

CITY OF FORT ST. JOHN

BYLAW NO. 2590, 2024

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. 2590, 2024”.

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 2024 to 2028 until altered or amended by Council.

READ THE FIRST THREE TIMES THIS 12th DAY OF February 2024

ADOPTED THIS DAY OF 2024
BY 2/3 MAJORITY OF COUNCIL

LILIA HANSEN
MAYOR

BONNIE MCCUE
CORPORATE OFFICER

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

	2024	2025	2026	2027	2028
REVENUE					
% Taxation to Total Revenue	39.57%	40.78%	41.36%	41.27%	42.26%
Property Taxation	\$ 39,627,233	\$ 41,435,242	\$ 42,582,498	\$ 43,785,300	\$ 45,045,661
Sale of Services	\$ 15,806,657	\$ 15,979,180	\$ 16,332,489	\$ 16,571,156	\$ 16,795,589
Government Transfers	\$ 31,498,993	\$ 31,347,065	\$ 31,696,802	\$ 32,066,698	\$ 32,347,971
Interest Income	\$ 2,180,000	\$ 1,885,000	\$ 1,780,000	\$ 1,685,000	\$ 1,580,000
Other Revenue	\$ 11,026,735	\$ 10,957,837	\$ 10,570,201	\$ 11,984,625	\$ 10,821,344
TOTAL REVENUE	\$ 100,139,618	\$ 101,604,324	\$ 102,961,990	\$ 106,092,779	\$ 106,590,565
EXPENSES					
General Government Services	14,088,839	14,289,276	14,762,857	14,331,672	14,470,951
Environmental Development	880,818	931,704	922,250	939,911	961,022
Parks, Recreation & Cultural	15,448,464	15,380,291	14,833,268	16,094,171	15,036,906
Cemetery	314,825	333,802	330,066	335,258	340,602
Garbage and recycling	1,183,000	1,375,000	1,748,000	1,723,000	1,733,000
Protective Services	17,142,026	17,419,571	17,316,396	17,932,329	18,329,401
Transit Services	3,260,000	3,291,500	3,330,000	3,390,500	3,465,000
Transportation Services	6,828,341	7,063,408	7,018,561	7,088,997	7,161,415
Water Utility	4,073,556	4,215,662	4,349,610	4,487,215	4,474,758
Sewer Utility	4,501,361	4,624,430	4,679,430	4,761,505	5,032,935
Amortization Expense	14,394,000	14,644,000	14,899,000	15,149,000	15,404,000
Debt Servicing (Interest & Principle)	4,168,191	4,084,657	4,098,516	4,000,555	3,531,280
TOTAL EXPENSES	\$ 86,283,421	\$ 87,653,301	\$ 88,287,954	\$ 90,234,113	\$ 89,941,270
ANNUAL (SURPLUS) DEFICIT	\$ 13,856,197	\$ 13,951,023	\$ 14,674,036	\$ 15,858,666	\$ 16,649,295
RESERVES, CAPITAL AND DEBT					
Transfer from Reserves	(3,221,132)	(2,199,028)	(2,556,449)	(2,359,857)	(2,225,313)
Transfer from Accumulated Surplus	(14,394,000)	(14,644,000)	(14,899,000)	(15,149,000)	(15,404,000)
Transfers to Reserves	31,471,329	30,794,051	32,129,485	33,367,523	34,278,608
TOTAL EXPENDITURES	\$ 13,856,197	\$ 13,951,023	\$ 14,674,036	\$ 15,858,666	\$ 16,649,295
Revenues					
Total Revenue	100,139,618	101,604,324	102,961,990	106,092,779	106,590,565
Transfer from Reserves	3,221,132	2,199,028	2,556,449	2,359,857	2,225,313
Transfer from Accumulated Surplus *	14,394,000	14,644,000	14,899,000	15,149,000	15,404,000
Collection for Other Governments	18,551,200	18,601,200	19,201,200	19,251,200	19,401,200
	136,305,950	137,048,552	139,618,639	142,852,836	143,621,078
(* to offset Amortization)					
Expenses					
Total Expenses	86,283,421	87,653,301	88,287,954	90,234,113	89,941,270
Transfer to Reserves	31,471,329	30,794,051	32,129,485	33,367,523	34,278,608
Tax Requisitions	18,551,200	18,601,200	19,201,200	19,251,200	19,401,200
	136,305,950	137,048,552	139,618,639	142,852,836	143,621,078

Amortization Expense					
Environmental Development - Capital Fund	11,000	11,000	11,000	11,000	11,000
General Government - Capital Fund	900,000	900,000	905,000	905,000	910,000
Protective Services - Capital Fund	900,000	900,000	900,000	900,000	900,000
Public Health & Welfare - Capital Fund	33,000	33,000	33,000	33,000	33,000
Recreation & Cultural - Capital Fund	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Sewer - Capital Fund	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Transportation - Capital Fund	7,250,000	7,500,000	7,750,000	8,000,000	8,250,000
Water - Capital Fund	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
	14,394,000	14,644,000	14,899,000	15,149,000	15,404,000
Debt Servicing					
Interest on Long-Term Debt					
Investments and Debt	949,481	923,685	918,494	893,140	802,987
Long Term Debt - Sewer	526,235	518,847	518,847	491,775	370,996
Long Term Debt - Water	76,849	76,849	76,849	76,849	38,424
Other Government Services	20,000	20,000	20,000	20,000	20,000
	1,572,565	1,539,381	1,534,190	1,481,764	1,232,407
Interest on Prepaid Taxes					
Other Government Services	25,000	25,000	25,000	25,000	25,000
	25,000	25,000	25,000	25,000	25,000
Actuarial Adjustments on Debt					
Investments and Debt	470,000	470,000	480,000	480,000	495,000
Long Term Debt - Sewer	315,000	315,000	320,000	320,000	325,000
Long Term Debt - Water	77,000	77,000	80,000	80,000	82,000
	862,000	862,000	880,000	880,000	902,000
Debt Fund Cost					
Investments and Debt	-	-	-	-	-
	-	-	-	-	-
Principle on Long-Term Debt					
Investments and Debt	1,020,414	985,732	986,732	941,200	844,929
Long Term Debt - Sewer	590,825	575,144	575,144	575,141	429,494
Long Term Debt - Water	97,387	97,400	97,450	97,450	97,450
	1,708,626	1,658,276	1,659,326	1,613,791	1,371,873
Total Debt Servicing	4,168,191	4,084,657	4,098,516	4,000,555	3,531,280

