

CITY OF FORT ST. JOHN

BYLAW NO. 2542, 2021

**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. 2542, 2021".

**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 2021 to 2025 until altered or amended by Council.

READ THE FIRST THREE TIMES THIS                      22<sup>nd</sup>                      DAY OF                      February,                      2021

ADOPTED THIS                      22<sup>nd</sup>                      DAY OF                      March,                      2021  
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"

	2021	2022	2023	2024	2025
<b>REVENUE</b>					
% Taxation to Total Revenue	38.01%	38.80%	39.35%	40.17%	40.50%
Property Taxation	\$ 32,711,325	\$ 33,417,330	\$ 34,182,840	\$ 34,952,850	\$ 35,717,860
Sale of Services	\$ 12,966,149	\$ 13,178,711	\$ 13,451,260	\$ 13,663,279	\$ 13,936,712
Government Transfers	\$ 30,275,333	\$ 29,907,614	\$ 29,381,381	\$ 29,165,000	\$ 29,175,000
Interest Income	\$ 2,202,706	\$ 2,122,575	\$ 2,294,235	\$ 2,294,235	\$ 2,405,000
Other Revenue	\$ 7,910,239	\$ 7,500,109	\$ 7,563,398	\$ 6,939,628	\$ 6,959,306
<b>TOTAL REVENUE</b>	<b>\$ 86,065,752</b>	<b>\$ 86,126,339</b>	<b>\$ 86,873,114</b>	<b>\$ 87,014,992</b>	<b>\$ 88,193,878</b>
<b>EXPENSES</b>					
General Government Services	7,795,666	7,780,837	7,845,472	7,898,988	7,956,811
Environmental Development	1,712,090	1,762,277	1,739,696	1,769,549	1,792,823
Parks, Recreation & Cultural	12,274,326	11,688,826	11,839,924	11,993,237	12,090,735
Cemetery	174,350	168,234	170,682	173,180	175,736
Garbage and recycling	1,112,636	1,113,831	1,115,576	1,116,833	1,121,116
Protective Services	15,360,446	15,868,178	16,256,925	16,631,657	17,007,946
Transit Services	2,430,000	2,430,500	2,435,500	2,436,000	2,441,500
Transportation Services	6,085,484	6,245,567	6,314,935	6,385,521	6,457,458
Water Utility	3,156,219	3,186,965	3,220,810	3,252,383	3,286,204
Sewer Utility	1,326,603	1,334,678	1,360,269	1,378,043	1,397,743
Amortization Expense	12,338,000	12,378,050	12,503,600	12,598,650	12,635,200
Debt Servicing (Interest & Principle)	3,442,589	3,451,723	3,451,720	3,445,603	3,365,436
<b>TOTAL EXPENSES</b>	<b>\$ 67,208,409</b>	<b>\$ 67,409,666</b>	<b>\$ 68,255,109</b>	<b>\$ 69,079,644</b>	<b>\$ 69,728,708</b>
<b>ANNUAL (SURPLUS) DEFICIT</b>	<b>\$ 18,857,343</b>	<b>\$ 18,716,673</b>	<b>\$ 18,618,005</b>	<b>\$ 17,935,348</b>	<b>\$ 18,465,170</b>
<b>RESERVES, CAPITAL AND DEBT</b>					
Transfer from Reserves	(2,695,474)	(2,736,251)	(2,233,688)	(1,542,080)	(1,158,000)
Transfer from Accumulated Surplus	(12,338,000)	(12,378,050)	(12,503,600)	(12,598,650)	(12,635,200)
Transfers to Reserves	33,890,817	33,830,974	33,355,293	32,076,078	32,258,370
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,857,343</b>	<b>\$ 18,716,673</b>	<b>\$ 18,618,005</b>	<b>\$ 17,935,348</b>	<b>\$ 18,465,170</b>
<b>Revenues</b>					
Total Revenue	86,065,752	86,126,339	86,873,114	87,014,992	88,193,878
Transfer from Reserves	2,695,474	2,736,251	2,233,688	1,542,080	1,158,000
Transfer from Accumulated Surplus *	12,338,000	12,378,050	12,503,600	12,598,650	12,635,200
Collection for Other Governments	11,751,000	12,101,000	12,501,000	12,351,000	12,351,000
	<b>112,850,226</b>	<b>113,341,640</b>	<b>114,111,402</b>	<b>113,506,722</b>	<b>114,338,078</b>
<i>(* to offset Amortization)</i>					
<b>Expenses</b>					
Total Expenses	67,208,409	67,409,666	68,255,109	69,079,644	69,728,708
Transfer to Reserves	33,890,817	33,830,974	33,355,293	32,076,078	32,258,370
Tax Requisitions	11,751,000	12,101,000	12,501,000	12,351,000	12,351,000
	<b>112,850,226</b>	<b>113,341,640</b>	<b>114,111,402</b>	<b>113,506,722</b>	<b>114,338,078</b>



## 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 2021. 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 38.01% and as high as 40.50%.

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**

<b>Revenue Source</b>	<b>% of Total Revenue</b>	<b>Dollar Value</b>
Property Taxation	38.0%	\$32,711,325
Sale of Services	15.1%	\$12,966,149
Government Transfers	35.2%	\$30,275,333
Interest Income	2.5%	\$2,202,706
Other Revenue	9.2%	\$7,910,239
<b>TOTAL</b>	<b>100%</b>	<b>\$86,065,752</b>

**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**

<b>Property Class</b>	<b>% of Total Property Taxes</b>	<b>Dollar Value</b>
Residential (1)	37.98%	\$12,425,000
Utilities (2)	0.53%	\$175,000
Major Industrial (4)	2.37%	\$775,000
Light Industrial (5)	2.05%	\$670,000
Business and Other (6)	46.25%	\$15,130,000
Recreation / Non-Profit (8)	0.56%	\$182,000
Farmland (9)	0.00%	\$350
Transit	3.18%	\$1,040,900
Local Area Service	4.59%	\$1,501,075
1% Taxes	1.11%	\$362,000
Grants in Lieu of Taxes	1.38%	\$450,000
<b>TOTAL</b>	<b>100.0%</b>	<b>\$32,711,325</b>

**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.