



REQUEST FOR DECISION

File # 1700-03, 3900-30

Report To: Mayor and Council
From: Chief Financial Officer
Presenter: David Joy
Subject: Administration Report No. 0019/24
Five Year Financial Plan Bylaw No. 2590, 2024
Meeting: Regular Council
Meeting Date: 12 Feb 2024

RECOMMENDATION:

"THAT, the Five Year Financial Plan Bylaw No. 2590, 2024 be introduced and read for the first three times by title only,
AND THAT, a Public Meeting be scheduled for Monday February 26th, 2024, at 6:00 pm in City Hall Council Chambers."

CAO'S COMMENTS:

ALTERNATIVE RECOMMENDATION:

**"THAT, Administration Report No. 19/24 - Five Year Financial Plan Bylaw No. 2590, 2024 be received,
AND FURTHER THAT, staff be directed to provide additional information regarding **insert information required** before approving this budget."**

KEY ISSUES(S)/ CONCEPTS DEFINED: The implications of the recommendation are that Administration will continue with the current service levels as built into the operating budget and can commence with issuing RFPs, RFQs and tenders to begin the planned 2024 operational and capital projects and programs.

RELEVANT POLICY:

IMPLICATIONS OF RECOMMENDATION

COMPLIANCE WITH STRATEGIC PILLARS:

Vibrant Community – Invest in community safety, social, cultural, and recreational programs.

Relationships & Advocacy – Initiate and foster relationships and advocate to decision makers on the issues that impact our community and our neighbours.

Economic Development – Enhance community economic development to provide opportunities and sustainability for Fort St. John.

Organizational Excellence – Provide a healthy workplace that is inclusive and builds on our diversity, engagement, and sense of community.

Managing Assets – Build and manage assets that support the current and future needs of the community.

COMPLIANCE WITH STRATEGIC PRIORITIES:

GENERAL:

ORGANIZATIONAL:

FINANCIAL: In the interests of transparency, the attachment titled "2024-2028 Operating Budget Summary" reinterprets the "Five Year Financial Bylaw" to make it more understandable for Council, Administration and the general public. Instead of recording expenses by department, it provides the numbers by expense category such as by salaries, wages and benefits, contracted services, materials and supplies, etc. Also provided is the variance analysis showing the differences and reasons behind the changes in the operating budget between 2023 and 2024. The only difference between the bottom line of the attachments and the variance analysis is the depreciation on the assets.

FOLLOW UP ACTION:

COMMUNITY CONSULTATION:

COMMUNICATION:

DEPARTMENTS CONSULTED ON THIS REPORT:

Attachments:

**Five Year Financial Plan bylaw No. 2590, 2024
2024-2028 Operating budget Summary
2024 Variance Analysis**

RESPECTFULLY SUBMITTED:

David Joy, Chief Financial Officer

23 Jan 2024



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 Operating Reserves					
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.

