

CITY OF FORT ST. JOHN

BYLAW NO. 2317, 2016

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. 2317, 2016".

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 2016 to 2020 until altered or amended by Council.

READ A FIRST TIME THIS 14th DAY OF March, 2016

READ A SECOND TIME THIS 14th DAY OF March, 2016

READ A THIRD TIME THIS 14th DAY OF March, 2016

ADOPTED THIS 29th DAY OF March, 2016
BY 2/3 MAJORITY OF COUNCIL



LORI ACKERMAN
MAYOR



JANET PRESTLEY, DIRECTOR OF
LEGISLATIVE AND ADMINISTRATIVE
SERVICES

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

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| REVENUE | | | | | |
| Property Taxation | -\$ 32,358,091 | -\$ 33,444,929 | -\$ 33,787,664 | -\$ 34,437,301 | -\$ 35,483,919 |
| Sale of Services | - 14,803,966 | - 12,201,524 | - 13,110,972 | - 13,890,560 | - 14,729,329 |
| Government Transfers | - 36,358,266 | - 27,529,350 | - 27,669,874 | - 27,728,684 | - 27,804,853 |
| Interest Income | - 1,084,413 | - 1,104,467 | - 1,040,686 | - 1,118,462 | - 1,126,968 |
| Other Revenue | - 7,099,235 | - 6,327,408 | - 6,435,507 | - 6,545,196 | - 6,638,313 |
| TOTAL REVENUE | -\$ 91,703,971 | -\$80,607,678 | -\$82,044,703 | -\$83,720,203 | -\$ 85,783,382 |
| EXPENSES | | | | | |
| General Government | 6,340,501 | 6,192,427 | 6,151,138 | 6,216,454 | 6,316,150 |
| Engineering, Public Works & Transit | 13,167,879 | 13,383,139 | 13,711,258 | 14,027,475 | 14,514,358 |
| Parks, Recreation & Cultural | 16,167,013 | 13,597,661 | 13,379,380 | 13,659,530 | 14,095,531 |
| Planning & Development | 2,108,265 | 1,783,732 | 1,683,950 | 1,696,962 | 1,747,298 |
| Protective Services | 14,426,470 | 14,856,953 | 15,333,422 | 15,578,259 | 15,997,607 |
| Cemetery | 150,571 | 153,586 | 156,951 | 160,482 | 164,015 |
| Garbage & Recycling | 821,103 | 828,603 | 836,103 | 843,602 | 851,102 |
| Interest Expense | 2,321,809 | 2,321,809 | 2,177,209 | 2,177,209 | 2,143,609 |
| Water Utility | 3,845,150 | 3,879,528 | 3,989,821 | 4,092,863 | 4,195,363 |
| Sewer Utility | 2,420,210 | 2,380,723 | 2,413,157 | 2,452,039 | 2,486,222 |
| TOTAL EXPENSES | \$ 61,768,971 | \$ 59,378,161 | \$ 59,832,389 | \$ 60,904,875 | \$ 62,511,255 |
| Transfer to/from | | | | | |
| Transfer from Reserves | 39,613,054 | 56,361,608 | 52,022,099 | 19,284,875 | 25,495,342 |
| Transfer from Accumulated Surplus | 29,173,893 | 29,743,585 | 30,592,075 | 31,239,459 | 32,027,751 |
| Transfers to Reserves | - 38,851,947 | - 64,875,676 | - 60,401,860 | - 27,709,006 | - 34,250,966 |
| Total Transfer to/from | \$29,935,000 | \$21,229,517 | \$22,212,314 | \$22,815,328 | \$23,272,127 |

City of Fort St. John
Five Year Financial Plan Bylaw 2317, 2016
SCHEDULE "B"

STATEMENT OF OBJECTIVES & 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 2016. 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 29.9%, and as high as 35.5%.

User fees and charges 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

City of Fort St. John
Five Year Financial Plan Bylaw 2317, 2016
SCHEDULE "B"

Table 1: Sources of Revenue

| Revenue Source | % of Total Revenue | Dollar Value |
|-----------------------|---------------------------|-----------------------|
| Property Taxation | 35.3% | -\$ 32,358,091 |
| Sale of Services | 16.1% | -14,803,966 |
| Government Transfers | 39.7% | -36,358,266 |
| Interest Income | 1.2% | -1,084,413 |
| Other Revenue | 7.7% | -7,099,235 |
| | 100% | -\$ 91,703,971 |

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

Table 2: Distribution of Property Taxes

| Property Class | % of Total Property Tax | Dollar Value |
|---------------------------|--------------------------------|---------------------|
| Residential (1) | 47.0% | 15,206,258 |
| Utilities (2) | 0.5% | 137,684 |
| Major industrial (4) | 3.3% | 1,078,583 |
| Light industrial (5) | 1.5% | 480,344 |
| Business and other (6) | 47.6% | 15,384,075 |
| Recreation/Non-Profit (8) | 0.1% | 70,987 |
| Farmland (9) | 0.0% | 160 |
| | 100% | 32,358,091 |

City of Fort St. John
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SCHEDULE "B"

PERMISSIVE TAX EXEMPTIONS

The City updated the permissive tax exemption bylaw in 2015 for the 2016 taxation year. This bylaw provides the approval of permissive tax exemptions.

OBJECTIVES

- To annually consider providing permissive tax exemptions on the criteria as outlined in the Community Charter

POLICIES

- Guidelines have been established to provide consistent and equal consideration for all applicants
- The City is under no obligation to grant a permissive tax exemption