

CITY OF MAPLE RIDGE

BYLAW NO. 7989-2024

A Bylaw to establish the five-year financial plan for the years 2024 through 2028.

WHEREAS, Council deems this to be a process of public consultation pursuant to Section 166 of the *Community Charter*, SBC 2003, c. 26;

AND WHEREAS, the public has had the opportunity to provide input with respect to the 2024 to 2028 financial plan;

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

1. This Bylaw may be cited as "Maple Ridge 2024-2028 Financial Plan Bylaw No. 7989-2024".
2. The Consolidated Financial Plan of the City of Maple Ridge for the years 2024 through 2028 is set out in Schedule "A", attached hereto.
3. The Revenue and Property Tax Policy Disclosure for the City of Maple Ridge is set out in Schedule "B", attached hereto.
4. The Capital Expenditure Disclosure for the City of Maple Ridge is set out in Schedule "C", attached hereto.

READ a first time the 9th day of April, 2024.

READ a second time the 9th day of April, 2024.

READ a third time the 9th day of April, 2024.

PUBLIC CONSULTATION completed on the 22nd day of March, 2024.

ADOPTED the 23rd day of April, 2024.



PRESIDING MEMBER



CORPORATE OFFICER

Schedule "A"
Consolidated Financial Plan 2024-2028 (\$ in thousands)

	2024	2025	2026	2027	2028
REVENUES					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	55,700	33,115	25,551	4,017	3,724
Developer Projects & Amenity Contributions	9,199	-	-	-	-
Parkland Acquisition	2,813	200	200	200	200
Contribution from Others	1,912	1,411	1,421	1,431	1,441
Development Fees Total	89,624	54,726	47,172	25,648	25,365
Property Taxes	115,823	124,574	134,170	142,113	149,663
Parcel Charges	3,880	4,005	4,134	4,267	4,405
Fees & Charges	61,898	65,392	69,159	73,218	77,591
Interest	4,295	4,315	4,335	4,355	4,375
Grants	11,327	8,254	42,026	5,177	5,178
Total Revenues	286,847	261,266	300,996	254,778	266,577
EXPENDITURES					
Operating Expenditures					
Debt & Interest Payments	1,885	1,713	1,762	3,171	3,510
Amortization	24,594	24,594	24,594	24,594	24,594
Other Expenditures	176,233	168,111	175,286	183,813	192,598
Total Expenditures	202,712	194,418	201,642	211,578	220,702
ANNUAL SURPLUS	84,135	66,848	99,354	43,200	45,875
Add Back: Amortization Expense (Surplus)	24,594	24,594	24,594	24,594	24,594
Less: Capital Expenditures	239,000	74,681	106,730	47,893	29,350
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	(150,271)	(3,239)	(2,782)	(99)	21,119
OTHER REVENUES					
Add: Borrowing Proceeds	36,924	-	15,000	15,000	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	4,814	4,962	5,109	4,742	3,608
TOTAL REVENUES LESS EXPENSES	(118,161)	(8,201)	7,109	10,159	17,511
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	1,580	-	-	-	-
Equipment Replacement Reserve	11,924	2,003	1,917	3,622	2,227
Fire Department Capital Reserve	1,253	4,700	-	-	-
Growing Community Reserve	13,270	3,317	-	-	-
Total Transfer From Reserve Funds	28,027	10,020	1,917	3,622	2,227
Less :Transfer To Reserve Funds					
Capital Works Reserve	(866)	(256)	3,127	5,590	2,776
Equipment Replacement Reserve	1,777	1,830	3,166	3,396	3,555
Fire Department Capital Reserve	2,428	2,668	1,384	989	(42)
Land Reserve	5	5	5	5	5
Total Transfer To Reserve Funds	3,344	4,247	7,682	9,980	6,294
Transfer From (To) Own Reserves	79,584	3,535	(587)	(1,666)	(4,129)
Transfer From (To) Surplus	13,894	(1,107)	(757)	(2,135)	(9,315)
Transfer From (To) Surplus & Own Reserves	93,478	2,428	(1,344)	(3,801)	(13,444)
TOTAL INTERNAL TRANSFERS	118,161	8,201	(7,109)	(10,159)	(17,511)
BALANCED BUDGET	-	-	-	-	-

