

ITEM 01  
MANAGER'S REPORT NO. 25  
COUNCIL MEETING 86/04/14

RE: 1986 OPERATING BUDGET

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER 1986 April 10  
FROM: DIRECTOR FINANCE FILE: '86 Budget  
RE: 1986 ANNUAL OPERATING BUDGET

RECOMMENDATIONS:

1. THAT the Annual Operating Budget for 1986, with a municipal tax levy of \$52,396,048 be received and approved, and that a budget authorization by-law be brought forward for three readings on 1986 April 21; and
2. THAT a property tax rating by-law based on the variable tax rates shown in the 1986 Annual Operating Budget be brought forward for three readings on 1986 April 21; and
3. THAT a "Partners in Enterprise" program by-law that reflects a 50% rebate of municipal purpose tax on eligible properties be brought forward for three readings on 1986 April 21.

REPORT

Summary

The 1986 Annual Operating Budget is presented for the consideration of Council.

This report summarizes some important items in the 1986 budget such as the 1986 tax increase vs 1985, the Municipal Manager and the Management Committee's recommendation on variable tax rates and the effect on the median residence, the recommendation for rebate for the Partners in Enterprise program, and outstanding items. This report includes five attachments showing the composition of the 1986 assessment roll vs 1985, assessment tax load and tax relationship trends, the UBCM compilation of the 1985 tax ratios for all B.C. communities, and a median residence tax comparison.

1986 Tax Levy

On 1985 December 09, Council adopted the 1986 Provisional Operating Budget which called for a tax levy of \$52,654,860 or 7.0% greater than the 1985 Annual tax draw. At that time, there were several unknowns that could affect the tax levy. In the preparation of the annual budget, they have been resolved except for two major items:

- . The results of collective bargaining for 1986 are not known. Each 1% increase on salaries and wages requires about \$0.4 million.
- . The total assessment appeals outstanding for the years 1982 through 1986 would result in a municipal tax refund of about \$1.3 million. This budget reflects a provision of \$783,000, considered adequate for all appeals outstanding to the end of 1985. If more is needed, it will be budgetted for at a later date. The Municipal Manager and the Management Committee intend that any balance remaining from the 1986 provision be put into a general reserve at year-end and designated for appeals outstanding.

The 1986 Annual Operating Budget calls for a municipal tax levy of \$52,396,048 or 6.5% more than the 1985 annual level, but 0.5% less than the 1985 Provisional estimate. After allowance for new taxes of about \$1 million from new assessment growth for 1986, the estimated tax will be about 4.4% greater than that in 1985.

Assessment Base and Variable Tax Rates

The value of new taxes resulting from new construction added to the 1986 assessment roll is approximately \$1 million. As reported to Council in 1985 November, the new taxes are less than the \$1.5 million anticipated when the 1986 challenge was prepared, at which time the projected growth was based on the previous year's experience of nine months (due to a revision in the Assessment Authority's roll completion dates) projected for a full year.

The Municipal Manager and the Management Committee have set a future target to make industrial and business class property tax rates equal. They have reviewed the tax relationships by class and have prepared the budget to reflect a reduction in 1986 in tax load for the industrial properties from a ratio to residential (residential = 1.0) from 3.043 in 1985 to 2.5 in 1986. They have also adjusted the seasonal/recreational and farm classes to make them the same rate as residential, primarily an alignment for consistency. The effect of these changes for 1986 vs 1985 is to increase the tax rate for each class of property except for the industrial properties. A more detailed comparison of assessments, relationships and tax rates for 1986 vs 1985 is given in the budget overview.

As background material, attached are five schedules that provide trends and comparisons.

Schedule 01	1986 Assessments including new growth
Schedule 02	Assessment Trends 1982-1986
Schedule 03	Percentage Tax Load and Tax Rate Relationships 1982-1986
Schedule 04	1985 Tax Ratios for all B. C. communities
Schedule 05	Median Residence Tax Comparison

Median Residence Tax Comparison

As indicated earlier, after allowance for new taxes from new assessment growth for 1986, the 1986 estimated tax draw, in total, will be about 4.4% greater than in 1985. As for the median residence, if all tax rate relationships relative to the residential class of property were the same as in 1985, the increase in municipal tax in 1986 on the median residence would have been 4.6% because of the imbalance in 1986 assessment growth among property classes. However, as a result of the reduction in the industrial variable tax rates, the tax burden has shifted about 2% onto all other property classes and the resultant increase in the 1986 median residence municipal tax is 6.4%. Further details are shown in the budget overview and summary comments.

