser Replacement	380,000				
TAM - Replace Flat Roofing (Lower East and West Elevation Roofs)		300,000			
TAM - Replace Dry Sprinkler System		150,000			
TAM - Interior Ice Area LED Upgrade		125,000			
TAM - Interior Concourse Area LED Upgrade					
TAM - Replace Cooling Tower		20,000	200,000		
TAM - Replace CCTV System		30,000			

TAM - Replace 12 Heating Units in Misc Rooms				150,000	
TAM - Replace Two Electrical Panels		60,000			
TAM - Arena Stand Lift (PWD Recommendation)		200,000			
TAM - Lower Level Walkway & Parking Lot Replacement			750,000		
TAM - Hydro Box Concrete - Construction					
TAM - Stand on Floor Scrubber		60,000			
<b>Total Tamitik Arena</b>	<b>380,000</b>	<b>945,000</b>	<b>950,000</b>	<b>150,000</b>	<b>-</b>
<b>TAMITIK POOL</b>					
POOL - Replacement of Air Handling Unit 7 (BAS)	204,190				
POOL - Replace Metal Cladding (wall facing library)	100,000				
POOL - Feasibility Study Update				5,000,000	
POOL - LED Lighting	174,281				
POOL - Sand Filter Replacement		600,000			
POOL - Heat Pump Replacement		750,000			
POOL - Duct Sox Replacement		300,000			
POOL - Sound System Improvements		40,000			
POOL - Waterslide Deck Drains		100,000			
POOL - Pool Deck Rear Windows		200,000			
POOL - Repaint Metal Cladding (Raised Roof Above Main and Leisure Pool)				60,000	
POOL - Replace Strip Aluminum Windows (above Racquetball Courts)		150,000			
POOL - Replace Low Diving Board				10,000	
POOL - Front Doors Replacement				25,000	
POOL - Replace Changeroom Flooring		150,000			
POOL - Reserve for Pool Upgrade		200,000	200,000	200,000	200,000
POOL - Steam Room			175,000		
POOL - Climbing Wall			50,000		
POOL - Boiler Replacement Design	50,000				
POOL - Racquetball Court - Perimeter Drain Repair & Rewaterproofing	300,000				
<b>Total Tamitik Pool</b>	<b>828,471</b>	<b>2,490,000</b>	<b>425,000</b>	<b>5,295,000</b>	<b>200,000</b>
<b>KITIMAT ICE RINK</b>					
KIR - Fire Damage Repairs (addition to \$5,000,000 insurance payment )	400,000				
KIR - Electrical Panel Switch Gear Design		50,000			
KIR - Replace Main Switchgear			300,000		
KIR - Replace Compressor No.2				80,000	
KIR - Replace Water Lines		15,000	100,000		
KIR - Investigate North Doors Movement Issue		15,000			
KIR - Replace Electrical Panel & MCC		100,000	350,000		
KIR - Repave Back Roadway				125,000	
KIR - Replace Arena Flooring		100,000			
KIR - Replace Dasher Boards & Tempered Glass Shielding		350,000			
KIR - Marquis Board				75,000	
KIR - Painting Structural Elements on Inside of Building		40,000			
<b>Total Kitimat Ice Rink</b>	<b>400,000</b>	<b>670,000</b>	<b>750,000</b>	<b>280,000</b>	<b>-</b>

