

# COUNCIL REPORT

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Date: 13 April 2023  
File: 2.10.3  
To: Warren Waycheshen, CAO - for Mayor and Council  
From: Dustin Rutsatz, Director of Finance  
Re: 2023 Budget Deliberations (Fifth Report)

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## **Recommendations:**

Action: That Council receives updated budget information.

Motion: To be determined through Council discussion and the options below.

## **BACKGROUND:**

**2023 Capital Budget Items:** As presented, the capital budget items are funded from reserves, grants, and \$1,090,209 from current year revenues. At the April 11 meeting, Council moved \$30,000 into the budget for a feasibility study for trail connectivity from town to Cable Car. Council also moved that staff obtain the cost of a tunnel connecting partridge street to the viewpoint biking trails. This study will cost \$20,000.

Currently this \$710,876 shortfall in the budget equates to an increase in property taxes from an earlier estimate of 3.75% to 5.74% if there were no other changes to the budget. For easy reference, each 1% increase in tax is equivalent to \$332,000 in revenue. At the April 11 meeting Council moved that staff come back with options to keep the tax increase near 4% by using the Growing Communities Fund (GCF). Staff recommends using the GCF to fund the Landfill Upgrade Construction as it is currently funded by reserves and is large enough to provide Council flexibility on choosing the tax rate. The impact is shown in the table below. As an alternative, Council could choose to fund the Water System Upgrade and receive the same flexibility. This shortfall could also be funded from other reserves, or by reducing project or operational costs.

<b>Tax Increase</b>	<b>GCF</b>	<b>% of GCF</b>	<b>Capital Funded From Operations</b>
3.50%	793,480	27%	296,729
3.75%	710,480	24%	379,729
<b>4.00%</b>	<b>627,480</b>	<b>21%</b>	<b>462,729</b>
4.25%	544,480	18%	545,729
4.50%	461,480	16%	628,729

Once discussion is complete the following are provided for consideration:

1. **THAT the tax increase is set at (x percent) and the corresponding funds are provided from the Growing Communities Fund to the (Landfill Upgrade/Water Upgrade/or to be determined) project with and that the reserve that was funding this amount of the project be moved to other capital projects that are currently funded through revenue.**

2. If Council is comfortable with this budget **THAT the remaining projects on the capital list and changes shown on the budget changes attachment be approved and that staff bring back the Financial Plan Bylaw and Tax Rates Bylaw to the May 1, 2023 Meeting for consideration.**
3. Another option as determined through Council discussion.

**Budget Implications:** Establishing the 2023 municipal budget.

"DR"

\_\_\_\_\_  
Director of Finance Initials

**Council Initiative:**

Establishing the 2023 municipal budget and five-year financial plan.

"Dustin Rutsatz"

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Submitted by:  
Dustin Rutsatz, Director of Finance

"Warren Waycheshen"

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Approved for Submission:  
Warren Waycheshen, CAO

