

City of Maple Ridge

SPECIAL COUNCIL MEETING AGENDA

December 7, 2021

7:00 p.m.

Virtual Online Meeting including Council Chambers

Meeting Decorum:

Council would like to remind all people present tonight that serious issues are decided at Council meetings which affect many people's lives. Therefore, we ask that you act with the appropriate decorum that a Council Meeting deserves. Commentary and conversations by the public are distracting. Should anyone disrupt the Council Meeting in any way, the meeting will be stopped and that person's behavior will be reprimanded.

The meeting is live streamed and recorded by the City of Maple Ridge.

Note: This Agenda is also posted on the City's website at www.mapleridge.ca

The purpose of a Council meeting is to enact powers given to Council by using bylaws or resolutions. This is the venue for debate of issues before voting on a bylaw or resolution.

For virtual public participation during Public Question Period register by going to www.mapleridge.ca/640/Council-Meetings and clicking on the meeting date

1.0 CALL TO ORDER

2.0 APPROVAL OF THE AGENDA

3.0 REPORTS AND RECOMMENDATIONS

3.1 2022-2026 Financial Plan Bylaw

Staff report dated December 7, 2021 recommending first, second and third readings of the Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021.

4.0 PUBLIC QUESTION PERIOD

5.0 ADJOURNMENT

TO: His Worship Mayor Michael Morden
and Members of Council
FROM: Chief Administrative Officer
SUBJECT: 2022-2026 Financial Plan Bylaw

MEETING DATE: December 7, 2021
FILE NO: 01-0110-01-2021
MEETING: Council

EXECUTIVE SUMMARY:

On July 27, 2021, Council adopted the Business and Financial Planning Guidelines which provided staff with direction in developing the 2022-2026 Business Plan and Financial Plan. The Guidelines inform the community of service level commitments and anticipated property tax and fee increases.

In September, the Financial Plan Guidelines were brought back to Council for further discussion. It was highlighted what services are covered within the proposed property tax increases and those that are 'beyond 3.6%', highlighting items not currently included in the Financial Plan. The latter included the implementation of multiple strategic plans currently under development as well as the recently announced first union contract for the RCMP. While the official costs and timing of payments for both the RCMP retroactive pay and the ongoing costs have yet to be announced, estimates are likely to be quite accurate as the schedule of pay increases is known.

The Financial Overview Report, the Corporate Plan and the Capital Program were provided to Council and presented at the November 29 and 30 Council Workshop meetings. Council asked questions and provided comments on a wide variety of work plan and financial items. Many of the items raised are either currently underway or are included in the 2022 work plan. The Council conversation allows staff to better understand the interests of Council and helps inform departmental work plans and priorities.

As Council considers the options before them, it is important to note that if the tax increase to cover the RCMP contract costs is spread out over multiple years, the resulting draw down of Reserves will restrict the City's financial capacity and flexibility of the Police Reserves.

The following recommendation pertains to the Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021 (Attachment A):

RECOMMENDATIONS:

That Council approve the property tax and user fee increases as set out below:

General Purpose Property Tax Increase; 2.0% per year;
Infrastructure Sustainability Property Tax Increase; 0.9% per year in 2022 to 2024 and 1% in 2025 & 2026;

Parks, Recreation & Culture Property Tax Increase; 0.60% in 2022 to 2024, 0.40% in 2025 and 0.25% in 2026;
Storm Water Property Tax Increase; 0.10% per year;
Water Levy Increase; 4.5% per year;
Sewer Levy Increase; 8.5% per year;
Recycling Levy Increase; 2.75% per year; and

That the Chief Administrative Officer shall determine if and when the incremental adjustments, as itemized in the 2022-2026 Financial Overview Report dated November 29-30, 2021, proceed; and further,

That Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021, which includes an additional property tax increase in 2022 of 1.6% to cover the ongoing cost of the RCMP Contract in excess of expectations, be given first, second and third readings.

DISCUSSION:

a) Background Context:

Business Planning

From November 29 to 30, Council received presentations detailing the strategic and operational deliverables of the organization, and the financial implications of delivering on those objectives. Staff provided an update on strategic projects that formed the Council Work Plan Matrix in 2021 after which they gave a high-level snapshot of initiatives that will form the Matrix to advance Council's strategic priorities.

Departmental representatives then provided greater context with regard to the operational highlights of their service areas for the coming year, within the framework of Council's priorities. These highlights dovetailed into a review of the updated Capital Program, which notes the continued investment in municipal infrastructure over the next five years.