<b>OUTDOORS</b>					
OUT - Radley Park Completion of Phase 1	113,984				
OUT - Hirsch Creek Trail Improvement	28,000				
OUT - Spray Park Design	150,000	500,000			
OUT - Pickleball Court Construction	600,000				
OUT - Spray Park Construction		1,500,000			
OUT - Radley Park Expansion - Phase 2			1,500,000		
OUT - Radley Park Accessible Fishing Area		65,000			
OUT - Electronic Sign		200,000			
OUT - Nechako Tennis Court & Skate Park Fencing		175,000	1,000,000		
OUT - Nechako Tennis Court & Skate Park Paving			500,000	500,000	
OUT - Wading Pool Conversion		100,000	15,000	150,000	
OUT - Dog Park					
OUT - Lions Park Playground - Convert to Fully Accessible		225,000			
OUT - Roy Wilcox Neighbourhood Park		325,000			
OUT - Community Inter - Urban Forests		75,000			
OUT - Stikine Playground Replacement		325,000			
OUT - Chilko Park Shelter Roof Design		25,000			
OUT - MBW Causeway Erosion Repairs		150,000			
OUT - Wedeene Park Replacement		490,000			
<b>Total Outdoors</b>	<b>750,000</b>	<b>4,155,000</b>	<b>3,015,000</b>	<b>650,000</b>	<b>-</b>
<b>TOTAL LEISURE SERVICES</b>	<b>2,681,641</b>	<b>9,260,000</b>	<b>7,550,000</b>	<b>8,200,000</b>	<b>200,000</b>
<b>Planning &amp; Economic Development</b>					
PLN - Capacity Funding for Local Government Housing Initiatives	123,686				
EDO - Rural Economic Diversification & Infrastructure Program	100,000				
PLN - Complete Communities Assessment	90,000				
PLN - Housing Focused Official Community Plan (OCP) Update	64,806				
PLN - Development Approvals Process Review	81,000				
PLN - Industrial Land Strategy	80,000				
PLN - Nechako Centre Concept Plan Implementation	150,000				
CPD - Lower Parking Lot Detailed Design Plan					
CPD - Replace OCP		50,000			
CPD - Municipal Code Part 9		50,000			
CPD - SW Area Plan		50,000			
CPD - Parks Master Plan					
<b>Total Planning &amp; Economic Development</b>	<b>689,492</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Engineering/Operations</b>					
<b>TRANSPORTATION AND OTHERS</b>					
ENG - 24 Hour Daycare	498,818				
ENG - CEEP / Active Transportation Initiatives - Bike Racks	26,481				
ENG - Engineering Design & Construction Specifications					



ENG - Flood Level Mapping - Public Consultation & Mitigation Options	170,272				
ENG - Traffic Control Camera	172,558				
ENG - Smith St Slope Stability Construction	256,425				
ENG - Kildala Dyke Feasibility Study	143,952				
ENG - Lower Dyke Road	150,000				
ENG - Minette Bay West Construction - Phase 1 Dock					
ENG - SCADA Upgrade	150,000				
ENG - Haisla Blvd Walkway - Phase 1 - 255m	649,278				
PWY - 2024 Fleet Replacement Program	-				
ENG - Village & HWY 37 Intersection Design	50,000				
ENG - Parking Lot Reconstruction (Public Works & Riverlodge)	100,000				
ENG - Commercial Road Design (Dadook)	150,000				
ENG - Flashing Crosswalk at Nalabila and Kuldo	18,000				
ENG - Town to Cable Car Active Transportation Study	150,000				
ENG - Walkways Reconstruction (Nechako - Oriole)		550,000			
ENG - Wakashan Road Redesign		120,000			
ENG - Grouse Outfall Repair and Monitor (Walkway)		225,000			
ENG - Walkway Haisla Blvd Kuldo to Lahakas		2,750,000			
ENG - Kuldo Ext Bike Lanes - Haisla Blvd to Nalabila		100,000	100,000	3,000,000	
ENG - Quatsino Walkway - Soccer Field		100,000	750,000		
ENG - Bus Exchange in Lower City Parking Lot		100,000	500,000		
ENG - Roads Avenues & Boulevards		3,400,000	1,900,000	600,000	620,000
ENG - Town Residential Road Reconstruction		2,500,000	200,000	2,500,000	200,000
ENG - Parking Lots		100,000	1,000,000	1,000,000	1,000,000
ENG - Bridges			150,000		75,000
ENG - Culvert Replacements		150,000	300,000	300,000	300,000
ENG - Dyke Maintenance		225,000	500,000		
ENG - Kildala Dyke Completion		200,000	5,000,000	5,000,000	
ENG - Goose Creek Dyke Design		300,000			
PWY - Paving Equipment Enhancement		50,000			
ENG - Goose Creek Dyke Opening Flood Response Plan		100,000	1,000,000		
ENG - Goose Creek Dyke Raising			2,500,000		
ENG - Haisla & Nalabila Intersection Upgrade			600,000	3,800,000	
ENG - Fencing - PCC/Water Tower/Sumgas Creek/PWY		25,000	200,000		
PWY - Fleet Replacement Program		300,000			
ENG - Kuldo & Haisla Intersection Upgrades					500,000
ENG - Wakashan Reconstruction			3,500,000		
ENG - Haisla Blvd Walkway - Kingfisher to Nalabila			75,000	1,500,000	
<b>Total Transportation</b>	<b>2,685,783</b>	<b>11,295,000</b>	<b>18,275,000</b>	<b>17,700,000</b>	<b>2,695,000</b>
<b>Sewer Utility</b>					
SEW - Whitesail to Nechako Syphon Replacement (road access yr 1, siphon year 2)		1,500,000	1,500,000		
SEW - Sewer Master Plan Infrastructure Upgrades		3,500,000	7,000,000	7,000,000	7,000,000

