

THE FOLLOWING DOCUMENT HAS BEEN REPRODUCED **FOR CONVENIENCE ONLY** and is a consolidation of the following:

1. Maple Ridge 2020-2024 Financial Plan Bylaw No. 7598-2019
2. Maple Ridge 2020-2024 Financial Plan Amending Bylaw No. 7639-2020

Individual copies of any of the above by-laws can be obtained by contacting the Clerk's Department.

CITY OF MAPLE RIDGE

BYLAW NO. 7598-2019

A bylaw to establish the five year financial plan for the years 2020 through 2024

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 2020-2024 Financial Plan Bylaw No. 7598-2019".
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 2020 through 2024.
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 10th day of December, 2019.

READ a second time the 10th day of December, 2019.

READ a third time the 10th day of December, 2019.

PUBLIC CONSULTATION completed on the 14th day of January, 2020.

ADOPTED the 14th day of January, 2020.

PRESIDING MEMBER

CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

Statement 1

Consolidated Financial Plan 2020-2024 (in \$ thousands)

	2020	2021	2022	2023	2024
REVENUES					
Revenues					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	39,178	8,675	5,083	1,262	891
Developer Projects & Amenity Contributions	1,112	-	-	-	-
Parkland Acquisition	1,742	200	200	200	200
Contribution from Others	1,775	1,373	1,336	1,343	1,351
Development Fees Total	63,807	30,248	26,619	22,805	22,442
Property Taxes	91,343	96,157	101,185	106,485	112,072
Parcel Charges	3,337	3,442	3,552	3,665	3,782
Fees & Charges	47,143	49,579	52,181	54,995	58,025
Interest	2,413	2,428	2,443	2,458	2,473
Grants	14,469	6,074	6,081	5,331	5,331
Property Sales	-	-	-	-	-
Total Revenues	222,512	187,928	192,061	195,739	204,125
EXPENDITURES					
Operating Expenditures					
Debt & Interest Payments	2,391	2,559	2,447	2,340	3,056
Amortization	22,623	22,623	22,623	22,623	22,623
Other Expenditures	129,692	124,456	130,782	137,521	143,622
Total Expenditures	154,706	149,638	155,852	162,484	169,301
ANNUAL SURPLUS	67,806	38,290	36,209	33,255	34,824
Add Back: Amortization Expense (Surplus)	22,623	22,623	22,623	22,623	22,623
Less: Capital Expenditures	177,634	30,838	23,807	22,775	23,920
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	(107,205)	10,075	15,025	13,103	13,527
OTHER REVENUES					
Add: Borrowing Proceeds	51,494	-	-	-	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	3,871	3,953	4,644	4,734	5,417
TOTAL REVENUES LESS EXPENSES	(59,582)	6,122	10,381	8,369	8,110
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	2,995	350	150	150	150
Equipment Replacement Reserve	9,056	2,354	1,872	3,018	2,912
Fire Department Capital Reserve	2,899	136	195	254	313
Sanitary Sewer Reserve	1,245	-	-	-	-
Total Transfer From Reserve Funds	16,478	2,840	2,217	3,422	3,375
Less :Transfer To Reserve Funds					
Capital Works Reserve	2,505	978	2,310	2,004	4,782
Equipment Replacement Reserve	3,230	3,543	3,783	3,964	4,144
Fire Department Capital Reserve	865	1,016	1,163	1,315	1,653
Land Reserve	5	5	5	5	5
Total Transfer To Reserve Funds	6,605	5,542	7,261	7,288	10,584
Transfer From (To) Own Reserves	44,284	(2,015)	(2,036)	(2,203)	(1,601)
Transfer From (To) Surplus	5,425	(1,405)	(3,301)	(2,300)	700
Transfer From (To) Surplus & Own Reserves	49,709	(3,420)	(5,337)	(4,503)	(901)
TOTAL INTERNAL TRANSFERS	59,582	(6,122)	(10,381)	(8,369)	(8,110)
BALANCED BUDGET	-	-	-	-	-