With the fiscal impact of the Capital Program as a backdrop, staff transitioned to a financial overview. The presentation noted the proposed changes from the last adopted budget. The merit of a proposed 3.6% increase was also identified, as provided in detail in the 2022-2026 Financial Overview Report, which is available on the City's website at: <https://www.mapleridge.ca/2162/Financial-Overview-Report>.

In addressing items beyond the 3.6% tax increase, staff provided Council with financial models for including RCMP union wage increases in the City budget. The first union contract for the RCMP increases the cost of the service compared to what was budgeted. The shortfall in our budget for the RCMP equates to a 1.6% property tax increase. RCMP members had not seen a wage increase since 2017 and were not paid as well as their peers. The resulting RCMP wage increase over this 6-year period is 23.77%.

Feedback from Council identified several policy-level items to be reviewed in 2022 as well as an interest in expediently updating development charges. These policies and practices govern the establishment of reserve funds, road cutting and tax rate smoothing. Council also expressed support for the City Administration to review service area functions, while providing financial latitude, within the capacity of the proposed budget, to implement adjustments as required.

2022-2026 Financial Plan

The Financial Plan Bylaw is a consolidated plan that includes the General Revenue Fund, the sewer and water utility funds and the Capital Program. It is in a format that follows the prescribed legislative requirements. In addition to the information that we are required to provide, we produce the 2022-2026 Financial Overview Report. This report provides additional context, recapitulates key information and itemizes changes to the budget since it was adopted by Council last May. The Report is designed to aid the public and other interested parties to better understand what goes into the City's decision-making processes and the resulting financial resource allocations.

b) Alternatives:

Council may wish to consider alternatives to the Recommendations as set out at the beginning of this report. Below are various alternatives for Council's consideration.

1. Council may consider providing the Chief Administrative Officer with additional flexibility to include the ability to reallocate resources and associated costs to implement Council's strategic initiatives, with the exception of the property tax increases dedicated for drainage capital or capital replacement.
2. Council discussed the additional cost of the RCMP Contract due to the first union contract being settled at a higher rate than planned. If the costs are to be phased in, the Police Services Reserve could be used to do so. A two-year phased approach would draw the Reserve down by approximately \$750,000 and a three-year phased approach would draw the Reserve by \$1,500,000. Two alternative recommendations and associated bylaws have been prepared in the event that Council wishes to phase in this increase.
 - A. Phase in over two years
That Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021 (Attachment B), which includes an additional property tax increase in 2022 and 2023 of 0.8% per year to cover the ongoing cost of the RCMP Contract be given first, second and third readings.
 - B. Phase in over three years
That Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021 (Attachment C), which includes an additional property tax increase in 2022, 2023 and 2024 of 0.533% per year to cover the ongoing cost of the RCMP Contract be given first, second and third readings.

CONCLUSION:

The Financial Plan is a multi-year planning, reviewing and reporting tool that represents Council's priorities and commitment to providing quality services to the residents of Maple Ridge. This plan is in line with the direction set by Council. Once the Financial Plan Bylaw is adopted, 2022 Capital Projects can proceed. Council has the authority to amend this Bylaw at any time. The next planned amendment of the Financial Plan Bylaw is in April 2022.



Prepared by: **Trevor Thompson, BBA, CPA, CGA**
Director of Finance & Chief Financial Officer



Approved by: **Christina Crabtree**
General Manager Corporate Services



Concurrence: **Scott Hartman**
Chief Administrative Officer

Attachment A) Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021 (1 year)
Attachment B) Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021 (2 years)
Attachment C) Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021 (3 years)

CITY OF MAPLE RIDGE

BYLAW NO. 7813-2021

A bylaw to establish the five year financial plan for the years 2022 through 2026

WHEREAS, the public will have the opportunity to provide comments or suggestions with respect to the financial plan;

AND WHEREAS, Council deems this to be a process of public consultation under Section 166 of the Community Charter;

NOW THEREFORE, the Council for the City of Maple Ridge enacts as follows:

1. This Bylaw may be cited as "Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021".
2. Statement 1 attached to and forming part of this bylaw is hereby declared to be the Consolidated Financial Plan of the City of Maple Ridge for the years 2022 through 2026.
3. Statement 2 attached to and forming part of the bylaw is hereby declared to be the Revenue and Property Tax Policy Disclosure for the City of Maple Ridge.
4. Statement 3 attached to and forming part of the bylaw is hereby declared to be the Capital Expenditure Disclosure for the City of Maple Ridge.

READ a first time the day of .