SEW - Wastewater Treatment Plant Capacity Upgrades				250,000	1,000,000
SEW - Storm Integrated Management Plan Infrastructure Upgrades					
SEW - Storm Outfall Repairs (Design)		100,000	500,000	500,000	500,000
SEW - Sewer Relining		500,000	4,000,000	4,000,000	4,000,000
SEW - PCC Relining Design		150,000			
SEW - Sumgas Creek Sediment Assessment		75,000			
SEW - Sumgas Creek Storm Outfall		200,000			
<b>Total Sewer</b>	<b>-</b>	<b>6,025,000</b>	<b>13,000,000</b>	<b>11,750,000</b>	<b>12,500,000</b>
<b>Buildings</b>					
<b>OLD HUMANE SOCIETY</b>					
BLD - Old Humane Society Condition Assessment - Feasibility Study		50,000			
BLD - Old Humane Society Design of improvements including HVAC for south side		75,000			
BLD - Old Humane Society Repaint Exterior Walls		50,000			
BLD - Old Humane Society Replace Windows at North Unit		50,000			
BLD - Old Humane Society Replace Overhead Door		25,000			
BLD - Old Humane Society Replace Flat Roofing and roof curbs			250,000		
BLD - Old Humane Society Replace Sloped Metal Roofing and Drainage		50,000			
BLD - Old Humane Society Replace Main Electrical Disconnects		20,000			
BLD - Old Humane Society Backwall Renovation		50,000			
BLD - Old Humane Society Replace Infrared heater		20,000			
BLD - Old Humane Society Install Heating on South Side		30,000			
BLD - Old Humane Society Replace roof drains		30,000			
BLD - Old Humane Society Replace Water Service			25,000		
BLD - Old Humane Society Replace Water Lines			40,000		
BLD - Old Humane Society Reconstruct Parking Lot			200,000		
<b>Total Old Humane Society</b>	<b>-</b>	<b>400,000</b>	<b>515,000</b>	<b>-</b>	<b>-</b>
<b>COURTHOUSE</b>					
BLD - Courthouse Replace Roofing		30,000	400,000		
BLD - Courthouse LED Lighting (design, construction)		15,000	90,000		
<b>Total Courthouse</b>	<b>-</b>	<b>45,000</b>	<b>490,000</b>	<b>-</b>	<b>-</b>
<b>PWY BUILDING</b>					
BLD - PWY Air Handling System - Construction		550,000			
BLD - PWY Replace Flat Roofing			550,000		
BLD - PWY Replace Heating Boiler and Expansion Tank			150,000		
BLD - PWY Exterior LED Upgrade				60,000	
BLD - PWY Replace Mechanic Shop Air Compressor			20,000		
BLD - PWY Resetting the Locks			15,000		
BLD - PWY Old Vehicle Barn Inspection			15,000		
<b>Total Public Works Building</b>	<b>-</b>	<b>550,000</b>	<b>750,000</b>	<b>60,000</b>	<b>-</b>

