

25. Re: 1974 Provisional Budget

The Manager and Treasurer have discussed the problems of the Provisional Budget and the Treasurer has submitted the following report in this connection.

The Manager concurs with the comments and the recommendation.

RECOMMENDATION:

THAT a target of 16.497 mills or less be established for the 1974 general purposes budget. * * * * *

Re: Provisional Budget 1974

The Provisional Budget as submitted indicates a tax levy of \$18,620,330 for general purposes only and a mill rate of 17.81 mills as compared with \$14,544,502 in 1973 and a mill rate of 16.497 mills - growth of 27.8% in the tax levy representing 8% in the mill rate. The budget makes no provision for wage increases. If wage increases amount to as much as \$1,250,000, the levy would be increased to \$19,870,330 or 36.6% greater than in 1973, requiring a mill rate of 19.03 mills - a growth of 15.3% over 1973.

As Council well knows, the growth in taxable assessments for 1974 includes two factors - new construction and the effects of rapidly increasing property values. Table A, attached, statistically shows the effect of applying the 1973 mill rate of 16.497 mills on 1974 assessments. For example, the summary page shows that of 28,259 residential properties, 26,165 will have increased general purposes tax levies and 29 will have decreased levies and that 2,050 or 7% cannot be measured because of changes in land use or new construction.

Page 1 of the Table shows that 4,303 residential properties would experience an increase of between \$30 and \$40 and 11,252 an increase of between \$40 and \$50 and 8,867 between \$50 and \$100, 578 in excess of \$100, and 1,165 less than \$30. Averages for the \$30-\$40, \$40-\$50, and \$50-\$100 categories are \$36.50, \$45.08 and \$60.18.

Additionally, single family dwellings will be charged an extra \$6.00 for water, and if Council follows the policy recommendation of 1973, an extra \$3.00 for sewer. To these figures must be added whatever increases occur in the school, hospital and Municipal Finance Authority rates.

A mill rate of 16.497 mills would realize an additional \$2,685,989 over 1973 or \$2,639,871 less than the \$5,325,860 required to balance the budget in 1974.

On the other hand, if the budget as presented plus an allowance for wage increases of \$1,250,000 is used, as noted above a mill rate of 19.03 mills (which is unthinkable) would be required. In such an event, 12,930 properties would experience an increase between \$50 and \$100, 11,345 between \$100 and \$150 and 1,452 between \$150 and \$500, with 1,501 above \$500 and 416 below \$40. This information is not shown on Table A.

As mentioned in the letter of transmittal, there are many unknowns relative to the intentions of the Provincial Government on additional revenues to be provided to municipalities and responsibilities to be added to or taken from municipalities in the current year. Until this information becomes available, a final budget for the year cannot be brought down.

In the meantime, it is obvious that to establish a mill rate at 1973 levels will mean a substantial increase in taxes to all taxpayers. While the percentage increase will fluctuate from property to property due to the effects of inflation on property values, it is clear from Table B attached that very little transfer in the taxation load will be made from residential to commercial and industrial properties. This is as was expected. However, such is not the case with school assessments, as will be explained later in this report.

Under the circumstances, it is recommended that irrespective of what may happen at the Provincial level, every effort should be made to bring the general purposes mill rate down to the 1973 level - 16.497 mills or lower.

On residential properties the tax increases will range from 5% to 54%, with the 11,252 group falling within a 15% range.

As is usual at this time of the year, the picture concerning hospital, school and M.F.A. rates is unclear. The hospital and M.F.A. rates will not be known much before March 15, 1974 and the school rate before May 1, 1974.

The total of the Provisional School Budget for 1974 is available. It is \$31,021,090 as compared with \$26,439,984 in 1973 and \$23,560,549 in 1972. Non-shareable operating costs for 1974 are roughly \$4,463,000 as compared with \$2,140,957 in 1973. They represent 8.865 mills as compared with 5.350 mills in 1973, a growth of 3.515 mills.

Table C shows that at 1973 mill rate levels, 4.74% of the school, hospital and M.F.A. load on residential properties has been transferred to commercial, industrial and other properties.