READ a second time the day of .

READ a third time the day of .

PUBLIC CONSULTATION completed on the day of .

ADOPTED the day of .

PRESIDING MEMBER

CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

Statement 1**Consolidated Financial Plan 2022-2026 (\$ in thousands)**

	2022	2023	2024	2025	2026
REVENUES					
Revenues					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	11,576	8,250	11,741	26,028	7,441
Developer Projects & Amenity Contributic	-	-	150	-	-
Parkland Acquisition	200	200	200	200	200
Contribution from Others	1,345	1,343	1,351	1,356	1,363
Development Fees Total	33,121	29,793	33,442	47,584	29,004
Property Taxes	102,508	107,991	113,827	119,695	125,696
Parcel Charges	3,601	3,716	3,835	3,958	4,085
Fees & Charges	52,646	55,476	58,523	61,818	65,378
Interest	2,443	2,458	2,473	2,488	2,501
Grants	5,017	6,048	6,052	37,518	4,918
Total Revenues	199,336	205,482	218,152	273,061	231,582
EXPENDITURES					
Operating Expenditures					
Debt & Interest Payments	1,738	1,578	2,332	2,154	1,947
Amortization	24,037	24,037	24,037	24,037	24,037
Other Expenditures	135,009	141,389	148,172	155,766	165,573
Total Expenditures	160,784	167,004	174,541	181,957	191,557
ANNUAL SURPLUS	38,553	38,479	43,612	91,105	40,025
Add Back: Amortization Expense (Surplus)	24,037	24,037	24,037	24,037	24,037
Less: Capital Expenditures	41,738	34,415	40,632	83,009	29,374
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	852	8,101	7,017	12,133	14,688
OTHER REVENUES					
Add: Borrowing Proceeds	-	-	-	-	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	4,055	4,174	4,978	5,128	5,282
TOTAL REVENUES LESS EXPENSES	(3,204)	3,927	2,039	7,005	9,406
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	250	250	250	250	250
Equipment Replacement Reserve	2,194	3,725	3,024	2,265	1,460
Fire Department Capital Reserve	355	254	313	322	-
Total Transfer From Reserve Funds	2,799	4,229	3,587	2,837	1,710
Less :Transfer To Reserve Funds					
Capital Works Reserve	1,016	1,514	1,050	1,683	1,335
Equipment Replacement Reserve	3,381	3,534	3,729	3,887	4,054
Fire Department Capital Reserve	1,346	1,527	1,634	1,745	1,914
Land Reserve	5	5	5	5	5
Total Transfer To Reserve Funds	5,748	6,580	6,418	7,320	7,308
Transfer From (To) Own Reserves	1,867	2,411	269	(1,093)	(2,093)
Transfer From (To) Surplus	4,286	(3,987)	524	(1,429)	(1,715)
Transfer From (To) Surplus & Own Reserves	6,153	(1,576)	793	(2,522)	(3,808)
TOTAL INTERNAL TRANSFERS	3,204	(3,927)	(2,039)	(7,005)	(9,406)
BALANCED BUDGET	-	-	-	-	-

Statement 2

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2022		2023		2024		2025		2026	
	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%
Revenues										
Property Taxes	102,508	51.4	107,991	52.6	113,827	52.2	119,695	43.8	125,696	54.3
Parcel Charges	3,601	1.8	3,716	1.8	3,835	1.8	3,958	1.4	4,085	1.8
Fees & Charges	52,646	26.4	55,476	27.0	58,523	26.8	61,818	22.6	65,378	28.2
Borrowing Proceeds	-	-	-	-	-	-	-	-	-	-
Other Sources	40,581	20.4	38,299	18.6	41,967	19.2	87,590	32.1	36,423	15.7
Total Revenues	199,336	100	205,482	100	218,152	100	273,061	100	231,582	100
Other Sources include:										
Development Fees Total	33,121	16.6	29,793	14.5	33,442	15.3	47,584	17.4	29,004	12.5
Interest	2,443	1.2	2,458	1.2	2,473	1.1	2,488	0.9	2,501	1.1
Grants (Other Govts)	5,017	2.5	6,048	2.9	6,052	2.8	37,518	13.7	4,918	2.1
Property Sales	-	-	-	-	-	-	-	-	-	-
	40,581	20.4	38,299	18.6	41,967	19.2	87,590	32.1	36,423	15.7
		0		0		0		0		0

OBJECTIVES & POLICIES

Property Tax Revenue

Property tax revenue is the City's primary revenue source, and one which is heavily reliant on the residential class. Diversification of the tax base and generation of non-tax revenue are ongoing objectives, outlined in Financial Sustainability Policy 5.52 section 6.