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B. C. "Partners in Enterprise" Program

The agreement for this program that was signed between Burnaby and the Province of B.C. obligates Burnaby to abate at least 50% of the municipal taxes on eligible new improvements in the industrial class (class 5) for the years 1986 through 1990. The Municipal Manager and the Management Committee have reviewed this program and are recommending that the 1986 rebate be 50%. In 1986 the eligible amount on Burnaby's assessment roll is \$463,800 for one property. This budget reflects a 50% rebate amounting to \$3,635 in taxes for that property. The agreement also allows for a voluntary reduction of municipal tax for vacant industrial buildings and licence fees payable for those items eligible under this program. The Municipal Manager and the Management Committee are recommending no voluntary abatement for eligible vacant buildings or for licence fees, and this budget reflects that recommendation.

The program will be reviewed annually as permitted by legislation.

Other Items

The Provincial Revenue Sharing grants were announced by the Province on 1986 April 04, too late to amend this budget. Burnaby's share, including the basic amount, is \$5,507,376 which is \$106,176 greater than the \$5,401,200 reflected in this budget. The variance is 0.22% of the 1985 annual tax draw and has the effect of increasing the operating contingency. The announced grant will be reflected in the 1986 Recast Operating Budget.

School tax rates, and other Provincial and local government body rates have not been received. When received, the pertinent pages will be amended and distributed to Council. The goals, objectives and organization charts will also be added at that time.

It is recommended:

1. THAT the Annual Operating Budget for 1986, with a municipal tax levy of \$52,396,048 be received and approved, and that a budget authorization by-law be brought forward for three readings on 1986 April 21; and
2. THAT a property tax rating by-law based on the variable tax rates shown in the 1986 Annual Operating Budget be brought forward for three readings on 1986 April 21; and
3. THAT a "Partners in Enterprise" program by-law that reflects a 50% rebate of municipal purpose tax on eligible properties be brought forward for three readings on 1986 April 21.

Attach.



Howard Karras  
DIRECTOR FINANCE

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BURNABY GENERAL MUNICIPAL PURPOSES ASSESSMENTS - 1986

1985 Authenticated Roll	Estimated 1986 Completed New Construction	Other Roll Changes	1986 Authenticated Roll
4,486,141,704	91,236,250	2,637,430	4,580,015,384
80,908,820	2,257,785	(2,158,000)	81,008,605
240,846,050	1,294,100	(4,286,950)	237,853,200
1,340,029,840	37,341,250	(2,393,300)	1,374,977,790
19,888,950	(9,520,550)(1)	77,000	10,445,400
814,033	(12,461)	5,750	807,322
6,168,629,397	122,596,374	(6,118,070)	6,285,107,701

Note (1) Decline reflects the Aga Khan Mosque becoming exempt for 1986.

GENERAL MUNICIPAL PURPOSES ASSESSMENT ROLL AND % BY CLASS, 1982 THROUGH 1986

	1982		1983		1984		1985		1986	
	Authenticated	%	Authenticated	%	Authenticated	%	Authenticated	%	Authenticated	%
Residential	4,847,904,980	74.22	3,962,781,994	71.91	4,030,812,398	71.84	4,486,141,704	72.73	4,580,015,384	72.87
Utilities	82,754,660	1.27	59,865,912	1.09	63,530,572	1.13	80,908,820	1.31	81,008,605	1.29
Industrial	295,856,700	4.53	266,430,802	4.83	242,411,807	4.32	240,846,050	3.91	237,853,200	3.78
Business	1,294,838,233	19.83	1,212,997,060	22.01	1,265,370,080	22.55	1,340,029,840	21.72	1,374,977,790	21.88
Recreational	9,214,650	.14	7,813,600	.14	7,840,600	.14	19,888,950	.32	10,445,400	.17
Farm	857,610	.01	837,162	.02	833,065	.02	814,033	.01	807,322	.01
TOTAL	6,531,426,833	100.00	5,510,726,530	100.00	5,610,798,522	100.00	6,168,629,397	100.00	6,285,107,701	100.00

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GENERAL MUNICIPAL PURPOSES - PERCENTAGE TAX LOAD AND TAX RATE RELATIONSHIPS BY CLASS  
 1982 THROUGH 1986