Table D shows that at 1973 rates the bulk of the increase in tax levies on residential properties falls below the \$20 mark, with 7,419 falling below \$10. A 5 mill increase will increase the \$20-\$30 category to the \$40-\$50 category and the \$10-\$20 category to the \$30-\$40 category.

However, this is a Provisional Budget and does not reflect the dramatic increase in the costs of fuel and school supplies and other operating costs that have occurred since the budget was first compiled. Nor is it clear what the Province will do with respect to the Regional College. All in all, in the opinion of your Treasurer, the School Board could be facing a 5 mill increase in tax levies. Contra to this will be any further financial assistance granted by the Provincial Government and possible increases in the Home-Owner Grant.

RECOMMENDATION

THAT a target of 16.497 mills or less be established for the 1974 general purposes budget.


Bart McCafferty
TREASURER

THE CORPORATION OF THE DISTRICT OF BURNABY

TABLE A

Statement showing increases and decreases in general taxes
by property, by category of use, 1973 rate 16.674 mills, 1974 rate 16.674 mills

INCREASE IN TAX	Under \$10	\$10-20	\$20-30	\$30-40	\$40-50	\$50-100	\$100-150	\$150-500	\$500- 1000	Over \$1000	Total
Residential	87	233	845	4,303	11,252	8,867	321	237	18	2	26,165
Condominium	12	281	261	52	2	27					635
Senior Citizens project			1					1		1	3
Apartment	4	44	53	30	31	93	57	34	1	3	350
Commercial	1	4	9	13	7	115	78	188	34	9	458
Commercial & residential	1	3	7	10	4	39	33	55	5		157
Service stations & garages		1	1	2	1	15	18	65	5	1	109
Hotels					2		3	2	2	1	10
Auto courts/motels						1		10	9	2	22
Mobile homes											
Industrial	89	48	14	16	30	82	143	336	66	44	868
Industrial & residential				1	1	8	20	20	1	1	52
Industrial - statutory	1	2	2	1		1		2		2	11
Utilities										2	2
Farms	5	10	4	1	4	10	2				36
Agricultural	49	16	13	11	2	10	1	2	1		105
Institutional				1		1		1			3
Schools	1	1		1	1	3	2	1			10
Churches	3	2	2	2		3					12
Hospitals - rest homes				1		1		3	2		7
Parks and recreation					1	1					2
TOTAL	<u>253</u>	<u>645</u>	<u>1,212</u>	<u>4,445</u>	<u>11,338</u>	<u>9,277</u>	<u>678</u>	<u>957</u>	<u>144</u>	<u>68</u>	<u>29,017</u>

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TABLE A (cont'd)

Statement showing increases and decreases in general taxes
by property, by category of use, 1973 rate 16.674 mills, 1974 rate 16.674 mills

DECREASE IN TAX	Under \$10	\$10-20	\$20-30	\$30-40	\$40-50	\$50-100	\$100-150	\$150-500	\$500- 1000	Over \$1000	Total
Residential	3	4	4	3	2	9	2	2			29
Condominium											
Senior Citizens project							1				1
Apartment	2		1					1			4
Commercial	1	2			3	3	2	1	1		13
Commercial & residential							1	1			2
Service stations & garages	1					1					2
Hotels											
Auto courts/motels											
Mobile homes											
Industrial	2			1		1			1	1	6
Industrial & residential		1					1				2
Industrial - statutory	1										1
Utilities											
Farms											
Agricultural				1							1
Institutional											
Schools											
Churches											
Hospitals - rest homes											
Parks and recreation											
TOTAL	<u>10</u>	<u>7</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>14</u>	<u>7</u>	<u>5</u>	<u>2</u>	<u>1</u>	<u>61</u>

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TABLE A (cont'd)

