

City Staff Report

Report Date: April 10, 2018

Meeting Date: April 17, 2016

To: City Manager

From: Director of Corporate and Financial Services

Subject: Five Year Financial Plan

Purpose

The purpose of this report is to review the five year financial plan and approve the City of Quesnel Financial Plan Bylaw No. 1850 of 2018.

Summary

- The five year financial plan outlines policies regarding revenues, distribution of property taxes and permissive exemptions.
- The five year financial plan includes the proposed revenues and expenditures for the next five years.
- This plan incorporates all the work that has been done on both operating and capital budgets.
- The City is awaiting the final tax requisitions from other tax authorities and then will bring forward the tax rate bylaw.
- The Financial Sustainability and Audit Committee has reviewed the five year plan and recommends it to Council.

Recommendation

THAT Council approves the first three bylaw readings of the proposed City of Quesnel Financial Plan Bylaw No. 1850 of 2018.

Statutory Requirements

In accordance with Section 165 of the Community Charter, the City of Quesnel is required to adopt by bylaw a Five Year Financial Plan. The Financial Plan must outline the proposed expenditures, revenues and transfers between funds for the next five years. It must also outline the City's financial objectives and policies for the planning period.

Financial Implications

The plan has been built with the five year capital plan and current year operating plan approved by Council.

Capital

Capital carryforwards of \$3.9 million have been added to the approved capital budget of \$11 million.

The proposed public works building has been built into the five year plan with a debt required of \$8.5 million in 2020.

Operating:

The plan has been built with the approved operating 2018 budget and the following assumptions for future years.

- 2% Inflation Each Year



- 5% Growth in Water Utility Fees, 2% in Sewer

Assessment Appeal:

There is still an outstanding industrial appeal from 2012. The estimated amount of this appeal is approximately \$90,000 per year. The attached financial plan proposes that the City treats the expected appeal in the same way it was treated last year. The assessment related to the appeal has not been used to determine the tax rates. The taxes that will be collected on that assessment will go directly to the tax stabilization reserve so that when the appeal is completed, the funds to pay for the appeal will come directly from the tax stabilization reserve.

Attachments

- City of Quesnel Financial Plan Bylaw No. 1850 of 2018