Additional information on tax increases and the cost drivers can be found in the most recent Financial Overview Report. The RCMP Contract cost increase, due to unionization, is driving a further property tax increase of 1.6% bringing the 3.6% anticipated property tax increase to 5.2% for 2022.

Property tax revenue includes property taxes as well as grants in lieu of property taxes.

Parcel Charges

Parcel charges are comprised of a recycling charge, a sewer charge and on some properties, a local area service or improvement charge. Parcel charges are a useful tool to charge all or a subset of properties for a fixed or variable amount to support services. Unlike property taxation the variable amount does not need to be related to property assessment value, but can be something that more accurately reflects the cost of the service.

Statement 2

Revenue and Property Tax Policy Disclosure

Fees & Charges

Fees should be reviewed annually and updated if needed. In 2022, a consolidated fees and charges bylaw will be brought to Council for consideration. Some fees are used to offset the costs of providing specific services. The utility fees are reviewed annually with a view towards using rate stabilization practices to smooth out large fluctuations in rates, as set out in the Business Planning Guidelines.

Borrowing Proceeds

Debt is used when it makes sense, and with caution as it commits future cash flows to debt payments, restricting the ability to use these funds to provide other services. The source of the debt payments needs to be considered as does the justification for advancing the project. More information on previously approved borrowing can be found in the most recent Financial Plan Overview report.

Other Sources

This will vary greatly year to year as it includes:

- Development fees which fund capital projects from the DCC Reserve
- Contribution from others in relation to capital
- Grants which are sought from various agencies and may be leveraged with City funds

PROPERTY TAX DISCLOSURE

The 2022 property tax revenue and updated rates will be included in a Financial Plan Amending Bylaw that precedes the Property Tax Rate Bylaw, as the 2022 property assessed values are not yet finalized. For information purposes the 2021 distribution is included.

Property Tax Revenue Distribution

Property Class	Taxation Revenue		Assessed Value		Tax Rate	Multiple
	('000s)		('000s)		(\$/1000)	(Rate/Res.Rate)
1 Residential	73,729	78.9%	23,879,015	91.0%	3.0876	1.0
2 Utility	794	0.9%	19,858	0.1%	40.0001	13.0
4 Major Industry	-	0.0%	-	0.0%	16.1872	5.2
5 Light Industry	4,384	4.7%	541,668	2.1%	8.0936	2.6
6 Business/Other	14,389	15.4%	1,777,838	6.8%	8.0936	2.6
8 Rec./ Non-Profit	56	0.1%	5,028	0.0%	11.1597	3.6
9 Farm	87	0.1%	4,685	0.0%	18.4672	6.0
Total	93,439	100%	26,228,092	100%		

Statement 2

Revenue and Property Tax Policy Disclosure

PROPERTY TAX DISCLOSURE

Objectives & Policies

Property taxes are the City's largest source of revenue and are contained by efficient business practices. Annual business planning practices are the mechanism for resource allocation decisions.

The City's Financial Sustainability Policy section 6 discusses the necessity of diversifying the tax base. Development of employment-related properties is one method of diversification; therefore a key performance measurement in Strategic Economic Initiatives tracks the increased investment and development of non-residential properties.

A policy in the Financial Sustainability Plan that calls for stable tax increases and the adoption of the annual increase early in the prior year in the Business Planning Guidelines provides citizens with a more stable and predictable set of cost increases. In some cases costs are phased in over multiple years to stay within the set tax increases.

Property Tax Rates

It is policy to adjust property tax rates annually to negate the impact of fluctuations in the market values of properties. Tax rates are reduced to negate the market increases. Property tax increases are then applied at the same relative increase for all classes, unless legislation restricts the rates, as with Class 2, Utility.

The Business Class and Light Industry Class properties have the same tax rate and are treated as a composite class when setting the tax rates, as the types of businesses in each class are similar.

In reviewing tax rates to ensure competitiveness, absolute rates, tax multiples and overall tax burden are considered. The impact that assessed values have when comparing to other geographical areas must be considered in a comparison of tax rates.

In 2019 a review of the Farm Class properties revealed that the rates are relatively high compared to other municipalities. Reductions in the Farm Class rate was phased in over the next two years effectively decreasing the amount that would otherwise have been collected by half.

