

CITY OF MAPLE RIDGE

BYLAW NO. 7926-2023

A bylaw to establish the five year financial plan for the years 2023 through 2027

WHEREAS, a process of public consultation was undertaken in adopting the financial plan through an online engagement platform as well as social media posts and website communications;

AND WHEREAS, the public have the opportunity to provide comments and questions with respect to the proposed 5 year 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 2023-2027 Financial Plan Bylaw No. 7926-2023”.
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 2023 through 2027.
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 25th day of April, 2023.

READ a second time the 25th day of April, 2023.

READ a third time the 25th day of April, 2023.

PUBLIC CONSULTATION completed on the 14th day of April 2023.

ADOPTED the _____ day of _____ 2023.

PRESIDING MEMBER

CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

Statement 1

Consolidated Financial Plan 2023-2027 (\$ in thousands)

	2023	2024	2025	2026	2027
REVENUES					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	40,963	10,979	37,619	26,700	5,916
Developer Projects & Amenity Contributions	1,681	-	-	-	-
Parkland Acquisition	2,747	200	200	200	200
Contribution from Others	1,751	1,356	1,362	1,369	1,376
Development Fees Total	67,142	32,535	59,181	48,269	27,492
Property Taxes	107,270	113,274	119,511	126,577	134,074
Parcel Charges	3,768	3,889	4,014	4,143	4,277
Fees & Charges	58,315	61,532	64,986	68,715	72,739
Interest	2,710	2,725	2,740	2,755	2,770
Grants	14,277	5,354	8,196	41,072	5,373
Total Revenues	253,482	219,309	258,628	291,531	246,725
EXPENDITURES					
Operating Expenditures					
Debt Interest Payments	1,640	1,904	1,732	2,459	2,067
Amortization	24,594	24,594	24,594	24,594	24,594
Other Expenditures	162,162	152,758	161,165	169,631	180,430
Total Expenditures	188,396	179,256	187,491	196,684	207,091
ANNUAL SURPLUS	65,086	40,053	71,137	94,847	39,634
Add Back: Amortization Expense (Surplus)	24,594	24,594	24,594	24,594	24,594
Less: Capital Expenditures	193,048	51,448	72,809	91,416	28,791
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	(123,368)	(6,801)	2,922	8,025	15,437
OTHER REVENUES					
Add: Borrowing Proceeds	28,721	10,000	-	-	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	4,173	4,816	4,943	5,771	4,747
TOTAL REVENUES LESS EXPENSES	(98,820)	(1,617)	(2,021)	2,254	10,690
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	2,703	-	-	250	250
Equipment Replacement Reserve	12,028	3,327	2,063	1,977	2,082
Fire Department Capital Reserve	92	-	-	-	-
Sanitary Sewer Reserve	1,202	-	-	-	-
Total Transfer From Reserve Funds	16,025	3,327	2,063	2,227	2,332
Less :Transfer To Reserve Funds					
Capital Works Reserve	1,168	238	732	2,531	2,662
Equipment Replacement Reserve	2,985	3,126	3,306	3,453	3,665
Fire Department Capital Reserve	1,171	1,261	1,369	1,536	1,939
Land Reserve	5	5	5	5	5
Total Transfer To Reserve Funds	5,329	4,630	5,412	7,525	8,271
Transfer From (To) Own Reserves	82,744	2,596	120	2,396	(2,296)
Transfer From (To) Surplus	5,380	324	5,250	648	(2,455)
Transfer From (To) Surplus & Own Reserves	88,124	2,920	5,370	3,044	(4,751)
TOTAL INTERNAL TRANSFERS	98,820	1,617	2,021	(2,254)	(10,690)
BALANCED BUDGET	-	-	-	-	-

Statement 2

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2023		2024		2025		2026		2027	
	\$ ('000s)	%								
Revenues										
Property Taxes	107,270	38.1	113,274	49.4	119,511	46.2	126,577	43.4	134,074	54.2
Parcel Charges	3,768	1.3	3,889	1.7	4,014	1.6	4,143	1.4	4,277	1.7
Fees & Charges	58,315	20.7	61,532	26.8	64,986	25.1	68,715	23.6	72,739	29.5
Borrowing Proceeds	28,721	10.2	10,000	4.4	-	-	-	-	-	-
Other Sources	84,129	29.8	40,614	17.7	70,117	27.1	92,096	31.6	35,635	14.4
Total Revenues	282,203	100	229,309	100	258,628	100	291,531	100	246,725	100

Other Sources include:

Development Fees Total	67,142	23.8	32,535	14.3	59,181	22.8	48,269	16.6	27,492	11.0
Interest	2,710	1.0	2,725	1.2	2,740	1.1	2,755	0.9	2,770	1.1
Grants (Other Govts)	14,277	5.1	5,354	2.3	8,196	3.2	41,072	14.1	5,373	2.2
Property Sales	-	-	-	-	-	-	-	-	-	-
	84,129	29.8	40,614	17.7	70,117	27.1	92,096	31.6	35,635	14.4

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:

	2023	2024	2025	2026	2027
General Purpose	5.05%	3.40%	3.00%	2.90%	2.90%
Infrastructure Replacement	0.60%	0.80%	0.80%	1.00%	1.00%
Parks & Recreation Improvements			0.30%	0.60%	0.65%
Total Property Tax Increase	5.65%	4.20%	4.10%	4.50%	4.50%

Information on the tax increases and the cost drivers can be found in the most recent Financial Plan 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 the 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. An amendment to the Development Costs Charges (DCC) is currently underway. 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 (` 000s)		Tax Rate (\$ per 1000)	Multiple (Rate / Res. Rate)
1 Residential	83,100,077	78.9%	35,559,963	91.2%	2.3369	1.0
2 Utility	910,556	1.0%	22,764	0.1%	40.0000	17.1
4 Major Industry	-	0.0%	-	0.0%	12.4326	5.3
5 Light Industry	5,754,413	5.5%	925,698	2.4%	6.2163	2.7
6 Business, Other	15,401,297	14.6%	2,477,567	6.3%	6.2163	2.7
8 Rec., Non-Profit	65,173	0.1%	7,578	0.0%	8.6005	3.7
9 Farm	94,847	0.1%	4,695	0.0%	20.2020	8.6
Total	105,326,363	100%	38,998,263	100%		

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 practice 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 2028 through 2042. Projects in these years may exceed annual funding available.

Capital Program for 2028 – 2042

(in \$ thousands)

Capital Works Program **426,986**

Source of Funding

Development Fees

Development Cost Charges 240,277

Contribution from Others 1,339

241,616

Borrowing Proceeds

-

Grants

18,211

Transfer from Reserve Funds

24,241

Revenue Funds

142,919

185,370

426,986