

# COUNCIL REPORT

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Date: January 22, 2025  
File: 2.10.3.1  
To: Mayor and Council  
From: Warren Waycheshen, CAO  
Re: 2025 Budget Deliberations – Report 1  
Applicant: N/A  
Location: N/A



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## **Recommendation:**

Action: That Council provide input on the 2025 budget, community grants, and capital items.

## Recommended Motion:

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

## **Background:**

The Director of Finance and CAO will provide an overview of the budget and revenues, followed by operational budgets and reserves. Capital projects will be discussed after the operational and reserves presentations are concluded. Staff suggest the presentations be discussed, direction provided if deemed necessary by Council, and that the budgets be received for information. Council may wish to approve all or some of the community grants or wait until the capital projects requesting early approval and operating budgets will then be brought back for approval in the coming weeks.

Layout of Budget binder: budget papers are provided in this binder and we ask Council members to have it at each budget meeting. Any new pages or updates can be added to the binder, providing Council one location to store all budget papers.

Immediately following this report are: Attachment A with the community group grant requests, followed by tabs, starting with “Consolidated Summary” with summary of revenues, wages and benefits, operational expenses by type, and fuel consumption by type. This is followed by revenues, then expenses with departmental summary sheets providing an overview of operations; followed by balances of the various reserves and accumulated surplus; and capital working papers and justification sheets.

## **Alternative Options:**

1. 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.**

## **Budget Implications:**

Property Taxes: this budget incorporates a 4.5% increase in municipal property taxes (except

for LNG Canada which is under a tax agreement until the end of 2028) for initial discussion, although the actual increase and distribution of property taxes will be directed by Council when the budget is finalized.

For reference, every 1% increase in property tax rates increases property tax revenues by about \$330,000.

Residential Flat Tax: 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 here for over 30 years and is an established part of the property taxation system. Please note, once a local government ceases using the flat tax, it cannot be reinstated in the following years. Staff will bring forward options and analysis for consideration in early 2025 when property tax rates are finalized.

Landfill/Refuse Rates: Residential refuse curb-side collection rates are \$146 annually (last increase was on January 1, 2022). Prior rates were \$120 in 2021, \$95 in 2020, and \$62 in prior years.

Rates for residential self-haul were established and commercial user rates increased on January 1, 2024. A further increase was seen by both user groups again on January 1, 2025. Residential self-haul drop off fees increased from \$5 (2024) to \$10 (2025) for loads up to 100kg. Residential self-haul rates for loads in excess of 100 kg and commercial loads increased from \$75/tonne to \$100/tonne for most loads.

The new amounts are included in the current year revenues. Tipping fee revenues to offset Landfill costs are budgeted at \$625,000 in 2025 (\$525,000 in 2024).

Water Rates: Current residential water fees are \$164 annually and were last changed in May 2022. Previous rates were \$144 annually for at least two decades. Both water and refuse curb-side collection fees are billed on the property tax notice. Commercial water charges are invoiced separately.

With the water system upgrade and replacement of aging existing infrastructure, the 2025 budget proposes a 25% increase in water rates to take effect July 1, 2025. For residential users, this equates to a \$41 annual (or \$3.42 per month) increase. If the water rates bylaw is amended for this change it increases the water recoveries by \$105,465.

Commercial Use Patios on Public Lands policy fee reduction: Previously Council relaxed the administrative requirements and approved a 50% (2020) and 100% (2021 - 2024) reduction in fees for restaurants that may wish to use District lands for outdoor service. In Kitimat, there was one company that utilized the opportunity and Council may wish to extend for 2025 as it provides an option for establishments and any lost revenue would be minimal. If this is the direction the following is provided for consideration: **THAT the fees be waived for Public Land Policy C-27 for 2025** (or another amount determined by Council).

If Council does not wish to extend the reductions for 2025 no action is required.

Expenses:

Wages and benefits: Exempt staff wages include step increases of 2.5% for budget purposes, with increases, if any, to be considered by Council in mid-year. The International Association of

Fire Fighters (IAFF) Local 1304 collective agreements expired December 31, 2024 and an estimate is included for budgetary purposes. The Unifor 2300 collective agreement has been ratified and the wage and benefit increases, net of other financial changes in the agreement, are approximately 3.8%.