Class	Tax Rate Relationship by Class					Tax Load by Class (% of Total)				
	1982	1983	1984	1985	1986	1982	1983	1984	1985	1986
Residential	51.983	51.983	51.983	52.153	54.810	1.000	1.000	1.000	1.000	1.000
Utilities	3.106	3.106	3.955	3.507	3.390	3.500	3.955	3.400	3.393	3.500
Industrial	10.786	10.786	3.043	9.559	7.120	3.400	3.086	3.400	8.781	7.120
Business	34.017	34.017	2.108	34.538	34.550	2.450	2.138	2.450	33.842	34.550
Recreation	.099	.099	.966	.234	.120	1.000	.966	1.000	.230	.120
Farm	.009	.009	.820	.009	.010	1.000	.819	1.000	.008	.010
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Tax Rate Relationship by Class  
 Residential = 1.000

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MUNICIPAL RESIDENT UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM

CITIES RESIDENT UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM

TAX RATES 1985  
 TAX RATES IN \$ PER 1000 - 1985  
 TAX RATE RATIOS TO RESIDENTIAL

	1	2	3	4	5	6	7	8	9
ARMSTRONG	5.71000	22.50000	13.77000	5.71000	5.71000	5.71000	5.71000	5.71000	5.71000
CASTLEGAR	6.94940	20.84820	20.84820	13.89880	10.42400	3.00000	2.00000	2.00000	1.49999
COURTENAY	3.31210	11.59240	11.26120	8.11460	3.31210	3.31210	3.31210	3.31210	3.31210
CRANBROOK	9.56750	29.61930	26.00600	23.58650	8.78960	3.09582	0.00000	2.71816	2.46527
DAMSON CREEK	5.42100	16.53400	13.33900	5.42100	3.04999	0.00000	0.00000	2.46062	0.00000
DUNCAN	5.42100	16.53400	13.33900	5.42100	3.04999	0.00000	0.00000	2.46062	0.00000
ENDERBY	8.11060	23.33400	20.88320	17.27050	10.00000	8.11060	8.11060	2.57480	2.12937
FERNIE	8.11060	23.33400	20.88320	17.27050	10.00000	8.11060	8.11060	2.57480	2.12937
FORT ST JOHN	7.79000	23.10000	23.10000	9.30000	4.19000	2.96534	0.00000	2.96534	1.14384
GRAND FORKS	5.11240	16.58150	15.97430	12.12540	18.48080	7.80010	4.08870	3.24339	3.21377
GREENWOOD	7.36000	15.07000	14.84000	12.10000	9.02000	3.04755	0.00000	2.01630	1.64402
KAMLOOPS	12.60000	15.34000	13.39000	13.90000	5.00000	1.21746	0.00000	1.06270	1.10317
KELOWNA	5.92440	13.09290	10.30840	5.92440	2.92900	2.21000	0.00000	1.73999	1.73999
KIMBERLEY	10.35380	26.22040	10.35380	10.35380	10.67470	2.53000	1.00000	2.47000	3.25000
LANGLEY	7.45010	11.65900	10.29910	9.45120	4.39310	1.56374	0.00000	1.38241	1.38241
KERRITT	7.00000	21.00000	16.50000	7.34000	7.34000	3.00000	0.00000	2.35714	2.26571
MANAIMO	8.68210	23.32430	18.74430	16.47310	11.37900	2.68648	0.00000	1.89736	1.31063
MELSON	12.15020	16.88810	12.05120	17.40690	13.09330	1.38994	0.99185	1.43264	1.07762
NEW WESTMINSTER	8.27470	24.59430	10.00000	17.85660	10.00000	2.97223	1.20850	3.14500	2.15725
NORTH VANCOUVER	6.51090	11.38030	8.39340	8.39340	8.39340	1.74788	1.28913	1.85401	1.28913
PENTICTON	10.00000	10.00000	10.00000	10.00000	10.00000	1.00000	1.00000	1.00000	1.00000
PORT ALBERNI	10.67900	37.37650	28.29940	28.29940	10.67900	3.50000	0.00000	2.65000	2.65000
PORT COQUITLAM	8.74970	18.46920	12.24710	12.24710	9.47950	2.11084	0.00000	1.39972	1.39972
FORT MOODY	7.63790	27.92360	22.67630	17.32640	17.32640	3.65606	0.00000	2.96892	2.26848
PRINCE GEORGE URBAN	10.34306	10.34306	10.34306	10.34306	10.34306	1.00000	1.00000	1.00000	1.00000
FRANCE RUPERT	6.00000	24.66500	18.33000	15.63000	3.32800	4.11083	0.00000	3.95500	2.60500
QUEENSLAND	4.30000	15.71000	10.00000	10.00000	4.30000	3.65349	2.32558	3.28837	2.32558
REVELSTONE (OLD)	6.18690	23.65200	24.74750	15.15840	49.49500	3.82292	3.99998	3.39984	2.45008
REVELSTONE (NEW)	5.58690	21.55200	22.34750	18.99450	13.68840	3.85760	3.99998	3.39983	2.45009
ROSSLAND	3.07250	7.94410	6.51710	5.09530	2.08310	2.58471	0.00000	2.12042	1.65782
TRAIL	4.85710	18.75020	21.58180	15.91500	5.97200	3.86037	0.00000	4.44376	3.27665
VANCOUVER	4.85710	18.75020	21.58180	15.91500	5.97200	3.86037	0.00000	4.44376	3.27665
VERNON	5.33300	16.01700	20.35200	11.11800	41.70400	2.96996	3.77378	4.28630	2.06156
VICTORIA	7.32400	25.59000	15.82400	15.82400	7.32400	3.46923	0.00000	2.15762	2.15762
WHITE ROCK	7.65270	26.78430	18.60000	7.65270	7.65270	3.49998	0.00000	2.35211	0.00000
WILLIAMS LAKE	6.85500	19.21420	6.85500	9.16190	8.48500	2.35531	1.00000	1.33653	1.23778