Schedule "B"
Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2024		2025		2026		2027		2028	
	\$ ('000s)	%								
Revenues										
Property Taxes	115,823	35.9	124,574	47.7	134,170	42.5	142,113	52.7	149,663	56.0
Parcel Charges	3,880	1.2	4,005	1.5	4,134	1.3	4,267	1.6	4,405	1.7
Fees & Charges	61,898	19.1	65,392	25.0	69,159	21.9	73,218	27.1	77,591	29.1
Borrowing Proceeds	36,924	11.4	-	-	15,000	4.7	15,000	5.6	-	-
Other Sources	105,246	32.5	67,295	25.8	93,533	29.6	35,180	13.0	34,918	13.1
Total Revenues	323,771	100	261,266	100	315,996	100	269,778	100	266,577	100

Other Sources include:

Development Fees Total	89,624	27.7	54,726	21.0	47,172	14.8	25,648	9.5	25,365	9.4
Interest	4,295	1.3	4,315	1.7	4,335	1.4	4,355	1.6	4,375	1.6
Grants (Other Govts)	11,327	3.5	8,254	3.2	42,026	13.3	5,177	1.9	5,178	1.9
	105,246	32.5	67,295	25.8	93,533	29.6	35,180	13.0	34,918	13.1

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 Section 6 of the Financial Sustainability Policy No. 5.52.

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

	2024	2025	2026	2027	2028
General Purpose	6.10%	5.20%	4.70%	2.90%	2.90%
Infrastructure Replacement	0.40%	0.80%	1.00%	1.00%	1.00%
Parks & Recreation		0.30%	0.60%	0.60%	0.00%
Total Property Tax Increase	6.50%	6.30%	6.30%	4.50%	3.90%

Additional information on the tax increases and the cost drivers can be found in the most recent Financial Overview Report.

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.

Schedule "B"
Revenue and Property Tax Policy Disclosure

Fees & Charges

Fees should be reviewed annually and updated if needed. Fees are used to offset some or all 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 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

Property Tax Revenue Distribution

Property Class	Taxation Revenue		Assessed Value		Tax Rate	Multiple
	('000s)		('000s)		(\$/1000)	(Rate/Res.Rate)
1 Residential	89,641	79.0%	36,446,726	90.9%	2.4595	1.0
2 Utility	954	0.8%	23,858	0.1%	40.0000	16.3
4 Major Industry	-	0.0%	-	0.0%	12.6024	5.1
5 Light Industry	6,074	5.4%	963,875	2.4%	6.3012	2.6
6 Business/Other	16,596	14.6%	2,633,728	6.6%	6.3012	2.6
8 Rec./ Non-Profit	71	0.1%	7,933	0.0%	8.9256	3.6
9 Farm	97	0.1%	4,679	0.0%	20.8216	8.5
Total	113,432	100%	40,080,799	100%		

Schedule "B"
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.

Section 6 of the City's Financial Sustainability Policy 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.

Property Tax Rates

It is policy to adjust property tax rates annually to offset the change of market values on property taxes. 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 municipal tax rate and are treated as a composite class when setting the tax rates.

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 No. 5.19 through No. 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".

Schedule "C"
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 2043 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 2029 through 2043. Projects in these years typically exceed likely funding available.

Capital Program for 2029 – 2043
(\$ in thousands)

Capital Works Program	575,269
 Source of Funding	
Development Fees	
Development Cost Charges	327,390
Contribution from Others	1,847
	<hr/> 329,237
 Borrowing Proceeds	 -
Grants	20,774
Transfer from Reserve Funds	35,003
Revenue Funds	190,255
	<hr/> 246,032
	<hr/> 575,269 <hr/>