Attachment(s): A. 2023 Capital Budget  
B. Budget Changes

	D	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	\$ 10,039,010	Early Approval Requests													
2	\$ 26,672,941	Bridge													
3	\$ 3,402,440	Approved													
4	\$ 4,486,123	Carryover with Revised \$'s incl Early Approvals													
5	\$ 8,399,202	Carryover	FIRST	2023	CURRENT	2023	ACTUAL	REVENUE	RESERVES	RESERVES					ORIGINAL
6	\$ 4,667,437	New 2023 - Incl Early Approvals	YEAR IN	TOTAL	APPROVED	C/O REVISION	SPENDING		RFFE &		GRANT /		Capital Plan	WO	
7	Page		BUDGET	REQUEST	BUDGET	REQUEST	PRIOR YEARS	FUND	Other	CCBF	LOAN				REQUEST
8		<b>ITEMS PROPOSED</b>													
9															
10		<b>FIRE DEPARTMENT</b>													
11	1	FIRE - Radio Communications Coverage up-grade	2019	390,088	700,000	100,000	409,912	100,000	290,088		0	1	390,088	912011	800,000
12	3	FIRE - Detailed Design for Public Safety Building Replac	2022	562,500	562,500			0	562,500		0		0	622010	562,500
13	5	FIRE - Multi-Purpose Response Vehicle	2022	500,000	500,000			0	500,000		0	1	500,000	924036	500,000
14	8	FIRE - Signal Upgrades	2021	50,000	50,000			0	50,000		0			622013	50,000
15	10	FIRE - Fire Chief Truck	2022	90,000	90,000			0	90,000		0	1	90,000	924035	90,000
16	12	FIRE - Hot Water Tank Replacement	2023	20,000				20,000			0		0	622015	20,000
18		Total Fire Department		1,612,588			409,912	120,000	1,492,588		0		980,088		2,022,500
20		<b>RCMP DETACHMENT</b>													
21	14	RCMP - Replace Boilers	2022	60,000	60,000			0	60,000		0		0	622119	60,000
22	16	RCMP - Replace Expansion Tank		15,000				0	15,000		0		0	622120	15,000
24		Total RCMP		60,000			0	0	60,000		0		0		60,000
26															
27		<b>MUSEUM &amp; LIBRARY</b>													
28	No Sheet	MUS - 2 Air Conditioners	2019	2,500	2,500			0	2,500		0		0	621052	2,500
29	18	MUS - HVAC Replacement - Design only	2022	60,000	40,000	20,000		20,000	40,000		0		0	621083	40,000
30	195	MUS - Washroom Hot Water Tank Replacement	2022	2,000				0	2,000		0		0		2,000
31	20	LIB - Front Entrance Improvements & Repair Ext Walls	2019	112,000	12,000	100,000	-	12,679	99,321		0	0	0	621054	12,000
32	No Sheet	LIB - Removable Wall	2023	15,000				15,000	0		0		0	621087	15,000
33	22	LIB - Prefeasibility Study for HVAC System	2023	50,000				50,000	0		0		0	621088	50,000
34	No Sheet	MET - Capital Grant	2022	36,000				36,000	0		0		0	81205	36,000
36		Total Museum, Library & MET		277,500			0	133,679	143,821		0		0		157,500
38		<b>GENERAL GOVERNMENT</b>													
39	24	GG - Information Systems Network Infrastructure	2020	266,257	370,000		103,743		266,257		1		266,257	912014	125,000
40	26	GG - Network Wiring	2022	150,000					150,000		1		150,000	912015	150,000
41	28	GG - Asset Management Policy Development	2022	60,000	60,000	11,784		11,784	30,000		18,216	0	0	621084	60,000
42	31	GG - Software Update (i.e. Cityreporter)	2020	40,000				30,000	10,000		0		0	621089	25,000
44		Total General Government		516,257			103,743	41,784	456,257				416,257		360,000
46		<b>LEISURE SERVICES DEPARTMENT</b>													
48		<b>RIVERLODGE</b>													
49	33	R/L Men's Shower	2021	188,513	90,000	85,000	18,487	102,173	71,513	14,827	0		0	627091	90,000
50	35	R/L - Heater Replacement (Yr 1 of 2)	2021	60,000	56,000	4,000		4,000	56,000		0	0	0	627104	112,000
51	37	R/L - Replace Flat Roofing	2021	50,000				50,000	0		0		0		2,050,000
52	39	R/L - Replace Domestic Water Piping	2023	35,000				35,000	0		0		0		385,000
53	41	R/L - HVAC Assessment	2023	75,000				75,000	0		0		0	627110	75,000
54	43	R/L - Upgrade Distribution of Power - Design & Study	2020	100,000				80,649	19,351		0		0		200,000
55	45	R/L - Expansion Tank (BAS)	2018	25,000				15,000	10,000		0		0	627111	25,000
56															
58		<b>TAMITIK ARENA</b>													
59	47	TAM - Staff Room Conversion	2020	184,473	75,000	100,000	13,527	123,000	61,473		0	0	0	627093	75,000
60	49	TAM - Compressor Room and MCC Replacement	2021	238,069	250,000		11,931	0	238,069		0	0	0	971513	250,000
61	51	TAM - Glycol Heat Exchanger	2022	25,000	25,000			0	25,000		0	0	0	627105	25,000
62	53	TAM - Hydro Box Concrete - Engineering Design	2023	30,000				30,000	0		0		0		30,000
63	55	TAM - Janitorial Sink	2023	20,000				20,000	0		0		0		20,000
64	57	TAM - Expansion Tank (BAS)	2019	25,000				25,000	0		0		0		7,428
65	59	TAM - Sound System Repairs (Incl KIR, POOL & R/L)	2023	38,000				38,000	0		0		0		38,000