Revenue - Transfer from Operating Reserves					
Asset Disposal					
Disposals		-	-	-	-
Transfer from Operating Reserves					
Other Government Services	(70,282,475)	(71,980,747)	(73,480,266)	(75,004,592)	(76,499,356)
PSC General Operations	-	-	-	-	-
RCMP Operations	(194,258)	(139,646)	(135,841)	(134,884)	(181,075)
	(70,476,733)	(72,120,393)	(73,616,107)	(75,139,476)	(76,680,431)
Transfer from Sewer Utility					
Engineering	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Finance	(410,000)	(410,000)	(410,000)	(410,000)	(410,000)
	(460,000)	(460,000)	(460,000)	(460,000)	(460,000)
Transfer from Water Utility					
Engineering	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Finance	(690,000)	(690,000)	(690,000)	(690,000)	(690,000)
	(740,000)	(740,000)	(740,000)	(740,000)	(740,000)
	(71,676,733)	(73,320,393)	(74,816,107)	(76,339,476)	(77,880,431)
Transfer from Surplus					
Environmental Development - Capital Fund	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
General Government - Capital Fund	(400)	(400)	(400)	(400)	(400)
Protective Services - Capital Fund	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Public Health & Welfare - Capital Fund	-	-	-	-	-
Recreation & Cultural - Capital Fund	(200,500)	(200,500)	(200,500)	(200,500)	(200,500)
Sewer - Capital Fund	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)
Transportation - Capital Fund	-	-	-	-	-
Water - Capital Fund	(7,250,000)	(7,500,000)	(7,750,000)	(8,000,000)	(8,250,000)
	(7,536,900)	(7,786,900)	(8,036,900)	(8,286,900)	(8,536,900)
	(79,213,633)	(81,107,293)	(82,853,007)	(84,626,376)	(86,417,331)
Transfers to Reserves					
Transfer to Capital					
Transfer to Capital (Federal Gas Tax)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfer to Capital (Peace River Agreement)	24,020,360	23,694,613	25,362,233	26,824,068	27,638,713
Transfer to Enerplex Sponsorship Reserve	121,000	126,000	131,000	131,000	131,000
Transfer to Equipment Reserve	-	-	-	-	-
Transfer to Facility Reserve	1,339,560	680,000	500,000	300,000	-
Transfer to Operating Reserve - Interest	20,000	20,000	20,000	20,000	20,000
Transfer to Reserves from:					
Fire Suppression	752,708	1,147,175	1,201,708	1,101,484	1,238,037
Cemeteries					
PSC General Operations	336,839	344,520	359,799	373,831	382,836
Solid Waste Collection	450,000	293,000	-	-	-
Solid Waste Disposal					
Transfers to Own Funds & Reserves - Sewer	46,654	46,654	46,654	46,654	46,654
Transfers to Own Funds & Reserves - Water	2,604,208	2,662,089	2,728,091	2,790,486	3,041,368
Treatment & Disposal	-	-	-	-	-
Wells and High Lift Pump Station - Water	-	-	-	-	-
	4,190,409	4,493,438	4,336,252	4,312,455	4,708,895
Transfer to Statutory Reserve - Interest	20,000	20,000	20,000	20,000	20,000
Cemeteries	20,000	20,000	20,000	20,000	20,000
Transfer to/from General/Sewer Funds	305,000	305,000	305,000	305,000	305,000
Transfer to/from General/Water Funds	435,000	435,000	435,000	435,000	435,000
Total Transfers to Reserves	31,471,329	30,794,051	32,129,485	33,367,523	34,278,608

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 2024. 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 39.57% and as high as 42.26%.

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 provided 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	39.6%	\$39,627,233
Sale of Services	15.8%	\$15,806,657
Government Transfers	31.4%	\$31,498,993
Interest Income	2.2%	\$2,180,000
Other Revenue	11.0%	\$11,026,735
TOTAL	100%	\$100,139,618

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)	38.07%	\$15,086,033
Utilities (2)	0.54%	\$213,433
Major Industrial (4)	1.68%	\$664,491
Light Industrial (5)	1.62%	\$640,711
Business and Other (6)	47.10%	\$18,665,618
Recreation / Non-Profit (8)	0.58%	\$229,417
Farmland (9)	0.00%	\$455
Transit	3.48%	\$1,378,500
Local Area Service	4.64%	\$1,838,575
1% Taxes	1.03%	\$410,000
Grants in Lieu of Taxes	1.26%	\$500,000
TOTAL	100.0%	\$39,627,233

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.