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MUNICIPAL	TAX RATES									
	1	2	3	4	5	6	7	8	9	
ABBOTSFORD	5.92170	16.72970	18.30900	12.13640	5.92170	4.08030	2.82684	0.00000	3.09185	0.00000
BURNABY	5.89540	20.62370	17.93960	12.42740	5.69490	4.84630	3.49977	0.00000	3.04298	2.10798
CAMPBELL RIVER	4.97740	16.44500	16.36910	11.71470	4.70050	4.70050	3.30393	0.00000	3.28868	2.35358
CENTRAL SANICHO	3.84000	13.80000	15.36000	12.73000	6.74000	3.48000	3.59375	4.00000	3.31510	1.75521
CHILLIWACK	6.57920	21.81390	10.19180	13.69530	10.00000	5.56800	3.31599	0.00000	1.54969	2.08161
COLLINGSWOOD	2.30100	4.23900	4.23900	4.23900	2.30100	2.30100	1.84224	0.00000	1.84224	1.84224
COQUITLAM	5.13000	16.00000	6.25000	16.00000	13.51000	6.25000	3.11891	1.21832	3.11891	1.21832
DELTA	6.35330	21.15650	13.15140	11.75370	3.04960	6.67100	3.33000	0.00000	2.07061	1.85001
ELFRORD	5.75470	20.14150	21.33000	14.09900	10.00000	5.75470	3.50001	0.00000	3.70654	2.45000
ESQUIMALT	6.57875	22.93668	26.31500	22.28157	15.82769	52.63000	3.48648	4.00000	3.38690	2.40588
HOUSTON	7.07020	25.06090	10.00000	16.86000	10.00000	7.62820	3.54458	1.41439	3.22521	2.38466
HUDSON'S HOPE	INVERSE									
KENT	5.71600	18.00540	10.00300	12.97530	7.71660	10.00300	3.15000	1.75000	2.27000	1.35000
KITIMATI	6.00000	18.01000	6.00000	18.01000	12.00000	6.00000	3.00167	1.00000	3.00167	2.00000
LAMBLEY	5.41559	14.96258	21.66235	16.78840	43.32470	5.41559	2.76287	4.60000	3.10001	2.39724
LODGE LAKE	7.11800	24.91300	24.20000	14.23600	7.11800		3.50000	0.00000	3.39983	2.00000
MAPLE RIDGE	7.41000	21.20000	29.40000	17.69000	7.41000	7.57000	2.86100	3.96761	3.45479	2.38731
MATISSE	7.21827	16.84263	19.24872	10.00000	12.03045	38.49744	2.33333	2.66667	1.38537	1.66667
METCHOSIN	6.45800	24.11100	12.30100	18.62500	12.30100	8.91900	2.80002	1.42852	2.91546	2.16293
MISSION	8.61100	24.11100	12.30100	18.62500	12.30100	8.91900	2.80002	1.42852	2.91546	2.16293
NEW HAZELTON	3.64370	13.45290	13.06850	9.41700	2.72000	3.84370	3.02206	0.00000	4.36029	3.02941
NORTH COMICHAM	2.72000	8.22000	11.86000	8.24000	18.12000	2.72000	2.66631	0.00000	2.66631	0.00000
NORTH SANICHO	1.87000	4.98600	4.98600	4.98600	1.87000	1.87000	2.66631	0.00000	2.66631	0.00000
NORTH VANCOUVER	5.84150	11.69290	11.21040	8.31480	5.84150		2.00169	0.00000	1.91910	1.42340
OK BAY	7.53400		7.53400		7.53400		0.00000	0.00000	0.00000	0.00000
PEACHLAND	5.28400	14.69000	15.65100	12.07400	5.70200	3.68500	2.78009	0.00000	2.96196	2.28501
PITTI MEADOWS	5.96000	20.05000	20.44000	13.69000	11.69000	6.04000	3.36409	0.00000	3.42953	2.28188
FORT HARDY	5.96000	20.05000	20.44000	13.69000	11.69000	6.04000	3.36409	0.00000	3.42953	2.28188
FOVELL RIVER	8.31460	24.94380	24.94380	16.62920	12.47190	8.31460	3.00000	0.00000	3.00000	2.00000
KICHNO	4.60570	15.28350	12.26740	9.75360	3.83630	3.94800	3.31839	0.00000	2.66353	2.11772
SANICHO	6.63200	47.29000	25.52800	22.30700	14.79200	53.05600	7.13058	3.84922	3.36354	2.25040
SALMON ARM	4.99440	17.48040	16.98080	12.23630	4.99440	4.99440	3.50000	0.00000	3.39997	2.45000
SPALLUMCHEEN	8.26630	16.59740	15.00000	17.90580	14.77210	10.00000	2.00784	1.81460	2.16612	1.78703
SQUAMISH	8.39450	8.39450	8.39450	8.39450	8.39450	8.39450	1.00000	1.00000	1.00000	1.00000
STEWART	8.39450	8.39450	8.39450	8.39450	8.39450	8.39450	1.00000	1.00000	1.00000	1.00000
SUMNER	4.14000	13.30000	9.40000	9.40000	4.14000	4.14000	3.21256	0.00000	2.27053	2.27053
TERACE	9.08000	44.61700	31.71500	22.85300	9.32800	9.32800	4.91377	0.00000	3.49284	2.51885
TOPINO	9.08000	44.61700	31.71500	22.85300	9.32800	9.32800	4.91377	0.00000	3.49284	2.51885
VANDERHOOF	6.26100	9.45800	9.51400	9.28200	8.23700		1.51062	0.00000	1.51957	1.48251
WEST VANCOUVER	6.26100	9.45800	9.51400	9.28200	8.23700		1.51062	0.00000	1.51957	1.48251