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3	\$ 3,402,440	Approved													
4	\$ 4,486,123	Carryover with Revised \$'s incl Early Approvals							<b>2023 CAPITAL BUDGET</b>						
5	\$ 8,399,202	Carryover	FIRST	2023	CURRENT	2023	ACTUAL	REVENUE	RESERVES	RESERVES					ORIGINAL
6	\$ 4,667,437	New 2023 - Incl Early Approvals	YEAR IN	TOTAL	APPROVED	C/O REVISION	SPENDING		RFFE &		GRANT /		Capital Plan	WO	
7	Page		BUDGET	REQUEST	BUDGET	REQUEST	PRIOR YEARS	FUND	Other	CCBF	LOAN				REQUEST
68		<b>TAMITIK POOL</b>													
69	61	POOL - Replacement of Air Handling Unit 7 (BAS)	2020	231,064	155,000	95,000	18,936	0	136,064	95,000	0	0	0	627094	30,000
70	63	POOL - Feasibility Study Update	2022	180,000	80,000	100,000	20,000	100,000	80,000		0	0	0	627108	50,000
71	65	POOL - Replace Metal Cladding (all remaining wall areas)	2023	100,000				0	0	100,000	0	0	0		515,000
72	67	POOL - Fluid Cooling Unit Replacement	2023	60,000				60,000	0		0	0	0	627112	60,000
73	69	POOL - LED Lighting	2020	300,000				0	0	300,000	1	300,000	971412	300,000	
74	72	POOL - Acutrol Units	2023	40,000				40,000	0		0	0	627113	40,000	
75	74	POOL - Chlorinators	2023	42,000				42,000	0		0	0	627114	42,000	
76	212	POOL - Diving Board	2021	8,000				0	8,000		0	0		8,000	
77	76	POOL - Security Cameras	2023	25,000				25,000	0		0	0		25,000	
79		<b>KITIMAT ICE RINK</b>													
80	78	KIR - Repainting of Exterior Concrete Walls	2021	9,500	20,000		10,500	0	9,500		0	0	0	627106	20,000
81	80	KIR - Oil Separators	2022	45,000	45,000			0	45,000		0	0	0	627107	45,000
82	82	KIR - Ammonia Alarm Tie in	2022	13,000	13,000			0	13,000		0	0	0	627109	13,000
83	84	KIR - Glulam Beam Dry Rot Repair	2023	100,000				0	0	100,000	0	0	0		100,000
84	86	KIR - Repaint Exposed Structural Elements (BAS)	2021	30,000				30,000	0		0	0	0		30,000
85	88	KIR - Cladding Replacement (BAS)	2023	90,000				0	0	90,000	0	0	0		90,000
90		<b>OUTDOORS</b>													
91	90	OUT - Park - Wozney Street Park - Landscaping only	2019	152,149	60,000	100,000	7,851	0	52,149	100,000	0	1	152,149	971913	60,000
92	171	OUT - Spray Park Option - beside Tamitik	2022	100,000	-			34,000	66,000				0		375,000
93		OUT - Radley Park Completion of phase 2	2020	250,000				137,537	112,463		1	250,000			500,000
94	92	OUT - Paver Stones	2023	15,000				15,000	0		0	0	0		15,000
97		<b>Total Leisure Services</b>		<b>2,884,768</b>			<b>101,232</b>	<b>1,081,359</b>	<b>1,003,582</b>		<b>0</b>	<b>3</b>	<b>702,149</b>	<b>0</b>	<b>5,700,428</b>