	<u>SUMMARY</u>			Variations caused by	
	<u>Increase</u>	<u>Decrease</u>	<u>No Change</u>	<u>changes in land use or new construction</u>	<u>Total</u>
Residential	26,165	29	15	2,050	28,259
Condominium	635			595	1,230
Senior Citizens project	3	1		1	5
Apartment	350	4	2	13	369
Commercial	458	13	1	70	542
Commercial & residential	157	2		12	171
Service stations & garages	109	2		6	117
Hotels	10			2	12
Auto courts/motels	22			2	24
Mobile homes				118	118
Industrial	868	6	30	129	1,033
Industrial & residential	52	2		3	57
Industrial - statutory	11	1	9	7	28
Utilities	2				2
Farms	36		19		55
Agricultural	105	1	9	3	118
Institutional	3				3
Schools	10				10
Churches	12			4	16
Hospitals - rest homes	7			1	8
Parks and recreation	2		2	1	5
TOTAL	<u>29,017</u>	<u>61</u>	<u>87</u>	<u>3,017</u>	<u>32,182</u>

TABLE B

THE CORPORATION OF THE DISTRICT OF BURNABY

Comparison of general purpose tax levies
 1973 - 1974

	General tax 1973 @ 16.497 mills	% of Total	General tax 1974 @ 16.497 mills	% of Total
Residential	\$ 8,532,166	58.66	\$ 10,140,486	58.85
Condominium	296,527	2.04	324,356	1.88
Senior Citizens	3,237	.02	13,464	.08
Apartments	<u>1,467,314</u>	10.10	<u>1,607,388</u>	9.33
	10,299,244	70.82	12,085,694	70.14
Commercial	1,210,496	8.32	1,389,144	8.06
Commercial/residential	106,420	.73	233,766	1.36
Service stations & garages	270,140	1.86	303,887	1.76
Hotels	56,208	.39	64,767	.38
Auto courts/motels	51,698	.35	70,180	.41
Mobile homes			7,203	.04
Industrial	2,363,813	16.25	2,827,165	16.41
Industrial/residential	27,863	.19	65,713	.38
Industrial/statutory	37,248	.26	40,904	.24
Utilities	<u>40,436</u>	.28	<u>43,542</u>	.25
	4,164,322	28.63	5,046,271	29.29
Farms	32,532	.23	14,004	.08
Agricultural			20,067	.12
Institutional			2,469	.01
Schools	5,745	.04	7,152	.04
Churches	3,478	.02	3,614	.02
Hospitals and rest homes	38,129	.26	49,893	.29
Recreational	<u>1,020</u>		<u>1,295</u>	.01
	80,904	.55	98,494	.57
	<u>\$ 14,544,470</u>	<u>100 %</u>	<u>\$ 17,230,459</u>	<u>100 %</u>

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TABLE C

THE CORPORATION OF THE DISTRICT OF BURNABY

Comparison of school, hospital and M.F.A. tax levies
1973 - 1974

	School, hospital & M.F.A. tax - 1973 @ 34.615 mills	% of Total	School, hospital & M.F.A. tax - 1974 @ 34.615 mills	% of Total
Residential	\$ 7,833,880	51.93	\$ 8,445,971	48.16
Condominium	273,566	1.81	273,784	1.56
Senior Citizens	2,769	.02	11,158	.06
Apartments	1,351,820	8.96	1,438,788	8.20
	<u>9,462,035</u>	<u>62.72</u>	<u>10,169,701</u>	<u>57.98</u>
Commercial	1,166,751	7.73	1,564,616	8.92
Commercial/residential	100,355	.67	221,527	1.26
Service stations & garages	352,155	2.33	436,983	2.49
Hotels	54,434	.36	71,216	.41
Auto courts/motels	47,609	.32	73,627	.42
Mobile homes			6,041	.03
Industrial	3,047,856	20.20	3,998,674	22.80
Industrial/residential	25,557	.17	104,384	.60
Industrial/statutory	265,208	1.76	298,859	1.70
Utilities	489,008	3.24	492,200	2.81
	<u>5,548,933</u>	<u>36.78</u>	<u>7,268,127</u>	<u>41.44</u>
Farms/agricultural	29,265	.19	33,398	.19
Institutional			2,416	.01
Schools	5,329	.04	6,781	.04
Churches	3,193	.03	3,464	.02
Hospitals and rest homes	35,044	.23	53,086	.31
Recreational	1,501	.01	2,055	.01
	<u>74,332</u>	<u>.50</u>	<u>101,200</u>	<u>.58</u>
	<u>\$ 15,085,300</u>	<u>100 %</u>	<u>\$ 17,539,028</u>	<u>100 %</u>

