

**REGIONAL DISTRICT OF BULKLEY-NECHAKO
SUPPLEMENTARY AGENDA**

THURSDAY, JANUARY 27, 2022

<u>PAGE NO.</u>	<u>ADMINISTRATION REPORTS</u>	<u>ACTION</u>
2-5	John Illes, Chief Financial Officer - 2022 Budget Update (Supplemental)	Receive
	<u>NEW BUSINESS</u>	
	<u>ADJOURNMENT</u>	



Regional District of Bulkley-Nechako Supplemental

To: Board of Directors
From: John Illes, Chief Financial Officer
Date: January 27, 2022
Re: 2022 Budget Update (Supplemental)

Recommendation (All/Directors/Majority):

Receipt

Discussion:

Attached to this memo are three quick “fact sheets.”

The first illustrates the changes in requisition by property class. This is often referred to as the taxation shift due to changing assessments.

The second fact sheet uses Environmental Services as an example to illustrate the collection of taxes for a particular service. From an approved taxation amount for a service the amount is then **apportioned** (split based on a formula and in the case of most major services by hospital assessments for land and improvements) between **jurisdictions** (either a municipality or an electoral area or in some cases a specially created service area). Each jurisdiction (or in the case of an electoral area, the Provincial Government) is then responsible to collect taxes from property owners and submit the amount to the Regional District. The cost for each residential property owner is estimated in this example. The multipliers for other classes of properties are:

Commercial 2.45 times the residential rate
 Light and Heavy Industrial 3.4 times the residential rate
 Utilities 3.5 times the residential rate

This example also illustrates the impact of increasing the tax requisition for Environmental Services by \$50,000 both on each jurisdiction and on the example residential property owners.

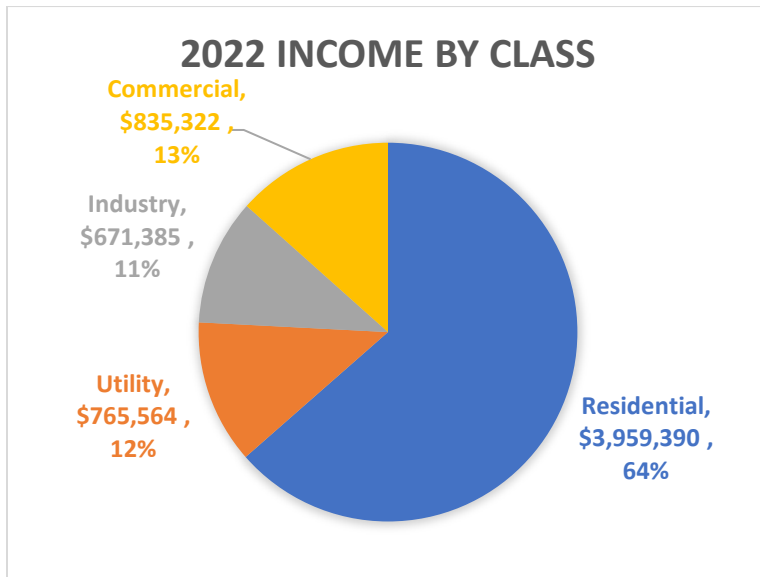
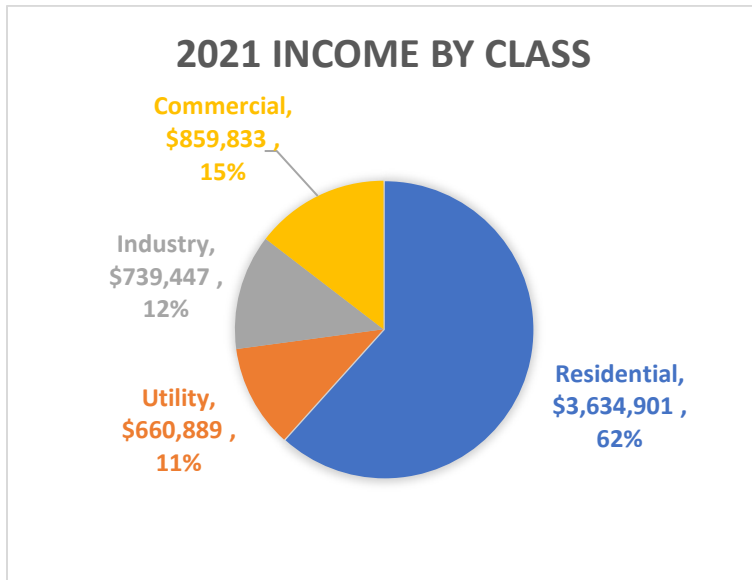
The last fact sheet provides working numbers and facts that are commonly referred to in budget discussions.

The Taxation shift between the classes for the share of major services of the whole Regional District can be seen in the tables and charts below:

2021 Total major services budget was: \$5,895,071

2022 Total major services budget is proposed at \$6,231,661

The total requisition change for these services between 2021 and 2022 was \$336,590.