Permissive Tax Exemptions

Council has set policies around the use of permissive tax exemptions. These are Council Policies 5.19 through 5.24. These policies discuss Churches, Community Halls, Heritage Sites, Homes for the Care of Children and the Relief of the Aged, the Poor, the Disabled and the Infirm, Municipal Recreational Services, Private Hospitals and Daycares, Private School and Youth Recreation Groups.

Statement 3

Capital Expenditure Disclosure

The sole purpose of this statement is to meet legislative requirements and highlight the value of the Development Cost Charges; no other conclusions should be drawn from the figures as the information could be misconstrued. This disclosure is required under the Local Government Act s. 560 (2); capital costs attributable to projects to be partially funded by Development Cost Charges (DCC) must be included in the financial plan. The DCC program includes projects as far out as 2041 so the capital expenditures must be extended to match. Certain types of projects are not planned past the five year time horizon of the financial plan. Much less scrutiny is given to projects that are planned in years 2027 through 2041. Projects in these years typically exceed likely funding available.

Capital Program for 2027 – 2041

(\$ in thousands)

Capital Works Program	343,086
 Source of Funding	
Development Fees	
Development Cost Charges	157,953
Parkland Acquisition Reserve	-
Contribution from Others	1,259
	<hr/> 159,212
 Borrowing Proceeds	 -
Grants	28,355
Transfer from Reserve Funds	20,621
Revenue Funds	134,897
	<hr/> 183,874
	 <hr/> 343,086 <hr/>

CITY OF MAPLE RIDGE

BYLAW NO. 7813-2021

A bylaw to establish the five year financial plan for the years 2022 through 2026

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PRESIDING MEMBER

CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

Statement 1**Consolidated Financial Plan 2022-2026 (\$ in thousands)**

	2022	2023	2024	2025	2026
REVENUES					
Revenues					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	11,576	8,250	11,741	26,028	7,441
Developer Projects & Amenity Contributic	-	-	150	-	-
Parkland Acquisition	200	200	200	200	200
Contribution from Others	1,345	1,343	1,351	1,356	1,363
Development Fees Total	33,121	29,793	33,442	47,584	29,004
Property Taxes	101,745	107,997	113,833	119,702	125,702
Parcel Charges	3,601	3,716	3,835	3,958	4,085
Fees & Charges	52,646	55,476	58,523	61,818	65,378
Interest	2,443	2,458	2,473	2,488	2,501
Grants	5,017	6,048	6,052	37,518	4,918
Total Revenues	198,573	205,488	218,158	273,068	231,588
EXPENDITURES					
Operating Expenditures					
Debt & Interest Payments	1,738	1,578	2,332	2,154	1,947
Amortization	24,037	24,037	24,037	24,037	24,037
Other Expenditures	135,009	141,389	148,172	155,766	165,573
Total Expenditures	160,784	167,004	174,541	181,957	191,557
ANNUAL SURPLUS	37,790	38,484	43,618	91,111	40,031
Add Back: Amortization Expense (Surplus)	24,037	24,037	24,037	24,037	24,037
Less: Capital Expenditures	41,738	34,415	40,632	83,009	29,374
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	89	8,106	7,023	12,139	14,694
OTHER REVENUES					
Add: Borrowing Proceeds	-	-	-	-	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	4,055	4,174	4,978	5,128	5,282
TOTAL REVENUES LESS EXPENSES	(3,967)	3,932	2,045	7,011	9,412
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	250	250	250	250	250
Equipment Replacement Reserve	2,194	3,725	3,024	2,265	1,460
Fire Department Capital Reserve	355	254	313	322	-
Total Transfer From Reserve Funds	2,799	4,229	3,587	2,837	1,710
Less :Transfer To Reserve Funds					
Capital Works Reserve	986	1,507	1,050	1,683	1,335
Equipment Replacement Reserve	3,381	3,529	3,729	3,887	4,054
Fire Department Capital Reserve	1,346	1,511	1,635	1,745	1,914
Land Reserve	5	5	5	5	5
Total Transfer To Reserve Funds	5,718	6,552	6,419	7,320	7,308
Transfer From (To) Own Reserves	2,600	2,378	264	(1,099)	(2,099)
Transfer From (To) Surplus	4,286	(3,987)	524	(1,429)	(1,715)
Transfer From (To) Surplus & Own Reserves	6,886	(1,609)	788	(2,528)	(3,814)
TOTAL INTERNAL TRANSFERS	3,967	(3,932)	(2,045)	(7,011)	(9,412)
BALANCED BUDGET	-	-	-	-	-