99		<b>PLANNING DEPARTMENT</b>													
100	94	PLN - Projects for 2023	2021	100,000	100,000		-	0	100,000		0	0	626035	85,000	
102		<b>Total Planning</b>		<b>100,000</b>			<b>0</b>	<b>0</b>	<b>100,000</b>		<b>0</b>		<b>0</b>	<b>85,000</b>	
104		<b>ENGINEERING/ OPERATIONS DEPARTMENT</b>													
106	No Sheet	ENG - 24 Hour Daycare	2020	2,425,234	3,377,359		952,125		748,661		1,676,573	1	2,425,234	626034	2,564,280
107	96	ENG - CEEP / Active Transportation Initiatives - Bike Racks	2022	30,000	30,000			0	30,000		0	0	0	626032	30,000
108	98	ENG - Haisla Bridge Replacement	2019	26,672,941	55,000,000		34,601,405				26,672,941	1	26,672,941	936701	55,000,000
109	100	ENG - Engineering Design & Construction Specifications	2019	35,000	35,000			0	35,000		0	0	623106	35,000	
110	102	ENG - Flood Level Mapping - Public Consultation & Mitig	2019	179,181	230,000	70,000	120,819	70,000	29,181	80,000	0	0	623109	75,000	
111	104	ENG - Traffic Control Camera	2016	187,719	215,000		27,286	0	34,054	153,660	0	0	623605	28,943	
112	106	ENG - Flashing Crosswalks & Criteria - 2 instead of 4 for	2021	21,867	25,000		3,133	0	21,867		0	0	623126	50,000	
113	108	ENG - Walkways Reconstruction Program	2022	580,000				0	80,000	500,000	1	580,000	936010	550,000	
114	110	ENG - Smith St Slope Stability Investigation	2022	250,000	250,000			0	250,000		0	0	623133	250,000	
115	112	ENG - Kildala Dyke Feasibility Study	2023	125,000				0	0	125,000	0	0	623134	125,000	
116		ENG - Cable Car Connectivity Feasibility Study	2023	30,000				30,000							30,000
117		ENG - Partridge/Viewpoint Tunnel Costing	2023	20,000				20,000							15,000
118	114	ENG - 5 Year Orthophoto Update	2022	50,000				7,292	42,708		0	0	0	50,000	
119	446	ENG - Bus Shelter Upgrades (Nechako & High School)	2023	100,000				0	0	20,000	80,000	0	0	20,000	
120	118	ENG - Haisla Blvd & Nalabila & Village & HWY 37 Intersect	2023	40,000				20,000	0		20,000	0	0	623136	20,000
121		ENG - Airpark Taxiway, Apron, Parking Lot Asphalt	2023	539,437				26,971			512,466				
122	120	PWY - Fleet Replacement Program (Carryover)	2021	520,000	520,000		91,234	0	520,000		0	1	520,000	Misc	360,000
123	123	PWY - Fleet Replacement Program	2023	700,000				0	700,000		0	1	700,000	Misc	495,000
124	126	PWY - Bulk DEF Tank	2022	45,000				45,000	0		0	0	0		45,000
126				<b>32,551,378</b>		<b>70,000</b>	<b>35,796,002</b>	<b>219,263</b>	<b>2,491,471</b>		<b>29,195,640</b>		<b>30,898,175</b>		<b>59,743,223</b>





