

CITY OF FORT ST. JOHN

BYLAW NO. 2567, 2022

A BYLAW OF THE CITY OF FORT ST. JOHN TO PROVIDE AN OPERATING FUNDS FIVE YEAR FINANCIAL PLAN PURSUANT TO THE PROVISIONS OF THE *COMMUNITY CHARTER*

WHEREAS, Section 165 of the *Community Charter* requires Council, before the fifteenth of May in each year to cause to be prepared and adopted annually by bylaw, a Five Year Financial Plan.

NOW THEREFORE, the Council of the City of Fort St. John in open meeting assembled, enacts as follows:

TITLE

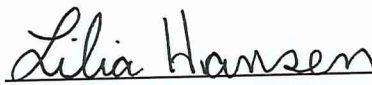
1. This Bylaw may be cited for all purposes as "Five Year Financial Plan Bylaw No. 2567, 2022".

ENACTMENT

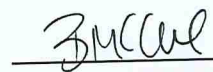
2. THAT, the Five Year Financial Plan hereto annexed and marked as Schedule 'A' and Schedule "B" is hereby approved and authorized and shall stand as the estimates of Revenue and Expenditure for the years 2022 to 2026 until altered or amended by Council.

READ THE FIRST THREE TIMES THIS 28th DAY OF February, 2022

ADOPTED THIS 14th DAY OF March 2022
BY 2/3 MAJORITY OF COUNCIL



LILIA HANSEN
ACTING MAYOR



BONNIE MCCUE
CORPORATE OFFICER



City of Fort St. John
Five Year Financial Plan Bylaw
Schedule "A"

	2022	2023	2024	2025	2026
REVENUE					
% Taxation to Total Revenue	38.73%	38.93%	39.36%	40.08%	39.89%
Property Taxation	\$ 35,093,730	\$ 35,406,586	\$ 36,029,977	\$ 37,132,532	\$ 37,623,834
Sale of Services	\$ 14,589,103	\$ 14,837,659	\$ 15,085,774	\$ 15,416,289	\$ 15,676,292
Government Transfers	\$ 30,156,181	\$ 30,458,948	\$ 30,376,285	\$ 30,040,498	\$ 30,457,353
Interest Income	\$ 768,500	\$ 828,500	\$ 878,500	\$ 778,500	\$ 893,500
Other Revenue	\$ 10,004,740	\$ 9,411,700	\$ 9,173,182	\$ 9,288,649	\$ 9,667,140
TOTAL REVENUE	\$ 90,612,254	\$ 90,943,393	\$ 91,543,718	\$ 92,656,468	\$ 94,318,119
EXPENSES					
General Government Services	7,828,006	8,036,210	8,116,540	7,977,000	8,099,279
Environmental Development	1,274,707	1,273,375	1,294,616	1,314,871	1,347,991
Parks, Recreation & Cultural	13,896,929	13,143,230	13,045,347	13,204,652	13,610,406
Cemetery	235,717	246,984	250,640	254,363	258,180
Garbage and recycling	1,248,353	1,116,411	1,117,654	1,121,909	1,190,687
Protective Services	15,676,863	16,250,219	16,671,145	17,035,168	17,412,618
Transit Services	2,935,000	3,229,000	3,320,000	3,367,000	3,420,000
Transportation Services	6,355,631	6,462,920	6,525,686	6,589,646	6,654,756
Water Utility	3,427,241	3,457,701	3,487,656	3,518,552	3,553,051
Sewer Utility	1,434,070	1,452,694	1,470,096	1,489,003	1,503,434
Amortization Expense	12,378,050	12,503,600	12,598,650	12,635,200	12,661,250
Debt Servicing (Interest & Principle)	3,479,353	3,479,350	3,478,233	3,395,199	3,391,558
TOTAL EXPENSES	\$ 70,169,920	\$ 70,651,694	\$ 71,376,263	\$ 71,902,563	\$ 73,103,210
ANNUAL (SURPLUS) DEFICIT	\$ 20,442,334	\$ 20,291,699	\$ 20,167,455	\$ 20,753,905	\$ 21,214,909
RESERVES, CAPITAL AND DEBT					
Transfer from Reserves	(1,148,353)	(1,104,000)	(1,113,000)	(1,118,000)	(1,172,687)
Transfer from Accumulated Surplus	(12,378,050)	(12,503,600)	(12,598,650)	(12,635,200)	(12,661,250)
Transfers to Reserves	33,968,737	33,899,299	33,879,105	34,507,105	35,048,846
TOTAL EXPENDITURES	\$ 20,442,334	\$ 20,291,699	\$ 20,167,455	\$ 20,753,905	\$ 21,214,909
Revenues					
Total Revenue	90,612,254	90,943,393	91,543,718	92,656,468	94,318,119
Transfer from Reserves	1,148,353	1,104,000	1,113,000	1,118,000	1,172,687
Transfer from Accumulated Surplus *	12,378,050	12,503,600	12,598,650	12,635,200	12,661,250
Collection for Other Governments	15,851,000	15,851,000	15,851,000	15,851,000	15,851,000
	119,989,657	120,401,993	121,106,368	122,260,668	124,003,056
(* to offset Amortization)					
Expenses					
Total Expenses	70,169,920	70,651,694	71,376,263	71,902,563	73,103,210
Transfer to Reserves	33,968,737	33,899,299	33,879,105	34,507,105	35,048,846
Tax Requisitions	15,851,000	15,851,000	15,851,000	15,851,000	15,851,000
	119,989,657	120,401,993	121,106,368	122,260,668	124,003,056