Operating Budget 2024-2028

	2024	2025	2026	2027	2028
	Budget	Budget	Budget	Budget	Budget
Revenue					
Municipal Taxes	39,127,233	40,935,242	42,082,498	43,285,300	44,535,661
Grants in lieu of taxes	500,000	500,000	500,000	500,000	510,000
Actuarial Adjustments	862,000	862,000	880,000	880,000	902,000
Services provided to other governments	1,266,157	1,103,680	1,121,989	1,130,656	1,140,089
Sale of services	14,540,500	14,875,500	15,210,500	15,440,500	15,655,500
Other revenue from own sources	10,164,735	10,095,837	9,690,201	11,104,625	9,919,344
Government transfers (operating only)	1,958,633	1,921,165	1,933,948	1,946,987	1,960,286
Return on investment	2,180,000	1,885,000	1,780,000	1,685,000	1,580,000
Transfers in	3,221,132	2,199,028	2,556,449	2,359,857	2,225,313
	73,820,390	74,377,452	75,755,585	78,332,925	78,428,193
Expenses					
Salaries, wages and employee benefits	31,913,930	33,898,751	33,600,867	34,291,271	35,010,404
Contracted and general services	18,781,095	18,871,539	19,117,599	19,318,475	19,655,569
Materials, goods and supplies	6,291,700	5,427,048	5,569,591	6,411,401	5,162,877
Utilities	2,928,150	2,927,150	2,928,200	2,929,300	2,930,300
Other expenses	3,474,947	3,378,160	3,342,950	3,336,661	3,334,424
Interest and bank charges	1,597,565	1,564,381	1,559,190	1,506,764	1,257,407
Principal on Long-Term Debt & Actuarial Adj.	2,570,626	2,520,276	2,539,326	2,493,791	2,273,873
Transfers out (to operating reserves only)	2,110,362	2,352,829	2,119,362	2,019,138	2,155,691
	69,668,375	70,940,134	70,777,085	72,306,801	71,780,545
	4,152,015	3,437,318	4,978,500	6,026,124	6,647,648
Requisitions:					
Collection for other governments revenue	18,551,200	18,601,200	19,201,200	19,251,200	19,401,200
Other tax requisitions - Expenditures	18,551,200	18,601,200	19,201,200	19,251,200	19,401,200
	0	0	0	0	0
Grant Revenue Received and Transferred:					
Government & BC Hydro Grant Revenue	29,540,360	29,425,900	29,762,854	30,119,711	30,387,685
Transfers out to Capital Reserves	33,692,375	32,863,218	34,741,354	36,145,835	37,035,333
	(4,152,015)	(3,437,318)	(4,978,500)	(6,026,124)	(6,647,648)
Balanced Cash Budget					
Net Surplus (Deficit)	0	0	0	0	0
Depreciation (xfr from Accumulated Surplus)	14,394,000	14,644,000	14,899,000	15,149,000	15,404,000
Operating & Capital Revenues					
Operating Revenue	73,820,390	74,377,452	75,755,585	78,332,925	78,428,193
Collection for other governments revenue	18,551,200	18,601,200	19,201,200	19,251,200	19,401,200
Transfer from Accumulated Surplus (Amortization)	14,394,000	14,644,000	14,899,000	15,149,000	15,404,000
Government transfers Revenue (capital only)	29,540,360	29,425,900	29,762,854	30,119,711	30,387,685
Balanced to the 2024-2028 Financial Plan	136,305,950	137,048,552	139,618,639	142,852,836	143,621,078
Operating & Capital Expenditures					
Operating Expenses	69,668,375	70,940,134	70,777,085	72,306,801	71,780,545
Amortization of Tangible Capital Assets	14,394,000	14,644,000	14,899,000	15,149,000	15,404,000
Other tax requisitions - Expenditures	18,551,200	18,601,200	19,201,200	19,251,200	19,401,200
Transfers out (capital expenditures only)	33,692,375	32,863,218	34,741,354	36,145,835	37,035,333
Balanced to the 2024-2028 Financial Plan	136,305,950	137,048,552	139,618,639	142,852,836	143,621,078

Government Transfers Revenue (In)

Capital Grant Revenue Recognized

	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Provincial - Other Grants (Peace River Agreement)	(26,713,600)	(27,247,900)	(27,792,854)	(28,348,711)	(28,915,685)
Conditional Provincial (BC Hydro CMA)	(1,789,560)	(1,141,000)	(962,000)	(763,000)	(464,000)
Federal - Conditional Grants (Gas Tax)	(1,037,200)	(1,037,000)	(1,008,000)	(1,008,000)	(1,008,000)
Unconditional Provincial Other (PRRD Economic Development)					
	(29,540,360)	(29,425,900)	(29,762,854)	(30,119,711)	(30,387,685)

Operating Grant Revenue Recognized

Provincial Gov't Subsidy - Transit	(920,000)	(925,000)	(930,000)	(935,000)	(940,000)
Provincial Gov't Subsidy - Handy Dart Transit	(680,000)	(685,000)	(690,000)	(695,000)	(700,000)
Provincial Gaming Grant	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Traffic Fines - Revenue Sharing	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Conditional Grants Provincial - Small Community Grant	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
Unconditional - Federal	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Unconditional - Regional & Other Grants	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Regional & Other - Unconditional Grants - Fire Suppression	(676,633)	(639,165)	(651,948)	(664,987)	(678,286)
Regional & Other - Conditional Grants					
	(3,558,633)	(3,531,165)	(3,553,948)	(3,576,987)	(3,600,286)
	(33,098,993)	(32,957,065)	(33,316,802)	(33,696,698)	(33,987,971)

Expenses - Transfers Out

Government Transfers (Out)

Capital Expenditures

	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Transfer To Capital Fund (Gas Tax)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfer to Capital Fund (Peace River Agreement)	24,020,360	23,694,613	25,362,233	26,824,068	27,638,713
Transfer to Facility Reserve (Peace River Agreement)					
Transfer to Facility Reserve (BC Hydro CMA)	1,339,560	680,000	500,000	300,000	-
Transfer to Reserves from Water Services	3,011,408	3,101,996	3,316,231	3,482,450	3,702,416
Transfer to Reserves from Sewer Services	2,604,208	2,662,089	2,728,091	2,790,486	3,041,368
Transfer to Reserves from Solid Waste Collection	336,839	344,520	359,799	373,831	382,836
Transfer to Operating Reserve-Interest	1,320,000	1,320,000	1,420,000	1,320,000	1,220,000
Transfer to Statutory Reserve - Interest	60,000	60,000	55,000	55,000	50,000
Transfer to Equipment Reserve					
	33,692,375	32,863,218	34,741,354	36,145,835	37,035,333