Other expenses:

Community Grant Requests: Community groups presented their budgets November 12 with amounts referred to the budget process included in this document. The Mount Elizabeth Cycling Association (MECA) request was also referred to the 2025 budget process. Most groups stayed within previous years; however, there were some new and one-time requests:

1. Mount Elizabeth Theatre: An additional \$75,000 was requested for ensuring sufficient staff are available for the facility and to ensure the institutional knowledge is retained and passed onto new employees. This would be an ongoing expense. The additional amount is not included in the budget and if Council wishes to consider it the following is put forward for consideration: **THAT the Mount Elizabeth Theatre grant request of \$75,000 for additional staffing be** (added to the draft 2025 operating budget OR be approved OR be denied).
2. My Mountain Co-op, Shames Mountain: A \$50,000 annual operating grant request was made to offset operational and event costs. Council would be under no obligation to provide the operating grant beyond 2025, but it is expected to be an annual request.

There was also a one-time grant request of \$100,000 for their Rural Economic Development Infrastructure Program (REDIP) grant application for capital upgrades at the facility. The additional amounts are not included in the budget and if Council wishes to consider adding it the following is put forward for consideration: **THAT the My Mountain Co-op, Shames Mountain, grant request of \$50,000 for annual operations be** (added to the draft 2025 operating budget OR be approved OR be denied).

**AND THAT the My Mountain Co-op, Shames Mountain, grant request of \$100,000 for a Rural Economic Development Infrastructure Program (REDIP) application for capital upgrades be** (added to the draft 2025 operating budget OR be approved for 2025 OR be denied). **AND THAT the grant will only be provided upon the REDIP grant application being successful.**

3. Kitimat Museum and Archives: The Museum submitted a second grant submission with amended wages. Overall, the budget has increased from the initial submission of \$439,970 to \$450,254 and this amount is included in the 2025 draft budget.
4. Healthy Babies (Kitimat Community Development Centre): An increase of \$8,500, from \$34,000 to \$42,500, is requested for the program. Previously, the CDC requested an internal transfer from a portion of the Better at Home grant to the Healthy Babies program, and for 2025 the full grant is being requested for each program. The total grant request is included on the 2025 draft budget.

Once discussion is complete, if Council is prepared to consider any grant requests for approval the following is put forward for consideration:

1. If Council wishes to approve all the Community Group grants as presented in Attachment A, the following is provided for consideration:

**THAT the 2025 operating grants to community groups, as listed in Attachment A, be approved.**

2. If Council wishes to consider each grant individually, as was done in 2024, the following is put forward for consideration:

**THAT the (group requesting the grant) operating grant request in the amount of (to be determined) be approved for the 2025 budget.**

3. If Council is not prepared to approve any grants at this time no action is needed and Appendix B will be returned with subsequent budget reports.
4. Any specific grant requests may be further discussed by Council. Staff can provide wording for motions depending on the direction.
5. Another option as decided by Council.

Reserve Balances: The “Reserves” tab provides the balances in the surplus and the reserve funds. At this time the only reserves receiving funding from current year’s revenues are: Large Equipment, Fire Equipment, Large Equipment – Leisure, and Computer Equipment and Land & Building. This budget also includes a \$75,000 transfer to the land reserve for future land acquisitions/ The Canada Community Building Fund (previously called the Federal gas tax) receives annual funding of approximately \$435,000 and the Northwest BC Regional Funding Agreement is discussed below. Other funds are not actively funded, and the Northern Planning & Capital Grant and the Growing Community Fund were specific grants provided by the Province on a one-time basis.

The Northwest BC Regional Funding Agreement (i.e. RBA) receives \$3,910,364 annually from 2024 – 2028 (\$19,551,818 over the five-year period). Council approved \$3 M of the 2024 allocation to the water system upgrade. This leaves \$910,364 (2024) plus \$3,910,364 (2025) for a total of \$4,820,728 available in the fund. For 2025, staff are proposing seven capital items and one operational item totalling \$2,015,000:

1. Public Safety Building detailed design for new building (\$250,000)
2. Training props and natural gas infrastructure replacement (\$200,000)
3. Museum building envelope replacement design (\$75,000)
4. Tamitik ice arena condenser replacement (\$380,000)
5. LED lighting completion at the Kitimat Aquatic Centre (\$110,000)
6. Kitimat pool/arena perimeter drain repair and re waterproofing (\$300,000)
7. KIR for any items that may not be covered or require upgrading beyond what insurance will cover (\$400,000)
8. Design a Spray Park for the community (\$150,000)
9. Indigenous Relations Manager Department/initiatives, operational expense (\$150,000)

2025 Capital Budget Items: will be discussed after the individual departmental operational presentations are concluded.

With the capital spreadsheets, staff have proposed projects; however, it is Council’s decision on the capital items to be completed in 2025 and the staff list is respectfully submitted for

discussion purposes (Alternative Project Initiatives are included after the proposed projects and are not included in the budget). As presented, the capital budget items are funded from reserves, grants and \$1,017,000 from operations.

