

CITY OF BURNABY

BYLAW NO. 13885

A BYLAW to adopt the 2018 to 2022 Financial Plan

WHEREAS before the annual property tax bylaw is adopted in each year the Council shall cause to be prepared and adopted by bylaw a financial plan for a period of five years, showing estimates of the proposed source and application of funds for operating and capital purposes for each year of the program;

NOW THEREFORE the Council of the City of Burnaby ENACTS as follows:

1. This Bylaw may be cited as **BURNABY FINANCIAL PLAN BYLAW 2018**.
2. The Council does hereby adopt and confirm the Financial Plan set out in Schedules “A” and “B” annexed hereto as the financial plan for the City for the period 2018 to 2022 inclusive.

Read a first time this 7th day of May 2018

Read a second time this 7th day of May 2018

Read a third time this 7th day of May 2018

Reconsidered and adopted by Council this 14th day of May 2018


MAYOR


CLERK

SCHEDULE A

CITY OF BURNABY

FIVE YEAR CONSOLIDATED FINANCIAL PLAN (2018 – 2022)

PROPOSED REVENUES, PROPOSED EXPENSES AND PROPOSED TRANSFERS:

Financial Plan Bylaw - 2018 to 2022

ANNUAL (Rounded)

	2018	2019	2020	2021	2022
PROPOSED REVENUES:					
Taxation revenue	(270,229,600) ¹	(281,115,200)	(292,464,500)	(304,152,500)	(316,189,200)
Parcel taxes	(18,660,200)	(19,059,400)	(19,543,100)	(20,137,400)	(20,800,300)
Fees for goods and services	(116,911,700)	(119,969,700)	(123,365,500)	(127,422,500)	(132,465,700)
Return on investments	(41,389,400)	(41,516,400)	(41,646,000)	(41,778,100)	(41,912,900)
Revenue from other sources	(50,567,200)	(54,939,600)	(52,754,200)	(53,585,900)	(54,434,800)
Community benefit bonus	(95,000,000)	(95,000,000)	(95,000,000)	(95,000,000)	(95,000,000)
Contributed asset revenue	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Transfers from other governments	(20,295,000)	(21,964,600)	(24,194,400)	(22,791,700)	(22,983,400)
Parkland acquisition development cost charges	(14,248,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
TOTAL PROPOSED REVENUES	(632,301,100)	(641,564,900)	(656,967,700)	(672,868,100)	(691,786,300)
PROPOSED EXPENDITURES:					
Operating Expenditures	454,967,400	466,115,500	485,001,700	505,880,200	526,927,200
Capital Expenditures	198,746,500	219,932,300	214,225,800	161,355,500	148,488,500
TOTAL PROPOSED EXPENDITURES	653,713,900	686,047,800	699,227,500	667,235,700	675,415,700
PROPOSED TRANSFERS:					
Transfer to/(from) Capital Works Financing Reserve Fund	(135,361,900)	(112,540,300)	(112,724,500)	(114,017,500)	(108,833,100)
Transfer to/(from) Local Improvement Reserve Fund	1,109,200	225,000	1,241,100	1,257,600	1,274,300
Transfer to/(from) Corporate & Tax Sale Reserve Fund	16,533,000	7,216,800	6,216,800	5,216,800	5,216,800
Transfer to/(from) Vehicle Replacement Reserve Fund	(19,895,800)	(14,316,600)	(9,211,600)	(10,132,600)	(11,074,200)
Transfer to/(from) Non-Statutory Reserves Fund	116,202,700	74,932,200	72,218,400	123,308,100	129,786,800
TOTAL PROPOSED TRANSFERS	(21,412,800)	(44,482,900)	(42,259,800)	5,632,400	16,370,600
BALANCED BUDGET	-	-	-	-	-

¹ Taxation revenue is comprised of property taxes (\$261.5M), grant in lieu of taxes (\$5.6M), utilities taxes(\$3.1M), local improvement frontage levies (\$0.7M), special levies (\$0.1M), and assessment appeal \$0.8M.

SCHEDULE B

CITY OF BURNABY

FIVE YEAR CONSOLIDATED FINANCIAL PLAN (2018 – 2022)

STATEMENT OF POLICIES AND OBJECTIVES:

In accordance with the *Community Charter* disclosure requirements, the City of Burnaby discloses the following information.

- the proportions of revenue proposed to come from the various funding sources
- the distribution of property taxes among property classes; and
- the use of permissive tax exemptions.

Proportion of Total Revenue

Funding Source	% of Total Revenue
Taxation revenue	42.7%
Fees for goods and services	18.5%
Community benefit bonus	15.0%
Revenue from other sources	8.0%
Return on investments	6.5%
Transfers from other governments	3.2%
Parcel taxes	3.0%
Parkland acquisition development cost charges	2.3%
Contributed asset revenue	0.8%
Total	100%

The proportion of total revenue raised from each funding source in 2018 is presented in the table above. Property taxes form the greatest proportion of the operating revenue for the City of Burnaby. Property taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as fire protection, policing services, transportation and so forth. For these reasons, property taxation will continue to be the major source of the City of Burnaby's revenue.

Fees for goods and services are the second largest portion of general operating revenue. Many City of Burnaby services, such as water, sewer, and recreational programs are charged on a use-pay basis which ensures they are paid for by the taxpayers receiving these services.

Distribution of 2018 Property Taxes among the Various Property Classes

Property Class	% of Tax Burden
Residential (1)	49.3%
Business (6)	40.0%
Light Industry (5)	5.6%
Others (2, 3, 4, 8 & 9)	5.1%
Total	100%

The distribution of property tax revenue among the various property classes is presented in the table above. The practice of Council has been to set tax rates in order to maintain reasonable tax stability in compliance with the *Community Charter*. This is accomplished by maintaining the proportionate relationship provided above between the property classes (property classes are defined and values determined by the British Columbia Assessment).

Permissive Tax Exemptions

Council passes an annual permissive tax exemption bylaw to exempt certain properties from property tax in accordance with guidelines set out by Council Approved Guidelines and the Community Charter. There is no legal obligation to grant these exemptions. The objective of the guidelines is to ensure that the broad ranges of community organizations in Burnaby are dealt with consistently and receive equal treatment and consideration for tax exemption and that services and organizations which are most complementary extensions of municipal services for which the tax burden resulting for the exemption is a justifiable expense to the taxpayers of Burnaby. The estimated total revenue forgone for permissive exemptions granted for the 2018 taxation year is approximately \$2,934,893.

Exemptions are reviewed on an annual basis and are granted to those organizations meeting the requirements as set out under Council Approved Guidelines and Sections 220 and 224 of the Community Charter. Council Approved Guidelines ensure that organizations recommended for permissive tax exemptions are consistent with municipal policies, plans, bylaws, codes and regulations, defined as non-profit organizations, are complimentary extensions to municipal services and programs, accessible to the public and used primarily by Burnaby residents.