Operating Expenditures

Transfer to Enerplex PSC Sponsorship Reserve	121,000	126,000	131,000	131,000	131,000
Transfer to Contingency Reserve from Operating	752,708	1,147,175	1,201,708	1,101,484	1,238,037
Transfer to General Operating from Water Services	435,000	435,000	435,000	435,000	435,000
Transfer to General Operating from Sewer Services	305,000	305,000	305,000	305,000	305,000
Transfer to Reserves from Cemetery	20,000	20,000	20,000	20,000	20,000
Transfer to Reserves from Fire Suppression *	450,000	293,000	-	-	-
Transfer to Reserves from Pomeroy Sports Complex	46,654	46,654	46,654	46,654	46,654
	2,130,362	2,372,829	2,139,362	2,039,138	2,175,691

Total Government Transfers (Out)

	35,822,737	35,236,047	36,880,716	38,184,973	39,211,024
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* We have been transitioning out the Fire Suppression revenue to reserves as the Atco fire contract will be ending.

Variance Analysis 2024 Operating Budget

	2022 Actual	2023 Budget	2024 Budget	2024 vs. 2023	
				Budgets	Favourable
				(Unfavourable)	
Revenues					
Actuarial Adjustments	796,364	861,000	862,000	1,000	0.12%
Collection for Other Governments	16,307,110	16,476,000	18,551,200	2,075,200	12.60%
Government transfers	30,471,001	30,595,294	31,498,993	903,699	2.95%
Other Revenue from Own Sources	9,764,891	9,796,739	10,164,735	367,996	3.76%
Payments/Grants in Lieu of Taxes	485,272	475,000	500,000	25,000	5.26%
Return on Investment	1,622,570	1,758,500	2,180,000	421,500	23.97%
Sale of Services	13,815,764	13,987,650	14,540,500	552,850	3.95%
Services Provided to Other Governments	1,534,711	1,180,156	1,266,157	86,001	7.29%
Taxes	34,763,864	37,567,094	39,127,233	1,560,139	4.15%
Transfers in	1,694,664	3,654,405	3,221,132	(433,273)	(11.86%)
Total Revenues	111,256,210	116,351,838	121,911,950	5,560,112	4.78%
Expenses					
Contracted and General Services	19,236,790	19,278,870	18,781,095	497,775	2.58%
Interest and Bank Charges	1,555,929	1,586,683	1,597,565	(10,882)	(0.69%)
Materials, Goods and Supplies	5,313,549	6,831,865	6,291,700	540,165	7.91%
Other Expenses	3,153,452	3,195,850	3,474,947	(279,097)	(8.73%)
Other Tax Requisitions	16,299,362	16,476,000	18,551,200	(2,075,200)	(12.60%)
Principal on Long Term Debt & Actuarial Adjustments	2,306,300	2,385,699	2,570,626	(184,927)	(7.75%)
Salaries, Wages and Employee Benefits	28,288,460	29,365,042	31,913,930	(2,548,888)	(8.68%)
Transfers Out	34,512,223	34,906,554	35,802,737	(896,183)	(2.57%)
Utilities	2,569,924	2,325,275	2,928,150	(602,875)	(25.93%)
Total Expenses	113,235,990	116,351,838	121,911,950	(5,560,112)	(4.78%)
Net Surplus (Deficit)	(1,979,780)	0	0	0	

Included in the above Income Statement to Offset the Operating Deficit:

Increase in Peace River Agreement Revenue Used for Operations, excluding C5 projects	1,398,240
Property Tax Revenue Increase	1,797,683
Transferred Interest related to Operating Reserve	480,000
	3,675,923

Major Unfavourable Variances:

Salaries & Wages	2,221,274	Includes non-union, IAFF and BCGEU wage increases, contractual COLA obligation; 3 additional FTE's
Utilities	602,875	Primarily global inflation; Parks and Playgrounds \$200k, watering & washrooms
Employee Benefits	384,114	Pension \$183k; CPP & EI \$87k; Employer Health Tax \$57k (under other expenses); all a function of wages & salaries
Insurance	230,300	New RCMP building; Vehicles; Cyber insurance; contents insurance for Zamboni & tool cat machine
	3,438,563	

Variance Explanations - 2024 Budget vs. 2023 Budget

Revenues:

Collection for other Governments (\$2,075k fav)

Schools, 2 brand new schools (\$950k fav), Regional District, preparation for new pool (\$800k fav) and Hospital, new hospital being built in Dawson Creek (\$325k fav). Offset for Collection in Expenses, is in Other Tax Requisitions.

