

Re: Annual Budget - 1974

The following is the report of the Treasurer dated April 26, 1974, regarding the above.

Basically, it would appear that the average increase in residential taxes after application of the Provincial Home-Owner and School Tax Removal and Resources Grants will be about 6%. The increase will be greater on commercial and industrial properties.

The appropriate bylaws will be on the Agenda for the April 29, 1974 Council meeting.

RECOMMENDATIONS:

THAT Council give passage to Burnaby Budget Authorization Bylaw 1974, Bylaw No. 6484; and

THAT Council give passage to Burnaby Rating Bylaw 1974, Bylaw No. 6485.

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26 April 1974

File: '74 Budg.Gen.

TO: MUNICIPAL MANAGER
 FROM: MUNICIPAL TREASURER
 RE: ANNUAL BUDGET - 1974

Attached are summaries of budgets and tax levies for the year 1974 for the services listed:

	Tax levies		Mill rates
Municipal	\$ 15,782,662		
School District No. 41	17,909,617	35.55	15.118
Greater Vancouver Regional Hospital District	339,662	.70	
Greater Vancouver Regional District	375,105	.773	
Municipal Finance Authority	8,491	.0175	37.0405
	\$ 34,415,537		

The mill rates are grouped as they are and not totalled because the general mill rate is levied on full value assessments whereas the others are on school or hospital assessments, as the case may be.

As of 1974, the Provincial Home-Owner Grant maximum remains at \$200.00. Additionally, a further grant known as "School Tax Removal and Resources Grant", being 20% of the difference between school taxes levied and \$200.00, is given except that the additional grant has a minimum of \$30.00 and a maximum of \$40.00. It is intended that all home owners receive an additional \$30.00 grant. Therefore, in the cases where gross taxes for all purposes are \$230.00 or less, a cash payment must be made to the property owners by the Collector. A home owner 65 years of age or over, is entitled to a further \$50.00 grant.

With the exception of local improvement charges that may be added to the rolls in 1974, the average increase in residential taxes, after application of the Provincial Home-Owner and School Tax Removal and Resources Grants, is about 6%, i.e. \$30.00 where taxes in 1973 were \$500 and \$60.00 where they were \$1,000. It so happens that by far the majority of residential properties on which Home-Owner Grants may be claimed (24,963), about 18,000 or 63% will have no increases in taxes for school purposes.

This is the first step in the Government's plan in removing school taxes from residential properties.

Burnaby School District is in a zero student growth position. In fact, it has been losing enrollment by a few hundred each year for the past five years.

This year, gross non-shareable costs have increased from 5.35 mills on a growth assessment in 1973 to 9.59 mills or 79% in 1974. This is allayed somewhat by a special Provincial grant equivalent to 2.25 mills. The result is a net mill rate of 35.55 mills as compared with 33.80 mills in 1973, a growth of 5%.

Furthermore, in his letter to Council of 24 April 1974, the Secretary-Treasurer of the Burnaby School District states:

"It will be noted that the Minister, within the provisions of Section 180(5) of the Act has arranged for a supplementary grant in the amount of \$392,080.00 to be paid to the district within the following terms of reference:

'The B.1 account of your Budget has been increased by \$392,080 and a similar amount has been applied as special aid so that there is no cost to your local taxpayers. This increase has been applied to provide for additional teachers in September to lower the pupil/teacher ratio and/or to improve the learning conditions in your District. It is contingent upon an amended Budget By-law, taking the increase into account, being passed by your Board. The pro-forma by-law is enclosed.'

It should be noted that this sum of money may be expended at no cost to the local taxpayers, although there is no indication as to how the subsequent impact in 1975 will be covered. I am confident, however, that this problem is under study by the Department. This sum transposed into an annual expenditure will increase the B.1 expenditure by slightly less than \$1,000,000.00."

This is in addition to the 2.25 mills already referred to.

What is happening is that the restraints on growth in school budgets have been removed from the Public Schools Act. The consequence has been that school budgets throughout the Province have grown enormously, so much so that the Minister of Education publicly protested. Nevertheless, the Government retained the base mill rate of 24.70 mills and has given to each school district, based on need, a special grant - in Burnaby's case, 2.25 mills. If it were not for this special grant, the school mill rate would have been 37.80 mills.

Eventually, it appears that school taxes will virtually be removed from owner occupied residences. However, if school expenditures continue to rise as rapidly as they have been in the past several years, it is quite likely that commerce and industry, and the occupiers of rental housing, will be faced with ever increasing tax bills. Commerce and industry will add to the inflationary spiral by passing on the increases to their customers. The Province has recognized the plight of the renter in small measure by granting, on application, an annual grant of \$30.00 and to senior citizens, \$80.00.

RECOMMENDATIONS

THAT Council give passage to Burnaby Budget Authorization By-law 1974, By-law No. 6484; and

THAT Council give passage to Burnaby Rating By-law 1974, By-law No. 6485.


MUNICIPAL TREASURER

BM:gw
Attach.