Statement 2

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2022		2023		2024		2025		2026	
	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%
Revenues										
Property Taxes	101,745	51.2	107,997	52.6	113,833	52.2	119,702	43.8	125,702	54.3
Parcel Charges	3,601	1.8	3,716	1.8	3,835	1.8	3,958	1.4	4,085	1.8
Fees & Charges	52,646	26.5	55,476	27.0	58,523	26.8	61,818	22.6	65,378	28.2
Borrowing Proceeds	-	-	-	-	-	-	-	-	-	-
Other Sources	40,581	20.4	38,299	18.6	41,967	19.2	87,590	32.1	36,423	15.7
Total Revenues	198,573	100	205,488	100	218,158	100	273,068	100	231,588	100
Other Sources include:										
Development Fees Total	33,121	16.7	29,793	14.5	33,442	15.3	47,584	17.4	29,004	12.5
Interest	2,443	1.2	2,458	1.2	2,473	1.1	2,488	0.9	2,501	1.1
Grants (Other Govts)	5,017	2.5	6,048	2.9	6,052	2.8	37,518	13.7	4,918	2.1
Property Sales	-	-	-	-	-	-	-	-	-	-
	40,581	20.4	38,299	18.6	41,967	19.2	87,590	32.1	36,423	15.7

OBJECTIVES & POLICIES

Property Tax Revenue

Property tax revenue is the City's primary revenue source, and one which is heavily reliant on the residential class. Diversification of the tax base and generation of non-tax revenue are ongoing objectives, outlined in Financial Sustainability Policy 5.52 section 6.

Additional information on tax increases and the cost drivers can be found in the most recent Financial Overview Report. The RCMP Contract cost increase, due to unionization, is driving a further property tax increase of 1.6% phased in over two years bringing the 3.6% anticipated property tax increase to 4.4% for 2022 and 2023.

Property tax revenue includes property taxes as well as grants in lieu of property taxes.

Parcel Charges

Parcel charges are comprised of a recycling charge, a sewer charge and on some properties, a local area service or improvement charge. Parcel charges are a useful tool to charge all or a subset of properties for a fixed or variable amount to support services. Unlike property taxation the variable amount does not need to be related to property assessment value, but can be something that more accurately reflects the cost of the service.

Statement 2

Revenue and Property Tax Policy Disclosure

Fees & Charges

Fees should be reviewed annually and updated if needed. In 2022, a consolidated fees and charges bylaw will be brought to Council for consideration. Some fees are used to offset the costs of providing specific services. The utility fees are reviewed annually with a view towards using rate stabilization practices to smooth out large fluctuations in rates, as set out in the Business Planning Guidelines.

Borrowing Proceeds

Debt is used when it makes sense, and with caution as it commits future cash flows to debt payments, restricting the ability to use these funds to provide other services. The source of the debt payments needs to be considered as does the justification for advancing the project. More information on previously approved borrowing can be found in the most recent Financial Plan Overview report.

Other Sources

This will vary greatly year to year as it includes:

- Development fees which fund capital projects from the DCC Reserve
- Contribution from others in relation to capital
- Grants which are sought from various agencies and may be leveraged with City funds

PROPERTY TAX DISCLOSURE

The 2022 property tax revenue and updated rates will be included in a Financial Plan Amending Bylaw that precedes the Property Tax Rate Bylaw, as the 2022 property assessed values are not yet finalized. For information purposes the 2021 distribution is included.

Property Tax Revenue Distribution

Property Class	Taxation Revenue		Assessed Value		Tax Rate	Multiple
	('000s)		('000s)		(\$/1000)	(Rate/Res.Rate)
1 Residential	73,729	78.9%	23,879,015	91.0%	3.0876	1.0
2 Utility	794	0.9%	19,858	0.1%	40.0001	13.0
4 Major Industry	-	0.0%	-	0.0%	16.1872	5.2
5 Light Industry	4,384	4.7%	541,668	2.1%	8.0936	2.6
6 Business/Other	14,389	15.4%	1,777,838	6.8%	8.0936	2.6
8 Rec./ Non-Profit	56	0.1%	5,028	0.0%	11.1597	3.6
9 Farm	87	0.1%	4,685	0.0%	18.4672	6.0
Total	93,439	100%	26,228,092	100%		

Statement 2

Revenue and Property Tax Policy Disclosure

PROPERTY TAX DISCLOSURE

Objectives & Policies

Property taxes are the City's largest source of revenue and are contained by efficient business practices. Annual business planning practices are the mechanism for resource allocation decisions.