Statement 2

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2020		2021		2022		2023		2024	
	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%
Revenues										
Property Taxes	91,343	33.3	96,157	51.2	101,185	52.7	106,485	54.4	112,072	54.9
Parcel Charges	3,337	1.2	3,442	1.8	3,552	1.8	3,665	1.9	3,782	1.9
Fees & Charges	47,143	17.2	49,579	26.4	52,181	27.2	54,995	28.1	58,025	28.4
Borrowing Proceeds	51,494	18.8	-	-	-	-	-	-	-	-
Other Sources	80,689	29.4	38,750	20.6	35,143	18.3	30,594	15.6	30,246	14.8
Total Revenues	274,006	100	187,928	100	192,061	100	195,739	100	204,125	100
Other Sources include:										
Development Fees Total	63,807	23.3	30,248	16.1	26,619	13.9	22,805	11.7	22,442	11.0
Interest	2,413	0.9	2,428	1.3	2,443	1.3	2,458	1.3	2,473	1.2
Grants (Other Govts)	14,469	5.3	6,074	3.2	6,081	3.2	5,331	2.7	5,331	2.6
Property Sales	-	-	-	-	-	-	-	-	-	-
	80,689	29.4	38,750	20.6	35,143	18.3	30,594	15.6	30,246	14.8

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.

The Financial Plan includes property tax increases that are as listed below:

	2020	2021	2022	2023	2024
General Purpose	2.25%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.70%	0.90%	0.90%	1.00%
Parks & Recreation	0.60%	0.60%	0.60%	0.60%	0.60%
Drainage	0.30%	0.30%	0.10%	0.10%	0.00%
Total Property Tax Increase	3.85%	3.60%	3.60%	3.60%	3.60%

The 2021 General Purpose tax increase was reduced from 2.25% to 2.00% since the previous financial plan bylaw to achieve a property tax increase of 3.60%. Additional information on the tax increases and the cost drivers can be found in the most recent Financial Plan Overview Report. Specific policies discussing the tax increases are included in the Financial Sustainability Plan and related policies. 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. Past fee amendments include recreation fees, development application fees, business license fees and cemetery fees. A major amendment to the Development Costs Charges (DCC) was approved in 2018. Fees are often 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 and our website for information on the new parks and recreation infrastructure.

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

Property Tax Revenue Distribution

Property Class	Taxation Revenue		Assessed Value (` 000s)		Tax Rate (\$ per 1000)	Multiple (Rate / Res. Rate)
1 Residential	70,187,615	78.6%	22,437,061	91.0%	3.1282	1.0
2 Utility	790,333	1.0%	19,758	0.1%	40.0000	12.8
4 Major Industry	-	0.0%	-	0.0%	16.4312	5.3
5 Light Industry	4,011,387	4.5%	488,265	2.0%	8.2156	2.6
6 Business, Other	14,076,191	15.8%	1,713,349	6.9%	8.2156	2.6
8 Rec., Non-Profit	54,163	0.1%	5,128	0.0%	10.5614	3.4
9 Farm	121,216	0.1%	4,615	0.0%	26.2647	8.4
Total	<u>89,240,904</u>	<u>100%</u>	<u>24,668,177</u>	<u>100%</u>		

Statement 2

Revenue and Property Tax Policy 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. 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.

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.

Revitalization Tax Exemptions (no current programs)

In the past, Revitalization Tax Exemptions have been leveraged as a tool to provide incentives for the attainment of strategic goals related to land development and the attraction of high-value jobs. The Town Centre Investment Incentive Program was established to attract private investment in the fulfillment of the Town Centre Area Plan. Similarly, the Employment Land investment Incentive Program was designed to encourage job creation by supporting investment in buildings and infrastructure on identified "employment lands".

Statement 3

Capital Expenditure Disclosure

The sole purpose of this statement is to meet legislative requirements and highlight the value of the DCC program; no other conclusions should be drawn from the figures. 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 2039 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 2025 through 2039. Projects in these years may exceed annual funding available.

Capital Works Program for 2025 – 2039

(in \$ thousands)

Capital Works Program	364,443
Source of Funding	
Development Fees	
Development Cost Charges	172,105
Parkland Acquisition Reserve	-
Contribution from Others	1,244
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	173,349
Borrowing Proceeds	-
Grants	39,276
Transfer from Reserve Funds	20,477
Revenue Funds	131,341
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	191,094
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	364,443
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