

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

1. Maple Ridge 2019-2023 Financial Plan Bylaw No. 7454-2018
2. Maple Ridge 2019-2023 Financial Plan Amending Bylaw No. 7544-2019

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

CITY OF MAPLE RIDGE

BYLAW NO. 7454-2018

A bylaw to establish the five year financial plan for the years 2019 through 2023

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 2019-2023 Financial Plan Bylaw No. 7454-2018".
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 2019 through 2023.
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 July, 2018.

READ a second time the 10th day of July, 2018.

READ a third time the 10th day of July, 2018.

PUBLIC CONSULTATION completed on the 24th day of July, 2018.

ADOPTED the 24th day of July, 2018.

PRESIDING MEMBER

CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

Statement 1

Consolidated Financial Plan 2019-2023 (in \$ thousands)

	2019	2020	2021	2022	2023
REVENUES					
Revenues					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	42,283	7,901	5,999	2,977	1,304
Developer Projects & Amenity Contributions	3,875	-	-	-	-
Parkland Acquisition	1,520	200	200	200	200
Contribution from Others	2,400	1,405	1,357	1,334	1,341
Development Fees Total	70,078	29,506	27,556	24,511	22,845
Property Taxes	86,850	91,456	96,270	101,299	106,600
Parcel Charges	3,235	3,337	3,442	3,552	3,665
Fees & Charges	44,173	46,354	48,708	51,250	53,996
Interest	2,248	2,413	2,428	2,443	2,458
Grants	16,694	4,931	5,191	4,931	4,931
Property Sales	1,500	2,500	-	-	-
Total Revenues	224,778	180,497	183,595	187,986	194,495
EXPENDITURES					
Operating Expenditures					
Debt & Interest Payments	2,752	3,029	3,549	3,373	3,201
Amortization	21,330	21,330	21,330	21,330	21,330
Other Expenditures	120,681	117,679	122,599	128,755	134,417
Total Expenditures	144,763	142,038	147,478	153,458	158,948
ANNUAL SURPLUS	80,015	38,459	36,117	34,528	35,547
Add Back: Amortization Expense (Surplus)	21,330	21,330	21,330	21,330	21,330
Less: Capital Expenditures	196,965	27,778	25,631	19,754	20,097
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	(115,620)	12,011	11,816	16,104	16,780
OTHER REVENUES					
Add: Borrowing Proceeds	56,537	-	-	-	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	3,786	3,871	5,064	5,192	5,324
TOTAL REVENUES LESS EXPENSES	(62,869)	8,140	6,752	10,912	11,456
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	4,270	150	150	150	150
Equipment Replacement Reserve	7,623	1,395	1,963	2,183	1,815
Fire Department Capital Reserve	11,697	-	-	-	-
Sanitary Sewer Reserve	1,492	-	-	-	-
Total Transfer From Reserve Funds	25,082	1,545	2,113	2,333	1,965
Less :Transfer To Reserve Funds					
Capital Works Reserve	2,625	4,007	2,153	3,726	3,192
Equipment Replacement Reserve	3,107	3,348	3,523	3,776	3,960
Fire Department Capital Reserve	911	873	1,016	1,163	1,315
Land Reserve	5	5	5	5	5
Total Transfer To Reserve Funds	6,648	8,233	6,697	8,670	8,472
Transfer From (To) Own Reserves	41,422	(595)	638	(438)	(1,576)
Transfer From (To) Surplus	3,013	(857)	(2,806)	(4,137)	(3,373)
Transfer From (To) Surplus & Own Reserves	44,435	(1,452)	(2,168)	(4,575)	(4,949)
TOTAL INTERNAL TRANSFERS	62,869	(8,140)	(6,752)	(10,912)	(11,456)
BALANCED BUDGET	-	-	-	-	-

Statement 2

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2019		2020		2021		2022		2023	
	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%
Revenues										
Property Taxes	86,850	30.9	91,456	50.7	96,270	52.4	101,299	53.9	106,600	54.8
Parcel Charges	3,235	1.1	3,337	1.8	3,442	1.9	3,552	1.9	3,665	1.9
Fees & Charges	44,173	15.7	46,354	25.7	48,708	26.5	51,250	27.3	53,996	27.8
Borrowing Proceeds	56,537	20.1	-	-	-	-	-	-	-	-
Other Sources	90,520	32.2	39,350	21.8	35,175	19.2	31,885	17.0	30,234	15.5
Total Revenues	281,315	100	180,497	100	183,595	100	187,986	100	194,495	100

Other Sources include:

Development Fees Total	70,078	24.9	29,506	16.3	27,556	15.0	24,511	13.0	22,845	11.7
Interest	2,248	0.8	2,413	1.3	2,428	1.3	2,443	1.3	2,458	1.3
Grants (Other Govts)	16,694	5.9	4,931	2.7	5,191	2.8	4,931	2.6	4,931	2.5
Property Sales	1,500	0.5	2,500	1.4	-	-	-	-	-	-
	90,520	32.2	39,350	21.8	35,175	19.2	31,885	17.0	30,234	15.5

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:

	2019	2020	2021	2022	2023
General Purpose	1.90%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.70%	0.70%	0.90%	0.90%
Parks & Recreation	0.60%	0.60%	0.60%	0.60%	0.60%
Drainage	0.30%	0.30%	0.30%	0.10%	0.10%
Total Property Tax Increase	3.50%	3.60%	3.60%	3.60%	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 3

Capital Expenditure 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. 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 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		Tax Rate	Multiple
	('000s)		('000s)		(\$/1000)	(Rate/Res.Rate)
1 Residential	66,349	78.4%	23,423,181	92.4%	2.8326	1.0
2 Utility	731	0.9%	18,278	0.1%	40.0000	14.1
4 Major Industry	653	0.8%	31,591	0.1%	20.6674	7.3
5 Light Industry	3,275	3.9%	366,459	1.5%	8.9367	3.2
6 Business/Other	13,409	15.8%	1,500,444	5.9%	8.9367	3.2
8 Rec./ Non-Profit	63	0.1%	5,263	0.0%	12.0643	4.3
9 Farm	164	0.2%	4,657	0.0%	35.2285	12.4
Total	84,644	100%	25,349,873	100%		

Statement 3

Capital Expenditure 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 2016, the increase was reduced from 3.15% to 1.85% to reduce the relative property tax burden for these properties.

A review was done on the Major Industry Class rates and the recommendation from the Audit and Finance Committee and Council was a 5% property tax reduction in both 2009 and 2010 to support additional investments in the subject property and to keep rates competitive. In 2014 and 2015, property taxes charged to major industrial class properties were reduced by \$70,000 in each year.

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

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 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 2038 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 2024 through 2038. Projects in these years typically exceed likely funding available.

Capital Works Program for 2024 - 2038

(in \$ thousands)

Capital Works Program	350,802
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Source of Funding

Development Fees

Development Cost Charges	158,922
Parkland Acquisition Reserve	-
Contribution from Others	3,224
	162,146

Borrowing Proceeds	-
Grants	39,512
Transfer from Reserve Funds	19,175
Revenue Funds	129,969
	188,656

	350,802
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