The City's Financial Sustainability Policy section 6 discusses the necessity of diversifying the tax base. Development of employment-related properties is one method of diversification; therefore a key performance measurement in Strategic Economic Initiatives tracks the increased investment and development of non-residential properties.

A policy in the Financial Sustainability Plan that calls for stable tax increases and the adoption of the annual increase early in the prior year in the Business Planning Guidelines provides citizens with a more stable and predictable set of cost increases. In some cases costs are phased in over multiple years to stay within the set tax increases.

Property Tax Rates

It is policy to adjust property tax rates annually to negate the impact of fluctuations in the market values of properties. Tax rates are reduced to negate the market increases. Property tax increases are then applied at the same relative increase for all classes, unless legislation restricts the rates, as with Class 2, Utility.

The Business Class and Light Industry Class properties have the same tax rate and are treated as a composite class when setting the tax rates, as the types of businesses in each class are similar.

In reviewing tax rates to ensure competitiveness, absolute rates, tax multiples and overall tax burden are considered. The impact that assessed values have when comparing to other geographical areas must be considered in a comparison of tax rates.

In 2019 a review of the Farm Class properties revealed that the rates are relatively high compared to other municipalities. Reductions in the Farm Class rate was phased in over the next two years effectively decreasing the amount that would otherwise have been collected by half.

Permissive Tax Exemptions

Council has set policies around the use of permissive tax exemptions. These are Council Policies 5.19 through 5.24. These policies discuss Churches, Community Halls, Heritage Sites, Homes for the Care of Children and the Relief of the Aged, the Poor, the Disabled and the Infirm, Municipal Recreational Services, Private Hospitals and Daycares, Private School and Youth Recreation Groups.

Statement 3

Capital Expenditure Disclosure

The sole purpose of this statement is to meet legislative requirements and highlight the value of the Development Cost Charges; no other conclusions should be drawn from the figures as the information could be misconstrued. This disclosure is required under the Local Government Act s. 560 (2); capital costs attributable to projects to be partially funded by Development Cost Charges (DCC) must be included in the financial plan. The DCC program includes projects as far out as 2041 so the capital expenditures must be extended to match. Certain types of projects are not planned past the five year time horizon of the financial plan. Much less scrutiny is given to projects that are planned in years 2027 through 2041. Projects in these years typically exceed likely funding available.

Capital Program for 2027 – 2041

(\$ in thousands)

Capital Works Program	343,086
Source of Funding	
Development Fees	
Development Cost Charges	157,953
Parkland Acquisition Reserve	-
Contribution from Others	1,259
	<hr/> 159,212
Borrowing Proceeds	-
Grants	28,355
Transfer from Reserve Funds	20,621
Revenue Funds	134,897
	<hr/> 183,874
	<hr/> 343,086 <hr/>

CITY OF MAPLE RIDGE

BYLAW NO. 7813-2021

A bylaw to establish the five year financial plan for the years 2022 through 2026

WHEREAS, the public will have the opportunity to provide comments or suggestions with respect to the financial plan;

AND WHEREAS, Council deems this to be a process of public consultation under Section 166 of the Community Charter;

NOW THEREFORE, the Council for the City of Maple Ridge enacts as follows:

1. This Bylaw may be cited as "Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021".
2. Statement 1 attached to and forming part of this bylaw is hereby declared to be the Consolidated Financial Plan of the City of Maple Ridge for the years 2022 through 2026.
3. Statement 2 attached to and forming part of the bylaw is hereby declared to be the Revenue and Property Tax Policy Disclosure for the City of Maple Ridge.
4. Statement 3 attached to and forming part of the bylaw is hereby declared to be the Capital Expenditure Disclosure for the City of Maple Ridge.

READ a first time the day of .

READ a second time the day of .

READ a third time the day of .

PUBLIC CONSULTATION completed on the day of .

ADOPTED the day of .

PRESIDING MEMBER

CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

Statement 1

Consolidated Financial Plan 2022-2026 (\$ in thousands)