Government Transfers (\$904k fav)

Receiving more grant revenue from the Peace River Agreement (\$554k fav), Federal Gas Tax (\$100k fav); Conditional Provincial grants (\$140k fav); Accessibility grant (\$50k fav); Community Measures Grant (\$45k fav).

Other Revenue from Own Sources (\$352k fav)

Lower PRRD Subsidy for the pool to offset lower expenses below (\$371k unfav); Leases (\$190k unfav); BC Transit Subsidy (\$225k fav) to offset higher expenses; PNG Franchise Fee (\$200k fav); Ice Rentals (\$190k fav); Rentals (\$56k fav); Interest on Arrears (\$50k fav); High on Ice (\$46k fav); General Admissions (\$32k fav); Miscellaneous (\$69k fav); Swimming Lessons (\$50k fav).

Payments/Grants in Lieu of Taxes (\$25k fav)

Budget adjusted to reflect actual experience.

Return on Investment (\$422k fav)

To reflect higher interest rates on higher reserve balances.

Sale of Services (\$553k fav)

Increase in water/sewer volume and rates.

Services Provided to Other Governments (\$86k fav)

Recoveries increased to approach historical trends (\$30k fav); Administration Fees (\$31k fav); Fee for Service (\$25k fav).

Taxes (\$1,560k fav)

The municipal portion of tax revenue will increase (\$1,798k fav); Transit tax (\$167k unfav); Local Area Service (\$90k unfav).

Transfers In (\$433k unfav)

Additional transfer from PRA related Capital Reserves to cover non-capital items (\$206k fav); Less transfer from operating reserves to cover budget deficit (\$647k unfav).

Expenses:

Contracted and General Services (\$498k fav)

Contract-Other, moved winter sand to materials (\$190k fav) and other contract reductions (\$176k fav); RCMP Contract to account for municipal vs. rural support work (\$261k fav); Contract - Electrical (\$50k fav); Staff Training & Development (\$48k fav); Janitorial (\$116k fav); Professional Services (\$29k fav); Contract - Internet (\$20k fav); Overall increase in insurance (\$130k unfav); Contract - Mechanical (\$66k unfav); New RCMP building insurance (\$56k unfav); Cyber Insurance (\$30k unfav); Legal (\$18k unfav); Rentals & Leases (\$17k unfav); Telephone (\$25k unfav); Memberships & Professional Development (\$16k unfav); Vehicle Insurance (\$15k unfav); Medical/Chiropractor Fees (\$12k unfav); Wellness & Fitness (\$10k unfav).

Interest and Bank Charges (\$11k unfav)

Higher interest rates on prepaid taxes.

Material, Goods and Supplies (\$540k fav)

Less major maintenance projects (\$736k fav); Replacement Equipment (\$84k fav); Special Event Supplies (\$73k fav); Office Supplies (\$35k fav); Print Supplies (\$27k fav); Winter sand moved from Contract-Other to Materials-Other (\$180k unfav); Janitorial supplies (\$45k unfav); Parts (\$36k unfav); Fuel, Oil, Lubricants (\$127k unfav).

Other Expenses (\$279k unfav)

High on Ice (\$105k unfav); Public Art Show/Interactive Light Tunnel (\$29k unfav) offset by grants;
Accessibility Committee (\$64k unfav); Employer Health Tax (\$57k unfav); Employee Recognition (\$23k unfav);
E-bill costs (\$20k unfav); Grants-in-Aid (\$13k unfav); Contract Ice & Snow Contractor (\$50k fav).

Other Tax Requisitions (\$2,075k unfav)

Offset by collections above.

Principal on Long-Term Debt & Actuarial Adjustments (\$185k unfav)

Actuarial Adjustment (\$185k unfav); increase in LAS debt.

Salaries, Wages and Employee Benefits (\$2,549k unfav)

BCGEU, IAFF and Non-Union Staff and benefits increases per collective agreements and grid progressions (\$2,246k unfav).
Added IAFF mandatory on call premiums and on call office pay premiumms for 2 positions never before budgeted.
Increased staffing by 3 FTEs: Facilities Labourer, Community Safety Manager and Electronic Disclosure Clerk (\$303k unfav).

Transfers Out (\$896 unfav)

Higher interest received and transferred out to operating reserves (\$517k unfav) and to capital reserves (\$35k unfav);
Transfer to Reserves (\$284k unfav); Transfer to General Infrastructure Fund (\$844k fav); Increase in Gas Tax to Reserves
(\$100k unfav); Transfer to FSJ capital reserve (\$45k unfav); Transfer to Contingency Reserve from Operating (\$753k unfav).

Utilities (\$603k unfav)

Primarily global inflation. Parks and Playgrounds (\$200k unfav), watering and washrooms.