<b>NEW HUMANE SOCIETY</b>					
BLD - Humane Society Upgrades	100,000	600,000			
<b>Total New Humane Society</b>	<b>100,000</b>	<b>600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>BUILDINGS - OTHER</b>					
BLD - Nechako Centre Demolition	773,779	950,000			
BLD - Nechako Centre Phase 2 Environmental Assessment		75,000			
BLD - Building Condition Assessments		750,000			
BLD - New City Hall Building			500,000	1,000,000	
<b>Total Other Buildings</b>	<b>773,779</b>	<b>1,775,000</b>	<b>500,000</b>	<b>1,000,000</b>	<b>-</b>
<b>Environmental/Other</b>					
ENV - Waste Management Strategic Plan Update	40,000				
ENV - Organics Facility	739,409				
ENV - Waste Sorting Yard	50,000				
ENV - Self Haul Drop Off - Design	172,407				
ENV - Self Haul Construction		2,000,000			
ENV - Phase 1 Vegetation Plan		275,000			
ENV - Feasibility for Fire Protection Water Supply - Cistern		60,000	550,000		
ENV - Phase 2 Progressive Closure		150,000	2,000,000		
ENV - Eco-Depot Design			300,000		3,000,000
ENV - Transfer Station			200,000	2,000,000	
<b>Total Environmental</b>	<b>1,001,816</b>	<b>2,485,000</b>	<b>3,050,000</b>	<b>2,000,000</b>	<b>3,000,000</b>
<b>Water Utility</b>					
WAT - Water Treatment Unit	15,000,000	4,000,000			
WAT - Water Master Plan Infrastructure Upgrades		500,000	1,100,000	1,100,000	1,100,000
WAT - Service Centre Water Main Improvements Construction		5,000,000	5,000,000	5,000,000	
WAT - Automatic Control Valve Replacements		30,000	30,000	30,000	30,000
WAT - Water Conservation Initiatives (only proceed if grant funded)		100,000			
<b>Total Water Utility</b>	<b>15,000,000</b>	<b>9,630,000</b>	<b>6,130,000</b>	<b>6,130,000</b>	<b>1,130,000</b>
<b>Cemetery</b>					
CEM - Master Plan		100,000	100,000		
CEM - Beautification Plan		150,000			
<b>Total Cemetery</b>	<b>-</b>	<b>250,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>CEEP</b>					
CEEP - Wayfinding Signs for Walkways, Trails, and Parks		50,000			
CEEP - City Centre Optimized Parking		80,000			
CEEP - Strategy for Community Charging Stations		25,000			
<b>Total CEEP</b>	<b>-</b>	<b>155,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Engineering Services</b>	<b>19,561,378</b>	<b>33,260,000</b>	<b>42,810,000</b>	<b>38,640,000</b>	<b>19,325,000</b>
<b>TOTAL CAPITAL</b>	<b>24,580,186</b>	<b>46,386,350</b>	<b>76,217,500</b>	<b>80,482,000</b>	<b>26,127,000</b>

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## Appendix B Draft to Bylaw No. XXXX, 2025

DISTRICT OF KITIMAT  
2024 FINANCIAL PLAN**OBJECTIVES AND POLICIES**AS PER SECTIONS 165 & 197 OF THE *COMMUNITY CHARTER*

BYLAW NO. XXXX, 2025

The following statements of objectives and policies are to comply with Sections 165 & 197 of the *Community Charter*.

