

CITY OF MAPLE RIDGE

BYLAW NO. 7848-2022

A bylaw to amend Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021

WHEREAS, a process of public consultation was undertaken in adopting the previous financial plan;

AND WHEREAS, the public will have the opportunity to provide comments and questions with respect to the amendment 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 Amending Bylaw No. 7848-2022".
2. The Maple Ridge 2022-2026 Financial Plan Bylaw No. 7813-2021 is hereby amended by replacing "Statement 1, Statement 2 and Statement 3" entirely with "Statement 1, Statement 2 and Statement 3" attached to and forming part of this bylaw.

READ a first time the 26th day of April, 2022.

READ a second time the 26th day of April, 2022.

READ a third time the 26th day of April, 2022.

PUBLIC CONSULTATION completed on the day of .

ADOPTED the day of .

PRESIDING MEMBER

CORPORATE OFFICER

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

	2022	2023	2024	2025	2026
REVENUES					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	32,051	8,225	11,717	26,003	7,417
Developer Projects & Amenity Contributions	1,484	-	150	-	-
Parkland Acquisition	2,196	200	200	200	200
Contribution from Others	1,727	1,343	1,351	1,356	1,363
Development Fees Total	57,458	29,768	33,418	47,559	28,980
Property Taxes	100,391	105,800	111,509	117,369	123,132
Parcel Charges	3,601	3,716	3,835	3,958	4,085
Fees & Charges	52,910	55,822	58,927	62,274	65,888
Interest	2,695	2,710	2,725	2,740	2,755
Grants	13,660	6,011	6,015	37,481	4,881
Total Revenues	230,715	203,827	216,429	271,381	229,721
EXPENDITURES					
Operating Expenditures					
Debt Interest Payments	1,760	1,600	2,353	2,176	1,969
Amortization	24,594	24,594	24,594	24,594	24,594
Other Expenditures	146,908	140,904	147,773	155,529	165,957
Total Expenditures	173,262	167,098	174,720	182,299	192,520
ANNUAL SURPLUS	57,453	36,729	41,709	89,082	37,201
Add Back: Amortization Expense (Surplus)	24,594	24,594	24,594	24,594	24,594
Less: Capital Expenditures	167,741	33,204	38,674	81,923	28,787
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	(105,694)	8,119	7,629	11,753	13,008
OTHER REVENUES					
Add: Borrowing Proceeds	28,901	-	-	-	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	4,057	4,176	4,979	5,127	5,282
TOTAL REVENUES LESS EXPENSES	(80,850)	3,943	2,650	6,626	7,726
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	2,512	250	250	250	250
Equipment Replacement Reserve	9,174	3,539	2,832	2,068	1,977
Fire Department Capital Reserve	245	-	-	-	-
Sanitary Sewer Reserve	1,122	-	-	-	-
Total Transfer From Reserve Funds	13,053	3,789	3,082	2,318	2,227
Less :Transfer To Reserve Funds					
Capital Works Reserve	1,105	1,411	941	1,574	1,214
Equipment Replacement Reserve	3,195	3,228	3,417	3,570	3,729
Fire Department Capital Reserve	1,040	1,182	1,279	1,380	1,535
Land Reserve	5	5	5	5	5
Total Transfer To Reserve Funds	5,345	5,826	5,642	6,529	6,483
Transfer From (To) Own Reserves	67,741	2,190	(431)	(997)	(1,908)
Transfer From (To) Surplus	5,401	(4,096)	341	(1,418)	(1,562)
Transfer From (To) Surplus & Own Reserves	73,142	(1,906)	(90)	(2,415)	(3,470)
TOTAL INTERNAL TRANSFERS	80,850	(3,943)	(2,650)	(6,626)	(7,726)
BALANCED BUDGET	-	-	-	-	-

Statement 2

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2022		2023		2024		2025		2026	
	\$ ('000s)	%								
Revenues										
Property Taxes	100,391	38.8	105,800	51.9	111,509	51.5	117,369	43.2	123,132	53.5
Parcel Charges	3,601	1.4	3,716	1.8	3,835	1.8	3,958	1.5	4,085	1.8
Fees & Charges	52,910	20.4	55,822	27.4	58,927	27.2	62,274	22.9	65,888	28.7
Borrowing Proceeds	28,901	11.1	-	-	-	-	-	-	-	-
Other Sources	73,813	28.4	38,489	18.9	42,158	19.5	87,780	32.3	36,616	15.9
Total Revenues	259,616	100	203,827	100	216,429	100	271,381	100	229,721	100

Other Sources include:

Development Fees Total	57,458	22.1	29,768	14.7	33,418	15.3	47,559	17.5	28,980	12.5
Interest	2,695	1.0	2,710	1.3	2,725	1.3	2,740	1.0	2,755	1.2
Grants (Other Govts)	13,660	5.3	6,011	2.9	6,015	2.8	37,481	13.8	4,881	2.1
Property Sales	-	-	-	-	-	-	-	-	-	-
	73,813	28.4	38,489	18.9	42,158	19.5	87,780	32.3	36,616	15.9

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:

	2022	2023	2024	2025	2026
General Purpose	2.00%	2.00%	2.00%	2.00%	2.00%
RCMP Contract Settlement	1.60%				
Infrastructure Replacement	0.00%	0.90%	0.90%	1.00%	1.00%
Parks & Recreation	0.00%	0.60%	0.60%	0.40%	0.25%
Drainage	0.00%	0.00%	0.00%	0.00%	0.00%
Total Property Tax Increase	3.60%	3.50%	3.50%	3.40%	3.25%

Information on the tax increases and the cost drivers can be found in the most recent Financial Plan Overview Report. As outlined in the staff report accompanying this bylaw the 2022 and 2023 General Purpose portion increase by 1.6% due to the increased cost of the RCMP contract. To offset this increase the levies for Infrastructure Replacement and Parks & Recreation have been paused for 1 year. In addition, the Drainage Levy has been removed pending the Integrated Storm (Drainage) Master Plan. 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.

Statement 2

Revenue and Property Tax Policy Disclosure

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 the property assessment value, but can be something that more accurately reflects the cost of the service.

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 on 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)		(\$ per 1000)	(Rate / Res. Rate)
1 Residential	77,616,607	79.0%	32,168,686	92.0%	2.4128	1.0
2 Utility	856,735	1.0%	21,418	0.1%	40.0000	16.6
4 Major Industry	-	0.0%	-	0.0%	14.2388	5.9
5 Light Industry	4,760,143	4.8%	668,616	1.9%	7.1194	3.0
6 Business, Other	14,913,148	15.2%	2,094,720	6.0%	7.1194	3.0
8 Rec., Non-Profit	61,687	0.1%	6,067	0.0%	10.1682	4.2
9 Farm	87,202	0.1%	4,560	0.0%	19.1216	7.9
Total	<u>98,295,521</u>	<u>100%</u>	<u>34,964,067</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 the 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 Development Cost Charges; no other conclusions should be drawn from the figures. This disclosure is required under the Local Government Act section 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 therefore 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 may exceed annual funding available.

Capital Program for 2027 – 2041

(in \$ thousands)

Capital Works Program	403,086
Source of Funding	
Development Fees	
Development Cost Charges	208,953
Parkland Acquisition Reserve	-
Contribution from Others	1,259
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	210,212
Borrowing Proceeds	-
Grants	37,355
Transfer from Reserve Funds	20,621
Revenue Funds	134,897
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	192,874
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	403,086
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