TAX RATES IN \$ PER 1000 - 1985

TAX RATES TO RESIDENTIAL

RESIDENT UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 9  
 UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 8  
 UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 7  
 UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 6  
 UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 5  
 UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 4  
 UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 3  
 UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 2  
 UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECREAT FARM 1



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MUNICIPAL TAX RATES 1985	1	2	3	5	6	7	8	9
RESIDENT UTILITIES FOREST INDUSTRY BUSINESS TREE FARM RECEIPT FARM	7.36176	19.50470	14.94815	17.45356	14.42489	16.92395	8.04037	6.18443
AVERAGE CITIES	5.98506	18.12651	15.80481	16.15935	12.04201	19.60188	6.00135	5.34678
AVERAGE DISTRICTS	5.29971	12.85264	0.00000	12.49348	10.33059	50.00000	5.70304	6.19295
AVERAGE TOWNS	5.16368	13.23882	11.65609	13.29119	9.94524	18.33799	5.67496	6.07905
AVERAGE VILLAGES	6.06339	16.54845	13.63456	15.38809	11.92346	19.01557	6.51844	5.86088
AVERAGE MUNICIPAL								

TAX RATES IN \$ PER 1000 - 1985

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Schedule 05

EFFECT OF MUNICIPAL TAXES AND SERVICE CHARGES ON MEDIAN SINGLE FAMILY RESIDENCE

	1985	1986	% Increase
Assessed value	\$99,700	\$99,700	-
Tax levy - municipal	587.77	625.10	6.4
Sewer parcel	83.30	87.50	5.0
Water - flat rate	42.00	44.10	5.0
TOTAL	713.07	756.70	6.1