**A. OVERALL MUNICIPAL OBJECTIVES**

1. To raise revenues sufficient to cover all expected expenditures and financial requirements of the municipality (Years 2-5 are estimates and will be finalized in their respective years) is consistent with the mission statement of the Municipality:

*“To facilitate a high quality of community life for citizens of all ages.” and,*

*“To provide high quality municipal services at the lowest possible cost”.*

2. To provide municipal services at a sufficiently wide variety and high level to facilitate the recruitment and retention of necessary employees for the major industries upon which the municipality is based, and supporting services businesses, and to offset, more or less, the perceived disadvantages to employee recruitment and retention of the community's remote location.
3. To encourage and foster cultural diversity.
4. To encourage a community balance among recreational opportunity, environmental integrity, and industrial growth.
5. To foster industrial and business development and tourism through the promotion of the natural business advantages of the area and community.
6. To encourage the retention and recruitment of retirees to the community.
7. To respect taxpayers ability to pay and to keep tax increases reasonably in line with inflationary cost increases.

## **B. OBJECTIVES FOR SOURCES OF REVENUES**

There are two basic methods of raising revenues for municipal services:

1. Taxation
2. User pay

There are numerous options of each and/or mixtures of both.

### **1. Taxation**

In general, taxation is the preferred method if the service has broad public benefit regardless of the quantity of the service any individual citizen consumes, and if market rationing of the quantity consumed is either unnecessary or undesirable.

For instance, if the marginal cost of consumption is zero or close to zero, there is little need to ration consumption through user fees. The next amount consumed does not add any extra cost.

As well, if consumption of the service provides a benefit to others, it is undesirable to discourage consumption through user fees, and taxation is the preferred revenue choice.

### **2. User Pay**

User pay is preferable when the marginal costs of consumption is positive so that the more consumed the higher the cost of the service, and/or if there is no broad public benefit accruing to those who do not consume the service.

User pay therefore is a method of rationing the service and of controlling costs. It is seen as equitable as it does not impart costs on those who do not benefit from the provision of the service, either directly or indirectly.

The District of Kitimat recognizes that an important objective is to offset the location disadvantages of the community's remoteness and wet climate in order to attract and retain a qualified workforce for the large complex industries for which the municipality was established and to attract and retain retirees to the community.

Therefore an important objective is to ensure that consumption of quality services, particularly recreation, is not discouraged by price. This was done at the request of major industry prior to 1983 to create and maintain the most livable of communities. As well this objective remains critical in the fostering of the community to persons on fixed incomes seeking high quality of life in their senior years.

Accordingly, the policy for sources of funding is as follows.

### C. POLICY FOR SOURCES OF FUNDING

- To have user fees, where applied, to enhance responsible consumption of municipal services while promoting the public benefit of maximum participation in healthy activities provided by the community, and yet not create a financial barrier to the access and enjoyment of municipal facilities and services to all citizens;
- For recreation facilities and services is to recover 17-22% of total cost of providing such services;
- For water which incurs a marginal cost of production only after a significant use as the reticulation system can deliver more water than the community can consume and there is no raw water supply shortage, user pay shall be less than the 5 year average of operating costs;
- All other services will be funded by taxation supplemented by vigorous pursuit of grant funding.

The following is the Proportion of Revenues in 2025 from each source:

<b>Revenue Source</b>	<b>% of Total Revenue</b>	<b>Dollar Value</b>
Property taxes	75.92%	\$41,366,859
Utility revenue tax	1.20%	\$653,719
User fees and charges	6.08%	\$3,310,162
Revenue from own sources	14.96%	\$8,152,729
Government grants	1.84%	\$1,004,675
<b>Total</b>	<b>100%</b>	<b>\$54,488,144</b>

### D. OBJECTIVES FOR TAX APPORTIONMENT AMONG ASSESSMENT CLASSES

- a. To set Residential taxes in the lowest quartile of municipalities in British Columbia and Commercial taxes in the lowest quartile of North Central municipalities in British Columbia, to foster the development of retail and commercial services, and to assist with the recruitment and retention of quality industrial employees, employees for supporting commercial businesses, and the retention and recruitment of retirees.
- b. To have the Light Industry property tax rates in the midrange of municipalities in British Columbia.