SCHEDULE B

STATEMENT OF OBJECTIVES AND POLICIES

In accordance with Section 165(3.1) of the *Community Charter*, the Municipal Council of the City of Fort St. John is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

- a) The proportion of total revenue that is proposed to come from each of the funding sources described in Section 165(7) of the *Community Charter*;
- b) The distribution of property taxes among the property classes; and
- c) The use of permissive tax exemptions.

FUNDING SOURCES

Table 1 shows the proportion of total revenue proposed to be raised from each funding source in 2022. Property taxes generally form the greatest proportion of revenue. Property taxation is the primary revenue source for the City, with the five-year financial plan showing this percentage as low as 38.71% and as high as 40.08%.

Excluding Government Transfers (most of which relates to revenues allocated to offset capital expenditures), User fees and charges (Sale of Services and Other Revenue) form the second largest portion of planned revenue. This revenue source is for services that can be measured and charged on a user pay basis. These services are mainly for water, sewer and solid waste, but also include recreation user fees and items such as building permits, business licenses, and transit.

OBJECTIVES

- Sustainable service levels and funding
- Predictable property taxes and fees
- Maintain physical assets in good state of repair

POLICIES

- The City will review all user fees annually
- The City has implemented Development Cost Charges and will review additional Development Cost Charges
- The City will continue to apply for grant funding to support projects and initiatives
- The City will initiate partnerships and other measures that will diversify revenues in order to provide services and opportunities to the community that may have not otherwise been possible

SCHEDULE B

Table 1: Sources of Revenue

Revenue Source	% of Total Revenue	Dollar Value
Property Taxation	38.7%	\$35,093,730
Sale of Services	16.1%	\$14,589,103
Government Transfers	33.2%	\$30,156,181
Interest Income	0.8%	\$768,500
Other Revenue	11.0%	\$10,004,740
TOTAL	100%	\$90,612,254

DISTRIBUTION OF PROPERTY TAX RATES

Table 2 outlines the distribution of property taxes among the property classes. The Business and other class (6) and Residential (1) provide the largest proportion of property tax revenue.

OBJECTIVES

- To maintain tax rate ratios to achieve fairness and equity for all property classes
- Consult with Major Industry with regards to the tax policy

POLICIES

- The City will monitor the shifts in assessments when setting the tax rates so as not to penalize a particular class
- The City will continue formulating a Tax Policy that is fair and equitable for all property classes

SCHEDULE B

Table 2: Distribution of Property Taxes

Property Class	% of Total Property Taxes	Dollar Value
Residential (1)	37.98%	\$13,245,000
Utilities (2)	0.53%	\$183,000
Major Industrial (4)	2.37%	\$725,000
Light Industrial (5)	2.05%	\$550,000
Business and Other (6)	46.25%	\$16,211,085
Recreation / Non-Profit (8)	0.56%	\$190,000
Farmland (9)	0.00%	\$420
Transit	3.18%	\$1,290,650
Local Area Service	4.59%	\$1,878,575
1% Taxes	1.11%	\$370,000
Grants in Lieu of Taxes	1.38%	\$450,000
TOTAL	100.0%	\$35,093,730

PERMISSIVE TAX EXEMPTIONS

The City changed its permissive tax exemption process effective for the 2021 taxation year in response to the City's strategic goal of financial sustainability. This change balanced the social benefits that not-for-profit organizations add to the quality of life in the community with the acknowledgment that all property owners must contribute towards services that the City provides.