As presented, the capital is fully funded, but no “below the line” projects are included and 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.

Pickleball: there are a number of different options for establishing pickleball courts and while none have been included in the draft budget, if Council wishes to discuss and provide direction the funding could be sourced from the Northwest BC Regional Funding Agreement or another area determined through discussion.

**Budget Implications:** Establishing the 2025 Municipal budget.

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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"

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Submitted by  
Warren Waycheshen  
Chief Administrative Officer

Attachment(s): Attachment A: 2025 Community Grant Requests  
2025 Budget documents (tabs)



COMMUNITY GRANTS						
	2024 Requests	2025 Request	Carryover	New request	\$ Increase	% Increase
<b>GRANTS</b>						
MOUNT ELIZABETH THEATRE - OPERATIONS	123,000	126,250			3,250	2.6%
MOUNT ELIZABETH THEATRE - CAPITAL GRANT	36,600	38,582			1,982	5.4%
MOUNT ELIZABETH THEATRE - COST GRANT	2,000			75,000	75,000	3750.0%
KITIMAT PUBLIC LIBRARY	656,570	671,720			15,150	2.3%
KITIMAT MUSEUM AND ARCHIVES	409,703	455,254			45,551	11.1%
KITIMAT MUSEUM AND ARCHIVES ADDITIONAL REQUEST	-	5,000			5,000	0.0%
KITIMAT ARTS FOR YOUTH	13,117	13,658			268	2.0%
KITIMAT 50+ SOCIETY	34,608	37,428			1,090	3.0%
KITIMAT FLYING CLUB	11,024	11,244			220	2.0%
KITIMAT FLYING CLUB ADDITIONAL REQUEST					-	0.0%
KITIMAT AIRSHED GROUP	21,000	21,420			420	2.0%
KITIMAT PUBLIC ART ALLIANCE	35,000	35,000			-	0.0%
TAMITIK STATUS OF WOMEN	135,960	48,223			946	2.0%
TAMITIK STATUS OF WOMEN - SALON A	187,000	190,740			3,740	2.0%
KUTE RECYCLING PROGRAM	275,000	306,000			6,000	2.0%
KUTE ADDITIONAL REQUEST	-	-			-	0.0%
KITIMAT COMMUNITY SERVICES SOCIETY	38,737	39,512			775	2.0%
KITIMAT COMMUNITY SERVICES SOCIETY	44,000	44,880			880	2.0%
KITIMAT HEALTH ADVOCACY GROUP	20,000	25,000			5,000	25.0%
KITIMAT COMMUNITY DEVELOPMENT CENTRE	53,060	53,060			-	0.0%
KITIMAT COMMUNITY DEVELOPMENT CENTRE	34,000	42,500			8,500	0.0%
SHAMES MOUNTAIN COOP - OPERATIONS	-	-		50,000	-	0.0%
SHAMES MOUNTAIN COOP - CAPITAL	-	-		100,000	-	0.0%
SNOWFLAKE COMMUNITY FAIRGROUNDS SOCIETY	3,000	3,500			500	0.0%
KITAMAAT BASKETBALL TOURNAMENT	5,000	5,000			-	0.0%
KIWANIS - DELTA KING	-	-			-	0.0%
KITIMAT HERITAGE GROUP	-	-			-	0.0%
KITIMAT SNOWMOBILE/HIKER CLUB	-	-			-	0.0%
FIRE MOUNTAIN SHOOTING CLUB	-	-			-	0.0%
GRANTS TO SPORTS ORGANIZATIONS	18,170	100,000			45,650	84.0%
<b>TOTAL REQUIRING COUNCIL APPROVAL</b>	<b>2,156,549</b>	<b>2,273,971</b>	<b>-</b>	<b>225,000</b>	<b>142,922</b>	<b>7.7%</b>
MOUNT ELIZABETH CYCLE ASSOCIATION	-	-	250,000		-	0.0%
<b>OTHER AGREEMENTS</b>						
HIRSCH CREEK GOLF & WINTER CLUB	195,000	195,000			-	0.0%
KITIMAT YOUTH SOCCER ASSOCIATION	35,000	35,000			-	0.0%
STUDENT EMPLOYMENT GRANTS	25,000	25,000			-	0.0%
FESTIVALS KITIMAT SUMMER STUDENT	5,000	5,000			-	0.0%
<b>SUBTOTAL</b>	<b>260,000</b>	<b>260,000</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL GRANTS</b>	<b>2,416,549</b>	<b>2,533,971</b>	<b>250,000</b>	<b>225,000</b>	<b>142,922</b>	<b>6.0%</b>