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6	\$ 4,667,437	New 2023 - Incl Early Approvals	YEAR IN	TOTAL	APPROVED	C/O REVISION	SPENDING		RFFE &		GRANT /		Capital Plan	WO	
7	Page		BUDGET	REQUEST	BUDGET	REQUEST	PRIOR YEARS	FUND	Other	CCBF	LOAN				REQUEST
193		Alternate Project Initiatives - Not in 2023 Budget													
194	169	OUT - Centennial Park Light Up Program	2022	15,000				15,000	0						15,000
195	179	FIRE - Heavy Rescue Shoring Equipment	2021	155,000				155,000				1	155,000		120,000
196	181	FIRE - Mobile CAD Replacement	2023	15,000				15,000				0	0		15,000
197	183	FIRE - Training Structure Exterior Staircase	2023	25,000				25,000				0	0		25,000
198	185	FIRE - Drone	2021	30,000					30,000						30,000
199	187	FIRE - UTV/ATV Response Vehicle	2020	35,000				0	35,000			1	35,000		35,000
200	189	FIRE - Investigate and Repair Window Leaks	2022	10,000				10,000				0	0		10,000
201	191	FIRE - Training Prop Replacements	2022	15,000				15,000	0		0	0	0		15,000
202	193	MUS - Replace Cladding Design	2022	25,000				25,000	0			0	0		25,000
203	196	R/L - Bunkhouse Ramp Snow Melt Replacement	2021	100,000				100,000	0		0	0	0		100,000
204	198	TAM - Ride on Floor Machine	2023	45,000				45,000	0			0	0		45,000
205	200	TAM - Councourse LED Light Conversion (BAS)	2021	20,000				20,000	0			0	0		20,000
206	202	TAM - Racquet Courts Outside Wall Weather Proof (BAS)	2023	65,000				65,000	0			0	0		65,000
207	204	TAM - Stair Lift (PWD)	2020	50,000				50,000	0			0	0		121,000
208	206	TAM - Replace Dry Sprinkler System (BAS)	2020	165,000				165,000	0		0	0	0		150,000
209	208	POOL - HVAC System Assess / AC Front Service Desk	2023	50,000				50,000	0			0	0		50,000
210	210	POOL - AHU Sock Replacement	2023	165,000				165,000	0			0	0		165,000
211	214	POOL - Rear Windows	2023	140,000				140,000	0			0	0		140,000
212	216	POOL - Windows - Upper Lobby	2023	80,000				80,000	0			0	0		80,000
213	218	POOL - Waterslide Deck Drains	2023	80,000				80,000	0			0	0		80,000
214	220	POOL - Steam Room	2020	155,000				155,000	0		0	0	0		140,000
215	222	KIR - Digital Marquee Board	2023	60,000				60,000	0			0	0		60,000
216	224	KIR - Arena Flooring (BAS)	2020	110,000				110,000	0			0	0		110,000
217	226	KIR - Dasherboards (BAS)	2020	408,000				408,000	0			1	408,000		408,000
218	228	KIR - Electrical Panels and MCC	2019	260,000				260,000	0		0	1	260,000		250,000
219	230	OUT - Radley Park Expansion (15 Sites)	2020	1,250,000				1,250,000	0		0	1	1,250,000		
220		OUT - Radley Park Completion of phase 2	2020	250,000				250,000				1	250,000		
221	232	OUT - Bear Aware	2023	30,000				30,000	0			0	0		30,000
222	234	OUT - Urban Forest (Year 1 of 5)	2020	60,000				60,000	0			0	0		60,000
223	236	OUT - Lions Park	2020	185,000				185,000	0			1	185,000		185,000
224	238	OUT - Stikine Playground	2023	290,000				290,000	0			1	290,000		290,000
225	240	OUT - SK8 Park and Tennis Courts	2022	986,363				986,363	0			1	986,363		986,363
226	242	OUT - Dog Park - Up the hill	2020	175,000				175,000	0			1	175,000		175,000
227	244	OUT - Community Art Project	2022	30,000				30,000	0			0	0		30,000
228	246	OUT - Electronic Messaging Board	2022	175,000				175,000	0			1	175,000		175,000
229	248	OUT - Banners	2022	30,000				30,000	0						30,000
230	250	ENG - Minette Bay West - Dock	2023	700,000				0	0		700,000	1	700,000		700,000
231	252	ENG - Residential Street Reconstruction (Eagle & Farrow	2022	2,006,696				2,006,696				1	2,006,696	936000	1,500,000
232	No Sheet	ENG - Bike Trails Parking and Crosswalk	2023	700,000				700,000				1	700,000		700,000
233	254	OUT - Roy Wilcox Neighbourhood Park	2019	290,000				290,000	0		0	1	290,000		200,000
234	256	BLD - Chamber of Commerce Roof	2019	100,000				0	100,000			0	0	621058	100,000
235	260	CEM - Cemetery Gate Upgrade	2020	15,000				15,000	0			1	15,000		15,000
236		Total Alternative Projects		9,311,059				0	8,476,059	135,000		700,000	7,726,059	0	7,245,363

## Changes to Budget: Jan 9, 2023 Forward

		<u>New</u>	<u>Old</u>	Favourable ( ) <u>Change to P&amp;L</u>
<b>Revenue</b>				
	3% Utility Tax - PNG	(355,913)	(284,251)	(71,662)
	Landfill Commercial Users Revenue	(175,000)	0	(175,000)
	Growing Communities Grant	(2,968,000)	0	(2,968,000)
<b>Expenses</b>				
Ops	MECA Grant	175,000	250,000	(75,000)
Ops	Kitimat Public Art Alliance	20,000	35,000	(15,000)
Ops	Daycare Additional Costs - still under review	0	44,000	(44,000)
Ops	IEHP Application Costs	100,000	0	100,000
Ops	Landfill Operations	910,000	735,000	175,000
Ops	Transfer Growing Communities Grant to Reserve	2,968,000	0	2,968,000
Ops	Asphalt Overlay	1,050,000	550,000	500,000
<b>Total Changes</b>				<b><u>394,338</u></b>
	To Capital (Original)			1,484,547
	Changes			394,338
	To Capital (New)			1,090,209
<b>Capital and Reserves</b>				
Surplus	2022 Projected Deficit	1,300,000	0	1,300,000