TABLE D

THE CORPORATION OF THE DISTRICT OF BURNABY

Statement showing increases and decreases in school, hospital and M.F.A. taxes
by property, by category of use, 1973 rate 34.615 mills, 1974 rate 34.615 mills

INCREASE IN TAX	Under \$10	\$10-20	\$20-30	\$30-40	\$40-50	\$50-100	\$100-150	\$150-500	\$500- 1000	Over 1000	Total
Residential	7,419	13,577	2,922	478	252	227	51	167	8	3	25,104
Condominium	235	19	27								281
Senior Citizens project	1			1						1	3
Apartment	4	2				5	2	1		2	16
Commercial		1	2	7	4	42	76	210	88	39	469
Commercial & residential		3	5	1	4	36	32	70	6		157
Service stations & garages				1		2	2	75	26	5	111
Hotels						2		4	1	3	10
Auto courts/motels							1	6	8	7	22
Industrial	62	79	33	15	15	79	73	334	143	123	956
Industrial & residential					1	6	13	31	1	1	53
Industrial - statutory	2			4	2	3	2	3	3	8	27
Utilities										4	4
Farms	5	3		1			1				10
Agricultural	27	54	9	9	9	28	3	3	1	1	144
Institutional						1	1	1			3
Schools	3			1		1		3			8
Churches	2	5		3		1		1			12
Hospitals - rest homes						1		3		3	7
Recreational	2	1				3		1			7
TOTAL	<u>7,762</u>	<u>13,744</u>	<u>2,998</u>	<u>521</u>	<u>287</u>	<u>437</u>	<u>257</u>	<u>913</u>	<u>285</u>	<u>200</u>	<u>27,404</u>

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TABLE D (cont'd)

Statement showing increases and decreases in school, hospital and M.F.A. taxes
by property, by category of use, 1973 rate 34.615 mills, 1974 rate 34.615 mills

DECREASE IN TAX	<u>Under \$10</u>	<u>\$10-20</u>	<u>\$20-30</u>	<u>\$30-40</u>	<u>\$40-50</u>	<u>\$50-100</u>	<u>\$100-150</u>	<u>\$150-500</u>	<u>\$500 1000</u>	<u>Over \$1000</u>	<u>Total</u>
Residential	821	242	60	25	7	17	6	3	1		1,182
Condominium	352	1			1						354
Senior Citizens project								1			1
Apartment		4		5	8	88	39	154	32	10	340
Commercial	1							3			4
Commercial & residential	1		1				1				3
Industrial			1		1	1		1		3	8
Industrial -	1										1
Industrial - statutory	1		1	1							3
Utilities		1		1				1		4	7
Farms	35	2	3		2		1				43
Agricultural			1								1
Schools	1	1									2
Churches	1										1
TOTAL	<u>1,214</u>	<u>251</u>	<u>67</u>	<u>32</u>	<u>19</u>	<u>106</u>	<u>48</u>	<u>163</u>	<u>33</u>	<u>17</u>	<u>1,950</u>

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TABLE D (cont'd)

Statement showing increases and decreases in school, hospital and M.F.A. taxes
by property, by category of use, 1973 rate 34.615 mills, 1974 rate 34.615 mills

SUMMARY	Variations caused by				Total
	Increase	Decrease	No change	changes in land use or new construction	
Residential	25,104	1,182	29	2,049	28,364
Condominium	281	354		595	1,230
Senior Citizens project	3	1		1	5
Apartment	16	340		13	369
Commercial	469	4		70	543
Commercial & residential	157	3		12	172
Service stations & garages	111			6	117
Hotels	10			2	12
Auto courts/motels	22			2	24
Mobile homes				118	118
Industrial	956	8		129	1,093
Industrial & residential	53	1		3	57
Industrial - statutory	27	3	10		40
Utilities	4	7			11
Farms	10	43		2	55
Agricultural	144	1		3	148
Institutional	3				3
Schools	8	2			10
Churches	12	1		3	16
Hospitals & rest homes	7			1	8
Recreational	7			1	8
TOTAL	27,404	1,950	39	3,010	32,403

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