

**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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**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.

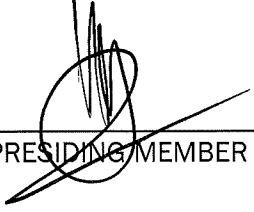
**READ** a first time the 7<sup>th</sup> day of December, 2021.

**READ** a second time the 7<sup>th</sup> day of December, 2021.

**READ** a third time the 7<sup>th</sup> day of December, 2021.

**PUBLIC CONSULTATION** completed on the 7<sup>th</sup> day of December, 2021.

**ADOPTED** the 14<sup>th</sup> day of December, 2021.

  
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PRESIDING MEMBER

  
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CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

**Statement 1**

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

	2022	2023	2024	2025	2026
<b>REVENUES</b>					
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
<b>EXPENDITURES</b>					
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
<b>ANNUAL SURPLUS</b>	<b>37,790</b>	<b>38,484</b>	<b>43,618</b>	<b>91,111</b>	<b>40,031</b>
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
<b>CHANGE IN FINANCIAL POSITION</b>	<b>89</b>	<b>8,106</b>	<b>7,023</b>	<b>12,139</b>	<b>14,694</b>
<b>OTHER REVENUES</b>					
Add: Borrowing Proceeds	-	-	-	-	-
<b>OTHER EXPENDITURES</b>					
Less: Principal Payments on Debt	4,055	4,174	4,978	5,128	5,282
<b>TOTAL REVENUES LESS EXPENSES</b>	<b>(3,967)</b>	<b>3,932</b>	<b>2,045</b>	<b>7,011</b>	<b>9,412</b>
<b>INTERNAL TRANSFERS</b>					
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)
<b>TOTAL INTERNAL TRANSFERS</b>	<b>3,967</b>	<b>(3,932)</b>	<b>(2,045)</b>	<b>(7,011)</b>	<b>(9,412)</b>
<b>BALANCED BUDGET</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Statement 2

### Revenue and Property Tax Policy Disclosure

#### REVENUE DISCLOSURE

Revenue Proportions	2022		2023		2024		2025		2026	
	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%
<b>Revenues</b>										
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
<b>Total Revenues</b>	<b>198,573</b>	<b>100</b>	<b>205,488</b>	<b>100</b>	<b>218,158</b>	<b>100</b>	<b>273,068</b>	<b>100</b>	<b>231,588</b>	<b>100</b>
<b>Other Sources include:</b>										
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	-	-	-	-	-	-	-	-	-	-
	<b>40,581</b>	<b>20.4</b>	<b>38,299</b>	<b>18.6</b>	<b>41,967</b>	<b>19.2</b>	<b>87,590</b>	<b>32.1</b>	<b>36,423</b>	<b>15.7</b>

#### 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
<b>Total</b>	<b>93,439</b>	<b>100%</b>	<b>26,228,092</b>	<b>100%</b>		

## 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)

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