

ITEM 3
MANAGER'S REPORT NO. 28
COUNCIL MEETING 87/04/21

RE: 1987 ANNUAL OPERATING BUDGET

MUNICIPAL MANAGER'S RECOMMENDATION:

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

* * * * *

TO: MUNICIPAL MANAGER

1987 April 16

FROM: DIRECTOR FINANCE

File: 87 Budg.

RE: 1987 ANNUAL OPERATING BUDGET

RECOMMENDATIONS

1. THAT the Annual Operating Budget for 1987, with a municipal tax levy of \$56,141,619 be received and approved, and that a budget authorization by-law be brought forward for three readings on 1987 April 27; and
2. THAT a property tax rating by-law based on the variable tax rates shown in the 1987 Annual Operating Budget be brought forward for three readings on 1987 April 27.

REPORT

The 1987 Annual Operating Budget is formally presented for the consideration of Council.

1987 TAX LEVY AND EFFECT ON MEDIAN HOME

The 1987 Annual Operating Budget calls for a municipal tax levy of \$56,141,619, which is \$3,745,571 or 7.1% more than the 1986 annual tax levy. However, the proposed 1987 levy is \$2,204,947 or 4.1% more than the 1986 annual tax levy after allowance for new taxes from new construction.

The 1987 annual tax on the median home at \$653, is \$28 or 4.4% greater than in 1986. Some 0.3% of the 4.4% increase in tax draw is because the median home assessment has increased in value by 0.3%.

New construction on the 1987 assessment roll amounted to \$152,000,000, which will generate about \$1,500,000 in new municipal taxes in 1987.

ASSESSMENT BASE AND VARIABLE TAX RATES

This budget has been prepared to reflect the same tax relationship by property class in 1987 as in 1986.

The table below summarizes the assessment roll and tax levy data for 1987.

Class	1987 Authenticated Roll \$	% of Assess- ments	Municipal Purposes Tax Levy \$	% Tax Load By Class	Tax Rate (\$ per \$1000 of Assm't)	Relation- ship Res = 1.0
Residential	4,687,458,110	72.54	30,590,850	54.49	6.5261	1.0
Utilities	78,871,202	1.22	1,801,529	3.21	22.8414	3.5
Industrial	221,234,050	3.42	3,609,500	6.43	16.3153	2.5
Business/ Other	1,464,901,800	22.67	20,076,333	35.76	13.7049	2.1
Seasonal/ Recreational	8,862,850	0.14	57,840	0.10	6.5261	1.0
Farm	853,098	0.01	5,567	0.01	6.5261	1.0
	6,462,181,110	100.00	56,141,619	100.00	8.6877 (weighted average)	

The comparison for 1986 is shown below:

Class	1987 Authenticated Roll \$	% of Assess- ments	Municipal Purposes Tax Levy \$	% Tax Load By Class	Tax Rate (\$ per \$1000 of Assm't)	Relation- ship Res = 1.0
Residential	4,580,015,384	72.87	28,715,811	54.805	6.2698	1.0
Utilities	81,008,605	1.29	1,777,678	3.393	21.9443	3.5
Industrial	237,853,200	3.78	3,728,233	7.115	15.6745	2.5
Business/ Other	1,374,977,790	21.88	18,103,773	34.552	13.1666	2.1
Seasonal/ Recreational	10,445,400	0.17	65,491	0.125	6.2698	1.0
Farm	807,322	0.01	5,062	0.010	6.2698	1.0
	6,285,107,701	100.00	52,396,048	100.000	8.3365 (weighted average)	

The 1987 tax relationship by property class shown above was used to determine the effect on the median single family residence.

B.C. PARTNERS IN ENTERPRISE PROGRAM

As permitted by the agreement signed under this program, Council adopted By-law No. 8557 on 1986 April 28 which indicated a 50% rebate of municipal taxes on eligible industrial improvements for each year of the period 1986 through 1990. No change is proposed for the 1987 budget, which has a rebate allowance of \$48,217 for five eligible properties.

ITEM 3
MANAGER'S REPORT NO. 28
COUNCIL MEETING 87/04/21

- 3 -

OTHER ITEMS

The budget incorporates goals, objectives and performance measures, the organization charts, and the usual Provincial format.

The Provincial Revenue Sharing grant is now expected to be \$5,694,177, some \$332,782 more than in 1986, and also \$172,177 more than estimated at provisional time.

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.

It is recommended that the Annual Operating Budget for 1987, with a municipal tax levy of \$56,141,619 be received and approved, and that a budget authorization by-law be brought forward for three readings on 1987 April 27.

It is also recommended that a property tax rating by-law based on the variable tax rates shown in the 1987 Annual Operating Budget be brought forward for three readings on 1987 April 27.



Howard Karras
DIRECTOR FINANCE

TG:gw