DISTRICT OF BURNABY
1974 ANNUAL BUDGET
GENERAL INFORMATION - TAXES - MILL RATE

	<u>1972</u>	<u>1973</u>	<u>1974</u>
<u>MUNICIPAL ASSESSMENTS</u>			
Taxable land	\$ 374,888,110	\$ 405,960,047	\$ 483,805,072
Taxable improvements (75% of assessment)	<u>437,647,491</u>	<u>475,596,295</u>	<u>560,131,983</u>
	<u>\$ 812,535,601</u>	<u>\$ 881,556,342</u>	<u>\$1,043,937,050</u>
<u>MUNICIPAL TAX LEVIES</u>			
General and debt	<u>\$ 12,522,782</u>	<u>\$ 14,196,096</u>	<u>\$ 15,782,662</u>
<u>MUNICIPAL MILL RATES</u>			
General and debt	<u>15.412</u>	<u>16.103</u>	<u>15.118</u>
<u>OTHER RATE SETTING PUBLIC BODIES</u>			
<u>ASSESSMENTS</u>			
Taxable land	\$ 168,232,355	\$ 179,166,480	\$ 209,996,418
Taxable improvements (75% of assessment)	240,497,188	256,562,750	293,831,174
School District No. 41	<u>408,729,543</u>	<u>435,729,230</u>	<u>503,827,592</u>
Deduct: B.C. Hydro assessments	<u>16,325,417</u>	<u>17,697,130</u>	<u>18,597,473</u>
Greater Vancouver Regional Hospital District, Greater Vancouver Regional District and Municipal Finance Authority	<u>\$ 392,404,126</u>	<u>\$ 418,032,100</u>	<u>\$ 485,230,119</u>
<u>TAX LEVIES</u>			
School District No. 41	<u>\$ 13,121,522</u>	<u>\$ 14,726,837</u>	<u>\$ 17,909,617</u>
Greater Vancouver Regional Hospital District	<u>\$ 329,619</u>	<u>\$ 334,425</u>	<u>\$ 339,652</u>
Greater Vancouver Regional District	<u>\$ 229,854</u>	<u>\$ 348,008</u>	<u>\$ 375,105</u>
Municipal Finance Authority	<u>\$ 5,886</u>	<u>\$ 6,270</u>	<u>\$ 8,491</u>
<u>MILL RATES</u>			
School District No. 41	<u>32.10</u>	<u>33.80</u>	<u>35.55</u>
Greater Vancouver Regional Hospital District	<u>.84</u>	<u>.80</u>	<u>.70</u>
Greater Vancouver Regional District	* <u>.586</u>	* <u>.832</u>	<u>.773</u>
Municipal Finance Authority	<u>.015</u>	<u>.015</u>	<u>.0175</u>

* The Greater Vancouver Regional District is levying a separate mill rate in 1974. Previous years' mill rates have been calculated for comparative purposes only.

ITEM 21
MANAGER'S REPORT NO. 33
COUNCIL MEETING APRIL 29/74

CONDENSED STATEMENT OF REVENUE AND EXPENDITURE

	<u>REVENUE</u>			
	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1974</u>
	<u>Actual</u>	<u>Actual</u>	<u>Provisional</u>	<u>Annual</u>
	\$	\$	\$	\$
General fund revenue - from current year	26,940,988	31,318,822	36,064,728	34,697,837
- from reserves	<u>1,131,854</u>	<u>1,205,994</u>	<u>1,322,397</u>	<u>1,439,611</u>
	28,072,842	32,524,816	37,387,125	36,137,448
Water rates placed on tax roll for collection	909,978	1,078,281	1,300,000	1,300,000
School levy	13,098,411	14,730,249	Not available	17,909,617
Previous year's school share federal grant	41,026	40,168	Not available	70,519
Regional Hospital District levy	329,305	334,488	Not available	339,662
Municipal Finance Authority levy	5,889	6,270	Not available	8,491
Greater Vancouver Regional District levy	<u>229,854</u>	<u>348,008</u>	<u>340,446</u>	<u>375,105</u>
	<u>42,687,305</u>	<u>49,062,280</u>	<u>39,027,571</u>	<u>56,140,842</u>
	<u>EXPENDITURE</u>			
General fund expenditures - own account	25,687,877	30,241,344	34,680,442	33,626,774
- transfer to Greater Vancouver Sewerage & Drainage District	799,007	1,125,875	1,610,000	1,413,639
- placed in reserve	<u>1,492,535</u>	<u>1,161,072</u>	<u>1,096,683</u>	<u>1,097,035</u>
	27,979,419	32,528,291	37,387,125	36,137,448
Transfer of water rates to utility	909,979	1,078,281	1,300,000	1,300,000
Transfer to School District No. 41	13,162,548	14,767,005	Not available	17,980,136
Transfer to Greater Vancouver Regional Hospital District	329,619	334,425	Not available	339,662
Transfer to Municipal Finance Authority	5,886	6,270	Not available	8,491
Transfer to Greater Vancouver Regional District	<u>299,854</u>	<u>348,008</u>	<u>340,446</u>	<u>375,105</u>
	<u>42,687,305</u>	<u>49,062,280</u>	<u>39,027,571</u>	<u>56,140,842</u>

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