	2022	2023	2024	2025	2026
REVENUES					
Revenues					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	11,576	8,250	11,741	26,028	7,441
Developer Projects & Amenity Contributic	-	-	150	-	-
Parkland Acquisition	200	200	200	200	200
Contribution from Others	1,345	1,343	1,351	1,356	1,363
Development Fees Total	33,121	29,793	33,442	47,584	29,004
Property Taxes	101,491	107,458	113,837	119,706	125,707
Parcel Charges	3,601	3,716	3,835	3,958	4,085
Fees & Charges	52,646	55,476	58,523	61,818	65,378
Interest	2,443	2,458	2,473	2,488	2,501
Grants	5,017	6,048	6,052	37,518	4,918
Total Revenues	198,319	204,949	218,162	273,072	231,593
EXPENDITURES					
Operating Expenditures					
Debt & Interest Payments	1,738	1,578	2,332	2,154	1,947
Amortization	24,037	24,037	24,037	24,037	24,037
Other Expenditures	135,009	141,389	148,172	155,767	165,573
Total Expenditures	160,784	167,004	174,541	181,958	191,557
ANNUAL SURPLUS	37,536	37,945	43,622	91,115	40,036
Add Back: Amortization Expense (Surplus)	24,037	24,037	24,037	24,037	24,037
Less: Capital Expenditures	41,738	34,415	40,632	83,009	29,374
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	(166)	7,567	7,027	12,143	14,699
OTHER REVENUES					
Add: Borrowing Proceeds	-	-	-	-	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	4,055	4,174	4,978	5,128	5,282
TOTAL REVENUES LESS EXPENSES	(4,221)	3,393	2,049	7,015	9,417
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	250	250	250	250	250
Equipment Replacement Reserve	2,194	3,725	3,024	2,265	1,460
Fire Department Capital Reserve	355	254	313	322	-
Total Transfer From Reserve Funds	2,799	4,229	3,587	2,837	1,710
Less :Transfer To Reserve Funds					
Capital Works Reserve	976	1,483	1,045	1,683	1,335
Equipment Replacement Reserve	3,381	3,527	3,725	3,887	4,054
Fire Department Capital Reserve	1,346	1,506	1,624	1,745	1,915
Land Reserve	5	5	5	5	5
Total Transfer To Reserve Funds	5,708	6,521	6,399	7,320	7,309
Transfer From (To) Own Reserves	2,844	2,886	240	(1,102)	(2,103)
Transfer From (To) Surplus	4,286	(3,987)	524	(1,430)	(1,715)
Transfer From (To) Surplus & Own Reserves	7,130	(1,101)	764	(2,532)	(3,818)
TOTAL INTERNAL TRANSFERS	4,221	(3,393)	(2,049)	(7,015)	(9,417)
BALANCED BUDGET	-	-	-	-	-

Statement 2

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2022		2023		2024		2025		2026	
	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%
Revenues										
Property Taxes	101,491	51.2	107,458	52.4	113,837	52.2	119,706	43.8	125,707	54.3
Parcel Charges	3,601	1.8	3,716	1.8	3,835	1.8	3,958	1.4	4,085	1.8
Fees & Charges	52,646	26.5	55,476	27.1	58,523	26.8	61,818	22.6	65,378	28.2
Borrowing Proceeds	-	-	-	-	-	-	-	-	-	-
Other Sources	40,581	20.5	38,299	18.7	41,967	19.2	87,590	32.1	36,423	15.7
Total Revenues	198,319	100	204,949	100	218,162	100	273,072	100	231,593	100
Other Sources include:										
Development Fees Total	33,121	16.7	29,793	14.5	33,442	15.3	47,584	17.4	29,004	12.5
Interest	2,443	1.2	2,458	1.2	2,473	1.1	2,488	0.9	2,501	1.1
Grants (Other Govts)	5,017	2.5	6,048	3.0	6,052	2.8	37,518	13.7	4,918	2.1
Property Sales	-	-	-	-	-	-	-	-	-	-
	40,581	20.5	38,299	18.7	41,967	19.2	87,590	32.1	36,423	15.7

OBJECTIVES & POLICIES

Property Tax Revenue

Property tax revenue is the City's primary revenue source, and one which is heavily reliant on the residential class. Diversification of the tax base and generation of non-tax revenue are ongoing objectives, outlined in Financial Sustainability Policy 5.52 section 6.

Additional information on tax increases and the cost drivers can be found in the most recent Financial Overview Report. The RCMP Contract cost increase, due to unionization, is driving a further property tax increase of 1.6% phased in over three years bringing the 3.6% anticipated property tax increase to 4.13% for 2022, 2023 and 2024.

Property tax revenue includes property taxes as well as grants in lieu of property taxes.

Parcel Charges

Parcel charges are comprised of a recycling charge, a sewer charge and on some properties, a local area service or improvement charge. Parcel charges are a useful tool to charge all or a subset of properties for a fixed or variable amount to support services. Unlike property taxation the variable amount does not need to be related to property assessment value, but can be something that more accurately reflects the cost of the service.

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