2021		
Residential	\$ 3,634,901	62%
Utility	\$ 660,889	11%
Industry	\$ 739,447	13%
Commercial	\$ 859,833	15%
	\$ 5,895,071	100%
2022		
Residential	\$ 3,959,390	64%
Utility	\$ 765,564	12%
Industry	\$ 671,385	11%
Commercial	\$ 835,322	13%
	\$ 6,231,661	100%
Changes		
	\$\$	% Change
Residential	\$ 324,489	9%
Utility	\$ 104,675	16%
Industry	\$ (68,062)	-9%
Commercial	\$ (24,512)	-3%
	\$ 336,590	

Environmental Services Detail:

Taking the \$4,066,712 from the taxation information on Schedule 1 – Projected Tax Rates for Regional Services, we can see that the requisition breaks the amount between the different jurisdictions in the table below. The table also includes what the requisition would be if the taxation increased by \$50,000. The cost per \$1,000 of assessed residential value and per household is also included for reference.

	Environmental Services		Increase				
		Current	\$50,000	Change			
District of Houston	\$	253,307	\$	256,421	\$	3,114	
Town of Smithers	\$	729,417	\$	738,385	\$	8,968	
Village of Burns Lake	\$	120,904	\$	122,391	\$	1,487	
District of Fort St. James	\$	170,275	\$	172,369	\$	2,094	
Village of Fraser Lake	\$	99,585	\$	100,809	\$	1,224	
Village of Granisle	\$	12,670	\$	12,826	\$	156	
Village of Telkwa	\$	123,548	\$	125,067	\$	1,519	
District of Vanderhoof	\$	451,431	\$	456,981	\$	5,550	
Electoral Area "A"	\$	633,253	\$	641,039	\$	7,786	
"B"	\$	193,519	\$	195,898	\$	2,379	
"C" 755	\$	1,791	\$	1,813	\$	22	
"C" 756	\$	343,133	\$	347,352	\$	4,219	
"D" 755	\$	14,142	\$	14,316	\$	174	
"D" 756	\$	186,912	\$	189,210	\$	2,298	
"E"	\$	167,950	\$	170,015	\$	2,065	
"F"	\$	421,538	\$	426,721	\$	5,183	
"G" 754	\$	99,348	\$	100,569	\$	1,221	
"G" 755	\$	32,483	\$	32,882	\$	399	
"G" 756	\$	11,506	\$	11,647	\$	141	
Total	\$	4,066,712	\$	4,116,712	\$	50,000	
Cost for Environmental Services is				Increase			
		Current	\$50,000	Change			
Per \$1,000	\$	0.523	\$	0.529	\$	0.006	
For Residential Properties:							
\$	100,000	\$	52.31	\$	52.95	\$	0.64
\$	200,000	\$	104.61	\$	105.90	\$	1.29
\$	300,000	\$	156.92	\$	158.84	\$	1.93
\$	400,000	\$	209.22	\$	211.79	\$	2.57
\$	500,000	\$	261.53	\$	264.74	\$	3.22
\$	600,000	\$	313.83	\$	317.69	\$	3.86
\$	700,000	\$	366.14	\$	370.64	\$	4.50

Quick Financial Facts for the Regional District and Electoral Areas

As the Regional District is composed of all its member municipalities and electoral areas it can generate \$50,000 with only a small increase in mill rate. The tax increase is based on the tax requisition allocated to all electoral areas and municipalities and not to special service areas (for example the amount does not include building inspection, Fort Fraser Water, or Decker Lake Street Lighting).

RDBN \$0.00643 per \$1,000 to collect \$50,000 or \$1.61 for a \$250,000 residential property
1 cent per \$1000 will generate \$77,750

A 1% tax increase of the 2021 major requisitions (those that are not part of a service area) will provide an additional \$96,338

Area A: \$0.0413 per \$1,000 to collect \$50,000 or \$10.32 for a \$250,000 residential property
 1 cent per \$1000 will generate \$12,107
 A 1% tax increase of the 2021 requisition will provide an additional \$16,268

Area B: \$0.1351 per \$1,000 to collect \$50,000 or \$33.79 for a \$250,000 residential property
 1 cent per \$1000 will generate \$3,700
 1% tax increase of the 2021 requisition will provide an additional \$7,308

Area C \$0.0758 per \$1,000 to collect \$50,000 or \$18.96 for a \$250,000 residential property
 1 cent per \$1000 will generate \$6,594
 A 1% tax increase of the 2021 requisition will provide an additional \$7,239

Area D \$0.1301 per \$1,000 to collect \$50,000 or \$32.52 for a \$250,000 residential property
 1 cent per \$1000 will generate \$3,844
 A 1% tax increase of the 2021 requisition will provide an additional \$4,352

Area E \$0.1557 per \$1,000 to collect \$50,000 or \$38.93 for a \$250,000 residential property
 1 cent per \$1000 will generate \$3,211
 A 1% tax increase of the 2021 requisition will provide an additional \$4,756

Area F \$0.0620 per \$1,000 to collect \$50,000 or \$15.51 for a \$250,000 residential property
 1 cent per \$1000 will generate \$8,059
 A 1% tax increase of the 2021 requisition will provide an additional \$11,655

Area G \$0.1825 per \$1,000 to collect \$50,000 or \$45.61 for a \$250,000 residential property
 1 cent per \$1000 will generate \$2,740
 A 1% tax increase of the 2021 requisition will provide an additional \$2,806