- c. To seek other industries to provide for a reduction in property tax rates as assessments and the number of properties increase.

**E. POLICIES FOR TAX APPORTIONMENT**

The following policies are to advance the above municipal objectives:

**1. POLICY FOR TAX APPORTIONMENT AMONG PROPERTY CLASSES:**

In pursuit of the above objectives, the policy of the District of Kitimat for the apportionment of municipal property tax burden will be, in the approximate ranges, as follows:

- a. Class One Residential ..... 12 - 25%
- b. Class Two Utility, As per Local Government Act.....0.1 – 1.5%
- c. Class Four Major Industry..... 60 – 80%
- d. Class Five Light Industry..... 1 – 10%
- e. Class Six Business and Commercial ..... 5 – 12%

Class 2 is as per the local government act and is limited by \$40/1,000 or 2.5 times Class 6 rates. The target range for the apportionment of taxes is kept deliberately broad to accommodate the construction of significant new projects that have been announced.

**2. CALCULATED 2024 TAX APPORTIONMENT AND RATES**

<b>Class</b>	<b>2023 Actual</b>	<b>2024 Actual</b>	<b>2025 Calculated</b>	<b>2024 Dollar Value</b>
One – Residential	14.75%	14.03%	14.27%	\$5,903,954
Two – Utility	1.05%	1.26%	1.22%	\$504,796
Four - Major Industry	75.29%	75.64%	75.47%	\$31,218,822
Five - Light Industry	0.94%	0.93%	0.91%	\$375, 884
Six - Business/Commercial	7.92%	8.10%	7.97%	\$3,296,542
Other	0.05%	0.05%	0.16%	\$66,862
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>\$41,366,859</b>



## **F. OBJECTIVES OF PERMISSIVE TAX EXEMPTIONS**

### **(SECTION 224 OF THE COMMUNITY CHARTER)**

Permissive tax exemptions, allowed by Section 224 of the Community Charter, will be considered to encourage activities consistent with the quality of life objectives of the municipality; which provide direct access and benefit to the public; and which would otherwise be provided by the municipality.

## **G. POLICY FOR SECTION 224 EXEMPTIONS**

Section 224 permissive tax exemptions may be granted at the discretion of Council, in the following circumstances:

- a. To activities provided by Not for Profit organizations that provide public access to services consistent with the mission of the municipality which would otherwise be provided by the municipality.
- b. To activities provided by private citizens who provide public access to services consistent with the mission of the municipality which would otherwise be provided by the municipality.

## **H. REVITALIZATION TAX EXEMPTIONS**

### **(SECTION 226 OF THE COMMUNITY CHARTER)**

Revitalization tax exemptions, allowed by Section 226 of the Community Charter, has been implemented to encourage new industry or commerce as well as new buildings or improvements in existing buildings that support environmental, economic, social, beautification or other Council objectives.

## **I. COMMUNITY SUSTAINABILITY PLANNING**

- To support long term financial and community sustainability.

Long term financial planning is paramount for ensuring financial sustainability and resilience for communities. Establishing a community sustainability and resiliency reserve allows Council to mitigate the impact of revenue fluctuations and economic downturns. This reserve enables Council to maintain essential services and critical infrastructure, uphold long-term fiscal health, and safeguard the well-being of current and future residents.

This new objective was presented for Council consideration in 2024 for implementation in the 2025 financial plan.

**J. ASSET REPLACEMENT PLANNING**

- To support financial sustainability and provide predictable funding for asset replacement.

Council recognizes there is an asset funding gap and has started sustainable financial planning by directing staff to develop an asset management plan. The asset funding gap represents a critical and widespread challenge for municipalities. Consistent funding, primarily from a reserve, will mitigate the risk of asset failure, asset obsolescence and maintain operational continuity.

This new objective was presented for Council consideration in 2024 for implementation in the 2025 financial plan.